

CHAPTER 1

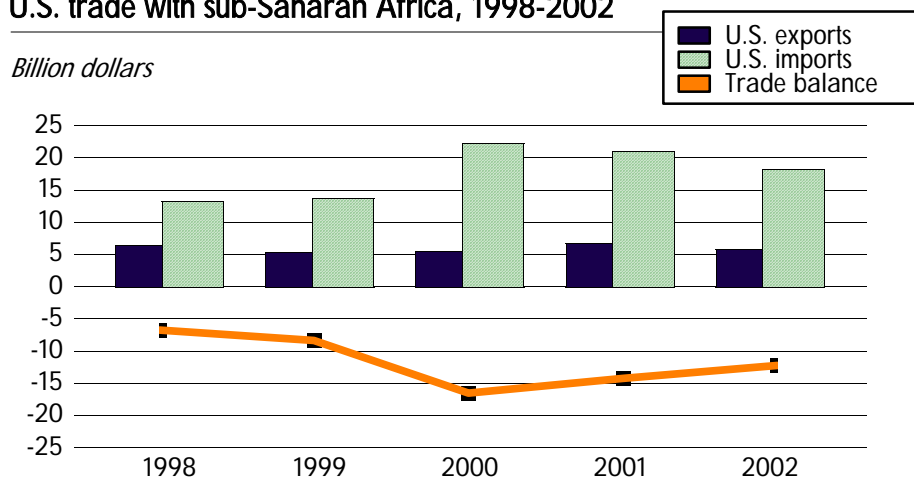
U.S. Trade and Investment With Sub-Saharan Africa

This chapter discusses the pattern of U.S.- SSA merchandise trade from 1998 to 2002, and services trade from 1998 to 2001 (the most recent years for which services trade data are available). The pattern of merchandise trade is presented for the SSA region as a whole, by major trading partners and commodity sectors. This chapter also discusses the pattern of foreign investment flows to sub-Saharan Africa from 1998-2002 (or most recent data available). Foreign investment flows are presented for the SSA region, and by country (where available). Trade statistics beginning with 1990 are available in prior Commission reports.¹

U.S. Merchandise Trade

Figure 1-1 shows the trend in U.S.-SSA merchandise trade from 1998 to 2002. Total merchandise trade between the U.S. and SSA declined 13.3 percent in 2002 to \$24.1 billion, from \$27.8 billion in 2001.² This decline was due to a 13.5 percent decrease in

Figure 1-1
U.S. trade with sub-Saharan Africa, 1998-2002



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

¹ For data series beginning in 1990, see USITC, *U.S.-Africa Trade Flows and Effects, First Report*, USITC Pub. No. 2938, Jan. 1996, table 2-1, p. 2-2.

² This report analyzes changes in U.S. merchandise trade on a value basis. A principal reason is that aggregate trade data by quantity are generally not available. Consequently, it is possible (if prices change significantly) for the value of trade to change considerably, but the quantity of trade to remain the same. Where possible, this report also provides trade information on a quantity basis.

U.S. imports from \$21.1 billion in 2001 to \$18.2 billion in 2002, and a 12.7 percent decrease in U.S. exports from \$6.8 billion in 2001 to \$5.9 billion in 2002. The decline in U.S. imports from SSA was primarily the result of a \$2.6 billion or 17.9 percent decrease in energy-related products. Nigeria accounted for most of the decline in U.S. imports from the region. U.S. imports from Nigeria fell by \$3.1 billion or by 34.7 percent, with most of the decline concentrated in the energy sector (down by \$2.9 billion or by 33.1 percent). For more information, see the sector profile on petroleum and energy-related products in Chapter 5, and the country profile on Nigeria in Chapter 6.

The decline in imports was partly offset by increased imports from Angola, Equatorial Guinea, and Lesotho. U.S. imports from Angola increased by \$455.6 million, or by 16.4 percent, mostly because of an increase in imports of energy-related products (up by \$435.4 million, or by 15.7 percent). Imports from Equatorial Guinea rose by \$177.0 million, or by 44.7 percent, primarily due to an increase in energy-related products (up by \$140.9 million, or by 39.7 percent) and an increase in chemical products (up by \$34.0 million, or by 91.2 percent). U.S. imports from Lesotho rose by \$104.3 million, or by 48.0 percent, entirely because of an increase in imports of textiles and apparel products (up by \$104.3 million or by 48.1 percent).

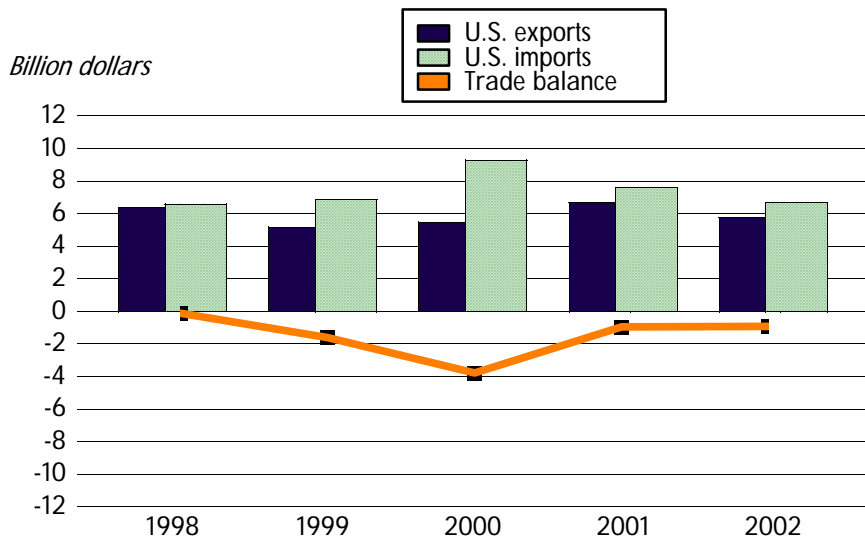
On the export side, the large decline was primarily because of a \$983.3 million, or 34.4 percent, decrease in U.S. exports of transportation equipment. South Africa and Kenya accounted for most of the decline in U.S. exports to SSA. Exports to South Africa declined by \$376.2 million, or by 13.3 percent, primarily because of a decline in U.S. exports of transportation equipment (down by \$352.6 million, or by 32.1 percent). U.S. exports to Kenya fell by \$305.8 million, or by 53.3 percent, also mainly because of a decline in exports of transportation equipment (down by \$318.3 million, or by 72.0 percent). The decline in total exports to the region was partly offset by increased U.S. exports to Nigeria and Angola. U.S. exports to Nigeria increased by \$99.3 million, or by 10.5 percent, primarily due to an increase in exports of agricultural products (up by \$57.6 million or by 23.4 percent) and transportation equipment (up by \$27.4 million, or by 9.6 percent). Exports to Angola rose by \$96.0 million, or by 34.9 percent, mostly due to an increase in transportation equipment (up by \$93.9 million, or by 63.6 percent). For more information, see the sector profile on certain transportation equipment in Chapter 5, and the respective country profiles in Chapter 6.

