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U.S. Hit a Record for Exports in April

By CHRISTINE HAUSER

The American trade deficit shrank unexpectedly in April after the United States sold $175.6 billion in goods and services overseas, the most exports on record, the government reported on Thursday.

The Commerce Department report said that exports of goods were $126.4 billion and services $49.1 billion, while total imports were $219.2 billion, resulting in a trade deficit of $43.7 billion, the lowest since December. The deficit in March was revised down to $46.8 billion from $48.2 billion, the department said.

The gap had been forecast by some economists to widen to $48.8 billion.

In recent months, a weaker dollar has made goods from the United States less expensive overseas, while exports have also climbed in price as demand rose in developing countries.

The department said the March-to-April increase in exports of goods reflected greater sales of industrial supplies and materials, capital goods and consumer goods. The decline in imports was caused, in part, by a decrease in automotive parts, vehicles and industrial supplies and materials, the department said.

The data was the first to reflect the impact of the supply chain disruptions from the natural disasters in

Japan, as well as the impact of commodity prices in April, when the average price per barrel of crude oil was $103.18. That was the highest since September 2008, when it was $107.30.

The United States imported 8.41 million barrels of crude per day on average in April, the lowest amount since last October.

Imports from Japan dropped by $3 billion, shrinking the American trade deficit with that country to $3.5 billion in April from $6 billion the month before.

The data also showed that the United States trade deficit with China continued to widen, to $21.6 billion in April from $18 billion in March, but still below January's $23 billion. The trade deficit with China was $273 billion in 2010.

Meanwhile, the Labor Department said Thursday that the number of Americans who filed initial claims for unemployment edged higher in the week ending June 3, to 427,000, up by 1,000. Economists usually interpret any level above 400,000 to mean a lack of job growth.

Economists say that domestic demand in the United States is still weak. And while the rise in exports of goods was helping to offset that weakness, exports compose only about 9.6 percent of the country's gross domestic product.

Thursday's report was the first to reflect trade statistics for the second quarter, and economists gave a range of effects from the data on their estimates for gross domestic product.

Gregory Daco, the United States economist for IHS Global Insight, said the trade numbers helped raise the company's estimate for real gross domestic product growth to slightly above 2 percent.

"Over all, this report was a good one for the U.S. economy," he said.

Kevin Logan, the chief United States economist for HSBC, said forecasts should take into account that the deficit declined mostly because of a drop in oil imports of $3.7 billion, while the non-oil trade balance actually worsened.

“Normally, an improvement in the trade balance leads to an increase in estimates of G.D.P. growth in the quarter,” he said in a research note. “But if the trade balance is improving because of an across-the-board drop in demand for oil products, there should be little impact on G.D.P. growth.”

Economists from Capital Economics said that they expected little contribution to second-quarter growth.

“Pretty much all of the sharp fall in the trade deficit in April will eventually be reversed as the temporary effects caused by disruptions from Japan’s earthquake fade,” the economists said in a research note.

“Nonetheless, a modest positive contribution to second-quarter G.D.P. growth may at least offset part of the slowdown in other parts of the economy.”

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