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**ALBERTA TARIFF REDUCTION AND ELIMINATION PRIORITIES –
1999 SUPPLEMENT**

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INTRODUCTION

This study serves as a supplement to the April 1999 report by the Western Centre for Economic Research entitled *Alberta Tariff Reduction and Elimination Priorities*, and is based on updated export data. These reports are designed to provide background information to (a) serve as a guide as to which tariffs should be Alberta's priorities for reduction or elimination in new multilateral trade negotiations, and (b) 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 -- that represent 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 (Cdn.) in shipment value to any single country in 1998.

Two standard tables appear within each section:

(a) Summary Tables of Bound Tariffs and 1998 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 1998 is also provided.

(b) Tabulations of Recent Export Values:

A second table summarizes the total annual export value of each product meeting the \$500,000 threshold for the 1994 to 1998 period. 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.

***Note:** A qualitative assessment of priorities facing Alberta's various export industries can be found in the 1998 report.

SUMMARY TABLES OF BOUND TARIFFS AND 1998 EXPORT VALUES

In the summary tables of bound tariffs:

- **"Base Rate"** refers to the tariff (usually % ad valorem) that was in place at the beginning of the Uruguay negotiations.
- **"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 received significant levels of Alberta exports in 1998, 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 "base rate" columns provide general tariff levels and 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/apec.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
- TIERS Database, Statistics Canada.
- WTO CD-ROM "The Results of the Uruguay Round," used for tariff values.
- Finger, Ingco and Reincke, *The Uruguay Round: Statistics on Tariff Concessions Given and Received*, The World Bank, 1996.
- Market Access Database, European Commission
- National Trade Databank

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, that is, 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.

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.

Alberta's agricultural exports suffered a brief decline in 1998, as a result of the Asia-Pacific economic crisis and the subsequent drop in global commodity prices. This is reflected in the current study.

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

020312- Swine hams & shoulder cuts, bone-in, fresh

020319- Swine cuts, fresh

020714- Poultry cuts & offal, frozen

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

Bound Tariff Summary: Chapter 2 - Meat and Edible Meat Offal

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
020120	Bovine cuts, bone-in, fresh or chilled	EU	20%	12.8%	1.7
020130	Bovine cuts, boneless, fresh or chilled	Japan	93%	50%	5.9
"	" "	Hong Kong		0	5.6
020220	Bovine cuts, bone-in, frozen	Korea, South	44%	40%	4.9
"	" "	Japan	93%	50%	4.8
"	" "	Taiwan	38 NT/kg / 30%	22 NT/kg / 30% (MFN)	2.2
020230	Bovine cuts, boneless, frozen	Japan	93%	50%	27.7
"	" "	Korea, South	44%	40%	6.5
"	" "	Taiwan	38 NT/kg / 30%	22 NT/kg / 30% (MFN)	1.9
020312	Swine hams/ shoulder cuts, bone-in, fresh	Japan	5 - 7.5% / 567 yen/kg	0 - 4.3% / 482 yen/kg	0.8
020319	Swine cuts, fresh or chilled, nes	Japan	5 - 7.5% / 567 yen/kg	0 - 4.3% / 482 yen/kg	6.7
020329	Swine cuts, frozen, nes	Japan	7.5% / 738 yen/kg	0 - 4.3% / 482 yen/kg	11.0
"	" "	Korea, South	37%	25%	0.5
020500	Horse meat, fresh or chilled	EU	8%	5.1%	31.4
"	" "	Japan	0	0	19.5
"	" "	Switzerland	2280 Fr /100kg	1459 Fr /100kg	10.7
"	" "	Czech Rep.	0	0	0.6
020621	Bovine tongues/ offal, frozen	Japan	15%	12.8%	16.4
020622	Bovine livers/ offal, frozen	Peru		30%	1.8
020629	Bovine edible offal, frozen, nes	Japan	15 - 93%	21 - 50%	9.7
"	" "	Hong Kong	0	0	1.9
020649	Swine edible offal, frozen, nes	Japan	5 - 10%/567 yen/kg	0 - 8.5% / 482 yen/kg	1.0
020714	Poultry cuts and offal, frozen	Cuba		40%*	0.9

*Denotes a consolidated tariff.

Italics denote countries that are not WTO members.

Alberta's meat exporters tend to 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 35-50% range by 2001. These are obvious priorities for tariff reduction. Beef shipments to the EU (specifically, France) are an interesting recent development, and 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 1998. Its bound tariffs on pork products, while less restrictive than those in place for beef imports, remain good targets for tariff reduction efforts. South Korea also imposes a high (25%) bound tariff on HS 020329 (various frozen swine cuts), and reduction of this tariff could support an expansion of Alberta exports.

European countries (particularly Belgium, Italy, France, and Switzerland) are the largest importers of Alberta horsemeat, although Japan also purchases a significant amount. While Japanese and Czech tariffs are set at 0%, the

European Union and Switzerland both have bound tariffs in place. These barriers on the sale of horsemeat should not be dismissed as unimportant -- Alberta's exports of horsemeat to non-FTA countries were more valuable, in both 1997 and 1998, than its beef exports to the same markets. Though relatively small in value, horsemeat shipments to Czech Republic are an interesting development, suggesting expanding market opportunities.

Japan is the dominant market for Alberta offal exports, with sales of the above three products along with HS 020610 (bovine edible offal, fresh or chilled)) valued at \$27.3 million in 1998, up from approximately \$21 million in 1997. Bovine offal exports of 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 0-8.5%, again, depending on the part of the animal. The complexity of the Japanese tariff schedules and annexes make it difficult to assess specific priorities.

In 1998, the shipment of chicken and capon cuts to Cuba amounted to \$900,000, which shows a significant increase over 1997's \$200,000. This category faces a bound tariff of 40%.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
020120- Bovine cuts, bone-in, fresh or chilled	623	198	1,407	1,565	2,192
020130- Bovine cuts, boneless, fresh or chilled	5,631	10,141	3,294	6,215	7,144
020220- Bovine cuts, bone-in, frozen	5,425	9,712	7,535	11,856	12,097
020230- Bovine cuts, boneless, frozen	5,896	11,970	12,608	30,624	36,709
020312- Swine hams/ shoulder cuts, bone-in, fresh	-	-	34,498	67,056	809
020319- Swine cuts, fresh or chilled, nes	6,568	5,277	6,341	21,402	6,686
020329- Swine cuts, frozen, nes	16,438	20,480	19,920	31,987	12,606
020500- Horse, ass, mule or hinny meat, fresh	37,703	44,312	47,765	59,365	62,501
020621- Bovine tongues, edible offal, frozen	3,439	11,784	15,668	9,930	16,460
020622- Bovine livers, edible offal, frozen	923	2,159	3,065	2,447	3,080
020629- Bovine edible offal, frozen, nes	6,431	9,426	10,061	8,812	12,766
020649- Swine edible offal, frozen, nes	2,606	4,542	5,295	6,674	2,029
020714- Poultry cuts and offal, frozen	-	-	-	995	1,668

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

HS CHAPTERS 4 & 5: ANIMAL/INSECT BYPRODUCTS

040900- Honey, natural

050400- Guts, bladders, and stomachs of animals

050690- Bones and horns, unworked

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
040900	Honey, natural	EU	27%	17.3%	5.0
050400	Guts, bladders, and stomachs of animals	Poland	30%	19%	1.5
"	" "	Japan	0	0	0.9
050690	Bones and horns, unworked	Japan		0	1.8
"	" "	Thailand	35%	30%	1.1

Shipments of Alberta honey to the EU remained strong in 1998, despite concerns that the European Union's sensitivities regarding genetically altered canola would affect honey-producers. Shipments of antlers and antler byproducts have also grown rapidly, more than tripling between 1996 and 1998. Exports of HS 050400 (animal guts and stomachs) also grew in 1998. There is scope for tariff reduction in all three of the above products. Unfortunately, Alberta milk powder exports, which have shown growth over the last 4 years, stumbled in 1998 and were not included in year's study.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
040900- Honey, natural	2,651	2,980	1,951	4,451	6,026
050400- Guts, bladders and stomachs of animals	269	-	-	1,853	2,827
050690- Bones and horns, degelatinised, unworked	15	-	-	1,134	3,046

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

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

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

	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
071310	Peas, dried, shelled	India	0	100%	16.5
"	" "	EU	3%	0	13.5
"	" "	Cuba	60 - 68%	40%	10.1
"	" "	Bangladesh		200%	7.6
"	" "	Japan	10%	0 - 6%	1.9
"	" "	<i>China</i>	<i>15%</i>	<i>13.5% (MFN)</i>	<i>1.3</i>
"	" "	Colombia	15 - 80%	15 - 70%	0.6
071332	Beans, small red (Adzuki)	Colombia	198%	178%	2.2
"	" "	Costa Rica	55%	45%	1.3
071333	Kidney beans & white pea beans	Brazil	55%	20 - 35%	0.6
071339	Beans dried, shelled, nes	Haiti	n.a.	n.a.	1.3
"	" "	Dominican Rep.		40%	0.8

Italics denote countries that are *not* WTO members.

