



STATISTICS IN FOCUS

External trade

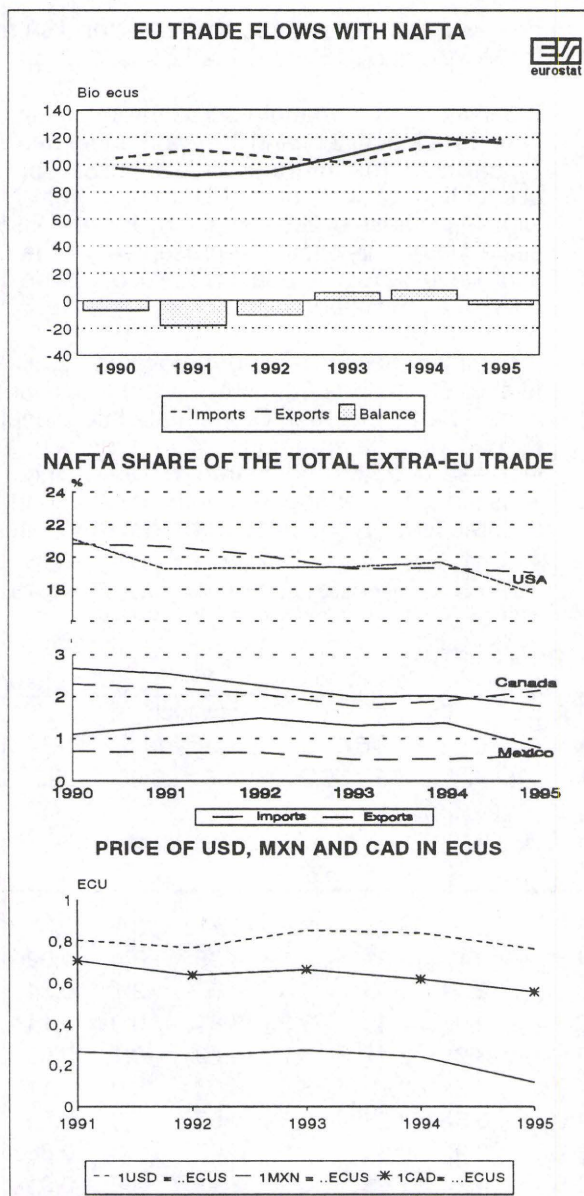
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EUROPEAN UNION⁽¹⁾ TRADE WITH NAFTA⁽²⁾ - Results until 1995 -

Part I: Summary



I.1. Trade relations between the EU and NAFTA are extremely important. In 1995, they covered around 21% of the EU's total trade of which 18% was with the USA, 2% with Canada and nearly 1% with Mexico. EU imports from these countries accounted for 118.6 bio ecu; while exports registered 115.6 bio ecu. The EU trade balance with NAFTA went from a surplus of 7.4 bio ecu in 1994 to a deficit of 2.9 bio ecu in 1995 (1990: -7.3 bio ecu). This was due to an increase of EU imports (5.3%) together with a 3.6% reduction in EU exports. Since 1990, the ratio of EU exports to EU imports with NAFTA improved significantly going from 93 to 98.

I.2 The EU trade with NAFTA was concentrated in manufactured products. In 1995, its share in EU imports reached 78% and 90% in exports. Machinery and transport equipment represented 45% of the EU imports and 50% of EU exports. The leading EU imports were: Office machinery and computers (12.7 bio ecu producing a deficit of 8.4 bio ecu), Electrical machinery & appliances (10.2 bio ecu), Other transport equipment mainly aircraft (7.4 bio ecu), and Power generating machinery and equipment (6.9 bio ecu). The top EU exports were Road vehicles (12.4 bio ecu creating a surplus of 9 bio ecu), Machinery specialized for particular industries (8.3 bio ecu), Electrical machinery & appliances (6.9 bio ecu), and General industrial machinery & equipment (6.7 bio ecu).

I.3. In 1995, almost one quarter of EU imports from NAFTA went to the UK. It was the most important EU market for the USA and Canada. Germany imported nearly 19%, followed by France (14%) and the Netherlands (11%). For exports, Germany was the biggest supplier to all NAFTA countries (nearly 29%) followed by the UK (19%), France (14%) and Italy (13%). The highest surpluses were achieved by Germany and Italy (11 bio ecu and 5.8 bio ecu) while the largest deficits were recorded by the UK and the Netherlands (7.3 bio ecu each) followed by Belgium (3.8 bio ecu).

Source EUROSTAT: COMEXT database. External Trade Statistics (Imports CIF, Exports FOB).

(1) As of January 1st 1995, the EU has been enlarged to 15 Member States. This publication includes all 15 members states; however data before 1995 for the 3 New Member States (Sweden, Finland, Austria) does not follow the common methodology

(2) NAFTA (North America Free Trade Agreement), signed between the USA, Canada, Mexico, has been effective since the 1st of January of 1994.

