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U.S. International Trade: Data and Forecasts

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Dick K. Nanto and Thomas Lum
Foreign Affairs, Defense, and Trade Division

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U.S. International Trade: Data and Forecasts

SUMMARY

In 2003 the United States incurred a merchandise trade deficit of $535.7 billion on a Census basis and $549.4 billion on a balance-of-payments basis (BoP). A surplus in services trade of $60 billion gave a deficit of $489.3 billion on goods and services (BoP) for the year, 17% higher than 2002. Year-to-date (January-June 2004), the trade deficit in goods and services, at $287 billion, is 15.6% higher compared to the same period in 2003.

Since 1976, the United States has incurred continual merchandise trade deficits. They increased dramatically from $36.5 billion in 1982 to a peak in 1987 at $159.6 billion. The deficit dropped to $74.1 billion in 1991 but rose to $436.1 billion in 2000 and to $535.7 billion in 2003. (Census basis).

Overall U.S. trade deficits reflect a shortage of savings in the domestic economy and a reliance on capital imports to finance that shortfall. Capital inflows support a stronger dollar which, along with foreign trade barriers, can help make U.S. products relatively expensive in some overseas locations, thereby contributing to a trade deficit in goods. Outsourcing by U.S. companies also creates foreign competition for U.S.-made goods and services, although it tends to generate foreign demand for U.S.-made components.

Trade deficits are a concern for Congress because they may generate trade friction and pressures for the government to do more to open foreign markets, to shield U.S. producers from foreign competition, or to assist U.S. industries to become more competitive. As the deficit increases, the risk also rises of a precipitous drop in the value of the dollar and disruption in financial markets.

The trade deficit eased temporarily during the recession of 1990-1991, but it worsened over 1993-95 as the United States recovered faster than did Europe or Japan. In 1997-2000, it worsened further as the Asian financial crisis caused a fall in U.S. exports to Asia and a marked increase in U.S. imports from Asia as well as rising U.S. imports of capital. The 2001 recession caused the deficit to shrink, but as the economy has recovered and oil prices have risen, it has grown significantly.

In 2003, U.S. goods trade totaled $1.98 trillion, compared to $1.85 trillion in 2002 and $1.87 trillion in 2001, with exports of $724 billion and imports of $1,259 billion (Census basis). In 2003, U.S. exports increased by 4.4%, while imports rose by 8.4%.

The broadest measure of U.S. international economic transactions is the balance on current account. In addition to merchandise trade, it includes trade in services and unilateral transfers. In 2003, the current account deficit rose to $549.4 billion from $480.9 billion in 2002. After reaching a peak of $160.7 billion in 1987, the current account deficit had fallen steadily through 1991, when it reached a surplus of $3.8 billion, before turning into deficit again. The current account deficit is projected to rise to about $565.8 billion in 2004.

In trade in advanced technology products, the U.S. balance dropped from a surplus of $32.2 billion in 1997 to a deficit of $27.4 billion in 2003. In trade in passenger automobiles, the United States has been running a deficit, particularly with Japan, Canada, Germany, and Mexico.

MOST RECENT DEVELOPMENTS

In 2003, the trade deficit in goods and services, at $489.3 billion (BoP basis), was 17% higher than 2002. The 2003 deficit on goods trade with China was $123.9 billion (Census basis), with the European Union was $94.2 billion, with Japan was $65 billion, with Mexico was $40.6 billion, and with the Asian Newly Industrialized Countries (Hong Kong, South Korea, Singapore, and Taiwan) was $20.8 billion.

Year-to-date (January-June 2004), the trade deficit in goods and services, at $287 billion, is 15.6% higher compared to the same period in 2003. In 2003, the average monthly trade deficit (goods and services) was over $41 billion. In 2004, the trade deficit has been averaging nearly $48 billion per month. The year-to-date (January-June 2004) deficit on goods trade with Mexico was $22 billion (Census basis), with Japan was $36 billion, with China was $68 billion, with the European Union (EU-15) was $49 billion, and with the Asian Newly Industrialized Countries (Hong Kong, South Korea, Singapore, and Taiwan) was $8.9 billion.

BACKGROUND AND ANALYSIS

Background

Between 1980 and 1987, both the trade and current account deficits increased but then diminished substantially between 1988 and 1991. As the American economy boomed over the 1990s and into 2000, these deficits ballooned and became one of the few negatives in an otherwise upbeat economic picture. Despite eliminating the federal budget deficit from FY1998-2001, the trade deficit side of the so-called "twin deficits" continued to increase. The recession of 2001, brought a slight easing of the trade deficit as import demand slackened, but as the economy has been recovering in 2002-2004, the negative balances have grown dramatically. This issue brief provides historical and current data as well as forecasts of U.S. trade and current accounts.

U.S. trade balances are macroeconomic variables that may or may not indicate underlying problems with the competitiveness of particular industries or what some refer to as the competitiveness of a nation. The reason is that overall trade flows are determined, within the framework of institutional barriers to trade and the activities of individual industries primarily by macroeconomic factors such as rates of growth, savings and investment behavior (including government budget deficits/surpluses), international capital flows, and exchange rates.

Increases in trade deficits may diminish economic growth, since net exports (exports minus imports) are a component of gross domestic product. In the late 1980s and early 1990s, export growth was an important element in overall U.S. economic growth. In 1999, merchandise exports accounted for about 8.5% of GDP, compared with 5.9% in 1990. Recently, however, rising trade deficits have reduced total domestic demand in the economy, although the deficits have been offset by rising consumer, business, and government demand.

