

# U.S. Census Bureau News

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**For information contact:**

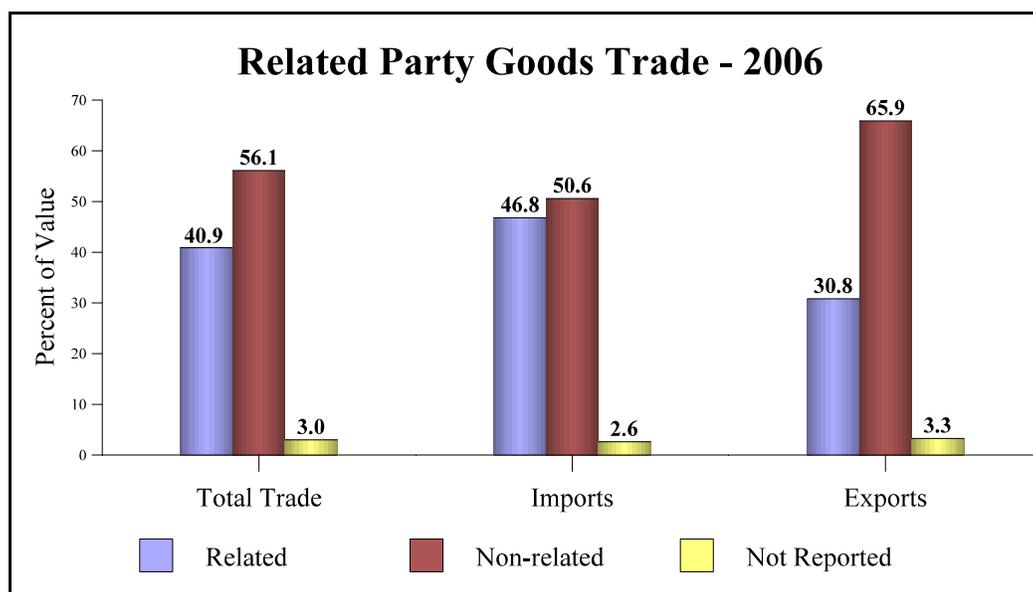
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**CB-07-63**

## U.S. GOODS TRADE: Imports & Exports by Related Parties: 2006

The U.S. Census Bureau, U.S. Department of Commerce, announced today that in 2006, related party trade accounted for 40.9 percent (\$1,182 billion) of total goods trade. “*Related party trade*” is trade by U.S. companies with their subsidiaries abroad as well as trade by U.S. subsidiaries of foreign companies with their parent companies. Related party trade accounted for 46.8 percent (\$863 billion) of consumption imports and 30.8 percent (\$319 billion) of total exports (Figure 1). These percentages are consistent with past U.S. figures. In 2006, U.S. related party trade increased by 11.6 percent (\$123 billion) from the previous year while total trade increased by 12.3 percent (\$317 billion) from 2005.

Figure 1.



## Overview of U.S. Related Party Trade 2006

Exhibit 1 shows a snapshot of U.S. related-party imports from selected world areas, and the top-ten countries sorted by related-party value. Exhibit 2 shows related-party exports from selected world areas and the top ten countries also sorted by related-party value. A listing of the countries contained in the selected world area groupings can be found in the “Technical Documentation Section” or at <http://www.census.gov/foreign-trade/guide/sec5.html>. Exhibits 3 and 4 provide import and export commodity information in terms of the North America Industry Classification System (NAICS), thereby providing a link to domestic production data. They show the top ten three-digit NAICS codes, sorted by related-party values, for imports and exports, respectively.