The result was a U.S. trade deficit with SSA of \$12.3 billion in 2002, 13.9 percent lower than in 2001. Following a decline of 17.8 percent to \$7.4 billion in 2001, U.S. nonpetroleum imports further declined by 11.9 percent to \$6.8 billion in 2002. U.S. nonpetroleum trade with SSA is presented in figure 1-2.

U.S. Merchandise Exports

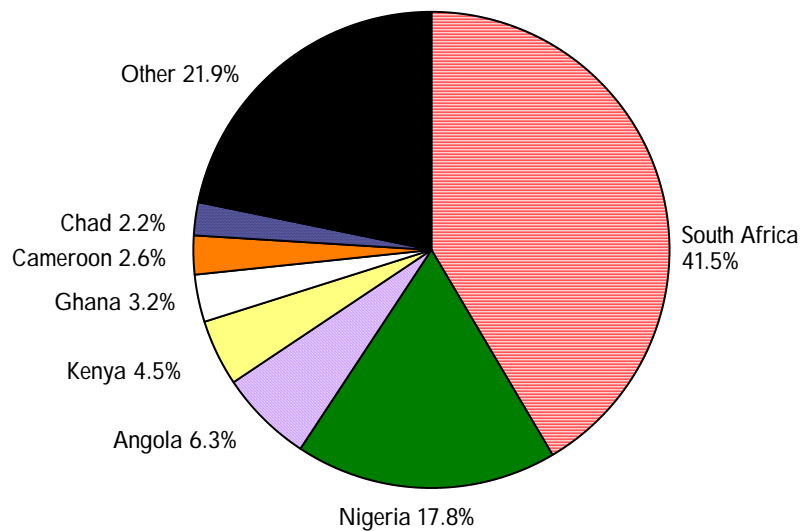
Figure 1-3 presents U.S. exports to SSA by major trading partner. In 2002, South Africa remained the largest market in SSA for U.S. products, accounting for

Figure 1-2
U.S. nonpetroleum trade with sub-Saharan Africa, 1998-2002



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

Figure 1-3
U.S. exports to major sub-Saharan Africa trading partners, 2002



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

41.5 percent of U.S. merchandise exports to the region, down slightly from 41.8 percent in 2001. Other leading markets in SSA were Nigeria (17.8 percent), Angola (6.3 percent), Kenya (4.5 percent), Ghana (3.2 percent), Cameroon (2.6 percent), and Chad (2.2 percent).

In 2002, 19 countries in the region increased purchases of U.S. merchandise exports, while another 29 countries recorded a decrease. The largest increases in 2002 were to Nigeria (up by \$99.3 million, or by 10.5 percent), Angola (up by \$96.0 million, or by 34.9 percent), Mozambique (up by \$69.5 million, or by 245.5 percent), Djibouti (up by \$37.4 million, or by 201.2 percent), Equatorial Guinea (up by \$28.1 million, or by 35.3 percent), and Zambia (up by \$20.0 million, or by 129.2 percent). The largest decreases in U.S. exports to the region in 2002 were to South Africa (down by \$376.2 million, or by 13.3 percent), Kenya (down by \$305.8 million, or by 53.3 percent), Namibia (down by \$195.6 million, or by 78.5 percent) and Seychelles (down by \$167.8 million, or by 95.3 percent).

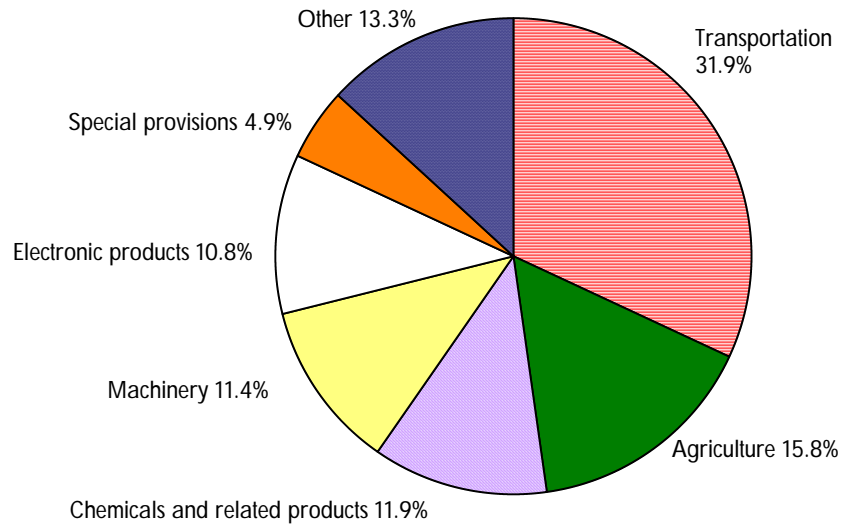
Transportation equipment accounted for the largest share of U.S. merchandise exports to SSA, accounting for 31.9 percent of the total in 2002, compared with 42.4 percent in 2001 (figure 1-4). U.S. exports of agricultural products accounted for 15.8 percent of total U.S. exports to SSA, up from 9.7 percent in 2001; chemicals and related products accounted for 11.9 percent of the total in 2002, compared to 11.6 percent in 2001; machinery products increased to 11.4 percent of the total in 2002, up from 9.9 percent in 2001, while electronic products accounted for 10.8 percent in 2002, up slightly from 10.4 percent in 2001.

In absolute terms, U.S. merchandise export sectors with large decreases to SSA in 2002 included transportation equipment (down by \$983.3 million, or by 34.4 percent), chemical products (down by \$80.4 million, or by 10.3 percent) and electronic products (down by \$63.6 million, or by 9.1 percent). U.S. merchandise exports of agricultural products to the region increased by \$932.9 million, or by 42.0 percent. Figure 1-5 presents U.S. export growth rates by commodity sector for 2002; table 1-1 provides data on U.S.-SSA exports, imports and merchandise trade balance by major commodity sectors for 1998-2002; and table 1-2 shows the major U.S. commodity exports to SSA at the six-digit level of the Harmonized Tariff Schedule (HTS) for the same period.

