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Statistical Brief

Trade With the Pacific Rim

Merchandise trade is crucial to the U.S. economy, and the Pacific Rim is now our largest regional trading partner. In cooperation with the Customs Service, the Census Bureau provides detailed monthly information on all shipments leaving and entering the United States. This brief highlights data on U.S. trade, and trade with Pacific Rim countries, since 1980.

Trade Is Important

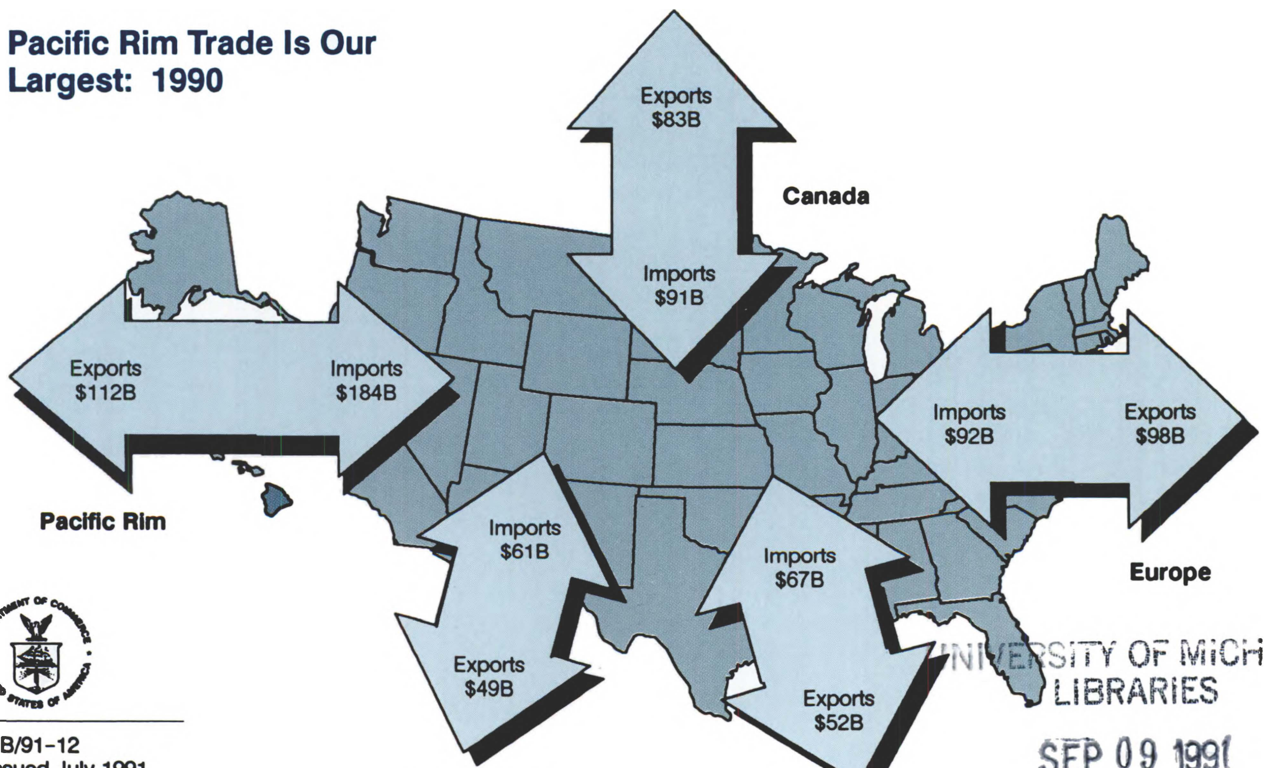
Merchandise trade is crucial to the U.S. economy because it is high in value and a major source of recent economic growth. In 1990:

- The value of all U.S. export shipments was nearly $395 billion, and U.S. imports totaled over $495 billion.
- Exports increased 8 percent above 1989 (excluding price increases), and provided some 40 percent of year-to-year GNP growth.

U.S. trade, and particularly trade with Pacific Rim countries, has grown substantially in the past decade. Since 1980, the annual value of:

- All U.S. merchandise exports plus imports grew by nearly 90 percent, and our imports from the world more than doubled.
- U.S. exports plus imports with the Pacific Rim increased by 165 percent, and our imports from that region nearly tripled.

