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Textile Tariff Study

Final Report

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EXECUTIVE SUMMARY

This study reviews the tariff and non-tariff barriers for textiles and related products (e.g., cotton, wool, silk, synthetics, yarn, and thread) that are exported from selected African countries to the United States and to the European Community. The countries considered are Botswana, Kenya, Lesotho, Mali, and Swaziland.

The textile and related apparel manufacturing sectors in industrialized countries are among the most protected industries in the world. The main international agreement regulating world trade in textiles is the Multi-Fiber Arrangement (MFA). This agreement is loosely administered under the General Agreement on Tariffs and Trade (GATT), but in effect breaks some of the basic GATT principles. In particular, the MFA permits industrialized countries to impose quotas on textile trade originating in developing countries. The countries most tightly restrained are the major producers: Hong Kong, the Republic of Korea, and Taiwan. Small producers and new entrants do not face quotas, however. Because the most competitive exporters are constrained, there is some potential for African countries to become textile exporters.

The U.S. operates a Generalized System of Preferences (GSP), which allows the tax-free importation of selected items from developing countries. However, very few textile items other than raw materials fall under the GSP. Consequently, a new African producer of threads, yarns, fabrics, and apparel must compete on the same terms as any other country. It would be possible for textile items to be manufactured in an African country, and then be sent to a third country for finishing prior to importation into the U.S. However, because nearly all manufactured articles face the same tariff regardless of their source (outside of the Soviet Block), there are no fiscal reasons to do this.

Further, the Caribbean Basin Initiative, while not giving any favorable treatment to raw materials produced in Caribbean countries, does give benefits for offshore processing of U.S. fabrics that are re-exported to the U.S. This may absorb U.S. investment funds that would otherwise be available for African countries.

Within the European Community, the Lome Convention permits a much wider range of duty-free imports from the Africa-Caribbean-Pacific (ACP) group of countries. This includes the five countries studied. As a result, export development focused on Europe may be easier than export development focused on the U.S.

Because there are few import duty advantages to producing textiles and apparel in Africa over other countries, the question becomes one of comparative production and transportation costs. While labor and raw materials may be cheap in the countries studied, substantial training of the local workforce may be required to maintain product quality. The use of advanced production technologies in industrialized countries can also compensate for higher labor costs, particularly for fabric manufacture. As a general rule, it is in the labor intensive areas of garment production that developing countries have the greatest advantages.

However, the management skills required for the establishment of a stable export industry are often lacking in African countries. Consequently, a careful study of the potential for, and constraints to, the development of a textile industry is required on a case-by-case basis.

It is probable that existing regulatory frameworks controlling international textile trade will continue, and the Multi-Fiber Arrangement will be renewed in a form basically mirroring the existing structure. While U.S. legislation to unilaterally restrain imports is unlikely, no relaxation of existing import regulations should be expected. The 1992

European integration will make the movement of goods within Community member countries much easier.

Exports from African countries to the U.S. and the European Community are possible if the correct market niche is identified, if effort is spent to train the local workforce, and if the marketing infrastructure is developed. In general the import tax regime of the U.S. neither helps nor hinders this process in Africa more than elsewhere. In the European Community there are some advantages for ACP countries over other developing countries.

The potential for a new textile industry in Sub-Saharan Africa certainly exists, and tariff and non-tariff trade barriers will not be the major hurdle. Assistance in finance, training, and marketing will be important catalysts to such industrial development.

CHAPTER 1: BACKGROUND AND INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Introduction

Over the past several years there has been an overall improvement in the external terms of trade for many Eastern, Western, and Southern African countries. In order to increase their agricultural output, some of these countries have made conscious efforts to liberalize price controls for textiles and related products.

This study was conducted to identify existing tariffs, key benefits, and major restrictions for the African textile trade, particularly cotton, wool, silk, threads, yarn, and synthetics. The study focuses on exports of textile products from Botswana, Kenya, Lesotho, Mali and Swaziland to the U.S. and Europe. A list of organizations contacted for the study is given in Appendix 1.1.A.

This report is divided into four chapters. Chapter 1 describes the current production of textiles and related items in the study countries. The main international agreement regulating world textile trade, the Multi-Fiber Arrangement, is also briefly described.

Chapter 2 discusses tariff and non-tariff barriers to textile imports to the United States. The tariffs that would be applied to imports from the case study countries are described, followed by a discussion of the use of textile quotas by the United States and the likely effect this will have on African exporters. This chapter concludes with a discussion of likely developments in the U.S. position regarding textile imports.

Chapter 3 discusses similar topics relating to imports from Africa to the European Community (EC). The application of quotas by the EC is reviewed, followed by a discussion of the Lome Agreement's implications for textile tariffs. The likely future stance of the EC regarding textile imports is also summarized.

Chapter 4 presents a summary of the study's key findings.

Production of Textiles and Related Products

The main raw materials related to the textile industry that are produced in the study countries are cotton and wool. On a world scale, Africa is only a modest producer of cotton and wool, responsible for less than 10 percent of total world production. Synthetics production is very minor, while silk production is non-existent.

Exhibit 1.1 shows the production of cotton lint in African countries. Mali is by far the largest producer of the study countries, with some 70,000 metric tons of production in 1986. Production for the other study countries is modest, ranging from approximately 10,000 metric tons in Kenya and Swaziland, to 1,000 metric tons in Bostwana (no production is reported for Lesotho). Although these are small sums relative to the production in such countries as the U.S., China, and India, cotton production can still play an important role in the economies of African countries. For example, Mali's export of raw cotton is responsible for two-thirds of its export earnings.

Exhibit 1.2 shows the production of raw wool in Africa. Of the study countries, only Kenya and Lesotho produce significant quantities of wool. The production in 1986 for these two countries was approximately 3,000 metric tons and 4,500 metric tons, respectively.

Exhibit 1.1

Cotton Production in Selected Countries and Regions, 1984-86

PRODUCTION STATISTICS
FROM THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
PRODUCTION YEARBOOK 1986 FIGURES (VOL. 40)
PUBLISHED 1987

(1000 METRIC TONS)	COTTON LINT PRODUCTION		
	1984	1985	1986
WORLD	18,275	17,166	15,048
AFRICA	1,255	1,353	1,288
ANGOLA	11	11	11
BENIN	28	27	44
BOTSWANA	1	1	1
BURKINA FASO	30	42	55
BURUNDI	2	2	2
CAMEROON	38	40	38
CENT. AFRICAN REP.	17	13	13
CHAD	36	40	27
COTE D'IVOIRE	58	88	75
EGYPT	400	435	434
ETHIOPIA	20	22	212
GAMBIA	1	1	1
GHANA	3	1	1
GUIN BISSAU	2	2	2
KENYA	8	13	9
MADAGASCAR	12	14	16
MALAWI	12	13	12
MALI	54	63	70
MOROCCO	7	8	8
MOZAMBIQUE	15	17	17
NIGER	1	2	2
NIGERIA	16	18	23
ST. HELENA	2	2	2
SENEGAL	21	16	19
SIERRA LEONE	3	3	3
SOMALIA	1	1	1
SOUTH AFRICA	30	39	42
SUDAN	219	200	150
SWAZILAND	11	11	11
TANZANIA	48	40	45
TOGO	8	23	23
UGANDA	19	14	8
ZAIRE	26	26	26
ZAMBIA	16	11	12
ZIMBABWE	85	101	69
NORTH AMERICA	3,313	3,311	2,396
SOUTH AMERICA	1,247	1,499	1,193
ASIA	9,769	7,861	7,094
EUROPE	207	251	269

Exhibit 1.2

Wool Production in Selected Countries and Regions, 1984-86

PRODUCTION STATISTICS
FROM THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
PRODUCTION YEARBOOK 1986 FIGURES (VOL. 40)
PUBLISHED 1987

(IN METRIC TONS)	WOOL, GREASY PRODUCTION			WOOL, SCOURRED PRODUCTION		
	1984	1985	1986	1984	1985	1986
WORLD	2,871,862	2,966,424	3,004,905	1,755,699	1,807,772	1,826,003
AFRICA	2,233,190	228,067	222,976	113,792	116,873	108,374
ALGERIA	35,000	42,000	40,000	18,000	22,000	20,000
EGYPT	1,725	1,700	1,750	2,920	2,950	3,000
ETHIOPIA	12,400	12,450	12,500	6,400	6,450	6,500
KENYA	1,850	19,800	1,950	950	1,000	1,050
LESOTHO	3,000	3,000	3,000	1,500	1,500	1,500
LIBYA	8,700	9,000	9,150	2,300	2,350	2,400
MALI	370	370	378	0	0	0
MOROCCO	15,000	16,000	16,000	6,200	6,300	6,400
NAMIBIA	2,000	2,000	2,200	1,200	1,200	1,200
SOUTH AFRICA	109,100	104,100	99,000	57,600	56,200	48,500
SUDAN	15,000	15,500	16,000	6,200	6,300	6,500
TANZANIA	45	47	48	22	23	24
TUNISIA	10,000	11,000	11,000	5,100	5,200	5,300
ZIMBABWE	9,000	10,000	10,000	5,400	5,400	6,000
NORTH AMERICA	51,001	48,847	46,743	27,147	25,947	25,433
SOUTH AMERICA	3,134,954	310,400	318,050	194,579	192,029	195,781
ASIA	434,323	443,747	459,517	256,833	257,669	265,213
EUROPE	293,641	300,610	304,566	173,448	177,055	181,203

There is no silk production in any of the countries studied. Indeed, Madagascar is the only Sub-Saharan African country with any significant silk production. The production of other raw materials for the textile industry is also limited, although 2,000 metric tons of jute were produced in Mali in 1986. Also, Kenya has an annual production capacity of 20,000 metric tons of artificial fibres and 14,000 metric tons of artificial filament yarn.

The study countries not only export raw materials but also manufacture threads, yarns, and fabrics, and assemble apparel. Appendix 1.1.B shows the export of yarns and threads from the study countries to the U.S. over the past eight years (1980-1987). Similar data for woven fabrics are shown in Appendix 1.1.C. The quantities of yarns, threads, and woven textiles leaving these countries is very small. In 1987, the total export earnings from sales to the U.S. for the five study countries was only $240,000 for yarns and threads, and $220,000 for fabrics. At the same time, the five African countries studied imported $890,000 of fabrics from the U.S. (Appendix 1.1.D). These quantities are truly minute compared with the total textile imports into the U.S. in 1987 of more than $3.8 billion.

The sales of textile products from the study countries are very erratic, indicating a lack of established and stable trading relationships. The products that have been exported include cotton threads and yarns (notably from Kenya in the early 1980s), cotton fabrics, man-made threads and yarns, man-made fabrics (notably from Mali and Kenya in 1985 where total exports reached over $400,000), and silk fabrics from Kenya.

Statistics are not available on the materials imported to manufacture these textile products, and in some cases fabrics are imported to make apparel. For example, Swaziland has a reputation in some quarters as a country through which products from the Far East are routed with a minimum of local fabrication. Discussions were held with one Lesotho clothing manufacturer that imports fabrics, then exports finished garments.

The study countries maintain a significant trade deficit with the U.S. and other industrialized countries in textiles and related articles. The development of the textile industry, with its relatively low capital requirements, drawing on the local resources of cheap labor and local raw materials, has been one of the important stages of industrialization in many countries. A comparison of labor costs in 1988 shows that the average cost of labor per operator hour in the textile industry was a mere $0.41 in Egypt compared with $9.42 in the United States and $8.43 in the United Kingdom. The African countries considered in this report are likely to have labor costs below that for Egypt, although considerable expense and effort may be needed for manpower training.

Consequently, the development of the textile industry beyond the current export of raw materials should receive careful attention by bilateral development agencies such as the U.S. Agency for International Development. The remainder of this reported focuses on the impacts of regulation and control of the international textile industry, although some observation on other aspects of world trade in textiles will be made.

1.2 REGULATION OF INTERNATIONAL TRADE IN TEXTILES

The Multi-Fiber Arrangement

On average the textile and apparel sectors are responsible for between 6 to 10 percent of manufacturing output, 4 to 5 percent of gross domestic product (GDP), and 12 percent of manufacturing employment in the industrial countries. These sectors have also been shrinking, with employment in the European Community falling from 4 to 2 million over the last two decades. Textile and related industries are often concentrated in a few locations, with the consequence that unemployed textile workers have difficulties in finding alternative employment. As a result of lobbying by textile groups, the textile sector has become one of the most protected sectors in the industrialized world.

Today, international trade in textiles and apparel is regulated by the Multi-Fiber Arrangement, which is widely known by its acronym, the MFA. This international agreement was first made in 1974. Although nominally administered under the General Agreement on Tariff and Trade (GATT), the MFA in effect breaks two of the most fundamental GATT principles for international trade:

- by allowing discrimination between suppliers, it breaks the principle that countries should be treated on a most-favored nation basis; and

- it permits quota restrictions rather than following the GATT mandate of applying tariff restrictions to restrain imports.

Furthermore, the MFA established an important precedent by explicitly permitting discrimination against developing countries.

Protection of the textile industry in developed countries has existed for decades. The current regulatory framework for this protection evolved during the 1950s and 1960s. At that time GATT negotiators developed the concept of "market disruption." This was defined as instances of sharp import increases associated with low import prices, but not due to dumping or foreign subsidies. Under such a situation the 1960 "Decision on Market Disruption" permitted import restrictions directed against the country responsible for the surge rather than on a most-favored nation basis. The result of this decision was international agreements that allowed bilaterally negotiated quota restrictions on cotton textiles (specifically the Short Term Arrangement on Cotton Textiles of 1961, which was followed by the Long Term Arrangement of 1962). Although the concept of imposing quotas in response to market disruption was not restricted to textiles, its application has not occurred elsewhere. Similarly, although quotas were initially argued as a counter to a "market disruption," they have been in place for decades and there is no sign of any reduction in the protection of the textile industry today.

The first MFA evolved from the previous Short Term and Long Term Arrangements and came into existence on January 1, 1974. It has subsequently been renewed several times, most recently in 1986, when the members of the MFA agreed to extend its terms for an additional five years. A list of the members of the MFA is given in Exhibit 1.3.

The application of the MFA has become progressively more restrictive over time. The current characteristics of the MFA are:

- It is an agreement, usually signed between an industrialized importing country and a developing exporting country, that imposes restraints on the flow of textile products. Not all products are covered - only those imported in significant quantities. However, most materials other than jute and similar vegetable fibers can be restricted.

- Limits are set on quantities and usually last for four to five years.