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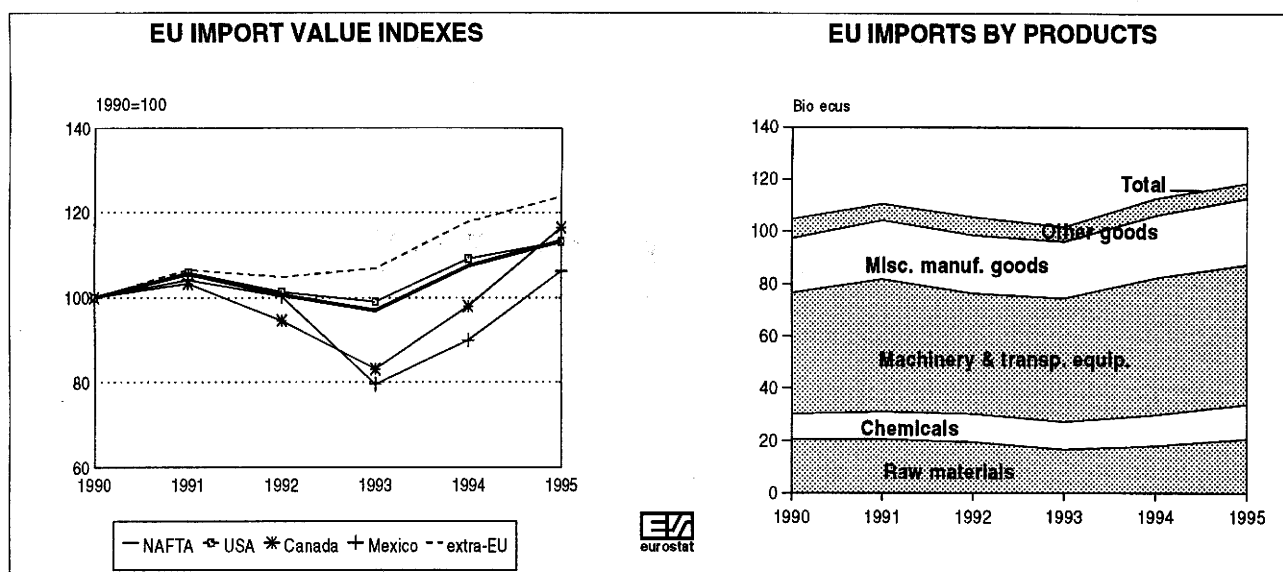
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Part II: EU imports from NAFTA by product groups⁽³⁾



II.1 EU imports from NAFTA increased from 1994 to 1995 by a 5.3% very close to the growth of extra EU-imports (+5.1%). From 1990 to 1995, the yearly average growth of EU imports from this region was of 2.5%, considerably below the 4.4% growth for total extra-EU imports. The share of NAFTA on the total extra-EU imports was nearly 22% in 1995 (1990: 24%). Since 1990, Canada displayed the highest increase with a yearly growth of 3.1% p.a., while in the USA registered an increase of 2.5% and Mexico 1.2% p.a. Around 87% or 103.6 bio ecu of EU imports came from the USA. Canada followed with a share of 9.8% (11.7 bio ecu) and Mexico with a 2.7% (3.2 bio ecu) in 1995.

II.2 On average, EU imports from NAFTA were highly concentrated on manufactured goods (SITC 5-8) reaching 78% of the total in 1995. Individually,

however, the share varied from 81% for USA to 66% for Mexico and 51% for Canada.

II.3 Among the manufactured products in 1995, imports of Machinery and transport equipment (SITC 7) showed the highest values (53.5 bio ecu) accounting for 45% of all EU imports from NAFTA with an increase of 2.2% against 1994 and 2.9% p.a. since 1990. This section represented for the USA a share of 48%, for Canada and Mexico a share of 26% each of all EU imports.

II.4 Primary goods (SITC 0-4) covered 17.5% of the total of EU-imports from NAFTA (20.8 bio ecu). The largest part concerned Crude materials except fuels (SITC 2+4) with an amount of 11.4 bio ecu, and an increase of 23.6% compared to 1994 (since 1990: +2% p.a.). The latter part was the most important for all three NAFTA countries within the raw materials.

(3) 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.

EU IMPORTS FROM NAFTA

(in bio ecus)

TRADE BY PRODUCTS (SITC Rev.3)	NAFTA			of which					
	-	total	-	USA		Canada		Mexico	
	1995	95/94	95/90	1995	95/90	1995	95/90	1995	95/90
	- % var. p.a. -			% var. p.a.		% var. p.a.		% var. p.a.	
TOTAL	118,55	5,3	2,5	103,63	2,5	11,71	3,1	3,21	1,2
Raw materials (0-4)	20,77	14,6	0,1	14,81	1,1	4,95	0,4	1,02	-10,7
Food, beverages, tobacco (0+1)	6,16	6,0	2,7	4,95	2,3	0,87	2,1	0,34	11,9
Crude materials except fuels (2+4)	11,41	23,6	2,0	7,45	3,2	3,81	0,0	0,14	-2,0
Mineral fuels (3)	3,20	3,6	-8,3	2,41	-5,7	0,26	0,1	0,53	-18,1
Manufactured products (5-8)	92,02	4,7	3,7	83,89	3,4	6,03	6,0	2,11	12,0
Chemicals (5)	13,19	11,9	6,5	12,28	6,5	0,57	7,0	0,35	6,7
Machinery & transport equipment (7)	53,54	2,2	2,9	49,65	2,6	3,05	7,8	0,85	9,8
Misc. manufactured goods (6+8)	25,29	6,8	4,2	21,96	3,9	2,41	3,8	0,91	17,2
Other not classified goods (9)	5,76	-12,3	-4,8	4,93	-5,7	0,73	1,2	0,09	17,8
MEMORANDUM ITEMS									
EU total imports (Extra-EU)	544,70	5,1	4,4	-	-	-	-	-	-
EU imports from South America	23,41	5,6	2,4	-	-	-	-	-	-
EU imports from Central America + Cuba	2,31	14,4	5,8	-	-	-	-	-	-

Part III: EU imports by main product categories (SITC divisions)

III.1 The four most important EU imports from NAFTA, in 1995, belonged all to the Machinery and transport equipment section (SITC 7). These were the following: Office machinery and automatic data-processing machinery (SITC 75) with 12.7 bio ecu, Electrical machinery & appliances (SITC 77) with 10.2 bio ecu, Other transport equipment (SITC 79) with 7.4 bio ecu, and Power generating machinery and equip. (SITC 71) with 6.9 bio ecu. Miscellaneous manufactured articles (SITC 89) and Professional, scientific & controlling instruments (SITC 87) followed with around 6 bio ecu each and together with the next two products from SITC 7: General industry machinery (SITC 74) and Telecommunications, sound recording & equipment (SITC 76) they accounted for 48.5% of the total EU purchases.

