

U.S. International Transactions, Fourth Quarter and Year 1993

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FOURTH QUARTER 1993

THE U.S. CURRENT-ACCOUNT deficit increased to \$31.5 billion in the fourth quarter from \$28.1 billion (revised) in the third (table A).¹ A decrease in the surplus on services, a shift to a deficit on investment income, and larger net unilateral transfers more than offset a decrease in the deficit on merchandise trade.

In the capital account, net recorded capital inflows were unchanged at \$28.3 billion in the fourth quarter. A step-up in acquisitions of U.S. assets by foreign residents offset a step-up in acquisitions of foreign assets by U.S. residents.

The statistical discrepancy—errors and omissions in recorded transactions—was an inflow of

\$3.3 billion in the fourth quarter, compared with an outflow of \$0.1 billion in the third.

The following are highlights for the fourth quarter of 1993:

- The merchandise trade deficit fell in the fourth quarter, as a surge in exports, led by capital goods, outpaced an increase in imports.
- The surplus on services decreased, as travel and passenger fare payments increased sharply.
- The surplus on investment income shifted to a deficit, as payments were sharply higher.
- Net unilateral transfers increased as a result of a bunching in U.S. Government grants to Israel.
- Among U.S. assets abroad, net U.S. purchases of foreign securities continued their

1. Quarterly estimates of U.S. current- and capital-account components are seasonally adjusted when statistically significant seasonal patterns are present. The accompanying tables present both adjusted and unadjusted estimates.

Table A.—Summary of U.S. International Transactions

[Millions of dollars, seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ()	1992	1993 ^a	Change: 1992-93	1992				1993				Change: 1993 III-IV
					I	II	III	IV	I ^r	II ^r	III ^r	IV ^r	
1	Exports of goods, services, and income (1)	730,460	753,898	23,438	182,211	181,454	182,038	184,759	183,959	187,679	187,200	195,065	7,865
2	Merchandise, excluding military (2)	440,138	456,766	16,628	108,347	108,306	109,493	113,992	111,480	113,067	111,935	120,284	8,349
3	Services (3)	179,710	186,792	7,082	44,836	44,507	45,350	45,018	46,476	46,810	46,856	46,654	-202
4	Income receipts on investments (11)	110,612	110,339	-273	29,028	28,641	27,195	25,749	26,003	27,802	28,409	28,127	-282
5	Imports of goods, services, and income (15)	-763,965	-830,631	-66,666	-181,507	-191,697	-192,666	-198,098	-198,742	-207,614	-207,700	-216,578	-8,878
6	Merchandise, excluding military (16)	-536,276	-589,244	-52,968	-126,110	-133,107	-137,105	-139,954	-140,805	-147,465	-147,907	-153,067	-5,160
7	Services (17)	-123,299	-131,114	-7,815	-30,788	-30,856	-30,069	-31,589	-31,822	-32,320	-33,001	-33,973	-972
8	Income payments on investments (25)	-104,391	-110,273	-5,882	-24,609	-27,734	-25,492	-26,555	-26,115	-27,829	-26,792	-29,538	-2,746
9	Unilateral transfers (29)	-32,895	-32,509	386	-7,389	-8,010	-7,147	-10,348	-7,592	-7,300	-7,591	-10,026	-2,435
10	U.S. assets abroad, net (increase/capital outflow (-)) (33)	-50,961	-143,872	-92,911	-1,029	-8,695	-10,798	-30,438	-12,715	-29,697	-43,398	-58,062	-14,664
11	U.S. official reserve assets, net (34)	3,901	-1,379	-5,280	-1,057	1,464	1,952	1,542	-983	822	-545	-673	-128
12	U.S. Government assets, other than official reserve assets, net (39)	-1,609	-106	1,503	-275	-293	-305	-737	535	-275	-180	-186	-6
13	U.S. private assets, net (43)	-53,253	-142,388	-89,135	303	-9,866	-12,445	-31,243	-12,267	-30,244	-42,674	-57,203	-14,529
14	Foreign assets in the United States, net (increase/capital inflow (+)) (48)	129,579	226,380	96,801	19,834	44,450	26,450	38,845	25,875	42,537	71,637	86,330	14,693
15	Foreign official assets, net (49)	40,684	71,225	30,541	21,124	21,008	-7,378	5,931	10,929	17,699	19,237	23,360	4,123
16	Other foreign assets, net (56)	88,895	155,154	66,259	-1,290	23,442	33,828	32,914	14,946	24,838	52,400	62,970	10,570
17	Allocations of special drawing rights (62)												
18	Statistical discrepancy (63)	-12,218	26,735	38,953	-12,120	-17,502	2,123	15,280	9,215	14,395	-148	3,271	3,419
19	Memorandum: Balance on current account (70)	-66,400	-109,242	-42,842	-6,685	-18,253	-17,775	-23,687	-22,375	-27,235	-28,091	-31,539	-3,448

^a Revised.

^r Preliminary.

strong pace, but fell well short of the record in the third quarter.

