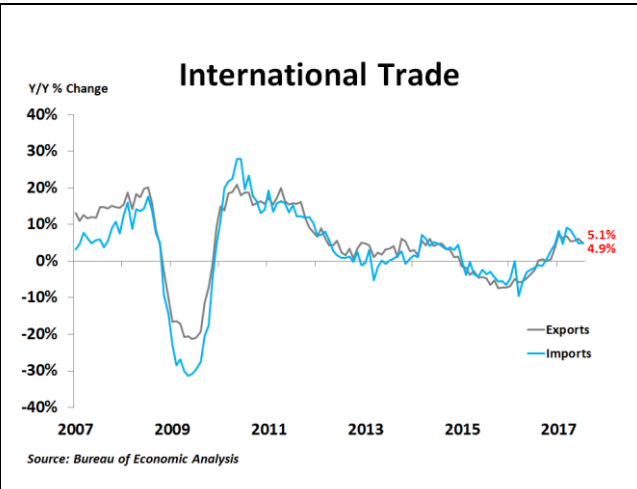
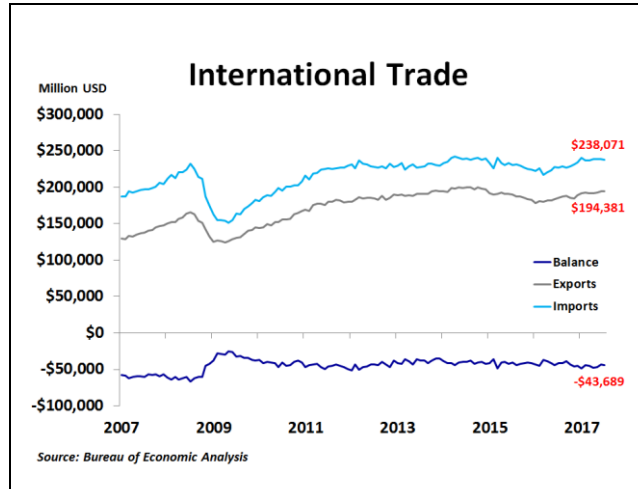




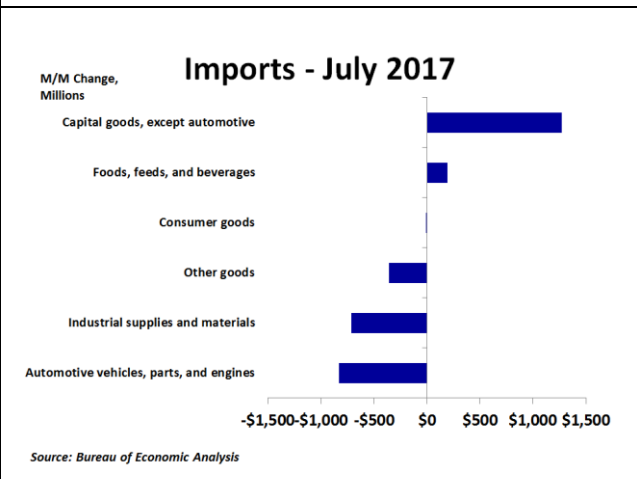
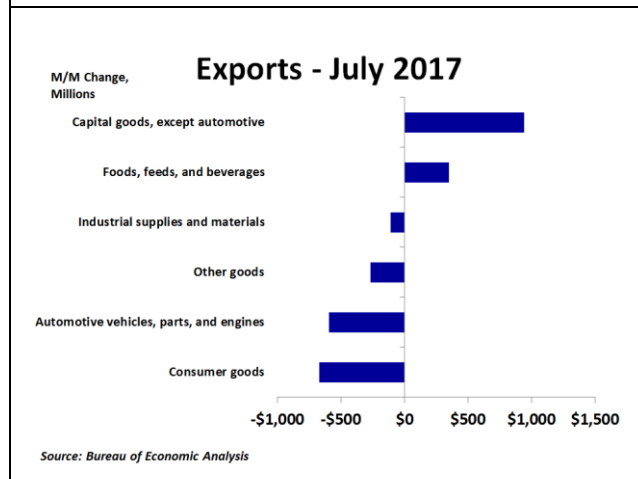
July International Trade

Trade deficit widens slightly as exports fall more than imports



The trade deficit widened slightly in July as exports fell a bit more than imports. This is the first report on trade for the third quarter, and it suggests trade may contribute slightly to third quarter GDP.

While year-ago growth slowed for exports to 4.9%, it improved for imports to 5.1%. Slowing export growth is not good for the economy, but faster import growth depicts stronger domestic demand.



The decrease in exports was led by consumer goods, most of which came from cell phones and gems. The increase in capital goods exports was led by civilian aircraft and engines.

The decline in imports was led by passenger cars and parts. Consumer goods were weighed down by pharmaceuticals. The increase in capital goods imports was led by computers and accessories.