Import Trade Trends

Fiscal Year 2009 Year End Report

Published March 2010

U.S. Customs and Border Protection

Statistical Highlights

- During the first six months of fiscal year 2009, U.S. imports rapidly declined. Seasonal patterns resumed in late spring 2009, resulting in moderate recovery in trade.

- Imports are now at levels last seen in fiscal year 2005. Continued stability and modest growth are projected for fiscal year 2010.

- The total value of imports processed by U.S. Customs and Border Protection was slightly more than $1.7 trillion in fiscal year 2009, a 25 percent decrease from the previous year.

- Consistent with recent years, 31 percent of imported goods were dutiable.

- The Office of International Trade collected $29.5 billion in revenue for the U.S. government, a 15 percent decline from fiscal year 2008.

- A total of $300 million in antidumping/countervailing duties were collected in fiscal year 2009, down 36 percent from the previous year.

- For the first time, the U.S. Revenue Gap was at 1 percent. In fiscal year 2009, the amount of duty collected versus the amount owed to the U.S. government was 1.0 percent, totaling $310 million.

- Based on a random sampling, 98.5 percent of the fiscal year 2009 imports were materially compliant with all U.S. trade laws and regulations. This compliance rate is statistically comparable to recent years.

- Entry volume decreased in fiscal year 2009 by approximately 5 million entries or 16 percent. The number of “lines,” or product entries on shipments, decreased by 10 million or 9 percent.

- In fiscal year 2009, consignee volume was down 5 percent, lowering the number of businesses and individuals purchasing imported goods to 711,000. This downward trend started in fiscal year 2007.

- Petroleum products (that comply with Tariff Chapter 27) account for 15 percent of the highest value imported goods in fiscal year 2009. Other high value imports include returned American goods, machinery and parts, textiles, medical equipment, chemicals and pharmaceuticals.

- China surpassed Canada as the United States’ top trading partner in fiscal year 2009, and is well-positioned to increase its lead through fiscal year 2010.

Executive Trade Measures

Description of Measure	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
VALUE						
Total Import Value (in billions)	$1,425	$1,706	$1,944	$2,009	$2,262	$1,725
Percentage of Dutiable Value	31%	30%	30%	30%	31%	30%
Percentage of Conditionally Free Value	22%	22%	23%	22%	23%	21%
Percentage of Duty Free Value	47%	48%	47%	48%	46%	49%
REVENUE						
Total Revenue Collected (in billions)	$26.0	$28.6	$30.4	$33.2	$34.5	$29.5
Total Duty Collections (in billions)	$21.3	$23.5	$25.0	$26.7	$27.8	$23.5
Net Estimated Undercollections (in millions)	$263	$470	$450	$412	$396	$250
Projected Revenue Gap as Percentage of all Duties and Fees	1.1%	1.8%	1.6%	1.3%	1.1%	0.8%
Overall "Duty Rate" on Imports	1.5%	1.4%	1.3%	1.3%	1.2%	1.3%
Total Antidumping Duty Deposits (in millions)	$1,010	$1,001	$835	$506	$454	$289
Total Countervailing Duty Deposits (in millions)	$995	$995	$596	$15	$14	$11
ENTRY SUMMARIES AND LINES						
Total Entry Summaries (in millions)	28.1	29.8	31.3	31.5	30.8	25.8
Total Entry Lines (in millions)	79.5	88.6	97.1	102.4	104.7	95.5
Paperless Entry Summaries %	78.5%	82.2%	85.8%	86.7%	88.2%	90.2%
Total Cargo Entries (in millions)	23.0	26.1	27.9	28.6	28.7	24.2
Paper Cargo Entries	14.7	16.8	16.7	15.2	13.4	11.0
Paperless Cargo Entries	8.4	9.3	11.2	13.4	15.3	13.2
Paperless Cargo %	36.3%	35.7%	40.2%	46.8%	53.2%	54.6%
CONSIGNEES						
Total Number of Consignees	754,000	824,278	825,095	809,621	777,328	711,335
Percentage of Total Value for Top 3000 Consignees		75%	77%	76%	75%	74%
Percentage of Total Entries for Top 3000 Consignees		47%	48%	53%	49%	50%
Percentage of Total Lines for Top 3000 Consignees		62%	64%	57%	66%	67%

