

TRADE GAP NARROWS IN JULY 2005

U.S. international trade in goods and services

The U.S. monthly goods and services deficit narrowed in July 2005, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit decreased \$1.6 billion from \$59.5 billion in June (revised) to \$57.9 billion in July, as imports decreased and exports increased.



Exports

Exports of goods and services increased \$0.4 billion in July to \$106.2 billion. Goods exports increased, while services exports were virtually unchanged.

- The increase in goods exports reflected increases in *industrial supplies and materials*, *capital goods*, and *automotive vehicles, parts, and engines*, which were partly offset by decreases in *other goods* and *foods, feeds, and beverages*.
- Services exports were virtually unchanged as a decrease in *travel* was offset by an increase in *transfers under U.S. military sales contracts*.

Imports

Imports of goods and services decreased \$1.1 billion in July to \$164.2 billion, as both goods imports and services imports decreased.

- The decrease in goods imports was more than accounted for by decreases in *consumer goods* and *capital goods*. *Industrial supplies and materials* increased.
- The decrease in services imports was more than accounted for by decreases in *travel* and *passenger fares*.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China increased from \$17.6 billion in June to \$17.7 billion in July. Exports increased \$0.2 billion to \$3.6 billion, while imports increased \$0.3 billion to \$21.3 billion.
- The goods deficit with Japan decreased from \$6.9 billion in June to \$6.6 billion in July. Exports decreased \$0.3 billion to \$4.7 billion, while imports decreased \$0.6 billion to \$11.4 billion.
- The goods deficit with the European Union increased from \$10.8 billion in June to \$11.2 billion in July. Exports decreased \$1.4 billion to \$14.3 billion, while imports decreased \$1.0 billion to \$25.5 billion.

BEA 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 the BEA Web site: www.bea.gov.

NOTE: This and more information is provided in the September 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: July 2005. The next release is October 13, 2005.