Cornell University
ILR School

Cornell University ILR School
DigitalCommons@ILR

Federal Publications

Key Workplace Documents

2002

Trade and Employment Effects of the Andean Trade Preference Act - 2001

Robert C. Shelburne Ph.D.
Bureau of International Labor Affairs

Follow this and additional works at: http://digitalcommons.ilr.cornell.edu/key_workplace
Thank you for downloading an article from DigitalCommons@ILR.
Support this valuable resource today!

This Article is brought to you for free and open access by the Key Workplace Documents at DigitalCommons@ILR. It has been accepted for inclusion in Federal Publications by an authorized administrator of DigitalCommons@ILR. For more information, please contact hlmdigital@cornell.edu.

Trade and Employment Effects of the Andean Trade Preference Act - 2001

Abstract
[Excerpt] During 2001, $1.7 billion in U.S. imports from the four Andean Trade Preference Act (ATPA) beneficiary countries entered the United States duty-free under provisions in the ATPA; however, a significant portion of these duty-free entries (36 percent or $589 million) probably would have qualified for duty-free entry under other existing U.S. trade preference programs such as the Generalized System of Preferences. Thus, approximately 64 percent ($1.1 billion) of these duty-free entries represent the unique benefits of the ATPA to the ATPA-beneficiary nations. These unique ATPA benefits represented 11.1 percent of total U.S. imports from the ATPA beneficiary nations and 0.1 percent of total U.S. imports from all nations in 2001. Over 94 percent of the items eligible for ATPA duty-free treatment actually entered duty-free.

The main finding of this report is: Preferential tariff treatment under the ATPA does not appear to have had an adverse impact on, or have constituted a significant threat to, U.S. employment. While declines in production and possibly employment in some sectors of the cut flower industry (standard carnations, standard and pompon chrysanthemums, and roses) may have been affected to some extent by the tariff preferences granted under the ATPA program, other factors may also have contributed to these production and employment declines.

Keywords
Andean Trade Preference Act, ATPA, U.S. employment, imports

Comments

Suggested Citation
Shelburne, R. C. (2002). *Trade and employment effects of the Andean Trade Preference Act - 2001*. Washington, D.C.: U.S. Department of Labor, Bureau of International Labor Affairs.

This article is available at DigitalCommons@ILR: http://digitalcommons.ilr.cornell.edu/key_workplace/1899

Trade and Employment Effects of the Andean Trade Preference Act

Economic Discussion Paper 60
by Robert C. Shelburne, Ph.D.

U.S. Department of Labor
Elaine L. Chao, Secretary

Bureau of International Labor Affairs

2002

Section 207 of the Andean Trade Preference Act (P.L.102-182, Title II) states:

"The Secretary of Labor, in consultation with other appropriate Federal agencies, shall undertake a continuing review and analysis of the impact which the implementation of the provisions of this title have with respect to United States labor; and shall make an annual written report to Congress on the results of such review and analysis."

The ninth such annual report pursuant to Section 207 was transmitted to the Congress in 2002. This paper contains the Congressional report and some additional background information upon which the report is based.

Copies of this report, as well as earlier reports, are available from the Department Labor's website www.dol.gov or by calling 202-693-4914 or from the National Technical Information Service (NTIS), U.S. Department of Commerce, 5285 Port Royal Road, Springfield, Virginia 22161, telephone number (703) 487-4690.

TRADE AND EMPLOYMENT EFFECTS OF THE ANDEAN TRADE PREFERENCE ACT

Ninth Annual Report to the Congress
Pursuant to Section 207 of the
Andean Trade Preference Act

Submitted by
The U.S. Department of Labor
Bureau of International Labor Affairs

2002

Table of Contents

Page

Executive Summary i

Introduction ... 1

U.S. Trade with the ATPA Beneficiary Countries ... 2

U.S. Imports under the ATPA and Other Special Tariff Rate Provisions and Trade Preference Programs ... 3

U.S. Trade Preferences Uniquely Provided by the ATPA ... 7

U.S. Employment and Trade with the Andean Nations ... 8

The U.S. Employment Situation in 2001 ... 9

U.S. Import and Domestic Employment Trends in Selected Industrial Sectors Receiving Significant Benefits Provided under the ATPA in 2001 ... 9

Vegetables and melons ... 9
Prepared fruits and vegetables ... 10
Sugar and confectionery products ... 11
Cigarettes ... 11
Paints, varnishes, and lacquers ... 12

Update on Industries with Significant ATPA Duty-Free Imports Identified in Previous Reports:

Cut flowers ... 12

Conclusions ... 15

Background Information: Tables and Appendixes ... 18
(This background information was not submitted as part of the Congressional Report)

Executive Summary

During 2001, $1.7 billion in U.S. imports from the four Andean Trade Preference Act (ATPA) beneficiary countries entered the United States duty-free under provisions in the ATPA; however, a significant portion of these duty-free entries (36 percent or $589 million) probably would have qualified for duty-free entry under other existing U.S. trade preference programs such as the Generalized System of Preferences. Thus, approximately 64 percent ($1.1 billion) of these duty-free entries represent the unique benefits of the ATPA to the ATPA-beneficiary nations. These unique ATPA benefits represented 11.1 percent of total U.S. imports from the ATPA beneficiary nations and 0.1 percent of total U.S. imports from all nations in 2001. Over 94 percent of the items eligible for ATPA duty-free treatment actually entered duty-free.

The main finding of this report is: Preferential tariff treatment under the ATPA does not appear to have had an adverse impact on, or have constituted a significant threat to, U.S. employment. While declines in production and possibly employment in some sectors of the cut flower industry (standard carnations, standard and pompon chrysanthemums, and roses) may have been affected to some extent by the tariff preferences granted under the ATPA program, other factors may also have contributed to these production and employment declines.

Introduction

The Andean Trade Preference Act (ATPA), which was enacted on December 4, 1991 (Public Law 102-182, title II), contains the trade component of the President's Andean Initiative that was launched in 1991 to expand private sector opportunities and investment in nontraditional sectors of the Andean countries as an alternative to production of illegal drugs and to help them to diversify their economies and expand their exports. The ATPA authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. The President proclaimed duty-free treatment of certain eligible articles for Bolivia and Colombia on July 2, 1992, for Ecuador on April 13, 1993, and for Peru on August 11, 1993. ATPA preferential duty treatment expired on December 4, 2001, but was renewed (until December 31, 2006) in the Trade Act of 2002 and made retroactive back to the expiration date.

Section 207 of the ATPA requires the Secretary of Labor, in consultation with other appropriate federal agencies, to undertake a continuing review and analysis of the impact of the implementation of the ATPA on U.S. labor. The legislation also directs the Secretary to submit an annual report to the Congress presenting a summary of the results of the review and analysis. This report is the ninth in a series of annual reports to the Congress pursuant to Section 207 of the ATPA. It presents a summary of the analysis of the impact of duty-free treatment of certain U.S. imports from beneficiary Andean nations under the ATPA on U.S. trade and employment during calendar 2001.

First, this report reviews trends in U.S. trade with the four ATPA beneficiary nations and identifies the leading items in U.S. trade (imports and exports) with those nations. Next, U.S. imports from the ATPA beneficiary nations are examined with regard to the various U.S. trade preference programs (e.g., the ATPA; the Generalized System of Preferences (GSP), a U.S. program initiated in 1975 that provides for duty-free treatment of approximately 4,650 tariff items from over 140 designated beneficiary developing countries and territories; and a U.S. Harmonized Tariff Schedule (HTS) provision for the duty-free entry of U.S. components and materials incorporated in offshore assembly of items imported into the United States--HTS 9802.00.80). The report then attempts to identify U.S. trade preferences which are uniquely available to the beneficiary countries under the ATPA. Finally, domestic employment trends are reviewed for those domestic industries that produce goods like or similar to those of U.S. imports from the ATPA beneficiaries which have experienced significant growth and established significant U.S. market share as the result of ATPA benefits. The report closes with some general conclusions on the impact of the ATPA on U.S. employment.

U.S. import (customs value of imports for consumption) and export (f.a.s. value of domestic exports) data used in this report are based upon compilations of official statistics from the U.S. Department of Commerce, Bureau of the Census; U.S. nonfarm employment data (annual averages of monthly establishment employment) are tabulated from establishment payroll employment survey data from the U.S. Department of Labor, Bureau of Labor Statistics. More detailed tabulations of U.S. trade with the ATPA beneficiary nations are available in more comprehensive annual reports (for this year as well as for prior years) which are prepared by the

U.S. Department of Labor and are available from the Department's Bureau of International Labor Affairs, Office of International Economic Affairs, 200 Constitution Avenue, N.W., Room S-5317, Washington, DC 20210 (telephone: 202-693-4914), or the Bureau's web site (www.dol.gov/ilab), or the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 (telephone: 703-487-4690).

U.S. Trade with the ATPA Beneficiary Countries

U.S. imports from the four ATPA beneficiary nations in 2001 accounted for 0.8 percent of total U.S. merchandise imports from all countries and amounted to $9.6 billion, a 13.9 percent decrease over their level in 2000 (U.S. imports from all sources decreased by 6.0 percent). U.S. exports to the ATPA beneficiaries in 2001 accounted for 1.0 percent of all U.S. merchandise exports to the world and amounted to $6.4 billion, a 1.1 percent increase over their level in 2000.

On a bilateral basis, the U.S. merchandise trade deficit with the ATPA beneficiary nations decreased from $4.8 billion in 2000 to $3.2 billion in 2001. Despite the increase in U.S. exports to the ATPA beneficiaries during 2001, these exports are still below their level in 1994 – the first full year in which all four of the ATPA countries were designated beneficiaries. In nominal (current dollar) terms, U.S. exports to the ATPA beneficiaries in 2001 were 67.5 percent above their 1991 level, while U.S. imports from the ATPA beneficiaries in 2001 were 92.5 percent above their 1991 level.

By broad industrial division, 18 percent of U.S. imports from the ATPA beneficiaries in 2001 were agricultural and fishery products, 43 percent were crude and refined petroleum and minerals, 34 percent were manufactures, and 5 percent were miscellaneous items. During 2001, U.S. imports of crude and refined petroleum products from the ATPA beneficiary countries decreased by 23.7 percent (following a 36.1 percent increase in 2000), while U.S. imports of non-petroleum products from the ATPA beneficiary nations declined by 6.4 percent from their 2000 level of $6.3 billion.

Leading industrial categories of U.S. imports from the ATPA beneficiary nations in 2001 included: crude petroleum ($1,853million); refined petroleum products ($1,848 million); agricultural products ($1,364 million); primary metal products ($856 million); apparel ($773 million); chemicals ($458 million); fishery products ($373 million); food products ($359 million); coal ($330 million); and miscellaneous commodities ($308 million). These top-ten categories, based on the 2-digit Standard Industrial Classification system, accounted for 89.1 percent of all U.S. imports from the ATPA beneficiaries in 2001.

Leading industrial categories of U.S. exports to the ATPA beneficiary nations in 2001 included: nonelectrical machinery ($1,669 million); chemicals ($1,242 million); electrical machinery ($621 million); agricultural products ($503 million); transportation equipment ($343 million); scientific and professional instruments ($263 million); paper products ($254 million); food products ($263 million); miscellaneous manufactures, not specifically provided for ($184 million); and primary metals ($181 million). These top-ten categories, based on the 2-digit

Standard Industrial Classification system, accounted for 86.8 percent of all U.S. exports to the ATPA beneficiaries in 2001.

Several of the leading categories of U.S. exports to the Andean region are also among the leading import categories, indicating a moderate two-way flow of trade. In part, this results from the trade under provision 9802.00.80 in the harmonized tariff schedule (HTS)--formerly item 807.00 in the Tariff Schedules of the United States--that assesses U.S. import duties only on the foreign value-added in offshore assembly or further processing of U.S.-made components which are then imported into the United States. In 2001, 3.4 percent of the total value of all U.S. imports subject to duty from the ATPA beneficiary nations entered the United States under this provision.

U.S. Imports under the ATPA and Other Special Tariff Rate Provisions and Trade Preference Programs

Products specifically excluded from ATPA duty-free treatment include most textile and apparel items; certain footwear; canned tuna; petroleum and petroleum products; certain sugar, syrup, and molasses products; rum and tafia; and certain watches and watch parts. Beginning in 1992, reduced rates of duty were applied to handbags, luggage, flat goods, work gloves, and leather wearing apparel from the ATPA beneficiaries; duties on these items were reduced by a maximum of 20 percent over the following five-year period. U.S. imports of ATPA-beneficiary non-petroleum products subject to duty and excluded from ATPA (primarily wearing apparel) have increased at an average annual rate of 10.0 percent over the 1991-2001 period.

To be eligible for duty-free treatment under the ATPA, all products unless specifically excluded must meet one of these conditions: (1) be wholly grown, produced, or manufactured in an ATPA-beneficiary country; or (2) have at least 35 percent of the direct processing costs and materials produced in any one or more of the ATPA beneficiaries, any of the 24 Caribbean Basin Economic Recovery Act (CBERA) beneficiaries,[1] Puerto Rico, or the U.S. Virgin Islands--inputs from the United States (up to 15 percent of the value) are allowed to account for a portion of the 35 percent content rule. In addition, the articles must be exported directly to the customs territory of the United States.

[1] The CBERA is a U.S. trade initiative similar to the ATPA that was implemented in 1984 and directed toward countries and dependent territories in Central America and the Caribbean as part of a broader Caribbean Basin Initiative (CBI). The 24 CBERA beneficiaries are: Antigua and Barbuda; Aruba; the Bahamas; Barbados; Belize; the British Virgin Islands; Costa Rica; Dominica; the Dominican Republic; El Salvador; Grenada; Guatemala; Guyana; Haiti; Honduras; Jamaica; Montserrat; the Netherlands Antilles; Nicaragua; Panama; St. Kitts-Nevis; St. Lucia; St. Vincent and the Grenadines; and Trinidad and Tobago. Anguilla, the Cayman Islands, Suriname, and the Turks and Caicos Islands are potentially eligible for CBERA benefits, but they have not been designated so by the United States although Suriname has requested designation.

All of the ATPA beneficiaries are also eligible for the tariff preferences provided by the GSP. The ATPA differs from the GSP program in three significant ways: 1) the number of items eligible for the duty-free entry is greater under the ATPA, 2) the percentage of value-added that must be produced in the exporting country is lower under the ATPA, and 3) there are no dollar limits in the amount of an item that can enter duty-free from a beneficiary country under the ATPA program, while there are limits (referred to as competitive need limits) under the GSP program.

The official trade statistics of the U.S. Department of Commerce do not fully reflect the actual amount of imports receiving duty-free treatment under the GSP and ATPA programs during 2001. The GSP program expired on September 30, 2001 and the ATPA program expired on December 4, 2001;[2] although both of these programs were re-authorized in the Trade Act of 2002 and made retroactive back to their expiration dates, monthly U.S. import statistics only reflect the duty treatment that an importer requested upon entry into the United States and not the final duty treatment that the item may have ultimately received.[3] Thus items that were entered after December 4, 2001 and were eligible for, and ultimately received ATPA duty-free treatment, are generally not reported in the official trade statistics as receiving duty-free treatment. As such, the reported values of items receiving ATPA and (to a lesser extent) GSP duty-free treatment during 2001discussed in this report undercount the actual values. The fact that these programs had expired probably did not significantly reduce imports of items eligible for duty-free entry because there was a strong expectation that these programs would be renewed retroactively as has happened several previous times with the GSP program.

In 2001, over $3.8 billion (or 40 percent) of the $9.6 billion in total U.S. imports from the ATPA beneficiary countries was imported normal trade relations (NTR) duty-free.[4] Of the remaining $5.8 billion which was not NTR duty-free (henceforth, referred to as imports subject to duty), U.S. import duties were assessed on $3.8 billion, while almost $2.0 billion entered duty-free under one of several special U.S. tariff preference programs.

Of the $2.0 billion in U.S. imports subject to duty from the ATPA beneficiaries that entered duty-free under one of the special U.S. tariff preference programs (i.e., not NTR duty-free) in 2001, $1,652 million entered duty-free under the ATPA provision, $184 million entered duty-

[2]When a trade preference program expires, importers are required to pay the required duty; if the program is re-authorized and made retroactive, importers can request that those duties be refunded.

[3]Since there are administrative costs (filings forms, etc.) for requesting duty-free entry under these programs, importers often wait until the programs are re-authorized and made retroactive before they submit the required forms. If the corrections are available before June of the following year, they are reported in an addendum to that year's trade statistics, but since the Trade Act of 2002 was not passed until August of 2002,no corrections were provided for the 2001 trade statistics.

[4]Almost all nations, except several communist nations, are eligible for NTR rates of duty; for some products the duty rate is free and imports of these products enter NTR duty-free (this was formerly known as most-favored-nation (MFN) duty-free).

free under the GSP provision, $92 million (U.S.-content value) entered duty-free under the 9802.00.80 provision, and $29 million entered duty-free under other special rate provisions (mostly temporary Chapter 99 rate provisions).[5]

Imports entering ATPA duty-free declined by 15.5 percent during 2001. Some of this decline was due to the failure of official statistics to accurately reflect the duty treatment of some imports that entered after December 4, 2001 and may have been granted ATPA duty-free treatment retroactively. ATPA duty-free imports during the first three quarters of 2001 (January-September) declined by 10.3 percent compared to ATPA duty-free imports during the first three quarters of 2000. In contrast, GSP duty-free entries increased by 26.6 percent on a yearly basis, while on a third quarter to third quarter basis the increase was 31.8 percent. U.S. customs procedures make it administratively easier for importers to obtain a retroactive duty rebate for a qualifying item under the GSP program than under the ATPA program. As a result, some items which qualified for both GSP and ATPA duty-free entry that had historically entered duty free under the ATPA program were probably entered under the GSP program after December 4, 2001 with the expectation of a more timely rebate when the GSP program was renewed. It is partially for this reason that GSP duty-free imports increased during 2001 even though total ATPA duty-free imports declined during 2001.

Nearly all products eligible for GSP duty-free entry are also eligible for duty-free entry under the ATPA. For products that were already eligible for GSP treatment when the ATPA came into effect in 1992, the ATPA beneficiaries have increased their utilization of available U.S. tariff preferences (i.e., the percentage of eligible products that actually entered duty-free under either GSP or ATPA has risen moderately). In 1991, 75 percent of the value of items eligible for both GSP and ATPA (had the latter been in effect) entered duty-free under GSP; in 1992, 83 percent of the value of items eligible for both GSP and ATPA entered duty-free (9 percent under ATPA and 74 percent under GSP); and by 2000, 99 percent of the value of these items entered duty-free (91 percent under ATPA and 8 percent under GSP). During 2001, the reported utilization rate declined to 95 percent (84 percent under ATPA and 12 under the GSP) but this decrease was probably due to the inability to properly account for ATPA and GSP duty-free entries which were eventually allowed retroactively. For products eligible for ATPA, but not GSP, utilization has increased much more substantially from 29 percent in 1992 to 99 percent in 2000; however, utilization declined to 91 percent in 2001 due to these previously mentioned reporting problems. Thus, almost all items which were eligible for duty-free treatment under either the ATPA or the GSP were actually imported duty free during 2000, and probably were in fact imported duty free in 2001 although the reported statistics suggest a lower utilization rate.

The share of U.S. imports subject to duty from the ATPA beneficiaries that is eligible for duty-free treatment under the ATPA has increased from 28 percent in 1992 to 34 percent in 2001; most of the items eligible for ATPA duty-free treatment were already eligible for GSP

[5]Chapter 99 provisions are temporary tariff reductions that are often available to only certain specified countries and often only cover a subset of the products in an eight-digit tariff line item.

duty-free treatment (items eligible for the ATPA but not the GSP accounted for only 3 percent of imports subject to duty in 1992 and 6 percent in 2001). U.S. imports from the ATPA beneficiaries of items eligible for duty-free treatment only under the ATPA have increased at an average annual rate of 13.4 percent since 1991.

Leading industrial categories of ATPA duty-free U.S. imports (some of which would have been eligible for GSP duty-free entry) in 2001 included: primary nonferrous metal products ($430 million); horticultural specialties ($383 million); paints and varnishes ($195 million); jewelry and silverware ($149 million); vegetables and melons ($59 million); prepared fruits and vegetables ($50 million); sugar and confectionery products ($47 million); nonferrous metals ($35 million); secondary smelting and refined nonferrous metal products ($35 million); and miscellaneous plastic products ($34 million). These top-ten categories, based on the 3-digit Standard Industrial Classification system, accounted for 85.6 percent of total ATPA duty-free U.S. imports in 2001.

Assembly of U.S.-made parts or materials by the ATPA beneficiaries (primarily into products ineligible for ATPA duty-free entry or into ATPA-eligible products that did not meet ATPA or GSP rules-of-origin requirements) decreased in 2001 (as it has every year since 1997) to a level below its level in 1991. The value of U.S. imports from the ATPA-beneficiary nations of assembled items entered under HTS item 9802.00.80 peaked at $280 million in 1995, but fell to $195 million (or 3.5 percent of all U.S. imports subject to duty from the ATPA beneficiaries) in 2001. U.S. components comprised 47.3 percent of the value of these items in 2001. The U.S. tariff provision covering the assembly of articles made from U.S.-made parts and materials is available for U.S. imports from any country.

