



# STATISTICS IN FOCUS

## External trade



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### EUROPEAN UNION TRADE AND INVESTMENT WITH NAFTA

— Results until June 1997 —

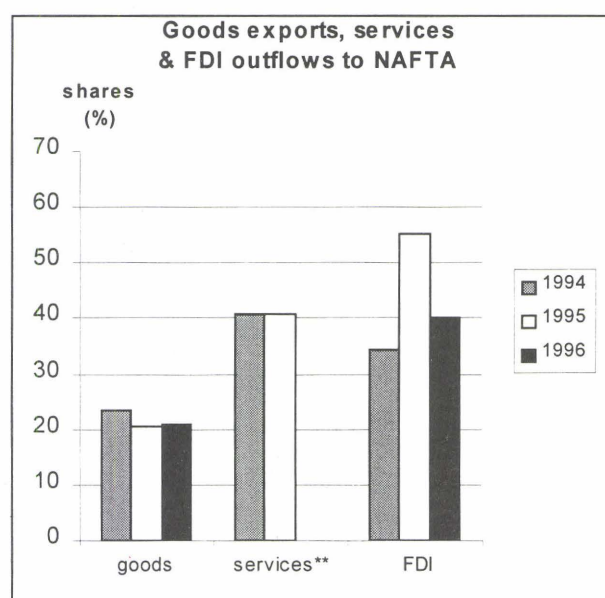
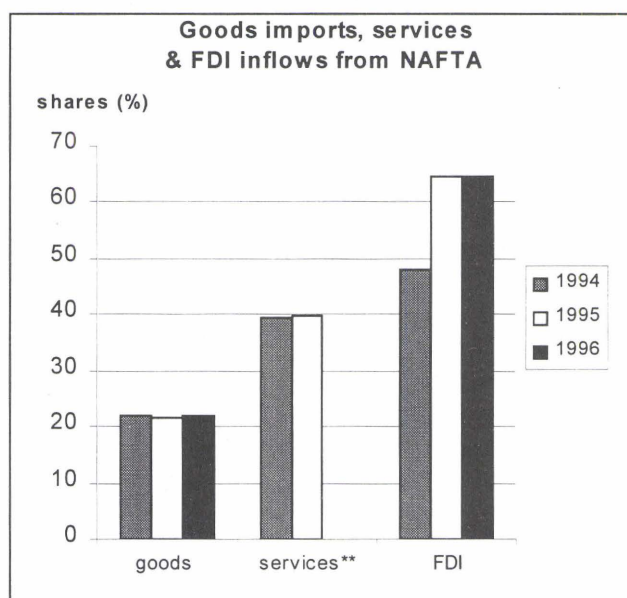
#### Summary

NAFTA\* countries have been very important partners for the EU during recent years. Concerning the trade in goods between these economic groups, the balance showed a surplus of 2.8 Bn ECU in 1996 (0.8 Bn ECU in the first six months of 1997). Figures for 1996 in goods showed that NAFTA covered 21.9% of all extra-EU imports and 20.8% of all extra-EU exports. The USA was the most important component as it covered 19.4% of extra-EU imports and 18.3% of extra-EU exports. Both imports and exports were concentrated in the Manufactured products mainly focused in Machinery and transport equipment.

Regarding services, in 1995 NAFTA covered already 39.7% of the total extra-EU imports and 40.8% of exports. France (13.7 Bn ECU) and the UK (13.5 Bn ECU) showed the highest exports of services to NAFTA; while Germany scored the highest imports (13.1 Bn ECU) covering 19% of all imports from NAFTA.

Even after a small decrease in both FDI flows compared to 1995, NAFTA remained a very important destination of EU direct investment outflows accounting for 40% (19.3 Bn ECU) of extra-EU flows in 1996. Inward flows from NAFTA were also quite significant with 64.5% (17.0 Bn ECU). The USA has also been the most important partner in these flows, as it covered almost 40% of the outflows outside the EU and 70% of all inflows coming from abroad to the EU.

#### Shares of NAFTA in the total extra - EU flows



\* NAFTA (North America Free Trade Agreement), signed between USA, Canada and Mexico, has been effective since the 1<sup>st</sup> of January 1994.

\*\*Data for services 1996 is not available.  
Bn ECU = 1000 Mio

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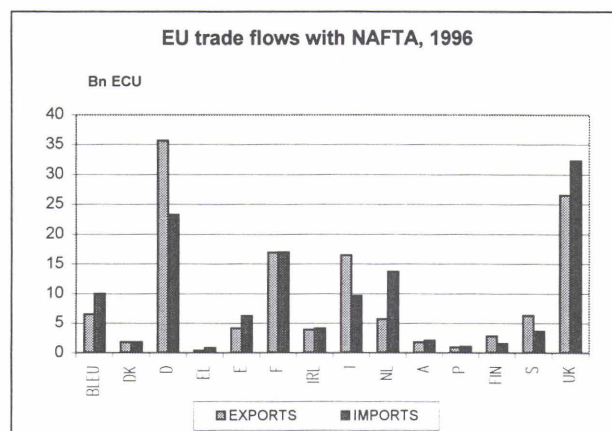
## 1. Trade in goods between the EU Member States and NAFTA

