

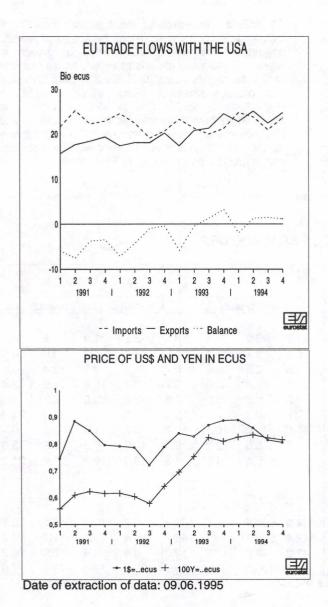
STATISTICS IN FOCUS

External trade

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EUROPEAN UNION (EU) TRADE WITH THE UNITED STATES (USA) - Results of 1994 -



Part I: Summary

I.1 In 1994, the European Union's trade balance with the United States recorded a surplus of ECU 1.9 billion. This result confirmed the small trade surplus registered in 1993, when for the first time since 1988 the figures had moved into the black.

In 1994, the onset of an economic recovery in the main European countries resulted in a definite upturn in EU imports from the United States (+11.3%), although the increase was slightly below the rise in exports (+11.7%).

I.2 Germany is the United States' main supplier and accounts for about 30% of the total value of EU sales. The United Kingdom is the main outlet for American exports to Europe, accounting for 27% of the European Union's total imports.

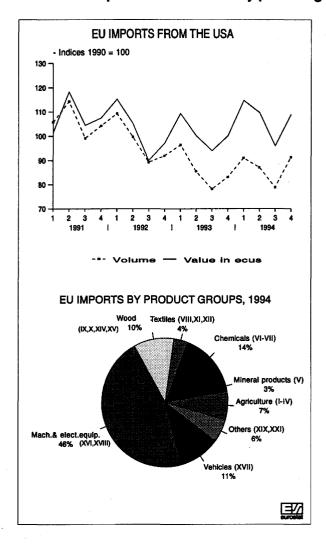
In 1994, Germany and Italy were the countries which recorded the largest surpluses in trade with the United States, with figures of ECU 9.5 billion and 5.8 billion respectively. The biggest deficits were recorded by The Netherlands (ECU 5.4 billion) and the United Kingdom (ECU 4.6 billion).

I.3 Manufactured products are dominating the trade between the European Union and the United States. In value terms, more than 46% on the imports side and 36% of the exports flows were Machinery, Electrical and Photo-optical Equipment. At a more detailed level in both exports and imports, the same seven categories of products (Engines, Electrical Machinery, Optical and Precision Instrument, Aircraft, Organic Chemical, Vehicles and Pearl and Precious Metals) covered nearly 60% of the total flow showing the importance of the intra-industry trade in the transatlantic commercial relations.

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For further information please contact: R.QUARTO Eurostat, L-2920 Luxembourg, tel. 4301-33128 Fax: 4301-34

Part II: EU imports from the USA by product groups (HS sections)



II.1 In line with the recovery of the extra-EU imports (+11.3%), the total value of the EU's imports from the USA went up to ECU 93.2 billions in 1994 from ECU 83.7 billion registered a year earlier. As a result, the 1994 share of the US products in the extra-EU imports was stable at the same level of 1993 (17.3%). In volume terms, the supplies from the United States after two years of sensible reductions (20% in total between 1991 and 1993), registered an increase of about 6%, slightly below the extra-EU imports average growth rate (+7.5%).

II.2 Machinery, electrical and photo-optical equipment (Sections XVI and XVIII) were by far the most important imported products covering in total over 46% of the total EU imports from the USA. Other relevant items were the Chemical and plastics products (Sections VI-VII) (13.7%), the Transport equipment (Section XVII) (10.5%) and Wood, articles of stone and base metal (Sections IX,X,XIV,XV) (10.3%). Products of the Agri-foodstuffs industries plus the Mineral products (Section I-V) represented in 1994 less than 10% of the total EU imports from the United States.

II.3 With the exception of the Mineral products (oil included) (Section V) (-4.6%), all the analysed product aggregates recorded positive rates of growth in imports. Specifically imports of Wood, article of stone and base metals (Sect. IX,X,XIV,XV) and Chemical and plastics products (Sect. VI-VII) went up respectively by 25.3% and by 15.6% compared to 1993, while purchases of Machinery, electrical and photo-optical equipment (Sections XVI-XVII), the only category of products which showed in 1993 a positive rate of growth, increased by 11.8% in 1994.

