

NUMBER 62 • JANUARY 2001

**ALBERTA TARIFF REDUCTION AND
ELIMINATION PRIORITIES – 2000**

By Xiujuan Hou

*Western Centre for Economic Research
School of Business, University of Alberta
Edmonton, Canada T6G 2R6*

Canadian Cataloguing in Publication Data

Hou, Xiujuan, 1969-

Alberta tariff reduction and elimination priorities, 2000

(Information series ; no. 62)

Includes bibliographical references.

ISBN 1-55195-067-7

1. Exports--Alberta. 2. Tariff--Alberta. I. University of Alberta. Western Centre for Economic Research. II. Title. II. Series: Information series (University of Alberta. Western Centre for Economic Research) ; no. 62.

HF 1769.A4H68 2001 382'.6'097123 C2001-910090-6

INTRODUCTION

This study is based on the Alberta's export data of 1999. The report provides background information:

- to serve as a guide as to which tariffs should be Alberta's priorities for reduction or elimination in new multilateral trade negotiations; and
- to assist in identifying current and potential markets for which tariff reduction is a priority.

Analysis is confined to those countries with which Canada *does not* have a free trade agreement (i.e., the United States, Mexico, Chile and Israel are excluded from the study). The Harmonized Tariff Coding System ("HS Code") is used to classify goods throughout the study.

FORMAT

The main body of the study is organized by HS chapters and contains a detailed analysis of products -- identified at the 6-digit level of the HS coding system -- which indicates significant exports within that chapter. For the purposes of the study, a significant export item is defined as any product originating from Alberta that, at the 6-digit level, met a threshold of \$500,000 (Canadian Dollar) in shipment value to any single country in 1999.

Three standard items appear within each section:

- (a) Summary Tables of Bound Tariffs and 1999 Export Values: Each section of the report provides tabular details about an HS Chapter or group of like products and the bound tariffs they face in various countries. The value of Alberta's exports to each of these countries in 1999 is also provided.
- (b) Tabulations of Recent Export Values: The table summarizes, for the 1995 to 1999 period, the total annual export value of each product meeting the \$500,000 threshold. These "total value" figures are based on *shipments to all non-FTA countries* -- i.e., they do not include the value of Alberta's exports to the U.S., Mexico, Chile, and Israel. These tables are intended to assist the reader in judging the relative importance and overall stability of particular exports.
- (c) Comparison of Alberta's 1999 Export Value to Non FTA and FTA Nations: This graph demonstrates the difference of Alberta's export value in 1999 between Non FTA and FTA nations. This will help to find the value of the FTA, the sales market with FTA Nations and potential markets with non-FTA nations with respect to each HS group.

SUMMARY TABLES OF BOUND TARIFFS AND 1999 EXPORT VALUES

The bound tariff rate underlies the analysis. The "Bound Rate" refers to the maximum tariff that can be imposed as a result of concessions made during the Uruguay Round. The difference between the base rate and the bound rate shows the concession made.

For the most part, available data limited this report to describing the "bound rates" of WTO member countries as reported in the tariff schedules from the Uruguay Round of negotiations.¹ However, countries that are not WTO members, but that received significant levels of Alberta exports in 1999, have also been included in the summary tables. Italics within tables denote countries that are *not* WTO members.

"Other" duties are provided under the base and bound rate columns for Alberta exports to non-WTO countries, where possible. For instance, in the case of non-WTO Asia-Pacific Economic Cooperation (APEC) members (i.e., Taiwan and China), the "bound rate" columns provide Most-Favoured-Nation (MFN) tariff levels. Tariff data for non-WTO APEC members can be found on the APEC web site:

<http://www.apectariff.org/apeccgi.cgi>.

In some cases, country tariff information proved unavailable. This is recorded in the summary table as "n.a." ("not available").

Where a nation's tariff schedule did not specify a tariff, the summary table has been left blank.

Whenever possible, consolidated tariffs (i.e., single tariff levels encompassing a number of different products) have been noted with an asterisk.

In several HS chapters, base rates were not the same across the EU prior to the formal union and, as a result, it is difficult to gauge specific concessions made by EU members. The EU schedule referred to in the study was in force as of January 1, 1995. In consequence, the national schedules of the newer EU members (Finland, Sweden and Austria) are no longer valid.

The expression "nes" is used, as in the HS System, to refer to products that are "not elsewhere specified".

DATA SOURCES

- Western Centre for Economic Research, University of Alberta
- Canadian Trade Analyzer, Statistics Canada
- WTO CD-ROM "*The Results of the Uruguay Round*,"¹ used for tariff rates.

¹ *The Results of the Uruguay Round*, World Trade Organization (CD ROM version, 1996). The "Schedules on Goods" section of the CD-ROM contains a list of concessions submitted by the 117 countries which participated in the Uruguay Round negotiations or by countries which have since joined the WTO. These lists of concessions are stored only in their original language and are of varying qualities. The data available on the CD-ROM includes records as of February 29, 1996.

NOTES

This study identifies and focuses on Alberta products *already* enjoying a measure of export success (i.e., already valued at \$500,000 in a given market). As a result, it may not have captured potentially valuable exports currently facing very restrictive barriers to trade.

This study deals primarily with WTO "bound" duty rates. It is possible, however, for the "applied" duty rates enforced by a country to vary from the bound rates listed in their WTO schedule. It is important to remember that the "bound" duty represents the maximum tariff that a country can legally charge, but not necessarily the actual duty in place.

This study does not fully incorporate tariff levels committed to outside of the WTO system -- i.e., through other international organizations. For example, it must be remembered that several of Alberta's trading partners will have made additional tariff reduction pledges under the auspices of the Asia Pacific Economic Cooperation forum.

Beyond the 6 digit level of the Harmonized System of tariff codes, countries have the discretion to classify goods independently. Concordance problems may arise when countries apply tariffs at the 8 or 10 digit code level. This study reconciles variations at the 8 or 10 digit level by providing the range within which these tariffs fall.

SECTION 1. TARIFF PRIORITIES - AGRICULTURE

This first section on agriculture is designed to assist in identifying current and potential markets for which tariff reduction is a priority. Agricultural trade liberalization was first included in global trade negotiations in the Uruguay Round (1986-1993). The results, while modest (e.g., tariffs remain relatively high and forms of domestic support are still permitted), are nonetheless impressive given the previous exclusion of agriculture from the General Agreement on Tariffs and Trade (GATT).

At the same time, there is scope for substantial additional tariff reductions in the agricultural sector. The implementation period for Uruguay Round bindings is 1995-2000 for developed countries and 1995-2004 for developing countries. The World Trade Organization (WTO) initiated a new round of negotiations on agricultural trade in the spring of 2000.

Due to the recovery of the Asia-Pacific economy, Alberta's agricultural exports discussed below increased by 11% since 1998.

HS CHAPTER 2: MEAT AND EDIBLE MEAT OFFAL

020120- Bovine cuts, bone-in, fresh
 020130- Bovine cuts, boneless, fresh
 020220- Bovine cuts, bone-in, frozen
 020230- Bovine cuts, boneless, frozen
 020319- Swine cuts, fresh
 020329- Swine cuts, frozen

020500- Horse meat, fresh
 020621- Bovine tongues/ offal, frozen
 020622- Bovine livers/ offal, frozen
 020629- Bovine offal, frozen, nes
 020649- Swine offal, frozen, nes
 020714- Poultry cuts & offal, frozen

Table 1. Bound Tariff Summary: Chapter 2 - Meat and Edible Meat Offal

HS	Description	Market	Bound Rate	1999 Exports
				(\$ millions)
020120	Bovine cuts, bone-in, fresh or chilled	Japan	50%	0.8
020130	Bovine cuts, boneless, fresh or chilled	Japan	93%	18.5
		EU	12.8%	0.6
"	" "	Taiwan	38 NT/kg	0.7
			/ 30%	
020220	Bovine cuts, bone-in, frozen	Rep. of Korea	44%	9.6
"	" "	Japan	93%	2.1
"	" "	Taiwan	38 NT/kg	2.2
			/ 30%	
020230	Bovine cuts, boneless, frozen	Japan	93%	21.5
"	" "	Rep. of Korea	44%	19.5
"	" "	Hong Kong	0%	0.5
"	" "	Taiwan	38 NT/kg	2.2
			/ 30%	
020319	Swine cuts, fresh or chilled, nes	Japan	0 - 4.3% / 482 yen/kg	12.6
020329	Swine cuts, frozen, nes	Japan	0 - 4.3% / 482 yen/kg	16.5
"	" "	Rep. of Korea	25%	1.8
"	" "	Taiwan		0.6

Table 1. Bound Tariff Summary: Chapter 2 - Meat and Edible Meat Offal (continued)

HS	Description	Market	Bound Rate	1999 Exports
				(\$ millions)
020500	Horse meat, fresh or chilled	EU	5.10%	26.4
"	" "	Japan	0	18.2
"	" "	Switzerland	1459 Fr /100kg	9.3
020621	Bovine tongues/ offal, frozen	Japan	12.80%	15.6
020622	Bovine livers/ offal, frozen	Peru	30%	0.9
"	" "	Egypt	10%	0.5
"	" "	<i>Russia</i>		0.6
020629	Bovine edible offal, frozen, nes	Japan	21 - 50%	4.8
"	" "	Rep. of Korea	0	1.9
"	" "	Hong Kong	0	1.6
"	" "	Poland	12.8%	0.6
020649	Swine edible offal, frozen, nes	Japan	0 - 8.5% / 482 yen/kg	1.1
020714	Poultry cuts and offal, frozen	Cuba	-	0.5

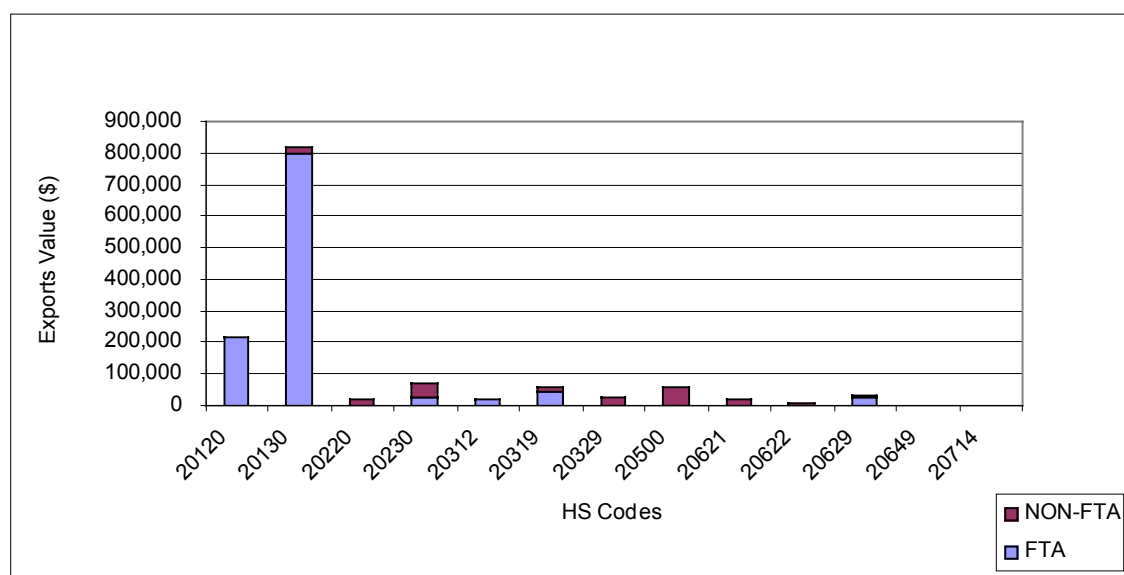
Italics denote countries that are not WTO members.

Table 2: Alberta's Annual Chapter 2 Export Values to Non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
020120- Bovine cuts, bone-in, fresh or chilled	198.0	1,407	1,565	2,192	1,055
020130- Bovine cuts, boneless, fresh or chilled	10,141	3,294	6,215	7,144	20,578
020220- Bovine cuts, bone-in, frozen	9,712	7,535	11,856	12,097	14,247
020230- Bovine cuts, boneless, frozen	11,970	12,608	30,624	36,709	44,048
020312- Swine hams/ shoulder cuts, bone-in, fresh	.0	34,498	67,056	809.0	787
020319- Swine cuts, fresh or chilled, nes	5,277	6,341	21,402	6,686	12,598
020329- Swine cuts, frozen, nes	20,480	19,920	31,987	12,606	19,630
020500- Horse, ass, mule or hinny meat, fresh	44,312	47,765	59,365	62,501	53,961
020621- Bovine tongues, edible offal, frozen	11,784	15,668	9,930	16,460	15,671
020622- Bovine livers, edible offal, frozen	2,159	3,065	2,447	3,080	2,650
020629- Bovine edible offal, frozen, nes	9,426	10,061	8,812	12,766	9,528
020649- Swine edible offal, frozen, nes	4,542	5,295	6,674	2,029	1,680
020714- Poultry cuts and offal, frozen	.0	.0	995.0	1,668	1,496

*Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 1: Alberta's Chapter 2 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



Alberta's meat exporters still rely on Asian markets (specifically Japan, South Korea, Hong Kong, and Taiwan) for their non-FTA sales, although Europe surpasses Asia as a destination for horsemeat.

Bound tariffs on Alberta's beef shipments into key markets like Japan, South Korea, and Taiwan will be in the 35% to 50% range by 2001. These are obvious priorities for tariff reduction. Beef shipments to the EU focus on Belgium, France & Italy. The reduction of the EU's 12.8% bound tariff on HS 020120 (Beef cuts, fresh or chilled, bone-in) would also be beneficial.

Japan was the dominant non-FTA market for Alberta's pork exports in 1999. The export of HS 020130 (Bovine cuts, boneless, fresh or chilled) to Japan increased from \$5.9 million in 1998 to \$18.5 million in 1999 and that of HS 020319 (Swine Cuts, fresh or chilled, nes) was doubled. Japan's bound tariffs on pork products, while less restrictive than those in place for beef imports, remain good targets for tariff reduction efforts (i.e., 93% bound tariff on HS 020130). The sales of HS 020629 (Bovine edible offal, frozen, nes) and HS 020220 (Bovine Cuts, bone-in, frozen) decreased since 1998 by almost half. HS 020230 (Bovine cuts, boneless, frozen) decreased by about \$6 million. Bovine offal exports to Japan face bound tariffs between 12.8% and 50%, depending on the part of the animal--head parts are usually as high as 50%. Swine parts face lower tariffs of between 0% to 8.5%, again depending on the part of the animal. The complexity of the Japanese tariff schedules and annexes make it difficult to assess specific priorities.

The Republic of Korea is the second player in accepting Alberta's Export of this section. Worth mentioning is the big jump in Alberta's sales of HS 020230 (Bovine cuts, boneless, frozen) to the Republic of Korea. Sales have tripled since 1998 from \$6.5 million to \$19.5 million. Also the export of HS 020220 (Bovine cuts, bone-in, frozen) almost doubled over 1998's \$4.9 million. Because the bound tariffs on both of chapters are as high as 40%, the reduction of these tariff rates could benefit future exports.

European countries (particularly Belgium, Italy, France and Switzerland) have been the largest importers of Alberta horsemeat, although Japan also purchases a significant amount. However, in 1999, the export value of this section to EU dropped from \$31.4 to \$26.4 million. While Japanese tariffs are set at 0%, the European Union and Switzerland both have bound tariffs in place.

Bovine livers/offal, frozen were shipped to new markets such as Egypt and Russia in 1999.

According to the second graph, the exports to FTA nations in this section surpass that to non-FTA nations by 5.7 times particularly in the chapters of HS 20120 and HS 20130.

HS CHAPTERS 4 & 5: ANIMAL/INSECT BYPRODUCTS

040900- Honey, natural

050400- Guts, bladders, and stomachs of animals

050690- Bones and horns, unworked

Table 3. Bound Tariff Summary: Chapters 4 & 5 - Animal/Insect Byproducts

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
040900	Honey, natural	EU	17%	3.0
050400	Guts, bladders, and stomachs of animals	Poland	19%	1.7
"	" "	Japan	0%	0.7
050690	Bones and horns, unworked	Japan	0%	4.1
"	" "	Thailand	30%	0.0
"	" "	<i>Taiwan</i>		0.6

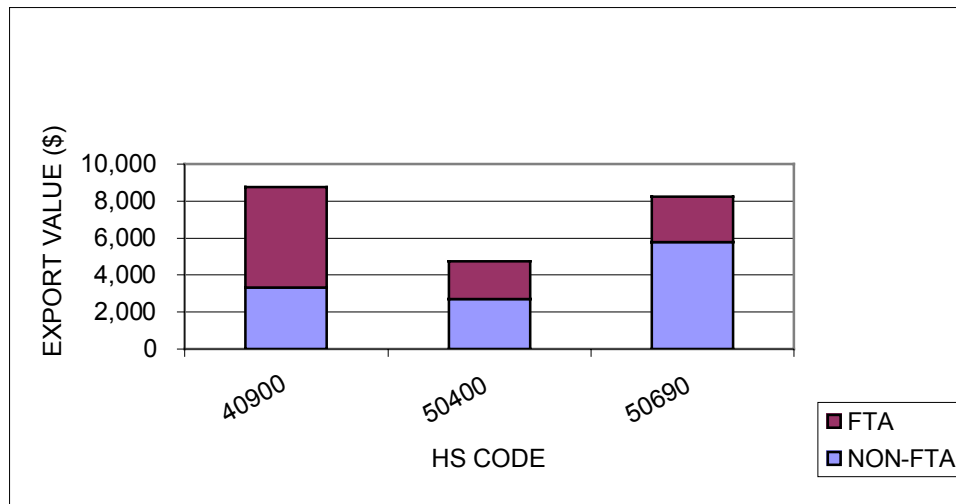
Italics denote countries that are *not* WTO members.

