

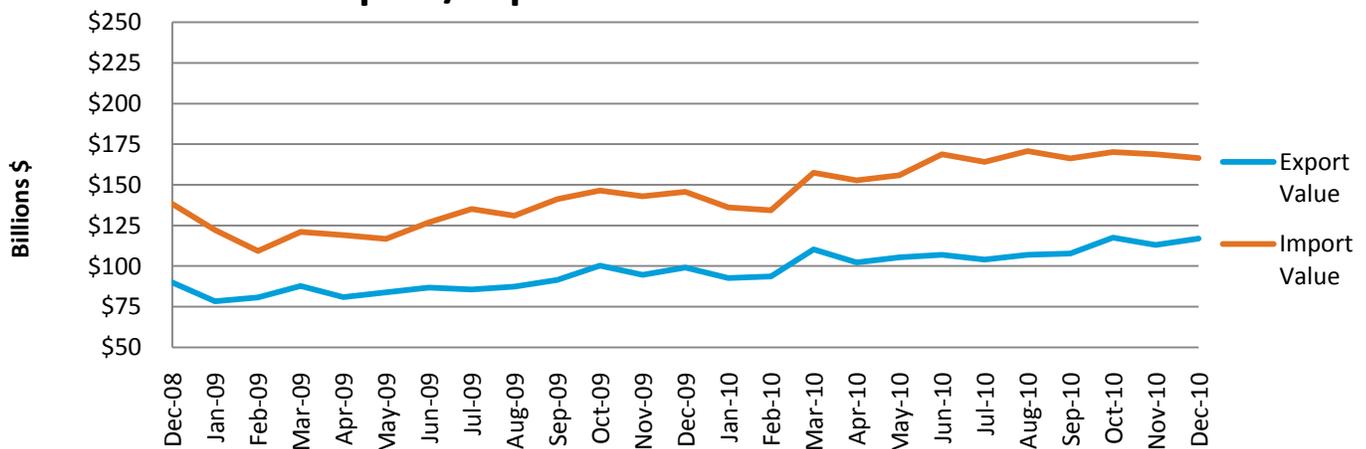
# Zepol U.S. Census Merchandise Trade Data

## Five Interesting Items Found Deep in December's Trade Data

### December 2010 Update and Analysis

The U.S. Census Bureau released its Merchandise Trade data numbers on February 11<sup>th</sup> for December 2010. The Merchandise Trade balance increased 6.4% over last December and fell 11.6% from the previous month. Imports dropped 1.5% from November and gained 14.3% over last year, while exports rose by 3.6% from the previous month and 17.9% over December 2009.

### U.S. Import/Export Merchandise Trade Data



With all of the data for 2010 now released, last year will be viewed as a recovery period for trade. The trend above illustrates the long climb that trade has been on for the last 24 months since the bottom of the recession for trade in January and February of 2009. Like the rest of the economy, trade is dependent upon the industries it serves and the problems that both participants and facilitators face going ahead in 2011. In this month's report, we will look at some of the macro trends that will affect the trade economy this year and beyond.

Below, Zepol highlights some of the surprises and interesting notes within this month's Merchandise Trade results. While the U.S. government provides a high level view of trade, a trade data tool is needed to dig into the numbers and see what is happening on the ground level. Here is what we found:

### **Five Interesting Items Found Deep in December's Trade Data**

#### 1. Trade protectionism will rise

During the last year, there was an uptick in stories about the U.S. government and China battling over antidumping suits and spats at the WTO. Coming out of the recession has made governments around the world boost their national industries and disincentivize imports of certain products. This is important not just in the discussion of protecting American jobs from imports, but also for increasing U.S. exports. For example, food exports (End Use – 0) increased 14.6% last year, as the U.S. feeds the world, but protectionism in other countries could derail these gains.

## Five Interesting Items Found Deep in December's Trade Data

### 2. The supply of containers could impact exports more than increased manufacturing

With the President's pledging to double exports by 2015, many have questioned if there is the manufacturing capacity in this country to do so. However, they should rather be asking if the country has the infrastructure to handle this new volume. There are two factors involved when we look at shipping exports to customers across oceans. First, because exports are typically heavier (scrap metal, large industrial machinery, and bulk food products), vessels do not have the same containerized capacity when leaving the U.S. than they do when they enter with imported goods. Secondly, there is a shortage of containers available for exporters to use and the scramble for equipment is one of the harsh realities that exporters face when they do find customers abroad.

### 3. Concentration of imports shifting to ports East of the Panama Canal

For a variety of factors, imports from Asia have gradually been shifting to ports East of the Panama Canal from the West Coast. This shift will continue to accelerate once the canal expansion is completed and ports such as Norfolk, Savannah, and Gulfport are deepened. Not all the traffic is coming West to East, but rather a portion of it comes East to West from Southeast Asia and India. Unrest in Egypt could hinder this development, but only time will tell how trade reacts to the new regime in control of the Suez Canal.

**Asian Origin Shipments U.S. Port Usage**



### 4. Inflationary pressures on the dollar could tamp down both import and export growth

The dollar has been beaten down significantly in the last twelve months, with world leaders questioning if it should still be the world's default reserve currency. U.S. trade watchers should pay special attention to what happens with the dollar, because a weaker dollar may help our exports in the short term, but it will also have a negative impact on imports as U.S. consumers feel poorer and resist opening their wallets as prices for clothes and consumer products rise.

### 5. Housing could still be the anchor dragging the U.S. back to another recession

Lost in all the stories about trade's recovery is that one of the engines that drove the rise of international commerce is still hurting badly in the United States. Housing drives everything when it comes to the American consumer and two problems could hold back a full recovery for years: new home buyers are saddled with huge student debt that will delay them coming into the market and the glut of existing inventory that will stall new, successful building projects.

Zepol Corporation provides trade intelligence tools, TradeIQ™ and TradeView™, for analyzing the United States trade marketplace. TradeIQ™ is an up-to-date U.S. Customs import Bill of Lading database and is available through an online interface. TradeView™ provides access to U.S. Census data to visualize the import and export economy. For access to Zepol's tools, visit [www.zepol.com](http://www.zepol.com) and register for a free trial or demonstration. Additional trade data information is available from Zepol's Trade Data Blog at [www.zepol.com/blog](http://www.zepol.com/blog). [Click here](#) to view Zepol's containerized import update for January.