

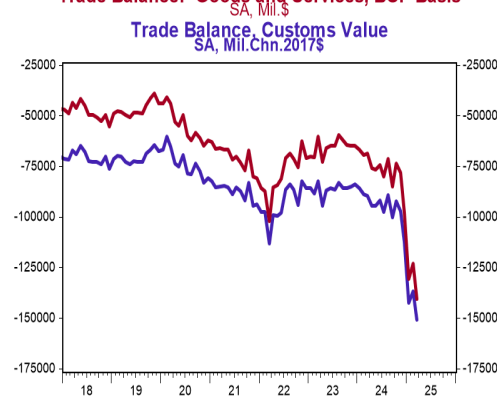
March International Trade

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- The trade deficit in goods and services came in at \$140.5 billion in March, larger than the consensus expected \$137.2 billion.
- Exports rose by \$0.5 billion, led by autos, pharmaceuticals, and natural gas. Imports rose by \$17.8 billion, led by pharmaceuticals, autos, and computer accessories.
- In the last year, exports are up 6.7% while imports are up 27.1%.
- Compared to a year ago, the monthly trade deficit is \$72.0 billion larger; after adjusting for inflation, the “real” trade deficit in goods is \$61.5 billion larger than a year ago. The “real” change is the trade indicator most important for measuring real GDP.

Implications: The U.S. trade deficit widened to a record \$140.5 billion in March, as exports edged up slightly while imports surged by \$17.8 billion. Like January, the jump in imports was driven by businesses rushing to front-run President Trump’s new tariffs. Pharmaceuticals led the way, soaring \$20.9 billion in a single month. Because imports subtract from GDP in national accounting, this surge became a major drag on growth. Net trade alone shaved roughly five percentage points off Q1’s growth rate, pulling real GDP down at a 0.3% annualized pace. With tariff pre-buying likely peaking in March, imports should slow and become a positive for real GDP in Q2. In fact, early signs of a sharp import slowdown are already emerging. Vizion, a global container tracking firm, reports that twenty-foot equivalent unit (TEU) bookings from China to the U.S. are down over 40% year-over-year for the weeks of April 14 and April 21, and down 27% for the week of April 28. Overall, U.S. trade volume (exports + imports) is up 18.1% from a year ago—exports are up 6.7%, but imports have climbed 27.1%. Meanwhile, the landscape of global trade continues to shift. China, once the top exporter to the U.S., has fallen to third place behind Mexico and Canada. Also in today’s report, the dollar value of US petroleum exports exceeded imports once again. This marks the 34th consecutive month of the US being a net exporter of petroleum products.

Trade Balance: Goods and Services, BOP Basis



Source: Census Bureau/Haver Analytics

Exports: Goods and Services, BOP Basis



Source: Census Bureau/Haver Analytics

International Trade	Mar-25	Feb-25	Jan-25	3-Mo	6-Mo	Year-Ago
<i>All Data Seasonally Adjusted, \$billions</i>	Bil \$	Bil \$	Bil \$	Moving Avg.	Moving Avg.	Level
Trade Balance	-140.5	-123.2	-130.7	-131.4	-107.4	-68.5
Exports	278.5	278.0	270.5	275.7	272.2	261.0
Imports	419.0	401.2	401.2	407.1	379.6	329.5
Petroleum Imports	17.7	18.4	19.0	18.4	18.3	19.7
Real Goods Trade Balance	-150.9	-136.9	-142.5	-143.4	-122.0	-89.4

Source: Bureau of the Census