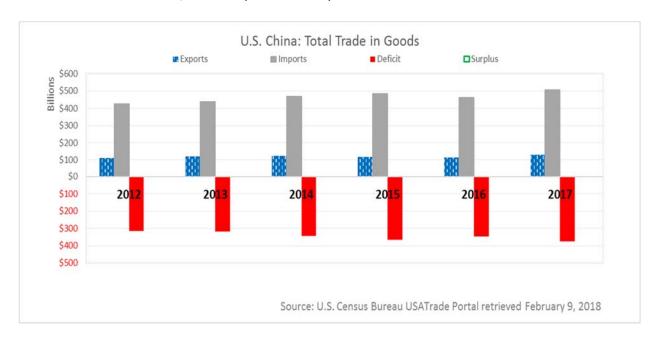


### U.S. Trade with China Overall Trends

### I. Total U.S. Trade in goods with China

In 2017, U.S. exports to China totaled \$130.4 billion, a 12.8% (\$14.8 billion) increase from 2016; U.S. imports from China totaled \$505.6 billion, a 9.3% (\$43.0 billion) increase; and the trade deficit was \$375.2 billion, an 8.1% (\$28.2 billion) increase



In 2017, <u>8.4%</u> of total <u>U.S. exports</u> were exported to China while <u>21.6%</u> of total <u>U.S. Imports</u> were imported from China. In 2017, the level of U.S. exports to China is above the preceding five-year level by value not adjusted for inflation. In 2017, the level of U.S. imports from China is above the preceding five-year average level by value not adjusted for inflation. In 2017, the U.S. trade balance with China is negative but slightly below the five-year average level by value not adjusted for inflation.

	2012	2013	2014	2015	2016	2017	2012-2016 Average		
EXPORTS	\$110,516.6	\$121,746.2	\$123,657.2	\$115,932.0	\$115,602.1	\$130,369.5	\$117,490.8		
Δvalue		\$11,229.6	\$1,911.0	-\$7,725.2	-\$329.9	\$14,767.5			
Δpct		10.2%	1.6%	-6.2%	-0.3%	12.8%			
IMPORTS	425,619.1	440,430.0	468,474.9	483,188.7	462,618.1	505,597.1	\$456,066.2		
Δvalue		14,810.9	28,044.9	14,713.8	-20,570.6	42,979.0			
Δpct		3.5%	6.4%	3.1%	-4.3%	9.3%			
BALANCE	(\$315,102.5)	(\$318,683.8)	(\$344,817.7)	(\$367,256.7)	(\$347,016.0)	(\$375,227.5)	(\$338,575.3)		
Δvalue		(\$3,581.4)	(\$26,133.9)	(\$22,439.0)	\$20,240.7	(\$28,211.5)			
∆pct		1.1%	8.2%	6.5%	-5.5%	8.1%			
	Values in Millions of U.S. Dollars. Source: U.S. Census Bureau USATrade Portal February 9, 2018								



### Office of Technology Evaluation U.S. Trade with China Overall Trends

In 2017, of the \$130.4 billion in U.S. exports to China, the top commodity sectors were Transportation Equipment (22.6%); Machinery and Mechanical Appliances (19.2%), and Agriculture products (14.5%).

In 2017, of the \$505.6 billion in U.S. imports from China, the top commodity sectors were Machinery and Mechanical Appliances (50.8%) and Textiles and Footwear (11.3%).

Imports from China by Sector	China Commodity Trade 2017	US exports to China by Sector \$130,369,529,598		
\$505,597,064,950	Total Value All Commodities			
1.4%	Agriculture (Chapters 01-24)	14.5%		
0.2%	Minerals (Chapters 25-27)	7.7%		
8.4%	Chemicals, Plastics, Leather (Chapters 28-43)	14.4%		
1.9%	Wood Products (Chapters 44-49)	5.8%		
11.3%	Textiles and Footwear (Chapters 50-67)	1.5%		
2.0%	Stone, Glass, & Semiprecious Metals (Chapters 68-71)	1.5%		
5.0%	Base metals (Chapters 72-83)	4.6%		
50.8%	Machinery (Chapters 84-85)	19.2%		
3.1%	Transportation (Chapters 86-89)	22.6%		
2.6%	Optical, Measuring, Medical or Other Instruments (Chapters 90-92)	6.8%		
0.0%	Arms & Ammunition (Chapter 93)	0.0%		
12.0%	Miscellaneous Manufactured Items (Chapters 94 - 96)	0.4%		
0.1%	Art & Antiques (Chapter 97)	0.1%		
1.2%	Special Items (Chapters 98-99** Imports only 99)	0.9%		
	Source: U.S. Census Bureau USATrade Portal retrieved February 10, 2018			

China maintains significant shares of the U.S. – World Trade. In 2017, 8.4% of the total U.S. exports of \$1.5 trillion to the world were exported to China and 21.6% of the total U.S. Imports from the world were imported from China.

