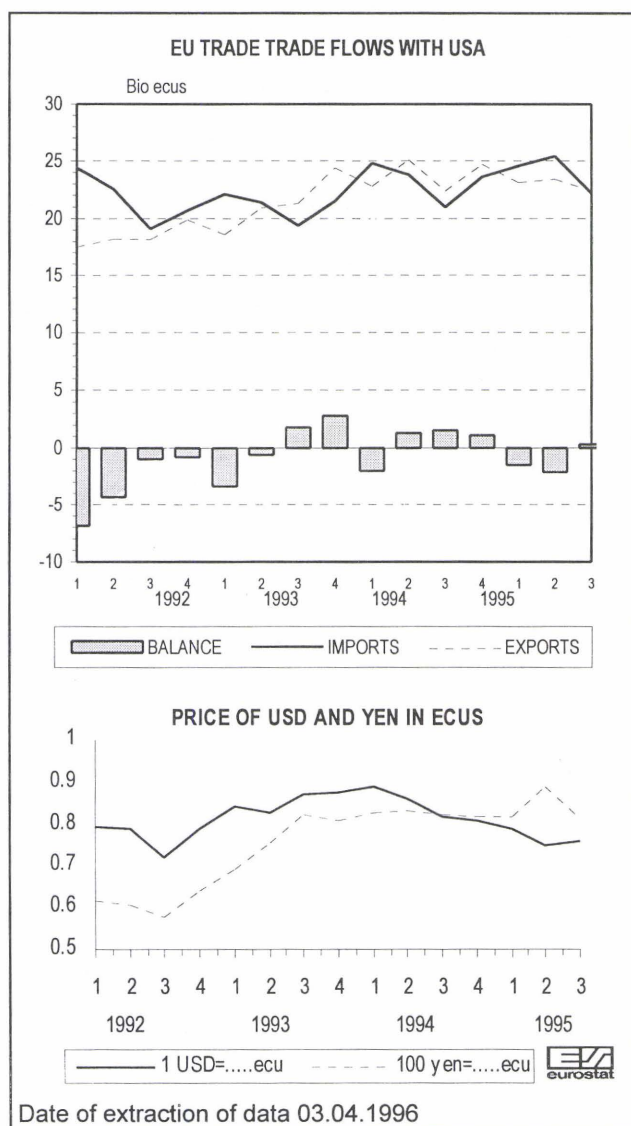


EUROPEAN UNION (EU)¹ TRADE WITH THE UNITED STATES (USA) - Results from January to September 1995 -



Part I Summary

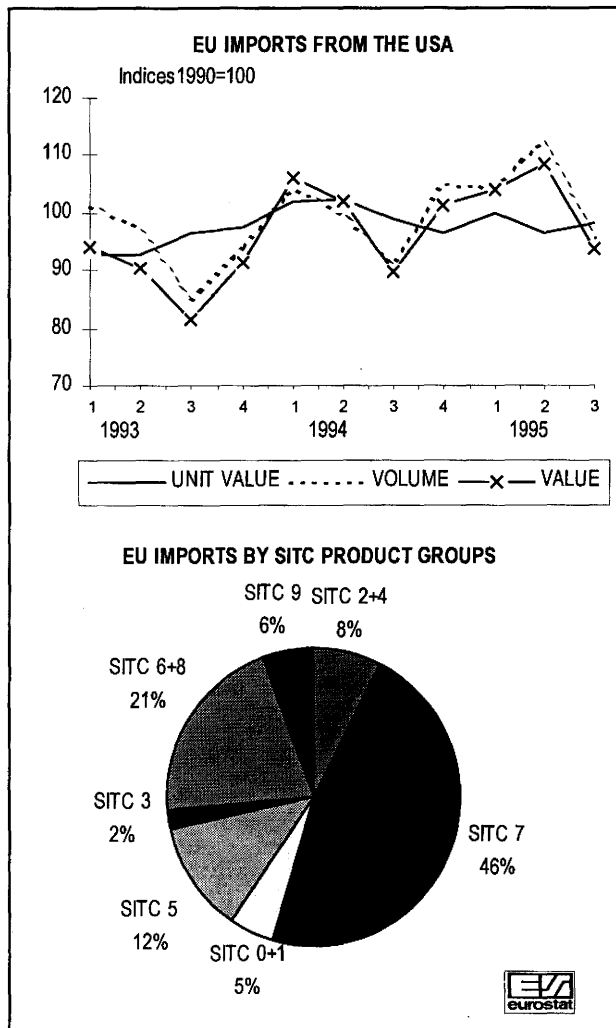
I.1 Trade relations with the USA are of great importance for the European Union: 17% of total extra-EU imports came from and more than 16% of extra-EU exports went to the US during the first nine months of 1995. In this same period, the EU registered a slight bilateral deficit of -3.3 bio ecu compared with +0.7 bio ecu in the same period of the previous year. This decrease of the EU trade balance was due to higher imports from the USA (+3.7%) and lower exports (-2%). The EU cover ratio (exports/imports) went down from 101 to 95.5.

I.2 The EU imports from the USA registered 72.2 bio ecu in the first three quarters of 1995. 80% of the imports were Manufactured products mostly Machinery and transport equipment (33.6 bio ecu) and Miscellaneous manufactured goods (15.4 bio ecu). Strong increases were recorded by Raw materials (+18%) accounting for about 15% of EU imports from the US. EU exports to the US showed a small reduction reaching 68.9 bio ecu. Even stronger than in the case of imports, exports were concentrated on Manufactured products (90%). As for imports, Machinery and transport equipment (34 bio ecu) represents about half of the total bilateral trade flow. Exports of Raw materials fell sharply by 34%. The slight deterioration in the EU trade balance was mainly caused by developments in the Raw materials sector.

