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Introduction

U.S. trade preference programs, including the Generalized System of Preferences (GSP), the Caribbean Basin Economic Recovery Act (CBERA), the Andean Trade Preferences Act (ATPA), and the African Growth and Opportunity Act (AGOA), are designed to stimulate economic growth and alleviate poverty in developing countries by increasing exports to the U.S. market. Even as these programs have expanded in size and scope in recent years, the United States is involved in trade negotiations within the World Trade Organization (WTO) that have as one objective the significant reduction of most-favored-nation (MFN) agricultural tariff levels. Substantial MFN tariff cuts on agricultural goods would erode the margins of preference – the extent to which preferential tariffs are below the MFN tariffs – established under these programs and could have an adverse effect on developing country exports to the United States.[1]

Developing countries, in so far as their views are reflected in their submissions to the WTO and in documents prepared by the World Bank, the United Nations Conference on Trade and Development (UNCTAD), and the Food and Agricultural Organization (FAO), have viewed this erosion in margins of preference with some concern. While this erosion could lead to declines in the exports of certain products, it is also the case that many important agricultural products of interest to developing country exporters are currently either excluded from trade preference programs or their access is constrained to limited quota amounts. In addition, trade preferences are not available to all developing countries on an equal basis.

Should the multilateral negotiations result in substantial cuts in the duties levied on products currently excluded from or granted limited access under these programs, this could benefit some developing countries. In addition, developing countries currently provided limited access under these programs could enjoy extensive benefits from MFN tariff reductions. The ultimate balance between gains and losses for developing countries in the U.S. market is an empirical matter that depends largely on the current margin of preference they receive for qualified products and the depth of MFN tariff cuts applied on these products as well as on those for which they currently do not qualify for preferential access.

In this study, we analyze detailed U.S. import and tariff data to determine the extent to which beneficiary countries take advantage of and profit from U.S. nonreciprocal trade preference programs. In the post-Uruguay Round period, what proportion of U.S. agricultural imports from beneficiary countries has occurred at preferential versus MFN tariffs? How large are the margins of preference on goods imported under nonreciprocal trade preference programs and how have these margins declined as the United States implemented its tariff-cutting commitments under

[1] Under U.S. programs, beneficiaries are exempt from paying any duties on eligible imports. Thus, the margin of preference on a particular product is equal to the MFN tariff. The higher the MFN tariff, the greater the margin of preference.

the Uruguay Round? Which products are excluded under these programs and how high are the MFN duties on exempted goods? Finally, using the GTAP model, we estimate the extent to which developing country future exports to the United States may be impacted when MFN tariffs are cut.

Country and Product Coverage under U.S. Nonreciprocal Preferential Programs

The U.S. operates four nonreciprocal trade preference program, three of which are regional programs. The fourth is the GSP, which is global and the largest in terms of country eligibility. In 2003, 148 countries were eligible for tariff preferences under the GSP (Appendix table A1 shows the countries that were eligible for preferences under each of the four programs in 2003). The product coverage of the GSP program has varied over time, but relative to other U.S. preferential programs it has generally had the lowest product coverage. In August 1997, however, the GSP underwent a reform which included a significant expansion of product coverage for the Least Developed Countries (LDCs).[2] In our analysis we separate the GSP/LDC scheme from the general GSP program in order to track the trade performance of the world's poorest countries under U.S. programs. The three regional programs were implemented in 1983, through CBERA, in 1991 through ATPA, and most recently in 2000 through AGOA. Sensitive products are excluded from program coverage under all four programs. For agriculture, this includes products subject to a tariff-rate quota (TRQ) such as sugar, dairy, and peanuts, which are not eligible for duty-free access on any quantities in excess of the quota.

Table 1 gives a synopsis of the country and commodity coverage associated with each of the four programs in 2002. The overall simple average MFN bound tariff levied on agricultural products imported by the U.S. equaled 9.7 percent in 2002.[3] Contributing to the low overall MFN average is the fact that the United States already provided duty-free access on an MFN basis to 388 of the 1821 (21.3 percent) agricultural tariff-lines in its Harmonized Tariff Schedule. The GSP extended duty-free access on an additional 551 agricultural products, while the subset of 41 GSP countries that qualify for the GSP/LDC program were granted duty-free access on 603 more products. As a result of these tariff concessions, the simple tariff means that GSP and GSP/LDC countries would have faced in 2002 were 8.4 and 5.6 percent, respectively.

As of December 2002, 37 sub-Saharan African countries were eligible for tariff preferences under the AGOA. The trade preferences contained in AGOA have been notified to the WTO under the Enabling Clause as a modification to the U.S. GSP scheme. AGOA offered duty-free treatment for an additional 630 agricultural tariff lines beyond the 551 lines covered under the GSP. Most, but not all of the products accorded duty-free access under the GSP/LDC scheme are also eligible for duty-free treatment under AGOA. Because of this, AGOA countries also qualifying for GSP/LDC concessions faced a slightly lower tariff mean than those that didn't. The CBERA program extended duty-free access to 24 countries and 1203 of the 1821 tariff lines in the U.S. agricultural tariff schedule, including all GSP-eligible products. The product coverage offered to the four eligible Andean countries under ATPA is almost identical to the CBERA program save for a few exceptions (the four tariff-lines at which rum and tafia enter).

[2] The United Nations currently categorizes 49 countries as "least developed countries." In 2002, 41 of the 49 LDCs were eligible for expanded benefits under the U.S. GSP program.

[3] Agricultural product coverage is the same as that specified in Annex 1 of the WTO Agreement on Agriculture.

Under ATPA and CBERA the average tariff dropped to 5.4 percent, with duty-free access on approximately 88 percent of all tariff-lines (22 percent under MFN duty-free rates and 66 percent under each program).

In all, the four programs provided varying degrees of duty-free access to 152 eligible countries in 2003. Of course, not all beneficiary countries qualified for duty-free access on all eligible products. While imports of 872 products from countries qualifying only for GSP preferences would have been assessed a duty only 230 products from a CBERA country would have faced duties. The average rates faced on dutiable items ranged from 17.2 percent for GSP-only beneficiaries to 42.4 percent for CBERA beneficiaries. The big difference between the MFN rates on preferential goods (duty-free for beneficiaries) versus dutiable goods (those on which beneficiaries paid a duty) is an indication of how low the MFN tariffs are on the additional products qualifying for preferential access under the four programs. Of the 1,433 tariff-lines on which the MFN rate is greater than zero, 1,204 (84 percent) are found in at least one of the four nonreciprocal trade preference programs. The MFN tariffs levied on these products ranged in size from less than 1 percent to 46.8 percent in 2003. The reality, however, is that most of the products that are granted some preferential access tend to already face low MFN rates. Over 50 percent of products granted preferential access faced MFN tariffs of 5 percent or lower. And many of these tariffs are levied as in-quota rates on products facing TRQs, so they are only granted on a limited quantity of imports. Overall, the simple average of the 1204 agricultural tariffs that are granted some preferential access was only 6.5 percent. Clearly, the margin of preference on most of these products is somewhat limited. The following section will focus on the amount of trade resulting from these preferences.

And what of the 13 percent of U.S. agricultural tariffs that was not found in any of the four preferential programs? These tariffs tend to be fairly high and are generally levied on import-sensitive products. Over 80 percent of these tariff-lines represent the over-quota rates in a tariff-rate quota, and thus are precluded from eligibility for preferential treatment under the U.S. Trade Act of 1974. Over 50 percent are in excess of 20 percent, while less than 5 percent are below 5 percent. Among the agricultural products excluded from preferential coverage are many items of commercial interest to developing countries including tobacco, peanuts and peanut butter, beef, cotton, dairy products, chocolate and chocolate-containing products and sugar and sugar-containing products. Overall, MFN tariffs on these products averaged 42.7 percent in 2003. While we would caution against interpreting this figure as being indicative of the overall restrictiveness of these tariffs, since some imports do take place under the TRQs, clearly these products are subject to a level of tariff protection of a different magnitude than those products on which the United States offers preferential rates.

