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U.S. International Trade: Data and Forecasts

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U.S. International Trade: Data and Forecasts

SUMMARY

In 2002 the United States incurred a merchandise trade deficit of $470.1 billion on a Census basis and $484.3 billion on a balance- of-payments basis (BoP). A surplus in services trade of $49.1 billion gave a deficit of $435.2 billion on goods and services (BoP) for the year. Year-to-date (January-October), the trade deficit in goods and services, at $409 billion (BoP basis), is 21% higher compared to the same period in 2002.

Overall U.S. trade deficits reflect a shortage of savings in the domestic economy and a reliance on capital imports to finance that shortfall. Capital inflows may support a strong dollar which, along with foreign trade barriers, can help make U.S. products relatively expensive in some overseas locations, thereby contributing to a trade deficit in goods. Outsourcing by U.S. companies also creates foreign competition for U.S.-made goods, although it generates foreign demand for U.S.-made components as well. Trade deficits are a concern for Congress because they may generate trade friction and pressures for the government to do more to open foreign markets, shield U.S. producers from foreign competition, or assist U.S. industries to become more competitive.

Since 1976, the United States has incurred continual merchandise trade deficits. They increased dramatically from $36.5 billion in 1982 to a peak in 1987 at $159.6 billion. The deficit dropped to $74.1 billion in 1991 but rose to $436.1 billion in 2000 and to $470.1 billion in 2002. (Census basis).

Much of the improvement in the U.S. trade deficit between 1987 and 1991 resulted from a depreciation of the dollar and the recession in 1990-1991. The multilateral trade-weighted real value of the U.S. dollar reached a high in 1985, then dropped sharply from 1986 through 1988. The worsening of the deficit in 1993-95 can be attributed primarily to the faster recovery from recession in the United States than in Europe or Japan. In 1997-99, the Asian financial crisis caused a sizable fall in U.S. exports to Asia and a marked increase in U.S. imports from Asia as well as rising U.S. imports of capital.

In 2002, total U.S. goods trade totaled $1.85 trillion, compared to $1.87 trillion in 2001 and $2 trillion in 2000, with exports of $693 billion and imports of $1,163 billion (Census basis). In 2002, U.S. exports decreased by 4.8%, while imports increased by 2%.

The broadest measure of U.S. international economic transactions is the balance on current account. In addition to merchandise trade, it includes trade in services and unilateral transfers. In 2002, the current account deficit jumped to an estimated $503 billion from $393 billion in 2001. After reaching a peak of $160.7 billion in 1987, the current account deficit had fallen steadily through 1991, when it reached a surplus of $3.8 billion, before turning into deficit again. Economic projections indicate that the current account deficit will rise to about $546 billion in 2003.

In trade in advanced technology products, the U.S. surplus dropped from $29.6 billion in 1998 to $4.4 billion in 2001. The balance turned to a deficit of $17.4 billion in 2002. In trade in passenger automobiles, the United States has been running a deficit, particularly with Japan, Canada, Germany, and Mexico.

Most Recent Developments

Year-to-date (January-October), the trade deficit in goods and services, at $409 billion (BoP basis), is 21% higher compared to the same period in 2002. The 2003 cumulative (January-October) deficit on goods trade with China was $103 billion (Census basis), with the European Union was $76.6 billion, with Japan was $54.5 billion, with Mexico was $34.4 billion, and with the Asian Newly Industrialized Countries (Hong Kong, South Korea, Singapore, and Taiwan) was $17.7 billion.

Background and Analysis

Background

The rising U.S. trade deficit was viewed by many analysts as one of the few negatives as the American economy boomed over the 1990s. As the economy has slowed, the deficit's rate of growth also has declined somewhat. Still, the U.S. deficits on goods trade and current account have roughly doubled over the past 2 years. Historically, between 1980 and 1987, both trade and current account deficits expanded but then decreased substantially between 1988 and 1991. Since then, both have risen again and have been running at record-breaking levels. This issue brief provides historical and current data as well as some forecasts on U.S. trade and current accounts.