I.3 Germany accounted for 31% of EU exports and 20% of imports, while the UK covered 21% of exports and 26% of imports. The largest trade surpluses were recorded by Germany and Italy (7.3 bio ecu and 4.3 bio ecu respectively). Meanwhile the highest trade deficit was registered by the Netherlands with -4.9 bio ecu.

¹ As of January 1st, 1995, the European Union (EU) has been enlarged to 15 Member States. However, this report analyzes figures for only 12 EU countries as detailed data for 1995 could not be supplied by the three new member states (Sweden, Finland and Austria).

Part II: EU imports from the USA by product groups (SITC sections)²



II.1 EU imports from the USA increased 3.7% between the first three quarters of 1994 and 1995, from 69.6 bio ecu to 72.2 bio ecu. This increase was below the growth rate of the extra-EU imports (5.9%) as a whole. The share of the USA in the total extra-EU imports was 16.9% for the same period. In volume terms, the imports from the USA registered an increase of 5.7% during the mentioned period. The unit value index showed that the evolution of the price decreased (-2.7%).

II.2 From January to September of 1995, Manufactured products (SITC 5-8) were the most imported amounting 57.8 bio ecu (3.2% increase compared to the same period of 1994). It covered almost 80% of the total EU imports from the USA. This was due to the important size of Machinery and transport equipment (SITC 7) which showed an amount of 33.6 bio ecu, accounting for nearly half of the total EU imports from this country. Chemical products recorded the highest increase (10.7%) compared to the first three quarters of the previous year.

II.3 Raw materials (SITC 0-4) amounted 10.5 bio ecu, covering 14.5% of the total EU imports from this country and showing an increase of 17.9% compared to the first nine months of 1994. One of the main reasons for this was due to the growth of 28% in the Crude Materials except fuels (SITC 2+4). Food beverage and tobacco (SITC 0+1) and Mineral fuels (SITC 3) also registered increases, 9% and 7% respectively. Except for Other not classified goods (SITC 9) which decreased 16%, all the other sections recorded positive growth rates in imports.

EU IMPORTS FROM THE USA

TRADE BY PRODUCTS (SITC-Rev3)	1994	1995	1995	1995	94 / 93	95 / 94	95 / 94	95 / 94
	I - IV	I - III	II	III	I - IV	I - III	II	III
	bio ecus				% var.			
TOTAL TRADE (0 - 9)	93.2	72.2	25.4	22.2	10.3	3.7	6.8	5.7
Raw materials (0 - 4)	12.3	10.5	3.6	2.9	5.4	17.9	20.1	20.8
Food, beverage and tobacco (0 + 1)	4.4	3.5	1.2	1.0	5.4	9.1	6.1	13.9
Crude materials except fuels (2 + 4)	5.9	5.4	1.9	1.4	10.6	28.1	35.0	32.2
Mineral fuels (3)	2.0	1.6	0.5	0.5	-7.5	7.3	8.6	7.1
Manufactured products (5 - 8)	75.0	57.8	20.2	18.1	10.3	3.2	4.2	3.7
Chemicals (5)	10.6	8.8	3.1	2.7	12.9	10.7	8.5	11.9
Machinery and transport equipment (7)	44.8	33.6	11.9	10.4	10.0	0.6	3.7	-0.1
Misc. manufactured goods (6 + 8)	19.7	15.4	5.3	4.9	9.9	4.9	3.1	7.9
Other not classified goods (9)	5.9	3.9	1.6	1.2	22.0	-16.1	13.7	3.7
MEMORANDUM ITEMS								
EU total imports (EXTRA-EU)	544.9	425.3	145.0	138.1	10.5	5.9	7.5	5.2
USA total imports **	579.5	439.6	145.4	149.8	13.1	2.8	0.5	2.2
EU imports from JAPAN	48.8	37.7	13.3	12.0	2.4	4.4	4.2	3.0
USA imports from JAPAN **	103.0	74.5	25.1	24.3	9.2	-2.3	0.1	-5.5

** Source IMF-DOTS



² The Standard International Trade Classification is an analytical trade nomenclature introduced by the United Nations for the purposes of economic analysis. In this document, the third revision of the nomenclature (SITC Rev. 3), introduced in 1988, is used.

Part III: EU imports from the USA by main products (SITC divisions)

III.1 EU imports from the USA by products showed that in first three quarters of 1995, the three most important SITC divisions were Office machinery and computer (SITC 75), Electrical Machinery (SITC 77) and Other transport equipment (SITC 79), accounting a share of 11.4%, 8.9% and 6.3% of the total EU purchases from the USA (8 bio ecu, 6.5 bio ecu and 4.5 bio ecu respectively). Power generating machinery (SITC 71) and Miscellaneous manufactured goods (SITC 89) followed with a share of 5.8% and 5.5%, around 4 billion ecu each. The latter products, together with Professional & controlling equip. (SITC 87) and the General industrial machinery (SITC 74), represented almost 50% of the total imports from the region (34 billion ecu).