The risk to the U.S. economy of a rising trade (and current account) deficit is that it could lead to a large drop in the value of the U.S. dollar, disrupt financial markets, and increase inflationary pressures. If foreign investors stop offsetting the deficit by buying dollar-denominated assets (in order to balance U.S. inflows and outflows of dollars), the value of the dollar could drop precipitously. In that case, U.S. interest rates would have to rise to attract more foreign investment, financial markets could be disrupted, and inflationary pressures would rise. Currently, foreign investment in dollar assets along with purchases of securities by central banks in countries such as China and Japan have been sufficient to keep the value of the dollar from falling too far. These central banks have intervened regularly in currency markets to keep the value of their currencies relatively stable with respect to the dollar. (As of July 7, 2004, Japan had $818 billion in foreign currency reserves, and as of June 2004, China held $471 billion in foreign exchange reserves accumulated primarily through central bank intervention.). Despite the intervention, the value of the dollar has declined by about 15% since 2000. The current account deficit is now at 5% of gross domestic product — a level considered by most economists to be a an indicator of possible currency instability ahead. In the International Monetary Fund's July 2004 consultation with the United States, its directors reiterated their long-standing concern about the large U.S. current account deficit which is leaving the United States "highly dependent upon private and official inflows from abroad." (IMF, Public Information Notice 04/77, July 30, 2004) The accompanying IMF staff report concluded that the U.S. current account deficit is still expected to remain large at around 5% of GDP and has the attendant risk of abrupt adjustments of interest and exchange rates. Treasury officials countered that they viewed the current account deficit as a reflection of the buoyancy of the U.S. economy and weakness of foreign demand rather than a policy concern. (IMF, IMF Country Report No. 04/230, July 2004, p. 28, 38.)

The U.S. government compiles trade data in four different ways. The data are first reported on a Census or Customs basis. These numbers are then adjusted and reported on an international transactions basis, which is essentially the same as the balance of payments (BoP) basis (including adjustments for valuation, coverage, and timing and excluding military transactions). The data are finally reported in terms of national income and product accounts (NIPA). In 2003, for example, the U.S. merchandise trade deficit on a Census basis was $535.7 billion, on a balance-of-payments basis was $549.4 billion, and on a NIPA basis was $519 billion. Most bilateral and sectoral data are reported only on a Census basis.

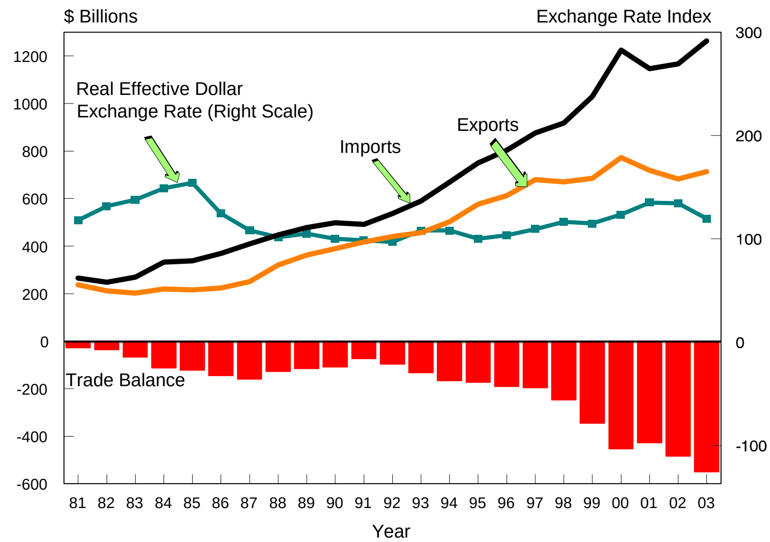
Export and import data also may be adjusted for inflation to gauge movement in trade volumes as distinct from trade values. Conceptually, this procedure is analogous to adjusting macroeconomic data from nominal to real values. The Census Bureau also reports imports on a c.i.f. (cost-insurance-freight) basis which includes the value of insurance, international shipping, and other charges incurred in bringing merchandise to U.S. ports of entry. The Customs, or f.a.s. (free-alongside-ship), data do not include these supplementary costs. The data on merchandise trade presented below do not include insurance and freight charges that are counted in U.S. services trade.

U.S. Merchandise Trade Balance

The merchandise (goods) trade balance is the most widely known and frequently used indicator of U.S. international economic activity (see **Figure 1**). In 2003, total U.S.

merchandise trade on a Census basis amounted to $1.98 trillion, with exports of $724 billion and imports of $1,259 billion. The U.S. merchandise trade deficit rose 14.4% in 2003 to $535.6 billion (Census basis), following a 13.7% increase in 2002. Prior to 1992, the deficit had decreased for 4 consecutive years, from a previous peak of $159.6 billion in 1987 to $74.1 billion in 1991. The increase in the trade deficit to 2000 was due largely to sluggish demand for U.S. exports, caused primarily by a combination of capital inflows into the U.S. market with slow economic recovery in other countries and increasing demand for imports caused mainly by faster economic growth in the United States. As a share of gross domestic product (GDP), the deficit on goods trade rose from 1.9% in 1990 to 5.1% in 2003.

