

United States Department of
COMMERCE
NEWS Washington, D.C. 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

Bureau of the Census

IMPORTANT: For release 8:30 a.m.
Wednesday, June 26, 2001

CB-00-91

Press Copy



For information contact:

Kathleen J. Puzzilla (301) 457-3251

U.S. Goods Trade: Imports & Exports by Related Parties; 2000

The Bureau of the Census, U.S. Department of Commerce, announced today that in 2000 related party trade accounted for \$563 billion or 47 percent of the total annual value of imports, and \$246 billion or 32 percent of the total annual value of exports. The share of related party trade for 1998 and 1999 was also 47 percent for imports and 32 percent for exports. *“Related party trade”* includes trade by U.S. companies with their subsidiaries abroad as well as trade by U.S. subsidiaries of foreign companies with their parent companies.

The ratio of goods trade by related parties varies markedly among our major trading partners, from highs of 74 percent for imports from Japan and 42 percent for domestic exports to Canada to lows of 16 percent for imports from Argentina and 11 percent for domestic exports to Korea (see Exhibits 1 & 2). Hong Kong and Argentina showed the lowest ratios of related imports; China and Taiwan, the lowest ratios of related exports. Exhibits 1 and 2 for 2000 were expanded to include all world areas and ten additional countries.

Roughly 48 percent of goods traded with our North American partners consisted of transactions between related parties. This is up from 43 percent in 1999. Approximately 43 percent of the total trade between the United States and Canada and 56 percent of the trade between the United States and Mexico is between related parties. More than 66 percent of U.S. imports from Mexico are between related parties, partly due to extensive assembly operations near the border.

Exhibits 3, 4, 5, and 6 provide detailed data on the types of commodities traded and their relative importance in U.S. trade. Beginning with this year’s release, these tables have been changed from Standard International Trade Classification (SITC) to North American Industry Classification System (NAICS), thereby providing a direct link to domestic production data. These exhibits are also sorted by NAICS to make comparisons between the tables easier for the data users. Exhibits 3 and 5 include all the 3-digit NAICS codes. Exhibits 4 and 6 include 4-digit NAICS codes with a related value of \$250 million or more, or a related value equal to at least 10 percent of the value of the corresponding 3-digit NAICS code.

The top five 3-digit NAICS commodities in 2000 for both imports and exports were: computer and electronic products, transportation equipment, chemicals, machinery except electric and electrical equipment, appliances and components. These categories account for approximately 77 percent each of total related party imports and exports. Refer to Exhibits 3 and 5 for the corresponding values.

Historical Section

Since 1992 the overall related party share of both imports and exports has remained relatively constant, varying only from 45 to 47 percent of imports and 31 to 32 percent of exports. However, some notable shifts in ratios of related party trade in goods with selected trading partners have occurred.

Related Party Trade: Imports

Increases have occurred in the related party goods imported from Korea, China, Taiwan and Eastern Europe over this period. The related party share of imports from Korea rose 22 percentage points; from China, 7 percentage points; from Taiwan, 4 percentage points and from Eastern Europe, 20 percentage points. The related party share of goods imported from Mexico rose only 2 percentage points, while it dropped 3 percentage points for Canada, over the same period, despite the implementation of the North American Free Trade Agreement (NAFTA) in 1994. Related trade ratios for imports from selected trading partners are presented in Table 1, below.

Table 1.

YEAR	TOTAL TRADE	CANADA	JAPAN	MEXICO	TAIWAN	CHINA	KOREA	E. EUROPE
1992	45.0	46.0	75.0	63.3	15.9	10.5	26.8	12.0
1993	45.4	45.2	75.3	65.3	17.3	10.5	31.3	11.7
1994	46.4	44.6	75.5	69.2	18.8	13.3	37.5	17.8
1995	47.4	46.0	75.4	66.1	20.3	14.6	41.9	19.7
1996	46.5	44.8	72.7	66.5	21.4	15.2	44.0	21.8
1997	46.0	43.6	70.9	65.4	21.8	16.2	43.1	25.5
1998	46.9	44.1	73.7	66.3	21.8	17.7	44.9	25.2
1999	46.7	43.1	73.7	66.4	20.8	17.6	49.3	32.1

Related Party Trade: Exports

On the export side, related party trade with most trading partners has remained fairly constant. Only China and Taiwan have shown significant increases. The ratio of related goods exported to China more than doubled while related goods exported to Taiwan rose by 6 percentage points. Refer to Table 2.

Table 2.

YEAR	TOTAL TRADE	CANADA	JAPAN	MEXICO	TAIWAN	CHINA	KOREA	E. EUROPE
1992	30.9	45.3	36.2	38.7	10.0	4.9	11.1	9.7
1993	31.9	44.8	35.3	44.8	10.5	5.8	10.6	9.7
1994	32.2	44.0	36.9	43.9	11.7	6.4	11.1	12.5
1995	31.9	44.0	34.6	47.7	11.6	4.7	12.0	9.5
1996	31.8	44.0	35.6	45.7	11.7	7.4	11.7	13.6
1997	31.7	43.1	38.2	46.1	13.1	7.3	12.4	14.2
1998	31.8	41.9	37.6	45.3	14.3	11.1	11.3	12.8
1999	32.1	42.4	36.3	44.3	16.0	11.6	11.4	12.3

For back issues of the related party trade release, contact Special Projects Branch of the Foreign Trade Division on (301) 457-3251. The 1999 release can also be found at <http://www.census.gov/foreign-trade>.