Transportation Equipment

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Change in 2004 from 2003:

U.S. trade deficit: Increased $8.6 billion (10 percent) to $97.9 billion
U.S. exports: Increased $13.0 billion (9 percent) to $155.9 billion
U.S. imports: Increased $21.6 billion (9 percent) to $253.8 billion

Canada continued to be the largest U.S. trading partner in transportation equipment, accounting for 29 percent of U.S. imports and 34 percent of U.S. exports in 2004 (table TE-1). The automotive industries in the United States and Canada are highly integrated, leading to large volumes of two-way trade in motor vehicles and motor-vehicle parts.

Japan and Mexico are also leading U.S. trading partners in transportation equipment. Japan is a leading motor vehicle and motor-vehicle parts producer, and U.S. demand for vehicles from Japan, as well as demand for Japanese motor-vehicle parts for use in vehicle assembly in the United States by "transplants" from Japan, accounts for a significant portion of transportation equipment trade with Japan. Over the last decade, Mexico has grown both as a global automotive producer and as a U.S. trading partner in the automotive sector.

In 2004, U.S. transportation equipment imports from Korea grew by $2.4 billion (24 percent) to $12.2 billion. Imports of Korean motor vehicles displayed a similar trend during the period, increasing $2.1 billion (27 percent) to $10.0 billion. Moreover, motor vehicles as a percentage of transportation equipment imports from Korea grew from 71 percent in 1999 to 82 percent in 2004. Quality improvements and competitive pricing have helped Korean automakers increase their share of the U.S. passenger vehicle market.

The transportation equipment products with the largest year-to-year shifts (table TE-2), in terms of value, included increased U.S. imports of motor vehicles, certain motor-vehicle parts, and construction and mining equipment. U.S. imports of motor vehicles rose $8.5 billion in 2004, while exports increased $0.6 billion, widening the deficit in motor vehicles trade by $7.9 billion (7.5 percent) in 2004 to $112.8 billion. The growth of U.S. motor vehicle imports was driven by the popularity of Japanese- and German-built passenger vehicles, sourcing decisions by the Big Three U.S. automakers, and an increase in commercial truck imports from Canada. A $2.1 billion increase in U.S. motor vehicle parts exports was offset by a $4.1 billion increase in imports. Trade shifts in the construction and mining equipment group are reflective of the highly globalized nature of the industry, with sourcing taking place from locations worldwide. The trade surplus in this group declined $0.7 billion (20 percent) to $2.8 billion.

U.S. exports of aircraft engines, other gas turbines, and parts increased because of higher aircraft utilization and a modest increase in demand for new engines. Airline traffic outside of the United States increased at a greater rate than traffic within the United States, creating a demand for U.S. exports. The top three U.S. export destinations for these goods, representing 35 percent of total U.S. exports, were France ($2.9 billion), Canada ($1.7 billion), and the United Kingdom ($1.6 billion).

Table TE-1
Transportation equipment: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by selected countries and country groups, 2000–2004[1]

Item	2000	2001	2002	2003	2004	Change, 2004 from 2003 Absolute	Change, 2004 from 2003 *Percent*
	Million dollars						
U.S. exports of domestic merchandise:							
Canada	48,387	44,207	46,733	48,568	52,268	3,700	7.6
Japan	7,825	6,812	8,099	8,402	7,947	-455	-5.4
Mexico	15,285	14,953	14,524	13,725	15,882	2,157	15.7
Germany	6,935	7,452	6,961	7,932	6,534	-1,398	-17.6
United Kingdom	8,957	9,234	6,970	7,526	6,744	-783	-10.4
Korea	2,970	3,510	3,364	2,809	3,126	317	11.3
France	5,164	5,760	6,042	4,288	6,631	2,343	54.6
Brazil	2,611	3,855	3,116	2,458	3,763	1,305	53.1
China	2,368	3,198	4,293	3,757	3,835	77	2.1
Italy	1,474	1,555	2,651	2,722	2,158	-564	-20.7
All other	41,416	43,789	41,903	40,759	47,013	6,254	15.3
Total	143,393	144,325	144,655	142,948	155,902	12,954	9.1
EU-15	34,148	33,844	31,778	32,237	34,481	2,244	7.0
OPEC	5,750	5,832	5,641	4,769	5,778	1,009	21.2
Latin America	23,446	23,859	22,226	20,303	24,595	4,292	21.1
CBERA	1,916	1,473	1,756	1,700	1,537	-162	-9.5
Asia	20,726	24,123	25,073	24,576	25,421	845	3.4
Sub-Saharan Africa	1,796	2,856	1,877	2,284	2,893	608	26.6
Central and Eastern Europe	450	523	389	751	997	245	32.6
U.S. imports of merchandise for consumption:							
Canada	69,296	64,781	65,462	66,727	73,154	6,427	9.6
Japan	54,226	52,200	55,583	53,274	56,745	3,471	6.5
Mexico	31,373	31,046	31,117	30,664	33,025	2,361	7.7
Germany	22,973	23,916	24,978	27,346	29,008	1,662	6.1
United Kingdom	9,408	9,831	10,147	10,485	10,483	-2	([2])
Korea	6,152	7,810	8,282	9,836	12,241	2,405	24.4
France	9,696	10,437	9,161	7,941	8,012	71	0.9
Brazil	2,727	3,463	3,739	3,877	4,779	902	23.3
China	1,991	1,773	2,302	3,072	4,548	1,477	48.1
Italy	2,230	2,388	2,395	2,425	2,918	494	20.4
All other	13,169	14,264	13,980	16,567	18,862	2,294	13.8
Total	223,242	221,907	227,147	232,212	253,775	21,562	9.3
EU-15	51,499	54,414	53,599	56,103	59,846	3,744	6.7
OPEC	355	339	344	501	356	-144	-28.8
Latin America	34,465	34,821	35,223	34,929	38,238	3,310	9.5
CBERA	58	60	70	69	84	15	22.5
Asia	64,947	64,395	69,115	69,476	77,346	7,870	11.3
Sub-Saharan Africa	185	399	621	823	651	-172	-20.9
Central and Eastern Europe	609	799	842	1,769	1,853	85	4.8

See footnote(s) at end of table.