III.2 From the first twenty most important EU imports from NAFTA, the USA was always the main provider. However, the main products imported from Mexico (not presented within this first twenty NAFTA products) were Petroleum & related materials (SITC 33) with 0.5 bio ecu, Non-ferrous metals (SITC 68) and Iron and steel (SITC 67) with 0.3 bio ecu each. The most important outlets for Canada were in the following order: Pulp and waste paper (SITC 25) with 1.6 bio ecu, Metalliferous ores and metal scrap (SITC 28) with 1.1 bio ecu and Non-ferrous metals (SITC 68) with 0.8 bio ecu.

III.3 Compared to 1994, Pulp and waste paper (SITC 25) showed the highest growth rate of +51%. Other dynamic rates were registered by Non-ferrous metals (SITC 68), Oil seeds and oleaginous fruits (SITC 22), and Metalliferous ores and metal scrap (SITC 28) with 45%, 30% and 27% respectively. On the other hand, imports from NAFTA of Power generating machinery & equipment (SITC 71), Miscellaneous manufactured articles (SITC 89), and Other transport equipment (SITC 79) went down by 7.8%, 5.1%, and 4.8% respectively.

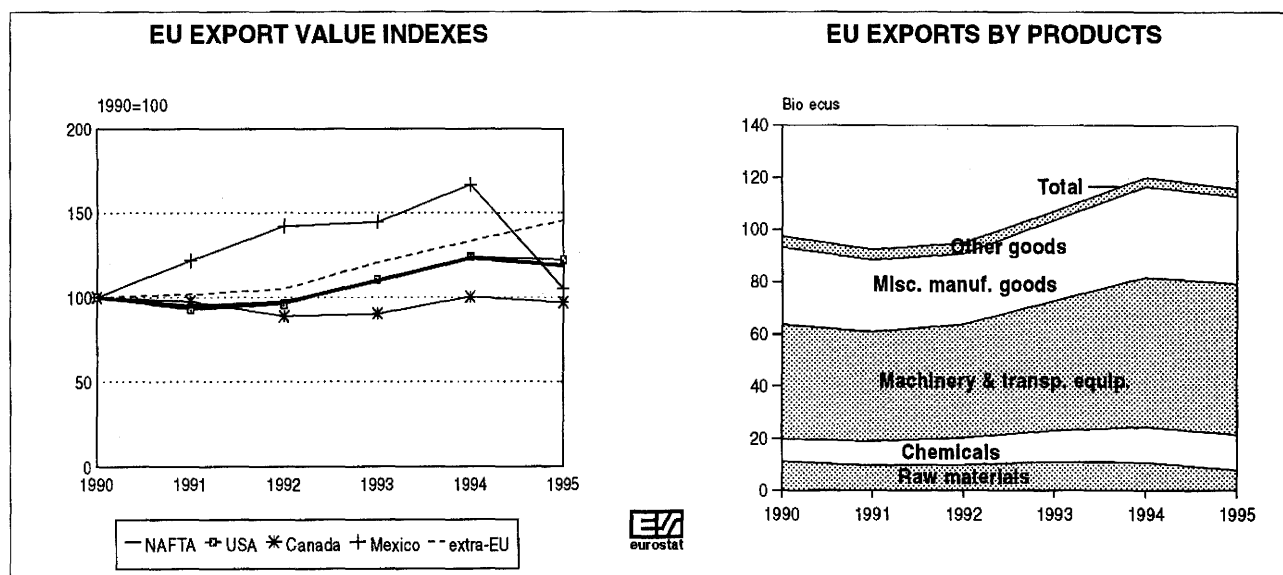
III.4 In 1995, almost 60% of Pulp and waste paper (SITC 25) and Oil seeds and oleaginous fruits (SITC 22) imported by the EU came from NAFTA. The first accounted for 3.2 bio ecu of which Canada and the USA provided about one half each; while for the 2.6 bio ecu of the second one 2.2 bio ecu came from the USA. The EU also was strongly dependent on the NAFTA for its supplies of Power generating machinery and equipment (SITC 71) (51% of total extra-EU imports) with an amount of 6.9 bio ecu of which 6.2 bio ecu from the USA. EU purchases of Professional, scientific & controlling instruments. (SITC 87) and Other transport equipment (SITC 79) came next with around 50% each. In both cases, the most important supplier was the USA with 6.7 bio ecu (total: 7.4 bio ecu) and 5.6 bio ecu (total: 6.1 bio ecu) respectively.

