

Bureau of Transportation Statistics Special Report

March 2009

Maritime Vessels Carry More Than Half of Growing U.S.-East Africa Trade

by Steven Beningo

Trade between the United States and East African countries (defined in this special report as Burundi, Kenya, Rwanda, Tanzania, and Uganda) has grown substantially in recent years, reaching \$1.3 billion in value in 2007. Between 1997 and 2007, U.S. exports to East Africa increased at an average annual rate of 9.1 percent per year, while imports grew by 7.7 percent.

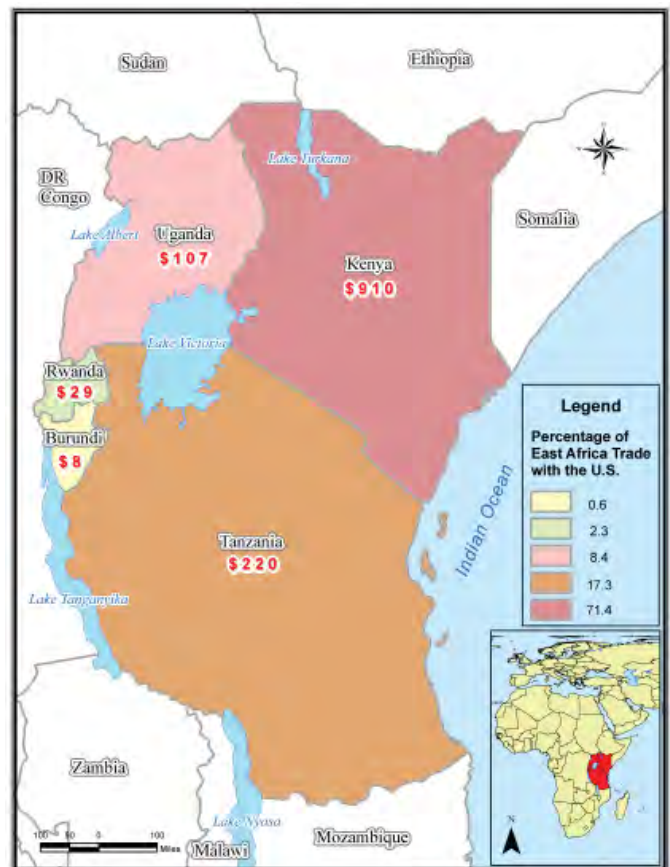
In 2007, 57 percent of U.S. trade with East Africa took place via seagoing vessel, and 22 percent by air. Trade by air has increased slightly faster than vessel trade, at average annual rates of 9.3 percent and 7.8 percent, respectively.

The remaining 21 percent of U.S. trade with East Africa was classified by the U.S. Census Bureau as being transported via “other” modes. The exports in the “other” category consisted mostly of U.S. shipments of airplanes to Kenya. These shipments cannot be classified as trade by air because the aircraft itself was the commodity being shipped, as opposed to being the vehicle that transports commodities.

Trade by East African Country

U.S. trade with East Africa amounts to less than 0.04 percent of the total U.S. international trade of \$3.1 trillion. Unlike most U.S. trading relationships, in recent years the United States has maintained a trade surplus with East Africa (more exports than imports). Of the \$1.3 billion in 2007 U.S.-East Africa trade, U.S. exports accounted for \$862 million (68 percent), while U.S. imports totaled \$412 million (32 percent).

Figure 1: U.S.-East Africa Trade by Trading Partner, 2007 (millions of U.S. dollars)

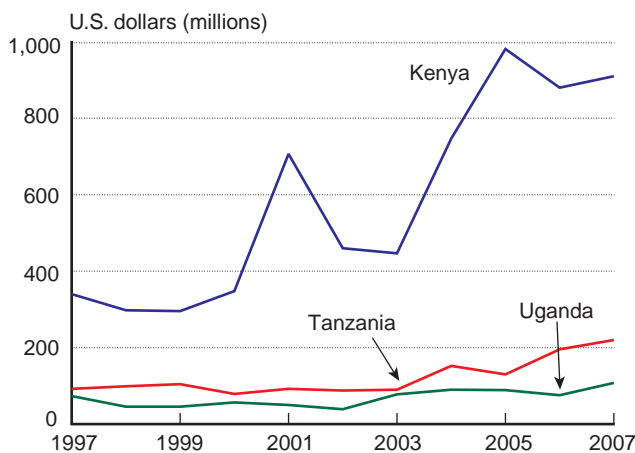


SOURCE: United States International Trade Commission Interactive Tariff and Trade Dataweb at <http://dataweb.usitc.gov/>, December 2008.

