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SUMMARY: THE RECOVERY OF U.S. TRADE WITH LATIN AMERICA AND THE CARIBBEAN – The Recovery in U.S. Imports from the Region – The Shifting Composition of U.S. Imports from the Region - The Tariff Treatment of U.S. Imports from the Region - The Region’s Contribution to the U.S. Export Recovery.

The Recovery of U.S. Trade with Latin America and the Caribbean

Three and a half years have now passed since the financial crisis began in the United States, bringing on what many call the Great Recession and spreading economic misery throughout the world. Among the many consequences of that downturn was a sharp drop in global trade, including trade between the United States and the Latin American and Caribbean region.¹ In 2009, U.S. imports from the region were 24.1% lower than they had been in 2008, and U.S. exports to the region were down by 20.5%. How has trade between the United States and the region fared since then?

This note examines the evolving magnitude and composition of merchandise trade between the United States and the region from 2007 through 2011, based on an analysis of U.S. data. The data show that this trade recovered in 2010 and 2011, with U.S. imports from the region in 2011 being 14.6% higher than they had been in 2008, and U.S. exports to the region being 22.0% higher. There are some significant variations by country and product sector, however, with trade still being in the doldrums for some partners and products, but rising at much higher than average levels for others.

The analysis that follows begins by examining the changing patterns in U.S. imports from the region, both by country and by major product. It also reviews the differing tariff treatment accorded to countries in the region, all but one of which receive some form of preferential access to the U.S. market. The data nonetheless show little correlation between the level of access that a country enjoys and the rate of growth in its exports to the United States; some of the countries that nominally have the deepest preferences have nonetheless experienced relatively low levels of export growth in recent years, just as some countries with less preferential access have seen significant increases in their shipments to the U.S. market.

The analysis then turns to U.S. exports to the region. The financial crisis and Great Recession seem to have dampened demand less in the region than they did in the United States, leading to a smaller downturn in U.S. exports than in imports during 2009. U.S. exports to the region also recovered faster than did U.S. imports in 2010-2011. The net result is that the U.S. deficit with SELA Member Countries fell from \$124.0 billion in 2007 to just \$81.0 billion in 2009, but recovered to reach \$117.5 billion last year (still 5.3% below the 2007 level). Latin America and the Caribbean has in fact made a larger contribution to the recovery in U.S. exports than has Europe, and U.S. exports to the region have grown more consistently than U.S. exports to China, Japan, and other Asian countries. As in the case of imports, however, the data do not indicate a positive correlation between the type of partner and the rate of growth in U.S. exports. If anything, exports to the countries that have free trade agreements (FTAs) with the United States have grown at a slower pace than have exports to the rest of the region.

The Recovery in U.S. Imports from the Region

Table 1 summarizes the trends in U.S. imports from SELA Member Countries during 2007-2011, dividing these countries into four categories. The FTA countries include the single largest U.S. trading partner in the region (Mexico accounted for 61.9% of U.S. imports from SELA Member Countries last year), as well as Chile, Peru, and the six partners in the U.S. FTA Central America and the Dominican Republic (CAFTA-DR). These countries enjoy the fullest access to the U.S. market, with virtually all tariff barriers and most non-tariff barriers either being removed already or in the process of being phased out. It is nonetheless interesting to note that while U.S. imports from this group of countries was 25.9% higher in 2011 than it had been in 2007, that rate of increase was almost indistinguishable from the rate of increase in imports from SELA Member Countries as a whole (i.e., 25.8%). The overall results for these FTA partners are of course dominated by the results for Mexico, whose exports rose by 25.0% during this period. Outcomes were better for two other FTA partners (Nicaragua and especially Costa Rica), but growth was even lower for most others (notably the Dominican Republic).

The second group of countries consists of those that benefit from special preferential programs, namely the Caribbean Basin Initiative (CBI), the Andean Trade Preferences Act (AT

¹ Note that throughout this analysis the term “Latin American and Caribbean countries” refers to data based on U.S. trade with all countries and territories that are in the Western Hemisphere and south of the United States, whereas references to SELA Member Countries mean trade with those countries that are members of the organization. This distinction is necessitated by the fact that some regional data as reported by U.S. sources are available only for the former, somewhat larger category.