### **Exports**

In 2017, U.S. exported \$7.5 billion worth of Wood products, representing 19.3% of the total U.S. exports to the world of those commodities. The U.S. also exported \$29.5 billion worth of Transportation Equipment, representing 11.1% of the total U.S. exports to the world of those commodities.

#### **Imports**

In 2017, U.S. imported \$57.0 billion worth of Textiles and Footwear from China, representing 40.5% of the total U.S. imports from the world of those commodities. The U.S. also imported \$256.6 billion worth of Machinery and mechanical appliances from China, representing 37.0% of the total U.S. imports from the world of those commodities. Lastly, the U.S. imported \$7.6 billion worth of Miscellaneous Manufactured Items from China, representing 60.4% of the total US imports from the world of those commodities.



### U.S. to China Export Trends

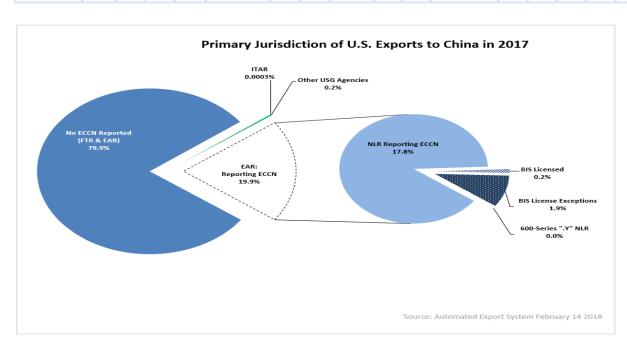
### II. Exports to China subject to US Government Filing Requirements

In 2017, of the \$130.4 billion in U.S. exports to China:

- 2.1% were subject to a BIS license requirement;
  - o 0.2% were exported under a BIS license;
  - o 1.9% were exported under a BIS license exception.
- 17.8% were exported under No License Required with an ECCN.

	China			
	2015	2016	2017	
Department of State	\$0.3	\$0.7	\$0.4	
Other USG Agencies	\$286.9	\$450.0	\$287.7	
Department of Commerce	\$115,644.7	\$115,151.4	\$130,081.4	
BIS Licensed	\$477.9	\$302.2	\$299.0	
BIS License Exceptions	\$3,850.4	\$4,003.0	\$2,451.5	
NLR reporting an ECCN	\$20,538.4	\$20,732.8	\$23,205.8	
NLR not reporting an ECCN	\$90,778.0	\$90,113.5	\$104,125.1	
600-Series ".Y" Paragraph NLR	\$0.0	\$0.0	\$0.0	
es in Millions of U.S. Dollars.	Source: Automated Export System	Friday, February 09, 2018		

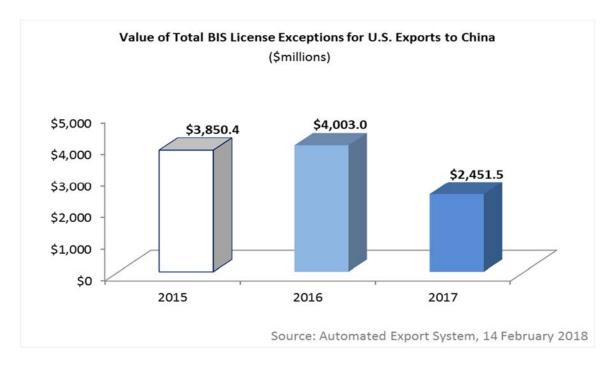
Reasons for Control	Chemical and Biological Weapons						Missile Tech	Regional Stability		Firearms Convention	Crime Control		Anti- Terrorism			
	CB:1	CB:2	CB:3	NP:1	NP:2	NS:1	NS:2	MT:1	RS:1	RS:2	FC:1	CC:1	CC:2	CC:3	AT:1	AT:2
China	X	X	X	X		X	X	X	x	X		X		X		



