

2013 U.S.-CAFTA-DR Trade Review

- U.S exports to the CAFTA-DR countries in 2013 were \$29.5 billion, a slight decline of under 2 percent from 2012, but 74 percent higher than the level in 2005, the year before the Agreement first entered into force.
- The growth of U.S. exports to CAFTA-DR has been close to the overall increase of U.S. exports to the world, which increased by 75 percent since 2005.
- In 2013, Costa Rica and the Dominican Republic were the two largest markets for U.S. exports among the CAFTA-DR countries at \$7.2 billion, followed by Guatemala (\$5.5 billion), Honduras (\$5.2 billion), El Salvador (\$3.2 billion) and Nicaragua (\$1.1 billion). Costa Rica and Guatemala have been the fastest growing markets for U.S. exports since the Agreement entered into force (101 percent and 95 percent, respectively), although all the markets have experienced solid growth of at least 52 percent.
- Key U.S. exports to the CAFTA-DR countries that have experienced significant growth since the implementation of the Agreement include petroleum products (the largest U.S. export category), machinery, electrical/electronic products, cotton yarns, cereals (wheat, corn, rice), plastics, motor vehicles, paper products, and medical instruments.
- U.S. imports from the CAFTA-DR countries were \$30.1 billion in 2012, a small decline of 2 percent over 2011, but nearly 67 percent higher than 2005, the year before the Agreement first entered into force. The growth of U.S. imports from CAFTA-DR has outperformed the overall increase of U.S. imports from the world, which has grown by 36 since 2005.
- In recent years, the growth in U.S. imports from CAFTA-DR has been spurred by the expansion of electronic components from Costa Rica, primarily from Intel Corporation. U.S. imports of integrated electronic circuits from Costa Rica in 2013 were \$7.7 billion, accounting for one-quarter of all U.S. imports from the CAFTA-DR countries.
- The other major category of U.S. imports from CAFTA-DR - textiles and apparel – accounted for 27 percent of U.S. imports from the countries in 2013, although just over half the 52 percent share compared to 2005. However, textiles and apparel products still account for at least half of U.S. imports from El Salvador, Honduras, and Nicaragua.
- In addition to Costa Rica, Nicaragua is the other CAFTA-DR country that has enjoyed sharp growth in U.S. imports, in part because of the CAFTA-DR textile benefits specifically granted to Nicaragua. U.S. Tariff Preference Levels (TPLs) allow Nicaragua to export a limited amount of apparel products to the United States duty-free using third country fabric. The TPL incentive is currently scheduled to expire at the end of 2014.
- Other leading items in U.S. imports from the CAFTA-DR countries include fruit (bananas, pineapples, melons), medical instruments and supplies, precious metals,

coffee, cigars, seafood, sugar and electrical apparatus (particularly wiring sets for vehicles).

- Up until 2011, the United States maintained a positive trade balance with the CAFTA-DR countries each year since the Agreement entered into force, reversing a trade deficit of \$1.2 billion in 2005. However, in 2012, the United States reverted back to a trade deficit of \$787 million. For 2013, the U.S. trade deficit was reduced to \$662 million.

Tables

U.S. Exports to CAFTA-DR (country totals)

U.S. Imports from CAFTA-DR (country totals)

U.S. Bilateral Trade Balance with CAFTA-DR

Leading U.S. Exports to CAFTA-DR

Leading U.S. Imports from CAFTA-DR

Chart

U.S. Trade with CAFTA-DR

U.S. EXPORTS to CAFTA-DR
(f.a.s. value, in \$ millions)

	2005	2012	2013	% Change	
				2013/2012	2013/2005
CAFTA-DR	16,886	29,901	29,451	-1.5	74.4
Costa Rica	3,599	7,231	7,230	-0.0	100.9
El Salvador	1,854	3,096	3,168	2.3	70.9
Guatemala	2,835	5,750	5,522	-3.9	94.8
Honduras	3,254	5,722	5,278	-7.8	62.2
Nicaragua	625	1,129	1,057	-6.3	69.1
Dom. Rep.	4,719	6,974	7,196	3.2	52.5

U.S. IMPORTS from CAFTA-DR
(customs value, in \$ millions)

	2005	2012	2013	% Change	
				2013/2012	2013/2005
CAFTA-DR	18,075	30,880	30,114	-2.5	66.6
Costa Rica	3,415	12,042	11,906	-1.1	248.6
El Salvador	1,989	2,587	2,437	-5.8	22.5
Guatemala	3,137	4,490	4,168	-7.2	32.9
Honduras	3,749	4,648	4,543	-2.3	21.2
Nicaragua	1,180	2,748	2,804	2.1	137.6
Dom. Rep.	4,604	4,365	4,256	-2.5	-7.6

U.S. BILATERAL TRADE BALANCE
(\$ millions)

	2005	2012	2013
CAFTA-DR	-1,189	-979	-662
Costa Rica	183	-4,811	-4,676
El Salvador	-134	509	731
Guatemala	-302	1,259	1,355
Honduras	-495	1,074	735
Nicaragua	-555	-1,619	-1,747
Dom. Rep.	115	2,609	2,940

Source: U.S. Department of Commerce/Census Bureau

LEADING U.S. EXPORTS to CAFTA-DR
(f.a.s. value, in \$ millions)

HS#	Product Description	2013	% Share
27	Mineral Fuel, Oil	6,731	22.9
85	Electrical Machinery	3,322	11.3
84	Machinery	2,298	7.8
98	Special Classification Provisions	1,968	6.7
39	Plastics	1,522	5.2
52	Cotton Yarn, Fabric	1,244	4.2
10	Cereals	989	3.4
48	Paper, Paperboard	915	3.1
87	Vehicles	895	3.0
90	Medical and Optical Instruments	886	3.0
23	Animal Feeds and Food Waste	669	2.3
55	Manmade Staple Fibers	482	1.6
88	Aircraft and Parts	480	1.6
60	Knit, Crocheted Fabric	465	1.6
02	Meat	357	1.2
	All Other	6,228	21.1
	Total	29,451	100.0

LEADING U.S. IMPORTS from CAFTA-DR
(customs value, in \$ millions)

HS#	Product Description	2013	% Share
85	Electrical Machinery*	9,657	32.1
61	Knit Apparel	6,076	20.1
08	Edible Fruit and Nuts	2,174	7.2
62	Woven Apparel	1,892	6.3
90	Medical and Optical Instruments	1,837	6.1
71	Precious Stones and Metals	1,302	4.3
09	Coffee, Tea, Spices	1,051	3.5
24	Tobacco	744	2.5
98	Special Classification Provisions	494	1.6
03	Fish and Seafood	400	1.3
99	Estimated Low Value Transactions	369	1.2
07	Vegetables	362	1.2
27	Mineral Fuel, Oil	321	1.1
64	Footwear	310	1.0
39	Plastics	308	1.0
	All Other	2,817	9.4
	Total	30,114	100.0

*Includes from Costa Rica, \$7,668 million in electronic integrated circuits (HS#8542)

Source: U.S. Department of Commerce/Census Bureau

U.S. TRADE WITH CAFTA-DR

