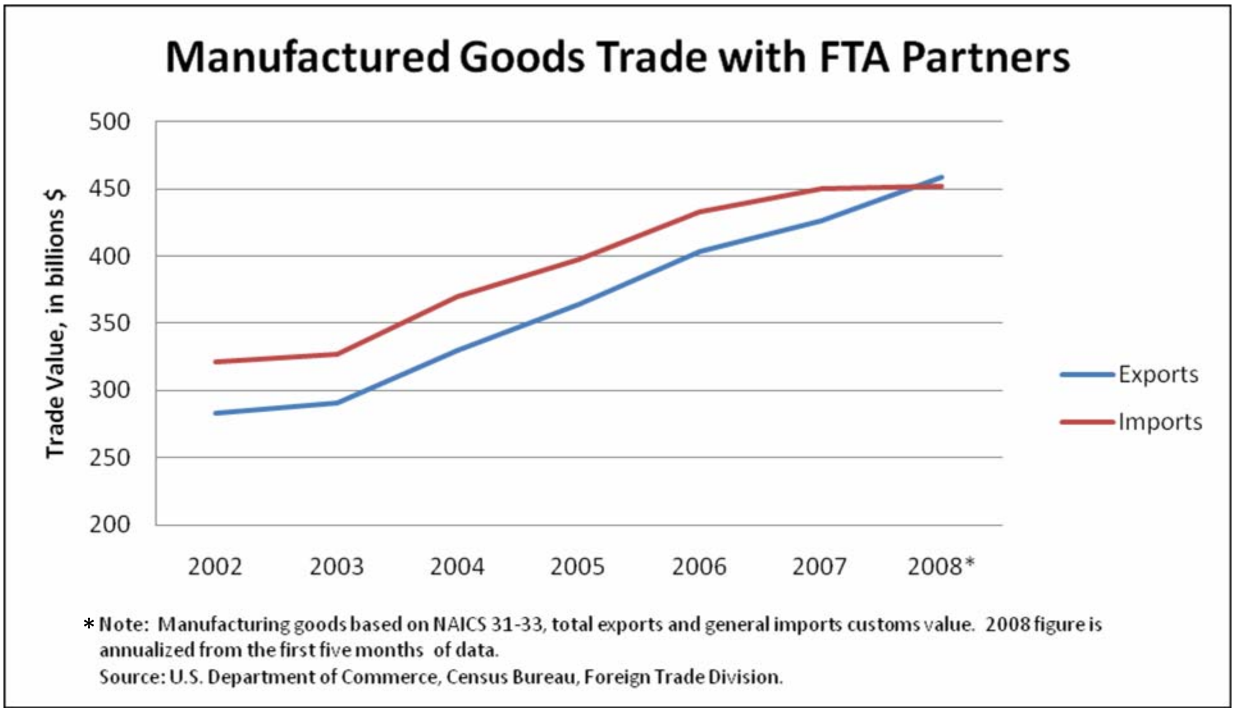
FTA Manufacturing Trade Surplus Fact Sheet

- For the first time, the U.S. trade balance in manufactured goods with our 14 FTA partners is in a surplus. In the first five months of 2008, the trade balance in manufactured goods with our FTA partners rose to a $2.7 billion surplus, from a $12.3 billion deficit during the same period last year.

- The U.S. manufactured goods trade balance improved 122 percent with our 14 FTA partners, but only 6 percent with non-FTA partners in the first five months of 2008.

- This improvement in the trade balance is due to the increasing competitiveness in FTA markets of U.S. manufactured goods. Since 2002, FTAs have helped U.S. manufactured exports grow steadily, and at a faster rate than imports. Year-to-date through May 2008 (when compared to the same period of 2002), U.S. manufactured exports to FTA countries have grown 63 percent, compared to only 42 percent growth in imports.



FTA COUNTRY DETAIL

- Our trade balance in manufactured goods improved with all of our FTA partners year-to-date through May 2008, except Israel (when compared to the same period of 2007).

- Nearly half of the $15.0 billion trade balance improvement was due to increasing exports to NAFTA partner Canada. With Canada alone, the U.S. went from a $1.8 billion deficit in manufactured goods year-to-date 2007, to a $5.3 billion surplus in the same period of 2008.

- Our trade balance in manufactured goods also improved significantly with FTA partners Singapore (up $3.0 billion year-to-date), Chile (up $2.0 billion), and Australia (up $1.3 billion).

CAFTA-DR

- In 2005, prior to the implementation of the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR), the U.S. had a trade deficit in manufactured goods of $1.2 billion with these countries. In 2007, after implementation with five of the CAFTA-DR countries (Costa Rica has yet to enter-into-force), the U.S. trade balance in manufactured goods improved markedly to a $2.8 billion surplus. Based on the performance of the first five months of 2008, that surplus with CAFTA-DR countries is on-pace to exceed $4.5 billion this year.

- The improvement in the manufactured goods trade balance with the CAFTA-DR markets has been driven by strong growth in U.S. exports. Since 2005, U.S. manufactured goods exports to the five CAFTA-DR markets with agreements in force have surged 32 percent through 2007. Year-to-date through May 2008, U.S. manufactured goods exports to the CAFTA-DR markets totaled $6.8 billion, up 17 percent from the same period of 2007.

BACKGROUND – NAICS vs. SITC

These calculations are based on the monthly data released by the U.S. Census Bureau and the Bureau of Economic Analysis in the FT900: U.S. International Trade in Goods and Services, as revised annually. The year-to-date figures are for the first five months (January-May) of 2008. For this release, manufacturing products are defined as all products that fall under NAICS classifications 31-33. This data will differ from other sources that use a manufacturing definition based on an SITC standard.

For the purposes of measuring manufacturing products, SITC codes 5-9 and NAICS codes 31-33 are the commonly accepted definitions. Both are published figures by the U.S. Census Bureau, Foreign Trade Division. While neither classification perfectly captures all manufacturing products (or excludes all non-manufacturing products), for this exercise, it was determined that the more inclusive NAICS manufacturing product definition was more appropriate. Specifically, using the NAICS definition allowed for the inclusion of food and tobacco products, wood products, and petroleum products, among others.