Table TE-1—*Continued*

Transportation equipment: U.S. exports of domestic merchandise, imports for consumption, and merchandise trade balance, by selected countries and country groups, 2000–2004[1]

Item	2000	2001	2002	2003	2004	Change, 2004 from 2003 Absolute	Change, 2004 from 2003 *Percent*
	Million dollars						
U.S. merchandise trade balance:							
Canada	-20,908	-20,574	-18,730	-18,159	-20,886	-2,727	-15.0
Japan	-46,400	-45,388	-47,484	-44,872	-48,797	-3,925	-8.7
Mexico	-16,088	-16,093	-16,593	-16,939	-17,143	-204	-1.2
Germany	-16,039	-16,464	-18,017	-19,414	-22,473	-3,060	-15.8
United Kingdom	-451	-597	-3,177	-2,958	-3,739	-781	-26.4
Korea	-3,182	-4,300	-4,918	-7,027	-9,115	-2,088	-29.7
France	-4,531	-4,677	-3,119	-3,652	-1,381	2,271	62.2
Brazil	-116	392	-623	-1,419	-1,016	403	28.4
China	377	1,425	1,990	686	-713	-1,399	(3)
Italy	-756	-833	256	297	-760	-1,058	(3)
All other	28,247	29,526	27,923	24,192	28,151	3,960	16.4
Total	-79,849	-77,583	-82,492	-89,264	-97,873	-8,609	-9.6
EU-15	-17,350	-20,570	-21,820	-23,866	-25,365	-1,499	-6.3
OPEC	5,394	5,492	5,297	4,269	5,422	1,153	27.0
Latin America	-11,019	-10,961	-12,997	-14,625	-13,643	982	6.7
CBERA	1,858	1,414	1,686	1,631	1,453	-178	-10.9
Asia	-44,221	-40,272	-44,042	-44,900	-51,925	-7,025	-15.6
Sub-Saharan Africa	1,610	2,457	1,256	1,461	2,241	780	53.4
Central and Eastern Europe	-159	-276	-453	-1,017	-857	161	15.8

[1]Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.
[2]Less than 0.05 percent.
[3]Not meaningful for purposes of comparison.

Note.—Calculations based on unrounded data. The countries shown are those with the largest total U.S. trade (U.S. imports plus exports) in these products in 2004.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table TE-2
Leading changes in U.S. exports and imports of transportation equipment, 2000–2004[1]

Industry/commodity group	2000	2001	2002	2003	2004	Change, 2004 from 2003 Absolute	Change, 2004 from 2003 *Percent*
	Million dollars						
U.S. EXPORTS:							
Increases:							
Aircraft engines and gas turbines (ET001)	15,011	16,524	15,498	14,742	17,706	2,964	20.1
Aircraft, spacecraft, and related equipment (ET013)	39,696	42,535	41,447	37,835	40,076	2,242	5.9
Decreases:							
Ignition, starting, lighting, and other electrical equipment (ET007)	1,986	1,824	1,894	1,822	1,773	-49	-2.7
All other	86,699	83,441	85,816	88,550	96,346	7,796	8.8
TOTAL	143,393	144,325	144,655	142,948	155,902	12,954	9.1
U.S. IMPORTS:							
Increases:							
Motor vehicles (ET009)	129,568	127,257	133,264	134,286	142,750	8,464	6.3
Certain motor-vehicle parts (ET010)	25,011	23,977	27,761	30,897	35,045	4,149	13.4
Construction and mining equipment (ET004)	5,643	5,260	5,302	5,904	8,844	2,939	49.8
Decreases:							
Aircraft, spacecraft, and related equipment (ET013)	18,019	21,027	17,636	16,910	16,485	-426	-2.5
Ships, tugs, pleasure boats, and similar vessels (ET014)	1,223	1,411	1,413	1,932	1,888	-43	-2.2
All other	43,777	42,976	41,771	42,284	48,763	6,479	15.3
TOTAL	223,242	221,907	227,147	232,212	253,775	21,562	9.3

[1]Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.

Note.—Calculations based on unrounded data.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Aircraft Engines, Other Gas Turbines, and Parts Thereof

Change in 2004 from 2003:

U.S. trade surplus: Increased $2.2 billion (37 percent) to $8.1 billion
U.S. exports: Increased $3.0 billion (20 percent) to $17.7 billion
U.S. imports: Increased $0.8 billion (9 percent) to $9.6 billion

In 2004 the U.S. trade surplus in aircraft engines, other gas turbines, and parts increased primarily because of an increase in U.S. exports of parts for such engines. Reasons for this increase include greater demand from foreign engine manufacturers and airlines seeking U.S.-made parts to build or repair aircraft engines and restock their parts supplies as airlines began using their aircraft more frequently. The increased use of aircraft was linked to an increase in passenger traffic, which has returned to levels that existed prior to the Sept. 11, 2001, attacks. Foreign airlines grew at a faster rate than U.S. airlines, further increasing their need for parts.[1]

U.S. exports

In 2004 the three leading categories of sector exports by value were parts for turbojet and turbopropeller engines, turbofan engines whose thrust exceeded 25 kiloNewtons (kN), and parts of gas turbines other than turbojet or turbopropeller engines. U.S. exports of turbojet/turboprop engine parts increased $1.2 billion (20 percent) to $7.2 billion. The top three U.S. export destinations for parts of gas turbine engines, representing 44 percent of total U.S. exports of these goods, were France, with an increase of $417 million (42 percent) to $1.4 billion; Germany, with a decline of $45 million (5 percent) to $861 million; and Singapore, with an increase of $256 million (44 percent) to $842 million.

U.S. exports of turbojet or turbopropeller engines whose thrust exceeded 25kN increased $552 million (16 percent) to $3.9 billion in 2004. Engines in this category designed for civil aircraft accounted for $3.7 billion of the total U.S. exports of all such engines. In 2004, U.S. exports to France, the largest export market for these engines, increased $249 million (28 percent) to $1.2 billion. U.S. exports of these engines to Canada and Brazil, the next two largest markets, decreased (Canada to $616 million, or by 7 percent; Brazil to $361 million, or by 18 percent). France is a prime destination both for aircraft engines and for parts of engines, and Canada and Brazil are home to regional jet manufacturers that utilize U.S. engines.