Executive Trade Measures

Description of Measure	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010 Projection
COMPLIANCE RATES							
Number of Entry Summary CM Reviews	64,000	30,000	74,934	67,477	75,861	58,650	65,000
Overall Compliance Rate - Major Transactional Discrepancies (MTD)	94.2%	94.9%	97.5%	97.8%	97.6%	98.5%	98.5%
Overall Compliance Rate - Revenue Sample (MTD)			97.4%	97.8%	97.6%	98.4%	98.4%
Overall Compliance Rate - ADCVD Sample (MTD)			99.0%	99.3%	98.8%	99.5%	99.5%
MODE OF TRANSPORT							
Vessel Entries (in millions)		6.8	7.4	7.7	7.3	6.3	6.9
Air Entries (in millions)		10.1	10.8	11.1	11.2	9.5	10.2
Road Entries (in millions)		11.2	11.3	11.1	10.6	8.8	9.4
Rail Entries (in millions)		1.4	1.4	1.4	1.4	1.0	1.2
FTZ/Other Mode Entries (in millions)		0.3	0.3	0.3	0.2	0.4	0.5
Vessel Import Value (in billions)	$605	$716	$810	$834	$934	$692	$752
Air Import Value (in billions)	$367	$404	$443	$474	$512	$426	$463
Road Import Value (in billions)	$267	$298	$317	$341	$338	$286	$311
Rail Import Value (in billions)	$91	$94	$101	$105	$109	$74	$80
FTZ/Other Mode Value (in billions)	$151	$195	$297	$259	$372	$274	$298
TRADE PARTNERSHIPS							
Entries for CTPAT & ISA Participants (in millions)		2.2	2.4	2.5	2.7	2.1	2.6
CTPAT & ISA Entries as Percentage of All Entries		7.5%	7.5%	7.8%	8.7%	8.1%	9.0%
Import Value for CTPAT & ISA Participants (in billions)	$169	$228	$258	$270	$412	$288	$356
CTPAT & ISA Value as Percentage of All Value	12%	13%	13%	13%	18%	17%	19%
Entries for Non-ISA CTPAT Participants (in millions)		6.4	7.3	7.3	9.0	6.0	8.5
Non-ISA CTPAT Entries as Percentage of All Entries		22%	23%	23%	29%	23%	30%
Import Value for Non-ISA CTPAT Participants (in billions)	$395	$562	$696	$737	$793	$600	$694
Non-ISA CTPAT Value as Percentage of All Value	28%	33%	36%	37%	35%	35%	37%
COUNTRIES							
Total Value from Top 5 Countries (in billions)	$766	$856	$977	$1,059	$1,143	$907	$998
Percentage of Total Import Value for Top 5 Countries	54%	50%	50%	53%	51%	53%	53%
Total Duty for Top 5 Duty Paying Countries (in billions)	$10	$12	$13	$15	$15	$14	$15.1
Percentage of Total Duties for Top 5 Countries	47%	50%	51%	55%	56%	64%	63%

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Import Value

Total import value decreased by 25 percent during fiscal year 2009

- Fiscal year 2009 overall import value declined to $1.7 trillion from $2.3 trillion in fiscal year 2008 due to the global economic downturn. (Figure 1)

- Import levels in the most recent months of fiscal year 2009 indicate a return to more normal trade patterns. (Figure 2)

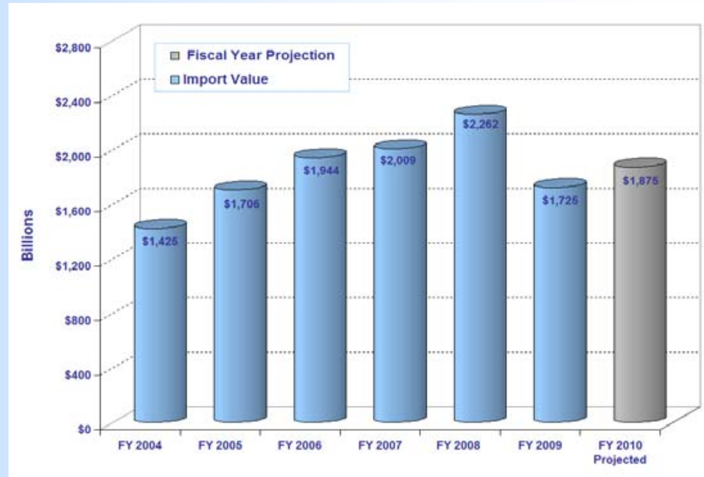
- The top 10 commodity groups by tariff chapter account for 65 percent of fiscal year 2009 import value.

- Petroleum products, chapter 27, account for 15 percent of this figure.

- Seventy percent or about $1.2 trillion of all imports were free or conditionally free from duty.
  (Figure 3)

- Based on analysis of the above data, it is estimated that trade agreements continue to save American importers more than $4 billion annually.

Figure 1



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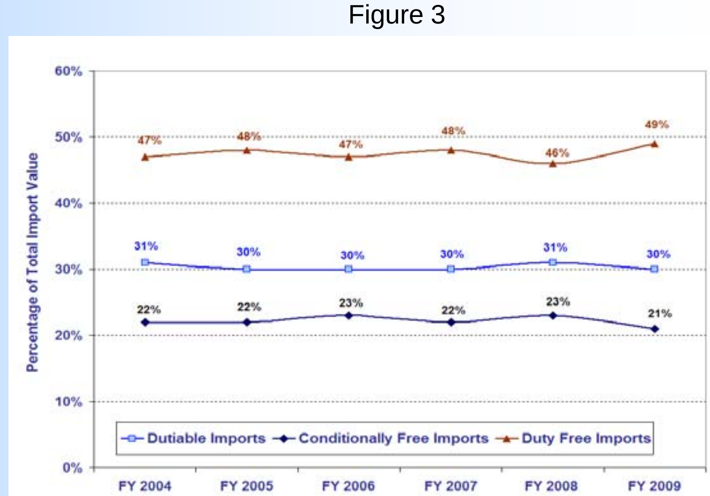