III.2 The most important increases in imports compared to the first three quarters of 1994 were registered by Pulp and waste paper (SITC 25) and Oil seeds and oleaginous fruits (SITC 22) with a 60% and 38% growth rate respectively. Other significant rate changes were registered by Plastics in primary forms (SITC 57) and Telecommunications and sound equipment

(SITC 76) with 22% and 21% respectively. In contrast, imports of Power generating machinery & equip. (SITC 71) and Road vehicles (SITC 78) fell 11.3% and 9.6%, reducing the total imports by 0.8 and 0.3 growth points

III.3 From January to September 1995, almost 50% of Professional & controlling equip. (SITC 87) and Oil seeds and oleaginous fruits (SITC 22) imports from the EU came from the United States; while Chemicals (SITC 59), and Power generating machinery (SITC 71) accounted for around 40%. Other American items with an important share in total extra-EU imports by products were: Office and EDP machines (SITC 75) and Other transport equipment (SITC 79) with 34% each, and General industrial machinery (SITC 74) and Machinery specialized for particular industries (SITC 72) with almost 26% each.

III.4 The items which contributed the most to the growth of EU imports from USA were Electrical machinery and apparatus (SITC 77) with 1 growth point, Oil seeds and oleaginous fruits (SITC 22) and Pulp and waste paper (SITC 25) with 0.6 growth points each.

EU IMPORTS FROM THE USA BY MAIN PRODUCTS, 1995 I-III

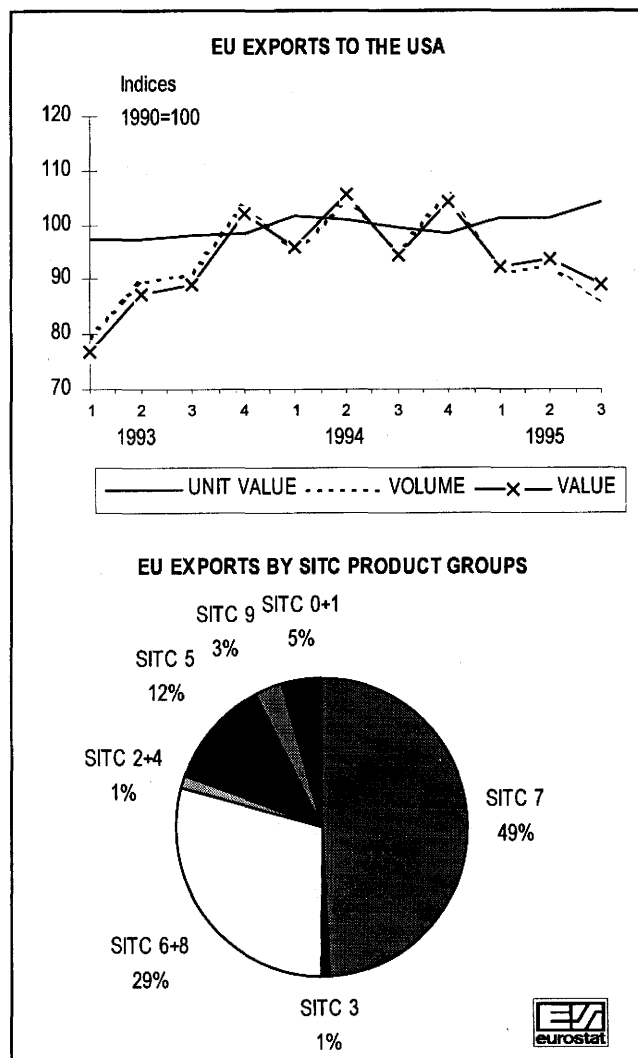
SITC Rev.3	PRODUCTS	level Bio ecus	annual variation %	contribution to growth* of total imports %	share in		
					Extra-EU imports by products** %	EU-IMP from USA	
						%	% cumul.
75	Office mach. & data processing mach.	8.04	-1.9	-0.2	34.2	11.1	11.1
77	Electrical mach. & parts thereof	6.46	11.5	1.0	22.1	9.0	20.1
79	Other transport equip.	4.55	-8.8	-0.6	34.2	6.3	26.4
71	Power generating mach. & equip.	4.19	-11.3	-0.8	37.0	5.8	32.2
89	Miscellaneous manufact goods	4.01	-3.8	-0.2	24.3	5.6	37.8
87	Professional & controlling equip.	3.87	0.8	0.0	46.2	5.4	43.1
74	General industrial mach.	3.19	7.2	0.3	25.8	4.4	47.5
76	Telecom., sound, reproducing equip.	2.48	20.5	0.6	18.0	3.4	51.0
51	Organic chemicals	2.40	12.1	0.4	26.3	3.3	54.3
72	Mach. specialized for particular industries	2.14	6.6	0.2	25.9	3.0	57.3
78	Road vehicles	1.98	-9.6	-0.3	10.0	2.7	60.0
54	Medical and pharmaceutical products	1.76	9.5	0.2	24.9	2.4	62.5
22	Oil seeds and oleaginous fruits	1.60	38.3	0.6	47.4	2.2	64.7
59	Chemicals	1.41	5.5	0.1	42.0	2.0	66.6
25	Pulp and waste paper	1.18	59.6	0.6	22.0	1.6	68.3
69	Manufactures of metals	1.11	11.8	0.2	13.7	1.5	69.8
57	Plastics in primary forms	1.10	21.6	0.3	23.7	1.5	71.3
88	Photographic and optical equip.	1.06	-6.1	-0.1	18.3	1.5	72.8
32	Coal, coke and briquettes	1.05	8.4	0.1	28.5	1.4	74.2
08	Feeding for animals	0.96	13.7	0.2	30.1	1.3	75.6

*) 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 (SITC sections)



IV.1 The value of EU exports to the USA decreased 2% between the first three quarters of 1994 and 1995 from 70.3 bio ecu to 68.9 bio ecu. In contrast, to the yearly average growth rate for the total extra-EU exports that showed an increase of 9.4%. As a consequence, the share of the EU exports to this country fell from 18% to 16% of the total extra-EU exports. In volume terms, EU exports to the USA also went down 7.8% during the same period, while the unit value index increased 1.7%.