Table 4: Alberta's Annual Chapter 4 and 5 Export Values to Non-FTA Nations, 1995-1999*
(\$000's)

Description	1995	1996	1997	1998	1999
040900- Honey, natural	2,980	1,951	4,451	6,026	41
050400- Guts, bladders and stomachs of animals	-	-	1,853	2,827	50
050690- Bones and horns, degelatinised, unworked	-	-	1,134	3,046	51

*Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 2: Alberta's Annual Chapters 4 and 5 Export Values to Non-FTA & FTA Nations, 1999



Shipments of Alberta's honey to the EU were reduced from \$5 million in 1998 to \$3 million in 1999. Shipments of HS 050690 (Bones and horns, unworked) to Japan have grown rapidly: export values more than doubled since 1998. Overall, the total export value of this section is similar to that of 1998. In general, the exports to non-FTA nations exceed those to FTA nations.

HS CHAPTER 7: EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS

071310- Peas dried, shelled, whether or not skinned or split

071332- Beans, small red (Adzuki), dried, shelled

071333- Kidney beans and white pea beans, dried, shelled

071339- Beans dried, shelled, whether or not skinned or split, nes

Table 5. Bound Tariff Summary: Chapter 07 - Edible Vegetables, Roots and Tubers

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
071310	Peas, dried, shelled	India	100.0%	9.2
"	" "	EU	0	11.9
"	" "	Cuba	40.0%	7.0
"	" "	Bangladesh	200.0%	14.9
"	" "	Japan	0 - 6%	1.7
"	" "	<i>China</i>	13.5% (MFN)	1.4
"	" "	<i>Ethiopia</i>		1.0
"	" "	Singapore	10%	1.6
"	" "	Philippines	15%	0.6
"	" "	Pakistan	100%	0.5
"	" "	Malaysia	0	1.9
"	" "	Australia	1%	4.9
071332	Beans, small red (Adzuki)	Colombia	178%	5.3
071333	Kidney beans & white pea beans	Colombia	178%	0.5
071339	Beans dried, shelled, nes	Dominican Rep.	40.0%	2.7
"	" "	EU	0	1.4

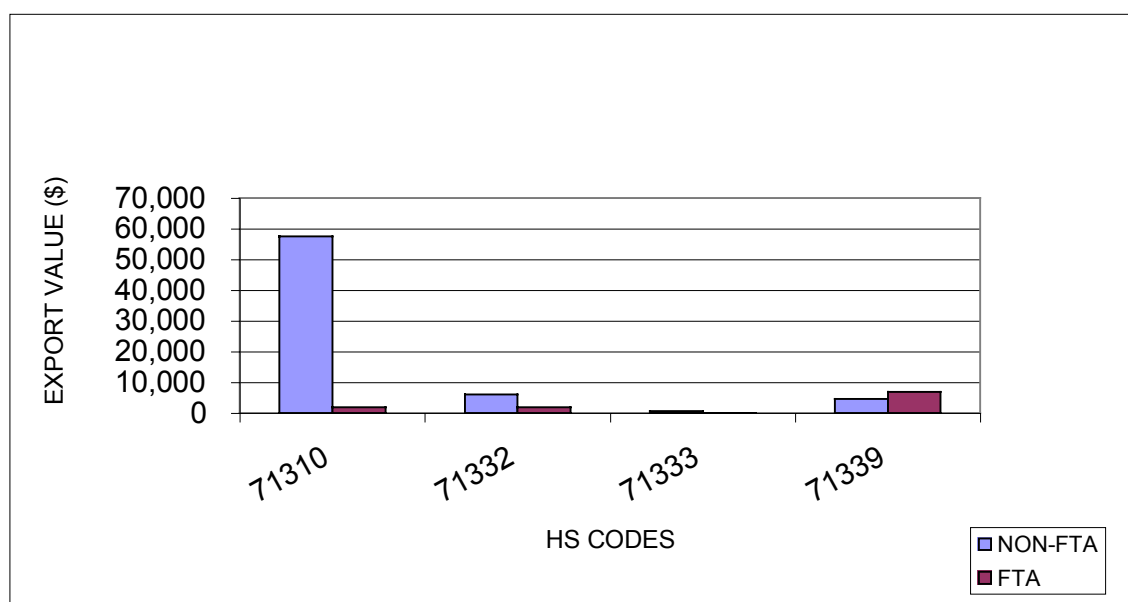
Italics denote countries that are *not* WTO members.

Table 6: Alberta's Annual Chapter 7 Export Values to Non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
071310-Peas dried, shelled, whether or not skinned or split	52,537	50,813	52,143	52,709	57,654
071332-Beans, small red (Adzuki) dried, shelled, whether or not skinned or split	3,140	4,537	8,426	3,994	6,077
071333-Kidney beans and white pea beans dried shelled, whether or not skinned or split	1,582	257	4,207	891	551
071339-Beans dried, shelled, whether or not skinned or split, nes	-	-	992	4,621	4,581

*Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 3: Alberta's Chapter 7 Export Values to Non-FTA & FTA Nations, 1999* (\$000's)



As shown in Figure 7, in this chapter, Alberta's Annual export values to non-FTA rose, mainly due to exports of HS 071332 (Beans, small red (Adzuki)) and HS 071310 (Peas, dried, shelled). Alberta found many new markets from the Asia Pacific region for HS 071310, notably in South East Asia (Singapore and Malaysia) and Australia. Figure 7 shows a strong reliance on non-FTA markets especially for HS 071310. Export of Alberta peas to EU remained strong in 1999. Non-FTA nations' imports of the goods in this section exceed FTA nations' imports.

Bangladesh is a large importer of Alberta Hs 071310 (Peas, dried, shelled). In 1999, shipment of these goods from Alberta amounted to \$14.9 million - more than doubled that of 1998. However, the tariff rate of 200% is so high that attention should be paid to it.

HS CHAPTER 10: CEREAL

100110- Durum wheat

100190- Wheat, nes, and meslin

100300- Barley

100400- Oats

100830- Canary seed

Table 7: Bound Tariff Summary: Chapter 10 - Cereals

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
100110	Durum Wheat	<i>Algeria</i>	<i>n.a.</i>	62.0
"	" "	EU	148 ECU/T	13.4
"	" "	Morocco	34 - 170%	14.5
"	" "	Ecuador	5 - 36%	13.3
"	" "	Japan	55 yen/kg	7.8
"	" "	Peru	68%	5.7
"	" "	Bangladesh	200%	15.6
"	" "	Poland	25%	2.5
"	" "	Tunisia	80%	1.1
"	" "	<i>Libya</i>	<i>n.a.</i>	
"	" "	Switzerland	0.5 - 74 Fr/100kg	1.5
"	" "	Bahrain	35%	1.0
"	" "	Guatemala	112%	1.0
"	" "	<i>Iran</i>	<i>n.a.</i>	1.1
"	" "	<i>Libyan Arab. Jam.</i>	<i>n.a.</i>	5.3
100190	Wheat, nes, and meslin	Japan	55 yen/kg	84.1
"	" "	Indonesia	27%	43.7
"	" "	<i>China</i>	<i>114% (MFN)</i>	15.6
"	" "	EU	12.8%/95 ECU/T	74.3
"	" "	<i>Iran</i>	<i>n.a.</i>	95.3
"	" "	U.A.E.	15%	17.4
"	" "	Columbia	124%	21.0
"	" "	Brazil	0 - 55%	9.7
"	" "	Venezuela	117%	32.1
"	" "	Guatemala	112%	21.7
"	" "	Philippines	30%	26.9
"	" "	Pakistan	150%	13.8
"	" "	Malaysia	0%	20.3
"	" "	South Africa	72%	8.2
"	" "	Peru	30%	12.6
"	" "	Ecuador	5 - 36%	12.8
"	" "	Nigeria	150%	2.0
"	" "	Djibouti	40%	0.7
"	" "	Haiti		3.0
"	" "	<i>Iraq</i>		9.5
"	" "	<i>Yemen</i>		0.6
"	" "	Slovenia	5%	1.1

Italics denote countries that are *not* WTO members.

Table 7: Bound Tariff Summary: Chapter 10 - Cereals (continued)

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
100190	Wheat, nes, and meslin	Singapore	10%	0.7
"	" "	Norway	347%	2.3
"	" "	<i>Taiwan</i>		2.2
100190	Wheat, nes, and meslin	Ghana	4%	5.0
"	" "	Togo	8%	6.2
"	" "	Rep. of Korea	1.8 - 9.0%	8.2
"	" "	<i>Sudan</i>	<i>n.a.</i>	1.8
"	" "	Morocco	34 - 170%	6.3
"	" "	Thailand	3%	6.0
"	" "	New Zealand	0	4.7
"	" "	Cameroon	8%	4.6
"	" "	Turkey	1.8	6.8
"	" "	Cuba	4%	6.5
"	" "	Sri Lanka	5%	9.7
"	" "	<i>Ethiopia</i>	<i>n.a.</i>	2.8
"	" "	Mozambique	<i>n.a.</i>	1.5
"	" "	Kenya	1.0	0.9
"	" "	Cyprus	4%	0.8
"	" "	Tanzania	1.2	1.1
"	" "	Namibia	7%	1.3
"	" "	Switzerland	0-76 Fr /100kg	1.0
"	" "	Bolivia	4%	0.7
"	" "	Swaziland	7%	1.0
"	" "	<i>Lebanon</i>	<i>n.a.</i>	1.7
"	" "	Dominican R.	4%	2.1
"	" "	Egypt	1%	3.8
100300	Barley	China	114% (MFN)	20.7
"	" "	Japan	39 yen/kg	14.9
"	" "	Hong Kong	0	5.6
100830	Canary Seed	EU	14 ECU/T	1.3

Italics denote countries that are *not* WTO members.

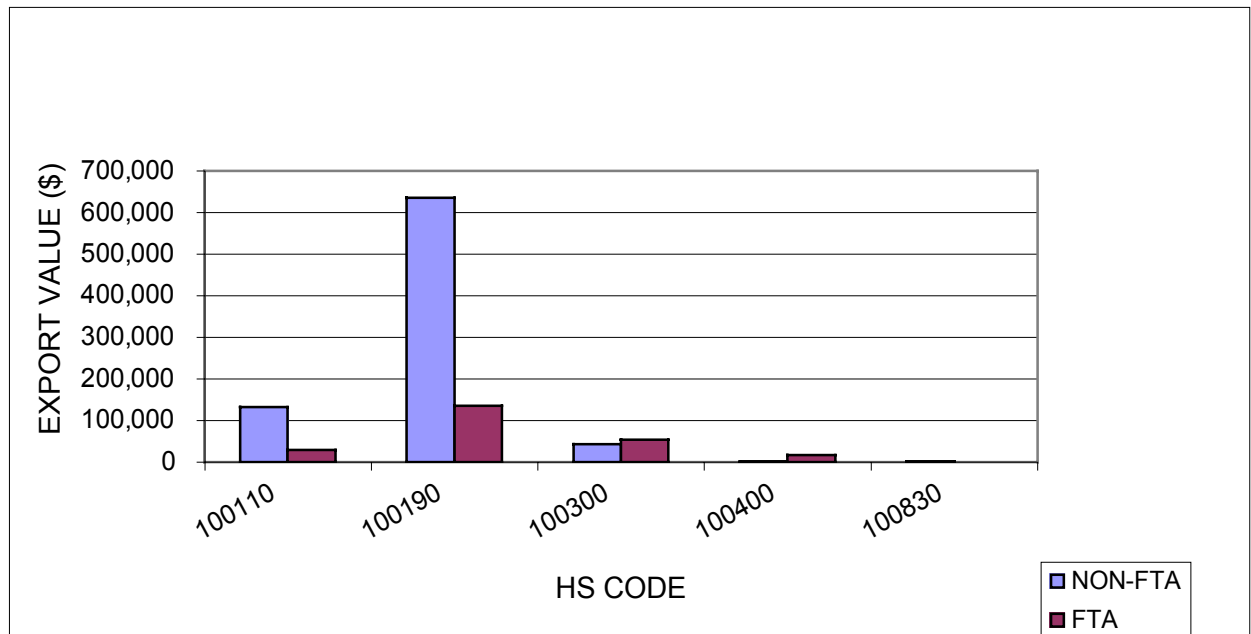
In 1999, the shipment of Cereals dropped to \$810 million, the lowest export value in the past four years. Cereal exports have traditionally faced fairly high bound tariffs. However, since a large number of countries import cereals and since cereals (particularly wheat) are bought and sold on a commodity basis, it is difficult to assess definitive priorities for tariff reduction. Overall reductions in worldwide tariff levels should be encouraged. As well, Alberta would benefit from an emphasis on tariff reduction in the cereals sector in regional trade agreement initiatives - e.g., the Free Trade Area of the Americas (FTAA). Non-FTA nations are the major market for cereals.

Table 8. Alberta's Chapter 10 Annual Export Values to non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
100110-Durum wheat	157,159	179,332	224,547	189,000	131,775
100190-Wheat nes and meslin	767,359	1,111,661	1,256,343	816,000	634,687
100300-Barley	107,901	256,970	205,876	56,409	42,161
100400-Oats	4,784	2,779	2,779	1,918	666
100830-Canary seed	798	293	2,325	1,614	1,277

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 4: Alberta's Chapter 10 Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 11: MILLED PRODUCTS

110100 - Wheat or meslin flour

110312 - Oat groats and meal

110412 - Oats, rolled or flaked

110710 - Malt, not roasted

110720 - Malt, roasted

Table 9. Bound Tariff Summary: Chapter 11 - Milled Products

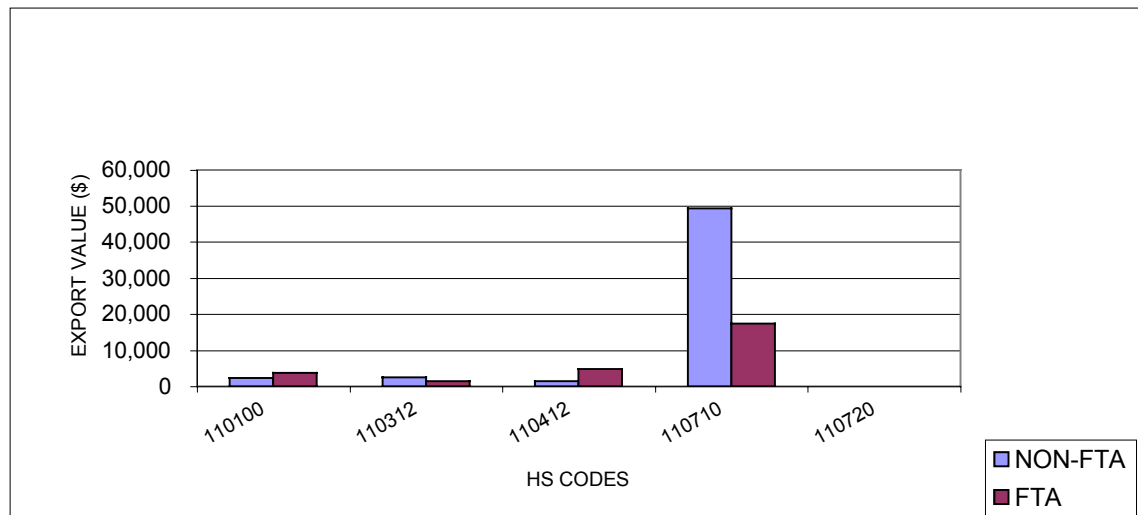
HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
110100	Wheat or meslin flour	Hong Kong	0	1.5
110312	Oat groats and meal	Peru	n.a.	0.7
"	" "	Nicaragua	n.a.	0.5
110710	Malt, not roasted	Japan	21.3 yen/kg	32.8
"	" "	Brazil	9 - 35%	5.8
"	" "	Rep. of Korea	269%	3.1
"	" "	South Africa	33 - 99%	5.0
"	" "	Costa Rica	n.a.	1.0
"	" "	Philippines	n.a.	0.6
"	" "	Guatemala	10%	0.7

Table 10: Alberta's Annual Chapter 11 Export Values to Non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
110100-Wheat or meslin flour	5,569	2,531	3,203	2,106	2,191
110312-Oat groats and meal	3,308	4,646	3,785	2,051	2,561
110412-Oats, rolled or flaked grains	929	1,221	1,829	2,172	1,502
110710-Malt, not roasted	62,903	85,364	82,478	74,154	49,413
110720-Malt, roasted	-	-	-	734	-

*Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 5: Alberta's Annual Chapter 11 Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



The export value of this section dropped by \$26 million in 1999. This is explained by the drop of sales of HS 110710 (Malt, not roasted). Non-FTA markets absorbed most of the export of milled products.

Malt is Alberta's top non-FTA export in HS Chapter 11 and Japan is the dominant export market. The shipment of Malt to Japan fell from \$42.4 million in 1998 to \$32.8 million in 1999. In general, bound tariffs on both malt and the other export items in HS 11 remain quite high. As is the case for Alberta's cereal exports (HS Chapter 10), a broadly based emphasis on global tariff reduction would be beneficial for this sector.

HS CHAPTER 12: OILSEEDS AND FORAGE PRODUCTS

120100- Soya beans

120400- Linseed

120500- Rape or colza seed

120750- Mustard seeds

120923- Seeds, fescue, for sowing

120925- Seeds, rye grass, for sowing

121410- Lucerne (alfalfa) meal/pellets

121490- Other forage (swedes, roots, etc.)