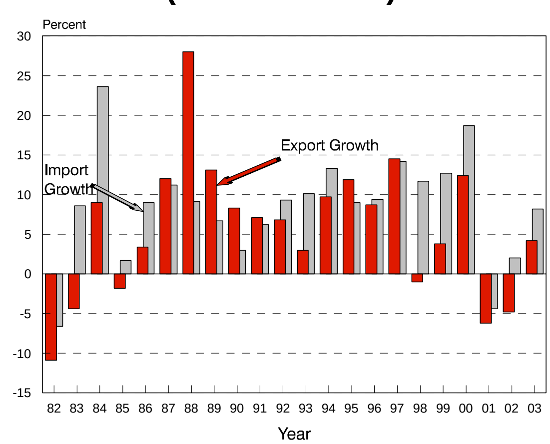
Figure 1. U.S. Imports, Exports, Merchandise Trade Balance, and Real Effective Dollar Exchange Rate, 1981-2003



Sources: U.S. Department ofCommerce; IMF. Note: For Exchange Rate, 1995= 100

As shown in **Table 1** and **Figure 2,** U.S. merchandise exports decreased in 1998 for the first time since 1985, and again fell in 2001 and 2002 in response to the global slowdown. In general, however, they have been increasing each year. The growth of imports has also been high, although they too fell by 4.4% in 2001 before recovering in 2002. In 2003, import growth was nearly double export growth. Currently, there is little prospect for a significant reduction in the trade deficit. Since U.S. imports are about 75% greater than U.S. exports, exports must grow 75% faster than imports just for the deficit to remain constant.

Figure 2. Annual Growth in U.S. Exports and Imports, 1982-2003 (Census Basis)



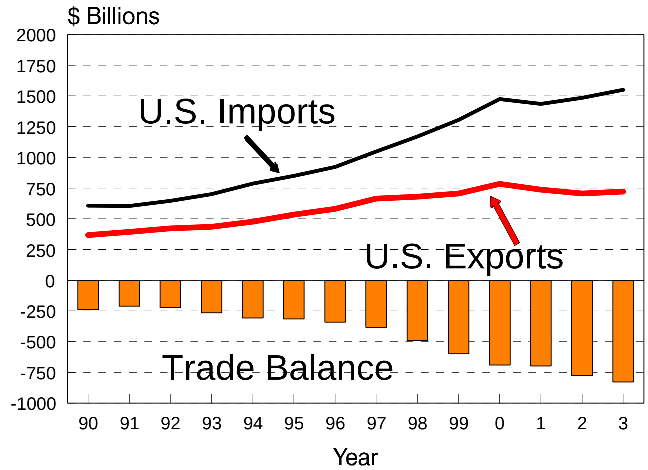
Source: U.S. Department of Commerce

Merchandise Trade Balance in Volume Terms

Like other economic variables, exports and imports, reported in terms of their values, can change merely because prices change. Trade data, therefore, can be adjusted for inflation by dividing by a price index. Such corrected data are referred to as "volume" and not "real," because some trade commodities actually are reported in volume terms (e.g., tons of wheat). The volume data provide a more accurate picture of how the underlying flows of merchandise are changing.

As shown in **Table 2** and **Figure 3**, the constant-dollar value, or physical volume, of merchandise exports increased by 2.6% in 2003 after decreasing by 4.5% in 2002 and 6.3% in 2001 and compared to an increase of 11.6% in 2000. The physical volume of imports rose by 5.4% in 2003 compared to an increase of 3.4% in 2002 and a fall of 3.6% in 2001. In 2000, merchandise imports grew by 13.5%. Because the growth of merchandise imports is higher than the growth of exports and because imports exceed exports by over 80% on a physical volume basis, the U.S. trade deficit in terms of volume is also increasing. In recent years, the deficit in volume terms has varied relative to the deficit in value terms partly because of fluctuations in oil import prices (when oil prices rise, the deficit in value rises relative to that in volume terms).

Figure 3. U.S. Exports, Imports, and Trade Balance by Volume (2000 base), 1990-2004



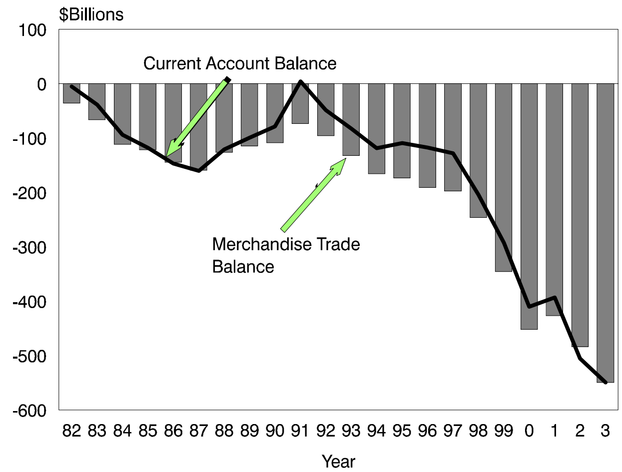
Source: U.S. Bureau of Economic Analysis

Current Account Balance

The current account provides a broader measure of U.S. trade because it includes services, investment income, and unilateral transfers in addition to merchandise. (See **Figure 4**) The balance on services includes travel, transportation, fees and royalties, insurance payments, and other government and private services. The balance on investment income includes income received on U.S. assets abroad minus income paid on foreign assets in the U.S. Unilateral transfers are international transfers of funds for which there is no quid pro quo. These include private gifts, remittances, pension payments, and government grants (foreign aid).