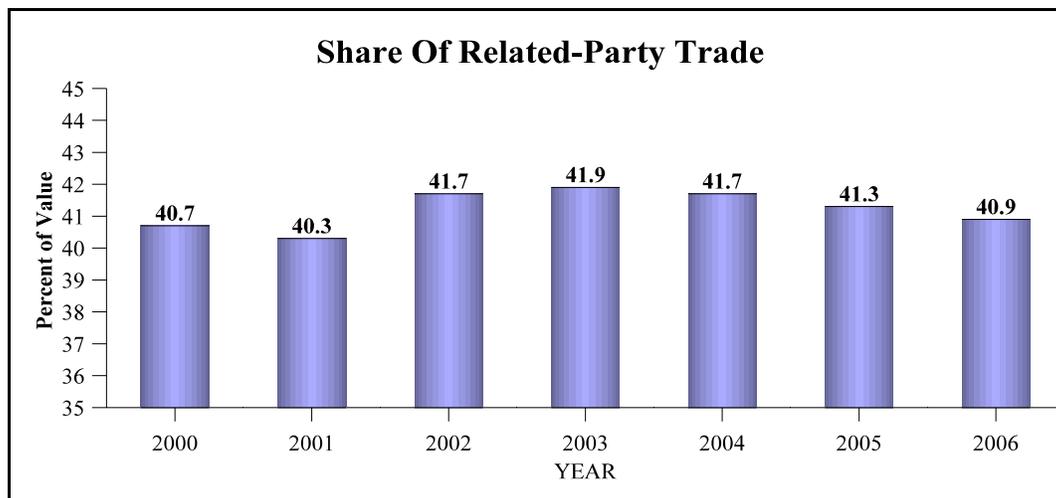
On Exhibit 3, the top ten 3-digit NAICS codes accounted for approximately 89 percent, or \$767.4 million, of related-party import value. In comparison, the top ten 3-digit NAICS codes on Exhibit 4 accounted for almost 76 percent, or \$241.7 million, of related-party export value.

Transportation equipment (NAICS 336), computer and electronic products (NAICS 334), and chemicals (NAICS 325) were the top three goods categories for both directions of trade. Users should note that the trade data are product based and do not always correspond completely to the industry based NAICS categories.

### Historical Trends

The relative share of related-party trade has remained between 40 and 42 percent of total trade over the last seven years (Figure 2). Over the same time period the value of both related trade and total trade increased 46 percent, \$372 billion in related-party trade and a \$911 billion in total trade.

**Figure 2.**



## **New Interactive Data Website for Related-Party Trade**

With the release of 2006 related-party trade, a new interactive data website is available to extract more detailed related-party data. The data years we currently have available online are from 2000 through 2006, which can be accessed at: <http://sasweb.ssd.census.gov/relatedparty>. The website provides output by year, country, and the North America Industry Classification System (NAICS) codes at the 2, 3, 4 or 6-digit level. The data can be totaled on related, non-related, and not-reported categories. The available file formats for generated output are web based (HTML), comma separated values(CSV), or Adobe (PDF).

## Exhibit 1. U.S. Imports for Consumption<sup>1</sup> for Selected World Areas and the Top Ten Countries - 2006

In millions of dollars. (Z) Represents less than one-tenth of the unit of measurement shown.

NOTE: This exhibit is compiled from detailed merchandise trade data. For information on nonsampling errors and other data limitations refer to the Technical Documentation.

Selected World Areas <sup>1</sup>	Total Imports		Related Party Trade		Nonrelated Party Trade		Nonreported <sup>2</sup> Related Party Trade	
	Value	Percent Of Total Imports	Value	Percent Of Area Total	Value	Percent Of Area Total	Value	Percent Of Area Total
Imports Total <sup>3</sup>	1,845,053	100.0	862,657	46.8	933,993	50.6	48,403	2.6
North America	500,090	27.1	253,993	50.8	210,674	42.1	35,422	7.1
Europe	382,250	20.7	212,259	55.5	164,429	43.0	5,561	1.5
Euro Area	245,825	13.3	142,068	57.8	100,075	40.7	3,682	1.5
European Union	329,289	17.8	192,886	58.6	131,215	39.8	5,188	1.6
Pacific Rim Countries	616,148	33.4	275,432	44.7	335,031	54.4	5,686	0.9
South/Central America	132,096	7.2	44,611	33.8	86,494	65.5	991	0.8
Africa	79,321	4.3	20,735	26.1	58,496	73.7	90	0.1
OPEC	142,690	7.7	63,015	44.2	79,390	55.6	285	0.2
<b>Top Ten Related-Party Countries (Decending order, by value of related-party imports)</b>								
Canada	303,034	16.4	139,490	46.0	130,466	43.1	33,078	10.9
Japan	148,071	8.0	116,690	78.8	29,729	20.1	1,653	1.1
Mexico	197,056	10.7	114,504	58.1	80,207	40.7	2,345	1.2
China	287,052	15.6	70,701	24.6	213,808	74.5	2,543	0.9
Federal Republic Of Germany	87,756	4.8	54,972	62.6	31,027	35.4	1,758	2.0
United Kingdom	53,502	2.9	31,810	59.5	20,736	38.8	955	1.8
Malaysia	36,441	2.0	26,293	72.2	9,873	27.1	274	0.8
Korea, South	44,714	2.4	26,137	58.5	18,352	41.0	224	0.5
Ireland	28,921	1.6	25,833	89.3	2,860	9.9	227	0.8
Saudi Arabia	31,142	1.7	22,207	71.3	8,930	28.7	4	(Z)