U.S. Agricultural Imports Under Nonreciprocal Preferential Programs

In 2003, the United States imported agricultural products worth $49.9 billion from over 200 countries spanning 1,572 of the 1,821 tariff-lines in its tariff schedule.[4] The overall share imported under nonreciprocal trade preference programs was equal to $3.87 billion, accounting for just under 8 percent of total U.S. agricultural imports and less than 30 percent of imports

[4] The tariff and trade data in this study is from the United States International Trade Commission's Interactive Tariff and Trade Dataweb (http://dataweb.usitc.gov/).

from beneficiary countries (table 2). While it is this part of U.S. trade that most interests us in this study, in trying to give an appreciation of the value of preferences we also include information on trade at MFN rates and under regional trade agreements (RTAs). This places the value of the preferences into the wider context of available forms of tariff treatment for different countries exporting agricultural goods to the United States. In addition to their exports under the nonreciprocal programs, beneficiaries exported another $9.3 billion to the U.S. at MFN rates, $6.4 billion of which came in under rates that have been bound duty-free with the WTO.

The GSP program (including trade at GSP/LDC rates) accounted for the largest proportion of nonreciprocal trade in 2003 ($1.5 billion), followed by CBERA, ATPA, and AGOA. Almost all of the beneficiaries of the three regional programs also qualify to export under GSP and in 2003 accounted for $321 million of GSP trade. Jordan, which signed a free trade agreement (FTA) with the U.S. in 2001, is also a GSP beneficiary and exported products valued at $909,000 under the program in 2003. But, the largest proportion of GSP imports came from countries whose only tariff preferences are granted through this program. In 2003, the five largest GSP beneficiaries – Brazil, Thailand, Argentina, Philippines, and Poland – shipped about $750 million of agricultural goods to the U.S., accounting for almost one-half of total GSP trade. In contrast, the 41 GSP/LDC beneficiaries only accounted for 2.1 percent of the GSP total, valued at $32 million ($20.4 million of which was within the GSP/LDC scheme). The top four products shipped under the GSP were sugar, sugar confections, food preparations, and cocoa powder.

Total U.S. agricultural imports from the 24 CBERA countries totaled $2.9 billion in 2003. Imports under CBERA preferences were valued at $1.4 billion, or 49 percent of the total. When the CBERA countries' GSP trade is included, they are the only group that exported more under preferential than MFN rates. Costa Rica was the leading beneficiary in 2003, followed by the Dominican Republic and Guatemala. The three combined accounted for over 70 percent of program imports. Imports under CBERA took place at 361 tariff-lines, but the top four products (cigars, pineapples, sugar, and cantaloupes) accounted for 46 percent of the total.

Imports from the four ATPA countries were dominated by fruits, vegetables, and horticultural products. Even though trade spanned 284 tariff-lines, the top four ATPA exports, consisting of of roses, other cut flowers, asparagus, and chrysanthemums, carnations, and orchids accounted for almost two-thirds of the total $784 million ATPA imports. Colombia was by far the largest beneficiary with over $450 million in exports.

Imports under AGOA took place at 52 tariff-lines in 2003, the most important being oranges, nuts, alcohol for nonbeverage purposes, and wine. Only $122 million in duty-free imports entered under AGOA in 2003, but this was an increase over the program's first two years of operation. Imports totaled $60 million in 2001 and $109 million in 2002. South Africa was far and away the leading exporter of agricultural goods, accounting for $104 million or 85 percent. Only 10 of the 37 countries eligible for AGOA benefits exported agricultural goods under the program in 2003. Because AGOA is an extension of the GSP, beneficiaries do not have the option to ship under either program, as is the case with most ATPA and CBERA beneficiaries. As a result, the African countries exported almost as much under GSP as under AGOA.

In addition to providing preferential tariffs under nonreciprocal programs, the United States in 2003 provided preferential tariffs under three "reciprocal" free trade agreements (FTAs), the North American Free Trade Agreement (NAFTA) and the U.S.-Israel and U.S.-Jordan FTAs. The four partners under these FTAs accounted for 36 of U.S. agricultural imports in 2003. Most of this trade (94 percent) entered duty-free, or in the case of Mexico, under preferential tariff rates that have not yet reached zero under the NAFTA tariff reduction schedule. All other countries accounted for 38 percent of U.S. imports, all of which entered at MFN rates. Just over 40 percent of this trade entered under MFN rates that have been bound at zero.

In total, 70 percent ($34.8 billion) of U.S. agricultural imports entered duty-free in 2003. About 48 percent of duty-free imports was accounted for by FTA countries, almost 30 percent came from program beneficiaries while the remainder was from non-beneficiary countries. Despite the large percentage of products accorded duty-free access under nonreciprocal programs and FTAs, the bulk of duty-free imports ($20.1 billion) came in at MFN tariff rates bound at zero. About $10.8 billion entered at duty-free rates granted under FTAs. The remaining $3.87 billion was the share under U.S. nonreciprocal programs.

Table 3 shows the top 20 program beneficiaries in 2003. In all, 101 of the 147 eligible beneficiaries exported agricultural products to the U.S. under one of the four programs in 2003 (a listing of countries and trade values is found in Appendix table A2). The top 20, however, accounted for 90 percent of the total. For most of them the export mix was fairly diverse, with 14 of the 20 shipping between 100 and 200 products to the U.S. in 2003 under these programs. Despite this, exports under nonreciprocal programs tended to be a small part of their total exports to the United States. Only seven of the top 20 (Costa Rica, the Dominican Republic, Peru, South Africa, Jamaica, Nicaragua, and El Salvador) exported more under nonreciprocal programs than at MFN rates. For the majority of beneficiaries, however, the programs do not seem to have provided the necessary incentives for diversification their exports. While 52 of the eligible countries were unable to take advantage of the programs at all in 2003, another 44 exported less than 10 products.

Table 4 displays the leading agricultural products imported under programs in 2003. There were over 1200 tariff-lines eligible for duty-free access under the four programs, but duty-free imports from beneficiaries occurred at only 648 of these lines. The most important products tended to be fruits, vegetables, horticultural products, and sugar. The top 20 accounted for 57 percent of total beneficiary trade under programs. This small subset, however, does not necessarily represent the most important products within each of the four programs, accounting for between 18 percent of total trade under AGOA and 83 percent of total ATPA trade. For example, the two most important imports under AGOA, oranges ($23.6 million) and nuts ($18.8 million), do not make the list. Appendix table A3 contains the leading products by program.

When compared with the number of tariff-lines eligible for duty-free treatment under each program, the GSP emerges as having been the most intensively utilized program. Trade occurred in 407 of the 551 GSP-eligible products. In contrast, under the GSP/LDC scheme, the U.S. imported only 17 of the 603 eligible products. The total value of these imports was $20.4 million in 2003. In addition, LDCs exported GSP/LDC eligible goods under AGOA (2 products) and CBERA (5 products). In all, the duty-free access provided under the 603 GSP/LDC tariff

lines resulted in trade of 24 products, valued at $34 million, from eight countries. Despite the incentives associated with the program, the poorest developing countries have simply not been very successful exporting agricultural goods to the U.S.

The existence of preferential tariff programs did not necessarily mean that all beneficiaries' products covered by these programs entered duty-free. In addition to their trade under nonreciprocal programs, beneficiaries exported another $107 million of goods to the U.S. in 2003, spanning 235 tariff-lines, that were actually eligible for duty-free access, but on which no preference was claimed. Instead, they paid the MFN duties, estimated at about $3 million. Included in the 235 were 31 products, valued at $16.8 million, where the entire amount of trade came in at the MFN rate. In many cases, the MFN duty was small enough (less than 5 percent) that the costs of complying with program paperwork and regulations (primarily country-of-origin rules) may well have exceeded the value of the duty. In general, the difference between the margin of preference and program-associated costs should determine the extent to which beneficiaries use the tariff preferences offered to them under U.S. programs. When the administrative costs are higher than the tariff benefit, it is more profitable for the beneficiary to pay the MFN tariff rather than try to claim the preferential rate. But, in other cases, the duty would have seemed to be large enough to have merited the cost of complying with program requirements. While we cannot know why the preferential rate was not claimed, the most logical explanation is probably because the product did not meet the country-of-origin restrictions.

The rightmost column of table 4 contains the margins of preference for each product, measured as the difference between the MFN tariff and the preferential rate. In 2003, the top 20 imports faced ad valorem rates of between approximately .1 and 41.5 percent, with the simple average being 8.8 percent. For example, eligible beneficiaries could export frozen orange juice to the U.S. duty-free, while countries facing the MFN rate would have been assessed a tariff of approximately 41.5 percent.[5] The overall average across the remaining 659 tariff-lines was considerably less at 5.7 percent.