Table 1: U.S. Merchandise Imports from SELA Member Countries, 2007-2011*Millions of Dollars, Customs Value, Current Dollars*

| | 2007 | 2008 | 2009 | 2010 | 2011 | Percentage Change | |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------|
| | | | | | | 2007-11 | 2010-11 |
| FTA Partners | \$243,091.5 | \$249,663.6 | \$205,406.4 | \$264,765.2 | \$305,940.3 | 25.9 | 15.6 |
| Mexico | \$210,158.8 | \$216,328.4 | \$176,308.7 | \$228,823.8 | \$262,671.0 | 25.0 | 14.8 |
| Costa Rica | \$3,915.7 | \$3,926.4 | \$5,598.2 | \$8,696.2 | \$10,111.1 | 158.2 | 16.3 |
| Chile | \$8,969.5 | \$8,182.3 | \$6,047.2 | \$7,067.8 | \$9,169.8 | 2.2 | 29.7 |
| Peru | \$5,207.1 | \$5,839.9 | \$4,234.6 | \$5,172.5 | \$6,152.8 | 18.2 | 19.0 |
| Honduras | \$3,942.7 | \$4,056.7 | \$3,343.5 | \$3,911.6 | \$4,456.8 | 13.0 | 13.9 |
| Dominican Republic | \$4,213.8 | \$3,953.9 | \$3,306.2 | \$3,648.9 | \$4,154.6 | -1.4 | 13.9 |
| Guatemala | \$3,031.5 | \$3,441.6 | \$3,133.2 | \$3,218.9 | \$4,135.5 | 36.4 | 28.5 |
| Nicaragua | \$1,608.4 | \$1,707.4 | \$1,611.9 | \$2,012.0 | \$2,607.2 | 62.1 | 29.6 |
| El Salvador | \$2,044.1 | \$2,227.0 | \$1,822.9 | \$2,213.5 | \$2,481.5 | 21.4 | 12.1 |
| Special Preferences | \$26,235.9 | \$33,408.9 | \$23,870.9 | \$31,853.2 | \$42,963.6 | 63.8 | 34.9 |
| Colombia* | \$9,251.2 | \$13,058.8 | \$11,209.4 | \$15,672.6 | \$22,390.9 | 142.0 | 42.9 |
| Ecuador | \$6,131.0 | \$9,043.8 | \$5,245.9 | \$7,333.8 | \$9,500.3 | 55.0 | 29.5 |
| Trinidad & Tobago | \$8,764.2 | \$8,996.4 | \$5,174.2 | \$6,577.1 | \$8,158.7 | -6.9 | 24.0 |
| Bahamas | \$394.4 | \$595.7 | \$738.3 | \$691.3 | \$797.0 | 102.1 | 15.3 |
| Haiti | \$487.6 | \$449.7 | \$551.9 | \$550.8 | \$741.6 | 52.1 | 34.6 |
| Jamaica | \$685.4 | \$704.2 | \$454.0 | \$306.9 | \$505.4 | -26.3 | 64.7 |
| Guyana | \$122.9 | \$145.8 | \$168.6 | \$302.2 | \$423.5 | 244.6 | 40.1 |
| Panama* | \$361.4 | \$373.7 | \$296.0 | \$376.1 | \$388.1 | 7.4 | 3.2 |
| Barbados | \$37.8 | \$40.8 | \$32.6 | \$42.5 | \$58.2 | 54.2 | 37.0 |
| GSP Beneficiaries | \$67,966.1 | \$87,171.2 | \$51,816.7 | \$60,191.8 | \$75,566.9 | 11.2 | 25.5 |
| Venezuela | \$37,582.3 | \$50,281.2 | \$27,339.4 | \$31,768.2 | \$38,922.3 | 3.6 | 22.5 |
| Brazil | \$25,017.7 | \$30,060.7 | \$19,612.0 | \$23,401.8 | \$30,367.9 | 21.4 | 29.8 |
| Argentina | \$4,258.0 | \$5,680.3 | \$3,820.6 | \$3,738.9 | \$4,525.1 | 6.3 | 21.0 |
| Bolivia | \$333.6 | \$540.4 | \$504.0 | \$675.9 | \$873.5 | 161.8 | 29.2 |
| Suriname | \$129.4 | \$126.3 | \$139.1 | \$191.4 | \$301.5 | 133.0 | 57.5 |
| Uruguay | \$492.0 | \$243.9 | \$238.4 | \$235.0 | \$289.7 | -41.1 | 23.3 |
| Belize | \$86.7 | \$157.1 | \$106.8 | \$120.4 | \$177.0 | 104.1 | 47.0 |
| Paraguay | \$66.4 | \$81.3 | \$56.3 | \$60.2 | \$109.9 | 65.6 | 82.5 |
| Cuba | \$0.3 | \$0.0 | \$0.0 | \$0.3 | \$0.0 | -97.7 | -98.3 |
| Total | \$337,293.7 | \$370,243.8 | \$281,094.0 | \$356,810.6 | \$424,470.8 | 25.8 | 19.0 |

* : The FTAs with these two partners have been approved by the U.S. Congress but have not yet come into effect.

