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SUMMARY: IMPACT OF THE ECONOMIC CRISIS ON U.S. IMPORTS FROM LATIN AMERICA AND THE CARIBBEAN – Overall Impact of the Crisis on U.S. Trade – The Impact on Specific Countries – The Impact on Specific Commodities – Volume Effects versus Price Effects – Shifts in Market Share and Competition with China

Impact of the Economic Crisis on U.S. Imports from Latin America and the Caribbean

The year 2009 may long be remembered as the “lost year” in the global economy, with trade and other activity severely depressed throughout the year. This was not simply a recession, which in the case of the United States officially began in December, 2007, but a true financial crisis that threatened to produce a global depression. That catastrophe now appears to have been averted. While the U.S. recession has not yet been officially declared to be over, there is an emerging consensus among economists that it probably ended sometime in the latter half of 2009. And as for the financial crisis, the worst of it also appears to be finished — at least in the Americas, if not in Europe.

The question then arises, just how costly was the downturn in trade for Latin American and Caribbean countries? How far did U.S. imports from these countries plummet after the outbreak of the financial crisis, and what countries and sectors were hit the hardest?

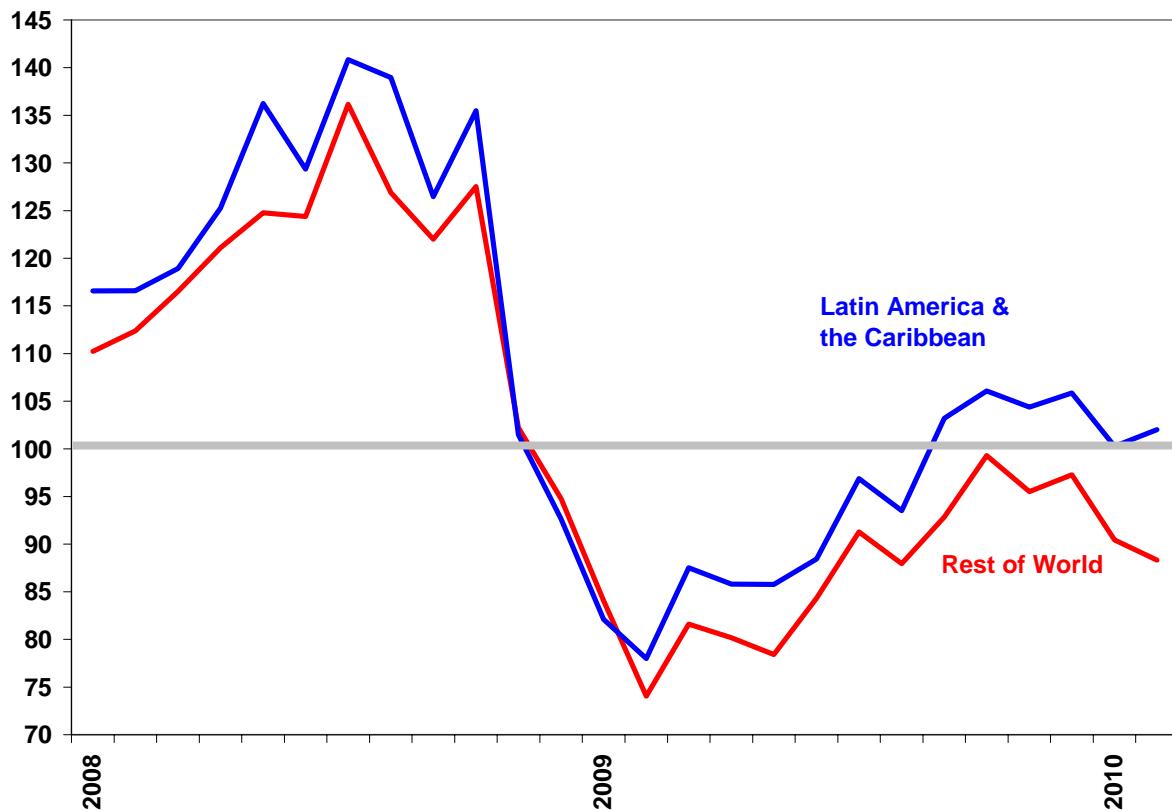
The numbers and analysis that follow use descriptive statistics in an effort to answer these questions. This analysis produces five main points. First, the impact on trade was severe, with the reduction in U.S. imports being equivalent to 1.5% of the region’s economy. Second, the experience of specific countries in the region varied widely. While many countries saw their exports to the U.S. market decline by one-fifth or more, there were a few for which exports grew — sometimes by very healthy amounts. Third, the impact varied widely across different product sectors, with some (especially food and agriculture) doing surprisingly well and others (especially non-agricultural raw materials) doing quite poorly. Fourth, the relative performance of different sectors can be partly explained as a consequence of reduced volumes of U.S. imports, and partly as a result of reduced prices. While price levels dropped for many commodities, there were a few for

