

# U.S. Trade Developments

Michael Youssef<sup>1</sup>  
 myoussef@usitc.gov  
 202-205-3269

The U.S. Department of Commerce reported that, in May 2002, the export of goods and services<sup>2</sup> (\$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.<sup>3</sup> 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

<sup>1</sup> 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.

<sup>2</sup> Total exports, seasonally adjusted.

<sup>3</sup> 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**

Item	<i>Billion dollars</i>					
	Exports		Imports		Trade balance	
	May 2002	April 2002	May 2002	April 2002	May 2002	April 2002
Trade in goods <sup>1</sup> (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 <sup>1</sup> .....	23.4	23.2	19.5	19.2	3.9	4.0
Trade in goods and services <sup>1</sup> .....	80.6	80.0	118.3	116.2	-37.6	-36.1
Trade in goods <sup>2</sup> .....	63.9	63.2	109.1	107.3	-45.3	-44.1
Advanced technology products <sup>3</sup> .....	14.7	14.4	15.6	15.5	-0.9	-1.1

<sup>1</sup> Current dollars (balance-of-payments basis).

<sup>2</sup> Constant 1996 dollars (Census Bureau basis).

<sup>3</sup> 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**

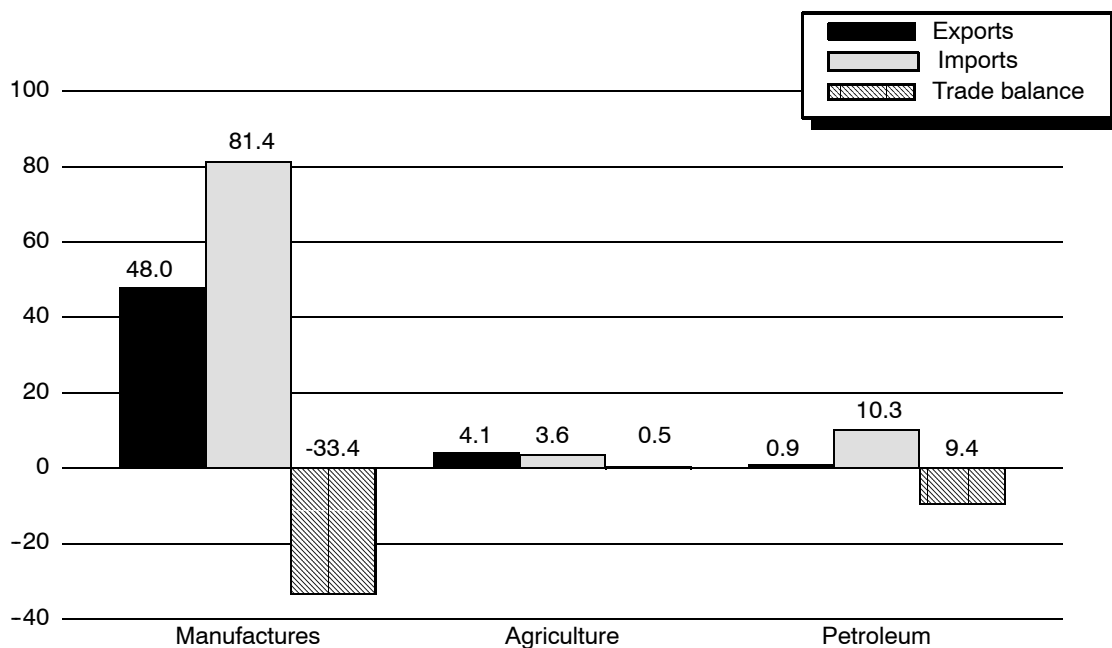
**Nominal U.S. exports, imports, and trade balances, agriculture and specified manufacturing sectors, January 2001-May 2002**

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			
									<i>Billion dollars</i>		<i>Percent</i>
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.

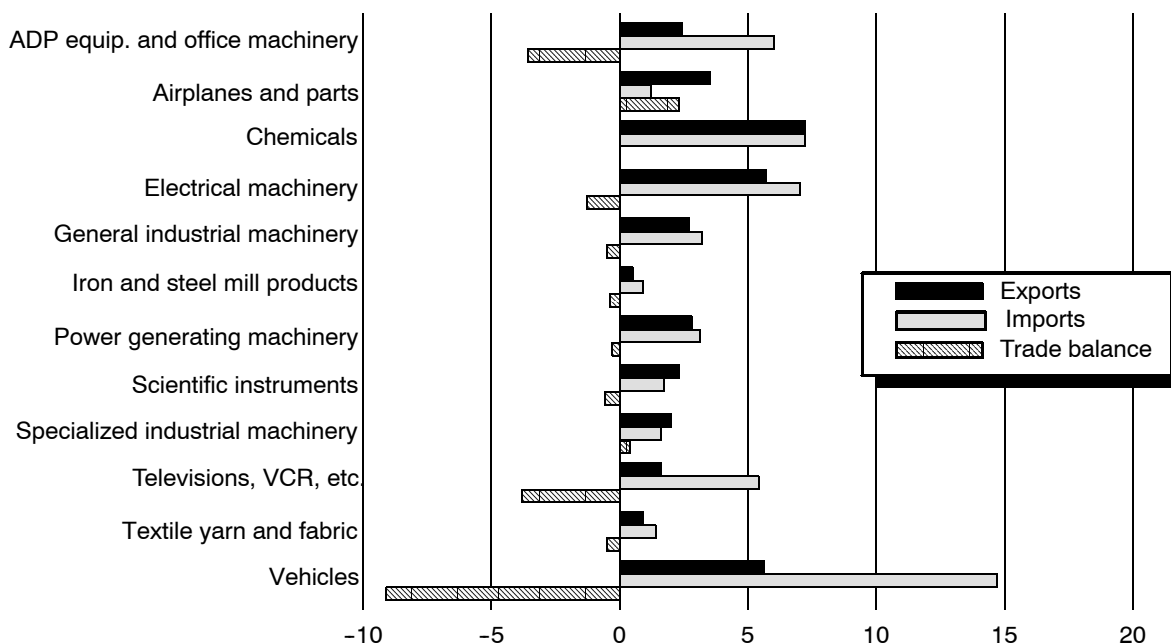
Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of July 19, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.

**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		
							<i>Billion dollars</i>	<i>Percent</i>
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		
	<i>Billion dollars</i>								<i>Percent</i>	
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 <sup>1</sup> . . . . .	0.8	3.9	6.6	1.4	6.1	7.1	-2.2	-0.5	-40.9	-14.1
Eastern Europe/FSR <sup>2</sup> . . . . .	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 <sup>3</sup> . . . . .	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

<sup>1</sup> The European Free Trade Area (EFTA) includes Iceland, Liechtenstein, Norway, and Switzerland.

<sup>2</sup> Former Soviet Republics (FSR).

<sup>3</sup> 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>.