Pacific Rim Trade Is Our Largest: 1990



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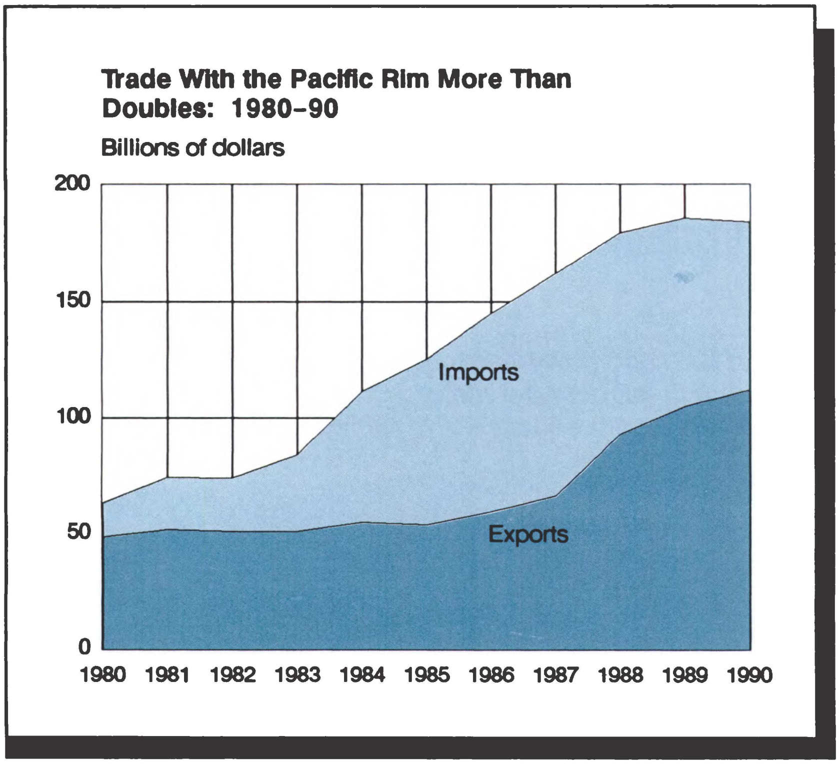


The Pacific Rim is an area rich in human and business resources. Its economic accomplishments have been widely acclaimed, and its trading future is promising. Pacific Rim countries,

- Produce more than one-sixth of the world's Gross Domestic Product.
- Contain over one-third of the world's labor force and retail consumers.

Pacific Rim Holds Promise

The "Pacific Rim" consists of 14 Asian and Pacific countries—Japan; the newly industrialized countries (NICs) of Hong Kong, Singapore, South Korea, and Taiwan; plus Australia, Brunei, China, Indonesia, Malaysia, New Zealand, Papua New Guinea, Macao, and the Philippines.

These active trading nations have become both the largest single regional market for U.S. exports and the largest source of goods we import. In 1990, the Pacific Rim:

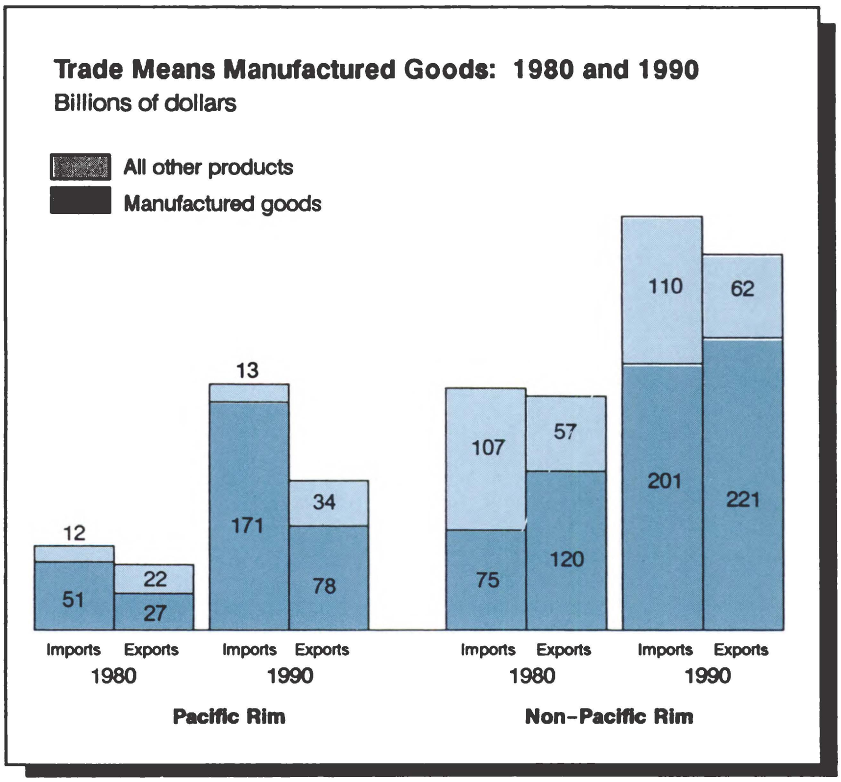
- Received exports from U.S. suppliers worth some $112 billion, 28 percent of all our exports.
- Supplied imports to U.S. customers valued at nearly $184 billion, 37 percent of our total imports.