which prices rose substantially in 2009. Fifth, although this region performed better than some others, it continues to face a serious, long-term, and widespread challenge from China.

Two caveats should be made before examining the data. The first is that this is a purely descriptive undertaking. It is not an exercise in inferential statistics or econometric forecasting. The aim here is to provide a rough yet easily understood damage assessment in which the comparisons between actual imports in 2009 and what we might normally have expected are based on simple averages of recent performance. The second is that this analysis looks only at one part of the overall impact that the crisis had on trade, that being the level of the region’s exports of merchandise to the United States (as measured by U.S. import data).¹ It does not examine trade in services, how the crisis affected U.S. exports to the region (and hence the trade balance), or countries’ trade with partners other than the United States.

¹ It should be stressed that an examination of U.S. import data is not precisely the same as an examination of the region’s export data. While one would logically expect that data on Country A’s exports to Country B will always be matched by Country B’s data on imports from Country A, there are many reasons why those numbers will almost never line up in actual practice. These include differences in how shipments are counted (e.g., whether or not the costs of shipping and insurance are factored into the price), lags in shipping time (e.g., an export that leaves one country in December may not reach the other until January), fluctuations in exchange rates, transshipments, errors, and fraud. For all of these reasons, analysts would be well-advised to compare the U.S. import data here against their own country’s export data.

Figure 1: Monthly U.S. Imports from the Region and the World, 2008-2010
Imports as a Percentage of Average Imports in the Same Months of 2006 and 2007



Source: Calculated from U.S. International Trade Commission data.

Overall Impact of the Crisis on U.S. Trade

The data shown in Figure 1 make clear that it was the economic crisis and not the U.S. recession that affected trade. Imports from both the region and the rest of the world increased at a surprisingly high rate during the first ten months of 2008, despite the fact that — as would be announced in December, 2008² — the United States had been in a recession since December, 2007. It was only with the outbreak of the crisis in the fourth quarter of 2008 that imports began to plummet. Whereas U.S. imports from Latin America and the Caribbean during the period of May-October, 2008 were in the range of 25-40% above the levels achieved

during the same months of 2006-2007, and were still equal to the averages in November, 2009, these relative levels fell to 82% of that level in January, 2009, and bottomed out at 78% in February, 2009. Imports rose thereafter, however, and by the end of 2009 had been restored to 2006-2007 levels.

The data in Figure 1, as elaborated upon by the more precise details in Table 1, show that U.S. imports from the region fared slightly better than imports from the world as a whole. Growth in U.S. imports from Latin America and the Caribbean was stronger in the first three quarters of 2008 than it was from the rest of the world, and imports from outside the region fell to an even lower level in the first quarter of 2009. The data in Table 1, as well as the remainder of this analysis, compare imports during 2009 with the average level of U.S. imports during 2006-2008. By that yardstick, imports from Latin America and the Caribbean were down by 18.7%. While that is a big “hit”, it was smaller than the decline in all U.S. imports (20.9%). Compared to other regions, Latin America and the Caribbean was affected somewhat more severely than Asia, but not as greatly as Europe or Africa.

² In the United States the [National Bureau of Economic Research](http://www.nber.org/cycles/main.html) (NBER) is responsible for making official determinations on the timing of recessions and expansions. The task is assigned to this group of private economists in order to ensure that political considerations do not affect announcements. For economic data and information on the group's operations see the NBER website at <http://www.nber.org/cycles/main.html>.

