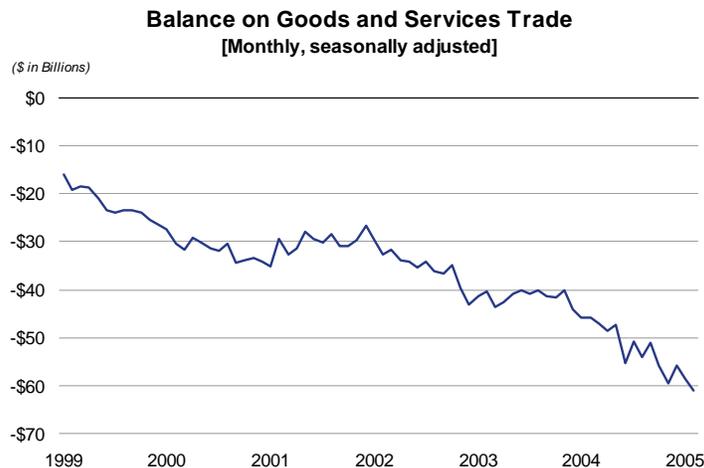




TRADE GAP WIDENS IN FEBRUARY 2005

U.S. international trade in goods and services

The U.S. monthly goods and services deficit widened in February 2005, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased \$2.5 billion from \$58.5 billion in January (revised) to \$61.0 billion in February, as imports increased more than exports.



Exports

Exports of goods and services increased \$0.1 billion in February to \$100.5 billion.

- For goods exports, increases in *industrial supplies and materials* and *consumer goods* were mostly offset by decreases in *capital goods* and *automotive vehicles, parts, and engines*.
- For services exports, a decrease in *travel* was partly offset by an increase in *transfers under U.S. military sales contracts*.

Imports

Imports of goods and services increased \$2.6 billion in February to \$161.5 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 *industrial supplies and materials* and *consumer goods*. *Capital goods* decreased.
- The increase in services imports mostly reflected increases in *other transportation* and *other private services*.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China decreased from \$15.3 billion in January to \$13.9 billion in February. Exports increased \$0.5 billion to \$3.1 billion, while imports decreased \$0.9 billion to \$17.0 billion.
- The goods deficit with the European Union increased from \$8.1 billion in January to \$8.5 billion in February. Exports increased \$0.9 billion to \$15.0 billion, while imports increased \$1.3 billion to \$23.4 billion.
- The goods deficit with Japan increased from \$6.2 billion in January to \$6.9 billion in February. Exports increased \$0.1 billion to \$4.1 billion, while imports increased \$0.8 billion to \$11.0 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 April 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: February 2005. The next release is May 11, 2005.

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