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# NAFTA

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THE  
INDUSTRIAL EQUIPMENT  
SECTOR



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# **NAFTA AND THE INDUSTRIAL EQUIPMENT SECTOR**



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## **NAFTA AND THE CANADIAN INDUSTRIAL EQUIPMENT SECTOR**

The North American Free Trade Agreement (NAFTA) came into effect January 1, 1994. The overall objective of this Agreement is to promote employment and economic growth by expanding trade and investment opportunities in the North American free trade area and by enhancing the competitiveness of Canadian, Mexican and U.S. companies in global markets.

NAFTA provides Canadian manufacturers of industrial equipment with continued preferential access to U.S. markets and new preferential access to Mexico. With the modernization of the Mexican industry, there will be increased demand for industrial process control instruments, manufacturing equipment and a wide range of packaging and materials handling equipment. This will result in new opportunities for some Canadian firms.

To make the most of these opportunities, you should first understand how the Agreement affects you and your business operations. Second, you should assess your strategic business plans and determine whether and how your production and marketing practices might need to be altered as a result of NAFTA.

This booklet highlights key aspects of the Agreement for the Canadian industrial equipment sector including manufacturers of machine tools, plastic manufacturing equipment, metal stamping, materials handling and a wide variety of specialized manufacturing equipment. It provides product-specific information on tariff rates, tariff phase-outs and rules of origin, and it describes other provisions of the Agreement relevant to manufacturers and distributors of these products. It also provides an overview of the industrial equipment market in North America and highlights potential new market opportunities in Mexico.

## TARIFFS FOR INDUSTRIAL EQUIPMENT

Under NAFTA, tariffs on qualifying industrial equipment being traded between Canada and Mexico will be eliminated under the various tariff phase-out categories established by the Agreement. Almost three quarters of the tariffs on items in this sector were eliminated immediately on implementation of the Agreement on January 1, 1994. Others will be reduced over five and ten years being completely eliminated by January 1, 1998, or by January 1, 2003.

### Canada- United States Tariffs

Trade between the United States and Canada will continue to be governed by the tariff phase-outs negotiated under the provisions of the Canada-United States Free Trade Agreement (FTA). These phase-out schedules are unaffected by NAFTA. Under the FTA, tariffs for virtually all industrial equipment have already been eliminated. The few remaining ones have been reduced by at least 60 percent and will be eliminated altogether by January 1, 1998.

### Schedule of Phase-Outs

Annex A contains a product-specific listing of the Mexican and Canadian tariff elimination schedules for most industrial equipment. The applicable tariff phase-out stages for other products and inputs are listed in the country-specific NAFTA tariff schedules.

A review of the Canadian and Mexican tariff phase-outs for your products will assist you in assessing the potential impact of NAFTA on your company.

### Mexican Phase-Outs

Mexican import tariffs on industrial equipment ranged between 10 and 20 percent prior to NAFTA. More than two thirds of these were eliminated immediately on implementation of the Agreement on January 1, 1994. Included were the removal of tariffs on such items as:

- ▶ non-electric, industrial dryers;
- ▶ most plastic manufacturing equipment;
- ▶ equipment for spraying liquids or powders;
- ▶ rope and cable making equipment;
- ▶ paper making equipment;
- ▶ tobacco, fruit, chicken and chocolate processing equipment; and
- ▶ some continuous action and pneumatic elevators and conveyors.

Some of these items are of export interest to Canadian companies.

By January 1, 1998, Mexico will have eliminated tariffs on filtering and purifying equipment for gases, most jacks and hoists, book-binding equipment, multi-station transfer machines and a variety of equipment for working metal.

The remaining few tariffs on items such as some moulds for rubber and plastic manufacturing, most centrifugal pumps, and derricks and cranes will be eliminated in 10 annual reductions ending January 1, 2003.

### **Canadian Phase-Outs**

A great deal of industrial equipment entered Canada duty-free prior to NAFTA. As of January 1, 1994, over 80 percent of the remaining Canadian import tariffs on qualifying Mexican industrial equipment were eliminated.

Tariffs on the remaining items such as air and gas compressors, some industrial, non-electric heat exchange units, spray guns and steam and sand blasting equipment will be eliminated by January 1, 1998.

### **Treatment of Jointly Produced Goods**

NAFTA protects Canadian industrial equipment manufacturers from inappropriate reductions in Canadian tariffs applied to goods jointly produced in the United States and Mexico. Such goods will generally face higher rates of duty when entering Canada than goods that are wholly produced in Mexico. The applicable base tariff rates for jointly produced goods are shown in brackets in Annex A.

### **Accelerated Duty Elimination**

As with the FTA, there is an acceleration clause in NAFTA. Tariffs for industrial equipment may be phased out faster than originally negotiated if the three countries agree to such action. If only two countries agree, acceleration takes place only between those two.

## ***RULES OF ORIGIN FOR INDUSTRIAL EQUIPMENT***

NAFTA provides preferential tariff treatment for all “originating” North American goods traded between Canada, the United States and Mexico. Rules of origin are used to determine whether a product qualifies as a good originating in North America. These rules ensure that NAFTA benefits are only available for goods substantively produced or transformed in North America.

Any goods produced in any or all of the three NAFTA countries, with components and materials that themselves are wholly sourced or manufactured in any of the three countries, qualify as originating goods entitled to preferential tariff treatment.

Goods using non-North American inputs must meet the requirements set out in the NAFTA rules of origin to be considered as “originating.”

The NAFTA rules of origin for industrial equipment set out the following requirements:

- ▶ Each non-North American input must undergo sufficient transformation during production in one or more of the NAFTA countries to result in a specified change of tariff classification.
- ▶ When certain parts of non-North American origin are used in the production of a good, the manufacturer may be required to meet a value-content test.

The specific rule of origin for each product sets out the required tariff classification change and indicates when a value-content test is required. The product-specific rules of origin applicable to most industrial equipment are found in Annex B.

The NAFTA rules of origin build on the rules that were developed for the FTA. Canadian exporters will find the NAFTA rules clearer, more predictable and more flexible. The format for these rules is more detailed and user-friendly.

NAFTA introduces numerous changes in the product-specific rules of origin for industrial equipment most notably for fork-lift trucks, metal working machine tools, and plastic and rubber processing machinery. The changes reflect efforts to eliminate the value content requirement of the FTA that was applicable to most industrial equipment.

***How NAFTA Rules Differ from the FTA Rules***



In addition to the changes in the product-specific rules, NAFTA has introduced new provisions of general application that may assist some Canadian exporters of industrial equipment. Notable changes include:

- ▶ **Easier, more flexible methods to calculate regional value content.** Regional value content for most goods may now be calculated by means of either a “net-cost” method or a new “transaction-value” method. In addition to providing producers with greater flexibility, this corrects the ambiguities experienced with the regional value content formula under the FTA. Producers who choose to use the “transaction-value” method will be able to avoid the need to maintain the cost-accounting systems required under the FTA and the “net-cost” method. The methods of calculating regional value content are described in Annex C.
- ▶ **The introduction of a *de minimis* rule.** Under NAFTA, a good is determined to originate in North America if the value of non-North American materials that fail to meet the specific rule of origin is no more than 7 percent of the transaction value or total cost of the good. This provision will be of particular interest to exporters whose products incorporate limited amounts of non-North American inputs. It can enable goods that otherwise might not qualify to qualify, or it can eliminate the imposition of the value content requirement for such goods.

Producers of goods subject to a regional value content requirement should carefully examine the new NAFTA methods of calculation. This is particularly important for firms that either barely met the FTA requirements or that failed to meet the FTA requirements.

### **How to Use the Rules of Origin**

If you export to the United States or Mexico, you should verify that your products qualify for NAFTA tariff preference. The following steps should assist your review.

- ▶ **Step 1.** If your good is manufactured in Canada using inputs wholly sourced or manufactured in North America it qualifies as “originating” and is entitled to preferential tariff treatment when exported to the United States or Mexico.

Exporters should be careful when determining whether their inputs are North American. Inputs purchased from North American suppliers are not necessarily North American, as they may have been produced or imported from non-North American sources.

- ▶ **Step 2.** If your good uses non-North American inputs, you must identify the tariff classification for the good and for any non-North American inputs. Should you have difficulties determining the tariff classification, contact the appropriate customs agencies identified in this booklet.

- ▶ **Step 3.** Look up the specific rule of origin for your product in Annex B or in the NAFTA text. As the rules will make mention of tariff chapters, headings, subheadings and items, some understanding of the classification system is necessary. A tariff item has eight digits. The first two digits identify its chapter, the first four digits the heading and the first six digits the subheading of the good.
- ▶ **Step 4.** In most cases, a rule will indicate what changes in tariff classification must occur between each of the non-North American inputs and the finished good. It will read something like “a change to heading (XXXX) from any other heading, except heading (YYYY).” The first number refers to the good, the second number to excluded inputs. As long as all non-North American inputs come from permitted headings or subheadings, the good qualifies.
- ▶ **Step 5.** Usually, if the rule precludes the use of certain non-North American inputs, there will be an alternative rule permitting such changes if a value-content test is met. It will read something like “a change to heading (XXXX) from heading (YYYY) provided there is a regional value content of not less than...” In these cases a producer must calculate the regional value content in accordance with one of the two methods specified in NAFTA. Annex C describes the two methods of calculating regional value content.

### *An Example*

A Canadian producer of wood morticing machines uses Italian numerical controls, German electric motors and cast structural components.

Since some non-North American inputs are used, these morticing machines do not automatically qualify as “originating.” The product-specific rule must be used.

The producer determines that morticing machines are classified under tariff heading 8465. The non-North American parts fall under subheadings 8537.10, 8501.52, and 8466.92, respectively.

The rule of origin for heading 8465 (i.e. morticing machines) requires “a change to heading 8465 from any other heading, except from subheading 8466.92.” In this example, the morticing machine in question would not qualify under this part of the rule because the cast structural components are classified under subheading 8466.92.

The second part of the rule of origin for morticing machines permits “a change to heading 8465 from subheading 8466.92... provided there is a regional value content of not less than 60 percent where the transaction-value method is used, or 50 percent where the net-cost method is used.” In this example, if the value of the North American content exceeds either of these figures, the morticing machine would qualify.

**Additional  
Information**

Under the *de minimis* provision, however, if the value of the structural components is no more than 7 percent of the value of the finished machine, the good would automatically qualify and the value content requirement would not be triggered.

More detailed information on the NAFTA rules of origin is contained in the following publications:

*Guide to Rules of Origin and Customs Procedures for Canadian Exporters to the U.S. Market*, available through InfoEx at 1-800-267-8376;

*Trilateral Customs Guide to NAFTA*, and *NAFTA Rules of Origin — A Step by Step Guide*, available from Revenue Canada, Customs Infoline (613) 941-0965 Fax: (613) 941-8138.

While all firms exporting to the United States or Mexico should obtain copies of these publications, they will be particularly useful to firms whose products are subject to a value content requirement.

## NAFTA CUSTOMS MATTERS

### *Classification and Origin Determination*

The tariff classification and origin status of your products should be determined before you start exporting.

- ▶ Advisory classifications and origin determinations may be obtained from your customs broker or from one of the three customs agencies listed at the end of this publication.
- ▶ Written, binding rulings on classification, origin status and marking requirements may now be obtained in advance from Canadian, U.S. and Mexican customs headquarters.

Rulings must be obtained from the country into which you are shipping your goods. Contacts for these are listed at the end of this publication.

### *Customs Administration*

From experience gained in the Canada-United States Free Trade Agreement, governments learned the importance of precisely describing and agreeing upon various customs administration procedures.

NAFTA contains a number of provisions that address some of the difficulties experienced by governments, importers and exporters. These include the following:

- ▶ uniform regulations to ensure consistent interpretation, application and administration of the rules of origin, and other customs administration matters;
- ▶ common record keeping requirements, a uniform Certificate of Origin, and standardized certification requirements;
- ▶ broader rights of appeal of determinations of origin and advance rulings to allow appeals by both the exporter and importer within the NAFTA area; and
- ▶ the creation and regular meetings of trilateral working groups to address future modification of the rules of origin, marking obligations and uniform customs regulations, and to review controversial customs issues.

## COUNTRY OF ORIGIN MARKING REQUIREMENTS

### Method of Marking

The United States and Mexico both require that imports be marked to indicate to the purchaser the country of origin. Goods incorrectly marked can be held at the border. To provide greater clarity and certainty to exporters, NAFTA provides for uniform standards on how goods are to be marked.

The country of origin of a good must be marked legibly and conspicuously and must be placed where it can be easily seen during normal handling.

Marking must be sufficiently permanent to remain in place unless deliberately removed. Acceptable marking methods include stampings, mouldings, stickers, labels, tags and paint.

Imports do not have to be marked with their country of origin when:

- ▶ the cost of marking would discourage importation;
- ▶ marking would materially impair the function of the good;
- ▶ marking would substantially detract from its appearance;
- ▶ the good is a crude substance; or
- ▶ the importer will substantively transform the good.

### Country of Origin

NAFTA provides for very precise and detailed rules on how the country of origin of a good is to be determined. However, almost all goods manufactured in Canada that qualify for NAFTA tariff preference can be marked as originating in Canada.

Firms that only do minor processing, simple assembly or blending of imported inputs or those whose goods do not meet the NAFTA rule of origin should carefully check the marking rules of the country into which they are exporting. Their product may be able to be marked as a product of Canada, but in some cases it must be marked as a product of the country from which the inputs originate.

If there is doubt as to how to correctly mark a product, exporters can request an advance ruling from the importing country. A listing of the customs agencies is included in the contacts section of this publication.

## WHAT ELSE YOU SHOULD KNOW

### Temporary Entry for Business Purposes

While the following provisions of the Agreement may not be specific to the industrial equipment industry, they nonetheless affect the overall North American trading environment and are of interest to companies participating in it.

Canadian manufacturers of industrial equipment will be able to use NAFTA temporary entry provisions to facilitate travel necessary to promote the sales of goods in the United States and Mexico. Such "business visitors" are required to carry proof that they are citizens of one of the NAFTA countries, and a letter from their employer indicating the nature of their visit, their principal place of employment and the actual place of accrual of profits.

Sales representatives may bring commercial samples, advertising materials and equipment necessary to carry out the business activity without having to pay duty on those goods.

After-sales service providers are also classified as business visitors under NAFTA. Therefore, Canadian firms can now provide service and training as part of a warranty or a service contract. Such service providers may obtain duty-free, temporary entry status for the equipment necessary to do the job.

Temporary entry is also available for other business travellers such as traders and investors, intra-company transferees and professionals.

If you expect to use any of the temporary entry provisions, you should check with the relevant immigration or customs authorities for information on any documentation requirements.

### Duty Drawback

Duty drawback is the refund of customs duties levied on materials and components imported from other countries when they are incorporated into goods that are subsequently exported.

For Canada-United States trade, the FTA prescribed that all duty drawback programs were to be eliminated by January 1, 1994. NAFTA extends this deadline by two years. These programs can now be used until January 1, 1996. For trade with Mexico, existing drawback programs can be used until January 1, 2001.