Table 11. Bound Tariff Summary: Chapter 12 - Oilseeds and Forage Products

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
120400	Linseed	EU	0	2.4
120500	Rape or colza seed	Japan	0	190.0
"	" "	<i>China</i>	40% (MFN)	122.0
"	" "	EU	0	1.1
120750	Mustard seeds	EU	0	4.6
"	" "	Japan	0	2.0
121410	Lucerne (alfalfa) meal/pellets	Japan	0	13.0
"	" "	<i>Taiwan</i>	0 (MFN)	2.0
"	" "	Rep. of Korea	10%	2.0
121490	Other forage (swedes, roots, etc.)	Japan	0	56.0
"	" "	<i>Taiwan</i>	0 (MFN)	1.0
"	" "	Rep. of Korea	18 - 100.5%	1.0
"	" "	EU	20%	0.8

Italics denote countries that are *not* WTO members.

Overall, the export value of this section dropped from \$525 million in 1998 to \$402 million in 1999 and was mainly a result of decreased exports of HS 120500 to Japan (\$245.8 million to \$190 million) and China (\$160.3 million to \$122 million). China's bound rate was set at 40% for these products, therefore, reducing this tariff should be a priority.

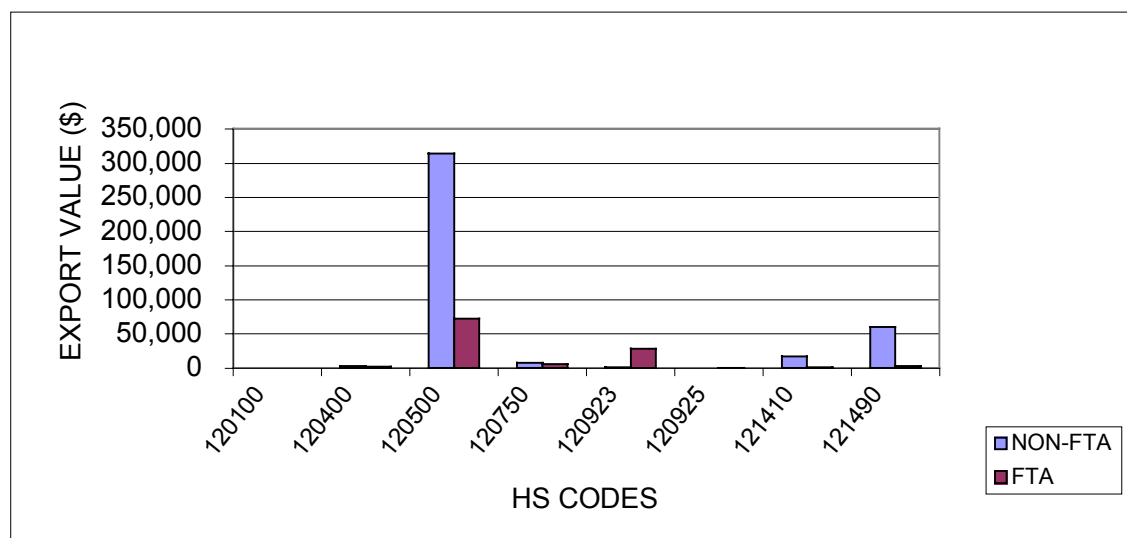
Non-FTA nations such as Japan and China remain the biggest markets for Oilseeds and Forage products.

Table 12. Alberta's Annual Chapter 12 Export Values to non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
120100-Soya beans	24,696	13	-	23,211	12
120400-Linseed, whether or not broken	10,641	10,725	15,546	5,931	3,161
120500-Rape or colza seeds, whether or not broken	416,519	257,596	321,114	413,000	313,368
120750-Mustard seeds, whether or not broken	6,539	6,392	10,155	6,329	7,322
120923-Seeds, fescue, for sowing	1,745	1,412	4,538	4,436	794
120925-Seeds, rye grass, for sowing	-	-	-	731	11
121410-Lucerne (alfalfa) meal and pellets	39,310	23,001	23,566	13,122	16,870
121490-Swedes,mangolds,fodder roots,hay,clover, sainfoin,forage kale,etc,pelleted or not	46,784	42,257	61,727	57,980	60,004

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 6: Alberta's Annual Chapter 12 Export Values to Non-FTA &*FTA Nations, 1999 (\$000's)



HS CHAPTER 15: ANIMAL/VEGETABLE FATS AND OILS

151410- Canola, rape, colza/mustard oil (crude)

151490- Canola, rape, colza/mustard oil (refined)

Table 13. Bound Tariff Summary: Chapter 15 - Animal/Vegetable Fats and Oils

HS	Description	Market	Bound Rate	Exports (\$ millions)
151490	Refined canola, rape, or colza oil	Japan	13.2 - 15.7 yen/kg	0.7
"	" "	<i>Taiwan</i>	<i>12% (MFN)</i>	<i>1.4</i>

Italics denote countries that are *not* WTO members.

Alberta's oilseed exporters are vulnerable to *tariff escalation*, under which unprocessed products (e.g., the oilseeds identified in HS Chapter 12) face negligible tariffs, while related processed items (e.g., the crude and refined vegetable oil detailed in this Chapter) are subject to higher tariffs.

Japan's bound rate on rape/colza seed is set at 0%. The critical remaining unbound tariff is on refined or crude seed oil (see above), which faces "other" tariffs as high as 15.7 yen/kg. The export of HS 151490 (Refined canola, rape, or colza oil) to Japan dropped dramatically from \$23 million in 1998 to \$0.7 million in 1999.

Similarly, Taiwan applies no tariffs on its forage products, whereas canola oil, both crude and refined, and other seed categories face tariffs of 12%.

Of the few important Alberta seed oil markets, Japan shows the most potential for tariff reduction: the bound tariff rate is high and so is the value of Alberta shipments.

FTA nations imported more of the goods in this section than did non-FTA nations in 1999.

Table 14. Alberta's Annual Chapter 15 Export Values to non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
151410- Canola, rape, colza/mustard oil, crude	32,341	9,046	38,026	34,974	648
151490- Canola, rape, colza/mustard oil, refined	5,786	17,113	38,705	31,496	4,422

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 7: Alberta's Annual Chapter 15 Export Values to Non-FTA Nations & FTA Nations, 1999 (\$000's)



HS CHAPTERS 16 & 19 - 23: VARIOUS PROCESSED FOODS

160249- Swine meat/offal, prep'd.

190120- Mixes/dough for baking

190590- Other bakers' wares

200410- Potatoes, prep'd.

210330- Mustard flour and meal

220830- Whiskies

230110- Flours, meal, pellets (for animals)

230620- Linseed oil cake/solid residue

230640- Rape or colza seed oil cake/solid residue

Table 15. Bound Tariff Summary: Chapters 16 & 19-23 - Various Processed Foods

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
160249	Swine meat and offal, prepared	Japan	8.5 - 20% / 1,035 yen/kg	1.1
200410	Potatoes, prepared or preserved	Japan	8.5 - 13.6%	3.5
"	" "	Malaysia	5 - 20%	0.5
210330	Mustard flour and meal	EU	0 - 9%	1.1
"	" "	Japan	7.5- 9%	1.3
220830	Whiskies	South Africa	67 - 121%	0.8
"	" "	EU	0.16 ECU / % / vol / hl + 1.2 ECU / hl	3.1
230110	Flours, meals & pellets of meat	<i>Taiwan</i>	0	3.2
230640	Rape or colza seed oil cake/solid residue	EU	0	6.7

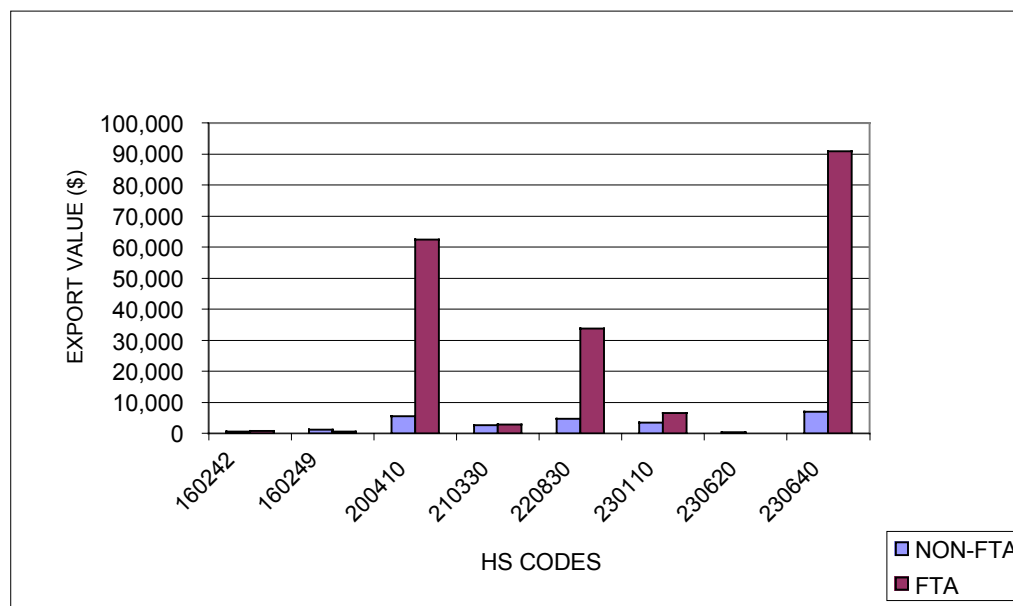
Italics denote countries that are *not* WTO members.

Table 16: Alberta's Annual Chapters 16, 20–23 Export Values to non-FTA Nations, 1995-1999* (\$000's)

Description	1995	1996	1997	1998	1999
160249- Swine meat & meat offal, prepared	1,293	5,860	1,210	1,392	1,071
190120- Mixes/ dough for bakers' wares	553	226	1,265	921	-
190590- Other bakers' wares	5	49	18	2,024	-
200410- Potatoes, prepared or preserved, frozen	5,345	5,734	9,760	9,705	5,498
210330- Mustard flour and meal; prepared mustard	22	304	1,168	2,253	2,500
220830- Whiskies	1,754	1,602	1,607	6,059	4,598
230110- Meat flours/meals/pellets (for animals)	-	-	11,126	6,010	3,324
230620- Linseed oil cake/solid residue	-	-	363	545	229
230640- Rape or colza seed oil cake/solid residue	21,014	12,025	923	3,323	6,985

1. Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 8: Alberta's Annual Chapters 16, 20-23 Export Values to Non-FTA Nations & FTA Nations, 1999 (\$000's)



In this section, exports to FTA nations greatly exceeded those to the non-FTA Nations. Despite the effort of Non-FTA nations to expand market for Alberta's agricultural products over the last few years, the exports for this group of goods dropped from \$32 million to \$24 million. Asia, and especially Japan, are clearly areas of focus for tariff reduction

SECTION 2. TARIFF PRIORITIES - NON-AGRICULTURAL PRODUCTS

This section provides background information on the bound tariffs currently facing Alberta's non-agricultural merchandise exports since negotiations undertaken during the Uruguay Round (1986 – 1993). Where possible, other major markets currently in line for WTO accession are also analyzed. This section is intended to help outline Alberta's non-agricultural priorities for tariff reduction and elimination.

HS CHAPTER 25: SULPHUR AND MAGNESIUM

250300- Sulphur of all kinds²

251990- Magnesia, fused, etc.

Table 17: Bound Tariff Summary: HS Chapter 25 - Sulphur and Magnesium

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
250300	Sulphur of all kinds	Brazil	0	31.3
"	" "	Morocco	40%*	35.9
"	" "	South Africa	0	26.5
"	" "	<i>China</i>	6% (MFN)	60.6
"	" "	Cuba	n.a.	14.9
"	" "	Tunisia	n.a.	1.1
"	" "	Australia	0	8.6
"	" "	Indonesia	n.a.	5.7
"	" "	Senegal	n.a.	3.2
"	" "	New Zealand	0	7.0
"	" "	Philippines	10.00%	3.0
251990	Magnesia, fused, etc.	EU	0 - 1.7%	6.9

Italics denote countries that are *not* WTO members.

Non-FTA nations were the major markets for the Alberta's exports of Sulphur and Magnesium in 1999. The export value of this group bounced back to the \$200 million level in 1999 after a decrease in 1998.

It is interesting to note that China became the major market for HS 250300 (Sulphur), importing \$60.6 million or about 4 times the value of 1998 exports and accounted for 31% of HS 25 exports to the world. Morocco and Brazil are also large importers of HS 25. These two non-FTA markets for sulphur accounted for another 30% of total HS 25

² Nomenclature changed from HS 250310.

exports to non-FTA countries in 1999. Brazil has a consolidated tariff of 35% on the majority of its imports, including HS 25. However, it has made exceptions for both 250300 and 250390, which have a 0% binding rate. In contrast, Morocco's bound tariff rate is very high, at a consolidated rate of 40% compared to China's tariff rate of 6% on this section. Reducing the tariff rate to Morocco should be a priority.

Magnesia (HS 251990) comprises the remaining non-FTA exports from Chapter 25. Germany received about 80% of these exports. The EU has tariffs ranging from 0 - 1.7% for this category, which is much lower than its average most-favoured-nation (MFN) tariff rate of 3.9% on industrial goods.³

Table 18: Alberta's Annual Chapter 25 Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
250300-Sulphur of all kinds, o/t sublimed, precipitated & colloidal sulphur	209,484	232,320	247,577	176,000	197,916
251990-Magnesia, fused, dead-burned etc & magnesium oxide pure or not	13,868	11,863	11,881	10,267	7,087

2. Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 9: Alberta's Annual Chapter 25 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



³ Finger, Ingco and Reinke, *The Uruguay Round: Statistics on Tariff Concessions Given and Received*, The World Bank (1996).

**HS CHAPTER 27: MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION;
BITUMINOUS SUBSTANCES**

270112- Bituminous coal

270300- Peat (including peat litter)

270900- Petroleum oil (crude)

271000- Petroleum oil (refined)

Table 19: Bound Tariff Summary: HS Chapter 27 - Bituminous Coal and Petroleum Oils

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
270112	Bituminous coal	Japan	0	288.9
"	" "	Rep. of Korea	1%	131.2
"	" "	EU	0	62.3
"	" "	Brazil	15%	32.1
"	" "	<i>Taiwan</i>	0	10.3
"	" "	Egypt	5%	7.6
"	" "	Hong Kong	n.a.	2.2
270300	Peat	Japan	0	0.9

Italics denote countries that are *not* WTO members.

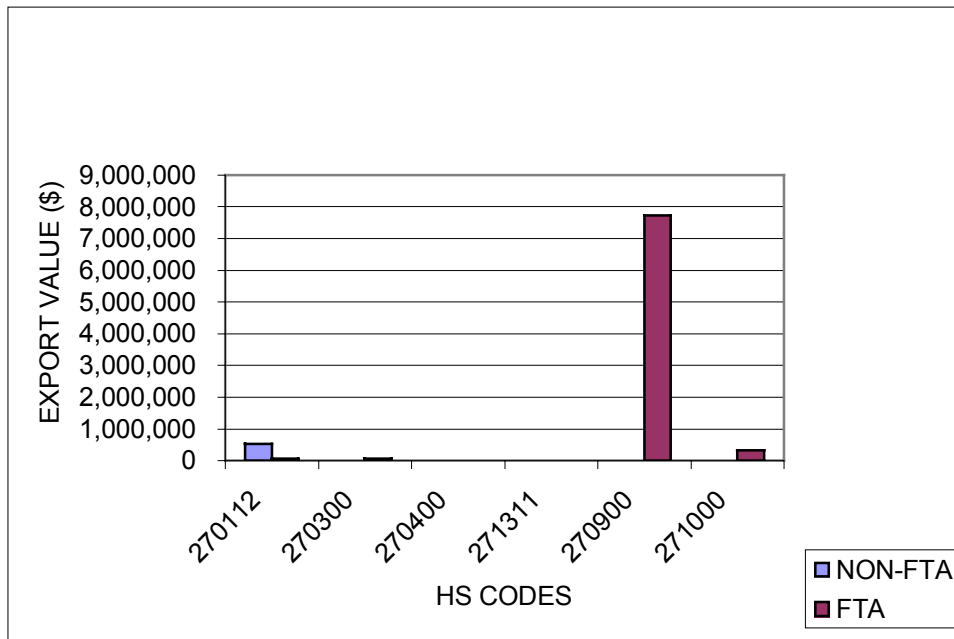
Since 1996, overall export value of this section remains unchanged. FTA countries dominate the market for coal. Japan, South Korea, Brazil and the EU account for 99% of non-FTA HS 27 exports. In these critical markets, the tariffs are either bound at 0%, as is the case in Japan and the EU, or 1%, as is the case in Korea. The Brazilian bound tariff is relatively high at 15% (but well below the consolidated bound rate of 35% for most Brazilian imports), Alberta would benefit from having a lower bound rate.

Table 20: Alberta's Annual Chapter 27 Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
270112-Bituminous coal, whether or not pulverised but not agglomerated	701,242	506,648	531,129	514,000	534,857
270300-Peat (including peat litter), whether or not agglomerated	4,793	4,199	3,688	2,760	1,326
270900-Petroleum oils and oils obtained from bituminous minerals, crude	-	-	-	21,633	
271000-Petroleum oils and oils obtained from bituminous minerals, o/ than crude etc	1,467	1,956	1,607	1,443	840

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 10: Alberta's Annual Chapter 27 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



HS CHAPTER 28: INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS; ETC.