Assembled apparel items ($185 million with 47 percent U.S.-content value) accounted for almost 95 percent of the value of U.S. imports from ATPA beneficiaries under HTS item 9802.00.80 in 2001; the other industrial group with appreciable amounts was textile mill products ($10 million with 54 percent U.S.-content value).

In addition to receiving ATPA benefits, the ATPA beneficiary countries are eligible for reduced duties on certain leather products (including handbags, luggage, work gloves, and leather wearing apparel, but not footwear). In 2001, the United States imported $25.1 million of these eligible leather products from the ATPA beneficiaries, $22.4 million of which was assessed the lower duties, one thousand dollars was U.S. content entered under 9802, and the balance ($2.7 million) was subject to full duty. The value of leather products imports from the ATPA beneficiaries eligible for reduced duties in 2001 was below its level in 1991, the year before the reduced duties program began.

The ATPA beneficiary countries have been eligible for a Special Access Program (SAP) for textile and apparel products since August 24, 1995. The SAP is a quota preference program similar to that under the Caribbean Basin Economic Recovery Act of 1982 in which CBERA countries are provided additional access to the U.S. market in the form of guaranteed access levels (GALs) for products assembled from U.S. formed and cut fabric. During 2001, less than

two thousand dollars of ATPA beneficiary country exports entered the United States under this program.

U.S. Trade Preferences Uniquely Provided by the ATPA

The ATPA provided the beneficiary nations unique duty-free treatment of their exports to the United States in 2001 in the following cases: products eligible for ATPA duty-free entry, but not eligible for duty-free entry under GSP ($349 million, of which $316 million entered ATPA duty-free) and products eligible for both ATPA and GSP duty-free entry which were imported from ATPA beneficiary countries that had lost their GSP product eligibility due to exceeding that program's competitive-need limitations ($783 million, of which $748 million entered ATPA duty-free).

These unique ATPA benefits totaled $1,063 million in 2001 and represented the amount of ATPA duty-free imports that would not have received duty-free treatment under the GSP program and would have been subject to duty in the absence of the ATPA program. These benefits were $222 million, or 17.3 percent below their level in 2000 (which followed increases of 40.5 percent in 2000, 3.2 percent in 1999, 47.9 percent in 1998, 30.9 percent in 1997 and 28.7 percent in 1996) and represented 11.1 percent of total U.S. imports from the ATPA-beneficiary nations (but only 0.1 percent of total U.S. imports from all sources) in 2001. This decline, however, is partially due to the failure of the reported statistics to account for the ATPA duty-free entries which may have been granted retroactively.

The top-ten tariff schedule categories of items receiving duty-free treatment unique to the ATPA in 2001 included: cathodes ($429.4 million), pigments and dyes ($194.6 million), fresh cut roses ($180.3 million), fresh cut chrysanthemums, standard carnations, anthuriums, and orchids ($91.7 million), fresh or chilled asparagus entered from November 15 to September 15 ($28.3 million), tuna and skipjack not in airtight containers ($26.5 million), fresh or chilled asparagus entered from September 15 to November 15 ($14.8 million), paper-wrapped cigarettes ($13.8 million), oil well tubing of iron ($13.5 million), and gold rope necklaces and neck chains ($9.1 million). These ten items accounted for 94.2 percent ($1,002.0 million) of the duty-free entries unique to the ATPA in 2001. Five of the top-ten items are items normally eligible for GSP but at least one of the ATPA beneficiaries had lost its GSP eligibility for the item by exceeding that program's competitive need limitation. These five items were: cathodes from Peru; pigments and dyes from Colombia; fresh cut chrysanthemums, standard carnations, anthuriums, and orchids from Colombia; fresh asparagus entered September 15 to November 15 from Peru; and gold necklaces from Peru. The remaining five top-ten items were items that ATPA beneficiaries benefited from due to these items being eligible for duty-free entry under the ATPA but not under the GSP program.

In 2001, Peru accounted for 47 percent ($498 million) of total ATPA duty-free imports unique to the ATPA, Colombia for 43 percent ($461 million), Ecuador for 10 percent ($104 million), and Bolivia for one-hundredth of one percent ($118 thousand). The $1,063 million in ATPA unique duty-free treatment represented 18.5 percent of U.S. imports subject to duty from the ATPA

beneficiaries in 2001. Unique ATPA duty-free benefits relative to imports subject to duty were highest for Peru (37 percent), followed by Colombia (15 percent), Ecuador (9 percent), and Bolivia (0.13 percent).

U.S. Employment and Trade with the Andean Nations

Any adverse U.S. employment effects due to the tariff preferences of the ATPA would result from increased imports of items due to these tariff preferences. Given the availability of several U.S. trade preference programs with different requirements, it is often not clear how to isolate the effects of the ATPA. The analysis in this report used two measures of duty-free entries under the ATPA to assess the impact of the ATPA on U.S. employment: 1) the total amount that entered ATPA duty-free, and 2) the amount that entered ATPA duty-free uniquely to the ATPA (i.e., items entered ATPA duty-free that were not eligible for duty-free entry under the GSP program). Using these two measures, attention is focused on the import groups which showed significant growth and represented a significant share of total U.S. imports in 2001.

Five import groups based on the 3-digit Standard Industrial Classification (SIC) system were identified in which ATPA duty-free imports increased by over $5 million during 2001 and accounted for at least one percent of total U.S. imports of that SIC group: vegetables and melons, prepared fruits and vegetables, sugar and confectionery products, cigarettes, and paints and varnishes. There were two import groups which had an increase in duty-free imports unique to the ATPA of over $1 million and accounted for at least one percent of total U.S. imports of that SIC group: cigarettes, and paints and varnishes; both of these import groups also satisfied the criteria of the first group.

U.S. import trends in these product groups and employment trends in each of the U.S. industries producing products like those in these import groups are examined below. Significant increases in U.S. imports of these products from the ATPA beneficiaries may, in part, reflect the availability of duty-free treatment under the ATPA. To place the analysis of domestic employment trends in perspective, the overall U.S. employment situation in 2001 is discussed first.

Throughout this report, trends in annual average monthly U.S. industry employment will be examined over the period 1979 to 2001. The years 1979 and 1990 roughly correspond to business cycle peaks while 1991 roughly corresponds to the latest trough.[6] To control for business cycle effects, employment levels should ideally be compared between comparable points in the business cycle; business cycle peaks and troughs, however, do not fit neatly into calendar years. It addition to the annual change in employment between 2001 and 2000, it will be useful to compare employment in 2001 with employment in the peak years 1979 and 1990

[6]Business cycle peaks and troughs are designated by the National Bureau of Economic Research, a private nonprofit research organization. The three previous recessions extended from the following peak-to-trough dates: January 1980 to July 1980, July 1981 to November 1982, and June 1990 to March 1991.

and the trough year of 1991. Since manufacturing employment reached its all-time annual high in 1979, comparisons to 1979 provide some perspective on the long-term contraction (in terms of employment) of the U.S. manufacturing sector.

The U.S. Employment Situation in 2001

During 2001 the United States experienced a recession, however, the average monthly level of overall nonfarm employment for 2001 still increased by a slight 202,000 over the average level in 2000. The U.S. economy has added 23.7 million jobs since 1991 when annual employment reached its last cyclical trough due to the recession from July 1990 to March 1991. Total nonfarm employment in 2001 (131.9 million) was 22.5 million (or 20.6 percent) above the previous annual cyclical high recorded in 1990. Between 2000 and 2001, job gains occurred in the service-producing sector while there were job losses in the goods-producing sector. Employment in the goods-producing sector in 2001 (24.9 million) was 725,000 below its average level in 2000. Within the goods-producing sector, there were job gains in construction and mining, but a decrease in manufacturing. The manufacturing sector lost 778,000 jobs in 2001; this sector had 1.4 million jobs fewer in 2001 than it had in 1990. The U.S. manufacturing sector, with employment of 17.7 million in 2001, has lost 3.3 million jobs since its all-time peak in annual (average monthly) employment in 1979, although real manufacturing output has increased substantially since then. Most economists agree that many of these employment losses reflect, in part, the growth in productivity and changes in technology over this period, but there is disagreement about the relative importance of increased imports or trade deficits as a cause of these losses.

U.S. Import and Domestic Employment Trends in Selected Industrial Sectors Receiving Significant Benefits Provided under the ATPA in 2001

Vegetables and melons (SIC 016): U.S. imports of vegetables and melons from the ATPA beneficiaries increased from $54.1 million in 2000 to $67.4 million in 2001. Approximately 87 percent of these imports entered ATPA duty-free ($58.6 million) and another two percent of the remainder entered GSP duty-free ($1.3 million). The actual percentage entering ATPA duty-free would probably be higher if the likely underreporting of ATPA duty-free imports were considered. ATPA duty-free imports of vegetables and melons which were not eligible for GSP duty-free treatment increased from $44.1 million in 2000 to over $49.7 million in 2001 (a 12.8 percent increase). ATPA duty-free imports of these items accounted for 2.3 percent of total U.S. imports of vegetables and melons during 2001. The primary item entered ATPA duty-free, which was also eligible for GSP duty-free treatment, was onions and shallots. The primary items entered ATPA duty-free that were not eligible for GSP duty-free treatment were fresh asparagus entered between November 15 and September 15, and fresh asparagus entered between September 15 and November 15 from Peru (which has lost GSP eligibility due to competitive need considerations).

Imports of asparagus eligible for unique duty-free entry status under the ATPA have increased by 262 percent since 1994; during 2001, they increased 13.6 percent to $49.2 million. Although

reported unique ATPA duty-free imports ($43.1 million) of fresh asparagus declined by 0.05 percent during 2001, this decline may be due to the lack of information on ATPA duty-free entries after December 4, 2001. In prior years, over 99 percent of fresh asparagus which was eligible for ATPA duty-free treatment received ATPA duty-free treatment. Imports of ATPA asparagus eligible for unique duty-free entry accounted for 42.1 percent of total U.S. asparagus imports in 2001. U.S. employment data for asparagus farming or the vegetables and melons industry are not available; however, the U.S. Department of Agriculture (USDA) makes estimates of annual domestic production of asparagus. According to USDA, domestic production of fresh and prepared asparagus decreased from 113,600 tons in 2000 to 104,190 tons in 2001 (a decrease of 8.3 percent). U.S. production has decreased by 5,660 tons (5.2 percent) since 1994. The dollar value of U.S. production increased from $221 million in 2000 to $230 million in 2001 due to a 19.7 percent increase in the price of fresh asparagus although the price of processed (frozen and canned) asparagus declined by 11.9 percent. U.S. production of asparagus occurs primarily between February and June and most of the imports from the ATPA nations enter between August and January. In 2001, fresh asparagus accounted for 84 percent and processed for 16 percent by value (14 percent canned and 2 percent frozen) of U.S. asparagus production. U.S. production tonnage of fresh asparagus decreased by 3 percent between 1999 and 2000 and by 8 percent between 2000 and 2001, while U.S. production of processed asparagus increased by 6 percent in 2000 and decreased by 8 percent in 2001. U.S. imports of ATPA asparagus eligible for ATPA unique duty-free treatment were equal to 24 percent of U.S. apparent consumption (landed value (c.i.f.) imports plus domestic production, less exports) during 2001. It is possible that the increasing amounts of ATPA duty-free fresh asparagus during the winter months could reduce the demand for U.S. processed asparagus; although the output and price of U.S. processed asparagus declined during 2001, the U.S. output and price of processed asparagus had remained relatively stable over the 1997-2000 period. Given the relatively moderate declines in the domestic output of asparagus, it does not appear that the duty-free benefits provided by the ATPA have produced any significant adjustment problems for domestic workers producing asparagus.

Prepared fruits and vegetables (SIC 203): U.S. imports of prepared fruits and vegetables from the ATPA nations increased by 34.2 percent to $72.8 million in 2001. ATPA duty-free imports increased from $36.0 million in 2000 to $49.7 million in 2001 and accounted for 1.4 percent of total U.S. imports of prepared fruits and vegetables. Approximately 35 percent of these ATPA duty-free imports were items that were also not eligible for duty-free entry under the GSP program. ATPA duty-free imports in this category were composed of a large number of different items. The largest ATPA duty-free imports of items which were also eligible for the GSP included vegetable mixtures, processed and pulp bananas, fruit nuts, and miscellaneous fruit juice. The largest items whose duty-free treatment were due uniquely to the ATPA included processed asparagus and preserved mushrooms. U.S. imports of ATPA processed asparagus (HTS 0710.80.97) amounted to $4 million and were similar to their level in 2000.

U.S. employment in the prepared fruits and vegetables industry fell by 3,000 jobs to 218,100 during 2001. Employment in this industry has declined by 13 percent since 1979 and 12 percent since 1990. U.S. domestic production of processed asparagus declined from $45.3 million in

2000 to $36.6 million in 2001 (a decline of 19.2 percent). There were domestic production declines in both canned asparagus (14.2 percent) and frozen asparagus (41.0 percent), as well as a significant 27 percent price decline for frozen asparagus in 2001. Although there have been significant declines in the U.S. domestic production of processed asparagus, the value of ATPA imports of this item are not large enough to account for more than a small percentage of the production declines. As discussed in the previous section, there is a possibility that increased imports of ATPA fresh asparagus might have also contributed to the decline in U.S. domestic production of processed asparagus. Given the rather moderate increase in ATPA duty-free imports of prepared fruits and vegetables, and the fact that they represent such a small percentage of total U.S. imports in this category, it does not appear that the ATPA is responsible for any significant adjustment problems in this industry; however, some workers producing processed asparagus may have been displaced by ATPA duty-free imports of both fresh and processed asparagus.

Sugar and confectionery products (SIC 206): U.S. imports from the ATPA beneficiaries of sugar and confectionery products decreased by 0.3 percent during 2001. U.S. imports of these items amounted to $121.2 million during 2001 and accounted for 4.0 percent of total U.S. sugar and confectionery product imports. Almost 61 percent of these imports from the ATPA beneficiaries entered duty-free under either the ATPA or GSP programs. ATPA duty-free imports of these items increased from $37.1 million in 2000 to $47.1 million in 2001, while GSP duty-free imports declined from $31.4 million to $26.7 million. U.S. duty-free imports from ATPA beneficiaries of sugar and confectionery products that were eligible for ATPA but not for GSP duty-free treatment totaled only $369 thousand, which is less than 0.1 percent of all U.S. sugar and confectionery product imports. Thus the ATPA program did not provide any significant additional duty-free treatment that was not also available under the GSP program. Since U.S. cane sugar imports are subject to U.S. quota levels that are set by equating projected U.S. consumption needs with projected U.S. production, the duty-free provisions of the ATPA program do not permit the ATPA beneficiaries to increase their sugar exports to the United States at the expense of reduced U.S. production. A small portion of the ATPA duty-free imports of sugar and confectionery products (processed candies) is not covered by U.S. quotas, and it is possible that duty-free treatment of these items may have increased ATPA-beneficiary exports of them.

U.S. employment in the sugar and confectionery products industry has decreased at an annual rate of 1.0 percent over the 1979-2001 period and decreased at an annual 0.8 percent rate over the 1990-2001 period; in 2001, employment declined by 900 (1.0 percent). Since U.S. sugar quotas control the level of U.S. sugar imports and only a small amount of sugar products that enter duty-free under the ATPA are not subject to quotas, the duty-free provisions of the ATPA do not appear to have presented any substantial employment adjustment problems for this industry.

Cigarettes (SIC 211): U.S. imports of cigarettes from the ATPA beneficiaries increased by 1,632 percent to $16.2 million during 2001. Of this amount, $13.8 million entered duty-free under the ATPA program, and all of this was paper-wrapped cigarettes (HTS item 2402.20.80)

which are not eligible for GSP duty-free treatment. These unique ATPA duty-free imports represented 7.3 percent of total U.S. imports of this tariff-line item. Despite the sizable increases in imports from the ATPA beneficiaries, total U.S. imports of cigarettes from all sources declined by $22.7 million during 2001.

U.S. employment in the cigarette industry has fallen significantly over the last two decades, having declined by 52 percent (24,900 jobs) since 1982; this industry lost 2,100 jobs in 2000 and 100 jobs in 2001. Given that total U.S. imports of cigarettes declined in 2001, and that imports of cigarettes are a very small percentage of U.S. domestic consumption, the increase in imports from the ATPA beneficiaries are unlikely to be a significant factor in any employment declines in the cigarette industry.

Paints, varnishes, and lacquers (SIC 285): The ATPA nations' exports of paints, varnishes and lacquers to the United States increased from $136.6 million in 2000 to $197.0 million in 2001 (44 percent). Almost all ($194.7 million) of these items entered ATPA duty-free and all of these were items not eligible under the GSP. These unique ATPA duty-free imports represented 25 percent of total U.S. imports from all sources of paints, varnishes and lacquers during 2001; U.S. total imports of this category increased by only $1.8 million during 2001. The primary item in this SIC category receiving unique ATPA duty-free benefits was pigments and dyes (HTS 3212.90.00) from Colombia; although this item is normally eligible for duty-free treatment under the GSP, Colombia lost GSP eligibility for this item by surpassing the competitive need limit for this item in prior years. Colombia accounted for almost 76 percent of total U.S. imports of this tariff line item during 2001. Unique ATPA duty-free imports of this tariff-line item were the second largest of any tariff-line item, and represented over 18 percent of the total value of unique ATPA duty-free imports in 2001. The normal trade relations tariff on this tariff-line item was 3.1 percent; thus the margin of benefit provided by the ATPA program is rather modest.

U.S. employment in the paints and allied products industry decreased by 2,200 jobs to 49,900 in 2001. Employment in this industry is 11,200 jobs below its average level in 1990 and 18,700 jobs below its average level in 1979. Given the fairly significant increase in ATPA duty-free imports during 2001 of paint and allied products, and the modest but significant employment declines, it is possible that the ATPA duty-free provisions may have contributed towards this decline. However, the increase in ATPA imports was not large enough to account for more than a modest proportion of this decline.

Update on industries with significant ATPA duty-free imports identified from previous reports: An industry which has been analyzed frequently in previous reports as being possibly negatively impacted by the ATPA, but did not meet the requirements for further analysis in 2001, is the cut flower industry. The two segments of the cut flower industry likely to have been impacted by the ATPA are fresh cut chrysanthemums and standard carnations (HTS 0603.10.70) and fresh cut roses (HTS 0603.10.60). Fresh cut roses are eligible for ATPA duty-free treatment but not GSP duty-free treatment: fresh cut chrysanthemums and standard carnations are eligible under both programs, but Colombia has lost GSP eligibility due to competitive need limits. ATPA duty-free entries ($272.0 million) under these two tariff items accounted for 16.5 percent

of all ATPA duty-free entries and 25.6 percent of the duty-free entries that were unique to the ATPA in 2001. There were also $110.8 million of ATPA duty-free imports of other horticultural specialties, including cut miniature spray carnations and ornamental cut flowers (except roses, carnations, orchids, and chrysanthemums) which were also eligible for GSP duty-free treatment.

U.S. imports of fresh cut roses (HTS 0603.10.60) from the ATPA beneficiaries decreased by $3.9 million to $188.5 million in 2001. Almost 96 percent of these imports entered ATPA duty-free. U.S. imports of fresh cut roses from the Andean beneficiaries had increased consistently over the 1994-1997 period, but have been relatively stable since 1997. During 2001, 87.6 percent of total U.S. imports of fresh roses entered ATPA duty-free with most of the remainder from other nations entering duty-free under the NAFTA and the CBERA. This tariff item is not eligible for GSP duty-free entry and had the third largest amount of duty-free imports unique to the ATPA during 2001. The ATPA allowed the beneficiaries to avoid a 6.8 percent tariff. According to the U.S. Department of Agriculture, domestic production of roses declined by 2.4 percent in terms of value in 2001 following decreases of 20.4 percent in 2000 and 16.7 percent during 1999. The quantity of stems domestically grown increased by 0.9 percent in 2001 while the price declined by 3.2 percent. U.S. imports of roses from the ATPA beneficiaries accounted for an increased share of apparent domestic consumption (landed value (c.i.f.) imports plus domestic production, less exports), growing from 34 percent in 1993 to 73 percent in 2001. In previous years, this report has concluded that the preferences granted under the ATPA program for roses were a factor in the production declines in the domestic rose industry.