Table 1: U.S. Imports from Selected Partners and Regions, 2006-2009
Millions of Dollars, Customs Value, Imports for Consumption

	2006-2008 Average	2009	Absolute Difference	Relative Difference
Regions				
Asia	694,954	583,910	-111,044	-16.0%
Latin America & Caribbean	348,225	283,049	-65,176	-18.7%
European Union	348,918	278,104	-70,814	-20.3%
Sub-Saharan Africa	70,578	47,159	-23,419	-33.2%
By Economic Level				
OECD Member Countries	1,099,685	847,577	-252,108	-22.9%
Rest of World	832,428	680,041	-152,387	-18.3%
Least-Developed Countries	27,353	21,545	-5,808	-21.2%
Major Trading Partners				
China	315,880	295,545	-20,335	-6.4%
Canada	316,793	224,584	-92,209	-29.1%
Mexico	207,848	176,309	-31,539	-15.2%
Japan	144,037	96,002	-48,035	-33.3%
Germany	92,667	69,790	-22,877	-24.7%
OPEC Member Countries	178,292	109,883	-68,409	-38.4%
Venezuela	41,382	27,339	-14,043	-33.9%
Saudi Arabia	40,236	21,366	-18,870	-46.9%
Nigeria	32,875	19,474	-13,401	-40.8%
Algeria	17,167	10,176	-6,991	-40.7%
World	1,959,466	1,549,163	-410,303	-20.9%

Source: Calculated from U.S. International Trade Commission data.

What accounts for these differences? Why were imports from some regions affected more than others? One hypothesis worth testing is that it was a function of economic development. As can be seen from the data in Table 1, however, there is no discernible relationship here. The level of decline in U.S. imports from the most economically developed countries (i.e., the members of the Organization for Economic Cooperation and Development or OECD) was, at 22.9%, very nearly equal to the level in decline in imports from the least-developed countries (21.2%). A more useful observation is that imports from the members of the Organization of the Petroleum Exporting Countries (OPEC) were down by 38.4%, and that imports dropped sharply from the four largest U.S. oil suppliers in this group. This points to the fact, as discussed below, that a country's export performance during the crisis was partly a function of its commodity composition, with some products — notably oil — being subject to greater declines than others.

The Impact on Specific Countries

The data in Table 1 also show how some of the largest U.S. trading partners did during 2009 as compared to the previous three years. Imports declined from all of these major partners, though by quite different degrees. Whereas

imports from China fell by just 6.4%, Japanese shipments dropped by fully one-third.

Table 2 provides greater detail on the absolute and relative changes in U.S. imports from SELA Member countries.³ In addition to showing the percentage by which imports in 2009 were either up or (more frequently) down *vis a vis* the average for 2006-2008, the table also relates these figures to each country's gross domestic product (GDP). Taken as a whole, U.S. imports from the SELA Member Countries last year were \$63.0 billion below the average achieved in 2006-2008. This 18.3% decline was equivalent to 1.5% of the members' GDP.⁴

³ Note that the aggregate data for this group are not directly comparable to the data for all of the countries in Latin America and the Caribbean, as shown in tables 1, 3, and 4, insofar as there are some U.S. trading partners in the region that are not independent (e.g., Aruba), not members of SELA, or both.

⁴ Note that this observation should not be simplified to mean that "the decline in U.S. imports from SELA Member Countries in 2009 resulted in a loss of 1.5% for the region's GDP." It is important to recall that GDP is calculated on the basis of net exports, and that it would be necessary to include calculations on changes in U.S. exports to the region in order to reach an overall conclusion regarding the impact of declining trade on the region's net income.

Table 2: U.S. Imports from SELA Member Countries, 2006-2009
Millions of Dollars, Customs Value, Imports for Consumption