U.S. exports of parts for turbine engines other than turbojet/turboprop engines increased by $0.8 billion (32 percent) to $3.4 billion in 2004. The largest subgroup included parts for nonaircraft gas turbines; such exports doubled, to $2.6 billion. Major markets for these U.S. exports were China ($259 million), Mexico ($220 million), Canada ($175 million), Belgium ($167 million), and the United Kingdom ($157 million). These parts are used in stationary power units used for electrical generation and gas- and oil-line pumping stations.

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[1] Air Transport Association, *Annual Operations, Traffic, Capacity, U.S. Airlines Scheduled Service*, table found at *http://www.airlines.org/econ/d.aspx?nid=1032*, retrieved Apr. 6, 2004; International Air Transport Association, *International Traffic Statistics: December 2004 and Year-end 2004*, table found at *http://www.iata.org/pressroom/industry_stats/2005-01-31-01.htm*, retrieved Apr. 6, 2004.

U.S. imports

Total U.S. imports of aircraft engines, other gas turbines, and parts increased modestly because of increased demand for parts of aircraft and nonaircraft engines. Imports of aircraft turbojet engines exceeding 25kN declined, offsetting the rise in imported parts.

Parts of turbojet or turbopropeller engines were the largest import category in this sector during 2004, rising $0.6 billion (14 percent) to $5.2 billion. Principal sources of these parts included France, the United Kingdom, and Germany, together accounting for $3.2 billion (61 percent) of U.S. imports of these parts.

In 2004, U.S. imports of aircraft turbojets exceeding 25kN in thrust declined $61 million (3 percent) to $1.8 billion. Principal sources in 2004 of U.S. imports were the United Kingdom ($658 million, a decline of 26 percent), France ($526 million, an increase of 31 percent), and Canada ($283 million, a decline of 5 percent). SNECMA, a French aerospace company, is a partner with GE Aircraft Engines in a joint venture known as CFM International. CFM is the sole engine supplier for Boeing's 737 series aircraft. In 2003, Boeing delivered 173 of this aircraft; such deliveries rose to 202 in 2004, thus increasing the demand for this engine.[2]

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[2] Deliveries for Boeing 737s found at *http://active.boeing.com/commercial/orders/displaystandardreport.cfm?cboCurrentModel=737&cboAllModel=737&optReportType=HistAnnDel&ViewReportF=View+Report*, retrieved Apr. 18, 2004.

Construction and Mining Equipment

Change in 2004 from 2003:

U.S. trade surplus: Decreased $0.7 billion (20 percent) to $2.8 billion
U.S. exports: Increased $2.2 billion (24 percent) to $11.7 billion
U.S. imports: Increased $2.9 billion (50 percent) to $8.8 billion

The trade surplus in construction and mining equipment fell 20 percent to $2.8 billion in 2004, as the growth in U.S. imports outpaced that of U.S. exports. The industry is highly globalized, with large multinational companies sourcing from their production locations worldwide to serve their markets. U.S. trade in these products was stimulated in part because of low interest rates that encouraged residential and non-residential construction and infrastructure improvements and because of high prices for fuels, minerals, and metals that prompted greater exploration and development of these resources.[3] Consequently, U.S. consumption of construction and mining equipment grew by 24 percent to 172,640 units in 2004.[4]

U.S. exports

U.S. exports of construction and mining equipment, which rose $2.2 billion (24 percent) to $11.7 billion in 2004, were led by increases in parts for boring or sinking machinery (up 14 percent to $4.1 billion) and parts for construction and mining equipment (up 34 percent to $1.8 billion). Canada is the leading U.S. export market, accounting for $1.9 billion (16 percent) of such exports in 2004. All other countries individually account for a relatively small share of the export total. Leading exports to Canada include front-end loaders and excavators.

U.S. imports

The 50 percent increase in U.S. imports of construction and mining equipment in 2004 was principally driven by imports of self-propelled backhoes, shovels, and clams (excavators) (up 73 percent to $2.1 billion) and parts of construction and mining equipment (up 51 percent to $1.8 billion). Japan is the leading supplier of U.S. imports of construction and mining equipment, accounting for $2.5 billion (28 percent) of total imports in 2004, and is one of the world's largest producers of excavators. Total construction and mining equipment imports from Japan grew by $985 million (65 percent) to $2.5 billion in 2004, with much of the growth accounted for by excavators, which posted a 58 percent increase to $1.4 billion.

Numerous smaller suppliers also contributed to the import increase. Imports from the United Kingdom and Canada, the second- and third-largest suppliers, rose $199 million (33 percent) to $810 million and $148 million (30 percent) to $750 million, respectively. The largest percentage increase among leading suppliers occurred in imports from Brazil, which rose $255 million (137 percent) to $442 million, and was largely attributable to a 170 percent increase in imports of self-propelled graders and levelers.

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[3] "Heard in the Dirt," *Machinery Outlook*, Dec. 2004, p. 21.
[4] Ibid.

Motor Vehicles

Change in 2004 from 2003:

U.S. trade deficit: Increased $7.9 billion (8 percent) to $112.8 billion
U.S. exports: Increased $0.6 billion (2 percent) to $30.0 billion
U.S. imports: Increased $8.5 billion (6 percent) to $142.8 billion

In 2004 the U.S. trade deficit in motor vehicles[5] increased because U.S. exports increased by a much smaller margin than imports. U.S. motor vehicle production declined 1 percent in 2004 to 11,995,852 units, while motor vehicle sales increased 2 percent to 17.3 million units.[6]

U.S. exports

Increased motor vehicle exports to NAFTA markets led the growth in exports in 2004. Although the value of U.S. exports to leading market Canada increased 4.2 percent to $17.9 billion, the number of vehicles exported to Canada declined, indicating that fewer but more expensive vehicles were exported to that market. Despite the fact that automaker-dealer sales and service agreements discourage the practice of U.S. and Canadian dealers selling vehicles in each other's markets, the stronger Canadian dollar vis-à-vis the U.S. dollar has resulted in increased sales of higher-end vehicles by U.S. dealers to Canadian dealers.[7]

