BUSINESS

Trade deficit narrows in Feb.

Gains in U.S. energy exports help economy

By Martin Crutsinger
Associated Press

WASHINGTON — The U.S. trade deficit unexpectedly narrowed in February as exports climbed close to an all-time high and the volume of imported crude oil fell to the lowest level in 17 years.

The gap between exports and imports shrank to $43 billion in February, down 3.4 percent from January's revised $44.5 billion, the Commerce Department said Friday. It was the smallest trade imbalance since December when the gap had declined to $38.1 billion, the lowest point in nearly three years.

Exports rose 0.8 percent to $186 billion, close to the record high set in December. Stronger exports of energy products and autos offset declines in sales of airplanes and farm equipment.

Imports were flat at $228.9 billion with the volume of crude oil falling to the lowest point since March 1996.

Economists expect the deficit this year will narrow slightly, in part because of continued gains in U.S. energy exports. A narrower trade gap boosts growth because it means U.S. companies are earning more from overseas sales while U.S. consumers and businesses are spending less on foreign products.

But Paul Dales, senior U.S. economist at Capital Economics, said he was worried that expectations for exports to keep rising faster than imports may fall short given uncertain global conditions.



The trade deficit narrowed in February as exports climbed close to an all-time high. PATRICK SEMANSKY/AP

"The rest of the data released this week makes us more concerned that the domestic economy is a bit weaker than we thought," he said.