U.S. Merchandise Imports

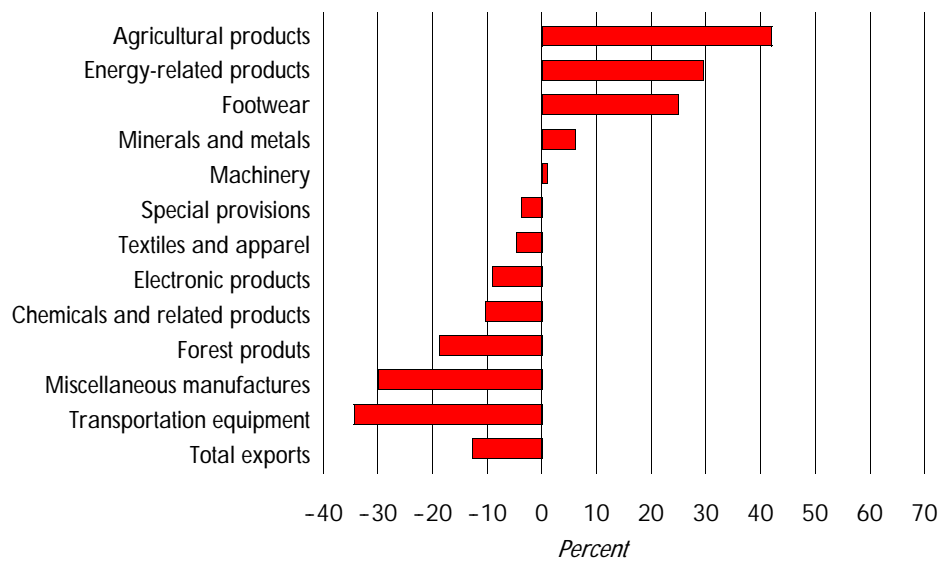
Figure 1-6 shows U.S. imports from SSA by major trading partner. In 2002, Nigeria remained the largest supplier of U.S. imports from SSA, with \$5.8 billion in sales (mostly of petroleum) to the United States, representing 32.0 percent of U.S. imports from the region. South Africa ranked second, with \$4.2 billion in sales and a 23.3 percent share. Third was Angola, with \$3.2 billion in sales, representing a 17.7 percent share. U.S. imports from Gabon totaled \$1.6 billion, and imports from Equatorial Guinea were about \$0.6 billion. For additional data, see appendix B, table B-3.

Figure 1-4
U.S. exports to sub-Saharan Africa by commodity sectors, by share, 2002



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

Figure 1-5
U.S. exports to sub-Saharan Africa: Growth rates by commodity sectors, 2002



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

Table 1-1
Sub-Saharan Africa: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by major commodity sectors, 1998-2002¹
(Dollars)

Item	1998	1999	2000	2001	2002
U.S. exports of domestic merchandise:					
Agricultural products	781,187,266	727,752,959	768,772,931	657,105,328	932,923,058
Forest products	193,993,785	154,984,055	158,991,910	147,568,278	119,774,502
Chemicals and related products	677,917,845	610,074,033	709,665,103	779,699,927	699,251,301
Energy-related products	202,882,624	150,167,321	157,501,223	149,189,241	193,097,864
Textiles and apparel	177,826,783	146,319,258	136,098,142	130,527,065	124,418,715
Footwear	14,986,246	16,736,266	14,183,111	10,113,957	12,630,484
Minerals and metals	257,843,682	221,514,187	218,888,636	250,058,717	265,172,054
Machinery	804,745,450	527,463,023	560,731,206	669,413,812	671,827,338
Transportation equipment	2,181,834,525	1,695,034,686	1,795,702,208	2,856,218,413	1,876,596,876
Electronic products	843,073,717	767,723,977	703,141,142	700,352,586	636,918,031
Miscellaneous manufactures	94,322,680	69,140,525	73,292,204	99,214,346	69,486,423
Special provisions	290,634,862	244,786,418	266,316,717	300,702,565	289,663,225
Total	6,521,249,465	5,331,696,707	5,563,284,533	6,750,164,235	5,891,759,871
U.S. imports for consumption:					
Agricultural products	919,205,352	832,664,602	874,842,835	835,736,057	911,644,658
Forest products	105,875,612	109,640,190	140,706,086	119,393,988	120,745,213
Chemicals and related products	761,863,725	849,130,498	1,453,520,970	659,999,263	448,053,625
Energy-related products	7,963,730,107	8,000,647,833	15,016,274,113	14,271,302,154	11,712,705,542
Textiles and apparel	568,440,555	621,955,260	789,240,337	997,994,773	1,136,316,165
Footwear	811,477	3,422,670	686,473	1,497,322	1,378,240
Minerals and metals	2,600,294,817	2,637,107,824	3,200,500,413	3,081,792,446	2,705,008,775
Machinery	79,328,842	127,735,923	178,434,187	263,718,387	231,297,543
Transportation equipment	104,550,862	200,773,116	185,206,499	399,383,954	621,040,796
Electronic products	35,007,635	56,392,688	58,338,693	52,706,208	49,696,742
Miscellaneous manufactures	90,246,426	99,488,421	97,421,586	108,557,532	117,551,366
Special provisions	129,804,995	210,755,394	217,476,691	268,417,088	152,605,072
Total	13,359,160,405	13,749,714,419	22,212,648,883	21,060,499,172	18,208,043,737
U.S. merchandise trade balance:					
Agricultural products	(138,018,086)	(104,911,643)	(106,069,904)	(178,630,729)	21,278,400
Forest products	88,118,173	45,343,865	18,285,824	28,174,290	(970,711)
Chemicals and related products	(83,945,880)	(239,056,465)	(743,855,867)	119,700,664	251,197,676
Energy-related products	(7,760,847,483)	(7,850,480,512)	(14,858,772,890)	(14,122,112,913)	(11,519,607,678)

See footnotes at end of table.

Table 1-1—*Continued*

Sub-Saharan Africa: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by major commodity sectors, 1998-2002¹

(Dollars)

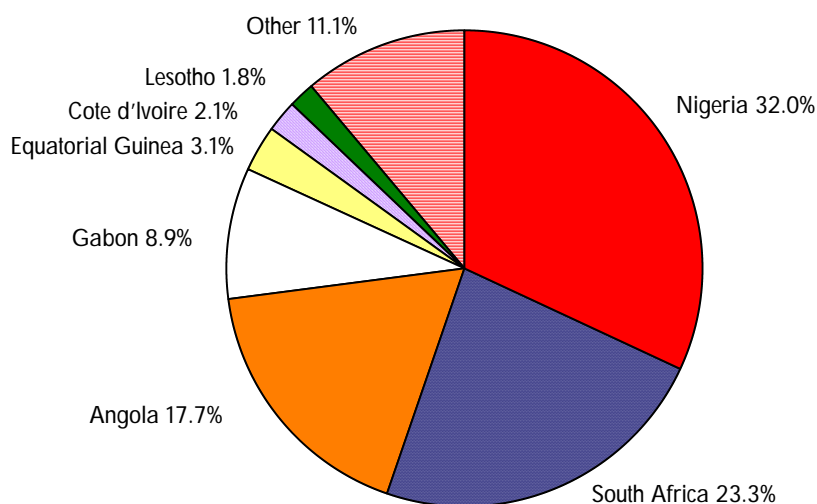
Item	1998	1999	2000	2001	2002
U.S. merchandise trade balance—Continued					
Minerals and metals	(2,342,451,135)	(2,415,593,637)	(2,981,611,777)	(2,831,733,729)	(2,439,836,721)
Textiles and apparel	(390,613,772)	(475,636,002)	(653,142,195)	(867,467,708)	(1,011,897,450)
Footwear	14,174,769	13,313,596	13,496,638	8,616,635	11,252,244
Machinery	725,416,608	399,727,100	382,297,019	405,695,425	440,529,795
Transportation equipment	2,077,283,663	1,494,261,570	1,610,495,709	2,456,834,459	1,255,556,080
Electronic products	808,066,082	711,331,289	644,802,449	647,646,378	587,221,289
Miscellaneous manufactures	4,076,254	(30,347,896)	(24,129,382)	(9,343,186)	(48,064,943)
Special provisions	160,829,867	34,031,024	48,840,026	32,285,477	137,058,153
Total	(6,837,910,940)	(8,418,017,712)	(16,649,364,350)	(14,310,334,937)	(12,316,283,866)

¹ Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.

Note.—Because of rounding, figures may not add to totals shown.

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

Figure 1-6
U.S. imports from major sub-Saharan Africa trading partners, 2002



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

Table 1-2

Sub-Saharan Africa: U.S. exports, by major commodity items, 1998-2002

(Dollars)

Schedule B No.	Description	1998	1999	2000	2001	2002
8431.43	Parts for boring or sinking machinery, nesoi	\$424,669,802	\$275,529,016	\$302,866,705	\$454,715,848	\$587,386,603
1001.90	Wheat (other than durum wheat), and meslin	249,814,260	250,978,937	300,270,976	287,165,536	360,313,981
8802.40	Airplanes and other aircraft nesoi, of an unladen weight exceeding 15,000 kg	583,041,436	422,581,019	539,629,241	1,147,073,529	360,253,329
9880.00	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	218,069,225	170,295,762	182,989,298	229,079,132	188,334,269
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	35,698,704	32,432,411	38,974,540	120,942,312	99,837,024
8802.30	Airplanes and other aircraft nesoi, of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	83,919,280	126,941,978	79,701,250	72,176,955	96,561,979
8803.30	Parts of airplanes or helicopters, nesoi	170,623,090	133,636,982	127,299,144	94,188,886	94,134,214
1005.90	Corn (maize), other than seed corn	48,817,555	66,415,489	28,738,930	12,515,363	92,602,633
2713.12	Petroleum coke, calcined	47,829,237	58,529,148	58,276,265	65,273,651	80,256,428
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., nesoi	90,430,466	83,915,736	70,864,522	61,677,829	60,062,716
6309.00	Worn clothing and other worn textile articles	88,279,006	67,197,046	60,404,283	61,652,761	58,550,750
1006.30	Rice, semi-milled or wholly milled, whether or not polished or glazed	60,671,979	66,826,292	53,468,799	47,107,455	54,017,473
2710.19	Petroleum oils & oils (not light) from bituminous minerals or preps nesoi 70%+by wt. from petroleum oils or bitum. min	0	0	0	0	49,504,971
8431.39	Parts for lifting, handling, loading or unloading machinery, nesoi	61,341,532	39,624,085	25,677,563	37,629,031	48,991,116
8704.10	Dumpers (dump trucks) designed for off-highway use	66,496,579	34,551,607	33,802,382	58,235,525	47,991,116
9801.10	Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from United States	11,750,885	9,818,250	19,151,340	23,986,887	47,688,450
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	22,999,402	10,160,266	14,640,159	27,651,758	46,359,905
8431.49	Parts and attachments, nesoi, for derricks, cranes, self-propelled bulldozers, graders etc. and other grading, scraping, etc. machinery	115,179,178	42,965,382	41,368,008	50,541,811	44,433,259
0207.14	Chicken cuts and edible offal (including livers) frozen	21,394,323	18,047,189	30,226,265	30,480,808	39,557,285

Table 1-2—*Continued*
 Sub-Saharan Africa: U.S. exports, by major commodity items, 1998-2002

(Dollars)

Schedule B No.	Description	1998	1999	2000	2001	2002
9018.90	Instruments and appliances for medical, surgical or veterinary sciences, nesoi, and parts and accessories thereof	20,232,903	24,643,085	29,031,919	42,207,661	39,557,678
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	57,769,239	51,256,427	49,111,582	57,064,271	35,857,461
4901.99	Printed books, brochures, leaflets and similar printed matter, nesoi	22,319,835	25,415,995	30,150,029	35,677,003	35,681,864
3100.00	Fertilizers (exports only; includes crude fertilizers from other areas)	21,272,909	47,245,848	42,599,378	49,930,451	35,550,193
8708.99	Parts and accessories for motor vehicles, nesoi	100,549,524	39,465,301	89,422,963	206,131,715	35,138,481
8401.30	Fuel elements (cartridges), non-irradiated, for nuclear reactors, and parts thereof	3,890	8,702	0	23,496,871	34,765,794
	Subtotal	2,623,174,239	2,098,481,953	2,248,665,541	3,296,603,049	2,673,089,378
	All other	3,898,075,226	3,233,214,754	3,314,618,992	3,453,561,186	3,218,670,493
	Total	\$6,521,249,465	\$5,331,696,707	\$5,563,284,533	\$6,750,164,235	\$5,891,759,871

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "nesoi" stands for "not elsewhere specified or included."

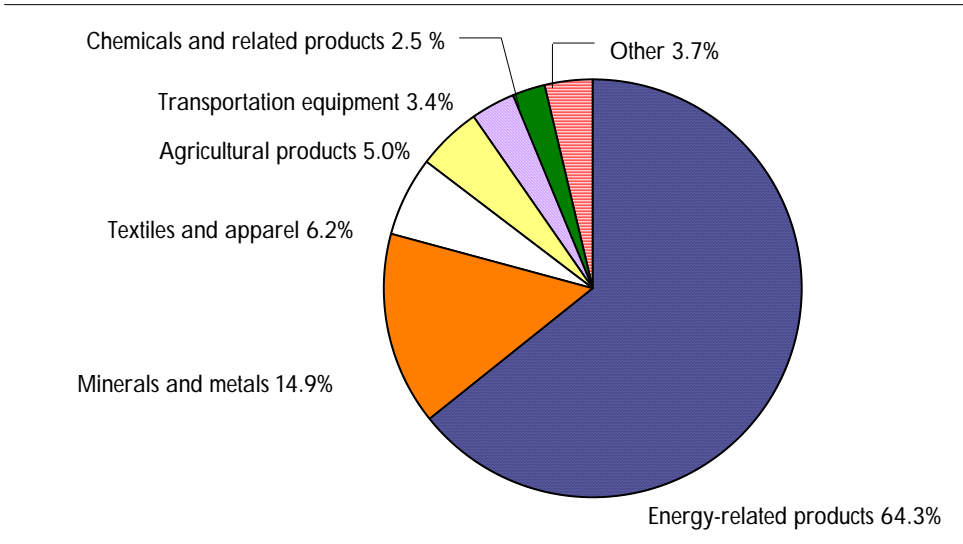
Source: Compiled from official statistics of the U.S. Department of Commerce.

A total of 24 countries in SSA increased their sales to the United States in 2002, while another 24 decreased their sales. The largest increases in U.S. imports in 2002 were from Angola (up by \$455.6 million, or by 16.4 percent), Equatorial Guinea (up by \$177.0 million or by 44.7 percent), and Lesotho (up by \$104.3 million, or by 48.0 percent). The largest decreases in 2002 were from Nigeria (down by \$3.1 billion, or by 34.7 percent), the Republic of the Congo (down by \$234.1 million, or by 51.1 percent), South Africa (down by \$193.6 million, or by 4.4 percent), and Gabon (down by \$109.7 million, or by 6.3 percent).

U.S. imports of SSA energy-related products totaled \$11.7 billion in 2002, and accounted for 64.3 percent of all U.S. imports from the region (figure 1-7), down from \$14.3 billion or 67.8 percent of the total in 2001 primarily because of decreased imports of crude petroleum from Nigeria. The second-largest import commodity was minerals and metals (\$2.7 billion), which accounted for a 14.9 percent share in 2002, compared with 14.6 percent in 2001. Textiles and apparel (\$1.1 billion) represented 6.2 percent of the total.

In absolute terms, significant decreases of U.S. imports from the region were recorded for energy and related products (down by \$2.6 billion or by 17.9 percent), minerals and metals (down by \$376.8 million or by 12.2 percent) and chemicals (down by \$211.9 million or by 32.1 percent). The largest increase in U.S. imports from SSA in 2002 came from transportation equipment (up by \$221.1 million, or by 55.3 percent) and textiles and apparel (up by \$138.3 million, or by 13.9 percent). A smaller increase was measured for imports of agricultural products (up by \$75.9 million, or by 9.1 percent). Table 1-3 shows major U.S. commodity imports from SSA at the HTS six-digit level for 1998-2002. Growth rates by commodity sectors are shown in figure 1-8. For additional information, see the respective industry and sector profiles in Chapter 5.

Figure 1-7
U.S. imports from sub-Saharan Africa by commodity sectors, by shares, 2002



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

Table 1-3
Sub-Saharan Africa: U.S. imports, by major commodity items, 1998-2002

(Dollars)

HTS	Description	1998	1999	2000	2001	2002
2709.00	Petroleum oils and oils from bituminous minerals, crude . . .	\$5,279,111,112	\$5,001,603,197	\$8,723,257,287	\$11,763,116,582	\$10,770,214,844
7110.11	Platinum, unwrought or in powder form	655,025,976	548,919,598	744,737,163	802,297,889	716,695,235
2710.19	Petroleum oils and oils (not light) from bituminous minerals or preps nesoi 70 percent (by weight) from petroleum oils or bitum min.	0	0	0	0	589,777,993
7102.31	Diamonds, nonindustrial, unworked or simply sawn, cleaved or bruted	219,992,625	284,056,284	272,590,846	339,710,363	433,827,817
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	0	11,545	22,245,447	54,427	339,059,452
1801.00	Cocoa beans, whole or broken, raw or roasted	338,189,950	296,213,426	270,307,532	246,750,210	265,683,220
7110.21	Palladium, unwrought or in powder form	196,517,794	277,486,130	409,020,685	403,801,756	261,567,623
6110.20	Sweaters, pullovers, sweatshirts, vests and similar articles of cotton, knitted or crocheted	80,480,489	90,608,399	139,655,644	214,516,754	241,858,340
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	137,674,224	153,515,459	192,883,121	202,121,753	209,241,787
6204.62	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted .	84,313,541	111,721,076	116,430,404	195,983,989	205,269,218
2620.99	Ash and residues (other than from the manufacture of iron or steel), containing metals or their compound nesoi	0	0	0	0	159,398,071
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	107,935,421	83,240,870	150,116,206	169,989,767	140,229,977
8703.24	Passenger motor vehicles with spark-ignitioninternal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	0	82,066	1,022,134	255,636,991	132,831,189
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	1,166,923,641	194,089,224	194,542,730	238,519,496	129,938,954
0905.00	Vanilla beans	24,832,399	19,950,548	32,746,566	90,245,008	125,531,900

Table 1-3—*Continued*

Sub-Saharan Africa: U.S. imports, by major commodity items, 1998-2002

(Dollars)

HTS	Description	1998	1999	2000	2001	2002
7110.31	Rhodium, Unwrought or in powder form	109,587,646	116,393,462	252,476,583	217,579,069	125,506,256
2710.11	Light oils and preparations from petroleum oils & oils from bituminous min. or preps 70%+ by wt. from petro. oils or bitum min.	0	0	0	0	75,276,354
7606.12	Aluminum alloy rectangular (including square) plates, sheets, and strip, over 0.2 mm thick	5,855,065	9,997,112	44,760,229	56,293,882	70,723,927
8421.39	Filtering or purifying machinery and apparatus for gases nesoi	7,564,327	37,344,764	69,230,295	166,303,192	65,984,774
8421.99	Parts for filtering or purifying machinery and apparatus for liquids or gases	1,471,589	1,492,247	3,706,636	4,399,630	65,643,125
2410.20	Tobacco, partly or wholly stemmed/stripped	30,361,427	633,060,117	58,641,003	53,627,470	59,490,677
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	76,834,933	76,119,770	78,266,372	66,073,489	58,230,701
7113.19	Jewelry and parts thereof, of precious metal other than silver	42,421,760	34,598,336	29,819,312	36,791,689	57,891,631
2614.00	Titanium ores and concentrates	60,709,089	51,959,802	58,468,622	61,110,160	57,450,989
2901.29	Acyclic hydrocarbons, unsaturated, nesoi	25,550,839	39,106,809	75,367,179	77,156,835	55,999,622
	Subtotal	7,601,353,847	7,491,570,241	11,940,291,996	15,662,080,401	15,413,323,676
	All other	5,757,806,558	6,258,144,178	10,272,356,887	5,398,418,771	2,794,720,061
	Total	\$13,359,160,405	\$13,749,714,419	\$22,212,648,883	\$21,060,499,172	\$18,208,043,737

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “nesoi” stands for “not elsewhere specified or included.”

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

Trade Balance

In 2002, the U.S. merchandise trade deficit with SSA decreased by \$2.0 billion to \$12.3 billion, compared with deficits of \$14.3 billion in 2001 and \$16.7 billion in 2000. Excluding petroleum, the U.S. trade deficit with the region declined by \$30.3 million, from \$966.9 million in 2001 to \$936.6 million in 2002. The nonpetroleum trade deficit totaled \$3.8 billion in 2000.³

The SSA country with which the United States had the largest trade deficit in 2002 remained Nigeria measured at \$4.8 billion, down from \$8.0 billion in 2001; followed by Angola (\$2.9 billion in 2002, up from \$2.5 billion in 2001); South Africa (\$1.8 billion in 2002, up from \$1.6 billion in 2001); Gabon (\$1.6 billion in 2002, down from \$1.7 billion in 2001); and Equatorial Guinea (\$0.5 billion in 2002, and \$0.3 billion in 2001). The United States had trade surpluses with many SSA countries, including Chad (\$121.3 million), Mozambique (\$89.3 million), Kenya (\$78.8 million), Ghana (\$71.0 million), and Senegal (\$68.2 million).

On a sectoral basis, the largest U.S. trade deficit with SSA occurred in energy-related products, with a deficit of \$11.5 billion in 2002, down from \$14.1 billion in 2001. Second was minerals and metals, with a deficit of \$2.4 billion in 2002, down from \$2.8 billion in 2001. The U.S. trade deficit in textiles and apparels increased to \$1.0 billion in 2002 from \$868 million in 2001.

Several sectors showed a U.S. trade surplus with the region. The U.S. surplus in transportation equipment measured \$1.3 billion in 2002, down from \$2.5 billion in 2001. Electronic products registered a \$587 million surplus in 2002, down from a \$648 million surplus in 2001. Other significant U.S. trade surpluses were in machinery products (\$441 million) and chemicals and related products (\$251 million).

U.S.-Africa Services Trade

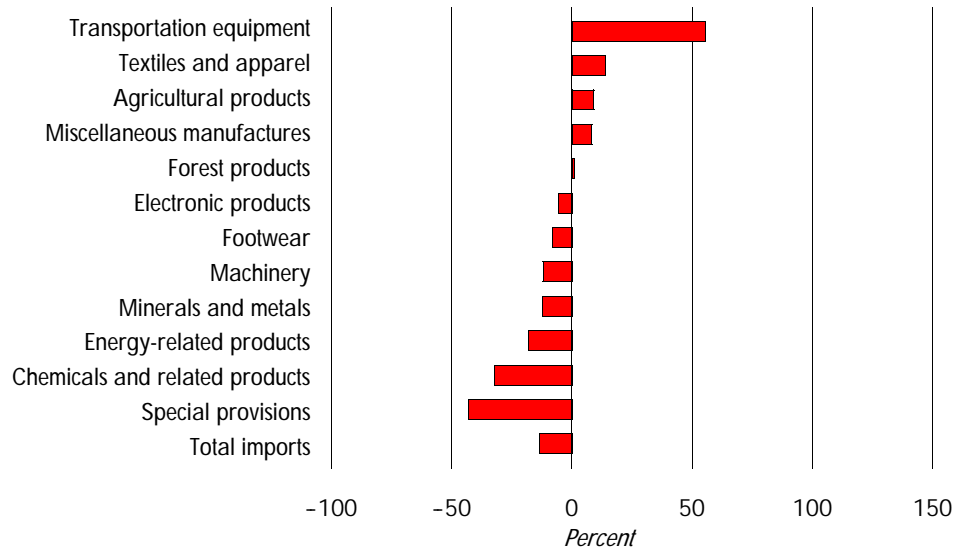
The United States recorded a cross-border services trade surplus with Africa of \$1.7 billion in 2001 (figure 1-9),⁴ reflecting U.S. cross-border services exports of \$4.7 billion, and cross-border imports of \$3.0 billion. During 1996-2001, U.S. exports of services increased at an average annual rate of 9.1 percent, while U.S. imports of services from Africa increased at an average annual rate of 4.9 percent. The primary U.S. cross-border service exports to Africa were tourism, business services, education, and freight transport and port services (table 1-4).⁵ Tourism generated \$1.4 billion in U.S. exports in 2001, or 29.9 percent of all U.S. exports of services to Africa. Conversely, tourism accounted for \$1.4 billion or 46.1 percent of U.S. service imports from Africa (table 1-5). Passenger fares, business services, and freight transport and

³ Data were compiled from official statistics of the U.S. Department of Commerce.

⁴ Data regarding cross-border services trade with the African continent are available through 2001. There are no data specific to the sub-Saharan Africa region, or to individual countries other than South Africa.

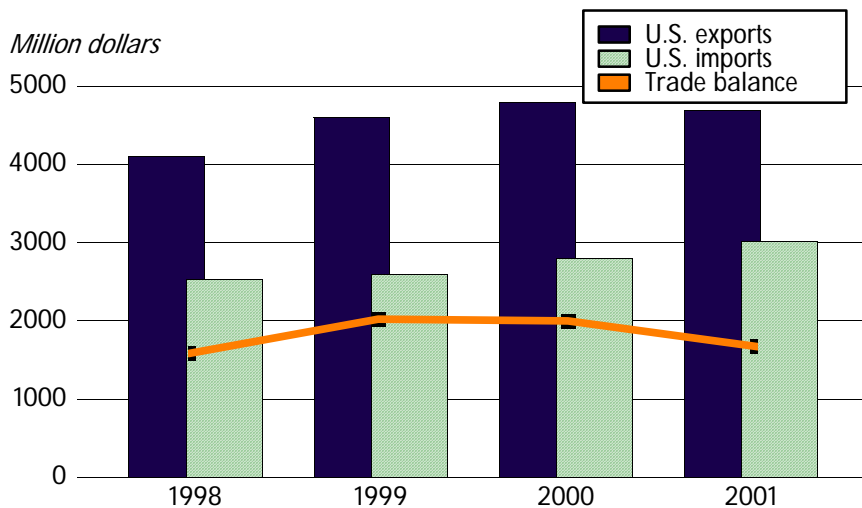
⁵ U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2002, pp. 91-99, and Oct. 2000, pp. 132-143.

Figure 1-8
U.S. imports from sub-Saharan Africa: Growth rates by commodity sectors, 2002



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

Figure 1-9
U.S. cross-border in services with Africa: Exports, imports, and trade balance, 1998-2001



Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2002, pp. 86-87.

Table 1-4
Total Africa and South Africa: U.S. cross-border service exports, 1996 and 2001

Service	Africa			South Africa		
	1996	2001	Average annual growth	1996	2001	Average annual growth
	<i>(Million dollars)</i>		<i>(Percent)</i>	<i>(Million dollars)</i>		<i>(Percent)</i>
Tourism	766	1,401	12.8	285	343	3.8
Passenger transport	77	73	-1.1	7	10	7.4
Freight transport and port services ...	450	473	1.0	84	140	10.8
Royalties and license fees	237	327	6.6	164	189	2.9
Education	359	716	14.8	35	47	6.1
Insurance ¹	5	6	3.7	1	-3	(²)
Telecommunications	109	176	10.1	51	108	16.2
Financial services	101	183	12.6	26	49	13.5
Business ³	752	925	4.2	104	170	10.3
Other ⁴	180	409	17.8	86	172	14.9
Total ⁵	3,036	4,689	9.1	843	1,225	7.8

¹ Insurance exports are defined as difference between premiums received from foreign policy-holders and claims collected by foreign policy-holders.

² Not a meaningful number.

³ Data also reflect professional and technical services.

⁴ Includes intra-corporate transactions; i.e., U.S. parent firms' receipts from foreign-based affiliates, and U.S.-based affiliates' receipts from foreign parent firms. Large shares of these receipts are in exchange for financial, computer and information, and transportation services. Also includes expenditures of foreign governments and international organizations in the United States, and expenditures of foreign residents employed temporarily in the United States.

⁵ Due to rounding and suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2002, pp. 91-99 and Oct. 2000, pp. 132-143.

port services also accounted for significant shares of U.S. imports from Africa, representing 17.3, 12.6, and 10.1 percent, respectively, of total services imports from Africa in 2001.

South Africa remained the largest U.S. services trading partner in Africa in 2001, accounting for 26.1 percent of exports to, and 29.5 percent of U.S. imports from, the region. Tourism accounted for the largest share of U.S. cross-border exports to South Africa (28.0 percent), followed by royalties and license fees (15.4 percent), and business services (13.9 percent). Telecommunication services registered the most rapid growth rate of U.S. cross-border services exports to South Africa during 1996-2001, rising 16.2 percent on an average annual basis, compared to 7.8 percent for all service exports. The largest component of U.S. cross-border service imports from South Africa was tourism services (31.9 percent), followed by passenger fares (29.2 percent). Business services registered the fastest growth, with an average annual growth of 45.0 percent during 1996-2001, compared to 10.4 percent average annual growth for all services imports.

Table 1-5
Total Africa and South Africa: U.S. cross-border service imports, 1996 and 2001

Service	Africa			South Africa		
	1996	2001	Average annual growth	1996	2001	Average annual growth
	<i>(Million dollars)</i>		<i>(Percent)</i>	<i>(Million dollars)</i>		<i>(Percent)</i>
Tourism	1,300	1,392	1.4	268	284	1.2
Passenger transport	286	522	12.8	124	260	16.0
Freight transport and port services ...	177	305	11.5	18	60	27.2
Royalties and license fees	6	5	-3.6	6	2	-19.7
Education	26	67	20.8	7	11	9.5
Insurance ¹	3	3	0	(²)	1	(³)
Telecommunications	346	155	-14.8	52	24	-14.3
Financial services	18	32	12.2	7	11	9.5
Business ⁴	152	380	20.1	20	128	45.0
Other ⁵	66	161	19.5	41	110	21.8
Total ⁶	2,380	3,022	4.9	543	891	10.4

¹ Insurance imports are the difference between premiums paid to foreign insurers and claims received by U.S. policy-holders. Imports are entered as credits on the balance of payments when claims received by U.S. policy-holders exceed premiums paid to foreign insurers.

² Less than \$500,000.

³ Not a meaningful number.

⁴ Data also reflect professional and technical services.

⁵ Includes intra-corporate transactions; i.e., U.S. parent firms' payments to foreign-based affiliates, and U.S.-based affiliates' payments to foreign parent firms. Also includes earnings of foreign residents who are employed temporarily in the United States.

⁶ Due to rounding and suppression of individual company data, figures may not add to totals shown.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Oct. 2002, pp. 91-99 and Oct. 2000, pp. 132-143.

In 2000, majority-owned affiliates of U.S. firms in Africa recorded sales of services totaling \$2.9 billion.⁶ Data on purchases from African-owned affiliates operating in the United States were suppressed in 2000 and 1999 to avoid disclosure of individual company information. Similarly, while affiliate trade data on an individual country basis have been available in the past for South Africa, information for both sales and purchases were also suppressed for the year 2000.

⁶ *Ibid.*, p. 120.

Box 1-1: U.S. investment in Africa's oil and gas field services sector

As a net exporter of energy, sub-Saharan Africa attracts investment from U.S. suppliers of oil and gas field services. This sector includes oil and gas related services such as exploration, drilling, well development, production, transportation, and maintenance.

Nigeria is the largest producer of petroleum products in sub-Saharan Africa. The sector accounts for the majority of foreign direct investment in Nigeria, 60 percent of which is U.S. investment.⁷ For example, ChevronTexaco, Mobil, and Shell each have contracts to provide maintenance services for pipelines and platforms, and ChevronTexaco is also exploring three offshore blocks.⁸ Ocean Energy was awarded an exploration license in Nigeria in 2002. Other U.S. firms operating in Nigeria include ConocoPhillips and Marathon.⁹ In addition, U.S. firms are active sponsors of the West Africa Gas Pipeline, designed to transport natural gas from Nigeria to Benin, Togo, and Ghana. ChevronTexaco is the lead equity holder in the consortium, with a 36.7 percent share. The pipeline is expected to be operational by mid-2005.¹⁰

Angola is the second largest producer of oil and gas in the region, also attracting U.S. investors. For example, in 2002, ExxonMobil began construction of a deepwater facility in Angola, with production slated to begin in 2003, and ChevronTexaco is the major equity holder and operator in a natural gas conversion facility in Angola.¹¹

Other sub-Saharan countries also attract U.S. petroleum investment. Caltex Oil, a petroleum retail marketer, has investments in Botswana valued at \$1.5 million. U.S. investments in Côte d'Ivoire are largely focused on exploration and development activities. Ocean Energy and Mondial have invested \$100 million and \$20 million, respectively, while ChevronTexaco and ExxonMobil have invested approximately \$30 million each. Vanco Oil Company has invested \$10 million on exploration-related research.¹²

⁷ Marginal Fields Exploration and Production Services (Nigeria), Oct. 29, 2002, found at Internet address <http://www.stat-usa.gov>, retrieved July 17, 2003.

⁸ USDOC, The Oilfield Service Industry (Nigeria), Sept. 10, 2000, found at Internet address <http://www.stat-usa.gov>, retrieved July 17, 2003.

⁹ USDOE, Nigeria Country Analysis Brief, Mar. 2003, found at Internet address <http://www.eia.doe.gov/>, retrieved July 17, 2003. USDOC, Foreign Direct Investment Data (Nigeria), July 24, 2001, found at Internet address <http://www.stat-usa.gov>, retrieved July 17, 2003.

¹⁰ USDOC, "The West African Gas Line Project," Feb. 2, 2003, found at Internet address <http://www.stat-usa.gov>, retrieved July 17, 2003.

¹¹ USDOE, Angola Country Analysis Brief, Nov. 2002, found at Internet address <http://www.doe.gov/>, retrieved July 17, 2003.

¹² USDOC, Country Commercial Guide Côte d'Ivoire FY 2003, Aug. 2, 2002, found at Internet address <http://www.stat-usa.gov>, retrieved July 17, 2003.

Foreign Investment

In 2002, sub-Saharan Africa attracted \$7 billion of new foreign investment (FDI) from all sources, which is generally comparable with the level of new investment flows from prior years (table 1-6).¹³ However, the region attracted just 4.9 percent of total FDI to developing countries in 2002, well below the level attracted by the East Asia and Pacific, and Latin America and the Caribbean regions, which accounted for 39.9 percent and 29.4 percent of developing-country FDI, respectively. Foreign portfolio investment flows to SSA measured \$700 million in 2002. This reversed the \$1-billion outflow recorded in 2001, but still fell well below the level recorded during 1997-2000, when annual portfolio investment inflows averaged nearly \$7 billion.¹⁴ As in prior years, South Africa alone accounted for virtually all foreign portfolio investment in 2002.¹⁵ The subdued level of direct investment flows to SSA reflected the expectations of investors concerning lower economic growth resulting from political crises, poor weather conditions, and the HIV/AIDS pandemic. In addition, inadequate infrastructure and poor distribution systems continued to discourage foreign investment.¹⁶

With respect to investment originating in the United States, net U.S. direct investment flows to all of Africa measured \$861 million in 2002, which was less than 1 percent of total U.S. direct investment abroad (table 1-7).¹⁷ Nigeria and South Africa continued to attract the largest amount of U.S. direct investment in 2002, receiving \$922 million and \$112 million, respectively. These inward investment flows were offset, however, by outward flows of \$174 million from the rest of Africa. On balance, the continuation of positive flows of U.S. direct investment into Africa yielded an increase of 12.3 percent in the U.S. direct investment position, which measured approximately \$15.1 billion in 2002 (table 1-8). South Africa and Nigeria accounted for an estimated 22.8 percent and 11.7 percent, respectively, of the total U.S. direct investment position in Africa.¹⁸

¹³ In 2001, SSA recorded inward direct investment flows of \$14 billion, but half of these resulted from the acquisition of DeBeers Group by Anglo America PLC of the United Kingdom. Absent this transaction, inward direct investment would have totaled an estimated \$6.9 billion. The World Bank, "Global Development Finance (GDF) 2003," p. 86; and The World Bank, "GDF 2002," p. 186.

¹⁴ The World Bank, "GDF 2003," pp. 201 and 207.

¹⁵ *Ibid.*, p. 209.

¹⁶ *Ibid.*, pp. 32-33.

¹⁷ U.S. investment data do not specifically break out the SSA region, therefore data are available only for Africa as a whole and selected countries. USDOC, BEA, "U.S. Direct Investment Abroad: Country and Industry Detail for Capital Outflows," found at Internet address <http://www.bea.doc.gov>, retrieved June 26, 2003.

¹⁸ Maria Borga, "Direct Investment Positions for 2002: Country and Industry Detail," *Survey of Current Business*, USDOC, BEA, July 2003, pp. 30-31.

Table 1-6
Global investment flows to developing countries, 1998-2002

Country/Region	1998	1999	2000	2001	2002
<i>Value (billion dollars)</i>					
Sub-Saharan Africa:					
FDI	6.5	8.1	6.1	13.8	7.0
Portfolio equity flows	8.6	8.9	4.0	-1.0	0.7
Total	15.1	17.0	10.1	12.8	7.7
Developing Countries:					
FDI	174.5	179.3	160.6	171.7	143.0
Portfolio equity flows	7.4	15.0	26.0	6.0	9.3
Total	181.9	194.3	186.7	177.6	152.3
<i>Share of total (percent)</i>					
Share of Sub-Saharan Africa					
FDI	3.7	4.5	3.8	8.0	4.9
Portfolio equity flows	116.2	59.3	15.4	-16.7	7.5
Total	8.3	8.7	5.4	7.2	5.1

Source: The World Bank, "Global Development Finance 2002, Country Tables," Washington, DC, 2003, pp. 201 and 207.

Table 1-7
U.S. direct investment abroad: Capital flows, 1998-2002

<i>(Million dollars)</i>					
Country/Region	1998	1999	2000	2001	2002
All countries	131,004	174,576	164,969	113,977	119,742
All Africa	3,075	498	1,151	798	861
Nigeria	403	-172	-319	221	922
South Africa	-83	872	490	-4	112
All Other Africa	2,756	-202	980	581	-174

Note.—Negative numbers indicate inflows of capital into the United States.

Source: USDOC, BEA, "U.S. Direct Investment Abroad: Country Detail for Selected Items," found at Internet address <http://www/bea.doc.gov>, retrieved June 27, 2003.

Table 1-8
U.S. direct investment position on a historical cost basis, 1998-2002

<i>(Million dollars)</i>					
Country/region	1998	1999	2000	2001	2002
All countries	1,000,703	1,215,960	1,316,247	1,383,225	1,520,965
All Africa	14,061	13,118	11,891	13,411	15,066
Nigeria	1,686	233	470	788	1,761
South Africa	2,344	3,474	3,562	3,088	3,428
All Other Africa	10,031	9,412	7,859	9,535	9,878

Source: USDOC, BEA, "U.S. Direct Investment Abroad: Country and Industry Detail," found at Internet address <http://www/bea.doc.gov>, retrieved Aug. 4, 2003.

The United States has little portfolio investment in sub-Saharan Africa due to the fact that few countries in the region have well-established stock exchanges and few SSA companies are listed on U.S. exchanges. U.S. portfolio investment in SSA is largely channeled through investment companies that integrate stocks of SSA companies into broader emerging market mutual funds. Since the mining and extractive sectors consistently attract portfolio investment,¹⁹ it is likely that U.S. portfolio investment in SSA will continue to be concentrated in South Africa and, to a lesser extent, Nigeria.

¹⁹ The World Bank, "GDF 2003," p. 98.