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My Visit to Panama

Dr. Munir Quddus, Dean, College of Business

Recently, I had an opportunity to visit Panama City, Panama, as part of a trade delegation from Texas. The visit is an annual event organized by Ambassador Sosa, Consul General of Panama based in Houston. I was part of a group of fifteen business leaders, economic development officials, elected officials (including Mayor David Allen, City of Prairie View) and representatives from academia that visited Panama during July 31-August 3, 2018. Dr. Bradford, CFO, Prairie View A&M University and Dr. Addo, Associate Dean, College of Agriculture and Human Sciences, joined me as part of the PVAMU team on this trade mission. President Ruth Simmons could not attend the trade delegation due to a conflict in her schedule.

This trade mission had a number of goals. First, the economic development officials of the City of Prairie View, officials from the San Antonio Airport, and a local community college were interested in opportunities to export American goods and services (higher education, airport, etc.) to boost trade. Second, the newly completed expansion of the Panama Canal at the cost of \$5 billion has made the canal more modern and competitive. Hence, the delegation wanted to explore how the Asian countries, such as South Korea, Japan, Taiwan, and especially China will take advantage of the canal to increase their trade with Texas and the United States. It should be noted here that Texas is the largest US trading state with Panama. Third, the PVAMU team was interested in establishing partnerships with institutions of research and higher education in Panama so that we can have greater exchange of students and scholars between the two countries. Dr. Bradford, on behalf of President Simmons, signed a preliminary MOU with a private university in Panama (about five hours drive from Panama City), which is very interested in the teaching and research expertise the PVAMU College of Agriculture and Human Sciences can bring to them. The College of Business is interested in bringing graduate and undergraduate students from Panama to our campus.



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Editor's Note

Greetings. It gives us great pleasure to bring to you the 57th issue of the *Prairie View International Business Digest*, an electronic quarterly newsletter produced by the Center for International Business Education.

This issue features three sections. The first section features a brief report from Dr. Munir Quddus, Dean of the College of Business, on a trade mission he recently attended in Panama. The second section presents the latest US trade statistics, which reveal that the US merchandise trade deficits have generally worsened over the last 5 years. The final section highlights current global business/trade news and events. Please note that all URL links are active and you can go directly to a section from the Table of Contents on the first page.

We hope you continue to find this e-newsletter a valuable channel for important information relating to international business. We believe our efforts will inspire greater number of local firms to seek out new global business opportunities. Should you have any questions or suggestions, please feel free to contact us. Thank you for your support.



Rahim Quazi, Ph.D.
Editor, *Prairie View International Business Digest*
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Dr. Rahim Quazi
Editor



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The delegation spent half a day visiting a large complex called the “City of Knowledge” near the Field Locks of the Panama Canal. This is a large complex based on the infrastructure of an American military base now converted into a center for education and innovation. Florida State University offers a number of undergraduate and one graduate program on this campus. However, we learned that in this nation of 4 million people (with a capital city of 2 million residents), students do not have access to a business degree offered by an accredited US university. There is an opportunity for PVAMU to offer its MBA (and perhaps even the Executive MBA) degree on the campus of City of Knowledge. Panama markets itself as the bridge that “connects” Central and Latin America with the US. Hence, an American degree will be potentially attractive to business professionals from other countries who can fly in over the weekends to take classes. COPA Airlines, the national airlines of Panama, flies to over 80 destinations all over Central and Latin America.



All in all, this was a short but productive visit to Panama, where we had an opportunity to network with businesses and leaders in higher education and government officials, and enjoyed visiting one of the engineering wonders of the world, the Panama Canal. A delegation from Panama is expected to visit the city of Prairie View and the PVAMU campus sometimes in November 2018 to continue the conversation on potential partnerships.

Latest U.S. Merchandise Trade Statistics (Growing Trade Deficits)

This section presents the US merchandise trade statistics from the last 5 years, which reveal that the US merchandise trade deficits have generally worsened over this period. Table 1 below shows the latest available US merchandise trade deficit data (year-to-date data as of June 2018) and compares that with the same data series over the last 5 years. Table 2 shows the annual US merchandise trade deficit data over the last 5 years. Both tables show the same trend – the US merchandise trade deficits have generally worsened for the world total (except for the 1-year improvement in 2016) as well as for the top 5 countries that run trade surpluses against the US. Tables 3 and 4 show the US merchandise trade surpluses against the top 5 countries that run trade deficits with the US. Tables 5 and 6 show that US merchandise exports have generally recovered in 2017 after dipping in 2015-2016 for the world total as well as for the top 5 export markets for the US; however, Tables 7 and 8 show that US merchandise imports have generally risen faster than exports over this period for the world total as well as for the top 5 import partners for the US, which explains the worsening trade deficits shown in Tables 1 and 2.

Data reported in the tables below are collected from the website of the Office of Trade and Industry Information (OTII), Manufacturing and Services, International Trade Administration, U.S. Department of Commerce (<http://tse.export.gov>).

