

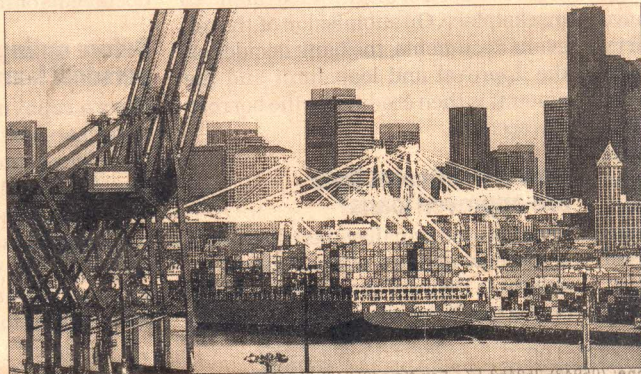
US trade gap widens in 2016 as exports & imports shrink

■ Deficit surges 0.4%; gap at widest annual level since 2012

Washington, Feb 7: The US trade deficit widened last year to the biggest since 2012 as exports fell more than imports, though a narrowing gap in December suggests demand is stabilizing overseas for American goods.

For all of 2016, the deficit increased 0.4% to \$502.3 billion, including a wider annual gap with Mexico and a smaller one with China, commerce department figures showed Tuesday. The monthly shortfall shrank 3.2% to \$44.8 billion. The median forecast in a *Bloomberg* survey of economists called for a deficit of \$45 billion in December.

While a bigger annual deficit reflects President Donald Trump's concern that other nations are benefiting from jobs and manufacturing at America's expense, an improving economy makes it tough to shrink the gap as steady US consumer spending drives imports. December had the strongest monthly gain in ex-



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ports in four years, while imports rose the most since June.

Bloomberg survey estimates for the December goods-and-services trade deficit ranged from \$42 billion to \$46 billion. The November gap was revised to \$45.7 billion from an initially reported \$45.2 billion. For all of last year, exports declined 2.3%, while imports fell 1.8%.

Exports in December increased 2.7%, the most since September 2012, to \$190.7 billion, on higher sales of commercial aircraft and industrial supplies, the commerce department data showed.

Imports rose 1.5% to \$235 billion on purchases of motor vehicles and materials used in manufacturing. *Bloomberg*