After these dates, each country will still be able to adopt a partial duty-refund procedure for those goods that do not benefit from the preferential NAFTA tariff. This will avoid the payment of duties in two countries. The amount of duties waived or refunded under such programs cannot exceed the duties charged for the imported inputs or the duties charged on the finished good, whichever is less.

## Safeguard Mechanism

As under the FTA, NAFTA establishes rules and procedures under which a country may take special “safeguard” actions to provide temporary relief to industries adversely affected by surges in volumes of imports.

If increased imports injure or threaten to seriously injure Canadian industry, Canada can suspend further tariff concessions or even “snap-back” the tariff to the pre-NAFTA rates of duty.

To maintain liberalized trade and avoid abuse, any country choosing to take a safeguard action must pay compensation, usually in the form of reduced duties for other goods being imported. The cost of taking safeguard actions can be considerable, and this remedy must be pursued with caution.

## Dispute Settlement

NAFTA strengthens the dispute settlement mechanism negotiated under the FTA. There are three steps in the NAFTA provisions:

- ▶ **A consultative process.** When a country believes that its NAFTA access rights have been impaired, it can ask for consultations with the allegedly offending country. The other NAFTA country can also participate if it wishes.
- ▶ **An arbitration process.** If agreement is not reached through consultations, a meeting of the NAFTA Trade Commission may be called to discuss how the disagreement may be settled amicably. The commission is composed of cabinet level representatives designated by each country.
- ▶ **A “panel process.”** If agreement cannot be reached through arbitration by the NAFTA Trade Commission, a NAFTA panel can be convened. The panel process would determine whether any trade action taken by a NAFTA country is consistent with the NAFTA provisions. Dispute resolution must occur within strict time limits and countries must comply with panel recommendations or offer acceptable compensation.

## Procurement

Under NAFTA, there are greater opportunities for Canadian firms to sell to the Mexican and U.S. governments. Whereas the FTA procurement disciplines applied only to goods purchased by some government departments, NAFTA expands the scope of obligations to include services and construction, lowers the thresholds for competitive bidding, expands the coverage to include more U.S. departments and agencies, and includes Mexican government purchases.

While most government departments and agencies may not be large-scale purchasers of industrial equipment and machinery, there may be some opportunities in the newly opened U.S. departments of Energy and Transport, in the Army Corps of Engineers, and through the removal of the “Buy America” provisions of the *Rural Electrification Act*.

In Mexico, the giant state-owned oil and gas, and power utilities, PEMEX and CFE, are also now subject to international tendering disciplines. Access will initially be subject to certain restrictions, which will be phased out over ten years.

## **Standards**

NAFTA includes provisions to help prevent standards from becoming trade barriers. NAFTA promotes the use of compatible standards, technical regulations and conformity-assessment procedures. In time, this provision will reduce the burden of compliance with different standards for different countries.

To reduce exporters' costs, NAFTA encourages mutual acceptance of test results and certification procedures. Approved facilities will eventually be able to certify that a product meets the standards of all three countries. The Canadian Standards Association is now able to certify that certain products meet the more than 360 U.S. health and safety standards. Underwriters' Laboratories of Illinois has been granted approval to certify that products comply with Canadian standards.

NAFTA requires that the three countries seek to ensure that provincial, state and local governments, as well as non-government standard-setting bodies, comply with the provisions described. This clause was negotiated to help Canadian manufacturers who presently face a myriad of U.S. state regulations.

Notwithstanding these improvements, Canadian firms exporting to Mexico or the United States must still ensure that products meet the safety regulations, labelling requirements and other technical standards of the country into which they are being exported.

## **Intellectual Property Rights**

Canadian producers rely on patent and trademark protection to safeguard innovative products, special manufacturing processes and internationally known names. NAFTA provides extensive protection for patents, trademarks and trade secrets. It is the first trade agreement to offer protection for trade secrets, which can include formulas, customer lists and production processes.

The Agreement also contains extensive provisions on intellectual property enforcement, including civil and administrative procedures, provisional remedies, criminal penalties and border enforcement mechanisms.

Further information may be obtained on intellectual property matters by calling the Intellectual Property Directorate, Industry Canada at (819) 997-1936.



**Other NAFTA  
Provisions**

The Agreement contains provisions on a variety of other issues including investment, the environment, competition policy, cultural industries and cross-border trade.

To obtain additional information on these and other provisions of NAFTA, consult the publications listed at the end of this booklet.

## ***THE CANADIAN INDUSTRY IN A NORTH AMERICAN CONTEXT***

### ***Canadian Market***

Canadian manufacturers produce a broad range of industrial equipment and have the expertise to manufacture both standard and specialty machinery. Machinery manufacturing tends to be specialized, with many firms serving international markets and exporting a large proportion of their production. Some, however, confine themselves to serving smaller regional markets.

Canadian shipments of industrial machinery stand at about \$10.8 billion, of which \$5.5 billion (51 percent) are exports. Requirements for specialized equipment results in high imports, because much of the diverse equipment required by Canadian industry is not manufactured in Canada. Imports of about \$14 billion supply almost three quarters of the Canadian market.

### ***Canada- United States Trade***

Trade between Canada and the United States in industrial equipment is well established. Over 75 percent of Canadian exports are shipped to the United States. The United States accounts for 71 percent of Canadian imports.

Canada is a major supplier of plastic processing equipment and moulds to the U.S. market. Other significant industrial equipment exports to the United States include boilers, heat exchangers, heating and air conditioning equipment, metal stamping machinery, packaging machinery and materials handling equipment.

### ***Canada-Mexico Trade***

In contrast to substantial Canada-United States trade flows, Canada-Mexico trade has to date been minimal. In 1992, Canadian exports of industrial equipment to Mexico totalled \$37 million, while imports were \$175 million.

### ***United States- Mexico Trade***

The Mexican market for industrial equipment has been largely closed to outside competition for many years. This was due to a combination of high tariffs, import licences, discriminatory procurement practices by government controlled companies, and other non-tariff barriers. Recent reforms have opened the market to foreign suppliers. As a consequence, Mexico's imports of industrial equipment have increased significantly, with the United States, its largest supplier, accounting for around 85 percent of all such imports.

### **Competitive Implications of NAFTA**

The direct impact of increased Mexican competition on the Canadian market for industrial equipment is expected to be minimal. Despite lower labour costs, Mexico's equipment manufacturing industry is still relatively inefficient, hindered by low productivity and a lack of up-to-date product technology. Significant restructuring will have to occur before Mexico will be able to compete internationally.

### **New Mexican Market Opportunities**

Recent trade reforms and other economic policies have transformed the highly regulated and largely closed Mexican market. NAFTA eliminates most of the remaining impediments to Canadian exports of industrial equipment.

Economic growth and modernization efforts in Mexico suggest a large potential market for industrial machinery exports. Limited domestic production is such that imports will continue to play a paramount role in the Mexican market for machine tools. The most important end-user sectors for these tools in Mexico are the automotive industry, the steel industry, and the electric and non-electric machinery industries. Machinery and equipment requirements are expected to increase in many other manufacturing sectors.

With the modernization of Mexican industry, there will be increased demand for industrial process control instruments and for a wide range of packaging and materials handling equipment.

Potential export opportunities in Mexico of particular interest to Canadian producers include plastics moulding machines, extruding machinery, moulds, rotary displacement pumps, fans, heat exchangers, bottle cleaners, labelling machines, hydraulic hoists, electric trucks, multi-station transfer machines, wood saws, metal working presses, plastic and rubber cutting equipment and rope and cable making machinery.

You may obtain information on planned trade fairs or missions and on the Mexican market by contacting InfoEx or the Industry Canada contacts listed at the end of this publication.

## TAKING ADVANTAGE OF NAFTA OPPORTUNITIES

Individual companies need to look at the facts to clearly determine how North American trade liberalization will affect their business. Prudent company directors will formulate a business plan to ensure that the business continues to grow while the opportunities provided by NAFTA are taken advantage of.

In assessing the impacts of the Agreement for your business, you should ask yourself the following questions:

- ▶ What effect will NAFTA tariff reductions have on my business?
- ▶ How might the changes to the rules of origin affect my products?
- ▶ Do the extended duty drawback provisions, and the improved standards, safeguards and investment provisions affect my business?
- ▶ How will NAFTA affect my customers, suppliers, and competitors?

You will want to assess how to adapt your business to the new environment under NAFTA. Some questions to be considered include:

- ▶ Which U.S. and Mexican markets have the best growth potential for my products?
- ▶ What are the best transportation, distribution and servicing arrangements for the new markets?
- ▶ Which of my products will face tougher competition domestically?
- ▶ Do I need to change my product line to take advantage of the NAFTA opportunities?
- ▶ Can new technologies or production processes reduce my costs?
- ▶ Can I take better advantage of NAFTA tariff preferences by using more North American inputs?
- ▶ What effect will expanding my market have on my cash flow, profit and loss account, and balance sheet?
- ▶ Are my human resource needs going to change?

Answering these questions will provide a good start on the type of information that you need to develop and implement a strategic plan of action in response to NAFTA's competitive environment. A full strategic plan is necessary for companies to compete successfully in today's open market system. If you need assistance in developing a strategic plan call your regional Industry Canada office or the sector contact listed at the end of this publication.



## CONTACTS

**For further information concerning the subject matter contained in this publication contact Industry Canada at:**

Advanced Manufacturing Technologies Directorate

Tel.: (613) 954-3249

Fax: (613) 941-2463, or

NAFTA Information Desk

International Business Branch

Tel.: (613) 952-5010

Fax: (613) 952-0540

**For information on NAFTA-related customs matters, advanced rulings on classification, and tariff rates contact:**

Revenue Canada — Customs, NAFTA Infoline:

(613) 941-0965 Fax: (613) 941-8138

Mexico Customs Service, NAFTA Hotline:

(011-525) 211-3545 Fax: (011-525) 224-3000

U.S. Customs Service, NAFTA Hotline:

(202) 927-0066 Fax: (202) 927-0097

**For information on NAFTA-related export development programs and activities contact:**

InfoEx

Foreign Affairs and International Trade Canada

Tel.: 1-800-267-8376 (Ottawa area: (613) 944-4000 or 993-6435)

Fax: (613) 996-9709

**To obtain product-specific reports on North American trade data contact:**

Market Intelligence and Technology Opportunities Service

Industry Canada

Tel.: (613) 954-4970 Fax: (613) 954-2340

**To obtain information on government procurement opportunities in Canada, the United States and Mexico contact:**

Open Bidding Info Line

Public Works, Government Services Canada

Tel.: (819) 956-3440

Open Bidding Registration

Tel.: 1-800-361-4637 (Ottawa area: (613) 737-3374)

## OTHER PUBLICATIONS

The other sector-specific NAFTA publications in this series include:

- ▶ Apparel
- ▶ Chemicals
- ▶ Construction Materials
- ▶ Electrical Equipment
- ▶ Electronic Components
- ▶ Environmental Equipment and Services
- ▶ Fish and Fish Products
- ▶ Furniture
- ▶ Health Care Products
- ▶ Major Appliances
- ▶ Paper Products
- ▶ Plastics
- ▶ Primary Metals
- ▶ Professional and Business Services
- ▶ Resource Equipment
- ▶ Sporting and Recreational Equipment
- ▶ Telecommunications Equipment
- ▶ Textiles
- ▶ Urban Transit and Rail
- ▶ Wood and Wood Products

To order any of the above or additional copies of this publication contact:

NAFTA Information Desk  
 Industry Canada  
 Tel.: (613) 952-5010  
 Fax: (613) 952-0540

The following publications provide additional information on the Agreement and guidance on exporting within the NAFTA trade area:

- ▶ *NAFTA: What's it all about?*
- ▶ *North American Free Trade Agreement*
- ▶ *Documents and Regulations for Exporting to Mexico*
- ▶ *Guide to Rules of Origin and Customs Procedures for Canadian Exporters to the U.S. Market*
- ▶ *Mexico: A Guide for Canadian Exporters*
- ▶ *Government Procurement in Mexico*
- ▶ *Mexican Market Study on Food Processing and Packaging Equipment*
- ▶ *Mexican Market Study on Machine Tools and Metalworking*
- ▶ *Mexican Market Study on Materials Handling Equipment*

These are available from:

InfoEx  
 Foreign Affairs and International Trade Canada  
 Tel.: 1-800-267-8376 (Ottawa area: (613) 993-6435)  
 Fax: (613) 996-9709

For additional information on importing products to Canada and on other customs issues, the following publications are available:

- ▶ *Importing Goods Into Canada*
- ▶ *Trilateral Customs Guide to NAFTA*
- ▶ *NAFTA Rules of Origin — A Step by Step Guide*

These may be obtained from the regional offices of Revenue Canada — Customs or by contacting:

Revenue Canada — Customs  
Tel.: (613) 941-0965 Fax: (613) 941-8138

The following publication provides reports on 36 manufacturing sectors and describes the new benefits and opportunities in Mexico and Canada for U.S. industries:

- ▶ *NAFTA Opportunities for U.S. Industries* (PB#94-100849)

The above publication or the individual sector reports may be ordered through:

U.S. Department of Commerce  
Tel.: (703) 487-4650

## **ANNEX A**

### **Canada-Mexico NAFTA Tariff Phase-Outs**

This annex lists the tariff phase-out stages for most industrial equipment of interest to Canadian exporters, by tariff classification number. It contains a brief description of the products in each tariff subheading as well as the specific phase-out category and base rate of duty for each tariff item.

**The information contained in this annex is to be used as a guide only. In the event of any discrepancy in information between this schedule and the official country-specific tariff schedule, the latter will prevail.**

Tariff classifications are identical for all countries up to the “subheading level,” as indicated by the first six digits of the classification of a good. At the eight digit or “tariff item” level, however, classifications often differ between Canada, Mexico and the United States. Consequently, it may be necessary to refer to each country’s tariff schedule to find the product descriptions at the more detailed tariff item level.

The following provides a key to the various phase-out categories and other abbreviations used:

- A – tariff elimination occurred on implementation of the Agreement on January 1, 1994;
- B – tariff to be eliminated in five equal annual stages beginning January 1, 1994 and ending January 1, 1998;
- C – tariff to be eliminated in 10 equal annual stages beginning January 1, 1994 and ending January 1, 2003;
- D – the tariff is already zero or free;
- ( ) – the bracketed tariff rate is to be applied when calculating the duty on goods that are “jointly produced” between Mexico and the United States, and are imported into Canada;
- nes – not elsewhere specified in the tariff schedule.