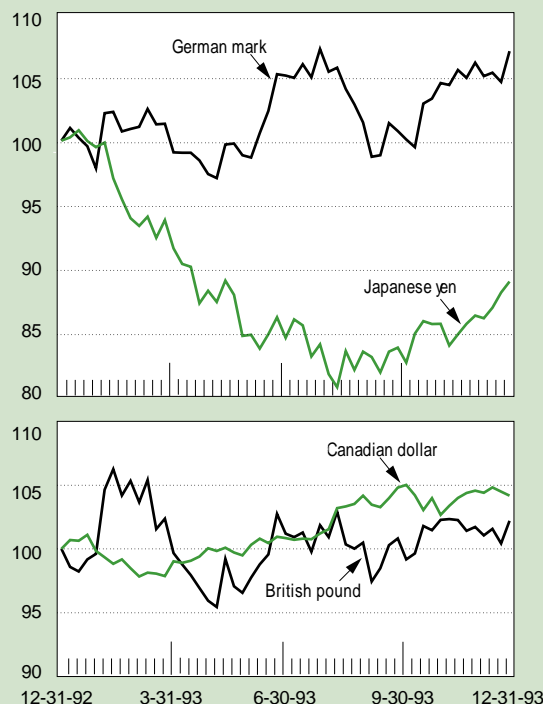
- Among foreign assets in the United States, net foreign purchases of U.S. securities were especially strong, reaching a record that was more than double third-quarter purchases.
- The dollar appreciated slightly in the foreign exchange markets.

ing interest rates, uncertainties surrounding the October elections and changes in key monetary officials, and projections of an unexpectedly high Federal Government deficit.

CHART 1

Indexes of Foreign Currency Price of the U.S. Dollar

December 31, 1992=100



Indexes prepared by BEA from weekly data.
U.S. Department of Commerce, Bureau of Economic Analysis

Table B.—Indexes of Foreign Currency Price of the U.S. Dollar

[December 1980=100]

	1992	1993				1992	1993											
	IV	I	II	III	IV	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Trade-weighted average against 26 currencies ¹	100.0	100.7	98.7	101.0	102.7	101.1	101.0	101.0	100.1	98.1	98.1	99.8	101.4	100.9	100.7	101.9	103.0	103.3
Trade-weighted average against 10 currencies ²	97.4	102.6	100.0	103.1	104.3	99.6	101.6	103.2	103.0	99.7	99.3	101.0	104.1	103.8	101.3	102.6	105.0	105.3
Selected currencies: ³																		
Canada	105.5	105.5	106.2	109.0	110.8	106.4	106.8	105.4	104.3	105.5	106.2	106.9	107.2	109.4	110.5	110.9	110.1	111.3
European currencies:																		
Belgium	100.9	106.4	105.2	112.0	113.3	102.8	105.0	106.9	107.2	103.8	104.4	107.5	112.1	113.7	110.1	112.7	114.5	112.8
France	115.7	121.7	119.9	127.7	128.2	118.5	120.2	122.1	122.9	118.5	119.0	122.3	128.4	130.2	124.6	126.4	129.7	128.4
Germany	78.9	83.1	82.4	85.3	85.6	80.5	82.1	83.5	83.7	81.2	81.7	84.2	87.3	86.2	82.5	83.4	86.5	87.0
Italy	146.0	165.6	161.4	169.9	177.4	150.7	159.7	167.2	169.8	164.6	157.4	162.1	169.8	172.6	167.2	172.6	178.3	181.4
Netherlands	81.7	86.0	85.1	88.3	88.4	83.3	85.0	86.5	86.6	84.0	84.4	86.9	90.4	89.2	85.3	86.3	89.3	89.7
Switzerland	78.0	84.5	82.1	82.9	82.4	79.8	82.9	85.2	85.4	82.0	81.4	82.9	85.0	84.0	79.6	81.0	84.0	82.2
United Kingdom	149.1	159.0	153.1	156.1	157.4	151.4	153.2	163.1	160.6	152.0	151.7	155.7	157.0	157.4	154.0	156.3	158.6	157.4
Japan	58.6	57.6	52.4	50.3	51.5	59.1	59.5	57.5	55.7	53.5	52.5	51.1	51.2	49.4	50.3	51.0	51.3	52.3

1. Currencies of 22 OECD countries—Australia, Austria, Belgium-Luxembourg, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom—plus Hong Kong, Republic of Korea, Singapore, and Taiwan. Data: U.S. Department of the Treasury. End-of-month rates for months; averages of end-of-month rates for quarters.

2. Currencies of Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, and United Kingdom. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

3. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.

Current Account

Goods and services

The deficit on goods and services decreased to \$20.1 billion in the fourth quarter from \$22.1 billion in the third. A decrease in the merchandise trade deficit was partly offset by a decrease in the surplus on services.

Merchandise trade.—The U.S. merchandise trade deficit decreased to \$32.8 billion in the fourth quarter from \$36.0 billion in the third. A surge in exports, led by capital goods, outpaced an increase in imports.

Exports.—Merchandise exports increased \$8.3 billion, or 7 percent, to \$120.3 billion in the fourth quarter. Volume, measured in constant (1987) dollars, increased 8 percent. Nonagricultural exports accounted for most of the increase in current dollars, but agricultural exports also increased.

Nonagricultural exports increased \$7.6 billion, or 8 percent, to \$108.9 billion. The increase was widespread among major commodity categories, but was largest in capital goods, which accounted for one-half of the increase; within capital goods, the increase was equally attributable to machinery (particularly telecommunications equipment) and to completed civilian aircraft, which rebounded strongly after a sharp drop in the previous quarter. Increases were also sizable in automotive products (mostly passenger cars and trucks to Canada and automotive parts to Mexico) and in nonagricultural industrial supplies and materials (mostly nonmonetary gold). Consumer goods also increased, but by a small amount.

Agricultural exports increased \$0.8 billion, or 7 percent, to \$11.3 billion, following decreases in the previous three quarters. Corn, wheat, and soybeans increased; tobacco and cotton decreased. The largest increase was in corn, which increased 8 percent in price.

