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U.S.-European Union Trade and Investment

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U.S.-EUROPEAN UNION TRADE

SUMMARY

The European Union (EU) is one of America's most significant and stable economic partners. In 1993, the European Union was, after Canada, the second largest trading partner of the United States. The EU bought 21 percent of U.S. exports of merchandise goods and 30 percent of U.S. exports of services. The average annual rate of growth of U.S. exports to the EU during the 1985 to 1993 period was similar to export growth to all destinations (9.1 percent and 9.9 percent, respectively), and was only slightly lower than the average annual rate of growth of exports to Japan (10.1) percent. In 1993, U.S. imports from the EU amounted to $98 billion, or 17 percent of total U.S. merchandise imports, while imports of services from the EU totalled $48.5 billion (or 38 percent of all services imports). The United States ran a merchandise trade deficit with the EU of less than $1 billion and a surplus in services trade of $7 billion. In 1993, trade in manufactured goods accounted for the bulk of U.S. exports (86 percent) to the EU and imports (90 percent) from the EU. The EU purchased 22 percent of all U.S. manufactures exports in 1993. Between 1985 and 1993, U.S. exports of manufactures to the EU grew at a faster rate (127 percent increase) than did total U.S. exports to the EU (101 percent increase). The European Union accounted for 21 percent of the growth in U.S. exports of manufactures during the period.

About 41 percent of all U.S. foreign direct investment abroad (FDI) ($200.5 billion of a total of $486.5) is in the EU, and half of all U.S. direct investment abroad is in Europe (including EU and non-EU countries). Planned capital expenditures in Europe by majority-owned foreign affiliates of U.S. companies in 1993 amounted to $33.4 billion, or more than planned capital expenditures in the rest of the world combined, notwithstanding the European recession. In 1992, 51 percent ($924 billion out of $1,810 billion) of total foreign direct investment in the United States (FDIUS) is European in origin. U.S. affiliates of European firms employed 2.9 million workers and paid $112 billion in employee compensation. U.S. employment by foreign affiliates of European companies accounts for 61 percent of all employment related to FDIUS. In 1994, the EU emerged from recession as foreign demand for European exports increased.

Several issues have been of concern to U.S. policymakers, especially the persistence of U.S. trade deficits with the rest of the world and the importance to the U.S. economy of bilateral trade and investment with Europe. While the U.S. trade deficit with the rest of the world may reflect broader macroeconomic problems, the U.S.-EU economic relationship appears to be fundamentally sound. Finally, trade and foreign direct investment play a role in creating and sustaining employment in certain sectors of the economy. About one-third of U.S. exports to Europe are closely related to U.S. direct investment in Europe. Similarly, U.S. affiliates of European companies employ nearly 3 million U.S. workers.

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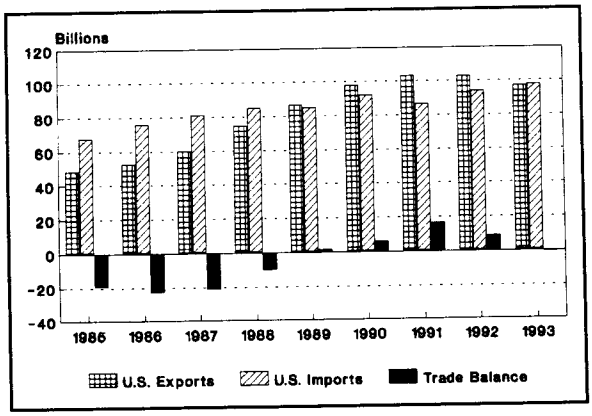
UNITED STATES-EUROPEAN UNION TRADE

The European Union (EU) is one of America's most significant and stable economic partners. The successful trade and investment relationship between the EU and the United States is, at times, taken for granted. At other times, the excitement, dynamism, and flashiness of the Pacific Rim overshadows the EU in a way that suggests that Europe is the past and Asia the future. This report examines the structure of U.S.-EU trade and investment and offers comparisons with some of the other large trade and investment partners of the United States. What emerges is a portrait that shows Europe not as the past but as the present. Asia may hold the promise of the future, but so does Europe.

With the exception of the North American Free Trade Area partner countries, Canada and Mexico, no other group of economies is as important as a destination for U.S. merchandise and services exports as the EU. And U.S. direct investment in the EU is a significant source of income and provides an outlet for U.S.-made goods. U.S. merchandise trade is relatively balanced in terms of the types and amounts of goods traded. (See figure 1.)[1] This report examines U.S.-EU trade in merchandise goods and services. It also looks at U.S. direct investment in Europe and European direct investment in the United States. Finally, several issues that have been a source of congressional interest in recent years are examined.

FIGURE 1. U.S.-European Union Trade, 1985-93 (in billions of U.S. dollars)



The U.S.-EU trade relationship has, in the post-World War II period, provided a firm foundation for expanded trade and investment. Since the early 1970s, the United States has run a trade deficit with the rest of the world and with individual countries, including Germany. Economists agree that U.S. trade deficits are largely the result of the overall U.S. saving-investment imbalance and are not the result of unfair trade practices by foreign countries (although unfair trade practices may affect bilateral balances as well as the overall composition of trade). The U.S. has balanced trade with Europe, even though it has run

[1] Unless otherwise specified, all data in this report are from the Department of Commerce. All figures are also based on Department of Commerce data.

persistent trade deficits with Germany and Italy. While the U.S. trade deficit with the rest of the world may reflect broader macroeconomic problems, the U.S.-EU economic relationship appears to be fundamentally sound. Finally, trade and foreign direct investment play a role in creating and sustaining employment in certain sectors of the economy. About one-third of U.S. exports to Europe are closely related to U.S. direct investment in Europe. Similarly, U.S. affiliates of European companies employ nearly 3 million U.S. workers.