U.S. exports to the second-largest market, Mexico, increased 25 percent to $4.0 billion. Sales of U.S. passenger vehicles in Mexico increased 12 percent in 2004, although domestic production increased just 1 percent. The Mexican market for passenger vehicles has grown considerably during the last decade, having surpassed the million-vehicle mark in 2004.[8]

Gains in exports to Canada and Mexico were tempered by a decrease in exports to the third-leading market, Germany. After a particularly strong year in 2003, U.S. exports of motor vehicles to Germany declined 37 percent in 2004. BMW's U.S. assembly plant in Spartanburg, SC, produced 13 percent fewer vehicles in 2004. Likewise, Mercedes-Benz production in Tuscaloosa, AL, decreased 12 percent.[9]

U.S. imports

U.S. imports from the three leading sources—Canada, Japan, and Germany—all increased in 2004. Canada registered the largest increase, rising 14 percent to $46.7 billion. In 2004, Ontario surpassed Michigan for the first time as the leading state/province in North America in terms of motor vehicle output.[10] Canadian motor vehicle production increased 6 percent in 2004, to 2,703,814 units.[11]

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[5] This industry group includes passenger vehicles, commercial trucks, and buses. Passenger vehicles account for the overwhelming majority of trade in this industry group.

[6] Data provided by Ward's Communications.

[7] Arlena Sawyers, "Exports of U.S. Vehicles to Canada Rise," *Automotive News*, Nov. 29, 2004, p. 8.

[8] Diana T. Kurylko, "Mexico Sales Hit 1 Million in '04," *Automotive News*, Jan. 31, 2005, p. 62.

[9] "North American Car and Truck Production Data," *Automotive News*, Jan. 10, 2005, p. 54.

[10] Ontario surpassed Michigan largely because of plant closures in Michigan for model changeover purposes. Michigan is expected to reclaim its title as the leading producer in 2005. "Ontario Tops Michigan in 2004 Output," *Ward's Automotive Reports*, Vol. 80, No. 3, Jan. 17, 2005, p. 1.

[11] Just-auto.com editorial team, "USA: North American 2004 Output Seen Up 0.3%," Jan. 5, 2005, found at *http://www.just-auto.com*, retrieved Jan. 5, 2005.

Smaller increases in U.S. imports were registered by Japan (up 0.3 percent to $33.2 billion) and Germany (up 4 percent to $21.1 billion). Japanese-branded vehicles, assembled either in Japan or in North America, reached an all-time high U.S. market share in 2004 of 31 percent, and Toyota became the first foreign-owned automaker to sell more than 2 million vehicles in the U.S. market.[12] This increased market share for Japanese automakers is partly due to their increased spending on sales incentives in the U.S. market in 2004.[13]

Additionally, German vehicles continued their strong performance in the U.S. market in 2004. The categories that registered the largest increases were large passenger cars with engines larger than 3,000 cubic centimeters (cc)—Mercedes-Benz was the leading importer of these vehicles in 2004—and diesel-powered passenger cars with engines in the 1,500–2,499 cc range,[14] a segment dominated by Volkswagen.

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[12] Ken Fillmore, "Japanese Auto Industry's U.S. Share Climbed Past 30% for First Time in 2004," *Japan Automotive Digest*, Jan. 10, 2005, p. 8.

[13] Diana T. Kurylko, "Japanese Brands Add Incentives, Gain U.S. Light-Truck Share in '04," *Automotive News*, Jan. 10, 2005, p. 51.

[14] "U.S. Light Vehicle Sales by Nameplate, December and 12 Months 2004," *Automotive News*, Jan. 10, 2005, p. 50; and data provided by Ward's Communications.

Certain Motor-Vehicle Parts

Change in 2004 from 2003:

U.S. trade deficit: Increased $2.0 billion (39 percent) to $7.3 billion
U.S. exports: Increased $2.1 billion (8 percent) to $27.7 billion
U.S. imports: Increased $4.1 billion (13 percent) to $35.0 billion

The trade deficit in certain motor-vehicle parts[15] rose 39 percent to $7.3 billion in 2004, as imports from leading suppliers with strong links to the U.S.-based motor vehicle industry outpaced U.S. exports. The NAFTA continues to facilitate motor vehicle parts trade within the North American industry, which reported motor vehicle production of 16.2 million units in 2004,[16] relatively unchanged from the 2003 level. Producers in NAFTA members Canada and Mexico manufacture a wide variety of components (and vehicles) that not only incorporate significant U.S. content but are often used in the assembly of U.S.-made vehicles, contributing to large bilateral trade flows with the United States.

U.S. exports

U.S. exports of motor vehicle parts, which rose $2.1 billion (8 percent) to $27.7 billion in 2004, were principally destined for Canada and Mexico, which accounted for 80 percent of total exports. U.S. exports to Canada increased $1.4 billion (9 percent) to $16.5 billion; leading exports included motor vehicle bodies ($3.3 billion) and motor vehicle gear boxes (nearly $2.0 billion). Exports to Mexico grew by $281 million (5 percent) to $5.6 billion in 2004; leading exports included motor vehicle bodies ($1.4 billion) and miscellaneous parts of motor vehicles ($517 million).

U.S. imports

The 13 percent increase in U.S. imports of motor vehicle parts in 2004 was spurred by growth in such leading products as miscellaneous motor-vehicle body parts (up 3 percent to $6.6 billion), miscellaneous motor-vehicle parts (up 13 percent to $5.7 billion), and gear boxes for passenger vehicles (up 24 percent to $4.0 billion). Canada, Mexico, Japan, and Germany remained the leading suppliers to the U.S. market in 2004, accounting for 79 percent of total U.S. imports of motor vehicle parts.