Imports.—Merchandise imports increased \$5.2 billion, or 3 percent, to \$153.1 billion in the fourth quarter. Volume, measured in constant (1987) dollars, increased 4 percent. Nonpetroleum imports more than accounted for the increase in current dollars.

Nonpetroleum imports increased \$5.7 billion, or 4 percent, to \$141.1 billion. Most major commodity categories increased, but the largest increases were in capital goods and in automotive products. Nearly one-half of the increase

was accounted for by capital goods: Civilian aircraft, engines, and parts rebounded from low levels in the previous quarter, and other capital goods continued to increase strongly. Nearly one-third of the increase was accounted for by automotive products (mostly passenger cars from Japan and Germany and automotive parts from Canada, Mexico, and Japan). Nonpetroleum industrial supplies and materials (mostly building materials) also increased. Consumer goods were virtually unchanged.

Petroleum imports decreased \$0.5 billion, or 4 percent, to \$12.0 billion. The average price per barrel decreased to \$14.12 from \$15.22, and the average number of barrels imported daily increased to 9.30 million from 9.02 million. Domestic consumption and inventories increased; domestic production also increased.

Services.—The surplus on services decreased to \$12.7 billion in the fourth quarter from \$13.9 billion in the third. Services receipts changed little, but services payments were boosted by sharply higher travel and passenger fares.

Foreign visitors spent \$14.1 billion in the United States, down 1 percent. Receipts from overseas decreased 1 percent to \$11.1 billion; receipts from Canada decreased 9 percent to \$1.7 billion; and receipts from Mexico increased 10 percent to \$1.4 billion. U.S. travelers spent \$11.0 billion in foreign countries, up 4 percent. Payments for overseas travel increased 4 percent to \$8.6 billion; payments to Canada decreased 6 percent to \$0.9 billion; and payments to Mexico increased 13 percent to \$1.5 billion.

Passenger fare receipts decreased 2 percent to \$4.4 billion, and passenger fare payments increased 6 percent to \$3.0 billion. Other transportation receipts were \$6.0 billion, compared with \$5.8 billion. Much of the rise was in port expenditures, which benefited from a rebound in export volume after two consecutive quarters of decline. Freight receipts also benefited from the rebound in export volume. Other transportation payments were \$6.3 billion, up from \$6.1 billion. Freight payments were higher as a result of higher U.S. imports.

Fees and royalties receipts were virtually unchanged at \$5.1 billion, and fees and royalties payments were virtually unchanged at \$1.2 billion.

Other private services receipts were \$14.4 billion, up from \$14.1 billion; financial services were higher, reflecting higher commissions received on U.S. securities transactions. Other private services payments were \$9.0 billion, up from \$8.6 billion; as with receipts, higher activity

in financial markets abroad significantly boosted commission payments.

Transfers under U.S. military agency sales contracts dropped to \$2.4 billion from \$2.8 billion. Direct defense expenditures were unchanged at \$3.0 billion.

Investment income

Investment income shifted to net payments of \$1.4 billion in the fourth quarter from net receipts of \$1.6 billion in the third. Both direct and portfolio income payments were sharply higher.

Direct investment income.—Income receipts on U.S. direct investment abroad decreased to \$14.2 billion from \$14.5 billion; weakness in petroleum and manufacturing earnings continued, but was partly offset by an increase in earnings of finance affiliates.

Income payments on foreign direct investment in the United States increased to \$3.7 billion from \$2.0 billion; earnings were sharply higher for manufacturing and wholesale trade affiliates.

Portfolio investment income.—Receipts of income on other private investment were \$12.7 billion, compared with \$12.4 billion, as higher receipts on large U.S. investment in European stocks was dominated by \$15.6 billion in net purchases of foreign bonds in recent quarters more than offset continued reductions in receipts on bank claims.

Payments of income on other private investment were \$15.3 billion, up from \$14.2 billion, as higher payments on large foreign purchases of U.S. bonds in recent quarters were augmented by a small increase in payments on U.S. bank liabilities.

Receipts of income on U.S. Government assets were \$1.2 billion, down from \$1.4 billion. Payments of income on U.S. Government liabilities were unchanged at \$10.6 billion.

Unilateral transfers

Net unilateral transfers were \$10.0 billion in the fourth quarter, compared with \$7.6 billion in the third.

U.S. Government grants were \$5.4 billion, up from \$3.0 billion. The step-up was due to the fourth-quarter distribution of cash to Israel (\$1.2 billion), which was drawn completely in the first quarter of the U.S. Government's fiscal year as soon as funds were appropriated by Congress, and to additional funds (\$1.8 billion) disbursed to Israel to finance military purchases.

Capital Account

Net recorded capital inflows were unchanged at \$28.3 billion in the fourth quarter. A step-up in acquisitions of U.S. assets by foreign residents offset a step-up in acquisitions of foreign assets by U.S. residents.

U.S. assets abroad

U.S. assets abroad increased \$58.1 billion in the fourth quarter, compared with an increase of \$43.4 billion in the third. The step-up was the result of a shift to outflows for U.S. bank claims and a step-up in outflows for U.S. direct investment; these step-ups were partly offset by reduced outflows for net U.S. purchases of foreign securities.

U.S. official reserve assets.—U.S. official reserve assets increased \$0.7 billion in the fourth quarter, compared with an increase of \$0.5 billion in the third.

U.S. Government assets other than official reserve assets.—U.S. Government assets other than official reserve assets increased \$0.2 billion in the fourth quarter, the same amount as in the third.