Footnotes:

1 For definition, see Technical Documentation. This exhibit is not additive; countries may be included in more than one area grouping.

For list of countries, see Technical Documentation.

2 Related party indicator was missing from import documentation.

3 Total values are the summation of statistical month values and do not include annual revisions or adjustments for late receipts.

## Exhibit 2. U.S. Domestic Exports<sup>1</sup> for Selected World Areas and the Top Ten Countries - 2006

In millions of dollars. (Z) Represents less than one-tenth of the unit of measurement shown.

NOTE: This exhibit is compiled from detailed merchandise trade data. For information on nonsampling errors and other data limitations refer to the Technical Documentation.

Selected World Areas <sup>1</sup>	Total Exports		Related Party Trade		Nonrelated Party Trade		Nonreported <sup>2</sup> Related Party Trade	
	Value	Percent Of Total Exports	Value	Percent Of Area Total	Value	Percent Of Area Total	Value	Percent Of Area Total
Exports Total <sup>3</sup>	1,037,143	100.0	319,038	30.8	683,024	65.9	35,081	3.4
Domestic Exports	929,486	89.6	279,832	30.1	614,736	66.1	34,918	3.8
North America	312,789	30.2	130,488	41.7	162,669	52.0	19,631	6.3
Europe	224,226	21.6	67,762	30.2	150,200	67.0	6,264	2.8
Euro Area	143,326	13.8	51,675	36.1	88,112	61.5	3,539	2.5
European Union	196,478	18.9	64,153	32.7	127,018	64.6	5,307	2.7
Pacific Rim Countries	236,094	22.8	55,539	23.5	176,708	74.8	3,847	1.6
South/Central America	82,160	7.9	15,151	18.4	63,487	77.3	3,522	4.3
Africa	18,522	1.8	3,547	19.1	14,503	78.3	472	2.5
OPEC	38,378	3.7	4,041	10.5	33,719	87.9	617	1.6
Re-Exports	107,657	10.4	39,206	36.4	68,289	63.4	162	0.2

Top Ten Related-Party Countries (Decending order, by value of related-party exports)								
Canada	198,226	19.1	80,687	40.7	103,196	52.1	14,343	7.2
Mexico	114,562	11.0	49,801	43.5	59,473	51.9	5,288	4.6
Japan	55,596	5.4	18,332	33.0	36,538	65.7	726	1.3
Netherlands	28,604	2.8	13,835	48.4	14,254	49.8	515	1.8
Federal Republic Of Germany	37,850	3.6	13,779	36.4	23,065	60.9	1,006	2.7
United Kingdom	41,335	4.0	10,634	25.7	29,393	71.1	1,309	3.2
Belgium	19,565	1.9	8,471	43.3	10,696	54.7	398	2.0
France	22,590	2.2	7,565	33.5	14,385	63.7	640	2.8
China	51,624	5.0	7,382	14.3	43,885	85.0	357	0.7
Singapore	21,911	2.1	6,709	30.6	14,658	66.9	544	2.5

Footnotes:

- 1 For definition, see Technical Documentation. This exhibit is not additive; countries may be included in more than one area grouping. For list of countries, see Technical Documentation.
- 2 Related party indicator was missing from export documentation.
- 3 Total values are the summation of statistical month values and do not include annual revisions or adjustments for late receipts.

### Exhibit 3. U.S. Imports for Consumption<sup>1</sup> by the Top Ten Three-digit NAICS Codes - 2006

In millions of dollars. (Z) Represents less than one-tenth of the unit of measurement shown

NOTE: This exhibit is compiled from detailed merchandise trade data. For information on nonsampling errors and other data limitations refer to the Technical Documentation.