Table 3 summarizes the components of the U.S. current account. The U.S. deficit on current account fell from a record-high $160.7 billion in 1987, to $79.0 billion in 1990, and rose to a $3.8 billion surplus in 1991 (primarily because of payments to fund the Gulf War by Japan and other nations). However, in 1992, the current account deficit increased significantly to $48.5 billion and again to $82.7 billion in 1993, $118.6 billion in 1994, $203.8 billion in 1998, and increased to $410.3 billion in 2000 or 4.2% of GDP — up from 1.3% in 1990. In 2001, the current account deficit fell to $393.4 billion or 3.9% of GDP, but rose again to an estimated $549.4 billion in 2003 or 5.3% of GDP.

Figure 4. U.S. Current Account and Merchandise Trade Balances, 1982-2003



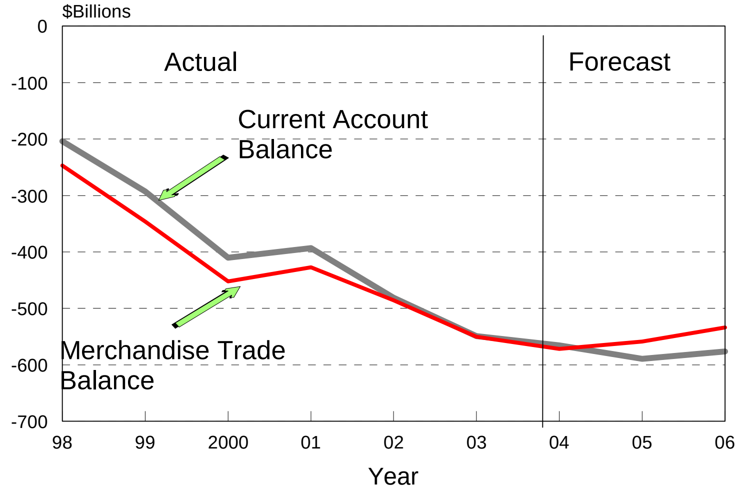
Source: Global Insight, Inc., February 2004

Since the merchandise trade balance comprises the greater part of the current account, the two tend to track each other. Unlike the merchandise trade balance, however, the services account has been in surplus since 1975. In 2003, the United States surplus in its services trade was $60.0 billion. Since Americans are such large investors in foreign economies, the United States traditionally has had a surplus in its investment income. This surplus on income from investments, which reached a high of $36.3 billion in 1983, dropped to a deficit of $4.0 billion in 2002 but rebounded to $7.2 billion in 2003. The U.S. deficit in unilateral transfers at an estimated $66.6 billion in 2003 reflects a rising trend and more than double the level of the late-1980s. This partially offsets the U.S. surplus in services.

Forecasts

According to Global Insight, a leading U.S. economic forecasting firm, in 2004 the U.S. merchandise (goods) trade deficit is expected to increase to about $571.9 billion on a balance-of-payments basis (see **Figure 5**). In 2005, the deficit is projected to decrease slightly to $558.5 billion (see **Table 4**). As for the U.S. current account deficit, Global Insight projects it to increase to around $565.8 billion in 2004 and to rise further to $589 billion in 2005.

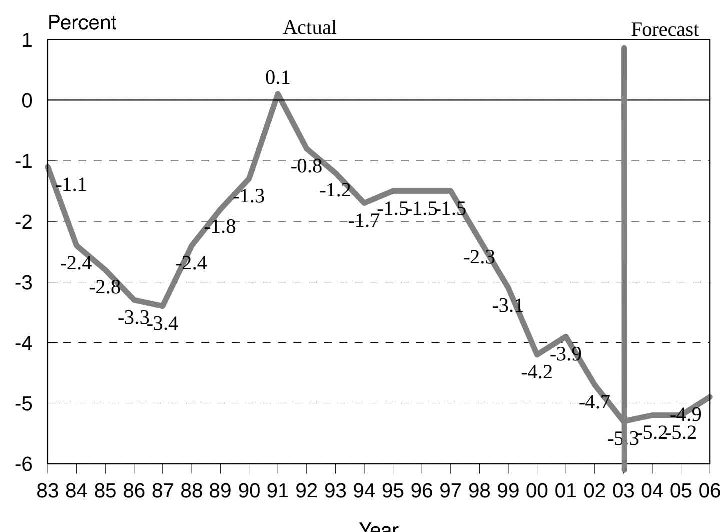
Figure 5. U.S. Merchandise Trade and Current Account Deficit, Actual from 1998 and Forecast to 2006 (in current dollars)



Source: Actual from U.S. Department of Commerce. Forecast from Global Insight, Inc., February 2004.

Figure 6 shows the current account balance as a percent of U.S. gross domestic product. It has grown in magnitude from near zero in 1980 to -5.3% in 2003 and is projected to decline slightly in 2004-2006.

Figure 6. U.S. Current Account Balance as a Percent of U.S. Gross Domestic Product, 1983-2006 (forecast)



Data from U.S. Department of Commerce. Forecasts by Global Insight, Inc., February 2004

U.S. Bilateral Trade Balances

The overall U.S. merchandise trade balance consists of deficits or surpluses with all trading partners. Many economists view this figure as more significant than bilateral trade balances, since rising deficits with some nations are often offset by declining deficits or growing surpluses with others. Nonetheless, abnormally large or rapidly increasing trade deficits with particular countries are often viewed as indicators that underlying problems may exist with market access, the competitiveness of particular industries, currency misalignment, or macroeconomic adjustment. **Table 5** shows U.S. trade balances with selected nations.

