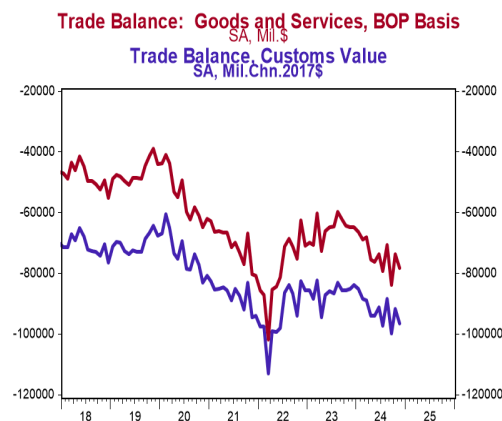


# November International Trade

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- The trade deficit in goods and services came in at \$78.2 billion in November, almost exactly the consensus expected \$78.3 billion.
- Exports rose by \$7.1 billion, led by autos, other petroleum products, and pharmaceuticals. Imports increased by \$11.6 billion, led by autos, semiconductors, civilian aircraft, and nonmonetary gold.
- In the last year, exports are up 6.6% while imports are up 9.4%.
- Compared to a year ago, the monthly trade deficit is \$13.4 billion larger; after adjusting for inflation, the “real” trade deficit in goods is \$11.4 billion larger than a year ago. The “real” change is the trade indicator most important for measuring real GDP.



Source: Census Bureau/Haver Analytics



Source: Census Bureau/Haver Analytics

**Implications:** The trade deficit in goods and services grew to \$78.2 billion in November as both exports and imports increased, but imports grew much more. However, we like to focus on the total volume of trade, imports *plus* exports, as it shows the extent of business and consumer interaction across the US border. This measure rebounded sharply in November, growing by a whopping \$18.7 billion, more than offsetting a large decline in the prior month. Trade has been unusually volatile over the past few months as companies made sure they had adequate supplies before the dockworkers’ strike by East and Gulf Coast workers, which started October 1. Although it ended up lasting only a few days, companies had no idea how long it would last back in September. With another strike looming in January if another deal is not made, expect trade to continue its monthly volatility. Looking at the overall trend, total trade is up 8.2% from a year ago, with exports up 6.6% and imports up 9.4%. There also continues to be a major shift going on in the pattern of US trade. Year-to-date through November, imports from China were up only 2.2% versus the same period in 2023 and down 19.6% versus the same period in 2022. China used to be the top exporter to the US. Now the top spot is held by Mexico; China has fallen to number two with Canada nipping at her heels. Meanwhile, global supply chain pressures have eased substantially over the past few years, with the New York Fed’s Global Supply Chain Pressure Index in November 0.3 standard deviations below the historical average. For some perspective, three years ago in the month of November the index sat 4.3 standard deviations *above* the index’s historical average. Also in today’s report, the dollar value of US petroleum exports exceeded imports once again. This marks the 30<sup>th</sup> consecutive month of the US being a net exporter of petroleum products. In other recent news, cars and light trucks were sold at a 16.8 million annual rate in December, up 0.9% from November, and up 5.5% from a year ago.

International Trade	Nov-24	Oct-24	Sep-24	3-Mo	6-Mo	Year-Ago
<i>All Data Seasonally Adjusted, \$billions</i>	<b>Bil \$</b>	<b>Bil \$</b>	<b>Bil \$</b>	<b>Moving Avg.</b>	<b>Moving Avg.</b>	<b>Level</b>
<b>Trade Balance</b>	<b>-78.2</b>	-73.6	-83.8	-78.5	-76.5	-64.8
<b>Exports</b>	<b>273.4</b>	266.3	270.0	269.9	269.1	256.5
<b>Imports</b>	<b>351.6</b>	339.9	353.8	348.4	345.6	321.3
<b>Petroleum Imports</b>	<b>18.3</b>	17.2	18.8	18.1	19.1	21.5
<b>Real Goods Trade Balance</b>	<b>-96.5</b>	-91.8	-99.7	-96.0	-94.2	-85.1

Source: Bureau of the Census