

Current Account Deficit Widens by \$16.5 Billion, Up 8.3% from 2Q

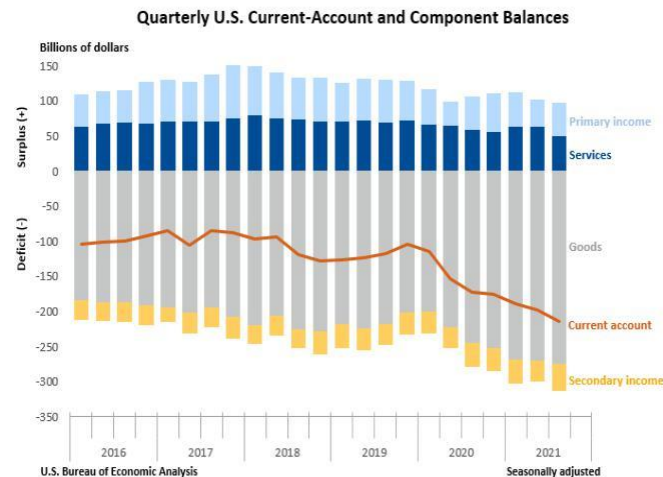
The current account measures the United States' international trade balance in goods, services, and unilateral transfers and is reported by the U.S. Bureau of Economic Analysis on a quarterly basis.

On Tuesday, the BEA reported that the U.S. current-account deficit widened by \$16.5 billion – that's 8.3% – to \$214.8 billion in the third quarter of 2021.

For comparison the second-quarter deficit was \$198.3 billion.

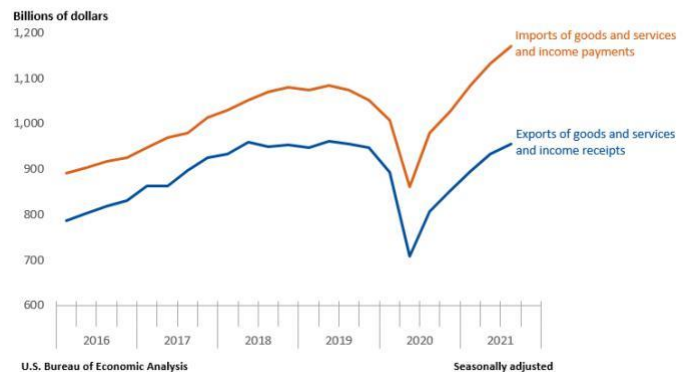
Further, the third-quarter deficit was 3.7% of current-dollar gross domestic product, up from 3.5% in the second quarter.

From the BEA: "The \$16.5 billion widening of the current-account deficit in the third quarter reflected a reduced surplus on services and expanded deficits on secondary income and on goods that were partly offset by an expanded surplus on primary income."



"Exports of goods and services to, and income received from, foreign residents increased \$22.8 billion to \$955.9 billion in the third quarter. Imports of goods and services from, and income paid to, foreign residents increased \$39.3 billion to \$1.17 trillion.

Quarterly U.S. Current-Account Transactions



Trade in Goods

"Exports of goods increased \$4.8 billion to \$441.6 billion, mainly reflecting increases in industrial supplies and materials, mostly natural gas and petroleum and products, and in consumer goods, mostly medicinal, dental, and pharmaceutical products. A decrease in foods, feeds, and beverages, mostly corn and soybeans, partly offset these increases. Imports of goods increased \$10.0 billion to \$716.4 billion, primarily reflecting an increase in industrial supplies and materials, mostly petroleum and products and chemicals."

Trade in Services

"Exports of services decreased \$0.1 billion to \$190.8 billion, primarily reflecting decreases in charges for the use of intellectual property, mostly licenses for the use of outcomes of research and development (such as patents and trade secrets), and in telecommunications, computer, and information services, mostly computer services. An increase in other business services, mostly professional and management consulting services, partly offset these decreases. Imports of services increased \$12.6 billion to \$141.0 billion, mostly reflecting increases in travel, primarily other personal travel, and in transport, primarily sea freight and air passenger transport."

More Data Later This Week

More economic data will be released later this week, including GDP and Consumer Confidence on Wednesday and Jobless Claims and New Home Sales on Thursday.

Sources: bea.gov