## INDUSTRIAL EQUIPMENT CANADA-MEXICO TARIFF PHASE-OUT SCHEDULE

| SUB-<br>HEADING | DESCRIPTION   | CANADA     |          |         | MEXICO     |          |         |
|-----------------|---|------------|----------|---------|------------|----------|---------|
|                 |   | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8207.20         | Dies for drawing or extruding metal   | 8207.20.10 | Free     | A       | 8207.20.01 | 15       | B       |
|                 |   | 8207.20.90 | 2.5      | A       | 8207.20.02 | 15       | B       |
|                 |   |            |          |         | 8207.20.03 | 15       | B       |
| 8207.30         | Tools for pressing, stamping or punching                                    | 8207.30.00 | 2.5      | B       | 8207.30.01 | 10       | B       |
|                 |   |            |          |         | 8207.30.02 | 10       | B       |
|                 |   |            |          |         | 8207.30.03 | 10       | B       |
| 8207.40         | Tools for tapping or threading  | 8207.40.00 | 2.5      | B       | 8207.40.01 | 15       | B       |
|                 |   |            |          |         | 8207.40.02 | 15       | B       |
|                 |   |            |          |         | 8207.40.03 | 10       | A       |
|                 |   |            |          |         | 8207.40.99 | 10       | B       |
| 8207.50         | Tools for drilling, other than for rock drilling                            | 8207.50.00 | 2.5      | B       | 8207.50.01 | 15       | C       |
|                 |   |            |          |         | 8207.50.02 | 15       | C       |
|                 |   |            |          |         | 8207.50.03 | 15       | C       |
|                 |   |            |          |         | 8207.50.04 | 15       | A       |
|                 |   |            |          |         | 8207.50.05 | 10       | A       |
|                 |   |            |          |         | 8207.50.06 | 15       | B       |
| 8207.60         | Tools for boring or broaching   | 8207.60.00 | 2.5      | (9.2) B | 8207.50.06 | 15       | C       |
|                 |   |            |          |         | 8207.60.01 | 10       | B       |
|                 |   |            |          |         | 8207.60.02 | 10       | B       |
|                 |   |            |          |         | 8207.60.03 | 10       | B       |
|                 |   |            |          |         | 8207.60.04 | 10       | A       |
|                 |   |            |          |         | 8207.60.05 | 10       | A       |
|                 |   |            |          |         | 8207.60.99 | 15       | B       |
| 8207.70         | Tools for milling   | 8207.70.00 | 2.5      | A       | 8207.70.01 | 10       | A       |
|                 |   |            |          |         | 8207.70.02 | 10       | A       |
|                 |   |            |          |         | 8207.70.99 | 15       | A       |
| 8207.80         | Tools for turning   | 8207.80.00 | 2.5      | A       | 8207.80.01 | 15       | C       |
|                 |   |            |          |         | 8207.80.99 | 15       | C       |
| 8207.90         | Screwdriver bits, lapping tools and other interchangeable tools             | 8207.90.10 | Free     | D       | 8207.90.01 | 10       | A       |
|                 |   | 8207.90.90 | 2.5      | B       | 8207.90.02 | 15       | C       |
|                 |   |            |          |         | 8207.90.03 | 15       | C       |
|                 |   |            |          |         | 8207.90.99 | 15       | C       |
| 8208.10         | Knives and blades for machines or mechanical appliances for metal working   | 8208.10.00 | 2.5      | A       | 8208.10.01 | 10       | B       |
|                 |   |            |          |         | 8208.10.99 | 10       | B       |
| 8208.30         | Knives and blades for kitchen appliances or food industry machines          | 8208.30.00 | 2.5      | (9.2) B | 8208.30.01 | 10       | B       |
|                 |   |            |          |         | 8208.30.99 | 15       | C       |
| 8208.90         | Knives and blades for leather, paper, tobacco machines and other industries | 8208.90.00 | 2.5      | A       | 8208.90.99 | 15       | B       |
| 8413.19         | Pumps fitted or designed to be fitted with a measuring device, nes          | 8413.19.10 | Free     | D       | 8413.19.01 | 20       | B       |
|                 |   | 8413.19.90 | 2.5      | A       | 8413.19.02 | 10       | A       |
|                 |   |            |          |         | 8413.19.03 | 20       | A       |
|                 |   |            |          |         | 8413.19.04 | 10       | A       |
|                 |   |            |          |         | 8413.19.99 | 15       | A       |
| 8413.20         | Hand pumps, nes, other than those of subheading No. 8413.11 or 8413.19      | 8413.20.00 | 2.5      | A       | 8413.20.01 | 20       | B       |

| SUB-<br>HEADING | DESCRIPTION  | CANADA                   |             |         | MEXICO     |          |         |
|-----------------|--|--------------------------|-------------|---------|------------|----------|---------|
|                 |  | ITEM                     | RATE (%)    | PHASING | ITEM       | RATE (%) | PHASING |
| 8413.40         | Concrete pumps   | 8413.40.00               | 2.5         | A       | 8413.40.01 | 20       | A       |
|                 |  |                          |             |         | 8413.40.02 | 10       | A       |
|                 |  |                          |             |         | 8413.40.03 | 10       | A       |
|                 |  |                          |             |         | 8413.40.99 | 10       | A       |
| 8413.50         | Reciprocating positive displacement pumps, nes   | 8413.50.10<br>8413.50.90 | Free<br>2.5 | D<br>A  | 8413.50.01 | 15       | B       |
|                 |  |                          |             |         | 8413.50.99 | 10       | B       |
| 8413.60         | Rotary positive displacement pumps, nes  | 8413.60.00               | 2.5         | B       | 8413.60.01 | 20       | C       |
|                 |  |                          |             |         | 8413.60.02 | 15       | B       |
|                 |  |                          |             |         | 8413.60.03 | 15       | C       |
|                 |  |                          |             |         | 8413.60.04 | 20       | C       |
|                 |  |                          |             |         | 8413.60.05 | 10       | A       |
|                 |  |                          |             |         | 8413.60.99 | 10       | C       |
| 8413.70         | Centrifugal pumps, nes   | 8413.70.10<br>8413.70.90 | Free<br>2.5 | D<br>B  | 8413.70.01 | 10       | C       |
|                 |  |                          |             |         | 8413.70.02 | 15       | C       |
|                 |  |                          |             |         | 8413.70.03 | 20       | C       |
|                 |  |                          |             |         | 8413.70.04 | 20       | C       |
|                 |  |                          |             |         | 8413.70.05 | 20       | C       |
| 8413.81         | Pumps, nes   | 8413.81.00               | 2.5         | B       | 8413.81.01 | 20       | C       |
|                 |  |                          |             |         | 8413.81.02 | 20       | A       |
|                 |  |                          |             |         | 8413.81.99 | 10       | C       |
| 8413.82         | Liquid elevators   | 8413.82.00               | 2.5         | A       | 8413.82.01 | 10       | C       |
| 8414.10         | Vacuum pumps   | 8414.10.10<br>8414.10.90 | Free<br>2.5 | D<br>A  | 8414.10.01 | 15       | C       |
|                 |  |                          |             |         | 8414.10.02 | 15       | B       |
|                 |  |                          |             |         | 8414.10.03 | 20       | A       |
|                 |  |                          |             |         | 8414.10.04 | 10       | A       |
|                 |  |                          |             |         | 8414.10.05 | 10       | A       |
|                 |  |                          |             |         | 8414.10.99 | 15       | A       |
| 8414.20         | Hand or foot-operated air pumps  | 8414.20.00               | 2.5         | A       | 8414.20.01 | 15       | A       |
| 8414.30         | Compressors of a kind used in refrigerating equipment  | 8414.30.10<br>8414.30.90 | 2.5<br>2.5  | B<br>B  | 8414.30.01 | 20       | C       |
|                 |  |                          |             |         | 8414.30.02 | 20       | B       |
|                 |  |                          |             |         | 8414.30.03 | 10       | A       |
|                 |  |                          |             |         | 8414.30.04 | 10       | C       |
|                 |  |                          |             |         | 8414.30.05 | 20       | B       |
|                 |  |                          |             |         | 8414.30.06 | 20       | B       |
|                 |  |                          |             |         | 8414.30.07 | 20       | B       |
|                 |  |                          |             |         | 8414.30.08 | 10       | B       |
|                 |  |                          |             |         | 8414.30.09 | 15       | B       |
|                 |  |                          |             |         | 8414.30.99 | 15       | C       |
| 8414.40         | Air compressors mounted on a wheeled chassis for towing                                      | 8414.40.10<br>8414.40.90 | Free<br>2.5 | D<br>B  | 8414.40.01 | 20       | C       |
|                 |  |                          |             |         | 8414.40.02 | 10       | B       |
|                 |  |                          |             |         | 8414.40.99 | 15       | B       |
| 8414.51         | Fans: table, roof etc. with a self-contained electric motor of an output not exceeding 125 W | 8414.51.00               | 2.5         | (6.2) C | 8414.51.01 | 20       | C       |
|                 |  |                          |             |         | 8414.51.02 | 20       | A       |
|                 |  |                          |             |         | 8414.51.99 | 15       | C       |
| 8414.59         | Fans, nes  | 8414.59.00               | 2.5         | B       | 8414.59.01 | 20       | C       |
|                 |  |                          |             |         | 8414.59.99 | 15       | B       |
| 8414.60         | Hoods having a maximum horizontal side not exceeding 120 cm                                  | 8414.60.00               | 2.5         | (4.6) B | 8414.60.01 | 20       | B       |
|                 |  |                          |             |         | 8414.60.99 | 15       | B       |
| 8414.80         | Air or gas compressors, hoods  | 8414.80.10<br>8414.80.90 | 2.5<br>2.5  | B<br>B  | 8414.80.01 | 15       | B       |
|                 |  |                          |             |         | 8414.80.02 | 10       | B       |
|                 |  |                          |             |         | 8414.80.03 | 15       | C       |
|                 |  |                          |             |         | 8414.80.04 | 10       | A       |
|                 |  |                          |             |         | 8414.80.05 | 10       | A       |
|                 |  |                          |             |         | 8414.80.06 | 20       | C       |

| SUB-<br>HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |          |         |
|-----------------|--|------------|----------|---------|------------|----------|---------|
|                 |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
|                 |  |            |          |         | 8414.80.07 | 15       | C       |
|                 |  |            |          |         | 8414.80.08 | 20       | A       |
|                 |  |            |          |         | 8414.80.09 | 10       | A       |
|                 |  |            |          |         | 8414.80.10 | 20       | A       |
|                 |  |            |          |         | 8414.80.11 | 15       | B       |
|                 |  |            |          |         | 8414.80.12 | 10       | C       |
|                 |  |            |          |         | 8414.80.13 | 10       | C       |
|                 |  |            |          |         | 8414.80.14 | 10       | A       |
|                 |  |            |          |         | 8414.80.15 | 10       | C       |
|                 |  |            |          |         | 8414.80.99 | 15       | A       |
| 8417.20         | Bakery ovens, including<br>biscuit ovens, non-electric   | 8417.20.00 | 7.5      | A       | 8417.20.01 | 20       | B       |
|                 |  |            |          |         | 8417.20.99 | 20       | B       |
| 8417.80         | Industrial or lab furnaces and<br>ovens, including incinerators<br>non-electric, nes                             | 8417.80.10 | Free     | D       | 8417.80.01 | 20       | B       |
|                 |  | 8417.80.90 | 2.5      | A       | 8417.80.02 | 20       | B       |
|                 |  |            |          |         | 8417.80.03 | 10       | B       |
|                 |  |            |          |         | 8417.80.04 | 20       | B       |
|                 |  |            |          |         | 8417.80.99 | 20       | B       |
| 8419.39         | Non-domestic, non-electric<br>dryers, nes  | 8419.39.10 | Free     | D       | 8419.39.01 | 10       | A       |
|                 |  | 8419.39.20 | Free     | D       | 8419.39.02 | 20       | A       |
|                 |  | 8419.39.90 | 2.5      | A       | 8419.39.03 | 10       | A       |
|                 |  |            |          |         | 8419.39.04 | 10       | A       |
|                 |  |            |          |         | 8419.39.05 | 20       | A       |
|                 |  |            |          |         | 8419.39.06 | 15       | A       |
|                 |  |            |          |         | 8419.39.99 | 15       | A       |
| 8419.40         | Distilling or rectifying plant   | 8419.40.00 | 2.5      | A       | 8419.40.01 | 15       | A       |
|                 |  |            |          |         | 8419.40.02 | 20       | A       |
|                 |  |            |          |         | 8419.40.03 | 10       | C       |
|                 |  |            |          |         | 8419.40.04 | 15       | C       |
|                 |  |            |          |         | 8419.40.99 | 10       | A       |
| 8419.50         | Heat exchange units,<br>non-domestic, non-electric   | 8419.50.10 | Free     | D       | 8419.50.01 | 10       | B       |
|                 |  | 8419.50.20 | Free     | D       | 8419.50.02 | 10       | C       |
|                 |  | 8419.50.91 | 2.5      | B       | 8419.50.03 | 15       | C       |
|                 |  | 8419.50.99 | 6.5      | B       | 8419.50.04 | 10       | A       |
|                 |  |            |          |         | 8419.50.05 | 10       | A       |
|                 |  |            |          |         | 8419.50.99 | 10       | B       |
| 8419.60         | Machinery for liquefying air<br>or other gases   | 8419.60.00 | 2.5      | A       | 8419.60.01 | 10       | A       |
| 8419.81         | Machinery for making hot<br>drinks or for cooking or<br>heating food, non-domestic                               | 8419.81.10 | Free     | D       | 8419.81.01 | 20       | C       |
|                 |  | 8419.81.20 | 2.5      | B       | 8419.81.02 | 20       | C       |
|                 |  | 8419.81.30 | Free     | A       | 8419.81.99 | 10       | A       |
|                 |  | 8419.81.40 | 7.5      | A       |            |          |         |
|                 |  | 8419.81.90 | 7.5      | B       |            |          |         |
| 8419.89         | Machinery, plant or laboratory<br>equipment for the treatment<br>of materials by a change of<br>temperature, nes | 8419.89.10 | Free     | D       | 8419.89.01 | 10       | A       |
|                 |  | 8419.89.20 | Free     | D       | 8419.89.02 | 20       | A       |
|                 |  | 8419.89.30 | Free     | A       | 8419.89.03 | 20       | C       |
|                 |  | 8419.89.40 | 2.5      | B       | 8419.89.04 | 15       | C       |
|                 |  | 8419.89.90 | 6.5      | B       | 8419.89.05 | 15       | A       |
|                 |  |            |          |         | 8419.89.06 | 10       | A       |
|                 |  |            |          |         | 8419.89.07 | 10       | B       |
|                 |  |            |          |         | 8419.89.08 | 10       | A       |
|                 |  |            |          |         | 8419.89.09 | 20       | B       |
|                 |  |            |          |         | 8419.89.10 | 20       | A       |
|                 |  |            |          |         | 8419.89.11 | 15       | C       |
|                 |  |            |          |         | 8419.89.12 | 15       | C       |
|                 |  |            |          |         | 8419.89.13 | 10       | A       |
|                 |  |            |          |         | 8419.89.14 | 15       | C       |
|                 |  |            |          |         | 8419.89.15 | 20       | C       |
|                 |  |            |          |         | 8419.89.16 | 15       | C       |
|                 |  |            |          |         | 8419.89.17 | 20       | C       |
|                 |  |            |          |         | 8419.89.18 | 20       | C       |