IV.2 As in the case of imports, EU exports to this country were mainly concentrated in the Manufactured products (SITC 5-8) which represented 90% of the total. Manufactured products increased by 1.8% compared to the same period of the previous year accounting 62.3 bio ecu. This amount was mainly due to the important share of the Machinery and transport equipment section (SITC 7) (+5% growth rate) that covered 50% of the total with a value of 34 bio ecu, and compensated for the reduction of Misc. manufactured goods (SITC 6+8) (-2.6%). Exports of chemicals (SITC 5) showed a small growth of 0.2%.

IV.3 Sharp reductions were registered in the Raw materials sections (SITC 0-4) with a drop of 33.7%, going from 6.7 bio ecu to 4.5 bio ecu from the first three quarters of 1994 to 1995. This reduction was due to the steep decrease of 78% in Mineral Fuels (SITC 3) (0.6 bio ecu). The value of Food, beverage and tobacco (SITC 0+1) also dropped 6.5% reaching 3 bio ecu. The only positive growth rate within this section was for Crude materials except fuels (SITC 2+4) which increased 2.4% in the first nine months of 1995 (0.8 bio ecu).

EU EXPORTS TO THE USA

TRADE BY PRODUCTS (SITC-Rev3)	1994	1995	1995	1995	94 / 93	95 / 94	95 / 94	95 / 94
	I - IV	I - III	II	III	I - IV	I - III	II	III
	bio ecus				% var.			
TOTAL TRADE (0 - 9)	95.1	68.9	23.4	22.4	11.7	-2.0	-6.9	0.0
Raw materials (0 - 4)	8.5	4.5	1.5	1.6	-3.5	-33.7	-45.7	-14.4
Food, beverage and tobacco (0 + 1)	4.5	3.1	1.0	1.2	6.5	-6.5	-14.3	-0.6
Crude materials except fuels (2 + 4)	1.1	0.8	0.3	0.3	12.4	2.4	7.4	2.8
Mineral fuels (3)	2.9	0.6	0.3	0.2	-19.6	-78.1	-81.6	-61.8
Manufactured products (5 - 8)	83.6	62.3	21.2	20.1	14.0	1.8	-1.8	1.6
Chemicals (5)	11.0	8.4	2.9	2.8	13.9	0.2	-1.2	-3.4
Machinery and transport equipment (7)	44.9	34.0	11.7	10.6	14.7	5.0	2.3	3.7
Misc. manufactured goods (6 + 8)	27.7	19.9	6.6	6.7	12.8	-2.6	-8.4	0.6
Other not classified goods (9)	3.1	2.1	0.7	0.7	0.8	-9.4	-11.4	-5.9
MEMORANDUM ITEMS								
EU total exports (EXTRA-EU)	541.4	431.4	147.3	141.1	10.2	9.4	7.4	8.5
USA total exports **	430.8	330.6	109.9	108.6	8.4	3.3	0.3	5.3
EU exports to JAPAN	26.6	22.2	7.4	7.7	16.8	15.6	14.3	11.6
USA exports to JAPAN **	45.0	36.4	11.9	12.6	9.8	7.3	6.8	12.1

**) Source IMF-DOTS



Part V: EU exports to the USA by main products (SITC divisions)

V.1 During the first three quarters of 1995, Road vehicles (SITC 78) registered the highest amount with 7 bio ecu, representing 10.3% of the total EU-exports to the USA. The next four most exported SITC divisions were also reported in section 7: Electrical machinery apparatus (SITC 77) and Machinery specialized for particular industries (SITC 72) with 4.8 bio ecu each, Power generating machinery (SITC 71) with 4.1 bio ecu and General industry machinery (SITC 74) with 4.0 bio ecu. These first five divisions all together amounted almost 25 bio ecu, covering 36% of the total value of EU exports to the USA.

V.2 From January to September 1995, the exported items which showed the highest annual growth were Metal working machinery (SITC 73) and Electrical machinery (SITC 77) with a rate of around 26% and 20% respectively. On the other hand, negative variations were registered by Iron and steel (SITC 67) and General industrial machinery & equipment (SITC 74) which fell 28% and 14% respectively, dropping its value to 2 bio ecu and 4 bio ecu.

V.3 Almost a third of the Power generating mach. & equipment (SITC 71) and Office machines and computer (SITC 75) exported outside the EU in the first nine months of 1995 went to the United States (together 7.5 bio ecu). The US market was also an important outlet for the following products: Footwear (SITC 85) covering 25%, Beverages (SITC 11) with 26%, Photographic apparatus, equip. & optical goods (SITC 88) and Organic chemicals (SITC 51) with 23% each, and Professional, scientific & controlling instruments (SITC 87) with 21% of the total extra-EU exports of each of these products.