- An annual growth rate in the quota is negotiated. Under the first MFA this was set at 6 percent per annum, but the latest MFA calls for "any mutually

Exhibit 1.3

The Multi-Fiber Arrangement Member Countries Expressed by Country Groupings

MFA developed countries:

Austria
Belgium
Canada
Denmark
Finland
France
Germany, Fed. Rep. of
Greece
Ireland
Italy
Japan
Netherlands
Sweden
Switzerland
United Kingdom
United States

MFA developing countries:

Argentina
Bangladesh
Brazil
China
Colombia
Dominican Republic
Egypt
El Salvador
Guatemala
Hong Kong
India
Indonesia
Jamaica
Korea, Rep. of
Macao
Malaysia
Maldives Is.
Mexico
Pakistan
Peru
Philippines
Romania
Singapore
Sri Lanka
Thailand
Uruguay
Yugoslavia

Source: Choi, Y-P, Chung, H.S. and N. Marian, The Multi-Fibre Arrangement in Theory and Practice, Frances Pinter, London, 1985.

acceptable arrangements." The result has been a near freeze on the growth of U.S. imports from the Far East.

- Restraints are explicitly prohibited on exports from small suppliers, new entrants, and least developed countries.

The possibility of bringing textile trade back under normal GATT regulations is being discussed at the Uruguay round of GATT negotiations. However, for the next few years the existing MFA framework is likely to continue in its present form.

To summarize, the MFA restricts exports from major textile producing developing countries, but it does not apply to the five countries addressed in this tariff study. Exporting countries that are outside the MFA must deal bilaterally with importers. The implications of this are discussed in Chapters 2 and 3.

CHAPTER 2: U.S. TARIFFS AND TRADE BARRIERS

This chapter discusses the regulations on imports of textiles into the United States. It begins with a review of the major textile tariffs that would be applied to exports from African countries to the U.S. Next, the implications of the MFA on U.S. textile imports are discussed, followed by comments on the likely future development of U.S. textile policy.

2.1 U.S. TARIFFS ON TEXTILE IMPORTS

The Generalized System of Preferences

The United States, together with 26 other industrialized countries, operates a Generalized System of Preferences (GSP) which gives preferential fiscal treatment to imports from developing countries. The logic behind this study is that developing countries must import many items if their economies are to grow. Any export earnings for these countries from sales to industrial nations will automatically be recycled with purchases of goods that they do not make themselves (e.g., manufacturing equipment, chemicals, steel, vehicles).

The GSP exempts certain countries and some goods from import duties, provided that a set of conditions is met. Nearly all developing countries, with the exception of some South-East and East Asian countries (e.g., China, Hong Kong, Republic of Korea, Singapore, Taiwan) and Soviet Block countries (e.g., Afghanistan, Cuba, Kampuchea, North Korea, Loas, Vietnam), are eligible for duty-free import under the GSP.

There are, however, certain restrictions on the import of goods under the GSP.

These are:

- **The Competitive Need Limitation.** In general, this specifies that the imports from any one country must not:

    - Account for fifty percent or more of the value of total U.S. imports of a product.

    - Exceed a certain dollar amount. This latter quantity is adjusted annually in proportion to the change in nominal gross domestic product (GDP) and was $76.1 million for 1987.

  However, the competitive need limitation may not be applied to items that are not produced in the United States. They may also be waived if the total value of exports were **de minis** (e.g., they were less than a certain proportion of GDP). In 1987 this was equivalent to $8.94 million.

  Following the Trade and Tariff Act of 1984, the President was required to lower competitive need limits by approximately one-half when a country is considered to be "sufficiently competitive" in a particular product. Conversely, the President is authorized to completely waive the competitive need limits on a product- and country-specific basis.

- **Graduation.** Graduation occurs when a country is removed from the GSP list. This can happen if its per capita income rises above a certain level ($9,304 in 1987). Also, if a country is deemed to be "sufficiently competitive" and the imports are effecting the overall economic interests of the United States, a country and a product may be "graduated" from GSP eligibility.

- **The Value-Added Requirement**. It is also necessary that value added in the beneficiary country be at least 35 percent of the ex-factory cost of the item. In this context value added is defined to include all the direct costs of processing, plus the costs of materials that were produced in the beneficiary country, plus the value of imported materials if they are "substantially transformed" into new and different constituent materials. Goods must also be shipped directly from the GSP country to the United States, except for passage through a free-trade zone, where only minor operations such as sorting, grading, and packaging are permitted.

None of the African countries studied here is likely to break the requirements for preferential GSP treatment. In addition, three of the countries -- Botswana, Lesotho and Mali -- are classified as "least-developed beneficiary countries." This means that they can import into the customs territory of the U.S. under the GSP system without regard to the limitations on preferential treatment of eligible items (e.g., the competitive need limitation).

However, in the field of textiles, the items that are eligible for GSP are quite limited. Appendix 2.1.A gives the categories of goods that can be imported into the U.S. free of duty. Note that threads and yarns are not eligible for preferential treatment. The range of textiles and textile-related goods that come under the GSP can be aggregated as follows:

Major textile items produced in the five African countries

- **Wool and other fine animal hair**

  in an **un-improved** condition (not degreased, carded, or combed) or as **waste.**

- **Cotton**

  as hand-loomed fabrics. Note that raw short-staple cotton, not carded and combed, and yarn waste can be imported free of duty regardless of source.

- **Jute**

  as yarn or twine. This also applies to other vegetable fibers except flax and cotton.

Other textile items under the GSP

- **Silk**

  either as **waste**, certain **yarns**, and **woven fabrics** containing more than 85 percent silk.

- **Coarse animal hair**

  either carded and combed, as yarn, or as woven fabrics.

- **Artificial materials (synthetics)**

  certain **artificial mono-filament fibers** (racket strings), **strip materials**, and certain **industrial floor covering.**

- **Apparel and other items**

  - **hand-loomed** and **folk-lore floor covering** and **tapestries.**

- **ski-gloves.**
- miscellaneous **wall hangings, sails,** and parts of **hats.**

With the exception of ski-gloves, most of the items that receive tax exemption in the textile area are either raw materials (e.g., un-improved wool) or items that have very specialized markets (e.g., some silk products, hand-loomed cotton, jute yarn, horse-hair fabrics, ethnic wall hangings) and little U.S. production.

As soon as any manufacturing activity takes place in the developing country (e.g., by producing threads, yarns, materials, and apparel), the exporting country loses its GSP benefits. This means that a developing country that attempts to capture some of the added value associated with converting its raw materials into apparel must compete on the same tax basis terms as any industrialized country.

Import Taxes on Textiles

For textiles, as with other goods, there is an internationally agreed upon Harmonized System of Tariffs where imports are categorized in specified groups. Tariffs are applied on a most-favored-nation basis to all importers other than Soviet Block countries (which pay substantially higher tariffs on most items) and special trading partners. The preferential treatment under the GSP falls into this latter category.

There are also three regional associations that have special trading relationships. These are the member countries of the Caribbean Common Market (CARICOM), the member countries of the Cartegena Group (Andean Group), and the members of South East Asian Nations (ASEAN). These countries have slightly more relaxed value-added requirements for GSP eligibility (any component part coming from another country of the group can count towards the overall value-added limit).

However, by far the most extensive preferential treatment is given to Canada under the United States-Canada Free-Trade Agreement, and to Israel with the United States-Israel Free-Trade Area. These two countries have reduced tariffs on a wide range of textile products, from raw materials to items of clothing.

Countries falling under the Caribbean Basin Economic Recovery Act also have two further import concessions:

- Preferential tariffs on selected items. The main difference between this group and the general GSP is that tax-free importation is allowed for a few types of apparel (e.g., certain swim-wear and sporting clothes).

- Reduced duties are paid on U.S. origin products that are assembled in the Caribbean, then exported back to the U.S. (Item 807 of the Tariff Schedules of the United States). This could include cutting fabric to pattern in the United States, sewing the components into a finished garment in a Caribbean Basin country, and then returning the garments to the U.S. for packaging and distribution. In this case the import tax is only applied to the value added generated in the Caribbean country rather than the full ex-factory value.

Because of this latter concession, a number of U.S. garment manufacturers have moved to offshore processing in the Caribbean, and imports from this area to the U.S. grew by 23 percent in 1987. Indeed, many companies view this trade as an important way of combatting Asian imports, and claim that they would have gone out off business without the "807" concession. Similar concessions do not exist for any countries outside of the Caribbean.

As discussed earlier, there are many very specific categories of goods under the Harmonized System of Tariffs. Section XI of the Harmonized Tariff schedule covers textile and textile articles. Exhibit 2.1 summarizes the various chapters for each item.

There are many sub-articles within each chapter. For example, Appendix 2.1.B gives an example of the tariff schedules for animal hair products. Although there are many exceptions, in general the **ad valorem** tariffs (i.e., added to the assessed ex-factory value of the imported item) are of the following order:

Yarns and threads: from 10 to 15 percent

Textiles made from cotton or cotton-artificial blends: approximately 10 percent

Textiles made from man-made materials: approximately 17 percent

Textiles of wool or wool blends: typically from 30 to 40 percent

Knitted fabrics: from 10 to 20 percent

Clothing: from 5 to 35 percent (most being at the upper end of this range).

Thus, tariffs become progressively stronger in those areas where developing countries would have a comparative advantage -- the labor-intensive activities of apparel manufacture.

Exhibit 2.1

Harmonized Tariff Schedule of the United States

Section XI. Textiles and Textile Articles

Chapter 50.	Silk
Chapter 51.	Wool, fine or coarse animal hair; horse hair yarn and fabric
Chapter 52.	Cotton
Chapter 53.	Other vegetable textile fibers; paper yarn and woven fabrics of paper yarn
Chapter 54.	Man-made filaments
Chapter 55.	Man-made staple fibers
Chapter 56.	Wadding felt and nonwovens; special yarns; twine cordage, ropes and cables and articles thereof
Chapter 57.	Carpets and other textile floor coverings
Chapter 58.	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery
Chapter 59.	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use
Chapter 60.	Knitted or crocheted fabrics
Chapter 61.	Articles of apparel and clothing accessories, knitted or crocheted
Chapter 62.	Articles of apparel and clothing, not knitted or crocheted
Chapter 63.	Other made up textile articles; needlecraft sets; worn clothing and worn textile articles; rags

Note: The chapter number gives the first two digits of the Harmonized System code number.

The five African countries studied could import man-made yarns in order to manufacture blended materials. However, there is no fiscal incentive to do this because such items, together with most threads, yarns, and fabrics, would no longer fall under the GSP.

Therefore, the question of which textile items should be produced by a particular country becomes one of the costs of production and transportation relative to those in other industrialized and developing countries.

Any developing country has two possible advantages over industrialized countries: cheaper labor and cheaper raw materials. However, there is no reason to assume that production costs in Africa will be substantially less than those in other developing countries. Indeed, many African countries suffer from a lack of production infrastructure, together with shortages in management and marketing skills.

For example, during spinning it is necessary decide the length, strength, fineness, trash content, etc., of the fibers that will be mixed together to produce yarn. This requires constant monitoring of the raw materials, and a labeling and storage system that will allow the correct bales to be readily located at the appropriate time. Incorrect machine settings can also lead to a variable thickness in the yarn, neps (a ball or knot of fibers in the yarn), or breakages.

Even for the export of raw materials, an appropriate marketing infrastructure in these countries may have to be developed. For example, in the past some cottons exported from Africa have been found to be yellowing due to excessive and inappropriate storage at docks. Similarly, cotton has become contaminated with jute and Hessian strings used for baling.

However, raw materials produced in Africa do not have tariffs biased against them. Recall that the Caribbean Basin "807" concession applies only to fabrics exported from the United States for sewing in the Caribbean, not to domestic-source fabrics.

Nonetheless, the opportunities available in the Caribbean may absorb U.S. investment funds that would otherwise be available for other developing countries. Under the present tariff structure a U.S. company could import raw materials with zero or low import duty. It could then manufacture and cut fabric in the U.S. These pieces could be sent to a Caribbean country for assembly, with the finished product imported back to the U.S under the preferential tariff terms.

This would allow the U.S. company to benefit from cheap raw materials and cheap labor for the fabrication of apparel. The intermediate stages of fabric manufacture and pattern cutting are relatively competitive in the U.S., where advanced technologies such as robotic pattern cutting are used.

It should also be remembered that the textile trade is subject to numerous bilateral quota constraints in addition to import taxation. These constraints restrict the market share of many of the largest developing country exporters, and may give some opportunities for new textile exporters. This aspect of textile trade with the United States is discussed in more detail in the following section.

2.2 THE IMPACTS OF MFA QUOTAS ON U.S. TEXTILE IMPORTS

MFA quotas are applied to those developing countries that are perceived to be the greatest threat to industrialized country markets. These quotas can have both advantages and disadvantages to new developing country exporters such as the five African countries studied here.

The MFA quotas placed on the most aggressive exporting developing countries increase the competitive price for textile products on the world market.

For example, in Hong Kong quota rights are freely traded. Their value is equivalent to the difference between the actual production costs in Hong Kong and the price of goods in the U.S. due to quotas. Studies of several major clothing products have shown that import quotas on trade from Hong Kong are equivalent to an additional tariff of between 20 to 25 percent (the production costs in Hong Kong are some 20 percent less than those of the marginal producer who does not face a quota). Studies of production costs in Thailand, Indonesia, and Malaysia confirm that the tariff equivalencies of quotas in these countries are at least of the same magnitude as those in Hong Kong.

It is interesting to note that the textile quotas result in the large transfer of funds from the U.S. consumer to some developing country producers. One study has estimated that the American public pays an additional $20 billion per year as a result of quotas on textiles and apparel. This results in larger profits for those exporting companies that have a share of the quota of their country.

A new developing country exporter can have an advantage in competing with other developing countries. Recall, however, that MFA quotas do not apply to European countries and that these countries must be competed with on equal terms.

Nonetheless, new exporters' trade can grow at a formidable rate. For example, in the 1960s South Korea and Taiwan had only about 2 percent of the share of developing country exports of textiles and apparel to industrialized countries. By the early 1970s, while developing country exports had quadrupled in value (in nominal terms), these two countries had increased their share of developing country exports to approximately onefifth. More recently, Chinese exports of MFA goods grew 72 percent in value during 1986.

None of the five African countries studied have quotas, nor is textile production likely to grow to a level where quotas will be imposed in the near future. At the same time the U.S. has negotiated bilateral limits on the growth of trade from the "big three" suppliers of Hong Kong, Korea, and Taiwan of a mere 1 percent per annum.

It is sometimes erroneously argued that quotas reduce the volume of world trade, particularly in low quality apparel, and that this reduces the market for new entrants. However, a new exporter who does not face quotas can currently offer a price below that of other producers if it can produce goods cheaply enough. In this situation the market share of a particular African country would steadily increase, while the price of textiles would fall slightly in response. In the most successful case, the new country would displace some other less competitive country. At some time the market share of the new country would grow sufficiently large so that quotas would be imposed by importers.

For countries not under the MFA (Taiwan is the most important example), the U.S. considers implementing quotas when the imports from a particular country equal 1 percent or more of the U.S. production of items in a category, and total growth of that category's imports is more than 30 percent in the most recent year, or the ratio of total imports to domestic production of the items in the category is 20 percent or more. Thus, relatively limited market penetration is allowed by a new country before possible restraints are examined by the Office of the U.S. Trade Representative. However, for the African countries considered here, such limits are unlikely to be binding for some time.