| SUB-<br>HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |          |         |
|-----------------|--|------------|----------|---------|------------|----------|---------|
|                 |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
|                 |  |            |          |         | 8419.89.19 | 20       | C       |
|                 |  |            |          |         | 8419.89.20 | 20       | B       |
|                 |  |            |          |         | 8419.89.21 | 15       | B       |
|                 |  |            |          |         | 8419.89.99 | 10       | B       |
| 8420.10         | Calendering or rolling machines, excluding for metals or glass   | 8420.10.10 | Free     | D       | 8420.10.01 | 10       | A       |
|                 |  | 8420.10.90 | 2.5      | A       |            |          |         |
| 8421.19         | Centrifuges, nes   | 8421.19.10 | Free     | D       | 8421.19.01 | 15       | A       |
|                 |  | 8421.19.20 | Free     | D       | 8421.19.02 | 15       | A       |
|                 |  | 8421.19.30 | Free     | D       | 8421.19.03 | 20       | A       |
|                 |  | 8421.19.90 | 2.5      | A       | 8421.19.04 | 10       | A       |
|                 |  |            |          |         | 8421.19.05 | 20       | A       |
|                 |  |            |          |         | 8421.19.06 | 10       | A       |
|                 |  |            |          |         | 8421.19.99 | 15       | A       |
| 8421.22         | Filtering or purifying machinery and apparatus for beverages, excluding water  | 8421.22.00 | 2.5      | A       | 8421.22.01 | 15       | A       |
| 8421.39         | Filtering or purifying machinery and apparatus for gases, nes  | 8421.39.10 | Free     | D       | 8421.39.01 | 20       | B       |
|                 |  | 8421.39.20 | 2.5      | (9.2) B | 8421.39.02 | 15       | B       |
|                 |  | 8421.39.90 | 2.5      | (9.2) B | 8421.39.03 | 10       | B       |
|                 |  |            |          |         | 8421.39.04 | 20       | B       |
|                 |  |            |          |         | 8421.39.05 | 15       | B       |
|                 |  |            |          |         | 8421.39.06 | 15       | B       |
|                 |  |            |          |         | 8421.39.07 | 15       | B       |
|                 |  |            |          |         | 8421.39.08 | 10       | B       |
|                 |  |            |          |         | 8421.39.09 | 10       | B       |
|                 |  |            |          |         | 8421.39.99 | 10       | B       |
| 8422.20         | Machinery for cleaning or drying bottles or containers, nes  | 8422.20.10 | Free     | D       | 8422.20.01 | 20       | B       |
|                 |  | 8422.20.90 | 2.5      | A       | 8422.20.02 | 15       | B       |
|                 |  |            |          |         | 8422.20.03 | 10       | A       |
|                 |  |            |          |         | 8422.20.04 | 10       | B       |
|                 |  |            |          |         | 8422.20.99 | 10       | A       |
| 8422.30         | Machines for filling, closing, sealing etc. bottles, cans, boxes, bags or containers, nes, machines for aerating beverages | 8422.30.10 | Free     | D       | 8422.30.01 | 10       | A       |
|                 |  | 8422.30.90 | 2.5      | B       | 8422.30.02 | 15       | A       |
|                 |  |            |          |         | 8422.30.03 | 10       | A       |
|                 |  |            |          |         | 8422.30.04 | 10       | A       |
|                 |  |            |          |         | 8422.30.05 | 10       | B       |
|                 |  |            |          |         | 8422.30.06 | 15       | B       |
|                 |  |            |          |         | 8422.30.07 | 10       | A       |
|                 |  |            |          |         | 8422.30.08 | 15       | B       |
|                 |  |            |          |         | 8422.30.09 | 10       | A       |
|                 |  |            |          |         | 8422.30.10 | 10       | B       |
|                 |  |            |          |         | 8422.30.11 | 10       | B       |
|                 |  |            |          |         | 8422.30.12 | 10       | B       |
|                 |  |            |          |         | 8422.30.13 | 10       | A       |
|                 |  |            |          |         | 8422.30.14 | 10       | A       |
|                 |  |            |          |         | 8422.30.15 | 10       | A       |
|                 |  |            |          |         | 8422.30.16 | 10       | B       |
|                 |  |            |          |         | 8422.30.17 | 10       | B       |
|                 |  |            |          |         | 8422.30.99 | 10       | B       |
| 8422.40         | Packing or wrapping machinery, nes   | 8422.40.10 | Free     | D       | 8422.40.01 | 15       | B       |
|                 |  | 8422.40.90 | 2.5      | A       | 8422.40.02 | 20       | B       |
|                 |  |            |          |         | 8422.40.03 | 10       | A       |
|                 |  |            |          |         | 8422.40.04 | 10       | A       |
|                 |  |            |          |         | 8422.40.05 | 10       | A       |
|                 |  |            |          |         | 8422.40.06 | 10       | A       |
|                 |  |            |          |         | 8422.40.99 | 10       | A       |
| 8423.90         | Weighing machine weights of all kinds; parts of weighing machinery   | 8423.90.00 | Free     | A       | 8423.90.01 | 10       | B       |
|                 |  |            |          |         | 8423.90.02 | 10       | A       |

| SUB-<br>HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |          |         |
|-----------------|--|------------|----------|---------|------------|----------|---------|
|                 |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8424.20         | Spray guns and similar appliances  | 8424.20.10 | Free     | D       | 8424.20.01 | 20       | B       |
|                 |  | 8424.20.90 | 2.5      | B       | 8424.20.02 | 15       | A       |
|                 |  |            |          |         | 8424.20.03 | 10       | A       |
|                 |  |            |          |         | 8424.20.99 | 20       | A       |
| 8424.30         | Steam or sand blasting machines and similar jet projecting machines  | 8424.30.00 | 2.5      | B       | 8424.30.01 | 20       | C       |
|                 |  |            |          |         | 8424.30.02 | 20       | C       |
|                 |  |            |          |         | 8424.30.03 | 10       | A       |
|                 |  |            |          |         | 8424.30.04 | 20       | C       |
|                 |  |            |          |         | 8424.30.99 | 20       | B       |
| 8424.89         | Mechanical appliances (whether or not hand-operated for projecting, dispersing or spraying liquid or powders, nes) | 8424.89.00 | 2.5      | A       | 8424.89.01 | 20       | A       |
|                 |  |            |          |         | 8424.89.02 | 10       | A       |
|                 |  |            |          |         | 8424.89.03 | 10       | A       |
|                 |  |            |          |         | 8424.89.99 | 20       | A       |
| 8425.11         | Pulley tackle and hoists electric (excluding skip hoists or hoists for raising vehicles)                           | 8425.11.00 | 2.5      | A       | 8425.11.01 | 10       | C       |
|                 |  |            |          |         | 8425.11.99 | 20       | C       |
| 8425.19         | Pulley tackle and hoists, nes, (excluding skip hoists or hoists for raising vehicles)                              | 8425.19.00 | 2.5      | A       | 8425.19.99 | 20       | B       |
| 8425.31         | Winches or capstans, nes, powered by electric motor  | 8425.31.00 | 2.5      | A       | 8425.31.01 | 20       | B       |
|                 |  |            |          |         | 8425.31.02 | 15       | C       |
| 8425.39         | Winches or capstans, nes   | 8425.39.10 | Free     | D       | 8425.39.01 | 10       | C       |
|                 |  | 8425.39.90 | 2.5      | A       | 8425.39.02 | 15       | C       |
|                 |  |            |          |         | 8425.39.03 | 10       | B       |
|                 |  |            |          |         | 8425.39.99 | 20       | A       |
| 8425.42         | Jacks and hoists, nes, hydraulic   | 8425.42.00 | 2.5      | B       | 8425.42.01 | 10       | B       |
|                 |  |            |          |         | 8425.42.02 | 20       | B       |
|                 |  |            |          |         | 8425.42.03 | 20       | B       |
|                 |  |            |          |         | 8425.42.99 | 10       | B       |
| 8425.49         | Jacks and hoists, nes  | 8425.49.00 | 2.5      | B       | 8425.49.01 | 20       | B       |
|                 |  |            |          |         | 8425.49.99 | 20       | B       |
| 8426.11         | Gantry and overhead travelling cranes on fixed support   | 8426.11.00 | 2.5      | B       | 8426.11.01 | 15       | C       |
| 8426.12         | Mobile lifting frames on tires and straddle carriers   | 8426.12.00 | 2.5      | A       | 8426.12.01 | 15       | C       |
| 8426.19         | Transporter or bridge cranes   | 8426.19.00 | 2.5      | A       | 8426.19.01 | 15       | A       |
| 8426.20         | Tower cranes   | 8426.20.00 | 2.5      | A       | 8426.20.01 | 10       | C       |
| 8426.30         | Portal or pedestal jib cranes  | 8426.30.00 | 2.5      | A       | 8426.30.01 | 15       | C       |
| 8426.41         | Derricks, cranes or works trucks fitted with a crane, self-propelled on tires                                      | 8426.41.00 | 2.5      | A       | 8426.41.01 | 15       | C       |
|                 |  |            |          |         | 8426.41.02 | 15       | C       |
|                 |  |            |          |         | 8426.41.99 | 15       | C       |
| 8426.49         | Derricks, cranes or work trucks fitted with a crane, self-propelled, nes   | 8426.49.00 | 2.5      | A       | 8426.49.01 | 15       | C       |
|                 |  |            |          |         | 8426.49.02 | 15       | C       |
|                 |  |            |          |         | 8426.49.99 | 15       | C       |
|                 |  |            |          |         |            |          |         |
| 8426.91         | Cranes designed for mounting on road vehicles  | 8426.91.00 | 2.5      | A       | 8426.91.01 | 10       | A       |
|                 |  |            |          |         | 8426.91.02 | 15       | A       |
|                 |  |            |          |         | 8426.91.03 | 15       | A       |
|                 |  |            |          |         | 8426.91.04 | 10       | A       |
|                 |  |            |          |         | 8426.91.99 | 15       | A       |
| 8426.99         | Cranes or derricks, nes  | 8426.99.00 | 2.5      | A       | 8426.99.01 | 10       | C       |
|                 |  |            |          |         | 8426.99.02 | 15       | C       |
|                 |  |            |          |         | 8426.99.03 | 15       | B       |
|                 |  |            |          |         | 8426.99.04 | 20       | C       |
|                 |  |            |          |         | 8426.99.99 | 15       | A       |

| SUB-HEADING | DESCRIPTION  | CANADA     |            |         | MEXICO     |          |         |
|-------------|--|------------|------------|---------|------------|----------|---------|
|             |  | ITEM       | RATE (%)   | PHASING | ITEM       | RATE (%) | PHASING |
| 8427.10     | Self-propelled works trucks, powered by an electric motor  | 8427.10.10 | 2.5        | B       | 8427.10.01 | 20       | C       |
|             |  | 8427.10.90 | 2.5        | B       | 8427.10.02 | 10       | A       |
|             |  |            |            |         | 8427.10.03 | 20       | C       |
|             |  |            |            |         | 8427.10.04 | 10       | A       |
| 8427.20     | Self-propelled works trucks, nes   | 8427.20.10 | 2.7        | B       | 8427.20.01 | 20       | C       |
|             |  | 8427.20.20 | 2.7        | B       | 8427.20.02 | 10       | B       |
|             |  | 8427.20.90 | 2.5        | B       | 8427.20.03 | 10       | B       |
|             |  |            |            |         | 8427.20.04 | 20       | C       |
|             |  |            |            |         | 8427.20.05 | 10       | B       |
| 8427.90     | Trucks fitted with lifting or handling equipment, non-powered  | 8427.90.00 | 2.5        | A       | 8427.90.01 | 20       | C       |
|             |  |            |            |         | 8427.90.99 | 20       | A       |
| 8428.10     | Lifts and skip hoists  | 8428.10.00 | 2.5        | A       | 8428.10.01 | 20       | C       |
| 8428.20     | Pneumatic elevators and conveyors  | 8428.20.10 | Free       | D       | 8428.20.01 | 10       | A       |
|             |  | 8428.20.90 | 2.5        | A       | 8428.20.02 | 10       | A       |
|             |  |            |            |         | 8428.20.03 | 20       | A       |
|             |  |            |            |         | 8428.20.04 | 20       | A       |
|             |  |            |            |         | 8428.20.05 | 10       | A       |
|             |  |            | 8428.20.99 | 10      | A          |          |         |
| 8428.31     | Continuous action elevators or conveyors for goods or materials, specially designed for underground use, nes | 8428.31.00 | 2.5        | A       | 8428.31.01 | 15       | C       |
| 8428.32     | Continuous action elevators or conveyors for goods or materials, bucket types, nes                           | 8428.32.10 | Free       | D       | 8428.32.01 | 10       | A       |
|             |  | 8428.32.90 | 2.5        | A       |            |          |         |
| 8428.33     | Continuous action elevators or conveyors for goods or materials, belt type, nes                              | 8428.33.10 | Free       | D       | 8428.33.01 | 10       | A       |
|             |  | 8428.33.90 | 2.5        | A       |            |          |         |
| 8428.39     | Continuous action elevators or conveyors for goods or materials, nes   | 8428.39.10 | Free       | D       | 8428.39.01 | 10       | C       |
|             |  | 8428.39.90 | 2.5        | A       | 8428.39.02 | 15       | C       |
|             |  |            |            |         | 8428.39.99 | 10       | A       |
| 8428.40     | Escalators and moving walkways   | 8428.40.00 | 2.5        | A       | 8428.40.01 | 20       | A       |
|             |  |            |            |         | 8428.40.02 | 20       | A       |
|             |  |            |            |         | 8428.40.99 | 20       | A       |
| 8428.50     | Wagon handling equipment   | 8428.50.00 | 2.5        | A       | 8428.50.01 | 10       | A       |
| 8428.60     | Teleferics, chair-lifts, ski-draglines; traction mechanisms for funiculars                                   | 8428.60.00 | 2.5        | A       | 8428.60.01 | 10       | A       |
| 8428.90     | Lifting, handling, loading or unloading machinery, nes   | 8428.90.10 | Free       | D       | 8428.90.01 | 10       | B       |
|             |  | 8428.90.20 | Free       | D       | 8428.90.02 | 10       | B       |
|             |  | 8428.90.90 | 2.5        | B       | 8428.90.03 | 10       | B       |
|             |  |            |            |         | 8428.90.04 | 20       | C       |
|             |  |            |            |         | 8428.90.99 | 20       | C       |
| 8435.10     | Presses, crushers and similar machines used in the manufacture of wine, cider, fruit juices etc.             | 8435.10.10 | 7.5        | A       | 8435.10.01 | 20       | A       |
|             |  | 8435.10.20 | 2.5        | A       |            |          |         |
| 8438.10     | Bakery machines and machinery for the manufacture of macaroni, spaghetti or similar products                 | 8438.10.10 | 2.5        | A       | 8438.10.01 | 20       | A       |
|             |  | 8438.10.20 | Free       | D       | 8438.10.02 | 10       | A       |

