
U.S. TRADE DEVELOPMENTS

Recent Developments

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U.S. International Transactions, First Quarter 2003

The U.S. Department of Commerce reported that seasonally adjusted exports of \$81.0 billion and imports of \$123.0 billion in April 2003 resulted in a goods and services deficit of \$42.0 billion, \$0.9 billion less than the \$42.9 billion in March. April 2003 exports were \$1.8 billion lower than March exports.² April 2003 imports were \$2.7 billion lower than March imports.

April 2003 merchandise exports decreased by about \$1.1 billion to \$57.2 billion from March exports of \$58.3 billion. Merchandise imports decreased by \$2.0 billion to \$103.8 billion from March imports of \$105.8 billion. The merchandise trade deficit decreased by about \$0.9 billion in April to \$46.6 billion from \$47.5 billion in March.

For services, exports decreased to \$23.8 billion in April 2003 from \$24.5 billion in March. Imports of services decreased by about \$0.7 billion to \$19.2 billion in April 2003. The services trade surplus in April remained virtually unchanged at about \$4.6 billion, as in March 2003.

Changes in merchandise exports from March to April 2003 reflected decreases in industrial supplies and materials (\$0.2 billion); consumer goods (\$0.2

billion); capital goods (\$0.6 billion); and foods, feeds, and beverages (\$0.1 billion). Automotive vehicles, parts, and engines, and the statistical category "other goods" were virtually unchanged.

Changes in merchandise imports from March to April 2003 reflected decreases in industrial supplies and materials (\$2.4 billion); consumer goods (\$0.2 billion); automotive vehicles, parts, and engines (\$0.4 billion); capital goods (\$0.3 billion). Increases occurred in capital goods (\$0.9 billion); and in foods, feeds, and beverages (\$0.1 billion). The "other goods" statistical category remained virtually unchanged. Additional information on U.S. trade developments in agriculture and specified manufacturing sectors during January-April 2003 are highlighted in tables 1 and 2, and figures 1 and 2. Services trade developments are highlighted in table 3.

In April 2003, exports of advanced technology products were \$13.9 billion and imports of the same were about \$16.5 billion, resulting in a deficit of \$2.6 billion, following a deficit of \$0.8 billion in March. Exports of these products in April 2003 were about \$2.1 billion less than the \$16.0 billion recorded in March. Imports of advanced technology products of \$16.4 billion in April 2003 were about \$0.4 billion less than the \$16.8 billion imports in March.

The April 2003 trade data showed U.S. surpluses with the following countries (preceding month in parentheses): Australia, \$0.4 billion (\$0.5 billion in March 2003); Hong Kong, \$0.4 billion (\$0.6 billion); Egypt, \$0.1 billion (\$0.1 billion). Deficits were recorded in April 2003 with Brazil, \$0.6 billion (\$0.6 billion); China, \$9.5 billion (\$7.7 billion); Canada, \$3.8 billion (\$5.1 billion); Mexico, \$3.3 billion (\$3.9 billion); Japan, \$6.0 billion (\$5.8 billion); Korea, \$1.1 billion (\$0.7 billion); OPEC member countries, \$5.0 (\$5.0 billion); Singapore, \$0.2 billion (surplus of \$0.3

¹ Michael Youssef is an international economist in the USITC Office of Economics, Country and Regional Analysis Division. 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 United States Department of Commerce (USDOC), Bureau of Economic Analysis (BEA), "U.S. International Trade in Goods and Services," *Commerce News*, FT-900, release of June 13, 2003, 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/>.

Table 1
U.S. trade in goods and services, seasonally adjusted, March 2003 to April 2003

Item	Exports		Imports		Trade balance	
	April 2003	March 2003	April 2003	March 2003	April 2003	March 2003
<i>Billion dollars</i>						
Trade in goods ¹ (see note)						
Including oil	57.2	58.3	103.8	105.8	-46.6	-47.5
Excluding oil	57.2	58.0	92.3	93.0	-35.2	-35.0
Trade in services ¹	23.8	24.5	19.2	19.9	4.6	4.6
Trade in goods and services ¹ ...	81.0	82.8	123.0	125.7	-42.0	-42.9
Trade in goods ²	57.6	58.6	106.3	105.5	-48.6	-46.9
Advanced technology products ³	13.9	16.0	16.4	16.8	-2.6	-0.8

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 June 13, 2003, found at Internet address <http://www.bea.doc.gov/bea/newsrel/tradnewsrelease.htm>.