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

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

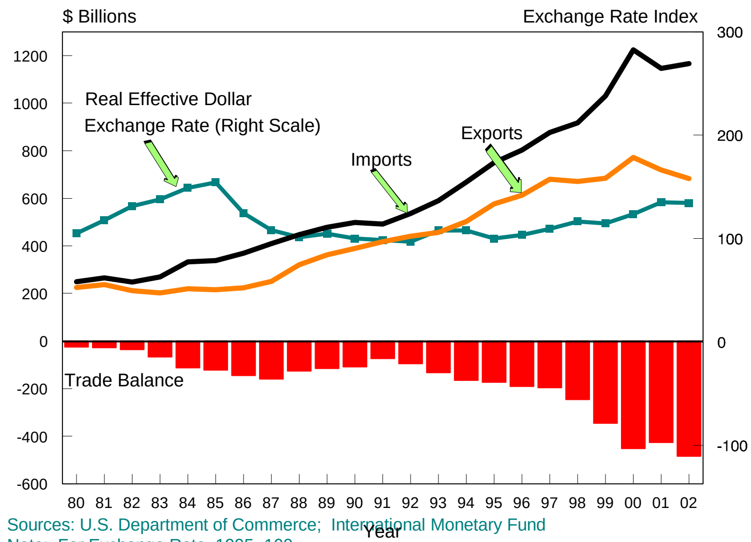
The U.S. government compiles trade data in four different ways. The data are first reported on a Census or Customs basis. These numbers are then adjusted and reported on an international transactions basis, which is essentially the same as the balance of payments (BoP) basis (including adjustments for valuation, coverage, and timing and excluding military transactions). The data are finally reported in terms of national income and product accounts (NIPA). In 2002, for example, the U.S. merchandise trade deficit on a Census basis was $470.1 billion, on a balance-of-payments basis was $484.3 billion, and on a NIPA basis was $488.5 billion. Most bilateral and sectoral data are reported only on a Census basis.

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

U.S. Merchandise Trade Balance

The merchandise (goods) trade balance is the most widely known and frequently used indicator of U.S. international economic activity (see **Figure 1**). In 2002, total U.S. merchandise trade on a Census basis amounted to $1.85 trillion, with exports of $693 billion and imports of $1,163 billion. The U.S. merchandise trade deficit rose 14.2% in 2002 to $470.1 billion (Census basis), following a 5.7% decrease in 2001. Prior to 1992, the deficit had decreased for 4 consecutive years, from a previous peak of $159.6 billion in 1987 to $74.1 billion in 1991. The increase in the trade deficit to 2000 was due largely to sluggish demand for U.S. exports, caused primarily by a combination of capital inflows into the U.S. market with slow economic recovery in other countries and increasing demand for imports caused mainly by faster economic growth in the United States. As a share of gross domestic product (GDP), the deficit on goods trade rose from 1.9% in 1990 to 4.6% in 2002.

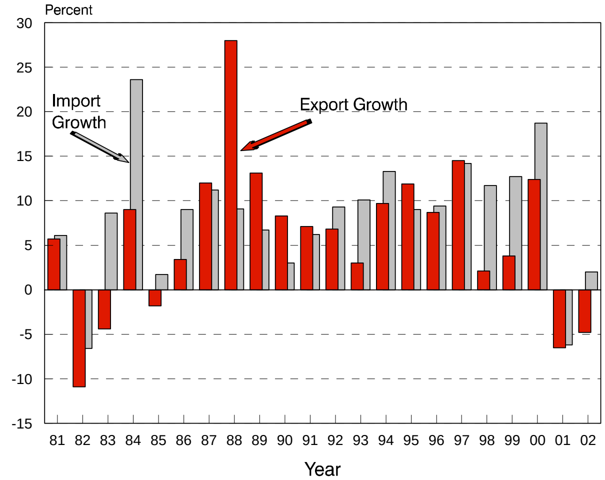
Figure 1. U.S. Imports, Exports, Merchandise Trade Balance, and Real Effective Dollar Exchange Rate, 1980-2002



Sources: U.S. Department of Commerce; International Monetary Fund
Note: For Exchange Rate, 1995=100

As shown in **Table 1** and **Figure 2,** U.S. merchandise exports decreased in 1998 for the first time since 1985, and again fell in 2001 and 2002 in response to the global slowdown. In general, however, they have been increasing each year. The rate of growth of imports has also been high, although they too fell by 6.2% in 2001 before recovering slightly in 2002. In 2002, imports exceeded exports by 68% — exceeding the previous peak of 64% in 1987. The fact that imports exceeded exports by 68% in 2002, however, implies that U.S. exports must grow 68% faster than imports just for the trade deficit to stay the same.