EU IMPORTS FROM THE USA

| | 93 | 94 | 94 | 94 | 93 | 94 | 94 | 94 |
|---|-------|-------|-------|-------|--------|---------|---------|--------|
| HS SECTIONS (1) | | | | N | | | 188 | N |
| | | Bio € | cus | | % chan | ge over | previou | s year |
| | | | | | | | | |
| TOTAL* | 83.7 | 93.2 | 21.0 | 23.6 | -3.5 | 11.3 | 9.5 | 10.3 |
| Agriculture + food industry (FIV) | 6.4 | 6.7 | 1.1 | 1.9 | -4.4 | 4.3 | -3.9 | 8.6 |
| Mineral products, oil incl. (V) | 2.6 | 2.5 | 0.6 | 0.7 | -26.2 | -4.6 | -12.4 | 0.6 |
| Chemical & plastic products (VI-VII) | 11.1 | 12.8 | 3.0 | 3.2 | -5.4 | 15.6 | 11.6 | 13.4 |
| Textiles, footwear & misc. manuf. (VIII,XI,XII,XX) | 3.0 | 3.3 | 8.0 | 0.8 | -7.2 | 10.0 | 6.7 | 5.3 |
| Wood, articles of stone & base metals (IX,X,XIV,XV) | 7.7 | 9.6 | 2.2 | 2.4 | -7.8 | 25.3 | 26.3 | 24.9 |
| Mach. & electr. equip. / opt. & photo. instr. (XVI,XVIII) | 38.5 | 43.0 | 10.1 | 10.9 | 6.2 | 11.8 | 9.3 | 5.9 |
| Vehicles, aircraft & transport equipment (XVII) | 9.5 | 9.8 | 2.2 | 2.5 | -12.9 | 3.2 | 3.8 | 15.0 |
| Others (XIX,XXI) | 4.9 | 5.4 | 1.0 | 1.3 | -19.0 | 10.2 | 21.4 | 21.2 |
| MEMORANDUM ITEM | | | | | | | | |
| EU total imports | 484.9 | 539.7 | 130.0 | 142.1 | -0.5 | 11.3 | 9.3 | 12.7 |
| USA total imports ** | 512.4 | 578.7 | 148.7 | 148.7 | 20.4 | 13.1 | 11.7 | 7.7 |
| EU imports from Japan | 47.2 | 48.9 | 11.6 | 12.7 | -8.4 | 3.4 | 0.9 | 6.2 |
| USA imports from Japan ** | 94.3 | 106.0 | 27.2 | 28.1 | 23.0 | 12.4 | 11.9 | 7.0 |

^{*} The total includes all HS chapters (00-99) **Source: IMF-DOTS

⁽¹⁾ The Harmonized Commodity Description and Coding System, commonly referred to as the Harmonised System (HS) was implemented internationally in 1988 by the World Custom Organisation (WCO), and is now used by almost 130 countries (covering about 90% of the world trade).

Part III: EU imports from the USA by main products (HS chapters)

III.1 The most important product category imported from the USA was Engines and mechanical appliances (HS 84) which includes the imports of computers and other office machines (ECU 11 billion in 1994). The total value of these products for 1994 was ECU 23.7 billion, and represented more than 25% of the total EU's imports from the United States. The second ranked item, Electrical machinery, TV and sound recording equipment (HS 85), logged for behind with almost 13% of the total European Union's imports from this country.

III.2 The Union has a strong dependence on the US supplies in the Aircraft and spacecraft industries (HS 88): in 1994 nearly half of the EU imports of these products came from the USA.

Other outstanding US products having high share in EU-imports are: Miscellaneous chemical products (HS 38) with 44.3% of the total extra-EU imports, Works of art (HS 97) (44.1%) and Photo and cinematographic products (HS 37) (43%).

III.3 The item which registered in 1994 a sharp increase in overseas imports was Pearls and precious metals (HS 71), which showed: a rate of growth of over 78% and represented nearly 3% of the total EU imports from the States.

Other high rates of growth for imports were registered by a less relevant, in absolute value, bunch of products such as Edible fruit (HS 08), Pulp of wood (HS 47) and Work of art (HS 97) which had respective rates of growth of 27.9%, 24.1% and 23% rate of growth.

III.4 Engines and mechanical appliances (HS 84) was also the most contributing item to the total growth of the EU imports from the USA, with over 3 growth points. Other high-impact products were Electrical machinery, TV, sound recorder (HS 85) and Pearls and precious metals (HS 71), which respectively accounted for 2 and 1.4 growth points.

