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Trade deficit shrinks again

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WASHINGTON — The U.S. trade deficit narrowed in October to its lowest point of the year after Americans bought fewer foreign cars and imported less oil.

The shrinking trade gap boosted growth over the summer and may do so again in the final three months of the year. But economists worry the trend could reserve next year, especially if Europe's debt crisis worsens.

The Commerce Department said Friday that the trade deficit shrank 1.6 percent to $43.5 billion. It was the fourth straight monthly decline.

Overall imports fell 1 percent to $222.6 billion, which largely reflected a 5 percent decline in oil imports. The average price of imported oil fell for the fifth straight month to the lowest level since March. Oil prices rose last winter because of turmoil in the Middle East and North Africa.

Exports slipped 0.8 percent to $179.2 billion, the first drop after three months of gains.

Shipments of industrial supplies, such as natural gas, copper and chemicals, fell. Exports of autos and agricultural goods also dropped.

A lower deficit is the latest sign that the economy has rebounded after nearly stalling in the spring. It boosts economic growth because it typically means foreign nations are buying more American goods.