Figure 2. Annual Growth in U.S. Exports and Imports, 1981-2002 (Census Basis)

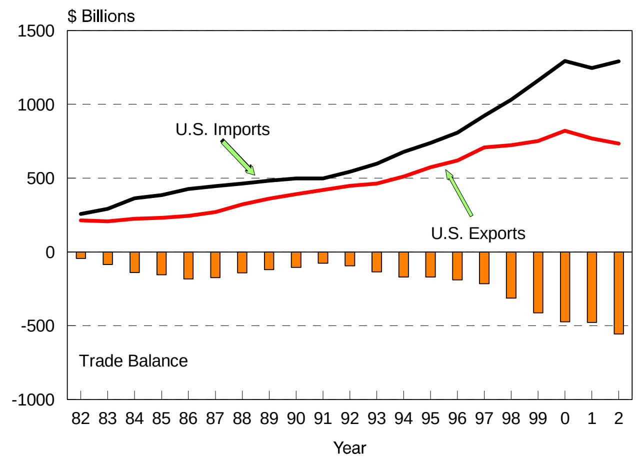


Source: U.S. Department of Commerce

Merchandise Trade Balance in Volume Terms

Like other economic variables, exports and imports, reported in terms of their values, can change merely because prices change. Trade data, therefore, can be adjusted for inflation by dividing by a price index (currently based on prices and weights in 1996). Such corrected data are referred to as "volume" and not "real," because some trade commodities actually are reported in volume terms (e.g., tons of wheat). The volume data provide a more accurate picture of how the underlying flows of merchandise are changing.

Figure 3. U.S. Exports, Imports, and Trade Balance by Volume (1996 base), 1982-2002



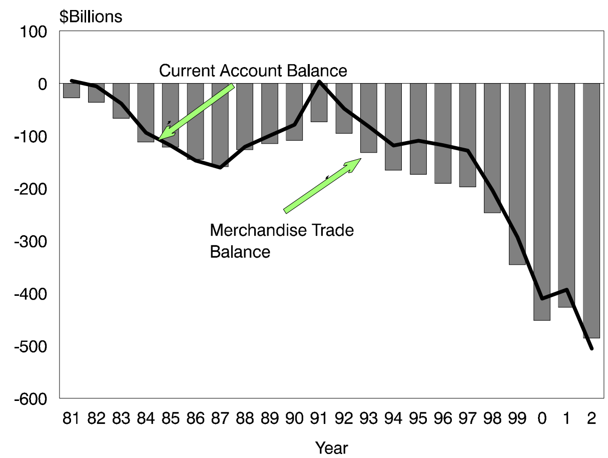
Source: U.S. Department of Commerce Bureau of Economic Analysis

As shown in **Table 2** and **Figure 3**, the constant-dollar value, or physical volume, of merchandise exports decreased by 4.6% and 6.3% in 2002 and 2001, respectively, compared to increases of 11.6% in 2000 and 4% in 1999. The physical volume of imports increased by 3.6% in 2002 compared to a decrease of 3.6% in 2001. In 2000, merchandise imports grew by 13.5%. Because the growth in merchandise imports is higher than the growth of exports and because imports exceed exports by over 75% on a physical volume basis, the U.S. trade deficit in terms of volume is also increasing. In recent years, the deficit in volume terms has varied relative to the deficit in value terms partly because of fluctuations in oil import prices (when oil prices rise, the deficit in value rises relative to that in volume terms).

Current Account Balance

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

Figure 4. U.S. Current Account and Merchandise Trade Balances, 1981-2002



Source: DRI-WEFA, Inc., March 2003

Table 3 summarizes the components of the U.S. current account. The U.S. deficit on current account fell from a record-high $160.7 billion in 1987, to $79.0 billion in 1990, and rose to a $3.8 billion surplus in 1991 (primarily because of payments to fund the Gulf War by Japan and other nations). However, in 1992, the current account deficit increased significantly to $48.5 billion and again to $82.7 billion in 1993, $118.6 billion in 1994, $117.8 billion in 1996, $203.8 billion in 1998, and increased to $410.3 billion in 2000 or 4.2% of GDP — up from 1.3% in 1990. In 2001, the current account deficit fell to $393.4 billion or 3.9% of GDP, but rose again in 2002 to an estimated $503 billion or 4.8% of GDP.