V.4 The contribution to growth analysis of total EU exports to the US shows that, in the first three quarters of 1995, the divisions that contributed the most were Electrical machinery (SITC 77), Office machines and computer (SITC 75), Medical and pharmaceutical products (SITC 54) and Metal working machinery (SITC 73) together summing up around 2.3 growth points.

EU EXPORTS TO THE USA BY MAIN PRODUCTS, 1995 I-III

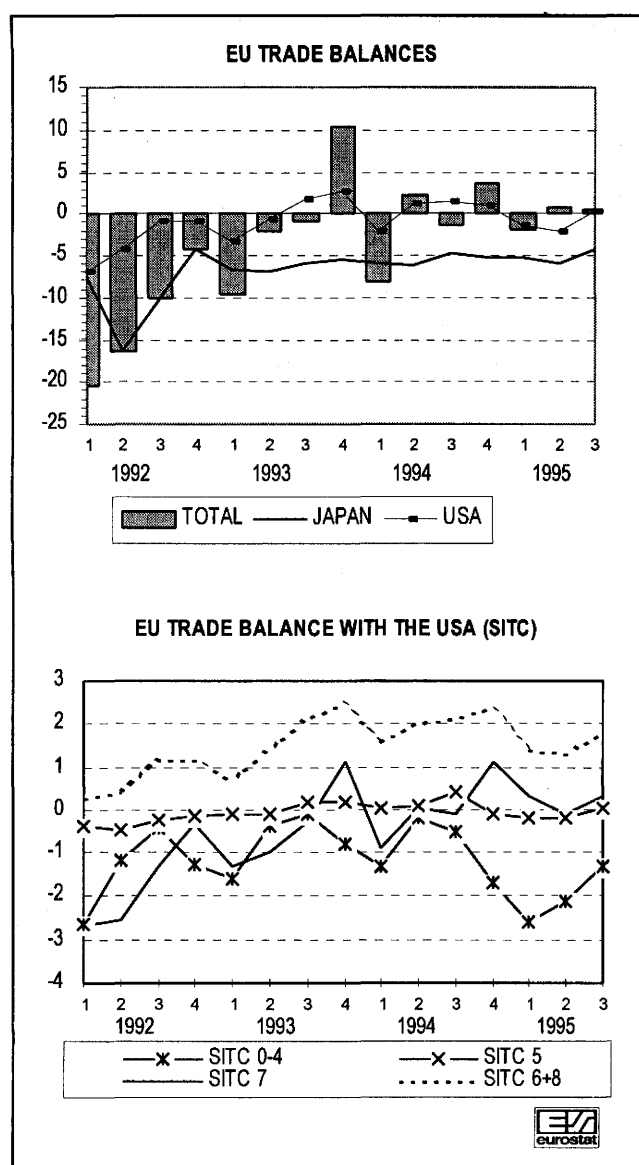
SITC R3	PRODUCTS	level	annual variation	contribution to growth* of total exports	share in		
		Bio ecus	%	%	Extra-EU exports by products** %	EU-EXP to USA	
						%	% cumul.
78	Road vehicles	7.10	1.5	0.2	17.6	10.3	10.3
77	Electrical mach. & parts thereof	4.84	19.8	1.1	16.5	7.0	17.3
72	Mach. specialized for particular industries	4.78	1.2	0.1	18.4	6.9	24.3
71	Power generating mach. & equip.	4.11	-14.1	-1.0	30.5	6.0	30.2
74	General industrial mach.	4.03	8.1	0.4	14.9	5.8	36.1
79	Other transport equip.	3.79	8.9	0.4	17.3	5.5	41.6
89	Miscellaneous manufact. goods	3.58	-3.0	-0.2	19.1	5.2	46.8
75	Office mach. & data processing mach.	3.40	11.3	0.5	27.0	4.9	51.7
51	Organic chemicals	2.97	-4.4	-0.2	23.3	4.3	56.0
66	Non metallic mineral manufact. goods	2.63	-5.3	-0.2	17.9	3.8	59.8
87	Professional & controlling equip.	2.01	0.1	0.0	20.7	2.9	62.7
54	Medical and pharmaceutical products	1.96	16.3	0.4	15.1	2.8	65.6
67	Iron and steel	1.95	-28.0	-1.1	15.4	2.8	68.4
11	Beverages	1.59	-5.3	-0.1	26.2	2.3	70.7
69	Manufactures of metals	1.48	7.0	0.1	12.8	2.1	72.9
65	Textile yarn fabrics	1.29	-5.6	-0.1	9.9	1.9	74.7
88	Photographic and optical equip.	1.18	1.3	0.0	23.2	1.7	76.5
84	Articles of apparel & clothing	1.15	7.2	0.1	11.4	1.7	78.1
85	Footwear	1.04	2.6	0.0	25.3	1.5	79.6
73	Metal working machinery	0.98	26.0	0.3	19.1	1.4	81.1

*) 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 from the USA, related to total extra-EU exports of this product.



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



VI.1 The EU's trade surplus with the USA turned around from 0.7 bio ecu in the first three quarters of 1994 to -3.3 bio ecu in the same period of 1995. In contrast, the total EU's trade balance with the rest of the world went up from -7.3 bio ecu to 6.1 bio ecu comparing the first nine months of 1994 and 1995. The deficit in the trade balance with the USA was the result of a 3.7% increase in imports while exports went down 2%, bringing the EU cover ratio (export/import) down to 95.5. This was basically due to the weak performance registered in the second quarter of 1995 (cover ratio of 92).