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

PA), and preferences that are uniquely available to Haiti. These preferences are, on the U.S. import side, very close to FTA treatment

in the extent of their product coverage, rules of origin, and other details. The main differences between these programs and FTAs concern their unilateral character (the beneficiary country is not obliged to open its own market to the United States) and their impermanence (each is subject to expiration or revocation). Taken as a whole, this group of countries outperformed both the FTA partners and the region as a whole in their exports to the United States during 2007-2011. Export growth was especially strong for the Bahamas, Colombia, and Guyana, though Trinidad and Tobago as well as Jamaica actually saw their exports to the United States decline.

The third category is comprised of those countries that receive preferential access only via the Generalized System of Preferences (GSP). Compared to FTAs, the CBI, and the ATPA, the GSP covers far fewer products and is subject to many more limitations. This group did see a much lower rate of growth in its shipments to the United States, but the numbers here are dominated by the two largest countries in the category. U.S. imports from Venezuela were only slightly higher in 2011 than they were in 2007 (3.6%), but the rate of growth in imports from Brazil (21.4%) came closer to the average for SELA Member Countries as a whole (25.8%). The range of outcomes for other countries in this group was quite wide, from the 41.1% decline for U.S. imports from Uruguay to the 161.8% rise in imports from Bolivia (despite the fact that this country had been removed from the more generous ATPA benefits).

Cuba is in a category of its own, being subject to very strict U.S. import restrictions (though the sanctions are less strict on U.S. exports to that country). There were very close to zero U.S. imports from Cuba last year, meaning that it was the only SELA Member Country from which U.S. imports in 2011 were lower than they had been in 2010.

The Shifting Composition of U.S. Imports from the Region

Table 2 summarizes the commodity composition of U.S. imports from SELA Member Countries, broken down by sector as well as broad category. While the data do show significant variations in the rates of growth (and sometimes the decline) in U.S. imports of specific products, one needs to exercise some caution when drawing conclusions from these numbers

There is limited evidence here to suggest a gradual shift away from imports of heavy and advanced manufactures and towards raw materials and other less advanced or processed goods. That can be seen in the fact that imports of raw materials and related goods rose at a higher rate (32.5%) during 2007-2011 than did imports of heavy and advanced manufactures (22.1%). This point is also supported by the fact that the share of raw materials and related items rose in total U.S. imports, up from 27.0% in 2007 to 28.4% in 2011, while the share of heavy and advanced manufactures fell (from

41.9% to 40.6%). One can also point to some specific product chains to support the argument that there may be a process of deindustrialization underway in some Latin American and Caribbean countries. U.S. imports of forestry products from the region were up by 129.8%, for example, while imports declined for wood products (down 40.9%) and furniture (down 12.4%). Even so, U.S. imports of paper from the region were up 27.0%.

Other considerations cast doubt on the proposition that these numbers demonstrate a process of deindustrialization. One is the fact that some industrial sectors have done relatively well. Imports of automobiles, airplanes, and other transportation equipment from the region grew by 25.6%, which is nearly the same as the growth rate for all goods (25.9%), and similar rates of growth were achieved for computers and electronics (25.7%) and for machinery (30.5%). Moreover, it is not clear from the table how much of the increase in imports of raw materials may be attributed to changes in prices. For example, the average price for a barrel of oil imported from the region in 2011 was \$99.00, or 62.6% higher than the average price in 2007 (\$60.90). Some of the higher rates of growth in imports of less advanced goods may simply reflect price fluctuations, with U.S. imports of certain commodities rising in nominal value even if the actual quantity of those imports rose little or even declined. These fluctuations can distort the apparent composition of U.S. imports from the region.

The Tariff Treatment of U.S. Imports from the Region

One point is immediately evident from the data in Table 3: Tariffs are, for the average U.S. import from SELA Member Countries, extremely low. There is not one country in the region for which the trade-weighted average tariff imposed by the United States reached as high as 2%. That point is equally true for the FTA partners, the beneficiaries of the CBI and the ATPA, and the countries benefitting from the less generous GSP program.