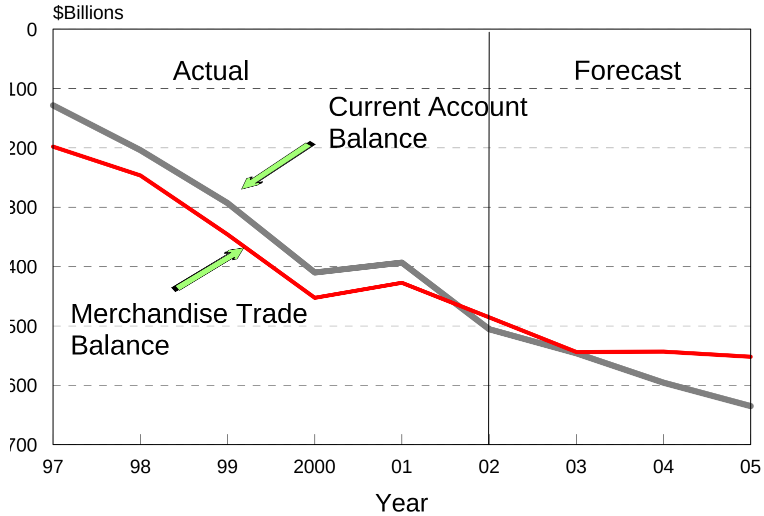
Since the merchandise trade balance comprises the greater part of the current account, the two tend to track each other. Unlike the merchandise trade balance, however, the services account has been in surplus since 1975. In 2002, the United States surplus in services trade was $49.1 billion (a drop from $68.8 billion in 2001). Since Americans are such large investors in foreign economies, the United States traditionally has had a surplus in its investment income. This surplus on income from investments, an amount that reached as high as $36.3 billion in 1983, dropped to a deficit of $11.8 billion in 2002. The U.S. deficit in unilateral transfers at an estimated $56 billion in 2002 reflects a rising trend and is roughly double the level of the late-1980s. This partially offsets the U.S. surplus in services.

Forecasts

According to Global Insight, a leading U.S. economic forecasting firm, in 2003 the U.S. merchandise (goods) trade deficit is expected to increase to about $544 billion on a balance-of-payments basis (see **Figure 5**). In 2004, the deficit is projected to decrease slightly to $543.3 billion (see **Table 4**). As for the U.S. current account deficit, Global

Insight projects it to increase to around $546 billion in 2003 and to rise further to $596 billion in 2004.

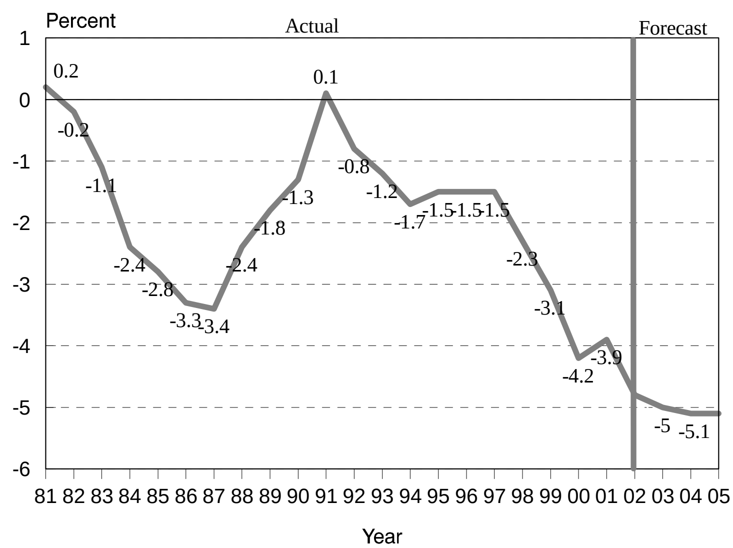
Figure 5. U.S. Merchandise Trade and Current Account Deficit, Actual from 1997 and Forecast to 2005 (in current dollars)



Source: Actual from U.S. Department of Commerce. Forecast from DRI-WEFA, Inc., March 2003.

Figure 6 shows the current account balance as a percent of U.S. gross domestic product. It has grown in magnitude from near zero in 1980 to -4.8% in 2002 and is projected to rise to -5.1% in 2004.

