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U.S. Trade with Free Trade Agreement (FTA) Partners

(name redacted)
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Summary

The United States is considering two mega-regional free trade agreements that its participants argue are comprehensive and high-standard: the recently concluded Trans-Pacific Partnership (TPP) among the United States and 11 other countries, and the U.S.-European Transatlantic Trade and Investment Partnership (T-TIP), still under negotiation. The 12 TPP countries signed the agreement in February 2016, but the agreement must be ratified by each country before it can enter into force. In the United States, this requires implementing legislation by Congress. Discussions of these and other FTAs often focus on trade balances, particularly U.S. bilateral merchandise trade balances with its FTA partner countries, as one way of measuring the success of the agreement. Although bilateral merchandise trade balances can provide a quick snapshot of the U.S. trade relationship with a particular country, most economists argue that such balances serve as incomplete measures of the comprehensive nature of the trade and economic relationship between the United States and its FTA partners. Indeed, current trade agreements include trade in services, provisions for investment, and trade facilitation, among others that are not reflected in bilateral merchandise trade balances.

This report presents data on U.S. merchandise (goods) trade with its Free Trade Agreement (FTA) partner countries. The data are presented to show bilateral trade balances for individual FTA partners and groups of countries representing such major agreements as the North America Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement and Dominican Republic (CAFTA-DR) relative to total U.S. trade balances. This report also discusses the issues involved in using bilateral merchandise trade balances as a standard for measuring the economic effects of a particular FTA.

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Background

The United States is considering two mega-regional free trade agreements that its participants argue are comprehensive and high-standard: the recently concluded Trans-Pacific Partnership (TPP) among the United States and 11 other countries, and the U.S.-European Transatlantic Trade and Investment Partnership (T-TIP), still under negotiation. The 12 TPP countries signed the agreement in February 2016, but the agreement must be ratified by each country before it can enter into force. In the United States, this requires implementing legislation by Congress. The agreements aim to reduce and eliminate barriers to trade, enhance trade rules and disciplines, and develop closer economic and strategic ties among the negotiating parties.

These negotiations are sparking a debate over the impact of FTAs on the U.S. economy and on U.S. trade with its FTA partners, particularly the impact of FTAs on bilateral trade balances.[1] At times, data on U.S. trade with FTA partner countries are provided by various groups in different formats, which present various conclusions about U.S. trade balances with FTA partners. This report presents U.S. trade data with its FTA partners in different ways in order to demonstrate the effect these differences have on conclusions about U.S. trade balances. It also provides some basic information on the nature of U.S. bilateral trade with its 20 FTA partner countries. In particular, the data indicate U.S. total trade balances, trade balances with all FTA partners, and trade balances with the 17 FTA partners with agreements signed after 2000, which excludes Israel, Canada, and Mexico.

Between 1985 and 2011, the United States entered into 14 FTAs with 20 countries. The countries and the year in which the agreement received congressional approval are listed in **Table 1**.

Table 1. U.S. Free Trade Agreements and Date of Congressional Approval

Israel (1985)	Canada (1987)
Canada FTA subsumed with Mexico under the North American Free Trade Agreement (NAFTA) (1994)	Jordan (2001)
Australia (2004)	Chile (2004)
Singapore (2004)	Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) (2005)
Morocco (2006)	Bahrain (2006)
Oman (2006)	Peru (2007)
Colombia (2011)	Panama (2011)
South Korea (2011)	

Source: Office of the United States Trade Representative.

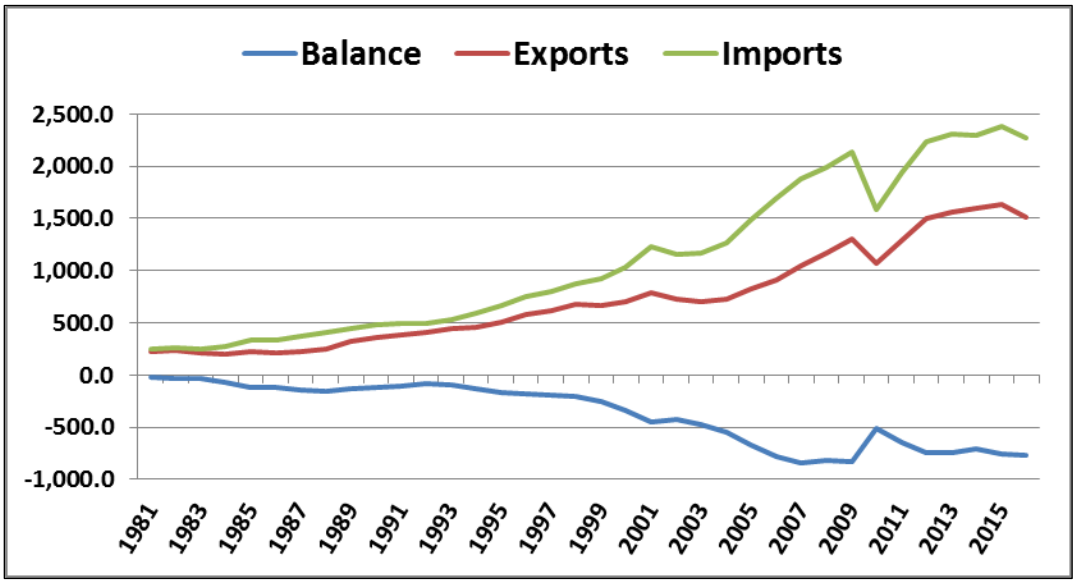
The U.S. Census Bureau is the official source for data on U.S. import and export statistics for goods and services. In this memorandum, U.S. trade data are represented by Census Bureau data on U.S. total merchandise exports and U.S. total merchandise imports. Data on services are not

[1] For additional information, see CRS Report R44546, *The Economic Effects of Trade: Overview and Policy Challenges*, by (name redacted) , and CRS Report R44551, *The Trans-Pacific Partnership (TPP): Analysis of Economic Studies*, by (name redacted) .

included in this report, primarily due to the lack of significant data on trade in services for a number of the countries with which the United States has negotiated an FTA. The merchandise trade data reported by the Census Bureau are comparable to the types of data that are reported by other countries. U.S. merchandise trade, or trade in goods, with FTA partner countries represents nearly 70% of all U.S. exports in goods and services, and more than 80% of all U.S. imports of goods and services.[2] As indicated in **Figure 1**, the United States consistently has experienced a deficit in its merchandise goods trade account since at least 1980. U.S. merchandise exports and imports, and global trade generally, dropped sharply in 2009 as a result of the global financial crisis, which limited the amount of funds that were available for trade financing, and the economic recession that negatively affected consumer spending and business investment.

Figure 1. U.S. Merchandise Trade: Exports, Imports, and Balances, 1980-2015

(in billions of dollars)



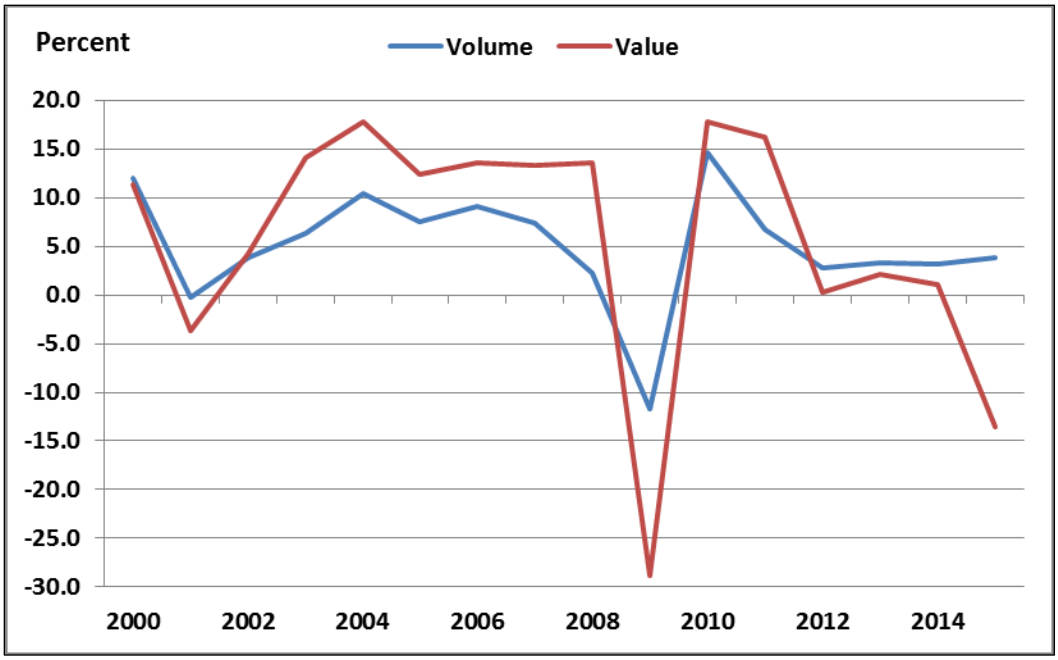
Source: U.S. Census Bureau.

Global trade also has slowed in both volume and value terms since 2010, as indicated in **Figure 2**. In part, the slowdown may reflect legacy issues associated with the 2008-2009 global financial crisis and recession. The value of trade has fallen, likely due to the drop in commodity and oil prices, especially since 2014, reflecting changes in the direction of China's economic policies, among other factors.[3] The slowdown in trade volumes, however, likely reflects in large part the slowdown in the rate of global economic growth.

[2] Council of Economic Advisors, *Economic Report of the President*, February, 2015, p. 390, Table B-5.

[3] See CRS Report RS22204, *U.S. Trade Deficit and the Impact of Changing Oil Prices*, by (name redacted) .

