

(38.4 percent) and exports of petroleum and coal products gained \$3.2 billion (17.9 percent). Natural gas prices went down 11.6 percent, driving the \$2.2-billion (14.3 percent) decline in the value of natural gas exports.

Machinery and equipment exports finally arrested their three-year decline and posted a gain of \$4.5 billion, or 5.9 percent, to reach \$80.6 billion in 2011. This was still about 14 percent off the high mark for this sector in 2007. All categories contributed to the increase, with volumes driving the increase as prices in the sector remained unchanged, except for the 10-percent drop in the prices of office machines and equipment exports. Industrial and agricultural machinery exports, which accounted for about a quarter of all exports in this sector, grew the fastest (up 11.9 percent) and added \$2.1 billion to the export gain. Aircraft and other transportation equipment, which accounted for another quarter of the exports, grew modestly at 3.3 percent, adding \$0.6 billion in value. The rest of this category, other machinery and equipment, grew 4.4 percent on the strength of the increase in other equipment, tools and end products, while the increases in the volume of exports of office machines and equipment made up for the drop in their prices.

Automotive products exports, which were in decline from 2004 to 2009, experienced a second straight year of recovery, albeit with a smaller gain than in 2010, as the U.S. auto consumer market continued to show considerable weakness. The 4.4-percent gain amounted to a \$2.5-billion increase in value and brought the total to \$59.3 billion, a third below the record 2004 level. Although exports of trucks and other motor vehicles gained a considerable 27.7 percent, this only amounted to \$0.6 billion as this category has shrunk during the past decade. Exports of motor vehicle parts grew 3.3 percent and

added \$0.5 billion to the total growth. Passenger autos, the bulk of the category, overcame the 1.8-percent decline in prices and posted a 3.5-percent overall gain, adding \$1.3 billion.

Agricultural and fishing products was the other major sector whose exports exceeded its pre-recession level, gaining 11.1 percent, or \$4.1 billion, and thereby reversing the declines of the past two years. Export values ended the year at \$41.0 billion, with volumes weakening 2.1 percent while prices increased 13.5 percent. Leading the price increases were wheat, at 40.9 percent, barley, at 31.3 percent, other cereals, at 28.5 percent, and canola at 23.5 percent. Consequently, wheat exports added \$1.3 billion, canola exports added \$1.2 billion, and the rest of the gains were widely distributed. Live animals was the only item whose exports declined, losing \$0.2 billion in exports through a 29.1-percent decline in volumes despite a 20.3-percent price increase.

The ups and downs of the **forestry products** sector mirrored those in the automotive products sector. Strong growth in 2010 interrupted five years of declines followed by modest growth in 2011. Forestry products exports went up 2.4 percent last year, or \$0.5 billion, reaching \$22.4 billion. A 3.0-percent growth in volumes offset a 0.6-percent weakening in prices. Lumber gained 6.9 percent (\$0.3 billion) and other crude wood products gained 35.3 percent (\$0.2 billion), helped by a 10-percent jump in prices.

Other consumer goods was the only major sector to experience a decline in export values, although at 0.5 percent it was only marginal, amounting to a mere \$75 million. Nevertheless, 2011 was the fourth year of decline for this sector which includes furniture, sporting equipment and apparel. Volumes fell 1.1 percent while prices inched up 0.6 percent.