Glossary:Trade balance

Statistics Explained

The **trade balance** is the difference between the value of the goods that a country (or another geographic or economic area such as the European Union (EU) or the euro area) exports and the value of the goods that it imports.

If exports exceed imports then the country has a **trade surplus** and the trade balance is said to be positive. If imports exceed exports, the country or area has a **trade deficit** and its trade balance is said to be negative. However, the words 'positive' and 'negative' have only a numerical meaning and do not necessarily reflect whether the economy of a country or area is performing well or not. A trade deficit may for instance reflect an increase in domestic demand for goods destined for consumption and/or production. The total trade balance, including all goods exported and imported, is one of the major components of the balance of payments . A big surplus or deficit for a single product or product category can show a particular national competitive advantage or disadvantage in the world market for goods.

Related concepts

- Export
- Import

Statistical data

- International trade in goods