Of the five East African countries, Kenya was the largest trading partner of the United States. Figure 1 shows the percentage of U.S. trade with each East African country in 2007, and the growth of that trade since 1997.

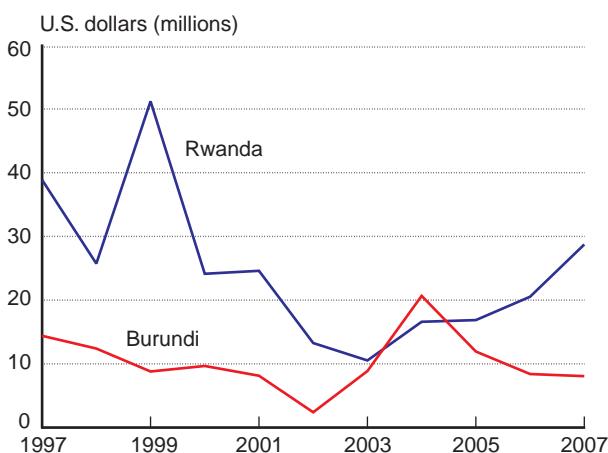
The \$910 million in merchandise the United States traded with Kenya in 2007 accounted for 71 percent of total U.S. trade with East Africa—more than twice the combined total of the other four countries. From 1997 to 2007, the average annual growth rates of U.S. trade with Kenya and Tanzania were greater than the growth rate for U.S.-Uganda trade (figure 2).

Figure 2: Dollar Value of U.S. Trade with Kenya, Tanzania and Uganda, 1997-2007



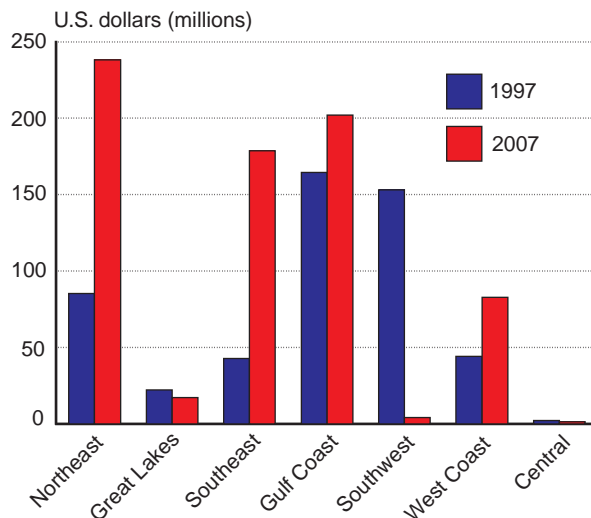
SOURCE: *U.S. Exports of Merchandise and U.S. Imports of Merchandise*, U.S. Census Bureau, Department of Commerce, Suitland, MD, 1998-2008.

Figure 3: Dollar Value of U.S. Trade with Rwanda and Burundi, 1997-2007



SOURCE: *U.S. Exports of Merchandise and U.S. Imports of Merchandise*, U.S. Census Bureau, Department of Commerce, Suitland, MD, 1998-2008.

Figure 4: Dollar Value of U.S.-East Africa Trade by Vessel and Region, 1997 and 2007



SOURCE: *U.S. Exports of Merchandise and U.S. Imports of Merchandise*, U.S. Census Bureau, Department of Commerce, Suitland, MD, 1998 and 2008.

Burundi and Rwanda, the two smallest countries in terms of trade, gross domestic product, population, and area among the five East African nations, had substantial drops in U.S. trade from 1997 to 2007. Both Burundi and Rwanda experienced trade disruptions during much of this period, but have seen some growth in trade with the United States since hitting decade lows in 2002 and 2003, respectively (figure 3). U.S. trade with Burundi has seen a major shift in the last decade. In 1997, only 4 percent of the value of all U.S. trade with Burundi (\$0.5 million) consisted of U.S. exports. However, by 2007, U.S. exports of products to Burundi accounted for 86 percent (\$6.9 million) of all U.S.-Burundi trade.

Growth in Maritime Trade by U.S. Region

In 2007, East African nations traded \$723 million worth of goods with the United States via vessel. Slightly more of this vessel trade consisted of export trade (\$376 million) than import trade (\$347 million). The value of vessel trade increased 112 percent between 1997 and 2007.