U.S. credits and other long-term assets increased \$2.4 billion, compared with an increase of \$1.5 billion. The step-up resulted from the extension of new credits to the Government of the Russian Federation (reflecting the consolidation and rescheduling of certain debts of the former Soviet Union that were owed to or guaranteed by the U.S. Government) and additional disbursements under dollar credit sales programs to developing countries.

U.S. foreign currency holdings and other short-term assets decreased \$1.0 billion, in contrast to a \$0.6 billion increase, reflecting the acquisition of \$1.0 billion in unpaid claims (under the Commodity Credit Corporation's export credit guarantee program) on the former Soviet Union from private U.S. banks. (These unpaid claims were consolidated and rescheduled into a new, long-term lending facility, and the new disbursements were recorded as increases in U.S. Government long-term credits.)

Claims reported by U.S. banks.—Claims on foreigners reported by U.S. banks increased \$7.3 billion in the fourth quarter, compared with a decrease of \$8.5 billion in the third. The strength came from claims on "other private foreigners;" interbank claims increased only a small amount.

Interbank claims increased \$1.9 billion in the fourth quarter, as recessions in many industrial countries and only moderate yearend demand for funds limited the increase.

Claims on other private foreigners reported by U.S. banks increased \$6.7 billion, reflecting an increase in claims by U.S. securities dealers on Western Europe and Caribbean banking centers, mostly in October to finance resale arrangements with mutual funds.

Foreign securities.—Net U.S. purchases of foreign securities were \$28.6 billion in the fourth quarter, continuing their strong pace, but falling well short of the record \$45.8 billion third-quarter level. Net purchases of foreign stocks were \$18.8 billion, down from \$24.7 billion, and net purchases of foreign bonds were \$9.8 billion, down from \$21.1 billion.

The decrease in net U.S. purchases of foreign stocks was more than accounted for by an \$8.4 billion decline in purchases from Western Europe, which occurred despite strong price gains in many European markets. The decrease in European purchases was partly offset by continuing and strengthening investments in the emerging markets of Latin America and Asia. Net purchases from Latin America were double those in the third quarter, and net purchases from Asia were up slightly from a strong third quarter. Net U.S. purchases were boosted by \$5.8 billion in new foreign stock issues in the United States.

New issues of foreign bonds placed in the United States declined to \$9.2 billion from \$14.3 billion. The slowdown may have been partly attributable to the rise in U.S. long-term interest rates that occurred when the U.S. economy showed signs of faster growth. Nonetheless,

borrowing remained relatively strong. Private corporations placed 70 percent of the new issues, up sharply from 45 percent in the third quarter.

Net purchases of outstanding foreign bonds slowed to \$2.9 billion from \$8.2 billion. The slowdown in purchases from the United Kingdom was particularly sharp; British interest rates declined sharply while U.S. rates increased, greatly narrowing the interest-rate differential favoring high-yielding British bonds.

Direct investment.—Net capital outflows for U.S. direct investment abroad were \$21.3 billion in the fourth quarter, compared with outflows of \$8.3 billion in the third. The sharp step-up was due to unusually large repayments of intercompany debt to affiliates in finance in the United Kingdom; reinvested earnings increased, and equity capital outflows decreased.

Foreign assets in the United States

Foreign assets in the United States increased \$86.3 billion in the fourth quarter, compared with an increase of \$71.6 billion in the third. The step-up was the result of an increase to record net foreign purchases of U.S. securities and larger inflows on foreign direct investment; these step-ups were partly offset by reduced inflows on bank liabilities.

Foreign official assets.—Foreign official assets in the United States increased \$23.4 billion in the fourth quarter, compared with a \$19.2 billion increase in the third (table C). Assets of industrial countries increased \$9.7 billion as a result of additions by Western European countries. Assets of non-OPEC developing countries increased \$14.0 billion, as assets of several Asian countries increased even more strongly than in the

Table C.—Selected Transactions with Official Agencies

[Millions of dollars]

	1992	1993 ^P	Change: 1992-93	1992				1993				Change: 1993 III- IV
				I	II	III	IV	I	II	III ^r	IV ^P	
Changes in foreign official assets in the United States, net (decrease -) (table 1, line 49)	40,684	71,225	30,541	21,124	21,008	-7,378	5,931	10,929	17,699	19,237	23,360	4,123
Industrial countries ¹	16,193	38,396	22,203	6,122	13,606	-7,200	3,665	1,678	16,190	10,872	9,656	-1,216
Members of OPEC ²	5,857	-3,968	-9,825	2,583	-2,113	3,051	2,336	463	-916	-3,244	-271	2,973
Other countries	18,634	36,797	18,163	12,419	9,515	-3,229	-70	8,788	2,425	11,609	13,975	2,366
Changes in U.S. official reserve assets, net (increase -) (table 1, line 34)	3,901	-1,379	-5,280	-1,057	1,464	1,952	1,542	-983	822	-545	-673	-128
Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: ³												
Foreign drawings, or repayments (-), net												
Drawings	143	470	327	143				470				
Repayments	-143	-470	-327	-143				-470				

^r Revised.

^P Preliminary.

1. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

2. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Ecuador

withdrew from OPEC in December 1992.

3. Consists of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.

third quarter, augmented by inflows from Latin America.

Liabilities reported by U.S. banks.—U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$7.5 billion in the fourth quarter, compared with a \$24.9 billion increase in the third.