Canada and Mexico accounted for 50 percent of total U.S. imports of motor vehicle parts in 2004, reflecting their critical role in the highly integrated North American automotive industry. U.S. imports from Canada increased $579 million (6 percent) to $11.1 billion in 2004, despite a stronger Canadian dollar. The Canadian motor-vehicle parts industry has reportedly added greater value to its components as parts manufacturers shift to transform systems integration and expand their engineering capabilities.[17] Imports from Mexico rose at a greater rate of 18 percent during the same period, to $6.5 billion. According to industry sources, Mexico continues to be an attractive manufacturing site, particularly for small- and medium-sized businesses that are looking for a low-cost production alternative to China.

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[15] This commodity group includes body stampings, bumpers, brakes and parts, gear boxes, axles, wheels, shock absorbers, radiators, exhaust systems, clutches, steering wheels, and miscellaneous parts and accessories.

[16] "North America Car and Truck Production," found at *http://www.autonews.com/images/dataCenter/1972.pdf*, retrieved Mar. 10, 2004.

[17] "Canadian Auto Parts Suppliers Continue to Gain Market Share Against U.S. Competitors," Canada Newswire English, found at *http://newsedge.com/*, retrieved Dec. 9, 2004.

Mexico reportedly offers better logistics and shipping times because of its proximity to U.S. automakers[18] and relatively low production costs.[19]

Japan and Germany are leading suppliers of vehicle components, in part because of the numerous Japanese and German transplants that incorporate motor vehicle parts from their home supplier networks in their U.S.-produced motor vehicles. Imports from Japan, the second-largest supplier of U.S. motor-vehicle components with 24 percent of imports, increased $1.2 billion (17 percent) to $8.2 billion, and U.S. imports from Germany increased $219 million (14 percent) to $1.8 billion in 2004.

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[18] Lindsay Chappell, "Mexico Returns as Investment Hot Spot," *Automotive News*, May 24, 2004, found at *http://www.autonews.com/article.cms?articleId=48440*, retrieved May 24, 2004.

[19] Jamie Butters, "Another 885 Auto Jobs Are Off to Mexico," *Detroit Free Press*, Mar. 30, 2004, found at *http://www.freep.com*, retrieved Mar. 30, 2004.

Table TE-3
Transportation equipment: U.S. trade for industry/commodity groups and subgroups, 2000–2004[1]

USITC code[2]	Industry/commodity group	2000	2001	2002	2003	2004	Change, 2004 from 2003 Absolute	Change, 2004 from 2003 *Percent*
		Million dollars						
ET001	Aircraft engines and gas turbines:							
	Exports	15,011	16,524	15,498	14,742	17,706	2,964	20.1
	Imports	10,939	13,548	10,993	8,834	9,642	807	9.1
	Trade balance	4,072	2,976	4,505	5,907	8,064	2,157	36.5
ET002	Internal combustion piston engines, other than for aircraft:							
	Exports	13,808	12,408	13,069	12,741	13,444	704	5.5
	Imports	15,532	13,657	14,841	16,250	18,682	2,433	15.0
	Trade balance	-1,724	-1,249	-1,771	-3,509	-5,238	-1,729	-49.3
ET003	Forklift trucks and similar industrial vehicles:							
	Exports	1,332	1,341	1,090	1,028	1,324	297	28.8
	Imports	1,668	1,423	1,266	1,408	1,853	444	31.5
	Trade balance	-337	-82	-176	-381	-528	-148	-38.8
ET004	Construction and mining equipment:							
	Exports	9,507	9,903	9,504	9,461	11,689	2,228	23.5
	Imports	5,643	5,260	5,302	5,904	8,844	2,939	49.8
	Trade balance	3,864	4,643	4,202	3,557	2,845	-712	-20.0
ET005	Ball and rollers bearings:							
	Exports	1,242	1,197	1,249	1,320	1,494	174	13.2
	Imports	1,804	1,579	1,598	1,680	2,052	372	22.1
	Trade balance	-562	-381	-349	-360	-558	-198	-54.9
ET006	Primary cells and batteries and electric storage batteries:							
	Exports	2,655	2,270	1,807	1,786	1,977	192	10.7
	Imports	2,656	2,342	2,196	2,175	2,620	445	20.4
	Trade balance	-1	-72	-389	-389	-642	-253	-65.0
ET007	Ignition, starting, lighting, and other electrical equipment:							
	Exports	1,986	1,824	1,894	1,822	1,773	-49	-2.7
	Imports	3,076	3,052	3,467	3,858	4,371	513	13.3
	Trade balance	-1,090	-1,228	-1,574	-2,036	-2,598	-562	-27.6
ET008	Rail locomotive and rolling stock:							
	Exports	1,336	1,422	1,006	1,386	1,649	263	18.9
	Imports	1,828	1,357	1,039	1,105	1,282	177	16.0
	Trade balance	-492	65	-33	282	368	86	30.4

See footnote(s) at end of table.

Table TE-3—*Continued*
Transportation equipment: U.S. trade for industry/commodity groups and subgroups, 2000–2004[1]

USITC code[2]	Industry/commodity group	2000	2001	2002	2003	2004	Change, 2004 from 2003 Absolute	Change, 2004 from 2003 *Percent*
		Million dollars						
ET009	Motor vehicles:							
	Exports	22,865	22,651	26,209	29,379	29,979	600	2.0
	Imports	129,568	127,257	133,264	134,286	142,750	8,464	6.3
	Trade balance	-106,703	-104,606	-107,054	-104,907	-112,770	-7,864	-7.5
ET010	Certain motor-vehicle parts:							
	Exports	28,917	26,521	26,651	25,625	27,741	2,117	8.3
	Imports	25,011	23,977	27,761	30,897	35,045	4,149	13.4
	Trade balance	3,907	2,544	-1,110	-5,272	-7,304	-2,032	-38.5
ET011	Motorcycles, mopeds, and parts:							
	Exports	563	742	793	864	917	54	6.2
	Imports	2,519	2,870	2,927	3,213	3,809	596	18.5
	Trade balance	-1,956	-2,128	-2,134	-2,349	-2,891	-542	-23.1
ET012	Miscellaneous vehicles and transportation-related equipment:							
	Exports	2,939	2,658	2,725	3,187	3,803	616	19.3
	Imports	2,982	2,364	2,744	2,926	3,386	460	15.7
	Trade balance	-43	293	-19	261	417	156	59.8
ET013	Aircraft, spacecraft, and related equipment:							
	Exports	39,696	42,535	41,447	37,835	40,076	2,242	5.9
	Imports	18,019	21,027	17,636	16,910	16,485	-426	-2.5
	Trade balance	21,677	21,508	23,811	20,924	23,592	2,667	12.7
ET014	Ships, tugs, pleasure boats, and similar vessels:							
	Exports	1,083	1,820	1,234	1,195	1,659	464	38.8
	Imports	1,223	1,411	1,413	1,932	1,888	-43	-2.2
	Trade balance	-140	410	-179	-736	-229	507	68.9

See footnote(s) at end of table.