| SUB-HEADING | DESCRIPTION   | CANADA     |                                 |            | MEXICO     |          |            |
|-------------|---|------------|---------------------------------|------------|------------|----------|------------|
|             |   | ITEM       | RATE (%)                        | PHASING    | ITEM       | RATE (%) | PHASING    |
| 8438.20     | Machinery for the manufacture of confectionary, cocoa or chocolate  | 8438.20.10 | Free                            | D          | 8438.20.01 | 20       | A          |
|             |   | 8438.20.90 | 2.5                             | A          | 8438.20.02 | 10       | A          |
|             |   |            |                                 |            | 8438.10.03 | 20       | A          |
|             |   |            |                                 |            | 8438.10.04 | 10       | A          |
|             |   |            |                                 |            | 8438.10.05 | 10       | A          |
|             |   |            |                                 |            | 8438.10.06 | 20       | A          |
|             |   |            |                                 |            | 8438.10.07 | 20       | A          |
|             |   |            |                                 |            | 8438.10.08 | 15       | A          |
|             |   |            |                                 |            | 8438.10.99 | 10       | A          |
|             |   | 8438.30    | Machinery for sugar manufacture | 8438.30.00 | 2.5        | A        | 8438.30.01 |
| 8438.30.02  | 20  |            |                                 |            |            |          | B          |
| 8438.30.99  | 10  |            |                                 |            |            |          | B          |
| 8438.40     | Brewery machinery   | 8438.40.00 | 2.5                             | A          | 8438.40.01 | 10       | A          |
|             |   |            |                                 |            | 8438.40.02 | 10       | A          |
|             |   |            |                                 |            | 8438.40.03 | 10       | A          |
|             |   |            |                                 |            | 8438.40.99 | 10       | A          |
| 8438.50     | Machinery for the preparation of meat or poultry  | 8438.50.10 | Free                            | D          | 8438.50.01 | 20       | A          |
|             |   | 8438.50.90 | 2.5                             | A          | 8438.50.02 | 20       | A          |
|             |   |            |                                 |            | 8438.50.03 | 10       | A          |
|             |   |            |                                 |            | 8438.50.04 | 10       | A          |
|             |   |            |                                 |            | 8438.50.05 | 10       | A          |
|             |   |            |                                 |            | 8438.50.06 | 20       | A          |
|             |   |            |                                 |            | 8438.50.07 | 10       | A          |
|             |   |            |                                 |            | 8438.50.08 | 10       | A          |
|             |   |            |                                 |            | 8438.50.09 | 10       | A          |
|             |   |            |                                 |            | 8438.50.10 | 15       | A          |
|             |   |            | 8438.50.99                      | 10         | A          |          |            |
| 8438.60     | Machinery for the preparation of fruits, nuts or vegetables   | 8438.60.00 | 2.5                             | A          | 8438.60.01 | 10       | A          |
|             |   |            |                                 |            | 8438.60.02 | 10       | A          |
|             |   |            |                                 |            | 8438.60.03 | 10       | A          |
|             |   |            |                                 |            | 8438.60.04 | 15       | A          |
|             |   |            |                                 |            | 8438.60.05 | 10       | A          |
|             |   |            |                                 |            | 8438.60.99 | 10       | A          |
| 8438.80     | Machinery, nes, for the industrial preparation and manufacture of food or drink excluding machinery for the extraction or preparation of vegetable fats or oils | 8438.80.10 | Free                            | D          | 8438.80.01 | 10       | A          |
|             |   | 8438.80.91 | Free                            | A          | 8438.80.02 | 15       | A          |
|             |   | 8438.80.99 | 2.5                             | A          | 8438.80.03 | 10       | A          |
|             |   |            |                                 |            | 8438.80.99 | 10       | A          |
| 8440.10     | Book-binding machinery, including book-sewing machines  | 8440.10.00 | 2.5                             | A          | 8440.10.01 | 10       | B          |
|             |   |            |                                 |            | 8440.10.02 | 10       | B          |
|             |   |            |                                 |            | 8440.10.03 | 10       | B          |
|             |   |            |                                 |            | 8440.10.04 | 10       | B          |
|             |   |            |                                 |            | 8440.10.05 | 20       | B          |
|             |   |            |                                 |            | 8440.10.99 | 10       | B          |
| 8441.10     | Cutting machines for paper pulp, paper or paperboard of all kinds   | 8441.10.10 | 2.5                             | A          | 8441.10.01 | 15       | A          |
|             |   | 8441.10.90 | Free                            | D          | 8441.10.02 | 20       | A          |
|             |   |            |                                 |            | 8441.10.03 | 10       | A          |
|             |   |            |                                 |            | 8441.10.04 | 10       | A          |
|             |   |            |                                 |            | 8441.10.99 | 20       | A          |
| 8441.20     | Machines for making bags, sacks or envelopes of paper or paperboard   | 8441.20.00 | Free                            | D          | 8441.20.01 | 10       | A          |
| 8441.30     | Machines for making boxes or similar containers, of paper or paperboard other than by moulding  | 8441.30.00 | Free                            | D          | 8441.30.01 | 10       | A          |
| 8441.40     | Machines for moulding articles in paper pulp, paper or paperboard   | 8441.40.00 | Free                            | D          | 8441.40.01 | 10       | A          |
|             |   |            |                                 |            | 8441.40.02 | 20       | A          |
|             |   |            |                                 |            | 8441.40.99 | 20       | A          |

| SUB-<br>HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |                       |         |            |    |   |
|-----------------|--|------------|----------|---------|------------|-----------------------|---------|------------|----|---|
|                 |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%)              | PHASING |            |    |   |
| 8441.80         | Machinery for making up paper pulp, paper or paperboard, nes   | 8441.80.00 | Free     | D       | 8441.80.99 | 10                    | A       |            |    |   |
| 8441.90         | Parts of machines for making up paper pulp, paper or paperboard, including cutting machines                          | 8441.90.10 | 2.5      | A       | 8441.90.01 | 10                    | A       |            |    |   |
|                 |  | 8441.90.90 | Free     | D       | 8441.90.99 | 10                    | A       |            |    |   |
| 8442.10         | Phototype-setting and composing machines   | 8442.10.00 | Free     | D       | 8442.10.01 | 10                    | B       |            |    |   |
|                 |  |            |          |         | 8442.10.02 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8442.10.03 | 15                    | A       |            |    |   |
|                 |  |            |          |         | 8442.10.04 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8442.10.99 | 10                    | A       |            |    |   |
| 8442.20         | Machinery, apparatus and equipment for type-setting or composing by other processes, with or without founding device | 8442.20.00 | Free     | D       | 8442.20.01 | 10                    | A       |            |    |   |
| 8442.30         | Machinery, apparatus and equipment for preparing or making printing blocks etc., nes                                 | 8442.30.00 | Free     | D       | 8442.30.01 | 10                    | A       |            |    |   |
| 8442.50         | Printing type, blocks, plates, cylinders and other printing components; blocks etc.                                  | 8442.50.10 | Free     | A       | 8442.50.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8442.50.20 | Free                  | D       | 8442.50.02 | 10 | A |
|                 |  |            |          |         | 8442.50.30 | Free                  | D       | 8442.50.03 | 20 | A |
|                 |  |            |          |         | 8442.50.40 | 0.06¢/cm <sup>2</sup> | A       | 8442.50.04 | 10 | A |
|                 |  |            |          |         | 8442.50.90 | Free                  | A       | 8442.50.99 | 10 | A |
| 8443.11         | Reel fed offset printing machinery   | 8443.11.10 | Free     | D       | 8443.11.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.11.02 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.11.99 | 10                    | A       |            |    |   |
| 8443.12         | Sheet fed, office type (sheet size not exceeding 22 X 36 cm) offset printing machines                                | 8443.12.00 | Free     | A       | 8443.12.01 | 15                    | A       |            |    |   |
| 8443.19         | Offset printing machinery, nes   | 8443.19.10 | Free     | D       | 8443.19.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.19.20 | Free                  | A       | 8443.19.02 | 15 | A |
|                 |  |            |          |         |            |                       |         | 8443.19.03 | 10 | A |
| 8443.21         | Reel fed letterpress printing machines excluding flexographic printing   | 8443.21.10 | Free     | D       | 8443.21.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.21.20 | Free                  | A       | 8443.21.03 | 10 | A |
| 8443.29         | Letterpress printing machinery, nes, excluding flexographic printing   | 8443.29.10 | Free     | D       | 8443.29.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.29.20 | Free                  | A       | 8443.29.02 | 10 | A |
|                 |  |            |          |         |            |                       |         | 8443.29.99 | 10 | A |
| 8443.30         | Flexographic printing machinery  | 8443.30.10 | Free     | D       | 8443.30.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.30.20 | Free                  | A       |            |    |   |
| 8443.40         | Gravure printing machinery   | 8443.40.10 | Free     | D       | 8443.40.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.40.20 | Free                  | A       |            |    |   |
| 8443.50         | Printing machinery, nes  | 8443.50.10 | Free     | D       | 8443.50.01 | 10                    | B       |            |    |   |
|                 |  |            |          |         | 8443.50.02 | 10                    | B       |            |    |   |
|                 |  |            |          |         | 8443.50.03 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.50.04 | 10                    | B       |            |    |   |
|                 |  |            |          |         | 8443.50.05 | 20                    | B       |            |    |   |
|                 |  |            |          |         | 8443.50.06 | 10                    | B       |            |    |   |
|                 |  |            |          |         | 8443.50.07 | 20                    | B       |            |    |   |
| 8443.50.99      | 10   | B          |          |         |            |                       |         |            |    |   |
| 8443.60         | Machines for uses ancillary to printing  | 8443.60.10 | Free     | D       | 8443.60.01 | 10                    | A       |            |    |   |
|                 |  |            |          |         | 8443.60.90 | 2.5                   | A       |            |    |   |



| SUB-<br>HEADING | DESCRIPTION   | CANADA     |          |         | MEXICO     |          |         |
|-----------------|---|------------|----------|---------|------------|----------|---------|
|                 |   | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8444.00         | Machines for extruding, drawing, texturing or cutting man-made textile materials                        | 8444.00.00 | Free     | D       | 8444.00.01 | 10       | A       |
|                 |   |            |          |         | 8444.00.99 | 10       | A       |
| 8445.11         | Textile carding machines  | 8445.11.00 | Free     | D       | 8445.11.01 | 10       | A       |
| 8445.12         | Textile combing machines  | 8445.12.00 | Free     | D       | 8445.12.01 | 10       | A       |
| 8445.13         | Textile drawing or roving machines  | 8445.13.00 | Free     | D       | 8445.13.01 | 10       | A       |
| 8445.19         | Textile preparing machines, nes   | 8445.19.00 | Free     | D       | 8445.19.01 | 10       | A       |
|                 |   |            |          |         | 8445.19.99 | 10       | A       |
| 8445.20         | Textile spinning machines   | 8445.20.00 | Free     | D       | 8445.20.01 | 10       | A       |
| 8445.30         | Textile doubling or twisting machines   | 8445.30.00 | Free     | D       | 8445.30.01 | 10       | A       |
|                 |   |            |          |         | 8445.30.99 | 10       | A       |
| 8445.40         | Textile winding (including weft-winding) or reeling machines  | 8445.40.00 | Free     | D       | 8445.40.01 | 10       | A       |
| 8445.90         | Machinery for producing or preparing textile yarn, nes  | 8445.90.00 | Free     | D       | 8445.90.01 | 10       | A       |
|                 |   |            |          |         | 8445.90.99 | 10       | A       |
| 8446.10         | Machines for weaving fabrics of a width not exceeding 30 cm   | 8446.10.10 | Free     | D       | 8446.10.01 | 10       | A       |
|                 |   | 8446.10.90 | 2.5      | A       |            |          |         |
| 8446.21         | Machines for weaving fabrics of a width exceeding 30 cm, shuttle type, power loom                       | 8446.21.10 | Free     | D       | 8446.21.01 | 10       | A       |
|                 |   | 8446.21.90 | 2.5      | A       |            |          |         |
| 8446.29         | Machines for weaving fabrics of a width exceeding 30 cm, shuttle type, nes                              | 8446.29.00 | 2.5      | A       | 8446.29.99 | 10       | A       |
| 8446.30         | Machines for weaving fabrics of a width exceeding 30 cm, shuttleless type                               | 8446.30.10 | Free     | D       | 8446.30.01 | 10       | A       |
|                 |   | 8446.30.90 | 2.5      | A       |            |          |         |
| 8447.11         | Circular knitting machines with cylinder diameter not exceeding 165 mm                                  | 8447.11.00 | Free     | D       | 8447.11.01 | 10       | A       |
| 8447.12         | Circular knitting machines with cylinder diameter exceeding 165 mm                                      | 8447.12.00 | Free     | D       | 8447.12.01 | 10       | A       |
| 8447.20         | Flat knitting machines; stitch-bonding machines   | 8447.20.10 | Free     | D       | 8447.20.01 | 10       | A       |
|                 |   | 8447.20.20 | 2.5      | A       | 8447.20.02 | 20       | A       |
|                 |   |            |          |         | 8447.20.99 | 10       | A       |
| 8447.90         | Machine for making gimped yarn, tulle, lace, embroidery, trimmings, braid, net or tufting               | 8447.90.00 | 2.5      | A       | 8447.90.01 | 10       | A       |
|                 |   |            |          |         | 8447.90.02 | 10       | A       |
|                 |   |            |          |         | 8447.90.99 | 10       | A       |
| 8448.11         | Dobbies, Jacquards, card reducing, etc. for use with machines of heading No. 84.44, 84.45, 84.46, 84.47 | 8448.11.00 | Free     | D       | 8448.11.01 | 10       | A       |
| 8448.19         | Auxiliary machinery, nes, for machines of heading, No. 84.44 84.45, 84.46, 84.47                        | 8448.19.00 | 2.5      | A       | 8448.19.99 | 10       | A       |
| 8451.40         | Washing, bleaching or dyeing machines (other than machines of heading No. 84.50)                        | 8451.40.10 | Free     | D       | 8451.40.01 | 10       | A       |
|                 |   | 8451.40.90 | 2.5      | A       |            |          |         |