FIGURE 2. U.S. Exports to Partner Country or Region, 1993

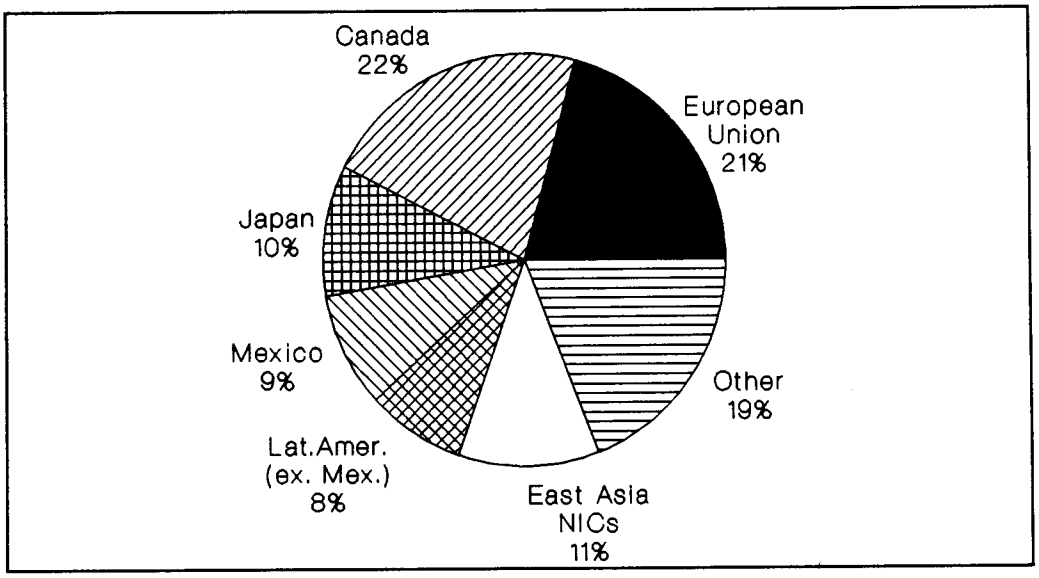
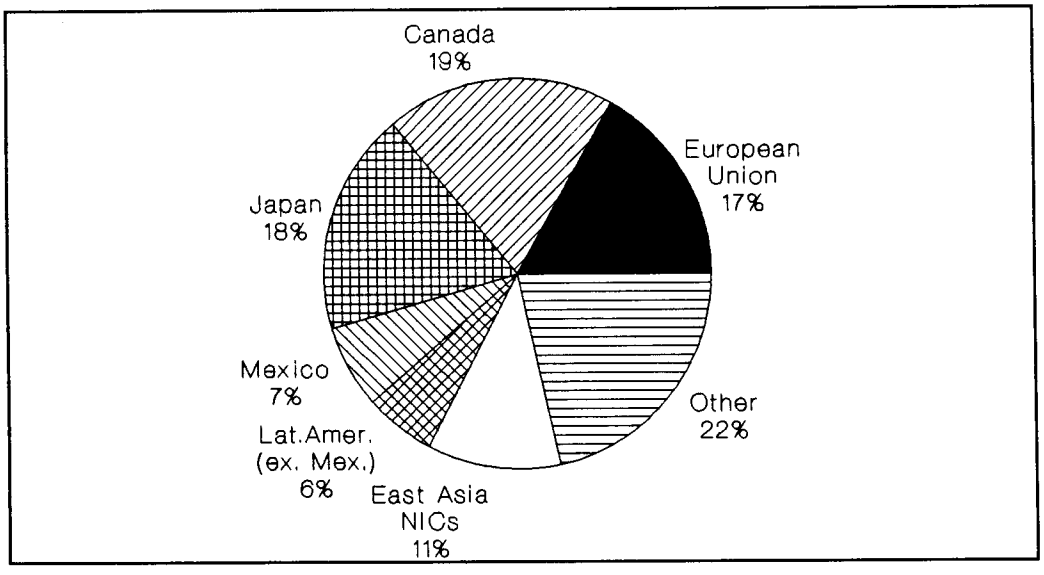


FIGURE 3. U.S. Imports by Country or Region, 1993

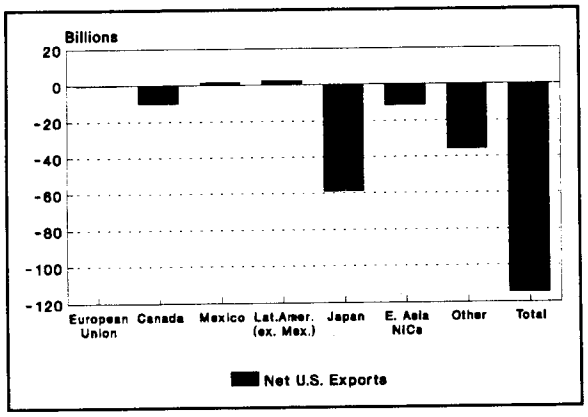


TRADE IN MERCHANDISE GOODS

In 1993, the European Union was the second largest trading partner of the United States, with bilateral trade amounting to $195 billion.[2] U.S. exports to the EU totalled $97 billion, or 21 percent of U.S. exports abroad. U.S. imports from the EU amounted to $98 billion, or 17 percent of total U.S. imports. (See figure 1 and table 1). By comparison, Canada, Japan, and Mexico respectively accounted for 22 percent, 10 percent, and 9 percent of total U.S. exports and 19 percent, 18 percent, and 7 percent of total U.S. imports. (See figures 2 and 3 and table 2.)

In 1993, the United States ran a trade deficit with the EU of less than $1 billion. The recession in Europe, which caused a decline in sales, probably accounts for most of the 1993 deficit. This compares with a $1.7 billion surplus with Mexico, and deficits of $10.8 billion with Canada, $12.1 billion with the East Asian Newly Industrializing Countries (NICs), $22.8 billion with China, and $59.4 billion with Japan. (See figure 4.) During the mid-1980s, the United States ran trade deficits with the EU and many other countries. These deficits were partly a function of U.S. Federal budget and exchange rate policies. During the mid-1980s, the Reagan Administration acted to reverse the dollar appreciation that had occurred during President Reagan's first term. The result in the trade area was a gradual return to balance with the European Union — although the shift in exchange rate policy could not, by itself, bring about an overall return to balance in the trade area. The total U.S. trade deficit narrowed from -$152 billion in 1987 to -$66 billion in 1991. By 1993, the deficit had once again expanded to -$115.6 billion. The U.S. trade deficit with the European Union peaked at -$23 billion in 1986, but, by 1991, reached a surplus of nearly $17 billion. (Figures 5 through 7 show recent trends in exports, imports, and balances).

