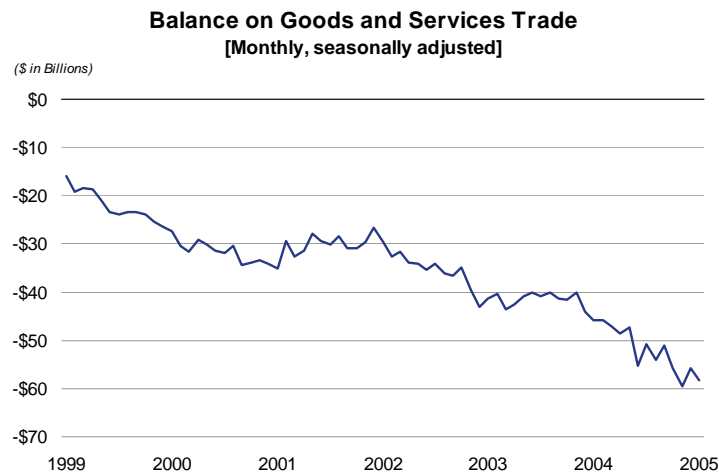


**TRADE GAP WIDENS IN JANUARY 2005***U.S. international trade in goods and services*

The U.S. monthly goods and services deficit widened in January 2005, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased \$2.5 billion from \$55.7 billion in December (revised) to \$58.3 billion in January, as imports increased more than exports.

Exports

Exports of goods and services increased \$0.4 billion in January to \$100.8 billion, mostly as a result of an increase in services exports. Goods exports also increased.

- The increase in goods exports was more than accounted for by increases in *automotive vehicles, parts, and engines* and *other goods*. *Capital goods* and *consumer goods* decreased.
- The increase in services exports mostly reflected an increase in *travel*.

Imports

Imports of goods and services increased \$2.9 billion in January to \$159.1 billion, mostly as a result of an increase in goods imports. Services imports also increased.

- The increase in goods imports was more than accounted for by increases in *consumer goods; automotive vehicles, parts, and engines; and capital goods*. *Industrial supplies and materials* decreased.
- The increase in services imports mostly reflected increases in *other transportation, travel, and other private services*.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China increased from \$14.3 billion in December to \$15.3 billion in January. Exports decreased \$0.7 billion to \$2.6 billion, while imports increased \$0.3 billion to \$17.9 billion.
- The goods deficit with the European Union decreased from \$10.3 billion in December to \$8.1 billion in January. Exports decreased \$1.3 billion to \$14.1 billion, while imports decreased \$3.6 billion to \$22.1 billion.
- The goods deficit with Canada increased from \$4.9 billion in December to \$6.2 billion in January. Exports decreased \$0.4 billion to \$15.6 billion, while imports increased \$0.9 billion to \$21.7 billion.

BEA's data—including GDP, personal income, the balance of payments, 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 March 11 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: January 2005. The next release is April 12, 2005.

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