

## Exports hit record high



Shipping containers are moved this week at Massport's Conley Terminal in Boston. The U.S. trade deficit fell in September to the lowest point this year. CHARLES KRUPA/AP

# US trade deficit narrows to \$43.1B

By Martin Crutsinger  
The Associated Press

WASHINGTON — The U.S. trade deficit fell in September to the lowest point this year as foreign sales of American-made autos, airplanes and heavy machinery pushed exports to an all-time high.

The deficit narrowed 4 percent to \$43.1 billion, the third straight decline and the smallest imbalance since last December, the Commerce Department reported Thursday.

Exports increased 1.4 percent to a record \$180.4 billion, reflecting a big increase in shipments of U.S.-made autos and parts. Imports were up a smaller 0.4 percent to \$223.5 billion as oil imports slowed after huge gains earlier in the year.

Through September, the deficit is running at an annual rate of \$558.2

billion, up 11.6 percent from the imbalance for all of last year of \$500 billion.

A higher deficit acts as a drag on economic growth because it means fewer jobs for American workers. However, with the deficit falling for the last three months, that could provide a small boost to growth in the July-September quarter.

Paul Dales, senior U.S. economist at Capital Economics, said the improvement in the September trade deficit should mean that the estimate of economic growth in the July-September quarter will be revised higher. He said that the current 2.5 percent growth estimate could be boosted to as much as 2.8 percent when the government revises the figure in two weeks.

However, Dale said he was not looking for trade to add much to economic

growth in coming quarters with modest gains in exports being offset by rising imports.

The deficit with China narrowed slightly to \$28.1 billion in September after setting an all-time high at \$29 billion in August. Even with the 3.1 percent drop, the September deficit was still the third highest on record. The deficit with China so far this year is still on track to set a record as the highest imbalance the United States has ever recorded with a single country, surpassing last year's record.

The deficit with Japan narrowed 22.7 percent to \$5.2 billion as exports from that country dropped by 12.1 percent. Economists had been predicting that exports from Japan would rise in September as auto plants and other factories got back to more normal levels following the March natural disasters.