

U.S. Trade Deficit Hits 19-Month Low Due to Record-High Exports

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The United States trade deficit dropped in May to the lowest level in 19 months as exports rose to a record level.

The Department of Commerce announced the May trade deficit — the difference between what America sells and what it buys in foreign markets — decreased 6.6 percent to \$43.1 billion — the smallest imbalance since October 2016.

Exports climbed 1.9 percent to a record \$215.3 billion. Imports were up a smaller 0.4 percent to \$258.4 billion.

The Trump administration followed through with imposing [tariffs](#) on \$34 billion in Chinese products on Friday. China retaliated in kind, starting what Beijing described as the “biggest trade war in economic history.”

American employers kept up a strong hiring pace in June by adding [213,000 jobs](#) in a sign of confidence of President Donald Trump’s economic policies.

The Department of Labor announced Friday that the unemployment rate rose to 4.0 percent from 3.8 percent as more people began looking for work and not all of them found it.

On the same day that the Trump administration began imposing tariffs on \$34 billion in Chinese imports and China retaliated with their own tariffs, the job gain showed that the 9-year U.S. economic expansion — the second longest on record — remains on solid ground.

Average hourly pay rose just 2.7 percent from a year earlier. The low jobless rate has yet to force employers to offer higher wages in order to fill job openings.

The broader U.S. economy appears to be on sturdy ground. Economists are forecasting that economic growth accelerated to an annual pace of roughly 4 percent during the April-June quarter, about double the previous quarter’s pace.

The Associated Press contributed to this report.