## HOW TO USE TRADE DATA RESOURCES TO SUPPLEMENT THE MARKET DIVERSIFICATION TOOL RESULTS

### INTRODUCTION

While the Market Diversification Tool provides important trade data that can help you identify potential export markets, it's helpful to gather additional data to help you make the best decisions for your company. Other trade data sources can help you answer questions that the Market Diversification tool cannot.

# Trade Data from the

On average, how much does the market import this product from the U.S. and the world?

What share of the market's imports come from the U.S.?

Are U.S. exporters
underperforming or
overperforming in the country
relative to how they're doing in
the region?

# External Trade Data

What other countries are major exporters of this product?

How are other countries doing in the market I'm considering, compared with U.S. exporters?

What do the import trends in the country look like over time for this product?

How has the U.S. share of the market's imports changed over time?

For example, using the United Nations Comtrade Database, you can see what the other major exporters of the product to the markets you are considering are and how their exports compare to the United States' exports to that market.

Once you have this information, you can think about why other markets may be large exporters of the product to the countries you are considering. Do they have FTAs with your potential markets that would give them preferential market access? Are they neighbors with your potential markets, making shipping goods easier? Do they share regulatory and standards schemes so the goods don't need to be adapted to be sold in the export market? Are there cultural considerations that would make them more competitive in the markets you are considering?

In the Comtrade database, you can also see yearly statistics on how much the country imported of the product from each country in the world. This is helpful for understanding trade patterns over time.

Using other sources, you can find more detailed U.S. export data for more specific products (beyond six digits in the HS number). For example, using the USA Trade Online site, you can see more detailed product data and look at U.S. exports to countries over time.

**Note**: the detailed data beyond six digits cannot be accurately matched to national line data from other countries because each country's tariff schedule is unique at that level.

This guide will walk you through a few trade data resources and how to use them to supplement the results from the Market Diversification Tool.

Trade Data Resource	Used For	Link
<u>United Nations</u> <u>Comtrade Database</u>	Identifying which other countries are exporting to your target markets, viewing import trends over time.	https://comtrade.un.org/
Trade Policy Information System	Country summary, quickly finding trade data on a country's imports and displaying it graphically	https://tpis.trade.gov
USA Trade Online	Finding more detailed 8- and 10-digit U.S. trade data.	https://usatrade.census.gov/

### THE UN COMTRADE DATABASE

Imagine that your company exports lawnmowers, which are classified in **HS 843311** in the Harmonized System. You are considering exporting to a small group of mostly European countries, and France was ranked near the top of the results in your Market Diversification Tool search.

Regarding trade data, the tool gave you some information about the U.S. share of France's lawnmower imports, whether the U.S. has a share gap (is underperforming) in France in this product, France's average imports of lawnmowers from the world, and the average growth in France's lawnmower imports over the last five years.

At first glance, France appears to be a large market for lawnmowers, and U.S. goods make up more than 15 percent of France's lawnmower imports. But French imports were trending downward over the period (the import growth rate was negative).

The data in the Market Diversification Tool comes from the United Nations Comtrade Database. Each market collects data on its imports and exports and provides that data to the UN. However, the Market Diversification Tool only shows you data averaged over a five-year period. So you can't see the country's imports of a product for each year. It also only shows you how much a country imports from the U.S. compared to how much it imports from the world. But doesn't show who the main U.S. competitors are for a product in a market.

Now you want to know more. What other countries export lawnmowers to France? Do they export more than or less than the United States? If other countries sell more, why is that the case? What does the trade look like over time? What are the trends?

The public site for the UN Comtrade Database provides more data than the Market Diversification Tool and can help you answer these questions.

### OBTAINING DATA FROM THE COMTRADE DATABASE

Once you have your results from the Market Diversification Tool, go to <a href="https://comtrade.un.org/">https://comtrade.un.org/</a>.

Click on "Get Data."



2. This will open the data selection menu. To start, click "17" under "Classification." This means you want to see data in the Harmonized System's 2017 nomenclature.

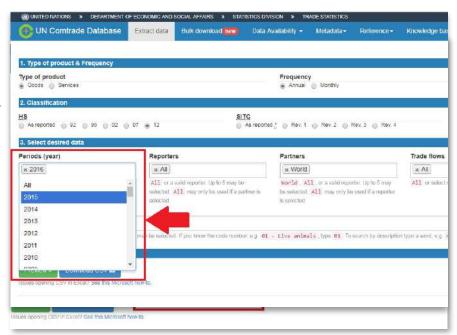
3. Under "Periods," select the years of data that you want to see.

You may want just one year of data to easily see the top exporters to the market. Or you may want to see data over a period by selecting several years.

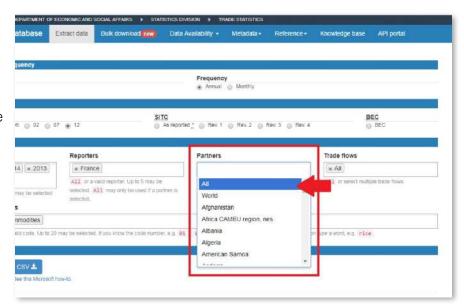
To delete a year or the selection in any of the fields, click the "x" in the grey box for that selection.

4. Under "Reporters," select the target market you are considering, in this case, France. The "reporter" is the country that reported the data.

