

TRADE TODAY

TRADE ISSUES AFFECTING AMERICA'S ECONOMY

U.S. Congressman Kevin Brady
Ranking Member, Ways & Means Trade Subcommittee

July 14, 2009

U.S. Trade Deficit Shrinks - Highlighting the Importance of Exports

- U.S. trade deficit declined by 9.8 percent in May and has declined by 52% from the same period last year.
- U.S. continues to run a trade SURPLUS with all Free Trade Agreement partners negotiated under Trade Promotion Authority (\$9.3 billion for January-May 2009)
- U.S. continues to run a trade SURPLUS in manufactured products with ALL FTA partner countries combined, including NAFTA (\$133 billion for January-May 2009)

TRADE BY THE NUMBERS

Last Friday, the Department of Commerce announced the revised U.S. international trade numbers for May 2009. The report showed that U.S. exports increased by 1.6 percent to \$123.3 billion since April 2009, and imports decreased 0.6 percent to \$149.3 billion. Overall, the trade deficit declined 9.8 percent during the month.

OIL AND THE DEFICIT

Trade in petroleum continues to play a large role in U.S. trade deficit numbers, accounting for 38.4 percent of the total deficit in January-May 2009, an increase from 31.4% for the same period last year. A sharp rise in oil prices in June 2009 may contribute to a further increase in the share of the deficit accounted for by oil products.

Continued...

TRADE FACT OF THE WEEK



In May, the U.S. trade deficit shrank to its lowest level in more than nine years, and imports have declined for 10 straight months.

FTA WATCH



Days since the pending trade promotion agreements were signed:

Colombia – 966 days

Panama – 746 days

South Korea – 744 days

Cost of delay to U.S. exporters for the Colombia agreement alone:

MORE THAN \$2 billion

OBAMA ADMINISTRATION CONTINUES TO BE ALL TALK, NO ACTION ON TRADE

Despite continued statements on the importance of exports to the U.S. economy, the Obama Administration refuses to do anything more than pay lip service to the lifeline of many struggling American companies – exports.

The Obama Administration has highlighted the value of exports in responses to the May trade data:

Secretary of Commerce Gary Locke: *“Today’s numbers remind us of the importance of exports to boosting our economy.”*

U.S. Trade Representative Ron Kirk: *“In the midst of financial uncertainty, it is critical that we increase exports of American goods and services to the world, which would help create more jobs for the American people.”*

BUT...

The Obama Administration continues to ignore three trade agreements (with Colombia, Panama, and South Korea) that would level the playing field for American companies and could increase U.S. exports by over \$12 billion.

* * *

For more information, contact Angela Ellard, GOP Chief Trade Counsel, Ways & Means Committee:
Angela.Ellard@mail.house.gov.