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Import Restraints: Special Focus on Labor Transitions

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INTERNATIONAL TRADE DEVELOPMENTS

Import Restraints: Special Focus on Labor Transitions

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If all significant U.S. import restraints had been removed unilaterally in 1999, an estimated 175,000 workers would have lost jobs–in particular the textile and apparel sectors. On average, such displaced workers would be likely–relative to other displaced workers—to experience longer spells of unemployment but receive modestly higher wages once re-employed in new jobs. They would be likely to be concentrated in the Southeast United States—in particular the Carolinas—and would be more likely to be female, older, less educated, minority group members, and less likely to relocate after displacement. Worker characteristics, more than type of industry, may account more for differences in experiences following this displacement.

Introduction

In a recently released USITC study,[2] the effects of removing all significant U.S. import restraints were analyzed using the USITC Computable General Equilibrium Model of the United States, and data representing the 1999 economy. The analysis addressed the question, "*Had specific import restraints not been in place in 1999, how would the economy have differed from its actual condition in that year?"*

Among other results, the report estimated that approximately 17,000 net full-time equivalent (FTE) jobs would be created by the removal of all significant U.S. import restraints in 1999.[3] In addition, approximately 175,000 FTE workers would be displaced, leaving sectors to which import restraints had been previously applied and moving to other sectors in the U.S. economy.

Of these workers, about 155,000 would be displaced from the textile and apparel sectors. Potential costs of this transition include lost income during unemployment, unemployment insurance, other transitional assistance, and potential loss of the value of training and experience for workers who switch industries.

The results highlighted here present a picture of the displacement experiences of workers who might potentially be displaced by further U.S. trade liberalization. Since they represent the effects of removal of all significant U.S. import restraints with respect to all trading partners, they can be considered as an upper bound for the possible effects of future liberalizations which may leave import restraints in place with

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[2] The material in this article is adapted from Chapter 7 of Investigation No. 332-375, *The Economic Effects of Significant U.S. Import Restraints: Third Update 2002* (Publication No. 3519, June 2002, found at Internet address at ftp://ftp.usitc.gov/pub/reports/studies/PUB3519.PDF). Readers interested in information on the nature of the import restraints analyzed, the USITC Computable General Equilibrium Model of the United States, and further results obtained from the model, are referred to the complete study.

[3] The report considered two scenarios. The results in this article are based on a scenario in which all designated significant U.S. import restraints are removed. Under another scenario in which all measured U.S. import restraints are removed (including low tariffs less than 5 per cent *ad valorem*), the report estimated that approximately 35,000 net jobs would be created.

respect to some products and countries, such as the WTO negotiations under the Doha Development Agenda or the negotiations to establish a Free Trade Association of the Americas.

The analysis was conducted by matching the sector-by-sector employment effects generated from the USITC Computable General Equilibrium model with other public sources of data.[4] It gives insights into the potential geographic distribution of workers estimated to be displaced by simultaneous liberalization of all significant U.S. import restraints (hereafter, "IR displaced workers"), into their potential displacement experiences (length of spells of unemployment, wages received in new vs. old jobs), and into their personal characteristics. These displacement experiences and personal characteristics can be compared with those of the average worker displaced in the operations of the U.S. economy.

Geographical Distribution

Estimates were made of the potential geographical distribution of IR displaced workers using a method taking into account actual historical job losses in the textile and apparel industry during 1997-2001.[5] The jurisdictions with the highest estimated ratios of IR displaced workers to all workers are primarily in the Southeast. In descending order, these are North Carolina, South Carolina, Mississippi, Rhode Island, Georgia, Tennessee, Puerto Rico, Virginia, New York, and Kentucky. These 10 jurisdictions would account for approximately 69 percent of all displaced workers that can be geographically assigned using the method. Figure 1 illustrates graphically the estimated distribution of IR displaced workers relative to the labor force.

The estimated share of the labor force that would have been displaced by simultaneous unilateral liberalization of all significant U.S. import restraints in 1999 is 1.14 percent in North Carolina, 0.73 percent in South Carolina, and 0.33 percent in Mississippi. At the other extreme, labor displacement is estimated at 0.1 percent or less of the labor force for 38 states, as well as the District of Columbia and Virgin Islands, with many states having estimated labor displacement of zero. These states include virtually all of the Midwest, Southwest, and West; Florida and Alabama; and New England except for Rhode Island.[6]

Post-Displacement Experiences

The Displaced Workers Survey provides information that can be used to assess the relative severity of the displacement experience for different types of workers. It assists in analyzing whether the experiences of workers displaced by import restraint liberalization is more or less severe than the experiences of those workers displaced throughout the U.S. economy as a whole. This information includes the length (in weeks) of unemployment for workers who were rehired after displacement, the probability of re-employment by the time of the sample date, the difference in wages between a worker's previous and current job, whether the worker received written notice prior to termination, the reason for displacement, whether the worker received unemployment compensation, and whether the worker moved after displacement.

The following analysis compares workers in those industries most likely to experience a contraction of employment after simultaneous liberalization of all U.S. import restraints to all displaced U.S. workers. It uses workers actually displaced from their jobs in those industries during 1995-1999 as proxies for IR displaced workers.

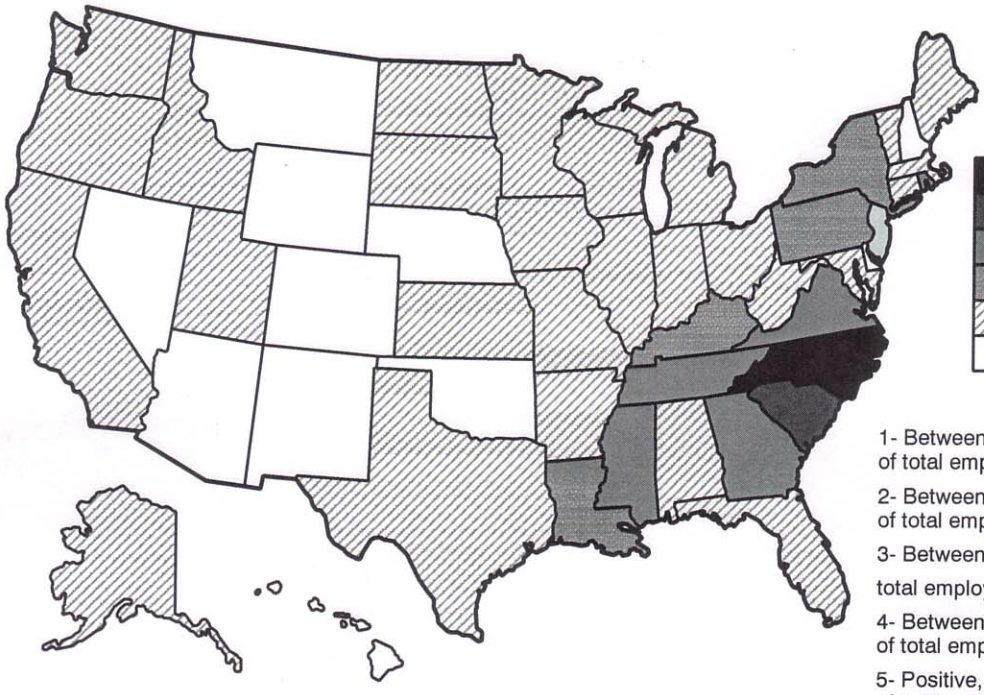
The estimated periods of unemployment are somewhat longer than average for IR displaced workers, averaging 14.02 weeks, compared with 10.48 weeks for all displaced workers. Figure 2 illustrates the distribution of periods of unemployment for all

[4] For the geographical distribution of workers by sector, data came from the State and Area Employment, Hours and Earnings series of the Current Employment Survey, published by the U.S. Department of Labor, Bureau of Labor Statistics, and from the 1997 Economic Census of the U.S. Department of Commerce, Bureau of the Census. Estimates pertaining to the individual transition experiences and personal characteristics of workers are based on the Displaced Workers Surveys, which are supplements to the Current Population Survey conducted by the Bureau of the Census for the Bureau of Labor Statistics. The full report contains further information on data and methodology.