	Average 2006-2008	2009	Absolute Difference	Relative Difference	As Share of GDP
FTA Partners	241,272.9	205,406.4	-35,866.5	-14.9%	-2.3%
Chile	8,901.0	6,047.2	-2,853.8	-32.1%	-1.7%
Costa Rica	3,885.2	5,598.2	1,713.0	44.1%	5.8%
Dominican Republic	4,235.9	3,306.2	-929.7	-21.9%	-2.0%
El Salvador	2,037.9	1,822.9	-215.1	-10.6%	-1.0%
Guatemala	3,191.9	3,133.2	-58.7	-1.8%	-0.2%
Honduras	3,911.4	3,343.5	-567.9	-14.5%	-4.3%
Mexico	207,847.6	176,308.7	-31,538.9	-15.2%	-2.9%
Nicaragua	1,614.0	1,611.9	-2.0	-0.1%	0.0%
Peru	5,648.0	4,234.6	-1,413.4	-25.0%	-1.1%
CBI/ATPA Beneficiaries	28,867.7	23,983.4	-4,884.2	-16.9%	-1.3%
Bahamas	475.3	738.3	263.0	55.3%	3.6%
Barbados	37.2	32.6	-4.6	-12.3%	-0.1%
Belize	130.1	106.8	-23.3	-17.9%	-1.7%
Colombia*	10,516.6	11,209.4	692.7	6.6%	0.3%
Ecuador	7,395.4	5,245.9	-2,149.5	-29.1%	-3.9%
Grenada	6.6	5.7	-0.9	-13.8%	-0.1%
Guyana	131.2	168.6	37.4	28.5%	3.2%
Haiti	477.8	551.9	74.1	15.5%	1.0%
Jamaica	620.2	454.0	-166.1	-26.8%	-1.1%
Panama*	357.6	296.0	-61.5	-17.2%	-0.3%
Trinidad & Tobago	8,719.7	5,174.2	-3,545.5	-40.7%	-14.7%
GSP Beneficiaries	74,120.3	51,709.9	-22,410.3	-30.2%	-1.0%
Argentina	4,621.0	3,820.6	-800.4	-17.3%	-0.2%
Bolivia	412.2	504.0	91.8	22.3%	0.6%
Brazil	27,082.5	19,612.0	-7,470.4	-27.6%	-0.5%
Paraguay	66.4	56.3	-10.0	-15.1%	-0.1%
Suriname	140.0	139.1	-0.9	-0.6%	0.0%
Uruguay	416.0	238.4	-177.6	-42.7%	-0.6%
Venezuela	41,382.3	27,339.4	-14,042.9	-33.9%	-4.5%
Other	0.0	0.0	-0.1	-81.5%	N.A.
Cuba	0.2	0.0	-0.1	-81.5%	N.A.
Total	344,260.9	281,300.6	-62,960.3	-18.3%	-1.5%

* : FTA still pending approval in the U.S. Congress.

CBI = Caribbean Basin Initiative ATPA = Andean Trade Preferences Act GSP = Generalized System of Preferences

Source: Calculated from U.S. International Trade Commission data. GDP data are 2008 (2007 for the Bahamas) from the World Bank.

The experiences of specific countries did not all adhere to the average. At one extreme is Trinidad and Tobago, for which U.S. imports in 2009 were down by 40.7% compared to 2006-2008. That decline was the equivalent of 14.7% of GDP. It is no coincidence that this country relies heavily on exports of oil and especially gas, and that among the other countries that experienced steep declines were OPEC members Ecuador and Venezuela. Not all oil-exporters did poorly, however, as can be appreciated from the Colombian case (U.S. imports rose by an amount equivalent to 0.3% of Colombian GDP). Moreover, not all declines can be attributed solely to the energy sector. The drop in U.S. imports from Honduras (not an oil exporter) was equivalent to 4.3% of that country's GDP.

At the other extreme, a handful of countries did quite well last year. One was the Bahamas, for which U.S. imports rose by 55.3% (equivalent to 3.6% of Bahamian GDP). Other countries that experienced notable increases were Costa Rica (5.8% of GDP) and Guyana (3.2% of GDP).

One question worth asking is whether the differing experiences can be attributed to distinct treatment that countries' goods receive in the U.S. market. Taken as a whole, the evidence does suggest that there may be such a relationship. The decline in imports was lowest (14.9%) for those countries that have free trade agreements (FTAs) in place with the United States, somewhat higher (16.9%) for those countries that benefit from the special, preferential programs that are in place for the Andean and Caribbean Basin regions, much higher (30.2%) for those countries that benefit only from the Generalized System of Preferences, and extremely high (81.5%) for the one country that is subject to strict trade sanctions (i.e., Cuba). Those are only general patterns, however, and within each of the first three groups there were outliers in either the positive or the negative direction.

The Impact on Specific Commodities

As was suggested by the previous observations regarding imports of oil and gas, the crisis had very different impacts on distinct products and sectors. This carries two implications. First, the overall performance of a country in the crisis was partly a function of the commodity composition of its exports; countries that tend to concentrate in some types of goods will have done better than countries that concentrate in others. Second, most or all countries will have some sectors that weathered the crisis fairly well, and others that will have suffered deep losses.

