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(iii) *Savings for Consumer Expenditures*

The data used to estimate annual savings for consumers after the Agreement is fully implemented are provided in Table B.2. The average annual expenditures of three income groups are broken down into 11 expenditure categories. The savings estimates are derived from the application of the expenditure, retail mark-up and tariff rates represented in Table B.2 to the price formula provided earlier in this Appendix. The table depicts a range of customs tariffs applicable to each expenditure category. The actual rate applied to each category and income group is a weighted average based on actual purchasing patterns.

(iv) *Savings on Establishing a Typical Household*

The savings estimated in establishing a household from scratch are based on the construction and furnishing of a moderate-range, three-bedroom house. (See Table B.3)

The savings figures are derived by applying the estimates provided in Table B.4 to the price formula described earlier in this Appendix. The consumer-cost figures in

Table B.4 are based on nationally advertised prices for building materials and household furnishings. The average customs tariffs in Table B.4 are based on actual 1986 tariffs applied to representative goods in the product categories. The average tariff of 6.8 per cent for construction materials is a weighted-average based on the proportion of specific building materials used in the construction of a house and the actual tariff rates.