The production of pulse crops in Alberta has increased from 28,000 tonnes in 1985 to 510,000 tonnes in 1998, an increase of 1,800%. The export value of Alberta's pulse crops has also grown dramatically over the last few years - more than 50% of total provincial production is exported. Shipments go to a wide range of developing countries where bound tariffs range between 13.5% and 200%, suggesting that there is great potential for these exports after further tariff reduction. In particular, 200% and 100% tariffs on peas exported to Bangladesh and India, respectively, are considered excessive.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
071310- Peas dried, shelled, whether or not split	16,054	52,537	50,813	52,143	52,709
071332- Beans, small red (Adzuki), dried, shelled	1,856	3,140	4,537	8,426	3,994
071333- Kidney beans and white pea beans, dried	1,073	1,582	257	4,207	891
071339- Beans dried, shelled, nes	-	-	-	992	4,621

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

HS CHAPTER 10: CEREAL**100110- Durum wheat****100190- Wheat, nes, and meslin****100300- Barley****100400- Oats****100830- Canary seed****Bound Tariff Summary: Chapter 10 – Cereals**

	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
100110	Durum Wheat	<i>Algeria</i>	<i>n.a.</i>	<i>n.a.</i>	67.8
"	" "	Nigeria		150%	21.8
"	" "	EU	231 ECU/T	148 ECU/T	18.5
"	" "	Mauritania	30%	15%	17.7
"	" "	Morocco	45 - 224%	34 - 170%	12.4
"	" "	Ecuador	5 - 40%	5 - 36%	9.2
"	" "	Venezuela	129%	116%	8.0
"	" "	Japan	65 yen/kg	55 yen/kg	4.8
"	" "	Peru	105%	68%	4.1
"	" "	Mozambique		100%	4.1
"	" "	Bangladesh	200%	200%	3.5
"	" "	Argentina	<i>n.a.</i>	<i>n.a.</i>	3.2
"	" "	Colombia	138%	124%	3.2
"	" "	Poland	40%	25%	2.0
"	" "	Tunisia	95%	80%	1.2
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	1.1
"	" "	Switzerland	0.6 - 87 Fr /100kg	0.5 - 74 Fr /100kg	0.7
100190	Wheat, nes, and meslin	Japan	65 yen/kg	55 yen/kg	93.0
"	" "	Indonesia	30%	27%	80.8
"	" "	<i>China</i>	<i>150%</i>	<i>114% (MFN)</i>	<i>68.5</i>
"	" "	EU	20% /149 ECU/T	12.8% /95 ECU/T	64.0
"	" "	<i>Iran</i>	<i>n.a.</i>	<i>n.a.</i>	<i>62.7</i>
"	" "	U.A.E.		15%	50.3
"	" "	Columbia	138%	124%	43.3
"	" "	Brazil	0 - 45%	0 - 55%	28.7
"	" "	Venezuela	131%	117%	27.0
"	" "	Guatemala	125%	112%	25.3
"	" "	Philippines	50%	30%	23.7
"	" "	Pakistan		150%	23.5
"	" "	Bangladesh		200%	21.2
"	" "	Malaysia	2%	0	20.2

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

Bound Tariff Summary: Chapter 10 - Cereals (continued)

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
100190	Wheat, nes, and meslin	South Africa	120%	72%	18.5
"	" "	Peru		30%	18.2
"	" "	Ecuador	5 - 40%	5 - 36%	17.1
"	" "	Nigeria		150%	13.4
"	" "	Ghana		40%	11.2
"	" "	Togo		80%	9.4
"	" "	Korea, South	9.0-11.8%	1.8 - 9.0%	9.3
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>8.9</i>
"	" "	Morocco	45 - 224%	34 - 170%	8.4
"	" "	Thailand	71%	27%	7.2
"	" "	New Zealand	0	0	5.8
"	" "	Cameroon		80%	5.8
"	" "	Turkey	200%	180%	5.6
"	" "	Greece	n.a.	n.a.	4.6
"	" "	Cuba		40%	4.1
"	" "	Sri Lanka	66%	50%	3.8
"	" "	<i>Ethiopia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.4</i>
"	" "	Senegal		30%	3.1
"	" "	Mozambique		100%*	2.5
"	" "	Kenya		100%	2.2
"	" "	Cyprus	40%	40%	2.0
"	" "	Tanzania		120%	1.8
"	" "	<i>Algeria</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.8</i>
"	" "	Cote-d'Ivoire		15%	1.8
"	" "	India	0	100%	1.7
"	" "	El Salvador	40%	40%	1.5
"	" "	Namibia	120%	72%	1.4
"	" "	Switzerland	0.6-89 Fr /100kg	0-76 Fr /100kg	1.4
"	" "	Korea, North	n.a.	n.a.	1.2
"	" "	<i>Vietnam</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.2</i>
"	" "	Bolivia		40%	1.0
"	" "	Swaziland	120%	72%	0.9
"	" "	<i>Lebanon</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.8</i>
"	" "	Malta		40%+150Lm /tonne	0.7
"	" "	Dominican R.		40%	0.6
"	" "	Egypt	5%	5%	0.5

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

Bound Tariff Summary: Chapter 10 - Cereals (continued)

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
100300	Barley	<i>China</i>	180%	114% (MFN)	31.4
"	" "	Japan	46 yen/kg	39 yen/kg	16.8
"	" "	Hong Kong	0	0	4.3
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	3.4
"	" "	Argentina		130%	0.5
100400	Oats	Japan	0 - 10%	0 - 8.5%	1.1
100830	Canary Seed	EU	22 ECU/T	14 ECU/T	1.5

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

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).

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
100110- Durum wheat	83,422	157,159	179,332	224,547	189,000
100190- Wheat, nes, and meslin	694,668	767,359	1,111,661	1,256,343	816,000
100300- Barley	106,504	107,901	256,970	205,876	56,409
100400- Oats	3,479	4,784	2,779	2,779	1,918
100830- Canary seed	1,266	798	293	2,325	1,614

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

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

Bound Tariff Summary: Chapter 11 - Milled Products

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
110100	Wheat or meslin flour	Hong Kong	0	0	1.3
110312	Oat groats and meal	Peru		30%*	0.6
"	" "	Nicaragua		40 - 60%*	0.6
110412	Oats, rolled or flaked grains	Guatemala	150%	135%	0.8
"	" "	Panama	n.a.	n.a.	0.7
110710	Malt, not roasted	Japan	25 yen/kg	21.3 yen/kg	42.4
"	" "	Brazil	10 - 60%	9 - 35%	9.7
"	" "	Korea, South	299%	269%	8.3
"	" "	South Africa	44 - 220%	33 - 99%	6.8
"	" "	Costa Rica	55%	45%*	3.8
"	" "	Philippines	30%	20%*	1.1
"	" "	Singapore	27%	10%	0.9
110720	Malt, roasted	Japan	25 yen/kg	21.3 yen/kg	0.7

*Denotes a consolidated tariff.

Malt is Alberta's top non-FTA export in HS Chapter 11, and Japan is the dominant export market. 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 in this sector.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
110100- Wheat or meslin flour	10,249	5,569	2,531	3,203	2,106
110312- Oat groats and meal	387	3,308	4,646	3,785	2,051
110412- Oats, rolled or flaked grains	714	929	1,221	1,829	2,172
110710- Malt, not roasted	37,236	62,903	85,364	82,478	74,154
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).

HS CHAPTER 12: OILSEEDS AND FORAGE PRODUCTS

120100- Soya beans

120400- Linseed 120925- Seeds, rye grass, for sowing

120500- Rape or colza seed

120750- Mustard seeds

120923- Seeds, fescue, for sowing

121410- Lucerne (alfalfa) meal/pellets

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

Bound Tariff Summary: Chapter 12 - Oilseeds and Forage Products

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
120100	Soya beans	EU	0	0	23.2
120400	Linseed	EU	0	0	4.9
"	" "	Japan	0	0	0.6
120500	Rape or colza seed	Japan	0	0	245.8
"	" "	<i>China</i>	<i>50%</i>	<i>40% (MFN)</i>	<i>160.3</i>
"	" "	Morocco	45 - 207.5%	34 - 158%	4.0
"	" "	Poland	45%	27%	1.5
"	" "	EU	0	0	0.8
"	" "	Brazil	37%	35%	0.7
120750	Mustard seeds	EU	0	0	3.9
"	" "	Japan	0	0	2.2
120923	Seeds, fescue, for sowing	EU	4 - 5%	0 - 2.5%	3.6
120925	Seeds, rye grass, for sowing	Korea, South	n.a.	n.a.	0.7
121410	Lucerne (alfalfa) meal/pellets	Japan	0	0	7.9
"	" "	<i>Taiwan</i>		<i>0 (MFN)</i>	<i>3.5</i>
"	" "	Korea, South	20%	10%	1.5
121490	Other forage (swedes, roots, etc.)	Japan	0	0	53.2
"	" "	<i>Taiwan</i>		<i>0 (MFN)</i>	<i>2.5</i>
"	" "	Korea, South	20 - 111.7%	18 - 100.5%	1.5

Italics denote countries that are *not* WTO members.

There is little doubt that Alberta's oilseed crushers and producers would gain from the elimination of tariffs. Exporters in this sector are especially vulnerable to *tariff escalation*, in which unprocessed or commodity products (e.g., the seeds identified in this chapter) face negligible tariffs, while oil and other processed products (detailed in HS Chapter 15) meet fairly high tariffs. This situation is further described in HS Chapter 15.

