INFORMATION ON GOODS AND SERVICES

GOODS (CENSUS BASIS)

Data for goods on a Census basis are compiled from the documents collected by the U.S. Customs and Border Protection and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. Foreign Trade Zones. They include government and non-government shipments of goods and exclude shipments between the United States and its territories and possessions; transactions with U.S. military, diplomatic, and consular installations abroad; U.S. goods returned to the United States by its Armed Forces; personal and household effects of travelers; and in-transit shipments. The General Imports value reflects the total arrival of merchandise from foreign countries that immediately enters consumption channels, warehouses, or Foreign Trade Zones.

For imports, the value reported is the U.S. Customs and Border Protection appraised value of merchandise—generally, the price paid for merchandise for export to the United States. Import duties, freight, insurance, and other charges incurred in bringing merchandise to the United States are excluded.

Exports are valued at the f.a.s. (free alongside ship) value of merchandise at the U.S. port of export, based on the transaction price including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Revision policy for goods on a Census basis: Monthly data include actual month's transactions as well as a small number of transactions for previous months. Each month, the U.S. Census Bureau revises the aggregate seasonally adjusted (current and real chained-dollar) and unadjusted export, import, and trade balance figures, as well as the end-use totals for the prior month. For December and January statistical month releases, each prior month of the most recent full year is revised in order to align the seasonally adjusted monthly data with annual totals. Country detail data and commodity detail data, based on the Standard International Trade Classification (SITC) Revision 4 and the North American Industry Classification System (NAICS), are not revised monthly. The timing adjustment shown in Exhibit 14 is the difference between monthly data as originally reported and as recompiled. In addition, for March, June, September, and December statistical month releases, revisions are made to the real chained-dollar series presented in Exhibits 10 and 11: the previous five months are revised to incorporate the Bureau of Labor Statistics' revisions to price indexes, which are used to produce the real chained-dollar series and to align Census data with data published by the U.S. Bureau of Economic Analysis (BEA) in the national income and product accounts (NIPAs). Annual revisions for the months are made in June to reflect corrections received subsequent to the monthly revisions. These revisions are reflected in totals, end-use, commodity, and country summary data. The monthly end-use, commodity, and country and area data presented in Exhibits 6-18 in this release are on a Census basis.

U.S./CANADA DATA EXCHANGE AND SUBSTITUTION

Data for U.S. exports to Canada are derived from import data compiled by Canada. The use of Canada's import data to produce U.S. export data requires several alignments in order to compare the two series.

1. *Coverage* - Canadian imports are based on country of origin. U.S. goods shipped from a third country are included. U.S. exports exclude these foreign shipments. For August 2013, these shipments totaled $118.1 million. U.S. export coverage also excludes U.S. postal shipments to Canada. For August 2013, these shipments totaled $20.4 million.

   U.S. import coverage includes shipments of railcars and locomotives from Canada. Effective with January 2004 statistics, Canada excludes these shipments from its goods exports to the United States, therefore creating coverage differences between the two countries for these goods.

2. *Valuation* - Canadian imports are valued at the point of origin in the United States. However, U.S. exports are valued at the port of exit in the United States and include inland freight charges, making the U.S. export value slightly larger than the Canadian import value. Canada requires inland freight to be reported separately from the value of the goods. Combining the inland freight and the Canadian reported import value provides a consistent valuation for all U.S. exports. Inland freight charges for August 2013 accounted for 2.3 percent of the value of U.S. exports to Canada.

3. *Reexports* - Unlike Canadian imports, which are based on country of origin, U.S. exports include reexports of foreign goods. Therefore, the aggregate U.S. export figure is slightly larger than the Canadian import figure. For August 2013, reexports to Canada were $4,119.3 million.

4. *Exchange Rate* - Average monthly exchange rates are applied to convert the published data to U.S. currency. For August 2013, the average exchange rate was 1.0407 Canadian dollars per U.S. dollar.

5. *Other* - There are other minor differences, which are statistically insignificant, such as rounding error.

Canadian Estimates: Effective with January 2001 statistics, the current month data for exports to Canada contain an estimate for late arrivals and corrections. The following month, this estimate is replaced, in the news release exhibits only, with the actual value of late receipts and corrections. This estimate improves the current month data for exports to Canada and treats late receipts for exports to Canada in a manner that is more consistent with the treatment of late receipts for exports to other countries.