EU imports in goods from NAFTA increased by 7.5% from 1995 to 1996 reaching 127.4 Bn ECU. In 1996, the UK bought one fourth of EU imports from NAFTA (32.3 Bn ECU), placing it as the most important buyer in 1996. The UK was also the most important bilateral partner with the USA (28.8 Bn ECU) and Canada (3.0 Bn ECU). Germany covered 18.3% of EU imports from NAFTA and 18.2% of the EU imports from the USA, 20% from Canada and 15.7% from Mexico. France followed with a share of 13.3% (17.0 Bn ECU) of which 15.2 Bn ECU came from the USA. Finally, Spain bought the most (23.3%) from Mexico acquiring 0.7 Bn ECU in 1996.

In 1996, EU exports to NAFTA reached 130.2 Bn ECU (+10.2% over 1995). Germany exported to NAFTA the highest share of 27.4% amounting for 35.7 Bn ECU. It was also the most important partner with each NAFTA member: 27.5% with the USA, 20.6% with Canada and 39.4% with Mexico. The UK was the second most important exporter to NAFTA with a share of 20.4% (26.4 Bn ECU), to the USA taking 20.8% amounting 23.8 Bn ECU and Canada covering 22.2% with a value of 2.4 Bn ECU. France was the second most important exporter to Mexico with a share of 14.1%. However, it was third on its exports to the USA (14.6 Bn ECU) and Canada (1.6

Bn ECU), amounting 16.9 Bn ECU in its exports to NAFTA.

Germany and Italy showed positive balances with NAFTA in 1996 (12.4 Bn ECU and 6.9 Bn ECU respectively). Germany and Italy registered the highest surpluses with the USA (11 and 6.4 Bn ECU respectively). Sweden also registered a small surplus of 2.7 Bn ECU with NAFTA. On the other hand, the Netherlands, the UK and BLEU showed negative balances with NAFTA (-8.0, -5.8 and -3.5 Bn ECU respectively). All the other EU countries showed figures in balance and/or almost in balance.



### EU-NAFTA Trade flows matrix — 1996 and 1997 first semester — *in italics*

(Bn ECU)

	EU - EXPORTS				EU - IMPORTS				EU - TRADE BALANCE			
	USA	Canada	Mexico	NAFTA	USA	Canada	Mexico	NAFTA	USA	Canada	Mexico	NAFTA
BLEU	5,8	0,4	0,3	6,5	8,9	0,9	0,3	10,0	-3,0	-0,4	-0,1	-3,5
	3,5	0,3	0,2	3,9	5,3	0,4	0,1	5,9	-1,8	-0,2	0,0	-1,9
Denmark	1,6	0,2	0,0	1,8	1,6	0,1	0,0	1,8	0,0	0,0	0,0	0,0
	0,9	0,1	0,0	1,0	1,0	0,1	0,0	1,1	-0,1	0,0	0,0	0,0
Germany	31,5	2,2	2,0	35,7	20,5	2,3	0,5	23,3	11,0	-0,1	1,5	12,4
	18,2	1,4	1,3	20,9	11,5	1,1	0,3	12,9	6,7	0,3	1,0	8,0
Greece	0,4	0,0	0,0	0,4	0,7	0,1	0,0	0,8	-0,4	0,0	0,0	-0,4
	0,2	0,0	0,0	0,3	0,4	0,0	0,0	0,5	-0,2	0,0	0,0	-0,2
Spain	3,4	0,3	0,4	4,1	5,1	0,4	0,7	6,3	-1,7	-0,1	-0,3	-2,1
	1,9	0,2	0,3	2,4	3,0	0,2	0,4	3,6	-1,1	0,0	-0,1	-1,2
France	14,6	1,6	0,7	16,9	15,2	1,3	0,4	17,0	-0,7	0,3	0,3	0,0
	8,4	1,3	0,4	10,1	9,2	0,7	0,2	10,2	-0,9	0,6	0,2	-0,1
Ireland	3,5	0,3	0,1	3,9	3,9	0,2	0,1	4,1	-0,3	0,1	0,0	-0,2
	2,3	0,1	0,1	2,5	2,2	0,1	0,0	2,4	0,1	0,0	0,0	0,1
Italy	14,4	1,4	0,7	16,5	8,0	1,5	0,2	9,7	6,4	0,0	0,5	6,9
	7,8	0,8	0,5	9,1	4,5	0,7	0,1	5,4	3,3	0,1	0,4	3,7
Netherlands	5,0	0,5	0,2	5,7	12,6	0,9	0,2	13,7	-7,6	-0,4	0,0	-8,0
	3,0	0,2	0,1	3,4	7,8	0,5	0,1	8,5	-4,8	-0,2	0,0	-5,1
Austria	1,5	0,3	0,1	1,9	1,8	0,3	0,0	2,1	-0,3	0,0	0,0	-0,2
	0,8	0,2	0,0	1,1	1,0	0,2	0,0	1,2	-0,1	0,0	0,0	-0,1
Portugal	0,9	0,1	0,0	1,0	0,9	0,1	0,1	1,0	0,0	0,0	0,0	-0,1
	0,5	0,1	0,0	0,6	0,5	0,0	0,0	0,6	0,0	0,0	0,0	0,0
Finland	2,6	0,2	0,1	2,8	1,4	0,1	0,0	1,6	1,2	0,1	0,0	1,3
	1,1	0,1	0,0	1,3	0,8	0,1	0,0	0,8	0,3	0,1	0,0	0,4
Sweden	5,5	0,7	0,1	6,3	3,4	0,2	0,0	3,7	2,1	0,4	0,1	2,7
	3,0	0,4	0,1	3,5	1,9	0,1	0,0	2,0	1,1	0,3	0,1	1,5
UK	23,8	2,4	0,4	26,5	28,8	3,0	0,5	32,3	-5,0	-0,7	-0,1	-5,8
	14,8	1,5	0,3	16,5	18,9	1,7	0,3	20,9	-4,1	-0,2	0,0	-4,3
EU -15	114,4	10,7	5,1	130,2	112,8	11,5	3,2	127,4	1,6	-0,8	2,0	2,8
	66,4	6,7	3,4	76,5	67,9	6,0	1,7	75,7	-1,6	0,7	1,6	0,8