Consequently, the MFA does improve market access to new countries, although it does restrict those countries that have crossed a certain threshold. However, the risk for new developing country exporters is that the MFA may be weakened as textile trade is brought back under usual GATT practices. There is always the threat of unilateral import restrictions by the U.S.

2.3 LIKELY FUTURE TRENDS

The U.S. is the world's second-largest importer of textiles (about 9 percent of world trade) and by far the largest importer of clothing (about 30 percent of world trade).

One of the key factors influencing the attractiveness of the U.S. market for exporters is the relative value of the dollar. During the early 1980s the dollar went through a period of significant over-valuation. As the dollar rose, the cost of imports to American consumers fell, and the result was a boom in textile imports.

The degree of over-valuation of the dollar can be estimated by calculating a real exchange rate for trade in textiles and apparel. This is calculated by deflating the nominal exchange rate by wholesale price indices. Exhibit 2.2 shows these rates for a group of five major Organization for Economic Cooperation and Development (OECD) exporters and for the nine largest developing country suppliers.

This exhibit shows that between 1980 and 1985, the real exchange rate jumped by approximately 35 percent for textiles and 25 percent for apparel. The rise of the dollar in real terms (for 1980-85) relative to the currencies of some major developing country suppliers of textiles to the U.S. was as follows: Taiwan, 22 percent; Hong Kong, 11 percent; Korea, 28 percent; and China, 90 percent.

Exhibit 2.2

Indexed Real Dollar Exchange Rates for Trade in Textiles and Apparel

	Textiles			Apparel		
Year	OECD	LDCs	Total	OECD	LDCs	Total
1980	100	100	100	100	100	100
1981	115	107	111	117	104	105
1982	126	119	123	128	113	114
1983	130	124	127	132	121	121
1984	137	128	133	140	120	122
1985	136	134	135	139	123	124
1986	106	132	118	107	121	183

Notes:

a) The real exchange rate for OECD countries is calculated as a weighted average of France, Germany, Italy, Japan, and the United Kingdom.

b) The real exchange rate for LDCs is calculated as a weighted average of Bangladesh, China, Hong Kong, India, Korea, Mexico, Philippines, Singapore, and Taiwan.

Source: Cline, W., World Trade in Textile and Apparel, Brookings, Washington, D.C., 1987, Table 3.1.

The U.S. textile industry's decline in competitiveness from the over-valuation of the dollar and the resulting explosion in U.S. imports (which were mainly from uncontrolled industrialized countries) led to strong pressures from the U.S. textile industry for greater import restraints. In turn, the U.S. Congress responded by voicing strong protectionist sentiments.

In 1985, Representative Edgar Jenkins (D-Ga) proposed a bill that would have replaced the existing system of bilateral negotiations with a system of comprehensive and explicit import licenses. This shift to unilaterally determined licences would have essentially ended the rationale for the MFA. The bill defined three sets of importers: "major importing countries" (Hong Kong, Taiwan, and Korea), "producing countries" (all suppliers with between 1.25 percent and 10 percent of the U.S. import market), and "small producing countries" (the remainder). The imports of the first two groups would have been constrained to grow at no more than 1 percent per year (above a limit calculated by applying a 6 percent growth rate to the imports from 1980 to 1984, or the country's actual 1984 agreed quota, depending upon which was smaller), while that for small importers would have been allowed to grow at 15 percent in the first year and 6 percent thereafter. The limit in quota growth of 1 percent would be applied as soon as a country graduated to having more than a 1.25 percent market share. As with the MFA, European Community member countries would have been exempt. After passing the House and Senate, this bill was vetoed by President Reagan in December, 1985.

In 1987, members of Congress from South Carolina proposed the Textile and Apparel Trade Act. This would have been even more protectionist than the 1985 proposed bill, and would have imposed global quotas on all importing countries (including the

European Community) at the 1986 import volumes, with a provision for a 1 percent per annum increase. Although receiving strong support in Congress, this bill was also vetoed by President Reagan.

Pressure on the United States from textile and apparel importers was reduced during 1986 and 1987 as the value of the dollar fell. This shifted exports from the Far East to European markets. In 1989 the dollar has again entered a period of relative strength, although its future stability is the subject of some uncertainty.

U.S. negotiators at the Uruguay Round of GATT talks are arguing that current discussions on the MFA should be restricted to developing a framework for application after 1990. This is in part to reassure Congress that current GATT negotiations will not weaken existing bilateral quota limits. At the same time the forthcoming 1992 integration of the European Community is presenting the U.S. with a consolidated trading partner that is likely to respond vigorously to any protectionist measures against European exports.

As a result of these forces, a new textile bill is unlikely in the near future. Similarly, the U.S. will probably support a continuation of the existing MFA framework after the expiration of the current arrangement in 1991.

Thus, the African countries will have little preferential treatment for their textile exports under the GSP, but they will not face quota restrictions for the foreseeable future. Furthermore, the rigid quota restrictions on the large-scale developing country exporters are likely to continue, perhaps making the entrance of a new African exporter a little easier.

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Discussions were held with a clothing manufacturer in one of the study countries. This company imports fabrics from the Far East and Europe to manufacture beach-wear and exports the finished garments by air freight to the U.S. and Australia. The company maintains that import tariffs on clothing, together with the associated paperwork, are a major barrier to exporting to the U.S. However, if the correct market niche can be identified, and with appropriate marketing, export markets in the U.S. can be exploited.

CHAPTER 3: EUROPEAN COMMUNITY TARIFFS AND TRADE BARRIERS

As with the U.S., the most significant single instrument of trade regulation in the European Community (EC) is the Multi-Fiber Arrangement (MFA). There are also other formal tariff systems, such as those imposed under the ACP (Africa-Caribbean-Pacific)-EC Lome Convention, the Generalized System of Preference (GSP), and informal barriers (e.g., strict licensing requirements, domestic content regulations), all of which are discussed more fully in this chapter. It is important to note that informal barriers are largely arbitrary, bilateral in nature, and can often be difficult to identify and define.

3.1 EC MECHANISMS FOR QUOTAS

The European Community countries operate textile quotas under the same Multi-Fiber Arrangement as the United States. While the objective for the EC matches that of the US --to protect ailing domestic industries-- economic conditions have been slightly different in Europe than in the U.S. and have led to a different negotiating stance at times.

The first MFA (1974-77) was relatively liberal in its outlook but coincided with serious worldwide economic decline, including zero growth/demand for textiles during the mid-1970s. Within the EC, this produced falling employment levels in the textiles sector, disillusionment with the overall concept of the MFA, and subsequently, strong pressure from within the industry to introduce new, strictly applied measures. The EC suffered particularly during this period from a combination of weak domestic growth and from not previously having quotas. During the period when quotas were negotiated (which took more than three years in some cases), the level of imports continued to rise rapidly.

During the second MFA (1977-81), the EC wanted to modify the base level from which quotas were applied and the annual permitted growth rate (from 6 percent to zero in some cases). Although the EC initially wanted to implement these proposals on a temporary basis, new regulations represented a significant strengthening of the EC's position towards imports from developing countries.

The new regulations introduced at this time covered 130 products from 40 countries. By 1980, 3,300 EC national quotas had been established (this figure has subsequently been reduced by approximately 25 percent). EC quotas are centered around two basic mechanisms:

- Quantative limitations which are applied to the main developing country suppliers (this can sometimes be lower than the previous year).
- Administrative monitoring mechanisms (known generally as the "basket extractor") which are applied to "sensitive" products coming from countries other than the main suppliers. The basket extractor is also applied to products that the EC feels might become sensitive if imports grew to a certain predetermined level of total EC imports over the previous 12 years (typically between 0.2 and 5 percent). This means in effect that the EC can "extract" from a "basket" of textiles/clothing products any particular items that are considered to be a potential threat and protect their position by introducing a quota or tariff in between MFA negotiations. At this point,

EC countries can apply quantitative limitations after negotiating an agreement with an individual developing country.

By 1981, developing countries had organized themselves better to respond to the negotiating power of the EC and U.S. This was reflected in new arrangements under the third MFA (1981-1986) which helped redress the some of the imbalance between developing country and EC interests. Important benefits for some of the developing countries were as follows:

- New quotas would only be introduced if importing EC countries were faced with sharp and substantial increases of certain sensitive products. Developing countries were to be offered compensation and beneficial terms of market access.

- The definition of market disruption was altered (and had to be proven by showing a decline in the growth rate of per capita consumption) in favor of developing countries.

- Newly industrialized countries (NICs) such as Hong Kong, South Korea and Thailand, were persuaded to give greater market access to smaller exporters by increasing their proportion of export quotas.

During the mid-1980s, the EC textile/clothing industry enjoyed a period of reasonable growth (overall textile production increased by 10 percent and clothing output was increased by 13 percent), due in large part to the over-valuation of the dollar. Therefore, the EC was prepared to take a fairly liberal line with regard to MFA negotiations during this period, and the number of quotas was cut by 25 percent. Growth rates for the poorest developing countries were increased to 7 percent per annum (compared to main suppliers such as Hong Kong, Taiwan and South Korea where quotas were reduced by 1 percent per annum).

In the context of this tariff study, developing countries did gain two important concessions:

- Stricter product coverage would not apply to such historically traded items as bags, sacks, carpet bagging, cordage, luggage, mats and carpets made from jute, coir, sisal and abaca.
- Poorer developing countries (as opposed to NICs) that were small-scale suppliers would in principle be excluded from quota controls. If quotas eventually were deemed absolutely necessary, they would be kept as favorable as possible.

This second point is important because in theory it applies to Kenya, Botswana, Mali, Swaziland and Lesotho. This means that these countries should be able to export to EC markets free from quota controls, and under favorable tariff rates. In reality, the textile industries of these countries have not reached a sufficient level of development to penetrate European markets on a regular enough basis to take advantage of these prevailing conditions. The overall effect of such a concession on the EC market has been relatively insignificant. Of the poorer developing countries, only Bangladesh has been able to take advantage of this quota-free situation, and between 1981 and 1985, the value of its textile and clothing exports to the EC increased from $3.2 million to $116.2 million.

Under the latest MFA (1987-91) the EC has negotiated bilateral agreements with the countries shown in Exhibit 3.1. The EC also has special arrangements with Yugoslavia

Exhibit 3.1

Countries Having Bilateral Textile Trade Agreements with the European Community

- Argentina
- Bangladesh (no quotas)
- Brazil
- Bulgaria
- China
- Colombia
- Czechoslovakia
- Guatemala
- Haiti
- Hong Kong
- Hungary
- India
- Indonesia
- Macau
- Malaysia
- Mexico
- Pakistan
- Peru
- Philippines
- Poland
- Romania
- Singapore
- South Korea
- Sri Lanka
- Thailand
- Uruguay (no quotas)

and its Mediterranean associates (Turkey, Malta, Morocco, Egypt and Tunisia), and operates autonomous (unilateral) agreements with the following non-MFA signatories: Taiwan, Albania, USSR, Vietnam, and North Korea. In 1986 and 1987, the USSR made formal applications to join the MFA, but was unsuccessful largely due to U.S. opposition.

Autonomous arrangements are used by the EC when formal agreements have not been reached with exporters and if internal market disruption is threatened (primarily because either no quota has previously existed or the quota is perceived to be liberal). Importing EC countries can impose these restrictions unilaterally, although this type of action is only intended as a temporary measure pending discussions to agree on a mutually-beneficial solution.

The division of the EC quota between member states is shown in Exhibit 3.2. One possible change to the EC MFA quota system in light of the "open European market of 1992" is that the quota will no longer be subdivided among member states. This in theory would give developing countries greater access to export products throughout the EC, but in practice, due to the delicate socio- economic and political nature of the EC textiles industry, it is likely that member states will retain some of their individual quotas.

It should be remembered that the European Community is by far the largest textile exporting group in the world. It is responsible for more than one-third of world trade in textiles and clothing, although some of this occurs among member countries. Consequently, it is not surprising that the EC is in favor of protecting its industries from competition.

Exhibit 3.2

The Allocation of EC Quotas Among Member Countries

Country	Percent
West Germany	25.5
UK	21.0
France	16.5
Italy	13.5
Benelux	9.5
Spain	7.5
Denmark	2.7
Greece	1.5
Portugal	1.5
Ireland	0.8

Exhibit 3.3 indicates in more detail how little of Europe's textile import trade is accounted for by African countries (i.e., a mere 1 percent during the 1980s). The size of this figure is the reason why the EC attitude toward exports from African developing countries is relaxed, and indeed they do not constitute a threat to domestic EC markets.

As with the United States, the European MFA restricts inports from major developing country exporters, but would not restrain imports from the African countries studied here. Imports into the EC are also affected by several multilateral agreements. The most notable of these is the Lome Convention.

3.2 THE LOME CONVENTION AND EUROPEAN TARIFFS

Sixty-six countries, including Botswana, Kenya, Lesotho, Mali, and Swaziland, signed the Lome Convention in December 1984. The developing country signatories of the Lome Convention are shown in Exhibit 3.4. This is a five-year cooperative agreement (1985-1990) between the member countries of the EC and the ACP (Africa-Caribbean-Pacific) group. It extends, strengthens and makes more effective the previous Lome agreements of 1975 and 1979. Within the EC cooperative framework there are also associate countries that are not members of the ACP but still enjoy preferential access to EC markets. These are mainly Mediterranean rim countries.

ACP countries are in essence exempt from multinational trade negotiations and from import duty. For non-ACP countries, EC tariffs are charged as a percentage of imported value. The EC Common External Tariff is detailed in Exhibit 3.5.

The biggest growth in imports under EC cooperative aid agreements has come from the Mediterranean associate countries. In African countries where textiles do not play a major economic role, the effect has been minimal. Since 1978, the EC has established

Exhibit 3.3

Western Europe Textile Imports and Distribution by Selected Regions, 1980, 1984-86

Region	Percentage of imports by year			
	1980	**1984**	**1985**	**1986**
Intra EC	76	79	80	80
North America	5	3	3	3
Latin America	2	2	2	1
Eastern Europe & USSR	2	2	2	2
Africa	1	2	1	1
Middle East	2	1	1	1
Asia	11	11	11	11

Source: "International Trade 1986-87," GATT.