EU IMPORTS FROM NAFTA BY MAIN PRODUCTS, 1995

(in bio ecus)								
Codes	PRODUCTS	NAFTA				TOTAL	share in	
		of which				95/94	Extra-EU	EU-
		TOTAL	USA	Canada	Mexico	% var.	imports by products %	imports from NAFTA %
SITC Rev.3								
75	Office & automatic data-processing mach.	12,65	12,00	0,51	0,14	-2,3	36,6	10,7
77	Electr. mach., app. & appliances, n.e.s.	10,15	9,55	0,42	0,18	11,1	24,7	8,6
79	Other transport equip.	7,39	6,70	0,53	0,17	-4,9	47,4	6,2
71	Power generating mach. and equip.	6,92	6,19	0,49	0,24	-7,8	51,6	5,8
89	Miscellaneous manufact. articles, n.e.s.	6,11	5,69	0,31	0,11	-5,1	27,0	5,2
87	Professional, scientific & controlling instrum.	5,81	5,63	0,16	0,02	1,2	50,7	4,9
74	General industr. mach. & equip., n.e.s.	4,85	4,59	0,23	0,03	5,7	33,1	4,1
76	Telecommunic., sound recording & equip.	4,01	3,65	0,33	0,03	21,9	22,5	3,4
51	Organic chemicals	3,64	3,39	0,07	0,17	15,5	30,3	3,1
78	Road vehicles (including air-cushion vehicles)	3,39	3,08	0,25	0,05	-3,9	15,3	2,9
72	Mach. specialized for particular industries	3,34	3,09	0,24	0,01	12,5	33,1	2,8
25	Pulp and waste paper	3,19	1,58	1,62	0,00	50,8	59,3	2,7
22	Oil seeds and oleaginous fruits	2,65	2,15	0,50	0,00	30,7	58,9	2,2
54	Medical and pharmaceutical prod.	2,65	2,51	0,10	0,04	7,7	31,9	2,2
68	Non-ferrous metals	2,43	1,39	0,78	0,26	45,1	14,9	2,0
28	Metalliferous ores and metal scrap	2,29	1,15	1,09	0,06	27,5	23,0	1,9
59	Chemical materials and prod. n.e.s.	2,02	1,97	0,03	0,01	6,1	45,7	1,7
32	Coal, coke and briquettes	1,85	1,65	0,20	-	20,6	30,9	1,6
69	Manufact. of metals, n.e.s.	1,72	1,59	0,10	0,03	11,6	17,0	1,5
57	Plastics in primary forms	1,64	1,51	0,06	0,07	20,7	30,0	1,4

* i.e. EU imports of a product from NAFTA related to total extra-EU imports of this product.

Part IV: EU exports to NAFTA by product groups



IV.1 In 1995, the value of EU exports to NAFTA decreased by 3.6% compared to 1994, reaching 115.6 bio ecu, representing a share of almost 20% of the total EU exports. By contrast, the total extra-EU exports increased 9.2%. The 1990-95 yearly average growth rate of EU exports to the region was one point higher than EU imports from NAFTA. EU exports showed a 3.5% p.a. increase against a 8% of all extra-EU exports. By comparison, EU exports to South America increased by a remarkable 19% p.a. since 1990.

IV.2 As in the case of imports, EU exports to NAFTA in 1995 were concentrated in the manufacturing sector, covering a share of 90% (104.8 bio ecu). This sector, although stagnating as compared to 1994 (-0.7%), showed an increase of +5% p.a. since 1990 which was mainly due to the increases of Chemicals (SITC 5) (+9.8%) and Machinery and transport

equipment section (SITC 7) (+5.6%). Meanwhile, Miscellaneous manufactured goods (SITC 6+8) decreased 3.9% compared to 1994 and were up 2.6% p.a. since 1990.

IV.3 EU exports of primary products covered a share of around 6% in 1995 (7.8 bio ecu), showing decreases of 7% from 1994 and 27.6% p.a. since 1990. This was due to the performance of Mineral fuels (3) which showed a decrease of 71% compared to 1994 and of 26% p.a. since 1990. This reduction resulted from the decreases recorded with the USA (-24.9% p.a.) and Canada (-33.5% p.a.). Another decline was registered in EU exports of Food, beverage and tobacco (SITC 0+1) with -9.5% compared to 1994 reaching 5.4 bio ecu in 1995 (-0.8% since 1990). This resulted from the exports to Mexico and Canada which displayed rates of -15% and -0.2% respectively.

EU EXPORTS TO NAFTA

(in bio ecus)

TRADE BY PRODUCTS (SITC Rev.3)	NAFTA			of which					
				USA		Canada		Mexico	
	1995	95/94	95/90	1995	95/90	1995	95/90	1995	95/90
	- % var. p.a. -			% var. p.a.		% var. p.a.		% var. p.a.	
TOTAL	115,63	-3,6	3,5	101,01	4,1	10,13	-0,6	4,49	1,0
Raw materials (0-4)	7,83	-27,6	-7,0	6,48	-6,2	1,07	-9,1	0,28	-14,7
Food, beverages, tobacco (0+1)	5,44	-9,5	-0,8	4,45	0,4	0,75	-0,2	0,23	-15,1
Crude materials except fuels (2+4)	1,42	0,1	3,8	1,17	4,3	0,21	7,1	0,04	-14,9
Mineral fuels (3)	0,98	-71,2	-26,1	0,86	-24,9	0,11	-33,5	0,01	6,0
Manufactured products (5-8)	104,88	-0,7	5,1	91,99	5,6	8,75	1,0	4,14	3,0
Chemicals (5)	13,66	0,3	9,8	11,65	10,1	1,35	8,8	0,67	6,9
Machinery & transport equipment (7)	57,69	1,1	5,6	50,92	6,3	4,31	0,9	2,46	2,5
Misc. manufactured goods (6+8)	33,52	-3,9	2,6	29,42	3,1	3,09	-1,3	1,01	2,1
Other not classified goods (9)	2,92	-17,7	-6,9	2,55	-7,1	0,30	-5,4	0,07	-5,4
MEMORANDUM ITEMS									
EU total exports (Extra-EU)	569,00	9,2	7,8	-	-	-	-	-	-
EU exports to South America	23,10	18,4	19,0	-	-	-	-	-	-
EU exports to Central America, Cuba	2,48	9,1	6,9	-	-	-	-	-	-

Part V: EU exports by main product categories (SITC divisions)

V.1 As in the case of imports, the most important EU exports to NAFTA in 1995 were placed within the Machinery and Transport equipment section (SITC 7). These were Road vehicles (SITC 78) with 12.4 bio ecu, Machinery specialized for particular industries (SITC 72) with 8.3 bio ecu, Electrical machinery apparatus (SITC 77) with 8.1 bio ecu, General industry machinery (SITC 74) with 6.9 bio ecu, Power generating machinery and equipment (SITC 71) with 6.7 bio ecu and Other transport equipment (SITC 79) with 6 bio ecu. Together with the Miscellaneous manufactured articles (SITC 89) (6 bio ecu) and Office & automatic data processing machinery (SITC 75) (5.5 bio ecu), they covered 52% of the total EU exports to these countries.