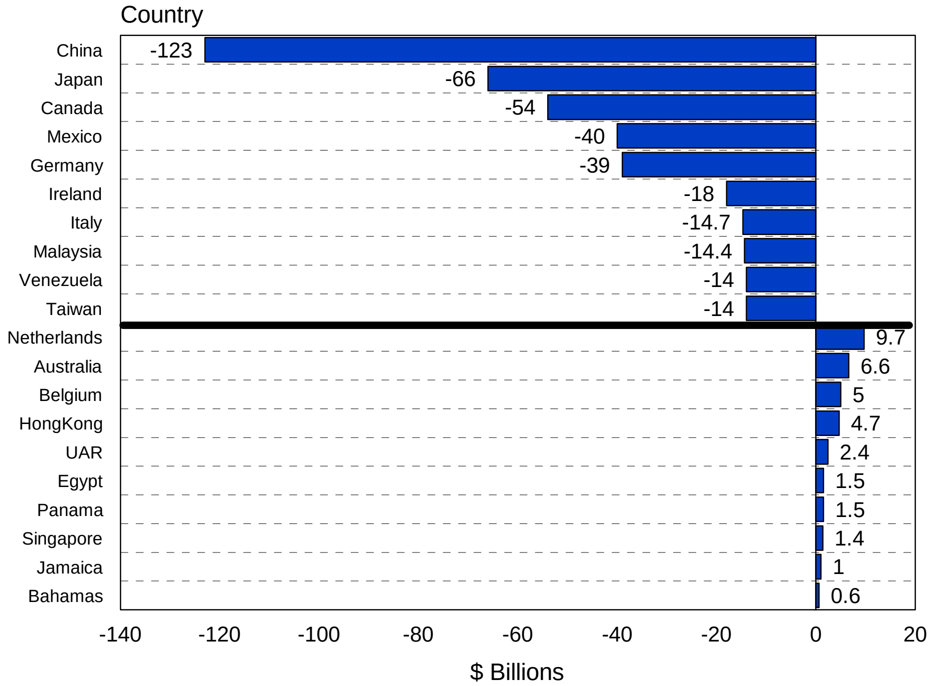
Most of the U.S. trade deficit can be accounted for by trade with China, Japan, Canada, Mexico, and Germany. Trade with the oil exporting countries also is in deficit. U.S. trade surpluses occur in trade with the Netherlands, Australia, Belgium, Hong Kong, and other countries (see **Figure 7**). In 2003, Canada was America's largest merchandise trading partner, followed by Mexico, China, Japan, and Germany (China overtook Japan for third place in 2003). **Table 6** lists the United States' top 30 trading partners ranked by trade turnover (imports plus exports). Trade with Canada accounts for 20% of total U.S. trade. By far, Canada is the largest supplier of U.S. imports and the top purchaser of U.S. exports. Trade with Mexico accounts for 12%, and trade with Japan accounts for 9% of total U.S. trade. Trade with China, which accounts for 9% of total U.S. trade, is expanding rapidly.

Table 7 lists the U.S. top 10 deficit trading partners. In 2000, China overtook Japan as the top U.S. deficit trading partner. The next highest deficit trading partners are Japan, Canada, Mexico, Germany, and Ireland. **Table 8** lists trade balances on goods, services, and income, net unilateral transfers and current account balances for selected U.S. trading partners in 2002.

Table 9 shows U.S. trade in advanced technology products. This includes about 500 commodity codes representing products whose technology is from a recognized high technology field (e.g., biotechnology) or that represent the leading technology in a field. The United States long ran a surplus in these products, but that surplus dropped sharply in 2000 and turned into a deficit in 2002. The surplus decreased from $32.2 billion in 1997 to $29.6 billion in 1998 and $19.1 billion in 1999. In 2000, the surplus fell to $5.3 billion. In 2003, the deficit in U.S. trade in advanced technology products was $27.4 billion, a jump of 65% over 2002.

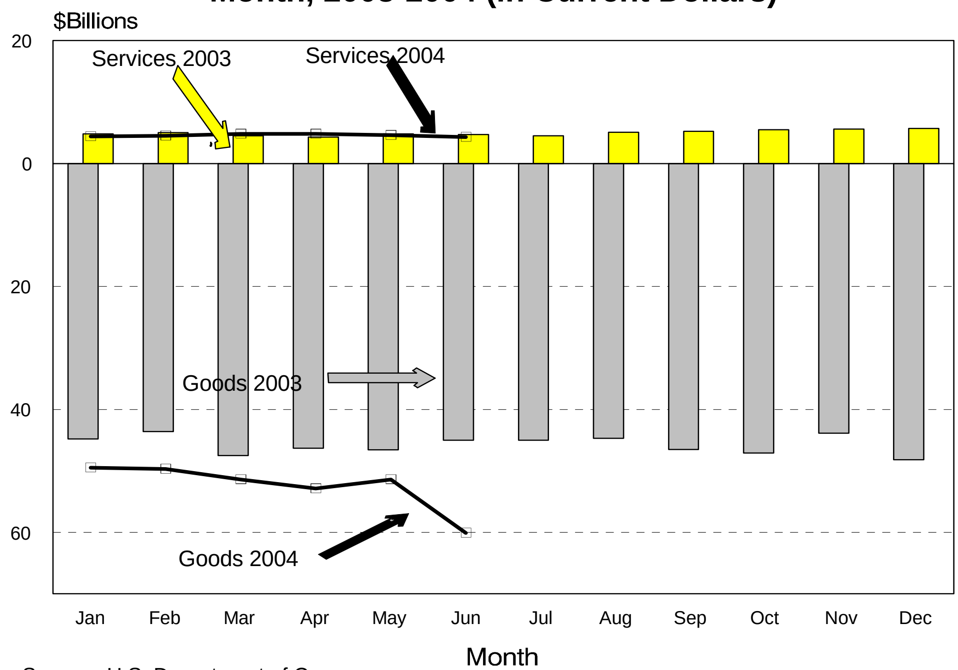
Table 10 provides data on trade in passenger cars with major automobile producing nations for 2003. This does not include foreign cars assembled in the United States. The United States incurs the largest deficits in this trade with Japan, Canada, Germany, Mexico, and South Korea.