FIGURE 4. U.S. Trade Balance with Partner Countries and Regions, 1993 (billions of U.S. dollars)



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[2] "European Union" is used throughout this report to avoid confusion. The European Community (EC) is now usually referred to as the European Union, although the EC continues to exist as one of three pillars under the Treaty of European Union. For a discussion of the evolution of the EU, see U.S. Library of Congress. Congressional Research Service. *European Union: The European Community Evolves*. Report No. 94-412, by Karen E. Donfried. Washington, 1994. 8 p.

The 12 members of the EU are Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and United Kingdom. The EU is slated to expand to 15 members at the beginning of 1995, with the addition of Austria, Finland, and Sweden. Norway, which had applied for membership, will not join because Norwegian voters rejected the proposed membership for the second time in 22 years. Bilateral trade between the United States and an EU-15 will be approximately the same as trade between the United States and Canada.

FIGURE 5. U.S. Exports to Selected Regions and Countries, 1985-1993 (billions of U.S. dollars)

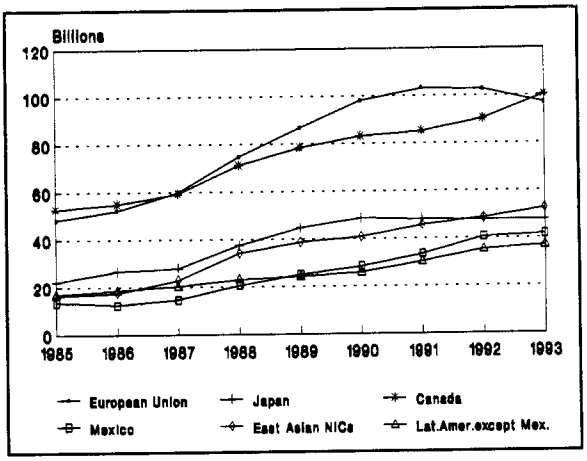


FIGURE 6. U.S. Imports from Selected Regions and Countries, 1985-93 (billions of U.S. dollars)

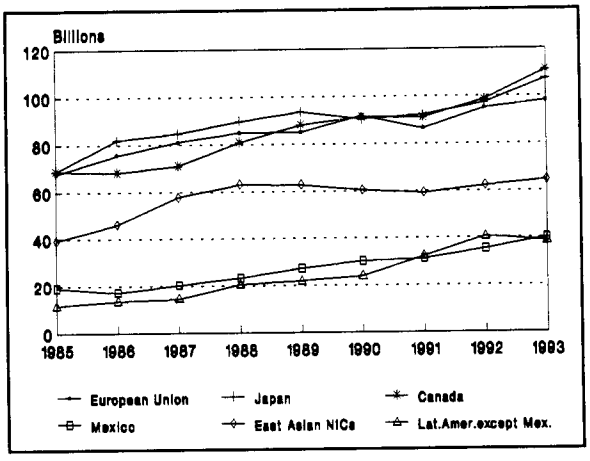
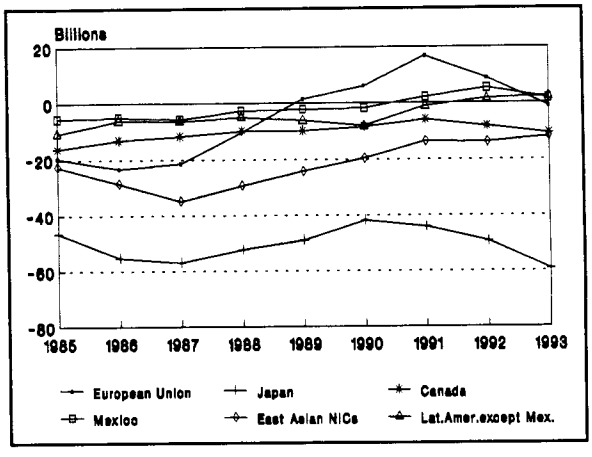


FIGURE 7. U.S. Trade Balances with Selected Regions and Partners, 1985-93 (billions of U.S. dollars)



The value of U.S. exports to all destinations more than doubled from 1985 to 1993, and exports to the European Union accounted for 20 percent of export growth during the period. The European Union economy was expanding quite rapidly during the period, first as internal barriers to trade were removed as part of the EC-92 single-market program, and then as the spending spree of German reunification kept the demand for imports at high levels. U.S. exports to the European Union doubled from $48 billion in 1985 to $97 billion in 1993, an increase of $49 billion. In comparison, U.S. exports to Japan grew at a slightly faster rate during the same period, increasing from $22 billion to $48 billion, an increase of $26 billion. U.S. exports to the East Asian NICs grew by a much more rapid 15.7 percent annual rate over the 1985 to 1993 period, rising from $16 billion to $53 billion.

Over the 1985 to 1993 period, exports to the EU grew by 9.1 percent per year, while the annual rate of growth of exports to the world, to Japan, and to the East Asian NICs was 9.9 percent, 10.1 percent, and 15.7 percent, respectively. Total merchandise exports to Japan ($48 billion) in 1993 equaled the absolute increase in exports to the European Union during 1985 to 1993. The very slight difference in the average rate of growth of exports to the European Union and to Japan suggests that it will be a very long time before Japan buys more U.S. exports than the European Union. The picture for the East Asian NICs is more vibrant because of the sharply higher rate of growth in

that region. While U.S. exports to the EU and Japan doubled over the period, exports to the NICs more than tripled in value. Assuming that current rates of export growth can be sustained for an extended period, exports to the East Asian NICs may well equal exports to the European Union in the not too distant future.