V.2 The ranking of the top EU export categories to the USA are almost identical with the exports to NAFTA. Also for Canada and Mexico, the ranking is quite similar. Notable exceptions are shown for Canada and Mexico where Organic chemicals (SITC 51), Iron and steel (SITC 67) and Medical and pharmaceutical products (SITC 54) received higher rankings than for the NAFTA as a whole.

V.3 In 1995, the most dynamic exports were Paper, paperboard, etc. (SITC 64) and Metal working machinery (SITC 73), which showed growth rates of more than 17% compared to 1994. Electrical machinery & appliances (SITC 77) followed with a rate of 14.6%. On the other hand, Iron and steel (SITC 67) and Power generating machinery and equipment (SITC 71) showed reductions of -26.3% and -13.1%. Textile, yarn, fabrics, etc. (SITC 65) decreased 9.2% compared to 1994, while Beverages (SITC 11) diminished 8% during the same period.

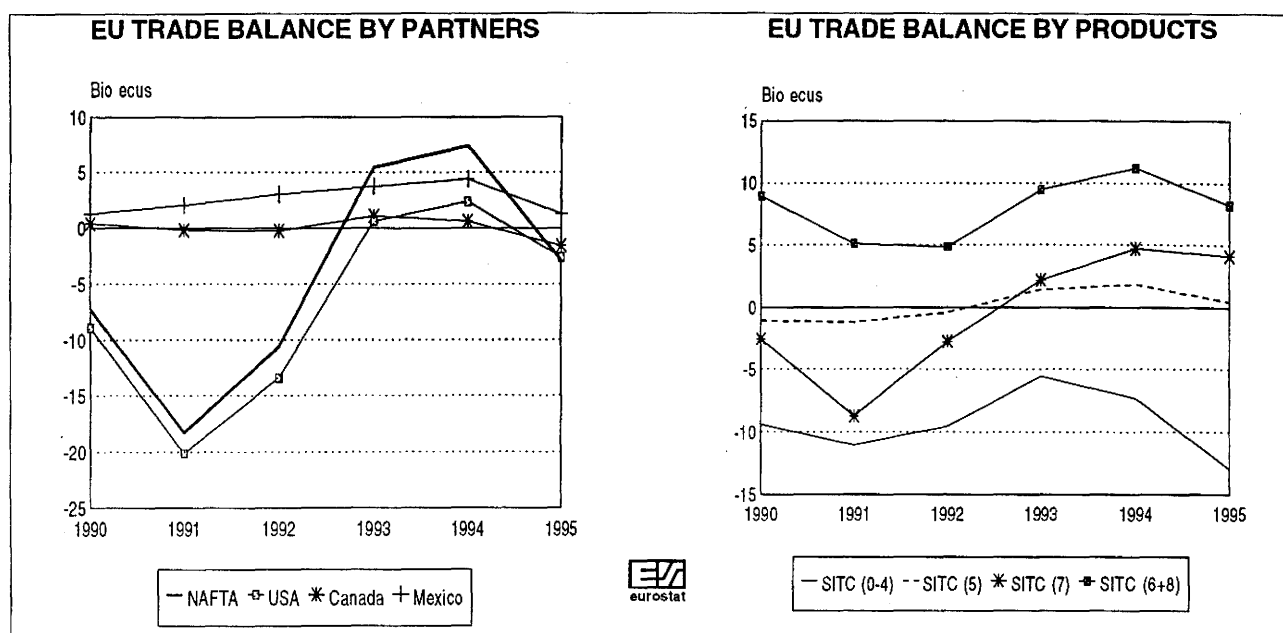
V.4 Around 36% of Power generating machinery and equipment (SITC 71) and Office mach. and automatic data-processing machinery (SITC 75) exported outside the EU in 1995 were destined to NAFTA (ECU 12.1 billion). NAFTA's purchases of Beverages (SITC 11) accounted for almost 32% of extra-EU exports, while Organic chemicals (SITC 51) registered 29%. More than 27% of Photographic appliances, equipment, supplies & optical goods (SITC 88) went to the NAFTA countries. For each product, the USA acquired the highest shares.

EU EXPORTS TO NAFTA BY MAIN PRODUCTS, 1995

							(in bio ecus)	
						TOTAL	share in	
Codes	PRODUCTS	NAFTA	of which			95/94	Extra-EU exports by products	EU- exports to NAFTA
SITC Rev.3		TOTAL	USA	Canada	Mexico	% var.	%	%
78	Road vehicles (incl. air-cushion vehicles)	12,44	11,21	0,72	0,50	-0,4	24,0	10,8
72	Mach. specialized for particular industries	8,26	6,93	0,89	0,45	-1,9	21,6	7,1
77	Electr. mach., app. & appliances, n.e.s.	8,12	7,18	0,64	0,31	14,7	21,2	7,0
74	General industr. mach. & equip., n.e.s.	6,97	5,94	0,66	0,37	3,1	19,1	6,0
71	Power generating mach. and equip.	6,68	5,92	0,50	0,26	-13,1	36,1	5,8
79	Other transport equip.	6,03	5,49	0,36	0,18	-2,4	20,9	5,2
89	Miscellaneous manufact. articles, n.e.s.	5,95	5,35	0,45	0,14	-3,9	24,3	5,1
75	Office & automatic data-processing mach.	5,47	5,12	0,23	0,12	12,0	35,7	4,7
51	Organic chemicals	4,66	4,08	0,36	0,22	-2,1	28,7	4,0
66	Non-metallic mineral manufact., n.e.s.	3,95	3,64	0,25	0,06	-6,7	20,2	3,4
67	Iron and steel	3,79	3,00	0,54	0,25	-26,3	22,8	3,3
87	Prof., scientific & controlling instruments	3,38	3,03	0,25	0,10	0,5	25,4	2,9
54	Medical and pharmaceutical prod.	3,36	2,75	0,41	0,20	11,4	19,8	2,9
69	Manufact. of metals, n.e.s.	2,60	2,17	0,29	0,14	-0,1	17,5	2,3
11	Beverages	2,59	2,24	0,30	0,05	-8,0	31,5	2,2
65	Textile yarn, fabrics, made-up articles	2,04	1,76	0,24	0,05	-9,2	12,2	1,8
64	Paper, paperboard & art. of paper	1,87	1,60	0,19	0,07	17,3	15,4	1,6
73	Metal working mach.	1,78	1,50	0,17	0,12	17,6	24,1	1,5
88	Photogr. app.,supplies & optical goods	1,77	1,64	0,10	0,02	1,9	27,4	1,5
84	Art. of apparel. & clothing accessories	1,76	1,52	0,20	0,04	1,2	15,5	1,5