Figure 2. Global Trade, Percent Change, Volume and Value, 2000-2015



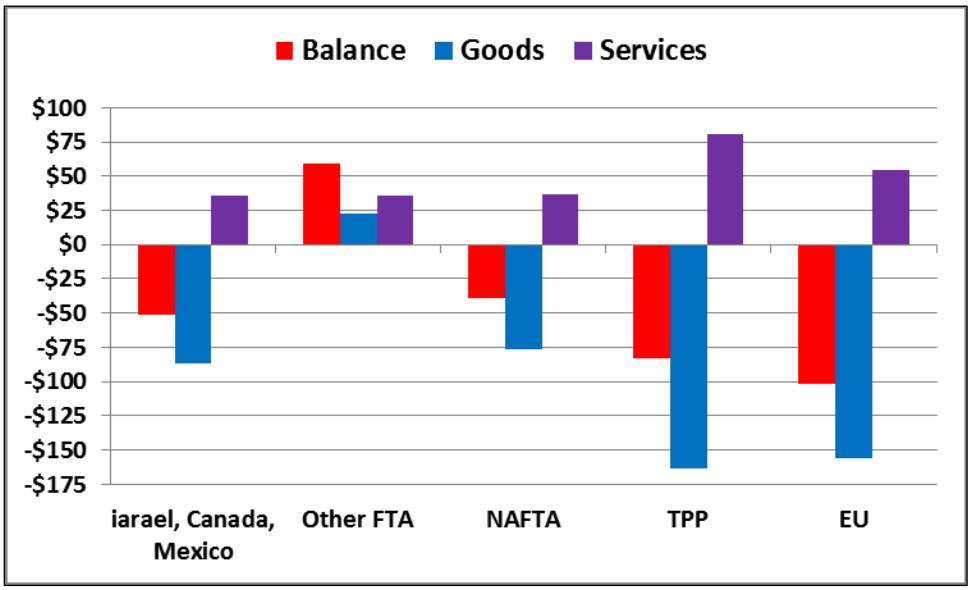
Source: International Monetary Fund.

U.S. Trade with FTA Partner Countries

As **Table 2** indicates, the United States experienced a merchandise trade deficit in 2015 of $762.6 billion and a surplus in services trade of $262 billion, for a combined total of -$500 billion. During the same year, the United States ran a merchandise trade deficit of $64.0 billion with the 20 FTA partner countries and a services surplus of $71.8 billion, or a goods and services balance of $7.8 billion. In trade with the European Union in 2015, the United States ran a goods deficit of $156 billion and a services surplus of $54 billion, or a combined goods and services deficit of $101 billion, as indicated in **Figure 3**. The United States also experienced a deficit in goods trade in 2015 of $164 billion and a services surplus of $81 billion, or a combined total of -$83 billion, mostly with Japan, Mexico, and Vietnam.

Figure 3. U.S. Merchandise and Services Balances With Major Partner Groups, 2015

(in billions of dollars)



Source: Department of Commerce.

In 2015, the 20 FTA partner countries accounted for $710 billion in U.S. goods exports, or 47% of total U.S. goods exports, and $774 billion in goods imports, or 34% of total U.S. goods imports. U.S. merchandise trade data with FTA partners has been expressed in various ways, including the total for all 20 FTA partners, and various subgroups of these 20 partners, as indicated in **Table 2**, which lists FTA partners in the order in which the trade agreement was implemented. For instance, U.S. trade with FTA partners has been expressed by some as trade with only 17 of the FTA partners, or trade with those countries that implemented an FTA after 2000, thereby excluding U.S. trade with Israel, Canada, and Mexico. The data indicate that in 2015, the United States had an overall merchandise trade deficit with Israel, Canada, and Mexico of $89 billion and a services surplus of $36 billion. The United States also ran a merchandise trade surplus of $23 billion and a services surplus of $36 billion with the other 17 FTA partners, or a combined goods and services surplus of $59 billion. As a share of the total U.S. merchandise trade deficit, FTA partners as a group accounted for 8.4%, although, as indicated, the largest share of that deficit is in trade with Israel, Canada, and Mexico. U.S. trade surpluses and deficits with the other 17 FTA partners are small relative to total U.S. trade.

Table 2. U.S. Merchandise and Services Trade with FTA Partner Countries, 2015

(in millions of dollars)

	Goods			Services			Total Balance
	Balance	Exports	Imports	Balance	Exports	Imports	Exports + Imports
Total All Countries	$-762.6	$1,510.3	$2,272.9	$262.2	$750.9	$488.7	-$500.4
Total FTA countries	-64.0	710.3	774.3	71.8	175.2	103.4	7.8
Israel	-10.9	13.5	24.5	-1.3	4.8	6.1	-12.2
NAFTA	-76.2	516.4	592.6	37.0	87.9	50.9	-39.2

	Goods			Services			Total Balance
	Balance	Exports	Imports	Balance	Exports	Imports	Exports + Imports
Canada	-15.5	280.6	296.2	27.4	56.4	29.0	11.9
Mexico	-60.7	235.7	296.4	9.6	31.5	21.9	-51.1
Jordan	-0.1	1.4	1.5	0.1	0.7	0.6	0.0
Australia	14.1	25.0	10.9	15.3	22.3	7.0	29.4
Chile	6.7	15.4	8.8	2.4	4.0	1.6	9.1
Singapore	10.2	28.5	18.3	7.6	14.4	6.8	17.8
CAFTA-DR	5.0	28.7	23.7	-2.7	7.2	10.0	2.2
Costa Rica	1.6	6.1	4.5	-0.8	1.8	2.6	0.8
Dominican Republic	2.4	7.1	4.7	-2.8	1.6	4.4	-0.4
El Salvador	0.7	3.2	2.5	0.2	1.0	0.8	1.0
Guatemala	1.7	5.8	4.1	0.5	1.5	1.0	2.2
Honduras	0.5	5.2	4.8	0.4	1.0	0.6	0.8
Nicaragua	-1.9	1.3	3.2	-0.2	0.4	0.6	-2.1
Morocco	0.6	1.6	1.0	0.1	0.7	0.6	0.7
Bahrain	0.4	1.3	0.9	-0.8	0.3	1.1	-0.4
Oman	1.4	2.4	0.9	0.1	0.4	0.3	1.6
Peru	3.7	8.7	5.1	1.0	3.9	2.9	4.7
Colombia	2.2	16.3	14.1	3.3	6.5	3.2	5.5
Panama	7.3	7.7	0.4	0.4	1.6	1.3	7.6
Korea, South	-28.3	43.4	71.8	9.4	20.5	11.1	-18.9
Proposed FTAs							
Trans-Pacific Partnership (TPP)	-163.6	679.6	843.2	80.8	184.1	103.4	-82.9
European Union (T-TIP)	-155.6	272.0	427.6	54.0	226.8	172.8	-101.5

Source: U.S. Census Bureau.

Note. Countries are listed in the order in which the FTA was implemented, or proposed.

The U.S. trade surplus with the 17 FTA partners, excluding Israel, Canada, and Mexico, is a relatively recent phenomenon, as indicated in **Table 3**, which shows U.S. trade balances with all 20 FTA partners and subgroups of the FTA partners from 2001 to 2015 in the order in which the FTA was implemented.

Table 3. U.S. Merchandise Trade Balances with FTA Partner Countries, 2001-2015

(in billions of dollars)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total All Countries	-427.2	-482.9	-547.6	-665.4	-782.7	-838.3	-794.5	-816.2	-503.6	-634.9	-727.4	-729.6	-702.2	-752.2	-762.6
Total FTA Countries	-97.0	-99.9	-108.2	-132.4	-144.9	-146.7	-140.4	-126.6	-61.9	-79.0	-80.5	-70.5	-67.6	-66.9	-64.0
Israel	-4.5	-5.4	-5.9	-5.4	-7.1	-8.2	-7.8	-7.8	-9.2	-9.7	-9.1	-7.9	-9.0	-7.9	-10.9
NAFTA	-82.9	-85.3	-92.3	-111.5	-128.2	-136.1	-142.8	-143.1	-69.4	-95.0	-98.9	-93.0	-86.4	-81.9	-76.2
Canada	-52.8	-48.2	-51.7	-66.5	-78.5	-71.8	-68.2	-78.3	-21.6	-28.5	-34.5	-31.4	-31.7	-36.5	-15.5
Mexico	-30.0	-37.1	-40.6	-45.1	-49.7	-64.3	-74.6	-64.7	-47.8	-66.4	-64.5	-61.6	-54.6	-55.4	-60.7
Jordan	0.1	0.0	-0.2	-0.5	-0.6	-0.8	-0.5	-0.2	0.3	0.2	0.4	0.6	0.9	0.6	-0.1
Australia	4.5	6.6	6.7	6.7	8.5	9.6	10.6	11.6	11.6	13.2	17.3	21.6	16.9	16.0	14.1
Chile	-0.4	-1.2	-1.0	-1.1	-1.4	-2.8	-0.7	3.7	3.4	3.9	6.9	9.4	7.1	7.1	6.7
Singapore	2.7	1.4	1.4	4.2	5.5	6.9	7.9	12.0	6.5	11.6	12.1	10.3	12.8	13.6	10.2
CAFTA-DR	-1.9	-1.9	-1.8	-1.9	-1.2	1.0	3.7	6.0	1.1	0.6	1.5	-1.0	-0.5	2.7	5.0
Costa Rica	-0.4	0.0	0.0	0.0	0.2	0.3	0.6	1.7	-0.9	-3.5	-4.1	-4.8	-4.7	-2.6	1.6
Dom. Rep.	0.2	0.1	-0.2	-0.2	0.1	0.8	1.9	2.6	1.9	2.9	3.1	2.6	2.9	3.4	2.5
El Salvador	-0.1	-0.3	-0.2	-0.2	-0.1	0.3	0.3	0.2	0.2	0.2	0.9	0.5	0.8	0.9	0.7
Guatemala	-0.7	-0.8	-0.7	-0.6	-0.3	0.4	1.0	1.3	0.7	1.3	1.4	1.3	1.4	1.7	1.7
Honduras	-0.7	-0.7	-0.5	-0.6	-0.5	0.0	0.5	0.8	0.0	0.7	1.6	1.1	0.9	1.3	0.5
Nicaragua	-0.2	-0.2	-0.3	-0.4	-0.6	-0.8	-0.7	-0.6	-0.9	-1.0	-1.5	-1.6	-1.7	-2.1	-1.9
Morocco	-0.2	0.2	0.1	0.0	0.1	0.4	0.7	0.6	1.2	1.3	1.8	1.2	1.5	1.1	0.6
Bahrain	0.0	0.0	0.1	-0.1	-0.1	-0.2	0.0	0.3	0.2	0.8	0.7	0.5	0.4	0.1	0.4
Oman	-0.1	0.0	-0.4	-0.1	0.0	-0.1	0.0	0.5	0.2	0.3	-0.8	0.4	0.5	1.0	1.4
Peru	-0.3	-0.4	-0.7	-1.6	-2.8	-3.0	-1.2	0.4	0.7	1.7	1.7	2.9	2.0	4.0	3.7
Colombia	-2.1	-2.0	-2.6	-2.8	-3.4	-2.6	-0.9	-1.7	-1.9	-3.6	-8.8	-8.3	-3.3	1.8	2.2
Panama	1.0	1.1	1.5	1.5	1.8	2.3	3.4	4.5	4.0	5.7	7.9	9.3	10.1	10.0	7.3
Korea, South	-13.0	-13.0	-13.2	-19.8	-16.0	-13.4	-12.9	-13.4	-10.6	-10.0	-13.2	-16.6	-20.7	-25.1	-28.3
Total FTA (% share)	22.7%	20.7%	19.8%	21.5%	18.5%	17.5%	17.7%	15.5%	12.3%	12.4%	11.1%	9.7%	9.6%	8.9%	8.4%