280300- Carbon

282540- Nickel oxides and hydroxides

282911- Sodium chlorate

Table 21: Bound Tariff Summary: HS Chapter 28 - Inorganic Chemicals; Organic/Inorganic Compounds

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
280300	Carbon	EU	0	14.1
"	" "	Japan	3.9%	2.6
"	" "	<i>Taiwan</i>	3.5% (MFN)	1.7
"	" "	Rep. of Korea	5.5%	.8
282540	Nickel oxides and hydroxides	Hong Kong	0	6.0
"	" "	Singapore	5.5%	0.9
282911	Sodium chlorate	Japan	3.3%	1.7

Italics denote countries that are *not* WTO members.

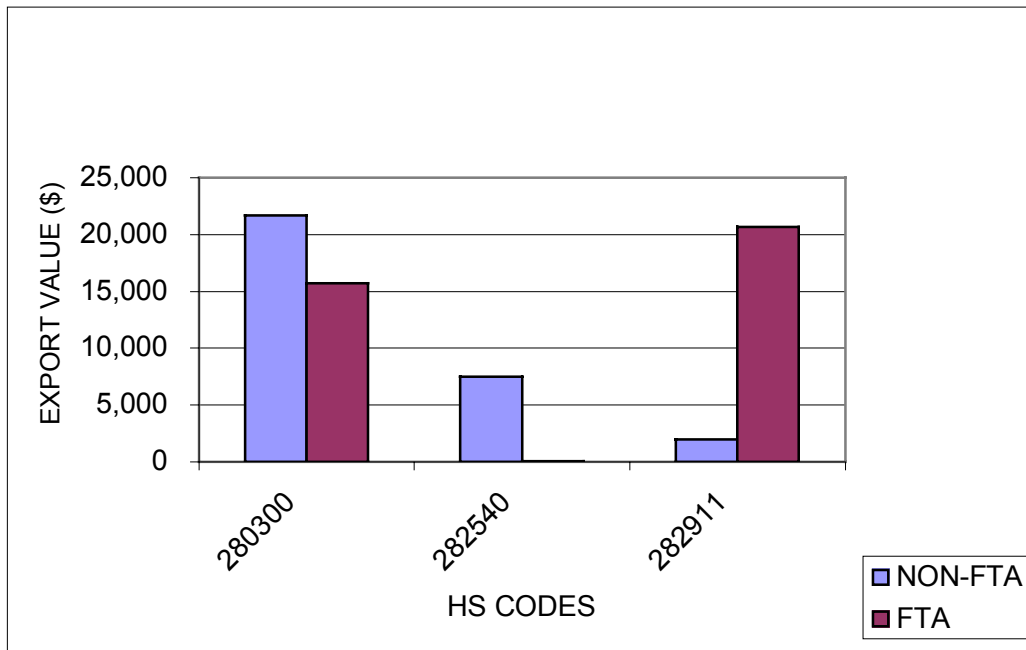
In 1999 carbon and other chemicals exports from Alberta were reduced by about \$1.5 million. Total export to FTA nations surpassed that to non-FTA nations by \$5.3 million, solely due to HS 282911 (Sodium chlorate). The shipment of HS 282540 (Nickel oxides and hydroxides) increased by \$4.6 million mainly because of the increased exports to Hong Kong. The EU, Japan & Taiwan still dominate the market of Carbon. Approximately 70% of the carbon and other chemicals shipped to non-FTA countries went to the EU in 1999. Particularly high tariff rates are found in Southeast Asian markets and these tariffs are good targets for reduction.

Table 22: Alberta's Annual Chapter 28 Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
280300-Carbon (carbon blacks and other forms of carbon, nes)	29,158	23,930	28,060	27,972	21,694
282540-Nickel oxides and hydroxides	196	364	1,813	2,790	7,444
282911-Sodium chlorate	3,065	5,084	3,079	2,746	1,952

Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 11: Alberta's Annual Chapter 28 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



HS CHAPTER 29: ORGANIC CHEMICALS

290250- Styrene

290511- Methanol (methyl alcohol)

290531- Ethylene glycol

291639- Aromatic monocarboxylic acid

293329- Heterocyclic compounds

293490- Heterocyclic compounds, nes

Table 23: Bound Tariff Summary: HS Chapter 29 - Organic Chemicals

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
290250	Styrene	Rep. of Korea	0	54.2
"	" "	<i>Taiwan</i>	1.25 - 2.5% (MFN)	30.1
"	" "	EU	0	7.8
290531	Ethylene glycol (ethanediol)	<i>Taiwan</i>	1% (MFN)	64.3
"	" "	Indonesia	40%	21.6
"	" "	<i>China</i>	18% (MFN)	63.9
"	" "	Rep. of Korea	5.5%	43.3
"	" "	Japan	0 - 5.5%	6.0
293329	Heterocyclic compounds	EU	0 - 6.5%	6.5
293490	Heterocyclic compounds, nes	EU	0 - 6.5%	3.0

Italics denote countries that are *not* WTO members.

Exports to non-FTA nations of Organic chemicals were about double of those of exports to FTA nations. This was mainly due to exports of HS 290531 (Ethylene glycol). HS 290250 (Styrene) and HS 290531 are Alberta's dominant organic chemical exports, making up approximately 96% of the \$304 million of HS 29 exports shipped to non-FTA countries in 1999. Export of HS 290531 increased by \$41 million compared with 1998. South Korea, China, Taiwan, Indonesia and Japan have all consistently imported these chemicals, while both Thailand and Malaysia had imports valued at less than \$500,000 and are not shown in the summary.

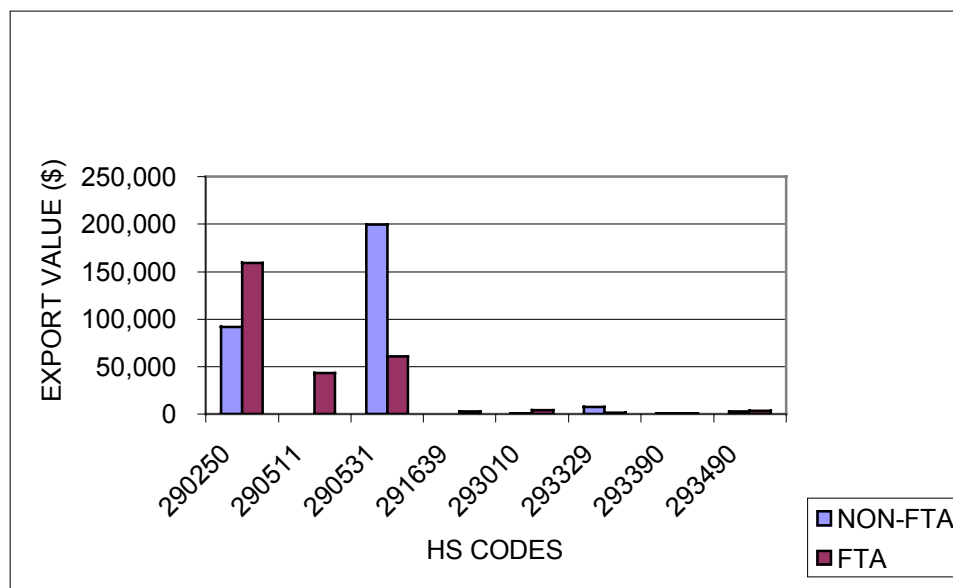
Ethylene glycol faces bound tariffs of between 1% and 40% in Alberta's major markets. The tariffs on Ethylene in Indonesia at 40% is the highest in this section. Reducing tariffs in important markets like Indonesia and China should be a priority.

Table 24: Alberta's Annual Chapter 29 Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
290250- Styrene	194,275	168,730	145,612	94,725	92,122
290511- Methanol	29,559	36,175	25,720	1,720	14
290531- Ethylene glycol (ethanediol)	347,666	306,091	314,826	158,000	199,472
293329- Heterocyclic comp'ds (imidazole ring)	787	1,616	4,432	7,706	7,702
293490- Heterocyclic compounds, nes	188	46	1,126	14,513	2,993

3. Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 12: Alberta's Annual Chapter 29 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



HS CHAPTERS 31 & 38: FERTILIZERS AND MISC. CHEMICAL PRODUCTS

310210- Urea

382490- Chemicals, prepared and residual

**Table 25: Bound Tariff Summary: HS Chapters 31 & 38 -
Fertilizers & Misc. Chemical Products**

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
310210	Urea	Australia	10%	6.5
		New Zealand	0	1.8
382490	Chemicals, prepared and residual	Cuba	6%	1.8
"	" "	<i>Rusia</i>	<i>n.a.</i>	0.5

Italics denote countries that are *not* WTO members.

Despite the decline trend of Fertilizer (HS 31) exports from Alberta to non-FTA countries over the last few years, the export values increased to \$12 million in 1999. Australia has increased the bound rate of duty on all HS 31 to 10% from 0% to 2%. As Australia imported \$6.5 million of Urea from Alberta in 1999, tariff reduction should be a priority.

Overall, Alberta's exports of Urea and Chemicals rely on non-FTA markets. The export values were low in 1999. Tariffs on HS 382490 (Chemicals, prepared and residual) in Cuba could be reduced.

**Table 26: Alberta's Annual Chapters 31 and 38 Export Values to Non-FTA Nations,
1995-1999* (\$000s)**

Description	1995	1996	1997	1998	1999
310210- Urea	33,571	30,770	11,339	774	8,748
382490- Chemicals, prepared and residual	-	1,016	1,656	3,060	3,057

*Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 13: Alberta's Annual Chapters 31 and 38 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



HS CHAPTER 39: PLASTICS AND ARTICLES THEREOF

390110- Polyethylene (s.g. < 0.94)

390190- Polymers of ethylene, nes

390720- Polyethers, nes

391211- Cellulose acetates, non-plasticised

391721- Polyethylene pipes, hoses, etc.

391729- Plastic pipes, hoses, etc., nes

392010- Polyethylene sheets, film, etc.

392321- Polyethylene sacks, bags, etc

392590- Builders' ware of plastic

392690- Other articles of plastic, nes

Table 27: Bound Tariff Summary: HS Chapter 39 - Plastics and Articles Thereof

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
390110	Polyethylene with s.g.< 0.94	<i>China</i>	-	68.4
"	" "	EU	6.5%	32.9
"	" "	Japan	13.9 yen/kg	10.2
"	" "	Australia	10%	0.6
"	" "	<i>Taiwan</i>	2.5% (MFN)	6.2
"	" "	Hong Kong	0	5.5
"	" "	New Zealand	10%	1.1
"	" "	Indonesia	40%	5.8
"	" "	Malaysia	30%	4.9
"	" "	Singapore	6.5%	0.9
"	" "	Thailand	30%	1.8
"	" "	Colombia	13.5%	0.6
"	" "	Costa Rica	45%	2.3
"	" "	Norway	6.5%	1.3
"	" "	Brazil	35%*	0.5
"	" "	Argentina	20%	2.1
"	" "	Guatemala	45%	2.2
"	" "	Iceland	-	0.6
"	" "	Trinidad-Tobago	50%	0.8
"	" "	<i>Vietnam</i>	n.a.	0.9

Table 27: Bound Tariff Summary: HS Chapter 39 - Plastics and Articles Thereof (continued)

390190	Polymers of ethylene, nes	Australia	10%	9.3
"	" "	Argentina	20%*	0.5
"	" "	<i>China</i>	22%	2.6
"	" "	<i>Taiwan</i>	3%	5.6
"	" "	Brazil	35%	2.2
"	" "	India	40%	0.6
"	" "	Japan	2.8%	3.7
"	" "	Rep. of Korea	6.5%	0.6
"	" "	Malaysia	30%	1.9
"	" "	New Zealand	10%	4.2
"	" "	Philippines	20%	3.1
"	" "	Singapore	6.5%	2.2
"	" "	EU	6.5%	0.9
"	" "	Tailand	30%	1.4
391721	Polyethylene pipes, hoses, etc.	Turkey	14%	1.2

Italics denote countries that are *not* WTO members.

Even though the export value of HS 39 in 1999 was still lower than that through 1995 to 1997, total sales increased by \$32 million over 1998. Shipments of Plastics and Articles to FTA nations were twice the value of those to non-FTA nations. A variety of products were sold within the HS 39 chapter, but individual export values tended to be modest and exports were scattered throughout many markets. In 1999 there were many new markets for HS 390110 (Polyethylene (s.g. <0.94)) and HS 390190 (Polymers of ethylene, nes), for example New Zealand, Brazil, Argentina, and some Asian countries such as Japan, Malaysia, the Philippines, and Singapore. Exports were still dominated by HS 390110), which accounted for almost 70% of non-FTA total HS 39 exports in 1999. Exports of HS 392010 (Polyethylene sheets, film, etc.) declined by about \$1 million. However, shipments of HS 390190 had a dramatic increase from \$3.3 million to \$39 million. Most of this increase went to existing markets such as Australia, China, and Taiwan and the emerging Asian markets mentioned above.

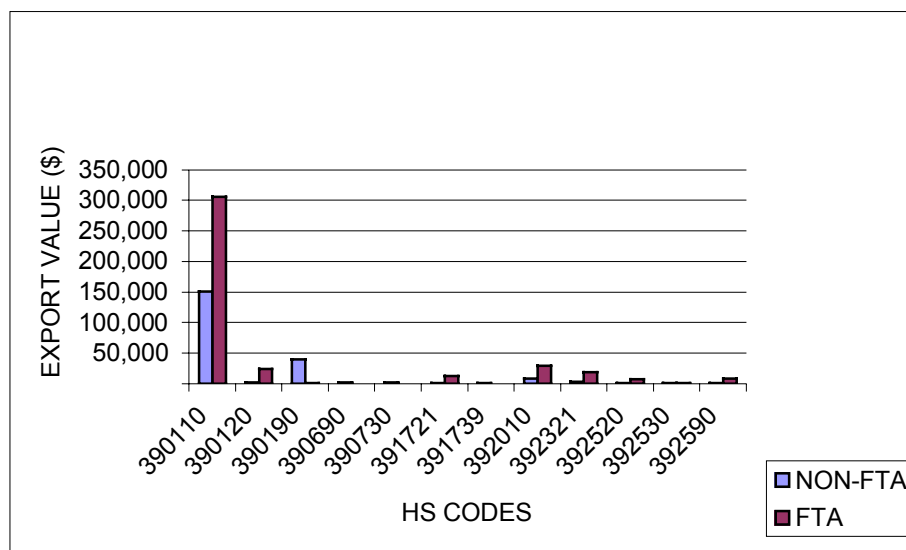
China, The EU, Australia and Japan are the dominant markets for this group. There are significant bound tariffs in most of Alberta's major export markets for HS 39 products, therefore, emphasis on global tariff reduction - particularly for HS 390110 and HS 390190- would be beneficial for Alberta.

Table 28: Alberta's Annual Chapter 39 Export Values to Non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
390110- Polyethylene (s.g. < 0.94)	169,730	207,949	172,082	137,000	150,912
390190- Polymers of ethylene, nes	-	-	140	5,165	39,100
390720- Polyethers, nes	3	-	-	698	-
391211- Cellulose acetates, non-plasticised	-	4,801	667	9,427	-
391721- Polyethylene pipes, hoses, etc.	6	1,572	4,804	2,651	1,234
391729- Other plastic pipes, hoses, etc., nes	53	11	32	537	-
392010- Polyethylene sheets, film, etc.	8,725	8,213	5,872	10,049	8,257
392321- Polyethylene sacks, bags, etc.	219	210	1,758	3,184	2,711
392590- Builders' ware of plastic	2,096	2,850	2,364	1,056	605
392690- Other articles of plastic, nes	780	3,139	2,818	1,549	-

*Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 14: Alberta's Annual Chapter 39 Export Values to Non-FTA & FTA Nations, 1999 (\$000s)



HS Chapter 41: Rawhide and Skins; Leather

410121- Bovine hides, whole, fresh/salted

410140- Equine hides and skins

Table 29. Bound Tariff Summary: HS Chapter 41 - Rawhide and Skins; Leather

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
410121	Bovine hides, whole, fresh/salted	<i>Taiwan</i>	0 (MFN)	20.6
"	" "	Japan	0	3.6
"	" "	China	10%	12.0
"	" "	Thailand	27%	1.8
"	" "	Hong Kong	0	8.2
"	" "	Rep. of Korea	5%	2.8
"	" "	EU		1.1
410140	Equine hides and skins	Japan	0	1.4

Italics denote countries that are *not* WTO members.

Throughout 1995 to 1999, the export of HS 410121 (Bovine hides, whole, fresh/salted) has fluctuated. Despite the fact that sales of HS 410121 to both Taiwan and Japan markets shrunk, exports to China and Hong Kong doubled and quadrupled respectively from 1998 levels. Total shipment of HS 41 fell by \$4 million. Asia is the dominant market of HS 41. Taiwan, Hong Kong and Japan have a bound rates of 0%, however, the bound rates of Thailand, China and Republic of Korea are set at 27%, 10% and 5%, respectively. These could be tariff reduction priorities.

