

EXHIBIT 2

ANALYSIS OF THE KENNEDY ROUND TARIFF CONCESSIONS ON ELECTRONIC PRODUCTS
 (Reproduced from *ELECTRONIC TRENDS INTERNATIONAL*, May 1968, pages 7-25b; prepared
 and published by Marketing Services Department, Electronic Industries Association)

PART I

1967 E.E.C. - U.S. Trade Flow
and Comparative Tariff Structures

The following narrative and data are not intended as a general commentary on the results of the Kennedy Round negotiations.

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This economic report limits itself to one industrial sector of the U.S. economy, more precisely defined as the sector which manufactures or distributes the products and product categories featured as "Selected Electronic Products and Related Items" in the monthly studies of the International.

Part I discusses the U.S. and E.E.C. trade and tariff structure. To present a factual and composite picture of total import costs, Part II then relates the tariff rates to other import charges.

This is a product oriented marketing study limited to present and future tariff structures and trade patterns between the U.S. and the E.E.C. References to tariff rates in the context of this study concern actual reductions, increases or no concessions --- after the individual member countries of the E.E.C. had established a common base rate for negotiations.

The rather liberal interpretation of a tariff concession as defined by the General Agreements on Tariff and Trade (G.A.T.T.) has been purposefully disregarded.

"Concession - A commitment undertaken by a participant in the Kennedy Round, usually with respect to the tariff treatment of imports of a given product. In such a case, a concession may be either: (1) a commitment to make a specified reduction in the rate of duty on a product, or (2) a commitment that the rate of duty will not be increased or, if the product is duty-free, that a duty will not be imposed on it. A concession of the types described in (2) is termed a binding." (a)

By the quoted definition, a frozen tariff rate of 17% applicable through 1972 on semiconductor imports into the E.E.C. is considered a concession.

(a) Report on U.S. Negotiations, Volume I, page 181.