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Bureau of Economic Analysis

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U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES
December 2002

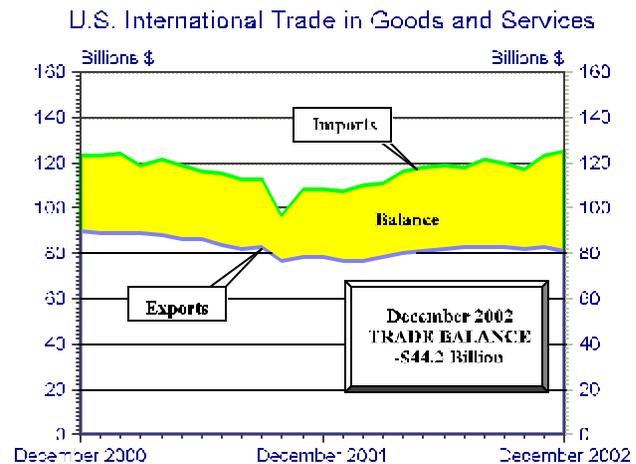
Goods and Services

The U.S. Census Bureau and the Bureau of Economic Analysis, through the Department of Commerce, announced today that total December exports of **\$81.2 billion** and imports of **\$125.4 billion** resulted in a goods and services deficit of **\$44.2 billion**, \$4.2 billion more than the \$40.0 billion in November, revised. December exports were \$2.1 billion less than November exports of \$83.3 billion. December imports were \$2.1 billion more than November imports of \$123.3 billion.

In December, the goods deficit increased \$4.1 billion from November to \$48.4 billion, and the services surplus decreased \$0.1 billion to \$4.1 billion. Exports of goods decreased \$2.3 billion to \$55.6 billion, and imports of goods increased \$1.8 billion to \$103.9 billion. Exports of services increased to \$25.6 billion from \$25.5 billion, and imports of services increased to \$21.5 billion from \$21.2 billion.

Goods

The November to December change in exports of goods reflected decreases in *capital goods* (\$2.2



billion); *consumer goods* (\$0.3 billion); and *other goods* (\$0.1 billion). Increases occurred in *industrial supplies and materials* (\$0.1 billion); *foods, feeds, and beverages* (\$0.1 billion); and *automotive vehicles, parts, and engines* (\$0.1 billion).

The November to December change in imports of goods reflected increases in *industrial supplies and materials* (\$0.7 billion); *capital goods* (\$0.3 billion); *other goods* (\$0.3 billion); *automotive vehicles, parts, and engines* (\$0.3 billion); *foods, feeds, and beverages* (\$0.2 billion); and *consumer goods* (\$0.1 billion).

Note: Total goods data are reported on a Balance of Payments basis; commodity and country detail for goods are on a Census basis. For information on data sources and definitions, see the information section on page 26 of this release, or at www.census.gov/foreign-trade/www/press.html or www.bea.gov/rels.htm.

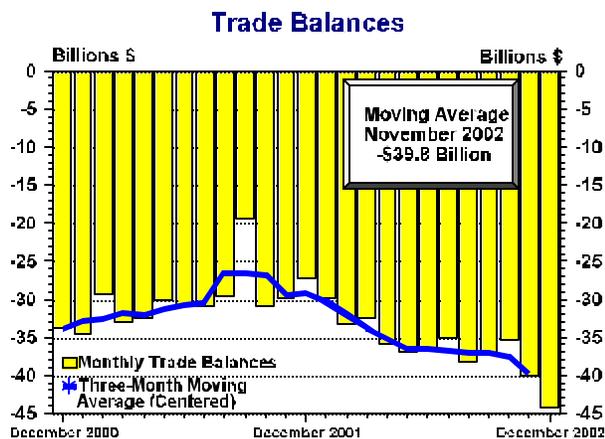
Services

Services exports increased \$0.1 billion from November to December. Increases in *travel* and *passenger fares* were partly offset by a decrease in *other private services* (which includes items such as business, professional, and technical services, insurance services, and financial services). Changes in the other categories of services exports were small.

Services imports increased \$0.3 billion from November to December. The increase was mostly accounted for by increases in *travel* and *other transportation* (which includes freight and port expenditure services). Changes in the other categories of services imports were small.

Goods and Services Moving Average

For the three months ending in December, exports of goods and services averaged \$82.2 billion, while imports of goods and services averaged \$122.1 billion, resulting in an average trade deficit of \$39.8 billion. For the three months ending in November, the average trade deficit was \$37.5 billion, reflecting average exports of \$82.7 billion and average imports of \$120.2 billion.



Selected Not Seasonally Adjusted Goods Details

The December figures showed surpluses, in billions of dollars, with Australia \$0.7 (for November \$0.5), Hong Kong \$0.3 (\$0.3), and Egypt \$0.2 (virtually zero). Deficits were recorded, in billion of dollars, with Western Europe \$9.6 (\$7.9), China \$9.5 (\$10.5), Japan \$7.1 (\$6.5), Canada \$4.6 (\$3.7), OPEC \$3.2 (\$2.9), Mexico \$2.8 (\$2.9), Taiwan \$1.3 (\$1.3), Korea \$1.1 (\$1.6), Brazil \$0.6 (\$0.2), Singapore \$0.2 (\$0.1), and Argentina \$0.2 (\$0.2).