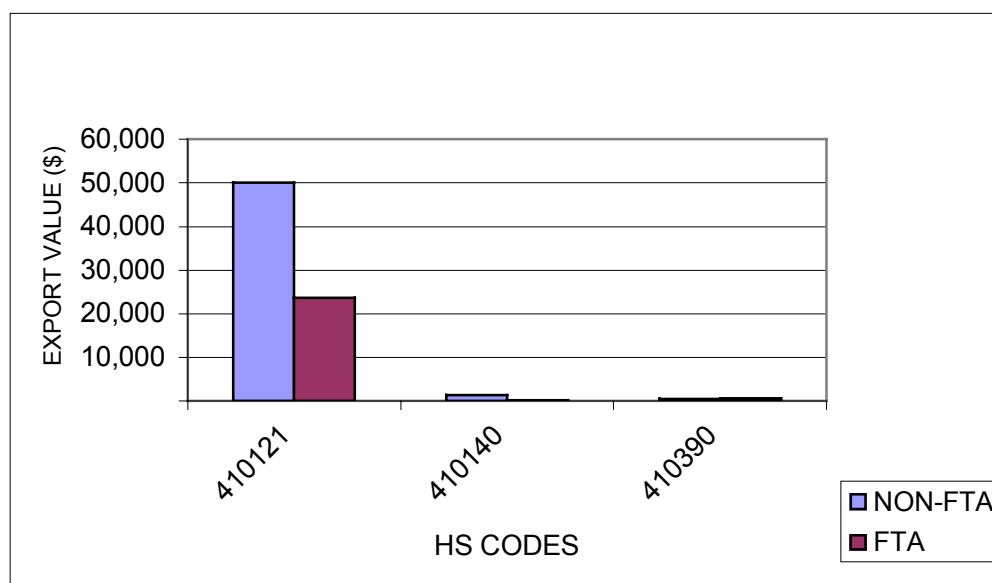
In this section, non-FTA nations dominated the exports.

Table 30. Alberta's Annual Chapter 41 Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
410121- Bovine hides, whole, fresh or wet-salted	49,290	36,978	61,087	53,369	50,067
410140- Equine hides and skins, raw	1,380	1,900	2,537	2,747	1,377

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 15: Alberta's Annual Chapter 41 Export Values to Non-FTA & FTA Nations, 1999* (\$000s)



HS CHAPTER 44: WOOD AND ARTICLES OF WOOD

440710- Lumber, coniferous (softwood), thickness > 6 mm

441011- Waferboard, including oriented strand board

441121- Fibreboard > 0.5 g/cm³, not worked or surfaced, covered

Table 31. Bound Tariff Summary: HS Chapter 44 - Wood and Articles of Wood

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
440710	Lumber (softwood) > 6 mm	Japan	0 - 6%	70.5
"	" "	EU	0%	1.4
"	" "	<i>Taiwan</i>	0 (MFN)	1.0
441011	Waferboard, incl. oriented s.b.	Japan	0 - 6%	23.9
"	" "	Korea, South	n.a.	3.1
441121	Fibreboard > 0.5g/cm ³ , unworked	Japan	3%	0.9
"	" "	<i>Taiwan</i>	3% (MFN)	2.8
"	" "	Hong Kong	0	1.0
"	" "	Korea, South	n.a.	3.5

Italics denote countries that are *not* WTO members.

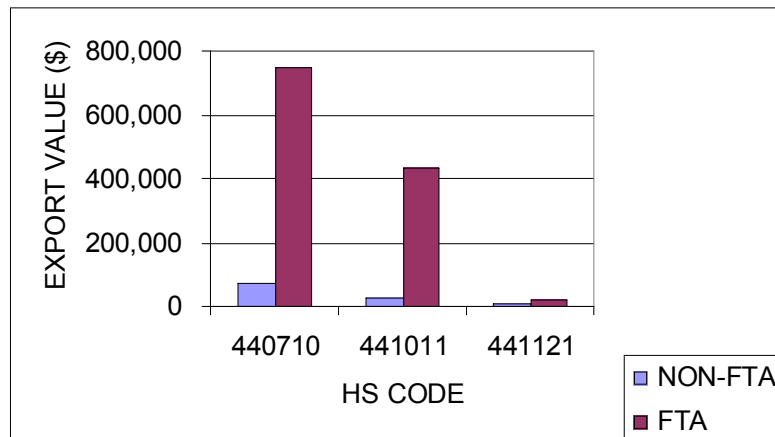
In 1999, the shipment of HS 44 to FTA nations exceeded that to non-FTA nations by more than \$1 billion. The export value of HS 441121 (Fibreboard > 0.5g/cm³, unworked) dropped from \$53 million in 1998 to \$8 million. Outside the United States, Japan is the primary and almost exclusive market for HS 44, dominating non-FTA trade and consuming almost all of the offshore shipments of HS 440710 (softwood lumber) and HS 441011 (Waferboard). Taiwan, the EU, and the Republic of Korea are minor secondary markets. Japan's bound tariffs, which range from 0% to 6% for softwood lumber, waferboard, and fibreboard, could be targeted for reduction.

Table 32. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
440710- Lumber, coniferous, > 6 mm thickness	86,248	117,362	114,491	59,279	72,855
441011- Waferboard, including oriented s.b.	-	34,316	31,655	23,302	27,093
441121- Fibreboard > 0.5 g/cm ³ , unworked	3,101	6,810	9,447	53,000	8,959

4. Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 16: Alberta's Annual Chapters 44 Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 47: PULP OF WOOD; OTHER CELLULOSIC MATERIAL; WASTE

470321- Chemical pulp, coniferous, semi-bleached and bleached

470329- Chemical pulp, non-coniferous, semi-bleached and bleached

470500- Semi-chemical wood pulp

Table 33. Bound Tariff Summary: HS Chapter 47 - Pulp of Wood or of Other Cellulosic Material

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
470321	Chemical pulp, coniferous	Japan	0	59.4
"	" "	EU	0	41.6
"	" "	<i>Taiwan</i>	<i>0 (MFN)</i>	12.9
"	" "	Indonesia	40%	1.3
"	" "	Brazil	35%	2.9
"	" "	Malaysia	5%	3.8
"	" "	Thailand	32%	2.3
"	" "	Korea, South	0	11.9
"	" "	<i>China</i>	<i>1.3% (MFN)</i>	6.6
"	" "	Philippine	10%	0.8
470329	Chemical pulp, non-coniferous	Japan	0	142.5
"	" "	Korea, South	0	144.4
"	" "	EU	0	79.7
"	" "	<i>Taiwan</i>	<i>1.25% (MFN)</i>	5.0
"	" "	Indonesia	40%	4.4
"	" "	<i>China</i>	<i>2%</i>	20.3
470500	Semi-chemical wood pulp	EU	0	92.7
"	" "	Japan	0	31.8
"	" "	Indonesia	40%	18.3
"	" "	<i>China</i>	<i>20% (MFN)</i>	28.5
"	" "	<i>Taiwan</i>	<i>0 (MFN)</i>	20.2
"	" "	Korea, South	0	12.7
"	" "	Korea, North	n.a.	0.9
"	" "	Switzerland	2%	6.8

Italics denote countries that are *not* WTO members.

HS 47 consistently ranks among the top three HS Chapters in the value of Alberta's non-FTA exports. The total export value of this chapter increased slightly. HS 470329 (Non-coniferous chemical pulp) dominates the category accounting for approximately half of the total value of all HS 47 exports to non-FTA countries. In 1999, the export value from Alberta to Non-FTA nations surpassed that to FTA nations by \$184 million. In the past, Japan and the EU have been the top two importers of Alberta wood pulp exports. In 1999, South Korea became a large market and the three markets accounted for 69% of the total HS 47 exports to non-FTA countries. Note that the EU share dropped from 30% to 16%.

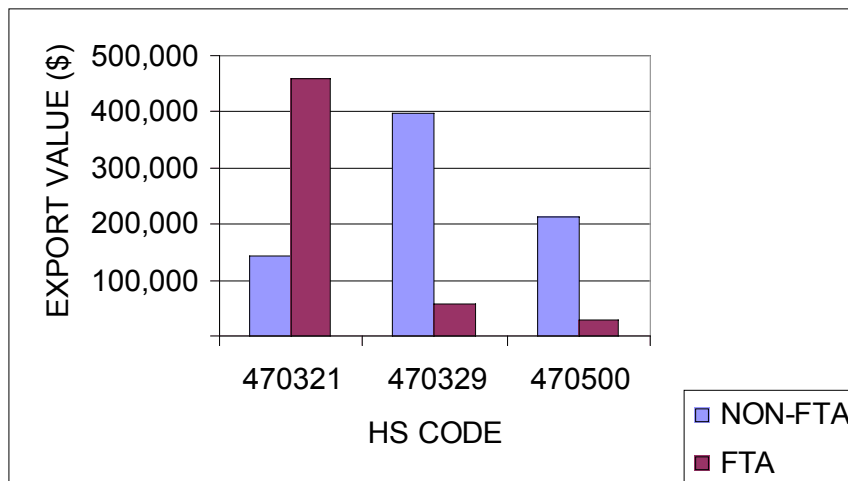
While bound tariffs are set at 0% in many of the top destinations for Alberta's wood pulp exports (e.g., Japan, the EU, Taiwan, and South Korea), significant tariff reductions could be achieved in the next tier of importing countries, which include Indonesia and China.

Table 34: Alberta's Annual Export Values to Non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
470321- Chemical pulp, coniferous	208,838	147,342	151,611	156,000	143,551
470329- Chemical pulp, non-coniferous	540,801	294,985	329,890	316,000	396,483
470500- Semi-chemical wood pulp	246,287	132,478	138,785	178,000	212,495

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 17: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 49: PRINTED MATERIALS

490199- Books, brochures, leaflets, and similar printed matter, nes

Table 35. Bound Tariff Summary: HS Chapter 49 – Printed Materials

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
490199	Books, brochures, leaflets, etc.	EU	0	5.9

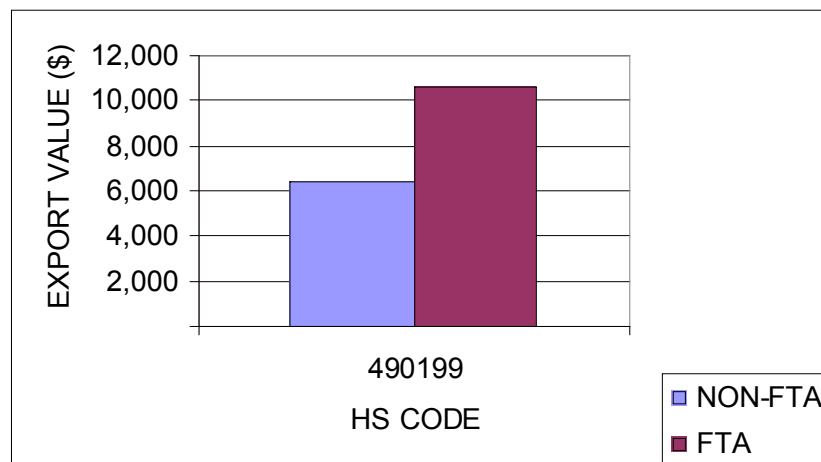
This HS Chapter is not currently a significant source of export value for Alberta, and is not a priority for tariff reduction. However it is worth mentioning the increase in total export value from \$1 million in 1998 to \$6 million in 1999.

Table 36. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
490199- Books, brochures, leaflets, etc.	932	958	733	1,181	6,396

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 18: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 55: MAN-MADE FIBRES

550200- Artificial Filament Tow

Table 37. Bound Tariff Summary: HS Chapter 55 - Man-Made Fibres

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
550200	Artificial filament tow	<i>China</i>	35% (MFN)	69.2
"	" "	Hong Kong	0	19.7
"	" "	Korea, South	8%	5.3
"	" "	Australia	0	4.6
"	" "	<i>Vietnam</i>	<i>n.a.</i>	3.7
"	" "	Thailand	30%	2.0
"	" "	India	40%	0.7
"	" "	New Zealand	0	0.5
"	" "	Philippine	13%	3.1
"	" "	Malaysia	5%	2.6

Italics denote countries that are *not* WTO members.

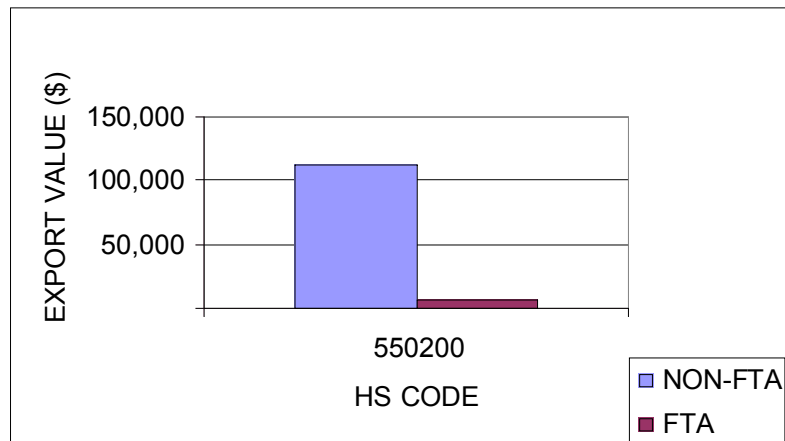
HS 550200 (Artificial filament tow) accounts for almost 100% of HS 55 non-FTA exports, and is shipped primarily to Southeast Asia. China and Hong Kong are major consumers of this product; the Republic of Korea, Australia, Vietnam, and Thailand serve as consistent secondary export markets. While Hong Kong and Australia have bound their tariffs on artificial filament tow at 0%, tariffs in China remain high, and the Republic of Korea has a bound rate of 7.5%. Alberta also exports comparatively minor amounts of artificial filament tow to a number of other Asia-Pacific countries; these countries tend to have high bound tariffs. This Chapter is certainly a candidate for tariff reduction efforts. In 1999, the export of artificial filament tow to Non-FTA nations was twice as much as that to FTA nations.

Table 38. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
550200- Artificial filament tow	115,781	102,334	185,713	125,000	112,297

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 19: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 69: CERAMIC PRODUCTS

690919- Ceramic ware for technical uses, nes

In 1999, Alberta shipped \$0.1 million of ceramic ware solely to non-FTA nations.

Table 39. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
690919- Ceramic ware for technical uses	-	53	-	1,030	109

HS CHAPTER 73: ARTICLES OF IRON AND STEEL

730429- Iron casings, tubing, etc., for drilling

730799- Fittings, pipe or tube, iron or steel

730890- Structures and parts of structures

731010- Iron or steel containers, 50L < 300L

732690- Articles of iron or steel, nes

Table 40. Bound Tariff Summary: HS Chapter 73 - Articles of Iron and Steel

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
730890	Structures and parts of structures	Japan	0	1.2
"	" "	EU	0	1.2
732690	Articles, iron or steel, nes	EU	3%	20.4
"	" "	Venezuela	40%	1.2
"	" "	Iran, Isla. Rep.	n.a.	1.6

Total annual exports of HS Chapter 73 products to non-FTA nations rose fairly steadily from some \$19 million in 1994 to \$46 million in 1998 but fell to \$30 million in 1999.

Constructive reduction efforts could be focused on those countries with a need for improved energy industry infrastructures, and thus for such products as pipelines, hydrocarbon refining facility parts, and drilling equipment. Countries, such as China and Brazil, who once imported goods of this chapter were not importers in 1999.

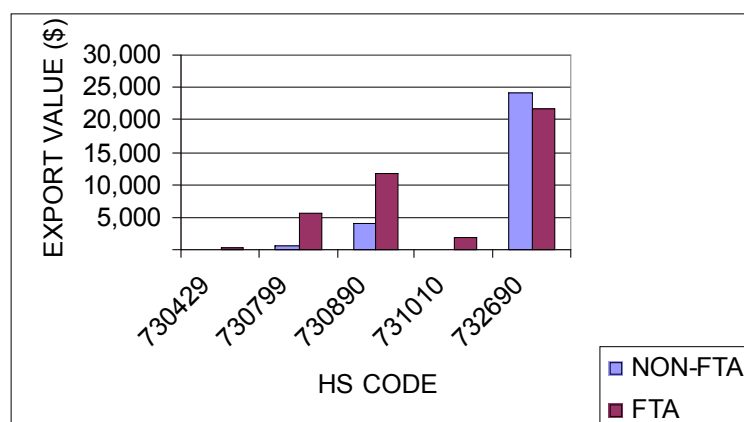
The export value of HS 732690 to Venezuela in 1999 was \$0.3 million higher than that in 1998. Venezuela's high tariff rate of 40% should be a target for tariff reduction.

Table 41: Alberta's Annual Export Values to Non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
730429- Iron casings, tubing, etc., for use in drilling	-	424	2,324	1,072	4
730799- Fittings, pipe or tube, iron or steel	1,715	3,544	1,440	1,431	740
730890- Structures and parts of structures	6,683	8,818	10,265	5,113	4,099
731010- Iron or steel containers, 50 < 300L	2	9	52	2,234	122
732690- Articles of iron and steel	9,989	16,136	26,281	31,390	23,993

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 20: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 75: NICKEL AND ARTICLES THEREOF

750210- Unwrought nickel

750300- Waste and scrap nickel

750400- Nickel powder and flakes

Table 42. Bound Tariff Summary: HS Chapter 75 - Nickel and Articles Thereof

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
750210	Nickel, unwrought, not alloyed	EU	0	154.3
"	" "	Switzerland	0.1 - 0.17 Fr/100kg	1.9
"	" "	Korea, South	5%	15.9
"	" "	Taiwan	0 (MFN)	1.2
"	" "	Japan	44 yen/kg	5.0
"	" "	Singapore	10%	1.6
			0	
750300	Nickel, waste and scrap	Japan		0.6
750400	Nickel, powder and flakes	EU	0	8.5
"	" "	Japan	41 yen/kg	1.5
"	" "	Taiwan	0 (MFN)	0.5
"	" "	China	7%	0.9
"	" "	Singapore	10%	0.5
"	" "	South Africa	5%	0.5

Italics denote countries that are *not* WTO members.