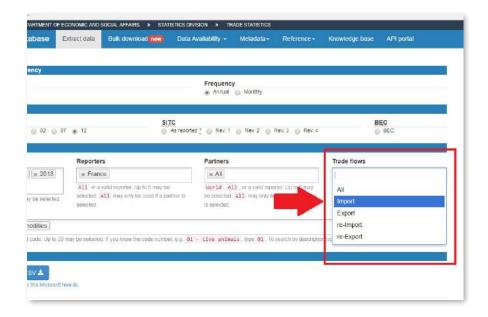
This is because you want to know which other markets France imported lawnmowers from. France is the "reporter" because we are looking for French data.



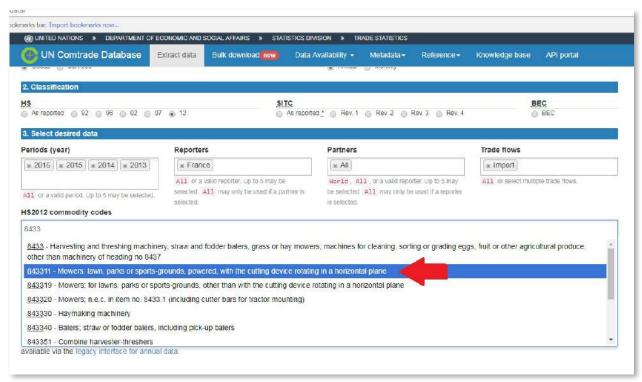
5. Under "Partners," delete "World" and select "All." Choosing "World" gives you the total French imports from the whole world. But "All" gives you the results broken down by country.



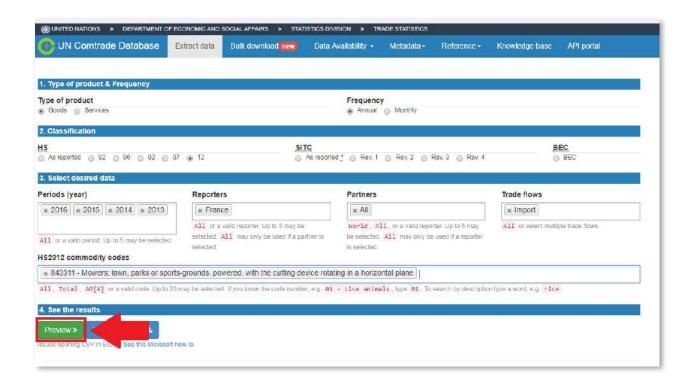
6. Under "Trade flows," select "Import." This is because you want to know what France, the "Reporter" imported, not what France exported. Remember, the data comes from the reporter.



7. Now select the product. Type in the six-digit HS number in the box under "HS2012 commodity codes."



8. Click the green "Preview" button, and the data will appear below the menu.

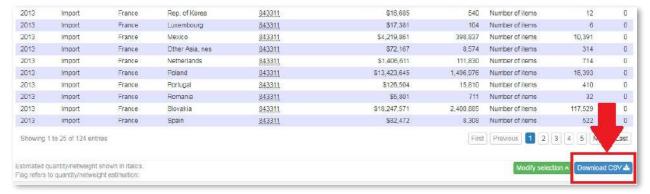




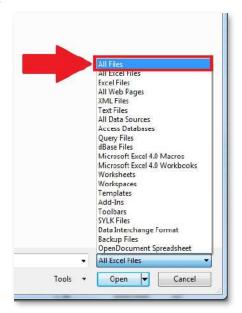
9. If you are only looking at one year of data, you can easily sort by trade value to see the top exporters of the product to France. Click the grey arrow at the top of the "Trade Value (US\$)" column until the highest values are at the top.



10. If you are looking at more than one year of trade data, viewing the data in the website is less useful. It makes more sense to download the data and view it in a spreadsheet, like Excel. Click the button for, "Download CSV." The file will download.

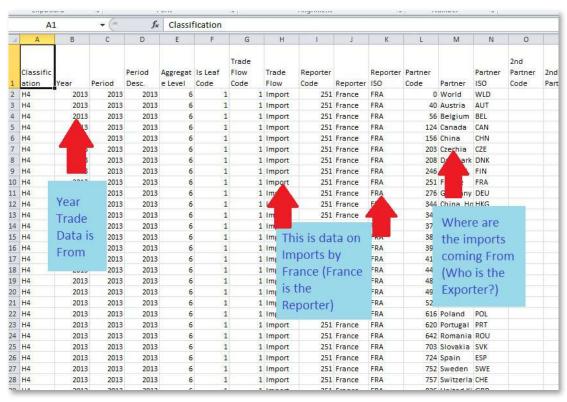


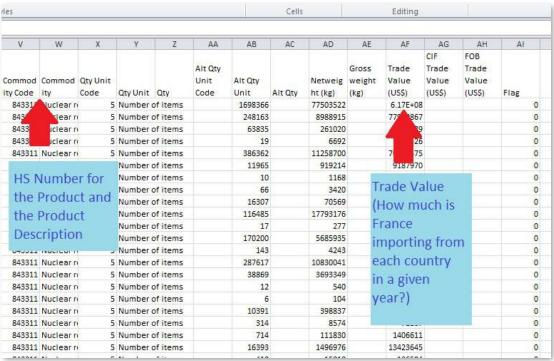
11. Open your spreadsheet program, and open the .csv file. If you can't see the file in the folder when trying to open it, choose "All Files" from the menu above the "Open" button instead of "All Excel Files."