Figure 6. U.S. Current Account Balance as a Percent of U.S. Gross Domestic Product, 1981 to 2005 (forecast)



Data from U.S. Department of Commerce. Forecasts by DRI-WEFA, Inc., March 2003

U.S. Bilateral Trade Balances

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

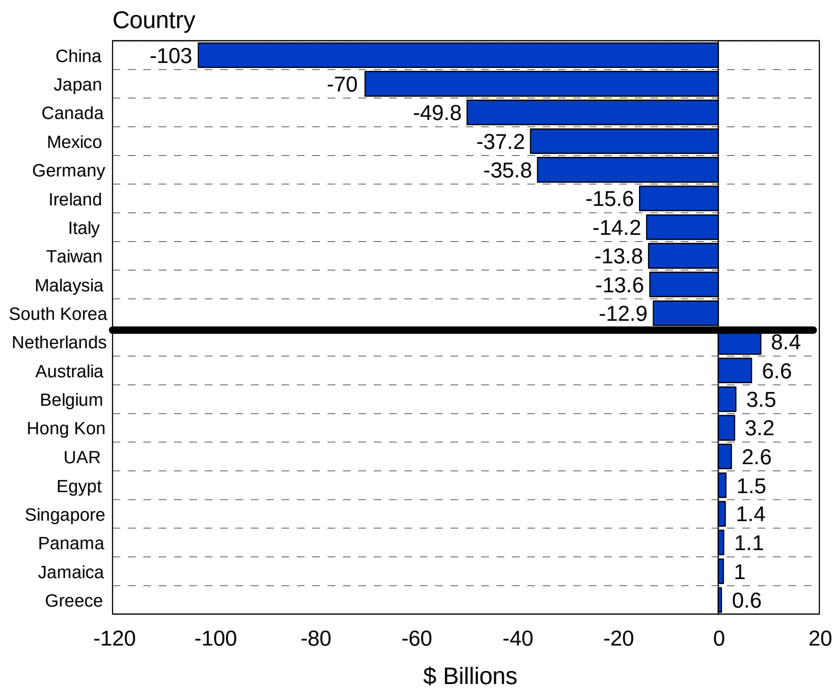
Most of the U.S. trade deficit can be accounted for by trade with China, Japan, Canada, Mexico, and Germany. Trade with the oil exporting countries also is in deficit. U.S. trade surpluses occur in trade with the Netherlands, Australia, Belgium, Hong Kong, and other countries (see **Figure 7**). In 2002, Canada was America's largest merchandise trading partner, followed by Mexico, Japan, China, and Germany. **Table 6** lists the United States' top 30 trading partners ranked by trade turnover (imports plus exports). Trade with Canada accounts for 20% of total U.S. trade. By far, Canada is the largest supplier of U.S. imports and the top purchaser of U.S. exports. Trade with Mexico accounts for 12%, and trade with Japan accounts for 9% of total U.S. trade. Trade with China, which accounts for 8% of total U.S. trade, is expanding rapidly.

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

Table 9 shows U.S. trade in advanced technology products. This includes about 500 commodity codes representing products whose technology is from a recognized high technology field (e.g., biotechnology) or that represent the leading technology in a field. The United States long ran a surplus in these products, but that surplus dropped sharply in 2000 and fell into deficit in 2002. The surplus decreased from $32.2 billion in 1997 to $29.6 billion in 1998 and again in 1999 to $19.1 billion. In 2000, the surplus dropped to $5.3 billion. In 2002, the deficit in U.S. trade in advanced technology products was $17.4 billion.

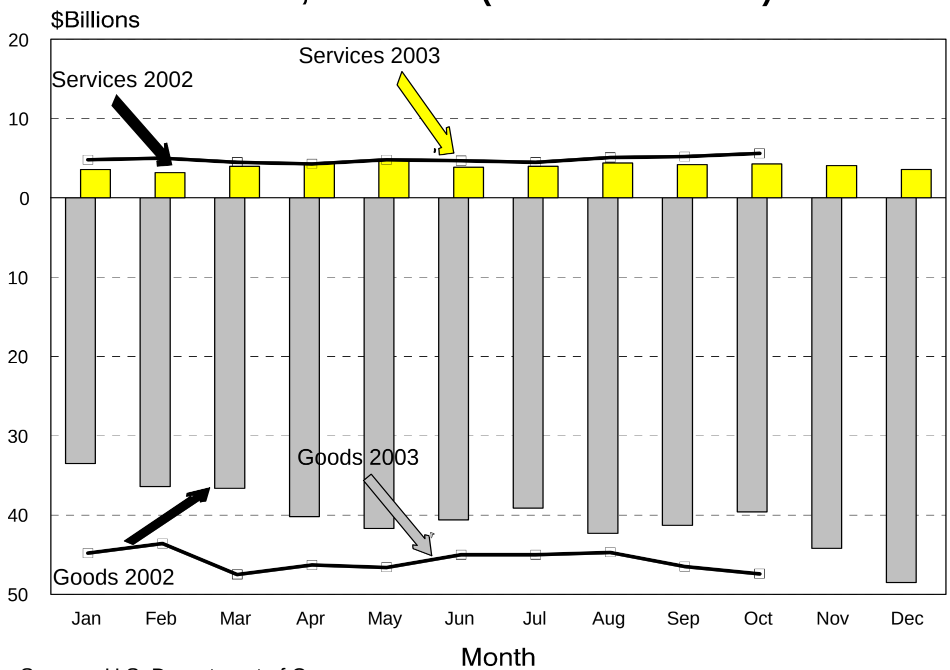
Table 10 provides data on trade in passenger cars with major automobile producing nations for 2002. This does not include foreign cars assembled in the United States. The United States incurs the largest deficits in this trade with Japan, Canada, Germany, Mexico, and South Korea.