NONSAMPLING ERRORS

The goods data are a complete enumeration of documents collected by the U.S. Customs and Border Protection and are not subject to sampling errors. Quality assurance procedures are performed at every stage of collection, processing, and tabulation. However, the data are still subject to several types of nonsampling errors. The most significant of these include reporting errors, undocumented shipments, timeliness, data capture errors, and errors in the estimation of low-valued transactions.

Reporting Errors: Reporting errors are mistakes or omissions made by importers, exporters, or their agents in their import or export declarations. Most errors involve missing or invalid commodity classification codes and missing or incorrect quantities or shipping weights. They have a negligible effect on aggregate import, export, and balance of trade statistics. However, they can affect the detailed commodity statistics.

Undocumented Shipments: Federal regulations require importers, exporters, or their agents to report all merchandise shipments above established exemption levels. The U.S. Census Bureau has determined that not all required documents are filed, particularly for exports.

Timeliness and Data Capture Errors: The U.S. Census Bureau captures import and export information from administrative documents and through various automated collection programs. Documents may be lost, and data may be incorrectly keyed, coded, or recorded. Transactions may be included in a subsequent month's statistics if received late.

Low-valued Transactions: The total values of transactions valued as much as or below $2,500 for exports and $2,000 ($250 for certain quota items) for imports are estimated for each country, using factors based on the ratios of low-valued shipments to individual country totals for past periods.

The U.S. Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling errors could impact the conclusion drawn from the results. For a detailed discussion of errors affecting the goods data, see "U.S. Merchandise Trade Statistics: A Quality Profile" available at www.census.gov/foreign-trade/aip/index.html#infopapers or from the Foreign Trade Division, U.S. Census Bureau.

AREA GROUPINGS (See Exhibits 14 and 14a)

North America: Canada, Mexico.

Europe: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and 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.

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

Pacific Rim: Australia, Brunei, China, Hong Kong, Indonesia, Japan, Korea, 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, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Sint Maarten, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela.

OPEC: Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, Venezuela.

Africa: Algeria, Angola, Benin, Botswana, British Indian Ocean Territories, Burkina Faso, 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, South Sudan, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Western Sahara, Zambia, Zimbabwe.

ADJUSTMENTS FOR SEASONAL AND TRADING-DAY VARIATIONS

Goods are initially classified under the Harmonized Commodity Description and Coding System (Harmonized System), which describes and measures the characteristics of goods traded. Combining trade into approximately 140 export and 140 import end-use categories makes it possible to examine goods according to their principal uses (see Exhibits 7 and 8). These categories are used as the basis for computing the seasonal and trading-day adjusted data. These adjusted data are then summed to the six end-use aggregates for publication (see Exhibit 6). These data are provided to BEA, from the U.S. Census Bureau, for use in the NIPAs and in the international transactions accounts (balance of payments accounts).

The seasonal adjustment procedure is based on a model that estimates the monthly movements as percentages above or below the general level of each end-use commodity series (unlike other methods that redistribute the actual series values over the calendar year). Because of the extremely variable movements of the data series for aircraft, users studying data trends may wish to analyze aircraft separately from other trade.

ADJUSTMENTS FOR PRICE CHANGE

Data adjusted for seasonal variation on a chained-dollar basis (2009 base year) are presented in Exhibits 10 and 11. This adjustment for price change is done using the Fisher chain-weighted methodology. The deflators are primarily based upon the monthly price indexes published by the Bureau of Labor Statistics using techniques developed for the NIPAs by BEA.

PRINCIPAL COMMODITIES

Goods data appearing in Exhibit 15 are classified in terms of the SITC Revision 4, with the exception of agricultural and manufactured goods. Agricultural goods are defined by the U.S. Department of Agriculture (USDA); they consist of non-marine food products and other products of agriculture that have not passed through complex processes of manufacture. Manufactured goods conform to the NAICS; they consist of goods that have been mechanically, physically, or chemically transformed. USDA agricultural goods and NAICS manufactured goods are not mutually exclusive categories.

Reexports are foreign merchandise entering the country as imports and then exported in substantially the same condition as when imported. Reexports, included in overall export totals, appear as separate line items in Exhibit 15.

ADVANCED TECHNOLOGY PRODUCTS

About 500 of some 22,000 Harmonized System classification codes used in reporting U.S. merchandise trade are identified as "advanced technology" codes, and they meet the following criteria:

1. The code contains products whose technology is from a recognized high technology field (e.g., biotechnology).
2. These products represent leading edge technology in that field.
3. Such products constitute a significant part of all items covered in the selected classification code.