### ANALYZING THE COMTRADE DATA IN A SPREADSHEET

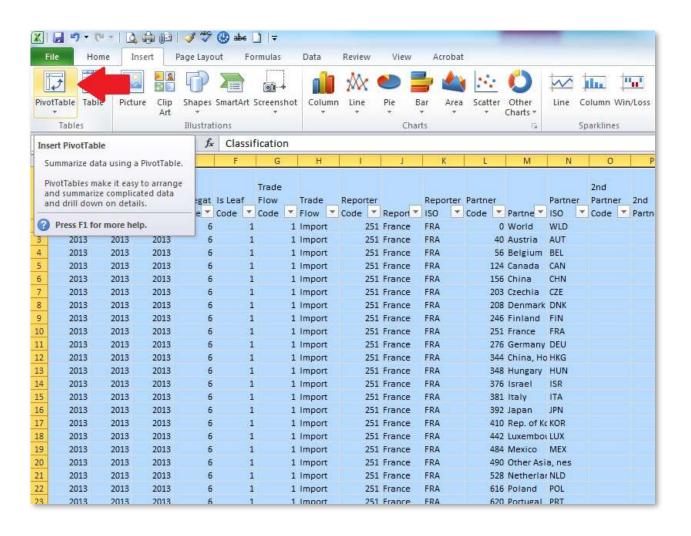
### 12. Now let's look at the data.





13. At this point, the trade data is still stacked, rather than in a time series. It would be much easier to analyze the data if you could see imports from each country with the years next to each other. Fortunately, it's easy to convert this data from stacked to time series using a PivotTable.

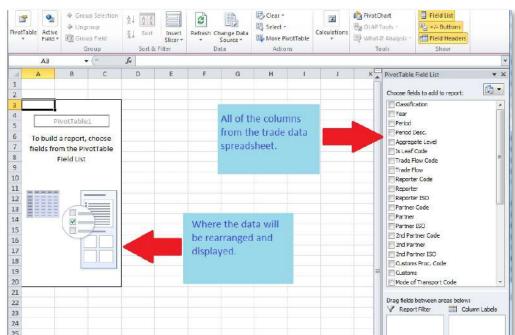
To get started, select all the columns and rows in the table so they are highlighted in blue. Then go to the "Insert" tab and select "PivotTable."



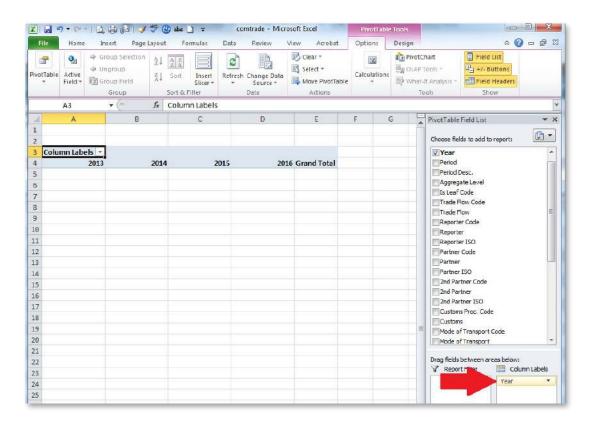
14. Click "OK." This will create a new tab in your workbook that will hold the Pivot Table. It will look like this.

On the right is a menu with all of the fields (columns) from your table. This is where you decide which will be rows or columns in the PivotTable.

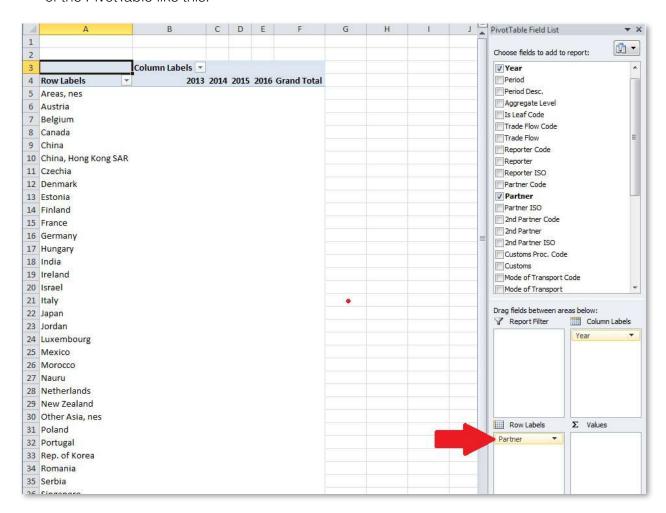
On the left is the PivotTable itself, where the data will be displayed once it's rearranged.



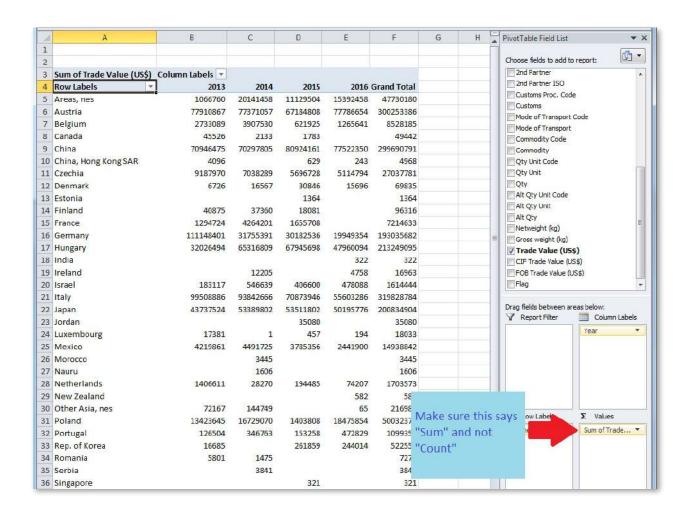
15. Click on "Year" and drag it down to the box under "Column Labels." The years you had selected for the trade data will now appear in the pivot table. Instead of being stacked, they are now columns.