U.S. imports of ATPA duty-free chrysanthemums and standard carnations (HTS 0603.10.70) from Colombia, which lost eligibility for GSP duty-free treatment for this item by exceeding the competitive need limits in previous years, decreased from $119.5 million in 2000 to $98.4 million in 2001; these imports decreased by $13.9 million in 2000 and $8.8 million in 1999. Since 1997, imports of ATPA chrysanthemums and standard carnations have declined by 31.4 percent. Chrysanthemums and standard carnations from Colombia received the fourth largest amount (in value terms) of unique benefits under the ATPA of any eight-digit HTS item in 2001. Colombia accounted for 89 percent of all U.S. imports of this tariff item from all sources. Ecuador accounted for 0.6 percent of total U.S. imports (or $657 thousand) of this item and almost all of these entered ATPA duty-free, although imports from Ecuador are also eligible for GSP duty-free treatment. During 2001, approximately 45 percent of U.S. imports from Colombia of this tariff item was composed of carnations (HTS 0603.10.7030) and 55 percent was chrysanthemums (HTS 0603.10.7010 and 0603.10.7020), in addition to a very small amount of orchids. According to the United States International Trade Commission (USITC), U.S. imports from Colombia under this tariff item accounted for approximately three-fourths of apparent domestic consumption during 1999. According to the U.S. Department of Agriculture, U.S. domestic production (in blooms) of chrysanthemums declined by 50 percent between 1989 and 1994 and remained relatively stable between 1994 and 2000. During 2001, domestic production of pompon chrysanthemums decreased by 4 percent with the wholesale price remaining constant. The U.S. Department of Agriculture discontinued reporting production of standard chrysanthemums beginning in 2000. Domestic production of standard carnation blooms declined by 32 percent from 1989 to 1994 and declined by a further 64 percent between 1994

and 1999. During 2000, domestic production of standard carnations increased by 9 percent in terms of stems but decreased by 12 percent in terms of dollar value due to a 19 percent decrease in the price per stem. During 2001, domestic production of standard carnations declined by 26 percent while the price declined 4 percent. Almost 86 percent of the domestically grown standard carnations are grown in California.

Given that the U.S. Department of Agriculture discontinued the collection of some data on the domestic production of roses and standard chrysanthemums in 2000, it is difficult to assess the economic situation of these sectors of the cut flower industry since 2000. Imports of cut flowers receiving preferential duty treatment under the ATPA appear to have stabilized or even declined slightly in recent years after large increases in the mid-1990s. Domestic production of roses and chrysanthemums also appear to have stabilized over the last several years although at significantly lower levels; however, domestic production of carnations continued to decline sharply during 2001. Considering production trends and import trends for these products, it appears that U.S. production of these cut flowers types, especially carnations, has been and remains under considerable competitive pressure.

Domestic employment data for growers of specific types of flowers or cut flowers generally are not available; however, the U.S. Department of Agriculture does collect data on the peak number of workers hired by floriculture establishments--i.e., firms that grow a wide variety of flowers for cutting, potted plants, and bedding plants. According to this source, 8,579 floriculture operations hired on average 14.9 workers during 2001, compared with 9,071 operations which hired on average 14.4 workers in 1999; therefore, the total number of workers hired by floriculture establishments decreased by approximately 2,795 (2.1 percent) during 2001. Any workers released as a result of the reduced production of these selected cut flowers may have experienced difficulties in finding employment in another segment of the cut flower industry in their current geographic location. The ability of these workers to find employment in the floriculture industry generally is difficult to determine. It is estimated that approximately 48 percent of crop workers in the United States are domestic U.S. citizens or legal permanent residents with the remainder being illegal, temporary, or of unknown legal status. These domestic and permanent resident farm workers are subject to extensive periods of unemployment and low wages; many farm workers are ineligible for unemployment benefits. Agricultural worker real earnings have decreased over the last 10 years both absolutely (declining from $6.89 in 1989 to $6.18 in 1998 using 1998 dollars) and relative to the average hourly wage for all production workers (declining from 54 percent in 1989 to 48 percent in 1998). Poverty is pervasive and increasing among farm workers; the percentage with incomes below the poverty line has increased from 31 percent in 1991-92 to 60 percent in 1997-98.[7] Neither the Department of Labor nor the Agriculture Department collect wage data specifically for cut flower agriculture workers.

[7] *The Agricultural Labor Market –Status and Recommendations*, U.S. Department of Labor Report to Congress, December 2000.

Trends in U.S. domestic production and U.S. imports from the ATPA countries since implementation of the ATPA suggest that imports of fresh roses, standard carnations, and standard and pompon chrysanthemums due to the trade preferences in the ATPA may have displaced some domestic growers or helpers that they might have hired. Domestic production of roses and chrysanthemums appears to have stabilized during 2001 while domestic production of carnations continued to fall by a significant percentage. Although the number of affected workers was likely to have been small, it is difficult to determine the degree of adjustment difficulty faced by these workers. The employment opportunities for these displaced workers were probably limited in the cut flower industry or in the floriculture industry. The degree to which their labor skills are specific to the cut flower or floriculture industry is also not clear.

Conclusions

Although a definitive evaluation of the domestic employment impact of the ATPA cannot be made since the effects of duty-free provisions of the ATPA on U.S. imports cannot be completely isolated from the effects of other trade preference programs such as the GSP and HTS item 9802.00.80, it is unlikely that the ATPA has had a significant effect on overall U.S. employment. In addition, U.S. trade flows with the ATPA beneficiary countries have been small, representing 1.0 percent of total U.S. imports.

Neither the dollar amount nor the rate of increase in U.S. imports from the ATPA nations has been extraordinary or threatening. The share of total U.S. imports subject to duty from the ATPA beneficiaries that received duty-free treatment has risen from 22 percent in 1991 to 34 percent in 2000. During 2001, this percentage dropped to 29 percent but this decline was probably due in large part to the fact that most of the imports receiving ATPA duty-free treatment in December of 2001 were not designated as such in the reported statistics because the ATPA program had expired temporarily. The long-term increase in ATPA duty-free entries is largely due to increased utilization of the duty-free benefits under the ATPA--especially for products not eligible for GSP duty-free treatment; nevertheless, the amounts entered duty-free have remained quite modest.

The ATPA program provided unique duty-free eligibility to only 1.9 percent of ATPA exports to the United States in 1992; by 2001 ATPA uniquely eligible items had increased to 3.6 percent of imports from the ATPA beneficiaries. Including GSP items that lost eligibility throughout the 1992-2001 period, the ATPA provided unique eligibility to 4.2 percent of imports from the ATPA nations in 1992 and 4.7 percent in 2001. ATPA exports to the United States of items receiving unique duty-free treatment under the ATPA program have not grown significantly faster than ATPA exports of items not receiving preferential treatment under the ATPA program. Therefore, the ATPA program does not appear to have significantly altered the export or production structure of the ATPA nations.

During 2001, 17.3 percent of all U.S. imports from the ATPA beneficiaries entered ATPA duty-free, and approximately 64 percent of these (11.1 percent of U.S. imports from the ATPA

beneficiaries) entered duty-free due to unique provisions provided by the ATPA program. These unique benefits were $222 million (or 17.3 percent) lower than they were in 2000. This decline is due, in part, to the failure of reported statistics to accurately reflect the actual amount of imports that may have received ATPA duty-free treatment during 2001. During 2000, these unique ATPA duty-free benefits increased by $307 million or 40.5 percent (following increases of 3.2 percent in 1999, 47.9 percent in 1998, 30.9 percent in 1997, and 28.7 percent in 1996). Approximately 30 percent of the unique ATPA duty-free imports (or $316 million) in 2001 were items not eligible for duty-free entry under the GSP program, and the other 70 percent (or $748 million) were items covered by the GSP program but ineligible due to exceeding the competitive need limitations. Almost 47 percent of the unique ATPA duty-free imports were from Peru, while 43 percent were from Colombia, 10 percent were from Ecuador, and a negligible amount was from Bolivia. Peru's share of total unique ATPA benefits has progressively increased since the mid-1990s when Colombia obtained almost two-thirds of total unique benefits. The ATPA provision allowing for reduced duties for certain leather items has not resulted in any increase in U.S. imports of these items from the ATPA beneficiaries.

Five groups of products received substantial and increasing benefits in 2001 from duty-free treatment under the ATPA: three food groups (vegetables and melons -- asparagus; prepared fruits and vegetables -- processed asparagus; and sugar and confectionery products–primarily cane sugar), a consumer nondurable group (cigarettes -- paper-wrapped cigarettes), and a chemical group (paints, varnishes, and lacquers -- pigments and dyes). Almost all of the ATPA duty-free imports of sugar and confectionery products would also have been eligible for duty-free treatment under the GSP. ATPA duty-free entries of these five groups accounted for 22 percent of all ATPA duty-free imports and 25 percent of all duty-free imports in 2001 that were unique to the ATPA. For each of the U.S. industries that produced products similar to the five import groups, it is difficult to identify major adverse effects on U.S. employment.

Previous reports have concluded that the cut flower industry (in particular, fresh cut chrysanthemums, standard carnations, and roses) may have been impacted by the duty-free provisions of the ATPA. During the last several years, ATPA duty-free imports of these items have moderated with a decline in imports of chrysanthemums and standard carnations (due primarily to price decreases). Domestic production of roses and chrysanthemums appeared to have stabilized while domestic production of carnations continued to decline in 2001. It is possible that the decline in the domestic production of these cut flowers, and any employment declines associated with it, may have been due in part to imports of these cut flowers from the ATPA beneficiaries, but it is also possible that other trade or non-trade factors may also have been in part responsible.

Generally, the current level and composition of ATPA beneficiary exports to the United States do not appear to pose a threat to U.S. employment. As the Andean region develops, it is anticipated that it will attract increasing levels of U.S. exports which will generate additional job opportunities in the United States. On the other hand, the duty-free benefits of the ATPA offer an incentive for diversification of production and development of exports to the U.S. market. Thus, the ATPA could create a more significant impact on U.S. employment in the future.

While the ATPA may offer the beneficiary nations an incentive to diversify their export structure and more readily gain access to the U.S. market, the margin of these benefits has been declining in recent years. For example, the United States has successfully negotiated and implemented several comprehensive free trade agreements (with Israel in 1986; Canada in 1989; and Canada and Mexico in 1994). In 1984, the United States granted unilateral trade preferences (which now have no expiration date) to the Caribbean Basin beneficiaries on many of the same items covered by the ATPA. A number of the developing nations of Africa were also provided additional preferences (beyond those provided by the GSP) beginning in 2001. Also, as the result of the conclusion and implementation of the Uruguay Round of multilateral trade negotiations, U.S. trade barriers in general have been reduced for all (normal-trade-relations) trading partners.

BACKGROUND INFORMATION:
TRADE AND EMPLOYMENT TABLES AND APPENDIXES

This is background information used in the preparation of the Congressional Report but not submitted as part of the report.

BACKGROUND INFORMATION

Page

Table 1. U.S. Trade with ATPA Countries by Country, 1991-2001 22

Table 2. U.S. Imports from ATPA-Beneficiary Countries by Major 2-Digit SIC-Based Group, 1991-2001 23

Table 3. Leading 3-Digit SIC-Based Categories in U.S. Imports from ATPA-Beneficiary Countries in 2001 24

Table 4. Leading Tariff Schedule (HTS) Items in U.S. Imports from ATPA-Beneficiary Countries in 1991-2001 25

Table 5. U.S. Imports for Consumption from ATPA-Beneficiary Countries by Duty Treatment, 1991-2001 26

Table 6. 3-Digit SIC-Based Import Categories with ATPA Duty-Free Value of One Million Dollars or More in 2001 27

Table 7. U.S. Imports from ATPA-Beneficiary Countries by Selected Product Groups, 1991-2001 28

Table 8. Percent of Total Value of U.S. Imports Subject to Duty from ATPA-Beneficiary Countries by ATPA and GSP Product Eligibility, 1991-2001 29

Table 9. Percent of the Value of U.S. Imports Subject to Duty from ATPA-Beneficiary Countries Entered Duty-Free Under ATPA and GSP for each ATPA and GSP Product Eligibility Class, 1991-2001 30

Table 10. U.S. Imports from ATPA-Beneficiary Countries under Tariff Provisions HTS 9802.00.80 by 2-Digit SIC-Based Product Group, 2001 31

Table 11. U.S. Imports under Tariff Provision HTS 9802.00.80 from ATPA-Beneficiary Countries by ATPA Product Eligibility Class, 1991-2001 32

Table 12. Unique ATPA Benefits--by Beneficiary in 2001 33

Table 13. U.S. Imports from ATPA Beneficiaries of Items that Benefited from ATPA Provisions in 1999-2001 34

BACKGROUND INFORMATION (continued)

Page

Table 14. 3-Digit SIC-Based Product Groups of U.S. Imports from the World and ATPA-Beneficiary Countries in which ATPA-Beneficiaries Obtained Benefits Provided by the ATPA in 2001 35

Table 15. 3-Digit SIC-Based Product Groups of U.S. Imports from the World and ATPA-Beneficiary Countries in which ATPA-Beneficiaries Obtained Benefits Provided Uniquely by the ATPA in 2001 36

Table 16. U.S. Exports to ATPA-Beneficiary Countries by Major 2-Digit SIC-Based Group, 1991-2001 37

Table 17. Leading 3-Digit SIC-Based Categories in U.S. Domestic Exports to ATPA-Beneficiary Countries in 2001 38

Table 18. Leading Schedule B Items in U.S. Domestic Exports to ATPA-Beneficiary Countries in 2001 39

Table 19. Nonagricultural U.S. Employment by Industry Division and Major 2-Digit SIC Industry, 1979-2001 40

Table 20. U.S. Imports from ATPA-Beneficiary Countries by ATPA Product Eligibility Class and Reported Duty Treatment, 1991-2001 41

Appendix A: Trade Preference Programs Available to the ATPA Beneficiaries 42

I. The Andean Trade Preference Act 42
A. General Provisions of the Act 42
B. Beneficiary Countries.....42
C. Eligible Products 43
D. Reduced Duties for Leather Items 44
E. Safeguards 44
F. ATPA Special Access Program for Apparel 44
G. Comparison of ATPA and CBERA 45

II. The Generalized System Of Preferences 46
A. General Provisions and Country Eligibility 46
B. Product Eligibility 46

III. HTS 9802.00.60 and 9802.00.80 48

BACKGROUND INFORMATION (continued)

Page

Appendix B: Statistical Data Notes and Data Adjustments 49

I. U.S. Merchandise Trade 49
A. Import Statistics 49
B. Export Statistics 50
C. Additional Information 51

II. Domestic Employment Data 52
A. Coverage and Sources 52
B. Reliability of Employment Estimates 52

III. Designation of ATPA-Eligible Products:
Implementation of the Andean Trade Preference Act in the Tariff
Schedules of the United States Annotated 53

IV. Statistical Reporting Discrepancies Under the ATPA and
Adjustments Made to Reported Census Import Data 54
A. Census Edit Checks of Import Data 54
B. Adjustments to Reported Census Import Data 54
C. Under Reporting of ATPA and GSP Duty Free Imports in 2001 55

Table 1

U.S. Trade with ATPA-Eligible Countries (1) by Country, 1991-2001

(millions of dollars)

Country	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
U.S. IMPORTS (2) FROM:											
Bolivia	204.6	161.6	185.0	257.4	256.8	268.3	213.4	220.1	224.2	184.2	165.1
Colombia	2,723.7	2,888.0	3,009.8	3,132.4	3,807.3	4,421.5	4,614.9	4,441.7	5,882.6	6,680.6	5,622.6
Ecuador	1,317.6	1,323.0	1,389.3	1,709.8	1,939.2	1,975.0	2,139.4	1,773.9	1,852.6	2,267.0	1,975.4
Peru	723.7	686.0	698.1	779.9	965.4	1,202.8	1,705.9	1,925.3	1,870.8	1,985.4	1,805.5
Total ATPA Countries	4,969.5	5,058.7	5,282.3	5,879.5	6,968.7	7,867.6	8,673.6	8,361.0	9,830.2	11,117.2	9,568.7
World	483,778.3	525,091.4	574,862.9	657,884.7	739,660.4	790,469.7	862,426.3	907,647.0	1,017,435.4	1,205,339.0	1,132,635.3
U.S. EXPORTS (3) TO:											
Bolivia	182.9	205.9	192.4	179.4	206.3	262.8	284.2	392.5	306.7	240.6	202.1
Colombia	1,900.1	3,200.5	3,092.2	3,779.7	4,448.5	4,517.6	5,024.5	4,657.7	3,429.5	3,474.9	3,391.6
Ecuador	908.0	948.0	1,043.0	1,127.4	1,449.5	1,228.5	1,486.5	1,628.8	896.3	999.9	1,319.1
Peru	807.1	965.4	1,031.5	1,358.5	1,715.9	1,709.9	1,886.6	1,991.0	1,630.7	1,579.8	1,450.5
Total ATPA Countries	3,798.2	5,319.7	5,359.1	6,445.0	7,820.2	7,718.7	8,681.8	8,670.1	6,263.2	6,295.1	6,363.3
World	400,842.4	424,970.7	439,295.3	481,887.2	545,615.2	582,137.0	643,222.3	634,705.3	642,188.9	712,287.3	666,020.9

Notes: (1) ATPA-eligible countries were designated beneficiary countries in July 1992 (Bolivia and Colombia); April 1993 (Ecuador); and August 1993 (Peru).
(2) Customs value of imports for consumption
(3) F.a.s. value of domestic exports
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 2
U.S. Imports from ATPA Countries by Major 2-Digit SIC-Based Group
1991-2001

(customs value, millions of dollars)

SIC-Based Product Group (1)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Agriculture, Forestry and Fishery Products	1,668.5	1,691.6	1,539.7	2,067.0	2,247.1	2,088.3	2,746.7	2,567.4	2,278.9	1,907.9	1,744.2
01-Agricultural Products	1,190.9	1,199.5	1,062.4	1,477.9	1,640.0	1,572.5	1,982.3	1,831.7	1,736.9	1,554.2	1,363.5
02-Livestock	4.8	5.7	8.3	7.6	11.2	8.3	7.1	5.8	8.4	5.7	6.8
08-Forestry Products	0.3	0.2	0.4	0.3	0.8	0.7	0.9	1.2	1.5	0.8	0.6
09-Fishery Products	472.5	486.2	468.6	581.3	595.1	506.9	756.4	728.7	532.2	347.3	373.4
Mining and Mineral Products	1,364.4	1,434.8	1,579.3	1,511.6	2,298.3	2,453.9	2,025.1	1,664.9	2,213.9	2,984.4	2,270.3
10-Metallic Ores	25.4	23.4	10.0	15.0	49.8	11.5	26.1	37.7	27.4	13.1	36.6
12-Coal	61.8	56.9	112.2	93.1	84.6	79.9	100.1	108.6	133.1	201.4	329.5
13-Crude Petroleum/Natural Gas	1,275.8	1,353.2	1,456.1	1,403.0	2,163.5	2,358.7	1,878.9	1,507.1	2,031.0	2,736.8	1,852.6
14-Nonmetallic Minerals	1.4	1.3	1.0	0.5	0.5	3.8	19.9	11.5	22.5	33.2	51.6
Manufactured Products	1,818.3	1,791.0	1,987.6	2,134.2	2,217.6	3,070.2	3,613.4	3,760.1	4,792.4	5,685.9	5,076.0
Manufactured Prod/exc petro	1,448.4	1,497.8	1,654.1	1,873.7	2,018.7	2,290.6	2,565.3	2,903.6	3,262.6	3,575.3	3,227.8
20-Food Products	210.5	178.5	283.9	299.7	309.3	334.7	361.4	284.1	356.0	326.8	358.8
21-Tobacco	0.2	0.0	0.0	.	.	0.0	0.0	0.3	0.1	1.1	16.4
22-Textiles	62.9	50.4	56.9	76.9	72.7	42.9	54.5	59.0	65.6	65.8	41.5
23-Apparel	289.4	373.9	414.3	473.1	498.9	495.9	584.8	618.1	710.9	836.5	773.4
24-Wood products	48.0	34.1	47.2	62.7	75.9	85.8	91.1	95.7	111.8	113.1	107.0
25-Furniture	5.5	4.1	4.8	4.9	6.9	8.0	11.3	14.4	19.7	34.9	39.0
26-Paper	6.0	6.0	5.2	7.2	16.1	11.6	14.2	8.1	10.4	18.2	19.2
27-Printing and Publishing	15.3	21.1	19.0	20.8	17.1	16.1	16.7	17.8	17.3	23.2	20.7
28-Chemicals	38.2	54.4	46.2	53.0	71.8	138.1	220.8	210.4	454.1	555.2	457.5
29-Petroleum Refining	369.9	293.1	333.5	260.5	198.9	779.7	1,048.1	856.5	1,529.9	2,110.6	1,848.2
30-Rubber	30.1	34.9	35.0	35.0	37.8	43.1	40.5	43.4	46.0	45.6	47.8
31-Leather	79.4	67.2	60.2	59.4	50.5	45.0	43.9	42.6	37.4	40.0	38.8
32-Stone, Clay, and Glass	53.1	33.2	37.9	48.5	55.9	63.5	65.6	82.8	116.7	126.9	141.7
33-Primary Metals	390.1	362.1	303.1	346.0	434.0	666.1	712.4	1,015.7	1,013.9	1,087.6	856.3
34-Fabricated Metals	7.2	12.5	17.6	24.6	11.1	10.7	24.8	8.9	14.8	13.9	23.6
35-Machinery, exc Electrical	4.8	4.7	6.3	6.8	9.7	8.1	9.2	11.2	12.1	14.3	17.9
36-Electrical Machinery	3.3	3.6	4.6	6.0	4.6	5.0	5.1	5.7	8.3	12.7	21.8
37-Transportation Equipment	4.1	4.1	4.2	5.5	5.4	6.3	12.0	2.8	6.0	4.7	6.2
38-Instruments	2.9	3.0	2.8	3.4	3.5	4.1	3.5	59.6	4.8	4.3	5.0
39-Miscellaneous Manufactures	197.5	250.2	305.1	340.0	337.6	305.4	293.4	322.9	256.9	250.5	235.1
Other Commodities	118.3	141.3	175.7	166.1	205.7	255.1	288.4	368.7	544.9	539.0	478.1
91-Scrap and Waste	8.1	3.4	3.2	14.1	20.1	32.9	25.7	33.3	45.1	22.2	12.8
92-Used Merchandise	5.1	4.1	6.9	7.9	7.8	9.4	10.1	28.7	11.8	10.2	4.1
98-U.S. Goods Returned	29.7	45.0	73.2	43.7	56.9	74.7	99.6	107.2	178.1	140.8	152.8
99-Miscellaneous Commodities	75.4	88.8	92.4	100.5	120.9	138.2	153.0	199.4	310.0	365.7	308.4
Total, all commodities	4,969.5	5,058.7	5,282.3	5,879.5	6,968.7	7,867.6	8,673.6	8,361.0	9,830.2	11,117.2	9,568.7
Total, excluding crude and refined petroleum	3,323.8	3,412.3	3,492.7	4,216.0	4,606.4	4,729.3	5,746.5	5,997.4	6,269.4	6,269.9	5,867.9

Notes: (1) Data are on a SIC-87 basis using the 1998 SIC/HTS concordance.
(2) "0.0" denotes less than $50 thousand and "." denotes zero.
Source: Compiled from the official statistics of the U.S. Department of Commerce.

