# **International Accounts**

## **International Transactions Accounts**



The Bureau of Economic Analysis prepares and publishes estimates of transactions between U.S. and foreign residents. These estimates are presented in the international transactions accounts (table 1).

Transactions are defined as the transfer of ownership of something that has an economic value measurable in monetary terms from residents of one country to residents of another. Transactions in goods, services, income, and current transfers constitute the current account. Capital transfers, such as debt forgiveness, largely constitute the capital account. Transactions in financial assets constitute the financial account.

**Current-account transactions** in goods, services, and income involve real resources, which are intrinsically capable of satisfying an economic want or need. Exports of goods and services accounted for 10 percent of the current-dollar value of U.S. gross domestic product in 2001. Imports of goods and services accounted for 13 percent of the current-dollar value of U.S. gross domestic purchases in 2001.

Exports and imports of goods are much larger than other current-account transactions, and the deficit on goods has been the largest component of the current-account balance for many years. Exports and imports of services are much smaller, and the surplus on services partly offsets the deficit on goods. Receipts and payments of income have grown fastest in recent years, mainly as a result of the rapid expansion of cross-border holdings of financial assets.

**Financial-account transactions** may involve exchanges of financial assets for other financial assets or for real resources, or they may involve the gift or grant of financial assets where nothing of economic value is received in return. Financial-account transactions have grown very rapidly since the early 1990s as a result of the easing of governmental restrictions on financial institutions and markets, rapid innovation in financial techniques and instruments, and economic growth.

Financial-account transactions are organized into two major categories. The first major category is U.S.owned assets abroad, which includes—among other transactions—U.S. purchases and sales of foreign securities, U.S. bank lending to foreigners, and U.S. direct investment abroad. The second major category is foreign-owned assets in the United States, which includes—among other transactions—foreign purchases and sales of U.S. securities, U.S. bank borrowing from foreigners, and foreign direct investment in the United States.

### For more information

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## **Bureau of Economic Analysis**