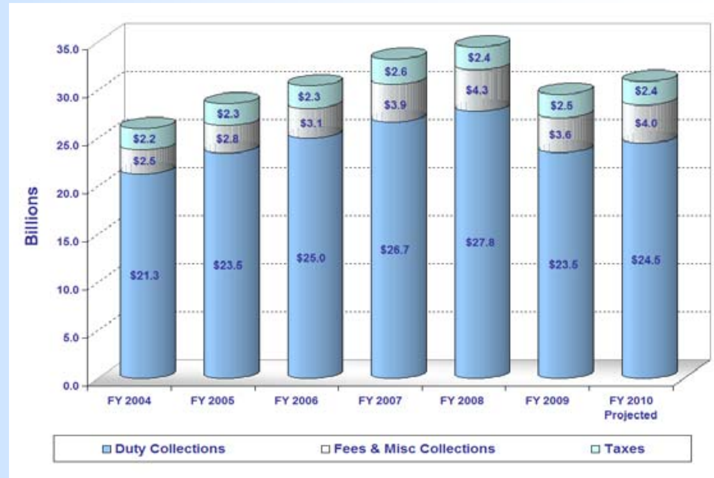
Revenue Collections

Total revenue collections from imports decreased by 15 percent in fiscal year 2009

- Revenue collections fell into three major categories (Figure 1):
  - $23.5 billion was from **duty collections**
  - $3.6 billion was derived from **fees and miscellaneous collections**, such as harbor maintenance fees, merchandise processing fees and other user fees.
  - Another $2.5 billion was received as **taxes**
- The average “Duty Rate” on imports in fiscal year 2009 was 1.3 percent, a slight increase from 1.2 percent the previous year.
- Estimated uncollected duties continued to decline, falling to $310 million or 1 percent of all collectable revenue, according to preliminary calculations, .

  (Figure 2)
- Revenue Gap percentages by major importer groupings indicate that non-partner importers and those outside the top 3,000 importers account for the largest portion of the Revenue Gap. (Figure 3)

Figure 1



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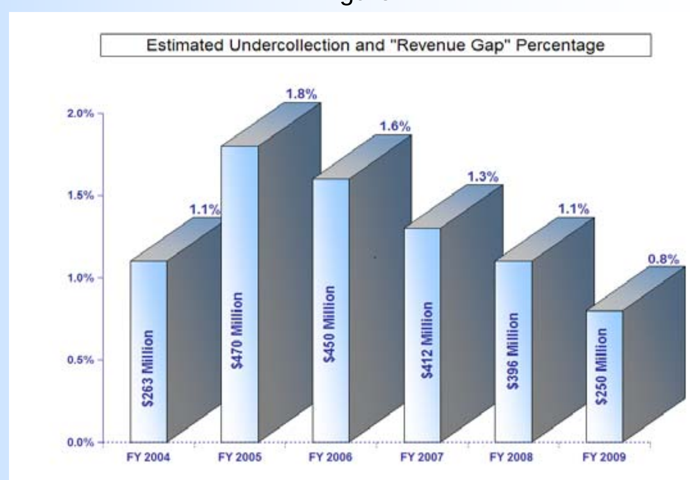

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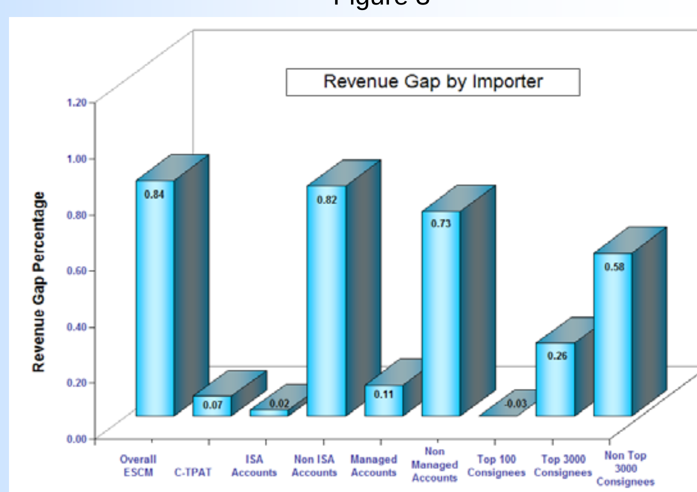

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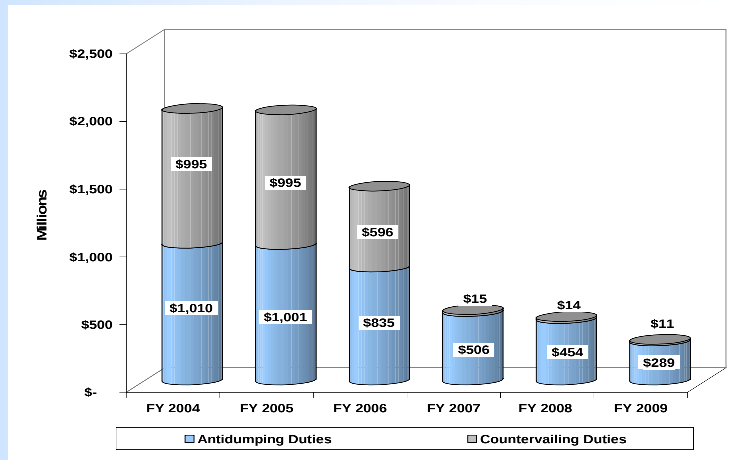
Antidumping/Countervailing

Antidumping and countervailing duties (AD/CVD) dropped 36 percent since the last fiscal year

- Antidumping duties totaled $289 million in fiscal year 2009, a decline from $454 million. (Figure 1)
- Countervailing duties totaled $11 million during the same period. (Figure 1)
- AD/CVD accounts for about 1 percent of all annual duty collections by CBP.
- China accounted for 47 percent of all antidumping duties imposed in fiscal year 2009. (Figure 2)
- Steel, furniture, chemicals, graphite and machinery accounted for nearly 36 percent of all antidumping duties from China.
- The revocation of the AD/CVD orders on Canadian softwood lumber by fiscal year 2007 account for the dramatic decline in AD/CVD collections during the last three years.