Table TE-3—*Continued*
Transportation equipment: U.S. trade for industry/commodity groups and subgroups, 2000–2004[1]

USITC code[2]	Industry/commodity group	2000	2001	2002	2003	2004	Change, 2004 from 2003 Absolute	Change, 2004 from 2003 *Percent*
		Million dollars						
ET015	Motors and engines, except internal combustion, aircraft, or electric:							
	Exports	453	508	479	578	668	90	15.5
	Imports	772	784	700	834	1,066	233	27.9
	Trade balance	-319	-276	-221	-256	-399	-143	-55.9

[1]Import values are based on customs value; export values are based on f.a.s. value, U.S. port of export.
[2]This coding system is used by the U.S. International Trade Commission to identify major groupings and subgroupings of HTS import and export items for trade monitoring purposes

Note.—Calculations based on unrounded data.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table TE-4
Transportation equipment sector: Profile of U.S. industry and market, by industry/commodity groups and subgroups, 2000–2004

USITC code	Industry/commodity group	2000	2001	2002	2003	2004	Percent change, 2004 from 2003
ET001	Aircraft engines and gas turbines:						
	Number of establishments	28	27	27	25	25	0.0
	Employees (thousands)	103.0	109.0	110.0	104.0	106.0	1.9
	Capacity utilization (percent)	([1])	80	75	75	70	-6.7
	U.S. shipments (million dollars)	29,226	35,051	44,307	43,192	37,200	-13.9
	U.S. exports (million dollars)	15,011	16,524	15,498	14,742	17,706	20.1
	U.S. imports (million dollars)	10,939	13,548	10,993	8,834	9,642	9.1
	Apparent U.S. consumption (million dollars)	25,154	32,075	39,802	37,285	29,136	-21.9
	Trade balance (million dollars)	4,072	2,976	4,505	5,907	8,064	36.5
	Ratio of imports to consumption (percent)	43.5	42.2	27.6	23.7	33.1	39.7
	Ratio of exports to shipments (percent)	51.4	47.1	35.0	34.1	47.6	39.6
ET002	Internal combustion piston engines, other than for aircraft:						
	Number of establishments	1,500	1,450	1,450	1,450	1,450	0.0
	Employees (thousands)	157.0	156.0	155.0	150.0	150.0	0.0
	Capacity utilization (percent)	75	75	78	([2])	([2])	([2])
	U.S. shipments (million dollars)	54,000	48,000	50,500	49,000	50,000	2.0
	U.S. exports (million dollars)	13,808	12,408	13,069	12,741	13,444	5.5
	U.S. imports (million dollars)	15,532	13,657	14,841	16,250	18,682	15.0
	Apparent U.S. consumption (million dollars)	55,724	49,249	52,271	52,509	55,238	5.2
	Trade balance (million dollars)	-1,724	-1,249	-1,771	-3,509	-5,238	-49.3
	Ratio of imports to consumption (percent)	27.9	27.7	28.4	30.9	33.8	9.4
	Ratio of exports to shipments (percent)	25.6	25.9	25.9	26.0	26.9	3.5
ET003	Forklift trucks and similar industrial vehicles:						
	Number of establishments	419	419	419	419	419	0.0
	Employees (thousands)	26.0	24.0	22.0	22.0	22.0	0.0
	Capacity utilization (percent)	64	51	52	58	60	3.4
	U.S. shipments (million dollars)	5,570	4,829	4,620	4,826	5,000	3.6
	U.S. exports (million dollars)	1,332	1,341	1,090	1,028	1,324	28.8
	U.S. imports (million dollars)	1,668	1,423	1,266	1,408	1,853	31.5
	Apparent U.S. consumption (million dollars)	5,907	4,911	4,796	5,207	5,528	6.2
	Trade balance (million dollars)	-337	-82	-176	-381	-528	-38.8
	Ratio of imports to consumption (percent)	28.2	29.0	26.4	27.1	33.5	23.6
	Ratio of exports to shipments (percent)	23.9	27.8	23.6	21.3	26.5	24.4

See footnote(s) at end of table.

Table TE-4—*Continued*
Transportation equipment sector: Profile of U.S. industry and market, by industry/commodity groups and subgroups, 2000–2004