In a recent study of U.S. industry's stake in the European Union, Stephen Cooney argues that U.S. firms cannot afford to take the view that industrial country markets (the EU, Canada, Japan) are saturated for exporters and that they should, therefore, look to the developing countries of the Pacific Rim and Latin America for new markets. Cooney believes that successful U.S. firms will have to be active in both industrial and developing markets: "if we have learned one thing from the European Community's 1992 Internal Market Program, it is that industrial country markets are never saturated and are capable of infinite expansion under the right economic policies."[3]

In 1993, trade in manufactured goods accounted for the bulk of U.S. exports (86 percent) to the EU and imports (90 percent) from the EU (see talbes 3 and 4, categories 5-9). The EU purchased 22 percent of all U.S. manufactures exports in 1993, while Canada purchased 23 percent, Mexico purchased 9 percent, Japan purchased 8 percent, and the East Asian NICs purchased 11 percent. Between 1985 and 1993, U.S. exports of manufactures to the EU grew at a faster rate (127 percent increase) than did total U.S. exports to the EU (101 percent increase). The European Union accounted for 21 percent of the growth in U.S. exports of manufactures during the period. Leading exports to the EC include computers, aircraft, and electronic components, while imports from the EC include motor vehicles and parts, machinery, aircraft, and chemicals. Cooney notes that the European Union was one of the United States' best customers for high technology products in 1993, purchasing 36 percent of all computer exports, 25 percent of all aircraft exports, and more than 30 percent of all instruments and photographic equipment exports.[4] (See table 5.)

In 1993, the United States had a deficit on manufactures of $4.3 billion with the EC, after running surpluses during the previous three years. The recession in Europe, which caused a decline in sales, probably accounts for most of the 1993 deficit. The most affected sector, aircraft, registered a $2.7 billion-decline. Agricultural trade accounted for about 7 percent of U.S. exports to the EC and 4 percent of U.S. imports from the EC. In 1993, the EU bought 15 percent of total U.S. agricultural exports, down from 21 percent in 1985. Leading agricultural products were oil seeds, feed stuffs for animals, tobacco, and fruits and nuts. (See table 6.)

In 1993, nearly three-quarters of U.S. exports to the European Union went to four markets: the United Kingdom, 27 percent; Germany, 20 percent; France, 14 percent; and the Netherlands, 13 percent. Eighty percent of U.S. imports from the EU came from Germany (29 percent), the United Kingdom (22

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[3] Cooney, Stephen. *American Industry and the New European Union*. Washington, National Association of Manufacturers, 1994. p. 7.

[4] *American Industry and the New European Union*, p 8.

percent), France (16 percent), and Italy (13 percent). (See figures 8 and 9.)

FIGURE 8. U.S. Exports to Major EU Markets, 1993

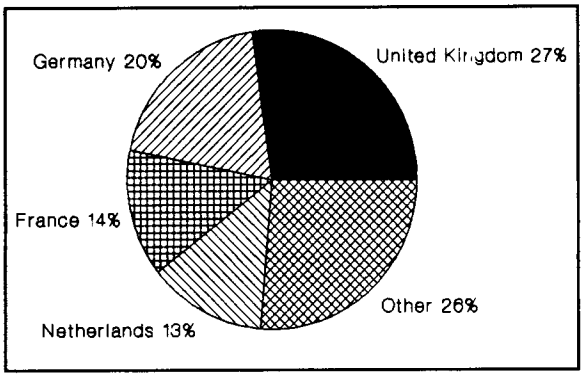
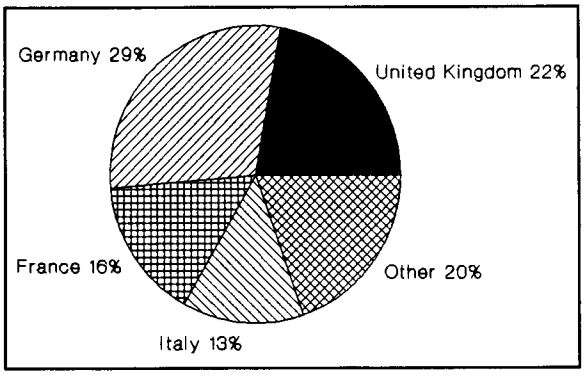


FIGURE 9. U.S. Imports from the EU, 1993



In 1994, the major European economies emerged from recession as foreign demand for European exports increased. Europe's export led recovery benefitted especially from the strong growth of the U.S. economy and also from rapid growth in Asia (excluding Japan).[5] Stronger demand in Europe may benefit U.S. exports to the EU through 1997.

TRADE IN SERVICES

In 1993, U.S.–EU bilateral trade in services amounted to $104 billion. U.S. exports of services to the EU amounted to $55.4 billion and imports of services from the EU totalled $48.5 billion, resulting in a favorable balance of $7 billion. U.S. services exports to the EU represented 30 percent of total U.S. services exports in 1993, while imports of services from the EU amounted to 38 percent of all U.S. services imports. U.S. receipts for travel and passenger fares from the European Union amounted to $21.3 billion, while U.S. payments to the EU amounted to $17.4 billion. U.S. receipts for private services (including education, financial services, insurance, telecommunications, and business, professional, and technical services) totalled $16.0 billion, while U.S. payments for private services amounted to $13.5 billion. Earnings from royalty and license fee payments from the EU amounted to $9.7 billion, while payments to the EU for royalties and license fees were $2.6 billion.