| SUB-HEADING | DESCRIPTION   | CANADA     |          |         | MEXICO     |          |         |
|-------------|---|------------|----------|---------|------------|----------|---------|
|             |   | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8451.50     | Machines for reeling, unreeling, folding, cutting or pinking textile fabric (other than heading No. 84.50)            | 8451.50.00 | 2.5      | A       | 8451.50.01 | 10       | A       |
| 8451.80     | Machines for wringing, dressing, finishing, coating or impregnating textile yarns etc. (other than heading No. 84.50) | 8451.80.10 | 8        | A       | 8451.80.01 | 10       | A       |
|             |   | 8451.80.20 | Free     | D       | 8451.80.99 | 10       | A       |
|             |   | 8451.80.90 | 2.5      | A       |            |          |         |
| 8452.21     | Automatic sewing machines, other than book-sewing machines, nes   | 8452.21.10 | Free     | D       | 8452.21.01 | 10       | A       |
|             |   | 8452.21.90 | 2.5      | A       | 8452.21.02 | 10       | A       |
|             |   |            |          |         | 8452.21.03 | 10       | A       |
|             |   |            |          |         | 8452.21.04 | 15       | A       |
|             |   |            |          |         | 8452.21.05 | 10       | A       |
|             |   |            |          |         | 8452.21.99 | 20       | A       |
| 8452.29     | Sewing machines, other than book-sewing machines, nes   | 8452.29.10 | Free     | D       | 8452.29.01 | 10       | A       |
|             |   | 8452.29.90 | 2.5      | A       | 8452.29.02 | 10       | A       |
|             |   |            |          |         | 8452.29.03 | 10       | A       |
|             |   |            |          |         | 8452.29.04 | 10       | A       |
|             |   |            |          |         | 8452.29.05 | 15       | A       |
|             |   |            |          |         | 8452.29.06 | 15       | A       |
|             |   |            |          |         | 8452.29.07 | 10       | A       |
|             |   |            |          |         | 8452.29.99 | 20       | A       |
|             |   |            |          |         |            |          |         |
| 8453.10     | Machinery for preparing, tanning or working hides, skins or leather   | 8453.10.10 | Free     | D       | 8453.10.01 | 10       | A       |
|             |   | 8453.10.90 | 2.5      | A       |            |          |         |
| 8453.20     | Machinery for making or repairing footwear  | 8453.20.10 | Free     | D       | 8453.20.01 | 10       | A       |
|             |   | 8453.20.20 | 2.5      | A       | 8453.20.02 | 10       | A       |
|             |   |            |          |         | 8453.20.03 | 10       | A       |
|             |   |            |          |         | 8453.20.04 | 10       | A       |
|             |   |            |          |         | 8453.20.05 | 10       | A       |
|             |   |            |          |         | 8453.20.99 | 10       | A       |
| 8453.80     | Machines for making or repairing part of hides, skins or leather, nes, other than sewing machines                     | 8453.80.00 | 2.5      | A       | 8453.80.01 | 10       | A       |
|             |   |            |          |         | 8453.80.02 | 10       | A       |
|             |   |            |          |         | 8453.80.03 | 10       | A       |
|             |   |            |          |         | 8453.80.04 | 10       | A       |
|             |   |            |          |         | 8453.80.99 | 10       | A       |
| 8454.10     | Converters used in metallurgy or metal foundries  | 8454.10.10 | 2.5      | A       | 8454.10.01 | 10       | A       |
|             |   | 8454.10.90 | 2.5      | A       |            |          |         |
| 8454.20     | Ingot moulds and ladles used in metallurgy or metal foundries   | 8454.20.10 | Free     | D       | 8454.20.01 | 15       | B       |
|             |   | 8454.20.20 | Free     | A       | 8454.20.99 | 10       | A       |
|             |   | 8454.20.30 | 6.5      | A       |            |          |         |
| 8454.30     | Casting machines used in metallurgy or metal foundries  | 8454.30.10 | Free     | D       | 8454.30.01 | 10       | B       |
|             |   | 8454.30.90 | 2.5      | A       | 8454.30.99 | 10       | A       |
| 8455.10     | Tube mills, metal rolling   | 8455.10.00 | 2.5      | A       | 8455.10.01 | 10       | A       |
| 8455.21     | Hot or combination hot and cold metal rolling mills   | 8455.21.00 | 2.5      | A       | 8455.21.01 | 10       | A       |
|             |   |            |          |         | 8455.21.02 | 10       | A       |
|             |   |            |          |         | 8455.21.03 | 10       | A       |
|             |   |            |          |         | 8455.21.99 | 10       | A       |
| 8455.22     | Cold metal rolling mills  | 8455.22.00 | 2.5      | A       | 8455.22.01 | 10       | A       |
|             |   |            |          |         | 8455.22.02 | 10       | A       |
|             |   |            |          |         | 8455.22.03 | 10       | A       |
|             |   |            |          |         | 8455.22.99 | 10       | A       |
| 8455.30     | Rolls for metal rolling mills   | 8455.30.10 | Free     | D       | 8455.30.01 | 10       | C       |
|             |   | 8455.30.20 | Free     | D       | 8455.30.02 | 15       | C       |
|             |   | 8455.30.90 | 2.5      | A       | 8455.30.99 | 10       | B       |
| 8457.20     | Unit construction machines (single station) for working metal   | 8457.20.00 | 2.5      | A       | 8457.20.01 | 10       | A       |

| SUB-<br>HEADING | DESCRIPTION   | CANADA     |          |         | MEXICO     |          |         |
|-----------------|---|------------|----------|---------|------------|----------|---------|
|                 |   | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8457.30         | Multi-station transfer machines for working metal   | 8457.30.00 | 2.5      | B       | 8457.30.01 | 10       | B       |
|                 |   |            |          |         | 8457.30.02 | 20       | B       |
|                 |   |            |          |         | 8457.30.03 | 20       | B       |
|                 |   |            |          |         | 8457.30.04 | 20       | B       |
|                 |   |            |          |         | 8457.30.99 | 10       | A       |
| 8458.11         | Horizontal lathes numerically controlled for removing metal   | 8458.11.10 | Free     | D       | 8458.11.01 | 20       | B       |
|                 |   |            |          |         | 8458.11.02 | 10       | B       |
|                 |   |            |          |         | 8458.11.99 | 10       | A       |
| 8459.21         | Drilling machines, nes; numerically controlled for removing metal   | 8459.21.00 | 2.5      | A       | 8459.21.01 | 20       | B       |
|                 |   |            |          |         | 8459.21.99 | 10       | A       |
| 8459.29         | Drilling machines, nes, for removing metal  | 8459.29.10 | Free     | D       | 8459.29.01 | 20       | B       |
|                 |   |            |          |         | 8459.29.90 | 2.5      | A       |
| 8461.50         | Sawing or cutting-off machines by removing metal  | 8461.50.10 | 2.5      | A       | 8461.50.01 | 20       | B       |
|                 |   |            |          |         | 8461.50.02 | 20       | B       |
|                 |   |            |          |         | 8461.50.99 | 10       | A       |
| 8462.21         | Bending, folding, straightening or flattening machines (including presses) numerically controlled for working conduits or in can making         | 8462.21.10 | Free     | D       | 8462.21.01 | 20       | A       |
|                 |   |            |          |         | 8462.21.02 | 20       | A       |
|                 |   |            |          |         | 8462.21.03 | 20       | A       |
|                 |   |            |          |         | 8462.21.04 | 10       | A       |
|                 |   |            |          |         | 8462.21.05 | 20       | B       |
|                 |   |            |          |         | 8462.21.06 | 20       | A       |
|                 |   |            |          |         | 8462.21.07 | 10       | A       |
|                 |   |            |          |         | 8462.21.08 | 10       | A       |
|                 |   |            |          |         | 8462.21.09 | 20       | B       |
|                 |   |            |          |         | 8462.21.99 | 10       | A       |
| 8462.29         | Bending, folding, straightening or flattening machines (including presses), nes, for working conduits or for can making                         | 8462.29.10 | Free     | D       | 8462.29.01 | 20       | B       |
|                 |   |            |          |         | 8462.29.02 | 10       | B       |
|                 |   |            |          |         | 8462.29.03 | 20       | B       |
|                 |   |            |          |         | 8462.29.04 | 10       | B       |
|                 |   |            |          |         | 8462.29.05 | 20       | B       |
|                 |   |            |          |         | 8462.29.06 | 20       | B       |
|                 |   |            |          |         | 8462.29.07 | 10       | A       |
|                 |   |            |          |         | 8462.29.08 | 10       | A       |
|                 |   |            |          |         | 8462.29.09 | 20       | B       |
|                 |   |            |          |         | 8462.29.99 | 10       | A       |
| 8462.31         | Shearing machines (including presses) other than combined punching and shearing machines, numerically controlled for working metal              | 8462.31.00 | 2.5      | A       | 8462.31.01 | 20       | B       |
|                 |   |            |          |         | 8462.31.02 | 20       | B       |
|                 |   |            |          |         | 8462.31.03 | 20       | B       |
|                 |   |            |          |         | 8462.31.04 | 10       | A       |
|                 |   |            |          |         | 8462.31.05 | 20       | B       |
|                 |   |            |          |         | 8462.31.06 | 10       | A       |
|                 |   |            |          |         | 8462.31.99 | 10       | A       |
| 8462.39         | Shearing machines (including presses) other than combined punching and shearing machines for working metal, nes                                 | 8462.39.00 | 2.5      | A       | 8462.39.01 | 20       | B       |
|                 |   |            |          |         | 8462.39.02 | 20       | B       |
|                 |   |            |          |         | 8462.39.03 | 20       | B       |
|                 |   |            |          |         | 8462.39.04 | 20       | B       |
|                 |   |            |          |         | 8462.39.99 | 10       | A       |
| 8462.41         | Punching or notching machines (including presses), including combined punching and shearing machines numerically controlled, for working metals | 8462.41.10 | Free     | D       | 8462.41.01 | 20       | B       |
|                 |   |            |          |         | 8462.41.02 | 20       | B       |
|                 |   |            |          |         | 8462.41.03 | 20       | A       |
|                 |   |            |          |         | 8462.41.99 | 10       | A       |
| 8462.49         | Punching or notching machines (including presses), including combined punching and shearing machines, nes, for working metal                    | 8462.49.10 | Free     | D       | 8462.49.01 | 20       | A       |
|                 |   |            |          |         | 8462.49.02 | 20       | A       |
|                 |   |            |          |         | 8462.49.03 | 20       | A       |
|                 |   |            |          |         | 8462.49.99 | 10       | A       |

| SUB-HEADING | DESCRIPTION  | CANADA     |            |         | MEXICO     |          |         |
|-------------|--|------------|------------|---------|------------|----------|---------|
|             |  | ITEM       | RATE (%)   | PHASING | ITEM       | RATE (%) | PHASING |
| 8462.91     | Hydraulic presses for working metal  | 8462.91.10 | 2.5        | A       | 8462.91.01 | 20       | B       |
|             |  | 8462.91.90 | 2.5        | A       | 8462.91.02 | 10       | A       |
|             |  |            |            |         | 8462.91.03 | 15       | A       |
|             |  |            |            |         | 8462.91.04 | 10       | A       |
| 8462.99     | Presses, nes, for working metal  | 8462.99.10 | 2.5        | A       | 8462.99.01 | 10       | B       |
|             |  | 8462.99.90 | 2.5        | A       | 8462.99.02 | 10       | A       |
|             |  |            |            |         | 8462.99.03 | 10       | B       |
|             |  |            |            |         | 8462.99.04 | 20       | B       |
|             |  |            |            |         | 8462.99.99 | 10       | A       |
| 8463.10     | Draw-benches for bars, tubes, profiles, wire or the like for working metal   | 8463.10.00 | 2.5        | A       | 8463.10.01 | 10       | A       |
|             |  |            |            |         | 8463.10.99 | 10       | A       |
| 8463.20     | Thread rolling machines for working metal  | 8463.20.00 | Free       | D       | 8463.20.01 | 10       | A       |
| 8463.30     | Machines for working metal wire  | 8463.30.00 | 2.5        | A       | 8463.30.01 | 10       | B       |
| 8463.90     | Machine tools for working metal, sintered metal carbides or cermets, nes, with or without removing material, nes               | 8463.90.00 | 2.5        | A       | 8463.90.99 | 10       | A       |
| 8464.10     | Sawing machines for working stone, ceramics, concrete, asbestos-cement etc. or for cold working glass                          | 8464.10.10 | Free       | D       | 8464.10.01 | 10       | B       |
|             |  | 8464.10.90 | 2.5        | A       |            |          |         |
| 8464.20     | Grinding or polishing machines for working stone, ceramics, concrete, asbestos-cement etc. or for cold working glass           | 8464.20.10 | Free       | D       | 8464.20.01 | 10       | B       |
|             |  | 8464.20.90 | 2.5        | A       |            |          |         |
| 8464.90     | Machine tools for working stone, ceramics, concrete, asbestos-cement etc. or for cold working glass, nes                       | 8464.90.10 | Free       | D       | 8464.90.01 | 10       | B       |
|             |  | 8464.90.90 | 2.5        | A       | 8464.90.02 | 10       | A       |
|             |  |            |            |         | 8464.90.99 | 10       | A       |
| 8465.10     | Machines which can carry out different types of machinery operations without tool change between such operations for wood etc. | 8465.10.00 | 2.5        | A       | 8465.10.01 | 10       | A       |
|             |  |            |            |         | 8465.10.99 | 10       | A       |
| 8465.91     | Sawing machines for working wood, cork, bone, hard rubber, plastics etc.   | 8465.91.10 | 5          | A       | 8465.91.01 | 20       | B       |
|             |  | 8465.91.20 | Free       | D       | 8465.91.99 | 10       | A       |
|             |  | 8465.91.90 | 2.5        | A       |            |          |         |
| 8465.92     | Planing, milling or moulding (by cutting) machines for working wood, plastic etc.  | 8465.92.00 | 2.5        | A       | 8465.92.01 | 10       | A       |
|             |  |            |            |         | 8465.92.02 | 10       | A       |
|             |  |            |            |         | 8465.92.03 | 20       | A       |
|             |  |            |            |         | 8465.92.04 | 20       | A       |
|             |  |            |            |         | 8465.92.05 | 20       | A       |
|             |  |            |            |         | 8465.92.06 | 10       | A       |
|             |  |            | 8465.92.99 | 10      | A          |          |         |
| 8465.93     | Grinding, sanding or polishing machines for working wood, cork, bone, hard rubber etc.   | 8465.93.00 | 2.5        | A       | 8465.93.01 | 15       | A       |
|             |  |            |            |         | 8465.93.99 | 10       | A       |
| 8465.94     | Bending or assembling machines for working wood, cork, bone, hard rubber, hard plastics etc.                                   | 8465.94.00 | 2.5        | A       | 8465.94.01 | 20       | A       |
|             |  |            |            |         | 8465.94.02 | 10       | A       |
|             |  |            |            |         | 8465.94.03 | 15       | A       |
|             |  |            |            |         | 8465.94.99 | 10       | A       |
| 8465.95     | Drilling or morticing machines for working wood, cork, bone, hard rubber, hard plastic etc.                                    | 8465.95.00 | 2.5        | A       | 8465.95.01 | 20       | A       |
|             |  |            |            |         | 8465.95.99 | 10       | A       |