Exhibit 3.4

Signatories of the Lome Convention and Africa-Caribbean-Pacific States Member Countries

ANTIGUA & BARBUDA	GHANA	ST. LUCIA
BAHAMAS	GRENADA	ST VINCENT & THE GRENADINES
BARBADOS	GUINEA	SÀO TOMÉ & PRÍNCIPE
BELIZE	GUINEA BISSAU	SENEGAL
BENIN	GUYANA	SEYCHELLES
BOTSWANA	IVORY COAST	SIERRA LEONE
BURKINA FASO	JAMAICA	SOLOMON ISLANDS
BURUNDI	KENYA	SOMALIA
CAMEROON	KIRIBATI	SUDAN
CAPE VERDE	LESOTHO	SURINAME
CENTRAL AFRICAN	LIBERIA	SWAZILAND
REPUBLIC	MADAGASCAR	TANZANIA
CHAD	MALAWI	TOGO
COMOROS	MALI	TONGA
CONGO	MAURITANIA	TRINIDAD & TOBAGO
DJIBOUTI	MAURITIUS	TUVALU
DOMINICA	MOZAMBIQUE	UGANDA
EQUATORIAL GUINEA	NIGER	WESTERN SAMOA
ETHIOPIA	NIGERIA	VANUATU
FIJI	PAPUA NEW GUINEA	ZAIRE
GABON	RWANDA	ZAMBIA
GAMBIA	ST. CHRISTOPHER & NEVIS	ZIMBABWE

Exhibit 3.5

EC Common External Tariff

Article	Tariff (percent)
Wool yarn	4-6
Synthetic fiber yarn	9
Woven cotton fabrics	10
Woven wool fabrics	13-7
Knitted fabrics	12
Carpets	9-14
Clothing	11-14

Source: UK National Economic Development Office (NEDO).

Voluntary Export Restraint (VER) agreements with Cyprus, Malta, Morocco, Portugal, Spain (both Portugal and Spain have since joined the EC as full members), Tunisia and Turkey.

Turkey is the most important of the Mediterranean associate countries, and was the third-largest exporter of clothing to the EC in 1987. Between 1986 and 1987, Turkish imports to the EC increased from 1 billion ECU (European Currency Unit; approximately $1 at the current exchange rate) to 1.4 billion ECU. VERs on the Mediterranean countries now apply for cotton yarn, cotton cloth, terry towelling, cotton velvet and acrylic yarn. In 1988, VERs were introduced for T shirts, blouses, shirts, and bed linens.

In addition to ACP countries and associated Mediterranean countries, no tariffs exist for intra-EC trade or for trade between EC and the European Free Trade Association (EFTA) member countries. These include: Austria, Finland, Iceland, Norway, Sweden and Switzerland. The removal of tariffs between EFTA and EC members came about in 1984 based on the following guidelines:

- Removal of technical barriers to trade.
- Simplification of the origin rules (which determine if a product may be traded free of duty).
- Multi-lateral cooperation on R&D projects.
- Introduction of single administrative procedures for customs purposes and transit documents.

The EC also has a Generalized System of Preferences (GSP), similar to that applied in the United States. As with the U.S., the concept of GSP is to allow certain agricultural and industrial products originating from developing countries to enter EC markets either duty free or at reduced rates. Note that this applies mainly to developing countries outside the ACP; this latter group comes under the Lome Convention.

In reality, the effect of the GSP has been more limited for textiles than for other industry sectors because of the following factors:

- Product exclusions: one third of industrial products excluded from GSP are in the textile/clothing sector (although this does vary from country to country - in the U.S., for example, it is almost 100 percent).

- Basic quantitative limitations imposed by the EC called Maximum Country Amounts (MCAs). These are similar to the Competitive Need Limitations of the United States.

In 1987 the EC announced that it would be reducing access to its markets under the GSP, arguing that they are too liberal already and that the NICs are already too competitive. These changes in GSP began in 1988 and will take place over a two-year period. They will restrict the quantity of goods that can be imported under the GSP allowance. As with the United States, goods can be removed from the list of GSP eligibility. For the EC this occurs if:

- Imports of an item account for 10 percent of EC imports of that product category.

- The country concerned reaches a pre-determined level of economic and global development.

However, there will be some flexibility if a country has a low level of gross domestic product, but a high level of dependence on the textiles sector. In this type of situation the GSP will be calculated on a sliding scale depending on the level of EC import penetration and the sensitivity of the product.

Outward Processing Trade (OPT), whereby textiles exported from the EC for the manufacture of apparel in developing countries that is re-exported to EC countries, varies in incidence from country to country. For example, in the UK this process is uncommon, although it forms a substantial part of the textile industry in France and West Germany. France is particularly involved with OPT in North Africa, while West Germany has links with East Germany and Yugoslavia. OPT is not covered by MFA stipulations and each country is responsible for negotiating its own trade agreements. In the UK, OPT is counted against the general import quota, whereas in France and West Germany it is not.

Some restrictions do apply to OPT. It can only be undertaken by manufacturers (not retailers), and OPT can only use fabrics woven within the EC. Import duties are payable on the value added in the developing country, rather than the full ex-factory price (much as with Caribbean products in the U.S.). The differences in attitude between the UK and Franco-German application of quotas will come into conflict after the European integration of 1992, and it is likely that the UK will be forced to compromise its position.

3.3 LIKELY FUTURE TRENDS

In theory, developing countries will benefit when European integration proceeds in 1992. At this time internal European market barriers will be removed, while the common external tariffs will remain the same. However, it is likely that each member state will retain some of its individual quotas due to the sensitive political nature of EC domestic textile industries. A good example of this protective attitude is that although Spain and Portugal officially joined the EC in 1986, they have been given a seven-year period in which to phase out trade barriers with other EC countries. However, the transferability of quotas from country to country will almost certainly increase. It is planned that such transferability will eventually reach 16 percent of an individual country quota.

However, the 1992 integration can have other indirect effects on exports to the EC. There are, for example, structural adjustment programs financed by the EC's Regional Development and Social Funds. Between 1987-91 it is estimated that $500 million will be spent on textile research and development, half of which will be funded by centrally-sourced EC grants. Within the EC textiles industry there have recently been technological advances such as robotized sewing and handling systems, and computer controlled cutting and marking facilities).

There are numerous individual EC member government schemes to aid the textile industry through grants, concessional financing, and subsidies. However, this type of direct member state intervention is discouraged by the EC, which feels that it only distorts intra- EC trade and simply moves the problem from one country to another.

The key implications of the 1992 single EC market for the textile and clothing industry are as follows:

- Removal of physical barriers on trade. These will include border controls necessary because of value-added tax duties, excise duties, and legal limitations on the free movement of goods.

- Transportation de-regulation. This could result in declining internal transportation costs. For example, delivery times for intra-EC trade are expected to be approximately one-third their current level. The overall reduction of transport costs is expected to be between 10 and 20 percent.

- Harmonization of technical standards. During 1988, a number of EC directives were issued which affected the textile and clothing industry including safety of textile toys and construction products (carpets, wall coverings) and machine worker safety (protective clothing, etc.). EC industry representatives are becoming more involved in establishing new standards. As they are applicable to imported products as well, they could be regarded as an indirect barrier to trade for developing countries.

For the EC textiles and clothing industry, low-cost imports from developing countries have been a source of great competition since the mid-1970s and have forced a high degree of industrial restructuring. Unlike other sectors, the impacts of 1992 integration will be relatively small in terms of internal market measures - the real challenge will come from changes in future trade policy.

Several trade issues are at the forefront of EC policymaking. The imports of textiles and apparel into the EC rose sharply with the fall in the value of the dollar in 1986, which reduced the competitiveness of exporting to the U.S. For example, in 1986 the EC had a trade deficit in clothing of $3.6 billion that more than offset the surplus in textiles of $2.6 billion. In 1985 the combined surplus of these products had been $890 million.

As a consequence the EC is particularly concerned about U.S. protectionist legislation. As well as damaging the EC textiles industry there are fears that developing countries will direct exports that would normally go to the U.S. to EC countries instead. However, this is unlikely to happen as it would almost certainly initiate a major trade war between the U.S. and the EC.

In the current Uruguay Round of GATT trade negotiations, the EC is following the U.S. in taking a very cautious approach to the reintroduction of textiles to normal GATT procedures. The main points that the EC wishes to be discussed are:

- Reduction of high tariffs in developing countries which prevent industrial nations from exporting textile machinery, technology and finished items. Developing countries argue that these levels of tariffs are necessary in order to protect their own domestic industries, but they are now coming under increasing pressure for reciprocity from the EC. EC countries use the demand for reciprocity as a bargaining position, particularly as they are faced with static home markets.

- Restrictions on counterfeit brand names and designs.

- Introduction of unilateral rights to penalize exporters for trading malpractices such as trans-shipments, false declarations of value, and other types of quota fraud.

In conclusion, the countries that are the focus of this tariff study are all members of the ACP, and thus can export textiles into the European Community free of duty. Quotas under the MFA on major exporters to the EC are likely to continue. Consequently, there may be a place for new African textile exporters.

As with the Caribbean Basin Initiative in the U.S., it is possible that the offshore processing of European fabrics in countries neighboring Europe has absorbed funds that might otherwise have been invested in Sub-Saharan Africa. However, similar activities are not restricted to the Mediterranean rim, and African countries can become involved in such garment manufacture if it is economically attractive.

CHAPTER 4: CONCLUDING COMMENTS

The existing regulatory frameworks controlling international trade in textiles and related items are likely to continue in their present form for some time. Political pressures to protect domestic textile industries mean that the industrialized countries will prevent the Multi-Fiber Arrangement (MFA) from being dismantled. Negotiations relating to textiles at the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) are very limited, and it is most likely that the existing MFA will be extended in a somewhat similar form after 1991.

The level of protection provided by the MFA, together with fears of an aggressive response from a consolidated European Community, mean that restrictive U.S. trade legislation is unlikely in the near future. Even if U.S. quotas were not applied directly to European imports, quotas on developing country exports would re-direct textile trade towards Europe. Consequently, the imposition of MFA quotas on major developing country exporters will continue, whether or not they are in conflict with basic GATT principles.

However, the African countries covered in this tariff study (i.e., Botswana, Kenya, Mali, Lesotho, and Swaziland) do not have quotas, nor are they likely to face any. The quotas on the Far East textile exporters are equivalent to an additional tariff on the order of 25 percent. This restraint on the most competitive textile producers means that there may be some opportunities for new African exporters.

The continuation of very limited preferential treatment of textile items under the U.S. Generalized System of Preferences (GSP) is also probable. Currently, the items that can be imported duty free include raw wool, hand-loomed cotton, silk fabrics (which are not produced in the study countries), and folklore floor coverings and tapestries.

Negotiations for the next Lome Convention are likely to continue the tax free status of goods exported from Africa-Caribbean-Pacific (ACP) countries to the European Community (EC). This includes all the countries addressed here. In the case that exports from a particular country are seen to be a threat to European industry, voluntary restraints are likely to be negotiated bilaterally. This will not be a factor for the small trade associated with the countries covered in this tariff study.

Countries not belonging to the ACP may be able to import textiles under the European GSP, although, like the U.S. GSP, the items eligible for tax exemption are limited. The typical EC Common External Tariffs for textiles range from 5 percent for wool yarn to 15 percent for certain articles of clothing. Consequently, the countries reviewed in this tariff study may have an advantage over non-ACP countries.

European integration in 1992 should also assist potential importers by making it easier to move goods within Europe. Transportation costs will fall due to deregulation and a reduced need for storage at border crossings.

The treatment of African countries exporting textile products to the U.S. will be, for the large part, similar to that for any other exporter that does not have quotas (including exports from European countries). Tariffs vary depending upon the particular item that is being imported. Typical levels for **ad valorem** import duties (i.e., added to the assessed ex-factory value of the commodity) are: 10 to 15 percent for yarns, 10 to 20 percent for fabrics made of cotton and synthetics, 10 to 20 percent on knitted fabrics, and 5 to 35 percent on clothing. It should also be noted that in addition to the actual cost of the tariff, the necessary paperwork and customs delay can be a barrier to imports.

Offshore garment manufacturing has absorbed U.S. investment funds in the Caribbean. These activities have benefited from the "807" concession, where import tariffs are only applied to the value added due to garment assembly for U.S.-source materials. Similar activities have taken place with European manufacturers in neighboring Mediterranean countries.

The U.S. concession is restricted to countries that come under the Caribbean Basin Economic Recovery Act. However, Sub-Saharan African countries could export apparel made from European fabrics to the European Community and this would be free of duty. Whether this would be more attractive than investment in countries closer to Europe would require careful study of the relative cost of operation in the different regions.

There is an excellent potential for textile and garment manufacture in the countries covered in this tariff study. Inexpensive labor is available, as are low-cost raw materials. However, industrialized countries could counter-act these advantages with advanced technology and high standards of quality control.

Textile protectionism means that developing countries such as Botswana, Kenya, Mali, Lesotho, and Swaziland must be efficient in designing and implementing programs of export promotion. Technical assistance in the areas of textile factory management, machine operation, and marketing may be required. Financial assistance in establishing new ventures may also be an important catalyst for the development of a textile industry in the five African countries.

APPENDIX 1.1.A: CONTACTS

APPENDIX 1.1.A: CONTACTS

Representatives of African Countries

Botswana High Commission
6 Stratford Place
London W1N 9AE
England
Telephone: 01-499-0031

Kenya High Commission (Commercial Office)
25 Brooks Mews
London W1Y 1LG
England
Telephone: 01-355-3145

Lesotho High Commission
15 Collingham Road
London SW5
England
Telephone: 01-373-8581

Mali High Commission
c/o French Embassy (Commercial Division)
21 - 24 Grovenor Place
London SW1X 7HU
England
Telephone: 01-235-7080

Swaziland High Commission
58 Pont Street,
London SW1X 0AE
England
Telephone: 01-581-4976

Ministry of Commerce & Industry, Botswana
Private Bag
Gaborone
Botswana
Telephone: 353881
Telex : 2674

Ministry of Foreign Affairs, Kenya
PO Box 30551
Nairobi
Kenya
Telephone: 27411
Telex : 22003

Ministry of Trade & Industry, Lesotho
PO Box 747
Moseru 100
Lesotho
Telephone: 322138
Telex : 4330

Ministry of Foreign Affairs and International Co-operation, Mali
Koulouba
Bamako
Republic of Mali
Telephone: 22-54-89
Telex : 560

Ministry of Foreign Affairs, Swaziland
PO Box 518
Mbabane
Swaziland
Telephone: 42661
Telex : 2036

European Organizations

Commission of the European Communities
Directorate General I (External Relations)
Directorate D (Negotiation and management of textile agreements)
Rue de la Loi 200
1049 Brussels
Belgium
Telephone: 235-1111

Commission of the European Communities (UK Office)
8 Storey's Gate
London SW1P 3AT
England
Telephone: 01-222-8122

RCG/Werner International Inc.
523 Avenue Louise
Brussel 1050
Belgium
Telephone: 2-6499864

United Nations Organizations

General Agreement of Tariffs & Trade (GATT)
Centre William Rappard
Rue de Lausanne 154
CH 1211 Geneva 21
Switzerland
Telephone: 7395111

Economic Commission for Africa
PO Box 3001
Addis Ababa
Ethiopia
Telephone: (01) 44 7200
Telex : 21029

International Trade Centre (UNCTAD)
Palais des Nations
CH 1211 Geneva 10
Switzerland
Telephone: (22) 34 6021
Telex : 289052

Food & Agricultural Organization of the United Nations
Vic delle Terre di Caracalla
Rome, Italy
Telephone: (6) 5797