Ports in the Northeast, Southeast, and Gulf Coast regions of the United States were the entry or exit points for 85 percent of U.S. trade with East Africa by vessel (figure 4). This reflects the dominance of the trans-Atlantic shipping routes favored by companies that trade by vessel between North America and East Africa.

See box A for a definition of the states comprising each of the U.S. regions in this report.

Box A: Region Definitions Used in this Report

For the purposes of this report, each region consists of the following port districts:

Northeast: Portland, Maine; St. Albans, Vermont; Boston, Massachusetts; Providence, Rhode Island; New York City, New York; Philadelphia, Pennsylvania; Baltimore, Maryland; and Washington, D.C.

Southeast: Norfolk, Virginia; Wilmington, North Carolina; Charleston, South Carolina; Savannah, Georgia; Miami, Florida; San Juan, Puerto Rico; and Charlotte Amalie, Virgin Islands

Great Lakes: Ogdensburg, New York; Buffalo, New York; Duluth, Minnesota; Milwaukee, Wisconsin; Detroit, Michigan; Chicago, Illinois; and Cleveland, Ohio

Gulf Coast: Tampa, Florida; Mobile, Alabama; New Orleans, Louisiana; Port Arthur, Texas; and Houston/Galveston, Texas

Southwest: Laredo, Texas; El Paso, Texas; Nogales, Arizona; and Dallas-Fort Worth, Texas

Pacific: Honolulu, Hawaii; San Diego, California; Los Angeles, California; San Francisco, California; Portland, Oregon; Seattle, Washington; and Anchorage, Alaska

Central: Great Falls, Montana; Pembina, North Dakota; Minneapolis, Minnesota; and St. Louis, Missouri

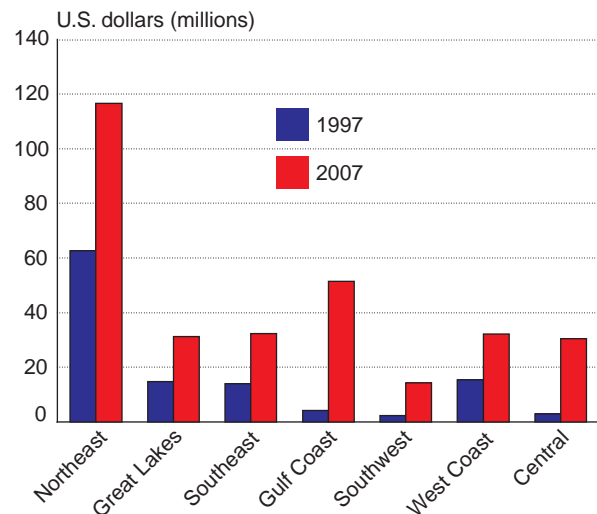
SOURCE: Regions are as defined by the U.S. Department of Transportation, Bureau of Transportation Statistics.

Growth in Air Transport Trade by U.S. Region

In 2007, the United States exported \$226 million of goods to East Africa by air. This was over four times greater than the \$55 million of goods that the United States imported from those five nations. In both 1997 and 2007, the Northeast had more than twice the trade by air with East Africa compared to any other U.S. region (figure 5). In 2007, airports run by the Port Authority of New York and New Jersey accounted for \$100 million of U.S. trade with East Africa by air.

The U.S. Gulf Coast had a 1,153 percent increase in air transport trade with East Africa. This was in part the result of a large increase in the shipment of aircraft parts from the Houston District as well as an increase in export shipments out of the New Orleans District, which includes Memphis, Tennessee, where a major FedEx hub is located.

Figure 5: Dollar Value of U.S.-East Africa Trade by Air and Region, 1997 and 2007



SOURCE: U.S. Exports of Merchandise and U.S. Imports of Merchandise, U.S. Census Bureau, Department of Commerce, Suitland, MD, 1998 and 2008.

Container Transport at Major East African Ports

The two major ports in East Africa are Mombasa, Kenya, and Dar Es Salaam, Tanzania. The Port of Mombasa serves Kenya as well as the following neighboring countries: Uganda, Rwanda, Burundi, and the Democratic Republic of the Congo.¹ In 2006, total trade with all countries handled at the Port of Mombasa was 479,335 TEUs², a 9.8 percent increase over 2005.³ In terms of TEUs handled, the Port of Mombasa ranked 142 in the world in 2006 (out of over 2,800 commercial ports).