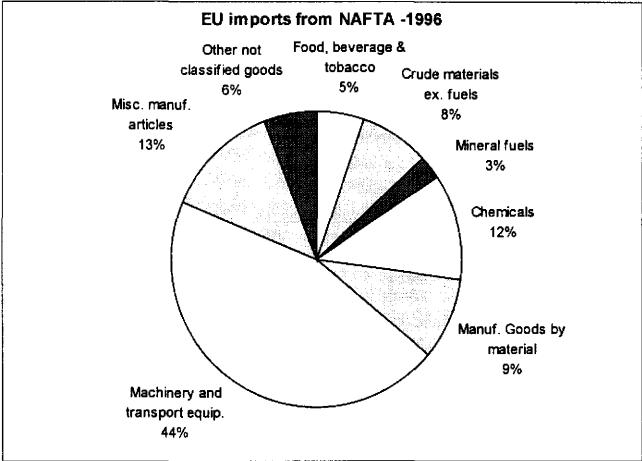
Source: COMEXT

## 2. Imports from NAFTA by product groups

EU imports in goods from NAFTA increased by 7.5% going from 118.6 Bn ECU in 1995 to 127.4 Bn ECU in 1996. This increase was just above the growth of extra EU-imports (+6.7%) during the same period. From the first semester of 1996 to that of 1997, the value of EU imports from NAFTA increased from 65.7 to 75.7 Bn ECU, corresponding to a growth of 15.1%. The share of NAFTA on the total extra-EU imports was of 21.9% in 1996; while in the first nine months of 1997 it slightly increased reaching 23.4%. The USA alone covered 19.4% of the total extra-EU imports in 1996 and already 20% in the first semester of 1997. The USA largely dominated EU imports from NAFTA covering shares of 88.5% in 1996 (88.5 Bn ECU) and 89.7% in the first six months of 1997 (67.9 Bn ECU). EU imports from NAFTA were extremely concentrated on the Manufactured products as they covered 78.4% in 1996 (99.9 Bn ECU) and 77% in the first six months of 1997 (58.3 Bn ECU). For all NAFTA members, Manufactured products accounted for more than half of their total sales to the EU in 1996. Imports of Manufactured goods from the USA amounted to 91.4 Bn ECU, from Canada 6.5 Bn ECU and from Mexico 2.0 Bn ECU.

In 1996 and the first six months of 1997, EU imports of Machinery and transport equipment displayed the highest figures (57.9 and 33.7 Bn ECU respectively). They actually accounted for around 45% of all EU imports from NAFTA, recording growths of 8.6% and 13.7% in the respective periods. This sector was the most important for the USA with a share of

47.4% (53.5 Bn ECU) of all EU imports, for Canada and Mexico it covered a share of around 30% each. In 1996, imports of Miscellaneous manufactured goods followed with an amount of 16.1 Bn ECU covering a share of 12.6% (same share for the first semester of 1997: 9.3 Bn ECU); from the USA came 15.1 Bn ECU. By contrast, 15% of EU purchases from Canada and Mexico were imports of Manufactured goods classified by materials. On the other hand, primary goods covered only 15.6% of the total of EU-imports from NAFTA (in 1996: 19.9 Bn ECU and in the first semester 1997: 10.5 Bn ECU). Crude materials except fuels (9.9 Bn ECU); they showed the biggest reduction of 13% between 1996 and 1995, recovering slightly (+0.3%) in the next six months.