China received shipments of \$160.3 million of Alberta rape/colza seed in 1998, which means it represents the second largest market for seed exports. China's bound rate was set at 40% for these products - reducing this tariff should be a priority.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
120100- Soya beans	3,160	24,696	13	-	23,211
120400- Linseed, whether or not broken	11,510	10,641	10,725	15,546	5,931
120500- Rape or colza seeds, broken or not	434,195	416,519	257,596	321,114	413,000
120750- Mustard seeds, whether or not broken	17,114	6,539	6,392	10,155	6,329
120923- Seeds, fescue, for sowing	2,042	1,745	1,412	4,538	4,436
120925- Seeds, rye grass, for sowing	3	-	-	-	731
121410- Lucerne (alfalfa) meal and pellets	23,194	39,310	23,001	23,566	13,122
121490- Swedes, mangolds, roots, hay, clover	34,394	46,784	42,257	61,727	57,980

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

HS CHAPTER 15: ANIMAL/VEGETABLE FATS AND OILS

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

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
151410	Crude canola, rape, or colza oil	Korea, South	40 - 47.4%	36%	33.3
"	" "	Hong Kong	0	0	0.9
151490	Refined canola, rape, or colza oil	Japan	17.0 - 20.7 yen/kg	13.2 - 15.7 yen/kg	23.1
"	" "	Hong Kong	0%	0%	4.7
"	" "	<i>Taiwan</i>	<i>15%</i>	<i>12% (MFN)</i>	<i>1.6</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 provides a good example. It imported just over \$400 million of seeds and seed oil from Alberta in 1998; rape/colza seed (HS 120500) represented over \$245 million of these imports. 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. In 1998, only \$23 million of such products were shipped from Alberta to Japan.

Similarly, Taiwan applies no tariffs on its forage products, whereas canola oil, both crude and refined, and other seed categories face tariffs of between 9% and 17.5%.

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

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
151410- Canola, rape, colza/mustard oil, crude	11,138	32,341	9,046	38,026	34,974
151490- Canola, rape, colza/mustard oil, refined	2,532	5,786	17,113	38,705	31,496

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

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
160249	Swine meat and offal, prepared	Japan	10 - 25% / 1,218 yen/kg	8.5 - 20% / 1,035 yen/kg	1.4
190120	Mixes and dough for baking	Japan	20 - 28%	16 - 24%	0.9
190590	Other bakers' wares	Japan	15%	9%	2.0
200410	Potatoes, prepared or preserved	Japan	10 - 16%	8.5 - 13.6%	6.3
"	" "	Singapore	27%	10%	1.2
"	" "	Malaysia	5 - 30%	5 - 20%	0.9
210330	Mustard flour and meal	EU	4 - 14%	0 - 9%	1.7
"	" "	Japan	12.5 - 15%	7.5 - 9%	0.5
220830	Whiskies	South Africa	122 - 303%	67 - 121%	2.7
"	" "	EU	0.4 ECU /%/vol/hl + 3.0 ECU/hl	0.16 ECU /%/vol/hl + 1.2 ECU/hl	2.7
"	" "	Japan	24 - 28.5%	9.8 - 11.2%	0.6
230110	Flours, meals & pellets of meat	<i>Taiwan</i>	0	0	4.0
"	" "	Indonesia	80%	40%	0.9
"	" "	Thailand	40%	30%	0.7
230620	Linseed oil cake/solid residue	EU	0	0	0.5
230640	Rape or colza seed oil cake/solid residue	EU	0	0	2.1
"	" "	Japan	0	0	0.8

Italics denote countries that are *not* WTO members.

The pursuit of expanded markets for Alberta's agri-food industry has been a priority for government officials and industry over the last few years. The tariff summary, above, reflects the generally elevated tariff ranges faced by processed food exporters. Asia is clearly a priority for tariff reduction efforts.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000's)

Description	1994	1995	1996	1997	1998
160249- Swine meat & meat offal, prepared	681	1,293	5,860	1,210	1,392
190120- Mixes/dough for bakers' wares	747	553	226	1,265	921
190590- Other bakers' wares	7	5	49	18	2,024
200410- Potatoes, prepared or preserved, frozen	2,063	5,345	5,734	9,760	9,705
210330- Mustard flour and meal; prepared mustard	-	22	304	1,168	2,253
220830- Whiskies	2,776	1,754	1,602	1,607	6,059
230110- Meat flours/meals/pellets (for animals)	-	-	-	11,126	6,010
230620- Linseed oil cake/solid residue	-	-	-	363	545
230640- Rape or colza seed oil cake/solid residue	17,571	21,014	12,025	923	3,323

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

SECTION 2. TARIFF PRIORITIES - NON-AGRICULTURAL PRODUCTS

This section provides background information on the bound tariffs currently facing Alberta's non-agricultural merchandise exports in the wake of negotiations carried out 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.

Alberta's 1998 commodity exports suffered from the impact of the Asia-Pacific crisis and consequent reductions in global prices. This is reflected in the following export summaries.

HS CHAPTER 25: SULPHUR AND MAGNESIUM

250300- Sulphur of all kinds²

251990- Magnesite, fused, etc.

Bound Tariff Summary: HS Chapter 25 - Sulphur and Magnesium

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
250300	Sulphur of all kinds	Brazil	0	0	42.1
"	" "	Morocco		40%*	40.6
"	" "	South Africa	0	0	23.0
"	" "	<i>China</i>	<i>20%</i>	<i>6% (MFN)</i>	<i>15.5</i>
"	" "	Cuba	n.a.	n.a.	14.7
"	" "	Tunisia	n.a.	n.a.	10.7
"	" "	Australia	0	0	7.2
"	" "	Thailand	n.a.	n.a.	6.2
"	" "	Indonesia		40%*	5.3
"	" "	Senegal	n.a.	n.a.	4.2
"	" "	New Zealand	0	0	2.8
"	" "	Argentina		35%*	1.6
"	" "	<i>Vietnam</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.1</i>
"	" "	Philippines	10%	10%	1.0
251990	Magnesite, fused, etc.	EU	0 - 4.1%	0 - 1.7%	9.8

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

² Nomenclature changed from HS 250310.

Morocco and Brazil, the primary non-FTA markets for sulphur, consumed almost half of total HS 25 exports to non-FTA countries in 1998. 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. In contrast, Morocco's bound tariff rate is very high, at between 40% and 50%. China is also a major market for HS 250300, importing \$15.5 million in 1998 (about 6% of HS 25 exports to non-FTA markets).

Magnesia (HS 251990) comprises the remaining non-FTA exports from Chapter 25. Germany received about 70% 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

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
250300- Sulphur of all kinds	56,269	209,484	232,320	247,577	176,000
251990- Magnesia, fused, dead-burned, etc.	8,264	13,868	11,863	11,881	10,267

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

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)

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
270112	Bituminous coal	Japan	0	0	308.9
"	" "	Korea, South	10%	1%	124.8
"	" "	EU	6 DM / 1000kg	0	53.4
"	" "	Brazil	15%	15%	20.1
"	" "	<i>Taiwan</i>	<i>0</i>	<i>0</i>	<i>7.0</i>
270300	Peat	Japan	0 - 4.2%	0	2.0
270900	Petroleum oil (crude)	New Zealand	0	0	21.6
271000	Petroleum oil (refined)	Hong Kong	0	0	0.5

Italics denote countries that are *not* WTO members.

Coal continues to dominate non-FTA Chapter 27 exports. Japan, the Republic of Korea, Brazil and the EU account for almost 95% 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. As reported in last year's tariff priority study, the Brazilian bound tariff is relatively high at 15% (but well below the consolidated bound rate of 35% for most Brazilian exports), and Alberta would benefit from having this binding lowered.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
270112- Bituminous coal, pulverized or not	586,819	701,242	506,648	531,129	514,000
270300- Peat (including peat litter)	6,880	4,793	4,199	3,688	2,760
270900- Petroleum oil (crude)	-	-	-	-	21,633
271000- Petroleum oil (refined)	1,339	1,467	1,956	1,607	1,443

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

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

280300- Carbon

282540- Nickel oxides and hydroxides

282911- Sodium chlorate

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
280300	Carbon blacks	EU	0	0	19.4
"	" "	Japan	5.8%	3.9%	2.9
"	" "	<i>Taiwan</i>	<i>5%</i>	<i>3.5% (MFN)</i>	<i>1.8</i>
"	" "	Korea, South	20%	5.5%	0.8
"	" "	Brazil	70%	7 - 35%	0.7
282540	Nickel oxides and hydroxides	Hong Kong	0	0	2.4
282911	Sodium chlorate	Japan	4.8%	3.3%	2.2

Italics denote countries that are *not* WTO members.