One would expect that the higher the margin of preference, the greater the incentive to export to the U.S. and the greater the competitive advantage that beneficiaries would have over countries being assessed MFN duties. We see in table 4 that the share of U.S. imports accounted for by preferential trade under nonreciprocal programs was 46 percent for the top twenty products, which faced an average margin of preference of 8.8 percent, versus only 7.7 percent for the rest of this trade. Table 5 groups trade across the 679 tariff-lines at which preferential trade occurred in three categories. The first are all those products where the margin of preference was greater than 15 ad valorem percentage points, of which there were only 54. The market share of all trade within the four programs in these products was 30 percent. For trade in products enjoying lower margins of preference, 5-15 percentage points, the market share is less at 19 percent, as we might expect. Finally, for products with margins of preference below 5 percentage points, where we find the majority of trade lines, the market share under programs was only 12 percent.

[5] The tariff on this item was 7.85 cents per liter. Using the actual 2002 import unit value (estimated as import value of all MFN-dutiable trade divided by the quantity of U.S. MFN imports) the ad valorem equivalent was calculated to be 41.5 percent.

How do these market shares compare with trade in products where no preferential access occurred? In 2003, total U.S. imports within those 388 tariff-lines where the MFN rate was bound at zero was equal to $20.1 billion (table 2). The market share for beneficiaries was 32 percent. One might expect that beneficiaries would do better in products where they have a competitive advantage than in those where they are competing with all other countries on an equal footing. What we find, however, is that a large portion of the tariff-lines that the U.S. has bound at zero tend to be on tropical products. So, there is already a built-in bias in that portion of the U.S. MFN tariff schedule in favor of imports from beneficiaries. In the case of U.S. dutiable imports, beneficiaries accounted for 21 percent of total trade. This was less than the share found in trade where beneficiaries enjoyed margins of preference of over 15 percent, but it was higher than the share for the rest of preferential trade. While it would be overstepping to draw conclusions from this simple analysis, clearly beneficiaries are able to compete in the U.S. market even without preferences. It appears that the impact of the preferences, at least in terms of market share, is not readily apparent when the margins of preferences are relatively small (less than 15 percent).

The Effect of the Uruguay Round on Nonreciprocal Preferential Trade

The analysis of the previous section suggested a relationship between market shares and the size of the margin of preference in 2003. In this section we expand on that analysis with a focus on how trade from beneficiaries has changed in the years since the Uruguay Round. Did the MFN tariff cuts have a significant impact on beneficiary countries' trade to the U.S.? How have trade values and market shares changed between 1995, the year in which the first cuts were implemented, and 2000, the year of the last cut, and what is the relationship between these and the depth of the MFN tariff cut.

Figure 1 shows trade under nonreciprocal programs since 1989. In general, the value of program trade has trended upward during this period. After four years of increases there was a decline in 1994, largely due to Mexico being graduated out of GSP on the formation of NAFTA. In the following year, the first year in which tariffs were cut under the Uruguay Round, growth was stagnant. Two things occurred in 1995 that would have impacted this trade in opposite directions. First, among the tariff-lines that the U.S. cut to zero under the Uruguay Round were 29 lines where the entire reduction was implemented in the first year of the agreement rather than spread out over the 6-year implementation period. So, about $90 million in trade went from having been subject to preferential tariffs under nonreciprocal programs in 1994 to being subject to MFN duty-free status in 1995.

At the same time, however, some trade under the Uruguay Round was opened up under newly created tariff-rate quotas (TRQs). In 1995, the U.S. imported $109 million from beneficiaries under GSP, ATPA, and CBERA (neither AGOA nor GSP/LDC were active) across 29 within-quota tariff-lines. Its hard to know exactly how much of the trade in these products was new and how much was already taking place prior to 1995, since the HS nomenclature for many of these products changed after the Uruguay Round. We do know, however, that most of the trade came in under "current access" TRQs rather than "minimum access" TRQs. Current access quotas were to have been no less than the actual quantity imported during the base period (1986-88) on terms at least equivalent to those existing before tariffication. Our estimates are that very little

additional trade within nonreciprocal programs took place in goods subject to TRQs in 1995. The net result is that the changes under the Uruguay Round probably resulted in a small decrease in nonreciprocal beneficiary trade in 1995, which is what we see in figure 1.

What of the longer-term impacts of MFN tariff reductions under the Uruguay Round? How did the erosion of preference margins as the result of negotiated reductions in MFN tariffs impact beneficiary exports? Matching trade performance to tariff cuts is not an easy task for a number of reasons. Tariff-lines eligible for duty-free access under nonreciprocal programs have changed somewhat, as has the list of countries eligible for these programs. The biggest change was the 1997 extension of commodity coverage within the GSP for the LDCs. Agricultural imports from LDCs under GSP increased from $22.5 million in 1996 to $55.6 million in 1997.

During the Uruguay Round implementation period, some countries have been "graduated" from the GSP while others have been ruled ineligible to receive preferences on selected products as a result of exceeding the GSP's "competitive need limits" (CNL). When a country reaches the World Bank's "high income" country category, it is graduated (automatically removed) from the GSP. CNLs are a safeguard mechanism within the GSP intended to prevent the extension of preferential treatment to countries that are considered competitive in the production of an item. Ceilings are set for each product and country based on both the percent of total U.S. imports of individual goods and on maximum dollar amounts. With certain qualifications, a country automatically loses its eligibility for a given product the year following that in which the ceiling is passed. Both of these criteria have to be accounted for.

In addition, there is the problem of how best to match the performance of trade to the deterioration in the margin of preference. In the end, we decided that the most appropriate measure was to match trade performance with the amount of ad valorem percentage points cut from the margin of preference. When a tariff-line was cut from 20 percent to 10 percent, beneficiaries would have lost 10 percentage points in their margin of preference. This provides a better indicator of the deterioration in the margin of preference than the depth of tariff cut. The only problem was that when calculating *ad valorem* equivalents for *non-ad valorem* tariffs, we sometimes found that the cut in ad valorem percentage points was negative. As a result, the results contained in table 6 are limited to comparing preferential trade at that subset of tariffs that were bound in *ad valorem* form.

The salient feature of table 6 is that while the value of preferential trade under nonreciprocal programs increased during the Uruguay Round implementation period, it declined as a proportion of total U.S. imports. Preferential trade (at *ad valorem* rates) increased from $1.1 billion in 1995 to 1.4 billion in 2000. The market share, however, steadily declined from 26.6 percent to 20.8 percent. Clearly, cutting MFN rates had an impact on this trade, although it is veiled by the fact that overall trade increased during the period.

As far as the relationship between the size of the cut in the margins of preference and the performance of the programs, we see that in that category of products where the deterioration in the margin of preference was greatest, over 10 percentage points, the market share of preferential trade declined from 49 to 39 percent. For products where the deterioration was between 5 and 10 percentage points the market share declined from 36 to 30 percent, and where the deterioration

was slightest, less than 5 points, the decline in market share was also the smallest, from 25 to 20 percent.

Trade Effects of Tariff Liberalization on U.S. Imports

The preceding sections addressed the significance of existing U.S. preferences for beneficiary country exports and analyzed how their exports to the U.S. changed during the Uruguay Round implementation period. In this section we examine how exports from beneficiaries to the U.S. might change under continued liberalization. For the purposes of this study, we limit our analysis to the most liberal MFN tariff liberalization where all tariffs are cut to zero.

The impact of tariff reductions on global trade and welfare are often carried out using MNF rates. The previous sections pointed out, however, how much trade takes place at preferential rates, either through FTAs or nonreciprocal trade preference programs. By not acknowledging the existence of preferences this could result in an overstatement of trade impacts for individual countries. We begin by illustrating the extent to which results from a unilateral complete tariff liberalization in the U.S. are biased if preferential rates are not accounted for. The analysis is carried out using the GTAP model to calculate trade volume and supplier share changes under two assumptions. In one model we assume that all trade for beneficiaries in the base takes place at MFN rates, while in a second version of the same model we insert unique U.S. tariff rates on each bilateral trade flow from beneficiary countries. The tariffs are calculated to take into account the actual rates assessed on that trade. Because we are focusing on trade from beneficiary countries, we include NAFTA rates in both scenarios. The only difference in the two models is the bilateral tariffs, the underlying trade pattern and importer market shares are the same for both cases.[6]

In the case where suppliers face a common MFN tariff (model 1) we would expect that a unilateral elimination of tariffs by the U.S. would have a larger impact on U.S. imports than the case where preferential rates are taken into effect (model 2). However, we would also expect that the change in market shares from suppliers would be less using model 1. Those countries facing preferential access initially (Canada and Mexico) are likely to lose market share as other suppliers improve their competitive position with the removal of U.S. tariffs. Simply put, for all products imported in the base period at preferential tariffs under NAFTA, lower MFN tariffs would mean lower rest-of-world supplier prices relative to NAFTA prices and therefore a substitution away from NAFTA imports to imports from other suppliers, or an "unwinding" of the trade diversion that would have taken place under NAFTA.

