
U.S. TRADE DEVELOPMENTS

Recent Developments

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The U.S. Department of Commerce reported that seasonally adjusted total exports of goods and services of \$83.2 billion and imports of \$117.8 billion in July 2002 resulted in a goods and services trade deficit of \$34.6 billion; this was \$2.2 billion less than the \$36.8 billion deficit in June 2002.² July exports were \$1.1 billion more than June exports of \$82.2 billion, imports of goods and services at \$117.8 billion were \$1.1 billion less than June imports of \$118.9 billion.

July 2002 merchandise exports increased to \$59.1 billion from \$58.2 billion in June 2002. Merchandise imports decreased to \$98.0 billion from \$98.9 billion, causing the merchandise trade deficit to decrease by \$1.8 billion in July to \$38.9 billion from \$40.6 billion in June 2002. For services, exports increased to \$24.1 billion in July from \$23.9 billion in June. Imports of services decreased to \$19.8 billion in July from \$20.0 billion in June, resulting in a services trade surplus in July of about \$4.3 billion, nearly \$0.4 billion higher than the \$3.9 billion surplus in June 2002.

Changes in merchandise exports in June–July 2002 reflected increases in automotive vehicles, parts, and engines (\$0.4 billion); the statistical category “other goods” (\$0.2 billion), consumer goods (\$0.1 billion), and capital goods (\$0.1 billion). A decrease occurred in industrial supplies and materials (\$0.1 billion); foods, feeds, and beverages were virtually unchanged.

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² 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,” *Commerce News*, FT-900, release of Sept. 18, 2002, found at <http://www.census.gov/foreign-trade/www/press.html#current>, as well as at Internet address <http://www.bea.doc.gov/bea/newsrel/>.

Imports of goods in June–July reflected decreases in consumer goods (\$0.6 billion); other goods (\$0.3 billion); and capital goods (\$0.3 billion). Increases occurred in industrial supplies and materials (\$0.1 billion); and foods, feeds, and beverages (\$0.1 billion). Automotive vehicles, parts, and engines were virtually unchanged. Additional information on U.S. trade developments in agriculture and specified manufacturing sectors in June–July 2002 are highlighted in tables 1 and 2, and figures 1 and 2. Services trade developments are highlighted in table 3.

In July 2002, exports of advanced technology products were \$14.9 billion and imports of the same were about \$17.0 billion, resulting in a deficit of \$2.1 billion, following a deficit of \$0.07 billion in June 2002. Exports of these products in July 2002 were \$1.6 billion less than the \$16.5 billion recorded in June 2002, while July imports were about \$0.5 billion more than the \$16.5 billion imports in June.

The July 2002 trade data showed U.S. surpluses with the following countries (preceding month in parentheses): Australia, \$0.8 billion (\$0.6 billion in June 2002); Egypt, \$0.1 billion (deficit of \$0.3 billion); Hong Kong, \$0.1 billion (\$0.4 billion); and Singapore, \$0.1 billion (\$0.5 billion). Deficits were recorded in July 2002 with: Argentina, \$0.2 billion (\$0.1 billion in June); Brazil, \$0.4 billion (\$0.3 billion); Canada, \$4.4 billion (\$3.5 billion); China, \$9.3 billion (\$8.5 billion); Japan, \$5.7 billion (\$5.3 billion); Korea, \$1.1 billion (\$0.8 billion); Mexico, \$3.4 billion (\$3.2 billion); OPEC member countries, \$3.1 (\$2.9 billion); Taiwan, \$0.9 billion (\$1.1 billion); and Western Europe, \$11.0 billion (\$7.1 billion).