Figure 7. U.S. Merchandise Trade Balances with Selected Nations, 2002



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

Figure 8. U.S. Balance of Trade in Goods and Services by Month, 2002-2003 (in Current Dollars)



Source: U.S. Department of Commerce

Table 1. U.S. Exports, Imports, and Merchandise Trade Balances, 1981-2002

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

Year	Exports f.a.s.[a]	Imports, Customs	Merchandise Trade Balance
1981	233.7	261.3	-27.6
1982	212.3	243.9	-31.6
1983	201.7	261.7	-60.0
1984	218.7	330.5	-111.8
1985	212.6	336.4	-123.8
1986	226.4	365.7	-139.3
1987	253.9	406.3	-152.4
1988	323.3	441.9	-118.6
1989	362.9	473.4	-110.5
1990	392.9	495.2	-102.3
1991	421.8	487.1	-65.3
1992	448.2	532.6	-84.4
1993	464.8	580.5	-115.7
1994	512.6	663.2	-150.6
1995	584.7	743.5	-158.8
1996	625.1	795.3	-170.2
1997	689.2	869.7	-180.5
1998	682.1	911.9	-229.8
1999	695.8	1,024.6	-328.8
2000	781.9	1,218.0	-436.1
2001	730.9	1,142.3	-411.4
2002	693.5	1,163.6	-470.1

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

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

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

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

Table 2. U.S. Merchandise Trade in Volume Terms, 1992-2002

(billions of chained 1996 dollars)

Year	Exports	Export Growth	Imports	Import Growth	Net Exports
1992	449.8	6.8	543.7	9.3	-93.9
1993	463.4	3.0	598.5	10.1	-135.0
1994	508.2	9.7	677.9	13.3	-169.7
1995	568.8	11.9	739.1	9.0	-170.3
1996	618.4	8.7	808.3	9.4	-189.1
1997	708.1	14.5	923.1	14.2	-215.0
1998	722.9	2.2	1031.4	11.8	-308.5
1999	751.3	4.0	1159.2	12.5	-407.9
2000	820.5	11.6	1293.4	13.5	-472.9
2001	769.1	-6.3	1246.5	-3.6	-477.4
2002	733.9	-4.6	1291.0	3.6	-557.1

Source: Bureau of Economic Analysis, *Survey of Current Business*, April 2003.

Table 3. U.S. Current Account Balances: 1984 to 2002

(billions of U.S. dollars)

Calendar Year	Merchandise Trade Balance [a]	Services Balance [b]	Investment Income Balance [c]	Net Unilateral Transfers [d]	Current Account Balance [e]
1984	-112.5	3.4	35.1	-20.3	-94.3
1985	-122.2	0.3	25.7	-22.0	-118.2
1986	-145.1	6.5	15.5	-24.1	-147.2
1987	-159.6	7.9	14.3	-23.3	-160.7
1988	-127.0	12.4	18.7	-25.3	-121.2
1989	-115.2	24.6	19.8	-26.2	- 99.4
1990	-109.0	30.2	28.6	-26.7	-79.0
1991	-74.1	45.8	24.1	10.8	3.8
1992	-96.1	60.4	23.0	-35.0	-48.5
1993	-132.6	63.7	23.9	-37.6	-82.7
1994	-166.2	69.1	21.1	-38.3	-118.6
1995	-173.7	77.8	25.0	-34.0	-109.5
1996	-191.3	89.2	28.6	-40.1	-117.8
1997	-198.1	90.4	25.1	-40.8	-128.4
1998	-246.7	79.8	12.7	-44.5	-203.8
1999	-346.0	83.8	23.9	-48.8	-292.8
2000	-452.4	73.7	27.7	-53.4	-410.3
2001	-427.2	68.9	20.5	-49.5	-393.4
2002	-484.3	48.8	-11.8	-56.0	-503.4

Source: U.S. Department of Commerce. Global Insight, Inc., March 2003.

a. On a balance-of-payments basis.
b. Includes travel, transportation, fees and royalties, insurance payments, other government and private services, and investment income.
c. Income receipts on U.S. assets abroad minus income payments on foreign assets in the United States.
d. International transfers of funds, such as private gifts, pension payments, and government grants for which there is no *quid pro quo*.
e. The trade balance plus the service balance plus investment income balance plus net unilateral transfers, although conceptually equal to the current account balance, may differ slightly as a result of rounding errors.