[5] This approach reflects the idea that an industry contraction due to a hypothetical trade liberalization in 1999 might show similar features to the actual industry contraction during 1997-2001. The report presents an alternate estimate in which worker displacement in all industries is assumed proportional to 1997 baseline employment, which gives broadly similar results. The estimate presented here displays greater estimated geographical concentration of worker displacement. According to the Current Employment Survey, between 1997 and 2001 nationwide employment in textile mill products declined by 19.0 percent, from 618,100 workers to 500,700 workers, and employment in apparel and other textile products declined by 29.6 percent, from 823,600 workers to 586,600 workers.

[6] Using the alternate estimate, estimated worker displacement for Alabama, California, and Maine would increase to a range of 0.11 to 0.14 percent. These are states with significant employment in textiles and apparel, but in which employment in those industries has been constant or increasing in recent years.

Figure 1
Estimated distribution of import-restraints displaced workers



1- Between 1 percent and 1.5 percent of total employment

2- Between 0.5 percent and 1 percent of total employment

3- Between 0.2 percent and 0.5 percent of total employment

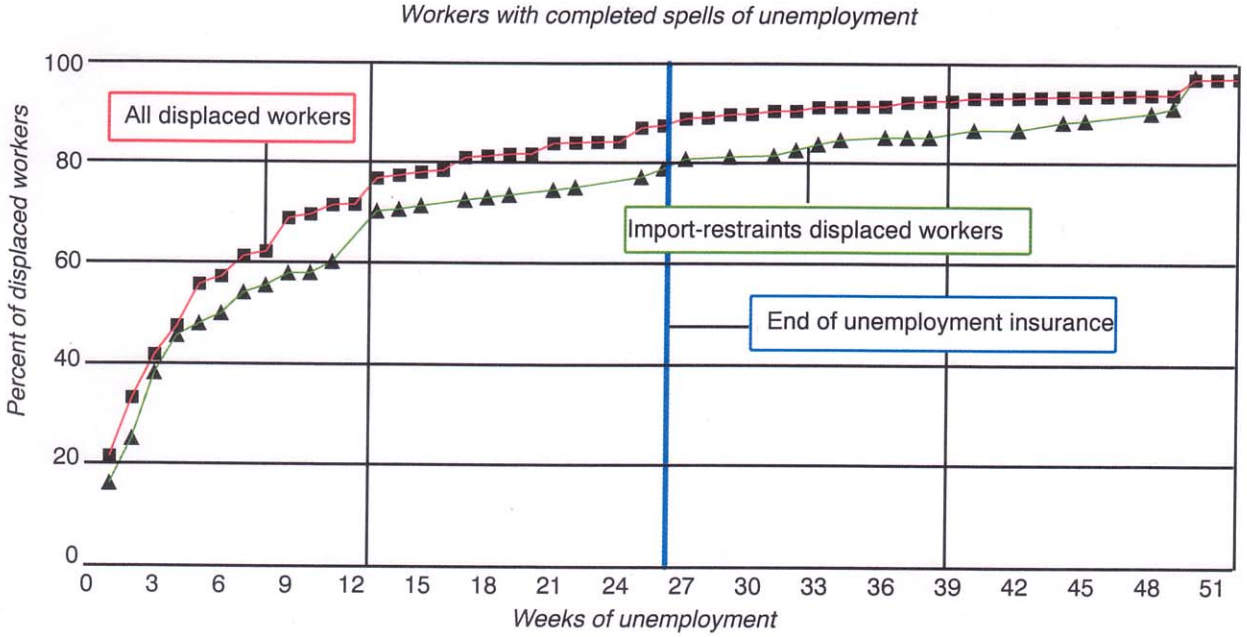
4- Between 0.1 percent and 0.2 percent of total employment

5- Positive, less than 0.1 percent of total employment

6- No estimated worker displacement

Source: Commission calculations.

Figure 2
Cumulative weeks of unemployment



Source: Displaced Workers Survey, BLS, USDOL, found at *www.bls.census.gov/cps/dispwkr/dispwkr.htm*, retrieved Dec. 31, 2001, and USITC calculations.

displaced and IR displaced workers. Approximately 10.5 percent of all displaced workers and an estimated 19.7 percent of IR displaced workers have periods of unemployment exceeding the 26 weeks at which unemployment insurance is usually exhausted. The estimated share of IR workers who found jobs at the time of the survey is 64.1 percent, compared with 80.4 percent for all displaced workers.

These statistics appear to suggest that IR displaced workers have a harder time finding re-employment than other workers. In interpreting these comparisons, several cautions are in order. The data on periods of unemployment are probably more useful than those on the percentage of workers who have been rehired. The probability of rehire measures the number of workers as of the survey date (February 1998 or February 2000) as a share of all those workers displaced during the period when workers were surveyed (1995-1997 or 1997-1999). Thus, workers laid off just before the survey date will not have been rehired but may experience only short periods of unemployment. This possibility cannot be checked directly because the survey does not reveal the date of displacement with precision, and because about one-third of displaced workers report being displaced and rehired more than once.[7]

Moreover, a displaced worker who has not found a job by the survey date may not be unemployed at all. This worker may have left the labor force for a variety of reasons. Such persons include retirees, homemakers, students, and discouraged workers who leave the labor force. In fact, it turns out that the percentage of IR workers not in the labor force is significantly higher than for all displaced workers. At least part of the difference between labor force attachment rates, and thus employment probabilities at the time of the survey date, relates to differing characteristics of workers in different industries. As will be seen below, a higher number of IR displaced workers are female. The percentage of female workers in the apparel industry is particularly high. When workers with more similar characteristics are compared (e.g. comparing only female workers, or only married female workers with the spouse present) the difference in labor force exit rates between IR displaced workers and all displaced workers decreases, eventually to the point where it is no longer statistically significant.

[7] The length of unemployment period used here refers to the first period of unemployment, for which the data are most extensive.

On average, both IR displaced workers and all displaced workers are earning more in their current jobs than in the job they left: 8.8 percent more for all displaced workers and 4.5 percent more for IR displaced workers.[8] Again, because some workers have multiple periods of unemployment, this calculation may not be a direct comparison of the difference between the old job and the first new job. The proportion of workers experiencing severe wage decreases (exceeding 20 percent) is estimated to be lower for IR displaced workers (10.4 percent) than for all displaced workers (13.0 percent), but this difference is not statistically significant.

The likelihood that a worker receives written notice before displacement is significantly higher for IR displaced workers than for all displaced workers. IR displaced workers are much more likely to have lost their jobs for reasons associated with permanently reduced demand for their U.S. industries' output, such as the plant or company closing or moving, insufficient work, or their position or shift being abolished. These reasons account for an estimated 100 percent of displacements among IR workers, compared with 70.4 percent of all displacements. IR workers also are significantly more likely to receive unemployment insurance than other workers after their old job ends (63.8 percent for IR workers versus 38.3 percent for all workers), perhaps in part because their reasons for displacement are more likely to coincide with the eligibility criteria for unemployment insurance.[9] IR displaced workers are estimated to be significantly less likely to move geographically after losing their jobs than displaced workers as a whole (10.5 percent of IR workers versus 14.4 percent of all workers).

Worker Characteristics

As noted in a recent study by Lori Kletzer,[10] the reasons for post-displacement outcomes may have less

[8] Neither figure is adjusted for inflation.

[9] The eligibility requirements for unemployment insurance are determined by State law. They include the requirement that the worker have been employed steadily during a base period (in most States, four out of the last five completed calendar quarters prior to the filing of a claim), that the worker be unemployed through no fault of their own (as determined by State law) and other requirements. See the U.S. Department of Labor website, found at http://workforcesecurity.doleta.gov/unemploy/uifactsheet.asp, retrieved June 7, 2002. Workers on seasonal jobs, self-employed workers, and those displaced for miscellaneous reasons may have a harder time qualifying under such requirements than workers whose plant or firm closes, offers them insufficient work, or abolishes their position or shift.