Exports of goods and services during January–July 2002 totaled about \$560.0 billion, down from \$605.0 billion during January–July 2001. Imports of goods and services decreased to \$800.5 billion, from \$826.3 billion during the same period. As a consequence, the

Table 1
U.S. trade in goods and services, seasonally adjusted, June 2002-July 2002

Billion dollars

Item	Exports		Imports		Trade balance	
	July 2002	June 2002	July 2002	June 2002	July 2002	June 2002
Trade in goods ¹ (see note)						
Including oil	59.1	58.2	98.0	98.9	-38.8	-40.6
Excluding oil	59.2	58.4	88.8	89.9	-29.5	-31.6
Trade in services ¹	24.1	23.9	19.8	20.0	4.3	3.9
Trade in goods and services ¹	83.2	82.2	117.8	118.9	-34.6	-36.8
Trade in goods ²	65.2	65.0	108.3	109.4	-43.1	-44.5
Advanced technology products ³ ..	14.9	16.5	17.0	16.5	-2.1	-0.1

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 Sept. 18, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.

Table 2

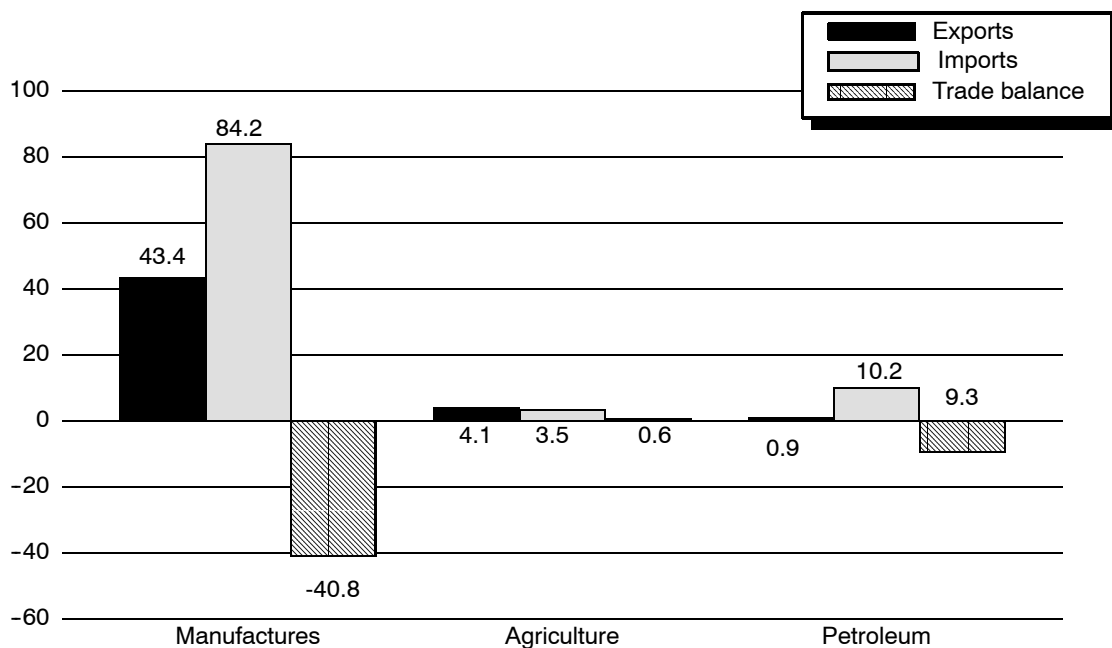
Nominal U.S. exports, imports, and trade balances, agriculture and specified manufacturing sectors, January 2001-July 2002