FOREIGN INVESTMENT

For U.S. exporters and investors, the distinct advantage of the European Union is its size and openness to trade and investment. The European Union may be one of several large trading partners of the United States, but it is far and away the largest partner in terms of foreign investment. As the Union

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[5] Gault, Nigel. *European Country Reports: Forecast Focus*. London, DRI/McGraw-Hill. September 1994.

expands during the next few years, it is likely to become more important as new members become economically integrated into the EU. Three wealthy, but small countries (Austria, Finland, and Sweden) will join the EU in 1995. The EU also exercises a powerful force on its neighbors in central and eastern Europe. The EU has negotiated a series of association agreements with those countries that liberalize the movement of goods, services, people, and capital. As economic ties are strengthened and market economies develop, U.S. businesses may find that investment options expand in Europe as a larger economic bloc develops. In the European context, trade and investment are closely interrelated and are of the highest importance to the U.S.-EU bilateral economic relationship. The high level of investment in the EU complements the high level of exports to that region. By contrast, foreign investment and trade in Asia are more restricted.

UNITED STATES DIRECT INVESTMENT IN EUROPE

About 41 percent of all U.S. foreign direct investment abroad (FDI) ($200.5 billion of a total of $486.5) is in the EU, and half of all U.S. FDI is in Europe (i.e., including EU and non-EU countries). Capital expenditures in Europe by majority-owned foreign affiliates of U.S. companies in 1993 amounted to $33.0 billion, or more than capital expenditures in the rest of the world combined, notwithstanding the European recession. U.S. affiliates spent as much or more in various European markets — United Kingdom ($11.6 billion); Germany ($5.8 billion); and France ($3.6 billion) — than they spent in Japan ($2.3 billion). Capital spending for the Asia and Pacific area amounted to $12.5 billion.[6]

Planned capital expenditures in Europe declined by 8 percent in 1993 and were expected to rise by 4 percent in 1994. For the EU, spending declined by 11 percent in 1993, but was expected to rebound somewhat (up by 4 percent) in 1994. In 1993, capital expenditures fell by 18 percent in France, by 18 percent in Germany, by 22 percent in Italy, by 6 percent in the UK, and by 3 percent in the Netherlands. Actual expenditures were lower than surveyed companies had projected (according to a survey conducted by the Bureau of Economic Analysis in December 1993).[7] In 1994, growth in spending was expected to decline in the Netherlands (by 5 percent) and rise in France (by 2 percent), Germany (by 11 percent), Italy (by 9 percent), and the UK (by 1 percent). These figures compare with much higher anticipated levels of capital spending in Canada (14 percent), Asia and the Pacific (14 percent), and Latin America (18 percent).

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[6] *Survey of Current Business*. March 1994. p. 37. For a discussion of U.S. investment in Europe, see Cooney, *American Industry and the New European Union*, p. 17-18.

[7] BEA's semiannual survey of actual and planned expenditures by majority-owned foreign affiliates of U.S. companies has been discontinued. This rich source of data on projected expenditures will no longer be published, although BEA plans to publish data on actual spending once a year as part of the annual survey on U.S. foreign direct investment abroad. However, the U.S. foreign direct investment survey is usually subject to a two-year lag. Thus, 1992 results are published in 1994, and so on.

U.S. merchandise exports from the United States to foreign affiliates in Europe amounted to $35.2 billion in 1992, or 3.6 times U.S. exports to foreign affiliates in Japan ($9.8 billion). Exports from the United States to European affiliates amounted to about one-third of U.S. exports to Europe in 1991. U.S. imports shipped by foreign affiliates in Europe amounted to $15.4 billion, compared with $28.0 billion in U.S. imports from Asian affiliates. U.S. net exports generated by companies operating in Europe amounted to $19.8 billion in 1991. Affiliates of U.S. companies operating in Asia are responsible for more imports ($28.0 billion) being shipped to the United States than exports ($22.3 billion) from the United States to Asian affiliates of U.S. companies, resulting in a trade deficit of $5.7 billion.

In 1991, sales by U.S. affiliates in Europe amounted to $840 billion, compared with sales of $176 billion in Japan. The net income of foreign affiliates operating in Europe was $45 billion, or more than 10 times the net income of foreign affiliates in Japan and three times the net income of U.S. affiliates in Asia. In Europe, foreign affiliates of U.S. companies had 2.97 million employees in 1991 and paid $114.1 billion in employee compensation.

EUROPEAN DIRECT INVESTMENT IN THE UNITED STATES

In 1992, 51 percent ($924 billion out of $1,810 billion) of total foreign direct investment in the United States (FDIUS) was European in origin. U.S. affiliates of European firms employed 2.9 million workers and paid $112 billion in employee compensation. U.S. employment by foreign affiliates of European companies accounts for 61 percent of all employment related to FDIUS. In 1992, European direct investment in the United States was twice that of Japanese direct investment, and the number of employees working for U.S. subsidiaries of European firms was 4 times greater than the number employed by U.S. subsidiaries of Japanese companies.

American affiliates of European firms exported merchandise goods worth $41.4 billion in 1991, or 41 percent of total exports linked directly to foreign direct investment. U.S. subsidiaries of Japanese firms exported a similar amount of goods from the United States ($41.5 billion). U.S. merchandise imports shipped to affiliates of European firms amounted to $64.6 billion. The U.S. subsidiaries of Japanese firms imported $84.4 billion in merchandise goods.

It is important to recognize that while U.S. investment in Europe and European investment in the United States are associated with significant levels of bilateral trade, foreign direct investment does not occur primarily for that purpose. In most cases, foreign affiliates are established because a market exists for domestic sales by foreign affiliates. U.S. affiliates of European firms generated $650 billion in sales in 1991. Periods of economic growth in Europe have, at times, given U.S. firms a boost during a period of economic downturn at home. Periods of growth and contraction have tended not to coincide in the United States and in the EU. For U.S. companies, the desynchronized business

cycles have tended to provide opportunities and profits in one market or the other, and sometimes in both, at any given point in time.