VI.2 The EU volume exported to the United States decreased 7.8% comparing the first three quarters of 1994 and 1995, while the volume of imports grew 5.7%. The unit value of exports increased (1.7%) while that of imports decreased (2.7%) in the same period, leading to a substantial improvement of the EU terms of trade. These developments are not independent from the 10.4% devaluation of the USD against the ECU during the same period.

VI.3 During this same period, Raw materials (SITC 0-4) were the cause of the EU deficit with an amount of 6 bio ecu, which was partly compensated by the surplus of 4.5 bio ecu recorded by Manufactured products (SITC 5-8). In comparison to the previous year, the strongest deterioration was in Crude Materials except fuels (SITC 2+4) which went from -3.4 bio ecu in 1994 to -4.6 bio ecu in 1995. Smaller deficits compared to same period of 1994 were registered in Chemicals (SITC 5) and Food, beverage and tobacco (SITC 0+1) (-0.4 bio ecu each), Mineral Fuels (SITC 3) (-1 bio ecu) and Other not classified goods (SITC 9) (-1.8 bio ecu). While Miscellaneous manufactured goods (SITC 6+8) recorded a surplus of 4.5 bio ecu compared to 5.7 bio ecu recorded in the previous year.

EU TRADE BALANCE WITH USA

TRADE BY PRODUCTS (SITC-Rev3)	1994	1995	1995	1995	1994	1995	1995	1995
	I - IV	I - III	II	III	I - IV	I - III	II	III
	bio ecus				cover ratio [= (exports/imports)*100]			
TOTAL TRADE (0 - 9)	1.9	-3.3	-2.1	0.3	102.0	95.5	91.9	101.3
Raw materials (0 - 4)	-3.8	-6.0	-2.1	-1.3	68.9	43.0	41.5	55.2
Food, beverage and tobacco (0 + 1)	0.1	-0.4	-0.2	0.2	101.8	89.0	82.4	117.0
Crude materials except fuels (2 + 4)	-4.8	-4.6	-1.6	-1.2	18.3	15.3	14.4	19.4
Mineral fuels (3)	0.9	-1.0	-0.3	-0.3	146.7	37.2	47.8	34.3
Manufactured products (5 - 8)	8.6	4.5	0.9	2.0	111.4	107.9	104.7	111.3
Chemicals (5)	0.4	-0.4	-0.2	0.0	103.7	95.9	93.8	101.2
Machinery and transport equipment (7)	0.1	0.4	-0.1	0.3	100.2	101.3	98.9	102.5
Misc. manufactured goods (6 + 8)	8.1	4.5	1.3	1.8	141.1	128.9	124.0	135.4
Other not classified goods (9)	-2.9	-1.8	-0.9	-0.5	51.4	53.2	43.2	61.0
MEMORANDUM ITEMS								
EU trade balance	-3.5	6.1	2.3	2.9	99.4	101.4	101.6	102.1
USA trade balance**	-148.7	-109.0	-3.5	-4.1	77.6	74.3	75.6	72.5
EU - JAPAN trade balance	-22.2	-15.5	-5.9	-4.3	54.5	58.9	55.7	64.1
USA - JAPAN trade balance**	-58.0	-38.1	-1.3	-1.2	43.4	43.7	47.5	52.0

** Source IMF-DOTS



Part VII: EU trade balance and intra-industry trade intensity with the USA

VII.1 From January to September 1995, the EU largest surpluses with the USA were in Road vehicles (SITC 78) with an amount of 5.1 bio ecu, Machinery specialized for particular industries (SITC 72) with 2.6 bio ecu and Non-metallic mineral manufactured goods (SITC 66) with 1.8 bio ecu. Other positive balances were also recorded by Iron and Steel (SITC 67), Beverages (SITC 11) and Footwear (SITC 85) with 1.6 bio ecu, 1.4 bio ecu and 0.9 bio ecu respectively.

VII.2 The largest deficits in the same period were reported by the Office machines and computer (SITC 75) (4.6 bio ecu), followed by Professional & controlling equip. (SITC 87) and Electrical machinery and apparatus (SITC 77), with amounts of 1.9 bio ecu and 1.6 bio ecu. Next in line, followed Oil seeds and oleaginous fruits (SITC 22) and Telecommunications sound & video equipment (SITC 76), with 1.59 bio ecu each.