Manufacture sector	Exports			Imports			Trade balance		Change in exports, Jan.-July 2002 over Jan.-July 2001	Change in trade balance, Jan.-July 2002 over Jan.-July 2001	Share of total exports, Jan.-July 2002
	July 2002	Jan.-July 2002	Jan.-July 2001	July 2002	Jan.-July 2002	Jan.-July 2001	Jan.-July 2002	Jan.-July 2001			
	<i>Billion dollars</i>						<i>Percent</i>				
ADP equipment & office machinery	2.3	17.6	24.3	6.7	43.6	45.3	-25.9	-21.0	-27.3	23.4	4.4
Airplane parts	1.1	8.0	9.5	0.4	3.1	3.8	4.9	5.7	-15.5	-13.5	2.0
Airplanes	2.5	16.6	16.5	0.9	7.7	8.6	8.9	7.9	0.7	12.4	4.2
Chemicals - inorganic	0.5	3.2	3.6	0.6	3.3	3.8	-0.1	-0.2	-10.4	-24.4	0.8
Chemicals - organic	1.3	9.3	9.9	2.4	17.6	18.1	-8.4	-8.2	-6.4	1.5	2.3
Electrical machinery	5.6	38.8	45.1	6.9	45.9	51.8	-7.1	-6.7	-14.1	6.1	9.7
General industrial machinery	2.4	17.6	19.6	3.1	20.8	20.4	-3.2	-0.8	-10.0	281.9	4.4
Iron & steel mill products ...	0.4	3.0	3.2	1.2	7.0	7.3	-4.0	-4.1	-7.3	-1.7	0.7
Power-generating machinery	2.2	18.5	19.4	2.8	20.4	21.3	-1.8	-1.9	-4.7	-1.2	4.6
Scientific instruments	2.1	15.8	17.6	1.8	11.7	12.8	4.1	4.8	-10.1	-14.6	4.0
Specialized industrial machinery	2.2	14.0	16.4	1.7	10.9	12.5	3.1	4.0	-14.5	-20.9	3.5
Televisions, VCRs, etc.	1.5	11.4	14.6	5.9	35.5	35.2	-24.1	-20.6	-21.9	16.9	2.9
Textile yarn and fabric	0.8	5.9	6.1	1.5	9.3	8.7	-3.4	-2.6	-1.8	27.2	1.5
Vehicles	3.5	33.1	31.5	12.5	94.5	91.0	-61.5	-59.6	5.0	3.2	8.3
Other manufactures, not included above	14.8	104.1	113.6	35.8	218.5	220.1	-114.4	-106.4	-8.4	7.5	26.1
Manufactures	43.4	317.0	350.9	84.2	549.8	560.6	-232.7	-209.7	-9.7	11.0	79.4
Agriculture	4.1	30.1	30.2	3.5	24.3	23.2	5.8	7.0	-0.3	-17.3	7.5
Other goods, not included above	7.6	52.3	59.0	12.7	78.7	96.4	-26.4	-37.4	-11.4	-29.4	13.1
Total (Census basis) ...	55.1	399.4	440.2	100.5	652.8	680.2	-253.3	-240.0	-9.2	5.5	100.0

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

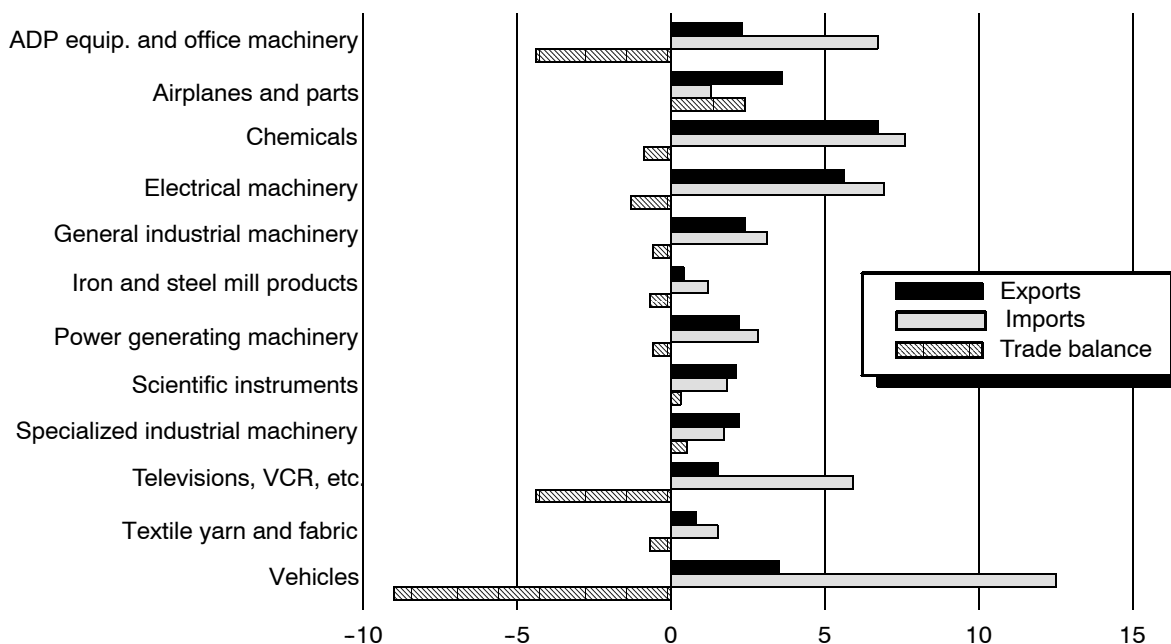
Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of Sept. 18, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.