16. Next, you want to list all the exporting countries down the left-hand side, so you can see imports from each country for the years in the different columns. Click "Partner" and drag it down to the box below "Row Labels." The list of countries will appear on the left-hand side of the PivotTable like this.

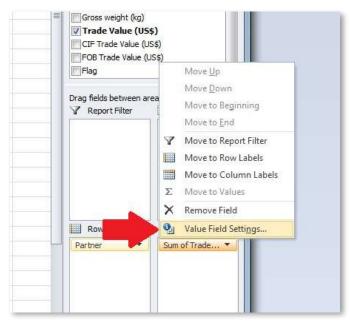


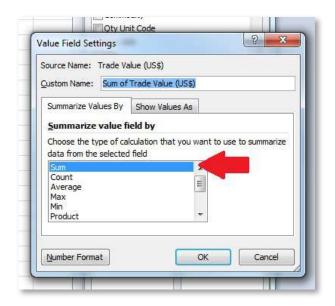
17. Now we need to add the trade data. In the list of fields, scroll down to "Trade Value (US\$)." Click on it and drag it to the box under "Σ Values." Make sure it says "Sum of Trade Value (US\$)." If it says "Count," it just counts the number of times that there is data for that country for that year. That's not what we want.



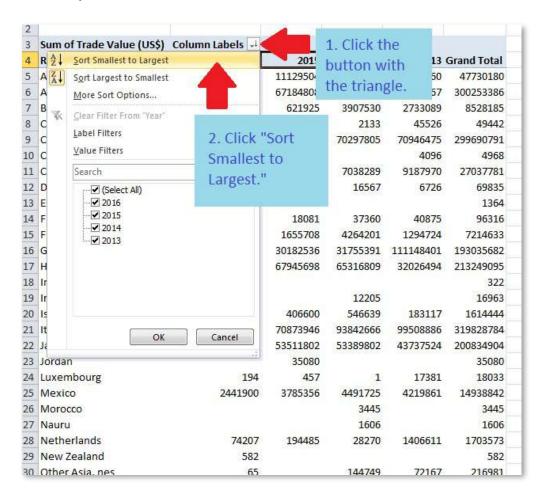
18. If it does say "Count," rather than "Sum," just click the button where it says "Count of..." and select "Value Field Settings."

A window will open. Select "Sum" under "Summarize value field by." Then click "OK."





19. The PivotTable may have the most recent year of data as the first column with earlier years to the right. This isn't the best way to view time series data, but it's easy to fix. Where it says "Column Labels," there's a small, grey button with a triangle. Click that and a menu opens up that allows you to sort the columns. Click "Sort Smallest to Largest." This will change it so the earliest year is on the left.



20. Now we'll move the data into another tab so we can analyze it. Select the data in the Pivot Table and copy it (Ctrl + C for Windows computers). Or you can go to the "Home" tab at the top, under "Clipboard," and click "Copy."

Open a new tab in your workbook. Right click and select Paste Special > Paste as Values. Or you can go to the "Home" tab at the top, under "Clipboard," and click Paste > Paste as Values. This eliminates the formatting from the Pivot Table and gives you a worksheet you can analyze.

Now the data is sorted alphabetically by country, which isn't very useful. To make it so you can sort the data by the trade values, click anywhere within the data in the

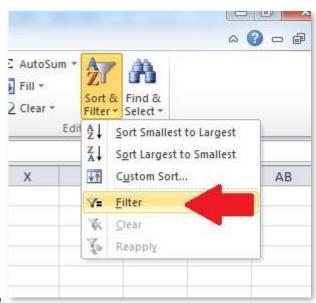


table. Then under the "Home" tab, under "Editing," click "Sort & Filter" and then "Filter."

21. Now each column of your data will have a button that allows you to sort the entire table by the values in that column. If you click on the button in the "Grand Total" column and click "Sort Largest to Smallest," the table will show the largest exporters of lawnmowers to France at the top.

Ignore the row for Grand Total because it adds up both the individual countries and the World, so it's double counting the data.

A	A A		В	С	D	E	F	G
1	Row Labels	¥	2013 💌	2014	2015 🔻	2016	Grand Tot →↓	
2	Grand Total		1233541950	1199912486	1034317097	1026413170	4494184703	
3	World		616770975	599956243	517158549	513206585	2247092352	
4	USA		98616381	109060925	88792982	91088526	387558814	
5	Italy		99508886	93842666	70873946	55603286	319828784	
6	Austria		77910867	77371057	67184808	77786654	300253386	
7	China		70946475	70297805	80924161	77522350	299690791	
8	Hungary		32026494	65316809	67945698	47960094	213249095	
9	Japan		43737524	53389802	53511802	50195776	200834904	
10	Germany		111148401	31755391	30182536	19949354	193035682	
11	Slovakia		18247571	18219290	25934709	24623588	87025158	
12	United Kingdom		22184456	19952311	4461341	20540167	67138275	
13	Poland		13423645	16729070	1403808	18475854	50032377	
14	Areas, nes		1066760	20141458	11129504	15392458	47730180	
15	Czechia		9187970	7038289	5696728	5114794	27037781	
16	Sweden		7754373	2885945	1853692	3709740	16203750	
17	Mexico		4219861	4491725	3785356	2441900	14938842	
18	Belgium		2733089	3907530	621925	1265641	8528185	
10	France		1204724	4254201	1655700		7014600	

Now that you have the data formatted correctly, you can use regular formulas and graphs to analyze it.