EU TRADE BALANCE WITH THE USA BY MAIN SITC DIVISIONS

SITC Rev.3	Value in BIO (10 ⁹) ecu	94 I-IV	95 I-III	94 III	94 IV	95 I	95 II	95 III
HIGHEST SURPLUSES								
78	Road vehicles	7.04	5.12	1.37	2.23	2.09	1.74	1.29
72	Mach. specified for particular industries	3.82	2.64	0.88	1.11	0.96	0.92	0.75
66	Non metallic mineral manufactured goods	2.78	1.84	0.61	0.70	0.64	0.58	0.62
67	Iron and steel	3.37	1.58	0.84	0.88	0.59	0.58	0.42
11	Beverages	2.04	1.44	0.57	0.50	0.41	0.45	0.58
85	Footwear	1.22	0.95	0.27	0.31	0.33	0.29	0.32
74	General industrial mach.	1.09	0.84	0.28	0.34	0.26	0.28	0.29
84	Articles of apparel & clothing accessories	0.94	0.77	0.31	0.24	0.26	0.16	0.35
82	Furniture and parts: bedding, mattress	0.73	0.63	0.15	0.21	0.20	0.20	0.23
51	Organic chemicals	1.15	0.56	0.35	0.19	0.22	0.13	0.21
LARGEST DEFICITS								
75	Office mach. & data processing mach.	-6.91	-4.64	-1.50	-1.77	-1.88	-1.51	-1.24
87	Professional & controlling equip.	-2.35	-1.86	-0.53	-0.52	-0.66	-0.65	-0.55
77	Electrical mach. appl. & elect.parts thereof	-2.27	-1.63	-0.40	-0.52	-0.58	-0.57	-0.48
22	Oil seed & oleaginous fruits	-1.67	-1.59	-0.08	-0.52	-0.81	-0.54	-0.24
76	Telecom., sound, reproducing equip.	-1.72	-1.59	-0.41	-0.42	-0.48	-0.53	-0.58
25	Pulp & waste paper	-1.04	-1.17	-0.26	-0.30	-0.35	-0.42	-0.40
32	Coal, coke & briquettes	-1.28	-1.05	-0.30	-0.32	-0.37	-0.35	-0.33
97	Gold non-monetary	-1.46	-0.92	-0.29	-0.29	-0.24	-0.35	-0.33
08	Feeding for animals	-1.04	-0.91	-0.22	-0.24	-0.36	-0.32	-0.23
79	Other transport equipment	-1.75	-0.76	-0.44	-0.23	-0.15	-0.78	0.17



VII.3 The analysis of the intra-industry trade intensity shows that, in the first nine months of 1995, mainly manufactured goods registered a high trade intensity i.e. Power generating machinery & equipment (SITC 71) with 99 and Non ferrous metals (SITC 68) with 96. Petroleum (SITC 33) was also located registering an intra-industry trade intensity above 95.

VII.4 The products which performed the lowest intra-industry trade intensity were primary goods. Coal, coke & briquettes (SITC 32) only reported small imports, Oil seed & oleaginous fruits (SITC 22) and Pulp and waste paper (SITC 25) with 1 each. Animal oils and fats (SITC 41) and Cork and wood (SITC 24) were located with a trade intensity of 7 each.

EU-USA INTRA-INDUSTRY TRADE INTENSITIES BY PRODUCTS(*) IN 1995 I-III

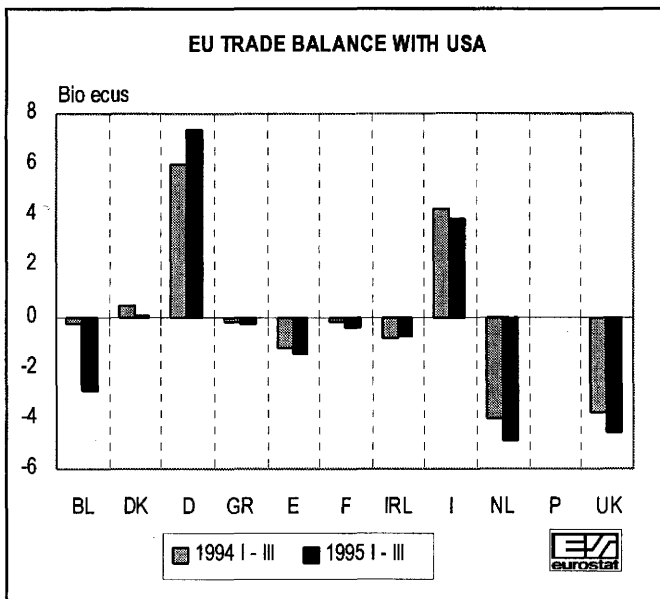
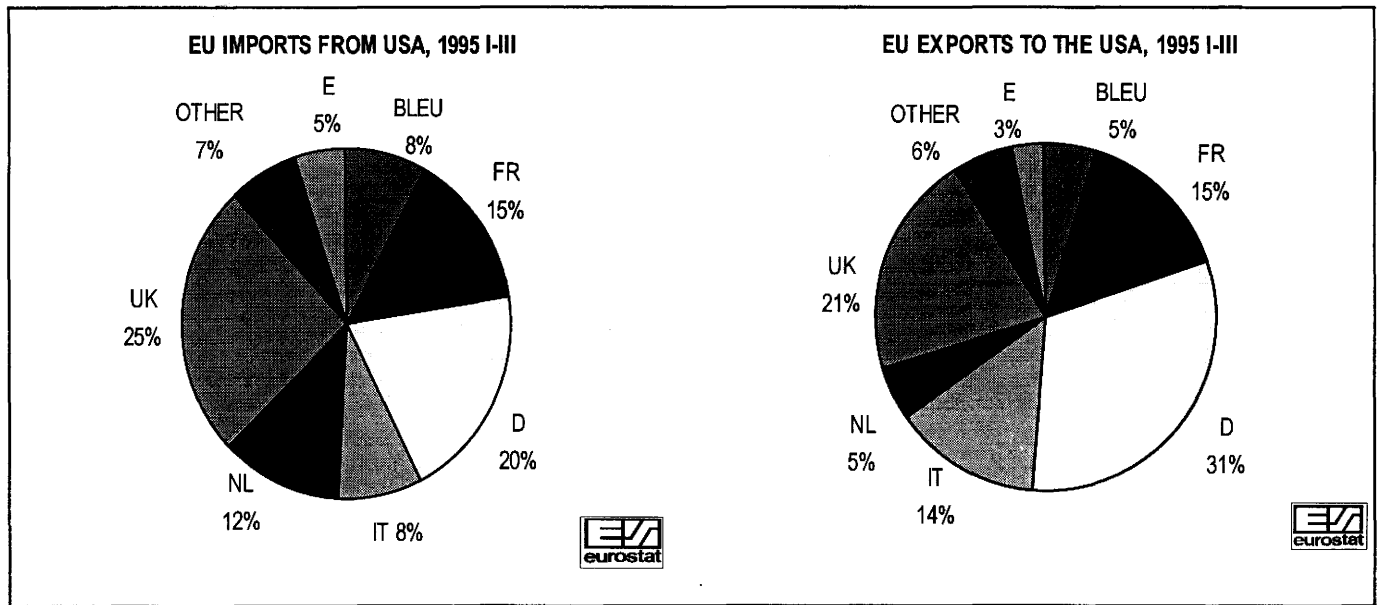
SITC Rev. 3	Products with highest Intra-industry Trade Intensity	SITC Rev. 3	Products with the lowest Intra-industry Trade Intensity
71	Power Generating Mach. & Equip. 99	32	Coal, Coke and Briquettes 0
52	Inorganic Chemicals 97	22	Oil seeds & oleaginous fruits 1
33	Petroleum 97	25	Pulp and waste paper 1
29	Crude animal & vegetable materials 97	41	Animal oils and fats 7
68	Non ferrous metals 96	24	Cork and wood 7
09	Miscellaneous edible products 96	08	Feeding stuff for animals 10
54	Medical & pharmaceutical products 95	02	Dairy products & Bird's eggs 14
89	Miscellaneous manufactured goods 94	12	Tobacco & tobacco manufact. 16
88	Photographic apparatus, equip. 94	85	Footwear 17
53	Dyeing, tanning & colouring materials 94	11	Beverages 18