Figure 1



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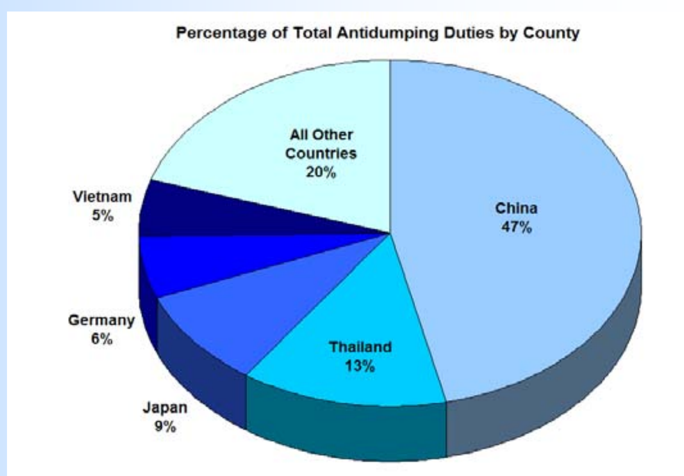

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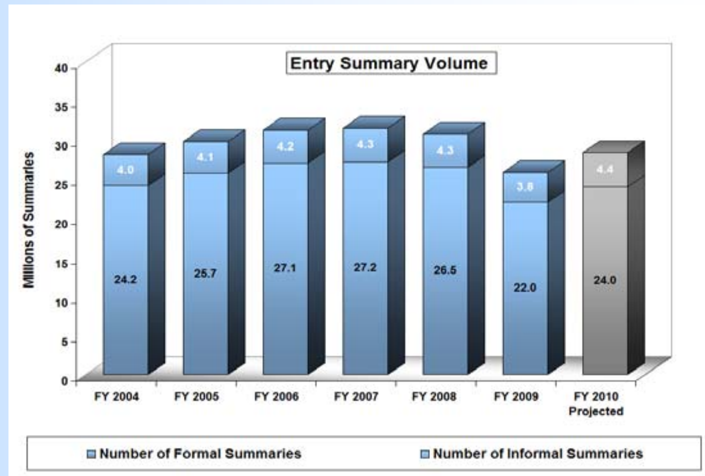
Entry Volume

Fiscal year 2009 entry summary volume declined by 16 percent, while line volume dropped by 9 percent

- As a measure of CBP trade workload and processing demands, “summaries” represent import transactions while “lines” represent the various imports declared on a given summary.
- Summaries can be filed as “formal entries,” usually higher-valued imports, or “informal entries,” which are lower-valued or non-commercial imports.
- The percentage decrease for formal entries was 17 percent, compared to a 13 percent decrease for informal entries. (Figure 1)
- Future projections for fiscal year 2010 indicate that summary and line volume should reach 28 million summaries and more than 100 million lines.

(Figures 1 and 2)

Figure 1



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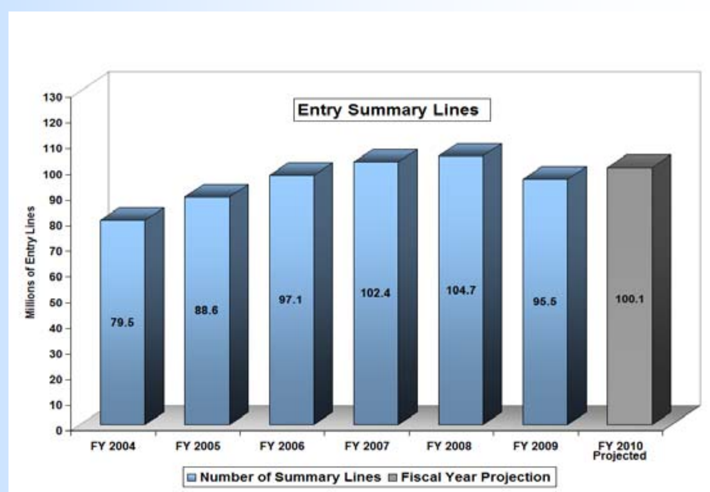

