

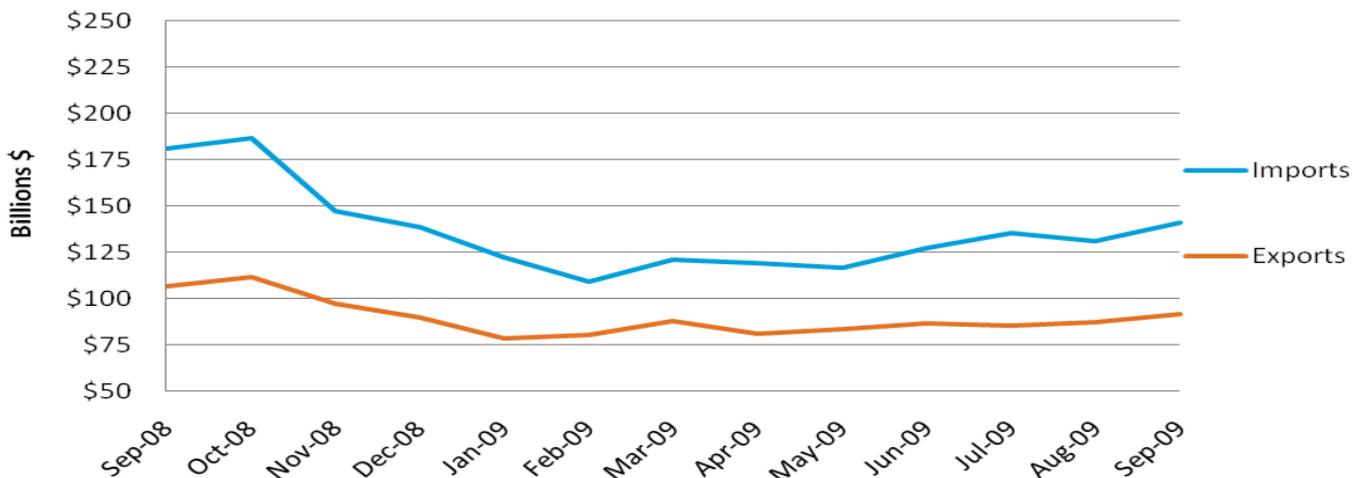
Zepol U.S. Census Merchandise Trade Data

Five Interesting Items Found Deep in September's Trade Data

September 2009 Update and Analysis

The U.S. Census Bureau released their Merchandise Trade data numbers on November 13th, 2009. As you can see illustrated below, there was another increase in the Merchandise Trade deficit this month as import growth continues to outpace export growth ([click here to see August's U.S. Census data update](#)). Total exports increased 4.67% while total imports rose 7.73% from August. This increased the deficit by 13.82% from August and brings the deficit to \$360 billion for the year, which is still 43% of the deficit from same period in 2008.

U.S. Import/Export Merchandise Trade Data



Once again, a tepid increase in exports this month continues a trend of stagnation; this is the first month since April that exports broke the 4.5% growth mark for a month. It is good to see growth up from 2.9% a few months ago. However, as predicted, the differences in growth between exports and imports have widened the Trade Deficit. It is up 74.5% since the low in February to nearly \$50 billion.

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 of trade. Here is what we found:

Five Interesting Items Found Deep in September's Trade Data

1. Cell phones up, but only slightly

From the new Droid to the iPhone, cell phones have been in the news a lot lately. However, this does not appear to have had an effect on the cyclical trend of the overall market. Looking back to 2007, there has been relatively steady growth, with spikes during the summer months for the past three years. In fact, this summer saw a rather large rate of growth, with June imports increasing 47% in total value over 2008.

Five Interesting Items Found Deep in September's Trade Data

2. Container shipping is up while the Trade Deficit continues to grow

Back in June when we last examined the Trade Deficit in relation to container shipping, the Trade Deficit was the largest it had been since the economic downturn in October 2008, when the total Trade Deficit was over \$75 billion. February saw the smallest Trade Deficit of the year at only \$28 billion.

The Trade Deficit in September nearly doubles February's numbers, but growth of the Deficit has been anything but steady. Since June, it has risen, fallen, and risen again by over 20% each month. Containerized shipping has followed the same trend. However, in good news containerized shipments have seen steady increases since August.

3. Deficits with our largest trading partners are still growing

In June, we also examined how the Trade Deficits are running with United States' top trading partners. At that point, there were drastic increases in exports from both Japan and Germany that were not matched by imports, driving up deficits with those countries. These deficits are still increasing, but seem to have reached a plateau. The deficit with Japan has increased only 4.79% and with Germany only 1.42% since August.

On the other hand, countries with which the United States runs a positive balance of trade have not seen the same increases. The balance of trade with the Netherlands, with whom the U.S. runs the largest positive trade balance, is shrinking; since December it has decreased by almost \$1 billion to \$1.1 billion.

4. Numbers on toy imports are mixed

Last month we discussed how both Target and Wal Mart announced that they would be significantly reducing prices on toys and gave a prediction that 2009's Holiday season will show significantly smaller imports of toys when compared to 2008 and 2007. This year was already off 12.7% when examining year-to-date toy imports (HTS - 9501, 9502, 9503, 9504, and 9505) compared to last year. This trend continued with September's numbers which were off 15.5% when compared to September 2008. That being said, September's imports were up 23.38% from August, a 4% larger increase than from August to September in 2008.

The only category of games to see any growth over 2008 were those that require little investment by the end consumer to play. Playing Cards (HTS - 9504.40.0000) saw an increase of 23.81% from 2008 while Arcade Games (HTS - 9504.90.9080) saw an increase of 2.08%.

5. Turkey imports down

Turkey imports are down year-to-date when compared to the same period in 2008 by 7.07%. However, not surprisingly, turkey imports are a cyclical industry and there has been an upward trend in recent months as September saw a 45.5% increase in total value from August.

Zepol Corporation provides trade data 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 one of Zepol's trade data tools, visit 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. [Click here](#) to view Zepol's containerized import update for October.