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U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES
December 2004

Goods and Services

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced today that total December exports of **\$100.2 billion** and imports of **\$156.6 billion** resulted in a goods and services deficit of **\$56.4 billion**, \$2.9 billion less than the \$59.3 billion in November, revised. December exports were \$3.1 billion more than November exports of \$97.1 billion. December imports were \$0.1 billion more than November imports of \$156.4 billion.

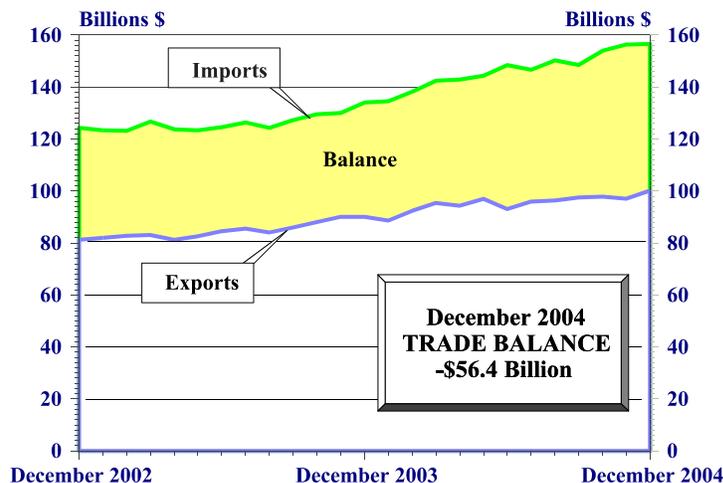
In December, the goods deficit decreased \$2.9 billion from November to \$60.6 billion, and the services surplus was virtually unchanged at \$4.2 billion. Exports of goods increased \$3.0 billion to \$71.1 billion, and imports of goods increased \$0.1 to \$131.7 billion. Exports of services increased \$0.1 billion to \$29.1 billion, and imports of services increased \$0.1 billion to \$24.9 billion.

In December, the goods and services deficit was up \$12.4 billion from December 2003. Exports were up \$10.1 billion, or 11.2 percent, and imports were up \$22.5 billion, or 16.8 percent.

Goods

The November to December change in exports of goods reflected increases in *capital goods* (\$1.6 billion); *industrial supplies and materials* (\$0.7 billion); *consumer goods*

U.S. International Trade in Goods and Services



(\$0.6 billion); and *automotive vehicles, parts, and engines* (\$0.3 billion). A decrease occurred in *other goods* (\$0.2 billion). *Foods, feeds, and beverages* were virtually unchanged.

The November to December change in imports of goods reflected increases in *capital goods* (\$0.6 billion); *automotive vehicles, parts, and engines* (\$0.3 billion); and *foods, feeds, and beverages* (\$0.1 billion). Decreases occurred in *industrial supplies and materials* (\$0.9 billion) and *other goods* (\$0.1 billion). *Consumer goods* were virtually unchanged.

NOTE: Total goods data are reported on a Balance of Payments basis; commodity and country detail data 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/ft900 or www.bea.gov/bea/di/home/trade.htm.

The December 2003 to December 2004 change in exports of goods reflected increases in *industrial supplies and materials* (\$3.2 billion); *capital goods* (\$2.7 billion); *consumer goods* (\$1.6 billion); *automotive vehicles, parts, and engines* (\$0.9 billion); and *other goods* (\$0.3 billion). A decrease occurred in *foods, feeds, and beverages* (\$0.1 billion).

The December 2003 to December 2004 change in imports of goods reflected increases in *industrial supplies and materials* (\$11.0 billion); *consumer goods* (\$3.9 billion); *capital goods* (\$3.6 billion); *automotive vehicles, parts, and engines* (\$1.0 billion); *foods, feeds, and beverages* (\$0.6 billion); and *other goods* (\$0.2 billion).

Services

Services exports increased \$0.1 billion from November to December. Small increases in most services categories were partly offset by a decrease in *other transportation* (which includes freight and port services).