Table 3 reports the absolute and relative changes in U.S. imports from Latin America and the Caribbean by sector. The data reconfirm what we already suspected about oil and gas: Imports of these products in 2009 were down by 27.5% compared to the average level for 2006-2008. This one sector is so significant that it accounted for 22.4% of all U.S. imports from Latin American and Caribbean countries in 2006-2008,

and for 32.9% of the decline in those imports in 2009. U.S. imports of other non-agricultural raw materials and semi-processed goods also declined last year, with the sharpest decline (59.5%) being in iron, steel, and ferroalloys.

This may be contrasted with the food and agriculture sector, where U.S. imports from the region actually increased by 8.2% last year. Put another way, the United States stepped up its purchases of those items that are used to fuel human beings at the very same time that it slowed down its imports of those items that are used to fuel its businesses. Imports from the region rose at especially strong rates for fruits and tree nuts (15.9%) and sugar and confectionary products (16.3%).

The experience in the manufacturing sector differed according to the type of good. Imports of electrical, electronic, and related goods declined very modestly (1.5%), and actually rose for some products such as computer equipment (17.7%). Imports of other manufactures, however, fell across the board. The declines were especially large in the automotive and apparel fields, the latter being a very important sector for several countries in the region. Declining U.S. imports of apparel may be attributed not only to the effects of the crisis, but also to the continuing transfer of sourcing from the Americas to China and other Asian countries.

Volume Effects versus Price Effects

What did the crisis affect most, the actual volume of imports or their prices? That is a question that can be addressed for any product that is more or less fungible (i.e., for which there are few or no differences in quality). Table 4 offers comparative data on U.S. imports of selected products from the region in 2009 versus 2006-2008, breaking each of them down by volume and average price.

The price effect was greater than the volume effect in the oil and gas sector. In the case of crude oil, for example, the 19.4% decline in unit prices was nearly twice as significant as the 9.8% drop in import volumes. The same pattern holds, though not to the same degree, for liquefied natural gas: Prices were down 35.2%, and volume dropped by 24.3%. As for the remaining products, there is no single pattern that predominates. There are some products which U.S. imports declined both in volume and in price, others for which both volumes and prices were higher, and yet others for which volumes declined but prices either rose or remained relatively stable. The only universal rule is that for none of the items shown here was there an increase in volume but a decline in price.

For many products the price effects multiplied the volume effects, whether for good or for ill. Last year was an especially bad time, for example, to be a methanol exporter to the United States. This is a derivative of natural gas that the United States imports from Argentina, Chile, Trinidad and Tobago,

Table 3: U.S. Imports from Latin America and the Caribbean, 2006-2009
Millions of Dollars, Customs Value, Imports for Consumption