[10] Lori G. Kletzer, *Job Loss from Imports: Measuring the Costs* (Washington, DC: Institute for International Economics, 2001).

to do with the industry from which the worker was displaced than with characteristics of the workers themselves. She found that both the probability of re-employment and the current wage were higher for displaced workers younger than age 45 and for more-educated displaced workers. Post-displacement outcomes also are better for workers with short rather than long tenure on their previous jobs; this effect is clearer and stronger for post-employment wages than for the probability of re-employment. Females and minority workers[11] were less likely to be re-employed by the survey date, particularly married females displaced from manufacturing. Married females earned lower wages at the time of the survey relative to their previous jobs than other displaced workers.[12] Thus, some of the differences in outcomes for IR displaced workers may be associated with their personal characteristics.

Table 1 illustrates the estimated differences between personal and employment characteristics of IR displaced workers and all displaced workers from 1995 to 1999. IR displaced workers are estimated to be significantly more likely to be female, significantly

[11] Kletzer (see footnote 48) defines minority workers as both nonwhite workers and Hispanic workers. In the Current Population Survey, the identification as "Hispanic" is a non-racial category that may coincide with any race.

[12] For comparison, note that Kletzer used all Displaced Worker Surveys from 1984-2000, covering workers displaced from 1979-99, while the present study used only the surveys from 1998 and 2000, covering workers displaced from 1995-99, in order to better match the year of the model experiment. Kletzer found that the probability of re-employment in general was significantly higher for workers displaced during 1993-99 than during 1979-92.

Table 1
Difference between personal and job characteristics of IR displaced workers and all displaced workers, 1995–99

	IR displaced workers	All displaced workers
Age *(years)*	142.1	38.8
Sex (percent female)	160.2	46.8
Hispanic *(percent)*	127.8	13.0
Length of tenure on old job *(years)*	17.1	4.9
Member of union (or similar organization) on old job *(percent)*	311.8	9.4
		Percent
Education		
Less than high-school diploma	133.1	14.0
High-school diploma	34.8	32.8
Some college	123.9	31.1
Bachelor's degree	16.3	15.7
Some graduate education	11.8	6.3
Marital status		
Married-spouse present	54.7	54.3
Married-spouse absent	1.7	1.6
Widowed	2.5	2.1
Divorced	216.8	13.1
Separated	16.8	3.5
Never married	117.6	25.3
Race		
White	174.0	82.3
Black	119.4	13.2
American Indian, Aleut, Eskimo	23.1	1.2
Asian or Pacific Islander	3.5	3.3

[1] Difference between samples is statistically significant with 99 percent confidence.
[2] Difference between samples is statistically significant with 95 percent confidence.
[3] Difference between samples is statistically significant with 90 percent confidence.

Source: Displaced Workers Survey, Bureau of Labor Statistics, Department of Labor, found at Internet address *http://www.bls.census.gov/cps/dispwkr/dispwkr.htm,* retrieved on Dec. 31, 2001, and USITC calculations.

more likely to belong to minority groups (particularly Hispanic, black, and Asian/Pacific Islander), significantly less educated than other displaced workers, and more likely to be older (an average of 42.1 years for IR workers versus 38.3 years for all workers). They are equally likely to have belonged to a union or similar employee organization on their previous jobs. A similar majority of all displaced workers (54.3 percent) and estimated IR displaced workers (54.7 percent) are married, with spouse present. The estimated percentage of IR displaced workers who never married is lower, which is associated with the higher average age of such workers, while the estimated percentages of divorced or separated workers is higher than for all displaced workers. IR displaced workers are estimated to have longer tenure on their previous jobs at 7.1 years than all displaced workers at 4.9 years, which may also be associated with age.

Both Kletzer's analysis and the analysis in the *Import Restraints* study presented here associate particular worker characteristics with lower probabilities of re-employment and/or lower post-re-employment wages for the population as a whole. On balance, IR displaced workers are more likely than other displaced workers to possess these characteristics, which may explain much of the difference in estimated post-displacement experiences of IR displaced and all displaced workers. This makes it less likely that simply being in an import-sensitive industry causes the displacement experience to be more severe.[13]

Further Implications

Aggregate Unemployment

The estimated 175,000 workers who would be displaced if all significant U.S. import restraints were unilaterally liberalized is relatively small compared to the size of the economy. It is important to recognize that trade policies under agreements that the United States has implemented, such as NAFTA and the Uruguay Round Agreements, are often phased in over periods of 5 to 15 years. The following calculations with respect to the unemployment rate model the amount of displacement as if it occurred simultaneously. Although these calculations represent an unrealistic scenario, given the phase-in period normally followed, they can be viewed as an extreme upper bound for evaluating the displacement effects of the liberalization analyzed in this report.

In a typical week, between 300,000 and 400,000 U.S. workers apply for unemployment compensation. Given that an estimated 63.8 percent of IR displaced workers likely would receive unemployment compensation, the estimated one-time increase in workers receiving unemployment compensation as a result of removing all significant import restraints is approximately 111,000,[14] equal to about two days' worth of new claims. This estimate takes into account the fact that workers in the affected industries are significantly more likely to receive unemployment insurance, as reflected in the data from the Displaced Workers Survey.

Also, as shown above in the data on periods of unemployment, many workers find jobs within several weeks or months of displacement.[15] If all 175,000 workers had been laid off simultaneously during 1999, aggregate unemployment would have increased from the average 4.22 percent observed in calendar 1999 to 4.34 percent. The measured difference would become negligible (less than 0.05 percent) within several months after the initial displacement, because many of the displaced workers would find work or leave the labor force. Local or regional effects, as discussed below, might differ.

As previously stated, such effects mark an extreme upper bound for such labor market effects. Not only would an actual liberalization be phased in over a period of time, but both workers and firms likely would anticipate the policy action, also causing the labor market effects to appear gradually. For example, by 1995 it was known that U.S. quantitative restrictions in textiles and apparel were scheduled for elimination in 2005. Worker and firm decisions based on this knowledge may have contributed to the steady declines in employment in those industries in the intervening years.

Regional Employment Effects

The estimated differences between the displacement experiences of workers in industries significantly affected by import restraints and other displaced workers may appear relatively mild, considering that

[13] No regression analysis has been performed to see whether any part of the difference in outcomes is attriutable to being an IR displaced worker per se.

[14] This number is derived as a USITC calculation by applying the proportion of IR displaced workers receiving unemployment compensation to the total number of displaced FTE workers as follows: (174,784 displaced FTEs)* (0.6376) = 111,442.

[15] The average duration of unemployment is most likely higher during recessions and lower during expansions. While no direct comparisons of unemployment duration across time were readily available, it is known that displacement rates of long-tenured workers are higher during recession years (Ryan T. Helwig, "Worker Displacement in a Strong Labor Market," *Monthly Labor Review*, June 2001, pp. 13-28; see Table 1) and that the probability of re-employment for workers with similar personal characteristics is higher during periods of prolonged expansion than during recession (Kletzer (2001), Tables 4.1 and 4.2).

the workers in question likely would be concentrated in just those states that have experienced significant contractions in textile and apparel employment in recent years. According to the analysis earlier in this chapter, actual displaced workers in these and other industries affected by import restraints experienced a period of unemployment not much greater than those of other displaced workers and were less likely than other workers to experience severe wage losses exceeding 20 percent. Part of the explanation may lie in the fact that the recent contraction in textile and apparel employment has taken place in parts of the country for which aggregate employment has increased strongly. Thus, displaced workers in textiles and apparel have found alternate opportunities in other industries.

