

equipment which at present is subject to a tariff of 8.5%. Other items face tariffs ranging from 1% to 8.5%. Duties on goods in the telecommunications industry will be eliminated by January 1, 1998. A complete listing of the current tariff status for telecommunications equipment is presented along with a proposed schedule for tariff elimination in Appendix 7.

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. telecommunications equipment sector. While such information may be of interest, there are a number of reasons why 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 of products. Thus the market forecasts in the "U.S. Industry Outlook" section may cover a slightly different mix of products than the rest of this report.

Secondly, while most sections of the "U.S. Industry Outlook" address the entire sector, others address specific products or product groups. Forecasts made at both levels should be assessed carefully, as they may differ significantly from the prospects of any individual product included within them. It is, therefore, recommended that outlook data be used only as a general indication of sectoral prospects in the near term.

The USDOC defines the telecommunications equipment industry, for the purposes of its *Outlook* publication, to include switching and switchboard equipment, telephone instruments, teleprinting and telex equipment, and other telephone and telegraph apparatus and parts typically classified as the telephone and telegraph equipment industry (SIC3661). Related equipment includes fibre optic systems, microwave and satellite communications systems, and mobile and cellular radio communications equipment (SIC3662). Most of this study is concerned with the former category.