Approximately 60% of the carbon and other chemicals shipped to non-FTA countries went to the EU in 1998. Other regular markets include Japan and its Pacific Rim neighbors. Tariffs are present in most non-European markets, and particularly high ones are found in Southeast Asian markets. These tariffs are good targets for reduction.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
280300- Carbon blacks	22,800	29,158	23,930	28,060	27,972
282540- Nickel oxides and hydroxides	6	196	364	1,813	2,790
282911- Sodium chlorate	1,832	3,065	5,084	3,079	2,746

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

HS CHAPTER 29: ORGANIC CHEMICALS**290250- Styrene 291639- Aromatic monocarboxylic acid****290511- Methanol (methyl alcohol)****293329- Heterocyclic compounds****290531- Ethylene glycol****293490- Heterocyclic compounds, nes****Bound Tariff Summary: HS Chapter 29 - Organic Chemicals**

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
290250	Styrene	Korea, South	20%	0	63.3
"	" "	<i>Taiwan</i>	<i>7.5%</i>	<i>1.25 - 2.5% (MFN)</i>	<i>24.0</i>
"	" "	Thailand	30%	30%	3.9
"	" "	<i>China</i>		<i>35%</i>	<i>3.6</i>
290511	Methanol (methyl alcohol)	Korea, South	30%	30%	1.7
290531	Ethylene glycol (ethanediol)	<i>Taiwan</i>	<i>2.5%</i>	<i>1% (MFN)</i>	<i>59.2</i>
"	" "	Indonesia		40%	34.7
"	" "	<i>China</i>	<i>30%</i>	<i>18% (MFN)</i>	<i>24.6</i>
"	" "	Korea, South	15%	5.5%	22.5
"	" "	Japan	4.2 - 12%	0 - 5.5%	7.0
"	" "	Thailand	30%	30%	6.1
"	" "	Malaysia		5%	4.0
291639	Aromatic monocarboxylic acid	EU	7.1%	6.5%	0.6
293329	Heterocyclic compounds	EU	5.5 - 8%	0 - 6.5%	6.7
293490	Heterocyclic compounds, nes	EU	5.5 - 8%	0 - 6.5%	14.3

Italics denote countries that are *not* WTO members.

HS 290250 (styrene) and HS 290531 (ethylene glycol) are Alberta's dominant organic chemical exports, constituting approximately \$253 of the \$277 million worth of exports from HS 29 shipped to non-FTA countries in 1998. The Republic of Korea, Thailand, Malaysia, Japan, China, and Indonesia have all consistently imported these chemicals, although export values decreased significantly in 1998.

Significant tariffs on styrene can be found in Thailand and China. Ethylene glycol faces bound tariffs of between 1% and 40% in Alberta's major markets. Reducing these tariffs in important markets like Indonesia, China, Korea, Thailand, and Japan should be a priority.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
290250- Styrene	220,688	194,275	168,730	145,612	94,725
290511- Methanol	45,348	29,559	36,175	25,720	1,720
290531- Ethylene glycol (ethanediol)	161,289	347,666	306,091	314,826	158,000
293329- Heterocyclic comp'ds (imidazole ring)	714	787	1,616	4,432	7,706
293490- Heterocyclic compounds, nes	128	188	46	1,126	14,513

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

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

310210- Urea

382490- Chemicals, prepared and residual

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
310210	Urea	Japan	0 - 4.2%	0	0.8
382490	Chemicals, prepared & residual	Cuba		6%	1.0
"	" "	Egypt	10%	10%	1.0
"	" "	<i>China</i>	<i>25 - 50%</i>	<i>12 - 30% (MFN)</i>	<i>0.7</i>

Italics denote countries that are *not* WTO members.

Fertilizer (HS 31) exports from Alberta to non-FTA countries have declined significantly over the last few years. Reducing tariffs in these markets is not a priority, as key countries (e.g., Japan, New Zealand, and the EU) have typically eliminated tariffs on products of relevance to Alberta. Australia remains a notable exception: it has increased the bound rate of duty on all HS 31 tariff lines to 10% from 0-2%.

Overall, Alberta's exports of highly processed petroleum products and associated additives (HS 38) also declined in value in 1998. However, the value of exports of miscellaneous prepared and residual chemicals (HS 382490) to non-FTA countries increased. Tariffs on HS 382490 in Cuba, Egypt, and China could be reduced; otherwise, this Chapter is not a priority.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
310210- Urea	30,029	33,571	30,770	11,339	774
382490- Chemicals, prepared and residual	-	-	1,016	1,656	3,060

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

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
390110	Polyethylene with s.g. < 0.94	<i>China</i>	30%		41.6
"	" "	EU	12.5%	6.5%	25.0
"	" "	Japan	28 yen/kg	13.9 yen/kg	16.1
"	" "	Australia	30%	10%	15.6
"	" "	<i>Taiwan</i>	5%	2.5% (MFN)	10.3
"	" "	Hong Kong	0	0	6.4
"	" "	New Zealand	25%	10%	4.9
"	" "	Indonesia		40%	2.7
"	" "	Malaysia	2%	30%	2.6
"	" "	Singapore	16.5%	6.5%	2.5
"	" "	Thailand	40%	30%	2.0
"	" "	Colombia		13.5%	1.5
"	" "	Costa Rica		45%	1.3
"	" "	Philippines	n.a.	n.a.	1.2
"	" "	Norway	10%	6.5%	0.9
"	" "	Egypt	30%	30%	0.5
390190	Polymers of ethylene, nes	Australia	45%	10%	1.1
"	" "	<i>China</i>	25%	22%	0.9
"	" "	Indonesia		5 – 10%	0.7
"	" "	<i>Taiwan</i>	5%	2.5%	0.6
390720	Polyethers, nes	New Zealand	20 – 25%	10 – 16%	0.7
391211	Cellulose acetates, non-plasticised	<i>China</i>	25%	18%	9.4
391721	Polyethylene pipes, hoses, etc.	Turkey		14%	2.3
391729	Plastic pipes, hoses, etc., nes	Cuba	20%	12%	0.5

Italics denote countries that are *not* WTO members.

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
392010	Polyethylene sheets, film, etc.	EU	12.5%	6.5%	4.6
"	" "	Australia	15%	10%	1.8
"	" "	New Zealand	25 - 30%	20%	1.0
"	" "	Argentina	25%	3%	0.8
"	" "	Brazil		35%	0.8
392321	Polyethylene sacks, bags, etc.	Argentina	8.4%	6.5%	2.4
"	" "	EU	8.4%	6.5%	0.6
392590	Builders' ware of plastic	EU	8.4%	6.5%	0.6
392690	Other articles of plastic, nes	Argentina	0 - 8.4%	0 - 6.5%	0.8

A variety of products are sold within HS 39, but individual export values tend to be modest and exports are scattered throughout many markets. Exports are dominated by 390110 (polyethylene with a specific gravity less than 0.94), which accounted for almost 80% of non-FTA exports in 1998 and about 20% of total HS 39 exports. HS 392010 (polyethylene sheets and film) has also been a fairly dependable source of exports, albeit on a much smaller scale. In general, however, sales of HS 39 items to non-FTA countries have declined slightly over the past few years.

There are significant bound tariffs in most of Alberta's major export markets for HS 39 products. Moreover, two of the largest markets, China and Taiwan, are not yet WTO members. Given these circumstances, emphasis on global tariff reduction, particularly for HS 390110, would be a wise strategy for Alberta.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
390110- Polyethylene with s.g. < 0.94	92,841	169,730	207,949	172,082	137,000
390190- Polymers of ethylene, nes	-	-	-	140	5,165
390720- Polyethers, nes	-	3	-	-	698
391211- Cellulose acetates, non-plasticised	6,016	-	4,801	667	9,427
391721- Polyethylene pipes, hoses, etc.	-	6	1,572	4,804	2,651
391729- Other plastic pipes, hoses, etc., nes	79	53	11	32	537
392010- Polyethylene sheets, film, etc.	5,826	8,725	8,213	5,872	10,049
392321- Polyethylene sacks, bags, etc.	2	219	210	1,758	3,184
392590- Builders' ware of plastic	711	2,096	2,850	2,364	1,056
392690- Other articles of plastic, nes	704	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).

HS CHAPTER 41: RAWHIDE AND SKINS; LEATHER

410121- Bovine hides, whole, fresh/salted

410140- Equine hides and skins

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
410121	Bovine hides, whole, fresh/salted	<i>Taiwan</i>	0	0 (MFN)	29.9
"	" "	Japan	0	0	6.4
"	" "	<i>China</i>	12%	10%	6.0
"	" "	Thailand	30%	27%	5.3
"	" "	Hong Kong	0	0	2.3
"	" "	Korea, South	10%	5%	2.2
410140	Equine hides and skins	Japan	0	0	2.3

Italics denote countries that are *not* WTO members.

Although HS 410121 (whole fresh or salted bovine hides) does not rank among Alberta's top non-FTA export products, it does sell into the important Asian market. Taiwan, Hong Kong and Japan have a bound rate of 0%. The bound rates of Thailand, China and Republic of Korea are set at 27%, 10% and 5%, respectively.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
410121- Bovine hides, whole, fresh or wet-salted	37,363	49,290	36,978	61,087	53,369
410140- Equine hides and skins, raw	1,185	1,380	1,900	2,537	2,747

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

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
440710	Lumber (softwood) > 6 mm	Japan	0 - 10%	0 - 6%	56.7
"	" "	EU	0 - 4.9%	0	1.7
"	" "	<i>Taiwan</i>	<i>0</i>	<i>0 (MFN)</i>	<i>0.7</i>
441011	Waferboard, incl. oriented s.b.	Japan	4.2 - 12%	0 - 6%	22.2
"	" "	Korea, South	n.a.	n.a.	0.8
441121	Fibreboard > 0.5g/cm ³ , unworked	Japan	6.5%	2.6%	2.3
"	" "	<i>Taiwan</i>	<i>5%</i>	<i>3% (MFN)</i>	<i>1.3</i>
"	" "	Hong Kong	0	0	0.8
"	" "	Korea, South	n.a.	n.a.	0.5

Italics denote countries that are *not* WTO members.