EU IMPORTS FROM THE USA BY MAIN PRODUCTS, 1994

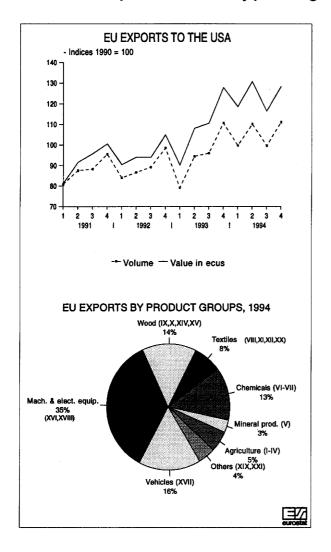
| | | level | annual variation | contribution to growth* of total imports | share in | | | |
|-------------|-------------------------------|----------|---------------------|--|--------------------------------|-----------------------------------|------------|--|
| HS CHAPTERS | PRODUCTS | Bio ecus | % | % | Extra-EU imports by products** | Imports from the United States | | |
| | | | | | | % | %cumulated | |
| 84 | Engines and mech. appl. | 23.7 | 11.9 | 3.0 | 33.6 | 25.5 | 25.5 | |
| 85 | Elec.mach.,TV,sound | 12.1 | 15.7 | 2.0 | 21.0 | 13.0 | 38.4 | |
| 90 | Optical,precision inst. | 7.1 | 5.4 | 0.4 | 40.6 | 7.6 | 46.0 | |
| 88 | Aircraft, spacecraft | 6.6 | -2.3 | -0.2 | 50.0 | 7.1 | 53.2 | |
| 29 | Organic chemicals | 3.5 | 14.9 | 0.5 | 27.1 | 3.7 | 56.9 | |
| 87 | Vehicles non railway | 3.0 | 20.5 | 0.6 | 11.8 | 3.2 | 60.0 | |
| 71 | Pearls, precious metals | 2.7 | 78.4 | 1.4 | 13.0 | 2.9 | 62.9 | |
| 39 | Plastics and articles thereof | 2.5 | 18.7 | 0.5 | 22.7 | 2.7 | 65.6 | |
| 27 | Mineral fuels | 2.0 | -8.1 | -0.2 | 3.1 | 2.1 | 67.7 | |
| 12 | Oil seeds | 1.8 | -1.7 | 0.0 | 34.5 | 1.9 | 69.6 | |
| 30 | Pharmaceutical prod. | 1.5 | 14.8 | 0.2 | 23.6 | 1.6 | 71.2 | |
| 38 | Misce. chemical prod. | 1.5 | 6.7 | 0.1 | 44.3 | 1.6 | 72.8 | |
| 44 | Manuf. of wood | 1.3 | 7.5 | 0.1 | 10.2 | 1.4 | 74.2 | |
| 23 | Residues food ind. | 1.1 | -10.5 | -0.2 | 22.3 | 1.2 | 75.4 | |
| 47 | Pulp of wood | 1.0 | 24.1 | 0.2 | 21.2 | 1.1 | 76.5 | |
| 97 | Works of art | 0.9 | 22.9 | 0.2 | 44.1 | 1.0 | 77.5 | |
| 48 | Paper, paperboard | 0.9 | 9.4 | 0.1 | 6.6 | 1.0 | 78.5 | |
| 28 | Inorganic chemicals | 0.8 | 21.7 | 0.2 | 20.5 | 0.9 | 79.4 | |
| 37 | Photo.,cinem. goods | 0.8 | 17.2 | 0.1 | 43.0 | 0.9 | 80.2 | |
| 80 | Edible fruits, nuts | 0.8 | 27.8 | 0.2 | 12.2 | 0.8 | 81.0 | |

^{*} The contribution to the growth is the ratio between the increase of each product flow and the total imports of the previous year in %.



^{**} i.e. EU imports of a product from the USA, related to total extra-EU imports of this product.

Part IV: EU exports to the USA by product groups (HS sections)



IV.1 In 1994, the value of the EU exports to the United States increased to ECU 95 billion from ECU 85.1 billion registered one year earlier. The percentage change of the EU exports over the previous year (11.7%) was lower than in 1993, although this value was higher than the total extra-EU exports' growth rate in 1994 (10.6%).

In volume terms, the EU sales into the US market also increased well above the average extra-EU exports: the 1994, changes over the previous year were 10.1% and 8.7% respectively.

IV.2 As well as the imports the products exported to the USA are strongly concentrated on Machinery, electrical and photo-optical equipment (Sect. XVI and XVIII) which in 1994 represented more than 35% of the total EU sales in the States. The ranking of the most important bunch of products continues with Transport equipment (Section XVII), Wood, articles of stone and metals (Sections IX,X,XIV,XV) and Chemical and plastics (Sections VI-VII) which respectively covered 16.3%, 14.2% and 13,5% of the EU's exports to the United States.

IV.3 Textiles, footwear, and miscellaneous manufactures (Sections VIII,XI,XII,XX) were the products which in 1994 registered the most dynamic export rate of growth (15%); while sales of Mineral products (Section V) experienced in the same period a sharp decline (-18%), mainly concentrated in the last two quarters of the year. Apart from, the Agri-foodstuffs products (Sections I-IV) and the residual category (Sections XIX-XXI), all the other groups analysed showed annual rates of growth over the average (between 12.7% and 14.3%).

