

## ***Technical Documentation***

**NOTE TO USERS:** This section contains critical information on sources and reliability of data, as well as definitions of terms and methodological procedures that users should consider before attempting to interpret or analyze the statistical data presented in this report. Failure to do so may affect the results.

### ***Overview***

This report is a continuing series of reports profiling U.S. importers and exporters. The first report, *A Profile of United States Exporters: Initial Findings from the Exporter Data Base*, was released by the International Trade Administration in September 1993. That report was based on Census Bureau data compiled both from the 1987 Economic Census and from documents filed for export clearances during 1987 and used a methodology not employed in succeeding reports. Subsequent reports, covering 1992 through present, are based on economic census and survey data on file at the Census Bureau, administrative records from other government agencies, and documents filed for export clearances. The 2009 report introduced import data to the profile. The annual release is now named the *Profile of U.S. Importing and Exporting Companies*.

These profiles are compiled by the Economic Statistical Methods Division of the U. S. Census Bureau. The International Trade Administration (ITA) is a partial sponsor of the work, providing both financial assistance and advice on data user needs. The ITA also sponsors more detailed Exhibits, which will be available on their Web site later this year. Users will be notified on the ITA Web site (<http://trade.gov>) when this information is available.

Effective with the 1997/1998 report, companies are classified according to the North American Industry Classification System (NAICS) instead of the Standard Industrial Classification (SIC) system. There are differences in the ways NAICS and SIC classify certain types of companies. For example, manufacturers of prepackaged software and books are classified as manufacturers under SIC and as “Other” types of companies under NAICS. Users are advised to consider these differences when making year-over-year comparisons of exporters and exporter characteristics before and after 1997. This profile, based on new and revised data, uses the same methodology as previous years.

The importer and exporter profiles are developed to provide both government and private sector users with information about the importing and exporting community including employment size, type of company, and major foreign markets. In this report the data are presented in Exhibits 1 through 7, where the export and import data use letters a through h to designate whether the data represents statistical year, prior year, or year-over-year comparisons. Letters g and h represent data on companies that both import and export for current and prior year. The previous year’s export figures in this report are revised from data released in the previous exporter profile. The revisions are based on the ability to match additional export records.

The exhibits in this report include detailed breakdowns based upon the number of employees of the identified importing and exporting companies. In presenting these results, companies are classified as small (less than 100 employees including number of employees unknown), medium (100 to 499 employees), and large (500 or more employees).

Exhibit 3 provides information on exports to related parties, such as parent or subsidiary firms. Two parties are considered related if either party owns, directly or indirectly, 10 percent or more of the other party. We do not currently capture related party information for imports entered into U.S. Foreign Trade Zones. As a result, the import related party exhibits (3c and 3d) are not available at this time. Due to mandatory AES filing requirements, an exporter must report whether or not an export shipment is to a related party. Therefore, effective with the 2009/2010 report, the columns in exhibits 3a and 3b labeled “Non-reported” have been eliminated.

All percentages stated in this report, unless otherwise specified, were calculated based solely upon the statistical and prior years' import or export values that could be linked to specific active companies in the Business Register--the "known value." In addition, the source of the administrative records, the Business Register, was restructured starting with 2002 data. For explanations of the methods used in tabulating the information as well as non-sampling errors and other limitations of the export data in this report, see the **Methodology** section below. Users are advised to consider these limitations when analyzing this information as they may affect the results. Users should cite the U.S. Census Bureau, U.S. Department of Commerce as the source of the information in this report, not as the source of their analyses.

### **Sources of Information**

The importer and exporter profiles were created from import and export merchandise trade information and company characteristics contained in the Census Bureau's data base of company information, the Business Register. Company characteristics are gathered through economic censuses and surveys and supplemented with employment and payroll information provided by the Internal Revenue Service. Data on U.S. exports of merchandise from the U.S. to all countries, except Canada, is compiled from the Electronic Export Information (EEI) filed by the United States Principal Party in Interest (USPPI) or their agents through the Automated Export System (AES). The EEI is unique among Census Bureau data collection methods since it is not sent to respondents soliciting responses as in the case of surveys. Each EEI represents a shipment of one or more kinds of merchandise from one exporter to one foreign importer on a single carrier. Filing the EEI is mandatory under Chapter 9, Title 13, United States Code. Qualified exporters or their agents submit EEI data by automated means directly to the U.S. Census Bureau. The United States is substituting Canadian import statistics for U.S. exports to Canada in accordance with a 1987 Memorandum of Understanding signed by the Census Bureau, U.S. Customs and Border Protection, Canadian Customs, and Statistics Canada. The import trade statistics are compiled from multiple sources. The majority of import data comes from transactions filed electronically by importers or their licensed brokers via the Automated Broker Interface (ABI) or the Automated Commercial Environment (ACE). Other sources include electronic or paper documents for foreign trade zone admission and paper import entry summaries. In addition, data on imports of electricity and natural gas from Canada are obtained from Canadian sources.