### EU imports from NAFTA by main products

TRADE BY PRODUCTS SITC Rev. 3**	NAFTA				USA		Canada		Mexico	
	1996	1997	96/95	97/96	1996	1997	1996	1997	1996	1997
	I-II		I-II		I-II		I-II		I-II	
	Bn ECU		% var.*		Bn ECU					
Raw materials (0-4)	19.9	10.5	-4.0	1.7	14.7	7.7	4.2	2.1	1.0	0.7
Food, beverage and tobacco (0+1)	6.6	3.4	7.9	-0.6	5.4	2.8	0.9	0.4	0.4	0.2
Crude materials except fuels (2+4)	9.9	5.3	-13.1	0.3	6.9	3.7	2.9	1.5	0.1	0.1
Mineral fuels (3)	3.4	1.7	5.2	11.2	2.4	1.2	0.4	0.2	0.6	0.3
Manufactured products (5-8)	99.9	58.3	8.6	13.7	91.4	53.8	6.5	3.5	2.0	1.0
Chemicals (5)	14.9	8.8	12.9	18.0	14.1	8.4	0.5	0.3	0.3	0.1
Manuf. goods class. by material (6)	11.0	6.5	3.7	10.9	8.7	5.2	1.8	1.0	0.6	0.3
Machinery and transport equip. (7)	57.9	33.8	8.2	12.8	53.5	31.4	3.6	1.9	0.9	0.5
Misc. manufactures articles (8)	16.1	9.3	9.7	15.3	15.1	8.7	0.7	0.4	0.3	0.1
Other not classified goods (9)	7.6	6.9	31.2	66.1	6.7	6.4	0.7	0.4	0.1	0.1
TOTAL	127.4	75.7	7.5	15.1	112.8	67.9	11.5	6.0	3.2	1.7
MEMORANDUM ITEMS										
Extra-EU-15	581.5	323.7	6.7	11.8	-	-	-	-	-	-
As % of Extra-EU-15	21.9	23.4	-	-	19.4	21.0	2.0	1.9	0.5	0.5

\* All figures in ECU have been rounded, but the % variation has been calculated using the full figures.

\*\* Source: Comext. 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.



### 3. Exports to NAFTA by product groups

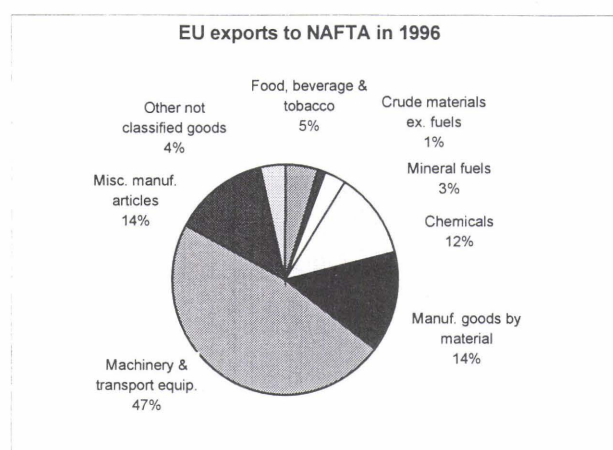
In 1996, the value of EU exports to NAFTA increased by 10.2% compared to 1995, reaching 130.2 Bn ECU. This represents a share of almost 20.8% of the extra-EU exports. In the first six months of 1997, EU sales to NAFTA increased by 21.7% (76.5 Bn ECU) which was actually much higher than the growth in the extra-EU of 13.3%. EU sales to the USA covered already around 87% of the all EU sales to NAFTA in both 1996 (114.4 Bn ECU) and the first semester of 1997 (66.4 Bn ECU). Canada took 8.2% in 1996 (10.7 Bn ECU) and 8.8% in the first six months of 1997 (6.7 Bn ECU); while Mexico represented 3.9% of all NAFTA's purchases in 1996 with 5.1 Bn ECU and 4.4% in the first semester of 1997 with 3.4 Bn ECU.

Exports to NAFTA are quite similar to imports, as they were also concentrated in the Manufacturing products in both periods 1996 and the first six months of 1997. They covered a share of more than 87% in 1996 (113.6 Bn ECU). Manufactured goods were also the most important products for all three NAFTA members - shares ranged from 82% in the case of Canada to 89.8% for Mexico.

Within Manufactured products, Machinery and transport equipment recorded the highest values (61.8 Bn ECU) distributed as follows in 1996: USA (48 Bn ECU), Canada (4.3 Bn ECU) and Mexico (2.6 Bn ECU). During the next six months of 1997, this sector showed an increase of 23.1% above the level registered in the total EU exports (+21.7%) to NAFTA. These products actually accounted for around half of

each member's purchases from the EU. The other three components within Manufactured products - Chemicals, Manufactured goods classified by material and Miscellaneous manufactured articles - together made up around 40% of all EU exports to NAFTA in 1996 and the first six months of 1997.