Table 2

Nominal U.S. exports, imports, and trade balances, agriculture and specified manufacturing sectors, January 2002 to April 2003

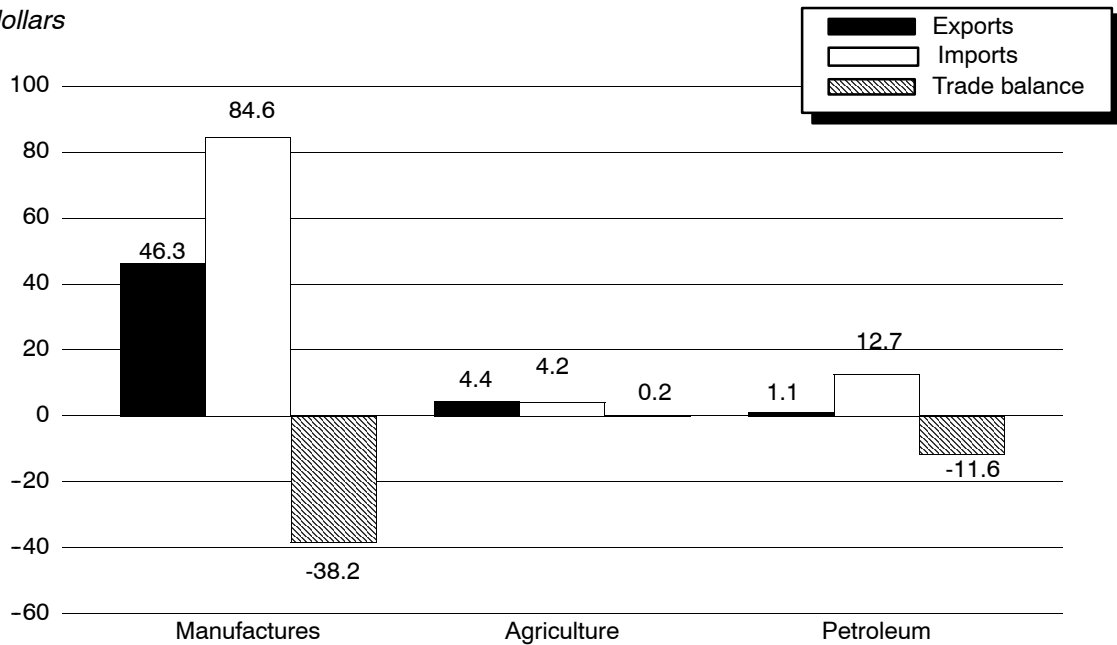
Manufacture sector	Exports			Imports			Trade balance			Change in trade balance, Jan.-Apr. 2003 over Jan.-Apr. 2002	Share of total exports, Jan.-Apr. 2003
	Apr. 2003	Jan.-Apr. 2003	Jan.-Apr. 2002	Apr. 2003	Jan.-Apr. 2003	Jan.-Apr. 2002	Jan.-Apr. 2003	Jan.-Apr. 2002	Change in exports, Jan.-Apr. 2003 over Jan.-Apr. 2002		
	<i>Billion dollars</i>									<i>Percent</i>	
ADP equipment & office machinery	2.2	9.4	10.1	6.4	24.5	24.2	-15.2	-14.2	-7.0	7.1	4.0
Airplane parts	1.2	4.9	4.5	0.4	1.5	1.8	3.4	2.7	8.1	24.0	2.1
Airplanes	1.8	7.4	9.0	0.9	3.7	4.8	3.7	4.2	-17.7	-12.2	3.2
Chemicals - inorganic	0.5	2.0	1.7	0.7	2.4	1.7	-0.4	-0.0	16.6	1214.7	0.8
Chemicals - organic	1.7	6.6	5.0	2.9	11.4	10.2	-4.8	-5.2	31.1	-7.3	2.8
Electrical machinery	5.7	22.2	21.7	6.7	26.1	25.1	-3.9	-3.5	2.4	11.8	9.5
General industrial machinery	2.5	9.8	9.9	3.5	13.0	11.5	-3.2	-1.6	-1.1	100.1	4.2
Iron & steel mill products	0.7	2.1	1.7	0.9	3.9	4.0	-1.7	-2.3	24.7	-23.0	0.9
Power-generating machinery	2.5	10.1	10.6	2.7	11.0	11.7	-0.8	-1.0	-4.8	-17.9	4.4
Scientific instruments	2.2	9.0	8.9	1.9	7.3	6.5	1.7	2.4	0.9	-28.2	3.9
Specialized industrial machinery	2.0	7.7	7.8	1.9	6.8	6.0	0.9	1.8	-0.5	-49.4	3.3
Televisions, VCRs, etc.	1.4	5.3	6.6	5.3	19.2	18.4	-13.9	-11.8	-19.5	17.1	2.3
Textile yarn and fabric	0.9	3.5	3.3	1.5	5.5	4.9	-2.1	-1.7	5.6	23.2	1.5
Vehicles	5.5	20.0	18.8	15.0	56.1	54.2	-36.1	-35.4	6.4	1.8	8.6
Other manufactures, not included above	15.6	60.1	57.5	33.8	131.2	117.8	-71.1	-60.2	4.4	18.1	25.8
Manufactures	46.3	180.1	177.2	84.6	323.6	302.9	-143.4	-125.7	1.7	14.1	77.4
Agriculture	4.4	18.8	17.8	4.2	15.8	13.7	3.0	4.1	5.7	-25.7	8.1
Other goods, not included above	8.3	33.9	29.6	15.0	62.0	40.2	-28.1	-10.7	14.5	163.7	14.5
Total (Census basis)	59.1	232.8	224.6	103.8	401.4	356.9	-168.5	-132.3	3.7	27.4	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 June 13, 2003, found at Internet address <http://www.bea.doc.gov/bea/newsrel/tradnewsrelease.htm>.