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 softwood lumber (HS 440710). 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.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
440710- Lumber, coniferous, > 6 mm thickness	63,596	86,248	117,362	114,491	59,279
441011- Waferboard, including oriented s.b.	-	-	34,316	31,655	23,302
441121- Fibreboard > 0.5 g/cm ³ , unworked	9,594	3,101	6,810	9,447	53,000

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

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****Bound Tariff Summary: HS Chapter 47 - Pulp of Wood or of Other Cellulosic Material**

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
470321	Chemical pulp, coniferous	Japan	2.2%	0	70.4
"	" "	EU	0	0	38.6
"	" "	<i>Taiwan</i>	<i>2.5%</i>	<i>0 (MFN)</i>	<i>11.8</i>
"	" "	Austria	3.5%	0	8.9
"	" "	Indonesia		40%	5.5
"	" "	Brazil		35%	5.0
"	" "	Malaysia	3%	5%	4.3
"	" "	Thailand		32%	3.9
"	" "	Korea, South	5%	0	3.3
"	" "	<i>China</i>	<i>2%</i>	<i>1.3% (MFN)</i>	<i>2.5</i>
"	" "	Finland	0	0	2.2
470329	Chemical pulp, non-coniferous	Japan	2.2%	0	115.8
"	" "	Korea, South	5%	0	102.3
"	" "	EU	0	0	28.4
"	" "	Austria	3.5%	0	18.1
"	" "	<i>Taiwan</i>	<i>2.5%</i>	<i>1.25% (MFN)</i>	<i>2.3</i>
"	" "	Australia	0	0	2.2
"	" "	Indonesia		40%	1.7
470500	Semi-chemical wood pulp	EU	0	0	75.4
"	" "	Japan	2.2%	0	30.5
"	" "	Indonesia		40%	21.8
"	" "	<i>China</i>	<i>2%</i>	<i>20% (MFN)</i>	<i>19.2</i>
"	" "	<i>Taiwan</i>	<i>2.5%</i>	<i>0 (MFN)</i>	<i>16.2</i>
"	" "	Korea, South	5%	0	5.6
"	" "	Switzerland	3%	1.9%	3.7
"	" "	India	25%	25%	2.5
"	" "	Brazil	35%	35%	0.9
"	" "	Venezuela	140%	40%	0.8
"	" "	Austria	3%	0	0.5
"	" "	Philippines	10%	10%	0.5

Italics denote countries that are *not* WTO members.

HS 47 consistently ranks among the top three HS Chapters when calculating the value of Alberta's non-FTA exports. HS 470329 (non-coniferous chemical pulp) dominates the category with an export value that is approximately half of the total value of all HS 47 exports to non-FTA countries (i.e., \$316 million in 1998). Japan and the EU are the two top importers of Alberta wood pulp exports, each accounting for one-third of total HS 47 exports to non-FTA countries in 1998.

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 includes Indonesia, China, and Brazil.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
470321- Chemical pulp, coniferous	124,015	208,838	147,342	151,611	156,000
470329- Chemical pulp, non-coniferous	329,245	540,801	294,985	329,890	316,000
470500- Semi-chemical wood pulp	163,597	246,287	132,478	138,785	178,000

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

HS CHAPTER 49: PRINTED MATERIALS

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

Bound Tariff Summary: HS Chapter 49 – Printed Materials

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
490199	Books, brochures, leaflets, etc.	EU	0	0	0.8

This HS Chapter is not currently a significant source of export value for Alberta, and is not a priority for tariff reduction.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
490199- Books, brochures, leaflets, etc.	687	932	958	733	1,181

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

HS CHAPTER 55: MAN-MADE FIBRES

550200- Artificial Filament Tow

Bound Tariff Summary: HS Chapter 55 - Man-Made Fibres

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
550200	Artificial filament tow	<i>China</i>	25%	35% (MFN)	76.3
"	" "	Hong Kong	0	0	28.4
"	" "	Korea, South	20%	7.5%	7.3
"	" "	Australia	2%	0	4.8
"	" "	<i>Vietnam</i>	<i>n.a.</i>	<i>n.a.</i>	3.6
"	" "	Pakistan	35%	40%	1.5
"	" "	Indonesia		40%	1.1
"	" "	Thailand	30%	30%	1.0
"	" "	India	145%	40%	1.0

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 the Pacific Rim and 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.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
550200- Artificial filament tow	99,182	115,781	102,334	185,713	125,000

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

HS CHAPTER 69: CERAMIC PRODUCTS**690919- Ceramic ware for technical uses, nes****Bound Tariff Summary: HS Chapter 69 – Ceramic Products**

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
690919	Ceramic ware for technical uses	EU	5.1%	5%	1.0

In 1998, Alberta shipped \$1 million worth of ceramic ware to EU. While removal of the EU's 5% "nuisance" tariff binding on HS 690919 would be beneficial, this HS Chapter is not, on the whole, a high priority for tariff reduction efforts.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
690919- Ceramic ware for technical uses	-	-	53	-	1,030

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
730429	Iron casings, tubing, for drilling	Venezuela		40%	0.9
730799	Fittings, pipe or tube, iron or steel	Singapore	20%	10%	0.6
730890	Structures and parts of structures	Angola		60%	1.8
"	" "	Japan	4.9%	0	0.9
731010	Iron or steel containers, 50 - 300L	Singapore	n.a.	n.a.	1.7
"	" "	Philippines	n.a.	n.a.	0.5
732690	Articles, iron or steel, nes	Brazil	35%	35%	12.5
"	" "	EU	5.3%	2.7%	8.2
"	" "	<i>China</i>	<i>20%</i>	<i>35% (MFN)</i>	<i>4.3</i>
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.0</i>
"	" "	Venezuela	140%	40%	0.9
"	" "	<i>Algeria</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.7</i>
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.7</i>
"	" "	Philippines	30%	40%	0.6
"	" "	Ecuador		25%	0.6
"	" "	Finland	15%	2.7%	0.5

Italics denote countries that are *not* WTO members.

Total annual exports of HS Chapter 73 products to non-FTA nations have risen fairly steadily from some \$19 million in 1994 to \$46 million in 1998. Many of these shipments are related to energy sector infrastructure and reflect Alberta's success in selling specialized iron and steel products to other energy producing nations. As might be expected, the bindings on these tariff items are generally quite high.

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 outside of the WTO (e.g., China) should be encouraged to initiate tariffication and to reduce trade barriers on these products.

Particular attention could be focused on reducing tariffs in Brazil and China.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
730429- Iron casings, tubing, etc., for use in drilling	-	-	424	2,324	1,072
730799- Fittings, pipe or tube, iron or steel	678	1,715	3,544	1,440	1,431
730890- Structures and parts of structures	5,182	6,683	8,818	10,265	5,113
731010- Iron or steel containers, 50 < 300L	113	2	9	52	2,234
732690- Articles of iron and steel	10,444	9,989	16,136	26,281	31,390

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

HS CHAPTER 75: NICKEL AND ARTICLES THEREOF

750210- Unwrought nickel

750300- Waste and scrap nickel

750400- Nickel powder and flakes

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
750210	Nickel, unwrought, not alloyed	EU	0	0	126.6
"	" "	Switzerland	0.1 - 0.25 Fr/100kg	0.1 - 0.17 Fr/100kg	20.4
"	" "	Korea, South	20%	5%	6.7
"	" "	<i>Taiwan</i>	<i>1.25%</i>	<i>0 (MFN)</i>	<i>4.3</i>
"	" "	Japan	4.2% / 81 yen/kg	0% / 44 yen/kg	3.1
"	" "	Singapore	20%	10%	2.2
750300	Nickel, waste and scrap	Japan	4.2	0	0.8
750400	Nickel, powder and flakes	EU	0.5%	0	11.0
"	" "	Japan	65 yen/kg	41 yen/kg	2.3
"	" "	<i>Taiwan</i>	<i>0</i>	<i>0 (MFN)</i>	<i>1.6</i>
"	" "	<i>China</i>	<i>12%</i>	<i>6.7%</i>	<i>1.0</i>

Italics denote countries that are *not* WTO members.

In 1998, non-FTA shipments accounted for the bulk of Alberta's total nickel (HS 75) exports, and the EU and Switzerland accounted for the bulk of the province's shipments to non-FTA countries. In the past few years, Switzerland has replaced Japan as the second largest non-FTA importer of nickel; the Republic of Korea has also been a growing presence. Switzerland, Japan, and the Republic of Korea all have a small bound tariffs on their schedules for HS 75 products; emphasis should be placed on reducing or removing these bound tariffs.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
750210- Nickel, unwrought, not alloyed	63,970	149,502	237,799	226,139	163,000
750300- Nickel, waste and scrap	-	-	94	1,656	782
750400- Nickel, powder and flakes	9,997	13,615	12,961	23,717	17,123

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
761300	Aluminum containers	EU	7%	6%	1.1
810510	Cobalt, unwrought	EU	0	0	77.7
"	" "	Japan	0 - 4.2%	0	61.2
"	" "	Singapore	20%	10%	44.0
"	" "	<i>China</i>	<i>9%</i>	<i>20% (MFN)</i>	<i>9.1</i>
"	" "	<i>Taiwan</i>	<i>0 - 2.5%</i>	<i>0 - 1.25% (MFN)</i>	<i>6.2</i>
"	" "	South Africa	0	5%	1.5
810890	Titanium and articles thereof, nes	Cuba	n.a.	n.a.	1.2
820719	Parts for hand tools for drilling	Cuba	n.a.	n.a.	1.0

Italics denote countries that are *not* WTO members.