This is not to say that tariffs are no longer a factor. There are still several countries in the region that must pay duty on half or more of their exports to the United States. In the case of Venezuela, for example, 58.5% of U.S. imports from that country are dutiable. Most of those imports are of oil or its derivatives, however, and tariffs on these goods are more in the nature of nuisances than real barriers. The tariff on crude oil, for example, is either 5.25¢ or 10.5¢ per barrel (depending on the grade of oil), which is almost negligible compared to prices of oil now ranging around \$100 per barrel. This is why the average U.S. tariff on dutiable imports from Venezuela last year was just 0.2%, and the average tariff on total imports from Venezuela was 0.1%.

There are also several countries that face relatively high tariffs on those products that are still subject to duty. This includes four countries that are FTA partners of the United States (i.e., El Salvador, Guatemala, Honduras, and Nicaragua) and two

Table 2: Composition of U.S. Merchandise Imports from Latin America and the Caribbean, 2007-2011*Billions of Dollars, Customs Value, Current Dollars*

| | 2007 | 2008 | 2009 | 2010 | 2011 | Percentage Change | | Share | |
|---|----------------|----------------|----------------|----------------|----------------|-------------------|-------------|--------------|--------------|
| | | | | | | 2007-11 | 2010-11 | 2007 | 2011 |
| Raw Materials & Related | \$92.0 | \$119.4 | \$77.0 | \$97.0 | \$121.9 | 32.5 | 25.6 | 27.0 | 28.4 |
| Oil & Gas | \$70.1 | \$95.8 | \$56.4 | \$73.9 | \$93.6 | 33.4 | 26.7 | 20.6 | 21.8 |
| Agricultural Products | \$12.5 | \$13.6 | \$13.8 | \$15.9 | \$19.3 | 54.0 | 21.8 | 3.7 | 4.5 |
| Minerals & Ores | \$4.0 | \$5.1 | \$2.6 | \$2.5 | \$2.9 | -26.0 | 17.5 | 1.2 | 0.7 |
| Fish and Other Marine Prods. | \$2.3 | \$2.2 | \$2.1 | \$2.2 | \$2.6 | 11.7 | 16.4 | 0.7 | 0.6 |
| Waste & Scrap | \$1.6 | \$1.4 | \$1.0 | \$1.5 | \$1.8 | 15.9 | 25.0 | 0.5 | 0.4 |
| Livestock & Products | \$1.2 | \$1.0 | \$0.8 | \$0.9 | \$1.3 | 6.8 | 43.5 | 0.4 | 0.3 |
| Used Merchandise | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.2 | 58.2 | 43.5 | 0.0 | 0.0 |
| Forestry Products | \$0.1 | \$0.1 | \$0.1 | \$0.1 | \$0.1 | 129.8 | 62.3 | 0.0 | 0.0 |
| Semi-Processed & Light Mfgs. | \$95.7 | \$104.6 | \$75.6 | \$92.3 | \$122.9 | 28.4 | 33.2 | 28.1 | 28.6 |
| Primary Metal Manufacturing | \$19.1 | \$21.8 | \$15.1 | \$21.1 | \$31.7 | 65.7 | 50.1 | 5.6 | 7.4 |
| Petroleum & Coal Products | \$20.4 | \$25.1 | \$15.0 | \$17.4 | \$27.6 | 35.5 | 58.6 | 6.0 | 6.4 |
| Chemicals | \$11.8 | \$15.4 | \$9.3 | \$11.6 | \$16.2 | 37.7 | 39.6 | 3.5 | 3.8 |
| Apparel & Accessories | \$14.5 | \$13.5 | \$11.2 | \$12.3 | \$13.7 | -5.8 | 11.0 | 4.3 | 3.2 |
| Food & Kindred Products | \$7.3 | \$8.1 | \$7.9 | \$9.2 | \$11.5 | 58.8 | 25.2 | 2.1 | 2.7 |
| Plastics & Rubber Products | \$3.4 | \$3.5 | \$3.1 | \$3.9 | \$4.6 | 35.1 | 17.7 | 1.0 | 1.1 |
| Beverages & Tobacco Products | \$3.5 | \$3.5 | \$3.5 | \$3.8 | \$4.1 | 18.9 | 8.6 | 1.0 | 1.0 |
| Nonmetallic Mineral Products | \$3.9 | \$3.4 | \$2.6 | \$3.0 | \$3.2 | -17.1 | 5.6 | 1.1 | 0.7 |
| Leather & Allied Products | \$3.0 | \$2.5 | \$1.9 | \$2.5 | \$2.6 | -13.4 | 3.0 | 0.9 | 0.6 |
| Paper | \$1.9 | \$2.1 | \$1.6 | \$2.2 | \$2.4 | 27.0 | 7.4 | 0.5 | 0.6 |
| Furniture & Fixtures | \$1.8 | \$1.6 | \$1.3 | \$1.5 | \$1.6 | -12.4 | 7.0 | 0.5 | 0.4 |
| Wood Products | \$2.5 | \$1.9 | \$1.4 | \$1.5 | \$1.5 | -40.9 | -1.4 | 0.7 | 0.3 |
| Textile Mill Products | \$1.2 | \$1.0 | \$0.9 | \$1.0 | \$0.9 | -20.2 | -3.1 | 0.3 | 0.2 |
| Textiles & Fabrics | \$0.8 | \$0.6 | \$0.6 | \$0.6 | \$0.6 | -19.5 | -2.3 | 0.2 | 0.1 |
| Printed Matter | \$0.7 | \$0.6 | \$0.4 | \$0.5 | \$0.5 | -18.8 | 11.5 | 0.2 | 0.1 |
| Heavy & Advanced Mfgs. | \$142.9 | \$139.3 | \$119.7 | \$158.8 | \$174.4 | 22.1 | 9.8 | 41.9 | 40.6 |
| Transportation Equipment | \$50.5 | \$47.8 | \$36.5 | \$54.3 | \$63.5 | 25.6 | 17.0 | 14.8 | 14.8 |
| Computers & Electronics | \$47.3 | \$46.7 | \$46.3 | \$59.1 | \$59.4 | 25.7 | 0.5 | 13.9 | 13.8 |
| Electrical Equip. & Appliances | \$18.2 | \$17.2 | \$14.3 | \$17.2 | \$19.2 | 5.6 | 11.4 | 5.3 | 4.5 |
| Machinery | \$12.6 | \$13.2 | \$9.7 | \$13.6 | \$16.5 | 30.5 | 21.6 | 3.7 | 3.8 |
| Miscellaneous Manufactures | \$7.8 | \$8.1 | \$7.8 | \$8.6 | \$9.1 | 16.5 | 5.8 | 2.3 | 2.1 |
| Fabricated Metal Products | \$6.4 | \$6.2 | \$5.0 | \$6.0 | \$6.7 | 4.0 | 11.7 | 1.9 | 1.6 |
| All Other | \$10.5 | \$11.3 | \$10.7 | \$9.9 | \$10.1 | -3.0 | 2.3 | 3.1 | 2.4 |
| Total | \$341.0 | \$374.5 | \$283.0 | \$358.0 | \$429.3 | 25.9 | 19.9 | 100.0 | 100.0 |