Other International Organizations

Commonwealth Secretariat (International Trade Policy and Textiles Division)
Marlborough House
Pall Mall
London SW1
England
Telephone: 01-829-3411

British Organizations

UK Developing Countries Trade Agency
69 Cannon Street
London EC3
Telephone: 01-248-4444

British Textile Confederation
24 Buckingham Gate
London SW1
Telephone: 01-828-5222

Economist Intelligence Unit
40 Duke Street
London W1A 1DW
Telephone: (01) 493-6711

Department of Trade & Industry (EC - External Policy Division)
Ashdown House
123 Victoria Street
London SW1E 6RB
Telephone: 01-215-5000

UK-Southern Africa Trade Association
7 - 10 Savoy Hill
London WC2R 0BU
Telephone: 01-240-9545

UK-East Africa Trade Association
Savoy Hill House
7 - 10 Savoy Hill
London WC2R 0BU
Telephone: 01-836 2540

Confederation of British Industry (African Division)
Centre Point
103 New Oxford Street
London WC1A 1DU
Telephone: 01-379-7400

Shirley Institute (British Textiles Technology Group)
Shirley Towers
Wilmslow Road
Didsbury
Manchester M20 8RW
Telephone: (061)-445-8141

UK Textiles Institute
10 Blackfriars Street
Manchester M3 5DR
Telephone: (061)-834-8457

National Economic Development Office (Textiles Group)
Millbank Tower
21 - 24 Millbank
London SW1P 4QX
Telephone: (01)-217 4000

U.S. Organizations

Congressional Textile Caucus
2266 Rayburn House Office Building, Annex 32
Washington, D.C. 20515
Telephone: (202) 225-3271

U.S. Department of Agriculture
International Trade Policy
14th St. and Independence Avenue S.W.
Washington, D.C. 20250

Asia, Africa, and Eastern Europe Division
Telephone: (202) 382-1289

GATT Team
Telephone: (202) 382-1330

Trade Policy Affairs Division
Telephone: (202) 382-1312

U.S. Department of Commerce
Textiles and Apparel Division
International Agreements Division
14th St. Constitution Avenue N.W.
Washington, D.C. 20230
Telephone: (202) 377-4212

U.S. Department of State
African Affairs Bureau
2201 C. St. N.W.
Washington, D.C. 20520
East African Affairs Officer
West African Affairs Officer

U.S. Department of Treasury
Trade and Investment Policy Department
15th and Penn Ave., N.W.
Washington D.C. 20220
International Trade Office Director
Telephone: (202) 566-5305

European Community Country Desk
2201 C. St., N.W.
Washington D.C. 20520
Telephone: (202) 647-1708

U.S. International Trade Commission
506 E. St. N.W.
Washington, D.C. 20436

Fiber and Textile Branch
Telephone: (202) 252-1458

Textiles, Leather Products and Apparel Division
Telephone: (202) 252-1451

Office of Tariff Affairs
Telephone: (202) 252-1451

Office of U.S. Trade Representative
600 17th St. N.W.
Washington, D.C. 20506
Telephone: (202) 395-3026

APPENDIX 1.1.B EXPORTS OF TEXTILE FIBERS FROM THE AFRICAN COUNTRIES STUDIED TO THE U.S., 1980-87

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS TOTAL MKT.

Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY	DUTY RATE %	% TOTAL MKT
									1987 FIGURES		
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	3	1	0	0%	
KENYA	1,043	776	382	369	176	84	61	65	1	2%	
LESOTHO	0	24	1	0	2	25	13	173	11	6%	
MALI	0	0	0	0	103	17	0	0	0		
SWAZILAND	0	0	0	0	0	0	20	5	0	0%	
TOP 3 COUNTRIES											
AUSTRALIA	48,348	71,955	61,827	79,818	94,973	80,121	101,445	139,964	6,612	5%	12%
JAPAN	43,955	46,667	57,176	79,708	97,531	93,676	106,297	105,375	9,033	9%	9%
FED. REP GERMANY	25,342	40,704	35,703	47,952	87,723	84,935	100,758	105,311	9,106	9%	9%
TOTAL MARKET	430,556	548,829	512,202	654,204	896,544	869,031	1,031,252	1,148,676	84,205	7%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

NOTE: TOTALS MAY NOT EQUAL SUMS OF CHARTS BECAUSE OF ROUNDING

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS OF COTTON

Year	1980	1981	1982	1983	1984	1985	1986	1987	1987 FIGURES DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0			
KENYA	1043	776	382	369	176	84	41	65	1	2%	
LESOTHO	0	0	0	0	0	0	0	0			
MALI	0	0	0	0	0	0	0	0			
SWAZILAND	0	0	0	0	0	0	0	0			
TOP 3 COUNTRIES											
EGYPT	15,283	12,062	6,286	13,108	17,960	7,665	10,565	27,416	2,133	8%	15%
BRAZIL	2,868	3,516	9,494	11,863	10,492	13,637	13,637	17,399	1,194	7%	9%
FRANCE	14,786	10,390	14,651	14,131	16,395	16,422	16,422	16,653	878	5%	9%
TOTAL MARKET	47,134	49,763	64,321	72,660	103,617	107,996	143,775	185,981	13,361	7%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS OF VEGETABLE FIBERS, EXCEPT COTTON

									1987 FIGURES		
Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0			
KENYA	0	0	0	0	0	0	0	0			
LESOTHO	0	24	0	0	0	0	0	0			
MALI	0	0	0	0	0	0	0	0			
SWAZILAND	0	0	0	0	0	0	20	0			
TOP 3 COUNTRIES											
SPAIN	143	142	40	186	217	84	374	0	0		0%
BULGARIA	0	0	0	0	0	0	87	75	0	0%	0%
LIBERIA	0	0	0	0	0	0	0	32	0	0%	0%
TOTAL MARKET	45,041	44,402	36,473	32,118	40,188	33,545	28,195	28,337	265	1%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS OF MAN-MADE FIBERS

Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY (1987 FIGURES)	DUTY RATE % (1987 FIGURES)	% TOTAL MKT (1987 FIGURES)
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0			
KENYA	0	0	0	0	0	0	20	0			
LESOTHO	0	0	0	0	0	3	0	0			
MALI	0	0	0	0	103	17	0	0			
SWAZILAND	0	0	0	0	0	0	0	0			
TOP 3 COUNTRIES											
CHINA T	9,592	7,482	8,832	9,523	14,132	16,855	19,250	20,750	1,503	7%	3%
CHINA MAINLAND	52	231	565	640	801	2,875	6,633	14,802	1,930	13%	2%
BELGIUM	1,722	3,203	3,402	2,674	4,706	10,177	16,173	14,169	1,344	9%	2%
TOTAL MARKET	162,336	218,640	209,726	321,490	447,990	481,799	604,384	612,240	55,766	9%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS OF SILK

Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY	DUTY RATE %	% TOTAL MKT
									1987 FIGURES		
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0			
KENYA	0	0	0	0	0	0	0	0			
LESOTHO	0	0	0	0	0	0	0	0			
MALI	0	0	0	0	0	0	0	0			
SWAZILAND	0	0	0	0	0	0	0	0			
TOP 3 COUNTRIES											
BRAZIL	1,828	2,200	1,602	1,220	1,573	1,333	1,083	1,199	0	0%	7%
ITALY	180	494	1,305	1,657	2,330	1,262	847	856	30	4%	5%
FRANCE	481	530	411	953	1,359	471	507	318	16	5%	2%
TOTAL MARKET	9,436	12,483	12,669	16,097	19,825	18,490	15,500	18,197	410	2%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS OF
WOOL AND RELATED ANIMAL HAIR

Year	1980	1981	1982	1983	1984	1985	1986	1987	1987 FIGURES DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	3	1			
KENYA	0	0	0	0	0	0	0	0			
LESOTHO	0	0	1	0	2	22	10	171	11	6%	
MALI	0	0	0	0	0	0	0	0			
SWAZILAND	0	0	0	0	0	0	0	5	1	20%	
TOP 3 COUNTRIES											
AUSTRALIA	48,234	71,584	60,975	78,697	93,853	78,864	99,802	139,107	6,569	5%	46%
NEW ZEALAND	37,772	31,040	23,882	31,423	40,322	32,954	39,422	47,979	1,351	3%	16%
UNITED KINGDOM	15,753	21,688	18,340	18,416	25,408	25,705	24,494	28,681	1,448	5%	9%
TOTAL MARKET	165,455	222,138	187,854	210,826	283,303	225,630	237,884	302,042	14,339	5%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

TEXTILE FIBERS AND WASTES; YARNS AND THREADS OF MISCELLANEOUS TEXTILE MATERIALS

									1987 FIGURES		
Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0			
KENYA	0	0	0	0	0	0	0	0			
LESOTHO	0	0	0	0	0	0	0	2			
MALI	0	0	0	0	0	0	0	0			
SWAZILAND	0	0	0	0	0	0	0	0			
TOP 3 COUNTRIES											
JAPAN	465	1,020	853	654	1,144	710	455	969	38	4%	52%
GERMANY	2	72	101	45	57	84	291	322	14	4%	17%
MEXICO	4	1	49	185	3	8	0	185	1	1%	10%
TOTAL MARKET	1,154	1,404	1,159	1,014	1,621	1,571	1,515	1,880	64	3%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

APPENDIX 1.1.C EXPORTS OF WOVEN MATERIALS FROM THE AFRICAN COUNTRIES STUDIED TO THE U.S., 1980-87

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

ALL WOVEN FABRICS

Year	1980	1981	1982	1983	1984	1985	1986	1987	1987 FIGURES: DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	49	1	2%	
KENYA	4	3	6	0	48	492	413	71	4	6%	
LESOTHO	0	0	4	0	0	0	0	0	0		
MALI	0	0	0	1	1	30	356	6	1	17%	
SWAZILAND	0	9	0	51	2	7	95	98	16	16%	
TOP 3 COUNTRIES											
JAPAN	224,702	346,311	347,384	376,832	425,160	467,952	568,519	487,586	77,506	16%	18%
ITALY	160,626	204,984	170,430	186,722	315,110	312,076	303,829	331,029	43,734	13%	12%
KOREA	93,331	136,985	141,085	186,983	219,246	225,713	261,396	276,442	42,059	15%	10%
TOTAL MARKET	1,157,342	1,509,741	1,304,125	1,474,544	2,030,201	2,064,068	2,339,431	2,651,186	325,977	12%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

NOTE: TOTALS MAY NOT EQUAL SUMS OF CHARTS BECAUSE OF ROUNDING

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

WOVEN FABRICS OF COTTON

Year	1980	1981	1982	1983	1984	1985	1986	1987	1987 FIGURES DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	49	4	8%	
KENYA	4	2	6	0	7	31	68	4	1	25%	
LESOTHO	0	0	0	0	0	0	0	0			
MALI	0	0	0	1	0	11	263	6	1	17%	
SWAZILAND	0	0	0	50	0	1	4	16	1	6%	
TOP 3 COUNTRIES											
JAPAN	28,046	45,224	52,817	62,977	107,569	136,895	155,459	140,091	18,269	13%	11%
HONG KONG	76,017	108,678	72,981	101,668	110,568	100,945	110,556	133,139	10,794	8%	11%
CHINA M	45,673	86,520	73,729	79,127	110,534	107,698	140,167	129,995	11,487	9%	10%
TOTAL MARKET	417,198	590,143	469,978	550,488	836,342	818,803	950,743	1,250,690	112,812	9%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

WOVEN FABRICS OF MAN-MADE FIBERS

Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY	DUTY RATE %	% TOTAL MKT
									1987 FIGURES		
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0	0		
KENYA	0	0	0	0	0	0	0	0	0		
LESOTHO	0	0	4	0	0	0	0	0	0		
MALI	0	0	0	0	0	18	93	0	0		
SWAZILAND	0	9	0	0	0	6	53	79	13	16%	
TOP 3 COUNTRIES											
ROMANIA	145	120	209	277	630	1,629	2,435	2,053	349	17%	0%
MEXICO	27	125	105	196	707	167	205	2,032	345	17%	0%
HUNGARY	692	177	95	146	591	1,483	736	1,638	252	15%	0%
TOTAL MARKET	391,927	553,006	515,530	576,329	687,741	757,545	913,985	859,492	142,817	17%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

WOVEN FABRICS OF SILK

Year	1980	1981	1982	1983	1984	1985	1986	1987	1987 FIGURES DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0	0		
KENYA	0	0	0	0	0	90	75	50	1	2%	
LESOTHO	0	0	0	0	0	0	0	0	0		
MALI	0	0	0	0	0	0	0	0	0		
SWAZILAND	0	0	0	0	0	0	0	0	0		
TOP 3 COUNTRIES											
ITALY	28,276	42,337	38,811	46,744	68,406	68,711	92,597	113,251	6,043	5%	49%
JAPAN	11,979	15,625	14,653	15,346	18,097	21,819	27,070	29,762	1,701	6%	13%
UNITED KINGDOM	9,208	10,197	9,732	10,420	13,592	15,168	16,424	18,886	1,083	6%	8%
TOTAL MARKET	79,098	117,032	108,930	120,353	165,479	169,962	198,406	230,253	11,149	5%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

WOVEN FABRICS OF WOOL

									1987 FIGURES		
Year	1980	1981	1982	1983	1984	1985	1986	1987	DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0	0		
KENYA	0	0	0	0	0	4	1	0	0		
LESOTHO	0	0	0	0	0	0	0	0	0		
MALI	0	0	0	0	0	1	0	0	0		
SWAZILAND	0	0	0	1	2	0	1	3	1	33%	
TOP 3 COUNTRIES											
AUSTRALIA	6	2	3	2	2	21	215	83	4	5%	0%
NETHERLANDS	70	23	19	23	127	77	47	70	11	16%	0%
DENMARK	6	48	6	38	11	8	11	60	17	28%	0%
TOTAL MARKET	65,775	88,037	92,100	98,393	146,436	136,897	132,276	150,521	53,311	35%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

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TEXTILE FIBERS AND TEXTILE PRODUCTS TOTALS OF IMPORTS INTO THE U.S.