Figure 7. U.S. Merchandise Trade Balances with Selected Nations, 2003



Source: U.S. Department of Commerce (Census Bureau)

Figure 8. U.S. Balance of Trade in Goods and Services by Month, 2003-2004 (in Current Dollars)



Source: U.S. Department of Commerce

Table 1. U.S. Exports, Imports, and Merchandise Trade Balances, 1982-2003

(Census Basis, billions of U.S. dollars)

Year	Exports f.a.s.[a]	Imports, Customs	Merchandise Trade Balance
1982	212.3	243.9	-31.6
1983	201.7	261.7	-60.0
1984	218.7	330.5	-111.8
1985	212.6	336.4	-123.8
1986	226.4	365.7	-139.3
1987	253.9	406.3	-152.4
1988	323.3	441.9	-118.6
1989	362.9	473.4	-110.5
1990	392.9	495.2	-102.3
1991	421.8	487.1	-65.3
1992	448.2	532.6	-84.4
1993	464.8	580.5	-115.7
1994	512.6	663.2	-150.6
1995	584.7	743.5	-158.8
1996	625.1	795.3	-170.2
1997	689.2	869.7	-180.5
1998	682.1	911.9	-229.8
1999	695.8	1,024.6	-328.8
2000	781.9	1,218.0	-436.1
2001	730.9	1,142.3	-411.4
2002	693.5	1,163.6	-470.1
2003	724.0	1,259.7	-535.7

Source: Council of Economic Advisers. *Economic Report of the President,* January 2001,Table B-103, p. 392; U.S. Census Bureau, Foreign Trade Statistics, February 2003; U.S. Department of Commerce, Bureau of Economic Analysis, U.S. International Transactions Accounts Data.

Note: For trade data on a balance-of-payments basis, see Tables 3 and 4.

a. Exports are valued on the f.a.s. basis, which refers to the free-alongside-ship value at the port of export and generally includes inland freight, insurance, and other charges incurred in placing the goods alongside the carrier at the port of exportation.

b. Imports are valued as reported by the U.S. Customs Service. (Excludes import duties, the cost of freight, insurance, and other charges incurred in bringing merchandise to the United States.)

Table 2. U.S. Merchandise Trade in Volume Terms, 2001-2003

(billions of chained 2000 dollars)

Year	Exports	Export Growth	Imports	Import Growth	Net Exports
2001	723.6	-6.3	1180.9	-3.6	-457.3
2002	691.1	-4.5	1221.6	3.4	-530.5
2003	708.9	2.6	1287.4	5.4	-578.5

Source: Bureau of Economic Analysis, *Survey of Current Business*, April 2004.

Table 3. U.S. Current Account Balances: 1985 to 2003

(billions of U.S. dollars)

Calendar Year	Merchandise Trade Balance [a]	Services Balance [b]	Investment Income Balance [c]	Net Unilateral Transfers [d]	Current Account Balance [e]
1985	-122.2	0.3	25.7	-22.0	-118.2
1986	-145.1	6.5	15.5	-24.1	-147.2
1987	-159.6	7.9	14.3	-23.3	-160.7
1988	-127.0	12.4	18.7	-25.3	-121.2
1989	-115.2	24.6	19.8	-26.2	- 99.4
1990	-109.0	30.2	28.6	-26.7	-79.0
1991	-74.1	45.8	24.1	10.8	3.8
1992	-96.1	60.4	23.0	-35.0	-48.5
1993	-132.6	63.7	23.9	-37.6	-82.7
1994	-166.2	69.1	21.1	-38.3	-118.6
1995	-173.7	77.8	25.0	-34.0	-109.5
1996	-191.3	89.2	24.5	-40.1	-117.8
1997	-198.1	90.4	20.7	-40.8	-128.4
1998	-246.7	79.8	6.9	-44.5	-203.8
1999	-346.0	83.8	17.1	-48.8	-292.8
2000	-452.4	73.7	19.6	-53.4	-410.3
2001	-427.2	68.9	10.7	-49.5	-393.4
2002	-482.9	64.8	-4.0	-58.9	-480.9
2003	-550.0	60.0	7.2	-66.6	-549.4

Source: U.S. Department of Commerce. Global Insight, February 2004.

a. On a balance-of-payments basis.

b. Includes travel, transportation, fees and royalties, insurance payments, other government and private services, and investment income.

c. Income receipts on U.S. assets abroad minus income payments on foreign assets in the United States.

d. International transfers of funds, such as private gifts, pension payments, and government grants for which there is no *quid pro quo*.

e. The trade balance plus the service balance plus investment income balance plus net unilateral transfers, although conceptually equal to the current account balance, may differ slightly as a result of rounding errors.