To illustrate this we choose a single sector in the GTAP model where all of the country/regions in our model are exporting to the U.S. in the base period. This is illustrated in the case 'other food products' showing non-zero trade flows from each region to the United States. Canada and Mexico initially have market shares of 20 percent and 8 percent respectively (table 7). When the United States eliminates tariffs their market shares fall nearly uniformly by 19 percent. However for all other regions facing a common MFN tariff their shares increase almost uniformly (between 7 and 8 percent) from their initial market share in the U.S. market. In the case where

[6] Tariff rates are changed using the ALTERTAX software contained in the GEMPACK software suite.

beneficiary country exports face preferential rates initially we find very different results in market shares after liberalization. The average drop in market share of imports from NAFTA countries is less, with Canada and Mexico's market share dropping by only 15 percent. Countries with MFN status increase their market share by a greater amount by (13 percent) than all other regions receiving preferences. For example the EU, initially facing MFN rates, increases its share in the U.S. market by 13 percent versus 4 percent for Brazil with GSP status. Those regions receiving greatest market access initially under nonreciprocal programs, AGOA, ATPA and CBERA, experience a drop in their market share when the U.S. eliminates tariffs.

We next examine the corresponding aggregate market shares for total agricultural products as was done for 'other food products' previously (table 8). Overall the trade share changes reflect differences between the MFN and preferential tariff rates. Market shares changes for MFN countries are large and positive. Regions that initially had preferential status have either small or negative market share changes when U.S. MFN tariffs are eliminated. However, unlike the case in table 7 for 'other food products', there are now wide differences for countries belonging to the same "tariff grouping". For example the EU's market share increases more than Australia's market share in either case, even though both face the same tariffs in the United States. There is a now a larger difference between the share changes for Brazil and Chile, even though both have GSP status.

Market share changes in the case where regions face common MFN rates are not uniform as was seen in the 'other food example'. There are two reasons for the difference found in table 8. First, tariffs rates differ across agricultural sectors. There can be large differences between the MFN rate and preferential rate for individual agricultural commodities. In some cases such as for coffee and bananas there is no tariff in either case. Thus preferential access is not relevant for these commodities. Second, the commodity composition of exports to the United States varies by supplier. Even if there are differences between MFN and preferential rates, if the supplying region is initially not exporting a particular commodity to the U.S., it will not export this good after MFN tariffs are eliminated. Chile and Brazil export a different array of products to the world and to the U.S. market. In addition, some exporters are larger suppliers of more heavily protected commodities while others are larger suppliers of lightly protected commodities.

We next examine total agricultural trade generated from elimination of U.S. tariffs under the same two cases of 'with and without nonreciprocal preferences'. When tariffs are cut to zero starting with across-the-board MNF rates (with the exception of NAFTA), U.S. agricultural imports rise by $4.8 billion (table 9). However, when tariffs are eliminated starting from a base with preferential rates, the increase in U.S. imports is less, $4.2 billion. By failing to model preferential tariffs on supplier trade flows to the U.S., our results indicate that U.S. imports would be overstated by nearly $600 million, or approximately 12 percent. In terms of the largest absolute difference across regions, imports from the four ATPA countries would be over-stated by $361 million and imports from the CBERA countries by $328 million. These are regions both with high volumes of trade in the base period and with high dependence on programs. From the import data found in table 1, we see that 46 percent of ATPA countries' exports to the U.S. in 2003 occurred under the ATPA, while 53 percent of CBERA countries' exports were under that program. Among the beneficiaries, the GSP-only countries (Argentina, Brazil, Chile, India, and

Other GSP) are the least impacted because their base period share of exports to the U.S. market is least dependent on programs.

Those suppliers that initially export all of their products to the U.S. at MFN rates are impacted in the opposite direction. For these countries (Australia, the EU, Japan, Taiwan, Korea, China, Hong Kong, and Other MFN) exports to the U.S. under complete unilateral liberalization would be underestimated using a model that did not account for nonreciprocal preferences. The EU accounts for by far the largest gains, with imports to the U.S. expanding by $2.78 billion under model 2, an increase of $117 million over model 1 results. NAFTA countries would see their exports drop to the U.S. under both scenarios, although the drop would be 15 percent less in the case of Canada and 21 percent less in the case of Mexico using model 2. Not only does the bulk of their trade come in at preferential rates to begin with, but virtually all of their exports under MFN come in duty-free. Because they have very little "dutiable" exports in the base period, they gain almost nothing from cuts in MFN rates.[7]

With respect to the magnitude of trade effects, table 9 indicates that the complete elimination of tariffs would increase agricultural exports from beneficiary countries to the U.S. by about $1.7 billion. Some developing countries are concerned that MFN tariff reductions will injure their export position because of the concomitant erosion of existing preference margins. This would appear to be a narrow concern, at least in the U.S. market, insofar as it does not consider the larger export gains that could occur through further opening of markets not granted preferential access under nonreciprocal programs. Ample MFN liberalization thus appears to be a better option for beneficiaries than would be the continuation of current preference schemes with no MFN liberalization.

Conclusions

This study has examined the present state of preferential access in the U.S. market through nonreciprocal trade preference programs as well as the changes that occurred in preferential trade during the Uruguay Round implementation period. Pertinent conclusions from the analysis above are that U.S. programs do tend to offer preferences to developing countries for a number of products that they export, although the coverage differs by beneficiary. In 2003, almost 60 percent of beneficiary dutiable imports were eligible to receive preferential treatment and the bulk of this trade did enter duty-free. U.S. agricultural imports under the programs have grown from $2.5 billion in 1995 to $3.87 billion in 2003. The proportion that this trade accounts for within the total agricultural exports from beneficiaries to the U.S. has also grown during this period, from 24 to 29 percent. But, as a proportion of total U.S. imports it declined steadily from 8.1 percent in 1995 to 6.6 percent in 2002, before recovering to 7.7 percent in 2003. As we've demonstrated, the decline was steeper in those products suffering an erosion in the margin of preference under these programs.

A key question associated with tariff liberalization is whether beneficiaries of nonreciprocal trade preference programs gain more from cutting MFN rates on products not eligible for

[7] One might expect Canada to show some export gains when those products excluded from NAFTA (dairy, sugar, and peanuts) are liberalized. However, since their initial trade flows in the model are small or zero, even a complete elimination of these tariffs results in little increased trade.

preferences or lose more when their margins of preference on eligible products are diminished. One of the pertinent conclusions from the analysis above is that developing countries stand to gain in the U.S. market from substantial MFN tariff liberalization. Therefore, it would be counterproductive from the standpoint of their own interests for many developing countries to oppose tariff liberalization, or to advocate minimal rather than deep cuts, under the misleading notion that their exports would stand to suffer from MFN cuts because of the erosion of preference margins.

The gains in trade made by beneficiary countries in our analysis are associated with the disparity in the size of tariffs on products that are granted duty-free access in U.S. programs versus those products that are excluded. Many important agricultural products of interest to developing country exporters are currently excluded from U.S. nonreciprocal trade preference programs. In addition, trade preferences are not available to all developing countries on an equal basis, whereas all would enjoy the full benefits of MFN tariff reductions. Other industrial countries, including the European Union, have nonreciprocal trade preference programs that likely share many of the same characteristics (United States General Accounting Office, 2001).

Another point that deserves emphasis is that a large proportion of the export gains for beneficiaries occurs in processed products. Some of these products, especially those containing sugar or butterfat, are frequently left out of or restricted in many industrial countries' programs. Developing countries have a special interest in making greater inroads into the export of processed products in order to capture value-added and increase employment.

Of course, touting the benefits of potential trade at the expense of actual trade is a hard sell. For those developing countries heavily dependent on preferences, the potential for broader based trade gains (through the export of processed products) is not an ironclad guarantee, requiring, among other things, increased investment to develop competitive products. The actual trade (and jobs) associated with preferences makes some countries vulnerable to their removal. No matter how strong the prospects of even greater trade and employment from deep cuts in all tariffs, there is bound to be concern. Nevertheless, developing countries have a large stake in the most complete possible liberalization of industrial countries' tariffs and should not be completely absorbed by the concerns associated with erosion of preferences. Greater market access for their agricultural goods in the markets of industrial countries offers a crucial opportunity for these countries in the future.

