

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
ECONOMIC ANALYSIS

FOR WIRE TRANSMISSION 11:00 A.M., FRIDAY, MAY 6, 1983

Howard Murad: 523-0668
D. Anne Fisher: 523-0601

BEA 83-22

Merchandise Trade in the First Quarter of 1983
-- Balance of Payments Basis --

The U.S. merchandise trade balance was in deficit by \$8.4 billion in the first quarter of 1983, compared with a deficit of \$12.1 billion (revised) in the fourth quarter of 1982, according to preliminary estimates of the Bureau of Economic Analysis, U.S. Department of Commerce. These preliminary estimates are seasonally adjusted and are measured on a balance of payments basis, which excludes military trade of U.S. defense agencies and reflects adjustments for timing, coverage, and valuation to the trade data reported by the Census Bureau on the f.a.s.-Customs valuation basis.

Exports increased \$1.9 billion, or 4 percent, the first increase in the value of exports in two years. At \$50.0 billion in the first quarter, exports were 18 percent below their peak value in the first quarter of 1981. One-half of the first-quarter increase was due to higher prices. (Prices are measured by the Census Bureau's unit value index; first-quarter data are incomplete.) Both agricultural and nonagricultural exports increased. Imports decreased \$1.8 billion, or 3 percent, to \$58.4 billion; volume increased 6 percent. The decrease in value was more than accounted for by petroleum imports; nonpetroleum imports increased.

There was a decrease in the deficit or an increase in the surplus with every major area except Japan. The deficit with members of the Organization of Petroleum Exporting Countries (OPEC) decreased to \$0.6 billion in the first quarter from \$2.3 billion in the fourth quarter of 1982. Deficits with Mexico and other non-OPEC developing countries decreased to \$1.4 billion, from \$2.3 billion, and to \$2.3 billion, from \$3.0 billion, respectively. The surplus with Western Europe increased to \$2.4 billion, from \$0.9 billion. Generally, reduced imports and increased exports accounted for the changes. The deficit with Japan increased to \$4.6 billion, from \$3.5 billion, as imports increased and exports decreased.

First-Quarter Exports

Agricultural exports increased \$0.9 billion, or 11 percent, to \$9.0 billion; volume increased 9 percent. Most of the increase was due to increased wheat shipments to the Soviet Union and developing countries. Average prices of corn increased 12 percent; wheat, 11 percent; and soybeans, 5 percent. Nonagricultural exports increased \$1.0 billion, or 3 percent, to \$41.0 billion; volume increased 1 percent. The increase was mainly in completed civilian aircraft, up \$1.0 billion, and automotive products to Canada, up \$0.9 billion. Some of the increase in completed civilian aircraft reflected deliveries of new fuel-efficient models. Machinery exports decreased \$0.7 billion, and automotive exports to areas other than Canada decreased \$0.3 billion.

First-Quarter Imports

Petroleum imports decreased \$5.2 billion, or one-third, to \$10.5 billion. The average price per barrel decreased to \$29.43 in the first quarter from \$30.97 in the fourth quarter. The average number of barrels imported daily decreased to 3.91 million--the smallest volume imported since the third quarter of 1971--from 5.56 million. The sharp decrease in volume largely reflected postponement of purchases in anticipation of lower prices. Inventories, excluding those for the Strategic Petroleum Reserve, decreased 9 percent; consumption and production were nearly unchanged. Nonpetroleum imports increased \$3.4 billion, or 8 percent, to \$47.9 billion; volume increased 9 percent. Increases occurred in automotive products, up \$1.4 billion; consumer goods, up \$1.0 billion; and capital goods, up \$0.9 billion.

Merchandise Trade--Balance of Payments Basis
(Millions of dollars, seasonally adjusted, f.a.s.-Customs value)

	1982	1982				1983	Change: IV '82- I '83
		I	II	III	IVr	Ip	
EXPORTS							
Merchandise exports, Census basis, including reexports, excluding military grant shipments-----	212,193	55,659	54,952	52,843	48,870	50,470	1,600
Adjustments:							
Gold exports, nonmonetary-----	883	250	141	198	294	224	-70
Inland freight (to Canada) valuation adjustment----	967	250	238	247	232	243	11
U.S.-Canada reconciliation adjustments, n.e.c., net	4,277	1,084	1,202	1,072	919	1,068	149
Exports transferred under U.S. military agency sales contracts identified in Census documents---	-7,370	-1,615	-1,827	-1,688	-2,240	-1,750	490
Other adjustments to Census exports-----	63	-21	295	-338	-4	-269	-265
Equals: Merchandise exports, adjusted to balance of payments basis, excluding "military"-----	211,013	55,607	55,001	52,334	48,071	49,986	1,915
IMPORTS							
Merchandise imports, Census basis (general imports)--	243,952	62,161	59,378	63,361	59,053	58,561	-492
Adjustments:							
Gold imports, nonmonetary-----	1,462	211	311	546	394	117	-277
U.S.-Canada reconciliation adjustments, n.e.c., net	-----	-----	-----	-----	-----	-----	-----
Imports of U.S. military agencies identified in Census documents-----	-427	-129	-108	-88	-102	-63	39
Other adjustments to Census imports-----	2,357	-698	1,182	1,010	862	-199	-1,061
Equals: Merchandise imports, adjusted to balance of payments basis, excluding "military"-----	247,344	61,545	60,763	64,829	60,207	58,416	-1,791
BALANCE (Excess of exports +)							
Merchandise trade, Census basis-----	-31,759	-6,502	-4,426	-10,518	-10,183	-8,091	2,092
Merchandise trade, adjusted to balance of payments basis, excluding "military"-----	-36,331	-5,938	-5,762	-12,495	-12,136	-8,430	3,706
Memoranda:							
Exports of agricultural products-----	37,439	10,403	10,566	8,389	8,081	8,989	908
Exports of nonagricultural products-----	173,574	45,204	44,435	43,945	39,990	40,997	1,007
Imports of petroleum and products-----	61,201	15,642	13,406	16,444	15,709	10,503	-5,206
Imports of nonpetroleum products-----	186,143	45,903	47,357	48,385	44,498	47,913	3,415

r Revised. p Preliminary.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Balance of Payments Division.