EU EXPORTS TO THE USA

| 93 | 94 | 94 | 94 | 93 | 94 | 94 | 94 |
|-------|--|--|---|--|----------|---|----------------|
| | | 111 | IV | | | III | IV |
| | Bio | ecus | | % char | nge over | previou | s year |
| | | | | | | | |
| 85.1 | 95.0 | 22.4 | 24.7 | 15.3 | 11.7 | 5.6 | 1.7 |
| 4.8 | 5.1 | 1.3 | 1.4 | 3.5 | 7.3 | 3.0 | -0.9 |
| 3.7 | 3.0 | 0.5 | 0.3 | 27.7 | -18.1 | -50.0 | -70.7 |
| 11.4 | 12.8 | 3.3 | 3.0 | 14.7 | 12.7 | 13.0 | -0.6 |
| 6.3 | 7.2 | 1.8 | 1.9 | 12.5 | 15.0 | 10.3 | 7.8 |
| 11.8 | 13.5 | 3.2 | 3.6 | 21.7 | 14.3 | 5.7 | 3.9 |
| 29.5 | 33.6 | 8.1 | 9.0 | 13.4 | 14.1 | 10.8 | 7.3 |
| 13.6 | 15.4 | 3.2 | 4.6 | 31.1 | 13.9 | 7.2 | 4.6 |
| 4.1 | 4.3 | 1.0 | 1.1 | -13.3 | 4.4 | -9.3 | -2.8 |
| | | | | | | | |
| 486.9 | 538.7 | 129.3 | 146.5 | 11.6 | 10.6 | 8.9 | 6.6 |
| 397.4 | 426.3 | 101.4 | 108.2 | 15.3 | 7.2 | 5.7 | 0.4 |
| 22.8 | 26.6 | 6.8 | 7.4 | 10.6 | 16.8 | 18.8 | 10.6 |
| 40.9 | 45.7 | 11.3 | 11.7 | 11.3 | 11.6 | 9.7 | 11.4 |
| | 85.1 4.8 3.7 11.4 6.3 11.8 29.5 13.6 4.1 486.9 397.4 22.8 | 85.1 95.0 4.8 5.1 3.7 3.0 11.4 12.8 6.3 7.2 11.8 13.5 29.5 33.6 13.6 15.4 4.1 4.3 486.9 538.7 397.4 426.3 22.8 26.6 | Bio ecus 85.1 95.0 22.4 4.8 5.1 1.3 3.7 3.0 0.5 11.4 12.8 3.3 6.3 7.2 1.8 11.8 13.5 3.2 29.5 33.6 8.1 13.6 15.4 3.2 4.1 4.3 1.0 486.9 538.7 129.3 397.4 426.3 101.4 22.8 26.6 6.8 | Bio ecus 85.1 95.0 22.4 24.7 4.8 5.1 1.3 1.4 3.7 3.0 0.5 0.3 11.4 12.8 3.3 3.0 6.3 7.2 1.8 1.9 11.8 13.5 3.2 3.6 29.5 33.6 8.1 9.0 13.6 15.4 3.2 4.6 4.1 4.3 1.0 1.1 486.9 538.7 129.3 146.5 397.4 426.3 101.4 108.2 22.8 26.6 6.8 7.4 | | III IV Bio ecus % change over 85.1 95.0 22.4 24.7 15.3 11.7 4.8 5.1 1.3 1.4 3.5 7.3 3.7 3.0 0.5 0.3 27.7 -18.1 11.4 12.8 3.3 3.0 14.7 12.7 6.3 7.2 1.8 1.9 12.5 15.0 11.8 13.5 3.2 3.6 21.7 14.3 29.5 33.6 8.1 9.0 13.4 14.1 13.6 15.4 3.2 4.6 31.1 13.9 4.1 4.3 1.0 1.1 -13.3 4.4 486.9 538.7 129.3 146.5 11.6 10.6 397.4 426.3 101.4 108.2 15.3 7.2 22.8 26.6 6.8 7.4 10.6 16.8 | III IV III |

^{*} The total includes all HS chapters, (00-99) ** Source: IMF-DOTS



Part V: EU exports to the USA by main products (HS chapters)

V.1 In 1994, over 23% of the value of the EU exports to the United States (ECU 22 billion) came from Engines and mechanical appliances (HS 84), followed at a great distance by the Vehicles non railway (HS 87) with ECU 10.3 billion.

V.2 The US market is extremely important for the EU exports of Work of art (HS 97): in 1994 it represented more than 48% of the total sales of these products. Other HS Chapters with a strong concentration of exports to the USA were: Aircraft and spacecraft (HS 88), Beverage and spirits (HS 22), each with 26.4% of the total extra-EU sales directed overseas, and Footwear (HS 64) with 25.4%.