In each of the ten jurisdictions estimated as having the highest shares of IR displaced workers, as named above, aggregate employment grew between 1997 and 2001 while employment in textiles and apparel declined. In North Carolina, for example, nearly four jobs were created statewide for every textile and apparel job lost; in South Carolina, nearly three; and in Georgia, Virginia, and New York, more than 10. For the group as a whole, while employment in textiles and apparel declined by 244,000 workers, nonfarm employment in other industries increased by 2.176 million. Thus, many former textile and apparel workers have been looking for, and finding, jobs in relatively strong regional labor markets.

At the local level, labor dislocations in textile, apparel, and other industries may be heavily concentrated in certain counties and metropolitan areas, and may thus induce further labor dislocation in service and other industries serving the general population. The estimates of labor displacement in the current study and the inferences drawn from those estimates in this chapter do not take such effects into account.

An important caveat to the analysis of the Displaced Workers Survey is that the results presented utilize all observations from IR displaced workers, rather than only those who take up employment in a non-IR sector. In the event of an actual liberalization, there would be a net transfer of labor into non-IR sectors. This could affect the labor market outcomes of the workers displaced either positively or negatively. It is not yet clear whether workers who leave textiles, apparel, and other sectors with import restraints for other sectors experience longer or shorter durations of unemployment, or receive better or worse wages, than workers re-employed in their old sectors.[16] Further research on such transition experiences may yield new insights.

[16] For example, the results of Alfred J. Field and Edward M. Graham, "Is there a Special Case for Import Protection for the Textile and Apparel Sectors Based on Labour Adjustment?" *The World Economy*, vol. 20, No. 2 (Mar. 1997), pp. 137-157, using a large and unique sample of North Carolina unemployment records, found that apparel workers who were laid off during 1986-1991 and re-employed by the first quarter of 1992 experienced an estimated average 5 percent wage increase if re-employed by the same industry and 34 percent wage increase if employed by other industries.

U.S. Trade Developments

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The U.S. Department of Commerce reported that, in May 2002, the export of goods and services[2] ($80.6 billion) combined with the import of goods and services ($118.3 billion) to result in a goods and services trade deficit of $37.6 billion. The May 2002 deficit was $1.5 billion greater than the April 2002 deficit of $36.1 billion.[3] May exports of goods and services were $0.6 billion greater than in April ($80.0 billion). May imports of goods and services were $2.1 billion more than in April ($116.2 billion).

Merchandise exports increased from $56.8 billion in April 2002 to $57.3 billion in May 2002. Merchandise imports increased from $97.0 billion to $98.8 billion over the same period, increasing the merchandise trade deficit from $40.1 billion in April 2002 to $41.5 billion in May 2002. For services, exports increased from $23.2 billion in April 2002 to $23.4 billion in May. Imports of services increased from $19.2 billion to $19.5 billion in the same time period, resulting in a May 2002 surplus on trade in services of about $3.9 billion, $0.1 billion lower than in April.

Changes in merchandise exports from April to May 2002 reflected increases in the "other goods" category ($0.2 billion); capital goods ($0.1 billion); industrial supplies and materials ($0.1 billion); foods, feeds, and beverages ($0.1 billion); and automotive vehicles, parts, and engines ($0.1 billion). Exports of consumer goods decreased ($0.2 billion) over this period.

Changes in goods imports from April to May showed increases in automotive vehicles, parts, and engines ($0.9 billion); consumer goods ($0.6 billion); capital goods ($0.2 billion); the "other goods" category ($0.1 billion); and foods, feeds, and beverages ($0.1 billion). Imports of industrial supplies and materials showed virtually no change during this period. Additional information on U.S. trade developments in agriculture and specified manufacturing sectors in April-May 2002 are highlighted in tables 1 and 2, and figures 1 and 2. Services trade developments are highlighted in table 3.

In May 2002, exports of advanced technology products were $14.7 billion and imports of the same were $15.6 billion, resulting in a deficit of $0.9 billion. May 2002 exports were $0.3 billion more than the $14.4 billion in April 2002, while May imports were $0.1 billion more than the $15.5 billion imports in April.

The May 2002 trade data showed U.S. surpluses (cited in billion dollars, with previous month given in parentheses) with Australia, $0.6 ($0.4); Hong Kong, $0.3 ($0.4); and Egypt, $0.1 ($0.2). Deficits were registered with Western Europe, $8.4 ($7.2); China, $8.1 ($7.6); Japan, $4.9 ($6.8); Canada, $4.2 ($4.1); Mexico, $3.3 ($3.3); OPEC, $2.4 ($3.0); Taiwan, $1.1 ($1.2); Korea, $1.0 ($1.1); Brazil, $0.3 ($0.1); Argentina, $0.1 ($0.1); and Singapore, $0.1 ($0.1).

Goods and services exports during the current year-to-date (January-May 2002) were recorded at $431.3 billion, lower than the $438.4 billion during the same period last year (January-May 2001). Goods and services imports were $578.6 billion during January-May 2002, also lower than the $598.1 billion in January-May 2001. As a consequence, the U.S. goods and services trade deficit narrowed from $159.7 billion during January-May 2001 to $147.3 billion during January-May 2002 period.

Cumulative goods exports decreased from $317.6 billion in January-May 2001 to $310.5 billion in January-May 2002. Cumulative exports of services have remained essentially unchanged, recorded at approximately $120.8 billion in both the January-May 2001 and 2002 periods. Cumulative goods imports decreased from $598.1 billion to $490.8 billion measured from January-May 2001 to January-May 2002, and cumulative services imports have also decreased from $95.5 billion to $87.8 billion over the

[1] The views expressed in this article are those of the author. They are not the views of the U.S. International Trade Commission (USITC) as a whole or of any individual Commissioner.

[2] Total exports, seasonally adjusted.

[3] Data for this article were taken largely from U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. International Trade in Goods and Services," *United States Department of Commerce News*, FT-900, release of July 19, 2002, found at *http://www.census.gov/foreign-trade/www/press.html#current*, as well as at *http://www.bea.doc.gov/bea/newsrel/*.

Table 1
U.S. trade in goods and services, seasonally adjusted, April 2002-May 2002

Billion dollars

Item	Exports		Imports		Trade balance	
	May 2002	April 2002	May 2002	April 2002	May 2002	April 2002
Trade in goods[1] (see note)						
Including oil	57.3	56.8	98.8	97.0	-41.5	-40.2
Excluding oil	58.4	56.9	89.4	87.6	-31.0	-30.7
Trade in services[1]	23.4	23.2	19.5	19.2	3.9	4.0
Trade in goods and services[1]	80.6	80.0	118.3	116.2	-37.6	-36.1
Trade in goods[2]	63.9	63.2	109.1	107.3	-45.3	-44.1
Advanced technology products[3]	14.7	14.4	15.6	15.5	-0.9	-1.1

[1] Current dollars (balance-of-payments basis).

[2] Constant 1996 dollars (Census Bureau basis).

[3] Not seasonally adjusted.

Note.—Data on trade in goods in current dollars are presented on a balance-of-payments (BOP) basis that reflects adjustments for timing, coverage, and valuation of data compiled by the U.S. Treasury Department, Census Bureau. The major adjustments on a BOP basis exclude military trade, but include nonmonetary gold transactions and estimates of inland freight in Canada and Mexico that are not included in the Census Bureau data. Data may not add to totals due to rounding.

Source: Calculated from official data of the U.S. Department of Commerce, Exhibits 1, 9, 10, and 16, FT-900 release of July 19, 2002, found at Internet address *http://www.census.gov/foreign-trade/www/press.html#current*.