Source: U.S. Census Bureau.

Notes: Countries are listed by the order in which the FTA was implemented.

Over the 2001-2015 period, the U.S. merchandise trade deficit with all 20 FTA partners fell by more than half as a share of the total U.S. merchandise trade deficit: from 20.7% of the total merchandise trade deficit in 2001 to 8.4% in 2015. Trade deficits with Canada and Mexico have declined in recent years, despite the fact that oil imports from Canada and Mexico have remained steady or increased slightly, even as U.S. production of shale oil has increased.

Census Bureau trade data also indicate that of the 20 FTA partner countries, the U.S. deficit in trade in crude oil and products is the largest with Canada, in part reflecting the close trade relationship between Canada and the United States and the U.S. trade deficit with Canada in petroleum trade. As indicated in **Table 4**, Canada accounted for $48 billion of the $80 billion U.S. trade deficit in oil and petroleum products in 2015 and Mexico accounted for $1.2 billion of the energy trade deficit. Canada also accounted for 60% of the U.S. crude oil trade deficit in 2015, up from 20% in 2008. The sharp decline in the U.S. oil trade deficit largely reflects the sharp drop in petroleum prices in 2014 and 2015.

Table 4. Estimated U.S. Trade Balance of Crude Oil and Products

(in billions of dollars)

	2010	2011	2012	2013	2014	2015
Total All Countries	$-257.31	$-307.75	$-272.97	$-220.71	$-168.66	$-80.23
Total FTA	-83.54	-105.33	-102.83	-93.31	-77.19	-40.45
Australia	0.00	0.07	0.15	0.28	0.43	-0.02
Bahrain	0.00	0.07	-0.04	0.00	-0.17	-0.03
Canada	-62.74	-86.57	-93.42	-91.76	-85.85	-48.39
Chile	1.99	4.55	5.39	4.95	4.80	2.57
Colombia	-8.18	-13.51	-13.22	-9.66	-5.93	-3.76
Costa Rica	0.82	1.46	1.77	1.66	1.60	0.90
Dominican Republic	0.90	1.38	1.51	1.49	1.60	1.12
El Salvador	0.25	0.58	0.26	0.42	0.63	0.38
Guatemala	0.52	1.53	1.29	1.06	1.30	1.00
Honduras	1.04	1.60	1.66	1.59	1.86	0.98
Israel	0.25	0.51	0.48	0.53	0.50	0.22
Jordan	0.03	0.04	0.26	0.32	0.00	0.00
Korea, South	-1.53	-1.38	-1.55	-1.91	-0.47	-0.60
Mexico	-22.81	-23.20	-17.35	-13.69	-9.42	-1.21
Morocco	0.71	1.09	0.89	1.17	1.33	0.60
Nicaragua	0.03	0.04	0.00	0.04	0.03	0.05
Oman	-0.33	-1.49	-0.30	-0.11	0.00	0.05
Panama	2.34	3.71	4.65	5.10	5.89	2.81
Peru	-0.14	-0.11	0.52	0.88	0.90	0.93
Singapore	3.33	4.30	4.21	4.32	3.76	1.93

Source: Estimated by CRS from data published by the United States Energy Information Administration.

The United States International Trade Commission (ITC) is tasked by Congress to provide the official U.S. government assessment of the economic effects of U.S. trade agreements. In June 2016, the ITC published a congressionally mandated[4] report on the estimated economic effects of U.S. FTAs.[5] The ITC's analysis considered industry-specific agreements and bilateral, regional, and multilateral agreements.[6]

The commission's economic analysis, as indicated in **Table 5**, indicates that in 2012 U.S. bilateral and regional trade agreements increased U.S. aggregate trade by about 3% and U.S. real GDP and U.S. employment by less than 1%, $32.2 billion and 159,300 fulltime equivalent employees, respectively, and increased bilateral trade with partner countries by 26.3%. The ITC's analysis also indicated that agreements that focus on specific industries have had larger impacts on trade in their targeted industries than do bilateral agreements that cover many sectors. The ITC also estimated that FTAs provided

- gains to consumers through lower prices to the extent that the lower-priced items were present in consumers' budgets;
- greater product variety;
- increased receipts for intellectual property; and
- a positive effect, on average, on U.S. bilateral merchandise trade balances with partner countries.

Table 5. International Trade Commission Estimates of the Economic Effects of U.S. Trade Agreements

Type of economic impact	Findings
Effects on bilateral trade	The bilateral and regional trade agreements increased bilateral trade with partner countries by 26.3% in 2012.
Effects on total exports and imports	The bilateral and regional trade agreements increased total U.S. exports by 3.6% in 2012. They increased total U.S. imports by 2.3%.
Effects on real GDP	The bilateral and regional trade agreements increased real GDP by $32.2 billion (0.2%) in 2012.
Effects on U.S. labor markets	The bilateral and regional trade agreements increased total employment by 159,300 fulltime equivalent employees (0.1%) and increased real wages by 0.3% in 2012.
Effects on U.S. receipts for intellectual property	Increases in patent protection since the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) entered into force increased U.S. international receipts for the use of intellectual property by $10.3 billion (12.6%) in 2010.

[4] The Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (19 U.S.C 4204 (f) (2)). Section 105 (f)(2) of the Act requires the ITC to submit two reports to the House Committee on Ways and Means and the Senate Committee on Finance, one in 2016 and a second not later than mid-2020, on the economic impact of trade agreements implemented under trade authorities procedures since 1984.

[5] *Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2016 Report*, Publication number 4614, United States International Trade Commission, June 2016.

[6] Ibid., p. 17.

Type of economic impact	Findings
Effects on international investment	The bilateral and regional trade agreements had a mixed effect on foreign direct investment, in some cases increasing and in other cases decreasing inbound and outbound investment flows.
Effects on bilateral trade balances	The bilateral and regional trade agreements had a positive effect, on average, on U.S. bilateral merchandise trade balances with the partner countries, increasing trade surpluses or reducing trade deficits by a total of $87.5 billion (59.2%) in 2015.
Effects on U.S. consumers	The bilateral and regional trade agreements resulted in tariff savings of up to $13.4 billion in 2014, with a significant part of these savings benefiting U.S. consumers, and also increased the variety of products imported by the United States.
Effects of the Information Technology Agreement (ITA) on U.S. information technology exports	The ITA increased annual U.S. exports of covered information technology products by $34.4 billion (56.7%) in 2010.
Effects of the Uruguay Round and NAFTA tariff reductions on U.S. steel imports	These agreements are estimated to have increased annual U.S. steel imports by $1.2 billion (14.7%) in 2000.
Effects on U.S. employment in the textile and apparel industries	Rising imports, due in part to the Agreement on Textiles and Clothing (ATC), accounted for most of the reduction in U.S. employment in the apparel industry between 1998 and 2014.

Source: *Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2016 Report*, Publication number 4614, United States International Trade Commission, June 2016, p. 21.

Bilateral Trade Balances

In most cases, economists question the usefulness of using bilateral trade balances as indicators of trade relations, of the effectiveness of a trade agreement, or of the costs and benefits of a trade agreement. In general terms, viewing trade balances in isolation or as a measure of a trade agreement represents an approach that is fundamentally different from general economic arguments concerning the costs and benefits of trade and trade agreements. Economists generally argue that from the perspective of a large open economy with liberalized capital flows and floating exchange rates, such as the United States, broad macroeconomic forces, particularly domestic saving and investment levels, determine the overall trade deficit or surplus. They argue that, with floating exchange rates (most developed economies have floating exchange rates, while many smaller developing economies do not have fully floating currencies) and highly liberalized flows of capital across national borders, domestic macroeconomic forces determine the demand for and supply of capital that, in turn, drive cross-border capital flows, which are a major factor in determining the international exchange value of the dollar and, therefore, the overall U.S. trade balance. Factors external to the U.S. economy often are particularly important in determining the value of the dollar, which serves as the international reserve currency.

While many of the economic arguments can be arcane at times, economists generally contend that from this overall economic perspective both consumers and producers benefit as a result of liberalized trade and that the gains for the economy as a whole outweigh the costs, irrespective of

the bilateral trade deficit or surplus.[7] Most economists argue that the economy as a whole operates more efficiently as a result of competition through international trade and that consumers throughout the economy experience a wider variety of goods and services at varying levels of quality and price than would be possible in an economy closed to international trade. They also contend that trade may have a long-term positive dynamic effect on an economy that enhances both production and employment. In addition, U.S. trade agreements comprise a broad range of issues that may affect trade and commercial relations over the long run between the negotiating parties, particularly for developing and emerging economies.