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

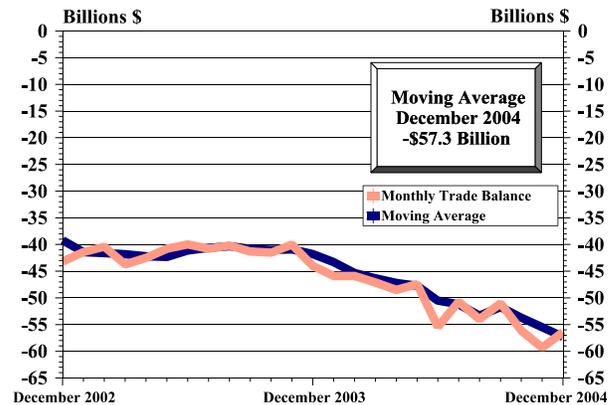
From December 2003 to December 2004, services exports increased \$1.6 billion. The largest increases were in *other private services* (\$0.4 billion), *travel* (\$0.4 billion), and *other transportation* (\$0.3 billion).

From December 2003 to December 2004, services imports increased \$2.0 billion. The largest increases were in *other transportation* (\$0.8 billion), *other private services* (\$0.6 billion), and *passenger fares* (\$0.3 billion).

Goods and Services Moving Average

For the three months ending in December, exports of goods and services averaged \$98.4 billion, while imports of goods and services averaged \$155.7 billion, resulting in an average trade deficit of \$57.3 billion. For the three months ending in November, the average trade deficit was \$55.5 billion, reflecting average exports of \$97.6 billion and average imports of \$153.0 billion.

Trade Balances



Selected Not Seasonally Adjusted Goods Details

The December figures showed surpluses, in billions of dollars, with Hong Kong \$0.7 (for November \$0.5), Australia \$0.5 (\$0.5), Singapore \$0.2 (\$0.1), and Egypt \$0.1 (\$0.1). Deficits were recorded, in billions of dollars, with China \$14.3 (\$16.6), the European Union (25) \$10.3 (\$10.5), Japan \$6.9 (\$7.3), OPEC \$5.8 (\$6.9), Canada \$4.9 (\$5.9), Mexico \$3.4 (\$3.9), Korea \$1.3 (\$2.3), Brazil \$0.9 (\$0.8), and Taiwan \$0.6 (\$1.4).

Advanced technology products (ATP) exports were \$18.0 billion in December and imports were \$21.5 billion, resulting in a deficit of \$3.6 billion. December exports were \$1.7 billion more than the \$16.3 billion in November, while imports were \$0.4 billion less than the \$21.9 billion in November.

Revisions

Goods carry-over in December was \$0.4 billion (0.6 percent) for exports and \$2.0 billion (1.6 percent) for imports. For November, revised export carry-over was \$0.1 billion (0.2 percent), revised down from \$0.3 billion (0.4 percent). For November, revised import carry-over was \$0.2 billion (0.1 percent), revised down from \$1.1 billion (0.8 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 virtually unchanged at \$29.0 billion; downward revisions in *travel* and *passenger fares* were mostly offset by an upward revision in *other transportation*. Services imports for November were revised down \$0.3 billion to \$24.8 billion; the revision was mostly accounted for by a downward revision in *travel*.

Annual Summary for 2004

Goods and Services

For 2004, exports of \$1,146.1 billion and imports of \$1,763.9 billion resulted in a goods and services deficit of \$617.7 billion, \$121.2 billion more than the 2003 deficit of \$496.5 billion. For goods, exports were \$807.6 billion and imports were \$1,473.8 billion, resulting in a goods deficit of \$666.2 billion, \$118.6 billion more than the 2003 deficit of \$547.6 billion. For services, exports were \$338.6 billion and imports were \$290.1 billion resulting in a services surplus of \$48.5 billion, \$2.6 billion less than the 2003 surplus of \$51.0 billion.

The goods and services deficit in 2004 was \$617.7 billion. As a percentage of U.S. gross domestic product, the goods and services deficit increased from 4.5 percent in 2003 to 5.3 percent in 2004.