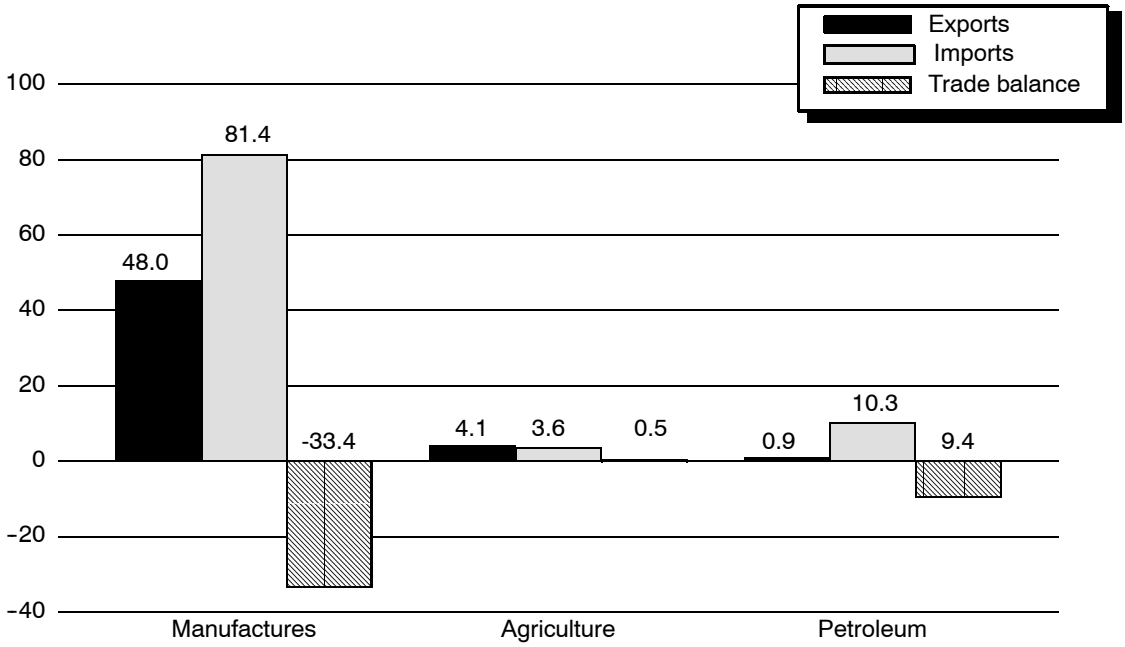
Table 2
Nominal U.S. exports, imports, and trade balances, agriculture and specified manufacturing sectors, January 2001-May 2002

Manufacture sector	Exports			Imports			Trade balance		Change in exports, Jan.-May 2002 over Jan.-May 2001	Change in trade balance, Jan.-May 2002 over Jan.-May 2001	Share of total exports, Jan.-May 2002
	May 2002	Jan.-May 2002	Jan.-May 2001	May 2002	Jan.-May 2002	Jan.-May 2001	Jan.-May 2002	Jan.-May 2001			
	Billion dollars								*Percent*		
ADP equipment & office machinery	2.4	12.5	17.9	6.0	30.3	32.6	-17.8	-14.7	-30.2	21.1	4.4
Airplane parts	1.2	5.7	6.7	0.5	2.3	2.6	3.4	4.1	-14.9	-17.1	2.0
Airplanes	2.3	11.4	11.9	0.7	5.7	6.1	5.7	5.8	-4.2	-1.7	4.0
Chemicals - inorganic	0.5	2.2	2.6	0.6	2.4	2.7	-0.2	-0.1	-15.4	100.0	0.8
Chemicals - organic	1.6	6.6	7.3	2.6	12.7	13.2	-6.1	-5.9	-9.6	3.4	2.3
Electrical machinery	5.7	27.4	34.0	7.0	32.1	38.5	-4.7	-4.5	-19.4	4.4	9.6
General industrial machinery	2.7	12.6	14.3	3.2	14.7	14.9	-2.1	-0.6	-11.9	250.0	4.4
Iron & steel mill products	0.5	2.2	2.3	0.9	4.8	5.2	-2.6	-2.9	-4.3	-10.3	0.8
Power-generating machinery	2.8	13.3	13.9	3.1	14.8	15.2	-1.5	-1.3	-4.3	15.4	4.7
Scientific instruments	2.3	11.2	12.9	1.7	8.2	9.2	3.0	3.7	-13.2	-18.9	3.9
Specialized industrial machinery	2.0	9.8	12.1	1.6	7.6	9.3	2.2	2.8	-19.0	-21.4	3.4
Televisions, VCRs, etc.	1.6	8.2	10.5	5.4	23.9	25.0	-15.7	-14.5	-21.9	8.3	2.9
Textile yarn and fabric	0.9	4.2	4.4	1.4	6.4	6.2	-2.2	-1.8	-4.5	22.2	1.5
Vehicles	5.6	24.3	23.3	14.7	68.3	66.2	-44.0	-42.9	4.3	2.6	8.5
Other manufactures, not included above	15.9	73.7	82.4	32.0	149.8	155.4	-76.1	-73.0	-10.6	4.2	25.9
Manufactures	48.0	225.3	256.5	81.4	384.0	402.3	-158.7	-145.8	-12.2	8.8	79.2
Agriculture	4.1	21.9	22.2	3.6	17.4	16.7	4.5	5.5	-1.4	-18.2	7.7
Other goods, not included above	7.8	37.2	43.5	13.0	54.0	70.9	-16.8	-27.4	-14.5	-38.7	13.1
Total (Census basis)	59.9	284.4	322.2	98.0	455.4	489.9	-171.0	-167.7	-11.7	2.0	100.0

Note.—Data on trade in manufactures are presented on a Census Bureau basis. Data may not add to totals due to rounding.

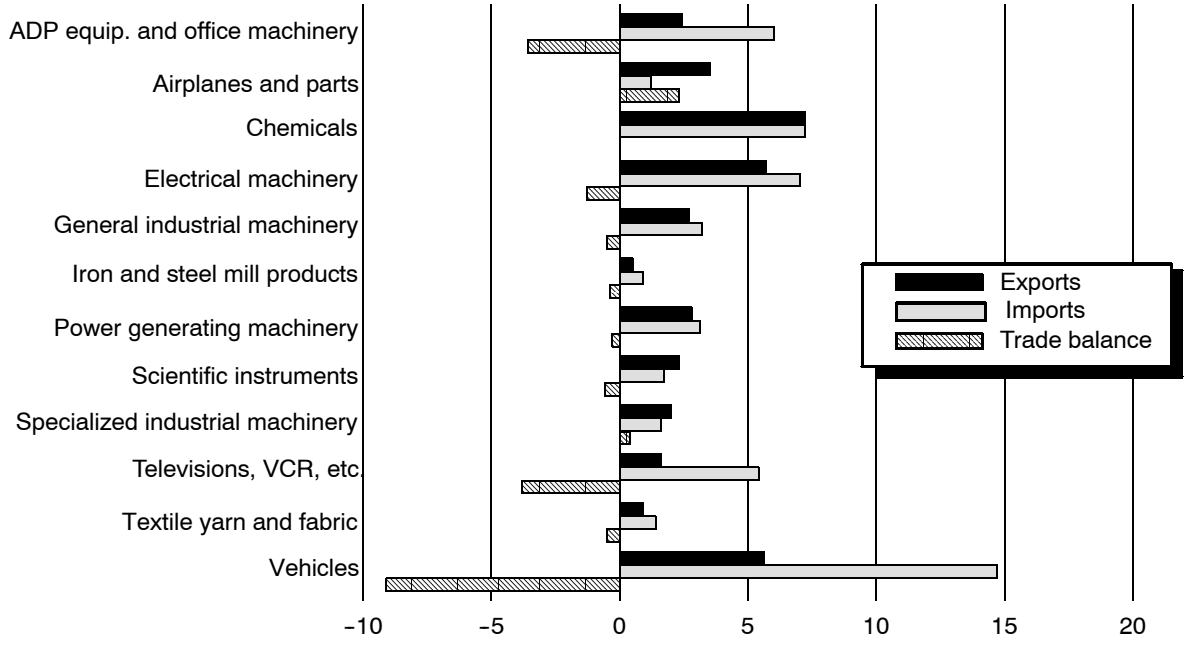
Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of July 19, 2002, found at Internet address *http://www.census.gov/foreign-trade/www/press.html#current.*

Figure 1
U.S. trade by major commodity, billion dollars, May 2002



Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of July 19, 2002.