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Table 1: Tariff preferences granted under the GSP, AGOA, ATPA, and CBERA programs, 2003

	No. of elig. countries	No. of tariff-lines	% of total lines	Simple tariff average	
				All items	Dutiable items
MFN agricultural tariff-lines		1,821	100.0%	9.7%	12.3%
Duty-free		388	21.3%	0.0%	
No preferences available		229	12.6%		42.7%
At least one preference available		1,204	66.1%		6.5%
GSP	145	551	30.3%	8.4%	17.2%
GSP/LDC	41	1154	63.4%	5.6%	37.2%
AGOA	38	1181	64.9%	5.4-5.5% [1/]	39.4-40.2% [1/]
ATPA	4	1199	65.8%	5.4%	41.9%
CBERA	24	1203	66.1%	5.4%	42.4%

1/ The means for AGOA countries are slightly different depending on whether a country is eligible for GSP/LDC treatment. Four of the tariff-lines accorded duty-free treatment under the GSP/LDC are not eligible under AGOA. In 2002, 15 AGOA countries qualified for GSP treatment while 22 qualified for expanded GSP/LDC treatment.

Table 2: U.S. Agricultural Imports, by Tariff Regime and Dutiable Status ($Mil), 2003

	Preferential Trade					MFN Trade			All Agri. Trade
						Duty-free	Dutiable	Total	
	Regional	GSP	GSP/ LDC	FTA	Total				
From Program Countries [1/]	2,342.4	1,507.1	20.4		3,869.9	6,400.3	2,917.4	9,317.7	13,187.6
AGOA	122.4	92.6	19.7		234.7	765.7	39.4	805.1	1,039.8
ATPA	784.3	101.6			885.9	1,051.7	9.0	1,060.7	1,946.6
CBERA	1,435.8	107.3	0.02		1,543.1	1,355.8	11.3	1,367.1	2,910.2
GSP-Only		1,205.0			1,205.0	3,227.1	2,857.0	6,084.1	7,289.1
GSP/LDC-Only		0.5	0.6		1.2		0.7	0.7	1.8
From FTA Partners [2/]		0.9		11,755.0	11,755.9	6,010.4	76.0	6,086.4	17,842.3
From Non-Beneficiaries						7,716.9	11,128.7	18,845.6	18,845.6
From All Countries	2,342.4	1,508.0	20.4	11,755.0	15,625.8	20,127.6	14,122.1	34,249.7	49,875.5

1/ All AGOA and ATPA countries and all but four CBERA countries (Aruba, the Bahamas, the Netherlands Antilles, and Nicaragua) qualified to export under GSP. Twenty-two AGOA countries and one CBERA country qualified to export under the GSP/LDC scheme. There were 69 countries that only qualified under GSP and 18 that only qualified under GSP/LDC.
2/ In 2003, Jordan was the only FTA country still eligible to export under GSP.

Table 3: Top 20 Program Beneficiaries, 2003 ($Mil)

Country	AGOA	ATPA	CBERA	GSP	All Programs	MFN	Total
Colombia		451.2		48.0	499.2	586.2	1,085.4
Costa Rica			450.6	20.8	471.3	412.6	883.9
Dominican Rep			360.2	4.8	365.0	115.5	480.4
Guatemala			223.3	35.0	258.3	504.5	762.8
Brazil				208.5	208.5	1,365.5	1,574.0
Thailand				208.4	208.4	478.0	686.4
Peru		156.0		37.8	193.7	91.9	285.6
Ecuador		173.6		15.6	189.1	365.0	554.1
Honduras			112.2	24.1	136.2	145.1	281.4
Argentina				129.0	129.0	448.0	577.0
South Africa	103.7			22.2	125.9	45.1	171.0
Philippines				108.2	108.2	385.0	493.3
Poland				94.3	94.3	150.8	245.0
Chile				90.9	90.9	1,125.9	1,216.8
Jamaica			85.0	1.6	86.6	35.7	122.4
India				85.9	85.9	608.2	694.1
Nicaragua			81.4		81.4	54.2	135.7
Turkey				65.2	65.2	266.7	331.9
El Salvador			40.9	17.7	58.6	55.0	113.6
Cote d'Ivoire	0.01			41.3	41.3	369.1	410.4
Sub-total	103.8	780.8	1,353.6	1,259.1	3,497.2	7,607.9	11,105.1
All others [1/]	18.6	3.5	82.2	268.4	373.6	1,710.9	2,084.5
Total	122.4	784.3	1,435.8	1,527.5	3,870.8	9,318.8	13,189.6

1/ Totals are slightly different than in table 2 because of the inclusion of Jordan's GSP and MFN trade. In 2003, Jordan was both a GSP beneficiary and an FTA partner of the U.S.

Table 4: Top 20 Agricultural Products from Beneficiaries under Nonreciprocal Trade Preference Programs - 2003, ($000)

		U.S. Imports from All Beneficiaries Under Tariff-lines Accorded Preferential Rates									
		Imports Under Nonreciprocal Programs						MFN Imports Eligible for Preference	Total U.S. Imports	Market Share Under Programs	Margin of Preference
HSNo.	CMDY	AGOA	ATPA	CBERA	GSP	GSP/ LDC	All Programs				
17011110	Cane sugar, raw		26,083	128,001	145,343		299,426	11,893	426,060	70.3%	3.4%
24021080	Cigars, cheroots, cigarillos, each >=$.23		33	228,348	22,996		251,378	1,921	255,876	98.2%	2.2%
06031060	Roses, fresh cut	889	204,473	4,155			209,517	251	216,657	96.7%	6.8%
08043040	Pineapples, fresh or dried	120	11,734	194,147			206,001	438	212,489	96.9%	2.7%
06031080	Fresh cut flowers/flower buds, nesi		124,475	15,526	5,322		145,322	45	252,911	57.5%	6.4%
17049035	Sugar confections, without cocoa		5,670	2,676	135,569		143,915	402	840,634	17.1%	5.6%
08071920	Fresh cantaloupes (1/1-7/31 or 9/16-12/31)			106,631	6,597		113,227	17	116,033	97.6%	29.8%
17011120	Cane sugar, raw, alcohol use		12,684	73,151	21,168		107,003	1,741	108,744	98.4%	3.6%
06031070	Chrysanthemums, carnations, orchids		98,709	2,956	2,394		104,059	545	108,135	96.2%	6.4%
21069099	Food preps, uncanned/unfrzn, nesi		841	19,058	69,127		89,026	88	596,244	14.9%	6.4%
22071060	Ethyl alcohol >=80% pure, nonbeverage use	14,203		74,145			88,349	2,388	178,632	49.5%	2.5%
08045040	Fresh guavas, mangoes (8/1-5/31)		25,078	9,871	31,756		66,704	16	105,301	63.3%	8.4%
07092090	Asparagus, nesi, fresh or chilled		60,498	174			60,672	8	128,446	47.2%	21.3%
24022080	Cigarettes	2,612	55,271	201			58,083	202	225,188	25.8%	12.3%
20091100	Orange juice, frozen,	4,070	280	49,528			53,878		198,312	27.2%	41.5%
18050000	Cocoa powder, unsweetened		2	174	48,885		49,061	51	275,746	17.8%	0.3%
07108097	Frozen veg, nesi, uncooked or steamed/boiled		16,126	28,798			44,924	280	215,835	20.8%	14.9%
18032000	Cocoa paste, wholly/partly defatted		4,282	246	40,025		44,553		83,134	53.6%	0.1%
20098060	Fruit juice, nesi, (incl cherry or berry)		5,720	1,544	36,320		43,584	67	83,627	52.1%	0.6%
22029090	Nonalc. bev., nesi, not incl fruit/veg juice		941	5,235	31,856		38,032	146	180,903	21.0%	0.2%
	Sub-total	21,894	652,901	944,563	597,357	0	2,216,715	20,499	4,808,906	46.1%	8.8%
	All other products	100,470	131,352	491,199	931,027	20,380	1,654,048	86,478	21,450,265	7.7%	5.7%
	Total	122,364	784,254	1,435,762	1,528,384	20,380	3,870,763	106,977	26,259,171	14.7%	5.8%
	Top 20 as % of total	18%	83%	66%	39%	0%	57%	19%	18%		
	No. of tariff lines w/ trade	52	284	361	407	17	648	235	679		
	No. of eligible lines	630	648	652	551	603	1204				

Table 5: Relationship between margin of preference and share of U.S. import market accounted for by trade under nonreciprocal trade preference programs

