

## TRADE GAP WIDENS IN JULY 2006

*U.S. international trade in goods and services*

The U.S. monthly goods and services deficit widened in July 2006, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from \$64.8 billion (revised) in June to \$68.0 billion in July, as imports increased and exports decreased.



### Exports

Exports of goods and services decreased \$1.3 billion in July to \$120.0 billion, reflecting a decrease in goods exports. Services exports were virtually unchanged.

- The decrease in goods exports was accounted for by decreases in *capital goods* and *industrial supplies and materials* that were partly offset by an increase in *automotive vehicles, parts, and engines*.
- Services exports were virtually unchanged. Changes in the major categories were small and nearly offsetting.

### Imports

Imports of goods and services increased \$1.9 billion in July to \$188.0 billion, reflecting an increase in goods imports. Services imports decreased.

- The increase in goods imports was accounted for by increases in *industrial supplies and materials* and *capital goods* that were partly offset by a decrease in *automotive vehicles, parts, and engines*.
- The decrease in services imports mostly reflected decreases in *royalties and license fees* and *passenger fares* that were partly offset by an increase in *other private services*.

### Goods by geographic area (not seasonally adjusted)

- The goods deficit with China decreased from \$19.7 billion in June to \$19.6 billion in July. Exports increased \$0.7 billion to \$5.1 billion, while imports increased \$0.6 billion to \$24.6 billion.
- The goods deficit with the European Union increased from \$9.0 billion in June to \$13.4 billion in July. Exports decreased \$3.4 billion to \$15.9 billion, while imports increased \$1.0 billion to \$29.3 billion.
- The goods deficit with Mexico decreased from \$6.1 billion in June to \$5.1 billion in July. Exports decreased \$1.3 billion to \$10.4 billion, while imports decreased \$2.3 billion to \$15.5 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](http://www.bea.gov). [E-mail alerts](#) are also available.

NOTE: This and more information is provided in the September 12 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 2006. The next release is October 12, 2006.