* i.e. EU exports of a product to NAFTA related to total extra-EU exports of this product.

Part VI: EU Trade Balance with NAFTA



VI.1 During the six year term, the EU's trade balance with NAFTA was quite variable. It went from a deficit of 7.4 bio ecu in 1990 to -18.3 bio ecu in 1991 before increasing sharply and steadily to 7.3 bio ecu by 1994. However in 1995, it turned again into a deficit of 2.9 bio ecu. This erratic development was mainly the result of the EU trade balance with the USA. The evolution of the trade balance with Canada and Mexico was similar to the trade balance with the USA but in a less pronounced way.

VI.2 Since the early 1990s, the EU balance for all manufactured products (SITC 5-8) was, with the exception of 1991, in a substantial and increasing surplus while for Raw materials (SITC 0-4) the EU balance recorded a considerable and growing deficit. In 1995, the deficit shown by raw materials (-12.94 bio ecu) was compensated by the surplus in the manufactured goods (12.9 bio ecu), and, the deficit in the trade balance was equivalent to the deficit of Other not classified goods (SITC 9) (-2.8 bio ecu).

Within the primary products, Crude materials except fuels (SITC 2+4) (-10 bio ecu) caused almost the totality of the deficit (-12.9 bio ecu), while Food, beverages and tobacco (SITC 0+1) and Mineral fuels (SITC 3) showed smaller deficits. The surpluses shown by Manufactured goods (SITC 5-8) in the past five years were mainly due to the consistent performance of the Miscellaneous manufactured goods (SITC 6+8) and to the considerable improvement of Machinery and transport equipment section (SITC 7). Chemicals (SITC 5) also showed a small improvement since 1990.

VI.3 The EU-NAFTA cover ratio went up from 93 in 1990 to 98 in 1995. Comparing between 1990 and 1995, the cover ratio of manufactured products increased while that of raw materials decreased. The most notable increases were recorded for Chemicals, which went from 89 to 104 and Machinery and transport equipment which went from 95 to 108 during the six year period.

EU TRADE BALANCE AND COVER RATIO WITH NAFTA

TRADE BY PRODUCTS (SITC Rev. 3)	NAFTA						NAFTA					
	- total		- of which				- total		- of which			
	1990	1994	1995	USA	CAN	MEX	1990	1994	1995	USA	CAN	MEX
	(bio ecus)						Cover ratio = (exp/imp)*100					
TOTAL	-7,25	7,41	-2,93	-2,62	-1,58	1,27	93	107	98	97	87	140
Raw Materials (0-4)	-9,41	-7,32	-12,94	-8,33	-3,87	-0,74	54	60	38	44	22	27
Food, beverage and tobacco (0+1)	0,26	0,20	-0,73	-0,50	-0,12	-0,11	105	103	88	90	87	67
Crude materials except fuels (2+4)	-9,17	-7,81	-9,99	-6,29	-3,60	-0,11	11	15	12	16	6	25
Mineral fuels (3)	-0,50	0,30	-2,22	-1,55	-0,15	-0,52	90	110	31	36	41	2
Manufactured products (5-8)	5,34	17,75	12,86	8,09	2,73	2,04	107	120	114	110	145	197
Chemicals (5)	-1,06	1,84	0,47	-0,63	0,78	0,32	89	116	104	95	238	193
Machinery and transport equip (7)	-2,53	4,70	4,15	1,27	1,27	1,61	95	109	108	103	142	290
Misc. manufactured goods (6+8)	8,93	11,21	8,24	7,46	0,68	0,10	143	147	133	134	128	111
Other not classified goods (9)	-3,18	-3,02	-2,84	-2,38	-0,43	-0,02	57	54	51	52	41	77
MEMORANDUM ITEMS												
EU trade balance (Extra-EU)	-48,81	-3,18	24,31	-	-	-	89	101	104	-	-	-
EU trade bal. with South America	-11,10	-2,70	-0,30	-	-	-	47	88	99	-	-	-
EU trade bal. Central America, Cuba	0,00	0,20	0,20	-	-	-	102	112	107	-	-	-

Part VII: EU trade balance by main product category (SITC divisions) and intra-industry trade index by country