*Note: Data include imports from a slightly larger number of countries and territories than those shown in Table 1.
Source: Calculated from U.S. International Trade Commission data.*

Table 3: Tariff Treatment of U.S. Merchandise Imports from SELA Member Countries, 2011

Millions of Dollars, Customs Value, Current Dollars

| | Imports | Percent Dutiable | Duties Paid | Duties Paid as a Percentage of: | |
|----------------------------|-------------|------------------|-------------|---------------------------------|------------------|
| | | | | Total Imports | Dutiable Imports |
| FTA Partners | | | | | |
| Mexico | \$262,671.0 | 3.5 | \$239.1 | 0.1 | 2.6 |
| Costa Rica | \$10,111.1 | 2.4 | \$2.6 | 0.0 | 1.1 |
| Chile | \$9,169.8 | 5.2 | \$12.1 | 0.1 | 2.5 |
| Peru | \$6,152.8 | 12.5 | \$5.0 | 0.1 | 0.7 |
| Honduras | \$4,456.8 | 3.1 | \$19.8 | 0.4 | 14.3 |
| Dominican Republic | \$4,154.6 | 4.2 | \$13.4 | 0.3 | 7.8 |
| Guatemala | \$4,135.5 | 10.7 | \$70.9 | 1.7 | 16.0 |
| Nicaragua | \$2,607.2 | 9.4 | \$35.8 | 1.4 | 14.6 |
| El Salvador | \$2,481.5 | 4.2 | \$15.5 | 0.6 | 14.7 |
| Special Preferences | | | | | |
| Colombia | \$22,390.9 | 45.4 | \$69.4 | 0.3 | 0.7 |
| Ecuador | \$9,500.3 | 62.7 | \$24.9 | 0.3 | 0.4 |
| Trinidad & Tobago | \$8,158.7 | 18.6 | \$3.2 | 0.0 | 0.2 |
| Bahamas | \$797.0 | 35.7 | \$3.0 | 0.4 | 1.1 |
| Haiti | \$741.6 | 1.8 | \$2.0 | 0.3 | 15.2 |
| Jamaica | \$505.4 | 1.1 | \$0.1 | 0.0 | 1.4 |
| Guyana | \$423.5 | 0.6 | \$0.3 | 0.1 | 12.9 |
| Panama | \$388.1 | 2.4 | \$0.3 | 0.1 | 3.6 |
| Belize | \$177.0 | 1.3 | \$0.0 | 0.0 | 1.4 |
| Barbados | \$58.2 | 22.6 | \$0.0 | 0.1 | 0.3 |
| GSP Beneficiaries | | | | | |
| Venezuela | \$38,922.3 | 58.5 | \$35.5 | 0.1 | 0.2 |
| Brazil | \$30,367.9 | 42.6 | \$276.6 | 0.9 | 2.1 |
| Argentina | \$4,525.1 | 48.6 | \$53.2 | 1.2 | 2.4 |
| Bolivia | \$873.5 | 14.2 | \$1.7 | 0.2 | 1.4 |
| Suriname | \$301.5 | 0.6 | \$0.0 | 0.0 | 1.9 |
| Uruguay | \$289.7 | 39.8 | \$2.1 | 0.7 | 1.8 |
| Paraguay | \$109.9 | 7.0 | \$0.8 | 0.7 | 10.1 |
| Cuba | \$0.3 | 0.0 | \$0.0 | 0.0 | 0.0 |