The benefits of U.S. trade with the Pacific Rim are widespread. For example, 60 percent of our exports to that region in 1990 originated in states that do not have a Pacific coastline.

Manufactures Dominate Trade

Most U.S. trade consists of manufactured goods. In 1990, goods from our industrial sector accounted for over three-fourths of all U.S. exports, and goods manufactured abroad provided a similar share of our total imports.

Manufactured goods also dominate U.S. trade with the Pacific Rim, and the Pacific Rim's share of U.S. trade in



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industrial products has grown in recent years. Between 1980 and 1990,

- Imports from the Pacific Rim increased from 40 to 46 percent of all U.S. imports of manufactured goods.

- Exports to the Pacific Rim increased from 19 to 26 percent of all our manufactured exports.

Machinery and transportation equipment account for most U.S.- Pacific Rim trade in manufactured goods. In 1990, U.S. imports of these goods from the Pacific Rim exceeded $100 billion, and our exports were over $45 billion. To illustrate,

- For imports - automobiles, office machines, and electrical machinery totaled 38 percent (and nearly $70 billion) of all 1990 imports from the Pacific Rim.

- For exports - electrical machinery, transportation equipment, and office machines were 26 percent (and over $28 billion) of our exports to that region last year.

In addition, the Pacific Rim is a major export market for U.S. agriculture commodities. These include grain, meat, fish, and vegetable oil. Nearly 39 percent of all U.S. agricultural exports, products worth over $14 billion, went to Pacific Rim countries in 1990.

Trade Varies by Area

The value and content of U.S. trade reflect the economic diversity of the Pacific Rim countries. Japan clearly dominates the volume of regional trade. For example, in 1990:

- Japan provided nearly one-half of all U.S. imports from the region (or goods worth about $90 billion), and received some 43 percent of our exports to Pacific Rim countries.

- The four NICs supplied one-third of our imports from the Pacific Rim, and purchased 36 percent of our exports (or some $41 billion in goods).

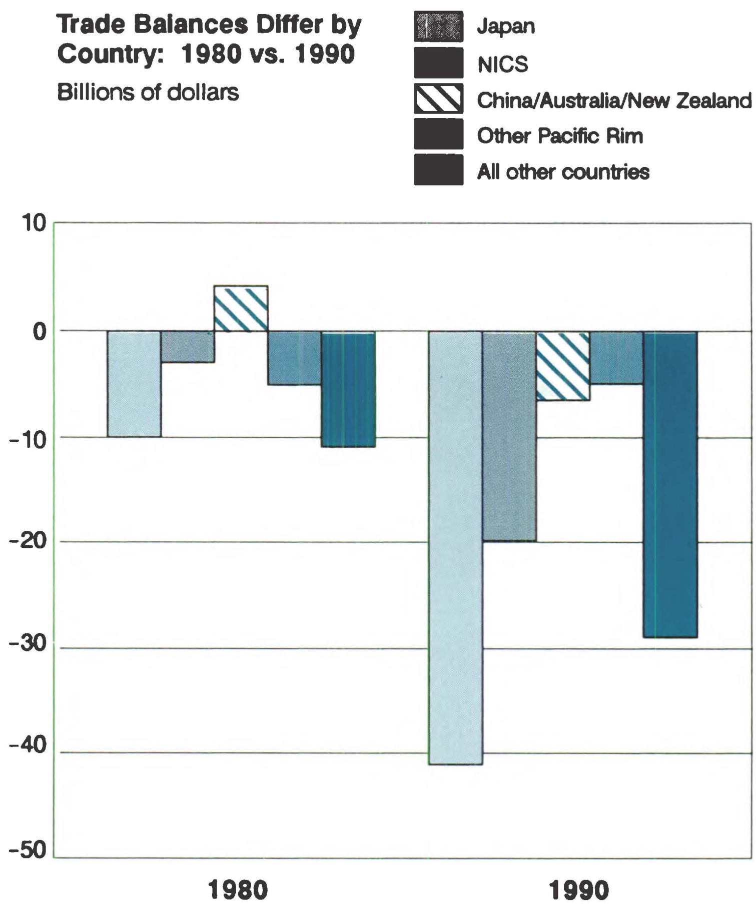
- The nine other Pacific Rim countries shared the remaining one-fifth of U.S. import and export trade with the region.

Patterns of goods traded differ by country and over time. For example, in our trade with Japan between 1980 and 1990, automobiles remained the dominant U.S. import, but transportation equipment (primarily airplanes and parts) replaced cereal products as the largest U.S. export. Also since 1980,

- The NICs have remained our leading source of clothing imports, but data processing equipment edged out telecommunications gear as our primary export to them.

Trade Balances Differ by Country: 1980 vs. 1990

Billions of dollars



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- Australia and New Zealand continued as major sources of U.S. meat and fish imports, but our dependence on oil imports from Brunei and Indonesia has decreased.

