

Macro Roundup Article

Headline: [US Trade Deficit Narrowed Last Year by the Most Since 2009](#)

Article Link: <https://www.bloomberg.com/news/articles/2024-02-07/us-trade-deficit-narrowed-in-2023-for-first-time-in-four-years?sref=U3dOGIDF>

Author(s)	Mark Niquette
Publication	Bloomberg
Publication Date	February 08, 2024

Tweet: The US trade deficit fell 19% in 2023 driven by a decline in imports as firms limited the buildup in inventories and consumers shifted spending towards services.

Summary: The annual trade shortfall shrank nearly 19% to \$773.4 billion from a record in 2022, Commerce Department data showed Wednesday. The narrowing of the US trade gap was the first in four years and reflected efforts by companies to limit the buildup in inventories, restraining demand for imports. American consumers' spending preferences continued to shift toward services and experiences after a pandemic-driven binge on merchandise. A more complex global trading system is showing through in US bilateral trade figures. The nation's merchandise deficit with China last year shrank 27% to an unadjusted \$279.4 billion, the smallest since 2010. The narrowing was the largest in data back to 2002. At the same time, the gap with Mexico grew to a record \$152.4 billion. Related: Can China Reduce Its Internal Balances Without Renewed External Imbalances? and China Set To Lose Crown As Top U.S. Exporter After 17 Years and How America Is Failing To Break Up With China

Primary Topic: Trade (not deficits)

Topics: GDP, News article, Trade (not deficits)

Permalink: <https://www.edwardconard.com/macro-roundup/the-us-trade-deficit-fell-19-in-2023-driven-by-a-decline-in-imports-as-firms-limited-the-buildup-in-inventories-and-consumers-shifted-spending-towards-services?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/02/Trade-Deficit-With-China-Smallest-Since-2010-.png>