WOVEN FABRICS OF OTHER TEXTILE MATERIALS

Year	1980	1981	1982	1983	1984	1985	1986	1987	1987 FIGURES DUTY	DUTY RATE %	% TOTAL MKT
(THOUSANDS OF DOLLARS)											
STUDY COUNTRIES											
BOTSWANA	0	0	0	0	0	0	0	0	0		
KENYA	0	0	0	0	0	0	0	0	0		
LESOTHO	0	0	0	0	0	0	0	0	0		
MALI	0	0	0	0	0	0	0	0	0		
SWAZILAND	0	0	0	1	41	50	0	0	0		
TOP 3 COUNTRIES											
UNITED KINGDOM	149	115	141	356	951	1,229	963	730	39	5%	25%
JAPAN	12	47	139	60	178	258	346	651	35	5%	22%
MEXICO	0	280	592	406	549	579	657	500	1	0%	17%
TOTAL MARKET	239	631	1,003	916	1,922	3,039	2,624	2,914	146	5%	100%

COMPILED FROM U.S. TRADE DEPARTMENT FIGURES

APPENDIX 1.1.D U.S. EXPORTS OF TEXTILES TO THE AFRICAN COUNTRIES STUDIED, 1984-88

U.S. TRADE DATA
DOMESTIC EXPORTS TEXTILE FIBERS AND TEXTILE PRODUCTS

Year	1984	1985	1986	1987	1988	% TOTAL MKT
(THOUSANDS OF DOLLARS)						
TO:						
STUDY COUNTRIES						
BOTSWANA	34	3	14	68	178	
KENYA	417	582	387	484	505	
LESOTHO	20	84	9	0	0	
MALI	1,366	1,221	1,345	288	211	
SWAZILAND	1	78	0	7	0	
TO:						
TOP 3 IMPORTERS						
IN 1988						
JAPAN	747,250	502,201	405,415	660,533	871,004	11%
CANADA	714,110	632,457	573,786	701,666	794,827	10%
MEXICO	270,453	323,813	373,400	481,418	630,945	8%
TOTAL MARKET	6,198,919	5,276,369	4,717,615	6,226,208	7,775,260	100%

NOTE: COMPILED FROM OFFICIAL STATISTICS OF THE U.S. DEPT. COMMERCE

APPENDIX 2.1.A ARTICLES ELIGIBLE FOR PREFERENTIAL TREATMENT UNDER THE U.S. GSP

G S P LISTINGS FOR TEXTILES AND TEXTILE ARTICLES

ARTICLES ELIGIBLE FOR THE U.S. GENERALIZED SYSTEM OF PREFERENCES

HS ITEM	DESCRIPTION	HS GENERAL RATE OF DUTY
5003.90.00	SILK WASTE (INCLUDING COCOONS UNSUITABLE FOR REELING, YARN WASTE AND GARNETTED STOCK) CARDED OR COMBED..	5.5%
5004.00.00	SILK YARNS (OTHER THAN YARN SPUN FROM SILK WASTE) NOT PUT UP FOR RETAIL SALE..	5%
5006.00.00	SILK YARN AND YARN SPUN FROM SILK WASTE, PUT UP FOR RETAIL SALE; SILKWORM GUT..	5%
5007.10.30	WOVEN FABRICS OF NOIL SILK, CONTAINING 85 PERCENT OR MORE BY WEIGHT OF SILK OR SILK WASTE...	5%
5007.20.00	WOVEN FABRICS CONTAINING 85 PERCENT OR MORE BY WEIGHT OF SILK OR OF SILK WASTE, OTHER THAN NOIL SILK..	5%
5007.90.30	WOVEN SILK FABRICS, CONTAINING 85 PERCENT OR MORE BY WEIGHT OF SILK OR SILK WASTE, NESI..	5%
5101.11.20	UNIMPROVED WOOL; AND OTHER WOOL NOT FINER THAN 40S, GREASY, SHORN, NOT CARDED OR COMBED, NOT FOR SPECIAL USES..............................	5.5¢/clean kg
5101.19.20	UNIMPROVED WOOL; AND OTHER WOOL NOT FINER THAN 40S, GREASY, NOT SHORN, NOT CARDED OR COMBED, NOT FOR SPECIAL USES...........................	5.5¢/clean kg
5102.10.60	FINE ANIMAL HAIR, NESI, NOT PROCESSED BEYOND THE DEGREASED OR CARBONIZED CONDITION, NOT CARDED OR COMBED...	0.9%
5102.10.80	FUR, PREPARED FOR HATTERS' USE, NOT CARDED OR COMBED....................	15%
5103.10.00	NOILS OF WOOL OR OF FINE ANIMAL HAIR..	4¢/kg
5103.20.00	WASTE, OTHER THAN NOILS, OF WOOL OR OF FINE ANIMAL HAIR, INCLUDING YARN WASTE BUT EXCLUDING GARNETTED STOCK....................................	4¢/kg
5105.40.00	COARSE ANIMAL HAIR, CARDED OR COMBED..	3.7%
5110.00.00	YARN OF COARSE ANIMAL HAIR OR HORSEHAIR (INCLUDING GIMPED HORSEHAIR YARN) WHETHER OR NOT PUT UP FOR RETAIL SALE..............................	3.7%
5113.00.00	WOVEN FABRICS OF COARSE ANIMAL HAIR OR OF HORSEHAIR......................	5.3%
5208.31.20	DYED PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, CONTAINING 85% OR MORE COTTON BY WEIGHT, WEIGHING NOT MORE THAN 100 G/M2...........	6%
5208.32.10	DYED PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, CONT. 85% OR MORE COTTON BY WEIGHT, WEIGHING OVER 100 G/M2 BUT NOT OVER 200 G/M2....	6%
5208.41.20	PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, 85% OR MORE COTTON BY WEIGHT, WEIGHING NOT OVER 100 G/M2, OF YARNS OF DIFFERENT COLORS...	6%
5208.42.10	PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, 85% OR MORE COTTON BY WEIGHT, OVER 100 BUT N/O 200 G/M2, OF YARNS OF DIFFERENT COLORS....	6%
5208.51.20	PRINTED CERTIFIED HAND-LOOMED PLAIN WEAVE FABRICS OF COTTON, 85% OR MORE COTTON BY WEIGHT, WEIGHING NOT OVER 100 G/M2.........................	6%
5208.52.10	PRINTED CERTIFIED HAND-LOOMED PLAIN WEAVE FABRICS OF COTTON, 85% OR MORE COTTON BY WEIGHT, MORE THAN 100 G/M2 BUT NOT MORE THAN 200 G/M2......	6%
5209.31.30	DYED, PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, CONTAINING 85% OR MORE COTTON BY WEIGHT, WEIGHING MORE THAN 200 G/M2..............	6%
5209.41.30	PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, CONT. 85% OR MORE COTTON BY WEIGHT,WEIGHING OVER 200 G/M2, OF YARNS OF DIFFERENT COLORS..	6%
5209.51.30	PRINTED PLAIN WEAVE CERTIFIED HAND-LOOMED FABRICS OF COTTON, CONTAINING 85% OR MORE COTTON BY WEIGHT, WEIGHING MORE THAN 200 G/M2............	6%
1/ 5301.21.00	FLAX, BROKEN OR SCUTCHED..	0.4¢/kg
5307.10.00	YARN OF JUTE OR OTHER TEXTILE BAST FIBERS (EXCLUDING FLAX, TRUE HEMP, AND RAMIE), SINGLE...	3%
5307.20.00	YARN OF JUTE OR OTHER TEXTILE BAST FIBERS (EXCLUDING FLAX, TRUE HEMP, AND RAMIE), MULTIPLE (FOLDED) OR CABLED..................................	4%
5308.30.00	PAPER YARN..	5.3%
5308.90.00	YARN OF OTHER VEGETABLE TEXTILE FIBERS, NESI.............................	4%
5310.90.00	WOVEN FABRICS OF JUTE OR OF OTHER TEXTILE BAST FIBERS OF HEADING 5303, OTHER THAN UNBLEACHED...	1%
5311.00.60	WOVEN FABRICS OF PAPER YARN..	5.3%

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1/ A like or directly competitive article was not produced in the United States on January 3, 1985, and therefore this item is not subject to that part of the competitive need limitation specified in subsection 504(c)(1)(B) of the Trade Act of 1974.

ARTICLES ELIGIBLE FOR THE U.S. GENERALIZED SYSTEM OF PREFERENCES

HS ITEM	DESCRIPTION	HS GENERAL RATE OF DUTY
5404.10.10	RACKET STRINGS OF SYNTHETIC MONOFILAMENT OF 67 DECITEX OR MORE AND OF WHICH NO CROSS-SECTIONAL DIMENSION EXCEEDS 1 MM..........................	3.1%
5404.90.00	STRIP AND THE LIKE OF SYNTHETIC TEXTILE MATERIALS OF AN APPARENT WIDTH NOT EXCEEDING 5 MM..	5.1%
5405.00.60	STRIP AND THE LIKE OF ARTIFICIAL TEXTILE MATERIALS OF AN APPARENT WIDTH NOT EXCEEDING 5 MM..	6.6%
5607.10.00	TWINE, CORDAGE, ROPE AND CABLES, OF JUTE OR OTHER TEXTILE BAST FIBERS OF HEADING 5303..	4%
5607.29.00	TWINE, EXCEPT BINDER OR BALER TWINE, CORDAGE, ROPE AND CABLES OF SISAL OR OTHER TEXTILE FIBERS OF GENUS AGAVE................................	7.2%
5607.30.20	TWINE, CORDAGE, ROPE AND CABLES OF ABACA OR OTHER HARD (LEAF) FIBERS, OTHER THAN OF STRANDED CONSTRUCTION, 1.88 CM OR OVER IN DIAMETER........	6.8%
5607.41.10	BINDER OR BALER TWINE OF WIDE NONFIBRILLATED STRIP, OF POLYETHYLENE OR POLYPROPYLENE..	5.3%
5607.49.10	TWINE (OTHER THAN BINDER OR BALER TWINE), CORDAGE, ROPE AND CABLES OF WIDE NONFIBRILLATED STRIP, OF POLYETHYLENE OR POLYPROPYLENE............	5.3%
5608.90.30	KNOTTED NETTING OF TWINE, CORDAGE OR ROPE, EXCLUDING FISH NETTING AND NETS, OF TEXTILE MATERIALS, OTHER THAN COTTON OR MAN-MADE MATERIALS.....	10%
5609.00.20	ARTICLES OF YARN, STRIP, TWINE, CORDAGE, ROPE OR CABLES NESI, OF VEGETABLE FIBERS, EXCEPT COTTON..	4.4%
1/ 5701.10.13	CARPETS & OTH. TEXTILE FLOOR COVER, HAND-KNOTTED, W/OV 50% WGHT PILE OF FINE ANIMAL HAIR; CERT. HAND-LOOMED AND FOLKLORE PRODUCTS..............	3.9%
1/ 5702.10.10	CERTIFIED HAND-LOOMED AND FOLKLORE PRODUCTS "KELEM", "SCHUMACKS", "KARAMANIE" AND SIMILAR HAND-WOVEN RUGS....................................	4.9%
5702.20.10	FLOOR COVERINGS OF COCONUT FIBERS (COIR), WOVEN, WITH PILE, NOT TUFTED OR FLOCKED..	21.5¢/m2
5702.39.10	CARPETS AND OTHER TEXTILE FLOOR COVERINGS OF PILE CONSTRUCTION, WOVEN, NOT TUFTED OR FLOCKED, NOT MADE UP, OF JUTE..........................	3.5%
5702.49.15	CARPETS AND OTHER TEXTILE FLOOR COVERINGS OF PILE CONSTRUCTION, WOVEN, NOT TUFTED OR FLOCKED, MADE UP, OF JUTE..............................	3.5%
1/ 5702.91.20	CERTIFIED HAND-LOOMED AND FOLKLORE FLOOR COVERINGS, WOVEN, NOT OF PILE CONSTRUCTION, MADE UP, OF WOOL OR FINE ANIMAL HAIR.....................	4.9%
5703.90.00	CARPETS AND OTHER TEXTILE FLOOR COVERINGS, TUFTED, WHETHER OR NOT MADE UP, OF OTHER TEXTILE MATERIALS NESI..................................	7.6%
1/ 5805.00.20	CERTIFIED HAND-LOOMED AND FOLKLORE PRODUCTS HAND-WOVEN TAPESTRIES NESI AND NEEDLE-WORKED TAPESTRIES, OF WOOL OR FINE ANIMAL HAIR..............	3.5%
5903.10.20	TEXTILE FABRICS NESI,OF MAN-MADE FIBERS,IMPREGNATED, COATED, COVERED OR LAMINATED WITH POLYVINYL CHLORIDE, OVER 70% WT. RUBBER OR PLASTICS....	4.2%
5903.20.20	TEXTILE FABRICS OF MAN-MADE FIBERS, IMPREGNATED, COATED, COVERED OR LAMINATED WITH POLYURETHANE, OVER 70% WEIGHT RUBBER OR PLASTICS...........	4.2%
5903.90.20	TEXTILE FABRICS OF MAN-MADE FIBERS, IMPREGNATED, COATED, COVERED OR LAMINATED WITH PLASTICS, NESI, OVER 70% WEIGHT RUBBER OR PLASTICS.........	4.2%
1/ 5904.10.00	LINOLEUM, WHETHER OR NOT CUT TO SHAPE..................................	4.2%
5904.91.00	FLOOR COVERINGS CONSISTING OF A COATING APPLIED ON A TEXTILE BACKING, WITH A BASE CONSISTING OF NEEDLELOOM FELT OR NONWOVENS..................	5%
5904.92.00	FLOOR COVERINGS CONSISTING OF A COATING APPLIED ON A TEXTILE BACKING, WITH A TEXTILE BASE OTHER THAN OF NEEDLELOOM FELT OR NONWOVENS..........	5%
5906.10.00	ADHESIVE TAPE OF A WIDTH NOT EXCEEDING 20 CM...........................	5.8%
5906.91.20	RUBBERIZED TEXTILE FABRICS, NESI, KNITTED OR CROCHETED, OF MAN-MADE FIBERS, OVER 70 PERCENT BY WEIGHT OF RUBBER OR PLASTICS...................	4.2%
5906.99.20	RUBBERIZED TEXTILE FABRICS, NESI, NOT KNITTED OR CROCHETED, OF MAN-MADE FIBERS, WITH OVER 70 PERCENT BY WEIGHT OF RUBBER OR PLASTICS..........	4.2%
5910.00.10	TRANSMISSION OR CONVEYOR BELTS OR BELTING OF MANMADE FIBERS.............	8%
5911.40.00	STRAINING CLOTH OF A KIND USED IN OIL PRESSES OR THE LIKE, OF TEXTILE MATERIAL OR OF HUMAN HAIR..	17%
6116.10.10	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, KNITTED OR CROCHETED, COATED OR COVERED WITH PASTICS OR RUBBER..................................	5.5%
6116.92.10	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, KNITTED OR CROCHETED, OF COTTON..	5.5%
6116.93.10	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, KNITTED OR CROCHETED, OF SYNTHETIC FIBERS..	5.5%
6116.99.30	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, KNITTED OR CROCHETED, OF ARTIFICIAL FIBERS..	5.5%
6117.10.40	SHAWLS, SCARVES, ETC., KNITTED OR CROCHETED, CONTAINING 70% OR MORE BY WEIGHT OF SILK OR SILK WASTE......................................	10.1%

1/ A like or directly competitive article was not produced in the United States on January 3, 1985, and therefore this item is not subject to that part of the competitive need limitation specified in subsection 504(c)(1)(B) of the Trade Act of 1974.