With 352,548 TEUs handled in 2006, the Port of Dar Es Salaam ranked 174th in the world.³ Dar Es Salaam saw a 15.3 percent growth in the number of TEUs handled between 2005 and 2006.

Commodity Trends – U.S. Trade

U.S. Exports

The top commodity by dollar value (31 percent) exported by the United States to East Africa in 2007 was aircraft and aircraft parts (table 1). This commodity was also the leading commodity exported to Kenya, accounting for 92 percent (\$263 million) of all aircraft and parts exported to East Africa. Aircraft and aircraft parts were also important

¹ Maritime Section, Kenya Ministry of Transport web site, <http://www.transport.go.ke/>

² TEU: Twenty-foot equivalent unit

³ Lloyd's MIU, *Containerization International Yearbook 2008*, MPG Impressions, Great Britain, 2008.

exports to Tanzania, making up the fourth largest commodity by value exported to that country. Mechanical appliances ranked as the top commodity exported to Tanzania and Uganda in 2007, and the second largest commodity exported to all five East African nations.

U.S. Imports

In terms of value, articles of clothing accounted for 61 percent of the merchandise imported by the United States from East Africa (table 2) in 2007. Articles of clothing accounted for 76 percent of imports from Kenya. Vessels transported 93 percent of U.S. imports of Kenyan clothing.

Coffee, tea, and spices was another major import group, accounting for 16 percent of the value of total imports to the United States from East Africa. Vessels transported 94 percent of these coffee, tea, and spice imports. Most of these imports were coffee (\$55 million), followed by tea (\$5 million), and vanilla beans (\$4 million). Coffee, tea, and spices was the leading commodity group imported from four of the five East African countries: Burundi, Rwanda, Tanzania, and Uganda. 🌐

Table 1: Top 5 Commodities Exported from the United States to East Africa, 1997 v. 2007

Commodity	1997 total trade	2007 total trade	Percent change
Aircraft and aircraft parts	94,452,747	262,974,466	178
Mechanical appliances	55,103,933	138,418,952	151
Electrical machinery	18,635,554	79,071,504	324
Cereals	31,254,842	45,968,993	47
Milling industry products	25,792,646	31,831,462	23
Top five commodities	225,239,722	558,265,377	148
Other	136,122,432	303,268,011	123
Total	361,362,154	861,533,388	138

SOURCE: U.S. International Trade Commission Interactive Tariff and Trade Data Web, <http://dataweb.usitc.gov/> as of as of January 2009.

Table 2: Top 5 Commodities Imported to the United States from East Africa, 1997 v. 2007

Commodity	1997 total trade	2007 total trade	Percent change
Clothing, not knitted or crocheted	37,428,316	166,925,233	346
Clothing, knitted or crocheted	912,342	85,197,211	9,238
Coffee, tea and species	84,328,019	64,270,419	-24
Fruits and nuts	4,467,789	13,834,595	210
Pearls and precious stones	11,255,898	12,664,211	13
Top five commodities	138,392,364	342,891,669	148
Other	57,542,231	69,251,419	20
Total	195,934,595	412,143,088	110

SOURCE: United States International Trade Commission Interactive Tariff and Trade Data Web, <http://dataweb.usitc.gov/> as of as of January 2009.

Box B: U.S.-East Africa Transportation and Trade Highlights:

- Maritime vessels carry 57 percent of all U.S.-East Africa trade, with 22 percent going by air.
- Trade by Air is growing at a slightly faster rate (9.3 percent annually) compared to Maritime (7.8 percent).
- The United States has a trade surplus with the five East Africa nations: Kenya, Uganda, Tanzania, Rwanda, and Burundi.
- Kenya is the largest U.S. trading partner in East Africa.
- The Northeast is the leading U.S. region for both air and water ports of entry and exit in trade with East Africa.
- The major U.S. export is aircraft parts and the leading U.S. imports are clothing and coffee.

About this report

Steven Beningo, International Transportation Specialist of the Bureau of Transportation Statistics prepared this article. Zhi Liu of Macrosys provided special assistance in creating the map. BTS is a component of the Department of Transportation's Research and Innovative Technology Administration.

This Special Report utilizes data from the United States International Trade Commission Interactive Tariff and Trade Data Web, <http://dataweb.usitc.gov/> and the Census Bureau's *U.S. Exports of Merchandise and U.S. Imports of Merchandise*.

For related BTS data and publications: www.bts.gov

For questions about this or other BTS reports, call 1-800-853-1351, email answers@bts.gov or visit www.bts.gov.