Table 1: U.S. Merchandise Trade Deficit: Year-To-Date Data (Billions of \$)

Partner	Year-To-Date (June 2014)	Year-To-Date (June 2015)	Year-To-Date (June 2016)	Year-To-Date (June 2017)	Year-To-Date (June 2018)
World	-348.7	-356.0	-348.6	-377.5	-404.0
1. China	-156.2	-172.2	-160.8	-171.1	-185.7
2. Mexico	-25.8	-29.3	-31.8	-36.1	-38.0
3. Japan	-33.6	-35.1	-33.7	-34.0	-34.6
4. Germany	-35.0	-36.3	-32.5	-30.1	-33.0
5. Ireland	-12.9	-14.2	-16.9	-20.1	-22.5

Table 2: U.S. Merchandise Trade Deficit: Annual Data (Billions of \$)

Partner	2013	2014	2015	2016	2017
World	-689.5	-734.5	-745.5	-736.6	-795.7
1. China	-318.7	-344.8	-367.3	-347.0	-375.6
2. Mexico	-54.6	-54.7	-60.0	-63.9	-71.0
3. Japan	-73.3	-67.6	-69.1	-68.8	-68.9
4. Germany	-67.0	-74.8	-74.9	-64.7	-63.7
5. Ireland	-24.9	-26.2	-30.4	-36.0	-38.1

Table 3: U.S. Merchandise Trade Surplus: Year-To-Date Data (Billions of \$)

Partner	Year-To-Date (June 2014)	Year-To-Date (June 2015)	Year-To-Date (June 2016)	Year-To-Date (June 2017)	Year-To-Date (June 2018)
1. Hong Kong	17.5	14.9	13.0	16.7	16.3
2. Netherlands	10.7	12.0	12.6	12.2	13.5
3. Australia	7.9	6.7	5.8	7.0	7.8
4. Belgium	6.8	7.2	7.9	7.9	7.7
5. UAE	9.1	9.6	9.6	7.7	6.7

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Table 4: U.S. Merchandise Trade Surplus: Annual Data (Billions of \$)

Partner	2013	2014	2015	2016	2017
1. Hong Kong	36.7	35.0	30.4	27.5	32.6
2. Netherlands	23.3	22.2	23.4	23.5	23.7
3. Australia	16.9	16.0	14.1	12.6	14.5
4. Belgium	12.8	13.8	14.7	15.1	14.9
5. UAE	22.2	19.3	20.5	19.0	15.8

Table 5: U.S. Merchandise Exports: Year-To-Date Data (Billions of \$)

Partner	Year-To-Date (June 2014)	Year-To-Date (June 2015)	Year-To-Date (June 2016)	Year-To-Date (June 2017)	Year-To-Date (June 2018)
World	803.2	760.5	710.2	757.0	829.9
1. Canada	154.7	143.8	134.5	139.7	151.9
2. Mexico	118.8	117.5	113.2	119.1	131.3
3. China	58.5	55.7	51.2	58.8	64.0
4. Japan	33.2	32.1	30.1	32.8	35.7
5. UK	25.9	28.2	27.6	27.4	33.9

Table 6: U.S. Merchandise Exports: Annual Data (Billions of \$)

Partner	2013	2014	2015	2016	2017
World	1,578.5	1,621.9	1,503.3	1,451.0	1,546.3
1. Canada	300.8	312.8	280.9	266.7	282.3
2. Mexico	226.0	241.0	236.5	230.1	243.3
3. China	121.7	123.7	115.9	115.5	129.9
4. Japan	65.2	66.9	62.4	63.2	67.6
5. UK	47.4	53.9	56.1	55.2	56.3

Table 7: U.S. Merchandise Imports: Year-To-Date Data (Billions of \$)

Partner	Year-To-Date (June 2014)	Year-To-Date (June 2015)	Year-To-Date (June 2016)	Year-To-Date (June 2017)	Year-To-Date (June 2018)
World	1,151.9	1,116.4	1,058.8	1,134.5	1,233.9
1. China	214.7	227.9	212.1	229.9	249.7
2. Mexico	144.6	146.7	145.1	155.1	169.3
3. Canada	173.5	151.3	136.8	150.2	160.0
4. Japan	66.8	67.2	63.8	66.7	70.3
5. Germany	60.4	61.1	56.7	56.5	62.3

Table 8: U.S. Merchandise Imports: Annual Data (Billions of \$)

Partner	2013	2014	2015	2016	2017
World	2,268.0	2,356.4	2,248.8	2,187.6	2,342.0
1. China	440.4	468.5	483.2	462.5	505.5
2. Mexico	280.6	295.7	296.4	293.9	314.3
3. Canada	332.5	349.3	296.3	277.8	299.3
4. Japan	138.6	134.5	131.4	132.0	136.5
5. Germany	114.3	124.2	124.9	114.1	117.6



Global Trade & Business: Current News and Events

- **What Small Businesses Should Know About Tariffs**
- **More Than Four Trillion Dollars: FDI in the USA in 2017**
- **Invest, Grow, and Succeed in the United States**
- **Modernizing America's Infrastructure with Foreign Direct Investment**
- **Thanks to Innovation and Investment, the U.S. Aerospace Industry is Boldly Going to New Frontiers**
- **Helping Small Business Owners Identify their Vital Intellectual Property**
- **Advancing Both U.S. and Kenyan Economic Interests in Transportation, Healthcare, and Infrastructure**
- **Africa Matters: Why the U.S. Should Bolster its Trading Relationships with African Countries**
- **AES: Reaching Business Opportunities in Vietnam**
- **Pacific Islands Opportunities: First Stop Papua New Guinea**

Source: *Tradeology*, International Trade Administration Blog (June-August 2018)



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PVAMU College of Business Vision and Mission Statements

Vision Statement

The Prairie View A&M University College of Business strives to be among the best regional business schools in the nation by empowering students from diverse backgrounds to reach their full potential.

Mission Statement

The Prairie View A&M University College of Business provides students from diverse academic and socioeconomic backgrounds with education that helps them become business professionals and leaders who are ethical, entrepreneurial, productive, and prepared to succeed in the global economy. The College achieves excellence through quality teaching, research, service, and engagement with the business community.



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