V.3 In 1994, the most dynamic items on the export side were: Iron and steel (HS 72) which showed an annual growth of 33.6%, followed by Footwear (HS 64) and Pharmaceutical products (HS 30) with respectively rates of growth of 23.8% and 23.4%. The EU exports of Mineral fuels (HS 27) to the United States went down by 20.6% during the same period.

V.4 The three biggest product categories in terms of value of exports were also the most important contributors to the growth of the total EU sales to the States: in 1994, Engines (HS 84), Vehicles (HS 87) and Electrical machinery (HS 85) globaly represented 6.8 growth points.

EU EXPORTS TO THE USA BY MAIN HS PRODUCTS, 1994

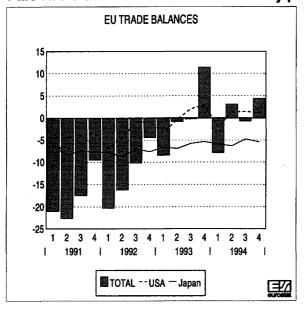
| | | level | annual growth | contribution to growth* of total exports | | share ir | 1 |
|-------------|-------------------------------|-------------|------------------|--|--------------------------------------|----------|--------------|
| HS Chapters | PRODUCTS | Bio ecus | % | % | Extra-EU exports by products** | Export | s to the USA |
| | | | | | | % | %cumulated |
| 84 | Engines and mech. appl. | 22.0 | 15.0 | 3.4 | 21.0 | 23.2 | 23.2 |
| 87 | Vehicles non railway | 10.3 | 22.5 | 2.2 | 19.9 | 10.8 | 34.0 |
| 85 | Elec.mach.,TV,sound | 6.7 | 18.9 | 1.2 | 13.1 | 7.0 | 41.0 |
| 90 | Optical,precision inst. | 4.7 | 4.4 | 0.2 | 24.8 | 5.0 | 46.0 |
| 88 | Aircraft, spacecraft | 4.7 | 0.2 | 0.0 | 26.4 | 5.0 | 51.0 |
| 29 | Organic chemicals | 4.4 | 18.5 | 0.8 | 24.8 | 4.7 | 55.7 |
| 71 | Pearls, precious metals | 3.4 | 1.5 | 0.1 | 21.0 | 3.5 | 59.2 |
| 72 | Iron and steel | 3.3 | 33.6 | 1.0 | 24.4 | 3.5 | 62.7 |
| 27 | Mineral fuels | 2.9 | -20.6 | -0.9 | 21.0 | 3.0 | 65.7 |
| 22 | Beverages, spirits | 2.3 | 1.8 | 0.0 | 26.4 | 2.4 | 68.1 |
| 39 | Plastics and articles thereof | 1.8 | 15.9 | 0.3 | 10.6 | 1.9 | 69.9 |
| 30 | Pharmaceutical prod. | 1.6 | 23.4 | 0.4 | 12.6 | 1.7 | 71.7 |
| 64 | Footwear | 1.3 | 23.8 | 0.3 | 25.3 | 1.4 | 73.1 |
| 97 | Works of art | 1.2 | 12.1 | 0.1 | 48.4 | 1.2 | 74.3 |
| 73 | Art. iron and steel | 1.2 | 15.4 | 0.2 | 10.1 | 1.2 | 75.5 |
| 94 | Furniture | 1.1 | 11.4 | 0.1 | 14.0 | 1.1 | 76.7 |
| 62 | Art. of clothing | 1.0 | 11.2 | 0.1 | 12.4 | 1.0 | 77.7 |
| 38 | Misc. chemical prod. | 0.9 | -0.3 | 0.0 | 11.6 | 1.0 | 78.7 |
| 69 | Ceramic products | 0.8 | 10.4 | 0.1 | 19.3 | 0.9 | 79.5 |
| 48 | Paper, paperboard | 0.8 | 8.7 | 0.1 | 11.1 | 0.8 | 80.4 |

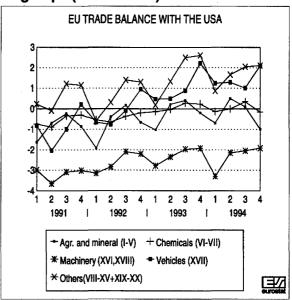
^{*} The contribution to the growth is the ratio between the increase of each product flow and the total exports of the previous year in %



^{**} i.e. EU exports of a product to the USA related to total extra-EU exports of this product

Part VI: EU trade balance with the USA by product groups (HS sections)





VI.1 The EU trade surplus with the USA went up to ECU 1.9 billion in 1994 from ECU 1.4 billion registered a year earlier.

This result is due to the good performance of the EU export volumes to the United States - the quantity exported overseas increased by 10,1 % compared to 1993, while the volume of the imports from the USA only grew by 6.2 % - not having been entirely offset by the slight deterioration of the EU-US terms of trade. In fact in 1994, the unit value of the EU exports increased by only 2.2 % over the previous year, while the imports prices grew by 5.3 %

VI.2 The total extra-EU trade balance, that had registered a sharp improvement in 1993, went down to a small deficit of ECU 1 billion, while the total

balance of the USA continued to increase its deficit, which in 1994 reached ECU 152.4 billion.