Alberta's cobalt metallurgical industry has grown steadily since 1993. In recent years, Singapore, China, Taiwan and EU have increased imports dramatically, with the EU supplanting Japan as the top non-FTA export destination in 1998. Singapore and China are strong candidates for tariff reduction efforts, although the tariff bindings in Taiwan and South Africa are also worthy of attention.

The 6% binding on aluminum containers imported into the EU could also be reduced.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
761300- Aluminum containers	-	-	-	91	1,325
810510- Cobalt, mattes, scrap, etc., unwrought	79,771	101,007	128,762	213,197	201,000
810890- Titanium and articles thereof, nes	-	227	12	26	1,210
820719- Parts for hand tools for drilling/boring	-	-	572	1,495	1,709

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

HS CHAPTER 84: MACHINERY AND PARTS

840290- Parts of steam boilers, nes
840890- Engines, diesel, nes
841111- Turbo-jets of thrust < 25 KN
841229- Hydraulic power engines
841290- Hydraulic/pneumatic engine parts
841381- Other pumps for liquids
841391- Parts of pumps for liquids
841480- Air or vacuum compressors, nes machines
841780- Industrial or lab furnaces & ovens
841869- Refrigerating & freezing equip.
841899- Refrigerating & freezing equip. -parts
841939- Non-domestic, non-electric dryers, nes
841950- Heat exchange units, non-domestic, non-electric
841989- Temperature treating equip.
841990- Parts of temp. treating equip.
842129- Filtering and purifying machinery
842139- Filtering machinery for gases
842199- Parts of filtering machinery

842890- Lifting or loading machinery, nes
843041- Boring mach. - self-propelled
843049- Boring mach. - not self-propelled
843139- Parts of lifting/loading mach.
843143- Parts of boring/sinking mach.
843149- Parts of cranes/construction equip.
846595- Drilling or morticing machinery
847170- Storage units for data processing

847180- Other units of data processing machines
847330- Parts for data processing machines
847431- Concrete or motor mixers
847982- Mixing or crushing machines
847989- Machines/appliances having individual functions, nes
847990- Parts of machines/appliances
848140- Safety or relief valves
848180- Taps, cocks, valves, etc.
848190- Parts of taps, cocks, valves, etc

Bound Tariff Summary: HS Chapter 84 - Machinery and Parts

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
840290	Parts of steam or vapour generating boilers, nes	Qatar		15%	1.1
840890	Engines, diesel, nes	Australia	n.a.	n.a.	1.0
841111	Turbo-jets of a thrust < 25 KN	EU	0 - 4.4%	0 - 3.2%	0.5
841229	Hydraulic engines and motors	EU	0 - 7%	0 - 4.2%	2.2
"	" "	Norway	8.9%	4%	1.2
"	" "	Singapore	20%	10%	0.8
"	" "	<i>China</i>		35%	0.5
841290	Hydraulic/pneumatic engine parts	U.A.E.		15%*	6.3
"	" "	EU	0 - 5.5%	0 - 2.7%	5.9
"	" "	Singapore	20%	10%	2.0
"	" "	Egypt		20%	1.1
"	" "	Venezuela		35%*	0.9
"	" "	Qatar		15%*	0.8
"	" "	Colombia		35%*	0.7
"	" "	Australia	0 - 25%	0 - 15%	0.6
"	" "	<i>Saudi Arabia</i>	n.a.	n.a.	0.5

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
841381	Other pumps for liquids	<i>Oman (Muscat)</i>	<i>n.a.</i>	<i>n.a.</i>	4.8
"	" "	Kuwait		100%	2.5
"	" "	Ecuador		15%	1.1
841391	Parts of pumps for liquids	<i>Oman (Muscat)</i>	<i>n.a.</i>	<i>n.a.</i>	1.2
"	" "	Venezuela		40%	1.1
"	" "	Cuba	8%	5%	1.0
"	" "	Singapore	20%	10%	0.7
"	" "	Cyprus		40%	0.6
"	" "	<i>Albania</i>		<i>n.a.</i>	0.5
841480	Air or vacuum compressors, nes	Norway	5.1%	4%	14.2
"	" "	<i>China</i>		35%	5.9
"	" "	EU	0 - 4.4%	0 - 2.2%	3.3
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	1.2
"	" "	Australia	27.5%	10%	1.1
"	" "	Ecuador	15%	15%	0.6
841780	Industrial or lab furnaces & ovens	<i>Taiwan</i>	0	0	0.6
841869	Refrigerating & freezing equip.	EU	0 - 3.8%	0 - 2.2%	0.9
841899	Parts of refrigerating & freezing equipment	Cuba	<i>n.a.</i>	<i>n.a.</i>	0.7
841939	Non-domestic, non-electric dryers, nes	Hungary	8.9%	8.5%	5.3
841950	Heat exchange units, non-domestic, non-electric	Poland	15%	9%	1.0
841989	Temperature treating equipment	Kuwait		100%	11.7
"	" "	Qatar		15%	1.1
"	" "	Brazil	55%	35%	0.8
841990	Parts of temp. treating equipment	Poland	15%	9%	20.3
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	6.7
"	" "	<i>China</i>	20 - 80%	35% (MFN)	2.9
"	" "	<i>Kazakhstan</i>	<i>n.a.</i>	<i>n.a.</i>	2.0
"	" "	Cuba	<i>n.a.</i>	<i>n.a.</i>	1.7
"	" "	Brazil	45%	35%	0.9
"	" "	Ecuador		15%	0.7

Italics denote countries that are *not* WTO members.

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
842129	Filtering & purifying machinery	Ecuador	15%	15%	0.6
842139	Filtering machinery for gases	<i>China</i>		35%	4.2
"	" "	Cuba	10%	6%	2.9
"	" "	Korea, South	20 - 35%	0 - 16%	2.3
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	2.2
"	" "	EU	0 - 4.4%	0 - 1.7%	0.8
842199	Parts of filtering machinery	EU	4.4%	1.7%	3.0
"	" "	Venezuela		40%	1.3
842890	Lifting or loading machinery, nes	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	0.7
843041	Boring machinery, self-propelled	<i>Yemen</i>	<i>n.a.</i>	<i>n.a.</i>	1.3
"	" "	Bolivia	<i>n.a.</i>	<i>n.a.</i>	0.7
"	" "	Venezuela		40%	0.7
"	" "	EU	6.5%	0	0.7
843049	Boring mach., not self-propelled	Cuba	<i>n.a.</i>	<i>n.a.</i>	11.9
"	" "	EU	2.9%	0	6.2
"	" "	<i>Iran</i>	<i>n.a.</i>	<i>n.a.</i>	4.6
"	" "	Colombia		35%*	1.5
"	" "	Botswana		10%	1.3
"	" "	New Zealand	5 - 33.5%	0 - 23%	1.1
"	" "	<i>China</i>	20%	35% (MFN)	1.0
"	" "	Japan	4.2%	0	0.9
"	" "	Australia	22.5%	5%	0.8
843139	Parts of lifting/loading machinery	EU	4.1%	0	3.5
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	2.8
"	" "	Singapore	10%	0	1.3
"	" "	Malaysia	0	5%	0.7
843143	Parts of boring/sinking machinery	EU	2.9%	0	14.3
"	" "	<i>Iran</i>	<i>n.a.</i>	<i>n.a.</i>	4.5
"	" "	<i>Kazakhstan</i>	<i>n.a.</i>	<i>n.a.</i>	3.5
"	" "	Singapore	10%	0	3.5
"	" "	Cuba		0	3.0
"	" "	U.A.E.		10%	2.4
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	1.6
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	1.3
"	" "	Australia	15%	5%	0.8
"	" "	Pakistan	<i>n.a.</i>	<i>n.a.</i>	0.7
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	0.6

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
843149	Parts of cranes/construct'n equip.	EU	5.2%	0	0.5
846595	Drilling or morticing machinery	U.A.E.		10%	0.6
847170	Storage units for automatic data processing machines	EU	4.9%	0	2.1
847180	Other units for automatic data processing machines	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.9</i>
847330	Parts of data processing machines	EU	4.4%	1.7%	1.9
"	" "	Colombia		35%	0.5
847431	Concrete or motor mixers	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.6</i>
847982	Mixing or crushing machines	Kuwait		100%	4.8
847989	Machines/appliances having individual functions	<i>Iran</i>	<i>n.a.</i>	<i>n.a.</i>	<i>9.3</i>
"	" "	EU	0 – 4.4%	0 – 1.7%	4.1
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.7</i>
"	" "	Venezuela		40%*	1.2
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.1</i>
"	" "	Australia	2 – 49%	15%	1.1
"	" "	Singapore	<i>n.a.</i>	<i>n.a.</i>	0.9
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.9</i>
"	" "	U.A.E.		15%	0.7
"	" "	Indonesia		0 – 15%	0.6
"	" "	Cuba	<i>n.a.</i>	<i>n.a.</i>	0.5
"	" "	Japan	4.2%	0	0.5
"	" "	India	115%	40%	0.5
"	" "	<i>Taiwan</i>	<i>0 – 15%</i>	<i>0 – 12.5%</i>	<i>0.5</i>
847990	Parts of machines/appliances	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>7.2</i>
"	" "	Cuba	<i>n.a.</i>	<i>n.a.</i>	6.3
"	" "	EU	0 – 4.4%	0 – 1.7%	5.0
"	" "	Singapore	<i>n.a.</i>	<i>n.a.</i>	1.5
"	" "	Hungary	8.9 – 9.8%	7 – 8%	1.3
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.0</i>
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.0</i>