TRADE BALANCES AND EMPLOYMENT

Trade Deficits. Some policymakers view trade deficits as an indicator of closed markets. Despite persistent U.S. trade deficits with Germany and Italy, economist are in general agreement that neither country has closed markets (as many have suggested is true for Japan).[8] Economists agree that U.S. trade deficits are directly related to specific macroeconomic policies pursued by the United States (especially deficit spending by the Federal Government, and a low rate of saving and investment). Trade deficits are not related to any supposed hyper-competitiveness on the part of Germany (or other countries). Rather, the deficit means that U.S. current consumption is outpacing current production. The difference between what is consumed and what is produced is made up by imports from the rest of the world. Federal budget deficits are generally held to be a source of trade deficits because they are responsible for worsening the overall saving-investment imbalance in the economy. Trade policy measures are not especially effective in reducing trade imbalances because they do not address the underlying cause of the trade deficit (the saving-investment imbalance).

German imports, as a percentage of GDP, have risen from 19 percent in 1960 to 32 percent in 1994. Comparable figures for Italy are 13 and 25 percent for 1960 and 1994.[9] For the United States, imports as a percentage of GDP (at approximately 5 percent in 1960 and 11 percent in 1994) fell well below German levels in both 1960 and 1993. Both Germany and Italy have liberal trade and investment policies and are generally open to exports and investment from the United States. In recent years, both countries have pursued market liberalization through European single-market integration. And while the United States may have run deficits for a number of years with 2 of the 12 EU members, the United States has had relatively balanced trade with the EU for most of the post-war period.

Trade and Employment. In recent years, the United States export sector grew faster than the domestic sector of the economy, leading some to conclude that the United States was experiencing export-led growth. For the period 1991-93, real exports grew at a much faster pace than real GDP. Real GDP declined by -0.6 percent during the recession of 1990-1991, while exports grew by 6.3 percent. Had U.S. exports not been so buoyant, overall U.S. economic performance during the recession would have been somewhat worse than it was. In 1992, real GDP grew by 2.3 percent as the economy recovered, while real exports expanded at a rate of 6.7 percent. In that year, export growth accounted for about one-third of real GDP growth. In 1993, real exports grew at a 4.1

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[8] Krugman, Paul. *The Age of Diminished Expectations*. Cambridge, Mass., MIT Press, 1990. p. 115-132.

[9] *European Economy*, no. 54 (1993). p. 216.

percent rate and real GDP expanded at a rate of 3.1 percent over the previous period.[10] In 1992 and 1993, Japan and the European Union were in recessions that reduced or dampened demand for U.S. products. With a return to growth projected for the European Union during the 1994-1997 period, U.S. real exports to the EU may begin to expand again as demand picks up. However, with the U.S. economy at or near full employment, additional production will come at higher prices, which will reduce the price competitiveness of U.S. exports.

The United States and the European Union have economies that are closely linked through trade and investment. The United States, for instance, exported $150 billion in goods and services to the European Union in 1993. It has been suggested that for each $1 billion in exports 20,000 jobs are supported.[11] Using this measure, approximately 3 million jobs are associated with U.S. exports to the EU. European firms employ nearly 3 million persons in the United States and, in 1992, exported merchandise goods worth $34 billion to destinations worldwide.[12]

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[10] *Survey of Current Business*, July 1994. p. 54.

[11] President Clinton, May 6, 1993, quoted in: Trade Promotion Coordinating Committee. *Toward a National Export Strategy*. September 30, 1993. p. i. The President's figure appears to be loosely based on a 1990 estimate of 19,100 jobs per $1 billion by Lester Davis, Chief Economist, Department of Commerce.

[12] *Survey of Current Business*. July and September 1994 issues.

TABLE 1. U.S. Trade with the European Union, 1985–93
(figures are expressed in billions of U.S. dollars and percentages)

	Exports	Percent of Total	Imports	Percent of Total	Trade Balance	Percent of Total
1985	$48,264	22.0%	$67,822	19.6%	$-19,558	15.5%
1986	52,377	23.0	75,736	20.5	-23,360	16.4
1987	59,732	23.6	81,188	20.0	-21,456	14.0
1988	74,679	23.1	84,942	19.2	-10,262	8.7
1989	86,592	23.8	85,129	18.0	1,463	-1.3
1990	98,024	24.9	91,868	18.5	6,156	-6.0
1991	103,208	24.5	86,481	17.7	16,727	-25.0
1992	102,845	23.0	94,050	17.7	8,795	-10.4
1993	96,957	20.9	98,007	16.9	-1,051	0.9

Notes: (1) Total (domestic plus foreign) exports. (2) General imports, customs basis. (3) Trade balance is exports minus imports. (4) Data compiled from official statistics of the U.S. Department of Commerce. (5) All values expressed in millions of dollars.

TABLE 2. U.S. Trade with Major Partners, 1993
(billions of U.S. dollars)

	U.S. Exports	U.S. Imports	Trade Balance
European Union	97.0	98.0	-1.1
Canada	100.2	110.9	-10.7
Japan	47.9	107.3	-59.3
East Asia NICs[a]	52.6	64.6	-12.0
Mexico	41.6	39.9	1.7
World	464.9	580.5	-115.6

[a] East Asia NICs include Hong Kong, Republic of Korea, Singapore, and Taiwan.

Source: U.S. Department of Commerce. Bureau of Economic Analysis. *Survey of Current Business*.

TABLE 3. All Items in U.S. Total Exports (F.a.s. value) to European Union (Census basis: thousands of U.S. dollars)

SITC rev 3 commodity	1989	1990	1991	1992	1993
0--Food and live animals	3,521,954	3,777,231	4,001,568	3,982,639	3,803,739
1--Beverages and tobacco	1,779,806	2,684,714	2,237,981	2,158,386	1,811,608
2--Crude materials, inedible, except fuels	6,681,600	6,394,306	5,884,088	6,182,455	5,222,324
3--Mineral fuels, lubricants and related materials	2,735,431	3,781,859	4,001,086	3,152,138	2,172,027
4--Animal and vegetable oils, fats and waxes	146,655	162,582	193,952	274,012	197,055
5--Chemicals and related productgs, n.e.s.	9,945,603	10,683,411	11,398,169	12,251,771	11,374,073
6--Manufactured goods classified chiefly by material	5,363,212	6,135,413	6,512,079	6,374,859	5,877,584
7--Machinery and transport equipment	42,763,777	47,872,571	51,366,477	49,571,433	45,716,672
8--Miscellaneous manufactured articles	11,000,499	12,569,448	13,557,819	14,352,275	13,451,155
9--Commodities & transact not class elsewhere in sitc	2,746,930	4,024,334	4,055,385	4,545,083	7,330,462

Compiled from official statistics of the U.S. Department of Commerce. Data are not revised. Commodity trade data before 1989 exclude special category exports. Refer to the bilateral total trade tables for the data on total trade by country and region.