Table 3
Leading 3-Digit SIC-Based Categories in U.S. Imports from ATPA-Beneficiary Countries in 2001

SIC CODE	Description	Customs Value ($ mil.) 1996	1997	1998	1999	2000	2001	Percent of Total Customs Value 1996	1997	1998	1999	2000	2001
291	Petroleum refinery products	778.6	1,046.1	854.7	1,523.7	2,103.0	1,843.5	9.9	12.1	10.2	15.5	18.9	19.3
131	Crude petroleum and natural gas	2,236.5	1,663.8	1,353.9	1,624.5	2,206.5	1,107.0	28.4	19.2	16.2	16.5	19.8	11.6
017	Fresh fruit	1,085.5	1,485.2	1,317.6	1,222.4	1,041.2	859.5	13.8	17.1	15.8	12.4	9.4	9.0
132	Natural gas liquids	122.2	215.1	153.2	406.4	530.3	745.6	1.6	2.5	1.8	4.1	4.8	7.8
333	Primary nonferrous metals	546.3	513.3	659.3	827.8	912.7	719.3	6.9	5.9	7.9	8.4	8.2	7.5
018	Horticultural specialties	438.0	446.9	454.6	439.5	442.7	411.0	5.6	5.2	5.4	4.5	4.0	4.3
091	Fish, fresh, chilled, or frozen	506.9	756.4	728.7	532.2	347.3	373.4	6.4	8.7	8.7	5.4	3.1	3.9
232	Men's, boy's shirts & trousers	179.9	216.9	257.6	328.8	375.2	344.1	2.3	2.5	3.1	3.3	3.4	3.6
122	Bituminous coal and lignite	79.9	100.1	108.6	133.1	201.4	329.5	1.0	1.2	1.3	1.4	1.8	3.4
990	Miscellaneous commodities	138.2	153.0	199.4	310.0	365.7	308.4	1.8	1.8	2.4	3.2	3.3	3.2
391	Jewelry & silverware	290.2	276.4	309.8	243.3	238.1	222.3	3.7	3.2	3.7	2.5	2.1	2.3
236	Girl's and children's outerwear	111.3	118.2	127.7	141.5	205.9	205.7	1.4	1.4	1.5	1.4	1.9	2.1
286	Industrial organic chemicals	58.7	76.4	61.1	158.8	217.4	199.3	0.7	0.9	0.7	1.6	2.0	2.1
285	Paints, varnishes, lacquers	0.1	3.0	39.6	161.0	136.6	197.0	0.0	0.0	0.5	1.6	1.2	2.1
980	U.S. goods returned	74.6	99.6	107.2	178.1	140.8	152.8	0.9	1.1	1.3	1.8	1.3	1.6
206	Sugar and confectionery products	166.8	184.6	115.6	115.2	121.5	121.2	2.1	2.1	1.4	1.2	1.1	1.3
209	Miscellaneous food products	95.4	100.1	101.3	132.8	117.6	117.5	1.2	1.2	1.2	1.4	1.1	1.2
233	Women's & girls' outerwear	111.4	113.2	110.2	119.6	136.1	116.1	1.4	1.3	1.3	1.2	1.2	1.2
203	Prepared fruits & vegetables	36.5	39.7	39.5	68.2	54.2	72.8	0.5	0.5	0.5	0.7	0.5	0.8
324	Cement	36.5	36.9	49.9	51.3	60.0	72.2	0.5	0.4	0.6	0.5	0.5	0.8
016	Vegetables and melons	30.3	32.3	39.2	56.0	54.1	67.4	0.4	0.4	0.5	0.6	0.5	0.7
242	Sawmill and planing mill products	51.3	52.0	57.3	55.7	55.6	55.9	0.7	0.6	0.7	0.6	0.5	0.6
147	Chemical and fertilizer minerals	3.6	19.8	11.3	22.3	32.8	50.8	0.0	0.2	0.1	0.2	0.3	0.5
334	Recovered nonferrous metals	25.6	24.4	52.7	77.8	70.8	48.5	0.3	0.3	0.6	0.8	0.6	0.5
335	Nonferrous rolled & drawn produc	68.3	125.9	255.2	68.3	50.4	44.1	0.9	1.5	3.1	0.7	0.5	0.5
231	Suits and coats, men's and boys	36.0	47.7	48.7	40.1	48.5	42.3	0.5	0.5	0.6	0.4	0.4	0.4
308	Miscellaneous plastics products	39.4	38.4	39.9	42.7	42.1	39.9	0.5	0.4	0.5	0.4	0.4	0.4
331	Blast furnance & steel products	15.7	24.3	26.5	31.4	48.0	38.8	0.2	0.3	0.3	0.3	0.4	0.4
259	Venetian blinds	7.8	11.2	14.4	19.6	34.5	38.6	0.1	0.1	0.2	0.2	0.3	0.4
234	Women's, girls' undergarments	32.9	49.3	44.8	53.1	34.9	29.4	0.4	0.6	0.5	0.5	0.3	0.3
	Total, selected items	7,404.2	8,070.2	7,739.6	9,185.2	10,425.9	8,973.7	94.1	93.0	92.6	93.4	93.8	93.8
	Total, all items	7,867.6	8,673.6	8,361.0	9,830.2	11,117.2	9,568.7	100.0	100.0	100.0	100.0	100.0	100.0

Notes: (1) Data are on a SIC-87 basis using the 1998 HTS/SIC concordance.
(2) "0.0" denotes less than $50 thousand or less than 0.05 percent; "." denotes zero.
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4
Leading Harmonized Tariff Schedule (HTS) Items in U.S. Imports from ATPA-Beneficiary Countries in 2001

HTS Number	Description	Customs Value ($ mil					:	Percent of Total Customs Value					
		1996	1997	1998	1999	2000	2001	1996	1997	1998	1999	2000	2001
27090020	Petroleum oils, crude > 25 API	2,053.1	1,319.4	1,088.5	1,039.1	1,142.5	787.0	26.1	15.2	13.0	10.6	10.3	8.2
27090010	Petroleum oils, crude < 25 API	183.5	344.4	265.4	581.5	1,057.6	686.2	2.3	4.0	3.2	5.9	9.5	7.2
27100005	Distillate and residual fuel oils <25 API	372.7	357.1	367.5	477.1	678.1	612.9	4.7	4.1	4.4	4.9	6.1	6.4
74031100	Cathodes and sections of cathodes	121.7	214.6	212.6	327.3	566.4	455.9	1.5	2.5	2.5	3.3	5.1	4.8
08030020	Bananas, fresh or dried	352.4	417.9	436.5	482.8	413.6	391.1	4.5	4.8	5.2	4.9	3.7	4.1
27131100	Petroleum coke, not calcined	129.9	222.3	139.1	278.3	317.0	318.2	1.7	2.6	1.7	2.8	2.9	3.3
09011100	Coffee, not roasted, not decaffeinated	554.8	887.1	722.0	558.1	478.8	317.1	7.1	10.2	8.6	5.7	4.3	3.3
27011200	Bituminous coal	79.9	97.5	108.6	131.5	199.4	314.2	1.0	1.1	1.3	1.3	1.8	3.3
99999500	Estimate of low value items	138.1	152.8	199.3	309.9	365.5	307.8	1.8	1.8	2.4	3.2	3.3	3.2
27100010	Distillate and residual fuel oils>25 API	93.5	111.9	122.6	296.6	298.9	258.8	1.2	1.3	1.5	3.0	2.7	2.7
03061300	Shrimps and prawns, cooked or uncooked	414.2	656.4	636.8	447.4	223.3	252.1	5.3	7.6	7.6	4.6	2.0	2.6
27112900	Petroleum gases and other gases	76.1	111.7	100.2	214.3	302.4	228.0	1.0	1.3	1.2	2.2	2.7	2.4
32129000	Pigments and dyes	.	2.9	39.6	160.9	200.7	196.8	.	0.0	0.5	1.6	1.8	2.1
27100025	Naphthas (except motor fuel)	54.8	57.8	55.1	110.4	164.6	189.3	0.7	0.7	0.7	1.1	1.5	2.0
06031060	Roses, fresh cut	156.5	184.3	195.9	183.0	192.4	188.5	2.0	2.1	2.3	1.9	1.7	2.0
61102020	Sweaters, pullovers	49.6	71.1	96.2	132.5	196.0	180.5	0.6	0.8	1.2	1.3	1.8	1.9
98010010	U.S. goods returned	74.5	99.1	106.3	177.7	140.3	152.6	0.9	1.1	1.3	1.8	1.3	1.6
71081210	Unwrought gold bullion and dore	238.2	139.7	292.6	351.5	198.4	100.3	3.0	1.6	3.5	3.6	1.8	1.0
06031070	Chrysanthemums, standard carnations	162.3	147.8	147.4	138.1	121.3	99.1	2.1	1.7	1.8	1.4	1.1	1.0
80011000	Unwrought tin, not alloyed	42.0	73.2	76.1	78.9	104.8	92.9	0.5	0.8	0.9	0.8	0.9	1.0
06031080	Cut flowers and flower buds	81.5	76.2	71.1	74.8	92.0	90.5	1.0	0.9	0.9	0.8	0.8	0.9
27111400	Liquefied propylene & butylene	17.8	36.8	34.0	54.1	108.2	90.0	0.2	0.4	0.4	0.6	1.0	0.9
71131950	Articles of jewelry	63.4	75.8	77.9	62.9	72.7	86.0	0.8	0.9	0.9	0.6	0.7	0.9
27111200	Propane	26.0	48.2	31.2	113.7	131.2	80.5	0.3	0.6	0.4	1.2	1.2	0.8
61051000	Men's or boys' shirts, knitted	54.2	77.5	81.7	95.8	89.2	79.7	0.7	0.9	1.0	1.0	0.8	0.8
62034240	Men's or boys' trousers and breeches	59.4	44.2	63.0	83.6	85.6	76.2	0.8	0.5	0.8	0.9	0.8	0.8
61091000	Cotton T-shirts and tank tops	21.1	16.9	27.6	56.6	67.3	68.9	0.3	0.2	0.3	0.6	0.6	0.7
27100018	Motor fuel blending stock	20.1	.	.	.	22.3	67.7	0.3	.	.	.	0.2	0.7
25232900	Portland cement, not white	27.7	30.6	41.7	45.3	52.2	62.3	0.4	0.4	0.5	0.5	0.5	0.7
71039100	Rubies, sapphires, and emeralds	74.5	80.0	68.2	59.4	66.4	58.0	0.9	0.9	0.8	0.6	0.6	0.6
	Total, selected items	5,793.5	6,155.2	5,904.5	7,123.1	8,149.4	6,889.0	73.6	71.0	70.6	72.5	73.3	72.0
	Total, all items	7,867.6	8,673.6	8,361.0	9,830.2	11,117.0	9,568.7	100.0	100.0	100.0	100.0	100.0	100.0

Notes: (1) "0.0" denotes less than $50 thousand or less than 0.05 percent, "." denotes zero
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5

U.S. Imports for Consumption from ATPA Beneficiary Countries
by Duty Treatment, 1991-2001

(customs value, millions of dollars)

Item	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total	4,969.5	5,058.7	5,282.3	5,879.5	6,968.7	7,867.6	8,673.6	8,361.0	9,830.2	11,117.2	9,568.7
NTR Duty-Free (1)	2,084.5	2,022.0	2,006.9	2,464.4	2,742.6	2,944.7	4,010.8	3,701.2	4,332.2	4,302.3	3,812.1
Subject to Duty	2,885.0	3,036.7	3,275.4	3,415.1	4,226.2	4,922.9	4,662.7	4,659.9	5,498.1	6,815.0	5,756.5
Entered Duty-Free	626.9	763.7	953.0	1,156.7	1,336.4	1,543.9	1,789.0	1,998.6	2,064.4	2,320.6	1,957.7
GSP	491.7	547.1	445.9	337.9	227.2	126.6	254.3	190.0	125.3	145.5	184.2
ATPA	--	90.6	384.0	662.2	915.4	1,244.8	1,317.0	1,617.4	1,726.1	1,955.0	1,652.2
HTS 9802 (806/807)	103.5	122.3	121.8	155.2	172.2	130.4	165.0	158.6	147.0	136.1	92.4
Special Provisions	31.7	3.8	1.3	1.4	21.7	42.0	52.7	32.6	65.9	84.0	28.9
Dutiable	2,258.1	2,273.0	2,322.4	2,258.4	2,889.7	3,379.0	2,873.7	2,661.2	3,433.7	4,494.4	3,798.8
ATPA Dutied (2)	--	6.5	17.4	20.4	23.2	25.2	27.2	26.2	23.7	26.5	22.4
Share Dutiable	45.4	44.9	44.0	38.4	41.5	42.9	33.1	31.8	34.9	40.4	39.7
Calculated Duty (3)	74.0	79.1	77.0	85.5	86.3	87.1	95.3	105.0	123.3	142.4	144.1
Ad Valorem Duty Rate	3.28	3.48	3.32	3.78	2.99	2.58	3.32	3.94	3.59	3.17	3.79

Notes:(1) Formerly most-favored-nation (MFN) duty-free.
(2) ATPA beneficiaries are eligible for reduced duties on certain leather items.
(3) Reported dutiable value and calculated duty were adjusted to account for the value of U.S. content (which is not subject to duty) of items imported under tariff provisions HTS 9802.00.60 and 9802.00.80.

Source: Compiled from the official statistics of the U.S. Department of Commerce.
Minor adjustments to official statistics were made to correct for cases of misreporting.

Table 6
3-Digit SIC-Based Import Categories with ATPA Duty-Free Value of One Million Dollars or More in 2001

(customs value, millions of dollars)

	SIC 87-Based Product Group		Total Imports from ATPA Nations						ATPA Duty-free					
			1996	1997	1998	1999	2000	2001	1996	1997	1998	1999	2000	2001
***	333	Primary nonferrous metals	546.3	513.3	659.3	827.8	912.7	719.3	112.5	184.9	210.3	327.0	566.7	429.5
***	018	Horticultural specialties	438.0	446.9	454.6	439.5	442.7	411.0	435.9	444.9	451.9	436.6	439.6	382.7
***	285	Paints, varnishes, lacquers	0.1	3.0	39.6	161.0	136.6	197.0	0.1	2.9	39.6	160.9	135.3	194.7
*	391	Jewelry & silverware	290.2	276.4	309.8	243.3	238.1	222.3	202.0	156.5	181.6	173.2	158.1	148.7
**	016	Vegetables and melons	30.3	32.3	39.2	56.0	54.1	67.4	29.6	31.9	37.2	54.6	51.8	58.6
*	203	Prepared fruits & vegetables	36.5	39.7	39.5	68.2	54.2	72.8	27.2	28.0	28.3	52.1	36.0	49.7
	206	Sugar and confectionery products	166.8	184.6	115.6	115.2	121.5	121.2	76.8	34.7	42.1	27.5	37.1	47.1
*	335	Nonferrous rolled & drawn product	68.3	125.9	255.2	68.3	50.4	44.1	61.9	93.1	212.5	47.0	33.5	34.7
*	334	Secondary smelting & refining products	25.6	24.4	52.7	77.8	70.8	48.5	22.2	4.9	25.7	59.5	58.4	34.6
	308	Miscellaneous plastics products	39.4	38.4	39.9	42.7	42.1	39.9	38.4	37.1	38.1	38.7	39.7	34.4
**	209	Miscellaneous food products	95.4	100.1	101.3	132.8	117.6	117.5	64.8	51.7	49.7	87.4	81.8	33.4
*	331	Blast furnance & steel products	15.7	24.3	26.5	31.4	48.0	38.8	5.1	12.7	16.3	18.4	28.7	24.0
*	017	Fresh fruit	1,085.5	1,485.2	1,317.6	1,222.4	1,041.2	859.5	9.3	5.2	8.7	21.3	23.9	21.9
	243	Millwork, veneer, plywood & structures	21.6	24.4	20.1	31.9	31.9	28.8	18.8	19.0	16.4	24.0	24.0	18.8
*	211	Cigarettes	0.0	.	.	.	0.9	16.2	0.0	.	.	.	0.9	13.8
	249	Miscellaneous wood products	12.4	14.2	18.0	24.1	25.2	21.9	11.4	13.0	17.0	16.0	13.8	13.1
*	325	Structural clay products	7.1	7.5	7.0	10.1	12.2	11.8	7.0	7.1	6.5	9.9	11.9	10.6
*	326	Pottery and related products	7.2	7.8	8.9	11.7	17.2	29.0	5.4	4.5	6.2	8.1	5.1	10.1
	289	Miscellaneous chemicals	23.3	23.6	21.0	16.5	13.6	12.5	5.2	11.6	14.5	11.3	8.0	7.6
	282	Plastic materials & synthetics	7.0	7.1	7.3	15.1	18.2	9.8	5.1	3.5	4.7	11.4	12.6	6.8
	344	Fabricated structural metal products	0.1	1.0	0.2	3.1	1.5	7.1	0.1	1.0	0.1	0.8	1.1	6.3
	267	Converted paper & paperbrd products	4.1	5.2	3.1	4.5	5.6	8.2	3.3	4.0	2.4	3.9	4.1	5.8
	328	Cut stone and stone products	0.5	0.6	1.1	4.2	6.7	8.5	0.3	0.4	0.6	2.2	3.9	4.9
	286	Industrial organic chemicals	58.7	76.4	61.1	158.8	217.4	199.3	4.4	6.7	11.8	14.5	5.8	4.8
*	349	Fabricated metal products, nspf	5.8	19.6	5.3	6.1	7.5	9.7	3.9	2.8	3.4	3.3	3.5	4.5
	011	Cash grains and other crops	3.6	2.5	2.9	3.2	3.1	6.8	2.5	1.9	2.1	2.3	1.9	3.9
	278	Blankbooks, loose leaf binders	2.8	2.6	4.1	3.9	3.3	4.0	2.4	2.5	4.1	3.8	3.1	3.6
	323	Products of purchased glass, nspf	2.7	2.9	3.0	3.6	5.0	5.0	2.6	2.6	2.6	3.3	3.9	3.4
	013	Field crops, except cash grains	15.1	15.5	17.4	15.7	13.1	18.8	2.8	0.7	1.3	1.0	1.8	3.2
	091	Fish, fresh or chilled	506.9	756.4	728.7	532.2	347.3	373.4	17.7	21.2	27.4	2.7	3.7	3.2
	399	Brooms & brushes	3.1	2.7	2.5	4.6	4.3	4.8	1.8	1.0	0.7	2.8	3.6	3.0
	229	Textile goods, nspf	3.3	11.1	16.6	20.4	14.2	15.1	0.0	.	2.4	3.2	3.7	2.3
	281	Industrial inorganic chemicals	29.7	90.7	65.8	86.6	149.5	28.7	2.7	72.3	50.4	61.5	117.3	2.2
	204	Grain mill products	1.1	1.6	1.3	2.7	1.3	5.6	0.7	0.6	0.5	1.2	0.5	2.2
	208	Beverages and flavoring extracts	4.9	5.1	4.9	5.5	5.6	5.5	3.0	2.7	2.5	3.6	1.5	2.1
	346	Metal forgings and stampings	1.6	2.0	2.0	2.7	2.7	3.5	1.2	1.4	1.4	1.7	1.9	2.1
	371	Motor vehicles & motor vehicle equip.	4.7	3.2	2.4	3.0	3.8	5.4	3.6	2.3	1.4	1.8	2.0	1.9
	336	Nonferrous metal castings	2.3	2.2	2.5	2.6	4.1	5.0	2.0	2.0	2.3	2.4	1.9	1.9
	321	Flat glass	1.3	1.3	1.9	2.5	2.0	2.8	0.9	0.7	0.9	1.2	0.9	1.5
*	238	Wearing apparel and accessories	6.8	15.0	9.8	5.5	8.4	6.7	1.2	1.2	1.4	1.2	1.5	1.4
*	322	Glass containers; pressed & blown glass	2.9	2.8	4.5	23.8	15.7	5.4	1.1	0.5	0.6	1.1	2.0	1.1
	396	Jewelry, nspf; buttons, needles	5.3	9.1	7.5	3.8	2.8	1.8	4.2	6.4	4.2	2.1	1.2	1.1
	361	Elec transmission & distrib equipment	0.1	0.0	0.0	1.0	4.2	8.8	0.0	0.0	0.0	0.2	2.0	1.0
		Total, selected items	3,583.7	4,408.3	4,481.9	4,495.7	4,278.4	3,829.1	1,201.0	1,282.0	1,532.1	1,706.8	1,939.6	1,642.0
		Total, all items	7,867.6	8,673.6	8,361.0	9,830.2	11,117.2	9,568.7	1,244.8	1,317.0	1,617.4	1,726.1	1,955.0	1,652.2

Notes: (1) "." denotes zero, "0" denotes less than $50 thousand.
(2) An asterisk "*" indicates groups with more than $1 million, two asterisks "**" more than $25 million, and three asterisks "***" more than $100 million in ATPA duty-free entries in items eligible or possibly eligible for ATPA but not eligible for duty-free entry under GSP.
(3) Data are on a SIC-87 basis, using the 1998 SIC/HTS concordance.

