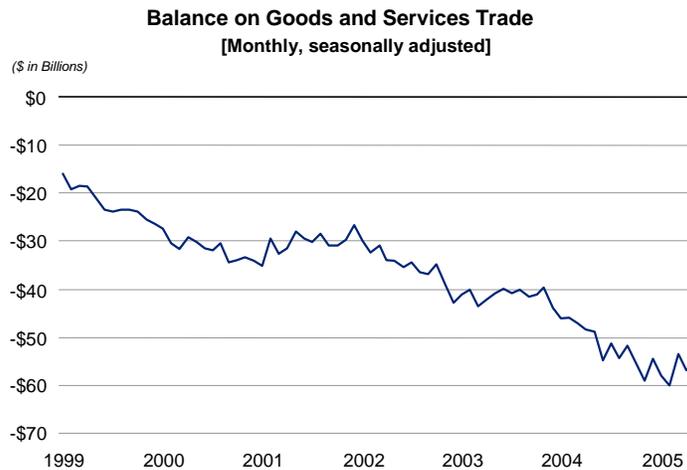


TRADE GAP NARROWS IN MAY 2005

U.S. international trade in goods and services

The U.S. monthly goods and services deficit narrowed in May 2005, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit decreased \$1.6 billion from \$56.9 billion in April (revised) to \$55.3 billion in May, as imports decreased and exports increased.



Exports

Exports of goods and services increased \$0.2 billion in May to \$106.9 billion, as a result of an increase in services exports. Goods exports decreased slightly.

- The decrease in goods exports mostly reflected a decrease in *capital goods*. *Foods, feeds, and beverages* and *consumer goods* increased.
- The increase in services exports was more than accounted for by increases in *other private services* and *transfers under U.S. military sales contracts*.

Imports

Imports of goods and services decreased \$1.4 billion in May to \$162.2 billion, as a result of a decrease in goods imports. Services imports increased slightly.

- The decrease in goods imports was more than accounted for by decreases in *industrial supplies and materials* and in *capital goods*. *Automotive vehicles, parts, and engines* increased.
- The increase in services imports was mostly accounted for by increases in *other private services* and in *royalties and license fees*.

Goods by geographic area (not seasonally adjusted)

- The goods deficit with China increased from \$14.7 billion in April to \$15.8 billion in May. Exports decreased \$0.1 billion to \$3.3 billion, while imports increased \$0.9 billion to \$19.1 billion.
- The goods deficit with Japan decreased from \$7.2 billion in April to \$6.6 billion in May. Exports decreased \$0.4 billion to \$4.1 billion, while imports decreased \$1.0 billion to \$10.7 billion.
- The goods deficit with the European Union increased from \$9.3 billion in April to \$10.5 billion in May. Exports decreased \$0.3 billion to \$16.1 billion, while imports increased \$0.9 billion to \$26.6 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 July 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: May 2005. The next release is August 12, 2005.