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

others that benefit from special preferences (i.e., Guyana and Haiti). While the great majority of imports from each of these countries are duty-free, the dutiable imports face average tariffs as high as 16.0%. Most of these imports consist of apparel products that do not meet the rules of origin of either the FTAs or the preferential programs, usually because they incorporate non-U.S. fabric. This means that a manufacturer of (for example) shirts had to choose between purchasing expensive U.S. fabric in order to obtain duty-free treatment for the shirt, and purchasing inexpensive fabric from a third party and paying the duty on that finished product, but decided that the latter was the more profitable option.

The Region's Contribution to the U.S. Export Recovery

It has now been two years since President Obama's [2010 State of the Union address](#), in which he announced the [National Export Initiative](#) goal of "doubl[ing] our exports over the next five years." The latest trade data indicate that the economy is well on its way to achieving that objective. Doubling exports from 2009 to 2014 would require an annual growth rate of 14.9%. As shown in Figure 1, that rate has now been beaten two years in a row, with exports rising by 19.8% in 2010-2009 and by 15.7% in 2010-2011. These growth spurts mean that the doubling goal can be achieved even if the rate falls to an average of 12% over the next three years.

Latin America and the Caribbean have made a larger and more

consistent contribution to that recovery in U.S. exports than any other region. Exports were above the doubling rate (14.9% annually) in each of the past two years for both the region and a whole and all of its subregions, apart from CARICOM. The data also reflect the results of a long-term shift in the direction of U.S. exports. From 2009 to 2011 U.S. exports grew by \$361.7 billion, and the region was responsible for 29.7% of that growth. This was a larger contribution than those of either the EU-27 (10.7%) or Asia (29.5%). These latest shifts are part of a longer-term pattern of realignment in U.S. trade with different regions. From 2007 to 2011, the region's share of total U.S. exports rose from 20.9% to 24.1%. It overtook Europe during that period, with the EU-27's share of U.S. exports falling from 21.6% to 18.6%. Asia's share grew slightly, from 25.5% to 26.6%.

The data in Table 5 provide a more detailed view of trend within the region. It is interesting to note that, on average, U.S. exports to the FTA partners grew at a slower pace than did exports to other SELA Member Countries. This is largely due to the fact that while exports to Mexico did rise 33.9% during 2007-2011, that rate of growth was well below those achieved in U.S. exports to many other countries in the region. Shipments to Brazil rose by more than twice that rate, for example, and more than doubled for Bolivia, Ecuador, and Panama. The U.S. sanctions on Cuba do permit exports of some products, but exports to that country in 2011 were less than half the level achieved in 2008. The only other countries in the region that have seen declines in U.S. exports since 2007 are Barbados and Jamaica.