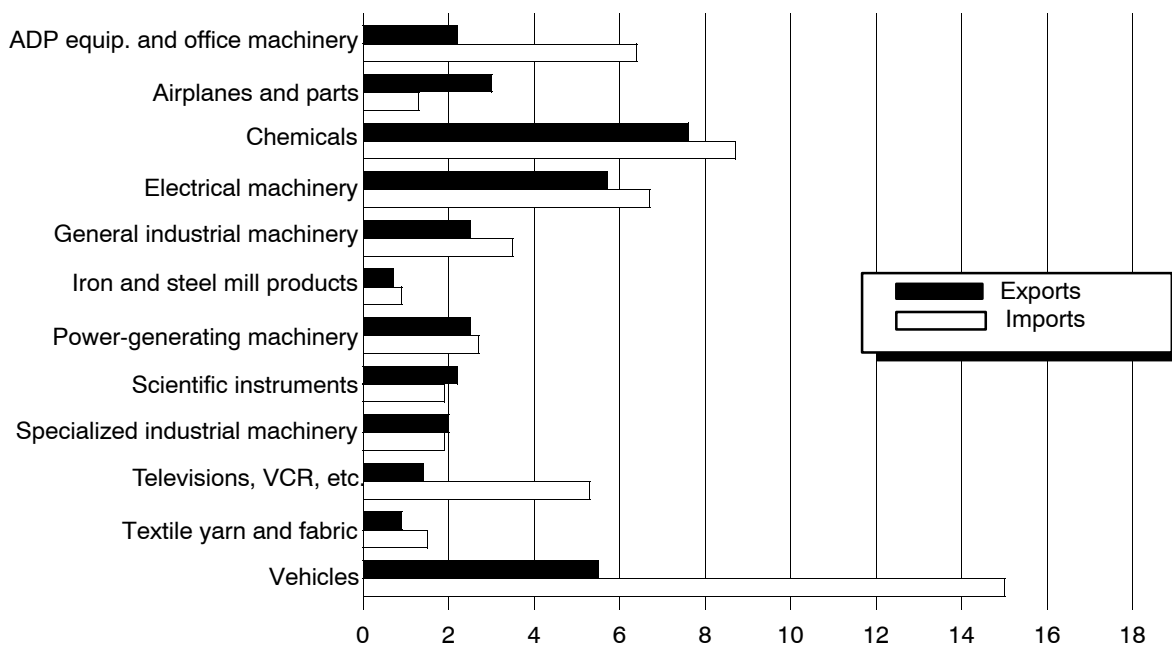
Figure 1
U.S. trade by major commodity, April 2003

Billion dollars



Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of Feb. 20, 2003.