At the same time, bilateral trade balances are influenced by a seemingly innumerable list of economic activities at the micro level, or at the level of the individual firm or consumer, that are as diverse as the trading partners themselves. These activities can include, but are not limited to, the overall level of economic development; the abundance of raw materials; relative rates of economic growth; rates of technological change; changes in productivity; differences in rates of inflation; changes in commodity prices (especially the price of oil); and changes in exchange rates.

Most economists also recognize that a broad range of activities can affect national economies and trade balances overall to a greater degree than even the most robust bilateral or international trade agreement. Generally, it is very difficult to unravel the complicated linkages that exist within the economy in order to derive cause and effect relationships, that is, attempting to link a specific trade agreement with movements in bilateral trade balances. For instance, movements in international exchange rates, such as the decline in the value of the peso in late 1994, followed by a financial crisis in Mexico and severe economic recession,[8] had a major impact on U.S.-Mexico trade that arguably was greater than anything that could have been anticipated by the completion of NAFTA. More recently, the appreciation of the dollar relative to most other currencies is expected to reduce U.S. exports overall, if the appreciation is sustained, but it would also reduce the costs of U.S. imports, which would tend to lower the overall U.S. merchandise trade deficit—at least in the short run. In addition, large changes in the price of crude oil, similar to that which occurred in 2009, are expected to lower the overall U.S. trade deficit, given the significant role that crude oil plays in U.S. imports. Also, global trade has been affected by such macroeconomic events as the 2008-2009 financial crisis and associated economic recession in the United States and elsewhere, which caused global trade to decline by 30% in 2009 from the previous year. (For additional information, see **Appendix A**.)

On a bilateral basis, trade balances are shaped by a host of factors, as indicated above. Indeed, U.S. FTA partners display a great deal of variation in their economies, ranging from Canada, which is a highly developed open economy that is within close proximity to the United States, to small, Central American developing economies that are different in structure from the U.S. economy and are at some physical distance from the United States. In addition, many U.S. FTA partners represent economies that are substantially smaller than the U.S. economy and often are limited in what they produce. As a result, U.S. trade with these countries often is concentrated in a small number of items and often is comprised of trade in raw materials and intermediate processed goods, as indicated in **Appendix B**. In most of the countries that have an FTA with the United States, the top 10 export and import commodities account for significant shares of total bilateral trade: more than 90% in some cases. In some cases, bilateral trade is reliant on trade in

[7] See CRS Report RL31932, *Trade Agreements: Impact on the U.S. Economy*, by (name redacted) .

[8] Whitt, Joseph A. Jr., "The Mexican Peso Crisis," *Economic Review*, Federal Reserve Bank of Atlanta, January/February 1996.

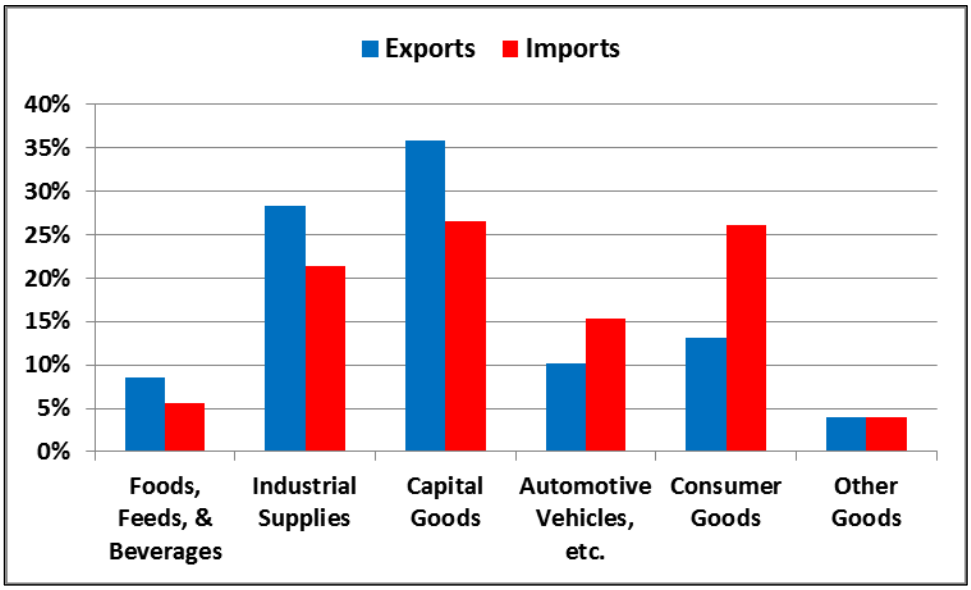
raw materials and agricultural commodities; in other cases, bilateral trade is based on trade in energy items, particularly U.S. trade with Canada and Mexico. Such differences in the underlying structure of trade with particular trading partners, however, complicate efforts to compare the performance of one trade agreement with another and to derive cause and effect relationships between the implementation of an FTA and bilateral trade balances.

Another factor that can affect bilateral trade relations and trade balances is the composition of trade relationships, which are distinct from one country to another. While trade agreements determine the rules by which nations conduct trade and provide incentives to consumers in the form of lower tariff rates and firms in the form of lower trade barriers, behavioral characteristics of consumers and firms determine how those incentives affect bilateral trade. Economists often attempt to estimate the impact of a trade agreement on bilateral trade based on estimates of the strength of the responsiveness by consumers and firms to the incentives provided by the agreement. The responsiveness of consumers and firms to the incentives associated with trade agreements seems to vary by different types of goods, or by major end-use categories. Consumer purchases of luxury goods, for instance, are highly responsive to changes in prices and consumers' incomes, while consumer consumption of agricultural products is less responsive.

The U.S. Census Bureau provides summary information concerning U.S. trade by grouping U.S. merchandise trade into six major end-use categories, including (1) foods, feeds, and beverages; (2) industrial supplies, including petroleum; (3) capital goods, or machinery and equipment that are used in manufacturing of other items; (4) automotive vehicles and parts; (5) consumer goods; and (6) other goods. As indicated in **Figure 4**, trade in food and agricultural commodities, industrial supplies (including petroleum products), capital goods and other goods are greater as a share of U.S. exports than of U.S. imports, but U.S. imports of automotive vehicles and parts and consumer goods are a greater share of U.S. imports compared with U.S. exports.

Figure 4. U.S. Merchandise Exports and Imports by Principal End-Use Category, 2015

(percent share of total U.S. exports and imports, respectively)



Source: U.S. Census Bureau.

The structural composition of U.S. trade, or the role of the six categories listed above as shares of U.S. trade, plays a role in shaping bilateral trade relationships. This structural composition of U.S.

trade also has important implications for the persistence of the annual U.S. merchandise trade deficit, despite significant changes in the global growth in merchandise trade, major multinational trade liberalization, and the various FTAs the United States has implemented. This subject is of continuing interest to academic economists, who have focused on the way U.S. trade flows respond to changes in national incomes and in prices, specified by economists as the price and income elasticity of trade.[9]

Trade elasticities measure how much a country's imports or exports will change in response to changes in national incomes or the relative price of imported goods and services to domestically produced ones.[10] While economists have developed varied estimates of the elasticities, depending on the particular study, one result common among the various studies covering different time periods and using different econometric methods is that U.S. demand for foreign imports is estimated to be more sensitive to changes in income and prices than is foreign demand for U.S. exports.

The estimated price and income elasticities in **Table 6** indicate that for every 1% increase in U.S. GDP, U.S. consumers increase their purchases of imports by 2.11%. Similarly, for every 1% increase in GDP among U.S. trading partners, the consumers in those countries would increase their consumption of U.S. goods by 1.86%. While this difference seemingly is not large, the difference in size between the U.S. economy and the economies of other countries, especially those of developing economies, can magnify the differences in responsiveness to the growth in national GDP. The disparity in responsiveness likely stems from the relatively larger share that consumer consumption plays in the U.S. economy. This also implies that with constant prices and similar rates of economic growth in both the United States and among its trading partners, the U.S. merchandise trade deficit would be expected to worsen over time, in part due to the way the various components of U.S. trade are affected differently by changes in incomes and prices. One notable difference is in the U.S. and foreign demand for services. Since U.S. demand for imported services is less sensitive to changes in income compared with foreign demand for U.S. services exports, the U.S. surplus in services would be expected to increase over time, assuming constant prices and similar rates of economic growth between the United States and its trading partners.

[9] Foreign demand for U.S. goods and services is determined by foreign income, the prices of U.S. goods and services, and the prices of goods and services that compete with U.S. goods and services in the foreign market. Similarly, U.S. demand for foreign goods and services is determined by U.S. income, the prices of foreign goods and services, and the prices of goods and services that compete with foreign goods and services in the U.S. market. The income elasticity of demand for imports measures to what extent changes in an importing country's income affect change in its imports. Similarly, the income elasticity of demand for exports measures to what extent changes in foreign countries' income affect the exporting country's exports. Crane, Leland, Meredith A. Crowley, and Saad Quayyum, "Understanding the Evolution of Trade Deficits: Trade Elasticities of Industrialized Countries," *Economic Perspectives*, 4Q2007, Federal Reserve Bank of Chicago, 2007, p. 4. Academic research on trade elasticities is based on the article: Houthakker, H.S., and Stephen P. Magee, "Income and Price Elasticities in World Trade," *The Review of Economics and Statistics*, May 1969, pp. 111-125. Examples of recent research include: Mann, Catherine, and Katharina Pluck, "Understanding the U.S. Trade Deficit," in *G7 Current Account Imbalances: Sustainability and Adjustment*, ed. by Richard H. Clarida, University of Chicago Press, May 2007; Gangnes, Byron S., Alyson C. Ma, and Ari Van Assche, Global Value Chains and Trade Elasticities, Working Paper 2014-2,The Economic Research Organization at the University of Hawaii, February 2014; Imbs, Jean and Isabelle Majean, "Trade Elasticities: A Final Report for the European Commission," *Economic Papers* no. 432, European Union, 2010.

