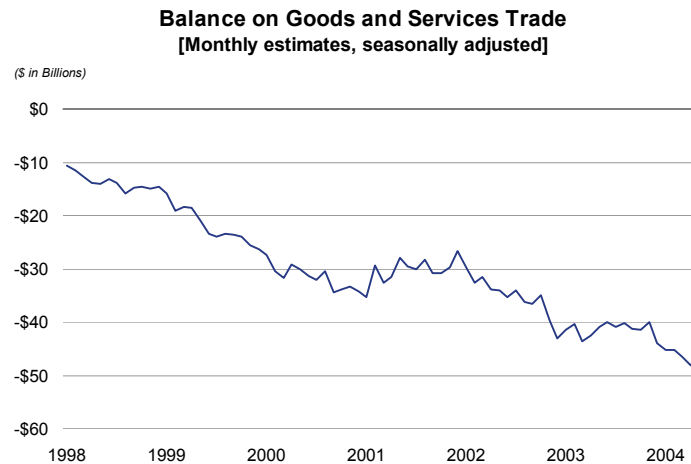




TRADE GAP NARROWS IN MAY 2004

Preliminary estimates of U.S. international trade in goods and services

The U.S. monthly goods and services deficit narrowed in May 2004, according to estimates released today by the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit decreased \$2.1 billion from April to \$46.0 billion in May as exports increased more than imports.



Exports

Exports of goods and services increased \$2.7 billion in May to \$97.1 billion, as an increase in goods exports more than offset a small decrease in services exports.

- The increase in goods exports was largely attributable to increases in *capital goods* and *industrial supplies and materials*.
- Among services exports, the largest decreases were in *travel* and *passenger fares*.

Imports

Imports of goods and services increased \$0.6 billion in May to \$143.1 billion, as a result of an increase in goods imports. Services imports were virtually unchanged.

- Among goods imports, increases in *industrial supplies and materials* and in *automotive vehicles, parts, and engines* were partly offset by a decrease in *consumer goods*.
- Services imports were virtually unchanged.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China increased from \$12.0 billion in April to \$12.1 billion in May. Exports increased \$0.2 billion to \$2.9 billion, while imports increased \$0.3 billion to \$15.0 billion.
- The goods deficit with the European Union (25) decreased from \$9.6 billion in April to \$7.9 billion in May. Exports increased \$0.1 billion to \$14.9 billion, while imports decreased \$1.5 billion to \$22.8 billion.
- The goods deficit with Japan decreased from \$6.4 billion in April to \$5.5 billion in May. Exports decreased \$0.4 billion to \$4.3 billion, while imports decreased \$1.3 billion to \$9.9 billion.

BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on its Web site: <www.bea.gov>.

NOTE: This and more information is provided in the July 13 press release issued by the U.S. Bureau of Economic Analysis and the U.S. Census Bureau, U.S. International Trade in Goods and Services: May 2004. The next release is August 13, 2004.