Figure 2
U.S. trade in principal goods, April 2003



Source: Calculated from official data of the U.S. Department of Commerce, Exhibit 15, FT-900 release of June 13, 2003.

Table 3

Nominal U.S. exports, imports, and trade balances of services, by sectors, January 2002 to April 2003, seasonally adjusted

Service sector	Exports		Imports		Trade balance		Change in exports Jan.-Apr. 2003 over Jan.-Apr. 2002	Change in imports Jan.-Apr. 2003 over Jan.-Apr. 2002
	Jan.-Apr. 2003	Jan.-Apr. 2002	Jan.-Apr. 2003	Jan.-Apr. 2002	Jan.-Apr. 2003	Jan.-Apr. 2002		
	<i>Billion dollars</i>						<i>Percent</i>	
Travel	20.9	21.6	18.2	19.1	2.6	2.5	-3.2	-4.3
Passenger fares	4.8	5.6	6.5	6.4	-1.7	-0.9	-14.3	1.0
Other transportation services	10.3	9.5	14.5	12.1	-4.2	-2.6	8.8	20.0
Royalties and license fees	15.5	14.1	6.6	6.2	8.9	7.8	10.4	5.9
Other private sales	42.5	40.4	24.8	22.7	17.7	17.7	5.3	9.3
Transfers under U.S. military sales contracts	4.2	3.7	7.8	5.9	-3.6	-2.3	13.3	31.0
U.S. Government miscellaneous services	0.3	0.3	1.0	1.0	-0.7	-0.7	2.7	0.3
Total	98.4	94.9	79.4	73.4	19.0	21.5	3.6	8.1

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 June 13, 2003, found at Internet address <http://www.bea.doc.gov/bea/newsrel/tradnewsrelease.htm>.

billion); Taiwan, \$1.4 billion (\$1.2 billion); and Western Europe, \$8.4 billion (\$7.8 billion).

In January-April 2003, exports of goods and services were \$328.9 billion about \$11.8 billion higher than January-April 2002 exports of \$317.1 billion. Imports of goods and services were \$492.6 billion, \$51.2 billion higher than January-April 2002 imports of \$441.4 billion. The trade deficit was \$163.6 billion, \$39.3 billion higher than January-April 2002 deficit of \$124.3 billion.

The January-April 2003 trade data show surpluses with Belgium, \$1.8 billion (for January-April 2002, \$1.1 billion); the Netherlands, \$3.1 billion (\$3.3 billion); Hong Kong, \$1.6 billion (\$1.3 billion); Australia, \$1.8 billion (\$1.9 billion); Singapore, \$0.1 billion (\$0.9 billion); and Egypt, \$0.3 billion (\$0.9 billion). Deficits were recorded with Canada, \$18.3 billion (\$15.7 billion); Mexico, \$14.2 billion (\$11.7

billion); Western Europe, \$29.8 billion (\$23.0 billion); the euro area, \$22.6 billion (\$17.9 billion); European Union, \$27.7 billion (\$21.6 billion); France, \$3.4 billion (\$2.7 billion); Germany \$12.0 billion (\$10.4 billion); Italy, \$4.9 billion (\$4.1 billion); United Kingdom, \$2.3 billion (\$1.4 billion); EFTA, \$1.9 billion (\$1.6 billion); Pacific Rim Countries, \$69.4 billion (\$61.6 billion); China, \$34.1 billion (\$26.5 billion); Japan, \$22.3 billion (\$22.8 billion); Korea, \$3.5 billion (\$4.3 billion); Taiwan, \$4.9 billion (\$4.5 billion); Other Pacific Rim, \$8.1 billion (\$7.5 billion); and OPEC, \$17.1 billion (\$9.8 billion). It should be noted, however, that individual European countries shown here are also included in the euro area and in the larger European Union groupings. Likewise individual Asian countries mentioned here are included in Pacific Rim Countries grouping. 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 2002-April 2003