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 Sept. 18, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.

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 Sept. 18, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.

Table 3

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

	Exports		Imports		Trade balance		Change in exports Jan.-July 2002 over Jan.-July 2001	Change in imports Jan.-July 2002 over Jan.-July 2001
	Jan.-July 2002	Jan.-July 2001	Jan.-July 2002	Jan.-July 2001	Jan.-July 2002	Jan.-July 2001		
Service sector	<i>Billion dollars</i>						<i>Percent</i>	
Travel	40.2	46.9	34.3	37.9	5.9	9.0	-14.4	-9.6
Passenger fares	9.9	11.5	12.0	14.2	-2.2	-2.7	-14.1	-15.3
Other transportation services	16.2	17.0	21.8	23.8	-5.6	-6.8	-5.0	-8.4
Royalties and license fees	24.0	22.6	10.7	9.5	13.2	13.1	5.8	12.9
Other private sales	66.1	62.6	45.2	37.8	20.9	24.8	5.5	19.5
Transfers under U.S. military sales contracts	7.1	7.1	10.8	8.3	-3.7	-1.2	0.7	30.9
U.S. Government miscellaneous services	0.5	0.5	1.7	1.7	-1.2	-1.2	-6.9	0.9
Total	163.8	168.2	136.5	133.2	27.3	35.1	-2.6	2.5

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 Sept. 18, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.

trade deficit on goods and services increased slightly to \$240.5 billion for the January–July 2002 period, from \$221.3 billion during January–July 2001.

The export of goods on a balance-of-payments basis during January–July 2002 decreased to \$396.2 billion from \$436.7 billion during the same 2001 period, a decrease of \$40.5 billion; and imports of goods also decreased to \$663.9 billion, down from \$693.1 billion in January–July 2001. Consequently, the merchandise trade deficit increased to \$267.7 billion from \$256.4 billion. Regarding trade in services, exports in January–July 2002 decreased to \$163.8 billion, from \$168.2 billion in the same period of 2001, a decrease of about \$4.4 billion. Imports of services increased to \$136.5 billion from \$133.2 billion, an increase of \$3.3 billion. The surplus on trade in services decreased to \$27.3 billion in January–July 2002 from \$35.1 billion in the same period in 2001, a decrease of \$7.8 billion.

The January–July 2002 exports of advanced technology products declined to \$104.1 billion from \$123.4 billion in January–July 2001. Imports declined to \$110.2 billion in January–July 2002 from \$116.9 billion in the same period of 2001. As a consequence,

the trade surplus in these products of nearly \$6.4 billion in January–July 2001 turned into a deficit of about \$6.1 billion in January–July 2002.

The January–July 2002 trade data in merchandise goods showed trade deficits with the following countries (same period a year ago in parentheses): Canada, \$28.6 billion (\$32.9 billion in January–July 2001); China, \$52.5 billion (\$44.6 billion); Eastern Europe, \$3.8 billion (\$4.8 billion); EFTA, \$3.3 billion, (\$1.3 billion); the euro area, \$37.2 billion (\$32.2 billion); the European Union (EU–15), \$45.7 billion (\$36.2 billion); Japan, \$38.9 billion (\$40.5 billion); NICs, \$11.3 billion (\$12.2 billion); Mexico, \$21.7 billion (\$17.4 billion); OPEC, \$18.3 billion (\$25.8 billion); and Western Europe, \$49.0 billion (\$37.4 billion). South and Central American countries—such as Argentina, Brazil, and Colombia—recorded small changes in their trade balances. Taiwan’s merchandise trade deficit with the United States was \$7.6 billion, down from \$8.8 billion in the same period of 2001. Trade surpluses were recorded with Australia, Egypt, Hong Kong, Netherlands, and Singapore. 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-July 2002