[10] Crane, et al., "Understanding the Evolution of Trade Deficits," p. 4.

Table 6. U.S. Long-run Export and Import Elasticities

(percentage change)

	Exports		Imports	
	Income	Prices	Income	Prices
Total	1.86%	-5.07%	2.11%	-0.62%
Goods	1.91	-8.56	2.18	-0.69
Industrial goods	1.65	-0.07	1.82	-0.41
Industrial durables	1.78	0.30	2.11	-0.04
Industrial nondurables	1.57	-0.18	1.56	-0.79
Agriculture	1.10	0.07		
Petroleum			1.23	-0.03
Capital goods	-5.94	-63.07	-1.20	-2.39
Autos	2.53	-0.82	2.03	0.11
Consumer goods	2.76	-0.49	1.76	-1.78
Durable consumer goods	2.91	-0.59	2.56	-0.87
Nondurable consumer goods	2.59	-0.41	3.68	1.34
Services	1.87	-0.61	1.64	0.06
Nonpetroleum goods	1.96	-10.14	1.82	-1.07

Source: Crane, Leland, Meredith A. Crowley, and Saad Quayyum, Understanding the Evolution of Trade Deficits: Trade Elasticities of Industrialized Countries, *Economic Perspectives*, 4Q/2007, Federal Reserve Bank of Chicago, 2007, pp. 13-14.

Notes: Values represent percent changes in demand relative to a 1% change in national income (gross national income) or prices, based on data from 1988-2006. Income elasticities are expected to be positive, since changes in the demand for goods and services are positively related to changes in income; price elasticities are expected to be negative, since changes in the demand for goods and services are inversely related to changes in prices. A higher value represents a stronger change in demand to a change in income or relative prices; a lower value represents a weaker change in demand to a change in income or relative prices.

Global Value Chains

In addition, the proliferation of global value chains, or complex cross-border production networks in which goods and services can cross national borders multiple times through various stages of production, is blurring the distinction between the domestic content value of exports and imports and raising questions about how accurately bilateral trade balances reflect actual trade relationships. Additionally, most economists argue that both exports and imports benefit the economy, because nations export in order to import those goods and services they either do not produce, or cannot produce as efficiently as another country. As a result, trade allows the economy to specialize in producing those goods and services in which it has an international competitive advantage, thereby maximizing the total amount of goods and services that are available to its citizens.

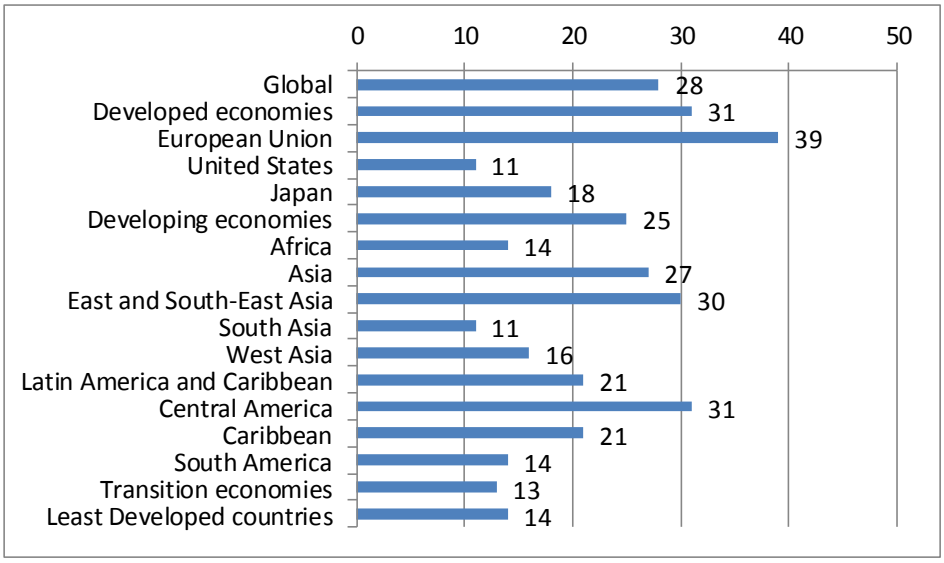
Current trade data treat exports and imports as though the full value of an export was produced domestically and the full value of an import was produced abroad. However, the rapid growth of global value chains and intra-industry trade (importing and exporting goods in the same industry) has significantly increased the amount of trade in intermediate goods in ways that can blur the

distinction between domestic and foreign firms and goods. For instance, foreign value added accounts for about 28% of the content on average of global exports, as indicated in **Figure 5**, but this share can vary considerably by country and industry. Foreign value added in the exports of developed countries accounts for about 31% of the content of exports and about 11% of U.S. exports. This value for developed countries likely is inflated due to the highly integrated economies within the EU, which accounts for 70% of the exports from EU countries. In developing countries, the highest foreign value added shares in exports occurs in countries in East and South-East Asia and in Central America, where processing industries account for large shares of exports.[11]

As a result of the growth in value chains, traditional methods of measuring trade may obscure the actual sources of goods and services and the allocation of resources that are used in producing those goods and services. Trade in intermediate goods also means that imports may be essential for exports. As a result, countries that impose trade measures that restrict imports may negatively affect their own exports.[12] This complex process of cross-border production and trade in intermediate goods also utilizes a broad range of services that has greatly expanded and redefined the role that services play in international trade and increased the number of jobs in the economy that are tied directly and indirectly to international trade in ways that are not captured fully by traditional trade data.

Figure 5. Share of Foreign Value Added in Exports, by Country or Region, 2010

(percent shares)



Source: UNCTAD-Eora GVC Database.

Issues for Congress

In discussing proposed FTAs, both advocates and opponents of such agreements often focus on the U.S. merchandise trade balance with existing FTA partners as one way of measuring the

[11] *World Investment Report 2013*, United Nations Conference on Trade and Development, 2013, pp. 123-127.

[12] Ibid, p. 172.

success of such agreements. Economists generally argue, however, that due to the nature of recent FTAs, bilateral trade balances serve as incomplete measures of the comprehensive nature of the trade and economic relationships that often exist between the United States and its FTA partners. For instance, recent trade agreements include trade in services, provisions for investment, and trade facilitation, among other areas that are not reflected in bilateral merchandise trade balances.

Instead of focusing exclusively on merchandise trade balances as a key measure of a bilateral trade relationship, most economists argue that liberalized trade creates a broad set of costs and benefits for the economy. They argue that, over the long run, the benefits will outweigh the costs, or that the net effect on the economy is positive, regardless of the overall U.S. trade balance or a bilateral trade balance. According to this approach, the economy as a whole tends to operate more efficiently as a result of competition through international trade, and consumers throughout the economy experience a wider variety of goods and services at varying levels of quality and price than would be possible in an economy closed to international trade.

Economists generally also contend that international trade may have a long-term positive dynamic effect on an economy that enhances both production and employment. In addition, trade agreements of the type currently being negotiated by the United States comprise a broad range of issues that could have significant economic effects on trade and commercial relations over the long run between the negotiating parties, particularly for developing and emerging economies. Economists and others also acknowledge that the negative effects of international trade and trade agreements, particularly potential job losses and lower wages, often are distributed disproportionately with the effects falling more heavily on some workers and on some firms. As a consequence, governments often have implemented programs to provide benefits to those negatively affected by trade agreements to ease their transition to other economic activities.

Most economists also argue that bilateral merchandise trade balances do not serve well as a basis for comparing the relative merits of particular FTAs, because each bilateral trade relationship is unique to the particular trading partners and is subject to a great number of factors. These unique bilateral trade relationships reflect underlying fundamentals that shape the composition of the particular trade relationship. As a consequence of the underlying composition of bilateral trade relationships, bilateral trade and trade balances respond differently to trade liberalization, which makes it difficult to compare the U.S. experience with individual FTA partners.

Furthermore, the growth of global value chains and inter-industry trade are blurring the distinction between exports and imports and fundamentally changing the meaning of bilateral trade balances. Cross-border trade in intermediate goods not only has increased as a share of total trade in the economy, but it has expanded the role of services in international trade in ways that are not fully credited in bilateral trade data. As a consequence of the growth in global value chains, exports and imports are growing less distinct: policies that affect a nation's imports ultimately affect its exports and vice versa. Trade in intermediate goods also means that imports are essential inputs into the production of exports. As a result, countries that impose trade measures that restrict imports invariably negatively affect their own exports. This loss of distinction between exports and imports as strictly domestic or foreign activities further complicates efforts to distinguish between exports and imports on a bilateral basis.

Congress is considering two mega-regional free trade agreements that its participants argue are comprehensive and high-standard: the recently concluded Trans-Pacific Partnership (TPP) among the United States and 11 other countries, and the U.S.-European Transatlantic Trade and Investment Partnership (T-TIP), still under negotiation. Since the two agreements could have potentially economy-wide effects, Congress may choose to examine the current methods that are used to collect data on U.S. exports and imports and the potential costs and benefits of improving the data to have them more fully reflect the resource costs they may imply for the economy.

Congress may also choose to examine the state of data collection and analysis on workers and industries and the states where they are located in order to determine those that may be the most vulnerable to economic dislocations as one way of anticipating the costs and benefits of the proposed agreements to the economy as a whole. Congress may also choose to examine the role that global value chains are playing in the economy and the impact they are having on the nation's ability to assess the impact of exports and imports on the allocation of resources in the economy.