Figure 2
U.S. trade in principal goods, billion dollars, May 2002



Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of July 19, 2002.

Table 3
Nominal U.S. exports, imports, and trade balances of services, by sectors, January 2001-May 2002, seasonally adjusted

Service sector	Exports		Imports		Trade balance		Change in exports Jan.-May 2002 over Jan.-May 2001	Change in imports Jan.-May 2002 over Jan.-May 2001
	Jan.-May 2002	Jan.-May 2001	Jan.-May 2002	Jan.-May 2001	Jan.-May 2002	Jan.-May 2001		
					Billion dollars			*Percent*
Travel	28.6	34.1	24.5	27.4	4.1	6.7	-16.1	-10.6
Passenger fares	6.9	8.3	8.5	9.9	-1.6	-1.6	-16.9	-14.1
Other transportation services	11.3	12.3	15.3	17.4	-4.0	-5.1	-8.1	-12.1
Royalties and license fees	16.9	16.2	7.6	6.8	9.3	9.4	4.3	11.8
Other private sales	46.5	44.6	31.6	26.9	14.9	17.7	4.3	17.5
Transfers under U.S. military sales contracts	5.1	4.9	7.3	5.9	-2.2	-1.0	4.1	23.7
U.S. Government miscellaneous services	0.3	0.4	1.2	1.2	-0.9	-0.8	-25.0	0.0
Total	115.5	120.8	96.1	95.5	19.4	25.3	-4.4	0.6

Note.—Data on trade in services are presented on a balance-of-payments basis. Data may not add to totals due to rounding and seasonal adjustments.

Source: Calculated from official data of the U.S. Department of Commerce, Exhibits 3 and 4, FT-900 release of July 19, 2002, found at Internet address *http://www.census.gov/foreign-trade/www/press.html#current*.

same period. As a result, the United States narrowed its cumulative trade deficit in goods during the past year from approximately $185.0 billion to $180.3 billion, and expanded its trade surplus in services from $25.3 billion to nearly $33.0 billion, measured from January-May 2001 to January-May 2002.

Cumulative exports of advanced technology products declined from $90.1 billion to $88.4 billion over the period January-May 2001 to January-May 2002. Cumulative imports for these products declined as well, from $83.8 billion to $82.1 billion during this time. The cumulative trade surplus contracted as a result, from nearly $7.0 billion recorded over January-May 2001 to $6.3 billion in January-May 2002.

Geographically, the United States recorded cumulative trade deficits in goods during January-May 2002 (cited in billion dollars, with the January-May 2001 period given in parentheses) with: Canada, $20.6 ($25.0); Mexico, $15.1 ($11.4); the European Union (EU-15), $28.9 ($23.9); the European Free Trade Area (EFTA), $2.2 ($0.4); Eastern Europe and the former Soviet Union, $2.3 ($3.7); the Pacific Rim countries overall, $78.2 ($76.1); South and Central America, $4.5 ($4.8); and the OPEC member countries, $12.3 ($18.6). Cumulative trade surpluses were recorded over the January-May 2002 period with: Belgium, $1.2 ($1.5); the Netherlands, $4.0 ($4.8); Australia, $2.5 ($1.9); Hong Kong, $1.6 ($2.3); Singapore, $0.8 ($0.7); and Egypt, $1.0 ($0.8). U.S. trade developments with major trading partners are highlighted in table 4.

Table 4
U.S. exports and imports of goods with major trading partners, January 2001-May 2002

Country/areas	Exports			Imports			Trade balance		Change in exports, Jan.-May 2002 over Jan.-May 2001	Change in trade balance, Jan.-May 2002 over Jan.-May 2001
	May 2002	Jan.-May 2002	Jan.-May 2001	May 2002	Jan.-May 2002	Jan.-May 2001	Jan.-May 2002	Jan.-May 2001		
							Billion dollars			*Percent*
Total (Census basis)	59.9	284.4	322.2	98.0	455.4	489.9	-171.0	-167.7	-11.7	-7.0
North America	23.2	106.5	115.6	30.7	142.2	152.0	-35.7	-36.4	-7.9	-6.4
Canada	14.6	67.1	72.1	18.8	87.7	97.0	-20.6	-24.9	-6.9	-9.6
Mexico	8.6	39.4	43.5	11.9	54.5	55.0	-15.1	-11.5	-9.4	-0.9
Western Europe	13.1	66.7	80.0	21.5	97.6	104.1	-30.9	-24.1	-16.6	-6.2
Euro Area	8.8	44.7	50.5	14.9	68.1	71.7	-23.4	-21.2	-11.5	-5.0
European Union (EU-15)	11.9	60.9	71.3	19.7	89.8	95.2	-28.9	-23.9	-14.6	-5.7
France	1.6	8.4	9.0	2.1	11.7	13.5	-3.3	-4.5	-6.7	-13.3
Germany	2.1	10.9	13.5	5.6	24.1	25.7	-13.2	-12.2	-19.3	-6.2
Italy	0.9	4.2	4.4	2.0	9.5	10.2	-5.3	-5.8	-4.5	-6.9
Netherlands	1.6	8.0	8.9	0.9	4.0	4.1	4.0	4.8	-10.1	-2.4
United Kingdom	2.7	14.2	18.3	3.6	16.5	18.3	-2.3	0.0	-22.4	-9.8
Other EU	0.9	4.4	5.2	2.4	10.8	9.6	-6.4	-4.4	-15.4	12.5
EFTA[1]	0.8	3.9	6.6	1.4	6.1	7.1	-2.2	-0.5	-40.9	-14.1
Eastern Europe/FSR[2]	0.6	2.9	3.0	1.2	5.1	6.6	-2.2	-3.6	-3.3	-22.7
Russia	0.2	1.0	1.2	0.6	2.2	3.2	-1.2	-2.0	-16.7	-31.2
Pacific Rim Countries	15.0	70.8	79.8	31.4	148.9	155.9	-78.1	-76.1	-11.3	-4.5
Australia	1.2	5.1	4.5	0.6	2.6	2.6	2.5	1.9	13.3	0.0
China	1.8	8.0	7.3	9.8	42.6	37.8	-34.6	-30.5	9.6	12.7
Japan	4.2	20.7	26.3	9.1	48.4	55.8	-27.7	-29.5	-21.3	-13.3
NICs[3]	5.9	27.8	31.6	7.7	36.3	40.0	-8.5	-8.4	-12.0	-9.2
Latin America	4.6	21.3	24.8	5.6	25.7	29.7	-4.4	-4.9	-14.1	-13.5
Argentina	0.1	0.6	1.9	0.2	1.2	1.3	-0.6	0.6	-68.4	-7.7
Brazil	1.0	5.1	6.6	1.2	5.7	6.0	-0.6	0.6	-22.7	-5.0
OPEC	2.0	7.7	8.8	4.4	20.0	27.4	-12.3	-18.6	-12.5	-27.0
Other Countries	2.4	11.8	13.6	5.2	24.7	25.7	-12.9	-12.1	-13.2	-3.9
Egypt	0.2	1.4	1.2	0.1	0.4	0.4	1.0	0.8	16.7	0.0
South Africa	0.2	0.9	1.3	0.3	1.5	1.9	-0.6	-0.6	-30.8	-21.1

[1] The European Free Trade Area (EFTA) includes Iceland, Liechtenstein, Norway, and Switzerland.

[2] Former Soviet Republics (FSR).

[3] The newly industrializing countries (NICs) include Hong Kong, Korea, Singapore, and Taiwan.

Note.—Country/area figures may not add to totals due to rounding. Exports of certain grains, oilseeds, and satellites are excluded from country/area exports but included in total export table. Also, some countries are included in more than one area. Data are presented on a Census Bureau basis.