# Table 1. U.S. International Transactions [Millions of dollars]

			Not seasonally adjusted								Seasonally adjusted								
Line	(Credits +; debits –) 1	2001	2001 2002							2001 2002									
			I	II	Ш	IV	I	<i>r</i>	<i>p</i>	I	II	Ш	IV	I	<i>r</i>	<i>p</i>			
	Current account																		
1 2	Exports of goods and services and income receipts Exports of goods and services	1,281,793 998,022	347,304 263,736	332,942 258,016	306,844 239,744	294,703 236,526	289,712 231,262	306,297 245,458	309,507 246,063	349,040 266,004	331,612 256,766	309,477 242,325	291,667 232,930	291,348 233,252	305,262 244,540	312,881 249,409			
3	Goods, balance of payments basis <sup>2</sup>	718,762	192,909	187,647	167,292	170,914	163,810	175,254	169,268	193,284	184,846	173,274	167,358	164,649	172,426	175,727			
4	Services <sup>3</sup>	279,260	70,827	70,369	72,452	65,612	67,452	70,204	76,795	72,720	71,920	69,051	65,572	68,603	72,114	73,682			
5 6	Transfers under U.S. military agency sales contracts <sup>4</sup> Travel	12,220 73,119	2,806 18,299	3,227 20,276	3,079 20,628	3,108 13,916	2,990 15,056	3,087 17,622	2,922 20,221	2,806 20,735	3,227 19,803	3,079 17,845	3,108 14,736	2,990 17,038	3,087 17,200	2,922 17,586			
7	Passenger fares	18,007	4,639	4,788	5,100	3,480	3,842	4,120	5,083	5,007	4,849	4,522	3,629	4,171	4,172	4,503			
8	Other transportation	28,306	7,163	7,168	7,308	6,667	6,523	6,983	7,482	7,495	7,170	6,968	6,674	6,805	6,986	7,159			
9 10	Royalties and license fees <sup>5</sup> Other private services <sup>5</sup>	38,668 108,109	9,428 28,270	9,534 25,175	9,314 26,809	10,392 27,855	9,651 29,195	10,796 27,397	10,727 30,160	9,717 26,738	9,743 26,927	9,537 26,886	9,672 27,559	9,931 27,473	11,085 29,385	11,020 30,292			
11	U.S. Government miscellaneous services	831	222	201	214	194	195	199	200	222	201	214	194	195	199	200			
12 13	Income receipts Income receipts on U.Sowned assets abroad	283,771 281,389	83,568 82,976	74,926 74,333	67,100 66,503	58,177 57,577	58,450 57,839	60,839 60,225	63,444 62,826	83,036 82,444	74,846 74,253	67,152 66,555	58,737 58,137	58,096 57,485	60,722 60,108	63,472 62,854			
14	Direct investment receipts	125,996	35,713	33,217	30,084	26,982	28,946	31,132	33,665	35,270	33,078	30,211	27,436	28,679	30,958	33,763			
15 16	Other private receipts U.S. Government receipts	151,832 3,561	46,281 982	40,398 718	35,494 925	29,659 936	27,994 899	28,486 607	28,231 930	46,281 893	40,398 777	35,494 850	29,659 1,042	27,994 812	28,486 664	28,231 860			
17	Compensation of employees	2,382	592	593	597	600	611	614	618	592	593	597	600	611	614	618			
18	Imports of goods and services and income payments	-1,625,701	-433,352	-419,632	-394,713	-378,004	-373,988	-420,224	-435,249	-445,154	-418,930	-388,448	-373,174	-387,786	-419,862	-426,701			
19	Imports of goods and services	-1,356,312 -1,145,927	-351,464	-350,111	-328,351	-326,386	-315,033	-353,557	-368,828 -303.642	-363,164	-350,090	-322,103	-320,958	-328,744	-353,853	-360,270 -298.903			
20 21	Goods, balance of payments basis <sup>2</sup> Services <sup>3</sup>	-210,385	-298,773 -52,691	-290,463 -59,648	-281,518 -46,833	-275,173 -51,213	-261,179 -53,854	-292,767 -60,790	-65,186	-306,316 -56,848	-292,565 -57,525	-279,025 -43,078	-268,021 -52,937	-271,073 -57,671	-294,893 -58,960	-61,367			
22	Direct defense expenditures	-15,198	-3,548	-3,512	-3,785	-4,353	-4,488	-4,766	-5,005	-3,548	-3,512	-3,785	-4,353	-4,488	-4,766	-5,005			
23 24	Travel Passenger fares	-60,117 -22,418	-13,545 -5,237	-18,466 -6,763	-17,253 -6,571	-10,853 -3,847	-12,389 -4,609	-16,036 -5,522	-17,888 -5,978	-16,003 -5,810	-16,698 -6,213	-14,468 -5,944	-12,948 -4,451	-14,587 -5,113	-14,454 -5,028	-14,995 -5,352			
25	Other transportation	-38,823	-10,064	-10,057	-9,608	-9,094	-8,457	-9,623	-10,141	-10,521	-10,130	-9,178	-8,997	-8,858	-9,739	-9,709			
26 27	Royalties and license fees <sup>5</sup> Other private services <sup>5</sup>	-16,359 -54,588	-3,990 -15,584	-3,939 -16,185	-3,956 -4,934	-4,474 -17,885	-4,653 -18,517	-4,835 -19,283	-5,051 -20,398	-4,097 -16,146	-4,038 -16,208	-4,113 -4,864	-4,110 -17,371	-4,764 -19,120	-4,951 -19,297	-5,264 -20,317			
28	U.S. Government miscellaneous services	-2,882	-723	-726	-726	-707	-741	-725	-725	-723	-726	-726	-707	-741	-725	-725			
29 30	Income payments	-269,389	-81,888	-69,521	-66,362	-51,618	-58,955	-66,667	-66,421	-81,990	-68,840	-66,345	-52,216	-59,042	-66,009	-66,431			
	Income payments on foreign-owned assets in the United States	-260,850	-79,875	-67,503	-64,174	-49,298	-56,822	-64,504	-64,177	-79,881	-66,727	-64,210	-50,035	-56,803	-63,737	-64,229			
31 32	Direct investment payments Other private payments	-23,401 -156,784	-13,015 -45,512	-6,022 -40,886	-6,267 -38,156	1,903 -32,230	-6,629 -31,679	-12,930 -32,943	-14,890 -31,114	-13,021 -45,512	-5,246 -40,886	-6,303 -38,156	1,166 -32,230	-6,610 -31,679	-12,163 -32,943	-14,942 -31,114			
33	U.S. Government payments	-80,665	-21,348	-20,595	-19,751	-18,971	-18,514	-18,631	-18,173	-21,348	-20,595	-19,751	-18,971	-18,514	-18,631	-18,173			
34 35	Compensation of employees Unilateral current transfers, net	-8,539 - <b>49,463</b>	-2,013 -11,827	-2,018 -11,250	-2,188 -12,157	-2,320 -14,229	-2,133 - <b>16,381</b>	-2,163 - <b>12,305</b>	-2,244 - <b>12,854</b>	-2,109 -11,608	-2,113 - <b>11,916</b>	-2,135 - <b>12,360</b>	-2,181 - <b>13,579</b>	-2,239 -16,016	-2,272 -13,011	-2,202 -13,221			
