

US trade deficit narrows to \$73.1 bn as exports pick up

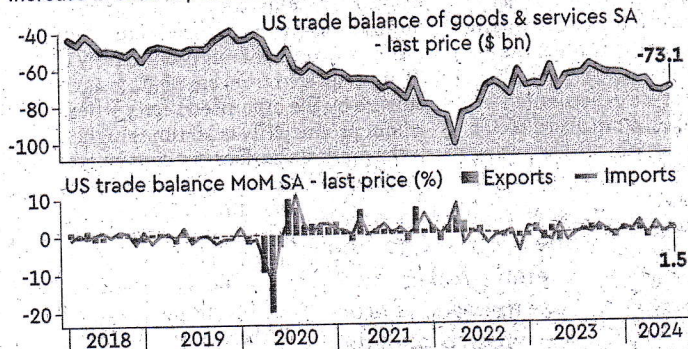
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THE US TRADE deficit narrowed in June for the first time in three months as the value of exports of goods and services increased by the most since earlier this year. The gap in goods and services trade shrank 2.5% from the prior month to \$73.1 billion, Commerce Department data showed Tuesday. The median estimate in a Bloomberg survey of economists called for a \$72.5 billion shortfall. The value of exports increased 1.5%, while imports rose 0.6%. The figures aren't adjusted for inflation.

The June figures cap a quarter in which goods and services trade subtracted the most from gross domestic product (GDP) since early 2022, based on the government's first estimate. The US trade deficit has widened in all but two months since August of last year. Survey results from the Institute for Supply Management paint a mixed picture of July

US TRADE DEFICIT NARROWED IN JUNE

Increase in total exports exceeded smaller gain in imports



Source: US Commerce Department, Bloomberg

trade. The group's index of manufacturer exports contracted for a second month, while service providers business overseas grew solidly.

On an inflation-adjusted basis, the merchandise trade deficit narrowed to \$91.4 billion in June, the smallest in three months. The

increase in merchandise exports was broad and included increases in out-bound shipments of commercial aircraft, natural gas and other petroleum products, and motor vehicles. Imports were fuelled by gains in pharmaceuticals and capital goods.

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