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
847990	Parts of machines/appliances	U.A.E.		15%	0.8
"	" "	Qatar		15%*	0.7
"	" "	<i>Kazakhstan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.7</i>
"	" "	<i>China</i>	<i>9 - 50%</i>	<i>20 - 40% (MFN)</i>	<i>0.6</i>
"	" "	<i>Syria</i>		<i>10%</i>	<i>0.6</i>
"	" "	Venezuela		35%*	0.5
848140	Safety or relief valves	U.A.E.		15%	0.6
848180	Taps, cocks, valves, etc.	<i>Iran</i>	<i>n.a.</i>	<i>n.a.</i>	<i>5.2</i>
"	" "	EU	4.6%	2.2%	3.7
"	" "	<i>China</i>	<i>40%</i>	<i>35%</i>	<i>3.3</i>
"	" "	Singapore	20%	10%	2.7
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.1</i>
"	" "	Turkey	25%	16.8%	1.8
"	" "	Malaysia	0 - 35%	5 - 25%	1.4
"	" "	Qatar	<i>n.a.</i>	<i>n.a.</i>	0.8
"	" "	Brazil	45 - 105%	25 - 35%	0.7
"	" "	Indonesia		40%*	0.6
"	" "	Cuba	22%	14%	0.6
848190	Parts of taps, cocks, valves, etc.	EU	4.6%	2.2%	7.9
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.0</i>
"	" "	Norway	0.45 - 6%	0 - 4%	0.6
"	" "	Singapore	20%	10%	0.5

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

This is the first year that a comprehensive tariff review has been done for Alberta's HS Chapter 84 (machinery and parts) exports. These exports tend to be characterized by a large number of relatively small individual shipments to a wide variety of markets, although HS 84 as a whole has experienced fairly strong growth over the past five years. In 1998, the EU, Cuba, Russia, Iran, Poland, China, and Norway were the top destinations for Alberta parts and machinery, receiving 60% of total non-FTA exports. (The EU, alone, accounted for almost 20% of total non-FTA exports.) Singapore, the United Arab Emirates (U.A.E.), Australia, and Qatar also imported a large variety of HS 84 products, although they did not match the overall export totals of the above-mentioned countries.

The sheer number of products and markets associated with Chapter 84 makes it difficult to choose specific priorities for tariff reduction, and it is perhaps 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, and Australia in the Asia-Pacific; Kuwait, the U.A.E., and Qatar in the Middle East; and Venezuela, Columbia, and Brazil 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.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
840290- Parts of steam-generating boilers, nes	101	-	170	818	1,465
840890- Engines, diesel, nes	110	236	139	234	1,657
841111- Turbo-jets of a thrust < 25 KN	-	1,762	-	-	708
841229- Hydraulic power engines & motors	1,055	2,939	7,971	5,209	5,649
841290- Parts of hydraulic & pneumatic engines	5,834	13,205	13,319	23,004	19,814
841381- Other pumps for liquids	13,038	1,527	3,021	5,345	11,055
841391- Parts of pumps for liquids	4,801	3,094	2,999	3,385	5,897
841480- Air or vacuum compressors, nes	5,373	2,507	7,074	7,181	26,961
841780- Industrial or lab furnaces & ovens	67	22	199	203	671
841869- Refrigerating and freezing equipment	69	153	592	3,724	1,575
841899- Parts of refrigerating & freezing equipment	-	30	191	6	698
841939- Non-domestic, non-electric dryers, nes	119	102	2,252	6,072	6,193
841950- Industrial heat exchange units, non-electric	2,651	1,810	5,838	887	2,165
841989- Temperature treating equipment	8,795	8,857	8,834	1,385	15,033
841990- Parts of temperature treating equipment	2,369	5,314	11,307	6,694	36,452
842129- Filtering and purifying machinery	1,593	414	2,297	993	1,097
842139- Filtering machinery for gases	1,121	1,123	5,470	2,462	13,485
842199- Parts of filtering machinery	1,864	1,086	13,307	6,149	4,688
842890- Lifting or loading machinery, nes	7,554	612	7,268	992	2,103
843041- Boring or sinking mach., self-propelled	1,579	1,425	3,998	4,590	5,019
843049- Boring/sinking mach., not self-propelled	9,953	6,871	6,504	16,065	31,308
843139- Parts of lifting/loading machinery	2,954	9,512	6,218	6,434	12,459
843143- Parts of boring or sinking machinery	15,933	18,934	17,454	26,492	42,026
843149- Parts of cranes/construction machinery	2,196	1,040	3,155	8,530	2,844
846595- Drilling or morticing machinery	150	-	-	-	620
847170- Storage units for data processing machines	-	-	471	1,299	2,239
847180- Other units for data processing machines	-	-	1,028	41	5,464
847330- Parts for data processing machines	11,692	11,133	14,518	4,765	4,397
847431- Concrete or motor mixers	1	-	-	-	672
847982- Mixing, grinding, or crushing machines	-	-	-	-	5,079
847989- Machines/appliances with indiv. functions	28,033	14,522	27,993	16,746	28,005
847990- Parts of machines/mechanical appliances	13,626	21,497	21,558	21,921	30,450
848140- Safety or relief valves	1,185,642	780,206	452,717	256,853	1,896
848180- Taps, cocks, valves, and similar appliances	11,267	17,081	15,296	12,316	26,954
848190- Parts of taps, cocks, valves, etc.	3,038	3,541	3,322	9,091	14,017

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

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
850300	Parts of motors, generators, and converters	Turkey	20 - 50%	13.8-31.8%	1.1
851719	Line telephony electrical apparatus, nes	<i>Taiwan</i>	10%	5%	4.2
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	2.9
"	" "	Australia	30%	15%	2.6
"	" "	U.A.E.		15%	1.5
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	1.4
"	" "	<i>Oman (Muscat)</i>	<i>n.a.</i>	<i>n.a.</i>	1.1
"	" "	EU	4.6 - 7.5%	0 - 3.6%	1.1
"	" "	Singapore	20%	10%	0.8
"	" "	Turkey	18%	13.8%	0.7
"	" "	Hong Kong	0	0	0.7
851730	Telephonic switching apparatus	EU	7.5%	3.6%	2.5
"	" "	Australia	30%	15%	1.9
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	1.4
"	" "	<i>Taiwan</i>	10%	7.5% (MFN)	1.2
851750	Apparatus for carrier-current or digital line systems, nes	Thailand	40%	30%	4.0
"	" "	EU	4.6%	3.6%	3.7

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

Bound Tariff Summary: HS Chapter 85 - Electrical Machinery and Parts (continued)

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
851790	Parts for line telephony	EU	4.6 - 7.5%	3%	15.0
"	" "	Australia	30%	15%	6.5
"	" "	<i>Taiwan</i>	<i>10%</i>	<i>1 - 5% (MFN)</i>	<i>2.4</i>
"	" "	Thailand	40%	30%	2.1
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.7</i>
"	" "	Turkey	13.8%	18%	0.7
"	" "	U.A.E.		15%*	0.7
"	" "	Morocco		40%	0.6
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.5</i>
851830	Headphones, earphones, etc.	EU	0 - 7%	0 - 2%	2.3
"	" "	Australia	30%	15%	0.7
852020	Telephone answering machines	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.6</i>
"	" "	EU	7%	4%	0.5
852520	Transmission reception apparatus	<i>China</i>		<i>9 - 35%</i>	<i>2.7</i>
"	" "	Argentina	n.a.	n.a.	0.7
852691	Radio navigational aid apparatus	Japan	0 - 5.1%	0	3.2
"	" "	EU	6.2%	3.7%	0.9
852910	Aerials/ aerial reflectors and parts	EU	0 - 7.2%	0 - 5%	1.2
852990	Parts for transmission apparatus	<i>Estonia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.6</i>
853530	Isolating/ make-and-break switches, >1000 V	Cuba	n.a.	n.a.	0.5
853710	Boards/ control panels, < 1000 V	Korea, South	n.a.	n.a.	2.1
853720	Boards/ control panels, > 1000 V	Hong Kong	n.a.	n.a.	3.9
"	" "	EU	4.1%	2.1%	2.6
"	" "	<i>Lithuania</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.5</i>
"	" "	U.A.E.		15%	1.5
"	" "	Cuba	n.a.	n.a.	0.8
"	" "	Malaysia	n.a.	n.a.	0.5
854489	Electrical conductors, 80 - 1000V	Cuba	n.a.	n.a.	0.6

*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). 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), representing approximately 93 percent 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.

As with HS Chapter 84, Chapter 85 relies upon 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 such apparatus for carrier-current line systems). In 1998, Alberta's exports of HS 851790 (parts for line telephony) and HS 851719 (line telephony electrical apparatus, not elsewhere specified) were worth \$50 million and accounted for approximately 40% of the HS 85 non-FTA exports. The United Kingdom and Australia were the primary markets for Alberta's HS 85 products, followed by Taiwan, Saudi Arabia, Thailand, and Hong Kong. These countries, with the exception of Saudi Arabia, are all signatories to the Information Technology Agreement.

