

The largest U.S. import market for this sector is for miscellaneous articles of rubber or plastics. This product group includes rubber bushings, oil seals, packing, grommets, tape, life saving equipment, stationery, air bags and ground sheets. A more comprehensive listing by CITC commodity classification for the products forming the miscellaneous articles group is contained in Appendix 6. It should be noted that this product classification contains a high proportion of plastic products which generally have higher value than the rubber products.

While Japanese market share of the U.S. rubber and plastic imports market has been decreasing generally, it should be noted that its share in hose, pipe and tubing; belts and belting for machinery; and gaskets has, in fact, continued to increase over the last few years.

As a result of rising prices of developed country imports, it appears that there is opportunity for further growth in Canada's market share of U.S. imports of rubber products. In the event of a Free Trade Agreement between the United States and Canada, these opportunities will increase as tariffs ranging from 2.4% for some conveyor belts to 15% for bicycle inner tubes will become duty free by January 1, 1998. These tariffs are to be reduced in ten stages. A full listing of tariffs is found in Appendix 7. At present, rubber imports are only duty free if made of natural rubber, if they are synthetic rubber in a primary form or are in the form of plates, sheets or strips, or if the product is intended for installation in original motor-vehicle equipment, civil aircraft or agricultural equipment.

U.S. INDUSTRY OUTLOOK

This section is based on the *1988 U.S. Industrial Outlook* published by the USDOC. This information provides a general forecast of short-term prospects and gives an indication of expected trends and developments in the U.S. rubber products sector. While such information may be of interest, readers should proceed with caution in utilizing the data for the following reasons:

Firstly, although the USDOC is the source of both the "U.S. Imports 1982-87" (summarized above) and the "U.S. Industry Outlook", two different systems of product classification are used. Differences may not be obvious. In some cases, slightly different titles reflect very similar sets of products; in others, similar titles for sectors or product groups encompass a slightly different mix