Margin of Preference	No. of Trade Lines	Market Share
>15%	54	30%
5-15%	220	19%
<5%	405	12%

Table 6: Change in total and nonreciprocal program imports in preferential *ad valorem* tariff-lines reduced during the Uruguay Round

	1995	1996	1997	1998	1999	2000
Cuts of less than 5 percentage points						
Total U.S. Imports	3,775,556	4,283,538	4,724,288	5,328,103	5,530,906	6,168,464
Preferential Trade	955,581	1,020,271	1,041,860	1,124,429	1,185,012	1,218,273
Market Share	25.3%	23.8%	22.1%	21.1%	21.4%	19.8%
Cuts between 5 and 10 percentage points						
Total U.S. Imports	328,661	384,168	434,504	463,591	556,911	570,668
Preferential Trade	119,955	130,442	147,762	144,611	153,103	169,453
Market Share	36.5%	34.0%	34.0%	31.2%	27.5%	29.7%
Cuts of greater than 10 percentage points						
Total U.S. Imports	80,407	75,090	68,645	73,907	98,624	86,182
Preferential Trade	39,294	28,642	30,834	30,911	42,811	33,272
Market Share	48.9%	38.1%	44.9%	41.8%	43.4%	38.6%
All Trade at Ad Valorem Rates						
Total U.S. Imports	4,184,624	4,742,796	5,227,437	5,865,601	6,186,441	6,825,314
Preferential Trade	1,114,829	1,179,354	1,220,456	1,299,950	1,380,926	1,420,998
Market Share	26.6%	24.9%	23.3%	22.2%	22.3%	20.8%

Table 7: Impact on supplier market shares with U.S. tariff elimination: case of U.S. imports of 'other food products'

	Initial market share	No preferences (model 1)	With preferences (model 2)
Exporters to U.S.		percent change	percent change
Canada	19.8	-19.2	-15.4
Mexico	8.0	-19.2	-15.3
Argentina	2.1	7.7	4.0
Australia	1.6	7.5	12.9
Brazil	2.4	7.6	4.1
Chile	2.6	7.3	3.6
China	3.6	8.1	13.3
EU	12.8	8.0	13.2
Hong Kong	0.4	7.2	13.1
India	2.2	8.0	3.9
Japan	2.4	8.3	13.3
Korea	1.0	8.3	13.6
Taiwan	1.7	8.2	13.4
AGOA	2.2	8.1	-7.9
ATPA	8.8	7.3	-9.7
CBI	5.0	7.1	-7.9
LDC	1.7	8.3	-6.7
Other GSP	6.4	8.0	4.2
Other MFN	15.5	8.0	13.2
Total	100.0	0.0	0.0

Source: Authors simulations with GTAP 5.3 database

Table 8: Impact on aggregate supplier market shares with U.S. tariff elimination

	Initital market share	No preferences (model 1)		With preferences (model 2)	
Exporters to U.S.		share change	pct change	share change	pct change
Canada	19.7	-3.6	-17.7	-3.04	-15.4
Mexico	10.6	-2.0	-18.4	-1.65	-15.5
Argentina	1.8	0.1	4.4	0.02	1.3
Australia	4.1	0.4	9.0	0.49	11.9
Brazil	3.7	0.1	3.0	0.04	1.2
Chile	2.1	0.1	5.6	0.08	3.6
China	2.1	0.1	3.3	0.14	6.9
EU	17.7	3.4	18.8	3.90	22.0
Hong Kong	0.2	0.0	8.1	0.02	12.7
India	1.9	0.1	2.9	0.04	2.2
Japan	1.1	0.1	9.5	0.14	13.2
Korea	0.4	0.0	8.5	0.05	13.6
Taiwan	0.8	0.0	5.3	0.07	9.1
AGOA	2.9	0.1	2.8	-0.09	-3.0
ATPA	8.2	0.0	0.6	-0.68	-8.3
CBI	8.4	0.3	3.8	-0.39	-4.7
LDC	0.7	0.0	7.3	-0.04	-5.7
Other GSP	5.3	0.2	3.1	0.04	0.8
Other MFN	8.3	0.5	6.3	0.83	10.0
Total	100.0	0.0	0.0	0.00	0.0

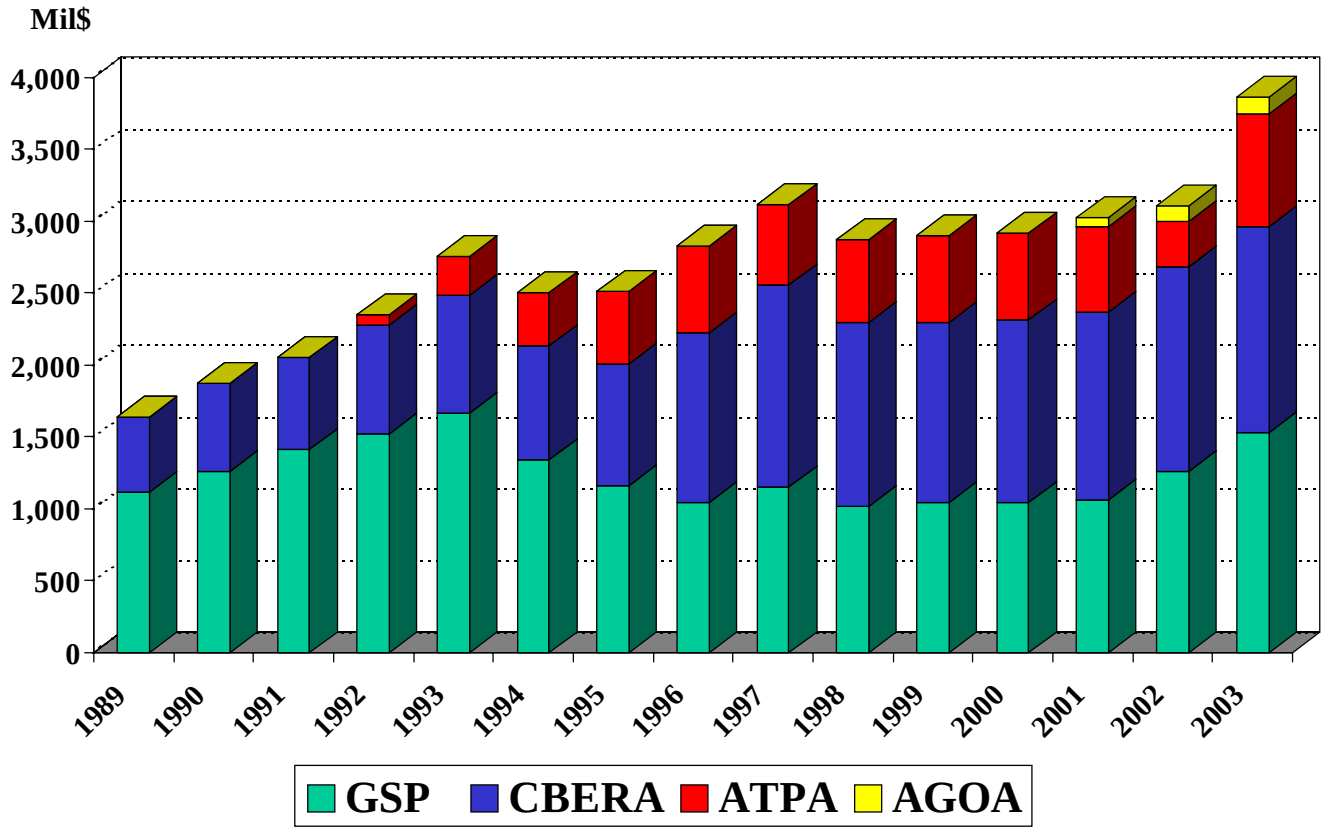
Source: Authors simulations with GTAP 5.3 database

Table 9: Changes in U.S. agricultural imports under a complete tariff elimination scenario

	No preferences (model 1)	With preferences (model 2)	Difference between models	
Exporters to U.S.	$ millions	$ millions	$ millions	percent
Canada	-809	-689	-120	14.8
Mexico	-464	-366	-98	21.1
Argentina	115	82	33	28.7
Australia	389	410	-21	-5.4
Brazil	187	144	43	23.0
Chile	151	122	29	19.2
China	137	156	-19	-13.9
EU	2,663	2,780	-117	-4.4
Hong Kong	15	16	-1	-6.7
India	111	94	17	15.3
Japan	105	114	-9	-8.6
Korea	37	43	-6	-16.2
Taiwan	61	67	-6	-9.8
AGOA	169	77	92	54.4
ATPA	357	-4	361	101.1
CBI	464	136	328	70.7
LDC	52	8	44	84.6
Other GSP	323	240	83	25.7
Other MFN	702	784	-82	-11.7
Total	4,772	4,220	552	11.6