### **Methodology**

This profile was compiled using company identifiers or company names from import and export transactions to electronically link trade data to company characteristics in the Business Register. Beginning with data year 2002, the Business Register database was completely restructured to include additional information. Due to these changes and problems with our prior methodology, the matching routines used to create the Profile were updated. Despite the limitations within the Business Register, we are able to maintain consistency with our prior Profiles' matching routines.

Less than 3 percent of the total export value and slightly more than 3 percent of the import value, including low-value estimates, imports or exports by U.S. and foreign governments, timing adjustments, and end-of-year revisions, was excluded from this matching process because the transactions cannot be attributed to specific importing or exporting companies. Export transactions that could not be matched electronically were investigated and linked manually to specific companies using a combination of criteria, including company name, location, type, and product. Import transactions that could not be matched electronically were left unmatched. Unlike exports, all of the identifiers are numeric for imports, so the name matching investigations used to increase the export match rates cannot be applied. A comparison of the overall match rates, based on total import and export value, is presented in Table 1 under **Distribution of Exports and Imports by Identified and Unidentified Companies**, on page 7.

It was not possible to investigate every unmatched export transaction, so priority was given to those with the highest export values. The percentage of unidentified value tends to decrease each year as more companies are

identified and value thresholds triggering investigation are lowered. Therefore, users should make year-to-year comparisons with caution and be aware that the number of small companies and their associated known value are most likely understated. Similarly, the known value may not reflect all shipments by identified companies.

Beginning with data year 2010, this profile is produced using the same revised import and export data used to compile the Economic Indicator Division's published *U.S. International Trade in Goods and Services Annual Revision* for a given data year. The rows labeled "Revisions" will be removed from Table 1 under ***Distribution of Exports and Imports by Identified and Unidentified Companies*** effective with the 2010/2011 report.

### ***Data Quality***

Quality assurance procedures were applied to all phases of collection, processing and tabulation of the information in this report to minimize errors. The data continue to be subject to non-sampling errors in data reporting (of the basic trade statistics and the administrative record source data), coding, keying, and in coverage (due to failure to identify all importing and exporting companies). For an explanation of non-sampling errors affecting the trade statistics, see the **Information on Goods and Services** section of the FT 900 *U.S. International Trade in Goods and Services*, or call (301)763-2311 to request a copy of the release. One can also obtain this information from the web at the following address: <http://www.census.gov/ft900>.

The characteristics of importing and exporting companies in this report reflect companies that could be matched to the Business Register. When analyzing these data, users should consider the possible impact of unmatched transactions and unidentified companies on their results. Unidentified importers or exporters may not reflect the same distribution of company types and sizes as identified companies. Similarly, comparisons between the number of companies importing or exporting in given categories may be misleading due to differences in the percentage of value matched to companies of various types and sizes.

Year-over-year comparisons should also be made with caution. Changes in the number of importers or exporters and the value of their transactions, the known value, may be due to differences in match rates or companies entering/dropping out of the import/export market. Table 1, under ***Distribution of Exports and Imports by Identified and Unidentified Companies***, at the beginning of this report shows a comparison of the match rates, based on total value, as well as the value attributable to companies that either imported or exported in both years.

### ***Data by State***

The data contained in Exhibits 6a through 6c are based on the Origin of Movement (OM) State. The U.S. state of origin is the 2-character postal code for the state in which the goods begin their journey to the port of export. This field allowed the compilation of the Origin of Movement - Based on Origin State Series. The OM series based on origin state has been available since 1987 and is intended to reflect the transportation origin of exports.

The data contained in Exhibits 6d and 6e are based on the U.S. State of Destination. This is defined as the U.S. state, U.S. territory or U.S. possession where the merchandise is destined, as known at the time of entry summary filing. For shipments into Foreign Trade Zones, the import state represents the location of the zone.

For more complete information on the state data series, refer to the notice at: <http://www.census.gov/foreign-trade/aip/elom.html>

### ***NAICS-based Data***

The North American Industrial Classification System (NAICS) is a two- through six-digit hierarchical classification system, offering five levels of detail. Each digit in the code is part of a series of progressively narrower categories, and the more digits in the code signify greater classification detail. The first two digits

designate the economic sector, the third digit designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry, and the sixth digit designates the national industry.

NAICS information for a given company or establishment comes from a variety of governmental agencies. These include the Internal Revenue Service (IRS), the Social Security Administration (SSA) and the Bureau of Labor Statistics (BLS). These agencies collect information from companies and provide these data to the Census Bureau to the best of their abilities. Generally, the U.S. Census Bureau's NAICS classification codes are derived from information that the business establishment provided on surveys, census forms, or administrative records. Occasionally, these codes can only be defined at a level of very low detail (as low as 2 digits).

For more information on NAICS, refer to the web at the following address:  
<http://www.census.gov/eos/www/naics/>

### ***Definitions of Terms***

***Business Register.*** Data base of companies included in economic census and surveys conducted by the Census Bureau.

***Company.*** A company is a business consisting of one domestic location (single location company) or more than one domestic location (multiple location company) under its ownership or control.