EU exports of primary products to NAFTA covered a small share of around 8.8% (1996: 11.6 Bn ECU and 1997's first semester 6.7 Bn ECU). They showed increases of 12.2% between 1995 and 1996 and 17.6% between the first semester of 1996 and that of 1997. Food, beverage and tobacco displayed remarkable increases of 13.9% (6.2 Bn ECU) in the 1995-1996 period and of 27.8% (3.4 Bn ECU) between the first semester 1996 and 1997.



### EU exports to the NAFTA by main products

TRADE BY PRODUCTS SITC Rev. 3**	NAFTA				USA		Canada		Mexico	
	1996	1997	96/95	97/96	1996	1997	1996	1997	1996	1997
	I-II		I-II		I-II		I-II		I-II	
	Bn ECU		% var. *		Bn ECU					
Raw materials (0-4)	11.6	6.7	12.2	17.6	9.8	5.7	1.4	0.7	0.4	0.2
Food, beverage and tobacco (0+1)	6.2	3.4	13.9	27.8	5.1	2.8	0.8	0.4	0.3	0.2
Crude materials except fuels (2+4)	1.5	0.9	7.7	17.0	1.3	0.7	0.2	0.1	0.1	0.0
Mineral fuels (3)	3.8	2.3	11.2	5.5	3.5	2.1	0.4	0.2	0.0	0.0
Manufactured products (5-8)	114.0	66.6	8.6	21.5	100.5	57.9	8.8	5.7	4.6	3.0
Chemicals (5)	16.1	9.6	17.5	22.4	13.8	8.2	1.4	0.9	0.8	0.5
Manuf. goods class. by material (6)	18.4	10.3	6.9	16.1	15.9	8.8	1.8	1.0	0.7	0.5
Machinery and transport equip. (7)	61.8	36.8	7.1	23.1	54.8	31.8	4.3	3.1	2.7	1.8
Misc. manufactures articles (8)	17.7	10.0	8.3	20.5	16.0	9.0	1.3	0.7	0.4	0.3
Other not classified goods (9)	4.7	3.2	62.7	38.6	4.1	2.8	0.5	0.3	0.1	0.1
TOTAL	130.2	76.5	10.2	21.7	114.4	66.4	10.7	6.7	5.1	3.4
MEMORANDUM ITEMS										
Extra-EU-15	625.1	339.5	9.1	13.3	-	-	-	-	-	-
As % of Extra-EU-15	20.8	22.5	-	-	18.3	19.5	1.7	2.0	0.8	1.0

\* All figures in ECU have been rounded, but the % variation has been calculated using the full figures.

\*\* Source: Comext. 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.

## 4. EU-NAFTA trade balance by product groups

### EU-NAFTA trade balance

TRADE BY PRODUCTS SITC Rev. 3	NAFTA		USA		Canada		Mexico		NAFTA		USA	Canada	Mexico
	1996	1997 I-II	1996	1997 I-II	1996	1997 I-II	1996	1997 I-II	1996	1997 I-II	1996	1996	1996
	Bn ECU								cover ratio (exp/imp)*100				
Raw materials (0-4)	-8.4	-3.8	-4.9	-2.1	-2.8	-1.4	-0.7	-0.4	58	64	67	33	36
Food, beverage and tobacco (0+1)	-0.5	0.0	-0.3	0.1	-0.1	0.0	-0.1	0.0	93	101	95	88	83
Crude materials except fuels (2+4)	-8.4	-4.5	-5.6	-3.0	-2.7	-1.4	-0.1	0.0	15	16	18	7	48
Mineral fuels (3)	0.5	0.6	1.0	0.9	0.0	0.0	-0.5	-0.3	114	135	142	98	1
Manufactured products (5-8)	14.0	8.3	9.2	4.1	2.3	2.2	2.6	2.0	114	114	110	135	228
Chemicals (5)	1.2	0.8	-0.4	-0.2	1.0	0.6	0.5	0.4	108	109	97	318	274
Manuf. goods class. by material (6)	7.4	3.8	7.3	3.6	0.0	0.0	0.2	0.2	167	159	184	99	128
Machinery and transport equip. (7)	3.9	3.0	1.4	0.4	0.7	1.3	1.8	1.3	107	109	103	121	299
Misc. manufactures articles (8)	1.6	0.7	0.9	0.3	0.6	0.3	0.1	0.1	110	108	106	180	152
Other not classified goods (9)	-2.8	-3.7	-2.7	-3.6	-0.2	-0.1	0.0	0.0	62	46	60	69	142
TOTAL	2.8	0.8	1.6	-1.6	-0.8	0.7	2.0	1.6	102	101	101	93	162
MEMORANDUM ITEMS													
Extra-EU-15	43.6	15.9	-	-	-	-	-	-	108	105	-	-	-

EU's trade balance with NAFTA went from a deficit of 0.4 Bn ECU in 1995 to a surplus 2.8 Bn ECU in 1996. In the first six months of 1997, the trade balance recorded 0.8 Bn ECU. The trade balance between the EU and the USA showed a surplus (1.6 Bn ECU) in 1996 and a deficit in the next first semester of 1997 (-1.5 Bn ECU). Meanwhile, Canada's small deficit in 1996 (0.8 Bn ECU) seemed to recover showing a small surplus as far as the first six months of 1997 (0.7 Bn ECU). Lastly, EU's surplus with Mexico (1.9 Bn ECU) in 1996, remained quite stable until the first semester of 1997 (1.7 Bn ECU).