	Average 2006-2008	2009	Absolute Difference	Relative Difference
Raw Materials & Semi-Processed	126,013.6	90,233.8	-35,779.9	-28.4%
Oil & Gas	77,838.0	56,402.0	-21,436.0	-27.5%
Petroleum & Coal Products	22,103.7	14,983.7	-7,120.1	-32.2%
Nonferrous Metal & Processing	11,331.0	10,829.5	-501.6	-4.4%
Basic Chemicals	7,466.1	5,074.5	-2,391.6	-32.0%
Iron & Steel & Ferroalloy	7,274.8	2,944.1	-4,330.6	-59.5%
Food & Agriculture	21,116.6	22,855.0	1,738.3	8.2%
Fruits & Tree Nuts	7,197.0	8,341.5	1,144.5	15.9%
Vegetables & Melons	3,535.1	3,735.2	200.1	5.7%
Beverages	2,975.5	3,020.1	44.6	1.5%
Fish & Other Marine Products	2,288.8	2,134.5	-154.3	-6.7%
Fruit & Veg. Preserves & Spec. Foods	2,242.7	2,314.1	71.4	3.2%
Sugar & Confectionery Prods.	1,782.1	2,071.9	289.8	16.3%
Other Foods	1,095.5	1,237.7	142.2	13.0%
Electrical, Electronic, & Related Mfgs.	62,130.7	61,194.7	-936.0	-1.5%
Audio & Video Equipment	16,286.1	15,648.9	-637.1	-3.9%
Communications Equipment	12,025.6	13,045.3	1,019.7	8.5%
Electrical Equipment	7,570.2	6,173.5	-1,396.7	-18.4%
Computer Equipment	6,504.4	7,656.6	1,152.2	17.7%
Semiconds. & Other Comps.	5,856.0	5,849.8	-6.3	-0.1%
Medical Equipment & Supplies	4,792.6	5,424.3	631.7	13.2%
Electrical Equip. & Components	4,776.4	3,406.2	-1,370.2	-28.7%
Nav., Meas., Etc. Instruments	4,319.4	3,990.0	-329.3	-7.6%
Other Manufactures	87,213.2	66,667.9	-20,545.3	-23.6%
Motor Vehicles	22,850.1	18,413.9	-4,436.3	-19.4%
Motor Vehicle Parts	23,057.3	16,344.3	-6,713.0	-29.1%
Apparel	13,800.3	10,356.8	-3,443.5	-25.0%
Appliances & Misc. Machines	3,790.5	3,669.8	-120.7	-3.2%
Other Fabricated Metal Prods.	2,981.4	2,427.7	-553.7	-18.6%
Vent., Heat., AC & Refr. Equip.	2,574.5	2,359.5	-215.0	-8.4%
Misc. Manufactured Commods.	2,912.3	2,326.0	-586.3	-20.1%
General Purpose Machinery	2,675.9	2,197.2	-478.8	-17.9%
Engines, Turbines, & Power Equip.	3,291.1	2,124.3	-1,166.9	-35.5%
Agriculture	3,132.7	2,101.5	-1,031.3	-32.9%
Construction Mach.				
Plastics Products	1,993.8	1,916.5	-77.3	-3.9%
Aerospace Products & Parts	2,131.6	1,220.9	-910.8	-42.7%
Agricultural Chemicals	2,021.5	1,209.6	-811.9	-40.2%
All Other	51,750.1	42,097.7	-9,652.5	-18.7%
Total	348,224.3	283,049.1	-65,175.2	-18.7%

Source: Calculated from U.S. International Trade Commission data.

Table 4: Volume and Price Changes in U.S. Merchandise Imports of Selected Products from Latin America and the Caribbean, 2006-2009
Harmonized Tariff Schedule Numbers in Parentheses

	Unit	Volumes of U.S. Imports from the Region (1000s)				Average Unit Price for U.S. Imports from the Region			
		Average 2006-2008	2009	Absolute Difference	Relative Difference	Average 2006-2008	2009	Absolute Difference	Relative Difference
Declines in Both Volume and Price									
Methanol (2905.11.20)	Liters	6,277,364	5,203,218	-1,074,146	-17.1	\$0.24	\$0.13	-\$0.10	-43.4
Anhydrous ammonia (2814.10.00)	Metric tons 1000	4,422	3,919	-503	-11.4	\$369.33	\$222.23	-\$147.10	-39.8
Liquified natural gas (2711.11)	meters ³	15,809	11,960	-3,849	-24.3	\$201.98	\$130.85	-\$71.12	-35.2
Copper cathodes (7403.11.00)	Kilograms	568,311	458,816	-109,495	-19.3	\$6.92	\$4.57	-\$2.35	-34.0
Frozen orange juice (2009.11.00.60)	Liters	1,162,464	1,025,349	-137,115	-11.8	\$0.33	\$0.25	-\$0.08	-24.5
Crude oil (2709.00)	Barrels	1,056,803	953,216	-103,587	-9.8	\$68.91	\$55.55	-\$13.36	-19.4
W/G cotton pullovers (6110.20.20.79)	Dozens	34,975	25,988	-8,987	-25.7	\$32.11	\$31.48	-\$0.64	-2.0
Unwrought tin (8001.10.00)	Kilograms	28,191	27,731	-460	-1.6	\$13.33	\$13.12	-\$0.21	-1.6
Men's blue jeans (6203.42.40.11)	Dozens	9,651	8,810	-841	-8.7	\$95.26	\$94.06	-\$1.20	-1.3
Declines in Volume Only									
M/B cotton pullovers (6110.20.20.69)	Dozens	53,267	44,941	-8,326	-15.6	\$20.36	\$20.44	\$0.09	0.4
Non-alloy pig iron (7201.10.00)	Metric tons	3,833	1,263	-2,570	-67.0	\$375.36	\$377.98	\$2.62	0.7
Bottled beer (2203.00.00.30)	Liters	1,383,904	1,224,437	-159,467	-11.5	\$1.03	\$1.06	\$0.03	2.6
Raw cane sugar (1701.11.10)	Kilograms	798,200	688,907	-109,293	-13.7	\$0.42	\$0.44	\$0.02	4.0
Trucks of 2.5-5.0 tons (8704.31.00.40)	Number	182	159	-23	-12.5	\$22,663.57	\$24,737.93	\$2,074.36	9.2
Bituminous coal (2701.12.00.50)	Metric tons	17,696	12,398	-5,298	-29.9	\$57.25	\$72.74	\$15.50	27.1
Bananas (0803.00.20.20)	Kilograms	3,939,807	3,579,949	-359,858	-9.1	\$0.29	\$0.41	\$0.11	38.1
Increases in Volume and Price									
Hass avocados (0804.40.00.10)	Kilograms	273,099	419,582	146,483	53.6	\$1.59	\$1.67	\$0.08	4.8
Pineapples (0804.30.40)	Kilograms	627,568	707,203	79,635	12.7	\$0.61	\$0.64	\$0.03	5.6
Arabica coffee (0901.11.00.10)	Kilograms	677,158	743,884	66,726	9.9	\$2.63	\$2.90	\$0.26	10.0
Passenger cars (8703.23.00.48)	Number	160	166	6	4.0	\$13,106.70	\$15,077.03	\$1,970.32	15.0
Gold doré (7108.12.10.20)	Grams	87,783	142,323	54,540	62.1	\$18.62	\$29.12	\$10.50	56.4

