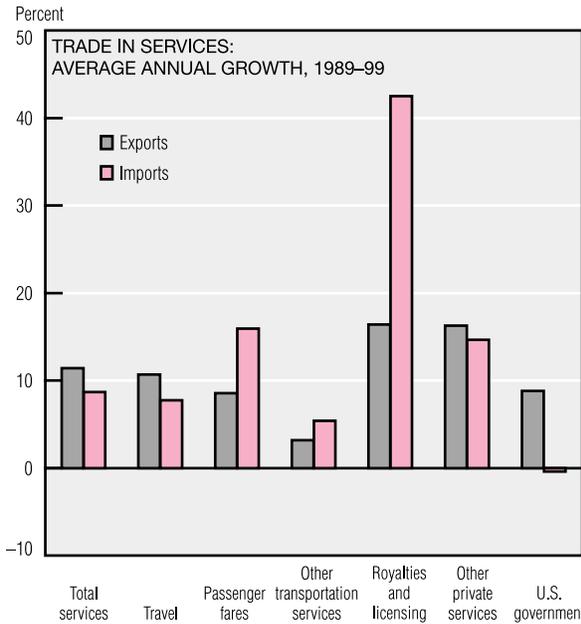
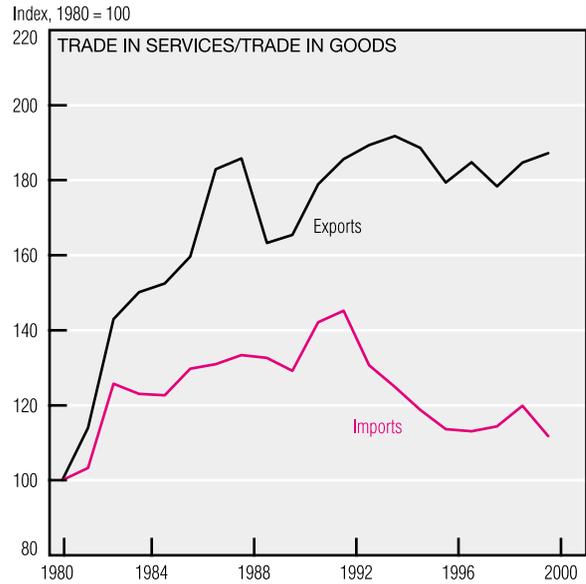
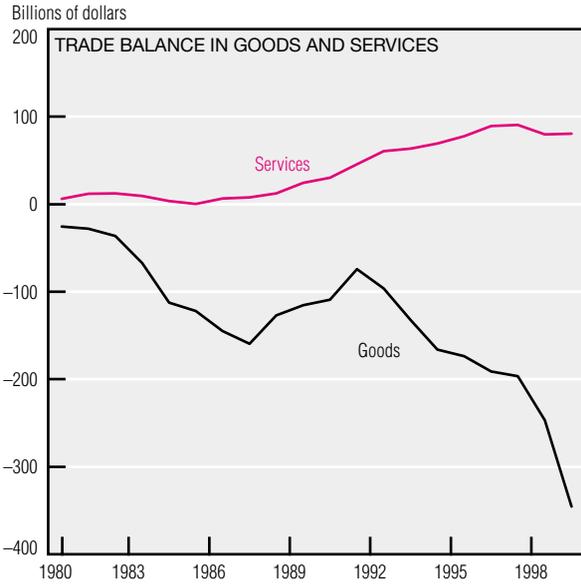


# The US Trade Balance



	Exports			Imports		
	1989	1999	Percent change <sup>a</sup>	1989	1999	Percent change <sup>a</sup>
Total services	127.1	271.9	11.4	102.5	191.3	8.7
Travel	36.2	74.9	10.7	33.4	59.4	7.8
Passenger fares	10.7	19.8	8.6	8.3	21.4	15.9
Other transportation services	20.5	27.0	3.2	22.2	34.1	5.4
Royalties and licensing	13.8	36.5	16.4	2.5	13.3	42.5
Other private services	36.7	96.5	16.3	18.9	46.7	14.6
U.S. government	9.2	17.2	8.8	17.2	16.5	-0.4

a. Average annual percent change.  
SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

While many Americans are aware of the enormous overall U.S. trade deficit, few realize that our trade in services shows a surplus. The overall trade deficit results solely from our trade in goods. The trade balance in services has been in surplus for more than 15 years and has helped to offset the large and growing trade deficit in goods. In 1999, the U.S. had a surplus of \$80.6 billion on cross-border transactions in

private services, compared with a \$345.6 billion deficit on trade in goods. The U.S. is one of the world's leading exporters of services, with most going to developed countries. Western Europe and Japan purchase 48% of U.S. services exports but only 32% of our goods exports. For Canada and Latin America, the pattern is reversed: These regions account for only 26% of U.S. services exports, but 45% of U.S. goods exports.

Royalties and licensing as well as other private services (such as financial services and business, professional, and technical services) make up 49% of total services exports. They have grown rapidly in the past decade and accounted for most of the services surplus in 1999. Other, more traditional services, such as tourism and transportation, constitute 45% of service exports.