NAICS Product Description	Total		Related Party Trade		Nonrelated Party Trade		Nonreported <sup>2</sup> Related Party Trade	
	Value	Percent Of Total Imports	Value	Percent Of Area Total	Value	Percent Of Area Total	Value	Percent Of Area Total
<b>Imports Total<sup>3</sup></b>	1,845,053	100.0	862,657	46.8	933,993	50.6	48,403	2.6
<b>Imports (Decending order, by value of related-party imports)</b>								
<b>Top Ten Total</b>	1,415,649	76.7	767,427	89.0	622,815	66.7	25,407	52.5
336 Transportation Equipment	269,390	14.6	200,855	74.6	68,529	25.4	5	(Z)
334 Computer & Electronic Products	295,375	16.0	189,046	64.0	106,319	36.0	10	(Z)
325 Chemicals	146,751	8.0	96,919	66.0	49,830	34.0	2	(Z)
333 Machinery, Except Electrical	121,285	6.6	62,975	51.9	58,300	48.1	10	(Z)
211 Oil & Gas	214,738	11.6	61,758	28.8	127,651	59.4	25,329	11.8
324 Petroleum & Coal Products	92,968	5.0	51,551	55.5	41,416	44.5	0	(Z)
331 Primary Metal Mfg	88,615	4.8	31,252	35.3	57,362	64.7	1	(Z)
335 Electrical Equipment, Appliances & Components	62,252	3.4	29,475	47.3	32,764	52.6	13	(Z)
339 Miscellaneous Manufactured Commodities	85,689	4.6	26,266	30.7	59,416	69.3	7	(Z)
980 US Goods Returns & Reimports	38,586	2.1	17,328	44.9	21,228	55.0	29	0.1

Footnotes:

1 For definition, see Technical Documentation.

2 Related party indicator was missing from documentation.

3 Total values are the summation of statistical month values and do not include annual revisions or adjustments for late receipts.

## Exhibit 4. Domestic Exports<sup>1</sup> by the Top Ten Three-digit NAICS Codes - 2006

In millions of dollars. (Z) Represents less than one-tenth of the unit of measurement shown

NOTE: This exhibit is compiled from detailed merchandise trade data. For information on nonsampling errors and other data limitations refer to the Technical Documentation.

NAICS Product Description	Total		Related Party Trade		Nonrelated Party Trade		Nonreported <sup>2</sup> Related Party Trade	
	Value	Percent Of Total Exports	Value	Percent Of Area Total	Value	Percent Of Area Total	Value	Percent Of Area Total
<b>Exports Total<sup>3</sup></b>	1,037,143	100.0	319,038	30.8	683,024	65.9	35,081	3.4
<b>Domestic Exports</b>	929,486	89.6	279,832	30.1	614,736	66.1	34,918	3.8
<b>Exports (Decending order, by value of related-party exports)</b>								
<b>Top Ten Total</b>	722,658	69.7	241,718	75.8	468,305	68.6	12,634	36.0
336 Transportation Equipment	177,990	17.2	58,379	32.8	116,630	65.5	2,981	1.7
325 Chemicals	129,504	12.5	55,349	42.7	73,017	56.4	1,138	0.9
334 Computer & Electronic Products	135,025	13.0	47,140	34.9	86,161	63.8	1,724	1.3
333 Machinery, Except Electrical	109,364	10.5	27,627	25.3	80,003	73.2	1,734	1.6
335 Electrical Equipment, Appliances & Components	31,360	3.0	11,642	37.1	18,732	59.7	986	3.1
339 Miscellaneous Manufactured Commodities	33,442	3.2	10,630	31.8	21,855	65.4	957	2.9
324 Petroleum & Coal Products	25,959	2.5	8,916	34.3	16,905	65.1	138	0.5
326 Plastics & Rubber Products	20,575	2.0	7,952	38.6	11,837	57.5	787	3.8
332 Fabricated Metal Products, Nesoi	27,238	2.6	7,491	27.5	18,212	66.9	1,536	5.6
311 Food & Kindred Products	32,201	3.1	6,594	20.5	24,954	77.5	653	2.0

Footnotes:

1 For definition, see Technical Documentation.

2 Related party indicator was missing from documentation.

3 Total values are the summation of statistical month values and do not include annual revisions or adjustments for late receipts.