| SUB-HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |          |         |
|-------------|--|------------|----------|---------|------------|----------|---------|
|             |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8465.96     | Splitting, slicing or paring machines for working wood, cork, bone, hard rubber etc.                           | 8465.96.10 | Free     | D       | 8465.96.01 | 10       | A       |
|             |  | 8465.96.90 | 2.5      | A       |            |          |         |
| 8465.99     | Machine tools for working wood, cork, bone, hard rubber, hard plastic or similar hard materials etc., nes      | 8465.99.10 | 5        | A       | 8465.99.01 | 10       | A       |
|             |  | 8465.99.20 | Free     | D       | 8465.99.02 | 20       | A       |
|             |  | 8465.99.30 | Free     | D       | 8465.99.03 | 10       | A       |
|             |  | 8465.99.90 | 2.5      | A       | 8465.99.04 | 15       | A       |
|             |  |            |          |         | 8465.99.05 | 20       | A       |
|             |  |            |          |         | 8465.99.99 | 10       | A       |
| 8466.10     | Tool holders and self-opening dieheads for use with machines of heading Nos. 84.56 to 84.65                    | 8466.10.10 | Free     | D       | 8466.10.01 | 10       | A       |
|             |  | 8466.10.20 | 5        | A       | 8466.10.02 | 10       | B       |
|             |  | 8466.10.90 | 2.5      | A       | 8466.10.03 | 20       | B       |
|             |  |            |          |         | 8466.10.04 | 10       | A       |
|             |  |            |          |         | 8466.10.05 | 10       | A       |
|             |  |            |          |         | 8466.10.99 | 10       | A       |
| 8466.20     | Work holders for use with machines of heading Nos. 84.56 to 84.65  | 8466.20.10 | Free     | D       | 8466.20.01 | 10       | A       |
|             |  | 8466.20.20 | 5        | A       | 8466.20.02 | 10       | A       |
|             |  | 8466.20.90 | 2.5      | A       | 8466.20.03 | 10       | A       |
|             |  |            |          |         | 8466.20.99 | 10       | A       |
| 8466.30     | Dividing heads and other special attachments for machines for use with machines of heading Nos. 84.56 to 84.65 | 8466.30.10 | Free     | D       | 8466.30.01 | 10       | A       |
|             |  | 8466.30.20 | 5        | A       | 8466.30.02 | 20       | B       |
|             |  | 8466.30.90 | 2.5      | A       | 8466.30.03 | 10       | A       |
|             |  |            |          |         | 8466.30.04 | 10       | B       |
|             |  |            |          |         | 8466.30.99 | 10       | A       |
| 8468.10     | Torches, hand-held, for soldering, brazing or welding  | 8468.10.00 | 5        | A       | 8468.10.01 | 20       | B       |
| 8468.20     | Gas-operated machinery for welding, nes  | 8468.20.10 | Free     | A       | 8468.20.01 | 15       | A       |
|             |  | 8468.20.90 | 5        | A       | 8468.20.02 | 20       | B       |
|             |  |            |          |         | 8468.20.99 | 15       | A       |
| 8468.80     | Welding machinery not gas-operated   | 8468.80.00 | 2.5      | A       | 8468.80.01 | 15       | A       |
| 8475.10     | Machines for assembling electric lamps, tubes, flash bulbs, in glass envelopes                                 | 8475.10.00 | 2.5      | A       | 8475.10.01 | 10       | A       |
|             |  |            |          |         | 8475.10.99 | 10       | A       |
| 8475.20     | Machines for manufacturing or hot working glass or glassware   | 8475.20.00 | Free     | D       | 8475.20.01 | 10       | A       |
|             |  |            |          |         | 8475.20.02 | 10       | A       |
|             |  |            |          |         | 8475.20.03 | 20       | C       |
|             |  |            |          |         | 8475.20.04 | 10       | A       |
|             |  |            |          |         | 8475.20.99 | 10       | A       |
| 8477.10     | Injection-moulding machines for working rubber or plastics, nes  | 8477.10.11 | 2.5      | A       | 8477.10.01 | 10       | A       |
|             |  | 8477.10.19 | 2.5      | A       | 8477.10.02 | 10       | A       |
|             |  | 8477.10.20 | 2.5      | A       | 8477.10.03 | 10       | A       |
| 8477.20     | Extruders for working rubber or plastics, nes  | 8477.20.11 | 2.5      | A       | 8477.20.01 | 20       | A       |
|             |  | 8477.20.19 | 2.5      | A       | 8477.20.99 | 10       | A       |
|             |  | 8477.20.20 | 2.5      | A       |            |          |         |
| 8477.30     | Blow moulding machines for working rubber or plastics, nes   | 8477.30.11 | 2.5      | A       | 8477.30.01 | 10       | A       |
|             |  | 8477.30.19 | 2.5      | A       |            |          |         |
|             |  | 8477.30.20 | 2.5      | A       |            |          |         |
| 8477.40     | Vacuum moulding machines and other thermoforming machines for working rubber or plastics, nes                  | 8477.40.11 | 2.5      | A       | 8477.40.01 | 10       | A       |
|             |  | 8477.40.19 | 2.5      | A       |            |          |         |
|             |  | 8477.40.20 | 2.5      | A       |            |          |         |
| 8477.51     | Machines for moulding or retreading pneumatic tires or for moulding or forming inner tubes, nes                | 8477.51.10 | 2.5      | A       | 8477.51.01 | 10       | A       |
|             |  | 8477.51.20 | 2.5      | A       |            |          |         |

| SUB-<br>HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |          |         |
|-----------------|--|------------|----------|---------|------------|----------|---------|
|                 |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8477.59         | Machines for moulding or otherwise forming rubber or plastics, nes   | 8477.59.10 | 2.5      | A       | 8477.59.99 | 10       | A       |
|                 |  | 8477.59.20 | 2.5      | A       |            |          |         |
| 8477.80         | Machines for working rubber or plastics or for the manufacture of products from these materials, nes         | 8477.80.10 | 2.5      | A       | 8477.80.01 | 15       | B       |
|                 |  | 8477.80.90 | 2.5      | A       | 8477.80.02 | 15       | B       |
|                 |  |            |          |         | 8477.80.03 | 15       | B       |
|                 |  |            |          |         | 8477.80.04 | 15       | A       |
|                 |  |            |          |         | 8477.80.05 | 10       | B       |
|                 |  |            |          |         | 8477.80.06 | 15       | B       |
|                 |  |            |          |         | 8477.80.07 | 15       | B       |
|                 |  |            |          |         | 8477.80.99 | 10       | B       |
| 8478.10         | Machinery for preparing or making up tobacco, nes  | 8478.10.00 | Free     | D       | 8478.10.01 | 15       | A       |
|                 |  |            |          |         | 8478.10.02 | 15       | A       |
|                 |  |            |          |         | 8478.10.03 | 15       | A       |
|                 |  |            |          |         | 8478.10.04 | 15       | A       |
|                 |  |            |          |         | 8478.10.99 | 10       | A       |
| 8479.10         | Machines for public works, building or the like, nes, having individual functions                            | 8479.10.00 | 2.5      | A       | 8479.10.01 | 10       | A       |
|                 |  |            |          |         | 8479.10.02 | 15       | A       |
|                 |  |            |          |         | 8479.10.03 | 20       | B       |
|                 |  |            |          |         | 8479.10.04 | 15       | B       |
|                 |  |            |          |         | 8479.10.05 | 15       | A       |
|                 |  |            |          |         | 8479.10.06 | 20       | A       |
|                 |  |            |          |         | 8479.10.07 | 20       | A       |
|                 |  |            |          |         | 8479.10.08 | 10       | A       |
|                 |  |            |          |         | 8479.10.09 | 20       | A       |
|                 |  |            |          |         | 8479.10.99 | 10       | A       |
| 8479.20         | Machines for the extraction or preparation of animal or fixed fats or oils, nes, having individual functions | 8479.20.00 | 2.5      | A       | 8479.20.01 | 10       | A       |
| 8479.40         | Rope or cable-making machines, nes, having individual functions  | 8479.40.00 | 2.5      | A       | 8479.40.01 | 15       | A       |
|                 |  |            |          |         | 8479.40.02 | 15       | A       |
|                 |  |            |          |         | 8479.40.99 | 10       | A       |
| 8479.81         | Machines for treating metal including electric wire coil-winders, nes, having individual functions           | 8479.81.10 | Free     | D       | 8479.81.01 | 20       | B       |
|                 |  |            |          |         | 8479.81.02 | 20       | B       |
|                 |  | 8479.81.90 | 2.5      | A       | 8479.81.03 | 20       | B       |
|                 |  |            |          |         | 8479.81.04 | 20       | B       |
|                 |  |            |          |         | 8479.81.05 | 15       | B       |
|                 |  |            |          |         | 8479.81.99 | 10       | A       |
| 8479.82         | Machines for mixing, kneading crushing, grinding etc., nes, having individual functions                      | 8479.82.00 | 2.5      | A       | 8479.82.01 | 10       | B       |
|                 |  |            |          |         | 8479.82.02 | 20       | C       |
|                 |  |            |          |         | 8479.82.03 | 20       | A       |
|                 |  |            |          |         | 8479.82.04 | 20       | B       |
|                 |  |            |          |         | 8479.82.05 | 20       | A       |
|                 |  |            |          |         | 8479.82.99 | 10       | A       |
| 8480.20         | Mould bases  | 8480.20.00 | 6.5      | A       | 8480.20.01 | 15       | B       |
| 8480.30         | Patterns, moulding   | 8480.30.00 | 6.5      | A       | 8480.30.01 | 15       | A       |
|                 |  |            |          |         | 8480.30.02 | 10       | A       |
|                 |  |            |          |         | 8480.30.99 | 15       | A       |
| 8480.41         | Moulds, injection or compression types, for metal or metal carbides  | 8480.41.00 | 2.5      | A       | 8480.41.01 | 15       | B       |
|                 |  |            |          |         | 8480.41.99 | 15       | C       |
| 8480.49         | Moulds for metal or metal carbides, nes  | 8480.49.00 | 2.5      | A       | 8480.49.01 | 10       | B       |
|                 |  |            |          |         | 8480.49.02 | 15       | B       |
|                 |  |            |          |         | 8480.49.99 | 15       | B       |
| 8480.50         | Moulds for glass   | 8480.50.00 | Free     | D       | 8480.50.01 | 20       | C       |
|                 |  |            |          |         | 8480.50.02 | 10       | C       |
|                 |  |            |          |         | 8480.50.99 | 15       | B       |

| SUB-<br>HEADING | DESCRIPTION  | CANADA     |          |         | MEXICO     |          |         |
|-----------------|--|------------|----------|---------|------------|----------|---------|
|                 |  | ITEM       | RATE (%) | PHASING | ITEM       | RATE (%) | PHASING |
| 8480.60         | Moulds for mineral materials                                   | 8480.60.00 | 2.5      | A       | 8480.60.01 | 20       | B       |
|                 |  |            |          |         | 8480.60.99 | 15       | B       |
| 8480.71         | Moulds, injection or compression types, for rubber or plastics | 8480.71.00 | 2.5      | A       | 8480.71.01 | 15       | B       |
|                 |  |            |          |         | 8480.71.02 | 10       | B       |
|                 |  |            |          |         | 8480.71.99 | 15       | B       |
| 8480.79         | Moulds for rubber or plastics, nes                             | 8480.79.00 | 2.5      | A       | 8480.79.01 | 10       | C       |
|                 |  |            |          |         | 8480.79.02 | 10       | C       |
|                 |  |            |          |         | 8480.79.03 | 10       | C       |
|                 |  |            |          |         | 8480.79.04 | 10       | C       |
|                 |  |            |          |         | 8480.79.05 | 15       | C       |
|                 |  |            |          |         | 8480.79.99 | 15       | B       |

**Note:** You are reminded that this document is to be used as a guide only.

## ANNEX B

### *Rules of Origin for Industrial Equipment*

- Chapter 82                    **Tools, Implements, Cutlery, Spoons and Forks, of Base Metal; Parts Thereof of Base Metal**
- 82.01-82.15                A change to heading 82.01 through 82.15 from any other chapter.
- Chapter 84                    **Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof**
- 8413.11-8413.82            A change to subheading 8413.11 through 8413.82 from any other heading; or
- A change to subheading 8413.11 through 8413.82 from subheading 8413.91 through 8413.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.
- 8414.10-8414.20            A change to subheading 8414.10 through 8414.20 from any other heading; or
- A change to subheading 8414.10 through 8414.20 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.
- 8414.30                      A change to subheading 8414.30 from any other subheading, except from Canadian tariff item 8414.90.21 or 8414.90.51, U.S. tariff item 8414.90.20A or 8414.90.20B or Mexican tariff item 8414.90.14.
- 8414.40-8414.80            A change to subheading 8414.40 through 8414.80 from any other heading; or
- A change to subheading 8414.40 through 8414.80 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.
- 8417.10-8417.80            A change to subheading 8417.10 through 8417.80 from any other heading; or
- A change to subheading 8417.10 through 8417.80 from subheading 8417.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.



- 8419.11-8419.89      A change to subheading 8419.11 through 8419.89 from any other heading; or
- A change to subheading 8419.11 through 8419.89 from subheading 8419.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8420.10              A change to subheading 8420.10 from any other heading; or
- A change to subheading 8420.10 from subheading 8420.91 through 8420.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8421.19-8421.39      A change to subheading 8421.19 through 8421.39 from any other heading; or
- A change to subheading 8421.19 through 8421.39 from subheading 8421.91 through 8421.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8422.19-8422.40      A change to subheading 8422.19 through 8422.40 from any other heading; or
- A change to subheading 8422.19 through 8422.40 from subheading 8422.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8423.10-8423.89      A change to subheading 8423.10 through 8423.89 from any other heading; or
- A change to subheading 8423.10 through 8423.89 from subheading 8423.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8423.90              A change to subheading 8423.90 from any other heading.
- 8424.10-8424.89      A change to subheading 8424.10 through 8424.89 from any other heading; or
- A change to subheading 8424.10 through 8424.89 from subheading 8424.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.

- 84.25-84.26 A change to heading 84.25 through 84.26 from any other heading, including another heading within that group, except from heading 84.31; or
- A change to heading 84.25 through 84.26 from heading 84.31, whether or not there is also a change from any other heading, including another heading within that group, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8427.10
- 8427.10.aa A change to Canadian tariff item 8427.10.10, U.S. tariff item 8427.10.00A or Mexican tariff item 8427.10.03 or 8427.10.04 from any other heading, except from subheading 8431.20 or 8483.40 or heading 85.01; or
- A change to Canadian tariff item 8427.10.10, U.S. tariff item 8427.10.00A or Mexican tariff item 8427.10.03 or 8427.10.04 from subheading 8431.20 or 8483.40 or heading 85.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8427.10 A change to subheading 8427.10 from any other heading, except from subheading 8431.20; or
- A change to subheading 8427.10 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8427.20
- 8427.20.aa A change to Canadian tariff item 8427.20.10, U.S. tariff item 8427.20.00A or Mexican tariff item 8427.20.04 or 8427.20.05 from any other heading, except from heading 84.07 or 84.08 or subheading 8431.20 or 8483.40; or
- A change to Canadian tariff item 8427.20.10, U.S. tariff item 8427.20.00A or Mexican tariff item 8427.20.04 or 8427.20.05 from heading 84.07 or 84.08 or subheading 8431.20 or 8483.40, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8427.20 A change to subheading 8427.20 from any other heading, except from subheading 8431.20; or

- A change to subheading 8427.20 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8427.90 A change to subheading 8427.90 from any other heading, except from subheading 8431.20; or
- A change to subheading 8427.90 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 84.28-84.30 A change to heading 84.28 through 84.30 from any heading outside that group, except from heading 84.31; or
- A change to heading 84.28 through 84.30 from heading 84.31, whether or not there is also a change from any heading outside that group, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8435.10 A change to subheading 8435.10 from any other heading; or
- A change to subheading 8435.10 from subheading 8435.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8438.10-8438.80 A change to subheading 8438.10 through 8438.80 from any other heading; or
- A change to subheading 8438.10 through 8438.80 from subheading 8438.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8440.10 A change to subheading 8440.10 from any other heading; or
- A change to subheading 8440.10 from subheading 8440.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8441.10-8441.80 A change to subheading 8441.10 through 8441.80 from any other heading; or

A change to subheading 8441.10 through 8441.80 from subheading 8441.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8442.10-8442.30

A change to subheading 8442.10 through 8442.30 from any other heading; or

A change to subheading 8442.10 through 8442.30 from subheading 8442.40 through 8442.50, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8442.40-8442.50

A change to subheading 8442.40 through 8442.50 from any other heading.