Source: Computed from the official statistics of the U.S. Department of Commerce.
Minor adjustments to official statistics were made to correct for cases of misreporting (See Appendix).

Table 7

U.S. Imports from ATPA-Beneficiary Countries
by Selected Product Groups 1991-2001

(customs value, millions of dollars)

Product Group	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Annual Growth (1)	2001 ATPA Duty-Free
ATPA, but not GSP Eligible	98.9	95.6	125.6	163.0	228.1	307.4	340.5	478.0	347.9	374.6	347.4	13.4	315.2
ATPA, GSP Lost/Competitive Need (2)	96.4	116.6	122.2	120.2	146.1	158.8	143.4	143.2	133.6	119.5	98.4	0.2	91.7
ATPA (Possibly), not GSP	10.2	11.9	12.2	14.8	1.4	0.8	0.8	1.8	1.0	1.0	1.2	(19.20)	0.5
ATPA and GSP Eligible	559.4	620.6	625.9	773.7	810.0	961.5	1,124.7	1,231.0	1,390.3	1,630.8	1,501.1	10.4	1,244.8
ATPA Leather Reduced Duties	28.4	26.7	25.8	26.7	26.9	26.9	28.4	27.4	25.5	28.2	25.1	(1.2)	.
Non-Petroleum, not ATPA Eligible	447.3	519.0	576.8	655.2	694.4	677.9	789.8	871.7	1,087.0	1,263.2	1,156.7	10.0	.
Petroleum, not ATPA Eligible	1,644.3	1,646.3	1,786.9	1,661.5	2,319.4	2,789.6	2,235.1	1,906.8	2,512.7	3,397.8	2,626.5	4.8	.
NTR Duty-Free (3)	2,084.5	2,022.0	2,006.9	2,464.4	2,742.6	2,944.7	4,010.8	3,701.2	4,332.2	4,302.3	3,812.1	6.2	.
Total	4,969.5	5,058.7	5,282.3	5,879.5	6,968.7	7,867.6	8,673.6	8,361.0	9,830.2	11,117.2	9,568.7	6.8	1,652.2

Notes: (1) Average annual percent change is based on the compound growth method covering 1991-2001.
(2) GSP eligible items which had exceeded the competitive need limits and were not eligible for GSP throughout the 1992-2001 period, i.e. carnations from Colombia. Items losing GSP for shorter periods included as ATPA and GSP Eligible.
(3) Formerly most-favored-nation (MFN) duty-free.
(4) "." means zero, and "---" means undefined.

Data Source: Compiled from official statistics of the U.S. Dept. of Commerce.
Source: Trade and Employment Effects of the Andean Trade Preference Act (2002), by Robert C. Shelburne.

Table 8

Percent of Total Value of U.S. Imports Subject to Duty
from ATPA-Beneficiary Countries
by ATPA and GSP Product Eligibility, 1991-2001

ATPA Product Eligibility	Year	GSP Product Eligibility: Eligible	GSP Product Eligibility: Not Eligible	Total
Eligible	1991	22.7	3.4	26.2
	1992	24.3	3.1	27.4
	1993	22.8	3.8	26.7
	1994	26.2	4.8	30.5
	1995	22.6	5.4	28.0
	1996	22.8	6.2	29.0
	1997	27.2	7.3	34.5
	1998	29.5	10.3	39.7
	1999	27.7	6.3	34.0
	2000	25.7	5.5	31.2
	2001	27.8	6.0	33.8
Possibly Eligible	1991	0.0	0.4	0.4
	1992	.	0.4	0.4
	1993	.	0.4	0.4
	1994	.	0.4	0.4
	1995	.	0.0	0.0
	1996	.	0.0	0.0
	1997	.	0.0	0.0
	1998	.	0.0	0.0
	1999	.	0.0	0.0
	2000	.	0.0	0.0
	2001	.	0.0	0.0
Not Eligible (Includes ATPA Reduced Duties)	1991	.	73.5	73.5
	1992	.	72.2	72.2
	1993	.	73.0	73.0
	1994	.	68.6	68.6
	1995	.	71.9	71.9
	1996	.	71.0	71.0
	1997	0.0	65.5	65.5
	1998	0.0	60.2	60.2
	1999	0.0	65.9	65.9
	2000	0.0	68.8	68.8
	2001	0.0	66.2	66.2
Total	1991	22.7	77.3	100.0
	1992	24.3	75.7	100.0
	1993	22.8	77.2	100.0
	1994	26.2	73.8	100.0
	1995	22.6	77.4	100.0
	1996	22.8	77.2	100.0
	1997	27.2	72.8	100.0
	1998	29.5	70.5	100.0
	1999	27.7	72.3	100.0
	2000	25.7	74.3	100.0
	2001	27.8	72.2	100.0

Note: "0.0" denotes less than 0.05 percent, and "." represents zero.

Source: Computed from official statistics of the U.S. Department of Commerce.
Minor adjustments to the official statistics were made to correct for cases of misreporting.

Table 9

Percent of the Value of U.S. Imports Subject to Duty
from ATPA-Beneficiary Countries
Entered Duty-Free Under ATPA and GSP
for each ATPA and GSP Product Eligibility Class, 1991-2001

ATPA Product Eligibility	Year	GSP Product Eligibility: Eligible		GSP Product Eligibility: Not Eligible		Total	
		ATPA Free	GSP Free	ATPA Free	GSP Free	ATPA Free	GSP Free
Eligible	1991	--	75.0	--	--	--	65.1
	1992	8.5	74.2	28.8	--	10.9	65.7
	1993	36.8	59.6	86.6	--	43.9	51.0
	1994	57.6	37.8	89.2	--	62.5	32.0
	1995	74.5	23.8	89.1	--	77.3	19.2
	1996	84.5	11.3	96.9	--	87.2	8.9
	1997	77.9	20.1	96.7	--	81.9	15.8
	1998	83.5	13.8	98.4	--	87.3	10.3
	1999	90.7	8.2	98.9	--	92.2	6.7
	2000	90.5	8.3	99.1	--	92.0	6.9
	2001	83.6	11.5	90.7	--	84.8	9.5
Possibly Eligible	1991	--	100.0	--	--	--	0.0
	1992	--	--	0.5	--	0.5	--
	1993	--	--	1.3	--	1.3	--
	1994	--	--	13.6	--	13.6	--
	1995	--	--	8.1	--	8.1	--
	1996	--	--	9.3	--	9.3	--
	1997	--	--	9.7	--	9.7	--
	1998	--	--	4.3	--	4.3	--
	1999	--	--	23.7	--	23.7	--
	2000	--	--	28.8	--	28.8	--
	2001	--	--	40.1	--	40.1	--
Not Eligible (Includes ATPA Reduced Dutiable)	1991	--	--	--	--	--	--
	1992	--	--	--	--	--	--
	1993	--	--	--	--	--	--
	1994	--	--	--	--	--	--
	1995	--	--	--	--	--	--
	1996	--	--	--	--	--	--
	1997	--	--	--	--	--	--
	1998	--	--	--	--	--	--
	1999	--	55.6	--	--	--	0.0
	2000	--	100.0	--	--	--	0.0
	2001	--	87.0	--	--	--	0.0
Total	1991	--	75.0	--	--	--	17.0
	1992	8.5	74.2	1.2	--	3.0	18.0
	1993	36.8	59.6	4.3	--	11.7	13.6
	1994	57.6	37.8	5.8	--	19.4	9.9
	1995	74.5	23.8	6.2	--	21.7	5.4
	1996	84.5	11.3	7.8	--	25.3	2.6
	1997	77.9	20.1	9.7	--	28.2	5.5
	1998	83.5	13.8	14.3	--	34.7	4.1
	1999	90.7	8.2	8.7	--	31.4	2.3
	2000	90.5	8.3	7.3	--	28.7	2.1
	2001	83.6	11.5	7.6	--	28.7	3.2

Note: "--" denotes zero, "0.0" denotes less than 0.05 percent.

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

Table 10

U.S. Imports from ATPA-Beneficiary Countries under Tariff Provisions 9802 by 2-Digit SIC-Based Product Group, 2001

SIC-Based Product Group	Value ($mil)	Share of Subject to Duty	U.S. Content Value ($mil)	Share of 9802 Value
23 Apparel and related products	184.6	24.0	86.6	46.9
22 Textile mill products	10.3	26.0	5.6	53.8
31 Leather and leather products	0.3	1.0	0.2	72.8
Total	195.2	3.4	92.4	47.3

Notes: (1) "0.0" denotes less than $50 thousand or 0.05 percent and "." denotes zero.
(2) Includes HTS 9802.00.60, HTS 9802.00.8010 and HTS 9802.00.8050.

Source: Compiled from official statistics of the U.S. Department of Commerce.
Minor adjustments in the official statistics were made to correct for cases of misreporting.

Table 11

U.S. Imports Under Tariff Provision HTS 9802.00.80 (1)
from ATPA-Beneficiary Countries
by ATPA Product Eligibility Class, 1991-2001

ATPA Product Eligibility	Year	Value ($mil)	Share of Subject to Duty	U.S. Content Value ($mil)	Share of 9802.00.80 Value
Eligible for Duty-free	1991	21.8	0.8	20.5	94.0
	1992	13.9	0.5	12.9	93.0
	1993	6.3	0.2	5.8	91.8
	1994	10.5	0.3	9.7	92.0
	1995	4.4	0.1	2.6	58.5
	1996	3.2	0.1	2.3	72.8
	1997	3.9	0.1	2.9	75.6
	1998	2.0	0.0	0.6	29.3
	1999	0.9	0.0	0.1	10.5
	2000	0.2	0.0	0.1	26.4
	2001	0.2	0.0	0.0	26.0
Possibly Eligible for Duty-free	1991	8.0	0.3	4.1	51.8
	1992	8.0	0.3	4.4	55.1
	1993	7.9	0.2	4.0	51.0
	1994	6.6	0.2	3.9	59.0
	1995	0.8	0.0	0.5	61.4
	1996	0.5	0.0	0.3	56.6
	1997	0.2	0.0	0.2	73.9
	1998	1.5	0.0	0.7	43.1
	1999	0.5	0.0	0.3	58.1
	2000	0.4	0.0	0.3	69.4
	2001	0.3	0.0	0.2	79.8
Eligible ATPA Reduced Duties	1991	0.1	0.0	0.0	80.2
	1992	.	.	.	.
	1993	.	.	.	.
	1994	.	.	.	.
	1995	0.0	0.0	0.0	51.5
	1996	0.0	0.0	0.0	66.9
	1997	0.0	0.0	0.0	51.0
	1998	0.0	0.0	0.0	46.4
	1999	0.6	0.0	0.4	63.9
	2000	0.1	0.0	0.1	65.9
	2001	0.3	0.0	0.2	72.8
Not Eligible	1991	145.5	5.0	78.8	54.1
	1992	199.2	6.6	104.9	52.7
	1993	219.0	6.7	112.0	51.1
	1994	246.0	7.2	141.6	57.5
	1995	274.8	6.5	169.1	61.5
	1996	230.6	4.7	127.8	55.4
	1997	281.3	6.0	161.8	57.5
	1998	268.7	5.8	157.3	58.5
	1999	249.7	4.5	146.3	58.6
	2000	246.4	3.6	135.7	55.1
	2001	194.4	3.4	91.9	47.3
Total	1991	175.4	6.1	103.5	59.0
	1992	221.1	7.3	122.3	55.3
	1993	233.2	7.1	121.8	52.2
	1994	263.2	7.7	155.2	59.0
	1995	280.0	6.6	172.2	61.5
	1996	234.3	4.8	130.4	55.7
	1997	285.5	6.1	165.0	57.8
	1998	272.3	5.8	158.6	58.2
	1999	251.7	4.6	147.0	58.4
	2000	247.1	3.6	136.1	55.1
	2001	195.2	3.4	92.4	47.3

Notes: (1) Includes HTS 9802.00.8010 and HTS 9802.00.8050.
(2) "0.0" denotes less than $50 thousand or 0.05 percent and "." denotes zero.

Source: Computed from official statistics of the U.S. Department of Commerce.
Minor adjustments in the official statistics were made to correct for cases of misreporting.

Table 12

Unique ATPA Benefits by ATPA Beneficiary in 2001

(customs value, millions of dollars)

Country	Unique ATPA Benefits (1)		Components of Unique ATPA Benefits		Total Value of ATPA Duty-Free (2)
	Customs Value	Percentage of Subject To Duty	Items Not Eligible for GSP	GSP Items (3) Not Eligible for GSP	
Colombia	461.26	14.77	174.80	286.46	696.61
Peru	498.28	37.05	39.41	458.87	686.28
Ecuador	103.52	8.65	101.33	2.19	216.05
Bolivia	0.12	0.13	0.12	.	53.22
Total, all beneficiaries	1,063.19	18.47	315.66	747.53	1,652.17

Notes: (1) Unique ATPA benefits are those available under the ATPA but not under any other trade preference program.
(2) Includes all ATPA duty-free under the ATPA.
(3) ATPA duty-free from beneficiaries of items that have lost GSP by exceeding the competitive need limits.
(4) "0.0" denotes less than $50 thousand or less than 0.05 percent, "." denotes zero.

Table 13

U.S. Imports from ATPA-Beneficiary Countries of Items That Benefited
Uniquely from ATPA Provisions in 2000-2001

(customs value, millions of dollars)

			Time Consistent (3)				Actual (4)			
			ATPA-plus, not GSP		ATPA Duty-Free		ATPA-plus, not GSP		ATPA Duty-Free	
	HTS Number	Description	2000	2001	2000	2001	2000	2001	2000	2001
*P	74031100	Cathodes and sections of cathodes	566.4	455.9	565.7	429.4	566.4	455.9	565.7	429.4
*C	32129000	Pigments and dyes	196.9	196.8	195.5	194.6	138.3	196.8	136.9	194.6
	06031060	Roses, fresh cut	192.4	188.5	192.4	180.3	192.4	188.5	192.4	180.3
*C	06031070	Chrysanthemums, standard carnations	119.5	98.4	119.5	91.7	119.5	98.4	119.5	91.7
	07092090	Asparagus, fresh, entered 11/15 to 9/15	33.4	34.4	33.4	28.3	33.4	34.4	33.4	28.3
	16041440	Tuna, not in airtight containers	74.9	33.6	74.6	26.5	74.9	33.6	74.6	26.5
*P	07092010	Asparagus, fresh, entered 9/15 to 11/15	9.9	14.8	9.9	14.8	9.9	14.8	9.9	14.8
	24022080	Cigarettes, paper-wrapped	0.9	16.2	0.9	13.8	0.9	16.2	0.9	13.8
	73062060	Oil well tubing of iron	13.3	13.9	13.3	13.5	13.3	13.9	13.3	13.5
*P	71131921	Gold rope necklaces and neck chains	18.7	9.1	18.7	9.1	18.7	9.1	18.7	9.1
	69089000	Glazed ceramic flags and tiles	8.5	7.9	8.4	7.2	8.5	7.9	8.4	7.2
	07108097	Vegetables, nesi, frozen	4.8	7.7	4.8	6.8	4.8	7.7	4.8	6.8
*P	79050000	Zinc plates, sheets, strip	9.0	5.6	9.0	5.6	9.0	5.6	9.0	5.6
	79011210	Unwrought casting grade zinc	3.2	3.5	3.2	3.5	3.2	3.5	3.2	3.5
	73063050	Iron and steel, seamed tubing	3.2	4.0	3.2	3.4	3.2	4.0	3.2	3.4
	20031000	Mushrooms, prepared or preserved	3.7	3.0	3.5	2.8	3.7	3.0	3.5	2.8
	08043040	Pineapples, fresh or dried	1.9	2.6	1.9	2.4	1.9	2.6	1.9	2.4
	73062020	Iron and steel tubing used for drilling gas/oil	1.0	2.1	1.0	2.1	1.0	2.1	1.0	2.1
	20079965	Fruit pastes and purees, nesi	2.2	1.8	2.2	1.7	2.2	1.8	2.2	1.7
	08119080	Fruit and nuts, nesi	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5
	73061010	Aluminum powders, non-lamellar	1.4	1.7	1.4	1.3	1.4	1.7	1.4	1.3
	69120039	Ceramic household kitchenware	1.0	1.4	0.5	1.1	1.0	1.4	0.5	1.1
	73121090	Wire of iron or steel	0.5	1.1	0.4	1.0	0.5	1.1	0.4	1.0
	73121030	Stranded wire of iron or steel	0.8	1.1	0.6	1.0	0.8	1.1	0.6	1.0
*E	44122945	Plywood	3.5	0.9	3.5	0.9	3.5	0.9	3.5	0.9
	72286080	Bars and rods of alloy steel	0.9	1.0	0.9	0.9	0.9	1.0	0.9	0.9
	08061060	Grapes, fresh 7/1 to 2/14	0.5	1.8	0.3	0.8	0.5	1.8	0.3	0.8
	07101000	Potatoes, frozen steamed or uncooked	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
	07102930	Pigeon peas, frozen steamed or uncooked	0.9	0.9	0.8	0.7	0.9	0.9	0.8	0.7
	84836080	Transmission shaft couplings	0.5	0.8	0.5	0.7	0.5	0.8	0.5	0.7
		Total, selected items	1,276.0	1,113.0	1,272.0	1,048.0	1,217.0	1,113.0	1,213.0	1,048.1
		Total, all items	1,351.0	1,132.0	1,344.5	1,063.2	1,291.9	1,132.0	1,285.6	1,063.2

Notes: (1) "0.0" denotes less than $50 thousand and "." denotes zero.
(2) "*" denotes items normally eligible for GSP but one or more ATPA nations (C-Colombia, P-Peru, E-Ecuador) have lost GSP due to competitive need limitations. This table only includes trade from those ATPA nations that have lost GSP for that item.
(3) Includes trade data throughout the 2000-2001 period for any items that were eligible for the ATP, but not the GSP for any part of 2000-2001.
(4) Includes trade data for ATP, not GSP items only for the time that they were eligible for the ATP, but not the GSP.

Source: Compiled from official statistics of the U.S. Department of Commerce.
Minor adjustments in the official statistics were made to correct for cases of misreporting.