The telecommunications industry is becoming increasingly important to Alberta. A necessary first step in choosing tariff reduction priorities is to gather more 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.

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>.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
850300- Parts of motors, generators, etc.	65	189	429	2,822	1,666
851719- Line telephony electrical apparatus, nes	-	-	20,823	23,229	20,137
851730- Telephonic/telegraphic switching equip.	21,501	18,994	13,746	15,038	9,670
851750- Apparatus for carrier-current or digital line systems, nes	-	-	4,503	3,348	9,377
851790- Parts for line telephony	16,462	22,375	26,948	28,811	32,852
851830- Headphones, earphones, etc.	1,001	2,318	2,137	3,565	2,881
852020- Telephone answering machines	1,639	2,190	3,319	6,000	2,526
852520- Transmission reception apparatus	2,494	7,632	11,181	15,462	4,069
852691- Radio navigational aid apparatus	1,014	1,283	2,860	3,074	6,106
852910- Aerials and aerial reflectors and parts	47	221	386	763	1,933
852990- Parts for transmission apparatus	325	2,064	2,752	2,189	2,692
853530- Isolating/ make-&-break switches, >1000V	-	13,	-	1,133	512
853710- Boards and control panels, < 1000 V	2,023	750,	1,978	1,879	3,544
853720- Boards and control panels, > 1000 V	1,637	330	1,790	2,143	11,789
854459- Electrical conductors, 80 - 1000 V, nes	1,474	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).

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

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
870324	Autos displacing > 3000 cc	EU	10%	10%	1.5
870423	Diesel trucks > 20T	Venezuela		35%*	1.4
"	" "	<i>Libya</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.7</i>
870520	Mobile drilling derricks	Peru		30%*	0.6
870590	Special vehicles, nes	Venezuela		35%*	1.5
870899	Motor vehicle parts, nes	Cuba	8%	5%	0.8

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

Chapter 87 is another category closely related to Alberta's resource extraction industries. One strong priority for tariff reduction is Venezuela. The EU and Peru also have relatively high bound tariffs.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
870324- Autos displacing > 3000 cc	1,708	3,419	3,489	1,670	1,935
870423- Diesel trucks > 20T	6,292	211	5,268	3,362	2,815
870520- Mobile drilling derricks	2,039	4,348	4,195	4,330	758
870590- Special vehicles, nes	5,768	2,999	3,680	3,266	2,187
870899- Motor vehicle parts, nes	3,734	2,947	1,558	3,346	3,483

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

HS CHAPTER 88: AIRCRAFT, SPACECRAFT AND PARTS

880230- Aircraft > 2000 kg

880330- Aircraft parts

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
880230	Aircraft > 2000 kg	EU	0 - 5.5%	0 - 2.7%	44.6
"	" "	Bangladesh		50%	17.4
"	" "	Maldives		30%	7.5
"	" "	<i>Nepal</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.2</i>
880330	Aircraft parts	EU	0 - 5%	0 - 2.7%	1.5

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 (the "parts" category)⁵.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
880230- Aircraft > 2000 kg	4,080	7,093	166,824	61,131	73,632
880330- Aircraft parts	3,803	5,757	5,848	3,362	4,242

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

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.

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
901580	Surveying instruments	EU	5.6 - 7.2%	2.7 - 3.7%	6.4
"	" "	Argentina	n.a.	n.a.	3.8
"	" "	Singapore	20%	10%	3.6
"	" "	Bolivia		40%	1.4
"	" "	Turkey	10%	8.9%	1.2
"	" "	Egypt	10%	10%	0.7
"	" "	Cuba	n.a.	n.a.	0.6
901590	Parts of surveying instruments	Poland	15%	9%	0.9
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.7</i>
902130	Artificial body parts	EU	0	0	27.4
"	" "	Japan	0	0	14.8
"	" "	Singapore	10%	0	1.8
"	" "	Sweden	0.	0	1.7
"	" "	Switzerland	0.1% / 59 Fr/100kg	0	1.5
"	" "	Cyprus		40%	1.2
"	" "	Egypt		10%	1.1
"	" "	Australia	2%	0	1.0
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.9</i>
"	" "	Norway	0	0	0.9
"	" "	Argentina		35%*	0.8
"	" "	Brazil	70%*	35%*	0.7
"	" "	Austria	5%	0	0.7
"	" "	Turkey		n.a.	0.6
"	" "	<i>Sudan</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.6</i>
"	" "	<i>Taiwan</i>	<i>0</i>	<i>0</i>	<i>0.6</i>
"	" "	Hong Kong	0	0	0.5
"	" "	Korea, South	15%*	0	0.5
"	" "	Colombia		35%*	0.5
902710	Gas/smoke analysis apparatus	EU	0 - 7.2%	0 - 4%	1.4

*Denotes a consolidated tariff.

Italics denote countries that are *not* WTO members.

Bound Tariff Summary: HS Chapter 90 - Optical, Photo & Precision Instruments (con't)

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
902730	Spectrometers, etc.	EU	7.2%	2.5%	1.3
"	" "	Australia	0 - 15%	0 - 5%	0.7
903180	Measuring/checking instruments	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.7</i>
"	" "	EU	0 - 7.2%	0 - 4%	0.7
903190	Parts for measuring instruments	Venezuela		35%	0.5
903289	Automatic controlling instruments	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.9</i>

*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 parts of the body). In 1998, it generated \$60.0 million in non-FTA exports. This represents approximately 60% of HS 90 non-FTA exports and 30% of HS 90 total exports. The EU and Japan are the primary markets for HS 902130. In 1998, they accounted for 70% of HS 902130 non-FTA exports, with the remainder shipped to over 50 countries.

HS 901580 (surveying instruments) is another important category. In 1998, it amounted to \$19.7 million, which accounted for about 20% of HS 90 non-FTA exports. The EU, Argentina and Singapore are the primary markets. However, as with HS 902130, these products are also routed to a variety of smaller markets.

Together, the categories listed in the bound tariff summary (above) represented almost 95% of HS 90 non-FTA exports in 1998, and close to half of total HS 90 exports. 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 almost a third of total HS 90 (FTA and non-FTA) exports in 1998. 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.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
901580- Surveying/geophysical instruments	4,125	3,789	4,529	12,084	19,663
901590- Parts of surveying instruments	1,394	940	1,721	3,258	2,876
902130- Artificial body parts	44,482	54,704	53,643	53,913	60,038
902710- Gas/smoke analysis apparatus	2,043	5,102	4,655	2,146	2,579
902730- Spectrometers, etc.	1,108	444	-	1,427	1,371
903180- Measuring/checking instruments	14,563	11,840	3,383	12,633	1,837
903190- Parts for measuring/checking instruments	2,325	2,868	1,203	627	584
903289- Automatic controlling instruments	1,576	620	1,042	1,582	2,162

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

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

940310- Office furniture, metal

940330- Office furniture, wooden

940360- Furniture, wooden, nes

940600- Prefabricated buildings

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
940310	Office furniture, metal, nes	EU	5.6%	2.7%	0.8
"	" "	Malaysia	55%	30%	0.7
940330	Office furniture, wooden, nes	EU	5.6%	2.7%	1.2
"	" "	Hong Kong	0	0	0.9
"	" "	Japan	4.8%	0	0.5
940360	Furniture, wooden, nes	Japan	4 - 4.8%	0	0.9
"	" "	EU	5.6%	0	0.5
940600	Prefabricated buildings	Japan	3.9%	0	3.5
"	" "	Peru		30%	2.3
"	" "	<i>Algeria</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.7</i>
"	" "	<i>Saudi Arabia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.3</i>
"	" "	EU	6%	2.7%	1.0
"	" "	Venezuela		35%	0.5
"	" "	<i>Russia</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.5</i>

Italics denote countries that are *not* WTO members.

Non-FTA exports of HS 94 depend mainly on HS 940600 (prefabricated buildings), which accounted for about 50% of the Chapter's export value in 1998. 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.

Exports of prefabricated buildings to Japan declined quite substantially in 1998, compared to 1997 and 1996. While some of this is attributable to the poor economic conditions in Japan in 1998, it is important to note that there are also substantial non-tariff barriers (e.g., restrictive certification requirements) impeding market access into Japan.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
940310- Office furniture, metal, nes	1,027	1,229	2,412	940	4,122
940330- Office furniture, wooden, nes	1,444	815	5,380	4,645	3,000
940360- Furniture, wooden, nes	1,841	2,057	3,489	4,179	1,494
940600- Prefabricated buildings	14,967	11,192	22,984	23,437	13,004

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

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

950490- Other coin or disc-operated games

970500- Collectors' items of natural/archeological interest

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

HS	Description	Market	Base Rate	Bound Rate	1998 Exports (\$ millions)
950490	Other coin/disc-operated games	EU	5.6%	0	0.7
970500	Collectors' items of natural or archeological interest	Japan	0	0	0.8

In 1998, Alberta shipped \$0.7 million worth of entertainment product to the EU, which is an interesting development.

Alberta's Annual Export Values to non-FTA Nations, 1994-1998* (\$000s)

Description	1994	1995	1996	1997	1998
950490- Other coin or disc-operated games	96	163	204	982	700
970500- Items of natural or archeological interest	2,410	1,821	887	2,353	973

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