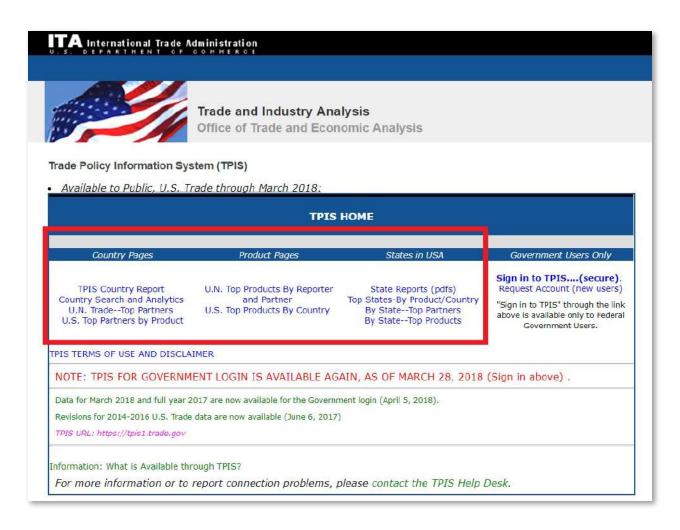
For example, it looks like for the years 2013-2016, the United States was the largest exporter of lawnmowers to France, but French imports of lawnmowers overall decreased over the period, falling by nearly 17 percent. Imports of lawnmowers from the United States also decreased slightly. Meanwhile imports from China rose by more than 9 percent. What might these trends mean for your product in this market?

It's also important to think about the relationship between the target market and other major exporters to that market. Here, several of the other major exporters are also members of the European Union. So they have some advantage in that they are all part of a single market along with France. Think about whether other major exporters have trade agreements with your target market. Are they located closer to your target market, so transportation would be easier? Do they share a common language or culture that would facilitate doing business in your target market?

### THE TRADE POLICY INFORMATION SYSTEM

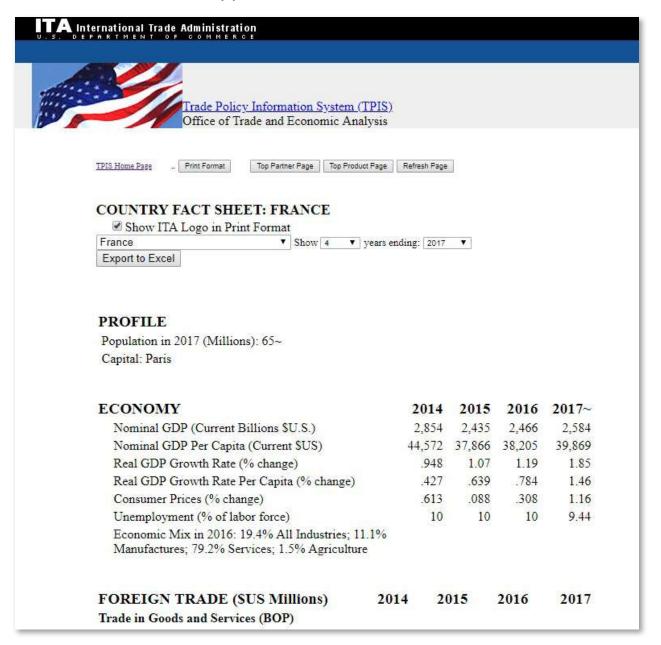
The Trade Policy Information System (TPIS) is a trade data resource managed by the International Trade Administration. It can be found at <a href="http://tpis.trade.gov">http://tpis.trade.gov</a>.

While some of the data is restricted to government users only, TPIS does have some helpful aggregated tools that use both the international UN Comtrade data and U.S. government data and display the information graphically.



### TPIS COUNTRY REPORT

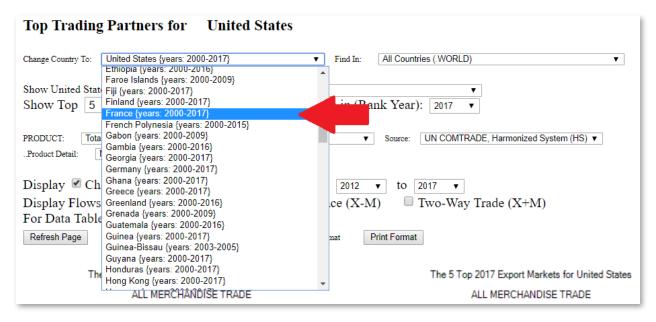
The TPIS Country Report on the left-hand side gives you a fact sheet of high-level information about a country over time, including its population, GDP, overall trade figures, and top trade sectors. Just choose the country you want to see from the menu.