EU TRADE BALANCE WITH NAFTA BY MAIN PRODUCTS

SITC Rev. 3	PRODUCTS	NAFTA					
		-	total	-	of which		
		1990	1994	1995	USA	Canada	Mexico
1995 HIGHEST SURPLUSES							
78	Road vehicles (incl. air-cushion)	9,02	8,96	9,05	8,13	0,47	0,45
72	Mach. specialized for particular industry	3,95	5,46	4,93	3,85	0,65	0,43
67	Iron and steel	2,91	4,77	2,85	2,40	0,45	0,00
66	Non-metallic mineral manufact.	2,77	3,21	2,77	2,54	0,18	0,05
11	Beverages	2,48	2,52	2,27	1,99	0,28	0,00
74	General industr. mach. & equip.	1,09	2,17	2,12	1,35	0,42	0,35
85	Footwear	1,29	1,39	1,43	1,26	0,17	-0,01
84	Articles of apparel. and clothing accessories	1,38	1,17	1,17	0,99	0,15	0,03
82	Furniture, bedding, mattresses, etc.	1,01	0,86	1,03	0,93	0,08	0,02
51	Organic chemicals	0,21	1,62	1,03	0,69	0,29	0,05
1995 LARGEST DEFICITS							
75	Office mach. & automatic data-processing mach.	-8,35	-8,06	-7,18	-6,89	-0,28	-0,01
25	Pulp and waste paper	-2,57	-2,09	-3,16	-1,55	-1,61	0,00
22	Oil seeds and oleaginous fruits	-1,57	-2,01	-2,63	-2,14	-0,49	0,00
87	Professional, scientific & controlling instr.	-2,16	-2,38	-2,44	-2,60	0,08	0,08
76	Telecommunic., sound recording & equip.	-0,45	-1,48	-2,25	-2,14	-0,21	0,09
28	Metalliferous ores and metal scrap	-2,39	-1,60	-2,09	-1,03	-1,01	-0,05
77	Electr. mach., appl & appliances	-1,58	-2,05	-2,03	-2,37	0,22	0,13
32	Coal, coke and briquettes	-2,37	-1,53	-1,85	-1,65	-0,20	0,00
97	Gold, non-monetary	-1,17	-1,76	-1,60	-1,21	-0,39	0,00
79	Other transport equip.	-6,77	-1,60	-1,37	-1,21	-0,17	0,02



VII.1 Along with the previous years, in 1995 the EU's largest surplus with NAFTA was Road Vehicles (SITC 78) with 9.1 bio ecu. It was also the largest surplus with the USA (8.2 bio ecu) and Mexico (0.5 bio ecu). Machinery specialized for particular industry (SITC 72) followed with a surplus of almost 5 bio ecu of which the USA accounted for 3.9 bio ecu, Canada for 0.7 bio ecu and Mexico for 0.4 bio ecu. The latter product showed the most important surplus with Canada.

VII.2 Office machinery & automatic data-processing machinery (SITC 75) was by far the largest deficit in 1995 (-7.2 bio ecu), being also the largest deficit of EU trade with the USA (-6.9 bio ecu). With Canada, the largest deficit was Pulp and waste paper (SITC 25) with -1.6 bio ecu, being only the second largest

for NAFTA with -3.2 bio ecu in 1995. For Other transport equipment (SITC 79), mainly aircrafts, a drastic fall of the deficit from a -6.7 bio ecu in 1990 to -1.4 bio ecu in 1995 was recorded.

VII.3 In the period 1990-95, the degree of intra-industry trade between the EU and each individual NAFTA country, showed an increase. This phenomenon is especially perceived in the case of Canada where the intensity of intra-industry trade increased every single year (1990: 36 to 1995: 59). In the case of the USA, the intensity increased 10 points during the 1991-92 and decreased a few points in 1995 reaching 71. The EU-Mexico intra-industry trade fluctuated from year-to-year; however, from 1990 to 1995 it increased from 39 to 47.

EU-NAFTA INTRA-INDUSTRY TRADE (*) IN 1995

RANK	COUNTRY	INDEX					
		1990	1991	1992	1993	1994	1995
01	USA	65	75	74	68	68	71
02	Canada	36	41	47	50	55	59
03	Mexico	39	46	42	48	44	47

(*) Corrected Grubel-Lloyd Intra-industry Index =

$$\frac{\text{Sum } (X_i + M_i) - \text{Sum } |X_i - M_i|}{\text{Sum } (X_i + M_i) + \text{Sum } |X_i - M_i|} \times 100$$



The Grubel-Lloyd intra-industry index measures the product structure of trade between two partners and is used for international comparison. It is calculated using the SITC divisions from 00 to 97, and its value can vary between 0 (= the two countries are specialised in different product categories: inter-industry trade) and 100 (= the countries are specialised in the same product chapters: intra-industry trade). It is important to note that in some cases the index can be downward biased due to an imbalance in the overall trade balance (surplus or deficit). For that reason the formula includes a correction factor which compensates this bias.

Part VIII: EU trade flows with NAFTA by partners

VIII.1 Most of EU imports from NAFTA went to the UK with a share of 24.5%, amounting 29 bio ecu of which 25.5 bio ecu came from the USA, 3.1 bio ecu from Canada and 0.5 bio ecu from Mexico. Germany was the second most important buyer, covering 18.7% from NAFTA. It bought 19.3 bio ecu from the USA, 2.5 bio ecu from Canada and 0.4 bio ecu from Mexico. However, Spain imported the most from Mexico representing a share of 21.2%, it acquired 0.7 bio ecu in 1995. The value for the three new Member States in 1995 was more than 6 bio ecu with a share of 5.4% of the total EU imports from NAFTA.

VIII.2 In 1995, most of EU exports to all the NAFTA countries came from Germany. It covered an average share of 28.7%, almost 22 bio ecu. The second most important exporter was the UK with a share of 18.8% (21.8 bio ecu). France and Italy followed with shares of 13.8% (16 bio ecu) and 13% (15 bio ecu). France was the second most important exporter to Mexico

covering a share of 17.6% (0.8 bio ecu). It also exported notable shares to the USA (13.5%) and Canada (14.5%) with amounts of 1.7 bio ecu and 1.5 bio ecu respectively. The three new Member States (Sweden, Finland and Austria) together represented 8% of EU exports to NAFTA (9 bio ecu).