36	U.S. Government grants 4	-11,628	-2,419	-2,522	-2,905	-3,782	-6,273	-3,312	-3,147	-2,419	-2,522	-2,905	-3,782	-6,273	-3,312	-3,147			
37 38	U.S. Government pensions and other transfers Private remittances and other transfers <sup>6</sup>	-5,798 -32,037	-1,167 -8,241	-934 -7,794	-1,027 -8,225	-2,670 -7,777	-1,330 -8,778	-1,005 -7,988	-932 -8,775	-1,316 -7,873	-1,291 -8,103	-1,305 -8,150	-1,886 -7,911	-1,348 -8,395	-1,356 -8,343	-1,368 -8,706			
	Capital and financial account	02,007	0,211	1,101	0,220	.,	0,770	1,000	0,110	1,010	0,100	0,100	1,011	0,000	0,010	0,100			
	Capital account																		
39	Capital account transactions, net	826	208	207	206	205	208	200	223	208	207	206	205	208	200	223			
	Financial account																		
40	U.Sowned assets abroad, net (increase/financial outflow (-))	-370,962	-218,586	-81,594	23,140	-93,922	-28,121	-132,756	21,240	-215,815	-80,036	24,978	-100,088	-25,918	-131,079	23,920			
41 42	U.S. official reserve assets, net Gold 7	-4,911	190	-1,343	-3,559	-199	390	-1,843	-1,416	190	-1,343	-3,559	-199	390	-1,843	-1,416			
43 44	Special drawing rights Reserve position in the International Monetary Fund	-630 -3,600	-189 574	-156 -1,015	-145 -3,242	-140 83	-109 652	-107 -1,607	-132 -1,136	-189 574	-156 -1,015	-145 -3,242	-140 83	-109 652	-107 -1,607	-132 -1,136			
44	Foreign currencies	-3,600	-195	-172	-3,242 -172	-142	-153	-129	-1,130	-195	-172	-3,242	-142	-153	-129	-1,136			
46	U.S. Government assets, other than official reserve assets, net	-486	77	-783	77	143	133	42	172	77	-783	77	143	133	42	172			
47 48	U.S. credits and other long-term assets Repayments on U.S. credits and other long-term assets <sup>8</sup>	-4,431 3,873	-1,094 1,071	-1,330 573	-1,011 1,118	-996 1,111	-853 994	-565 566	-897 1,190	-1,094 1,071	-1,330 573	-1,011 1,118	-996 1,111	-853 994	-565 566	-897 1,190			
49	U.S. foreign currency holdings and U.S. short-term assets, net	72	100	-26	-30	28	-8	41	-121	100	-26	-30	28	-8	41	-121			
50	U.S. private assets, net	-365,565	-218,853	-79,468	26,622	-93,866	-28,644	-130,955	22,484	-216,082	-77,910	28,460	-100,032	-26,441	-129,278	25,164			
51 52	Direct investment Foreian securities	-127,840 -94,662	-26,285 -26,895	-36,689	-43,562 10,087	-21,304 -26,090	-31,483 2,047	-35,932 -9,675	-30,143 18,295	-23,514 -26,895	-35,131	-41,724 10,087	-27,470 -26,090	-29,280 2,047	-34,255	-27,463 18,295			
52 53	U.S. claims on unaffiliated foreigners reported by U.S.			-51,764		,					-51,764				-9,675				
54	nonbanking concerns U.S. claims reported by U.S. banks, not included elsewhere	-14,358 -128,705	-51,759 -113,914	9,670 685	-9,479 69,576	37,210 -83,682	65 727	-16,693 -68,655	-12,087 46,419	-51,759 -113,914	9,670 685	-9,479 69,576	37,210 -83,682	65 727	-16,693 -68,655	-12,087 46,419			
55	Foreign-owned assets in the United States, net (increase/		,												-				
56	financial inflow (+)) Foreign official assets in the United States, net	752,806 5,224	303,125 4,087	182,749 -20,831	18,136 16,882	248,796 5,086	113,921 7,641	205,861 47,252	148,682 9,319	302,510 4,087	181,610 -20,831	17,889 16,882	250,797 5,086	113,496 7,641	204,307 47,252	148,510 9,319			
57 58	U.S. Government securities	31,665	2,547	-10,866	15,594	24,390	6,714 -582	21,741	12,309	2,547	-10,866	15,594	24,390	6,714	21,741	12,309			
58 59	U.S. Treasury securities <sup>9</sup> Other <sup>10</sup>	10,745 20,920	-1,027 3,574	-20,798 9,932	15,810 -216	16,760 7,630	-582 7,296	15,193 6,548	1,424 10,885	-1,027 3,574	-20,798 9,932	15,810 -216	16,760 7,630	-582 7,296	15,193 6,548	1,424 10,885			
60	Other U.S. Government liabilities <sup>11</sup> U.S. liabilities reported by U.S. banks, not included	-1,882	-676	-791	89	-504	-790	54	999	-676	-791	89	-504	-790	54	999			
61	elsewhere	-30,278	1,213	-10,202	-782	-20,507	991	24,531	-4,824	1,213	-10,202	-782	-20,507	991	24,531	-4,824			
62	Other foreign official assets <sup>12</sup>	5,719	1,003	1,028	1,981	1,707	726	926	835	1,003	1,028	1,981	1,707	726	926	835			
63 64	Other foreign assets in the United States, net Direct investment	747,582 130,796	299,038 44,204	203,580 52,241	1,254 14,455	243,710 19,896	106,280 16,648	158,609 -1,150	139,363 11,209	298,423 43,589	202,441 51,102	1,007 14,208	245,711 21,897	105,855 16,223	157,055 -2,704	139,191 11,037			
65	U.S. Treasury securities	-7,670	-4,744	-14,685	-15,470	27,229	-7,282	-5,124	54,691	-4,744	-14,685	-15,470	27,229	-7,282	-5,124	54,691			
66 67	U.S. securities other than U.S. Treasury securities U.S. currency	407,653 23,783	129,990 2,311	113,556 2,772	64,787 8,203	99,320 10,497	71,095 4,525	104,404 7,183	46,647 2,556	129,990 2,311	113,556 2,772	64,787 8,203	99,320 10,497	71,095 4,525	104,404 7,183	46,647 2,556			
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	82,353	111,644	-5,307	-25,154	1,170	32,345	21,056	15,961	111,644	-5,307	-25,154	1,170	32,345	21,056	15,961			
69	U.S. liabilities reported by U.S. banks, not included																		
70	elsewhere Statistical discrepancy (sum of above items with sign	110,667	15,633	55,003	-45,567	85,598	-11,051	32,240	8,299	15,633	55,003	-45,567	85,598	-11,051	32,240	8,299			
-	reversed)	10,701	13,128	-3,422	58,544	-57,549	14,649	52,927	-31,549	20,819	-2,547	48,258	-55,828	24,668	54,183	-45,612			
70a See	Of which: Seasonal adjustment discrepancy footnotes at end of table.									7,691	875	-10,286	1,721	10,019	1,256	-14,063			