TABLE 4. All Items in U.S. General Imports (customs value) from European Union (Census basis: thousands of U.S. dollars)

SITC rev 3 commodity	1989	1990	1991	1992	1993
0--Food and live animals	1,955,426	2,089,332	2,101,314	2,113,375	2,061,901
1--Beverages and tobacco	2,622,837	2,821,779	2,643,124	3,008,662	2,812,972
2--Crude materials, inedible, except fuels	1,086,458	1,041,135	978,144	1,006,006	1,078,406
3--Mineral fuels, lubricants and related materials	3,772,451	4,569,635	3,096,242	3,488,370	3,771,459
4--Animal and vegetable oils, fats and waxes	209,303	282,450	294,418	314,201	278,305
5--Chemicals and related productgs, n.e.s.	9,187,232	9,739,349	10,418,330	12,067,460	12,262,365
6--Manufactured goods classified chiefly by material	13,395,830	13,340,590	12,236,124	12,467,906	13,778,772
7--Machinery and transport equipment	36,197,507	39,286,303	37,324,124	40,977,904	42,697,266
8--Miscellaneous manufactured articles	13,242,112	14,162,463	13,068,869	13,737,521	14,371,296
9--Commodities & transact not class elsewhere in sitc	3,598,411	4,619,525	4,320,291	4,868,814	4,894,594

Compiled from official statistics of the U.S. Department of Commerce. Data are not revised. Refer to the bilateral total trade tables for the data on total trade by country and region.

TABLE 5. Leading Items in U.S. Total Exports (F.a.s. value) to European Union (Census basis: thousands of U.S. dollars)

SITC rev 3 commodity	1989	1990	1991	1992	1993
792--Aircraft & associated equipmt; spcecrft veh; & pts	9,435,402	11,533,218	12,811,539	10,692,196	7,978,598
752--Automatic data process machs & units thereof	6,081,587	6,417,608	6,379,419	6,492,625	6,336,261
759--Parts etc for office mach & auto data process mach	4,791,867	4,994,073	5,175,524	5,084,240	4,755,717
971--Gold, nonmonetary (excluding ores & concentrates)	701,311	1,165,913	1,059,292	1,509,876	4,423,426
714--Engs and motors, nonelect & pts. n.e.s.	3,888,124	4,003,247	4,412,675	4,211,865	4,089,113
776--Thermionic, cold cathode, photocathode valves etc.	2,155,423	2,385,624	2,560,330	2,606,319	3,181,850
874--Measuring/checking/analysing & contr inst&appt n.e.s.	2,809,010	2,923,303	3,128,983	3,262,723	3,110,670
764--Telecommunications equipment, n.e.s. & pts. n.e.s.	1,689,578	2,034,161	2,059,537	2,167,487	2,299,735
994--Est. low value shp; canadian low value and n.i.k.	1,316,536	2,079,109	2,209,631	2,115,722	1,996,006
222--Oil seeds/oleaginous frt for extr soft fix veg oil	1,779,175	1,622,274	1,641,233	1,931,992	1,954,876
541--Medicinal etc products, except medicaments	1,267,046	1,315,273	1,504,540	1,825,391	1,850,653
898--Musical instruments and parts, records, tapes etc.	979,742	1,376,583	1,497,768	1,724,654	1,723,785
781--Motor cars & oth motor vehicles	1,010,501	1,403,205	1,925,978	2,206,350	1,612,928
784--Parts and accessories of motor vehicles, etc.	1,107,695	1,103,214	1,150,694	1,371,983	1,601,014
872--Inst & appls. nes. for medical, dental etc. purpose	1,064,369	1,236,638	1,409,613	1,493,815	1,566,026
321--Coal, pulverized or not, but not agglomerated	1,926,437	2,288,419	2,483,270	2,172,193	1,426,536
081--Feeding stuff for animals not incl unmilled cereal	1,202,215	1,093,819	1,143,738	1,266,183	1,272,136
778--Electrical machinery and apparatus, n.e.s.	971,286	1,098,954	1,222,574	1,234,112	1,266,511
598--Miscelleaneous chemical products, n.e.s.	531,911	762,416	961,467	1,264,645	1,197,574
772--Elecricl apparat for switchg or protectg elec circ	1,109,903	1,106,328	1,191,469	1,063,115	1,162,242
122--Tobacco, mfg whether containing tobacco substitute	1,139,915	1,920,726	1,458,387	1,263,343	1,125,189
774--Electro-diagnostic apparatus	659,582	785,535	1,013,357	1,103,142	1,018,915
728--Machry etc specializd for particulr industries n.e.s.	927,452	1,037,261	1,036,202	970,150	990,775
515--Organo-inorganic & heterocyclic compounds etc.	684,236	866,441	950,290	1,050,268	989,447
896--Works of art, collectors' pieces and antiques	1,042,177	1,340,704	1,172,673	987,665	981,059
723--Civil engineering & contractors' plant & equipment	812,616	957,124	1,037,631	991,052	922,576
251--Pulp and waste paper	1,462,888	1,404,289	1,249,372	1,361,207	863,295
713--Internal combust piston engs, and pts, n.e.s.	1,106,277	1,018,745	940,283	924,511	845,037
892--Printed matter	654,126	677,741	765,180	836,648	823,476
575--Plastics, n.e.s., in primary forms	753,578	824,408	888,064	882,320	801,595
582--Plates, sheets, film, foil & strip of plastics	563,635	650,716	630,091	670,639	767,332
882--Photographic and cinematographic supplies	763,074	926,708	951,597	806,512	686,702
641--Paper and paperboard	557,748	656,153	776,762	786,776	663,160
514--Nitrogen-function compounds	577,398	593,211	680,602	801,948	662,568
891--Arms and ammunition	978,670	946,357	976,658	1,186,991	661,678
743--Pumps, air or other gas compressors and fans	500,616	553,688	691,536	681,249	650,937
931--Special transactions & commod not classif by kind	333,951	451,625	463,522	611,900	631,417
248--Wood, simply worked and railway sleepers of wood	502,128	602,383	658,794	717,374	628,080
894--Baby carriages, toys, games and sporting goods	394,893	470,441	584,069	651,431	621,070
057--Fruit, nuts (not including oil nuts) fresh or drie	548,424	655,402	647,042	655,051	619,063