Source: Calculated from U.S. International Trade Commission data.

and Venezuela. The volume of U.S. methanol imports from the region fell by 17.1%, and the prices fetched by those imports dropped even more precipitously (43.4%). The net result was that the total value of U.S. methanol imports from the region was down by 52.6%. At the other extreme is gold doré, for which the rise in prices (56.4%) was exceeded only by the increase in volumes (62.1%). Taken together, these two trends produced a 159.7% increase in total U.S. imports of this product from the region.

Shifts in Market Share and Competition with China

What of the future? Are there any trends that the crisis produced, or existing trends that it reinforced, that may continue in the years to come? While it may be years before we have had sufficient experience to put the crisis in its full context, at this early juncture it would appear to have accelerated one trend that had been underway for many years: The competition with China. The data now available show that while both the region and China performed better than the average U.S. supplier during the crisis, China was much better able to limit its losses.

As can be appreciated from the data in Table 5, the region's average share of the total U.S. merchandise import market during 2006-2008 was 17.8%, but in 2009 this increased to 18.3%. China's relative gains were even larger, rising from 16.1% to 19.1%. That was only the latest development in a long-term trend, as the data in Figure 2 show. An optimist would point to the fact that in the past few years the region has finally exceeded Europe as a source of U.S. imports, but a pessimist would stress that at this same time China has overtaken both Europe and the region.

Latin American and Caribbean countries gradually increased their shares of the U.S. import market over the past two decades, aided in part by the preferential treatment extended through various U.S. programs and agreements. But even though China receives no preferences at all, its share of the U.S. market has grown at a much faster pace. The rate of increase has been even faster in the years since China acceded to the World Trade Organization in 2001.

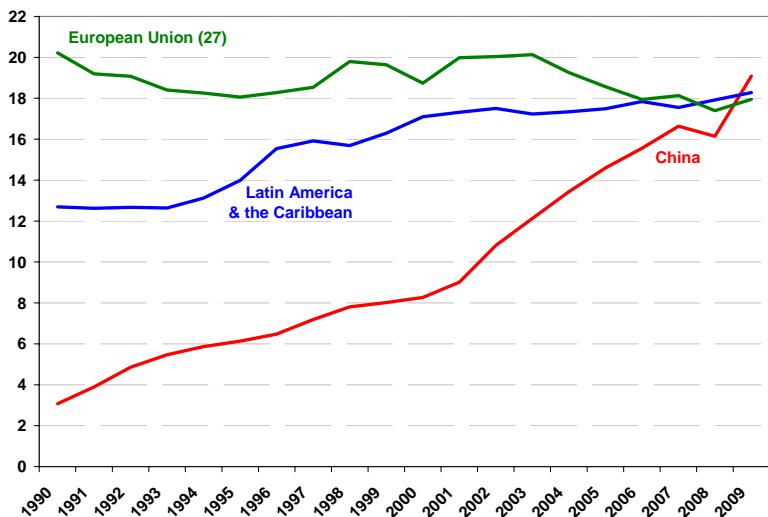
The competition between the region and China is not across-the-board, as there are some sectors in which China and the region do not directly compete. It is nevertheless widespread, as can be appreciated from the data in Table 6. There is only one sector — primary metal manufacturing — where last year the region unambiguously gained market share compared to China. By contrast, there were eight sectors where China gained and the region lost. That was most notably the case for apparel, where the long-term shift from the Americas to Asia continued during the crisis. The numbers for several other industries suggest that the head-to-head competition with China will be even fiercer in the post-crisis period.

