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U.S. Trade Deficit with China in November Grows Nearly 24 Percent This Year Compared to Last

New Congress Must Address Unfair Chinese Trade Practices

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WASHINGTON, DC – The U.S. trade deficit with China in November 2006 jumped to \$22.9 billion, up from \$18.5 billion in November 2005. This \$4.4 billion increase represents a nearly 24 percent rise. At its current pace, the U.S. trade deficit with China easily will exceed \$230 billion in 2006, up from \$202 billion in 2005.

Although the 2006 U.S. trade deficit with China dropped from \$24.4 billion in October to \$22.9 billion in November, this was expected. Many Christmas orders are filled by the end of October. Moreover, this year's drop in the trade deficit with China from October to November only was \$1.5 billion. Last year's drop was \$2 billion, as the 2005 U.S. trade deficit with China fell from \$20.5 billion in October to \$18.5 billion in November.

"November's numbers prove the U.S. trade imbalance with China is worse than ever," said American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo. "Protectionist China keeps cheating and the U.S. government continues to take no substantive action."

"The voters sent Congress a message of change in the last election and tackling the China problem was part of the 'to do' list. The new Congress must act where the Executive Branch has failed. Congress should hold comprehensive hearings on the root causes of the trade imbalance, focusing on issues like value-added tax rebates, currency manipulation, non-performing loans, and intellectual property rights violations," Tantillo continued.

"Once hearings have been held, Congress should pass the necessary legislation to stop China's cheating. America's trade problems with China will never be solved unless the U.S. government and Congress demonstrate to the Chinese that China's unlimited access to the U.S. market will not remain open unless China changes its ways," Tantillo concluded.

In other notes, the U.S. trade deficit with China in advanced technology products (ATP) was \$5.8 billion in November. For the first eleven months of this year compared to the first eleven months of the last, the U.S. trade deficit with China in ATP has risen to \$50.7 billion, up from \$42.7 billion in 2005. These figures demonstrate that China's cheating adversely impacts even the high-tech sectors where U.S. producers theoretically should have substantial advantages.

Also, the Chinese government reported a trade surplus in 2006 of more than \$177 billion. This figure is a \$75 billion increase over 2005's \$102 billion surplus. Most of this surplus will be racked up with the United States.

Finally, seasonally adjusted U.S. employment in manufacturing has fallen from 17.105 million in January 2001 to 14.150 million in December 2006, a loss of nearly three million jobs.

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