UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

OFFICE
OF THE
SECRETARY

STATEMENT BY SECRETARY OF COMMERCE MALCOLM BALDRIGE ON MERCHANDISE TRADE AND LEADING INDICATORS FOR MARCH

The trade deficit was $11.0 billion in March--$400 million less than in February--as a 3.3 percent increase in exports offset a small import rise. In the first quarter, imports other than petroleum averaged a record $25.4 billion. At an annual rate, this accounted for over $80 billion of the $131 billion trade deficit. Despite recent currency changes, the dollar is about 17 percent above its average value in March 1984 and 78 percent over its July 1980 low.

The leading indicators, down 0.2 percent in March, also have been affected by the loss of market share to foreign manufacturers. Half of the components of the leading index are closely related to the manufacturing sector. Two of the twelve components include orders received by domestic producers and both components fell in March. The composite index has not increased during the last twelve months and is likely to remain sluggish until the dollar falls.

The economy probably will strengthen during the current quarter but domestic production gains will be limited by higher imports and flat export sales. This drag on the economy would be moderated by reducing the budget deficit, lowering barriers to trade, and by stronger growth abroad.

###

4/30/85