Table 4. U.S. Merchandise and Current Account Trade: Actual and Forecasts

(billions of U.S. dollars)

	Actual					Forecast	
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Merchandise Trade							
Exports							
Actual	684.4	772.2	718.7	682.5	713.7	—	—
Global Insight[a]	—	—	—	—	—	821.1	947.4
Imports							
Actual	1029.9	1224.4	1145.9	1166.9	1263.1	—	—
Global Insight[a]	—	—	—	—	—	1400.4	1512.4
Trade Balance							
Actual	-345.6	-452.2	-427.2	-484.3	-550.0	—	—
Global Insight[a]	—	—	—	—	—	-571.9	-558.5
Services Trade Balance							
Actual	83.6	73.7	68.9	64.8	60.0	—	—
Global Insight[a]	—	—	—	—	—	73.0	88.0
Current Account Balance							
Actual	-292.9	-410.3	-393.4	-480.9	-549.4	—	—
Global Insight[a]	—	—	—	—	—	-565.8	-589.1

Sources: U.S. Bureau of Economic Analysis, *Survey of Current Business*, April 2003; U.S. Census Bureau, Foreign Trade Statistics, February 2003; Global Insight, *Monthly Forecast Update, International Trade Tables*, February 2004. All actual figures on a balance-of-payments basis.

a. Global Insight was created through the 2002 merger of Standard & Poor's *Data Resources Inc. (DRI)* and *Wharton Econometric Forecasting Associates (WEFA)*.

Table 5. U.S. Merchandise Trade Balances with Selected Nations: 1999-2003

(millions of U.S. dollars, Census basis)

Country	1999	2000	2001	2002	2003
Total	-331,945	-436,104	-411,389	-470,104	-535,699
North America	-57,073	-76,475	-83,190	-86,920	-95,012
Canada	-34,411	-51,897	-53,266	-49,760	-54,396
Mexico	-22,662	-24,577	-29,924	-37,202	-40,616
Western Europe	-47,256	-59,152	-63,985	-89,218	-101,325
European Union	-43,723	-54,954	-60,856	-82,368	-94,262
United Kingdom	-853	-1,775	-599	-7,617	-8,772
Germany	-28,305	-29,064	-29,037	-35,852	-39,199
France	-7,071	-9,439	-10,400	-9,389	-12,153
Italy	-12,344	-13,982	-13,908	-14,201	-14,867
Netherlands	10,939	12,165	10,024	8,471	9,731
European Free Trade Association (EFTA)	-4,116	-4,634	-3,332	-6,324	-6,039
Former Soviet Republics	-4,123	-6,922	-4,096	-4,503	-6,615
Eastern Europe	-6,187	-10,166	-7,678	-8,283	-11,211
Pacific Rim Countries	-185,969	-215,434	-194,393	-215,005	-229,968
Japan	-73,920	-81,555	-68,962	-70,055	-65,965
China	-68,668	-83,833	-83,045	-103,115	-123,961
Newly Industrialized Countries (NICS)	-24,211	-26,814	-21,093	-22,073	-20,867
Singapore	-1,941	-1,372	2,712	1,429	1,418
Hong Kong	2,116	3,133	4,423	3,283	4,692
Taiwan	-16,077	-16,097	-15,240	-13,805	-14,122
Republic of Korea	-8,308	-12,478	-12,988	-12,979	-12,865
South/Central American Countries	-25,845	-38,233	-38,982	-17,902	-26,821
Argentina	2,339	1,596	913	-1,595	-734
Brazil	1,935	1,468	1,466	-3,403	-6,666
Colombia	-2,743	-3,297	-2,091	-2,018	-2,631
OPEC	-21,812	-48,012	-39,688	-34,482	-51,037
Venezuela	-5,981	-13,073	-9,552	-10,662	-14,305
Indonesia	-7,575	-7,965	-7,605	-7,063	-7,000
Saudi Arabia	-342	-8,131	-7,363	-8,364	-13,473
Nigeria	-3,733	-9,816	-7,829	-4,907	-9,365

Trade Balance equals Total Exports (f.a.s. value) minus General Imports (Customs value).
Sources: United States Census Bureau, Foreign Trade Statistics

Table 6. Top 30 U.S. Trading Partners Ranked by Total Trade in Goods (Exports + Imports) in 2003

(millions of U.S. dollars)

