

Why is this information prepared?

The international trade analysts of the U.S. International Trade Commission (USITC, or the Commission), Office of Industries, routinely monitor trade developments in all natural resource, agricultural, and manufacturing industries and in the services sector, enabling the Commission to better anticipate and address issues of concern in its various roles under U.S. trade statutes.¹ Trade monitoring at the industry/commodity sector and subsector levels (the latter referred to as industry/commodity groups and subgroups² in this report) is a facet of the research and analysis undertaken by the Office of Industries as part of its responsibility to provide advice and technical information on industry and trade issues.

On August 27, 1993, on its own motion and pursuant to section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the U.S. International Trade Commission instituted investigation No. 332-345, *Annual Reports on U.S. Trade Shifts in Selected Industries*. The report format was developed by the Commission in response to Congressional interest in establishing a systematic means of examining and reporting on the significance of major trade shifts, by product and with leading U.S. trade partners in all natural-resource, agricultural, and manufacturing industries.

On December 20, 1994, the Commission on its own motion expanded the scope of this study to include selected service industries, thus providing more comprehensive coverage of U.S. trade performance and overall economic competitiveness. Under the expanded scope, the Commission publishes two separate reports annually: *Shifts in U.S. Merchandise Trade* and *Recent Trends in U.S. Services Trade*.

¹ Major roles include determining whether U.S. industries are materially injured or threatened with material injury by unfair imports, conducting studies on the international competitiveness of U.S. industries, and advising the President and the Congress on the likely effects of trade-policy changes and proposals.

² In some cases, industry/commodity groups have been further broken down into subgroups to create more meaningful data sets.

How is this information organized?

Overall U.S. merchandise trade performance is summarized for 2004, in comparison with such trade for 2003. 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.

The shifts in U.S. trade with each of the top four U.S. trade partners—Canada, China, the European Union, and Mexico—as well as Korea, an increasingly important U.S. trade partner, are also presented. Summary tables detail the important shifts in U.S. bilateral trade and highlight leading changes in industry/commodity groups for each of the five major trade partners.

A general sector overview is presented for each of the 10 sectors, identifying significant shifts in merchandise trade within the sector. In most cases, significant shifts in specific industry/commodity groups or subgroups are also identified. A statistical summary table of industry/commodity groups or subgroups is included in each sector analysis chapter, showing absolute and percent changes in a year-to-year comparison for 2003 and 2004. Industry/commodity profile tables are also included.

What trade statistics are used?

Trade statistics are compiled from official statistics of the U.S. Department of Commerce (Commerce). These statistics are categorized using the U.S. Harmonized Tariff Schedules (for imports) and Schedule B (for exports) using an international nomenclature system.

Why are your data different from other trade data?

Although all import and export data presented in this report are official Commerce statistics, these data may be different from the data presented by other government agencies and private institutions that cite Commerce as the source for trade data. Possible reasons for these discrepancies are as follows:

- Data in this report include merchandise trade only; other reported data may include services.
- Data are not seasonally adjusted; the values of other reported data may be so adjusted.
- Data are not adjusted on a balance of payments (BOP) basis; the values of other reported data may be so adjusted in line with the concepts and definitions used to prepare national and international accounts.
- Exports are on a domestic export/f.a.s. basis; other reported export data may be on a total export/f.a.s. basis, which includes re-exports of foreign merchandise.
- Imports are on an imports-for-consumption/customs value basis; other reported import data may be on a general imports/customs value basis.
- Exports and imports may not include all errata because certain errors may not be corrected by Commerce in time to be included in this report.
- Data in this report may be adjusted for errors that are not of sufficient magnitude to be changed in Commerce data.
- There are no adjustments for carryover (exports and imports received late or not processed for any reason and then subsequently included in a later month's data are reassigned to the month of exportation/entry), and trade is reported as originally released by Commerce. Other reported data may adjust export/import trade for carryover.
- The industry/commodity groups contained in this report are developed by the Commission and may differ from similarly labeled groups from other sources.

What are sectors?

Sectors are major segments of the U.S. economy (e.g., Agricultural Products, Minerals and Metals). The Commission divides the U.S. economy into 10 merchandise sectors.

What are industry/commodity profiles?

Industry/commodity profiles contain official and estimated data (2000–2004) for domestic consumption, production, employment, trade, and import penetration for most of the industry/commodity groups and subgroups covered in this report.³ Commission international trade analysts have estimated certain components of these data, based on publicly available primary and secondary government and industry sources. The estimated data are subject to change as information from these sources is updated.

³ Certain industry/commodity groups that cover a wide variety of products or a miscellaneous group of products are not included because data in these cases are of limited value. In some cases, certain subgroups have been included in place of the related aggregate group.