8443.11-8443.50

A change to subheading 8443.11 through 8443.50 from any other heading; or

A change to subheading 8443.11 through 8443.50 from subheading 8443.60 or 8443.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8443.60

A change to subheading 8443.60 from any other heading; or

A change to subheading 8443.60 from subheading 8443.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

84.44-84.47

A change to heading 84.44 through 84.47 from any heading outside that group, except from heading 84.48; or

A change to heading 84.44 through 84.47 from heading 84.48, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8448.11-8448.19

A change to subheading 8448.11 through 8448.19 from any other heading; or

A change to subheading 8448.11 through 8448.19 from subheading 8448.20 through 8448.59, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

- 8451.30-8451.80 A change to subheading 8451.30 through 8451.80 from any other heading; or
- A change to subheading 8451.30 through 8451.80 from subheading 8451.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8452.10-8452.30 A change to subheading 8452.10 through 8452.30 from any other heading; or
- A change to subheading 8452.10 through 8452.30 from subheading 8452.40 or 8452.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8453.10-8453.80 A change to subheading 8453.10 through 8453.80 from any other heading; or
- A change to subheading 8453.10 through 8453.80 from subheading 8453.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8454.10-8454.30 A change to subheading 8454.10 through 8454.30 from any other heading; or
- A change to subheading 8454.10 through 8454.30 from subheading 8454.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8455.10-8455.22 A change to subheading 8455.10 through 8455.22 from any subheading outside that group, except from Canadian tariff item 8455.90.10, U.S. tariff item 8455.90.00A or Mexican tariff item 8455.90.01.
- 8455.30 A change to subheading 8455.30 from any other heading; or
- A change to subheading 8455.30 from subheading 8455.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.

- 8456.10 A change to subheading 8456.10 from any other heading, except from more than one of the following:
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8537.10,
  - ▶ subheading 9013.20.
- 8456.20-8456.90 A change to subheading 8456.20 through 8456.90 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 84.57 A change to heading 84.57 from any other heading, except from heading 84.59 or more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8458.11 A change to subheading 8458.11 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8458.19 A change to subheading 8458.19 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8458.91 A change to subheading 8458.91 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.

- 8458.99 A change to subheading 8458.99 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8459.10 A change to subheading 8459.10 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8459.21 A change to subheading 8459.21 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10; or
- A change to subheading 8459.21 from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10,
- whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8459.29 A change to subheading 8459.29 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8459.31 A change to subheading 8459.31 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10; or

A change to subheading 8459.31 from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8459.39

A change to subheading 8459.39 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.

8459.40-8459.51

A change to subheading 8459.40 through 8459.51 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10; or

A change to subheading 8459.40 through 8459.51 from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8459.59

A change to subheading 8459.59 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.



8459.61

A change to subheading 8459.61 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10; or

A change to subheading 8459.61 from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

8459.69

A change to subheading 8459.69 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.

8459.70

8459.70.aa

A change to Canadian tariff item 8459.70.10, U.S. tariff item 8459.70.00A or Mexican tariff item 8459.70.03 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10; or

A change to Canadian tariff item 8459.70.10, U.S. tariff item 8459.70.00A or Mexican tariff item 8459.70.03 from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

- 8459.70 A change to subheading 8459.70 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8460.11 A change to subheading 8460.11 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8460.19 A change to subheading 8460.19 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8460.21 A change to subheading 8460.21 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8460.29 A change to subheading 8460.29 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.
- 8460.31 A change to subheading 8460.31 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8460.39 A change to subheading 8460.39 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.

## 8460.40

## 8460.40.aa

A change to Canadian tariff item 8460.40.10, U.S. tariff item 8460.40.00A or Mexican tariff item 8460.40.02 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10.

## 8460.40

A change to subheading 8460.40 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.

## 8460.90

## 8460.90.aa

A change to Canadian tariff item 8460.90.11 or 8460.90.91, U.S. tariff item 8460.90.00A or Mexican tariff item 8460.90.03 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10.

## 8460.90

A change to subheading 8460.90 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04, or subheading 8501.32 or 8501.52.

## 8461.10

## 8461.10.aa

A change to Canadian tariff item 8461.10.10, U.S. tariff item 8461.10.00A or Mexican tariff item 8461.10.03 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10.

## 8461.10

A change to subheading 8461.10 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04.

## 8461.20

8461.20.aa A change to Canadian tariff item 8461.20.11 or 8461.20.21, U.S. tariff item 8461.20.00A or Mexican tariff item 8461.20.01 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10.

## 8461.20

A change to subheading 8461.20 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04.

## 8461.30

8461.30.aa A change to Canadian tariff item 8461.30.10, U.S. tariff item 8461.30.00A or Mexican tariff item 8461.30.01 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10.

## 8461.30

A change to subheading 8461.30 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04.

## 8461.40

A change to subheading 8461.40 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04.

## 8461.50

8461.50.aa A change to Canadian tariff item 8461.50.10, U.S. tariff item 8461.50.00A or Mexican tariff item 8461.50.03 from any other heading, except from more than one of the following:

- ▶ subheading 8413.50 through 8413.60,
- ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
- ▶ subheading 8501.32 or 8501.52,
- ▶ subheading 8537.10.

- 8461.50 A change to subheading 8461.50 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04.
- 8461.90
- 8461.90.aa A change to Canadian tariff item 8461.90.11 or 8461.90.91, U.S. tariff item 8461.90.00A or Mexican tariff item 8461.90.02 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8461.90 A change to subheading 8461.90 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.10A, 8466.93.50A or 8466.93.70A or Mexican tariff item 8466.93.04.
- 8462.10 A change to subheading 8462.10 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05.
- A change to subheading 8462.21 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.10A or 8466.94.50A or Mexican tariff item 8466.94.02,
  - ▶ Canadian tariff item 8483.50.20, U.S. tariff item 8483.50.80A or 8483.50.80B or Mexican tariff item 8483.50.05,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8462.29 A change to subheading 8462.29 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05.
- 8462.31 A change to subheading 8462.31 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.10A or 8466.94.50A or Mexican tariff item 8466.94.02,
  - ▶ Canadian tariff item 8483.50.20, U.S. tariff item 8483.50.80A or 8483.50.80B or Mexican tariff item 8483.50.05,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.

- 8462.39 A change to subheading 8462.39 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05.
- 8462.41 A change to subheading 8462.41 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.10A or 8466.94.50A or Mexican tariff item 8466.94.02,
  - ▶ Canadian tariff item 8483.50.20, U.S. tariff item 8483.50.80A or 8483.50.80B or Mexican tariff item 8483.50.05,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8462.49 A change to subheading 8462.49 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05.
- 8462.91
- 8462.91.aa A change to Canadian tariff item 8462.91.10, U.S. tariff item 8462.91.00A, Mexican tariff item 8462.91.05 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.10A or 8466.94.50A or Mexican tariff item 8466.94.02,
  - ▶ Canadian tariff item 8483.50.20, U.S. tariff item 8483.50.80A or 8483.50.80B or Mexican tariff item 8483.50.05,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.
- 8462.91 A change to subheading 8462.91 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05.
- 8462.99
- 8462.99.aa A change to Canadian tariff item 8462.99.10, U.S. tariff item 8462.99.00A or Mexican tariff item 8462.99.05 from any other heading, except from more than one of the following:
- ▶ subheading 8413.50 through 8413.60,
  - ▶ Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.10A or 8466.94.50A or Mexican tariff item 8466.94.02,
  - ▶ Canadian tariff item 8483.50.20, U.S. tariff item 8483.50.80A or 8483.50.80B or Mexican tariff item 8483.50.05,
  - ▶ subheading 8501.32 or 8501.52,
  - ▶ subheading 8537.10.

- 8462.99 A change to subheading 8462.99 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05.
- 84.63 A change to heading 84.63 from any other heading, except from Canadian tariff item 8466.94.11, 8466.94.91 or 8483.50.20, U.S. tariff item 8466.94.10A, 8466.94.50A, 8483.50.80A or 8483.50.80B or Mexican tariff item 8466.94.02 or 8483.50.05, or subheading 8501.32 or 8501.52.
- 84.64 A change to heading 84.64 from any other heading, except from subheading 8466.91; or  
 A change to heading 84.64 from subheading 8466.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
 (a) 60 percent where the transaction-value method is used, or  
 (b) 50 percent where the net-cost method is used.
- 84.65 A change to heading 84.65 from any other heading, except from subheading 8466.92; or  
 A change to heading 84.65 from subheading 8466.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
 (a) 60 percent where the transaction-value method is used, or  
 (b) 50 percent where the net-cost method is used.
- 84.66 A change to heading 84.66 from any other heading.
- 8468.10-8468.80 A change to subheading 8468.10 through 8468.80 from any other heading; or  
 A change to subheading 8468.10 through 8468.80 from subheading 8468.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
 (a) 60 percent where the transaction-value method is used, or  
 (b) 50 percent where the net-cost method is used.
- 8475.10-8475.20 A change to subheading 8475.10 through 8475.20 from any other heading; or  
 A change to subheading 8475.10 through 8475.20 from subheading 8475.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
 (a) 60 percent where the transaction-value method is used, or  
 (b) 50 percent where the net-cost method is used.

- 8477.10 A change to subheading 8477.10 from any other subheading, except from Canadian tariff item 8477.90.11 or 8477.90.21, U.S. tariff item 8477.90.00A or Mexican tariff item 8477.90.01 or more than one of the following:
- ▶ Canadian tariff item 8477.90.12 or 8477.90.22, U.S. tariff item 8477.90.00B or Mexican tariff item 8477.90.02,
  - ▶ subheading 8537.10.
- 8477.20 A change to subheading 8477.20 from any other subheading, except from Canadian tariff item 8477.90.11 or 8477.90.21, U.S. tariff item 8477.90.00A or Mexican tariff item 8477.90.01 or more than one of the following:
- ▶ Canadian tariff item 8477.90.12 or 8477.90.22, U.S. tariff item 8477.90.00B or Mexican tariff item 8477.90.02,
  - ▶ subheading 8537.10.
- 8477.30 A change to subheading 8477.30 from any other subheading, except from Canadian tariff item 8477.90.11 or 8477.90.21, U.S. tariff item 8477.90.00A or Mexican tariff item 8477.90.01 or more than one of the following:
- ▶ Canadian tariff item 8477.90.13 or 8477.90.23, U.S. tariff item 8477.90.00C or Mexican tariff item 8477.90.03,
  - ▶ subheading 8537.10.
- 8477.40-8477.80 A change to subheading 8477.40 through 8477.80 from any other heading; or
- A change to subheading 8477.40 through 8477.80 from subheading 8477.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8478.10 A change to subheading 8478.10 from any other heading; or
- A change to subheading 8478.10 from subheading 8478.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.
- 8479.10-8479.81 A change to subheading 8479.10 through 8479.81 from any other heading; or
- A change to subheading 8479.10 through 8479.81 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction-value method is used, or
  - (b) 50 percent where the net-cost method is used.



## 8479.82

8479.82.aa

A change to Mexican tariff item 8479.82.03 from any other tariff item, except from Canadian tariff item 8479.90.61, 8479.90.62, 8479.90.63 or 8479.90.64, U.S. tariff item 8479.90.80B, 8479.90.80C, 8479.90.80D or 8479.90.80E or Mexican tariff item 8479.90.17, 8479.90.18, 8479.90.19 or 8479.90.20, or combinations thereof.

8479.82

A change to subheading 8479.82 from any other heading; or

A change to subheading 8479.82 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

## 8479.89

8479.89.aa

A change to Canadian tariff item 8479.89.91 or U.S. tariff item 8479.89.60B from any other tariff item, except from Canadian tariff item 8479.90.61, 8479.90.62, 8479.90.63 or 8479.90.64, U.S. tariff item 8479.90.80B, 8479.90.80C, 8479.90.80D or 8479.90.80E or Mexican tariff item 8479.90.17, 8479.90.18, 8479.90.19 or 8479.90.20, or combinations thereof.

8479.89

A change to subheading 8479.89 from any other heading; or

A change to subheading 8479.89 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction-value method is used, or
- (b) 50 percent where the net-cost method is used.

## 84.80

A change to heading 84.80 from any other heading.

## ANNEX C

### Calculating Regional Value Content

The rules of origin specify that certain goods must meet a regional value content requirement.

NAFTA provides two alternative methods that exporters can use to calculate the regional value content of their goods:

- ▶ the transaction-value method; and
- ▶ the net-cost method.

In most cases, exporters can choose either method.

If exporters select the transaction-value method and they are advised by Customs that the transaction value of the good (or the value of any material used to produce the good) is unacceptable or needs to be adjusted, they can choose to use the net-cost method.

However, if they select the net-cost method initially and the results are unfavourable, they cannot switch to the transaction-value method.

#### Transaction-Value Method

Under the transaction-value method, exporters have to subtract the value of any non-originating material (i.e. non-North American) used to produce the good from the actual price paid or payable for the good. In most cases, the value of non-originating material is the total amount it costs producers to purchase the material and get it to the production site.

Then, exporters have to divide the difference by the price, and convert the result to a percentage to get the regional value content or the RVC.

The formula is as follows:

$$\frac{\text{Transaction value} - \text{Value of non-originating materials}}{\text{Transaction value}} \times 100 = \text{RVC}$$

In most cases, if exporters use the transaction-value method, the specific rule of origin will require that the RVC for an originating good must be at least 60 percent.

Exporters cannot use the transaction-value method in the following circumstances:

- ▶ the good has no transaction value (e.g. barter);
- ▶ the transaction value of the good is not acceptable under the Customs Valuation Code (refer to brochure entitled *Value For Duty*, available at any Customs regional office); and
- ▶ the majority of the producer's sales are to related parties.

Exporters who are not sure whether they can use the transaction-value method should call a Revenue Canada — Customs regional office.

## **Net-Cost Method**

Under the net-cost method, exporters have to subtract the value of non-originating materials used to produce the finished good from the net cost of the good. In most cases, the value of a non-originating material is the total amount it costs producers to purchase the material and get it to the production site.

Then, exporters have to divide the difference by the net cost, and convert the result to a percentage to get the RVC.

The net-cost formula is as follows:

$$\frac{\text{Net cost} - \text{Value of non-originating materials}}{\text{Net cost}} \times 100 = \text{RVC}$$

In most cases, if exporters use the net-cost method, the specific rule of origin will require that the RVC for an originating good must be at least 50 percent.

To determine the net cost of a good, begin with all the costs of producing the good, and then subtract any costs that are specifically excluded. Specifically excluded costs are costs for:

- ▶ sales promotion and marketing;
- ▶ after-sales service;
- ▶ royalties;
- ▶ shipping and packing; and
- ▶ non-allowable interest.

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