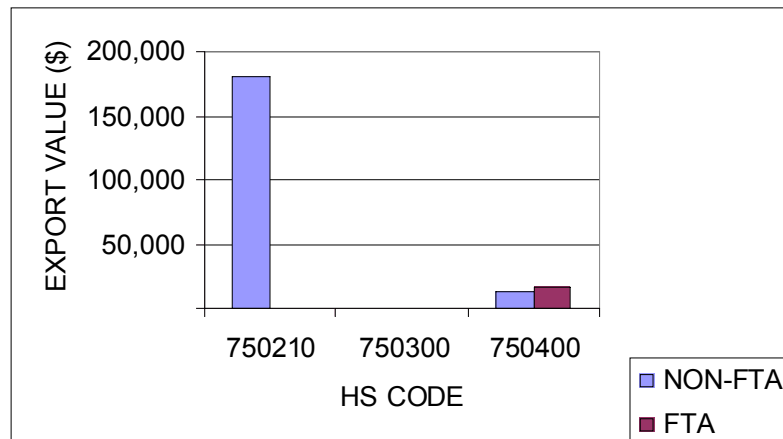
In 1999, non-FTA shipments accounted for the most of Alberta's total Nickel (HS 75) exports. The EU and Switzerland are still important importers of the goods in this chapter, however, the shipment to Switzerland dropped dramatically from \$20.4 million in 1998 to \$1.9 million in 1999. The EU's import of HS 750210 (Unwrought nickel) and HS 750400 (Nickel powder and flakes) accounted for 84% of the total export value of HS 75. On the other hand, the Republic of Korea has increased its import of HS 750210 (Nickel, unwrought, not alloyed) from \$6.7 million in 1998 to \$15.9 million in 1999. Switzerland, Japan, and the Republic of Korea all have small bound tariffs on their schedules for HS 75 products; emphasis should be placed on reducing or removing these bound tariffs.

Table 43: Alberta's Annual Export Values to Non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
750210- Nickel, unwrought, not alloyed	149,502	237,799	226,139	163,000	179,861
750300- Nickel, waste and scrap	-	94	1,656	782	553
750400- Nickel, powder and flakes	13,615	12,961	23,717	17,123	12,453

5. Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 21: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTERS 76, 81 & 82: OTHER BASE METALS AND ARTICLES THEREOF

761300- Aluminum containers for compressed or liquefied gas

810510- Cobalt, mattes, scrap, etc., unwrought

810890- Titanium and articles thereof, nes

820719- Parts for hand tools for drilling/boring

**Table 44. Bound Tariff Summary: HS Chapters 76, 81 & 82-
Other Base Metals & Articles Thereof**

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
810510	Cobalt, unwrought	EU	0	48.4
"	" "	Japan	0	50.7
"	" "	Singapore	10%	26.5
"	" "	<i>China</i>	20% (MFN)	4.2
"	" "	Hong Kong	n.a.	10.5
820719	Parts for hand tools for drilling	Cuba	n.a.	0.7

Italics denote countries that are *not* WTO members.

In 1999, total export value of these groups dropped by \$62 million owing to not only the reduced export of HS 810510 (Cobalt, unwrought) and HS 820719 (Parts for hand tools for drilling), but also to negligible exports of HS 761300 (Aluminum containers for compressed or liquefied gas) and HS 810890 (Titanium and articles thereof, nes). Alberta's cobalt metallurgical industry has grown steadily since 1993. In recent years, Singapore, China, Taiwan and the EU have increased imports dramatically. The shipment to the EU almost equals that to Japan as the top non-FTA export destination in 1999. Singapore and China are strong candidates for tariff reduction efforts.

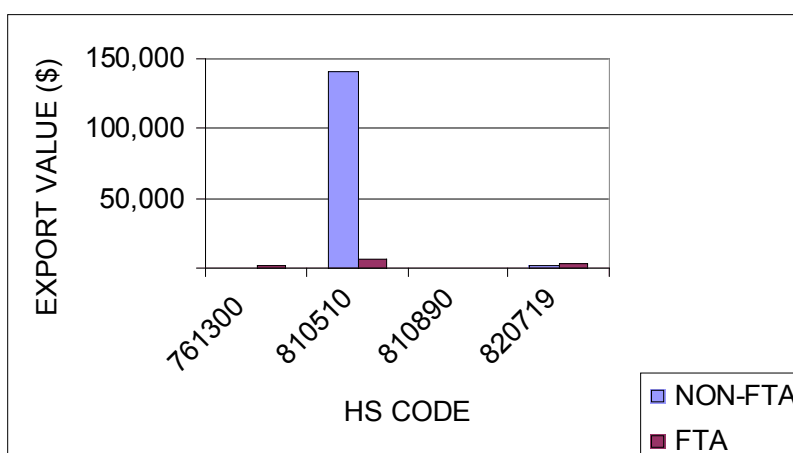
In these chapters, non-FTA nations played an important role in purchasing the exports.

Table 45. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
761300- Aluminum containers	-	-	91	1,325	105
810510- Cobalt, mattes, scrap, etc., unwrought	101,007	128,762	213,197	201,000	141,088
810890- Titanium and articles thereof, nes	227	12	26	1,210	132
820719- Parts for hand tools for drilling/boring	-	572	1,495	1,709	1,027

Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 22: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



INFORMATION TECHNOLOGY AGREEMENT - ITA

The Ministerial Declaration on Trade in Information Technology Products - ITA was conducted in Singapore, December 13, 1996. This Declaration provides for the elimination of customs duties and other duties and charges on information technology products. In general, six main categories of products are covered in the Declaration: computers, telecommunications, semiconductors, semiconductor manufacturing equipment, software, and scientific instruments.

As of March 10, 2000, the Information Technology Agreement had 36 participants, covering 52 WTO Members and States or separate customs territories in the process of accession and representing approximately 93% of world trade in information technology products.⁴ Participating countries are required to eliminate all duties on the products listed in the Annex to the Declaration by January 1, 2000, although some (i.e., developing countries) have been given a longer time period to eliminate duties.

The expansion of world trade in information technology products involves the following countries: Australia, Japan, Canada, Korea, Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, Norway, European Communities, Singapore, Hong Kong, Switzerland, Iceland, Turkey, Indonesia, and the United States.

HS chapters we studied in this report which are covered by ITA are the followings:

HS 847170, HS 847330, HS 851730, HS 851750, HS 851790, HS 851830, HS 852020, HS 852520, HS 852990, HS 902730.

⁴ WTO Committee of Participants on the Expansion of Trade in Information Technology Products, Status of Implementation, G/IT/1/Rev.13, March 14, 2000. Available on the WTO home page at: <http://www.wto.org/ddf/ep/E1/E1008e.doc>.

HS chapters we studied in this report with respect to Semiconductor manufacturing and testing equipment and parts thereof, which are covered by ITA, are as follows:

HS 841989, HS 841990, HS 847989, HS 847990

The ITA provides for the “staging” of tariff reductions in four equal rate reductions at 25% each time:

First cut July 1, 1997

Second cut January 1, 1998

Third cut January 1, 1999

Fourth cut January 1, 2000- Complete elimination of duties.

Costa Rica, Indonesia, India, Korea, Malaysia, Chinese Taipei and Thailand have been granted flexibility in cutting their tariffs on a few products to zero after the year 2000 but not beyond 2005.

HS CHAPTER 84: MACHINERY AND PARTS

840290- Parts of steam boilers, nes	842890- Lifting or loading machinery, nes
840890- Engines, diesel, nes	843041- Boring mach. - self-propelled
841111- Turbo-jets of thrust < 25 KN	843049- Boring mach. - not self-propelled
841229- Hydraulic power engines	843139- Parts of lifting/loading mach.
841290- Hydraulic/pneumatic engine parts	843143- Parts of boring/sinking mach.
841381- Other pumps for liquids	843149- Parts of cranes/construction equip.
841391- Parts of pumps for liquids	846595- Drilling or morticing machinery
841480- Air or vacuum compressors, nes	847170- Storage units for data processing machines
841780- Industrial or lab furnaces & ovens	847180- Other units of data processing machines
841869- Refrigerating & freezing equip.	847330- Parts for data processing machines
841899- Refrigerating & freezing equip. -parts	847431- Concrete or motor mixers
841939- Non-domestic, non-electric dryers, nes	847982- Mixing or crushing machines
841950- Heat exchange units, non-domestic, non-electric	847989- Machines/appliances having individual functions, nes
841989- Temperature treating equip.	847990- Parts of machines/appliances
841990- Parts of temp. treating equip.	848140- Safety or relief valves
842129- Filtering and purifying machinery	848180- Taps, cocks, valves, etc.
842139- Filtering machinery for gases	848190- Parts of taps, cocks, valves, etc
842199- Parts of filtering machinery	

Table 46: Bound Tariff Summary: HS Chapter 84 - Machinery and Parts

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
841229	Hydraulic engines and motors	Argentina	n.a.	0.5
"	" "	Columbia	n.a.	0.5
841290	Hydraulic/pneumatic engine parts	U.A.E.	15%*	2.3
"	" "	EU	0 - 2.7%	2.3
"	" "	Singapore	10%	2.2
"	" "	Venezuela	35%*	2.1
"	" "	Bolivia	n.a.	0.5
"	" "	Colombia	n.a.	0.6
"	" "	Malaysia	5%	0.5
"	" "	Norway	4%	0.5
"	" "	South Africa	15%	0.5
				(\$ millions)

Table 46: Bound Tariff Summary: HS Chapter 84 - Machinery and Parts (continued)

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
841381	Other pumps for liquids	China	35%	1.9
"	" "	EU	1.7%	0.5
"	" "	Libyan Arab. Jam.	n.a.	0.6
"	" "	Singapore	10%	1.0
"	" "	Venezuela	n.a.	1.3
841391	Parts of pumps for liquids	Venezuela	40%	1.0
"	" "	EU	1.7%	1.4
"	" "	Libyan Arab. Jam.	n.a.	0.6
"	" "	Russia	n.a.	2.1
841480	Air or vacuum compressors, nes	EU	0 - 2.2%	6.9
"	" "	Russia	n.a.	1.8
"	" "	Australia	10%	2.6
"	" "	Croatia	n.a.	3.5
"	" "	Korea, South	13%	0.5
"	" "	U.A.E.	n.a.	1.6
841869	Refrigerating & freezing equip.	EU	0 - 2.2%	0.7
841899	Parts of refrigerating & freezing equipment	EU	2%	1.0
841939	Non-domestic, non-electric dryers, nes	Iran, Isla. Rep.	n.a.	2.3
"	" "	Libyan Arab. Jam.	n.a.	0.8
841950	Heat exchange units, non-domestic, non-electric	Argentina	n.a.	1.8
"	" "	Cuba	n.a.	1.1
"	" "	Hangary	n.a.	2.0
"	" "	Iran, Isla. Rep.	n.a.	1.6

Table 46: Bound Tariff Summary: HS Chapter 84 - Machinery and Parts (continued)

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
841989	Temperature treating equipment	Argentina	n.a.	0.7
"	" "	Iran, Isla. Rep.	n.a.	2.0
841990	Parts of temp. treating equipment	Libya	n.a.	0.8
"	" "	China	35% (MFN)	0.7
"	" "	Ecuador	15%	1.1
"	" "	EU	0	1.5
"	" "	Argentina	n.a.	9.2
"	" "	Kuwait	100%	0.6
"	" "	Russia	n.a.	5.1
"	" "	Tunisia	n.a.	1.0
842129	Filtering & purifying machinery	Cuba	6%	1.4
"	" "	Kuwait	100%	0.5
"	" "	Syrian Arab. Rep.	n.a.	2.4
842199	Parts of filtering machinery	Ecuador	15%	0.7
842890	Lifting or loading machinery, nes	Australia	n.a.	2.5
843041	Boring machinery, self-propelled	Yemen	n.a.	1.6
"	" "	Venezuela	40%	0.7
"	" "	EU	0	1.3
"	" "	Ghana	n.a.	0.6
"	" "	New Zealand	23	0.5
"	" "	Singapore	0	1.0
"	" "	United Arab Emir.	10	1.6

Table 46: Bound Tariff Summary: HS Chapter 84 - Machinery and Parts (continued)

843049	Boring mach., not self-propelled	Cuba	n.a.	
"	" "	EU	0	2.8
"	" "	China	35% (MFN)	1.6
"	" "	Argentina	n.a.	3.6
"	" "	Qatar	n.a.	1.1
HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
843139	Parts of lifting/loading machinery	EU	0	1.1
"	" "	Russia	n.a.	1.5
"	" "	Singapore	0	0.5
"	" "	Malaysia	5%	0.9
"	" "	Indonesia	n.a.	0.5
843143	Parts of boring/sinking machinery	EU	0	2.3
"	" "	Singapore	0	0.6
"	" "	Cuba	0	1.3
"	" "	U.A.E.	10%	1.1
"	" "	Russia	n.a.	1.5
"	" "	Bolivia	n.a.	0.7
"	" "	Egypt	10%	0.8
"	" "	Indonesia	n.a.	2.0
"	" "	Korea, South	0	9.7
"	" "	Norway	0	0.6
"	" "	Oman (Muscat)	n.a.	1.1
"	" "	Thailand	20%	0.6
"	" "	Venezuela	n.a.	1.5
843149	Parts of cranes/construct'n equip.	EU	0	0.6
"	" "	Japan	0	0.6
847170	Storage units for automatic data processing machines	EU	0	0.5

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
847330	Parts of data processing machines	EU	2%	1.0
847989	Machines/ appliances having individual functions	<i>Iran</i>	<i>n.a.</i>	0.6
"	" "	EU	0 - 1.7%	3.8
"	" "	<i>Russia</i>	<i>n.a.</i>	0.6
"	" "	Venezuela	40%*	1.6
"	" "	<i>Libya</i>	<i>n.a.</i>	0.5
"	" "	Singapore	<i>n.a.</i>	1.1
"	" "	<i>Sudan</i>	<i>n.a.</i>	0.9
"	" "	U.A.E.	15%	1.3
"	" "	India	40%	0.6
"	" "	Argentina	<i>n.a.</i>	1.4
"	" "	China	35%	0.7
"	" "	Croatia	<i>n.a.</i>	1.8
"	" "	Ecuador	15%	2.3
847990	Parts of machines/ appliances	<i>Russia</i>	<i>n.a.</i>	1.6
"	" "	Cuba	<i>n.a.</i>	1.0
"	" "	EU	0 - 1.7%	4.0
"	" "	Singapore	<i>n.a.</i>	1.0
"	" "	Hungary	7 - 8%	0.7
"	" "	<i>Sudan</i>	<i>n.a.</i>	2.6
"	" "	<i>Libya</i>	<i>n.a.</i>	0.9
"	" "	<i>Syria</i>	10%	0.5
"	" "	Venezuela	35%*	1.3
"	" "	Azerbaijan	<i>n.a.</i>	0.7
"	" "	Ecuador	15%	2.1
"	" "	India	25%	0.9
"	" "	Iran, Isla. Rep.	<i>n.a.</i>	0.9
"	" "	Norway	4%	1.3
"	" "	Oman (Muscat)	<i>n.a.</i>	0.6
"	" "	China	35%	0.8

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
848180	Taps, cocks, valves, etc.	EU	2%	2.3
"	" "	Singapore	10%	1.8
"	" "	<i>Russia</i>	<i>n.a.</i>	3.1
"	" "	Malaysia	5 - 25%	0.6
"	" "	Indonesia	40%*	0.7
"	" "	Cuba	14%	0.5
"	" "	Australia	19%	1.4
"	" "	Norway	4%	1.1
"	" "	Oman (Muscat)	<i>n.a.</i>	0.5
"	" "	Trinidad-Tobago	50%	0.8
848190	Parts of taps, cocks, valves, etc.	EU	2%	2.4

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

The exports of Alberta with respect to HS Chapter 84 (Machinery and Parts) tend to be characterized by a large number of relatively small individual shipments to a wide variety of markets. HS 84 as a whole experienced fairly strong growth from 1995-1997 but has declined since 1997. The shipment of goods in this chapter declined by \$147 million since 1998. In 1998, exports to FTA nations exceeded that to non-FTA nations by \$79 million. The EU, Russia, Argentina, Cuba, Iran, China, Australia, Venezuela, U.A.E., Singapore, South Korea and Ecuador were the top destinations for Alberta parts and machinery, each receiving more than 6 million of the goods in this section and accounted for most of the non-FTA exports. The EU, alone, accounted for almost 40% of total non-FTA exports.

The sheer number of products and markets associated with Chapter 84 makes it difficult to choose specific priorities for tariff reduction, therefore, it is best to describe the Chapter as a whole as being a good candidate for reduction efforts. Given the EU's importance as an importer of parts and machinery, attention could also be given to reducing its marginal bound tariffs. Other countries whose bound tariffs stand out as potential targets for reduction efforts include: China, Singapore, South Korea and Australia in the Asia-Pacific; the U.A.E., and Iran in the Middle East; and Venezuela, Ecuador and Cuba in Latin America.