## *Technical Documentation*

### Sources and Limitations

The data in this release are compiled from administrative records from official U.S. import and export merchandise trade statistics. The merchandise trade data are a complete enumeration of documentation collected by the U.S. Bureau of Customs and Border Protection and are not subject to sampling error. Quality assurance procedures are performed at every stage of collection, processing and tabulation. However, the data are still subject to non-sampling errors. These errors include undocumented shipments, timeliness, data capture errors and errors in the estimation of low-valued transactions.

Related-party shipments are identified by the indicators, “R” for related or “N” for nonrelated, that are required on every import or export transaction. However, importers and exporters do not always report the indicator on their shipments. No attempt is made to estimate the related party status of shipments with missing indicators; instead, they are categorized on the data tables as “non-reported.” Therefore, the ratios of related and unrelated party trade to total trade are understated.

Users are advised to consider these limitations in their analysis of this data as they may affect the results. For more information on data sources and methodology, please read the document “Information on the Collection and Publication of Trade Statistics” at <http://www.census.gov/foreign-trade/reference/guides/tradestatsinfo.html>.

### Definitions

#### **Related-party trade:**

**Imports:** As defined in Section 402(e) of the Tariff Act of 1930, related-party trade includes import transactions between parties with various types of relationships including “any person directly or indirectly, owning, controlling or holding power to vote, 6 percent of the outstanding voting stock or shares of any organization.”

**Exports:** The Foreign Trade Statistics Regulations, 30.7(v), define a related-party export transaction as one between a U.S. exporter and a foreign consignee, where either party owns, directly or indirectly, 10 percent or more of the other party.

**Imports for Consumption:** The import data shown in this report are imports for consumption. The data measure all merchandise that has physically cleared Customs, entering consumption channels immediately, or after withdrawal from either bonded warehouses under Customs custody or from Foreign Trade Zones.

**Customs Value:** The import data in this report are based on Customs value, generally defined as the price actually paid or payable for merchandise when sold for exportation to the United States. Customs value excludes U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the United States.

**F.A.S. Value:** Exports are valued on a free alongside ship basis. This value reflects the transaction price of the good, including inland freight, insurance and other charges incurred in placing the merchandise alongside the ship at the port of export.

**Low Value Estimates:** Import and export transactions below specific values are estimated using factors based on the ratios of low-valued transactions to individual country totals for past periods. Estimates are done for import transactions valued at or below \$2000, excluding certain textile articles, and all export transactions valued \$2500 or less.

**Re-exports:** Exports of foreign merchandise that previously entered the U.S. Customs Territory and are exported in substantially the same condition as when imported.

### **Selected World Areas and Grouping Definitions**

**Africa** - Algeria, Angola, Benin, Botswana, British Indian Ocean Territories, Burkina, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, French Southern and Antarctic Lands, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Morocco, Mozambique, Namibia, Niger, Nigeria, Reunion, Rwanda, St. Helena, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Western Sahara, Zambia, Zimbabwe.

**Euro Area** - Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain.

**Europe** - Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Georgia, Gibraltar, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malta and Gozo, Macedonia, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Svalbard, Jan Mayen Island, Sweden, Switzerland, Turkey, Tajikistan, Turkmenistan, Ukraine, United Kingdom, Uzbekistan, Vatican City.

**European Union** - Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

**North America** - Canada, Mexico

**Organization of the Petroleum Exporting Countries (OPEC)** - Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, Venezuela.

**Pacific Rim Countries** - Australia, Brunei, China, Hong Kong, Indonesia, Japan, Korea, Macao, Malaysia, New Zealand, Papua New Guinea, Philippines, Singapore, Taiwan.

**South/Central America** - Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands, French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela.

Comments, suggestions and/or inquiries related to these data may be directed to the U.S. Census Bureau, Foreign Trade Division, Special Projects Branch, Washington, D.C. 20233. Contact name: Emmanuel O. Omoruyi (301) 763-3251 or [emmanuel.o.omoruyi@census.gov](mailto:emmanuel.o.omoruyi@census.gov).