See footnotes at end of table.

### **International Transactions**

#### Table 1. U.S. International Transactions—Continued

[Millions of dollars]

	(Credits +; debits –) 1	2001	Not seasonally adjusted								Seasonally adjusted						
Line			2001				2002			2001				2002			
			Ι	П	Ш	IV	Ι	<i>r</i>	<i>p</i>	I	Ш	=	IV	I	r	<i>p</i>	
	Memoranda:																
	Balance on goods (lines 3 and 20)	-427,165	-105,864	-102,816	-114,226	-104,259	-97,369	-117,513	-134,374	-113,032	-107,719	-105,751	-100,663	-106,424	-122,467	-123,176	
	Balance on services (lines 4 and 21)	68,875	18,136	10,721	25,619	14,399	13,598		,	15,872	14,395	25,973	12,635	10,932	13,154	12,315	
	Balance on goods and services (lines 2 and 19)	-358,290	-87,728	-92,095	-88,607	-89,860	-83,771	-108,099	-122,765	-97,160	-93,324	-79,778	-88,028	-95,492	-109,313	-110,861	
74	Balance on income (lines 12 and 29)	14,382	1,680	5,405	738	6,559	-505	-5,828	-2,977	1,046	6,006	807	6,521	-946	-5,287	-2,959	
75	Unilateral current transfers, net (line 35)	-49,463	-11,827	-11,250	-12,157	-14,229	-16,381	-12,305	-12,854	-11,608	-11,916	-12,360	-13,579	-16,016	-13,011	-13,221	
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	-393,371	-97,875	-97,940	-100,026	-97,530	-100,657	-126,232	-138,596	-107,722	-99,234	-91,331	-95,086	-112,454	-127,611	-127,041	

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows-increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned

account ratisacions receipts, initiatia informed and a more as in foreign-owned assets (U.S. natifities) of declease in 0.5.0 windo assets (U.S. claims). Debits,--: Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. diabilities) or increase (U.S. claims).

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8. Includes sales of foreign obligations to foreigners.

9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes

10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies.

12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

governments. 13. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (a) includes adjustments to the international transactions accounts for the treat-ment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plane except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 of appendix A in the January 2003 issue of the Survey or CURENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables in the August 2002 issue of the Survey.