Goods

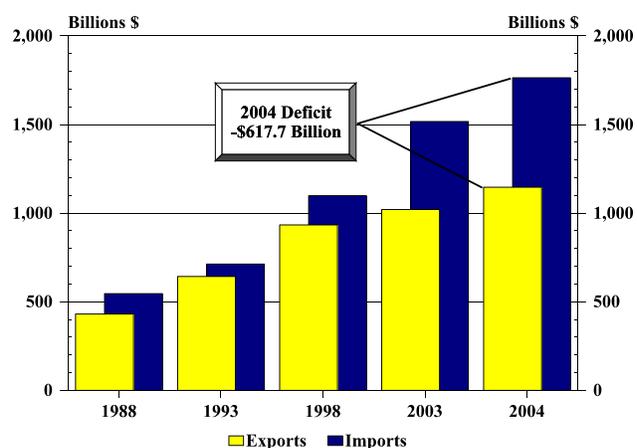
For 2004, exports of goods were up \$94.5 billion from 2003. Increases occurred in *capital goods* (\$37.5 billion); *industrial supplies and materials* (\$30.5 billion); *consumer goods* (\$12.9 billion); *automotive vehicles, parts, and engines* (\$7.5 billion); *other goods* (\$4.5 billion); and *foods, feeds, and beverages* (\$1.3 billion).

For 2004, imports of goods were up \$213.1 billion from 2003. Increases occurred in *industrial supplies and materials* (\$98.6 billion); *capital goods* (\$48.0 billion); *consumer goods* (\$39.3 billion); *automotive vehicles, parts, and engines* (\$18.2 billion); *foods, feeds, and beverages* (\$6.3 billion); and *other goods* (\$2.9 billion).

Services

For 2004, exports of services were \$338.6 billion, up \$31.2 billion from 2003. Increases occurred in *travel* (\$10.2 billion); *other private services* (\$8.5 billion), which includes items such as business, professional, and technical services, insurance services, and financial services; *other transportation* (\$5.5 billion), which includes freight and port services; *passenger fares* (\$3.1 billion); *royalties and license fees* (\$2.9 billion); and *transfers under U.S. military sales contracts* (\$1.1 billion). A decrease occurred in *U.S. Government miscellaneous services* (\$0.1 billion).

U.S. International Trade in Goods and Services



For 2004, imports of services were \$290.1 billion, up \$33.8 billion from 2003. Increases occurred in *other transportation* (\$8.9 billion); *other private services* (\$8.5 billion); *travel* (\$8.0 billion); *direct defense expenditures* (\$3.2 billion); *royalties and license fees* (\$2.6 billion); *passenger fares* (\$2.3 billion); and *U.S. Government miscellaneous services* (\$0.2 billion).

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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Notices

**** Special Note on U.S. Exports to Canada****

On January 31, 2005, Statistics Canada announced that November 2004 imports were understated in its January 12, 2005 release. The U.S. Census Bureau and Statistics Canada cooperate in a data exchange program where Canadian import transactions, collected by the Canadian Customs organization, are provided through Statistics Canada to the Census Bureau to derive U.S. exports to Canada. Statistics Canada recently notified the Census Bureau that a portion of Canadian import transactions for November 2004 were omitted in the data exchange resulting in an understatement of U.S. exports to Canada of approximately \$1.4 billion. With this release, the November 2004 export statistics have been revised to include the omitted transactions.

**** Country Grouping Changes****

With the release of the January 2005 statistics on March 11, 2005, exhibits 14 and 14a of the U.S. International Trade in Goods and Services release and exhibits 6 and 6a of the FT-900 Supplement will be revised. The primary modifications are to add lines to the exhibits for Europe, Africa, and individual countries that have accounted for increased trade activity in recent years. In addition, lines pertaining to Western Europe, Eastern Europe, European Union (15), and the former Soviet Republics will be removed. For examples of the revised exhibits, go to www.census.gov/foreign-trade/2005_examples.html.

****Update To Advanced Technology Product Group****

With the release of the January 2005 statistics on March 11, 2005, the advanced technology product group will be updated to reflect changes in the commodities designated as advanced technology. A complete list of advanced technology product codes is available at <http://www.census.gov/foreign-trade/reference/glossary/a/atp.html>.

If you have any questions or comments about these notices, please call (301) 763-2311 or e-mail ftd.data.dissemination@census.gov.