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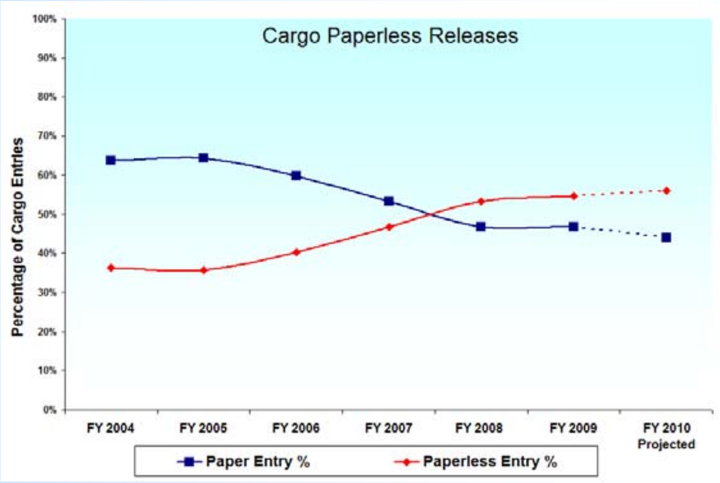
Paperless Processing

Paperless processing allows for the efficient flow of trade into the United States while allowing CBP to focus on enforcement efforts

- Paperless transactions do not require documentation to physically be presented when cargo arrives at borders.
- Cargo paperless rates have increased over the last five years so that more than half of all cargo entries are now paperless. (Figure 1)
- Nearly all land border truck shipments are paper, accounting for 75 percent of all paper transactions.
- The paperless rate for cargo entries, excluding paper from truck shipments, rose to more than 80 percent, on par with the summary paperless rate.
- Paperless transactions at summary paperless rates averaged 78 percent only 5 years ago. Now that average is over 90 percent. (Figure 2)

Figure 1



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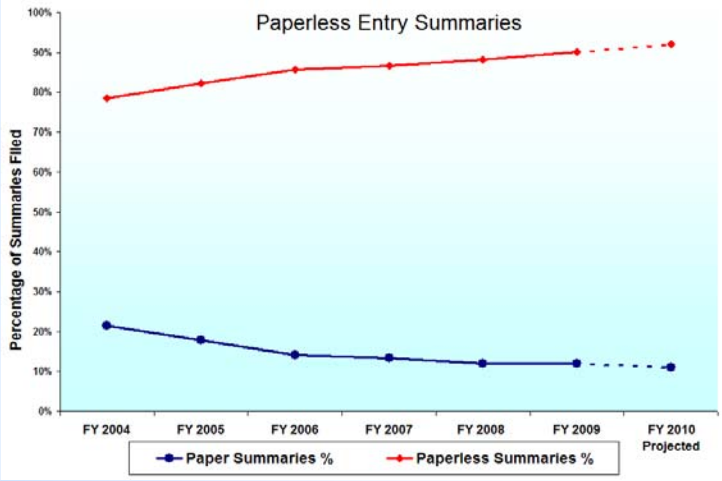

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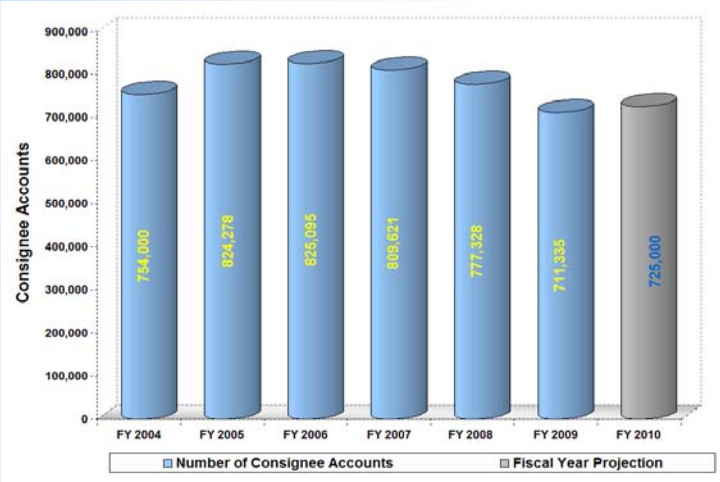
Consignees

More than 711,000 consignees imported in fiscal year 2009, a decrease of more than 8 percent from fiscal year 2008

- A "consignee" represents the business or individual receiving the imported goods.
- A consignee is often the importer of record, but may use an import broker or express shipper to handle the import process.
- Consignee levels have been on the decline for the last four years. (Figure 1)
- Analysis of this decline has shown that this consolidation is not limited to a single type or group of consignees.
- The top 3,000 consignees account for 74 percent of all import value and 50 percent of all entries filed. (Figure 2)
  - Regardless of changes in trade volumes and other key import measures, the indicators of consumption behavior remain consistent from year to year.
- More than 320,000 consignees were one-time importers in fiscal year 2009.
  - This represents 45 percent of all fiscal year 2009 consignees.

Figure 1



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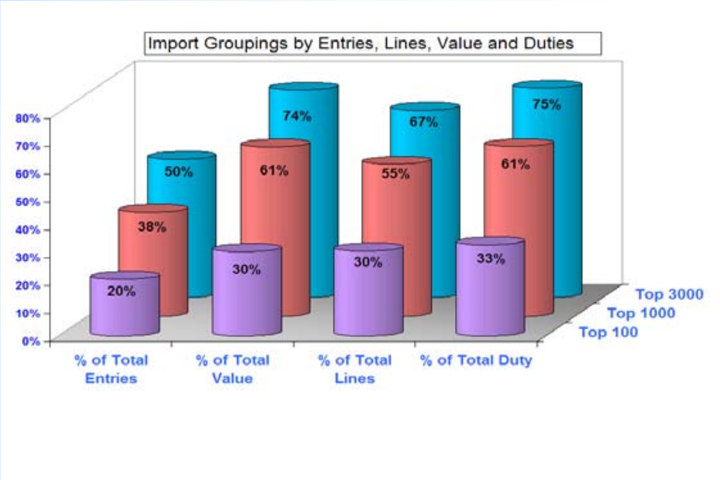

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Compliance Rates

Based on random sampling, 98.5 percent of fiscal year 2009 entries are materially compliant with all US trade laws and regulations

- CBP samples 70,000 imports per year to generate indicators of overall compliance and to assess the loss of revenue due to non-compliance.