Appendix A. U.S.-NAFTA Trade

NAFTA is often cited as an example of a trade agreement that performed differently than some had anticipated, because the United States continued to experience a merchandise trade deficit with the two NAFTA partners. For some, however, the agreement is seen as an example of the impact that broad economic events can have on trading partners in ways that that are not anticipated at the time an FTA is negotiated, but can outweigh the impact of the agreement. In particular, China's accession to the WTO in 2001 affected U.S. trade relations and those of its NAFTA partners in a number of ways. China's accession to the WTO reduced China's barriers to trade and investment, which tended to increase trade between the United States and China and boosted U.S. investment in China. As a result of the increased amount of U.S. trade with China, U.S. trade with other countries, including Mexico, was negatively affected. In particular, U.S. imports from China of computer equipment, apparel, and semiconductors reduced imports of such items from other countries.

These various events played out differently with U.S. trade partners, as indicated in **Figures A-1 and A-2**, which show the average share of U.S. imports and exports with Canada, Mexico, and China in five-year periods from 1989 to 2013.[13] In 1989, total U.S. imports were $473 billion, with Canada, Mexico, and China accounting for $88 billion, $27 billion, and $12 billion, respectively. In terms of shares, these three countries accounted for 18.6%, 5.7%, and 2.5%, respectively, of total U.S. imports.

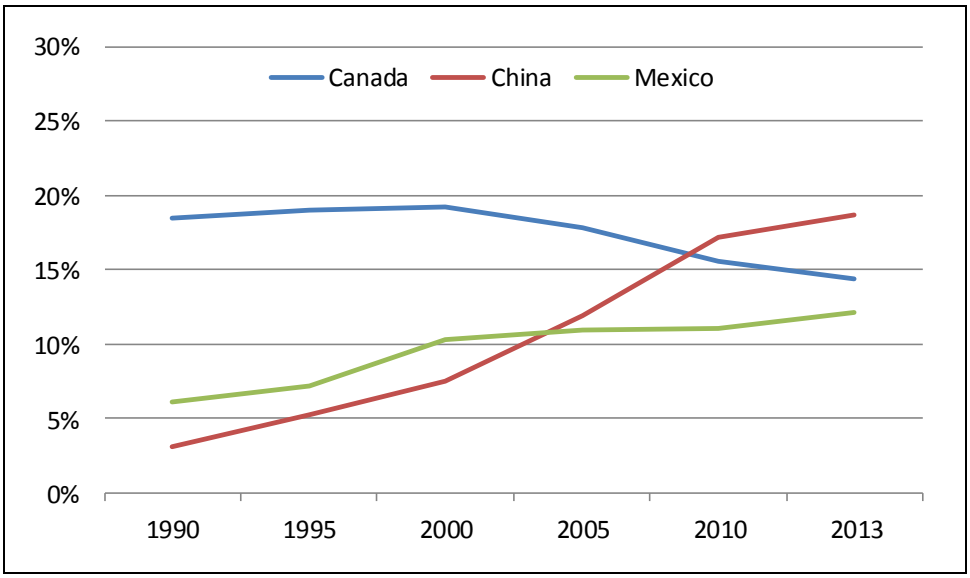
By 2000, total U.S. imports had grown to $1.2 trillion, with imports from Canada ($231 billion), Mexico ($136 billion), and China ($100 billion) accounting for shares of 19%, 11.5%, and 8.2%, respectively. During the period 1990-2000, Canada's share of total U.S. imports rose slightly, while shares of imports from Mexico doubled and shares of imports from China nearly quadrupled. Between 2000 and 2013, however, Canada's share of total U.S. imports fell to account for 14.4%, while Mexico's share rose slightly to 12.2%, and China's share more than doubled to account for 19.4% of total U.S. imports. The data reflect the average share of U.S. imports over five-year periods, except for the data for 1990, which reflect the share in 1990, and the share in 2013, which reflects the average share over the three-year 2011-2013 period.

The data indicate that Canada's share of U.S. imports grew little under the NAFTA agreement (implemented in 1994) until 2000, after which that share has fallen, while imports from Mexico experienced their greatest average rate of growth as a share of U.S. imports between 1995 and 2000. On the other hand, imports from China grew steadily as a share of U.S. total imports over the entire period, but they grew at a faster rate after China was admitted into the WTO in 2001. A similar trend holds for shares of U.S. exports, with the share of U.S. exports going to Canada declining after 2000, while the share of U.S. exports going to Mexico and China experienced a steady increase in their respective shares of total U.S. exports. As previously indicated, however, bilateral trade balances are influenced by a broad range of factors. As a result, it is very difficult to unravel the complicated linkages that exist within the economy in order to derive cause and effect relationships between a trade agreement and the impact that agreement might have on bilateral trade balances.

[13] The data are organized into five-year periods to illustrate trends and shifts in those trends.

Figure A-1. U.S. Imports from Canada, China, and Mexico, 1989-2013

(share of total U.S. imports)

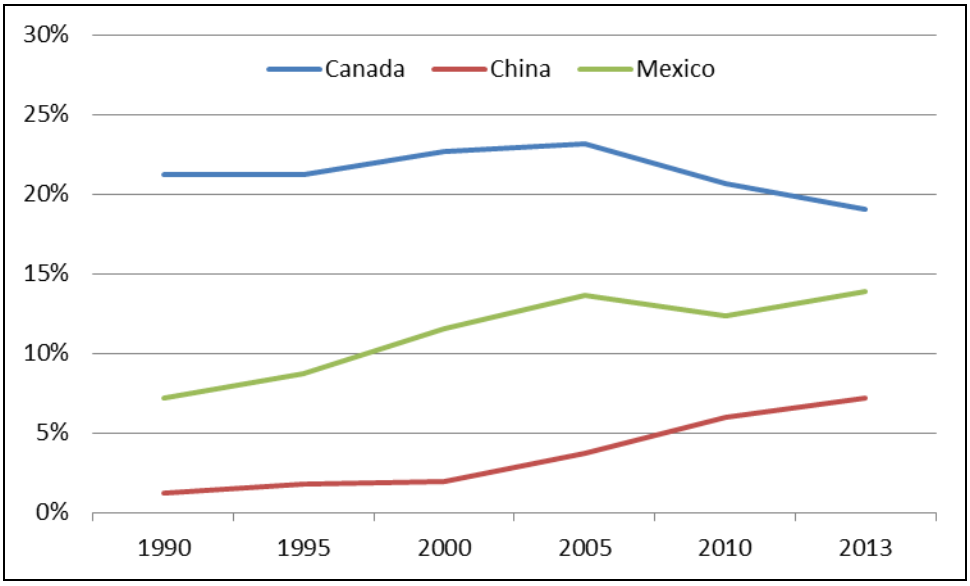


Source: Census Bureau.

Notes: Values represent five-year averages, except for 1990 and 2013.

Figure A-2. U.S. Exports to Canada, China, and Mexico, 1989-2013

(share of total U.S. exports)



Source: Census Bureau.

Notes: Values represent five-year averages, except for 1990 and 2013.

Appendix B. U.S. Trade with FTA Partner Countries, Top 10 Export and Import Commodities, 2014

This Appendix presents 2014 data on the top 10 U.S. export and import commodities by value and share of total bilateral exports and imports, respectively, for the 20 countries with which the United States currently has an FTA.

Table B-1. U.S. Trade with Australia: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$26,668	100.0%	Total	$10,670	100.0%
Aerospace products and parts	2,364	8.9%	Meat products and meat packaging products	2,750	25.8%
Motor vehicles	2,294	8.6%	Nonferrous metal and processing	1,033	9.7%
Agriculture and construction machinery	1,986	7.4%	Goods returned	681	6.4%
Special classification provisions	1,385	5.2%	Aerospace products and parts	510	4.8%
Navigational, measuring, electromedical, and control instruments	1,171	4.4%	Metal ores	483	4.5%
Other general purpose machinery	1,108	4.2%	Beverages	460	4.3%
Medical equipment and supplies	1,101	4.1%	Medical equipment and supplies	432	4.0%
Motor vehicle parts	887	3.3%	Miscellaneous manufactured commodities	411	3.9%
Pharmaceuticals and medicines	869	3.3%	Pharmaceuticals and medicines	335	3.1%
Engines, turbines, and power transmission equipment	853	3.2%	Navigational, measuring, electromedical, and control instruments	303	2.8%
Subtotal	$14,018	52.6%	Subtotal	$7,399	69.3%

Source: United States International Trade Commission.

Table B-2. U.S. Trade with Bahrain: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$1,060	100.0%	Total	$965	100.0%
Motor vehicles	263	24.8%	Alumina and aluminum and processing	254	26.3%
Special classification provisions	221	20.8%	Petroleum and coal products	164	17.0%
Aerospace products and parts	120	11.3%	Pesticides, fertilizers and other agricultural chemicals	150	15.5%
Other general purpose machinery	47	4.4%	Apparel	133	13.8%
Navigational, measuring, electromedical, and control instruments	34	3.2%	Textile furnishings	69	7.1%
Agriculture and construction machinery	30	2.8%	Goods returned	67	6.9%
Dairy products	27	2.5%	Basic chemicals	43	4.5%
Miscellaneous manufactured commodities	24	2.3%	Plastics products	31	3.2%
Resin, synthetic rubber & artificial & synthetic fibers & filament	22	2.1%	Miscellaneous manufactured commodities	24	2.5%
Other fabricated metal products	17	1.6%	Other general purpose machinery	8	0.8%
Subtotal	$804	75.8%	Subtotal	$944	97.8%

Source: United States International Trade Commission.

Table B-3. U.S. Trade with Canada: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$312,032	100.0%	Total	$346,063	100.0%
Motor vehicles	26,932	8.6%	Oil and gas	96,128	27.8%
Motor vehicle parts	25,958	8.3%	Motor vehicles	44,249	12.8%
Oil and gas	16,796	5.4%	Petroleum and coal products	15,756	4.6%
Petroleum and coal products	15,086	4.8%	Motor vehicle parts	14,630	4.2%
Agriculture and construction machinery	11,179	3.6%	Goods returned	12,006	3.5%
Special classifications	10,562	3.4%	Nonferrous metal and processing	10,496	3.0%

U.S. Total Exports			U.S. Total Imports		
Other general purpose machinery	9,821	3.1%	Aerospace products and parts	10,351	3.0%
Computer equipment	8,723	2.8%	Basic chemicals	8,247	2.4%
Basic chemicals	8,114	2.6%	Pulp, paper, and paperboard mill products	7,316	2.1%
Iron and steel and ferroalloy	7,853	2.5%	Resin, synthetic rubber, & artificial & synthetic fibers & filament	6,171	1.8%
Subtotal	$141,023	45.2%	Subtotal	$225,350	65.1%

Source: United States International Trade Commission.