Source: Authors simulations with GTAP 5.3 database

Figure 1: U.S. agricultural imports under nonreciprocal preference programs since 1989



Appendix Table A1: U.S. Nonreciprocal Trade Preference Program Beneficiaries

Program	Country	Program	Country	Program	Country
GSP-Only	Albania	GSP-Only	Tonga	AGOA	Benin
GSP-Only	Anguilla	GSP-Only	Tunisia	AGOA	Botswana
GSP-Only	Argentina	GSP-Only	Turkey	AGOA	Cameroon
GSP-Only	Armenia	GSP-Only	Turks & Caic Is	AGOA	Cape Verde
GSP-Only	Bahrain	GSP-Only	Uruguay	AGOA	Cen African Rep
GSP-Only	Bosnia-Hercegov	GSP-Only	Uzbekistan	AGOA	Chad
GSP-Only	Br Indian O Ter	GSP-Only	Venezuela	AGOA	Congo (DROC)
GSP-Only	Brazil	GSP-Only	Wallis & Futuna	AGOA	Congo (ROC)
GSP-Only	Bulgaria	GSP-Only	West Bank	AGOA	Cote d'Ivoire
GSP-Only	Chile	GSP-Only	Western Sahara	AGOA	Djibouti
GSP-Only	Christmas Is	GSP-Only	Zimbabwe	AGOA	Eritrea
GSP-Only	Cocos Is			AGOA	Ethiopia
GSP-Only	Cook Is	GSP/LDC-Only	Afghanistan	AGOA	Gabon
GSP-Only	Croatia	GSP/LDC-Only	Angola	AGOA	Gambia
GSP-Only	Czech Republic	GSP/LDC-Only	Bangladesh	AGOA	Ghana
GSP-Only	Egypt	GSP/LDC-Only	Bhutan	AGOA	Guinea
GSP-Only	Estonia	GSP/LDC-Only	Burkina Faso	AGOA	Guinea-Bissau
GSP-Only	Ethiopia 89-93	GSP/LDC-Only	Burundi	AGOA	Kenya
GSP-Only	Falkland Is	GSP/LDC-Only	Cambodia	AGOA	Lesotho
GSP-Only	Fiji	GSP/LDC-Only	Comoros	AGOA	Madagascar
GSP-Only	Gaza Strip	GSP/LDC-Only	Eq Guinea	AGOA	Malawi
GSP-Only	Georgia	GSP/LDC-Only	Kiribati	AGOA	Mali
GSP-Only	Gibraltar	GSP/LDC-Only	Nepal	AGOA	Mauritania
GSP-Only	Heard & McDn Is	GSP/LDC-Only	Samoa	AGOA	Mauritius
GSP-Only	Hungary	GSP/LDC-Only	Somalia	AGOA	Mozambique
GSP-Only	India	GSP/LDC-Only	Togo	AGOA	Namibia
GSP-Only	Indonesia	GSP/LDC-Only	Tuvalu	AGOA	Niger
GSP-Only	Jordan	GSP/LDC-Only	Vanuatu	AGOA	Nigeria
GSP-Only	Kazakhstan	GSP/LDC-Only	Yemen	AGOA	Rwanda
GSP-Only	Kyrgystan			AGOA	Sao Tome & Prin
GSP-Only	Latvia	CBERA	Antigua Barbuda	AGOA	Senegal
GSP-Only	Lebanon	CBERA	Aruba	AGOA	Seychelles
GSP-Only	Lithuania	CBERA	Bahamas	AGOA	Sierra Leone
GSP-Only	Macedonia	CBERA	Barbados	AGOA	South Africa
GSP-Only	Moldova	CBERA	Belize	AGOA	Swaziland
GSP-Only	Mongolia	CBERA	Br Virgin Is	AGOA	Tanzania
GSP-Only	Morocco	CBERA	Costa Rica	AGOA	Uganda
GSP-Only	Niue	CBERA	Dominica Is	AGOA	Zambia
GSP-Only	Norfolk Is	CBERA	Dominican Rep		
GSP-Only	Oman	CBERA	El Salvador	ATPA	Bolivia
GSP-Only	Pakistan	CBERA	Grenada Is	ATPA	Colombia
GSP-Only	Papua New Guin	CBERA	Guatemala	ATPA	Ecuador
GSP-Only	Paraguay	CBERA	Guyana	ATPA	Peru
GSP-Only	Philippines	CBERA	Haiti		
GSP-Only	Pitcairn Is	CBERA	Honduras		
GSP-Only	Poland	CBERA	Jamaica		
GSP-Only	Romania	CBERA	Montserrat Is		
GSP-Only	Russia	CBERA	Netherlands Ant		
GSP-Only	Slovakia	CBERA	Nicaragua		
GSP-Only	Solomon Is	CBERA	Panama		
GSP-Only	Sri Lanka	CBERA	St Kitts-Nevis		
GSP-Only	St Helena	CBERA	St Lucia Is		
GSP-Only	Suriname	CBERA	St Vinc & Gren		
GSP-Only	Thailand	CBERA	Trin & Tobago		
GSP-Only	Tokelau Is				

Appendix Table A2: U.S. Imports from Beneficiaries of Nonreciprocal Trade Preference Programs, 2003 ($000)

COUNTRY	AGOA	ATPA	CBERA	GSP	GSP/LDC	All Programs	MFN	TOTAL
Afghanistan						0	1,155	1,155
Albania				15		15	3,357	3,372
Angola						0	3	3
Anguilla				4		4	552	556
Antigua Barbuda			54			54	61	115
Argentina				129,016		129,016	447,989	577,005
Armenia				1,237		1,237	1,585	2,822
Aruba						0	9	9
Bahamas			3,917			3,917	4,770	8,687
Bangladesh				225	557	782	964	1,746
Barbados			4,286			4,286	5,324	9,610
Belize			27,893	446		28,340	157	28,497
Benin						0	313	313
Bhutan				0	66	66	110	176
Bolivia		3,497		265		3,762	17,676	21,438
Bosnia-Hercegov				1,277		1,277	1,064	2,342
Botswana						0	23	23
Br Virgin Is			139			139	2,328	2,467
Br Indian O Ter						0	98	98
Brazil				208,519		208,519	1,365,496	1,574,015
Bulgaria				9,747		9,747	32,618	42,365
Burkina Faso				67		67	382	449
Burundi						0	5,822	5,822
Cambodia				12	6	17	190	208
Cameroon				38		38	19,357	19,395
Cape Verde						0	68	68
Cen African Rep						0	78	78
Chad						0	3,965	3,965
Chile				90,900		90,900	1,125,880	1,216,780
Christmas Is						0	8	8
Colombia		451,222		48,004		499,226	586,151	1,085,377
Comoros						0	3,989	3,989
Congo (DROC)				94		94	1,791	1,885
Congo (ROC)				2,813		2,813	1,848	4,661
Cook Is						0	250	250
Costa Rica			450,582	20,765		471,347	412,586	883,933
Cote d'Ivoire	14			41,252		41,266	369,121	410,387
Croatia				6,726		6,726	5,550	12,277
Czech Republic				15,094		15,094	19,747	34,842
Djibouti				27		27	90	117
Dominica Is			316	146		462	160	622
Dominican Rep			360,155	4,814		364,969	115,454	480,423
Ecuador		173,554		15,574		189,127	365,000	554,128
Egypt				10,380		10,380	38,394	48,774
El Salvador			40,919	17,652		58,571	55,028	113,599

Appendix Table A2: U.S. Imports from Beneficiaries of Nonreciprocal Preference Programs, 2003 ($000), cont'd