Advanced technology products (ATP) exports were \$14.2 billion in December and imports were \$17.3 billion, resulting in a deficit of \$3.0 billion. December exports were \$0.4 billion less than the \$14.7 billion in November, while imports were \$0.5 billion less than the \$17.7 billion in November.

Revisions

Goods carry-over in December was \$0.6 billion (1.1 percent) for exports and \$1.1 billion (1.1 percent) for imports. For November, revised export carry-over was \$0.1 billion (0.2 percent), revised down from \$0.6 billion (1.0 percent). For November, revised import carry-over was \$0.4 billion (0.4 percent), revised down from \$1.2 billion (1.2 percent).

The seasonally adjusted goods data for January through November were also revised to align the seasonally adjusted months with the annual totals.

Services exports for November were revised up \$0.2 billion to \$25.5 billion; the revision was accounted for by upward revisions in *travel* and *passenger fares*. Services imports for November were revised up \$0.2 billion to \$21.2 billion; the revision was more than accounted for by upward revisions in *travel* and *passenger fares*.

Annual Summary for 2002

Goods and Services

For 2002, exports of \$973.0 billion and imports of \$1,408.2 billion resulted in a goods and services deficit of \$435.2 billion, \$76.9 billion more than the 2001 deficit of \$358.3 billion. For goods, exports were \$682.6 billion and imports were \$1,166.9 billion, resulting in a goods deficit of \$484.4 billion, \$57.2 billion more than the 2001 deficit of \$427.2 billion. For services, exports were \$290.4 billion and imports were \$241.3 billion, resulting in a services surplus of \$49.1 billion, \$19.7 billion less than the 2001 surplus of \$68.9 billion.

Goods (Census Basis)

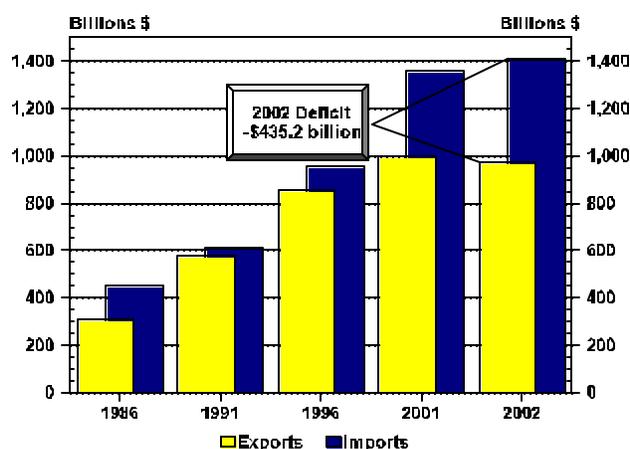
For 2002, exports of goods were down \$35.6 billion from 2001. Decreases occurred in *capital goods* of \$31.1 billion (primarily computer accessories, telecommunications equipment, and semiconductors); *consumer goods* (\$3.9 billion); *industrial supplies and materials* (\$3.2 billion); and *other goods* (\$0.6 billion). Increases occurred in *automotive vehicles, parts, and engines* (\$3.0 billion) and *foods, feeds, and beverages* (\$0.1 billion).

For 2002, imports of goods were up \$22.6 billion from 2001. Increases occurred in *consumer goods* of \$23.4 billion (primarily pharmaceutical preparations, other household goods, TV's and VCR's, furniture, and cotton apparel); *automotive vehicles, parts, and engines* (\$14.1 billion); *foods, feeds, and beverages* (\$3.1 billion); and *other goods* (\$0.9 billion). Decreases occurred in *capital goods* (\$14.1 billion) and *industrial supplies and materials* (\$4.8 billion).

Services

For 2002, exports of services were \$290.4 billion, up \$11.1 billion from 2001. Increases occurred in *other private services* (\$10.0 billion), which includes items such as business, professional, and technical services, insurance services, and financial services, and in *royalties and license fees* (\$4.5 billion).

U.S. International Trade In Goods and Services



Decreases occurred in *travel* (\$2.5 billion); *passenger fares* (\$0.6 billion); and *transfers under U.S. military sales contracts* (\$0.2 billion). *U.S. Government miscellaneous services and other transportation*, which includes freight and port expenditure services, were virtually unchanged.

For 2002, imports of services were \$241.3 billion, up \$30.9 billion from 2001. Increases occurred in *other private services* (\$24.8 billion); *direct defense expenditures* (\$4.2 billion); and *royalties and license fees* (\$4.0 billion). A significant portion of the increase in imports of *other private services* was accounted for by insurance services, which dropped sharply in 2001 as a consequence of large nonrecurring insurance claims received following the terrorist attacks of September 11, 2001 (consistent with standard BEA methodology, imports of insurance services are calculated as premiums paid to foreigners for primary insurance and reinsurance, less claims received). Decreases occurred in *passenger fares* (\$1.4 billion); *travel* (\$0.6 billion); and *other transportation* (\$0.2 billion). *U.S. Government miscellaneous services* were virtually unchanged.

For detailed descriptions of the types of transactions included in each of the services categories, see "Information on Goods and Services" starting on page 26 of this release.

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