VIII.3. Germany and Italy recorded the highest surpluses (11 bio ecu and 5.8 bio ecu respectively). While for Italy the balances were positive with all three NAFTA members; Germany recorded a surplus only with the USA (9.9 bio ecu) and Mexico (1.4 bio ecu). The Netherlands, the UK and BLEU displayed negative balances with NAFTA (-7.3 bio each and -3.8 bio ecu respectively) of which the deficit with the USA was always the highest. Smaller balances were recorded by Sweden and Finland (2 bio ecu and 1 bio ecu respectively) and Spain, the Netherlands and Greece (-2 bio ecu, -1 bio ecu and -0.5 bio ecu respectively). All the other EU countries showed figures close to equilibrium.

EU-NAFTA TRADE FLOWS MATRIX- 1995
(values in bio ECU, % changes p.a. 1990 to 1995 in brackets)

EU Reporter	EU - IMPORTS				EU - EXPORTS				EU - TRADE BALANCE*			
	USA	Canada	Mexico	NAFTA	USA	CANADA	MEXICO	NAFTA	USA	CANADA	MEXICO	NAFTA
F	14,35 (0,4)	1,52 (5,0)	0,42 (-6,9)	16,30 (0,6)	13,68 (5,2)	1,47 (-1,7)	0,79 (4,9)	15,94 (4,4)	-0,7 (2,7)	-0,1 (-0,5)	0,4 (0,4)	-0,4 (2,6)
B	7,83 (6,4)	0,91 (9,6)	0,36 (10,4)	9,11 (6,9)	4,75 (3,4)	0,37 (-1,7)	0,14 (-8,0)	5,26 (2,6)	-3,1 (-1,4)	-0,5 (-0,4)	-0,2 (-0,2)	-3,8 (-1,9)
NL	11,62 (6,2)	0,96 (4,8)	0,32 (11,4)	12,89 (6,2)	4,93 (3,2)	0,52 (3,0)	0,16 (-6,4)	5,61 (2,8)	-6,7 (-2,3)	-0,4 (-0,1)	-0,2 (-0,2)	-7,3 (-2,6)
D	19,26 (3,0)	2,47 (3,9)	0,43 (-0,0)	22,16 (3,1)	29,16 (5,0)	2,19 (-0,9)	1,82 (5,1)	33,17 (4,5)	9,9 (3,6)	-0,3 (-0,5)	1,4 (0,4)	11,0 (3,5)
I	7,55 (0,7)	1,38 (3,8)	0,27 (12,3)	9,19 (1,4)	12,89 (4,8)	1,63 (6,6)	0,47 (3,0)	14,99 (4,9)	5,3 (2,4)	0,3 (0,2)	0,2 (-0,1)	5,8 (2,6)
UK	25,50 (2,7)	3,05 (0,8)	0,48 (10,7)	29,04 (2,6)	19,47 (1,4)	1,96 (-5,9)	0,33 (-2,0)	21,76 (0,5)	-6,0 (-1,9)	-1,1 (-0,8)	-0,1 (-0,2)	-7,3 (-2,9)
IRL	3,96 (11,4)	0,17 (10,3)	0,04 (31,1)	4,17 (11,5)	2,79 (12,8)	0,25 (12,4)	0,10 (-1,8)	3,14 (12,1)	-1,2 (-0,4)	0,1 (0,0)	0,1 (-0,0)	-1,0 (-0,4)
DK	1,49 (1,3)	0,11 (-1,8)	0,03 (21,3)	1,63 (1,3)	1,51 (1,0)	0,15 (0,3)	0,04 (-4,6)	1,71 (0,8)	0,0 (-0,0)	0,0 (0,0)	0,0 (-0,0)	0,1 (-0,0)
EL	0,64 (2,1)	0,07 (6,8)	0,03 (8,2)	0,74 (2,8)	0,26 (-6,2)	0,03 (-3,3)	0,00 (6,8)	0,29 (-5,8)	-0,4 (-0,2)	0,0 (-0,0)	0,0 (-0,0)	-0,5 (-0,2)
P	0,83 (1,4)	0,08 (-12,3)	0,08 (4,5)	0,99 (-0,0)	0,81 (5,3)	0,10 (-1,4)	0,01 (18,9)	0,92 (4,6)	0,0 (0,1)	0,0 (0,1)	-0,1 (-0,0)	-0,1 (0,2)
E	4,80 (-2,9)	0,45 (5,4)	0,68 (-6,8)	5,93 (-2,9)	2,92 (2,8)	0,34 (4,8)	0,43 (-1,4)	3,69 (2,4)	-1,9 (1,1)	-0,1 (-0,0)	-0,3 (0,3)	-2,2 (1,4)
S	3,06 (-3,7)	0,22 (-4,8)	0,03 (11,3)	3,31 (-3,7)	4,57 (4,2)	0,64 (0,6)	0,11 (-16,1)	5,32 (2,9)	1,5 (1,5)	0,4 (0,1)	0,1 (-0,2)	2,0 (1,4)
FIN	1,17 (-4,0)	0,11 (-8,6)	0,01 (15,4)	1,29 (-4,3)	2,05 (10,9)	0,21 (-1,9)	0,04 (-13,5)	2,29 (8,4)	0,9 (1,1)	0,1 (0,0)	0,0 (-0,0)	1,0 (1,1)
A	1,56 (2,2)	0,21 (1,7)	0,02 (-12,4)	1,79 (1,9)	1,24 (3,6)	0,26 (1,3)	0,04 (-1,2)	1,54 (3,1)	-0,3 (0,0)	0,1 (-0,0)	0,0 (0,0)	-0,3 (0,1)
EU(15)	103,63 (2,5)	11,71 (3,1)	3,21 (1,2)	118,55 (2,5)	101,01 (4,1)	10,13 (-0,5)	4,49 (1,0)	115,63 (3,5)	-2,6 (6,6)	-1,6 (-1,9)	1,3 (0,0)	-2,9 (4,7)

* figures in brackets show the absolute change between 1990 and 1995