

Round plus Separate Agreement rates are listed for the U.S., EEC, United Kingdom and Japan. It will be noted that the final *ad valorem* rates, including the Separate Package Agreement, harmonize at 10% for most plastic materials in all four schedules. For the U.S., in addition to the 10% *ad valorem*, there is a specific duty, typically 1.3¢ per pound. The application of this compound duty results in an estimated *ad valorem* equivalent (based on 1967 imports) of about 13%. In comparison with the 10% rates in the EEC, United Kingdom, and Japan, this difference adequately covers the cascading effect of their c.i.f. valuation base on U.S. imports. However, it does not adequately offset the distorting effects of border tax adjustments and other barriers discussed in more detail in Section II of this statement.

6. World trade

Summarized in Table 2 herein are the plastic materials exports of the major producing countries, by country of destination. From the table it can be seen that about 20% of exports of the major producing countries (i.e. U.S., EEC, U.K. and Japan) are to the other major producing countries, and that the remaining 80% are to countries other than these major producing countries. The terms "third countries" and "third country markets" will be used in the remainder of this statement in referring to trade to this 80 percent of the export market.

TABLE 2.—PLASTICS EXPORTS OF MAJOR PRODUCING COUNTRIES, BY COUNTRY OF DESTINATION:¹
(Thousands of metric tons)

Country exporting in year	Country exported to—					Total
	United States	EEC	United Kingdom	Japan	Other	
United States:						
1963.....		89	25	24	246	384
1964.....		96	37	26	357	516
1965.....		81	35	17	358	491
1966.....		104	39	22	359	524
EEC:						
1963.....	14		64	10	491	579
1964.....	17		79	5	634	735
1965.....	21		90	4	744	859
1966.....	24		95	5	876	1,000
United Kingdom:						
1963.....	2	53		4	206	265
1964.....	3	55		3	236	297
1965.....	4	59		1	248	312
1966.....	6	63		1	267	337
Japan:						
1963.....	11	10	6		79	106
1964.....	15	10	9		92	126
1965.....	18	34	9		167	228
1966.....	24	44	8		260	336
Total:						
1963.....	27	152	95	38	1,022	1,334
1964.....	35	161	125	34	1,319	1,674
1965.....	43	174	134	22	1,517	1,890
1966.....	54	211	142	28	1,762	2,197

¹ Exports are totals of SITC 581.1 (BTN 39.01), 581.2 (BTN 39.02), and 581.9 (BTN 39.06).

Source: United Nations, 1963, 1964, 1965, 1966, World Trade Annuals.

A comparison of the production data in Table 1, on page 5 herein, with the export data in Table 2, above, provides some interesting and significant comparisons. While the U.S. industry is larger than the EEC (one-third larger in 1966), exports from the EEC amount to approximately twice those from the U.S. A further indication of the competitive position of the major producing countries, based on Tables 1 and 2, is the percent of production exported. For the year 1966, the U.S. exported 9% of its total production, the EEC 22%, the United Kingdom 32%, and Japan 17%. It is also significant that, while third countries represent about 80% of the export market and hence represent also the greatest opportunity for export expansion, U.S. exports to third countries have levelled off since 1964, while exports to third countries have continued to expand rapidly for the EEC and Japan.

More detailed information on U.S. exports of plastic materials can be obtained from an analysis of the export data set forth in Table 3 as follows: