

# Introduction

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The annual Shifts in U.S. Merchandise Trade report is prepared on the basis of the Commission's more than 250 major industry/commodity groups and subgroups monitored by the Office of Industries. The analyses are performed by the international trade analysts of the U.S. International Trade Commission (the Commission), Office of Industries, who routinely monitor trade developments in all natural resource, agricultural, and manufacturing industries.

This report is divided into three parts:

Part I, which begins on page 2, presents an analysis of U.S. merchandise trade and overall economic performance from 2005–06. Overall U.S. merchandise trade performance is summarized for 2006, compared with such trade for 2005, on the basis of 10 merchandise sectors.<sup>1</sup> Coverage of the individual merchandise sectors includes data showing U.S. export, import, and trade balance shifts by sectors, industry/commodity groups (and in some cases subgroups), and shifts in trade with U.S. trade partners. Major shifts in trade are highlighted, which are examined in greater detail in the rest of the report.

Part II, which begins on page 13, presents and examines the shifts in U.S. trade with each of the top four U.S. trade partners—Canada, China, the European Union, and Mexico. Also presented and examined are shifts in trade with India, a U.S. trading partner that is of increasing interest and importance. Summary tables detail the important shifts in U.S. bilateral trade and highlight leading changes in industry/commodity groups for each of the major trade partners.

Part III, which begins on page 46, presents a general sector overview for each of 10 merchandise sectors, identifying significant shifts in trade within each sector. Each sector chapter includes a statistical summary table of industry/commodity groups or subgroups, showing absolute and percent changes in bilateral trade in a year-to-year comparison for 2005 and 2006, and a table of industry/commodity profiles.

In addition to the sectoral analyses, shifts in 23 specific industry/commodity groups are examined in greater detail. The industry/commodity groups were selected based on shifts in trade both on an absolute and percentage basis, exceeding \$1.5 billion and 10 percent.

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<sup>1</sup> Agricultural Products; Forest Products; Chemicals and Related Products; Energy Products; Textiles, Apparel, and Footwear; Minerals and Metals; Transportation Equipment; Machinery; Electronic Products; and Miscellaneous Manufactures

# Part I: U.S. Merchandise Trade and Overall Economic Performance

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This part of the report presents an analysis of U.S. merchandise trade and overall economic performance from 2005–06. Overall U.S. merchandise trade performance is summarized for 2006, compared with such trade for 2005, on the basis of 10 merchandise sectors.<sup>2</sup> Coverage of the individual merchandise sectors includes data showing U.S. export, import, and trade balance shifts by sectors, industry/commodity groups (and in some cases subgroups), and shifts in trade with U.S. trade partners. Major shifts in trade are highlighted, which are examined in greater detail in the rest of the report.

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<sup>2</sup> Agricultural Products; Forest Products; Chemicals and Related Products; Energy Products; Textiles, Apparel, and Footwear; Minerals and Metals; Transportation Equipment; Machinery; Electronic Products; and Miscellaneous Manufactures

# U.S. Merchandise Trade and Overall Economic Performance

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In 2006, U.S. total merchandise trade (exports plus imports) rose by \$308.2 billion (12 percent) to \$2.8 trillion, slightly less in percent terms than in 2005, while slightly higher in value. The fastest growth in exports of U.S. goods and services was to India, but exports to China, Africa, and Latin America also increased rapidly.<sup>3</sup> U.S. total merchandise trade in 2006 accounted for 76 percent of total U.S. combined trade (exports plus imports of merchandise and services),<sup>4</sup> a slight increase from 2005. It also represented 21 percent of real U.S. gross domestic product (GDP), up from 20 percent in 2005. The rate of increase in the U.S. merchandise trade deficit slowed from 17 percent in 2005 to 7 percent in 2006, even as the deficit grew from \$858.4 billion in 2005 to \$915.6 billion in 2006. Transportation equipment, electronic products, and energy-related products combined accounted for 49 percent of total merchandise trade in 2006.

The U.S. current account deficit (the combined balances on trade in goods and services, income, and net unilateral current transfers) increased from \$791.5 billion in 2005 to \$856.7 billion (preliminary) in 2006 as a result of the increase in the merchandise trade deficit and a shift from a surplus to a deficit on income. In contrast, the surplus in services increased and net unilateral current transfers to foreigners decreased.<sup>5</sup>

Continued economic growth in the United States and its major trading partners contributed to increased bilateral trade flows in 2006.<sup>6</sup> Strong growth in consumer spending, business structures investment, and exports supported the economic performance of the United States.<sup>7</sup> Crude petroleum prices continued to rise in 2006, resulting from increased global demand as well as supply disruptions in foreign countries.<sup>8</sup>

The U.S. economic growth rate increased in 2006, while growth among its major trading partners varied.<sup>9</sup> Real GDP in the United States increased by 3.3 percent in 2006 (versus 3.2 percent in 2005),<sup>10</sup> compared to 2.7 percent each in the European Union (EU) and Canada, 2.2 percent in Japan, and 4.8 percent in Mexico.<sup>11</sup> China was significantly higher, at 10.7 percent.<sup>12</sup>

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<sup>3</sup> Council of Economic Advisers (CEA), *Economic Report of the President*, 32.

<sup>4</sup> Total U.S. combined trade increased by \$348 billion (12 percent) during 2006 to \$3.3 trillion, according to statistics of the U.S. Department of Commerce.

<sup>5</sup> USDOC, *U.S. International Transactions: Fourth Quarter and Year 2006*.

<sup>6</sup> CEA, *Economic Report of the President*, 23.

<sup>7</sup> USDOC, BEA, *Survey of Current Business*, 1.

<sup>8</sup> CEA, *Economic Report of the President*, 25.

<sup>9</sup> OECD, *Main Economic Indicators*.

<sup>10</sup> USDOC, BEA, *Survey of Current Business*, 6.

<sup>11</sup> OECD, *Main Economic Indicators*.

<sup>12</sup> Chinese National Bureau of Statistics, "China's GDP Grows 10.7% in 2006."

Consumer spending, the mainstay of U.S. economic growth, rose by 3.2 percent in 2006,<sup>13</sup> supported by a rise in disposable personal income of 1.8 percent.<sup>14</sup> Business fixed investment, made up of spending on equipment, software, and structures, increased by 7.4 percent in 2006, a rate slightly higher than the increase in 2005.<sup>15</sup> Growth in this area was concentrated in nonresidential construction (office and industrial buildings), which grew by 9.1 percent, while investment in equipment and software grew by 6.7 percent in 2006.<sup>16</sup>

The Federal Open Market Committee (FOMC) raised the Federal funds rate from 5.0 to 5.25 percent in mid-2006, and it remained at that level through the year. The intent of the slightly higher rate was to foster sustainable economic expansion and to promote a return to low and stable inflation.<sup>17</sup>

World prices for crude petroleum increased by an average of 20 percent from 2005 to an average of \$60.12 per barrel in 2006. During the same period, U.S. imports of crude petroleum declined by 43,000 barrels per day (b/d) (0.4 percent). The increase in prices, influenced by rising global demand and supply disruptions and uncertainties, raised the cost of production for goods that use petroleum or its derivatives as an input, the cost of production for all goods in which energy is used during production, as well as the transportation cost for all goods.

The trade-weighted exchange value of the dollar declined by 3.75 percent from the beginning of 2006 through early February 2007, but varied widely against other currencies. Over that period, the dollar appreciated 2.25 percent against the yen and 1.5 percent against the Canadian dollar, but it depreciated by 4 percent against the Chinese renminbi, 9 percent against the euro, and almost 13 percent against the pound sterling.<sup>18</sup>

## **U.S. Trade by Industry/Commodity Groups and Sectors**<sup>19</sup>

### ***U.S. Trade Balance***

The U.S. merchandise trade deficit expanded every year during the 2002–06 period (table US-1). In 2006, the U.S. merchandise trade deficit grew by \$57.2 billion (7 percent) to a record \$915.6 billion. Unlike 2004 and 2005, the value of the U.S. merchandise trade deficit was less than the value of U.S. merchandise exports, as the rate of increase in exports (15.6 percent) exceeded the rate of increase in imports (11 percent).

Although all industry/commodity sectors registered trade deficits in 2006, as they did in 2005, the rate of the overall deficit growth slowed in 2006. The deficits in the transportation equipment, forest products, and chemicals sectors actually declined as the increase in exports for each of the three sectors exceeded the increase in imports.

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<sup>13</sup> USDOC, BEA, *Survey of Current Business*, 10.

<sup>14</sup> *Ibid.*

<sup>15</sup> CEA, *Economic Report of the President*, 285.

<sup>16</sup> *Ibid.*, 32.

<sup>17</sup> Board of Governors of the Federal Reserve System, *Monetary Policy Report*.

<sup>18</sup> *Ibid.*

<sup>19</sup> Each industry is analyzed in a separate chapter in part III of this report.

**TABLE US-1** U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by major industry/commodity sectors, 2002–06<sup>a</sup>

Item	2002	2003	2004	2005	2006	Change, 2006 from 2005		
						Absolute	Percent	
	<i>Million dollars</i>							
<b>U.S. exports of domestic merchandise:</b>								
Agricultural products	58,345	64,706	66,908	68,698	76,924	8,227	12.0	
Forest products	22,825	23,566	25,637	27,809	30,156	2,346	8.4	
Chemicals and related products	91,702	102,330	121,383	132,734	149,848	17,114	12.9	
Energy-related products	14,431	16,639	21,783	29,892	38,999	9,107	30.5	
Textiles and apparel	17,298	17,033	17,663	17,864	18,088	224	1.3	
Footwear	520	495	450	507	573	66	12.9	
Minerals and metals	39,924	42,980	50,588	62,911	82,944	20,033	31.8	
Machinery	63,262	63,462	76,744	82,087	94,606	12,519	15.3	
Transportation equipment	144,655	142,948	155,902	180,517	215,810	35,293	19.6	
Electronic products	140,428	140,838	149,450	155,408	169,248	13,840	8.9	
Miscellaneous manufactures	15,004	14,859	16,923	19,111	23,366	4,255	22.3	
Special provisions	21,205	21,570	23,753	26,454	28,925	2,471	9.3	
<b>Total</b>	<b>629,599</b>	<b>651,424</b>	<b>727,183</b>	<b>803,992</b>	<b>929,486</b>	<b>125,494</b>	<b>15.6</b>	
<b>U.S. imports of merchandise for consumption:</b>								
Agricultural products	55,591	60,899	67,012	73,050	81,456	8,407	11.5	
Forest products	37,048	38,769	47,591	50,003	50,416	413	0.8	
Chemicals and related products	106,924	123,922	141,683	163,050	179,410	16,359	10.0	
Energy-related products	109,800	147,183	195,553	273,197	319,168	45,972	16.8	
Textiles and apparel	81,585	87,241	94,045	100,485	104,563	4,078	4.1	
Footwear	15,379	15,560	16,498	17,834	19,038	1,204	6.8	
Minerals and metals	85,616	89,204	120,897	137,367	169,510	32,143	23.4	
Machinery	85,181	93,138	108,564	123,258	138,592	15,335	12.4	
Transportation equipment	227,147	232,212	253,775	271,464	292,065	20,601	7.6	
Electronic products	229,245	238,833	280,146	305,268	332,065	26,797	8.8	
Miscellaneous manufactures	72,129	74,765	83,226	91,306	98,933	7,627	8.4	
Special provisions	49,165	48,372	51,171	56,098	59,837	3,739	6.7	
<b>Total</b>	<b>1,154,811</b>	<b>1,250,097</b>	<b>1,460,160</b>	<b>1,662,380</b>	<b>1,845,053</b>	<b>182,674</b>	<b>11.0</b>	
<b>U.S. merchandise trade balance:</b>								
Agricultural products	2,754	3,807	-104	-4,352	-4,532	-180	-4.1	
Forest products	-14,223	-15,204	-21,953	-22,194	-20,260	1,933	8.7	
Chemicals and related products	-15,222	-21,592	-20,299	-30,317	-29,562	755	2.5	
Energy-related products	-95,369	-130,544	-173,770	-243,304	-280,170	-36,865	-15.2	
Textiles and apparel	-64,288	-70,208	-76,382	-82,621	-86,476	-3,854	-4.7	
Footwear	-14,860	-15,065	-16,048	-17,327	-18,465	-1,138	-6.6	
Minerals and metals	-45,692	-46,224	-70,309	-74,456	-86,567	-12,110	-16.3	
Machinery	-21,919	-29,676	-31,820	-41,171	-43,986	-2,815	-6.8	
Transportation equipment	-82,492	-89,264	-97,873	-90,947	-76,254	14,692	16.2	
Electronic products	-88,817	-97,994	-130,696	-149,859	-162,816	-12,957	-8.6	
Miscellaneous manufactures	-57,124	-59,906	-66,304	-72,195	-75,567	-3,372	-4.7	
Special provisions	-27,960	-26,802	-27,418	-29,644	-30,912	-1,268	-4.3	
<b>Total</b>	<b>-525,212</b>	<b>-598,673</b>	<b>-732,977</b>	<b>-858,388</b>	<b>-915,567</b>	<b>-57,179</b>	<b>-6.7</b>	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.—Calculations based on unrounded data.

<sup>a</sup>Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.

U.S. trade in energy-related products—crude petroleum, petroleum products, and natural gas and components—registered the largest trade deficit (\$280.2 billion) in 2006, as it has in every year since 2002, as well as the largest deficit increase (\$36.9 billion, or 15 percent), primarily because of higher prices (table US-1). The electronic products sector recorded the second-largest trade deficit in 2006 (\$162.8 billion), as well as the second-largest deficit increase (\$13.0 billion, or 9 percent), as U.S. companies continued to shift production overseas to take advantage of lower production costs and to serve growing Asian markets.

### ***U.S. Exports***

In 2006, U.S. exports increased by \$125.5 billion (16 percent) to \$929.5 billion, setting a new record (table US-1). Exports increased in every sector between 2005–06, as they did between 2004–05. Aircraft, spacecraft, and related equipment; motor vehicles; and petroleum products were the industry/commodity groups that recorded the largest increases in 2006, accounting for a combined \$33.5 billion (27 percent) of net export growth (table US-2).

Exports of aircraft, spacecraft, and related equipment, principally large civil aircraft, increased by \$16.4 billion in 2006 to \$64.4 billion (table US-2). Much of the increase was due to the expansion of airline routes and frequencies which required additional aircraft, as well as fleet renewal.

Motor vehicle exports grew by \$9.0 billion (26 percent) to \$43.7 billion in 2006. This was largely the result of increased exports of higher value vehicles to Canada, the largest market by far for U.S. vehicles.

U.S. exports of petroleum products jumped by 44 percent (\$8.1 billion) to reach a record \$26.4 billion as prices for crude petroleum continued to rise. The gain was due to increasing global demand and reduced foreign production capacity resulting from production cuts by members of the Organization of Petroleum Exporting Countries (OPEC), continued labor unrest in Venezuela and Nigeria, and the ongoing war in Iraq. For example, in 2006, there were approximately 1.3 million b/d of extra production capacity in the world, compared with 1.6 million b/d in 2005 (in 2003, there was more than 3 million b/d of excess capacity available).<sup>20</sup>

The most significant decrease in U.S. exports was recorded by the cathode-ray tube industry, which dropped by \$308 million (51 percent) in 2006 (table US-2). Previously, the largest export component in this U.S. industry was picture tubes for use in the production of color television receivers in Mexico. As consumer demand shifted to television receivers incorporating flat panel displays such as plasma and LCD, the demand for picture tubes collapsed. Today, there are no longer any U.S. producers of color picture tubes.

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<sup>20</sup> DOE, EIA, *Short-Term Energy Outlook*.

TABLE US-2 Leading changes in U.S. exports and imports of all sectors, 2002–06<sup>a</sup>

Industry/commodity group	2002	2003	2004	2005	2006	Change, 2006 from 2005	
						Absolute	Percent
<i>Million dollars</i>							
<b>U.S. EXPORTS:</b>							
<b>Increases:</b>							
Aircraft, spacecraft, and related equipment (ET013)	41,447	37,835	40,076	47,981	64,374	16,393	34.2
Motor vehicles (ET009)	26,209	29,379	29,979	34,681	43,707	9,026	26.0
Petroleum products (CH005)	8,662	9,783	12,651	18,302	26,407	8,104	44.3
Precious metals and non-numismatic coins (MM020)	5,070	6,299	6,204	7,522	13,360	5,839	77.6
Semiconductor manufacturing machinery (MM087A)	6,972	7,242	12,790	10,971	14,232	3,261	29.7
Medicinal chemicals (CH025)	18,742	22,527	27,098	29,296	32,460	3,164	10.8
Semiconductors and integrated circuits (ET033)	31,738	35,712	35,130	34,195	37,227	3,031	8.9
Construction and mining equipment (ET004)	9,504	9,461	11,689	15,418	18,377	2,959	19.2
Copper and related articles (MM036)	1,744	2,086	3,006	3,405	6,052	2,647	77.7
Medical goods (ET040)	15,059	16,827	18,433	20,970	23,311	2,341	11.2
Certain organic chemicals (CH012)	7,668	8,857	11,283	11,991	14,263	2,271	18.9
Cereals (AG030)	9,929	10,429	12,683	11,096	13,341	2,245	20.2
Miscellaneous inorganic chemicals (CH013)	4,820	4,903	5,608	7,003	8,737	1,734	24.8
Unwrought aluminum (MM037)	950	1,000	1,397	2,087	3,508	1,421	68.1
<b>Decreases:</b>							
Cathode-ray tubes (ET031)	1,762	1,202	998	600	292	-308	-51.3
<b>All other</b>	439,321	447,882	498,157	548,474	609,839	61,365	11.2
<b>TOTAL</b>	629,599	651,424	727,183	803,992	929,486	125,494	15.6
<b>U.S. IMPORTS:</b>							
<b>Increases:</b>							
Crude petroleum (CH004)	54,704	73,527	100,338	137,331	171,243	33,912	24.7
Motor vehicles (ET009)	133,264	134,286	142,750	146,169	159,331	13,163	9.0
Petroleum products (CH005)	30,594	37,280	51,579	77,684	89,448	11,764	15.1
Medicinal chemicals (CH025)	40,699	49,284	52,677	56,104	65,218	9,115	16.2
Steel mill products (MM025)	12,203	10,499	21,559	23,534	31,500	7,966	33.8
Copper and related articles (MM036)	3,715	3,893	5,565	7,766	13,803	6,037	77.7
Television receivers and video monitors (ET022)	10,586	12,654	17,509	22,712	28,628	5,917	26.1
Precious metals and non-numismatic coins (MM020)	6,263	6,759	9,055	10,029	14,232	4,203	41.9
Telephone and telegraph apparatus (ET017)	27,948	30,982	39,341	49,220	53,318	4,098	8.3
Unwrought aluminum (MM037)	4,774	5,000	6,837	8,153	10,317	2,163	26.5

See footnote(s) at end of table.

**TABLE US-2** Leading changes in U.S. exports and imports of all sectors, 2002–06—*Continued*<sup>a</sup>

Industry/commodity group	2002	2003	2004	2005	2006	Change, 2006 from 2005	
						Absolute	Percent
<i>Million dollars</i>							
<b>Decreases:</b>							
Natural gas and components (CH006) .....	18,609	28,885	34,195	46,211	45,118	-1,093	-2.4
Lumber (AG052) .....	6,647	6,007	8,808	9,005	8,335	-670	-7.4
Molybdenum ores and concentrates (MM007A) .....	37	51	268	746	395	-351	-47.1
Photographic cameras and equipment (ET039) .....	3,029	2,715	2,382	1,880	1,612	-268	-14.2
Cathode-ray tubes (ET031) .....	607	577	673	545	329	-216	-39.7
<b>All other</b> .....	801,133	847,699	966,624	1,065,292	1,152,227	86,935	8.2
<b>TOTAL</b> .....	1,154,811	1,250,097	1,460,160	1,662,380	1,845,053	182,674	11.0

*Source:* Compiled from official statistics of the U.S. Department of Commerce.

*Note.*—Calculations based on unrounded data.

<sup>a</sup>Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.



## ***U.S. Imports***

In 2006, U.S. imports for all merchandise sectors increased by \$182.7 billion (11 percent) to a record \$1.8 trillion. The energy sector accounted for \$46.0 billion (25 percent) of the net import increase, minerals and metals for \$32.1 billion (18 percent), and transportation for \$20.6 billion (16 percent) (table US-1). Crude petroleum, motor vehicles, and petroleum products were the industry commodity groups that recorded the largest increases in 2006, accounting for a combined \$58.8 billion (32 percent) of net import growth.

Higher world prices drove up import values in the energy sector. Although the quantity of crude petroleum imported remained flat at 3.0 billion barrels, the value of crude petroleum imports increased by 25 percent to \$171.2 billion and accounted for 54 percent of sector imports in 2006 (table US-2). U.S. imports of crude petroleum continued to account for more than 60 percent of domestic consumption (table US-2).

Steel mill products, copper and related products, and precious metals and non-numismatic coins accounted for 57 percent of the increase in imports among minerals and metals. Steel imports increased as a result of increased demand that could not be met by domestic producers. Copper imports increased as a result of decreasing domestic capacity. The increase in precious metals imports was a result of worldwide price increases.

## ***Significant Shifts in U.S. Bilateral/Multilateral Trade***

The growth of the U.S. merchandise trade deficit in 2006 was an extension of trends established at the start of the decade. In 2006, the United States exported more merchandise to and imported more merchandise from all of its top 10 trading partners and with selected country groups, as shown in table US-3. The U.S. merchandise trade deficit increased as a whole and grew bilaterally as well with the four major U.S. partners: in descending order, Canada, China, Mexico, and Japan.<sup>21</sup> Total trade with the EU-25 ranked ahead of Canada. However, the merchandise trade deficit with the EU15 and EU-25 decreased by 4 to 5 percent.

The increase in the U.S. merchandise trade deficit with China slowed to 16 percent (\$31.6 billion) in 2006 versus 25 percent in 2005. As in the last few years, a contributing factor to the widening merchandise trade deficit with China was increased production by foreign manufacturers in China. The merchandise deficit with Mexico grew by 22 percent (\$14.9 billion) due in large part to increased U.S. imports of petroleum products and transportation equipment.

The U.S. merchandise trade deficit with beneficiary countries of the Caribbean Basin Economic Recovery Act (CBERA) declined by 68 percent (\$3.9 billion) as U.S. domestic exports exceeded imports. The trade deficit with OPEC and with sub-Saharan Africa continued double-digit growth (12 percent and 18 percent, respectively). More detailed analysis of these and other trade shifts with five leading U.S. merchandise trading partners is provided in the following country overviews.

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<sup>21</sup> This order has remained unchanged since 2003. For the last five years, these countries have been the top four U.S. partners in terms of total trade, although the United States may not be a top trading partner for these countries. No individual EU country was consistently ranked among the top four overall U.S. trade partners during this time.

**Table US-3** All merchandise sectors: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by selected countries and country groups, 2002–06<sup>a</sup>

Item	2002	2003	2004	2005	2006	Change, 2006 from 2005	
						Absolute	Percent
<i>Million dollars</i>							
U.S. exports of domestic merchandise:							
Canada	142,543	148,749	163,168	183,235	198,226	14,992	8.2
China	20,553	26,707	32,606	38,857	51,624	12,767	32.9
Mexico	86,076	83,108	93,018	101,667	114,562	12,896	12.7
Japan	48,273	48,862	50,493	51,499	55,596	4,097	8.0
Germany	24,870	26,806	27,223	29,227	37,850	8,623	29.5
United Kingdom	30,243	30,556	31,734	34,065	41,335	7,270	21.3
Korea	21,151	22,525	24,994	26,210	30,794	4,583	17.5
Taiwan	16,786	16,111	20,343	20,527	21,376	849	4.1
France	17,522	15,683	19,626	20,658	22,590	1,932	9.4
India	3,680	4,367	5,295	6,965	9,025	2,060	29.6
All other	217,902	227,951	258,684	291,082	346,508	55,426	19.0
<b>Total</b>	<b>629,599</b>	<b>651,424</b>	<b>727,183</b>	<b>803,992</b>	<b>929,486</b>	<b>125,494</b>	<b>15.6</b>
EU-15	132,563	138,138	151,962	163,188	190,563	27,375	16.8
EU-25	135,244	141,483	155,690	167,416	196,478	29,062	17.4
OPEC	17,664	16,308	20,570	29,199	38,378	9,179	31.4
Latin America	134,284	131,236	149,534	167,686	196,723	29,037	17.3
CBERA	20,702	22,184	22,999	26,061	31,014	4,953	19.0
Asia	160,628	172,329	192,485	204,120	237,021	32,901	16.1
Sub-Saharan Africa	5,892	6,665	8,236	9,919	11,709	1,790	18.0
Central and Eastern Europe	2,575	3,190	3,942	4,529	5,732	1,203	26.6
U.S. imports of merchandise for consumption:							
Canada	210,518	224,016	255,660	287,534	303,034	15,500	5.4
China	124,796	151,620	196,160	242,638	287,052	44,414	18.3
Japan	121,262	118,485	129,535	137,831	148,071	10,239	7.4
Germany	60,985	66,532	75,622	84,345	87,756	3,412	4.0
United Kingdom	40,429	42,455	45,920	50,758	53,502	2,743	5.4
Korea	35,284	36,930	45,064	43,155	44,714	1,559	3.6
Taiwan	32,054	31,490	34,462	34,574	38,086	3,511	10.2
France	28,232	28,896	31,505	33,499	36,837	3,338	10.0
India	11,790	13,034	15,503	18,710	21,674	2,964	15.8
All other	355,339	399,440	475,772	560,120	627,272	67,152	12.0
<b>Total</b>	<b>1,154,811</b>	<b>1,250,097</b>	<b>1,460,160</b>	<b>1,662,380</b>	<b>1,845,053</b>	<b>182,674</b>	<b>11.0</b>
EU-15	223,732	242,210	270,249	297,111	318,569	21,458	7.2
EU-25	230,262	250,424	279,759	307,009	329,289	22,280	7.3
OPEC	50,649	65,300	92,038	122,098	142,690	20,592	16.9
Latin America	202,149	215,298	253,154	290,720	329,153	38,433	13.2
CBERA	21,255	24,500	27,555	31,814	32,839	1,025	3.2
Asia	419,909	449,094	526,404	593,811	668,735	74,924	12.6
Sub-Saharan Africa	18,208	25,470	35,769	49,925	58,762	8,838	17.7
Central and Eastern Europe	6,822	8,344	9,716	10,303	11,071	768	7.5

See footnote(s) at end of table.

**Table US-3** All merchandise sectors: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by selected countries and country groups, 2002–06<sup>a</sup>—Continued

Item	2002	2003	2004	2005	2006	Change, 2006 from 2005	
						Absolute	Percent
<i>Million dollars</i>							
U.S. merchandise trade balance:							
Canada	-67,975	-75,267	-92,492	-104,299	-104,808	-509	-0.5
China	-104,243	-124,913	-163,553	-203,781	-235,428	-31,647	-15.5
Mexico	-48,045	-54,091	-61,941	-67,549	-82,493	-14,944	-22.1
Japan	-72,989	-69,623	-79,042	-86,333	-92,475	-6,143	-7.1
Germany	-36,115	-39,726	-48,399	-55,118	-49,907	5,211	9.5
United Kingdom	-10,186	-11,899	-14,186	-16,693	-12,166	4,527	27.1
Korea	-14,133	-14,405	-20,070	-16,944	-13,920	3,024	17.8
Taiwan	-15,268	-15,379	-14,119	-14,047	-16,709	-2,662	-19.0
France	-10,710	-13,213	-11,879	-12,841	-14,247	-1,406	-10.9
India	-8,111	-8,666	-10,208	-11,745	-12,649	-904	7.7
All other	-137,438	-171,490	-217,088	-269,038	-280,765	-11,727	-4.4
Total	-525,212	-598,673	-732,977	-858,388	-915,567	-57,179	-6.7
EU-15	-91,169	-104,072	-118,287	-133,923	-128,006	5,917	4.4
EU-25	-95,018	-108,941	-124,070	-139,593	-132,811	6,782	4.9
OPEC	-32,985	-48,992	-71,467	-92,899	-104,312	-11,413	-12.3
Latin America	-67,865	-84,061	-103,620	-123,034	-132,430	-9,396	-7.6
CBERA	-552	-2,316	-4,557	-5,753	-1,825	3,928	68.3
Asia	-259,281	-276,765	-333,920	-389,691	-431,714	-42,023	-10.8
Sub-Saharan Africa	-12,316	-18,806	-27,533	-40,005	-47,053	-7,047	-17.6
Central and Eastern Europe	-4,247	-5,154	-5,774	-5,774	-5,339	435	7.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.—Calculations based on unrounded data. The countries shown are those with the largest total U.S. trade (U.S. imports plus exports) in these products in 2006.

<sup>a</sup>Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.

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## **Part II: Bilateral Trade**

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This part of the report analyzes shifts in trade between the United States and its four major trading partners (based on total trade)—the EU-25, Canada, China, and Mexico. Trade with India is also examined in light of India’s rising importance as a trading partner.