Interbank liabilities increased \$3.6 billion in the fourth quarter. In October, unaffiliated banks in Western Europe placed substantial amounts of time deposits with foreign-owned banks in the United States to take advantage of larger short-term interest-rate differentials favoring deposits in the United States, but these inflows were nearly offset later in the quarter by reductions in liabilities to affiliated offices, predominantly in Caribbean banking centers.

Liabilities to other private foreigners reported by U.S. banks increased \$3.5 billion, as U.S. securities dealers borrowed from Western Europe in October to finance repurchase agreements.

Banks' custody liabilities increased \$6.4 billion as a result of the placement of negotiable certificates of deposit (CD's) in the United States by foreign banks.

U.S. Treasury securities.—Net foreign purchases of U.S. Treasury securities were \$7.9 billion in the fourth quarter, compared with \$3.5 billion in the third. Japanese investors shifted to net purchases, and other Asian investors stepped up their purchases.

Other U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities reached a record \$37.9 billion in the fourth quarter, more than double third-quarter net purchases of \$17.3 billion. Net foreign purchases of U.S. stocks were a record \$11.9 billion, up from \$2.5 billion, and net foreign purchases of U.S. bonds were a record \$26.1 billion, up from \$14.7 billion.

Net foreign purchases of U.S. stocks surged to a record: favorable reports about strengthening U.S. economic growth, and low inflation and inflationary expectations contributed to a 200-point gain in the Dow Jones Industrial average and to large net foreign purchases. The surge in net purchases was largest from Western Europe and the Caribbean. Gross purchases and sales of U.S. stocks were 25 percent higher in the fourth quarter than in the third.

New bond issues sold abroad by U.S. corporations increased to \$9.6 billion, up from \$8.1 billion. The long-term interest-rate differential

narrowed, but still favored borrowing abroad. Despite an upturn in both U.S. and foreign rates in mid-quarter, the heavy volume of new issues continued to reflect substantial refinancing activity and the replacement of maturing debt.

Foreign net purchases of U.S. federally sponsored agency bonds surged to a record \$14.7 billion from \$8.3 billion. Rising interest rates, combined with a reduced likelihood that these mortgage-backed bonds would be subject to early call provisions in a rising interest rate environment, encouraged these purchases. Gross purchases and sales of agency bonds were 23 percent higher in the fourth quarter than in the third.

Direct investment.—Net capital inflows for foreign direct investment in the United States were \$9.6 billion in the fourth quarter, compared with \$2.7 billion in the third. Equity capital accounted for almost all of the step-up in inflows; inter-company debt inflows and reinvested earnings changed by small amounts.

THE YEAR 1993

The U.S. current-account deficit increased to \$109.2 billion in 1993 from \$66.4 billion in 1992. Most of the increase was accounted for by a larger merchandise trade deficit; the rest was accounted for by a decrease in the surplus on investment income. The surplus on services was slightly lower; net unilateral transfers were also slightly lower (table D).

In the capital account, increases in both U.S. assets abroad and foreign assets in the United States were sharply higher in 1993, boosted by unprecedented flows in securities. In spite of the higher gross flows, net recorded capital inflows in 1993, at \$82.5 billion, were only slightly larger than in 1992, when they were \$78.6 billion.

The statistical discrepancy—errors and omissions in recorded transactions—was an inflow of \$26.7 billion in 1993, compared with an outflow of \$12.2 billion in 1992.

The following are highlights for the year 1993:

- The merchandise trade deficit increased sharply, as export growth was constrained by recession in the economies of many key trading partners, and as imports responded to the second year of expansion in the U.S. economy.
- The services surplus decreased slightly after 7 consecutive years of growth.

Table D.—Selected Balances on U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

	1991	1992	1993 ^r	1993			
				I ^r	II ^r	III ^r	IV ^p
Merchandise trade balance	-73,802	-96,138	-132,478	-29,325	-34,398	-35,972	-32,783
Services, net	45,882	56,411	55,679	14,654	14,490	13,855	12,681
Investment income, net	13,020	6,222	66	-112	-27	1,617	-1,411
Direct, net	52,759	48,258	45,978	11,231	11,635	12,541	10,572
Other private, net	-6,069	-7,895	-9,018	-2,197	-2,523	-1,755	-2,543
U.S. Government, net	-33,670	-34,141	-36,894	-9,146	-9,139	-9,169	-9,440
Unilateral transfers, net	6,575	-32,895	-32,509	-7,592	-7,300	-7,591	-10,026
Current account balance	-8,324	-66,400	-109,242	-22,375	-27,235	-28,091	-31,539

^r Revised.^p Preliminary.

- The surplus on investment income fell to zero after several years of surpluses.
- Net unilateral transfers were slightly lower.
- Outflows for net U.S. purchases of foreign securities and inflows for net foreign purchases of U.S. securities, both private and official, reached exceptional levels.
- U.S. banks' claims on foreigners again fell by a very substantial amount. U.S. banks' liabilities reflected only limited inflows to the United States.
- Net outflows for U.S. direct investment abroad were well above those of last year. Net inflows for foreign direct investment in the United States rebounded strongly.
- The dollar appreciated 7 percent in the foreign exchange markets.

U.S. dollar in exchange markets

From the fourth quarter of 1992 to the fourth quarter of 1993, the U.S. dollar appreciated 7 percent on a trade-weighted basis against the currencies of 10 industrial countries (table B, chart 1). The appreciation was against the European and Canadian currencies, mainly in the first and third quarters. The dollar continued to decline against the Japanese yen for much of the year.