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ARTICLES ELIGIBLE FOR THE U.S. GENERALIZED SYSTEM OF PREFERENCES

HS ITEM	DESCRIPTION	HS GENERAL RATE OF DUTY
6210.10.20	GARMENTS, NOT KNITTED OR CROCHETED, MADE UP OF FABRICS OF HEADING 5602 OR 5603 FORMED ON A BASE OF PAPER OR COVERED OR LINED WITH PAPER.......	5.6%
6213.10.10	HANDKERCHIEFS, CONTAINING 70% OR MORE BY WEIGHT OF SILK OR SILK WASTE...	7.5%
6214.10.10	SHAWLS, SCARVES, MUFFLERS, MANTILLAS, VEILS AND THE LIKE, NOT KNITTED OR CROCHETED, CONTAINING 70% OR MORE SILK OR SILK WASTE.................	7.7%
6216.00.10	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, NOT KNITTED OR CROCHETED, IMPREGNATED, COATED OR COVERED WITH PLASTICS OR RUBBER.................	5.5%
6216.00.34	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, NOT KNITTED OR CROCHETED, OF COTTON, NOT IMPREGNATED OR COATED WITH PLASTICS OR RUBBER...........	5.5%
6216.00.44	SKI OR SNOWMOBILE GLOVES, MITTENS AND MITTS, NOT KNITTED OR CROCHETED, OF MANMADE FIBERS, NOT IMPREGNATED OR COATED WITH PLASTICS OR RUBBER...	5.5%
6302.99.10	TOILET AND KITCHEN LINEN, CONTAINING 85% OR MORE BY WEIGHT OF SILK OR SILK WASTE..	5.4%
1/ 6304.99.10	WALL HANGINGS, NOT KNITTED OR CROCHETED, OF WOOL OR FINE ANIMAL HAIR, CERTIFIED HAND-LOOMED AND FOLKLORE PRODUCTS.............................	7.5%
1/ 6304.99.40	CERTIFIED HAND-LOOMED AND FOLKLORE PILLOW COVERS OF WOOL OR FINE ANIMAL HAIR, NOT KNITTED OR CROCHETED.......................................	7.5%
6306.22.10	BACKPACKING TENTS OF SYNTHETIC FIBERS...................................	4.64%
6306.31.00	SAILS FOR BOATS, SAILBOARDS OR LANDCRAFT, OF SYNTHETIC FIBERS...........	4.2%
6306.39.00	SAILS FOR BOATS, SAILBOARDS OR LANDCRAFT, OF TEXTILE MATERIALS OTHER THAN OF SYNTHETIC FIBERS...	4.2%
6306.49.00	PNEUMATIC MATTRESSES OF TEXTILE MATERIALS OTHER THAN OF COTTON..........	4.2%
6307.90.60	SURGICAL DRAPES OF FABRIC FORMED ON A BASE OF PAPER OR COVERED OR LINED WITH PAPER..	5.6%
6307.90.85	WALL BANNERS OF MAN-MADE FIBERS...	11.6%
6307.90.90	DRESS PATTERNS AND OTHER MADE-UP ARTICLES OF TEXTILE FABRICS NESI.......	7%
1/ 6402.20.00	FOOTWEAR WITH OUTER SOLES AND UPPERS OF RUBBER OR PLASTICS WITH UPPER STRAPS OR THONGS ASSEMBLED TO THE SOLE BY MEANS OF PLUGS (ZORIS)........	2.4%
6405.90.20	DISPOSABLE FOOTWEAR, DESIGNED FOR ONE-TIME USE..........................	7.5%
6406.10.60	FOOTWEAR UPPERS, OTHER THAN FORMED, OF RUBBER OR PLASTICS...............	5.7%
6406.10.65	FOOTWEAR UPPERS, OTHER THAN FORMED, OF LEATHER..........................	3.7%
6406.20.00	OUTER SOLES AND HEELS OF FOOTWEAR, OF RUBBER OR PLASTICS................	5.7%
6406.91.00	PARTS OF FOOTWEAR NESI, OF WOOD...	5.1%
6406.99.30	PARTS OF FOOTWEAR NESI; REMOVABLE INSOLES,HEEL CUSHIONS, ETC; GAITERS, LEGGINGS, ETC, AND PARTS THEREOF; OF RUBBER OR PLASTICS................	5.7%
6406.99.60	PARTS OF FOOTWEAR NESI; REMOVABLE INSOLES, HEEL CUSHIONS, ETC; GAITERS, LEGGINGS, ETC, AND PARTS THEREOF; OF LEATHER..........................	5%
6406.99.90	PARTS OF FOOTWEAR NESI; REMOVABLE INSOLES, HEEL CUSHIONS, ETC; GAITERS, LEGGINGS, ETC, AND PARTS THEREOF; NESI................................	18%
6501.00.30	HAT FORMS, HAT BODIES AND HOODS, NEITHER BLOCKED TO SHAPE NOR WITH MADE BRIMS, AND PLATEAUX AND MANCHONS, OF FUR FELT, FOR MEN OR BOYS........	$1.10/doz. + 1.6%
6501.00.60	HAT FORMS, HAT BODIES AND HOODS, NEITHER BLOCKED TO SHAPE NOR WITH MADE BRIMS, AND PLATEAUX AND MANCHONS, OF FUR FELT, NOT FOR MEN OR BOYS....	$1.92/doz. + 2.8%
6502.00.20	HAT SHAPES, PLAITED OR ASSEMBLED, NOT BLOCKED, LINED, TRIMMED, NOR WITH MADE BRIMS, OF VEGETABLE FIBERS OR MATERIALS OR PAPER YARN, SEWED.....	34¢/doz. + 3.4%
6502.00.40	HAT SHAPES, PLAITED OR ASSEMBLED, NOT BLOCKED, LINED, TRIMMED, NOR WITH MADE BRIMS, OF SPECIFIED MATERIALS, NOT SEWED, BLEACHED OR COLORED....	4%
1/ 6502.00.60	HAT SHAPES, PLAITED OR ASSEMBLED NOT BLOCKED, LINED, TRIMMED, NOR WITH MADE BRIMS, OF SPECIFIED MATERIALS, BLEACHED OR COLORED, NOT SEWED.....	2.4¢/doz. + 2%
6503.00.30	HATS AND OTHER HEADGEAR, OF FUR FELT, FOR MEN OR BOYS...................	$1.10/doz. + 1.6%
6503.00.60	HATS AND OTHER HEADGEAR, OF FUR FELT, NOT FOR MEN OR BOYS...............	$1.92/doz. + 2.8%
6504.00.30	HATS AND OTHER HEADGEAR, PLAITED OR ASSEMBLED OF STRIPS OF VEGETABLE FIBERS, OF UNSPUN FIBROUS VEGETABLE MATERIALS, AND/OR PAPER YARN, SEWED..	6.4%
6504.00.60	HATS AND OTHER HEADGEAR, PLAITED OR ASSEMBLED OF STRIPS OF VEGETABLE FIBERS, OF UNSPUN FIBROUS VEGETABLE MATERIALS, OR PAPER YARN, NOT SEWED..	$1.02/doz. + 5%
6505.10.00	HAIR-NETS OF ANY MATERIAL, WHETHER OR NOT LINED OR TRIMMED..............	10%
6506.10.30	SAFETY HEADGEAR OF REINFORCED OR LAMINATED PLASTICS.....................	8.8¢/kg + 3.4%
6506.10.60	SAFETY HEADGEAR, OTHER THAN OF REINFORCED OR LAMINATED PLASTICS.........	2.4%
6506.91.00	HEADGEAR NESI, WHETHER OR NOT LINED OR TRIMMED, OF RUBBER OR PLASTICS...	2.4%
6506.92.00	HEADGEAR NESI, WHETHER OR NOT LINED OR TRIMMED, OF FURSKIN..............	6.6%
6506.99.00	HEADGEAR NESI, WHETHER OR NOT LINED OR TRIMMED, OF MATERIALS OTHER THAN RUBBER, PLASTICS OR FURSKIN..	8.5%
6507.00.00	HEADBANDS, LININGS, COVERS, HAT FOUNDATIONS, HAT FRAMES, PEAKS (VISORS) AND CHINSTRAPS, FOR HEADGEAR.......................................	1.3%

1/ A like or directly competitive article was not produced in the United States on January 3, 1985, and therefore this item is not subject to that part of the competitive need limitation specified in subsection 504(c)(1)(B) of the Trade Act of 1974.

APPENDIX 2.1.B U.S. TARIFFS FOR WOOL, FINE OR COARSE ANIMAL HAIR, HORSEHAIR AND WOVEN FABRIC

CHAPTER 51

WOOL, FINE OR COARSE ANIMAL HAIR;
HORSEHAIR YARN AND WOVEN FABRIC

Note

1. Throughout the tariff schedule:

   (a) "Wool" means the natural fiber grown by sheep or lambs;

   (b) "Fine animal hair" means the hair of alpaca, llama, vicuna, camel, yak, Angora, Tibetan, Kashmir or similar goats (but not common goats), rabbit (including Angora rabbit), hare, beaver, nutria or muskrat; and

   (c) "Coarse animal hair" means the hair of animals not mentioned above, excluding brush-making hair and bristles (heading 0502) and horsehair (heading 0503).

Additional U.S. Notes

1. For the purposes of headings 5101, 5102, 5103 and 5104, regarding any package containing wool or fine animal hair subject to different rates of duty, notwithstanding the rates of duty shown, the column 1 rate of duty is the highest column 1 rate applicable to any part of the contents of the package comprising not less than 10 percent thereof by weight and the column 2 rate of duty is the highest column 2 rate applicable to any part of the contents of the package comprising not less than 10 percent thereof by weight.

2. For the purposes of this chapter:

   (a) The term "clean kg" in the rate columns means kilogram of clean yield;

   (b) The term "clean yield," except for purposes of carbonized fibers, means the absolute clean content (i.e., all that portion of the merchandise which consists exclusively of wool or hair free of all vegetable and other foreign material, containing by weight 12 percent of moisture and 1.5 percent of material removeable from the wool or hair by extraction with alcohol, and having an ash content of not over 0.5 percent by weight), less an allowance, equal by weight to 0.5 percent of the absolute clean content plus 60 percent of the vegetable matter present, but not exceeding 15 percent by weight of the absolute clean content, for wool or hair that would ordinarily be lost during commercial cleaning operations;

   (c) For purposes of carbonized fibers, the term "clean yield" means in the condition as entered;

   (d) (i) The term "wool for special uses" means unimproved wool and other wool of whatever blood or origin not finer than 46s entered by a dealer, manufacturer or processor, and certified for use only in the manufacture of felt or knit boots, floor coverings, heavy fulled lumbermen's socks, press cloth, papermakers' felts or pressed felt for polishing plate and mirror glass;

   (ii) Wool for special uses shall not be released from customs custody unless the dealer, manufacturer or processor files a bond to insure that any wool entered as wool for special uses shall be used only (except as provided below) in the manufacture of the articles enumerated in subparagraph (i) above;

   (iii) A dealer, manufacturer or processor may be relieved of liability under his or her bond with respect to any wool entered as wool for special uses which is transferred in its imported or any other form to another dealer, manufacturer or processor who has filed a bond to insure that the merchandise so transferred shall be used only (except as provided below) in the manufacture of the articles enumerated in subparagraph (i) above;

   (iv) When wool entered as wool for special uses is used, or transferred for use, otherwise than in the manufacture of the articles enumerated in subparagraph (i) above:

      (A) the regular duties which would have been applicable to such wool in the condition as entered shall be paid by the dealer, manufacturer or processor whose bond is charged with the wool at the time of such use or transfer for such use, but such duties shall not be levied or collected on any waste or byproducts resulting from the usual course of manufacture of the articles enumerated in subparagraph (i) above or on any merchandise which is destroyed or exported;

      (B) if prior to such use or transfer for such use there shall have been combined or mixed with such wool any other merchandise, the whole of the combination or mixture shall be regarded as being composed of wool entered as wool for special uses, unless the dealer, manufacturer or processor liable for the payment of the duties shall establish the quantity of bonded wool in such combination or mixture;

      (C) every dealer, manufacturer or processor who has given a bond pursuant to the provisions for wool for special uses shall report any transfer or use of merchandise contrary to the terms of the bond, within 30 days after such transfer or use, to the district director of customs in whose district the bond is filed, and for failure to so report such dealer, manufacturer or processor shall be liable to a penalty (in addition to the duties provided for) equal to the value of the merchandise so transferred or used at the time and place of such transfer or use; and

      (D) the clean yield of any wool shall be deemed to be 100 percent, unless the actual clean yield has been determined by suitable tests and such use or transfer for use occurs not later than 3 years after the date of entry of such wool;

Additional U.S. Note 2 (con.):

(e) The term "unimproved wool" means Aleppo, Arabian, Bagdad, Black Spanish, Chinese, Cordova, Cyprus, Donskoi, East Indian, Ecuadorean, Egyptian, Georgian, Haslock, Iceland, Karakul, Kerry, Manchurian, Mongolian, Oporto, Persian, Pyrenean, Sardinian, Scotch Blackface, Sistan, Smyrna, Sudan, Syrian, Tibetan, Turkestan, Valparaiso or Welsh Mountain wool and similar wool not improved by the admixture of merino or English blood; and

(f) The standards for determining grades of wool shall be those which are established from time to time by the Secretary of Agriculture pursuant to law and which are in effect on the date of importation of the wool.

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Special	2
5101		Wool, not carded or combed:				
		Greasy, including fleece-washed wool:				
5101.11		Shorn wool:				
		Unimproved wool; other wool, not finer than 46s:				
5101.11.10	00 2	Wool for special uses..........	cy.kg..v kg	Free, under bond 1/	Free, under bond (CA)	Free, under bond 1/
		Other:				
5101.11.20	00 0	Unimproved wool; other wool, not finer than 40s..	cy.kg..v kg	5.5¢/clean kg 1/	Free (A,E,IL) 4.9¢/clean kg (CA)	55.1¢/clean kg 1/
5101.11.40	00 6	Other wool, finer than 40s but not finer than 44s......................	cy.kg..v kg	6.6¢/clean kg 1/	Free (E,IL) 5.9¢/clean kg (CA)	66.1¢/clean kg 1/
5101.11.50	00 3	Other wool, finer than 44s......................	cy.kg..v kg	22¢/clean kg 1/	Free (E,IL) 19.8¢/clean kg (CA)	77.2¢/clean kg 1/
5101.11.60		Other..............................	....	22¢/clean kg	Free (E,IL) 19.8¢/clean kg (CA)	77.2¢/clean kg
	30 5	Not finer than 58s............	cy kg v kg			
	60 8	Finer than 58s................	cy kg v kg			
5101.19		Other:				
		Unimproved wool; other wool, not finer than 46s:				
5101.19.10	00 4	Wool for special uses..........	cy.kg..v kg	Free, under bond 1/	Free, under bond (CA)	Free, under bond 1/
		Other:				
5101.19.20	00 2	Unimproved wool; other wool, not finer than 40s..	cy.kg..v kg	5.5¢/clean kg 1/	Free (A,E,IL) 4.9¢/clean kg (CA)	55.1¢/clean kg 1/
5101.19.40	00 8	Other wool, finer than 40s but not finer than 44s......................	cy.kg..v kg	6.6¢/clean kg 1/	Free (E,IL) 5.9¢/clean kg (CA)	66.1¢/clean kg 1/
5101.19.50	00 5	Other wool, finer than 44s......................	cy.kg..v kg	22¢/clean kg 1/	Free (E,IL) 19.8¢/clean kg (CA)	77.2¢/clean kg 1/
5101.19.60		Other..............................	....	22¢/clean kg	Free (E,IL) 19.8¢/clean kg (CA)	77.2¢/clean kg
	30 7	Not finer than 58s............	cy kg v kg			
	60 0	Finer than 58s................	cy kg v kg			

1/ Duty temporarily suspended. See subheading 9902.51.01.