Table 14

3-Digit SIC-Based Product Groups of U.S. Imports from the World and ATPA-Beneficiary Countries
in which ATPA-Beneficiaries Obtained Significant Benefits Provided by the ATPA, 2001

(value in millions of dollars)

	SIC-Based Product Group and Source/Product Type (7)	Customs Value		Change in Value		Customs Value Share of World, 2001	ATPA Duty-Free Value		ATPA-Free Share of World, 2001	GSP Duty-Free Value	
		2000	2001	Absolute	Percent		2000	2001		2000	2001
	016 Vegetables and melons										
	World	2213.2	2521.6	308.4	13.9	100.0					
	ATPA, Total	54.1	67.4	13.2	24.4	2.7	51.8	58.6	2.3	2.3	1.3
	ATPA-plus	54.1	67.4	13.2	24.4	2.7	51.8	58.6	2.3	2.3	1.3
	ATPA-plus, not GSP(3)	44.1	49.7	5.6	12.8	2.0	44.1	43.6	1.7		
	ATPA-plus, not GSP(4)	44.1	49.7	5.6	12.8	2.0	44.1	43.6	1.7		
	Total ATPA Benefits						44.1	43.6	1.7		
	203 Prepared fruits & vegetables										
	World	3595.9	3646.1	50.2	1.4	100.0					
	ATPA, Total	54.2	72.8	18.6	34.2	2.0	36.0	49.7	1.4	11.6	12.8
	ATPA-plus	48.6	65.8	17.1	35.2	1.8	36.0	49.7	1.4	11.6	12.8
	ATPA-plus, not GSP(3)	17.1	19.7	2.6	15.1	0.5	16.6	17.4	0.5		
	ATPA-plus, not GSP(4)	17.1	19.7	2.6	15.1	0.5	16.6	17.4	0.5		
	Total ATPA Benefits						16.6	17.4	0.5		
	206 Sugar and confectionery products										
	World	3011.5	3044.0	32.5	1.1	100.0					
	ATPA, Total	121.5	121.2	-0.4	-0.3	4.0	37.1	47.1	1.5	31.4	26.7
	ATPA-plus	77.8	87.0	9.2	11.9	2.9	37.1	47.1	1.5	31.4	26.7
	ATPA-plus, not GSP(3)	0.6	0.5	-0.1	-9.6	0.0	0.5	0.4	0.0	0.1	0.0
	ATPA-plus, not GSP(4)	0.4	0.5	0.1	36.2	0.0	0.4	0.4	0.0		
	Total ATPA Benefits						0.4	0.4	0.0		
*	211 Cigarettes										
	World	211.7	189.0	-22.7	-10.7	100.0					
	ATPA, Total	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3	.	.
	ATPA-plus	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3	.	.
	ATPA-plus, not GSP(3)	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3		
	ATPA-plus, not GSP(4)	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3		
	Total ATPA Benefits						0.9	13.8	7.3		
*	285 Paints, varnishes, and lacquers										
	World	777.2	778.9	1.8	0.2	100.0					
	ATPA, Total	136.6	197.0	60.3	44.2	25.3	135.3	194.7	25.0	.	.
	ATPA-plus	136.6	197.0	60.3	44.2	25.3	135.3	194.7	25.0	.	.
	ATPA-plus, not GSP(3)	132.7	197.0	64.2	48.4	25.3	131.4	194.7	25.0		
	ATPA-plus, not GSP(4)	107.4	197.0	89.5	83.4	25.3	106.1	194.7	25.0		
	Total ATPA Benefits						106.1	194.7	25.0		

Notes: (1) Table includes SIC groups where ATPA duty-free imports increased by greater than $5 million, and were greater than one percent of total U.S. imports of that SIC group in 2001.
(2) '"ATPA-plus" denotes products eligible or possibly eligible for ATPA duty-free treatment, and "ATPA-plus, not GSP" denotes products eligible or possibly eligible for ATPA duty-free treatment, but not eligible for GSP duty-free treatment.
(3) Time consistent definition, i.e. includes trade data for items eligible for the ATPA, but not the GSP for any part of 2000-2001.
(4) Actual definition, i.e. includes data for items eligible for the ATPA, but not the GSP only for the time that they were ATPA, not GSP.
(5) "0.0" denotes less than $50 thousand or 0.05 percent; "." denotes zero; and "---" denotes undefined.
(6) "*" denotes that the SIC group also appears in Table 15.
(7) Based upon the 1998 SIC/HTS concordance.

Source: Compiled from the official statistics of the U.S. Department of Commerce.
Minor adjustments to the official statistics were made to correct for cases of misreporting (see Appendix).

Table 15

3-Digit SIC-Based Product Groups of U.S. Imports from the World and ATPA-Beneficiary Countries
in which ATPA-Beneficiaries Obtained Significant Benefits Provided Uniquely by the ATPA, 200

(value in millions of dollars)

	SIC-Based Product Group and Source/Product Type (7)	Customs Value		Change in Value		Customs Value Share of World, 2001	ATPA Duty-Free Value		ATPA-Free Share of World, 2001	GSP Duty-Free Value	
		2000	2001	Absolute	Percent		2000	2001		2000	2001
*	211 Cigarettes										
	World	211.7	189.0	-22.7	-10.7	100.0					
	ATPA, Total	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3	.	.
	ATPA-plus	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3	.	.
	ATPA-plus, not GSP(3)	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3		
	ATPA-plus, not GSP(4)	0.9	16.2	15.3	1632.4	8.6	0.9	13.8	7.3		
	Total ATPA Benefits						0.9	13.8	7.3		
*	285 Paints, varnishes, and lacquers										
	World	777.2	778.9	1.8	0.2	100.0					
	ATPA, Total	136.6	197.0	60.3	44.2	25.3	135.3	194.7	25.0	.	.
	ATPA-plus	136.6	197.0	60.3	44.2	25.3	135.3	194.7	25.0	.	.
	ATPA-plus, not GSP(3)	132.7	197.0	64.2	48.4	25.3	131.4	194.7	25.0		
	ATPA-plus, not GSP(4)	107.4	197.0	89.5	83.4	25.3	106.1	194.7	25.0		
	Total ATPA Benefits						106.1	194.7	25.0		

Notes: (1) Table includes SIC groups where ATPA duty-free imports not eligible for GSP (Total ATPA Benefits) increased by greater than $1 million, and were greater than one percent of total U.S. imports of that SIC group in 2001
(2) "'ATPA-plus" denotes products eligible or possibly eligible for ATPA duty-free treatment, and "ATPA-plus, not GSP" denotes products eligible or possibly eligible for ATPA duty-free treatment, but not eligibl for GSP duty-free treatment.
(3) Time consistent definition, i.e. includes trade data for items eligible for the ATPA, but not the GSP for any part of 2000-2001
(4) Actual definition, i.e. includes data for items eligible for the ATPA, but not the GSP only for the time that they were ATPA, not
(5) "0.0" denotes less than $50 thousand or 0.05 percent; "." denotes zero.
(6) "*" denotes that the SIC group also appears in Table 14.
(7) Based upon the 1998 SIC/HTS concordance.

Source: Compiled from the official statistics of the U.S. Department of Commerce.
Minor adjustments to the official statistics were made to correct for cases of misreporting (see Appendix)

Table 16

U.S. Exports to ATPA Countries by Major 2-Digit SIC-Based Group, 1991-2001

(f.a.s. value, millions of dollars)

SIC-Based Product Group (2)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Agriculture, Forestry and Fishery Products	222.0	235.7	289.2	325.5	586.9	736.4	543.6	649.7	532.9	466.0	519.5
01-Agricultural Products	209.7	222.4	274.8	306.9	560.9	716.3	524.2	627.7	516.6	452.0	502.6
02-Livestock	9.3	10.7	11.3	14.1	18.0	12.8	14.8	12.8	9.5	10.3	11.2
08-Forestry Products	2.1	1.7	1.5	1.7	2.2	2.2	2.5	3.0	1.6	1.7	2.1
09-Fishery Products	0.8	0.9	1.6	2.8	5.8	5.2	2.1	6.2	5.1	2.1	3.5
Mining and Mineral Products	12.0	45.4	40.2	14.7	54.1	39.1	22.8	32.1	24.8	24.5	18.7
10-Metallic Ores	2.2	1.8	1.5	1.9	3.6	3.6	3.2	4.6	6.0	4.4	2.7
11,12-Coal	0.1	0.1	0.0	0.0	1.2	1.8	4.2	4.4	1.4	1.3	2.8
13-Crude Petroleum/Natural Gas	1.2	28.4	29.3	2.1	37.7	19.0	0.6	6.8	6.4	8.4	1.9
14-Nonmetallic Minerals	8.5	15.1	9.3	10.7	11.5	14.6	14.8	16.3	11.0	10.4	11.3
Manufactured Products	3,510.8	4,981.4	4,980.1	6,038.8	7,122.5	6,877.1	8,062.3	7,930.6	5,658.5	5,743.1	5,748.5
20-Food Products	196.2	253.6	239.7	290.6	362.9	384.4	403.5	482.8	325.0	234.0	263.0
21-Tobacco	4.1	5.5	6.6	10.4	16.2	25.1	27.4	26.9	12.3	1.4	0.1
22-Textiles	61.6	78.5	94.9	108.9	135.2	103.8	106.0	106.2	87.0	104.5	81.7
23-Apparel	64.4	105.2	109.0	152.2	146.3	145.7	169.0	160.5	120.0	95.2	51.0
24-Wood Products	7.4	5.5	8.2	15.9	10.1	13.6	15.9	18.8	15.8	13.9	7.5
25-Furniture	8.9	14.1	18.3	25.0	36.2	39.8	39.1	28.7	18.0	13.3	18.9
26-Paper	192.1	181.8	183.1	210.8	330.5	295.7	334.7	290.0	271.5	284.9	253.6
27-Printing and Publishing	14.0	16.0	18.4	21.1	26.7	32.4	32.6	34.9	23.5	30.8	28.2
28-Chemicals	862.0	889.1	920.9	1,157.4	1,448.0	1,317.7	1,404.1	1,289.8	1,087.6	1,286.5	1,241.7
29-Petroleum Refining	94.1	131.7	107.5	157.7	134.8	160.3	245.9	184.6	110.2	123.4	145.2
30-Rubber	57.2	78.8	94.9	119.9	159.0	152.0	180.6	183.5	116.4	134.4	133.9
31-Leather	2.8	4.9	7.7	13.9	12.1	12.0	15.2	14.0	9.8	7.4	8.5
32-Stone, Clay, and Glass	30.8	44.0	47.7	61.6	71.0	71.4	69.4	60.8	40.5	45.2	49.7
33-Primary Metals	66.5	111.8	127.1	111.6	236.5	176.0	193.8	285.0	176.8	169.9	180.6
34-Fabricated Metals	78.8	117.5	146.2	152.3	178.1	168.9	231.2	177.2	117.6	153.6	120.6
35-Machinery, exc Electrical	862.1	1,181.9	1,439.2	1,648.8	1,832.8	1,932.3	2,248.5	2,106.9	1,635.4	1,581.5	1,669.0
36-Electrical Machinery	210.3	386.6	388.0	601.7	779.1	774.3	1,095.7	1,003.0	590.4	575.7	620.9
37-Transportation Equipment	376.9	964.8	593.9	702.3	605.1	460.8	559.9	707.0	382.4	363.4	343.1
38-Instruments	124.4	168.1	178.5	204.6	274.5	264.8	323.5	322.2	218.7	238.4	263.3
39-Miscellaneous Manufactures	59.9	60.1	66.1	89.7	107.4	127.2	118.7	113.5	82.6	83.7	84.5
3X-Misc Manufactures, nspf	136.3	181.9	184.2	182.5	220.1	218.8	247.6	334.3	217.0	201.9	183.7
Other Commodities	53.5	57.3	49.6	66.0	56.7	66.1	53.1	57.7	47.0	61.5	76.6
91-Scrap and Waste	28.3	24.3	14.7	17.6	23.5	13.3	10.5	9.3	13.7	18.9	12.9
92-Used Merchandise	10.0	21.7	23.5	27.9	20.3	35.3	17.0	19.0	15.7	19.0	33.3
99-Miscellaneous Commodities	15.2	11.3	11.5	20.4	12.9	17.5	25.6	29.4	17.6	23.5	30.4
Total, all commodities	3,798.2	5,319.7	5,359.1	6,445.0	7,820.2	7,718.7	8,681.8	8,670.1	6,263.2	6,295.1	6,363.3

Note: (1) "0.0" denotes less than $ 50 thousand.
(2) Based upon the 1998 SIC/HTS concordance.

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

Table 17

Leading 3-Digit SIC-87 Based Categories in U.S. Exports to ATPA-Beneficiary Countries in 2001

SIC Code (1)	Description	F.A.S. Value ($ mil.)						Percent of Total F.A.S					
		1996	1997	1998	1999	2000	2001	1996	1997	1998	1999	2000	2001
353	Construction, mining machinery	717.0	814.3	924.0	687.4	710.1	726.1	9.3	9.4	10.7	11.0	11.3	11.4
357	Computer and office equipment	443.4	543.2	513.5	411.6	442.0	418.1	5.7	6.3	5.9	6.6	7.0	6.6
011	Cash grains and other crops	651.3	402.2	484.0	444.0	356.4	398.1	8.4	4.6	5.6	7.1	5.7	6.3
286	Industrial organic chemicals	405.3	386.7	320.8	311.8	434.1	366.4	5.3	4.5	3.7	5.0	6.9	5.8
282	Plastic materials & synthetics	351.5	395.6	324.5	269.0	346.4	311.3	4.6	4.6	3.7	4.3	5.5	4.9
366	Communication equipment and apparatus	248.7	478.0	483.3	256.4	246.4	292.2	3.2	5.5	5.6	4.1	3.9	4.6
356	General industrial machinery & equipment	207.5	225.6	194.3	150.0	136.9	191.1	2.7	2.6	2.2	2.4	2.2	3.0
262	Paper mill products	234.0	264.9	221.3	208.9	219.9	189.3	3.0	3.1	2.6	3.3	3.5	3.0
3XX	Manufactured commodities not identified	218.8	247.6	334.3	217.0	201.9	183.7	2.8	2.9	3.9	3.5	3.2	2.9
287	Agricultural chemicals	169.5	174.5	200.3	140.1	142.4	151.0	2.2	2.0	2.3	2.2	2.3	2.4
372	Aircraft and parts, nspf	145.6	155.7	351.8	221.2	222.8	148.9	1.9	1.8	4.1	3.5	3.5	2.3
291	Petroleum refinery products	157.7	242.8	181.7	107.5	121.2	143.3	2.0	2.8	2.1	1.7	1.9	2.3
371	Motor vehicles & motor vehicle equipment	287.9	356.8	307.4	119.6	107.4	141.4	3.7	4.1	3.5	1.9	1.7	2.2
281	Industrial inorganic chemicals	139.3	124.7	134.6	104.2	109.0	119.1	1.8	1.4	1.6	1.7	1.7	1.9
382	Measuring and controlling devices	98.3	114.4	114.1	82.3	82.5	107.6	1.3	1.3	1.3	1.3	1.3	1.7
351	Engines & turbines, parts & accessories	237.1	289.9	124.1	185.5	111.5	99.7	3.1	3.3	1.4	3.0	1.8	1.6
283	Drugs	69.9	85.8	84.7	72.8	75.0	99.2	0.9	1.0	1.0	1.2	1.2	1.6
355	Special industrial machinery	107.8	101.2	115.3	56.5	68.5	93.0	1.4	1.2	1.3	0.9	1.1	1.5
207	Fats and oils	174.0	177.6	224.3	157.9	91.6	91.2	2.3	2.0	2.6	2.5	1.5	1.4
289	Miscellaneous chemicals	86.9	116.2	108.3	89.3	87.4	89.0	1.1	1.3	1.2	1.4	1.4	1.4
384	Medical & dental instruments	97.4	107.5	111.9	68.9	91.1	88.2	1.3	1.2	1.3	1.1	1.4	1.4
013	Field crops, except cash grains	45.9	96.6	122.1	56.4	78.1	86.9	0.6	1.1	1.4	0.9	1.2	1.4
284	Soaps, detergents and cleaners	80.7	102.2	99.5	87.9	75.7	85.3	1.0	1.2	1.1	1.4	1.2	1.3
308	Miscellaneous plastics products	79.0	90.9	90.1	55.0	75.8	72.8	1.0	1.0	1.0	0.9	1.2	1.1
335	Nonferrous rolled & drawn products	56.0	58.6	107.6	48.5	60.0	72.8	0.7	0.7	1.2	0.8	1.0	1.1
365	Radio/TV sets, phonographs, recorders	116.3	119.3	121.2	72.8	74.4	72.4	1.5	1.4	1.4	1.2	1.2	1.1
367	Electronic components	80.1	122.7	90.5	79.5	74.5	69.8	1.0	1.4	1.0	1.3	1.2	1.1
333	Primary nonferrous metals	10.4	40.9	99.5	95.6	72.4	65.2	0.1	0.5	1.1	1.5	1.1	1.0
204	Grain mill products	70.6	75.9	107.2	63.5	50.4	58.4	0.9	0.9	1.2	1.0	0.8	0.9
363	Household appliances, and parts, nspf	104.2	114.6	84.4	41.6	36.0	55.8	1.3	1.3	1.0	0.7	0.6	0.9
	Total, selected items	5,892.1	6,627.0	6,780.9	4,962.8	5,001.7	5,087.3	76.3	76.3	78.2	79.2	79.5	79.9
	Total, all items	7,718.7	8,681.8	8,670.1	6,263.2	6,295.1	6,363.3	100.0	100.0	100.0	100.0	100.0	100.0

Note: (1) Based upon the 1998 SIC/HTS concordance.

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

Table 18
Leading Schedule B Items in U.S. Domestic Exports to ATPA-Beneficiary Countries in 2001

Sch. B Number	Description	F.A.S. Value ($ mil.) 1997	1998	1999	2000	2001	: Percent of Total F.A.S. Value 1997	1998	1999	2000	2001
84314380	Parts for boring machinery	309.2	472.2	215.4	224.3	228.9	3.6	5.4	3.4	3.6	3.6
10059020	Yellow dent corn	174.3	181.9	226.8	189.5	184.1	2.0	2.1	3.6	3.0	2.9
10019020	Wheat and meslin	133.5	147.1	187.6	116.8	158.9	1.5	1.7	3.0	1.9	2.5
98800040	U.S. low value estimate	207.6	205.2	155.9	150.9	153.8	2.4	2.4	2.5	2.4	2.4
85252090	Cordless phones, transmission	154.5	228.7	82.8	104.1	124.1	1.8	2.6	1.3	1.7	2.0
84733000	Parts data processing machines	187.5	176.3	124.3	138.6	104.3	2.2	2.0	2.0	2.2	1.6
84313900	Parts for machinery	97.8	.	52.8	67.8	95.8	1.1	.	0.8	1.1	1.5
48041100	Uncoated, unbleached kraftliner	164.9	119.3	108.4	131.9	94.7	1.9	1.4	1.7	2.1	1.5
84715000	Automatic data processing units (2)	.	49.9	36.4	69.9	93.2	.	0.6	0.6	1.1	1.5
31000000	Fertilizers & fert materials	96.3	108.1	87.8	84.3	92.3	1.1	1.2	1.4	1.3	1.5
29032100	Vinyl chloride	61.9	35.6	75.3	128.3	73.7	0.7	0.4	1.2	2.0	1.2
84749000	Parts for sorting machinery	64.1	76.7	98.5	65.8	72.7	0.7	0.9	1.6	1.0	1.1
52010010	Cotton staple length < 28.6 mm	73.0	92.9	30.9	66.2	71.0	0.8	1.1	0.5	1.1	1.1
88021200	Helicopters, exceeding 2,000 kg.	.	67.0	.	.	58.7	.	0.8	.	.	0.9
84314100	Machinery buckets and shovels	35.6	48.7	56.7	61.7	50.6	0.4	0.6	0.9	1.0	0.8
87041050	Dump vehicles	11.5	24.5	55.7	23.6	48.6	0.1	0.3	0.9	0.4	0.8
84314910	Parts for cranes	3.4	1.5	3.2	39.7	48.4	0.0	0.0	0.1	0.6	0.8
88033000	Civil aircraft parts	66.8	98.3	79.3	86.7	48.2	0.8	1.1	1.3	1.4	0.8
71081210	Gold, nonmonetary, bullion and dore	26.6	51.4	77.8	53.6	48.0	0.3	0.6	1.2	0.9	0.8
39011000	Polyethylene, s.g. below .94	80.5	58.3	57.3	58.5	47.5	0.9	0.7	0.9	0.9	0.7
29025000	Styrene hydrocarbon	48.7	40.2	39.3	58.8	44.8	0.6	0.5	0.6	0.9	0.7
84718010	Control or adapter units for data processing	18.3	22.2	22.3	33.8	44.6	0.2	0.3	0.4	0.5	0.7
85252030	Transceivers	86.1	59.8	57.1	35.4	44.3	1.0	0.7	0.9	0.6	0.7
27100010	Distillate & residual fuel	19.0	47.5	0.1	33.2	41.4	0.2	0.5	0.0	0.5	0.7
23040000	Oilcake and other residues	112.0	97.5	80.1	45.5	40.2	1.3	1.1	1.3	0.7	0.6
27100030	Lubricating oils	22.0	26.0	23.8	33.8	33.9	0.3	0.3	0.4	0.5	0.5
27100015	Motor fuel from bitumninous	145.8	47.1	29.3	1.7	31.4	1.7	0.5	0.5	0.0	0.5
84713000	Portable digital automatic data machines	15.3	15.7	14.6	17.1	31.1	0.2	0.2	0.2	0.3	0.5
12010000	Soybeans	49.6	26.3	7.7	20.7	30.7	0.6	0.3	0.1	0.3	0.5
84118280	Turbopropellers >5000 kw	41.5	32.1	70.2	12.5	29.9	0.5	0.4	1.1	0.2	0.5
	Total, of items shown	2,507.0	2,658.0	2,157.2	2,154.7	2,269.6	28.9	30.7	34.4	34.2	35.7
	Total, all commodities	8,681.8	8,670.1	6,263.2	6,295.1	6,363.3	100.0	100.0	100.0	100.0	100.0

Note: (1) "." denotes zero and "0.0" denotes less than $ 50 thousand or less than 0.05 percent.
(2) This was a new HTS number in 1998, trade in previous years was under another HTS number which can not be compared to the current number.