The dollar appreciated strongly in the first quarter, boosted by the announcement of an unexpectedly strong fourth-quarter 1992 increase in U.S. gross domestic product and a sharp increase in consumer confidence. In contrast, European economies all showed signs of greater weakness, compounded by the reluctance of key monetary authorities, particularly in Germany, to reduce interest rates as rapidly as market participants expected. Although strains within the Exchange Rate Mechanism (ERM) had eased with the departure of the United Kingdom and Italy from

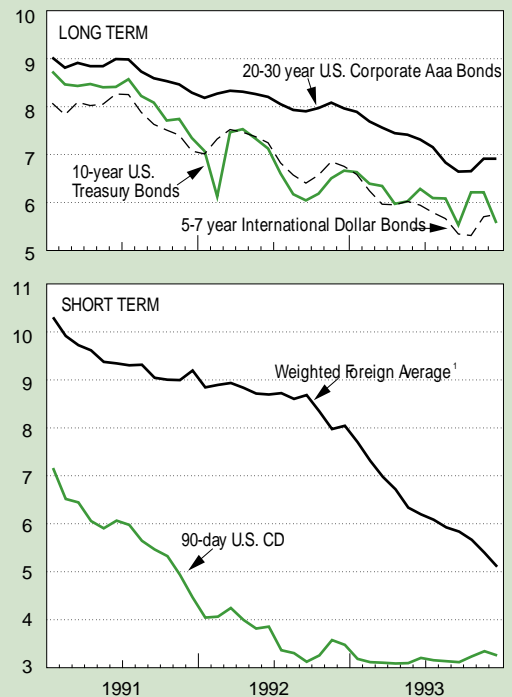
the ERM in September 1992 and with the market intervention and currency realignments toward yearend, signs persisted that many of the weaker European currencies had difficulty in maintaining exchange rate relationships to the stronger German mark and French franc, especially in the face of recessionary tendencies.

The dollar depreciated temporarily early in the second quarter, when it appeared that the U.S. economy would not be able to sustain the

CHART 2

U.S. and Foreign Interest Rates

Percent



strength it had exhibited in the previous several months and that U.S. monetary authorities might therefore have to permit U.S. interest rates to drop even further. However, these perceptions were subsequently outweighed by further signs of recessions and high interest rates in Europe (charts 2 and 3).

The dollar appreciated sharply in June and July, reflecting uncertainties about exchange rate and interest rate relationships among major continental European currencies. As additional signs of recessions appeared, Belgium, Denmark, France, and Portugal all raised interest rates and intervened heavily to maintain parities with the German mark and to stem heavy speculative capital flows into marks. Nonetheless, heavy selling pressures on these weaker currencies continued, and on August 2, the countries participating in the ERM decided to widen the bands around the (unchanged) central parities to plus or minus 15.00 percent from 2.25 percent.

The dollar generally fluctuated in a narrow range against the continental European currencies for the remainder of the year, while retaining its gains of early summer. The dollar's strength partly reflected sustained U.S. economic growth and the rapid decline in foreign short-term interest rates while U.S. rates were unchanged. The wider bands in the ERM permitted the partici-

pating countries much greater latitude to change interest rates independently, but most authorities sought to maintain relatively stable exchange rates with the German mark and to permit interest rates to fall along with those in Germany. By the end of 1993, the Belgian, Danish, French, Portuguese, and Spanish currencies were within or near the old ERM limits relative to the German mark.

In contrast to its appreciation against the European currencies, the dollar depreciated against the Japanese yen through mid-August, when intervention by the United States and another monetary authority was partly responsible for reversing its decline. The recession in Japan contributed to an import slowdown, which led to a higher current-account surplus and a stronger yen. A sharp decline in interest rates and several Government stimulus packages did little to boost the Japanese economy from recession or to slow the yen's appreciation.

The U.S. dollar appreciated against the Canadian dollar. Although the Canadian economy completed its second year of expansion, the Canadian dollar was weakened by sharp reductions in Canadian interest rates over the course of the year, by uncertainties in October over the policies of the newly elected Government, and by projections in December of an unexpectedly high Federal deficit.

Against the currencies of the newly industrialized countries in Asia, the U.S. dollar appreciated 6 percent against the Taiwan dollar and 3 percent against the South Korean won. In contrast, it depreciated 2 percent against the Singapore dollar and less than 1 percent against the Hong Kong dollar.

Current Account

Goods and services

The deficit on goods and services increased to \$76.8 billion in 1993 from \$39.7 billion in 1992. The merchandise trade deficit accounted for nearly all of the increase; there was a small decrease in the surplus on services.

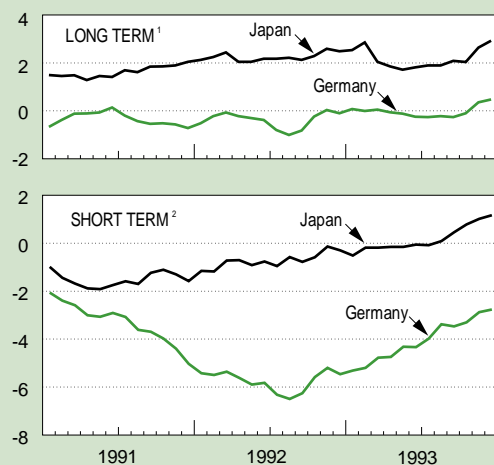
Merchandise trade.—The merchandise trade deficit increased to \$132.5 billion in 1993 from \$96.1 billion in 1992 (tables E and F). U.S. export growth again slowed, largely in response to the third successive year of slowing growth in world trade and output. Appreciation of the dollar (measured on a trade-weighted year-over-year basis) may have had a slight restraining effect on

CHART 3

Interest-Rate Differentials

(Plus (+) Indicates Differentials in Favor of U.S. Dollar Assets)

Percentage points



1. Interest rate on U.S. Government bonds (composite or 10 years) less interest rate on Japanese Central Government bonds. Interest rate on U.S. Government bonds (composite or 10 years) less interest rate on German 7-15 year public sector bonds. Data: OECD.