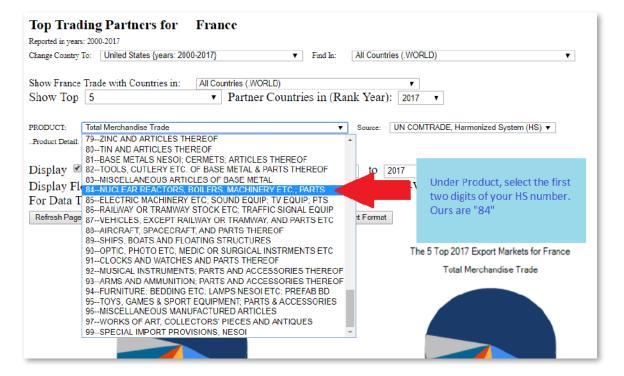
### U.N. TRADE - TOP PARTNERS REPORT

Another report on the TPIS homepage, the U.N. Trade – Top Partners report, can give you a quick snapshot of a country's trade patterns for a given product.

Here we've again chosen France in the menu where it says "Change Country To."



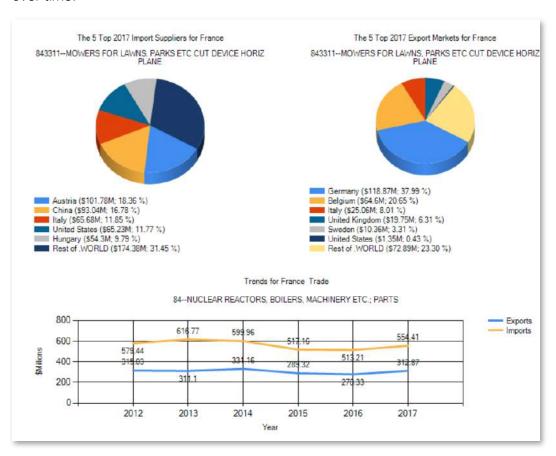
Under "Product," chose the first two digits of your HS number. This is the HS "chapter" your product is in. Our product is still the lawnmowers in 843311, so we select chapter 84.



Then choose the product under "Product Detail." Here we've chosen 842211 for the lawnmowers.



The report will then show you the top import suppliers for France (who is exporting to France) and the top export markets (where is France exporting). It gives you pie charts and line graphs over time.



Below the charts is a table with the trade data, shares and change over time.

	(SMillions)										
	100	-		A11.00 B10.00		SHARE (%)	% CHANGE				
COUNTRY	FLOW	2012	2013	2014	2015	2016	2017	RANK 2017	2017	2012-2017	2016-201
.WORLD	EXPORTS	315.03	311.10	331.16	289.32	278.33	312.87	0	100.00	-0.69	12.4
Germany	EXPORTS	130.60	123.44	126.49	113.88	113.96	118.87	1	37.99	-8.98	4.3
Belgium	EXPORTS	66.39	63.16	68.28	63.86	51.54	64.60	2	20.65	-2.70	25.3
Italy	EXPORTS	12.11	14.67	18.70	16.84	18.33	25,06	3	8.01	106.90	36.7
United Kingdom	EXPORTS	19.73	21.33	24.82	19.24	20.87	19.75	4	6.31	0.09	-5.3
Sweden	EXPORTS	5.67	7.42	12.84	6.89	7.31	10.36	5	3.31	82.52	41.6
United States	EXPORTS	0.14	0.10	0.22	0.27	0.04	1.35	18	0.43	892.18	3,114.5
Rest of .WORLD	EXPORTS	80.40	80.97	79.81	68.34	66.27	72.89	999	23.30	-9.34	9.9
.WORLD	IMPORTS	579.44	616.77	599.96	517.16	513.21	554.41	0	100.00	-4.32	8.0
Austria	IMPORTS	55.52	77.91	77.37	67.18	77.79	101.78	1	18.36	83.33	30.8
China	IMPORTS	39.90	70.95	70.30	80.92	77.52	93.04	2	16.78	133.15	20.0
Italy	IMPORTS	127.60	99.51	93.84	70.87	55.60	65.68	3	11.85	-48.53	18.1
United States	IMPORTS	79.20	98.62	109.06	88.79	91.09	65.23	4	11,77	-17.63	-28.3
Hungary	IMPORTS	31.76	32.03	65.32	67.95	47.96	54.30	5	9.79	70.98	13.2
Rest of .WORLD	IMPORTS	245.45	237.76	184.07	141.44	163.25	174.38	999	31.45	-28.96	6.8

There's a similar U.S. Top Partners by Product report that can show you where the U.S.'s top export destinations for your products are.

### USA TRADE ONLINE

USA Trade Online is a site from the United States Census Bureau. It contains detailed U.S. trade data. This is data where the U.S. is the reporter, such as U.S. exports to the world or U.S. imports from the world.

Using U.S. export data can be helpful because you can get more detailed data beyond the six-digit level used in the tool. This data can more precisely show the trade patterns for the product you are exporting because you can find the trade data for the exact Schedule B number of your product.