Compiled from official statistics of the U.S. Department of Commerce. Data are not revised. Commodity trade data before 1989 exclude special category exports. Refer to the bilateral total trade tables for the data on total trade by country and region. Top 40 commodities sorted by total exports. F.a.s. value in 1993.

TABLE 6. Leading Items in U.S. General Imports (customs value) from European Union (Census basis: thousands of U.S. dollars)

SITC rev 3 commodity	1989	1990	1991	1992	1993
781--Motor cars & oth motor vehicles	6,740,903	7,536,674	5,814,437	6,616,403	7,007,709
714--Engs and motors, nonelect & pts. n.e.s.	2,930,955	3,653,458	3,947,080	4,747,308	4,167,212
792--Aircraft & associated equipmt; spcecrft veh; & pts	3,451,840	3,222,007	4,051,855	4,531,296	4,098,280
931--Special transactions & commod not classif by kind	2,777,431	3,666,768	3,407,708	3,866,565	3,868,226
112--Alcoholic beverages	2,416,020	2,572,263	2,391,203	2,766,000	2,565,155
784--Parts and accessories of motor vehicles, etc.	2,471,830	2,480,451	2,113,619	2,104,203	2,207,775
333--Crude oil from petroleum or bituminous minerals	1,257,885	1,621,257	1,150,181	1,496,000	2,144,227
752--Automatic data process machs & units thereof	1,095,671	1,110,089	1,501,805	1,896,317	1,800,402
515--Organo-inorganic & heterocyclic compounds etc.	1,206,052	1,266,954	1,532,395	1,758,641	1,796,170
667--Pearls, precious & semiprecious stones	1,509,421	1,464,872	1,488,370	1,461,520	1,671,152
874--Measuring/checking/analysing & contr inst& · ppt n.e.s.	1,407,770	1,458,341	1,446,854	1,678,472	1,649,980
728--Machry etc specializd for particulr industries r e.s.	1,424,215	1,584,477	1,420,121	1,516,374	1,634,943
896--Works of art, collectors' pieces and antiques	1,359,201	1,582,465	1,287,692	1,303,981	1,606,357
334--Oil (not crude) from petrol bitum minerals etc.	2,298,579	2,737,414	1,849,861	1,890,749	1,548,930
776--Thermionic, cold cathode, photocathode valves etc.	878,214	974,243	928,993	1,077,054	1,448,041
724--Textile & leather machinery & pts thereof n.e.s.	1,062,984	1,199,245	886,693	1,208,090	1,436,636
713--Internal combust piston engs.	1,126,973	1,442,968	1,355,646	1,382,748	1,425,924
897--Jewelry, goldsmiths' & Silversmiths' wares etc.	1,356,818	1,253,294	1,187,218	1,261,829	1,421,208
851--Footwear	1,332,757	1,532,910	1,295,193	1,316,063	1,283,725
759--Parts etc for office mach & auto data process mach	848,963	922,072	1,047,065	996,087	1,278,065
541--Medicinal etc products, except medicaments	674,425	780,457	947,151	1,234,137	1,266,571
778--Electrical machinery and apparatus, n.e.s.	996,729	1,067,713	935,725	1,095,177	1,157,594
774--Electro-diagnostic apparatus	846,436	950,292	1,084,378	1,114,312	1,137,445
542--Medicaments (including veterinary medicaments)	548,582	680,085	824,932	995,551	1,119,850
772--Elecricl apparat for switchg or protectg elec circ	842,775	847,063	955,680	908,175	986,487
514--Nitrogen-function compounds	861,361	850,659	865,656	936,690	979,401
984--Estimate of low valued import transactions	719,229	903,030	862,825	942,014	966,508
821--Furniture & pts.; bedding, mattresses, etc.	1,044,930	1,108,513	930,271	876,608	850,836
743--Pumps, air or other gas compressors and fans	664,140	738,479	736,580	759,288	817,025
882--Photographic and cinematographic	619,898	668,257	715,504	758,553	809,336
553--Perfumery, cosmetics or toilet prep., except soaps	515,682	588,763	626,175	776,263	807,981
745--Nonelectrical machry. tools, app & pts, n.e.s.	707,763	741,222	727,862	776,767	807,035
726--Printng & bookbindng machinery, & parts thereof	777,766	745,392	723,747	755,548	804,188
723--Civil engineering & contractors' plant & equipment	1,009,228	936,523	551,258	616,864	798,780
872--Inst & appls, nes. for medical, dental etc. purpose	431,808	520,432	589,949	649,790	720,546
892--Printed matter	633,343	685,439	646,605	678,303	711,226
764--Telecommunications equipment, n.e.s. & pts. n.e.s.	607,033	599,874	743,049	817,959	709,526
641--Paper and paperboard	656,312	681,597	592,480	634,110	704,540
598--Miscellaneous chemical products, n.e.s.	345,645	437,943	489,075	614,670	693,283
742--Pumps for liquids; liquid elevators & pts.	532,646	565,679	573,347	636,528	683,758

Compiled from official statistics of the U.S. Department of Commerce. Data are not revised. Refer to the bilateral total trade tables for the data on total trade by country and region. Top 40 commodities sorted by general imports. Customs value in 1993.