Source: Calculated from official data of the U.S. Department of Commerce, Exhibits 14 and 14a, FT-900 release of July 19, 2002, found at Internet address *http://www.census.gov/foreign-trade/www/press.html#current*.

International Economic Comparisons

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U.S. Economic Performance Relative to Other Group of Seven (G-7) Members

Economic Growth

The real gross domestic product (GDP) of the United States—the output of goods and services produced in the United States measured in 1996 prices—increased at an annual rate of 1.1 percent in the second quarter of 2002, according to advance estimates released by the U.S. Department of Commerce, Bureau of Economic Analysis. In the first quarter of 2002, real GDP increased at an annual rate of 5.0 percent.[2] For the year 2001, real GDP grew by 0.3 percent, following growth rate of 3.8 in the year 2000. The major contributors to the increase in the second quarter of 2002 were: personal consumption expenditures, private inventory investment, exports, and federal government spending. These contributions were offset partly decrease expenditures on nonresidential structures. Imports increased sharply.

The annualized rates of real GDP growth in the first quarter of 2002 was 6.0 percent in Canada, 1.4 percent in France, 0.7 percent in Germany, 0.6 percent in Italy, 5.7 percent in Japan, 0.7 percent in the United Kingdom, and 0.9 percent for the euro area—the EU members (EU-12) linked by the euro currency.

[1] The views expressed in this article are those of the author. They are not the views of the U.S. International Trade Commission (USITC) as a whole or of any individual Commissioner.

[2] Data for this article were taken largely from the following sources: U.S. Department of Commerce, Bureau of Economic Analysis, "Gross Domestic Product," *BEA News Release*, found at *http://www.bea.doc.gov/bea/newsrel/gdp.htm*; Federal Reserve Board, "Industrial Production and Capacity Utilization," G.17 (419) Release, found at *http://www.federalreserve.gov/releases/G17/Current/*; U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Price Index," *USDL-01*, found at *http://www.bls.gov/news.release/cpi.nr0.htm*; U.S. Department of Labor, Bureau of Labor Statistics, "The Employment Situation," *USDL-01*, found at *http://www.bls.gov/news.release/empsit.nr0.htm*; and the Conference Board, Consumer Research Center, "Forecasters' Forecasts," facsimile transmission, used with permission.

Industrial Production

The Federal Reserve Board reported that U.S. industrial production rose 0.8 percent in June 2002 for its sixth consecutive monthly increase. Output in the second quarter of 2002 was higher at an annual rate by 4.6 percent. Industrial production in June 2002 reached its highest level since May 2001, although still below its June 2000 peak.

Other G-7 member countries reported the following growth rates of industrial production. For the year ending in April 2002, increases in industrial output were reported by Canada of 1.3 percent, by France of 0.9 percent, by Italy of 0.5 percent, and a decrease was reported for the euro area of 1.2 percent. For the year ending in May 2002, decreases in industrial production were reported by Germany of 3.9 percent, Japan of 5.6 percent, and the United Kingdom of 1.9 percent.

Prices

The seasonally adjusted U.S. Consumer Price Index (CPI) rose 0.1 percent in June 2002, which had been preceded by no change in May from a 0.5 percent increase in April, according to the U.S. Department of Labor. For the year ended June 2002, consumer prices increased 1.1 percent.

During the 1-year period that ended in May 2002, increases in consumer prices were reported by Canada of 1.0 percent, France of 1.4 percent, and the United Kingdom of 1.1 percent. Japan reported a price decrease of 0.9 percent for the year ending in May 2002. For the year ending in June 2002, increases in consumer prices were reported by Germany of 0.8 percent, Italy of 2.2 percent, and the euro area of 1.7 percent.

Employment

The Bureau of Labor Statistics reported that the U.S. unemployment rate was essentially unchanged in June 2002, remaining at 5.9 percent. Employment showed no significant changes in any of the major industry groups. Total nonfarm payroll employment of

130.7 million was little changed in June (+36,000) for the fourth consecutive month, in contrast to the period of economic downturn from March 2001 to February 2002 when payroll employment fell by an average of 160,000 jobs a month.

In other G-7 countries, the latest unemployment rates were reported to be:

7.5 percent in Canada, 9.1 percent in France, 9.8 percent in Germany, 9.0 percent in Italy, 5.4 percent in Japan, 5.2 percent in the United Kingdom, and 8.3 percent in the euro area.

Forecasts

Seven major U.S. forecasters expect real GDP growth in the United States–after registering strong growth of 6.1 percent in the first quarter of 2002—to subside to 2.3 percent in the second quarter, followed by increases to 3.0 percent in the third quarter, and to 3.5 percent in the fourth quarter of 2002. The overall growth rate for the year 2002 is forecast to average about 2.7 percent, with growth in 2003 projected to average 3.5 percent. Table 1 shows macroeconomic projections for the U.S. economy from January 2002 to June 2003, and the simple average of these forecasts. Forecasts of all the economic indicators, except unemployment, are presented as percentage changes from the preceding quarter, on an annualized basis. The forecasts of the unemployment rate are averages for the quarter.

The average of the forecasts points to a stable unemployment rate of 5.9 percent in the second, third, and fourth quarters of 2002, decreasing to 5.7 percent in the first and second quarter of 2003. Overall, these forecasts expect unemployment to average 5.8 percent for 2002, and 5.6 percent for 2003.

Inflation, as measured by the GDP deflator, is expected to increase from an actual 1.2 percent rate in the first quarter of 2002, to 1.6 percent in the second quarter, 1.4 percent in the third quarter, and 1.7 percent in the fourth quarter of 2002. Inflation overall is forecast to be 1.3 percent for the year 2002, increasing to 1.8 percent for 2003. (See table 1).

Table 1
Projected changes of selected U.S. economic indicators, by quarter and year, January 2002-June 2003

	Conference Board	Macro-economic Advisers	E.I. Dupont	UCLA	Regional Forecasting Associates	Merrill Lynch Capital Markets	DRI-WEFA	Mean of forecasts
	Percent (see note)							
GDP, constant dollars								
2002 Q:I (actual)	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Q:II	2.2	2.4	2.5	2.1	2.5	3.5	1.2	2.3
Q:III	2.2	3.3	3.0	2.4	2.6	4.5	3.0	3.0
Q:IV	3.6	3.5	3.0	2.5	2.8	4.5	4.6	3.5
2003 Q:I	4.0	3.9	4.0	2.7	3.8	4.0	3.8	3.7
Q:II	4.0	4.3	3.5	2.7	4.2	4.1	3.5	3.8
Annual 2002	2.6	2.8	2.7	2.5	2.6	3.2	2.5	2.7
Annual 2003	3.7	3.8	3.3	2.6	3.5	4.2	3.6	3.5
Unemployment, average rate								
2002 Q:I (actual)	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Q:II	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Q:III	6.1	5.9	5.8	5.7	6.0	6.0	6.0	5.9
Q:IV	6.1	5.8	5.7	5.8	6.1	5.7	5.9	5.9
2003 Q:I	6.0	5.7	5.5	5.6	6.0	5.6	5.8	5.7
Q:II	5.9	5.4	5.8	5.5	5.9	5.6	5.8	5.7
Annual 2002	5.9	5.8	5.8	5.7	5.9	5.8	5.9	5.8
Annual 2003	5.7	5.4	5.3	5.6	5.9	5.5	5.7	5.6
GDP price deflator								
2002 Q:I (actual)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Q:II	2.9	1.3	1.1	1.5	1.9	0.6	1.8	1.6
Q:III	1.0	1.3	1.5	1.3	1.8	1.3	1.5	1.4
Q:IV	2.5	1.0	1.5	1.1	2.2	0.8	2.5	1.7
2003 Q:I	2.9	1.1	1.4	1.5	2.2	1.4	2.9	1.9
Q:II	2.5	1.9	1.4	1.5	2.2	1.2	2.5	1.9
Annual 2002	1.5	1.1	1.1	1.2	1.5	1.0	1.4	1.3
Annual 2003	2.4	1.6	1.5	1.3	2.2	1.2	2.4	1.8

Note.—Projected changes in percent represent annualized percentage rates of change from the preceding period, except for the unemployment rate which represents a simple percentage rate of the U.S. labor force. Quarterly data are seasonally adjusted.