VI.3 The analysis by main product sections shows that in 1994, both Transport equipment (Section XVII) registered the most important surplus (ECU 5.6 billion), followed by both Wood, articles of stone and metal (Sections IX,X,XIV,XV) and Textiles, footwear and miscellaneous manufactures (Sections VII,IX,XII,XX) with ECU 3.9 billion each. The Machinery and electrical equipment (Sections XVI,XVIII) showed the biggest deficit with ECU 9.4 billion, while the trade in Agri-foodstuff (Sections I-IV) also resulted in a substantial deficit in 1994 (ECU 1.6 billion).

EU TRADE BALANCE WITH USA

| | 92 | 93 | 94 | 93 | 94 | 94 | 94 | 94 |
|--|-------|----------|--------|-------|-------|---------|-------|-------|
| HS SECTIONS | | | | IV | 1 | 11 | Ш | N |
| | E | 3io ecus | | | В | io ecus | | |
| | | | | | | | | |
| TOTAL* | -13.0 | 1.4 | 1.9 | 2.9 | -2.0 | 1.3 | 1.5 | 1.1 |
| Agriculture + food industry (FIV) | -2.1 | -1.7 | -1.6 | -0.4 | -0.9 | -0.3 | 0.2 | -0.6 |
| Mineral products, oil incl. (V) | -0.7 | 1.1 | 0.5 | 0.2 | 0.2 | 0.8 | -0.1 | -0.4 |
| Chemical & plastic products (VI-VII) | -1.8 | 0.3 | 0.1 | 0.2 | -0.1 | 0.0 | 0.3 | -0.2 |
| Textiles, footwear & misc. manufactures (VIII,XI,XII,XX) | 2.4 | 3.3 | 3.9 | 1.0 | 8.0 | 1.0 | 1.0 | 1.1 |
| Wood, articles of stone & base metals (IX,X,XIV,XV) | 1.4 | 4.1 | 3.9 | 1.5 | 0.8 | 0.9 | 1.0 | 1.2 |
| Machinery & electr. equip. / optical & photogr. instr. (XVI,XVIII) | -10.3 | -9.0 | -9.4 | -1.9 | -3.3 | -2.2 | -2.0 | -1.9 |
| Vehicles, aircraft & transport equipment (XVII) | -0.6 | 4.1 | 5.6 | 2.2 | 1.2 | 1.3 | 1.0 | 2.1 |
| Others (XIX,XXI) | -1.3 | -0.8 | -1.1 | 0.1 | -0.7 | -0.3 | 0.0 | -0.2 |
| MEMORANDUM ITEM | | | | | | | | |
| EU trade balance | -51.0 | 2.0 | -1.0 | 11.4 | -7.8 | 3.1 | -0.7 | 4.4 |
| USA trade balance ** | -81.0 | -115.0 | -152.4 | -30.3 | -29.4 | -35.1 | -47.4 | -40.5 |
| EU - JAPAN trade balance | -31.0 | -24.4 | -22.3 | -5.3 | -5.9 | -6.3 | -4.7 | -5.4 |
| USA - JAPAN trade balance ** | -39.8 | -53.4 | -60.3 | -15.7 | -14.0 | -13.9 | -15.9 | -16.4 |
| * T | E DOT | | | | | | | |

* The total includes all HS chapters, (00-99) ** Source: IMF-DOTS

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Part VII: EU trade balance and intra-industry trade intensity with "9 USA by r 'n products (HS chapters)

VII.1 In 1994, the European Union showed the two highest surpluses for Vehicles (HS 87), and Iron and steel (HS 72) with ECU 7.3 and ECU 3.1 billion respectively. Significant surpluses were also registered in more "traditional" manufactured products such as Beverage and spirits (HS 22) (ECU 2 billion) and Footwear (HS 64) (ECU 1.2 billion).

VII.2 As far the deficits are concerned, the three largest in 1994 were recorded in Chapter grouping products with more "technological" components such as: Electrical machinery, TV, sound recorder (HS 85), Optical and precision instrument (HS 90) and the Aircraft and spacecraft industries (HS 88) with ECU 5.4, ECU 2.3 and ECU 1.9 billion respectively.