COUNTRY	AGOA	ATPA	CBERA	GSP	GSP/LDC	All Programs	MFN	TOTAL
Equatorial Guinea						0	51	51
Eritrea						0	17	17
Estonia				3,561		3,561	4,098	7,659
Ethiopia	21			569	328	918	26,052	26,970
Fiji				29,990		29,990	2,950	32,940
Gabon						0	90	90
Gaza Strip				93		93		93
Georgia				560		560	3,413	3,973
Ghana	29			4,666		4,695	7,307	12,002
Grenada Is						0	2,778	2,778
Guatemala			223,289	35,000		258,289	504,474	762,763
Guinea				63		63	345	408
Guinea-Bissau						0	55	55
Guyana			4,735	612		5,347	688	6,035
Haiti			4,857	179	15	5,051	7,223	12,273
Heard/McDonald Isl				19		19		19
Honduras			112,184	24,060		136,244	145,113	281,357
Hungary				10,496		10,496	26,445	36,942
India				85,896		85,896	608,230	694,125
Indonesia				38,744		38,744	613,293	652,037
Jamaica			85,003	1,628		86,631	35,737	122,368
Jordan				909		909		1,991
Kazakhstan						0	124	124
Kenya	4,275			1,039		5,314	35,453	40,767
Kyrgystan						0	4	4
Latvia				943		943	15,542	16,485
Lebanon				8,858		8,858	24,618	33,476
Lithuania				527		527	26,580	27,106
Macedonia				2,848		2,848	10,297	13,145
Madagascar				470		470	181,286	181,757
Malawi	13,447			4,031	19,380	36,858	19,915	56,773
Mali						0	157	157
Mauritania						0	11	11
Mauritius				1,302		1,302	6,021	7,323
Moldova				181		181	1,153	1,335
Mongolia						0	428	428
Morocco				12,165		12,165	58,566	70,731
Mozambique				5,385		5,385	174	5,558
Namibia				1		1	198	199
Nepal				139		139	160	300
Netherlands Ant			163			163	542	705
Nicaragua			81,442			81,442	54,220	135,662
Niger						0	1,999	1,999
Nigeria				1,767		1,767	44,660	46,427
Norfolk Is				8		8	6	15

Appendix Table A2: U.S. Imports from Beneficiaries of Nonreciprocal Preference Programs, 2003 ($000), cont'd

COUNTRY	AGOA	ATPA	CBERA	GSP	GSP/LDC	All Programs	MFN	TOTAL
Oman				277		277	1,689	1,966
Pakistan				12,230		12,230	24,812	37,042
Panama			23,038	1,232		24,271	15,499	39,770
Papua New Guin				2,890		2,890	33,293	36,183
Paraguay				9,389		9,389	13,376	22,766
Peru		155,981		37,764		193,745	91,895	285,641
Philippines				108,216		108,216	385,045	493,260
Pitcairn Is				48		48		48
Poland				94,279		94,279	150,753	245,033
Romania				440		440	6,286	6,725
Russia				4,148		4,148	88,007	92,155
Rwanda						0	1,789	1,789
Samoa				75		75	255	330
Senegal	5			22		27	60	86
Seychelles						0	93	93
Sierra Leone				22		22	214	236
Slovakia				281		281	2,130	2,412
Solomon Is						0	461	461
Somalia						0	126	126
South Africa	103,747			22,162		125,908	45,096	171,004
Sri Lanka				2,151		2,151	24,116	26,267
St Kitts-Nevis			200			200	233	433
St Lucia Is			168	29		197	40	237
St Vinc & Gren			159			159	175	334
Suriname				13		13	253	266
Swaziland	558			6,746		7,304	645	7,949
Tanzania	259			131		391	7,225	7,616
Thailand				208,389		208,389	477,995	686,384
Togo				4		4	763	767
Tokelau Is						0	859	859
Tonga				161		161	4,691	4,852
Trin & Tobago			12,261	733		12,995	4,524	17,519
Tunisia				4,379		4,379	1,015	5,394
Turkey				65,214		65,214	266,667	331,881
Uganda	8			17	4	30	28,700	28,730
Uruguay				11,006		11,006	101,683	112,689
Uzbekistan				991		991	1,204	2,194
Vanuatu						0	308	308
Venezuela				11,897		11,897	24,374	36,271
Yemen						0	4,463	4,463
Zambia				29	24	53	880	933
Zimbabwe				820		820	19,012	19,832
TOTAL 1/	122,364	784,254	1,435,762	1,508,004	20,380	3,870,763	9,317,741	13,189,586

1/ MFN trade total is slightly different than in table 2 because of Jordan's MFN trade.

Appendix Table A3: Leading products imported under programs, 2003 ($000)

Products under AGOA		**Products under ATPA**	
Oranges, fresh or dried	23,612	Roses, fresh cut	204,473
Nuts nesi, fresh or dried, shelled	18,773	Fresh cut flowers/flower buds, nesi	124,475
Ethyl alcohol >=80% pure, nonbeverage use	14,203	Chrysanthemums, carnations, orchids	98,709
Wine, <14% alc., < 2 liters	12,970	Asparagus, nesi, fresh or chilled	60,498
Mandarins, tangerines, similar citrus hybrids, fresh or dried	12,222	Cigarettes	55,271
Tobacco, stemmed/stripped	7,988	Cane sugar, raw	26,083
Orange juice, frozen	4,070	Fresh guavas, mangoes (8/1-5/31)	25,078
Tobacco, stemmed/stripped, not for cigarettes	3,269	Miniature carnations, fresh cut	23,213
Cigarettes	2,612	Asparagus, fresh or chilled, 9/15 - 11/15	19,399
Pineapples, prepared or preserved	2,403	Frozen veg, nesi, uncooked or steamed/boiled	16,126
Pears, prepared or preserved	2,248	Cane sugar, raw, alcohol use	12,684
Grapes, fresh, 2/15 - 3/31	1,959	Pineapples, fresh or dried	11,734
Essential oils of lemon	1,868	Onions, fresh or chilled	10,013
Avocados, prepared or preserved	1,775	Vegetables nesoi, unfrozen, unpreserved	6,829
Mixtures of fruit juices	1,724	Fruit juice, nesi, (incl cherry or berry)	5,720
Citrus juice (other than orange, grapefruit or lime)	1,523	Sugar confections, without cocoa	5,670
Lemons, fresh or dried	1,338	Asparagus, prepared or preserved, unfrozen	5,286
Raisins	1,041	Cocoa paste, wholly/partly defatted	4,282
Roses, fresh cut	889	Grapes, fresh, 7/1 - 2/14	3,663
Edible ice, except ice cream	866	Frozen veg, nesi, uncooked or steamed/boiled	3,472
Sub-total	117,353	Sub-total	722,681
Others	5,011	Others	61,573
TOTAL	122,364	TOTAL	784,254
Products under CBERA		**Products under GSP**	
Cigars, cheroots, cigarillos, each >=$.23	228,348	Cane sugar, raw	145,343
Pineapples, fresh or dried	194,147	Sugar confections, without cocoa	135,569
Cane sugar, raw	128,001	Food preps, uncanned/unfrzn, nesi	69,127
Fresh cantaloupes (1/1-7/31 or 9/16-12/31)	106,631	Cocoa powder, unsweetened	48,885
Ethyl alcohol >=80% pure, nonbeverage use	74,145	Cocoa paste, wholly/partly defatted	40,025
Cane sugar, raw, alcohol use	73,151	Fruit juice, nesi, (incl cherry or berry)	36,320
Orange juice, frozen,	49,528	Cane molasses nesi	32,360
Beef, boneless, unprocessed, frozen	36,201	Nonalc. bev., nesi, not incl fruit/veg juice	31,856
Unrooted cuttings of live plants	30,898	Fresh guavas, mangoes (8/1-5/31)	31,756
Frozen veg, nesi, uncooked or steamed/boiled	28,798	Gelatin sheets and derivatives	29,296
Other melons nesoi, fresh, 12/1 - 5/31	26,921	Pork hams, boned/cooked/packed in airtight containers	27,647
Beef, boneless, unprocessed, fresh or chld	23,826	Prep/pres beef in airtight containers, excl. corned beef	26,521
Food preps, uncanned/unfrzn, nesi	19,058	Chocolate, nesoi, not put up for retail sale	26,514
Fresh or chilled yams	17,464	Mineral and aerated waters, unsweetened	25,818
Fresh or chilled dasheens	17,258	Fruit nesi, prepared or preserved	25,554
Fresh cut flowers/flower buds, nesi	15,526	Cigars, cheroots, cigarillos, each >=$.23	22,996
Avocados, fresh or dried	14,206	Cane sugar, raw, alcohol use	21,168
Cigars, cheroots, cigarillos, each >=$.15 <$.23	14,032	Virgin olive oil and its fractions, >=18 kg	20,927
Cassava, fresh, chilled or dried	12,248	Substances w/ anesthetic, prophylactic or therapeutic prop	20,465
Cigars, cheroots, cigarillos, each <$.15	11,837	Cocoa preps, in blocks, slabs or bars <=2kg	19,656
Sub-total	1,122,225	Sub-total	837,802
Others	313,537	Others	690,582
TOTAL	1,435,762	TOTAL	1,528,384