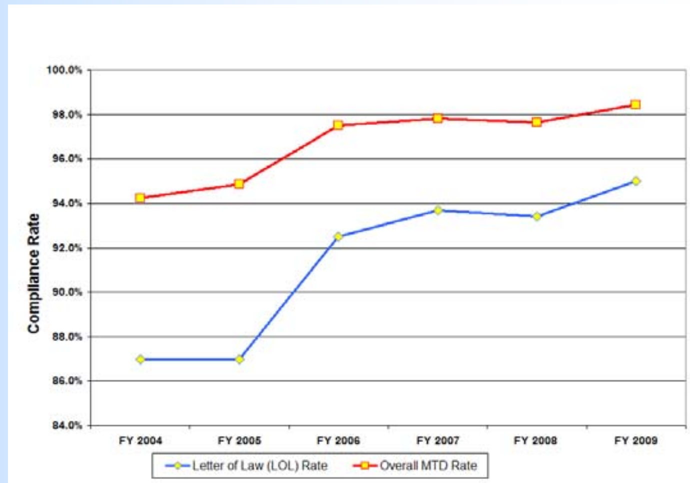
- “Letter of the Law” compliance represents correctness for all trade laws, while “Major Transactional Discrepancy” (MTD) compliance provides an indication of materiality.

- Trade Compliance Measurement rates have leveled off over the last several years to their current historical highs. (Figure 1)

- Trade partnership participants, managed accounts, and larger importers tend to have higher compliance measurement rates than other importer groups.

(Figure 2)

Figure 1



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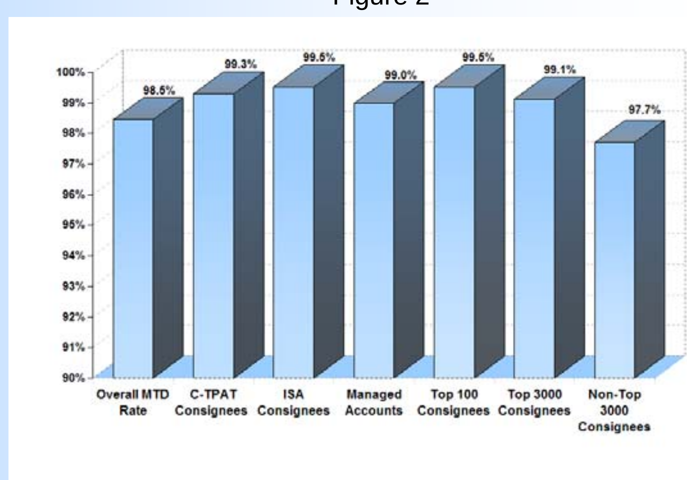

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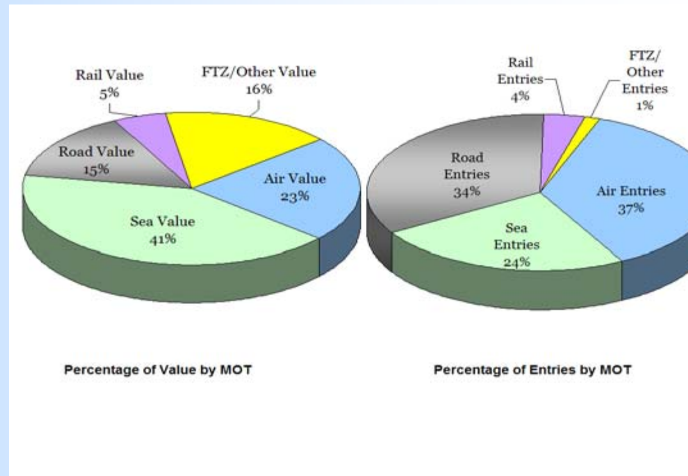
Modes of Transportation

The primary method of shipping high value goods to the United States is by sea vessel

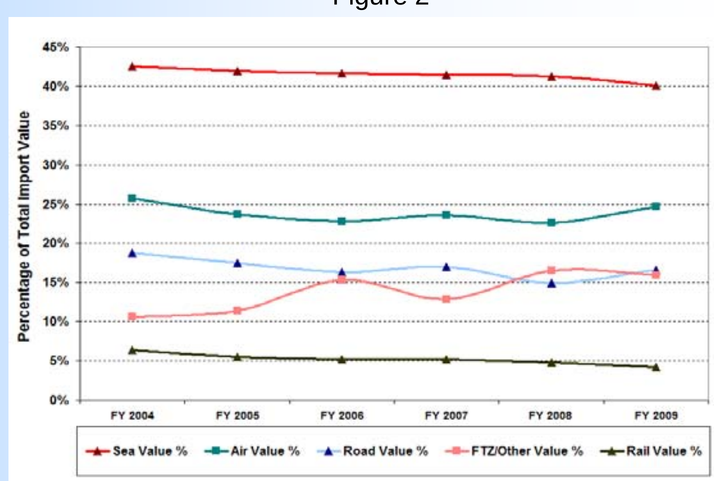
Figure 1



- Sea vessel imports accounted for 40 percent of all import value, but only 24 percent of all entries filed in fiscal year 2009. (Figure 1)

- More than 95 percent of all entries filed for sea vessel imports arrived in the US via container.