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	1 Special	2
5101 (con.)		Wool, not carded or combed (con.):				
5101.21		Degreased, not carbonized:				
		Shorn wool:				
		Not processed in any manner beyond the degreased condition:				
		Unimproved wool; other wool, not finer than 46s:				
5101.21.10	00 0	Wool for special uses	cy.kg..v kg	Free, under bond 1/	Free, under bond (CA)	Free, under bond 1/
		Other:				
5101.21.15	00 5	Unimproved wool; other wool, not finer than 40s	cy.kg..v kg	6.6¢/clean kg 1/	Free (E,IL) 5.9¢/clean kg (CA)	59.5¢/clean kg 1/
5101.21.30	00 6	Other wool, finer than 40s but not finer than 44s	cy.kg..v kg	8.8¢/clean kg 1/	Free (E,IL) 7.9¢/clean kg (CA)	70.6¢/clean kg 1/
5101.21.35	00 1	Other wool, finer than 44s	cy.kg..v kg	24.3¢/clean kg 1/	Free (E,IL) 21.8¢/clean kg (CA)	81.6¢/clean kg 1/
5101.21.40		Other	....	24.3¢/clean kg	Free (E,IL) 21.8¢/clean kg (CA)	81.6¢/clean kg
	30 8	Not finer than 58s	cy kg v kg			
	60 1	Finer than 58s	cy kg v kg			
5101.21.60	00 9	Other	kg	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
5101.29		Other:				
		Not processed in any manner beyond the degreased condition:				
		Unimproved wool; other wool, not finer than 46s:				
5101.29.10	00 2	Wool for special uses	cy.kg..v kg	Free, under bond 1/	Free, under bond (CA)	Free, under bond 1/
		Other:				
5101.29.15	00 7	Unimproved wool; other wool, not finer than 40s	cy.kg..v kg	6.6¢/clean kg 1/	Free (E,IL) 5.9¢/clean kg (CA)	59.6¢/clean kg 1/
5101.29.30	00 8	Other wool, finer than 40s but not finer than 44s	cy.kg..v kg	8.8¢/clean kg 1/	Free (E,IL) 7.9¢/clean kg (CA)	70.6¢/clean kg 1/
5101.29.35	00 3	Other wool, finer than 44s	cy.kg..v kg	24.3¢/clean kg 1/	Free (E,IL) 21.8¢/clean kg (CA)	81.6¢/clean kg 1/
5101.29.40		Other	....	24.3¢/clean kg	Free (E,IL) 21.8¢/clean kg (CA)	81.6¢/clean kg
	30 0	Not finer than 58s	cy kg v kg			
	60 3	Finer than 58s	cy kg v kg			
5101.29.60	00 1	Other	kg	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%

1/ Duty temporarily suspended. See subheading 9902.51.01.

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
5101 (con.)		Wool, not carded or combed (con.):				
5101.30		Carbonized:				
		Not processed in any manner beyond the carbonized condition:				
5101.30.10	00 9	Unimproved wool; other wool, not finer than 40s	kg	8.8¢/kg 1/	Free (E,IL) 7.9¢/kg (CA)	75.1¢/kg 1/
5101.30.15	00 4	Other wool, finer than 40s but not finer than 44s	kg	11¢/kg 1/	Free (E,IL) 9.9¢/kg (CA)	86.1¢/kg 1/
5101.30.30	00 5	Other wool, finer than 44s but not finer than 46s	kg	28.7¢/kg 1/	Free (E,IL) 25.8¢/kg (CA)	97¢/kg 1/
5101.30.40	00 3	Other	kg	28.7¢/kg	Free (E,IL) 25.8¢/kg (CA)	97¢/kg
5101.30.60	00 8	Other	kg	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
5102		Fine or coarse animal hair, not carded or combed:				
5102.10		Fine animal hair:				
		Not processed in any manner beyond the degreased or carbonized condition:				
5102.10.20	00 0	Hair of the camel	cy.kg..v kg	11¢/clean kg	Free (E,IL) 9.9¢/clean kg (CA)	55¢/clean kg
5102.10.40	00 6	Hair of the cashmere goat and like hair of other animals	cy.kg..v kg	8¢/clean kg	Free (E,IL) 7.2¢/clean kg (CA)	46.3¢/clean kg
5102.10.60		Other		0.9%	Free (A,E,IL) 0.8% (CA)	6.9%
	30 5	Hair of the Angora goat	cy kg v kg			
	60 8	Other	cy kg v kg			
		Other:				
5102.10.80	00 7	Fur, prepared for hatters' use	kg	Free		35%
5102.10.90	00 5	Other	kg	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
5102.20.00	00 2	Coarse animal hair	kg	Free		Free
5103		Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garnetted stock:				
5103.10.00	00 3	Noils of wool or of fine animal hair	kg	4¢/kg	Free (A,E,IL) 3.6¢/kg (CA)	50.7¢/kg
5103.20.00	00 1	Other waste of wool or of fine animal hair	kg	4¢/kg	Free (A,E,IL) 3.6¢/kg (CA)	55.1¢/kg
5103.30.00	00 9	Waste of coarse animal hair	kg	11%	Free (E,IL) 9.9% (CA)	30%
5104.00.00	00 4	Garnetted stock of wool or of fine or coarse animal hair	kg	5.5¢/kg	Free (E,IL) 4.9¢/kg (CA)	57.3¢/kg

1/ Duty temporarily suspended. See subheading 9902.51.01.

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	1 Special	2
5105		Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments):				
5105.10.00	00 1	Carded wool....(400)	kg......	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
		Wool tops and other combed wool:				
5105.21.00	00 8	Combed wool in fragments....(400)	kg......	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
5105.29.00	00 0	Other....(400)	kg......	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
5105.30.00	00 7	Fine animal hair, carded or combed....(400)	kg......	7.7¢/kg + 6.25%	3.1¢/kg + 2.5% (IL) 6.9¢/kg + 5.6% (CA)	81.6¢/kg + 20%
5105.40.00	00 5	Coarse animal hair, carded or combed..........	kg......	3.7%	Free (A,E,IL) 3.3% (CA)	20%
5106		Yarn of carded wool, not put up for retail sale:				
5106.10.00	00 0	Containing 85 percent or more by weight of wool....(400)	kg......	9%	3% (IL) 8.1% (CA)	55.5%
5106.20.00	00 8	Containing less than 85 percent by weight of wool....(400)	kg......	9%	Free (IL) 8.1% (CA)	55.5%
5107		Yarn of combed wool, not put up for retail sale:				
5107.10.00	00 9	Containing 85 percent or more by weight of wool....(400)	kg......	9%	3% (IL) 8.1% (CA)	55.5%
5107.20.00	00 7	Containing less than 85 percent by weight of wool....(400)	kg......	9%	3% (IL) 8.1% (CA)	55.5%
5108		Yarn of fine animal hair (carded or combed), not put up for retail sale:				
5108.10		Carded:				
5108.10.30	00 2	Of Angora rabbit hair....(400)	kg......	5%	2% (IL) 4.5% (CA)	55.5%
5108.10.60	00 5	Other....(400)	kg......	9%	3% (IL) 8.1% (CA)	55.5%
5108.20		Combed:				
5108.20.30	00 0	Of Angora rabbit hair....(400)	kg......	5%	2% (IL) 4.5% (CA)	55.5%
5108.20.60	00 3	Other....(400)	kg......	9%	3% (IL) 8.1% (CA)	55.5%

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
5109		Yarn of wool or of fine animal hair, put up for retail sale:				
5109.10		Containing 85 percent or more by weight of wool or of fine animal hair:				
5109.10.20	00 3	Yarn of wool, colored (dyed or printed) and cut into uniform lengths of not over 8 cm....................(400)	kg......	Free		Free
		Other:				
5109.10.40	00 9	Of Angora rabbit hair..........(400)	kg......	5%	2% (IL) 4.5% (CA)	55.5%
5109.10.60	00 4	Other..........................(400)	kg......	9%	3% (IL) 8.1% (CA)	55.5%
5109.90		Other:				
5109.90.20	00 6	Yarn of wool, colored (dyed or printed) and cut into uniform lengths of not over 8 cm....................(400)	kg......	Free		Free
		Other:				
5109.90.40	00 2	Of Angora rabbit hair..........(400)	kg......	5%	2% (IL) 4.5% (CA)	55.5%
5109.90.60	00 7	Other..........................(400)	kg......	9%	Free (IL) 8.1% (CA)	55.5%
5110.00.00	00 6	Yarn of coarse animal hair or of horsehair (including gimped horsehair yarn), whether or not put up for retail sale........................	kg......	3.7%	Free (A,E,IL) 3.3% (CA)	20%
5111		Woven fabrics of carded wool or of carded fine animal hair:				
		Containing 85 percent or more by weight of wool or of fine animal hair:				
5111.11		Of a weight not exceeding 300 g/m²:				
5111.11.10	00 0	Hand-woven, with a loom width of less than 76 cm................(410)	m².....v kg	17.6¢/kg + 12.5%	7¢/kg + 5% (IL) 15.8¢/kg + 11.2% (CA)	$1.10/kg + 60%
5111.11.60		Other..............................	....	36.1%	13.2% (IL) 32.4% (CA)	68.5%
	30 3	Wholly or in part of fine animal hair...............(410)	m² v kg			
	60 6	Other.....................(410)	m² v kg			
5111.19		Other:				
5111.19.10	00 2	Tapestry fabrics and upholstery fabrics........................(414)	m².....v kg	7%	2.8% (IL) 6.3% (CA)	68.5%
		Other:				
5111.19.20	00 0	Hand-woven, with a loom width of less than 76 cm........(410)	m².....v kg	17.6¢/kg + 12.5%	7¢/kg + 5% (IL) 15.8¢/kg + 11.2% (CA)	$1.10/kg + 60%
5111.19.60		Other.........................	....	36.1%	13.2% (IL) 32.4% (CA)	68.5%
		Wholly or in part of fine animal hair:				
	20 7	Weighing not more than 400 g/m²...(410)	m² v kg			
	40 3	Weighing more than 400 g/m²........(410)	m² v kg			
		Other:				
	60 8	Weighing not more than 400 g/m²...(410)	m² v kg			
	80 4	Weighing more than 400 g/m²........(410)	m² v kg			

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	2
5111 (con.)		Woven fabrics of carded wool or of carded fine animal hair (con.):				
5111.20		Other, mixed mainly or solely with man-made filaments:				
5111.20.05	00 6	Tapestry fabrics and upholstery fabrics, of a weight exceeding 300 g/m² ......(414)	m² .....v kg	7%	2.8% (IL) 6.3% (CA)	68.5%
5111.20.60	00 8	Other ....(410)	m² .....v kg	48.5¢/kg + 38%	19.4¢/kg + 15.2% (IL) 43.6¢/kg + 34.2% (CA)	48.5¢/kg + 68.5%
5111.30		Other, mixed mainly or solely with man-made staple fibers:				
5111.30.05	00 4	Tapestry fabrics and upholstery fabrics, of a weight exceeding 300 g/m² ......(414)	m² .....v kg	7%	2.8% (IL) 6.3% (CA)	68.5%
5111.30.60	00 6	Other ....(410)	m² .....v kg	48.5¢/kg + 38%	19.4¢/kg + 15.2% (IL) 43.6¢/kg + 34.2% (CA)	48.5¢/kg + 68.5%
5111.90		Other:				
5111.90.30	00 0	Containing 30 percent or more by weight of silk or silk waste, valued over $33/kg ....(410)	m² .....v kg	7.8%	3.1% (IL) 7% (CA)	80%
5111.90.60	00 3	Other ....(410)	m² .....v kg	33%	13.2% (IL) 29.7% (CA)	68.5%
5112		Woven fabrics of combed wool or of combed fine animal hair:				
		Containing 85 percent or more by weight of wool or of fine animal hair:				
5112.11.00		Of a weight not exceeding 200g/m²	....	36.1%	13.2% (IL) 32.4% (CA)	68.5%
	30 5	Wholly or in part of fine animal hair ....(410)	m² v kg			
	60 8	Other ....(410)	m² v kg			
5112.19		Other:				
5112.19.10	00 1	Tapestry fabrics and upholstery fabrics ....(414)	m² .....v kg	7%	2.8% (IL) 6.3% (CA)	68.5%
5112.19.60		Other	....	36.1%	13.2% (IL) 32.4% (CA)	68.5%
		Wholly or in part of fine animal hair:				
	10 8	Weighing not more than 270 g/m² ....(410)	m² v kg			
	20 6	Weighing more than 270 g/m² but not more than 340 g/m² ....(410)	m² v kg			
	30 4	Weighing more than 340 g/m² ....(410)	m² v kg			
		Other:				
	40 2	Weighing not more than 270 g/m² ....(410)	m² v kg			
	50 9	Weighing more than 270 g/m² but not more than 340 g/m² ....(410)	m² v kg			
	60 7	Weighing more than 340 g/m² ....(410)	m² v kg			

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
5112 (con.)		Woven fabrics of combed wool or of combed fine animal hair (con.):				
5112.20.00	00 0	Other, mixed mainly or solely with man-made filaments.....(410)	m².....v kg	48.5¢/kg + 38%	19.2¢/kg + 15.2% (IL) 43.6¢/kg + 34.2% (CA)	48.5¢/kg + 68.5%
5112.30.00	00 8	Other, mixed mainly or solely with man-made staple fibers.....(410)	m².....v kg	48.5¢/kg + 38%	19.2¢/kg + 15.2% (IL) 43.6¢/kg + 34.2% (CA)	48.5¢/kg + 68.5%
5112.90		Other:				
5112.90.30	00 9	Containing 30 percent or more by weight of silk or silk waste, valued over $33/kg.....(410)	m².....v kg	7.8%	3.1% (IL) 7% (CA)	80%
5112.90.60		Other.....	....	33%	3.4% (IL) 29.7% (CA)	68.5%
	10 0	Mixed mainly or solely with cotton.....(410)	m² v kg			
	90 3	Other.....(410)	m² v kg			
5113.00.00	00 3	Woven fabrics of coarse animal hair or of horsehair.....	m².....v kg	5.3%	Free (A,E*) 2.2% (IL) 4.7% (CA)	40%