Glossary:Balance of trade (BOT)

Statistics Explained

The **Balance of trade** (BOT) is the difference between a country's imports and its exports for a given time period.

There are countries where it is almost certain that a trade deficit will occur. For example, the United States has had a trade deficit since 1976, in large part due to its imports of oil and consumer products. Conversely, China, a country that produces and exports many of the world's consumable goods, has recorded a trade surplus since 1995.

A trade surplus or deficit, taken on its own, is not necessarily a viable indicator of an economy's health. The numbers must be taken in context relative to the business cycle and other economic indicators. For example, in a recession, countries like to export more, creating jobs and demand in the economy. In a strong expansion, countries prefer to import more, providing price competition, which limits inflation.

In 2015, the European Union, Germany, China and Japan all had very large trade surpluses, while the United States, the United Kingdom, Brazil, Australia and Canada had the largest trade deficits.

Statistical data

- Africa-EU - key statistical indicators