2. Interest rate on 90-day Eurodollar deposits less Japanese C&I rate. Interest rate on 90-day Eurodollar deposits less German interbank rate. Data: Federal Reserve Board.

U.S. Department of Commerce, Bureau of Economic Analysis

exports in 1993. U.S. import growth remained steady, as the U.S. economy completed its second year of expansion.

The continued weakness in real demand and output abroad had a significant impact on U.S. exports in 1993. Output slowed further in Germany, in the other continental European countries, and in Japan; only Canada and the United Kingdom showed any pickup in growth (chart 4). Growth in the developing countries of Asia and Latin America continued at about the same pace as in 1992. U.S. real gross domestic product increased 3.0 percent in 1993, following a 2.6-percent increase in 1992, thus sustaining the rate of increase in U.S. imports.

Price changes in exports and imports by major end-use categories were not uniform in 1993 (table G). Domestic prices of exports increased by small amounts for consumer goods (nonfood), foods, industrial supplies and materials, capital goods excluding computers, and automotive products. Domestic price increases continued to be held down by low increases in production costs. When converted into foreign currencies, price increases for all major categories were higher, as appreciation of the dollar reinforced the increases in domestic prices (table H).

Dollar prices of most imports increased by only small amounts or declined. Price increases of industrial supplies and materials excluding petroleum were held down by weakness in world prices

for metals, food, and agricultural raw materials. Prices of capital goods other than computers and of automotive products increased slightly. Petroleum prices declined 9 percent.

Table F.—Percent Changes in U.S. Merchandise Trade, Current and Constant (1987) Dollars

[Balance of payments basis]

	Current dollars			Constant (1987) dollars		
	1991	1992	1993 ^P	1991	1992	1993 ^P
Exports	7.1	5.6	3.8	7.7	7.1	5.4
Agricultural products	-1	9.7	-1.2	1.0	12.0	-3.3
Nonagricultural products ..	7.9	5.1	4.3	8.5	6.6	6.3
Foods, feeds, and beverages	1.9	12.5	.5	3.2	13.7	-8
Industrial supplies and materials	4.1	-2	2.1	6.9	3.1	2.6
Capital goods, except automotive	9.0	5.9	3.7	10.0	8.2	8.1
Automotive vehicles, parts, and engines	9.7	17.6	9.8	6.7	15.4	8.9
Consumer goods (nonfood), except automotive	7.4	9.7	6.2	3.8	7.6	5.4
Exports, n.e.c	13.7	-12.9	-9	12.6	-13.4	-1.7
Imports	-1.5	9.3	9.9	.9	11.0	13.0
Petroleum and products ..	-16.9	-3	0	-5.0	3.4	10.5
Nonpetroleum products ...	.7	10.4	10.9	1.7	11.9	13.2
Foods, feeds, and beverages	-7	5.3	.7	-3.8	6.0	-7
Industrial supplies and materials	-8.4	5.7	8.4	-1.9	8.1	13.0
Capital goods, except automotive	4.0	11.1	13.4	10.0	18.5	20.9
Automotive vehicles, parts, and engines	-3.1	7.1	11.6	-6.9	5.1	9.6
Consumer goods (nonfood), except automotive	2.6	13.8	9.3	2.0	10.7	9.1
Imports, n.e.c. and U.S. goods returned	1.0	11.9	5.0	-5	10.3	3.8

^P Preliminary.

Table E.—U.S. Merchandise Trade, Current and Constant (1987) Dollars

[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current dollars								Constant (1987) dollars							
	1991	1992	1993 ^P	1993				1991	1992	1993 ^P	1993					
				I ^r	II ^r	III ^r	IV ^P				I ^r	II ^r	III ^r	IV ^P		
Exports	416,937	440,138	456,766	111,480	113,067	111,935	120,284	389,473	416,959	439,591	106,690	107,905	108,255	116,741		
Agricultural products	40,133	44,033	43,505	10,828	10,756	10,585	11,336	35,471	39,721	38,424	9,668	9,690	9,310	9,756		
Nonagricultural products	376,804	396,105	413,261	100,652	102,311	101,350	108,948	354,002	377,238	401,167	97,022	98,215	98,945	106,985		
Foods, feeds, and beverages	35,789	40,275	40,489	10,209	9,885	9,721	10,674	31,407	35,707	35,417	9,107	8,787	8,431	9,092		
Industrial supplies and materials	109,996	109,757	112,062	27,288	27,568	27,837	29,369	100,261	103,404	106,094	25,761	25,763	26,278	28,292		
Capital goods, except automotive	167,035	176,864	183,386	44,459	45,818	44,639	48,470	164,896	178,453	192,842	46,084	47,372	47,639	51,747		
Automotive vehicles, parts, and engines	40,048	47,079	51,690	12,824	12,853	12,103	13,910	36,357	41,940	45,682	11,329	11,354	10,711	12,288		
Consumer goods (nonfood), except automotive	45,945	50,381	53,498	12,865	13,049	13,556	14,028	40,427	43,483	45,815	11,027	11,216	11,612	11,960		
Exports, n.e.c	18,124	15,782	15,641	3,835	3,894	4,079	3,833	16,125	13,972	13,741	3,382	3,413	3,584	3,362		
Imports	490,739	536,276	589,244	140,805	147,465	147,907	153,067	457,325	507,460	573,197	136,013	141,921	144,844	150,419		
Petroleum and products	51,751	51,589	51,584	12,750	14,309	12,529	11,996	49,489	51,168	56,558	13,351	14,439	14,157	14,611		
Nonpetroleum products	438,988	484,687	537,660	128,055	133,156	135,378	141,071	407,836	456,292	516,639	122,662	127,482	130,687	135,808		
Foods, feeds, and beverages	26,467	27,857	28,054	6,845	6,878	7,078	7,253	24,512	25,983	25,811	6,531	6,404	6,417	6,459		
Industrial supplies and materials	132,607	140,217	151,956	36,215	38,967	38,318	38,456	121,590	131,445	148,555	34,692	36,972	38,071	38,820		
Capital goods, except automotive	120,735	134,194	152,187	35,657	37,687	38,159	40,684	125,155	148,332	179,262	41,339	43,969	45,342	48,612		
Automotive vehicles, parts, and engines	85,691	91,779	102,441	25,131	25,538	25,047	26,725	75,841	79,715	87,397	21,777	21,865	21,335	22,420		
Consumer goods (nonfood), except automotive	108,025	122,974	134,383	32,242	33,237	34,425	34,479	95,007	105,196	114,741	27,567	28,257	29,472	29,445		
Imports, n.e.c. and U.S. goods returned	17,214	19,255	20,223	4,715	5,158	4,880	5,470	15,220	16,789	17,431	4,107	4,454	4,207	4,663		