As a result, the EU-NAFTA cover ratio stayed quite stable at around 100 points. In 1996, the cover ratio with the USA was stable at 100 and with Canada around 93. Only in the trade with Mexico, EU exports were considerably higher than imports this is reflected in the ratio of 162.

Along with the previous years, Manufactured products displayed surpluses while the Raw materials indicated deficits. In 1996, the deficit shown by raw materials (-8.4 Bn ECU) and Other not classified goods (-2.8 Bn ECU) was more than compensated by the surplus in the Manufactured products (14.0 Bn ECU); therefore, resulting the surplus of 2.8 Bn ECU. Within the Raw materials, Crude materials except fuels with -8.4 Bn ECU caused the deficit -8.4 Bn ECU in 1996.

The cover ratio of Manufactured goods in the analyzed periods was of a surplus with 114 points while that of Raw materials was quite low at 58 in 1996 and 64 in the first semester of 1997. The same was in the EU trade with the USA and Canada. For Mexico the ratio of EU exports over imports was even higher for the Manufactured products (1996: 228) than the corresponding ratio for Raw materials (1996: 36).

## 5. Intra-industry trade index between the EU and NAFTA

In 1996, the modified Grubel-Lloyd index with NAFTA showed a value of 71 with the EU. The high value of this indicator implies a strong intra-industry specialisation in the trade between these partners, meaning a rather strong interchange of similar or same goods within a particular industry.

The modified index calculated by NAFTA took a value of 71 for the trade between the USA and the EU15. This high value was reflected in the total value with NAFTA, as the USA is the main partner.

On the contrary, in the case of Canada, the modified GL-index reached only a value of 52, slightly smaller than that of Mexico 58. The Canadian value probably reflects the relative importance of Raw materials in the EU-Canada trade over manufactured products.

The GL-indices for the trade with NAFTA by Member State were quite similar showing no major differences of values (mostly more than 60). With the exception of

Portugal and Greece whose indicators were lower implying a higher specialisation in inter-industry trade. On the other hand, Finland, Netherlands, Sweden and Germany recorded higher intra-industry indices with NAFTA than the EU15 average.

Similarly, the GL-index of each EU member with the USA did not show strong variations compared to the EU15 average except for Greece and Portugal which showed again lower indexes. Canada showed a modified GL-index lower than that of the USA, as mentioned earlier probably due to higher imports of raw materials. The lowest values were also recorded with Portugal, Italy and Austria, while a stronger intra-industry specialization was recorded with Sweden and the Netherlands. Mexico recorded high GL values with Germany, France and Italy, while low values were seen with Ireland, Denmark, and Portugal.

## Grubel-Lloyd intra-industry trade index\*, 1996

	NAFTA	USA	Canada	Mexico
BLEU	68	69	47	33
Denmark	59	59	47	19
Germany	74	76	38	83
Greece	46	43	37	46
Spain	64	59	41	38
France	70	72	53	71
Ireland	67	71	43	13
Italy	62	64	30	69
Netherlands	79	79	60	51
Austria	63	67	34	30
Portugal	44	39	29	29
Finland	83	84	43	28
Sweden	74	72	67	53
UK	72	73	54	48
EU-15	71	71	52	58

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

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

### The Grubel-Lloyd intra-trade index:

The intra-industry trade index shows whether the trade between partners is specialised in different industries (inter-industry specialisation) or within the same industry (intra-industry trade). The Grubel-Lloyd intra-industry trade index is calculated using the SITC divisions from 00 to 97. A value near 100 means that the trade between two partners is taking place within one industry. A value near zero indicates a strong inter-industry specialisation. The index has, however, geographical and sectoral biases if the underlying data is insufficiently disaggregated. Geographical bias arises when several partner countries are aggregated; therefore a bilateral analysis is preferred. The sectoral bias arises when an industry is considered as a whole, because different types of goods (intermediate and final goods) are aggregated. The corrected Grubel-Lloyd intra-industry trade index considers the disequilibrium in the trade balance.

## 6. Trade in services between the EU and NAFTA

In 1995, EU exports of services to NAFTA recorded 73.3 Bn ECU while imports of services amounted 69.2 Bn ECU. In 1995, the share of NAFTA on the total extra-EU flows in services was of more than 40% in both exports and imports. The balance with NAFTA of services was positive for the EU with 4.0 Bn ECU. The major player on the NAFTA side was the USA as it covered 93% of the flows in services with the EU.