Table 5: Changes in Shares of U.S. Imports, 2006-2009
Percentage Shares of U.S. Imports

	Market Share 2006-08	2009	Change
Latin America & Caribbean	17.8	18.3	0.5
Asia	35.5	37.7	2.2
China	16.1	19.1	3.0
Japan	7.4	6.2	-1.2
Rest of Asia	12.0	12.4	0.4
European Union	17.8	18.0	0.2
Canada	16.2	14.5	-1.7
Sub-Saharan Africa	3.6	3.0	-0.6
Rest of World	9.2	8.5	-0.7

Source: Calculated from U.S. International Trade Commission data.

Figure 2: Shares of the U.S. Import Market, 1990-2009
Percentage Shares of U.S. Imports



Source: Calculated from U.S. International Trade Commission data.

Table 6: Changes in Shares of U.S. Imports of Selected Products, 2006-2009
Percentage Shares of U.S. Imports

	2006-2008 Average			2009		
	Lat. Am. & Car.	China	Rest of World	Lat. Am. & Car.	China	Rest of World
Region Gained Share, China Lost:						
Primary Metal Manufacturing	22.1	8.8	69.1	27.2	6.9	65.8
Region Gained Share, China Stable:						
Agricultural Products	62.5	1.8	35.7	64.2	1.8	34.0
Oil & Gas	30.3	0.1	69.6	32.0	0.1	68.0
Beverages & Tobacco	22.0	0.2	77.8	24.0	0.2	75.9
Region & China Both Gained Share:						
Waste & Scrap	27.6	1.9	70.5	30.4	2.2	67.5
Transportation Equipment	18.3	2.8	78.9	20.3	3.6	76.1
Computers & Elec. Products	14.8	34.4	50.8	16.8	38.0	45.2
Wood Products	13.9	16.1	70.1	14.2	23.1	62.7
Plastics & Rubber Products	10.5	28.4	61.1	11.1	31.9	57.0
Non-Electric Machinery	10.2	14.4	75.3	11.0	16.6	72.4
Textiles & Fabric	9.9	16.6	73.5	10.7	19.8	69.6
Miscellaneous Manufactures	8.3	38.3	53.5	9.4	41.0	49.6
Paper	8.0	10.8	81.2	8.8	13.2	78.0
Forestry Products	2.5	3.4	94.1	4.0	5.9	90.1
Newspapers & Books	1.3	10.1	88.6	2.3	19.4	78.3
No Change in Region's Share:						
Non-Metallic Mineral Prods.	19.6	26.2	54.2	19.6	30.1	50.3
Fabricated Metal Products	12.7	27.0	60.2	12.7	28.6	58.7
Region & China Both Lost Share:						
Minerals & Ores	47.0	3.1	49.9	38.9	1.6	59.5
Livestock & Products	25.6	1.2	73.2	23.3	0.9	75.8
Region Lost Share, China Stable:						
Petroleum & Coal Products	20.3	0.3	79.3	19.9	0.3	79.8
Region Lost Share, China Gained:						
Electrical Equip. & Appliances	26.9	32.6	40.5	26.4	35.5	38.1
Fish & Other Marine Products	21.6	16.6	61.8	21.5	17.5	61.0
Apparel & Accessories	19.0	32.2	48.7	16.7	39.1	44.1
Printed Matter	10.3	34.6	55.2	9.1	40.9	50.0
Leather & Allied Products	10.1	67.9	22.0	7.4	72.1	20.5
Chemicals	7.9	4.3	87.8	6.1	5.0	88.9
Textile Mill Products	7.4	47.0	45.5	6.8	50.0	43.2
Furniture & Fixtures	6.7	54.7	38.6	6.1	57.9	36.0

Source: Calculated from U.S. International Trade Commission data.