Figure 2



- The value of shipments leaving Free-Trade Zones (FTZ) have increased in value over the last few years, competing with imports via truck.

  (Figure 2)

- Oil imports account for a large portion of this increase.

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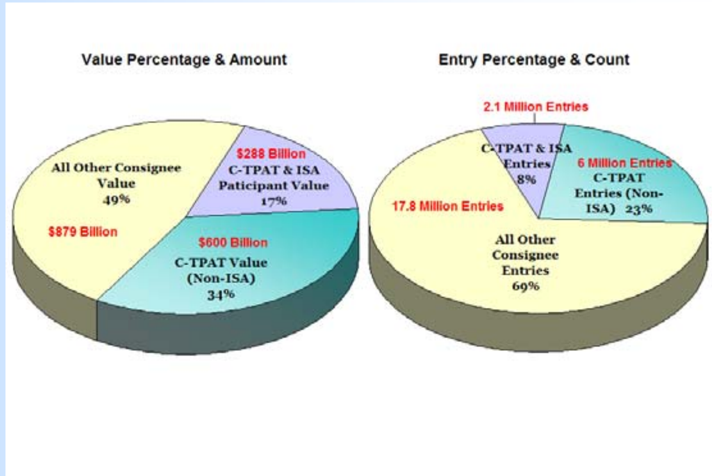
Partnership Programs

Import Self-Assessment (ISA) forms the foundation of CBP's trade compliance partnership efforts

- ISA is a trade and revenue partnership modeled after the Customs-Trade Partnership Against Terror (C-TPAT) security program.
- ISA participants meet or exceed CBP standards for revenue related internal controls over the import process.
- ISA members gain several benefits including exemption from audit, and enhanced prior disclosure options.
- The 195 ISA participants in fiscal year 2009 account for 17 percent of all import value and 8 percent of all entry summaries. (Figure 1)

Figure 1



ISA has begun expanding into non-revenue areas in fiscal year 2009, including the pilot of ISA for Product Safety (ISA-PS)

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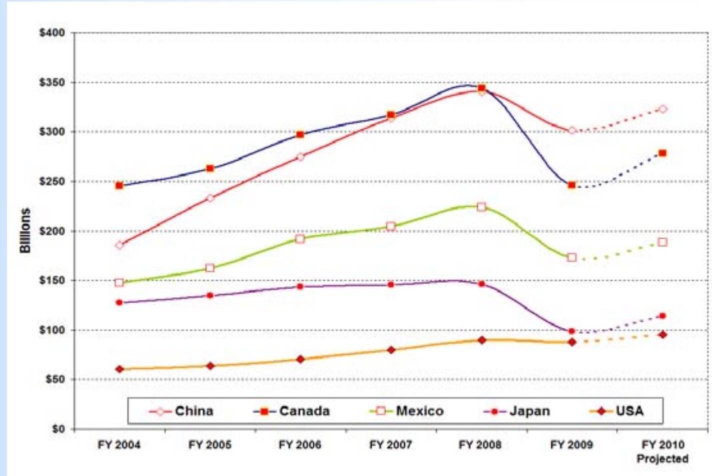
Top Countries by Value

All of the top five, trading partner countries, ranked by import value, have experienced a decline in shipments to the United States

- Despite this decline, 53 percent of all imports come from the top five countries by value.
- China has solidified a lead as top trading partner with the United States, overtaking Canada by a wide margin. (Figure 1)
  - Prior to this point, the top five trading partners by import value had not changed in the last seven years.
- Chinese value rose above Canadian value by 18 percent ($55 billion) in fiscal year 2009, Canadian value was 28 percent lower than fiscal year 2008.
  - Canadian value has declined significantly due to the decrease in oil prices and reduced demand for autos and auto parts supplies from Canada.
- Projections for China on an annual basis (Figure 2), compared to Canada on a monthly trend, (Figure 3) indicate that China will maintain this lead into fiscal year 2010 and possibly beyond.

Figure 1



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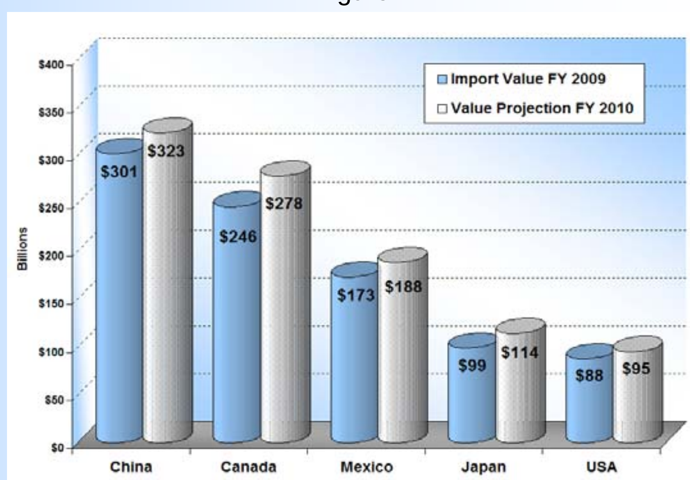