Table B-4. U.S. Trade with Chile: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$16,631	100.0%	Total	$9,491	100.0%
Petroleum and coal products	5,107	30.7%	Nonferrous metal and processing	2,393	25.2%
Aerospace products and parts	1,635	9.8%	Fruits and tree nuts	1,527	16.1%
Agriculture and construction machinery	925	5.6%	Farmed fish and related products	1,000	10.5%
Basic chemicals	694	4.2%	Fish, fresh, chilled or frozen and other marine products	638	6.7%
Special classification provisions	648	3.9%	Rubber products	395	4.2%
Computer equipment	606	3.6%	Fruit and vegetable preserves and specialty goods	391	4.1%
Motor vehicles	527	3.2%	Basic chemicals	339	3.6%
Oil and gas	439	2.6%	Veneer, plywood, and engineered wood products	317	3.3%
Other general purpose machinery	430	2.6%	Beverages	301	3.2%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	420	2.5%	Other wood products	300	3.2%
Subtotal	$11,432	68.7%	Subtotal	$7,601	80.1%

Source: United States International Trade Commission.

Table B-5. U.S. Trade with Colombia: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$20,317	100.0%	Total	$18,234	100.0%
Petroleum and coal products	6,342	31.2%	Oil and gas	10,312	56.6%
Basic chemicals	1,289	6.3%	Nonferrous metal and processing	1,790	9.8%
Oilseeds and grains	1,270	6.3%	Fruits and tree nuts	1,298	7.1%
Communications equipment	882	4.3%	Petroleum and coal products	1,014	5.6%
Computer equipment	849	4.2%	Mushrooms, nursery and related products	662	3.6%
Aerospace products and parts	834	4.1%	Coal and petroleum gases	648	3.6%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	681	3.4%	Miscellaneous manufactured commodities	263	1.4%
Agriculture and construction machinery	612	3.0%	Special classification provisions	252	1.4%
Special classification provisions	550	2.7%	Goods returned	185	1.0%
Other general purpose machinery	549	2.7%	Apparel	183	1.0%
Subtotal	$13,857	68.2%	Subtotal	$16,607	91.1%

Source: United States International Trade Commission.

Table B-6. U.S. Trade with Costa Rica: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$7,026	100.0%	Total	$9,508	100.0%
Petroleum and coal products	1,964	28.0%	Semiconductors and other electronic components	5,592	58.8%
Semiconductors and other electronic components	593	8.4%	Fruit and tree nuts	1,116	11.7%
Aerospace products and parts	345	4.9%	Medical equipment and supplies	1,004	10.6%
Communications equipment	344	4.9%	Navigational, measuring, electromedical, and control instruments	263	2.8%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	329	4.7%	Fruit and vegetable preserves and specialty foods	163	1.7%

U.S. Total Exports			U.S. Total Imports		
Oilseeds and grains	294	4.2%	Motor vehicle parts	114	1.2%
Special classification provisions	260	3.7%	Plastics products	104	1.1%
Medical equipment and supplies	227	3.2%	Electrical equipment and components	97	1.0%
Pulp, paper, and paperboard mill products	227	3.2%	Rubber products	87	0.9%
Computer equipment	210	3.0%	Fish, fresh, chilled or frozen and other marine products	84	0.9%
Subtotal	$4,793	68.2%	Subtotal	$8,624	90.7%

Source: United States International Trade Commission.

Table B-7. U.S. Trade with Dominican Republic: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$7,955	100.0%	Total	$4,519	100.0%
Petroleum and coal products	1,408	17.7%	Apparel	725	16.0%
Oil and gas	485	6.1%	Medical equipment and supplies	710	15.7%
Grain and oilseed milling products	403	5.1%	Tobacco products	522	11.6%
Motor vehicles	323	4.1%	Electrical equipment	329	7.3%
Oilseeds and grains	312	3.9%	Miscellaneous manufactured commodities	257	5.7%
Fibers, yarns, and threads	308	3.9%	Footwear	256	5.7%
Special classification provisions	304	3.8%	Navigational, measuring, electromedical, and control instruments	215	4.8%
Miscellaneous manufactured commodities	267	3.4%	Plastics products	185	4.1%
Plastics products	231	2.9%	Goods returned	113	2.5%
Medical equipment and supplies	227	2.9%	Oil and gas	105	2.3%
Subtotal	$4,269	53.7%	Subtotal	$3,419	75.7%

Source: United States International Trade Commission.

Table B-8. U.S. Trade with El Salvador: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$3,347	100.0%	Total	$2,396	100.0%
Petroleum and coal products	815	24.4%	Apparel	1,634	68.2%
Oilseeds and grains	234	7.0%	Knit apparel	262	10.9%
Special classification provisions	217	6.5%	Sugar and confectionary products	88	3.7%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	205	6.1%	Fruits and tree nuts	46	1.9%
Fabrics	182	5.4%	Waste and scrap	41	1.7%
Fibers, yarns, and threads	166	5.0%	Motor vehicle parts	37	1.5%
Aerospace products and parts	122	3.6%	Goods returned	33	1.4%
Grain and oilseed milling products	111	3.3%	Footwear	27	1.1%
Computer equipment	102	3.0%	Semiconductors and other electronic components	23	1.0%
Knit apparel	88	2.6%	Other nonmetallic mineral products	21	0.9%
Subtotal	$2,241	67.0%	Subtotal	$2,212	92.3%

Source: United States International Trade Commission.

Table B-9. U.S. Trade with Guatemala: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$6,057	100.0%	Total	$4,217	100.0%
Petroleum and coal products	1,789	29.5%	Apparel	1,335	31.7%
Special classification provisions	423	7.0%	Fruits and tree nuts	1,194	28.3%
Oilseeds and grains	354	5.8%	Nonferrous metal and processing	370	8.8%
Grain and oilseed milling products	254	4.2%	Vegetables and melons	254	6.0%
Resins, synthetic rubber, & artificial & synthetic fibers & filament	217	3.6%	Oil and gas	226	5.4%
Pulp, paper, and paperboard mill products	211	3.5%	Sugar and confectionary products	158	3.7%

U.S. Total Exports			U.S. Total Imports		
Meat products and meat packaging products	196	3.2%	Fruit and vegetable preserves and specialty foods	119	2.8%
Computer equipment	175	2.9%	Waste and scrap	63	1.5%
Basic chemicals	146	2.4%	Beverages	45	1.1%
Communications equipment	140	2.3%	Basic chemicals	45	1.1%
Subtotal	$3,905	64.5%	Subtotal	$3,809	90.3%

Source: United States International Trade Commission.

Table B-10. U.S. Trade with Honduras: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$5,932	100.0%	Total	$4,643	100.0%
Petroleum and coal products	1,516	25.6%	Apparel	2,395	51.6%
Fibers, yarns, and threads	1,005	16.9%	Motor vehicle parts	595	12.8%
Special classification provisions	377	6.4%	Fruit and tree nuts	416	9.0%
Fabrics	328	5.5%	Fish, fresh, chilled or frozen and other marine products	192	4.1%
Oil and gas	274	4.6%	Knit apparel	177	3.8%
Oilseeds and grains	233	3.9%	Nonferrous metal and processing	160	3.4%
Electrical equipment and components	185	3.1%	Apparel accessories	103	2.2%
Grain and oilseed milling products	130	2.2%	Tobacco products	85	1.8%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	119	2.0%	Goods returned	69	1.5%
Communications equipment	112	1.9%	Vegetables and melons	62	1.3%
Subtotal	$4,280	72.2%	Subtotal	$4,254	91.6%

Source: United States International Trade Commission.

Table B-11. U.S. Trade with Israel: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$15,074	100.0%	Total	$23,051	100.0%
Miscellaneous manufactured commodities	6,848	45.4%	Miscellaneous manufactured commodities	9,483	41.1%
Semiconductors and other electronic components	1,270	8.4%	Pharmaceuticals and medicines	4,635	20.1%
Aerospace products and parts	1,153	7.6%	Aerospace products and parts	1,158	5.0%
Petroleum and coal products	465	3.1%	Navigational, measuring, electromedical, and control instruments	750	3.3%
Navigational, measuring, electromedical, and control instruments	345	2.3%	Semiconductors and other electronic components	676	2.9%
Special classification provisions	344	2.3%	Goods returned	627	2.7%
Other fabricated metal products	321	2.1%	Communications equipment	471	2.0%
Motor vehicles	287	1.9%	Plastics products	388	1.7%
Computer equipment	277	1.8%	Medical equipment and supplies	363	1.6%
Basic chemicals	268	1.8%	Basic chemicals	341	1.5%
Subtotal	11,579	76.8%	Subtotal	18,892	82.0%

Source: United States International Trade Commission.

Table B-12. U.S. Trade with Jordan: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$2,052	100.0%	Total	$1,357	100.0%
Aerospace products and parts	771	37.6%	Apparel	1,133	83.5%
Motor vehicles	405	19.7%	Miscellaneous manufactured commodities	92	6.8%
Grain and oilseed milling products	87	4.2%	Goods returned	51	3.8%
Other fabricated metal products	77	3.8%	Textile furnishings	20	1.5%
Special classification provisions	56	2.7%	Pharmaceuticals and medicines	18	1.3%

U.S. Total Exports			U.S. Total Imports		
Communications equipment	52	2.5%	Ventilation, heating, air-conditioning, and commercial refrigeration equipment	7	0.5%
Fruits and tree nuts	36	1.8%	Tobacco products	6	0.4%
Navigational, measuring, electromedical, and control instruments	36	1.8%	Basic chemicals	5	0.4%
Other general purpose machinery	32	1.6%	Fruit and vegetable preserves and specialty foods	4	0.3%
Motor vehicle parts	28	1.4%	Plastics products	3	0.2%
Subtotal	$1,578	76.9%	Subtotal	$1,339	98.6%

Source: United States International Trade Commission.