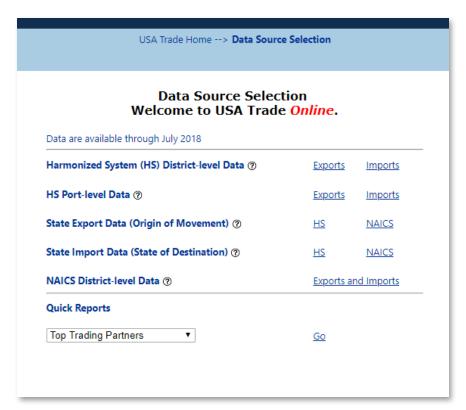
Let's take a look at the Schedule B numbers for our chosen product, lawnmowers in HS 843311. Here are the Schedule B lines.

Mowe	Mowers for lawns, parks or sports grounds:						
8433.1 1	Powered, with	the cutting device rotating in a horizontal plane:					
	8433.11.0010	Electric mowers, including battery operated					
	Riding mov	vers, other than electric:					
	8433.11.0020	Under 5.2 kW (7 hp)					
	8433.11.0030	5.2 kW (7 hp) and over but under 7.46 kW (10 hp)					
	8433.11.0040	7.46 kW (10 hp) and over					
	Other:						
	8433.11.0050	Under 3.7 kW (5 hp)					
	8433.11.0060	3.7 kW (5 hp) and over					

There are broadly three groups: electric mowers, riding mowers that aren't electric, and other lawnmowers. Then there are more detailed lines for mowers of different horsepower. So you can see how having more specific trade data could be helpful as there are many different kinds of lawnmowers.

Let's imagine that our lawnmower is electric (so it would be in 8433.11.0010) and see what the trade data looks like in USA Trade Online.

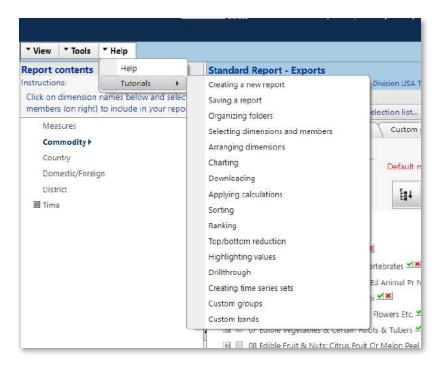
1. After you create an account for the site and log in, you'll see the front page. It looks like this:



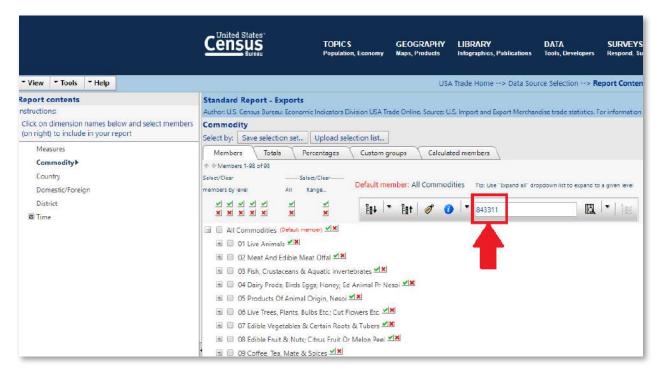
2. Select "Exports" next to "Harmonized System (HS) District-level Data.



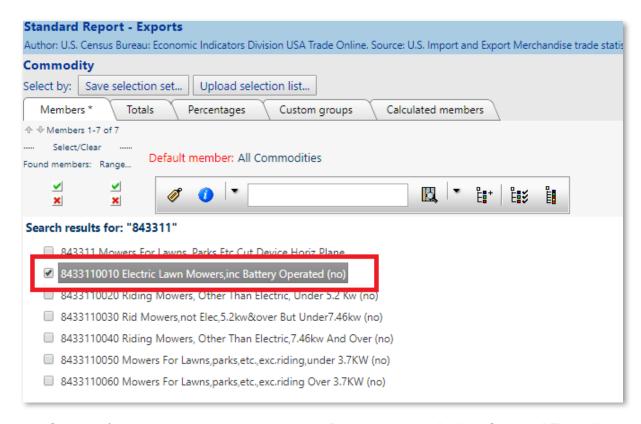
3. There are tutorials for how to use the site here in the top left corner. But we'll go through a basic search in this document.



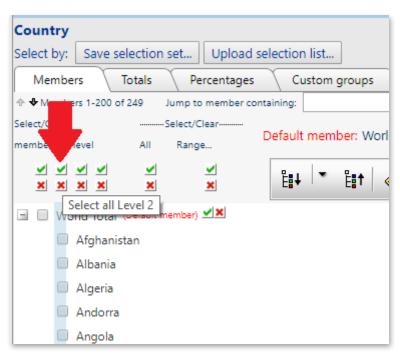
4. Type the HS number in the box. In this case, 843311, and hit enter.



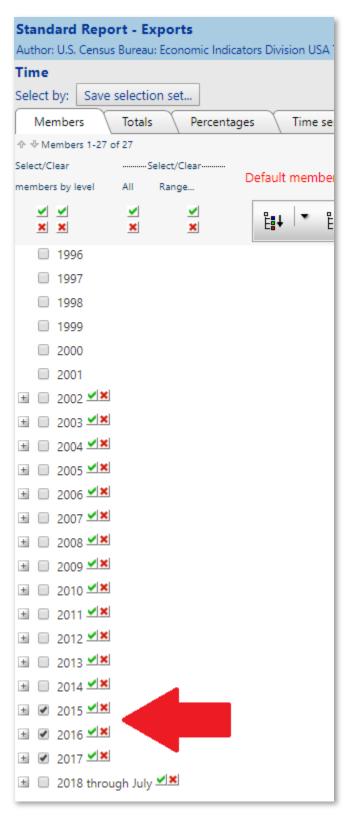
5. Choose the line for electric lawn mowers.