Source: Calculated from data supplied by the Conference Board. Used with permission. Forecast date, June 2002.

STATISTICAL TABLES

Table 1
Unemployment rates in G-7 countries, by specified periods, 2000-May 2002[1]

Percent

	2000				2001				2002		
Country	**Q:I**	**Q:II**	**Q:III**	**Q:IV**	**Q:I**	**Q:II**	**Q:III**	**Q:IV**	**Q:I**	**Apr.**	**May**
United States	4.0	4.0	4.1	4.0	4.2	4.5	4.8	5.6	5.6	6.0	5.8
Canada	6.1	6.1	6.1	6.1	6.2	6.3	6.4	6.8	7.1	7.0	7.0
Japan	4.8	4.7	4.7	4.8	4.8	4.9	5.2	5.5	5.3	5.2	8.4
France	9.9	9.5	9.3	9.0	8.6	8.5	8.7	8.9	9.0	9.1	4.9
Germany	8.3	8.1	8.0	7.8	7.9	8.0	8.0	8.1	8.2	8.2	
Italy	11.2	10.9	10.5	10.1	10.0	9.6	9.5	9.3	9.2	9.2	
United Kingdom	5.8	5.5	5.4	5.2	5.1	5.0	5.1	5.2	5.1		

[1] Rates presented on a civilian labor force basis, seasonally adjusted. Rates for foreign countries adjusted to be comparable to the U.S. rate.

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Unemployment Rates in Nine Countries, Civilian Labor Force Basis, Approximating U.S. Concepts, Seasonally Adjusted, 1990-2002," release of July 5, 2002, found at Internet address *ftp://ftp.bls.gov/pub/special.requests/ForeignLabor/flsjec.txt*.

Table 2
Consumer prices of G-7 countries, by specified periods, 2000-May 2002

Percent, change from same period of previous year

	2000				2001				2002		
Country	**Q:I**	**Q:II**	**Q:III**	**Q:IV**	**Q:I**	**Q:II**	**Q:III**	**Q:IV**	**Q:I**	**Apr.**	**May**
United States	3.2	3.3	3.5	3.4	3.4	3.4	2.7	1.9	1.3	1.6	1.2
Canada	2.7	2.4	2.7	3.1	2.8	3.6	2.7	1.1	1.5	1.7	1.0
Japan	-0.7	-0.7	-0.7	-0.5	-0.4	-0.7	-0.8	-1.0	-1.4	-1.1	-0.9
France	1.5	1.5	1.9	1.9	1.3	2.0	1.8	1.4	2.1	2.0	1.4
Germany	1.8	1.6	2.1	2.3	2.5	3.2	2.5	1.8	1.9	1.6	1.1
Italy	2.4	2.5	2.6	2.7	2.9	3.1	2.8	2.4	2.5	2.4	2.3
United Kingdom	2.3	3.1	3.2	3.1	2.5	1.9	1.8	1.0	1.2	1.5	1.1

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Prices in Nine Countries, Percent Change from Same Period of Previous Year, 1990-2002," release of July 5, 2002, found at Internet address *ftp://ftp.bls.gov/pub/special.requests/ForeignLabor/flscpim.txt*.

Table 3
U.S. trade balances by major commodity categories and by specified periods, May 2001-May 2002[1]

Billion dollars

Commodity categories	2001								2002				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Manufactures	-27.4	-28.4	-35.0	-33.2	-31.5	-38.6	-32.9	-26.8	-31.6	-30.5	-28.9	-34.3	-33.4
Agriculture	0.8	0.8	0.7	1.3	0.8	1.7	1.9	1.5	1.3	1.5	0.9	0.3	0.5
Petroleum[2]	-10.9	-10.0	-9.7	-9.0	-8.2	-8.0	-6.4	-5.8	-6.7	-5.4	-7.4	-9.2	-9.4
Dollar unit price of U.S. petroleum imports[2]	22.62	23.09	22.34	22.15	22.99	19.94	17.13	15.51	16.31	16.56	19.18	22.48	23.76

[1] Exports, f.a.s. value, not seasonally adjusted. Imports, customs value, not seasonally adjusted.

[2] Petroleum and selected products, not seasonally adjusted.

Source: Calculated from official data of the U.S. Department of Commerce, Exhibits 15 and 17, FT-900 release of July 19, 2002, found at Internet address *http://www.census.gov/foreign-trade/www/press.html#current*.

WORKING PAPERS

The following is a list of Office of Economics working papers. Copies of unpublished papers which are currently available can be obtained from the Office of Economics. Please request working papers by reference date/code, title, and author. Address requests to: Office of Economics, U.S. International Trade Commission, 500 E Street SW, Washington DC 20436, USA, or by fax at (202) 205-2340. Recent Office of Economics working papers are also posted on the Web at http://www.usitc.gov/332s/332index.htm.

Reference Code	Title	Authors	Status
2002			
02-01-B	Free Trade Agreements Between Developing and Industrialized Countries: Comparing the U.S.-Jordan FTA with Mexico's Experience Under NAFTA	*Grace V. Chomo	WORKING PAPER
02-01-A	A Discussion on Armington Trade Substitution Elasticities	*Christine A. McDaniel *Edward J. Balistreri	WORKING PAPER
2001			
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01-11-B	Trade Frictions and Welfare in the Gravity Model: How Much of the Iceberg Melts	*Edward J. Balistreri *Russell H. Hillberry	WORKING PAPER
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01-10-A	Market Access Liberalization for Food and Agricultural Products: Products: A General Equilibrium Assessment of Tariff-Rate Quotas	*Marinos E. Tsigas Merlinda Ingco	WORKING PAPER
01-08-A	How Would Food Markets Be Affected by Liberalizing Trade in in Processed Foods?	*Marinos E. Tsigas	WORKING PAPER
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2001—Cont'd			
01-07-B	Measuring Skill Intensity: Production Worker Vs. Education Data in the NAFTA Countries	*Michael A. Anderson Raymond Robertson Stephen L.S. Smith	WORKING PAPER
01-07-A	Regionalism, Trade and Growth: The Case of the EU-South Africa Free Trade Arrangement	*Soamiely Andriamananjara *Russell Hillberry	WORKING PAPER
01-04-A	Aggregation Bias, Compositional Change, and the Border Effect	*Russell Hillberry	WORKING PAPER
01-03-A	Engineers on the Production Floor? State-level Evidence that Patenting and Production Locate Together	*Christine A. McDaniel Beata K. Smarzynska	*The World Economy*, Vol. 24, No. 6, June 2001
01-02-A	On the Effects of the Expansion of Regional Arrangements: An Intra-Industry Trade Model	*Soamiely Andriamananjara	WORKING PAPER
2000			
00-09-B	NAFTA Environmental Impacts on North American Fisheries	*Grace V. Chomo *Michael J. Ferrantino	WORKING PAPER
00-09-A	Industry-Level Estimates of U.S. Armington Elasticities	*Michael Gallaway *Christine McDaniel *Sandra A. Rivera	WORKING PAPER
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1999			
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1998			
98-10-A	Latin American Export Sector Dynamics and Economic Growth in International Comparison	Sheila Amin Gutiérrez-de Piñeres & *Michael Ferrantino	*Export Dynamics and Economic Growth in Latin America*: A Comparative Perspective, Ashgate Press
98-09-A	The Income Elasticity of Trade: Theory, Evidence, and Implications	*Peter Pogany *William Donnelly	WORKING PAPER
98-03-A	Trade, Trade Policy, and Productivity Growth in OECD Manufacturing	*Nancy Benjamin *Michael Ferrantino	*International Economic Journal,* forthcoming
1997			
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