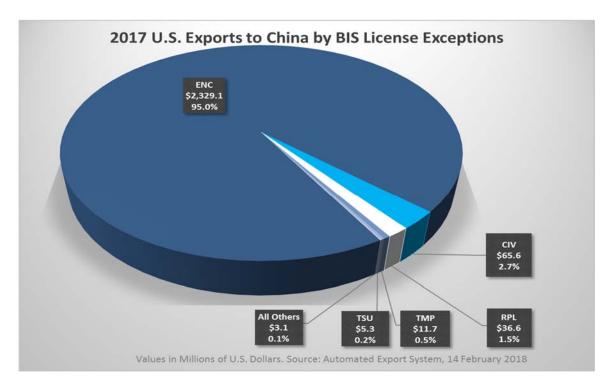


# U.S. to China Export Trends

In 2017, U.S. exports to China shipped under a BIS license exception totaled \$2.45 billion, a 38.8% (\$1.55 billion) decrease from 2016.

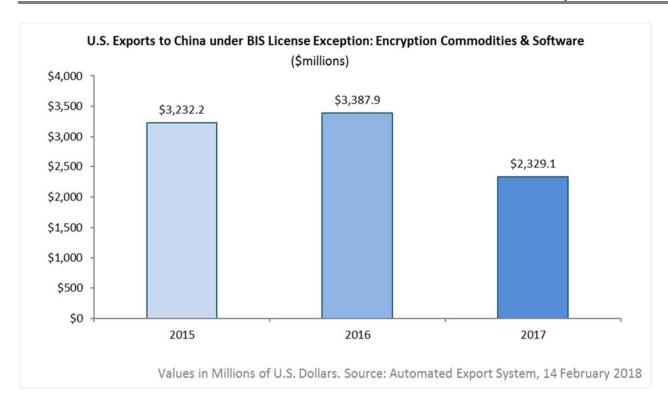


The top license exception Encryption commodities, Software and Technology (ENC) totaled \$2.32 billion (95.0% of all license exceptions).

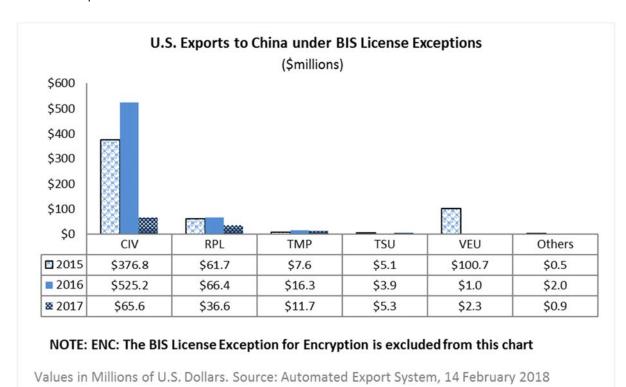




# U.S. to China Export Trends



The U.S. exports to China under Civil End-users (CIV) decreased significantly from \$525.2 million in 2016 to \$65.6 million in 2017.





### Office of Technology Evaluation U.S. Exports to China Trends by Export Control Classification

### Number

	Top Ten ECCNs by Value to China									
	#1	3A233	Mass Spectrometers							
	#2	2B001	Numerical Control Units/Motion Control Boards							
Ω	#3	2B352	Equip. for Handling Biological Materials							
LICENSED	#4	2B350	Chemical Manufacturing Facilities and Equip.							
Z	#5	3C002	Resist Materials							
CE	#6	6A005	Optical Equip. (Lasers)							
	#7	3C004	Hydrides of Phosphorus, Arsenic, Or Antimony							
	#8	3A001	Electronic Devices/Components							
	#9	7A103	Instrumentation, Navigation Equip./Systems Not							
	#10	2B230	Pressure Transducers							
Sourc	Source: Automated Export System, March 15, 2018									