6. On the left-hand side in the panel labeled "Report contents," click "Country." This will open the window to choose the export markets. Click the plus sign next to "World Total." You'll see a list of all the countries. Above the country list, click the green check mark that says "Select all Level 2." This will select all the countries.



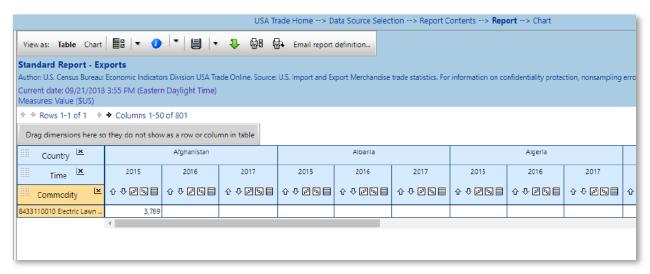
7. On the left-hand side in the panel for "Report contents," click "Time." Select the years of data you want.



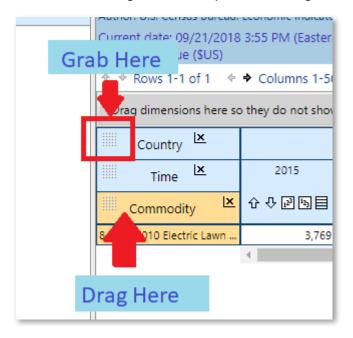
8. View the report. At the top of the screen, just below the dark blue header, select "Report."



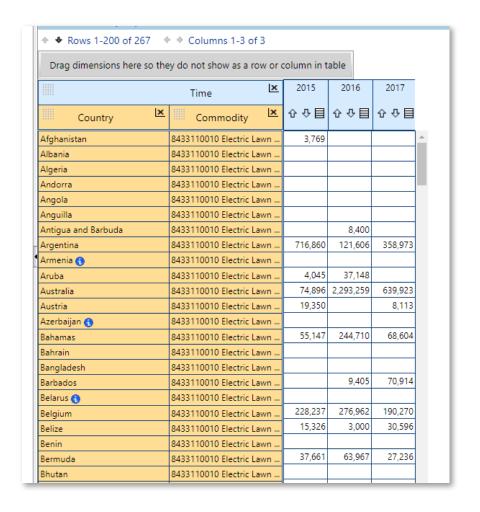
9. The report will appear. You'll see that the data's format isn't particularly helpful with the countries along the top. But the report is like a pivot table, so it's easy to fix.



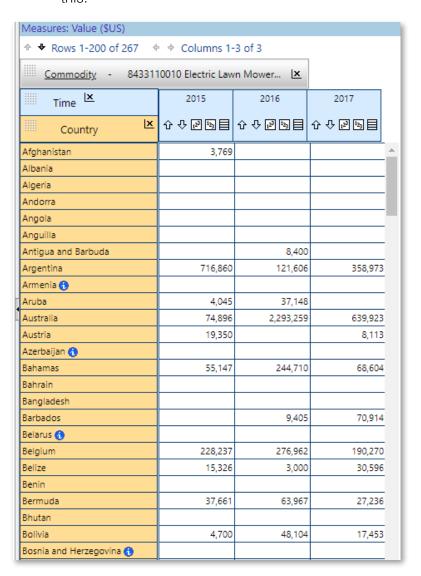
10. To fix this grab the country box where the dots are in the corner. Drag the Country box down to the orange Commodity box and let go.



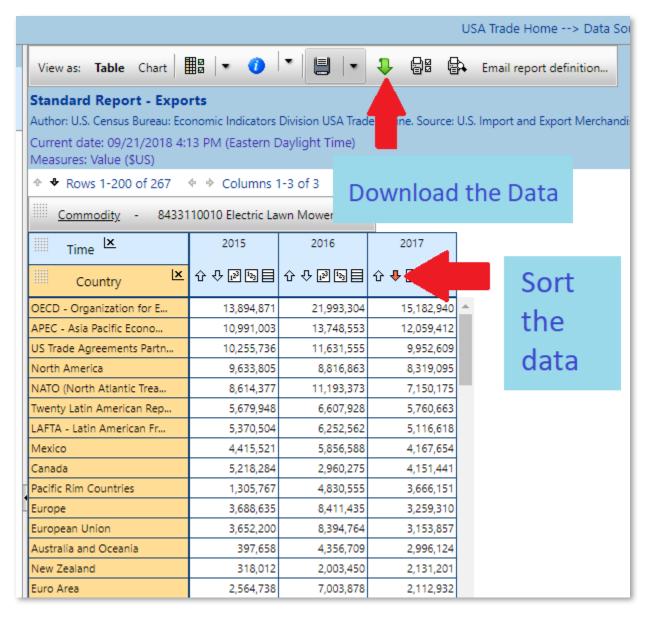
11. Now the report should look like this.



12. Now Drag the commodity block up to the gray box where it says, "Drag dimensions here so they do not show as a row or column in table." Your report should now look like this.



13. You can use the arrows to sort the data and analyze it within the database. Or you can export the data using the download function and analyze it in a spreadsheet.



With this data, you'll be able to see the U.S. export patterns over time for the specific kind of lawnmower you export, rather than all lawnmowers.