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

(billions of U.S. dollars)

	Actual					Forecast	
	1998	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Merchandise Trade							
Exports							
Actual	670.3	684.4	772.2	718.7	682.5	—	—
Global Insight[a]	—	—	—	—	—	739.0	812.8
Imports							
Actual	917.2	1029.9	1224.4	1145.9	1166.9	—	—
Global Insight[a]	—	—	—	—	—	1285.7	1358.3
Trade Balance							
Actual	-246.9	-345.6	-452.2	-427.2	-484.3	—	—
Global Insight[a]	—	—	—	—	—	-543.9	-543.3
Services Trade Balance							
Actual	80.0	83.6	73.7	68.9	48.9	—	—
Global Insight[a]	—	—	—	—	—	73.4	94.1
Current Account Balance							
Actual	-203.8	-292.9	-410.3	-393.4	503.4	—	—
Global Insight[a]	—	—	—	—		-545.8	-595.8

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

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

Table 5. U.S. Merchandise Trade Balances with Selected Nations: 1998-2002

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

Country	1998	1999	2000	2001	2002
Total	-233,411	-331,945	-436,104	-411,389	-470,104
North America	-36,391	-57,073	-76,475	-83,190	-86,920
Canada	-20,692	-34,411	-51,897	-53,266	-49,760
Mexico	-15,699	-22,662	-24,577	-29,924	-37,202
Western Europe	-28,722	-47,256	-59,152	-63,985	-89,218
European Union	-26,896	-43,723	-54,954	-60,856	-82,368
United Kingdom	4,278	-853	-1,775	-599	-7,617
Germany	-23,182	-28,305	-29,064	-29,037	-35,852
France	-6,349	-7,071	-9,439	-10,400	-9,389
Italy	-11,986	-12,344	-13,982	-13,908	-14,201
Netherlands	11,413	10,939	12,165	10,024	8,471
European Free Trade Association (EFTA)	-2,856	-4,116	-4,634	-3,332	-6,324
Former Soviet Republics	-2,115	-4,123	-6,922	-4,096	-4,503
Eastern Europe	-3,621	-6,187	-10,166	-7,678	-8,283
Pacific Rim Countries	-160,376	-185,969	-215,434	-194,393	-215,005
Japan	-64,093	-73,920	-81,555	-68,962	-70,055
China	-56,897	-68,668	-83,833	-83,045	-103,115
Newly Industrialized Countries (NICS)	-22,663	-24,211	-26,814	-21,093	-22,073
Singapore	-2,684	-1,941	-1,372	2,712	1,429
Hong Kong	2,385	2,116	3,133	4,423	3,283
Taiwan	-14,966	-16,077	-16,097	-15,240	-13,805
Republic of Korea	-7,398	-8,308	-12,478	-12,988	-12,979
South/Central American Countries	-2,669	-25,845	-38,233	-38,982	-17,902
Argentina	3,633	2,339	1,596	913	-1,595
Brazil	5,034	1,935	1,468	1,466	-3,403
Colombia	165	-2,743	-3,297	-2,091	-2,018
OPEC	-8,771	-21,812	-48,012	-39,688	-34,482
Venezuela	-2,666	-5,981	-13,073	-9,552	-10,662
Indonesia	-7,047	-7,575	-7,965	-7,605	-7,063
Saudi Arabia	4,279	-342	-8,131	-7,363	-8,364
Nigeria	-3,375	-3,733	-9,816	-7,829	-4,907

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

Table 6. Top 30 U.S. Trading Partners Ranked by Total Trade in Goods (Exports + Imports) in 2002

(millions of U.S. dollars)