Figure 1: Total U.S. Merchandise Exports, 2007-2011 and Projected

Domestic Exports, FAS Value, in Trillions of Current Dollars

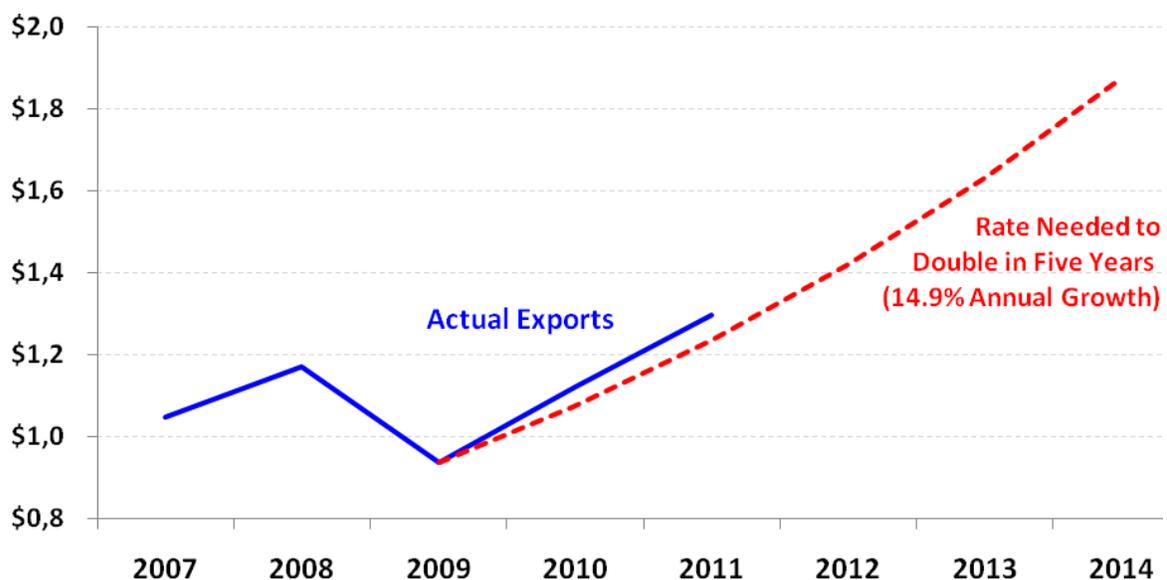


Table 4: U.S. Merchandise Exports by Partner, 2009-2011

*Domestic Exports, FAS Value, in Billions of Current Dollars and Percentages;
 Partners with Growth Rates Above 14.9% Are Shown in **Bold***

| | U.S. Exports in 2011 | | Rate of Growth in Exports | |
|---------------------|----------------------|-------|---------------------------|-------------|
| | Value | Share | 2009-2010 | 2010-2011 |
| World | \$1,298.4 | 100.0 | 19.8 | 15.7 |
| Latin Am./Carib. | \$312.6 | 24.1 | 25.0 | 21.8 |
| Mexico | \$159.9 | 12.3 | 24.5 | 21.5 |
| MERCOSUR | \$48.7 | 3.8 | 35.6 | 24.7 |
| Andean Community | \$37.5 | 2.9 | 24.9 | 16.9 |
| CAFTA-DR | \$28.4 | 2.2 | 20.6 | 24.9 |
| CARICOM | \$10.5 | 0.8 | 19.2 | 7.3 |
| Other Americas | \$27.5 | 2.1 | 18.3 | 29.1 |
| Asia | \$345.0 | 26.6 | 28.8 | 12.4 |
| China | \$96.9 | 7.5 | 31.7 | 13.0 |
| Japan | \$61.4 | 4.7 | 18.4 | 10.2 |
| ASEAN | \$69.6 | 5.4 | 31.7 | 8.6 |
| Korea | \$41.3 | 3.2 | 36.1 | 12.1 |
| Other Asia | \$75.8 | 5.8 | 28.0 | 17.2 |
| Canada | \$233.8 | 18.0 | 20.0 | 13.5 |
| European Union (27) | \$241.1 | 18.6 | 7.4 | 10.9 |
| Rest of World | \$166.0 | 12.8 | 13.7 | 22.8 |