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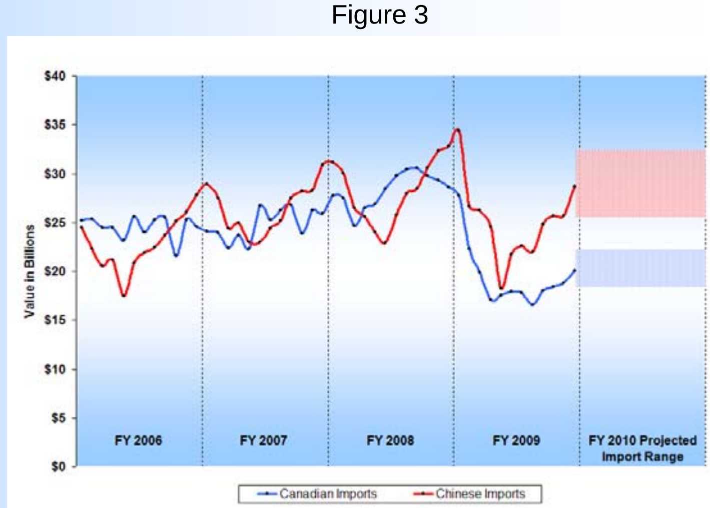

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Top Countries by Duty

Sixty-three percent of all fiscal year 2009 duties came from the top five duty-paying countries

- Fiscal year 2009 duties on imports from China totaled $9.7 billion, 43 percent of all duties collected in fiscal year 2009. (Figure 1)

- The sum of duty paid by the remaining top five countries represented in the above graph is roughly half of the duty paid by China.

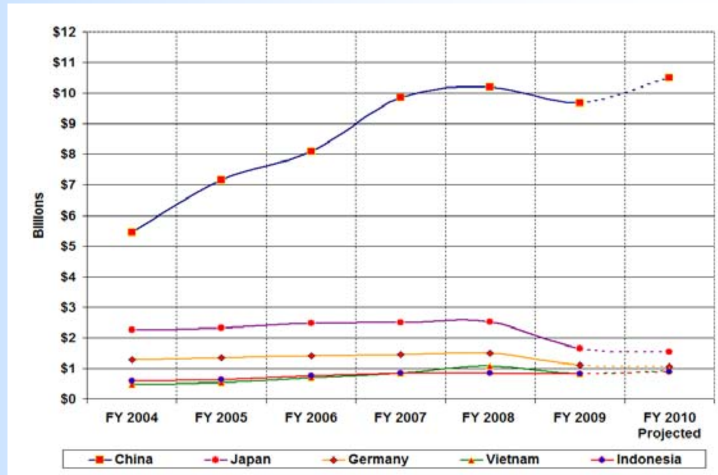
- Despite a 15 percent decline in overall revenue collections, duty collections from China declined by only 5 percent or $500 million.

- Comparatively, duties on imports from Japan declined by 40 percent, about $1 billion.

- Vietnam and Indonesia are now the third and fifth largest sources of duty respectively, with Germany projected as continuing on a declining trend to fourth.

  (Figure 2)

Figure 1



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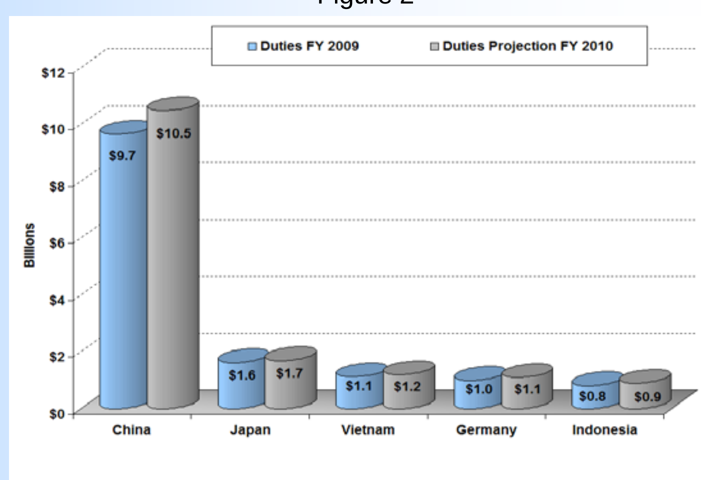

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Data References

SECTION	SOURCE
Import Value………………………………	Automated Commercial Environment database and U.S. Census Bureau
Revenue Collections…………………...	Office of Administration and Automated Commercial Environment database
Antidumping/Countervailing …………	Automated Commercial Environment database and U.S. Census Bureau
Entry Volume …………………………...	Automated Commercial Environment database and U.S. Census Bureau
Paperless Processing ………………...	Automated Commercial Environment database and U.S. Census Bureau
Consignees ………………………………	Automated Commercial Environment database and U.S. Census Bureau
Compliance Rates ………………………	Automated Commercial Environment database and U.S. Census Bureau
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U.S. Customs and Border Protection