***Identified Companies:*** Identified companies are those companies to which one or more transactions were matched. The import or export value associated with these companies is termed “*known value.*”

***Unclassified Companies:*** These are identified companies for which no NAICS classification (manufacturers, wholesalers or other companies) could be assigned. As of 2012, these companies will be considered *other companies.*

***Company Size.*** Company sizes are based on employment: small (less than 100 employees including number of employees unknown), medium (100 - 499 employees), and large (500 or more employees).

***Company Type.*** Company types are based on the North American Industry Classification System (NAICS) and are broken out into manufacturers, wholesalers, and all other companies. Those companies for which a valid NAICS code is not available are placed in the *other* grouping.

***Employment.*** Employment includes all employees, full-time or part-time, reported on a firm’s payroll during specific payroll periods.

***General Imports.*** "General Imports" measure the total physical arrivals of merchandise from foreign countries, whether such merchandise enters consumption channels immediately or is entered into bonded warehouses or Foreign Trade Zones under Customs custody.

***Low-value Estimates.*** Export transactions valued under \$2,501 and import transactions valued under \$251 for certain quota items and \$2001 for all other imported goods, are not required to be reported. Instead, the Census Bureau estimates the value of such shipments to each country using factors based on the ratios of low-valued shipments to individual country totals for past periods. For more information please see the following link: <http://www.census.gov/foreign-trade/aip/lvpaper.html>

***Related Party.*** A related party transaction is 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.

**State of the Origin of Movement (OM).** The OM series data provides export statistics based on the U.S. state from which the merchandise starts its journey to the port of export; i.e., the transportation origin. This information is reported by the exporter. See the **Data Quality** section above for limitations of this data series.

**State of Destination.** The State of Destination data series provides import statistics based on the U.S. state, U.S. territory or U.S. possession where the merchandise is destined, as known at the time of entry summary filing. This information is reported by the importer. See the **Data Quality** section above for limitations of this data series.

**Value (Exports).** The export values in this report are f.a.s. (“free alongside ship”) and include both domestic exports and re-exports of foreign merchandise. Several different values are given:

Total export value: The total value includes all transactions whether or not linked to specific companies.

Known value: The value of transactions linked to specific companies. All percentages given for company size and types are based on known value.

Unidentified Value: The valued transactions that were not linked to a specific company. Note that these shipments might have been exported either by identified companies or by other companies not identified in the linking process.

**Value (Imports).** The import values in this report are customs import value. The Customs value is the value of imports as appraised by the U.S. Customs and Border Protection in accordance with the legal requirements of the Tariff Act of 1930, as amended. This value is generally defined as the price actually paid or payable for merchandise when sold for exportation to the United States, excluding U.S. import duties, freight, insurance, and other charges incurred in bringing the merchandise to the United States. The term "price actually paid or payable" means the total payment (whether direct or indirect, and exclusive of any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation in the United States) made, or to be made, for imported merchandise by the buyer to, or for the benefit, of the seller. The type of imports shown in this report is “general.” Please see the definition for “General Imports” for more information. Several different values are given:

Total import value: The total value includes all transactions whether or not linked to specific companies.

Known value: The value of transactions linked to specific companies. All percentages given for company size and types are based on known value.

Unidentified Value: The valued transactions that were not linked to a specific company. Note that these shipments might have been imported either by identified companies or by other companies not identified in the linking process.

### **Country Groupings**

Country groupings are defined at the time of the statistical reporting period. Therefore, country groupings may have different definitions between years. Any differences are noted in the listing below.

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

**APEC** (Asia - Pacific Economic Cooperation) - Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Korea (South), Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taiwan, Thailand, Vietnam.

**ASEAN** (Association of Southeast Asian Nations) - Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam.

**Asia Near East** - Bahrain, Gaza Strip Administered by Israel, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, West Bank Administered by Israel, Yemen.

**Asia - South** - Afghanistan, Bangladesh, India, Nepal, Pakistan, Sri Lanka.

**CAFTA - DR (Dominican Republic-Central America-United States Free Trade Agreement)** - Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua

**Central American Common Market** - Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua.

**Euro Area** - Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain.

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

**European Union** - Austria, Belgium, Bulgaria, Croatia, 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.

**LAFTA (Latin American Free Trade Area)** - Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela.

**NATO (North Atlantic Treaty Organization) Allies** - Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom.

**NICS (Newly Industrialized Countries)** - Hong Kong, Korea (South), Singapore, Taiwan.

**North America** - Canada, Mexico

**OECD (Organization for Economic Cooperation and Development)** - Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland,

Israel, Italy, Japan, Korea (South), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom.

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

**Pacific Rim Countries** - Australia, Brunei, China, Hong Kong, Indonesia, Japan, Korea (South), Macau, 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, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands (Islas Malvinas), French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Montserrat, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, Sint Maarten, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela.

**Twenty Latin American Republics** - Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela.

#### ***Additional Information***

For additional information, refer to the Guide to Foreign Trade Statistics: <http://www.census.gov/foreign-trade/guide/>