By EU member state, France (13.7 Bn ECU) and the UK (13.5 Bn ECU) showed in 1995 the highest

exports of services to NAFTA with shares of 18.6% and 18.4% respectively. Germany came third covering 15.6% (11.5 Bn ECU). However on the import side, Germany registered the top score with 13.1 Bn ECU, it made out 18.8 of EU imports of services to NAFTA. France (11.5 Bn ECU) and the UK (11.0 Bn ECU) played also an important role in the EU imports from NAFTA representing 16.6% and 15.9%. The UK and France recorded the highest positive balances respectively 2.5 and 2.1 Bn ECU; while Germany registered a deficit of -1.6 Bn ECU in 1995.



## Exports, imports and balance for services

(Mio ECU)

	Exports			Imports			Balance		
	1993	1994	1995	1993	1994	1995	1993	1994	1995
Germany	11 095	11 409	11 486	11 157	11 402	13 082	- 61	7	-1 596
France	15 943	15 042	13 658	12 815	12 637	11 536	3 128	2 404	2 122
Italy	10 672	10 850	11 105	8 351	8 589	9 065	2 321	2 261	2 040
UK	12 771	13 569	13 510	10 118	10 724	11 039	2 653	2 844	2 471
Spain	:	2 697	2 706	:	3 128	3 389	:	- 431	- 684
Greece	:	:	3 000	:	:	955	:	:	2 045
Portugal	954	652	681	800	720	765	154	- 69	- 84
Austria	1 752	1 852	1 693	2 271	2 392	2 560	- 519	- 540	- 867
BLEU	3 500	3 876	4 111	3 692	4 430	3 657	- 193	- 554	454
Finland	:	830	896	:	1 003	1 114	:	- 173	- 218
EU-15	69 211	73 625	73 253	62 410	66 381	69 219	6 801	7 244	4 034

Figures for the Netherlands, Denmark, Ireland and Sweden are not available.

Source: Newcronos, BOP - ITS statistics. Figures are calculated according to the harmonized methodology. Information is not available (:)

## 7. Foreign Direct Investments between the EU and NAFTA

The EU direct investment outflows to NAFTA accounted for 19.3 Bn ECU in 1996 (excluding values for Greece, Ireland, Denmark, Finland, and UK). In 1996, they covered a share of 40% of the total extra-EU outward flows. Outstandingly 37.8% of all extra-EU FDI outflows went to the USA (18.2 Bn ECU), being 94.6% of the EU outflows to NAFTA. EU outward flows to Canada recorded 0.67 Bn ECU while to Mexico they registered only half (0.35 Bn ECU).

The EU FDI inward flows originating from NAFTA attained 16.9 Bn ECU in 1996, representing a share of 64.5% in the total extra-EU inward flows. It was due to inflows from Canada which registered a disinvestment (-1.5 Bn ECU) mainly in equity capital in 1996, that the share for the NAFTA resulted smaller than that for the USA (18.5 Bn ECU). Inflows from Mexico were quite low with 0.1 Bn ECU.

In 1996, the EU FDI outward flows to NAFTA were mainly done by France which covered 26.6% with 5.1 Bn ECU. Germany registered a share of 21.4% of all

outflows to NAFTA accounted for 4.1 Bn ECU. The Netherlands followed with a transaction of 2.8 Bn ECU. These investments went mainly to the USA. Sweden, on the other hand, displayed a disinvestment of -1.3 Bn ECU in 1996, thus drawing back the capital within the USA. Another negative figure was registered by Denmark with the USA and Canada.

FDI inward flows from NAFTA to the EU Member States were mainly concentrated in France accounting with a value of 2.9 Bn ECU. Spain registered an inflow of 0.78 Bn ECU coming mainly from the USA (0.74 Bn ECU). The amount of investment that came from the USA to the Netherlands was 1.4 Bn ECU in 1996, even if the total of NAFTA was not available because values for Mexico were missing. In the cases of Germany, Sweden and the BLEU disinvestments occurred between 1995 and 1996. Inflows from the NAFTA to Germany went from 1.6 Bn ECU in 1995 to -0.3 Bn ECU in 1996; to Sweden the reduction was even bigger as it went from 6.5 Bn ECU in 1995 to 0.3 Bn ECU in 1996.

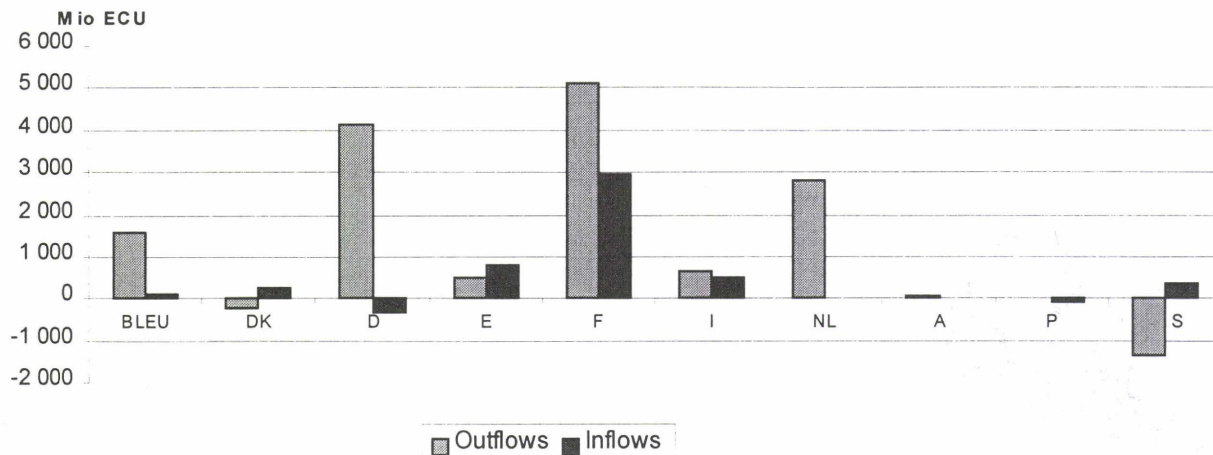
## Foreign direct investment flows between the EU and NAFTA