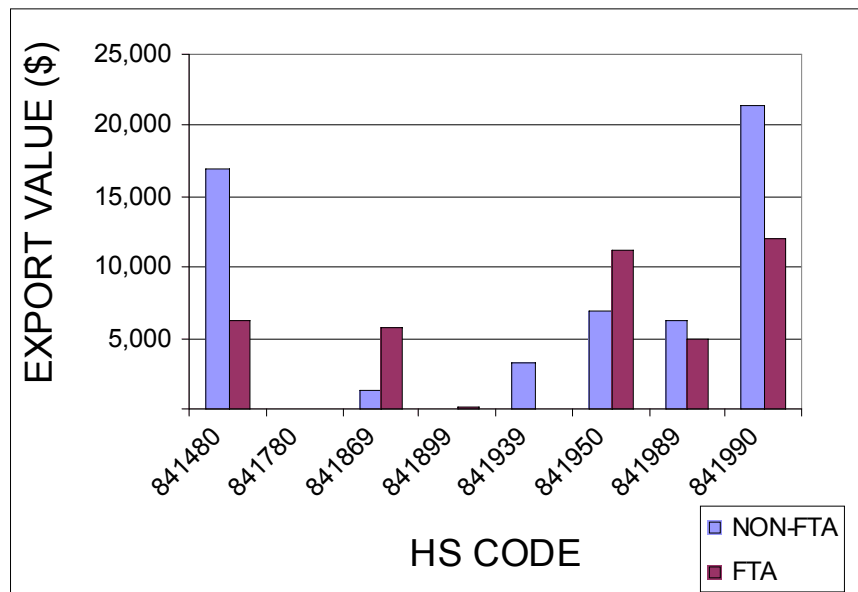
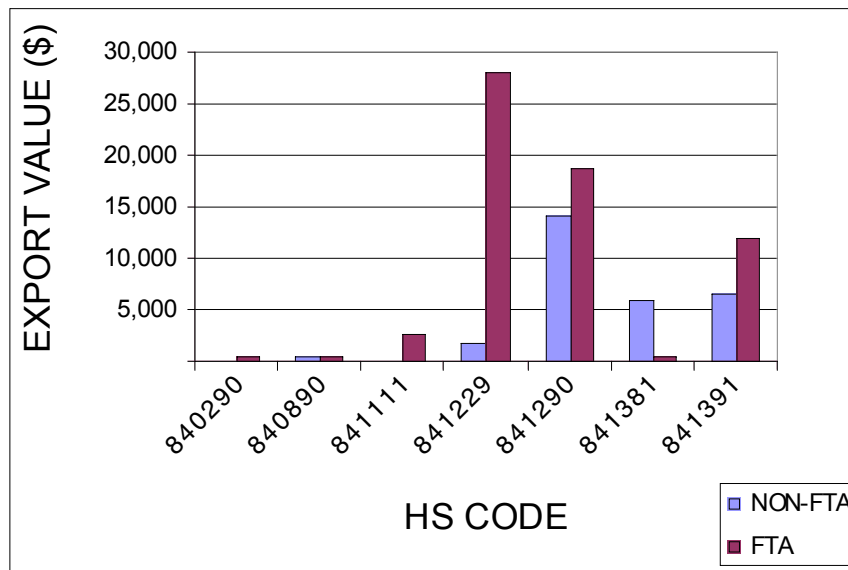
Many of Alberta's HS 84 exports are tied to resource extraction. Lowering tariffs in energy producing nations - and some of the most important are not yet WTO members - should be another general thrust of efforts related to this chapter.

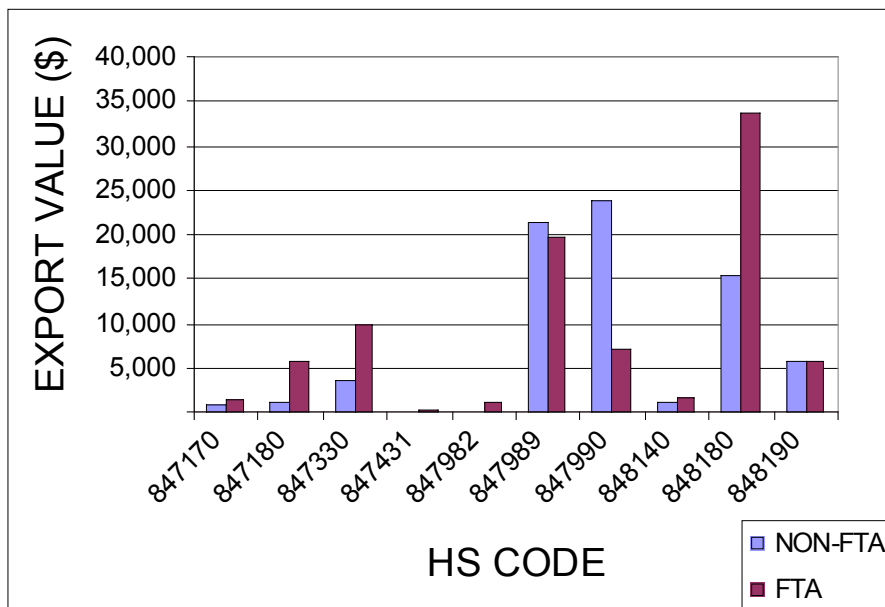
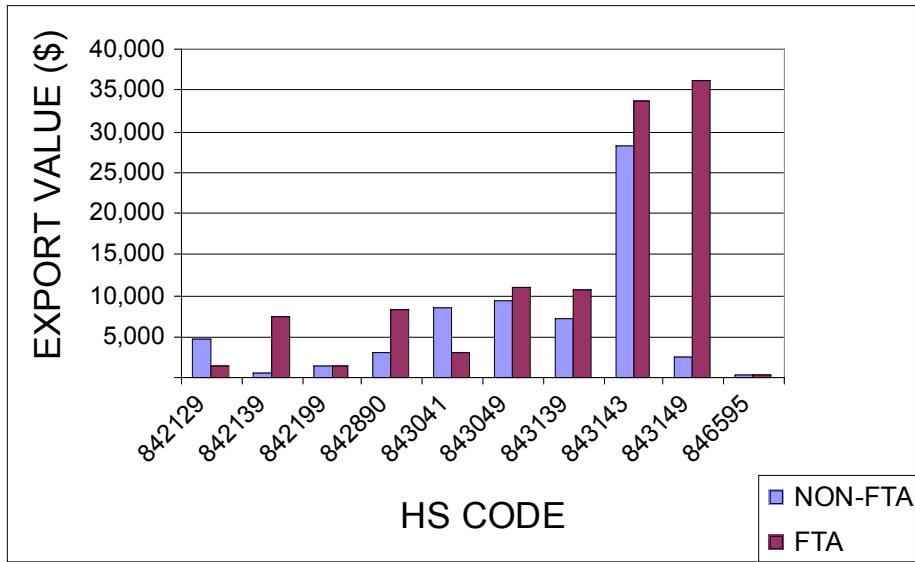
Table 47: Alberta's Annual Export Values to Non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
840290- Parts of steam-generating boilers, nes	-	170	818	1,465	55,172
840890- Engines, diesel, nes	236	139	234	1,657	428
841111- Turbo-jets of a thrust < 25 KN	1,762	-	-	708	0
841229- Hydraulic power engines & motors	2,939	7,971	5,209	5,649	1,687
841290- Parts of hydraulic & pneumatic engines	13,205	13,319	23,004	19,814	14,122
841381- Other pumps for liquids	1,527	3,021	5,345	11,055	5,827
841391- Parts of pumps for liquids	3,094	2,999	3,385	5,897	6,477
841480- Air or vacuum compressors, nes	2,507	7,074	7,181	26,961	16,972
841780- Industrial or lab furnaces & ovens	22	199	203	671	0
841869- Refrigerating and freezing equipment	153	592	3,724	1,575	1,243
841899- Parts of refrigerating & freezing equipment	30	191	6	698	67
841939- Non-domestic, non-electric dryers, nes	102	2,252	6,072	6,193	3310.818
841950- Industrial heat exchange units, non-electric	1,810	5,838	887	2,165	6,944
841989- Temperature treating equipment	8,857	8,834	1,385	15,033	6,269
841990- Parts of temperature treating equipment	5,314	11,307	6,694	36,452	21,428
842129- Filtering and purifying machinery	414	2,297	993	1,097	4,632
842139- Filtering machinery for gases	1,123	5,470	2,462	13,485	674
842199- Parts of filtering machinery	1,086	13,307	6,149	4,688	1501.645
842890- Lifting or loading machinery, nes	612	7,268	992	2,103	3,147
843041- Boring or sinking mach., self-propelled	1,425	3,998	4,590	5,019	8,469
843049- Boring/sinking mach., not self-propelled	6,871	6,504	16,065	31,308	9,406
843139- Parts of lifting/loading machinery	9,512	6,218	6,434	12,459	7,034
843143- Parts of boring or sinking machinery	18,934	17,454	26,492	42,026	28,278
843149- Parts of cranes/construction machinery	1,040	3,155	8,530	2,844	2,568
846595- Drilling or morticing machinery	-	-	-	620	202.633
847170- Storage units for data processing machines	-	471	1,299	2,239	859
847180- Other units for data processing machines	-	1,028	41	5,464	1,068
847330- Parts for data processing machines	11,133	14,518	4,765	4,397	3,450
847431- Concrete or motor mixers	-	-	-	672	80
847982- Mixing, grinding, or crushing machines	-	-	-	5,079	83.595
847989- Machines/appliances with indiv. functions	14,522	27,993	16,746	28,005	21,501
847990- Parts of machines/mechanical appliances	21,497	21,558	21,921	30,450	23,831
848140- Safety or relief valves	780206	452717	2568530	1,896	1,099
848180- Taps, cocks, valves, and similar appliances	17,081	15,296	12,316	26,954	15,471
848190- Parts of taps, cocks, valves, etc.	3,541	3,322	9,091	14,017	5,640

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 23: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)





HS CHAPTER 85: ELECTRICAL MACHINERY, EQUIPMENT AND PARTS

850300- Parts of motors, generators, etc.
 851719- Line telephony electrical apparatus
 851730- Telephonic/graphic switching equip.
 851750- Apparatus for carrier-current
 or digital line systems, nes
 851790- Parts for line telephony
 851830- Headphones, earphones, etc.
 852020- Telephone answering machines
 852520- Transmission reception apparatus

852691- Radio navigational aid apparatus
 852910- Aerials/aerial reflectors & parts
 852990- Parts for transmission apparatus
 853530- Isolating & make-and-break
 switches, > 1000 V
 853710- Boards/ control panels, < 1000 V
 853720- Boards/ control panels, > 1000 V
 854459- Electrical conductors, 80 - 1000 V

Table 48. Bound Tariff Summary: HS Chapter 85 - Electrical Machinery, Equipment and Parts

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
851719	Line telephony electrical apparatus, nes	<i>Saudi Arabia</i>	<i>n.a.</i>	3.5
"	" "	Australia	15%	7.4
"	" "	U.A.E.	15%	2.3
"	" "	<i>Russia</i>	<i>n.a.</i>	1.1
"	" "	<i>Oman (Muscat)</i>	<i>n.a.</i>	0.8
"	" "	EU	0 - 3.6%	1.3
"	" "	Turkey	14%	0.8
"	" "	Hong Kong	0	6.9
"	" "	Kenya	<i>n.a.</i>	3.6
"	" "	Kuwait	<i>n.a.</i>	0.5
"	" "	<i>Taiwan</i>	<i>n.a.</i>	11.8
851730	Telephonic switching apparatus	EU	4%	6.1
"	" "	Australia	15%	5.9
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	1.6
"	" "	<i>Taiwan</i>	7.5% (MFN)	4.0
"	" "	Hong Kong	0	2.1

Table 48. Bound Tariff Summary: HS Chapter 85 - Electrical Machinery, Equipment and Parts (continued)

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
851750	Apparatus for carrier-current or digital line systems, nes	Australia	n.a.	0.8
"	" "	Hong Kong	n.a.	1.0
"	" "	<i>Taiwan</i>	n.a.	5.0
"	" "	EU	4%	6.1
"	" "	EU	4%	6.1
851790	Parts for line telephony	EU	3%	15.5
"	" "	Australia	15%	11.3
"	" "	<i>Saudi Arabia</i>	n.a.	1.5
"	" "	Turkey	18%	1.4
"	" "	U.A.E.	15%*	1.1
"	" "	Brazil	35%	5.0
"	" "	Hong Kong	n.a.	2.1
"	" "	Singapore	10%	0.5
851830	Headphones, earphones, etc.	EU	0 - 2%	0.6
"	" "	Australia	15%	1.2
852020	Telephone answering machines	<i>Saudi Arabia</i>	n.a.	0.9
"	" "	EU	4%	0.9
"	" "	Australia	15%	0.7
"	" "	Brazil	35%	5.1
"	" "	Hong Kong	n.a.	1.0
"	" "	<i>Taiwan</i>	n.a.	1.5

Table 48. Bound Tariff Summary: HS Chapter 85 - Electrical Machinery, Equipment and Parts (continued)

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
852520	Transmission reception apparatus	<i>China</i>	9 - 35%	0.9
"	" "	EU	0 ~ 6.5%	0.8
"	" "	Australia	15%	0.9
"	" "	<i>Bahamas</i>	<i>n.a.</i>	0.5
"	" "	<i>Liberia</i>	<i>n.a.</i>	1.1
"	" "	Mali	<i>n.a.</i>	0.5
"	" "	Nigeria	<i>n.a.</i>	2.8
"	" "	Surinam	<i>n.a.</i>	1.3
"	" "	<i>Taiwan</i>	<i>n.a.</i>	0.6
852691	Radio navigational aid apparatus	Japan	0	3.1
"	" "	EU	4%	2.6
852910	Aerials/ aerial reflectors and parts	EU	0 - 5%	1.3
852990	Parts for transmission apparatus	EU	3%	1.0
"	" "	Australia	15%	1.6
"	" "	Brazil	35%	1.8
"	" "	Japan	0	0.5
853710	Boards/ control panels, < 1000 V	China	12% ~ 20%	1.6
853720	Boards/ control panels, > 1000 V	Hong Kong	<i>n.a.</i>	3.6
"	" "	EU	2%	4.9
"	" "	<i>Lithuania</i>	<i>n.a.</i>	0.7
"	" "	U.A.E.	15%	0.7
"	" "	China	12% ~ 35%	1.2
"	" "	Ecuador	15%	0.8
"	" "	India	25%	2.7
"	" "	Philippines	<i>n.a.</i>	0.5
"	" "	<i>Taiwan</i>	<i>n.a.</i>	0.8
"	" "	Thailand	<i>n.a.</i>	0.8
"	" "	Thailand	<i>n.a.</i>	0.8

*Denotes a consolidated tariff.
Italics denote countries that are *not* WTO members.

With a few minor exceptions, all of Alberta's HS 85 exports are covered under *The Ministerial Declaration on Trade in Information Technology Products* (Singapore, December 13, 1996).

Similar to HS Chapter 84, Chapter 85 exports are smaller dollar-value shipments of products to a wide variety of countries for its success. The largest export category within this Chapter is HS 8517 (Electrical apparatus for line telephony or line telegraphy, including apparatus for carrier-current line systems). In 1999, Alberta's exports of HS 851790 (Parts for line telephony) and HS 851719 (Line telephony electrical apparatus, not elsewhere specified) accounted for approximately 44% of its HS 85 non-FTA exports. The primary markets for Alberta's HS 85 products were Taiwan, Australia, and the United Kingdom, followed by Hong Kong, Saudi Arabia and Brazil. These nations, with the exception of Saudi Arabia and Brazil, are all signatories to the Information Technology Agreement. In 1999, non-FTA nations purchased only 11% of the total exports of the goods in this chapter.

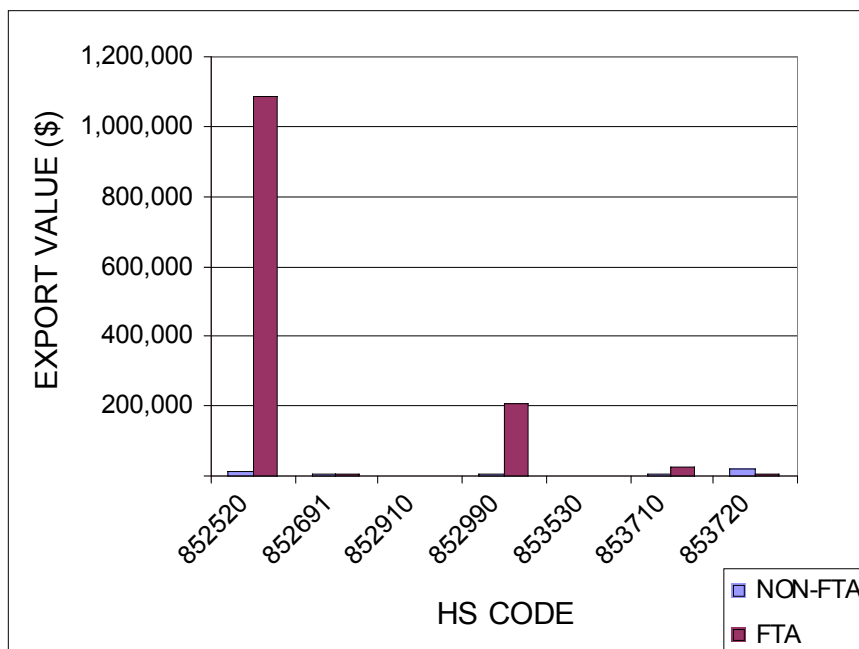
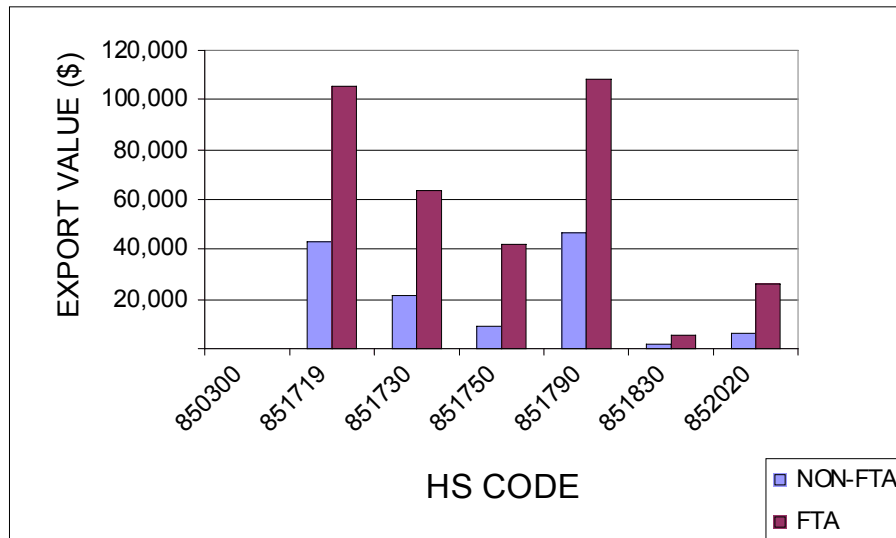
The telecommunications industry is becoming increasingly important to Alberta. For the past five years, the exports value of this chapter has been growing steadily. A necessary step in choosing tariff reduction priorities is to watch closely the current information on the precise effect of the Singapore Declaration on tariff bindings in the markets listed above. Emphasis should also be placed on encouraging more countries to sign on to the Declaration.