	Country	Total Trade	Exports (f.a.s.)	Imports (customs)	Trade Balance
	World total	**1,973,839**	**723,743**	**1,250,096**	**-526,353**
1	Canada	393,496	169,480	224,016	-54,536
2	Mexico	234,656	97,457	137,199	-39,742
3	China	180,038	28,418	151,620	-123,202
4	Japan	170,548	52,063	118,485	-66,422
5	Germany	95,378	28,847	66,531	-37,684
6	United Kingdom	76,350	33,895	42,455	-8,560
7	Korea, South	61,027	24,098	36,929	-12,831
8	Taiwan	48,976	17,487	31,489	-14,002
9	France	45,963	17,068	28,895	-11,827
10	Malaysia	36,240	10,920	25,320	-14,400
11	Italy	35,862	10,570	25,292	-14,722
12	Ireland	33,463	7,698	25,765	-18,067
13	Netherlands	31,674	20,702	10,972	9,730
14	Singapore	30,866	16,575	14,291	2,284
15	Brazil	28,934	11,218	17,716	-6,498
16	Belgium	25,321	15,217	10,104	5,113
17	Hong Kong	22,312	13,542	8,770	4,772
18	Saudi Arabia	21,707	4,595	17,112	-12,517
19	Thailand	20,916	5,841	15,075	-9,234
20	Israel	19,644	6,878	12,766	-5,888
21	Australia	19,571	13,103	6,468	6,635
22	Venezuela	19,515	2,839	16,676	-13,837
23	Switzerland	19,129	8,660	10,469	-1,809
24	Philippines	18,037	7,992	10,045	-2,053
25	India	18,019	4,986	13,033	-8,047
26	Sweden	14,362	3,225	11,137	-7,912
27	Spain	12,565	5,935	6,630	-695
28	Indonesia	11,969	2,520	9,449	-6,929
29	Russia	10,831	2,450	8,381	-5,931
30	Columbia	10,100	3,754	6,346	10,100

Source: U.S. Census Bureau, Foreign Trade Statistics; International Trade Commission (ITC), Dataweb [http://dataweb.usitc.gov].

Table 7. Top 10 U.S. Deficit Trading Partners: 2003
(billions of U.S. dollars, Customs basis)

Country	U.S. Exports (f.a.s.)	U.S. Imports (customs)	Trade Balance
China	28.4	151.6	-123.2
Japan	52.0	118.4	-66.4
Canada	169.5	224.0	-54.5
Mexico	97.4	137.2	-39.8
Germany	28.8	66.5	-37.7
Ireland	7.7	25.7	-18.0
Italy	10.5	25.3	-14.8
Malaysia	10.9	25.3	-14.4
Taiwan	17.4	31.5	-14.1
Venezuela	2.8	16.6	-13.8
South Korea	24.0	36.9	-12.9

Source: U.S. Census Bureau, Foreign Trade Statistics; International Trade Commission (ITC), Dataweb [http://dataweb.usitc.gov].

Table 8. U.S. Current Account Balances With Selected U.S. Trading Partners, 2003
(billions of U.S. dollars)

Country	Merchandise Trade Balance [a]	Services Balance [b]	Investment Income Balance [c]	Net Unilateral Transfers [d]	Current Account Balance [e]
All Countries	-549.4	59.2	16.6	-68.3	-541.8
Canada	-52.3	4.8	13.7	-.8	-34.6
Japan	-71.8	11.7	-23.4	-.3	-83.7
United Kingdom	-8.5	3.1	-35.6	1.4	-39.6
European Union	-85.1	9.6	-19.6	-.1	-95.2
Eastern Europe	-8.5	1.9	.3	-3.8	-10.1
Latin America	-56.9	4.3	-.6	-17.5	-70.8

Source: U.S. Bureau of Economic Analysis, *Survey of Current Business*, April 2004.

a. On a balance-of-payments basis.

b. Includes travel, transportation, fees and royalties, insurance payments, other government and private services, and investment income.

c. Income receipts on U.S. assets abroad minus income payments on foreign assets in the United States.

d. International transfers of funds, such as private gifts, pension payments, and government grants for which there is no *quid pro quo*.

e. The trade balance plus the service balance plus investment income balance plus net unilateral transfers, although conceptually equal to the current account balance, may differ slightly as a result of rounding errors.

Table 9. U.S. Trade in Advanced Technology Products

(billions of U.S. dollars)

Year	U.S. Exports	U.S. Imports	Trade Balance
1990	93.4	59.3	34.1
1991	101.6	63.3	38.3
1992	107.1	71.9	35.2
1993	108.4	81.2	27.2
1994	120.7	98.1	22.6
1995	138.4	124.8	13.6
1996	154.9	130.4	24.5
1997	179.5	147.3	32.2
1998	186.4	156.8	29.6
1999	200.3	181.2	19.1
2000	227.4	222.1	5.3
2001	200.1	195.3	4.4
2002	178.6	195.1	-16.5
2003	179.8	207.2	-27.4
April 2004	16.3	19.5	-3.1
May 2004	17.0	18.2	-1.2
June 2004	17.2	21.2	-4.0

Source: U.S. Bureau of the Census. *U.S. International Trade in Goods and Services*. FT-900, issued monthly. Includes about 500 of some 22,000 commodity classification codes that meet the following criteria: (1) contains products whose technology is from a recognized high technology field (e.g., biotechnology), (2) represent leading edge technology in that field, and (3) constitute a significant part of all items covered in the selected classification code.

Table 10. U.S. Trade in Passenger Automobiles by Selected Countries, 2003

(millions of U.S. dollars)

Trading Partner	U.S. Exports	U.S. Imports	Trade Balance
Total World	22,111	114,365	-92,254
Canada	10,713	30,517	-19,804
Germany	3,937	19,711	-15,774
Korea	80	7,937	-7,857
Japan	464	32,195	-31,731
Mexico	2,498	11,826	-9,328
United Kingdom	877	5,005	5,882

Source: U.S. Bureau of the Census. *U.S. International Trade in Goods and Services*. FT-900, issued monthly.