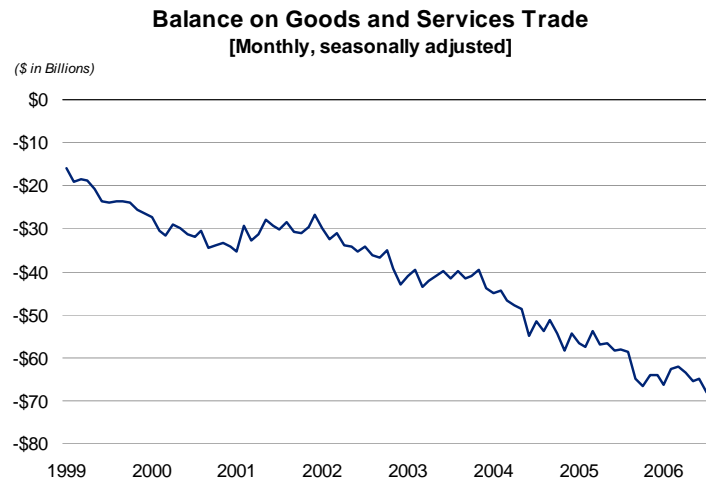


TRADE GAP WIDENS IN AUGUST 2006

U.S. international trade in goods and services

The U.S. monthly goods and services deficit widened in August 2006, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from \$68.0 billion (revised) in July to \$69.9 billion in August, as imports increased more than exports.



Exports

Exports of goods and services increased \$2.7 billion in August to \$122.4 billion, mostly reflecting an increase in goods exports. Services exports also increased.

- The increase in goods exports mostly reflected increases in *capital goods, industrial supplies and materials, and other goods*. *Automotive vehicles, parts, and engines* decreased.
- The increase in services exports mostly reflected increases in *other transportation* and *other private services* that were partly offset by a decrease in *travel*.

Imports

Imports of goods and services increased \$4.6 billion in August to \$192.3 billion, reflecting an increase in goods imports. Services imports decreased a small amount.

- The increase in goods imports reflected increases in all categories. The largest increases were in *industrial supplies and materials* and *capital goods*.
- The change in services imports mostly reflected decreases in *travel* and *royalties and license fees* that were partly offset by an increase in *other private services*.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China increased from \$19.6 billion in July to \$22.0 billion in August. Exports decreased \$0.3 billion to \$4.8 billion, while imports increased \$2.1 billion to \$26.7 billion.
- The goods deficit with the European Union decreased from \$13.4 billion in July to \$11.0 billion in August. Exports increased \$1.6 billion to \$17.6 billion, while imports decreased \$0.7 billion to \$28.6 billion.
- The goods deficit with Mexico increased from \$5.1 billion in July to \$6.2 billion in August. Exports increased \$1.3 billion to \$11.7 billion, while imports increased \$2.5 billion to \$18.0 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. [E-mail alerts](#) are also available.

NOTE: This and more information is provided in the October 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: August 2006. The next release is November 9, 2006.