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

Table 19

Nonagricultural U.S. Employment by Industry Division and Major 2-Digit SIC Industry, 1979-2001
(All Employees, Annual Average, In Thousands)

SIC	Industry	1979	1982	1990	1991	1998	1999	2000	2001
	Goods-producing	26,461.0	23,812.0	24,905.0	23,745.0	25,414.0	25,507.0	25,669.0	24,944.0
10-14	Mining	958.0	1,128.0	709.0	689.0	590.0	539.0	543.0	565.0
10	Metal mining	101.0	72.9	57.8	55.9	49.3	44.3	40.5	35.6
12	Coal mining	258.8	236.6	146.5	135.5	91.8	84.6	77.8	79.9
13	Oil and gas extraction	474.2	708.3	394.7	392.9	339.1	297.4	311.6	338.0
14	Nonmetallic minerals, except fuels	123.8	109.7	110.3	104.5	109.8	112.8	113.3	111.0
15-17	Construction	4,463.0	3,904.0	5,120.0	4,650.0	6,020.0	6,415.0	6,653.0	6,685.0
20-39	Manufacturing	21,040.0	18,780.0	19,076.0	18,406.0	18,805.0	18,552.0	18,473.0	17,695.0
24,25,32-39	Durable goods	12,730.0	11,014.0	11,109.0	10,569.0	11,205.0	11,111.0	11,141.0	10,636.0
24	Lumber and wood products	781.8	610.3	733.3	675.2	813.5	834.3	830.4	786.1
25	Furniture and fixtures	497.8	432.0	505.8	474.7	532.9	548.2	556.3	519.9
32	Stone, clay, and glass products	673.5	547.5	556.2	521.5	561.5	566.4	579.4	570.7
33	Primary metal industries	1,253.9	921.9	756.2	722.6	714.6	699.1	699.4	656.2
34	Fabricated metal products	1,712.6	1,424.4	1,419.0	1,355.1	1,509.2	1,521.0	1,539.0	1,482.5
35	Industrial machinery and equipment	2,507.7	2,264.3	2,094.6	1,999.6	2,205.8	2,136.3	2,120.8	2,010.6
36	Electronic and other electrical equipment	1,793.1	1,700.5	1,673.4	1,591.1	1,707.1	1,671.5	1,726.2	1,630.9
37	Transportation equipment	2,058.9	1,717.6	1,988.9	1,890.0	1,892.5	1,887.6	1,851.9	1,759.9
38	Instruments and related products	1,006.3	1,013.3	1,005.9	974.0	873.1	855.4	845.2	839.3
39	Miscellaneous manufacturing industries	444.8	382.1	375.3	365.5	394.7	391.3	392.3	379.9
20-23,26-31	Nondurable goods	8,310.0	7,766.0	7,968.0	7,837.0	7,600.0	7,441.0	7,332.0	7,059.0
20	Food and kindred products	1,732.5	1,635.8	1,660.5	1,666.9	1,683.2	1,682.3	1,687.0	1,690.9
21	Tobacco products	70.0	68.7	49.1	49.0	40.5	37.4	34.3	33.8
22	Textile mill products	885.1	749.4	691.4	670.0	597.6	558.9	530.5	477.5
23	Apparel and other textile products	1,304.3	1,161.1	1,036.2	1,006.0	765.8	690.1	633.6	566.0
26	Paper and allied products	697.3	655.4	696.7	687.9	677.2	667.9	656.2	634.4
27	Printing and publishing	1,235.1	1,271.8	1,569.4	1,535.6	1,564.6	1,552.3	1,547.5	1,490.8
28	Chemicals and allied products	1,109.3	1,075.1	1,086.1	1,075.9	1,042.9	1,035.2	1,034.0	1,021.9
29	Petroleum and coal products	209.8	200.8	157.4	160.0	139.1	132.1	127.0	125.8
30	Rubber and miscellaneous plastics products.	820.6	729.3	887.6	861.9	1,004.9	1,008.6	1,011.4	958.0
31	Leather and leather products	245.7	218.9	133.1	123.7	84.1	76.6	70.2	59.8
	Service-producing	63,363.0	65,732.0	84,497.0	84,504.0	100,451.0	103,409.0	106,051.0	106,978.0
40-42,44-49	Transportation and public utilities	5,136.0	5,081.0	5,777.0	5,755.0	6,611.0	6,834.0	7,031.0	7,065.0
50-59	Wholesale and retail trade	20,192.0	20,453.0	25,774.0	25,365.0	29,095.0	29,758.0	30,284.0	30,297.0
60-65,67	Finance, insurance, and real estate	4,975.0	5,340.0	6,709.0	6,646.0	7,389.0	7,555.0	7,578.0	7,712.0
07,70-87,89,99	Services	17,112.0	19,021.0	27,934.0	28,336.0	37,533.0	39,055.0	40,457.0	40,970.0
	Government	15,947.0	15,837.0	18,304.0	18,402.0	19,823.0	20,206.0	20,702.0	20,933.0
	Total nonfarm	89,823.0	89,544.0	109,403.0	108,249.0	125,865.0	128,916.0	131,720.0	131,922.0

Note: All years are on a SIC-87 basis.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table 20
U.S. Imports from ATPA-Beneficiary Countries
by ATPA Product Eligibility Class and Reported Duty Treatment, 1991-2001

(value in millions of dollars)

ATPA Duty Status	Value from ATPA	Share	Reported ATPA-Free	Share	Reported GSP-Free	Share	Reported HTS 9802 Free	Share	Sum ATPA, GSP, 9802 Free	Share	ATPA, GSP, 9802 Free Share of ATPA Total
						--2001--					
Total	9,568.7	100.0	1,652.2	100.0	184.2	100.0	92.4	100.0	1,928.8	100.0	20.2
Elig	1,947.0	20.3	1,651.7	100.0	184.2	100.0	0.0	0.1	1,836.0	95.2	94.3
Pos.Elig	1.2	0.0	0.5	0.0	.	.	0.2	0.2	0.7	0.0	57.2
Excluded	3,808.3	39.8	.	.	0.0	0.0	92.1	99.7	92.1	4.8	2.4
NTR-Free	3,812.1	39.8	.	.	.	.	.	.	.	.	.
						--2000--					
Total	11,117.2	100.0	1,955.0	100.0	145.6	100.0	136.1	100.0	2,236.6	100.0	20.1
Elig	2,124.9	19.1	1,954.5	100.0	145.5	100.0	0.1	0.0	2,100.1	93.9	98.8
Pos.Elig	1.0	0.0	0.3	0.0	.	.	0.3	0.2	0.6	0.0	56.2
Excluded	4,689.1	42.2	.	.	0.0	0.0	135.8	99.8	135.8	6.1	2.9
NTR-Free	4,302.3	38.7	0.1	0.0	0.0	0.0	.	.	0.1	0.0	0.0
						--1999--					
Total	9,830.2	100.0	1,726.1	100.0	125.7	100.0	147.0	100.0	1,998.9	100.0	20.3
Elig	1,871.9	19.0	1,725.9	100.0	125.3	99.7	0.1	0.1	1,851.3	92.6	98.9
Pos.Elig	1.0	0.0	0.2	0.0	.	.	0.3	0.2	0.5	0.0	54.5
Excluded	3,625.2	36.9	.	.	0.0	0.0	146.6	99.7	146.6	7.3	4.0
NTR-Free	4,332.2	44.1	.	.	0.4	0.3	.	.	0.4	0.0	0.0
						--1998--					
Total	8,361.0	100.0	1,617.4	100.0	190.1	100.0	158.6	100.0	1,966.0	100.0	23.5
Elig	1,852.2	22.2	1,617.3	100.0	190.0	100.0	0.6	0.4	1,808.0	92.0	97.6
Pos.Elig	1.8	0.0	0.1	0.0	.	.	0.7	0.4	0.7	0.0	40.9
Excluded	2,805.9	33.6	.	.	.	.	157.3	99.2	157.3	8.0	5.6
NTR-Free	3,701.2	44.3	.	.	0.0	0.0	.	.	0.0	0.0	0.0
						--1997--					
Total	8,673.6	100.0	1,317.0	100.0	255.3	100.0	165.0	100.0	1,737.2	100.0	20.0
Elig	1,608.6	18.5	1,316.9	100.0	254.3	99.6	2.9	1.8	1,574.2	90.6	97.9
Pos.Elig	0.8	0.0	0.1	0.0	.	.	0.2	0.1	0.3	0.0	34.2
Excluded	3,053.4	35.2	.	.	.	.	161.8	98.1	161.8	9.3	5.3
NTR-Free	4,010.8	46.2	0.0	0.0	0.9	0.4	0.0	0.0	0.9	0.1	0.0
						--1996--					
Total	7,867.6	100.0	1,244.8	100.0	130.6	100.0	130.4	100.0	1,505.9	100.0	19.1
Elig	1,427.7	18.1	1,244.8	100.0	126.6	96.9	2.3	1.8	1,373.6	91.2	96.2
Pos.Elig	0.8	0.0	0.1	0.0	.	.	0.3	0.2	0.4	0.0	44.0
Excluded	3,494.4	44.4	.	.	.	.	127.8	98.0	127.8	8.5	3.7
NTR-Free	2,944.7	37.4	.	.	4.1	3.1	.	.	4.1	0.3	0.1
						--1995--					
Total	6,968.7	100.0	915.6	100.0	228.2	100.0	172.2	100.0	1,316.0	100.0	18.9
Elig	1,184.1	17.0	915.3	100.0	227.2	99.5	2.6	1.5	1,145.0	87.0	96.7
Pos.Elig	1.4	0.0	0.1	0.0	.	.	0.5	0.3	0.6	0.0	43.7
Excluded	3,040.6	43.6	.	.	.	.	169.1	98.2	169.1	12.9	5.6
NTR-Free	2,742.6	39.4	0.2	0.0	1.1	0.5	.	.	1.3	0.1	0.0
						--1994--					
Total	5,879.5	100.0	663.4	100.0	339.5	100.0	155.2	100.0	1,158.0	100.0	19.7
Elig	1,056.9	18.0	660.2	99.5	337.9	99.6	9.7	6.2	1,007.8	87.0	95.3
Pos.Elig	14.8	0.3	2.0	0.3	.	.	3.9	2.5	5.9	0.5	40.1
Excluded	2,343.4	39.9	.	.	.	.	141.6	91.3	141.6	12.2	6.0
NTR-Free	2,464.4	41.9	1.2	0.2	1.5	0.4	.	.	2.7	0.2	0.1
						--1993--					
Total	5,282.3	100.0	384.0	100.0	448.5	100.0	121.8	100.0	954.3	100.0	18.1
Elig	873.7	16.5	383.9	100.0	445.9	99.4	5.8	4.8	835.6	87.6	95.6
Pos.Elig	12.2	0.2	0.2	0.0	.	.	4.0	3.3	4.2	0.4	34.4
Excluded	2,389.5	45.2	0.0	0.0	.	.	112.0	91.9	112.0	11.7	4.7
NTR-Free	2,006.9	38.0	.	.	2.5	0.6	.	.	2.5	0.3	0.1
						--1992--					
Total	5,058.7	100.0	97.1	100.0	547.1	100.0	122.3	100.0	766.5	100.0	15.2
Elig	832.8	16.5	90.5	93.2	547.1	100.0	12.9	10.6	650.6	84.9	78.1
Pos.Elig	11.9	0.2	0.1	0.1	.	.	4.4	3.6	4.5	0.6	37.6
Excluded	2,192.0	43.3	6.5	6.7	.	.	104.9	85.8	111.4	14.5	5.1
NTR-Free	2,022.0	40.0	.	.	.	.	.	.	.	.	.
						--1991--					
Total	4,969.5	100.0	.	.	491.7	100.0	103.6	100.0	595.3	100.0	12.0
Elig	754.8	15.2	.	.	491.7	100.0	20.5	19.8	512.3	86.1	67.9
Pos.Elig	10.2	0.2	.	.	0.0	0.0	4.1	4.0	4.1	0.7	40.4
Excluded	2,120.0	42.7	.	.	.	.	78.8	76.1	78.8	13.2	3.7
NTR-Free	2,084.5	41.9	.	.	.	.	0.1	0.1	0.1	0.0	0.0

Notes: "0.0" denotes less than $50 thousand or less than 0.05 percent and "." denotes zero.
Duty status for 1992-2001 are based on each years edition of the HTSUSA obtained from the U.S. Customs Harmonized System Tape.
The duty status for 1992 was applied to the 1991 data.
Reported totals for "Value from ATPA", "ATPA-Free", "GSP-Free", and "HTS 9802 Free" reflect totals as they appear in the official statistics of the U.S. Department of Commerce; if items are reported under two provisions, they are considered to have been reported under either the ATPA or GSP instead of the 9802 provision.
NTR-Free was formerly known as most-favored-nation (MFN) duty-free.
Items reported as receiving ATPA-leather duty reductions are not considered as reported duty-free.
Beginning in 1992, HTS 9802 items with NTR duty status and rate provision codes beginning with "1" are not considered to have been reported as entering under the 9802 provision.
Source: Compiled from the official statistics of the U.S. Department of Commerce.

Appendix A

TRADE PREFERENCE PROGRAMS AVAILABLE TO THE BENEFICIARIES OF THE ANDEAN TRADE PREFERENCE ACT

I. THE ANDEAN TRADE PREFERENCE ACT

A. PROVISIONS OF THE ACT

The Andean Trade Preference Act (ATPA) was signed into law by the President on December 4, 1991. The Act provides trade-related incentives aimed at promoting economic alternatives to coca production and drug trafficking in the Andean countries of Bolivia, Colombia, Ecuador, and Peru. A centerpiece of the Act is the unilateral provision of duty-free treatment for a wide range of U.S. imports from the region. No countries were designated as a beneficiary country until July 2, 1992. ATPA preferential duty treatment expired on December 4, 2001, but was renewed (until December 31, 2006) in the Trade Act of 2002 and made retroactive from the expiration date.

The ATPA is patterned after the Caribbean Basin Economic Recovery Act (CBERA) of 1983, which granted duty-free treatment to certain U.S. imports from designated Central American and Caribbean nations. Section 202 of the ATPA grants the President authority to extend duty-free treatment to all U.S. imports subject to duty, with certain exceptions, from those Andean nations designated by the President as beneficiary countries. The criteria for countries to be designated as beneficiaries are set forth in Section 203 of the ATPA. Section 204 establishes which articles may enter the U.S. duty-free under the program and provides safeguard provisions in the event that increased U.S. imports from beneficiary Andean nations cause, or threaten to cause, injury to a domestic industry.

B. BENEFICIARY COUNTRIES

Section 203 lists four countries which the President may consider in designating "beneficiary countries" under the program. These four countries are:

(l) Bolivia
(2) Colombia
(3) Ecuador
(4) Peru

Bolivia and Colombia were designated as beneficiary countries on July 2, 1992, Ecuador on April 13, 1993, and Peru on August 11, 1993.

In this report, the term "beneficiary countries" refers to these four countries. Since the dates on which these countries became eligible for ATPA benefits differs, the historical data presented for 1991 through 2001 are for these four countries although some were not eligible during part of the time period covered.

C. ELIGIBLE PRODUCTS

To be eligible for duty-free treatment under the ATPA, articles grown, produced, or manufactured in a beneficiary country must meet the following rules of origin requirements:

(l) they are imported directly into the United States from a beneficiary country;

(2) their cost or value consists of at least 35 percent value-added in one or more beneficiary country (for purposes of this calculation, value added in any CBERA beneficiary, Puerto Rico or in the United States Virgin Islands can be counted as value added in a ATPA beneficiary country; U.S.-made components may comprise up to l5 percentage points of the required 35 percent); and

(3) if they are made using components or parts imported from countries other than the United States, these parts or components must have been substantially transformed in a beneficiary country or countries into a "new and different article of commerce."

Articles which do not meet these rules of origin requirements are subject to normal U.S. import duty rates.

Certain articles are not eligible for duty-free treatment under the ATPA. Ineligible products include:

(l) textile and apparel items subject to textile agreements on the date that the ATPA took effect. (Approximately 100 textile items that were initially considered eligible for duty-free treatment under the ATPA because they were eligible under the CBERA were later classified as not eligible. These were items added to the Multifiber Agreement between 1983 and 1992.)

(2) footwear, handbags, luggage, flat goods, work gloves, and wearing apparel not eligible for duty-free treatment under the Generalized System of Preferences (GSP) program on the date the ATPA took effect;

(3) tuna, prepared or preserved in any manner, in airtight containers;

(4) petroleum and petroleum products provided for in subheadings 2709 and 2710 of the Harmonized Tariff Schedule (HTS);

(5) watches and watch parts if they contain any material subject to column 2 (i.e., non-NTR) duty rates;

(6) sugars, syrups, and molasses classified in subheadings 1701.11.13, 1701.12.02, 1701.99.02, 1702.90.32, 1806.10.42, and 2106.90.12 of the HTS;

(7) rum and tafia classified in subheading 2208.40.00 of the HTS.

Finally, those items which were subject to import relief pursuant to Section 203 of the Trade Act of 1974 (the escape clause provisions) at the time when duty-free treatment of products under the ATPA became effective were also excluded from eligibility. However, the President is authorized to reduce or terminate such relief with respect to imports from ATPA-beneficiary countries pursuant to the criteria and procedures in Section 203 of the Trade Act of 1974.

Of approximately 11,800 tariff line items (of which, the ATPA countries exports to the U.S include 2,620 items), 5,550 were eligible for ATPA duty-free treatment during 2001. Another 91 items (largely apparel) were eligible if they satisfied certain material content specifications. In addition, 55 leather items were eligible for reduced duties. Although approximately 5,550 tariff-line items are eligible for ATPA duty-free treatment, the ATPA countries exported to the United States only 868 of these items during 2001.

D. REDUCED DUTIES FOR LEATHER ITEMS

U.S. imports of leather products, excluding footwear, from the ATPA-beneficiary countries are subject to reduced duties. Duties on these products were reduced over five years (beginning in 1992) by 20 percent on goods with MFN (Column 1) rates of 12.5 percent or less and by 2.5 percentage points on goods with MFN rates greater than 12.5 percent. Thus by 1996, these reduced duties were phased in fully. Approximately 50 tariff-line items (the 8-digit HTS level) are eligible for these reduced duties; however the ATPA countries exported to the United States only 30 of these items and obtained reduced duties for only 28 items.

E. SAFEGUARDS

The ATPA provides safeguards to domestic industries in the event that increased imports from beneficiary Andean nations cause, or threaten to cause, injury to U.S. industries.

Since the inception of the ATPA, there have been no instances of suspension of duty-free treatment of imports from beneficiary Andean nation countries arising from the normal escape clause safeguards. Similarly, there have been no suspensions pursuant to the safeguard for perishable products or requests for such suspension.

F. ATPA SPECIAL ACCESS PROGRAM FOR APPAREL PRODUCTS

On February 20, 1986, the President announced a new Special Access Program (SAP) for U.S. imports of certain textile and apparel items from the CBERA-beneficiary nations. The ATPA nations were included in the program as of August 1995. However, only Colombia of the ATPA nations is affected by the GAL program since apparel imports from the other ATPA nations (Bolivia, Ecuador, and Peru) are not subject to quotas; however, Colombia exported an insignificant amount under the SAP during 2001. The program, provided for under HTS 9802.00.8010, covers clothing and made-up textile products, but not other textile products such as fabrics, yarns, etc. The program makes available a 'two-tier' quota system for participating countries. Bilateral agreements are negotiated with each government (not with individual

suppliers) and cover an entire textile category. Guaranteed Access Levels (GALs) assure access to the U.S. market for Andean-fabricated apparel products assembled from fabric formed and cut in the United States. Designated Consultation Levels (DCLs) or Specific Limits (SLs) for each product subject to quantitative restraint determine the level applicable to textile products, whether or not assembled solely from U.S. formed and cut fabrics. In general, GALs permit a much larger quantity of goods to be imported into the United States than DCLs or SLs. This is to encourage beneficiary producers to use U.S. formed and cut fabrics. Allocation of GALs within exporting countries is entirely at the discretion of the participating country. Imports not certified as GAL-eligible are counted separately and subject to normal textile and apparel call procedures.