USITC code	Industry/commodity group	2000	2001	2002	2003	2004	Percent change, 2004 from 2003
ET004	Construction and mining equipment:						
	Number of establishments	1,611	1,611	1,611	1,611	1,611	0.0
	Employees (thousands)	111.0	106.0	95.0	95.0	95.0	0.0
	Capacity utilization (percent)	63	62	56	61	64	4.9
	U.S. shipments (million dollars)	30,677	29,105	26,583	27,646	29,000	4.9
	U.S. exports (million dollars)	9,507	9,903	9,504	9,461	11,689	23.5
	U.S. imports (million dollars)	5,643	5,260	5,302	5,904	8,844	49.8
	Apparent U.S. consumption (million dollars)	26,813	24,462	22,381	24,089	26,155	8.6
	Trade balance (million dollars)	3,864	4,643	4,202	3,557	2,845	-20.0
	Ratio of imports to consumption (percent)	21.0	21.5	23.7	24.5	33.8	38.0
	Ratio of exports to shipments (percent)	31.0	34.0	35.8	34.2	40.3	17.8
ET005	Ball and rollers bearings:						
	Number of establishments	183	183	181	181	181	0.0
	Employees (thousands)	36.0	36.0	35.0	35.0	35.0	0.0
	Capacity utilization (percent)	73	74	62	64	66	3.1
	U.S. shipments (million dollars)	6,500	5,766	5,881	6,175	6,400	3.6
	U.S. exports (million dollars)	1,242	1,197	1,249	1,320	1,494	13.2
	U.S. imports (million dollars)	1,804	1,579	1,598	1,680	2,052	22.1
	Apparent U.S. consumption (million dollars)	7,062	6,147	6,230	6,535	6,958	6.5
	Trade balance (million dollars)	-562	-381	-349	-360	-558	-54.9
	Ratio of imports to consumption (percent)	25.5	25.7	25.6	25.7	29.5	14.8
	Ratio of exports to shipments (percent)	19.1	20.8	21.2	21.4	23.3	8.9
ET006	Primary cells and batteries and electric storage batteries:						
	Number of establishments	180	170	165	165	165	0.0
	Employees (thousands)	32.0	30.0	28.0	28.0	27.0	-3.6
	Capacity utilization (percent)	71	71	75	([2])	([2])	([2])
	U.S. shipments (million dollars)	7,800	7,000	7,350	7,100	7,250	2.1
	U.S. exports (million dollars)	2,655	2,270	1,807	1,786	1,977	10.7
	U.S. imports (million dollars)	2,656	2,342	2,196	2,175	2,620	20.4
	Apparent U.S. consumption (million dollars)	7,801	7,072	7,739	7,489	7,892	5.4
	Trade balance (million dollars)	-1	-72	-389	-389	-642	-65.0
	Ratio of imports to consumption (percent)	34.0	33.1	28.4	29.0	33.2	14.5
	Ratio of exports to shipments (percent)	34.0	32.4	24.6	25.2	27.3	8.3

See footnote(s) at end of table.

Table TE-4—*Continued*
Transportation equipment sector: Profile of U.S. industry and market, by industry/commodity groups and subgroups, 2000–2004

USITC code	Industry/commodity group	2000	2001	2002	2003	2004	Percent change, 2004 from 2003
ET007	Ignition, starting, lighting, and other electrical equipment:						
	Number of establishments	700	670	670	670	670	0.0
	Employees (thousands)	80.0	80.0	80.0	80.0	80.0	0.0
	Capacity utilization (percent)	73	73	75	([2])	([2])	([2])
	U.S. shipments (million dollars)	17,500	15,600	16,400	15,900	16,200	1.9
	U.S. exports (million dollars)	1,986	1,824	1,894	1,822	1,773	-2.7
	U.S. imports (million dollars)	3,076	3,052	3,467	3,858	4,371	13.3
	Apparent U.S. consumption (million dollars)	18,590	16,828	17,974	17,936	18,798	4.8
	Trade balance (million dollars)	-1,090	-1,228	-1,574	-2,036	-2,598	-27.6
	Ratio of imports to consumption (percent)	16.5	18.1	19.3	21.5	23.3	8.4
	Ratio of exports to shipments (percent)	11.3	11.7	11.5	11.5	10.9	-5.2
ET008	Rail locomotive and rolling stock:						
	Number of establishments	190	180	199	200	200	0.0
	Employees (thousands)	30.0	26.0	25.0	24.0	23.0	-4.2
	Capacity utilization (percent)	69	65	60	60	70	16.7
	U.S. shipments (million dollars)	7,400	6,000	7,793	5,000	7,000	40.0
	U.S. exports (million dollars)	1,336	1,422	1,006	1,386	1,649	18.9
	U.S. imports (million dollars)	1,828	1,357	1,039	1,105	1,282	16.0
	Apparent U.S. consumption (million dollars)	7,892	5,935	7,826	4,718	6,632	40.6
	Trade balance (million dollars)	-492	65	-33	282	368	30.4
	Ratio of imports to consumption (percent)	23.2	22.9	13.3	23.4	19.3	-17.5
	Ratio of exports to shipments (percent)	18.0	23.7	12.9	27.7	23.6	-14.8
ET009	Motor vehicles:						
	Number of establishments	1,295	1,300	1,305	1,307	1,305	-0.2
	Employees (thousands)	291.0	279.0	265.0	265.0	256.0	-3.4
	Capacity utilization (percent)	95	85	89	84	85	1.2
	U.S. shipments (million dollars)	251,031	227,002	244,835	263,546	261,569	-0.8
	U.S. exports (million dollars)	22,865	22,651	26,209	29,379	29,979	2.0
	U.S. imports (million dollars)	129,568	127,257	133,264	134,286	142,750	6.3
	Apparent U.S. consumption (million dollars)	357,734	331,608	351,889	368,453	374,339	1.6
	Trade balance (million dollars)	-106,703	-104,606	-107,054	-104,907	-112,770	-7.5
	Ratio of imports to consumption (percent)	36.2	38.4	37.9	36.4	38.1	4.7
	Ratio of exports to shipments (percent)	9.1	10.0	10.7	11.1	11.5	3.6

See footnote(s) at end of table.

Table TE-4—*Continued*
Transportation equipment sector: Profile of U.S. industry and market, by industry/commodity groups and subgroups, 2000–2004