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

Table 5: U.S. Merchandise Exports to SELA Member Countries, 2007-2011

Millions of Dollars, Customs Value, Current Dollars

| | 2007 | 2008 | 2009 | 2010 | 2011 | Percentage Change | |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------|
| | | | | | | 2007-11 | 2010-11 |
| FTA Partners | \$152,030.0 | \$172,483.4 | \$137,616.9 | \$170,319.1 | \$210,223.1 | 38.3 | 23.4 |
| Mexico | \$119,381.1 | \$131,507.4 | \$105,717.7 | \$131,602.0 | \$159,910.0 | 33.9 | 21.5 |
| Chile | \$7,610.2 | \$11,366.5 | \$8,693.5 | \$9,903.3 | \$14,497.9 | 90.5 | 46.4 |
| Peru | \$3,764.3 | \$5,687.0 | \$4,355.8 | \$6,078.6 | \$7,412.2 | 96.9 | 21.9 |
| Dominican Rep | \$5,793.4 | \$6,293.5 | \$5,034.3 | \$6,189.6 | \$6,962.5 | 20.2 | 12.5 |
| Guatemala | \$3,872.4 | \$4,493.6 | \$3,668.4 | \$4,125.2 | \$5,857.3 | 51.3 | 42.0 |
| Honduras | \$4,327.9 | \$4,699.6 | \$3,248.7 | \$4,468.9 | \$5,851.2 | 35.2 | 30.9 |
| Costa Rica | \$4,224.3 | \$5,047.8 | \$4,344.1 | \$4,774.5 | \$5,565.0 | 31.7 | 16.6 |
| El Salvador | \$2,209.6 | \$2,357.4 | \$1,873.9 | \$2,252.9 | \$3,167.0 | 43.3 | 40.6 |
| Nicaragua | \$846.8 | \$1,030.5 | \$680.4 | \$924.2 | \$999.9 | 18.1 | 8.2 |
| Special Preferences | \$21,946.0 | \$27,732.8 | \$23,693.5 | \$30,309.6 | \$35,494.3 | 61.7 | 17.1 |
| Colombia* | \$7,884.4 | \$10,567.6 | \$8,752.1 | \$10,990.6 | \$12,829.5 | 62.7 | 16.7 |
| Panama* | \$3,492.4 | \$4,614.6 | \$4,063.2 | \$5,708.1 | \$7,801.8 | 123.4 | 36.7 |
| Ecuador | \$2,709.3 | \$3,150.2 | \$3,589.5 | \$5,008.9 | \$5,517.3 | 103.6 | 10.1 |
| Bahamas | \$2,422.8 | \$2,697.0 | \$2,403.3 | \$3,160.3 | \$3,347.9 | 38.2 | 5.9 |
| Trinidad & Tobago | \$1,679.1 | \$2,146.0 | \$1,874.8 | \$1,791.7 | \$2,070.0 | 23.3 | 15.5 |
| Jamaica | \$2,236.7 | \$2,557.4 | \$1,366.6 | \$1,552.5 | \$1,792.2 | -19.9 | 15.4 |
| Haiti | \$696.2 | \$921.7 | \$774.2 | \$1,183.0 | \$1,033.2 | 48.4 | -12.7 |
| Barbados | \$418.3 | \$454.6 | \$367.4 | \$353.9 | \$389.7 | -6.8 | 10.1 |
| Belize | \$227.9 | \$342.6 | \$247.2 | \$280.3 | \$366.3 | 60.7 | 30.7 |
| Guyana | \$178.9 | \$281.1 | \$255.2 | \$280.3 | \$346.2 | 93.5 | 23.5 |
| GSP Beneficiaries | \$38,829.6 | \$50,589.6 | \$38,170.0 | \$49,423.5 | \$60,887.8 | 56.8 | 23.2 |
| Brazil | \$21,684.1 | \$29,027.4 | \$22,135.1 | \$30,156.9 | \$37,274.8 | 71.9 | 23.6 |
| Venezuela | \$9,762.0 | \$11,829.3 | \$8,621.5 | \$9,587.5 | \$11,182.8 | 14.6 | 16.6 |
| Argentina | \$5,115.0 | \$6,720.4 | \$4,768.1 | \$6,423.0 | \$8,646.8 | 69.0 | 34.6 |
| Paraguay | \$1,167.9 | \$1,497.4 | \$1,260.2 | \$1,678.8 | \$1,800.3 | 54.1 | 7.2 |
| Uruguay | \$541.7 | \$772.8 | \$635.5 | \$788.0 | \$973.6 | 79.7 | 23.6 |
| Bolivia | \$262.6 | \$357.9 | \$377.5 | \$435.3 | \$586.7 | 123.4 | 34.8 |
| Suriname | \$296.2 | \$384.3 | \$372.1 | \$353.9 | \$422.9 | 42.8 | 19.5 |
| Cuba | \$447.0 | \$717.7 | \$533.1 | \$370.1 | \$351.9 | -21.3 | -4.9 |
| Total | \$213,252.6 | \$251,523.4 | \$200,013.4 | \$250,422.4 | \$306,957.1 | 43.9 | 22.6 |

* : The FTAs with these two partners have been approved by the U.S. Congress but have not yet come into effect.
Source: Calculated from U.S. International Trade Commission data.