The aggregation of the goods results in a measure of advanced technology trade that appears in Exhibits 16 and 16a. This product- and commodity-based measure of advanced technology differs from broader NAICS-based measures, which include all goods produced by a particular industry group, regardless of the level of technology embodied in the goods.

GOODS (BALANCE OF PAYMENTS BASIS)

Goods on a Census basis are adjusted by BEA to a balance of payments basis to align the data with the concepts and definitions used to prepare the international and national economic accounts. These adjustments, which are applied separately to exports and imports, are necessary to supplement coverage of the Census data, to eliminate duplication of transactions recorded elsewhere in the international accounts, and to value transactions at market prices. They include both *additions* to and *deductions* from goods on a Census basis and are presented in this release as "Net Adjustments." Adjustments that exhibit significant seasonal patterns are seasonally adjusted. BEA also publishes more detailed quarterly and annual statistics for Net Adjustments in a standard table of the U.S. international transactions accounts, Table 2. U.S. Trade in Goods. See the BEA Web site at www.bea.gov/iTable/index_ita.cfm or the January, April, July, and October issues of the *Survey of Current Business*.

The export adjustments include:

Exports under U.S. military sales contracts - This adjustment reflects the net amount of two separate adjustments. BEA first *deducts* goods identified in the Census data as exports under the U.S. Foreign Military Sales program. BEA then *adds* primary source data for these exports, which are reported to BEA by the U.S. Department of Defense.

Gold exports, nonmonetary - This *addition* is made for gold that is purchased by foreign official agencies from private dealers in the United States and held at the Federal Reserve Bank of New York. The Census data only include gold that leaves the U.S. customs territory.

Goods procured in U.S. ports by foreign carriers - This *addition* is made for foreign air and ocean carriers' fuel purchases in U.S. ports.

Low-value transactions - This *addition* is made to phase in a revised Census Bureau methodology for low-value goods for statistics prior to 2010. The revised Census methodology was implemented for goods on a Census basis beginning with statistics for 2010.

Other adjustments to exports include:

Deductions for equipment repairs (parts and labor), developed motion picture film, and military grant-aid. *Additions* for sales of fish caught in U.S. territorial waters, exports of electricity to Mexico, private gift parcels, vessels and oil rigs for which ownership changes, and valuation of software exports at market value.

The import adjustments include:

Gold imports, nonmonetary - This *addition* is made for gold sold by foreign official agencies to private purchasers out of stock held at the Federal Reserve Bank of New York. The Census data only include gold that enters the U.S. customs territory.

Goods procured in foreign ports by U.S. carriers - This *addition* is made for U.S. air and ocean carriers' fuel purchases in foreign ports.

Imports by U.S. military agencies - This *addition* is made for purchases of goods abroad by U.S. military agencies, which are reported to BEA by the U.S. Department of Defense. The Census data only include imports of goods by U.S. military agencies that enter the U.S. customs territory.

Inland freight in Canada and Mexico - This *addition* is made for inland freight in Canada and Mexico. Imports of goods from all countries should be valued at the customs value—the value at the foreign port of export including inland freight charges. For imports from Canada and Mexico, this should be the cost of the goods at the U.S. border. However, the customs value for imports for certain Canadian and Mexican goods is the point of origin in Canada or Mexico. BEA makes an *addition* for the inland freight charges of transporting these goods to the U.S. border to make the value comparable to the customs value reported for imports from other countries.

Low-value transactions - This *addition* is made to phase in a revised Census Bureau methodology for low-value goods for statistics prior to 2010. The revised Census methodology was implemented for goods on a Census basis beginning with statistics for 2010.

Other adjustments to imports include:

Deductions for equipment repairs (parts and labor), repairs to U.S. vessels abroad, and developed motion picture film. *Additions* for non-reported imports of locomotives and railcars, imports of electricity from Mexico, conversion of vessels for commercial use, and valuation of software imports at market value.

SERVICES

The services statistics cover transactions between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories and possessions. Transactions with U.S. military, diplomatic, and consular installations abroad are excluded because these installations are considered to be part of the U.S. economy.

Services statistics are based on quarterly, annual, and benchmark surveys and information obtained from monthly government and industry reports. Services are seasonally adjusted when statistically significant seasonal patterns are present. No monthly country or area detail is available due to the lack of adequate source data.