(*) Intra-industry Trade Intensity = $\frac{(X+M)-|X-M|}{X+M} \cdot 100$



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 In the first three quarters of 1995, the trade between the EU and the USA by Member States indicated a high concentration in a few countries. The UK covered 26% of the EU imports (19 bio ecu) and Germany covered 20%

with an amount of 14 bio ecu. The participation of France and the Netherlands was of around 15% and 12% with 11 bio ecu and 8.5 bio ecu, respectively.

VIII.2 Germany and the UK were also the main sellers to the USA, respectively accounting for 31% (21.4 bio ecu) and 21% (14 bio ecu) of the EU's total exports during the first three quarters of 1995. France and Italy followed with 15% and 14% (10 bio ecu and 9.5 bio ecu respectively).

VIII.3 From the first three quarters of 1994 to those of 1995, the biggest percentual changes in imports were displayed by BLEU (23.2%), followed by Italy (14.3%) and Denmark (12.5%). France and the UK had negative growth rates (-2.1% and -0.5%). On the export side, Portugal registered the highest growth (11%); while Greece and Denmark recorded the lowest (-26.3% and -20%).

VIII.4 In the same period, only Germany and Italy recorded trade surpluses with the USA, 7.3 bio ecu and 3.9 bio ecu respectively. The Netherlands and the UK showed the biggest deficits, with amounts of -4.9 bio ecu and -4.5 bio ecu. BLEU and Spain recorded smaller deficits (around -2 bio ecu each).

EU TRADE WITH THE USA BY MEMBER STATES

	IMPORTS				EXPORTS				TRADE BALANCE		
	1995 I-III share	1994 I-III Bio ecus	1995 I-III Bio ecus	95/94 I-III %-var	1995 I-III share	1994 I-III Bio ecus	1995 I-III Bio ecus	95/94 I-III %-var	1994 I-III Bio ecus	1995 I-III Bio ecus	95/94 I-III %-var
Bleu	8.1	4.74	5.84	23.2	5.4	4.45	3.74	-15.9	-0.29	-2.09	620.4
Denmark	1.5	0.97	1.09	12.5	1.6	1.40	1.12	-19.9	0.43	0.03	-92.6
Germany	19.5	13.82	14.08	1.8	31.1	20.48	21.43	4.6	6.65	7.35	10.4
Greece	0.6	0.42	0.47	10.1	0.3	0.25	0.19	-26.3	-0.17	-0.28	64.0
Spain	4.9	3.50	3.54	1.0	3.0	2.24	2.08	-7.4	-1.26	-1.46	16.0
France	14.9	11.01	10.77	-2.1	15.0	10.78	10.32	-4.3	-0.23	-0.46	97.7
Ireland	3.9	2.61	2.80	7.5	2.9	1.81	2.02	11.6	-0.80	-0.78	-1.8
Italy	7.7	4.88	5.58	14.3	13.7	9.18	9.47	3.1	4.30	3.89	-9.6
Netherlands	11.8	8.04	8.52	6.0	5.2	4.01	3.60	-10.2	-4.04	-4.92	22.0
Portugal	0.9	0.61	0.62	1.7	0.9	0.55	0.61	11.1	-0.06	-0.01	-81.0
United Kingdom	26.2	18.97	18.88	-0.5	20.8	15.17	14.34	-5.4	-3.81	-4.54	19.2
EUR12	100.0	69.58	72.19	3.7	100.0	70.32	68.92	-2.0	0.74	-3.28	-544.3