Country	Total Trade	Exports (f.a.s.)	Imports (customs)	Trade Balance
World total	**1,857,138**	**693,517**	**1,163,621**	**-470,104**
Canada	371,418	160,829	210,589	-49,761
Mexico	232,263	97,531	134,732	-37,201
Japan	172,934	51,440	121,494	-70,054
China	147,220	22,053	125,167	-103,115
Germany	89,108	26,628	62,480	-35,852
United Kingdom	74,122	33,253	40,869	-7,616
Korea, South	58,171	22,596	35,575	-12,979
Taiwan	50,593	18,394	32,199	-13,805
France	47,427	19,019	28,408	-9,389
Italy	34,379	10,089	24,290	-14,201
Malaysia	34,357	10,348	24,009	-13,661
Singapore	31,013	16,221	14,792	1,429
Ireland	29,136	6,749	22,387	-15,638
Brazil	28,220	12,408	15,812	-3,403
Netherlands	28,197	18,333	9,864	8,471
Belgium	23,177	13,342	9,835	3,508
Hong Kong	21,939	12,611	9,328	3,283
Thailand	19,658	4,859	14,799	-9,939
Australia	19,561	13,083	6,478	6,606
Venezuela	19,554	4,446	15,108	-10,661
Israel	19,481	7,039	12,442	-5,402
Philippines	18,255	7,270	10,985	-3,715
Saudi Arabia	17,921	4,778	13,143	-8,364
Switzerland	17,163	7,781	9,382	-1,600
India	15,915	4,098	11,817	-7,720
Sweden	12,441	3,154	9,287	-6,133
Indonesia	12,223	2,580	9,643	-7,062
Spain	10,902	5,225	5,677	-452
Russia	9,222	2,398	6,824	-4,426
Columbia	9,194	3,588	5,606	-2,017

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

Table 7. Top 10 U.S. Deficit Trading Partners: 2002

(billions of U.S. dollars, Customs basis)

Country	U.S. Exports (f.a.s.)	U.S. Imports (customs)	Trade Balance
China	22.0	125.1	-103.1
Japan	51.4	121.5	-70.1
Canada	160.8	210.6	-49.8
Mexico	97.5	134.7	-37.2
Germany	26.6	62.4	-35.8
Ireland	6.7	22.4	-15.7
Italy	10.0	24.3	-14.3
Taiwan	18.4	32.2	-13.8
Malaysia	10.3	24.0	-13.7
South Korea	22.6	35.5	-12.9
Venezuela	4.4	15.1	-10.7

Source: Compiled from official statistics of the U.S. Department of Commerce by CRS using the International Trade Commission's (ITC) Dataweb [http://dataweb.usitc.gov].

Table 8. U.S. Current Account Balances With Selected U.S. Trading Partners, 2002

(billions of U.S. dollars)

Country	Merchandise Trade Balance [a]	Services Balance [b]	Investment Income Balance [c]	Net Unilateral Transfers [d]	Current Account Balance [e]
All Countries	-484.3	48.8	-11.8	-56.0	-503.4
Canada	-52.3	4.8	13.7	-.8	-34.6
Japan	-71.8	11.7	-23.4	-.3	-83.7
United Kingdom	-8.5	3.1	-35.6	1.4	-39.6
European Union	-85.1	9.6	-19.6	-.1	-95.2
Eastern Europe	-8.5	1.9	.3	-3.8	-10.1
Latin America	-56.9	4.3	-.6	-17.5	-70.8

Source: U.S. Bureau of Economic Analysis, *Survey of Current Business*, April 2003.

a. On a balance-of-payments basis.

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

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

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

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

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

(billions of U.S. dollars)

Year	U.S. Exports	U.S. Imports	Trade Balance
1990	93.4	59.3	34.1
1991	101.6	63.3	38.3
1992	107.1	71.9	35.2
1993	108.4	81.2	27.2
1994	120.7	98.1	22.6
1995	138.4	124.8	13.6
1996	154.9	130.4	24.5
1997	179.5	147.3	32.2
1998	186.4	156.8	29.6
1999	200.3	181.2	19.1
2000	227.4	222.1	5.3
2001	200.1	195.3	4.4
2002	178.6	196.1	-17.4
Jan-Oct 2003	146.4	168.4	-22.0

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

Table 10. U.S. Trade in Passenger Automobiles by Selected Countries, 2002

(millions of U.S. dollars)

Trading Partner	U.S. Exports	U.S. Imports	Trade Balance
Total World	20,535	114,062	-93,527
Canada	10,149	31,001	-20,852
Germany	2,788	17,790	-15,002
Korea	89	6,802	-6,713
Japan	460	35,044	-34,584
Mexico	3,135	13,350	-10,215
United Kingdom	633	4,020	-3,387

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