Services are shown in seven broad categories. The types of services for exports and imports are the same for six of the categories. For the seventh, the export category is *transfers under U.S. military sales contracts* and the import category is *direct defense expenditures.* The following is a brief description of the types of services included in each category:

Travel - Purchases of services and goods by U.S. travelers abroad and by foreign visitors to the United States. A traveler is defined as a person who stays for a period of less than one year in a country of which the person is not a resident. Includes cruise fares and expenditures for food, lodging, recreation, gifts, and other items incidental to a foreign visit.

Passenger fares - Fares paid by residents of one country to transportation carriers of other countries. Receipts consist of fares received by U.S. carriers from foreign residents for travel between the United States and foreign countries and between two foreign points. Payments consist of fares paid by U.S. residents to foreign carriers for travel between the United States and foreign countries. Excludes cruise fares, which are included in *travel*.

Other transportation - Transactions include freight charges for the transportation of goods to and from the United States, operating expenses that transportation companies incur in foreign ports, space transport services, postal services, and payments for vessel charter and aircraft leases with crew. Excludes air and ocean carriers' fuel purchases in foreign ports, which are included in exports and imports of goods on a balance of payments (BOP) basis.

Royalties and license fees - Transactions for the rights to use, the rights to reproduce or distribute, and the outright sale or purchase of intellectual property such as patents, techniques, processes, formulas, designs, know-how, trademarks, copyrights, franchises, and manufacturing rights. The term "royalties" generally refers to payments for the use of copyrights or trademarks; the term "license fees" generally refers to payments for the use of patents or industrial processes. Includes fees for the rights to distribute film and television recordings.

Other private services - Transactions consist of education services; financial services (includes fees and commissions and excludes investment income); insurance services; telecommunications services (includes transmission services and value-added services); business, professional, and technical services (includes advertising services; computer and data processing services; database and other information services; research, development, and testing services; management, consulting, and public relations services; legal services; construction services; architectural and engineering services; mining services; industrial engineering services; installation, maintenance, and repair of equipment; and medical services); and other services.

Transfers under U.S. military sales contracts (*Exports only*) - Transactions include exports of services, such as training services and repair services, provided by U.S. government military agencies through grants and the U.S. Foreign Military Sales (FMS) program. Excludes exports of goods under the FMS program, which are included in exports of goods on a BOP basis.

Direct defense expenditures (*Imports only*) - Transactions include expenditures by U.S. military agencies abroad, including expenditures by U.S. personnel, payments of wages to foreign residents, construction expenditures, and payments for foreign contractual services. Excludes purchases of goods abroad, which are included in imports of goods on a BOP basis.

U.S. government miscellaneous services - Transactions of U.S. government nonmilitary agencies with foreign residents. Most of these transactions involve the provision of services to, or purchases of services from, foreigners. Some goods transactions are also included.

Revision policy for goods on a balance of payments basis and for services: Each month, a preliminary estimate for the current month and a revised estimate for the immediately preceding month are released. After the initial revision, no further revisions are made to a month until more complete source data become available in March, June, September, and December. The releases in these months contain revised estimates for the previous six months. The release in March also contains revisions for all months of the previous year in order to align the seasonally adjusted monthly data with annual totals. The release in June also contains annual revisions, which reflect newly available and revised source data, changes in definitions and classifications, and changes in estimation methods. In addition, the release in February contains revisions to goods for January through November of the most recent year in order to align the seasonally adjusted monthly data with annual totals.

MONTHLY RELEASE SCHEDULE

Month	Date	Day
Jan	03-07-13	Thursday
Feb	04-05-13	Friday
Mar	05-02-13	Thursday
Apr	06-04-13	Tuesday
May	07-03-13	Wednesday
Jun	08-06-13	Tuesday
Jul	09-04-13	Wednesday
Aug	10-24-13	Thursday
Sep	11-14-13	Thursday
Oct	12-04-13	Wednesday

U.S. INTERNATIONAL TRANSACTIONS ACCOUNTS

Quarterly and annual estimates of goods on a balance of payments basis and of services are included in the U.S. international transactions accounts, which are published in news releases in March, June, September, and December and in the *Survey of Current Business* in the January, April, July, and October issues. The next release of the international transactions accounts is scheduled for December 17, 2013. The *Survey of Current Business* is available online at www.bea.gov/scb/index.htm.

DATA AVAILABILITY

The U.S. International Trade in Goods and Services news release (FT-900) and the FT-900 Supplement are available at the following:

www.census.gov/ft900

www.bea.gov/newsreleases/international/trade/tradnewsrelease.htm