Trade Deficits Persist

The U.S. has experienced large but declining merchandise trade deficits. Our deficit peaked at $153 billion in 1987. However, it then declined by one-third to $101 billion in 1990, and was at an annual rate of $68 billion in the first quarter of 1991.

Trade with the Pacific Rim has accounted for most of the U.S. trade deficit, and this trade imbalance has grown in recent years. In 1990, U.S. imports from the Pacific Rim exceeded our exports to that region by $72 billion. Furthermore,

- In 1990, our deficit in Pacific Rim trade accounted for more than 70 percent of the total U.S. trade deficit.
- In 1980, our Pacific Rim trade deficit was smaller (about $14 billion), but still nearly 70 percent of the total.
- Between 1980 and 1990, our annual trade deficit with Japan quadrupled, from nearly $10 to over $40 billion.

This is one of a series of occasional reports from the Census Bureau that provide information about our people and economy. Most data presented are from monthly and annual U.S. Merchandise Trade reports. They are subject to certain errors, such as missing shipment documents, inaccurate or incomplete information, and data processing mistakes.

The Census Bureau has taken measures to assure data quality, and data presented are in accord with applicable standards. However, caution should be used when comparing these and other data sets.

For Further Information on This Brief:

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See
U.S. Merchandise Trade: March 1991, FT-900 (91-03), and appropriate previous monthly and annual reports.

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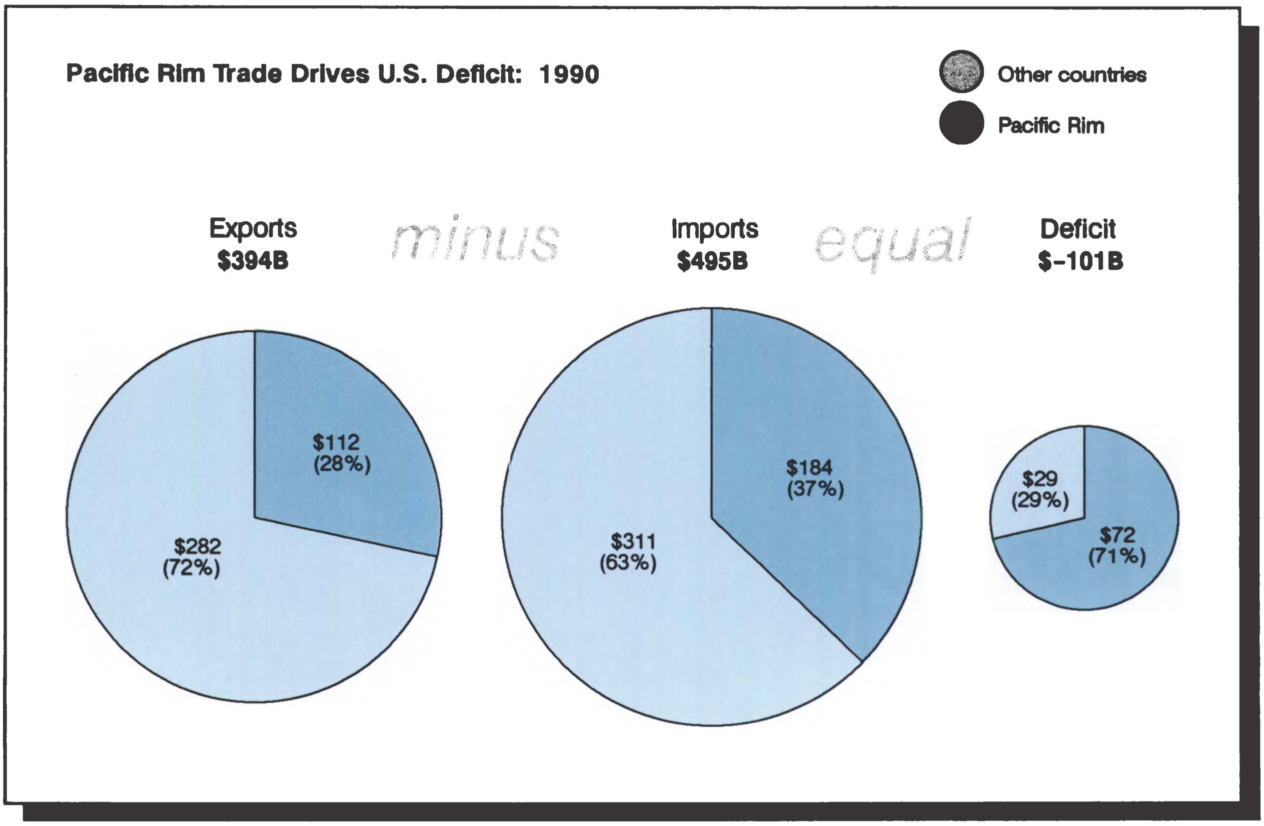

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