EU TRADE BALANCE WITH THE USA BY MAIN HS PRODUCTS

| HIGHEST SURPLUSES (Bio ecus) | | 93 | 94 | 941 | 94 II | 94 III | 94 IV |
|------------------------------|-------------------------|-----|-----|-----|-------|--------|-------|
| HS Chapters | PRODUCTS | | | | | | |
| 87 | Vehicles non railway | 6.0 | 7.3 | 1.9 | 1.7 | 1.4 | 2.3 |
| 72 | Iron and steel | 2.3 | 3.1 | 0.7 | 0.8 | 8.0 | 8.0 |
| 22 | Beverages, spirits | 2.0 | 2.0 | 0.4 | 0.5 | 0.6 | 0.5 |
| 64 | Footwear | 1.0 | 1.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| 29 | Organic chemicals | 0.8 | 1.0 | 0.2 | 0.3 | 0.3 | 0.1 |
| 27 | Mineral fuels | 1.5 | 0.9 | 0.3 | 0.9 | 0.0 | -0.3 |
| 94 | Furniture | 0.7 | 0.8 | 0.2 | 0.2 | 0.2 | 0.2 |
| 69 | Ceramic products | 0.7 | 0.7 | 0.2 | 0.2 | 0.2 | 0.2 |
| 62 | Art. of clothing | 0.6 | 0.7 | 0.2 | 0.1 | 0.2 | 0.2 |
| 71 | Pearls, precious metals | 1.8 | 0.7 | 0.1 | 0.1 | 0.1 | 0.3 |

| LARGEST DEFICITS (Bio ecus) | | 93 | 94 | 94 | 94 II | 94 111 | 94 IV |
|-----------------------------|-------------------------------|------|------|------|-------|--------|-------|
| HS Chapters | PRODUCTS | | | | | | 4.5 |
| 85 | Elec.mach.,TV,sound | -4.8 | -5.4 | -1.6 | -1.4 | -1.2 | -1.3 |
| 90 | Optical,precision inst. | -2.2 | -2.3 | -0.8 | -0.5 | -0.5 | -0.5 |
| 88 | Aircraft, spacecraft | -2.1 | -1.9 | -0.7 | -0.4 | -0.5 | -0.3 |
| 84 | Engines and mech. appliances | -2.1 | -1.7 | -1.0 | -0.2 | -0.4 | -0.1 |
| 12 | Oil seeds | -1.7 | -1.7 | -0.8 | -0.3 | -0.1 | -0.5 |
| 44 | Manuf. of straw | -1.1 | -1.1 | -0.4 | -0.3 | -0.2 | -0.2 |
| 23 | Residues food ind. | -1.2 | -1.0 | -0.3 | -0.3 | -0.2 | -0.2 |
| 47 | Pulp of wood | -0.8 | -1.0 | -0.2 | -0.3 | -0.3 | -0.3 |
| 39 | Plastics and articles thereof | -0.6 | -0.8 | -0.2 | -0.2 | -0.2 | -0.1 |
| 08 | Edible fruits, nuts | -0.6 | -0.7 | -0.2 | -0.2 | -0.1 | -0.2 |

VII.3 In 1994, the products which registered the highest intra-industry intensity, basically belonged to the textile manufacturing and to the chemical

industries, while the chapters that showed the lowest levels of trade integration were mainly in the agri-foodstuff and textile raw material sectors.

EU-USA INTRA-INDUSTRY TRADE INTENSITIES BY PRODUCTS(*) IN 1994

| HS CHP. | - | | Products with highest Intra-industry Trade Intensity | | HS CHP. | Products with the lowest Intra-industry Trade Intensity | | | | |
|------------|---------------------------------|------|---|---------------------------------|------------|--|--|--|--|--|
| 65 | Headgear and parts thereof | 99.6 | 09 | Coffee, tea and spices | 11.8 | | | | | |
| 15 | Animal and veget, fats and oils | 99.2 | 23 | Residues from the food industry | 11.6 | | | | | |
| 67 | Articles of feathers and down | 98.1 | 12 | Oil seed and oleaginous fruits | 8.7 | | | | | |
| 40 | Rubber and articles thereof | 97.2 | 04 | Dairy and edible animal prod. | 8.3 | | | | | |
| 28 | Inorganic chemicals | 96.7 | 08 | Edible fruit and nuts | 7.3 | | | | | |
| 84 | Engines and mech. appliances | 96.3 | 45 | Cork and aricles of cork | 6.0 | | | | | |
| 56 | Waddings, felt and nonwovens | 95.3 | 10 | Cereals | 4.2 | | | | | |
| 30 | Pharmaceutical products | 94.3 | 53 | Other vegeteble textile fibres | 3.8 | | | | | |
| 82 | Tools and cuttery of base metal | 94.1 | 50 | Silk | 2.7 | | | | | |
| 48 | Paper and paperboard | 94.0 | 47 | Pulp of wood | 1.7 | | | | | |