(Mio ECU)

	Outward flows						Inward flows					
	Extra-EU	NAFTA		USA	Canada	Mexico	Extra-EU	NAFTA		USA	Canada	Mexico
	1996	1995	1996	1996			1996	1995	1996	1996		
BLEU	3 783	1 453	1 597	1 537	10	50	2 053	1 736	104	194	- 160	69
Denmark	371	712	- 234	- 239	- 9	15	397	185	245	245	0	0
Germany	10 450	5 009	4 129	4 594	- 428	- 38	- 145	1 650	- 337	185	- 523	0
Spain	2 303	284	496	419	3	74	1 359	354	784	741	18	25
France	11 197	3 622	5 130	4 571	376	183	5 011	4 560	2 963	2 635	327	0
Italy	932	365	669	650	19	1	515	292	491	484	6	1
Netherlands	9 089	1 442	2 805	2 098	676	31	2 988	:	:	1 389	- 48	:
Austria	756	45	51	49	1	0	133	- 14	27	19	7	0
Portugal	417	18	27	26	1	0	- 54	- 23	- 100	- 97	- 3	0
Finland	710	364	:	- 66	42	:	- 265	16	:	92	- 3	:
Sweden	- 429	2 133	-1 342	-1 349	4	2	1 258	6 527	339	296	43	:
UK	:	7 132	:	:	:	:	:	:	:	:	:	:
EU-15	48 168	24 464	19 269	18 235	676	357	26 339	24 261	16 997	18 451	-1 556	101

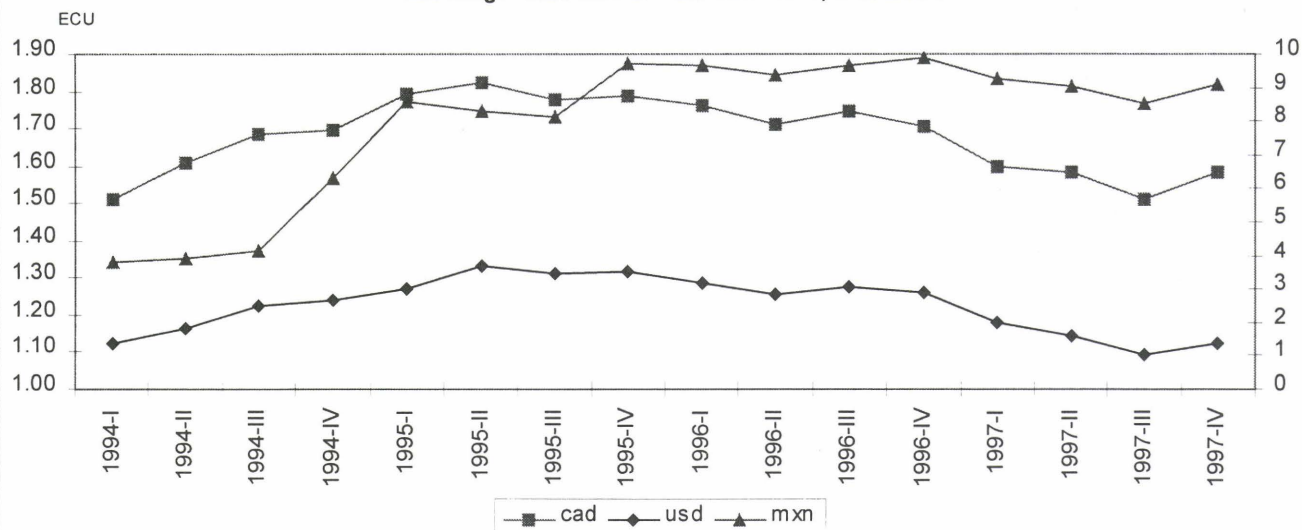
Source: New Cronos, BOP statistics. Data is not available. Figures for Greece and Ireland are not available.

### EU FDI outflows & inflows with NAFTA\* -1996



\* Figures for GR, IRL and UK are not available for 1996

### Exchange rates between the ECU - CAD, USD & MXP



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