Country/areas	Exports			Imports			Trade balance		Change in exports, Jan.-Apr. 2003 over Jan.-Apr. 2002	Change in imports, Jan.-Apr. 2003 over Jan.-Apr. 2002
	Apr. 2003	Jan.-Apr. 2003	Jan.-Apr. 2002	Apr. 2003	Jan.-Apr. 2003	Jan.-Apr. 2002	Jan.-Apr. 2003	Jan.-Apr. 2002		
	<i>Billion dollars</i>								<i>Percent</i>	
Total (Census basis) .	59.1	232.8	224.6	103.8	401.4	356.9	-168.5	-132.3	3.7	12.5
North America	22.5	86.4	83.4	29.6	118.8	110.7	-32.4	-27.3	3.6	7.3
Canada	14.6	55.9	52.5	18.4	74.1	68.2	-18.3	-15.7	6.4	8.7
Mexico	7.8	30.6	30.9	11.2	44.7	42.5	-14.2	-11.7	-1.0	5.2
Western Europe	14.0	55.0	53.6	22.4	84.8	76.5	-29.8	-23.0	2.8	10.8
Euro Area	9.7	37.4	35.8	15.8	59.9	53.7	-22.6	-17.9	4.3	11.6
European Union	12.8	50.4	48.9	20.6	78.1	70.5	-27.7	-21.6	3.0	10.7
(EU-15)										
France	1.6	6.0	6.8	2.4	9.4	9.5	-3.4	-2.7	-12.2	-1.6
Germany	2.5	9.9	8.9	5.9	21.9	19.3	-12.0	-10.4	11.2	13.4
Italy	0.8	3.3	3.2	2.1	8.2	7.4	-4.9	-4.1	3.3	12.1
Netherlands	1.8	6.8	6.4	1.0	3.6	3.0	3.1	3.3	6.1	19.5
United Kingdom	2.7	11.5	11.5	3.5	13.7	12.9	-2.2	-1.4	-0.1	6.6
Other EU	1.0	3.8	3.5	2.7	10.1	8.3	-6.3	-4.8	9.4	21.7
EFTA ¹	0.8	3.1	3.1	1.4	5.1	4.7	-1.9	-1.6	1.6	8.8
Eastern Europe/ FSR ²	0.5	2.0	2.3	1.4	5.8	3.9	-3.8	-1.7	-10.2	48.3
Russia	0.2	0.7	0.8	0.6	2.7	1.6	-2.0	-0.8	-15.2	68.7
Pacific Rim										
Countries	14.7	59.0	55.8	34.2	128.5	117.5	-69.4	-61.6	5.7	9.4
Australia	0.9	3.7	3.9	0.5	1.9	2.0	1.8	1.9	-3.2	-1.6
China	2.1	8.6	6.3	11.5	42.7	32.8	-34.1	-26.5	36.6	30.1
Japan	4.5	17.0	16.5	10.4	39.3	39.3	-22.3	-22.8	3.4	0.2
NICs ³	5.4	22.4	21.9	7.6	29.1	28.6	-6.7	-6.6	2.1	2.0
Latin America	4.0	16.5	16.6	6.8	24.4	20.1	-7.9	-3.4	-0.6	21.6
Argentina	0.2	0.7	0.5	0.2	1.0	0.9	-0.4	-0.5	44.3	9.5
Brazil	0.8	3.4	4.2	1.4	5.6	4.5	-2.2	-0.3	-18.1	26.3
OPEC	1.3	5.3	5.6	6.3	22.4	15.4	-17.1	-9.8	-5.2	45.0
Other Countries	2.4	10.0	9.5	5.6	23.6	19.4	-13.6	-10.0	5.6	21.6
Egypt	0.2	0.7	1.2	0.1	0.5	0.3	0.3	0.9	-39.2	60.9
South Africa	0.2	0.8	0.7	0.3	1.3	1.2	-0.6	-0.5	3.8	11.6

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 June 13, 2003, found at Internet address <http://www.bea.doc.gov/bea/newsrel/tradnewsrelease.htm>.

