



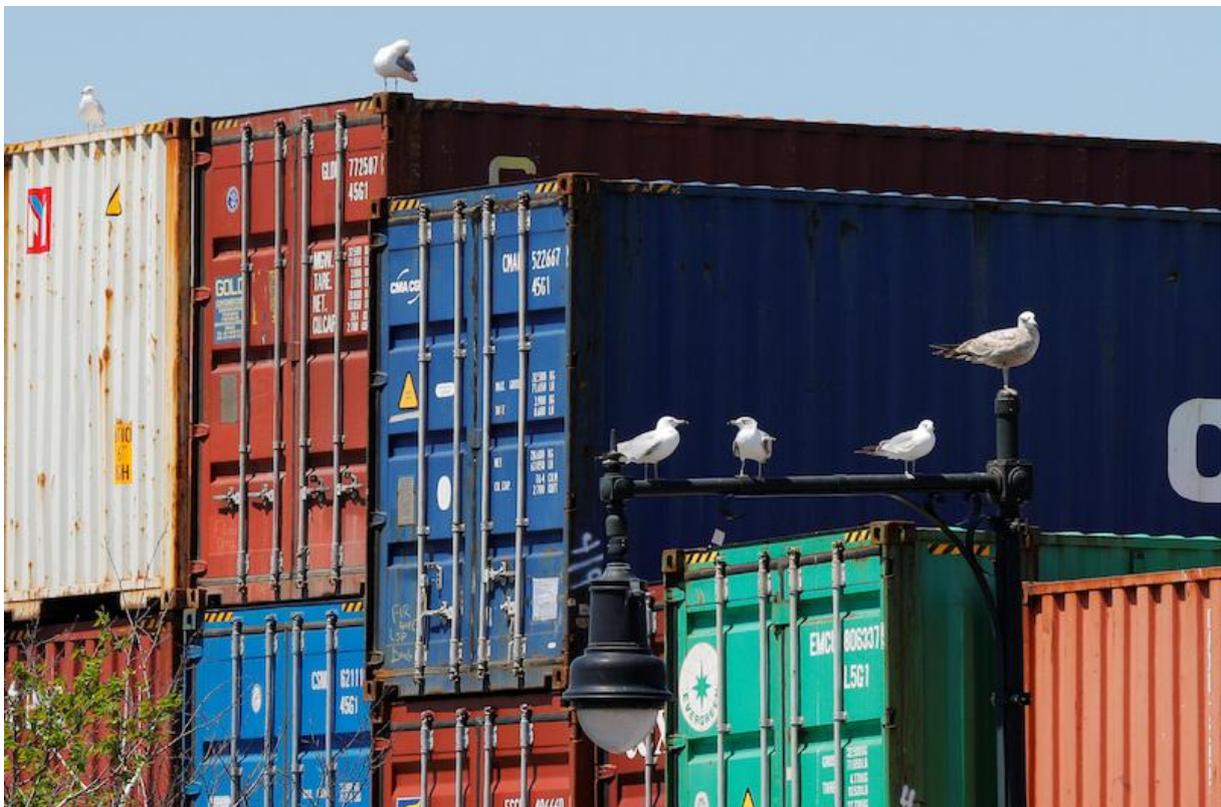
## US trade deficit widens sharply in December as imports hit record high

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The U.S. trade deficit widened sharply in December as imports surged to a record high against the backdrop of tariff threats.

The trade gap increased 24.7% to \$98.4 billion, the highest since March 2022, from a revised \$78.9 billion in November, the Commerce Department's Bureau of Economic Analysis said on Wednesday.

Economists polled by Reuters had forecast the trade deficit soaring to \$96.6 billion from the previously reported \$78.2 billion in November.



Sea gulls sit on a lamppost beside shipping containers stacked at the Paul W. Conley Container Terminal in Boston, Massachusetts, U.S. REUTERS/Brian Snyder

President Donald Trump on Monday suspended a 25% tariff on Mexican and Canadian goods until next month. An additional 10% levy on goods from China went into effect on Tuesday.

The White House said the tariffs were to "hold Mexico, Canada, and China accountable to their promises of halting illegal immigration and stopping poisonous fentanyl and other drugs from flowing into our country."

Imports increased 3.5% to an all-time high of \$364.9 billion. Exports fell 2.6% to \$266.5 billion.

The government's advance gross domestic product estimate for the fourth quarter published last week showed trade had a surprisingly neutral impact on GDP after being a drag for three straight

quarters. The economy grew at a 2.3% annualized rate, with most of the drag coming from inventories, after expanding at a 3.1% pace in the July-September quarter.



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