Table B-13. U.S. Trade with South Korea: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$44,544	100.0%	Total	$69,606	100.0%
Semiconductors and other electronic components	4,024	9.0%	Motor vehicles	14,687	21.1%
Basic chemicals	3,299	7.4%	Communications equipment	8,248	11.8%
Aerospace products and parts	3,153	7.1%	Motor vehicle parts	6,418	9.2%
Industrial machinery	2,809	6.3%	Semiconductors and other electronic components	5,106	7.3%
Oilseeds and grains	1,862	4.2%	Iron and steel and ferroalloy	4,246	6.1%
Meat products and meat packaging products	1,817	4.1%	Petroleum and coal products	3,775	5.4%
Navigational, measuring, electromedical, and control instruments	1,726	3.9%	Household appliances and miscellaneous machines	1,524	2.2%
Other fabricated metal products	1,321	3.0%	Rubber products	1,461	2.1%
Waste and scrap	1,304	2.9%	Agriculture and construction machinery	1,401	2.0%
Other general purpose machinery	1,298	2.9%	Resin, synthetic rubber, & artificial & synthetic fibers & filament	1,340	1.9%
Subtotal	$22,613	50.8%	Subtotal	$48,205	69.3%

Source: United States International Trade Commission.

Table B-14. U.S. Trade with Mexico: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$240,326	100.0%	Total	$294,158	100.0%
Motor vehicle parts	21,494	8.9%	Motor vehicles	46,353	15.8%
Petroleum and coal products	19,050	7.9%	Motor vehicle parts	40,099	13.6%
Computer equipment	16,001	6.7%	Oil and gas	27,770	9.4%
Semiconductors and other electronic components	13,539	5.6%	Computer equipment	14,348	4.9%
Basic chemicals	10,081	4.2%	Audio and video equipment	14,195	4.8%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	8,705	3.6%	Communication equipment	10,699	3.6%
Special classification provisions	7,733	3.2%	Electrical equipment	9,667	3.3%
Engines, turbines, and power transmission equipment	7,227	3.0%	Navigational, measuring, electromedical, and control instruments	8,050	2.7%
Plastics products	6,853	2.9%	Goods returned	6,570	2.2%
Electrical equipment and components	6,598	2.7%	Nonferrous metal and processing	6,556	2.2%
Subtotal	$117,281	48.8%	Subtotal	$184,308	62.7%

Source: United States International Trade Commission.

Table B-15. U.S. Trade with Morocco: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$2,068	100.0%	Total	$991	100.0%
Petroleum and coal products	615	29.7%	Pesticides, fertilizers and other agricultural chemicals	281	28.4%
Oil and gas	231	11.2%	Apparel	135	13.6%
Coal and petroleum gases	208	10.1%	Nonmetallic minerals	130	13.1%
Grain and oilseed milling products	112	5.4%	Semiconductors and other electronic components	78	7.9%
Dairy products	97	4.7%	Fruit and tree nuts	71	7.2%
Oilseeds and grains	73	3.5%	Fruit and vegetable preserves and specialty foods	47	4.7%

U.S. Total Exports			U.S. Total Imports		
Basic chemicals	59	2.9%	Motor vehicle parts	42	4.2%
Pulp, paper, and paperboard mill products	53	2.6%	Seafood products, prepared, canned and packaged	40	4.0%
Aerospace products and parts	53	2.6%	Special classification provisions	27	2.7%
Other agricultural products	45	2.2%	Grain and oilseed milling products	19	1.9%
Subtotal	$1,547	74.8%	Subtotal	$869	87.7%

Source: United States International Trade Commission.

Table B-16. U.S. Trade with Nicaragua: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$1,014	100.0%	Total	$3,104	100.0%
Fabrics	112	11.0%	Apparel	1,505	48.5%
Special classification provisions	105	10.4%	Motor vehicle parts	479	15.4%
Grain and oilseed milling products	83	8.2%	Fruits and tree nuts	250	8.1%
Computer equipment	47	4.6%	Meat products and meat packaging products	231	7.4%
Oilseed and grains	46	4.5%	Nonferrous metal and processing	191	6.2%
Agriculture and construction machinery	33	3.3%	Tobacco products	127	4.1%
Petroleum and coal products	29	2.9%	Fish, fresh, chilled or frozen and other marine products	92	3.0%
Communications equipment	27	2.7%	Sugar and confectionary products	41	1.3%
Other general purpose machinery	26	2.6%	Waste and scrap	31	1.0%
Motor vehicles	24	2.4%	Goods returned	24	0.8%
Subtotal	$532	52.5%	Subtotal	$2,970	95.7%

Source: United States International Trade Commission.

Table B-17. U.S. Trade with Oman: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$2,014	100.0%	Total	$975	100.0%
Aerospace products and parts	561	27.9%	Plastics products	233	23.9%
Motor vehicles	370	18.4%	Miscellaneous manufactured commodities	228	23.4%
Other general purpose machinery	115	5.7%	Pesticides, fertilizers and other agricultural chemicals	194	19.9%
Agriculture and construction machinery	106	5.3%	Resin, synthetic rubber, & artificial & synthetic fibers & filament	131	13.4%
Nonferrous metal and processing	100	5.0%	Steel products from purchased steel	68	7.0%
Special classification provisions	88	4.4%	Iron and steel and ferroalloy	55	5.6%
Navigational, measuring, electromedical, and control instruments	72	3.6%	Alumina and aluminum and processing	16	1.6%
Engines, turbines, and power transmission equipment	59	2.9%	Goods returned	11	1.1%
Other fabricated metal products	57	2.8%	Petroleum and coal products	11	1.1%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	36	1.8%	Apparel	8	0.8%
Subtotal	$1,564	77.7%	Subtotal	$954	97.8%

Source: United States International Trade Commission.

Table B-18. U.S. Trade with Panama: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$10,398	100.0%	Total	$400	100.0%
Petroleum and coal products	5,469	52.6%	Goods returned	143	35.7%
Oil and gas	665	6.4%	Fish, fresh, chilled or frozen and other marine products	95	23.7%
Special classification provisions	449	4.3%	Nonferrous metal and processing	32	8.0%
Communications equipment	233	2.2%	Waste and scrap	25	6.2%

U.S. Total Exports			U.S. Total Imports		
Computer equipment	197	1.9%	Fruit and tree nuts	15	3.7%
Soaps, cleaning compounds, and toilet preparations	178	1.7%	Sugar and confectionary products	14	3.5%
Beverages	173	1.7%	Petroleum and coal products	8	2.0%
Motor vehicles	172	1.7%	Beverages	7	1.7%
Agriculture and construction machinery	165	1.6%	Special classification provisions	7	1.7%
Iron and steel and ferroalloy	148	1.4%	Foods	5	1.2%
Subtotal	$7,849	75.5%	Subtotal	$352	87.9%

Source: United States International Trade Commission.

Table B-19. U.S. Trade with Peru: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$10,070	100.0%	Total	$6,079	100.0%
Petroleum and coal products	2,738	27.2%	Nonferrous metal and processing	1,543	25.4%
Agriculture and construction machinery	677	6.7%	Petroleum and coal products	914	15.0%
Oilseeds and grains	659	6.5%	Fruit and tree nuts	628	10.3%
Computer equipment	602	6.0%	Apparel	609	10.0%
Resin, synthetic rubber, & artificial & synthetic fibers & filament	444	4.4%	Oil and gas	365	6.0%
Basic chemicals	402	4.0%	Vegetables and melons	338	5.6%
Communications equipment	392	3.9%	Fruit and vegetable preserves and specialty foods	308	5.1%
Other general purpose machinery	343	3.4%	Fish, fresh, chilled or frozen and other marine products	276	4.5%
Special classification provisions	282	2.8%	Nonmetallic minerals	120	2.0%
Engines, turbines, and power transmission equipment	238	2.4%	Metal ores	119	2.0%
Subtotal	$6,777	67.3%	Subtotal	$5,221	85.9%

Source: United States International Trade Commission.

Table B-20. U.S. Trade with Singapore: Top 10 Products, 2014

(in millions of dollars and percent shares)

U.S. Total Exports			U.S. Total Imports		
Product	**Value**	**Share**	**Product**	**Value**	**Share**
Total	$30,532	100.0%	Total	$16,464	100.0%
Aerospace products and parts	4,311	14.1%	Basic chemicals	2,718	16.5%
Petroleum and coal products	4,091	13.4%	Pharmaceuticals and medicines	2,649	16.1%
Semiconductors and other electronic components	2,409	7.9%	Goods returned	1,791	10.9%
Navigational, measuring, electromedical, and control instruments	1,620	5.3%	Semiconductors and other electronic components	1,566	9.5%
Basic chemicals	1,429	4.7%	Navigational, measuring, electromedical, and control instruments	1,210	7.3%
Special classification provisions	1,290	4.2%	Computer equipment	1,182	7.2%
Other general purpose machinery	1,099	3.6%	Medical equipment and supplies	818	5.0%
Computer equipment	1,074	3.5%	Metalworking machinery	582	3.5%
Medical equipment and supplies	912	3.0%	Communications equipment	424	2.6%
Nonferrous metal and processing	806	2.6%	Electrical equipment	404	2.5%
Subtotal	$19,041	62.4%	Subtotal	$13,344	81.1%

Source: United States International Trade Commission.

Author Contact Information

(name redacted)
Specialist in International Trade and Finance
[redacted]@crs.loc.gov, 7-....

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