G. COMPARISON OF THE ATPA AND THE CBERA

Although the Andean nations are not eligible for the duty-free provisions of Caribbean Basin Economic Recovery Act (CBERA), the ATPA was patterned after the CBERA and a comparison of the two may be useful. The items that are eligible for duty-free treatment under the two programs are quite similar; approximately 5,550 items are eligible for CBERA or ATPA duty-free treatment. Approximately 100 tariff line textile items which were added to the Multifiber Agreement (MFA) between 1983 and 1992 are eligible for duty-free treatment in some cases for the CBERA but not the ATPA beneficiaries. Both the CBERA beneficiaries and the ATPA nations (as of August 24, 1995) are eligible for Guaranteed Access Levels (GALs) which assure market access for apparel assembled from fabric formed and cut in the United States if the beneficiary nation has a bilateral textile agreement with the United States. The ATPA nations, unlike the CBERA beneficiaries, are not required to submit a food production plan in order to obtain eligibility for duty-free exports of certain agricultural products. The ATPA nations can use any CBERA-beneficiary value-added contained in their products in order to satisfy the domestic 35 percent rule of origin value-added requirement, while the CBERA nations may not include ATPA value-added. The ATPA nations are not allowed to use the Section 222 provision which allows duty-free imports of CBERA-beneficiary items which are wholly produced from U.S. components. Also the CBERA-beneficiaries are exempt from paying the U.S. customs user fee while the ATPA nations are not. Finally, the CBERA program is permanent while the ATPA is not: the ATPA is scheduled to expire on December 31, 2006. The permanence of the CBERA program could be significant in attracting foreign investment into the CBERA nations.

II. THE GENERALIZED SYSTEM OF PREFERENCES

A. GENERAL PROVISIONS AND COUNTRY ELIGIBILITY

Title V of the Trade Act of l974, which established the U.S. Generalized System of Preferences (GSP), authorized the President to grant duty-free treatment to eligible merchandise imports from beneficiary developing countries for a period of ten years beginning on January 1, 1976. All ATPA-eligible countries were initially designated in 1975 as GSP beneficiary developing countries. The program was extended to July 4, 1993 by the Trade and Tariff Act of l984, and extended for an additional 15 months by the Budget Reconciliation Act in August 1993; the program expired August 1, 1995 but was renewed (until May 31, 1997) on August 20, 1996 and made retroactive to the expiration date. During the period in which the GSP program had expired, importers were required to deposit duties at the NTR (MFN) rate. Since these items were eligible for duty-free treatment under the ATPA program, most importers which had been using the GSP program switched to the ATPA program in order to avoid having to deposit duties (or pay them in the event that the GSP was not renewed). Since May 31, 1997 the program has been extended and expired several times; when the extension was made after the expiration date, the extension was always made retroactive. The GSP program expired again on September 30, 2001 and was renewed until December 31, 2006.

B. PRODUCT ELIGIBILITY

The product coverage of the GSP program is periodically reviewed and items may be added or withdrawn from the eligible list. During 2001, approximately 4,650 (of a total of about 11,800) 8-digit HTS items were eligible for GSP duty-free treatment. In 2001, $184 million entered duty free under the GSP from the ATPA-beneficiary nations; this was composed of 403 tariff-line items. While there is substantial overlap in the products covered under the GSP and ATPA programs, product eligibility under the latter is more extensive. Under the ATPA, approximately 5,550 items are eligible for duty-free treatment; included are a range of manufactured products (e.g., electronic articles, steel products, and glass articles) and agricultural items which are excluded from such treatment under the GSP.

In order to receive GSP duty-free treatment, eligible items must be imported into the United States directly from a beneficiary developing country and meet certain rule of origin requirements. The GSP rules of origin are more restrictive than the ATPA rules in several ways. While the GSP rules stipulate that 35 percent of the value of the product must be added by a single beneficiary country, the ATPA rules provide that the 35 percent value-added requirement can be met through processes which may take place in several ATPA-beneficiary countries, the Caribbean Basin (CBERA) beneficiary countries, Puerto Rico or the U.S. Virgin Islands. In addition up to 15 percent of the 35 percent ATPA value-added requirement may be accounted for by the value of U.S.-made components.

The GSP program sets limits (referred to as the competitive-need limit) on the amount that may enter duty-free while there are no limits under the ATPA. A country loses GSP status for a product if in the preceding calendar year exports of that item: (l) exceeded in value an absolute

dollar limit which is adjusted annually ($95 million in 2000, and $100 million in 2001), or (2) accounted for 50 percent or more of the value of U.S. imports in that category. If imports exceed the competitive-need limit during a calendar year then the nation loses preferential treatment for that item beginning on July 1 of the following year.

Under provisions contained in the GSP program, these competitive-need limits are lowered when a beneficiary country is determined to have reached a sufficient degree of competitiveness. No ATPA-eligible country has been found sufficiently competitive in any article; and hence, all ATPA-eligible countries are subject to the higher GSP competitive-need limits.

A de minimis provision exists which allows the President to waive the 50 percent competitive-need limit in cases where total U.S. imports of an item do not exceed a certain dollar level which is adjusted annually ($15 million in 2000 and $15.5 million in 2001). The de minimis waivers provision was not in effect for the period covering July 1, 1995 to October 1, 1996, but was restored on the latter date.

During all of 2001, 33 products were ineligible for GSP treatment for at least one ATPA country because these items exceeded the competitive-need limits in previous years. Beginning July 1, 2001, 3 additional products from at least one ATPA country became ineligible for GSP treatment until at least June 30, 2002 because they exceeded the competitive need limits during 2000.

Since imports under the ATPA program are not subject to any maximum limit, it is possible for products that are normally eligible for GSP, but currently subject to competitive-need limits, to enter (if eligible) under the ATPA program. Since only five HTS items are eligible for GSP but not ATPA, and there were no imports of these products during 1992-94 and very few during 1995-2001, the ATPA has made the competitive need limits of the GSP functionally irrelevant. Thus the ATPA "extends" the GSP by 1) increasing the number of products eligible for duty-free treatment, 2) relaxing the rule of origin requirement, and 3) eliminating any competitive-need limits.

III. HTS ITEMS 9802.00.60 AND 9802.00.80

The Harmonized Tariff Schedule of the United States contain two provisions 9802.00.60 and 9802.00.80 (formerly items 806.30 and 807.00 under the old Tariff Schedules of the United States) that extend special duty treatment to U.S. imports, from any country, which contain U.S.-made components or parts. These items are subject to U.S. duty only on the foreign value-added to the product.

Item 9802.00.60 of the HTS applies to nonprecious metal articles which have been manufactured or processed in the United States, exported from the United States for more processing, and then returned to the United States for further processing. Similarly, item 9802.00.80 applies to articles assembled abroad in whole or in part of components that have been manufactured in the United States, and then imported into the United States. While these provisions do not eliminate duties, they do offer the opportunity for duty reductions on items containing U.S.-made components that are not eligible for either ATPA or GSP benefits (e.g., certain textile, apparel, and leather items), or for eligible items which do not meet rules of origin requirements

Appendix B

STATISTICAL DATA NOTES AND DATA ADJUSTMENTS

I. U.S. MERCHANDISE TRADE DATA

A. IMPORT STATISTICS

Data used in this report were compiled by the Bureau of the Census and obtained from data on IA-245 yearly computer tapes from the Foreign Trade Division of the Census Bureau. The statistics on U.S. imports used in this report have been compiled in terms of "Imports for Consumption." Imports for consumption are a combination of entries for immediate consumption, withdrawals from warehouses for consumption and entries of merchandise into U.S. Customs territory from U.S. Foreign Trade Zones, thus generally reflecting the total of the commodities entered into U.S. consumption channels. The value of imports used in this report is the customs value which is generally defined as the price actually paid or payable for merchandise when sold for exportation to the United States, excluding U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the United States.

The information for "Dutiable Value" represents, in general, the Customs value of foreign merchandise imported into the United States which is subject to duty. The data for "Calculated Duty" represent the estimated import duties using the applicable rate(s) of duty as shown in the Tariff Schedules of the United States Annotated. However, these estimates do not necessarily reflect the actual amounts of duty paid and should, therefore, be used with caution.

Import data were initially reported in terms of the Harmonized Tariff Schedules of the United States Annotated (HTSUS). This is an official publications of the U.S. International Trade Commission, embracing the legal text of the Tariff Schedules of the United States together with statistical annotations.

In order to achieve more meaningful economic aggregates, in this report, the import data are rearranged and presented in terms of totals for product groupings based on the Standard Industrial Classification (SIC). This rearrangement of the import data into a structure related to the origin of production should facilitate the comparison of the U.S. import statistics on a commodity basis with other data related to the domestic economy. The HTSUS data are allocated to SIC groupings based on the 1987 SIC definitions. The concordance between the HTSUS and 1987 SIC comes from the U.S. Bureau of the Census. Because of a significant revision in the 1987 SIC for 1999, and a desire to make meaningful comparisons between data for 1999-2001 and previous years, the 1998 version of the SIC/HTSUS concordance was applied to the 1999-2001 HTSUS data.

The country reported in the statistics as the country of origin is defined as the country where the merchandise was grown, mined, or manufactured. In instances where the country of origin cannot be determined, the transactions are credited to the country of shipment. For statistical reporting purposes, some country data are combined and not reported individually.

Import statistics are fully compiled on shipments valued over $1,250 except for articles which must be reported on formal entries when valued over $250. Value data for shipments valued under $1,251 (under $251 where applicable) are estimated for individual countries using factors based on the ratios of low-valued shipments to individual country totals. These estimates are shown separately as "Shipments Under $1,251 (Estimated)" and are included in the overall import total, world area and country totals, but are not included in other section totals nor in the data for individual commodity classifications. Therefore, the statistics for the individual commodity classifications are undercounted due to the exclusion of data for shipments valued under $1,251. Under the SIC-based classification, these items are included in SIC-based import code 99.

Data on U.S. imports under the HTS 9802 program were obtained from tapes produced by the Division of Foreign Trade of the Census Bureau.

B. EXPORT STATISTICS

The official U.S. export statistics are compiled by the Bureau of the Census primarily from copies of Shipper's Export Declarations. Data used in this report were compiled from yearly EA-645 computer tapes and obtained from the Foreign Trade Division of the Census Bureau. Exports of domestic merchandise include commodities which are grown, produced, or manufactured in the United States, and commodities of foreign origin which have been changed in the United States, including U.S. Foreign Trade Zones, from the form in which they were imported, or which have been enhanced in value by further manufacture in the United States.

The value of exports used in this report is the f.a.s. (free alongside ship) value at the U.S. port of export, based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Exports commodity information was collected in terms of the commodity classifications in the Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States. Schedule B is a U.S. Bureau of the Census publication and is based on the Harmonized Commodity Description and Coding System (Harmonized System).

In addition, this report contains Schedule B data arranged and summarized into product groupings based on the Standard Industrial Classification (SIC) system. This arrangement of the export data into a structure related to the origin of production should facilitate the comparison of data on U.S. exports with other data related to the domestic economy. Data use the 1987 SIC definitions; the concordance between the 1987 SIC and the Harmonized System Schedule B comes from the U.S Bureau of the Census. Because of a significant revision in the 1987 SIC for 1999, and a desire to make meaningful comparisons between data for 1999-2001 and previous years, the 1998 version of the SIC/Schedule B concordance was applied to the 1999-2001 Schedule B data.

The country of destination is defined as the country of ultimate destination or the country where the goods are to be consumed, further processed, or manufactured, as known to the shipper at the time of exportation. For statistical reporting purposes, some country data are combined and are

not reported individually.

For exports to all countries, data for shipments valued under $2,501 are estimated, based on established percentages of individual country totals. The estimated data for shipments valued under $2,501 are shown as "Low-Value Shipments." Under the SIC-based classification, these items are included in SIC 3X.

C. ADDITIONAL INFORMATION

Additional information on the coverage, concepts, and collection methods of U.S. trade statistics is available in U.S. Bureau of the Census, U.S. Merchandise Trade, Report FT-900, monthly, and Guide to Foreign Trade Statistics, 1995. The trade data used in this report are available, for a fee, from the Foreign Trade Division of the U.S. Census Bureau.

II. DOMESTIC EMPLOYMENT DATA

A. COVERAGE AND SOURCES

Detailed industry statistics on the nation's mining and manufacturing payroll employment used in this report are based upon the 1987 Standard Industrial Classification (SIC) Manual. All industry statistics for the periods after March 2001, the present benchmark date, are subject to revision. Revised figures will be issued by the Bureau of Labor Statistics (BLS) when the series are adjusted to new benchmark levels in 2003. The data in this report incorporate the one-time historical correction to the April 1981 to February 1991 data, see "BLS Establishment Estimates Revised to Incorporate March 1992 Benchmarks and Historical Corrections," in Employment and Earnings, Bureau of Labor Statistics, June 1993. The data also include the one-time historical revision of the 1988-94 data (released in May 1997) for the service sectors included in SICs 421, 451, and 473; the adjustment in these sectors also affected the more aggregated categories in Table 19 such as Total nonfarm, Service-producing, and Transportation and public utilities (see "BLS Establishment Estimates Revised to Incorporate March 1996 Benchmarks" by Patricia Getz, Bureau of Labor Statistics).

Monthly data from business establishments on employment, hours, and earnings are collected by BLS in its Current Employment Statistics (CES) survey. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the l2th of the month. The data exclude proprietors, the self-employed, and unpaid volunteer or family workers. Salaried officers of corporations are included. Persons on establishment payrolls who are on paid sick leave (when pay is received directly from the firm), on paid holiday or paid vacation, or who work during a part of the pay period even though they are unemployed or on strike during the rest of the period, are counted as employed. Not counted as employed are persons who are laid off, on leave without pay, or on strike for the entire period, or who are hired but have not been paid during the period. For further details on collection methods, concepts, estimating methods, and the sample, see Bureau of Labor Statistics, Employment, Hours, and Earnings: United States 1909-90, Bulletin 2370 (1991), Manual on Series Available and Estimating Methods, BLS Current Employment Statistics Program March 1993 (1994), and BLS Handbook of Methods, Chapter 2, Bulletin 2285 (1988).

B. RELIABILITY OF EMPLOYMENT ESTIMATES

The sample estimates derived from the establishment survey may differ from the figures that would have been obtained if it were possible to take a complete census using the same schedules and procedures. The relatively large size of the BLS establishment sample assures a high degree of accuracy. However, to remove errors which might have accumulated, the estimates are usually adjusted annually to new benchmarks (comprehensive counts of employment) to correct for sampling variability, response errors, and changes in industrial activity of establishments.

III. DESIGNATION OF ATPA-ELIGIBLE PRODUCTS IN THE TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED

For statistical purposes, 8-digit HTSUSA tariff line items are annotated with two additional suffix digits to provide additional import product detail. In the 2001 edition of the HTSUSA, each 8-digit HTSUSA number in the tariff schedules fell into one of the following product-eligibility groups:

1. Eligible: all articles within the 8-digit HTSUSA were eligible for ATPA duty-free treatment (Free (J));

2. Possibly Eligible: some articles within the 8-digit HTSUSA were eligible for ATPA duty-free treatment (Free (J*));

3. Eligible for Reduced Duties: all articles within the 8-digit HTSUS were eligible for reduced duties (a duty rate (J));

4. Not Eligible: no articles within the 8-digit HTSUSA were eligible for ATPA duty-free treatment. (a duty rate);

5. Eligible for MFN-free (now NTR-free) treatment (Free).

Articles which fall in class 2 include those categories of items excluded from eligibility which may contain items which may be eligible if they do not meet exclusion criteria of material-content or product-specification given in the headnote to the tariff schedules.

In a few cases HTS product eligibility is set at the 10-digit level rather than the 8-digit level such as metal ores in HTS chapter 26.

The product eligibility for each HTS item was obtained from the each year's version of the U.S. Customs Harmonized System Tape. This data source incorrectly specifies the product eligibility for items in which the product eligibility varies at the 10-digit level within an 8-digit heading. Corrections to the Census Tape have been made for the analysis in this report.

IV. STATISTICAL REPORTING DISCREPANCIES UNDER THE ATPA AND ADJUSTMENTS MADE TO REPORTED CENSUS IMPORT DATA

A. CENSUS EDIT CHECKS OF THE IMPORT DATA

The U.S. Bureau of Census compiles the official import statistics from the customs documents and performs various statistical edits to ensure proper reporting. In the first years of operation of the ATPA there were cases of misreporting of imports. Some of the discrepancies arose from the newness of the program while others resulted from the lack of statistical edit checks.

The Census Bureau conducts edit checks for country and product eligibility for ATPA and GSP. A few items continue to be misreported because the Census applies the HTS product eligibility at the 8-digit level to all 10 digit numbers under that 8-digit item; there are several cases (such as metal ores in HTS chapter 26), however, where product eligibility varies among the 10-digit items within an 8-digit HTS category. The correct 10-digit product eligibility information has been used in this report to further check for instances of misreporting.

B. ADJUSTMENTS TO REPORTED CENSUS IMPORT DATA

Several adjustments to the officially reported import data have been made in the tables in this report which affect the dutiable value, calculated duty, ATPA duty-free, GSP duty-free, and HTSUS 9802.00.80 values. The adjustments were made in an attempt to correct for misreporting mentioned above. The adjustments as they affect the reported ATPA, GSP, and HTSUS 9802.00.80 duty-free entries are summarized in the Appendix Table which presents reported U.S. imports by ATPA product eligibility class and reported duty treatment.

Before 1993, in the official Census import data tapes, the dutiable value reported for HTSUS 9802.00.80 (TSUS 807.00) items was the customs value and did not reflect the subtraction of U.S.-content value which was not subject to duty. To account for this over-valuation of these items, special tapes prepared by the Census Bureau for the U.S. International Trade Commission were used which presented the total customs value and the U.S.-content value for each 9802 imported item. Adjusted dutiable value figures were derived by subtracting U.S.-content value from the total customs value for each tariff item imported under HTSUS 9802.00.80. Beginning in 1993, Census began to make this adjustment.

The figure for calculated duty in the official import statistics is calculated by applying a duty rate to the dutiable value. It does not reflect actual custom duties paid. To the extent that HTSUS 9802.00.80 items' dutiable value is overstated, so will calculated duties for these items. Adjusted calculated duties were calculated by multiplying the adjusted dutiable value (discussed above) times the ad valorem equivalent (calculated duty over dutiable value) for each tariff item which entered under the HTSUS 9802.00.80 provision.

Items are considered as ATPA-free if they were reported in the official Census import statistics as entering under the ATPA (primary special program indicator of "J" in the IA245 data) with no dutiable value (i.e., rate provision codes starting with "1"). Several items were reported as

ATPA-free but later had their eligibility for duty-free treatment revoked retroactively (see endnote 2); these items still appear in the official Census statistics as ATPA-free entries but are not considered as ATPA-free in this report.
Any MFN-free items that were not corrected by Census edit checks and were reported as GSP-free or ATPA-free are considered MFN-free in this report.

Imports of several MFN duty-free items were reported under the HTSUS 9802.00.80 provision; these values were excluded from the 9802.00.80 total discussed in the text and tables of this report. In addition, on the Customs Declaration, some items are entered under both the 9802 provision and either the ATPA or GSP. Ultimately the item will enter under only one of these programs but the trade statistics of the U.S. Census do not reflect this. In this report, for items entering under two provisions, it is assumed that the item actually entered under the ATPA or GSP. However, for entries where the item was not eligible for ATPA or GSP, then the item was assumed to enter under the 9802 provision. Generally, in this report, where there is ambiguity over which program an item was entered under, the more generous (i.e., lower duty) program is assumed. In several cases, the stated "rate provision code" is logically inconsistent with the primary "country sub code"; in these cases the product eligibility status of the item has been used to determine which of these two codes is most likely to be correct; for example a rate provision code of "61" is inconsistent with a country sub code of "J".

C. UNDER REPORTING OF ATPA AND GSP DUTY FREE IMPORTS IN 2001

The official trade statistics of the U.S. Department of Commerce do not fully reflect the actual amount of imports receiving duty-free treatment under the GSP and ATPA programs during 2001. The GSP program expired on September 30, 2001 and the ATPA program expired on December 4, 2001. When a trade preference program expires, importers are required to pay the required duty; if the program is re-authorized and made retroactive, importers can request that those duties be refunded. Although both the ATPA and the GSP were re-authorized in the Trade Act of 2002 and made retroactive from their expiration dates, monthly U.S. import statistics only reflect the duty treatment that an importer requested upon entry into the United States and not the final duty treatment that the item may have ultimately received.

Since there are administrative costs (filings forms, etc.) for requesting duty-free entry under these programs, importers often wait until the programs are re-authorized and made retroactive before they submit the required forms. If the corrections are available before June of the following year, they are reported in an addendum to that year's trade statistics, but since the Trade Act of 2002 was not passed until August of 2002, no corrections were provided for the 2001 trade statistics. Thus items that entered after December 4, 2001 and were eligible for, and ultimately received ATPA duty-free treatment, are generally not reported in the official trade statistics as receiving duty-free treatment. As such, the reported values of items receiving ATPA and (to a lesser extent) GSP duty free treatment during 2001discussed in this report undercount the actual values. The fact that these programs had expired probably did not significantly reduce imports of items eligible for duty-free entry because there was a strong expectation that these programs would be renewed retroactively as has happened several previous times with the GSP program.