

## US trade deficit shrinks as exports surge to record high



REUTERS  
Washington, December 7

**THE US TRADE** deficit narrowed sharply in October as exports soared to a record high, potentially setting up trade to contribute to economic growth this quarter for the first time in more than a year.

The Commerce Department said on Tuesday that the trade gap plunged 17.6% to \$67.1 billion. That was the biggest percentage decline since April 2015. Economists polled by *Reuters* had forecast a \$66.8 billion deficit.

"The trade deficit is narrowing big time and pouring even more fuel into the economy's tank which guarantees stronger growth as 2021 comes to an end," said Christopher Rupkey, chief economist at FWDBONDS in New York.

Exports accelerated 8.1% to an all-time high of \$223.6 billion. The surge was led by goods exports, which soared 11.1% to \$158.7 billion, also a record high. Exports of industrial supplies and materials increased \$6.4 billion, with shipments of crude oil advancing \$1.2 billion.

Capital goods exports increased \$3.1 billion, boosted by other industrial machines as well as civilian aircraft. Food exports rose by \$2.1 billion, with soybeans increasing \$1.8 billion.

Exports of consumer goods jumped \$1.6 billion, lifted by increases in shipments of gem diamonds as well as motor vehicles, parts and engines. The nation exported more services, which rose \$1.0 billion to \$64.9 billion. That reflected a rise in overseas travel, other business services and charges for the use of intellectual property.

The surge in exports eclipsed a 0.9% increase in imports to \$290.7 billion, also a record high. Goods imports climbed 0.7% to an all-time high of \$242.7 billion. The rise was led by motor vehicles, parts and engines, which increased \$1.5 billion. There were also gains in imports of consumer goods, including cell phones and other household goods.