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New Trade Data Shows Marked Rise in Deficits During Trump’s First 10 Months, Spotlights Urgency of Successful NAFTA Renegotiation, Action on China Trade

2017 Trade Deficits With NAFTA Countries and China on Track to Surpass Large 2016 Deficits – Instead of Speedy Deficit Decreases Trump Promised

WASHINGTON, D.C. – Contrary to President Donald Trump’s campaign promises to speedily reduce the U.S. trade deficit, the deficit with Canada and Mexico is 9.4 percent higher and with China 4.1 percent higher during the first 10 months of the Trump administration relative to the same period in 2016, according to the Census Bureau’s goods trade data released today. The North American Free Trade Agreement (NAFTA) deficit in the first year of the Trump administration is on track to reverse a steady decline from 2011 to 2016 of 11.6 percent, or \$23.2 billion, while the China trade deficit looks to resume its steady growth since 2009 after a brief decline in 2016.

Candidate Donald Trump promised quick action to balance the large and persistent U.S. trade deficits with China and the NAFTA nations. “*We have a massive trade deficit with China, a deficit that we have to find a way quickly, and I mean quickly, to [balance](#).*” he said.

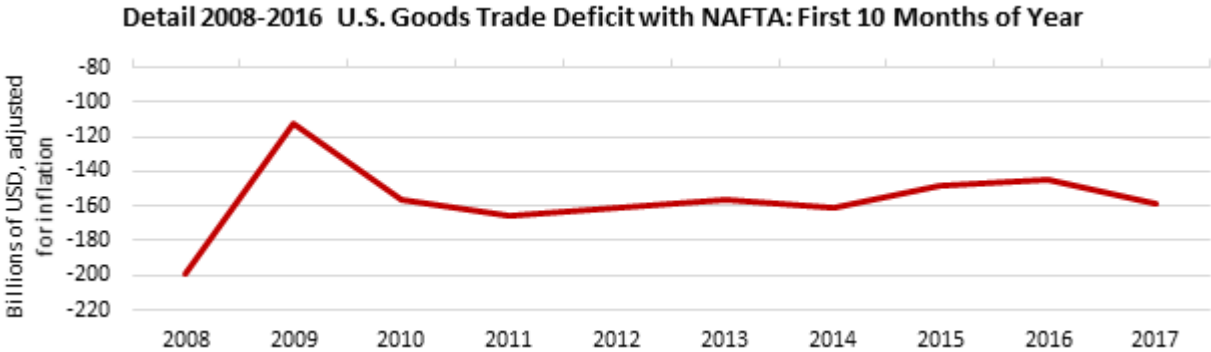
While Trump launched renegotiation of NAFTA in August, he reversed his pledge to take [action on his first day](#) in office on China trade and has achieved little since to expand U.S. exports to China or limit Chinese imports here. He also has not exercised [his authority](#) to revoke trade agreement waivers on “Buy America” procurement policies that outsource U.S. tax dollars to purchase imported goods for government use. Nor has he followed through on promised actions to limit Chinese steel and aluminum imports using section 232 of the Trade Expansion Act of 1962.

“Candidate Trump slammed our huge trade deficits and related lost jobs and lower wages, and promised a speedy fix, but almost a year into his presidency, no major policies have changed, and now Trump owns trade deficits even larger than last year’s,” said Lori Wallach, director, Public Citizen’s Global Trade Watch. “The administration has made some good NAFTA renegotiation proposals that could make a difference, but the U.S. corporate lobby is urging Mexico and Canada to block those changes. It’s a mystery why the Commerce Department has not followed through on the China actions it announced earlier.

U.S. – NAFTA Trade

Between 2011 and 2016, the U.S. goods trade deficit with NAFTA countries declined 11.6 percent, or \$23.2 billion. This decline has been consistent except for a small jump in 2014, when the U.S. deficit increased by 2.9 percent. During Trump’s first 10 months, however, the U.S. goods trade deficit has increased 9.4 percent, or \$13.6 billion relative to the same period in 2016. The U.S. trade deficit with

NAFTA countries is now mostly composed of manufactured and agricultural goods, while fossil fuels have declined as a share of the total deficit from 82 percent in 1993 before NAFTA to 16 percent in 2016.”



Source: U.S. International Trade Commission, in 2017 dollars

[Click here for graphic covering NAFTA trade deficit data over longer timespan](#)

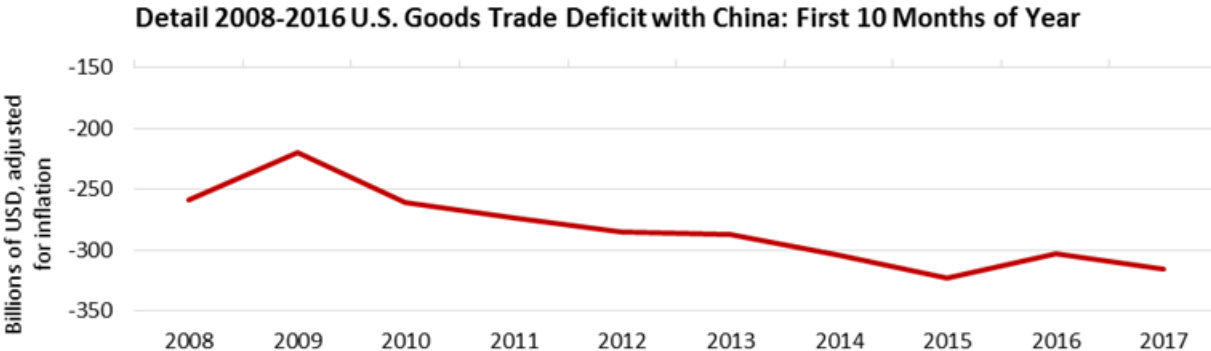
The full-year trade data (Jan. – Dec.) show a similar trend. After the Great Recession, the NAFTA deficit hit its peak in 2011, but has been gradually decreasing each year with a small increase in 2014.

Full Year Data (in billions of USD, adjusted for inflation)								
2008	2009	2010	2011	2012	2013	2014	2015	2016
-225	-142	-189	-201	-194	-187	-193	-177	-177

Source: U.S. International Trade Commission, in 2017 dollars

U.S. – China Trade

The U.S. goods trade deficit with China has been increasing every year since 2009, except for an insubstantial decrease in 2016. Under the Trump presidency, that small deficit reduction has been reversed, and is now rising again.



Source: U.S. International Trade Commission, in 2017 dollars

[Click here for graphic covering U.S.-China trade deficit data over longer timespan](#)