USITC code	Industry/commodity group	2000	2001	2002	2003	2004	Percent change, 2004 from 2003
ET010	Certain motor-vehicle parts:						
	Number of establishments	3,300	3,150	3,125	3,125	3,125	0.0
	Employees (thousands)	550.0	545.0	525.0	525.0	520.0	-1.0
	Capacity utilization (percent)	75	75	80	([2])	([2])	([2])
	U.S. shipments (million dollars)	137,000	122,000	128,000	124,000	126,500	2.0
	U.S. exports (million dollars)	28,917	26,521	26,651	25,625	27,741	8.3
	U.S. imports (million dollars)	25,011	23,977	27,761	30,897	35,045	13.4
	Apparent U.S. consumption (million dollars)	133,093	119,456	129,110	129,272	133,804	3.5
	Trade balance (million dollars)	3,907	2,544	-1,110	-5,272	-7,304	-38.5
	Ratio of imports to consumption (percent)	18.8	20.1	21.5	23.9	26.2	9.6
	Ratio of exports to shipments (percent)	21.1	21.7	20.8	20.7	21.9	5.8
ET011	Motorcycles, mopeds, and parts:						
	Number of establishments	55	60	60	65	70	7.7
	Employees (thousands)	10.0	11.0	12.0	12.0	12.0	0.0
	Capacity utilization (percent)	85	85	85	85	85	0.0
	U.S. shipments (million dollars)	3,500	4,200	5,000	5,700	6,500	14.0
	U.S. exports (million dollars)	563	742	793	864	917	6.2
	U.S. imports (million dollars)	2,519	2,870	2,927	3,213	3,809	18.5
	Apparent U.S. consumption (million dollars)	5,456	6,328	7,134	8,049	9,391	16.7
	Trade balance (million dollars)	-1,956	-2,128	-2,134	-2,349	-2,891	-23.1
	Ratio of imports to consumption (percent)	46.2	45.3	41.0	39.9	40.6	1.8
	Ratio of exports to shipments (percent)	16.1	17.7	15.9	15.2	14.1	-7.2
ET012	Miscellaneous vehicles and transportation-related equipment:						
	Number of establishments	1,203	1,210	1,213	1,217	1,217	0.0
	Employees (thousands)	61.0	62.0	64.0	65.0	65.0	0.0
	Capacity utilization (percent)	58	60	64	65	68	4.6
	U.S. shipments (million dollars)	14,092	14,205	14,915	15,360	15,970	4.0
	U.S. exports (million dollars)	2,939	2,658	2,725	3,187	3,803	19.3
	U.S. imports (million dollars)	2,982	2,364	2,744	2,926	3,386	15.7
	Apparent U.S. consumption (million dollars)	14,135	13,912	14,934	15,099	15,553	3.0
	Trade balance (million dollars)	-43	293	-19	261	417	59.8
	Ratio of imports to consumption (percent)	21.1	17.0	18.4	19.4	21.8	12.4
	Ratio of exports to shipments (percent)	20.9	18.7	18.3	20.8	23.8	14.4

See footnote(s) at end of table.

Table TE-4—*Continued*
Transportation equipment sector: Profile of U.S. industry and market, by industry/commodity groups and subgroups, 2000–2004

USITC code	Industry/commodity group	2000	2001	2002	2003	2004	Percent change, 2004 from 2003
ET013	Aircraft, spacecraft, and related equipment:						
	Number of establishments	230	200	210	200	190	-5.0
	Employees (thousands)	383.0	381.0	345.8	321.5	316.9	-1.4
	Capacity utilization (percent)	90	75	55	52	50	-3.8
	U.S. shipments (million dollars)	61,868	64,765	55,279	47,773	50,170	5.0
	U.S. exports (million dollars)	39,696	42,535	41,447	37,835	40,076	5.9
	U.S. imports (million dollars)	18,019	21,027	17,636	16,910	16,485	([3])
	Apparent U.S. consumption (million dollars)	40,191	43,257	31,468	26,849	26,578	-1.0
	Trade balance (million dollars)	21,677	21,508	23,811	20,924	23,592	12.7
	Ratio of imports to consumption (percent)	44.8	48.6	56.0	63.0	62.0	-1.6
	Ratio of exports to shipments (percent)	64.2	65.7	75.0	79.2	79.9	0.9
ET014	Ships, tugs, pleasure boats, and similar vessels:						
	Number of establishments	1,600	1,600	1,600	1,600	1,200	-25.0
	Employees (thousands)	119.0	112.0	113.0	115.0	144.0	25.2
	Capacity utilization (percent)	56	56	57	60	70	16.7
	U.S. shipments (million dollars)	15,200	14,000	14,100	14,300	15,000	4.9
	U.S. exports (million dollars)	1,083	1,820	1,234	1,195	1,659	38.8
	U.S. imports (million dollars)	1,223	1,411	1,413	1,932	1,888	([3])
	Apparent U.S. consumption (million dollars)	15,340	13,590	14,279	15,036	15,229	1.3
	Trade balance (million dollars)	-140	410	-179	-736	-229	68.9
	Ratio of imports to consumption (percent)	8.0	10.4	9.9	12.8	12.4	-3.1
	Ratio of exports to shipments (percent)	7.1	13.0	8.8	8.4	11.1	32.1

See footnote(s) at end of table.

Table TE-4—*Continued*

Transportation equipment sector: Profile of U.S. industry and market, by industry/commodity groups and subgroups, 2000–2004

USITC code	Industry/commodity group	2000	2001	2002	2003	2004	Percent change, 2004 from 2003
ET015	Motors and engines, except internal combustion, aircraft, or electric:						
	Number of establishments	350	335	335	335	335	0.0
	Employees (thousands)	40.0	40.0	40.0	40.0	40.0	0.0
	Capacity utilization (percent)	68	68	70	([2])	([2])	([2])
	U.S. shipments (million dollars)	7,000	6,300	6,600	6,400	6,500	1.6
	U.S. exports (million dollars)	453	508	479	578	668	15.5
	U.S. imports (million dollars)	772	784	700	834	1,066	27.9
	Apparent U.S. consumption (million dollars)	7,319	6,576	6,821	6,656	6,899	3.7
	Trade balance (million dollars)	-319	-276	-221	-256	-399	-55.9
	Ratio of imports to consumption (percent)	10.6	11.9	10.3	12.5	15.5	24.0
	Ratio of exports to shipments (percent)	6.5	8.1	7.3	9.0	10.3	14.4

[1] Capacity utilization could not be meaningfully calculated for this industry.
[2] Not available.
[3] Less than 0.05 percent.

Note.—Calculations based on unrounded data.

Source: These data have been estimated by the Commission's international trade analysts on the basis of primary and secondary data sources including discussions with various Government and industry contacts. These estimated data are subject to change either from secondary sources or from detailed surveys the Commission often conducts in the course of statutory investigations or other work. Further, these data may undergo adjustments based on revisions in tariff nomenclature, classification practices, or redefinitions of industry classes.