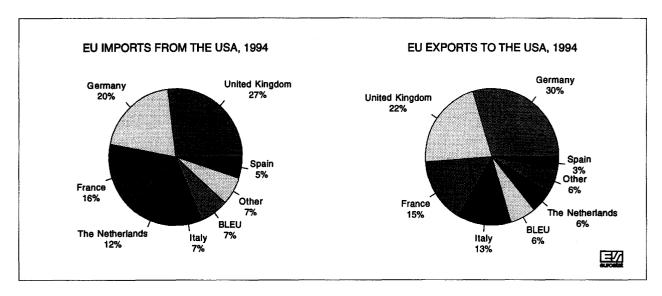
(*) Intra-industry Trade Intensity =

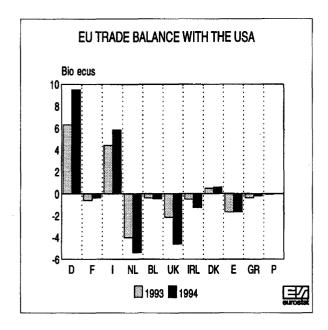
(Xi+Mi) - [Xi-Mil x 100

This measures the intensity of trade between two partners for the same product. Its value can vary between 100 (=exports and imports of the same size) and 0 (=trade takes place only in one direction, i.e. exports or imports are zero).



Part VIII: EU trade flows with the USA by Member States





VIII.1 The breakdown by Member States of trade between the European Union and the United States reveals the extent to which trade between the two partners is concentrated. In 1994 seven of the EU Member States (Germany, United Kingdom, France, Italy, the Netherlands and Belgium-Luxembourg) accounted for most of the trade with the USA, providing 91% of exports and taking 88% of imports.

VIII.2 In 1994, Germany registered both the largest extra-EU surplus among the EU member states (ECU 9.5 billion) and the most important improvement compared to a year earlier (ECU 3.2 billion). The Italian surplus also showed an ECU 1.4 billion increase reaching ECU 5.8 billion, while the Danish and the Portuguese trade balances showed very little change compared to 1993.

VIII.3 All the remaining EU Member States registered in 1994 varying trade deficits with the United States. The largest deficit was registered by the Netherlands (ECU 5.4 billion), while the United Kingdom-United States trade balance went down to a ECU 4.6 billion deficit from ECU 2.5 billion recorded in 1993.

EU TRADE WITH THE USA BY MEMBER STATES

| | | EXPORTS | | | | IMPORTS | | | | TRADE BALANCE | | | |
|----------------|-------|---------|------|-------|-------|---------|------|-------|----------|---------------|-------|--|--|
| | 1994 | 1993 | 1994 | 94/93 | 1994 | 1993 | 1994 | 94/93 | 1993 | 1994 | 94/93 | | |
| | share | Bio e | cus | % var | share | Bio e | cus | % var | Bio ecus | | var | | |
| France | 15.4 | 13.3 | 14.6 | 10.2 | 16.1 | 13.9 | 15.0 | 8.1 | -0.6 | -0.4 | 0.2 | | |
| BLEU | 6.2 | 4.8 | 5.9 | 21.5 | 6.8 | 5.2 | 6.3 | 21.3 | -0.4 | -0.5 | -0.1 | | |
| Netherlands | 5.5 | 4.7 | 5.3 | 12.2 | 11.5 | 8.7 | 10.7 | 22.4 | -4.0 | -5.4 | -1.4 | | |
| Germany | 29.6 | 24.2 | 28.2 | 16.6 | 20.0 | 17.8 | 18.7 | 4.5 | 6.3 | 9.5 | 3.2 | | |
| Italy | 13.0 | 11.1 | 12.4 | 11.2 | 7.0 | 6.7 | 6.5 | -2.6 | 4.4 | 5.8 | 1.4 | | |
| United Kingdom | 21.5 | 19.8 | 20.5 | 3.4 | 26.9 | 22.0 | 25.1 | 14.3 | -2.2 | -4.6 | -2.5 | | |
| Ireland | 2.4 | 2.2 | 2.3 | 5.8 | 3.9 | 2.7 | 3.6 | 32.4 | -0.5 | -1.3 | -0.8 | | |
| Denmark | 1.9 | 1.6 | 1.8 | 13.2 | 1.3 | 1.1 | 1.2 | 9.6 | 0.5 | 0.6 | 0.1 | | |
| Greece | 0.4 | 0.3 | 0.4 | 18.4 | 0.6 | 0.7 | 0.6 | -15.5 | -0.4 | -0.2 | 0.2 | | |
| Portugal | 0.8 | 0.6 | 0.8 | 30.0 | 0.8 | 0.7 | 0.8 | 18.4 | -0.1 | 0.0 | 0.1 | | |
| Spain | 3.1 | 2.5 | 3.0 | 19.9 | 5.0 | 4.2 | 4.6 | 11.6 | -1.7 | -1.7 | 0.0 | | |
| European Union | 100 | 85.1 | 95.0 | 11.7 | 100 | 83.7 | 93.2 | 11.3 | 1.4 | 1.9 | 0.5 | | |