Country/areas	Exports			Imports			Trade balance		Change in exports, Jan.-July 2002 over Jan.-July 2001	Change in trade balance, Jan.-July 2002 over Jan.-July 2001
	July 2002	Jan.-July 2002	Jan.-July 2001	July 2002	Jan.-July 2002	Jan.-July 2001	Jan.-July 2002	Jan.-July 2001		
	<i>Billion dollars</i>								<i>Percent</i>	
Total (Census basis)	55.1	399.4	440.2	100.5	652.8	680.2	-253.3	-240.0	-9.2	5.5
North America	19.6	148.3	158.4	27.3	198.5	208.7	-50.2	-50.3	-6.4	-0.1
Canada	11.7	92.9	98.8	16.1	121.4	131.7	-28.5	-32.9	-6.0	-13.3
Mexico	7.9	55.4	59.6	11.3	77.1	77.0	-21.7	-17.4	-7.0	24.8
Western Europe	11.7	91.5	107.3	22.7	140.5	144.7	-49.0	-37.4	-14.8	30.9
Euro Area	7.7	61.0	67.9	16.1	98.2	100.0	-37.2	-32.2	-10.1	15.5
European Union (EU-15)	10.5	83.4	96.4	20.9	129.1	132.6	-45.7	-36.2	-13.5	26.2
France	1.2	11.1	11.9	2.7	16.7	18.5	-5.6	-6.5	-6.7	-13.9
Germany	2.0	15.1	18.4	5.8	34.6	35.9	-19.4	-17.5	-17.5	10.9
Italy	0.8	5.8	5.9	2.4	13.9	14.4	-8.1	-8.5	-2.4	-4.1
Netherlands	1.4	10.9	11.8	0.9	5.6	5.6	5.2	6.2	-8.1	-15.4
United Kingdom	2.5	19.6	25.2	3.7	23.6	25.2	-3.9	0.1	-22.2	-6552.5
Other EU	0.8	6.0	6.9	2.4	15.7	13.8	-9.7	-6.9	-13.0	39.5
EFTA ¹	0.8	5.6	8.3	1.4	8.9	9.7	-3.3	-1.3	-32.5	146.7
Eastern Europe/FSR ²	0.6	3.9	4.1	1.3	7.7	8.9	-3.8	-4.8	-3.3	-21.8
Russia	0.2	1.4	1.7	0.6	3.5	4.2	-2.1	-2.5	-15.7	-17.1
Pacific Rim Countries	15.8	103.1	109.2	34.6	216.6	218.5	-113.5	-109.3	-5.6	3.8
Australia	1.4	7.6	6.3	0.6	3.7	3.7	3.9	2.6	20.1	48.6
China	1.9	12.1	10.6	11.2	64.6	55.2	-52.5	-44.6	14.0	17.6
Japan	4.5	29.9	35.6	10.2	68.7	76.1	-38.9	-40.5	-16.1	-4.0
NICs ³	6.3	40.5	43.3	8.0	51.8	55.5	-11.3	-12.2	-6.5	-7.3
Latin America	4.1	29.6	35.0	6.2	37.6	41.1	-8.0	-6.1	-15.5	32.1
Argentina	0.1	0.9	2.6	0.3	1.7	1.8	-0.9	0.9	-67.5	-203.2
Brazil	1.0	7.1	9.6	1.4	8.4	8.3	-1.3	1.2	-25.5	-206.4
OPEC	1.6	10.7	12.1	4.7	29.0	38.0	-18.3	-25.8	-12.0	-29.1
Other Countries	2.2	16.5	18.8	6.0	36.4	36.4	-19.9	-17.5	-12.3	13.3
Egypt	0.2	1.8	1.8	0.1	0.9	0.6	0.9	1.2	1.4	-26.1
South Africa	0.3	1.4	1.8	0.3	2.2	2.7	-0.8	-0.9	-23.3	-16.2

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 Sept. 18, 2002, found at Internet address <http://www.census.gov/foreign-trade/www/press.html#current>.