Table 49. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
850300- Parts of motors, generators, etc.	189	429	2,822	1,666	276
851719- Line telephony electrical apparatus, nes	-	20,823	23,229	20,137	42,572
851730- Telephonic/ telegraphic switching equip.	18,994	13,746	15,038	9,670	21,557
851750- Apparatus for carrier-current or digital line systems, nes	-	4,503	3,348	9,377	9,383
851790- Parts for line telephony	22,375	26,948	28,811	32,852	46,333
851830- Headphones, earphones, etc.	2,318	2,137	3,565	2,881	1,861
852020- Telephone answering machines	2,190	3,319	6,000	2,526	6,075
852520- Transmission reception apparatus	7,632	11,181	15,462	4,069	15,091
852691- Radio navigational aid apparatus	1,283	2,860	3,074	6,106	7,063
852910- Aerials and aerial reflectors and parts	221	386	763	1,933	2,151
852990- Parts for transmission apparatus	2,064	2,752	2,189	2,692	6,282
853530- Isolating/ make-&-break switches, >1000V	13,	-	1,133	512	62
853710- Boards and control panels, < 1000 V	750,	1,978	1,879	3,544	3,633
853720- Boards and control panels, > 1000 V	330	1,790	2,143	11,789	17,607
854459- Electrical conductors, 80 - 1000 V, nes	248	259	648	581	-

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 24: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 87: VEHICLES AND PARTS THEREOF

870324- Autos displacing > 3000 cc

870423- Diesel trucks > 20T

870520- Mobile drilling derricks

870590- Special vehicles, nes

870899- Motor vehicle parts, nes

Table 50. Bound Tariff Summary: HS Chapter 87 - Vehicles and Parts Thereof

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
870324	Autos displacing > 3000 cc	EU	10%	2.4
870424	Diesel trucks > 20T	Bolivia	<i>n.a.</i>	0.5
870590	Special vehicles, nes	<i>Croatia</i>	<i>n.a.</i>	0.5
"	" "	<i>KazakHStan</i>	<i>n.a.</i>	1.2
"	" "	<i>Oman (Muscat)</i>	<i>n.a.</i>	1.1
870899	Motor vehicle parts, nes	Australia	5% ~ 25%	0.8

Italics denote countries that are *not* WTO members.

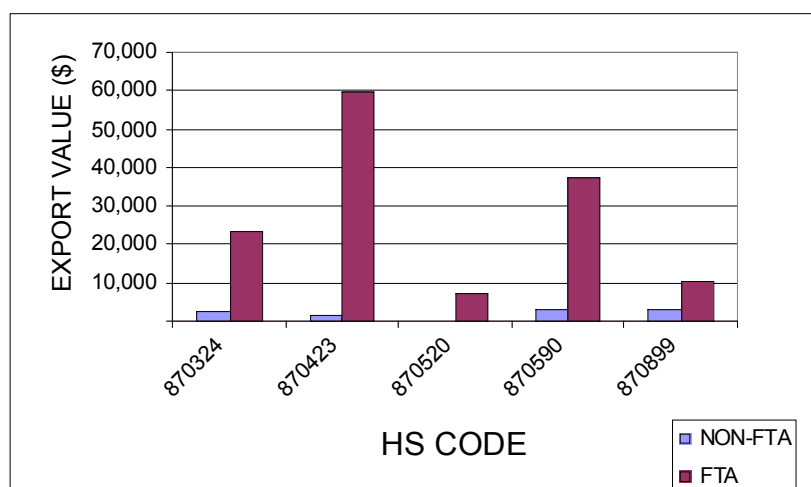
Chapter 87 is another category closely related to Alberta's resource extraction. The EU has relatively high bound tariffs in this chapter, whose import of goods of HS 87 increased from \$1.5 million in 1998 to \$2.4 million in 1999. Also, reading from below, exports to FTA nations were much greater than those to Non-FTA countries. Since 1997, the shipment of HS 87 goods to Non-FTA nations has slightly declined.

Table 51. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
870324- Autos displacing > 3000 cc	3,419	3,489	1,670	1,935	2,736
870423- Diesel trucks > 20T	211	5,268	3,362	2,815	1,757
870520- Mobile drilling derricks	4,348	4,195	4,330	758	109
870590- Special vehicles, nes	2,999	3,680	3,266	2,187	3,082
870899- Motor vehicle parts, nes	2,947	1,558	3,346	3,483	2,857

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 25: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 88: AIRCRAFT, SPACECRAFT AND PARTS

880230- Aircraft > 2000 kg

880330- Aircraft parts

Table 52. Bound Tariff Summary: HS Chapter 88 - Aircraft, Spacecraft and Parts

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
880230	Aircraft > 2000 kg	Maldives	30%	1.3
"	" "	<i>Nepal</i>	<i>n.a.</i>	2.2
880330	Aircraft parts	EU	0 - 2.7%	2.5
"	" "	Gabon	<i>n.a.</i>	0.8

Italics denote countries that are *not* WTO members.

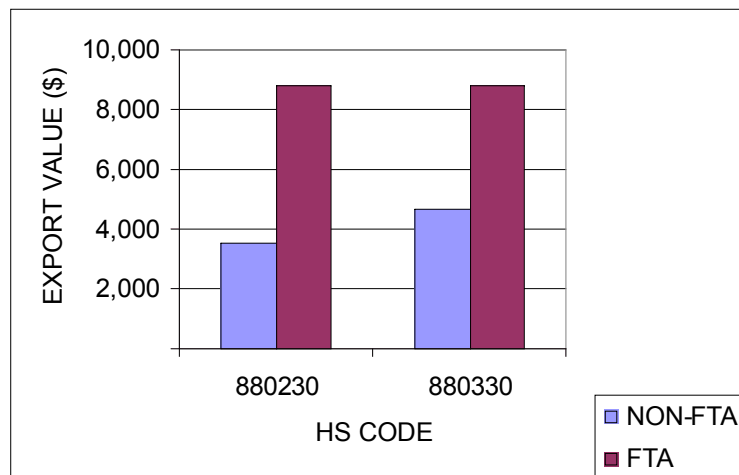
Alberta does not have a significant airline production industry for either commercial or military aircraft. Military aircraft tend to face higher tariffs than the ones listed above which apply to civilian aircraft. The aircraft exported from Alberta (HS 880230) are previously owned, although there is an extensive aircraft service capability in the Edmonton - Red Deer - Calgary corridor. Non-FTA exports springing from the production capacity of Alberta's commercial aircraft industry are listed under HS 880330 (Aircraft parts).⁵ In 1999, the exports to non-FTA nations declined by \$70 million compared with 1998.

Table 53. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
880230- Aircraft > 2000 kg	7,093	166,824	61,131	73,632	3,501
880330- Aircraft parts	5,757	5,848	3,362	4,242	4,668

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 26: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



⁵ Some services are also captured by HS Chapter 98. For example, in 1997, Colombia and Antigua-Barbuda purchased over \$4 million of "repairs" that were reported under HS 98 - Special Classification Provisions.

HS CHAPTER 90: OPTICAL, PHOTO AND PRECISION INSTRUMENTS

901580- Surveying instruments

901590- Parts of surveying instr.

902130- Artificial body parts

902710- Gas/smoke analysis appar.

902730- Spectrometers, etc.

903180- Measuring instruments

903190- Parts for measuring instr.

903289- Automatic control. instr.

Table e54. Bound Tariff Summary: HS Chapter 90 - Optical, Photo and Precision Instruments

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
901580	Surveying instruments	EU	2.7 - 3.7%	4.7
"	" "	Australia	10%	0.6
"	" "	China	20%	2.8
"	" "	Tanzania, Un. Rep	n.a.	3.5
"	" "	Trinidad-Tobago	50%	1.0
901590	Parts of surveying instruments	EU	2.7%	1.0
902130	Artificial body parts	EU	0	31.3
"	" "	Japan	0	10.3
"	" "	Switzerland	0	2.5
"	" "	Cyprus	40%	0.9
"	" "	Egypt	10%	0.6
"	" "	Australia	0	0.7
"	" "	Norway	0	1.2
"	" "	Argentina	35%*	0.8
"	" "	Brazil	35%*	0.7
"	" "	Turkey	n.a.	0.5
"	" "	Colombia	35%*	0.5
"	" "	Hong Kong	0%	3.2
"	" "	India	40%	0.6
902710	Gas/smoke analysis apparatus	EU	2.5%	1.4
"	" "	India	25%	0.5
902730	Spectrometers, etc.	EU	2.5%	1.7
"	" "	Japan	0	0.5
903180	Measuring/checking instruments	EU	0 - 4%	1.3
"	" "	<i>Russia</i>	n.a.	0.9
903289	Automatic controlling instruments	<i>Russia</i>	n.a.	0.8
"	" "	Argentina	25%	0.6
"	" "	<i>Iran</i>	n.a.	0.5
"	" "	<i>Sudan</i>	n.a.	5.9

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

Although a very large number of products are exported under HS 90, the chapter has few individual 6-digit categories with large totals. The single most dominant product is HS 902130 (Artificial body parts). The EU and Japan are the primary markets for HS 902130.

HS 901580 (Surveying instruments) is another important category. The EU, China and Tanzania are the primary markets. However, as with HS 902130, these products are also exported to a variety of smaller markets.

HS 903289(Automatic controlling instruments) increased dramatically in 1999. Sudan, with purchases worth \$5.9 million, contributed to this increase. The three main categories listed in the bound tariff summary (above) represented almost 87% of HS 90 non-FTA exports in 1999. The remainder of the non-FTA shipment values are comprised of exports from 100 categories (at the 6-digit level), most of which are characterized by a small export value and a variety of destinations.

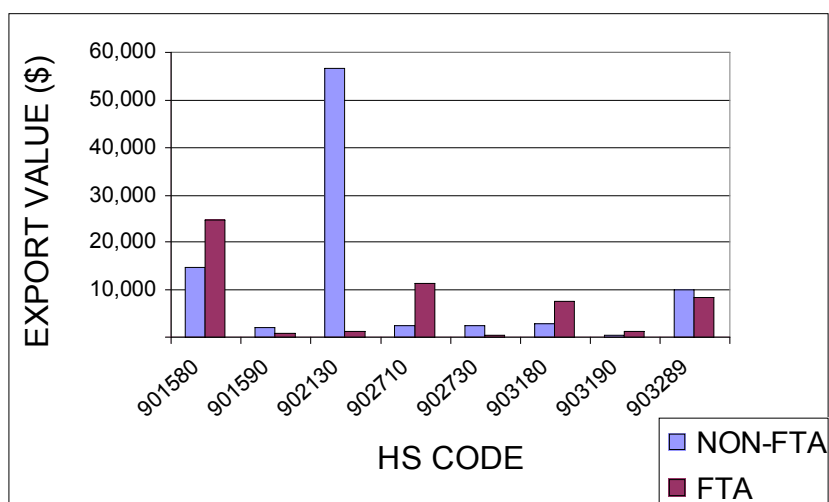
Overall, the EU and Japan accounted for 64% of HS 90 non-FTA exports in 1999. Both the EU and Japan have bound the duty on imports of HS 902130 at 0%, and have placed minimal duties on other HS 90 items. However, many smaller markets do impose tariffs. The general trend is that the highest tariff levels are found in developing countries and South America, where tariffs are often consolidated over a wide range of products. Tariff reduction in South America would be beneficial for Alberta.

Table 55: Alberta's Annual Export Values to Non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
901580- Surveying/geophysical instruments	3,789	4,529	12,084	19,663	14,787
901590- Parts of surveying instruments	940	1,721	3,258	2,876	1,909
902130- Artificial body parts	54,704	53,643	53,913	60,038	56,526
902710- Gas/smoke analysis apparatus	5,102	4,655	2,146	2,579	2,647
902730- Spectrometers, etc.	444	-	1,427	1,371	2,421
903180- Measuring/checking instruments	11,840	3,383	12,633	1,837	2,808
903190- Parts for measuring/checking instruments	2,868	1,203	627	584	459
903289- Automatic controlling instruments	620	1,042	1,582	2,162	10,137

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 27: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTER 94: FURNITURE; BEDDING; PRE-FABRICATED BUILDINGS

940310- Office furniture, metal

940330- Office furniture, wooden

940360- Furniture, wooden, nes

940600- Prefabricated buildings

Table 56. Bound Tariff Summary: HS Chapter 94 - Furniture; Bedding; Pre-Fabricated Buildings

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
940310	Office furniture, metal, nes	EU	3%	1.1
940330	Office furniture, wooden, nes	EU	3%	1.3
940360	Furniture, wooden, nes	Japan	0	0.5
"	" "	EU	0	0.7
940600	Prefabricated buildings	Japan	0	1.6
"	" "	Peru	30%	3.8
"	" "	EU	3%	3.4
"	" "	Venezuela	35%	1.2
"	" "	China	40%	1.8

Italics denote countries that are *not* WTO members.

Non-FTA exports of HS 94 depend mainly on HS 940600 (Prefabricated buildings), accounting for about 70% of the Chapter's export value in 1999. It appears that countries do lend some tariff protection to their construction industries, as bound tariffs are highest in this category (HS 940600). An effort to reduce the bound rate on Alberta's prefabricated buildings should be considered a priority.

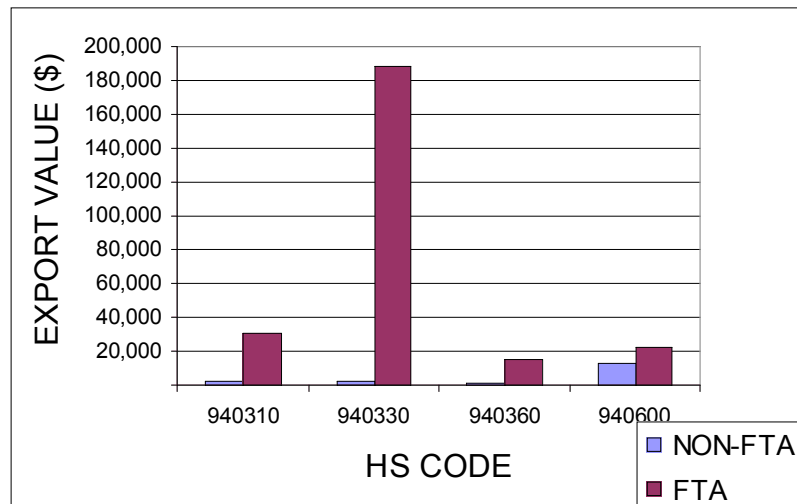
Compared to 1997 and 1996, exports of prefabricated buildings to Japan declined substantially in 1998 and slightly in 1999. FTA nations are the major market of the HS 94 chapter.

Table 57. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
940310- Office furniture, metal, nes	1,229	2,412	940	4,122	2,421
940330- Office furniture, wooden, nes	815	5,380	4,645	3,000	2,063
940360- Furniture, wooden, nes	2,057	3,489	4,179	1,494	1,439
940600- Prefabricated buildings	11,192	22,984	23,437	13,004	12,556

* Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 28: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)



HS CHAPTERS 95 & 97: TOYS AND GAMES; COLLECTORS' ITEMS

970500- Collectors' items of natural/archeological interest

Table 59. Bound Tariff Summary: HS Chapters 95 & 97 - Toys and Games; Collectors' Items

HS	Description	Market	Bound Rate	1999 Exports (\$ millions)
970500	Collectors' items of natural or archeological interest	Japan	0	1.2

The exports of HS970500 (Items of natural or archeological interest) increased 50% from \$0.8 millions in 1998 to \$1.2 millions in 1999. The HS950490 (Other coin or disc-operated games) dropped dramatically from \$0.7 million in 1998 to \$0.26 million in 1999.

Table 60. Alberta's Annual Export Values to non-FTA Nations, 1995-1999* (\$000s)

Description	1995	1996	1997	1998	1999
950490- Other coin or disc-operated games	163	204	982	700	258
970500- Items of natural or archeological interest	1,821	887	2,353	973	1,261

Excludes exports to countries with which Canada has a free trade arrangement (i.e., the U.S., Mexico, Chile and Israel).

Figure 29: Alberta's Annual Export Values to Non-FTA & FTA Nations, 1999 (\$000's)