	Top Ten	ECCNs by	Value to China
	#1	5A002	Systems/Equip./Integrated Circuits for Info Sec
S	#2	3B001	Epitaxial Equip. for Semiconductors
Z	#3	9A991	Aircraft and Certain Gas Turbine Engines N.E.S.
2	#4	5B002	No ECCN Reported for TMP*
PT	#5	5D002	Software for Information Security
CE	#6	1C006	Fluids and Lubricating Materials
EXCEPTIONS	#7	7A103	Instrumentation, Navigation Equip./Systems Not
-	#8	6C004	Optical Materials as Follows (See List of Items Controlled).
	#9	N/A	No ECCN Reported for TMP*
	#10	3A001	Electronic Devices/Components
		*note:	No ECCN is required for license exception TMP as per EAR 758.1(g)(2)

Source: Automated Export System, March 15, 2018

	Top Ten ECCNs by Value to China									
	#1	9A991	Aircraft and Certain Gas Turbine Engines N.E.S.							
<b>NLR with ECCN</b>	#2	5A992	Information Security Equip.							
$\mathcal{C}$	#3	3B991	Other Mfg/Test Equip. Not Controlled By 3B							
Ш	#4	5A991	Transmission Items Not W/I Parameters In 5A001							
<u>:</u>	#5	3A991	Electronic Devices and Components							
3	#6	3B992	Equip. for the Inspection/Testing of Components							
8	#7	3A999	Specific Processing Equip., N.E.S.							
Z	#8	4A994	Items Not Controlled By 4A001/4A002/4A003							
	#9	6A995	"Lasers" as Follows (See List of Items Controlled).							
	#10	7A994	Other "Software" as Follows (See List of Items Controlled).							
Sourc	Source: Automated Export System, March 15, 2018									



### Office of Technology Evaluation U.S. Exports to China Trends by Export Control Classification

Number

	Top Ten ECCNs to China by Shipment Count									
	#1	2B230	Pressure Transducers							
	#2	2B350	Chemical Manufacturing Facilities and Equip.							
D	#3	3A233	Mass Spectrometers							
LICENSED	#4	6A005	Optical Equip. (Lasers)							
	#5	3A001	Electronic Devices/Components							
<u> </u>	#6	2B352	Equip. for Handling Biological Materials							
	#7	1C350	Chemicals, Precursors for toxic Chemical Agents							
	#8	3C004	Hydrides of Phosphorus, Arsenic, Or Antimony							
	#9	1A004	Protective and Detection Equip.							
	#10	3C002	Resist Materials							
Sourc	Source: Automated Export System, March 15, 2018									

	Top Ten ECCNs to China by Shipment Count									
	#1	5A002	Systems/Equip./Integrated Circuits for Info Sec							
S	#2	9A991	Aircraft and Certain Gas Turbine Engines N.E.S.							
EXCEPTIONS	#3	5D002	No ECCN Reported for license exception TMP							
2	#4	7A103	Instrumentation, Navigation Equip./Systems Not							
Ы	#5	EAR99	Items subject to the EAR that are not elsewhere controlled							
SE	#6	3B001	Epitaxial Equip. for Semiconductors							
×	#7	2B230	Pressure Transducers							
ш	#8	5B002	Test/Inspection/Production Equip for Information S							
	#9	1C006	Fluids and Lubricating Materials							
	#10	3A001	Electronic Devices/Components							
Sourc	Source: Automated Export System, March 15, 2018									

Top Ten ECGNs to China by Shipment Count

#1 5A992 Information Security Equip.

#2 9A991 Aircraft and Certain Gas Turbine Engines N.E.S.

#3 5A991 Transmission Items Not W/I Parameters In 5A001

#4 3B991 Other Mfg/Test Equip. Not Controlled By 3B

#5 3A991 Electronic Devices and Components

#6 3A992 General Purpose Electronic Equip.

#7 4A994 Items Not Controlled By 4A001/4A002/4A003

#8 7A994 Other "Software" as Follows (See List of Items Controlled).

#9 3A999 Specific Processing Equip., N.E.S.

#10 3B992 Equip. for the Inspection/Testing of Components

Source: Automated Export System, March 15, 2018



### U.S. - China Export License Determination Trends

#### III. BIS Licensing to China

In 2017, BIS reviewed 3,550 export/re-export applications (not including deemed export applications) valued at \$16.2 billion for China, out of 34,926 applications worldwide valued at \$570.8 billion.

- ➤ Approved applications for China totaled 2,932 (82.6% of the total applications) for \$15.8 billion, compared to the 29,655 (84.9%) approved applications for all destinations that totaled \$318.1 billion.
- Approved Deemed Export Applications for China totaled 758, compared to 1,406 worldwide.