^r Revised.

^P Preliminary.

Exports.—Nonagricultural exports increased \$17.2 billion, or 4 percent, to \$413.3 billion in 1993, compared with a 5-percent increase in 1992. Volume increased 6 percent, following a 7-percent increase. Expansion slowed significantly for all major commodity categories except industrial supplies and materials (chart 5). One-third of the export growth was to industrial countries; two-thirds was to the developing countries in Asia.

Capital goods increased \$6.5 billion, or 4 percent, to \$183.4 billion, compared with an increase of 6 percent. Volume increased 8 percent in both years. The slowdown in 1993 was attributable to a drop in exports of civilian aircraft, engines, and parts from an especially high level in 1992; the drop reflected depressed airline industry conditions in Western Europe, Japan, and Australia.

Excluding aircraft and parts, capital goods increased \$11.5 billion, to \$150.6 billion, about the same 7- to 8-percent growth rate that has characterized these exports for the past 4 years. This has been an unusually steady rate of increase, given the deterioration in economic conditions abroad. In 1993, the increase was led by semiconductors and telecommunications equipment. Semiconductor shipments were particularly strong to Asia. Telecommunications equipment and parts increased to almost all major areas, with substantial increases to Asia, mainly China, and to Latin America. Canada and Mexico continue to rank closely as the largest export markets for these products.

Automotive products increased \$4.6 billion, or 10 percent, to \$51.7 billion, following an increase of 18 percent. Volume increased 9 percent,

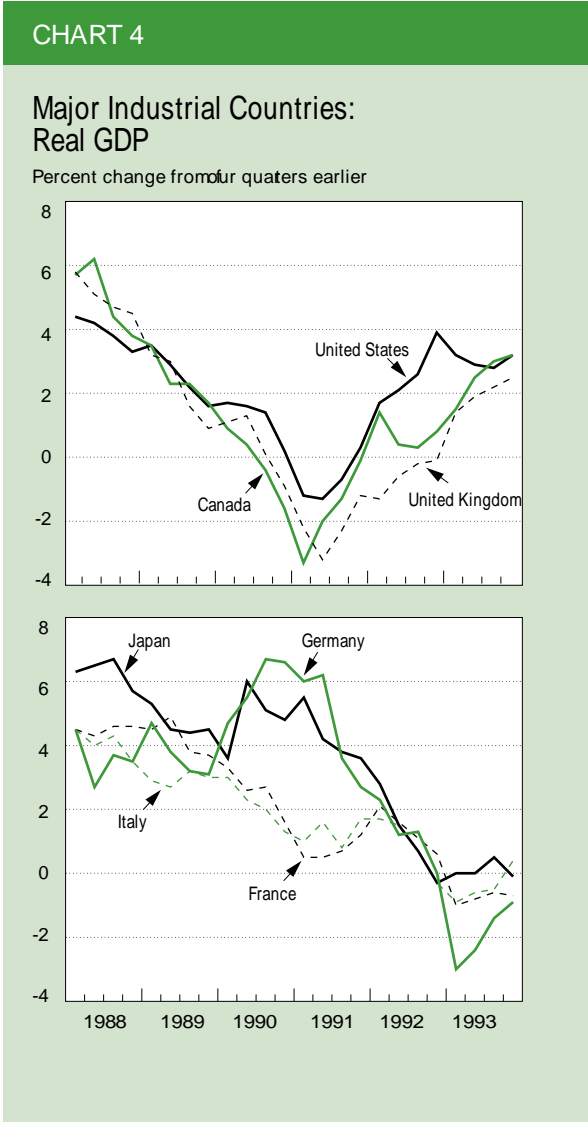


Table G.—Percent Changes in U.S. Merchandise Trade Fixed-Weighted Price Indexes

[Based on index numbers (1987=100)]

	1991	1992	1993 ^P
Exports	0.3	0.0	0.7
Agricultural products	-1.1	-1.3	1.6
Nonagricultural products .....	.4	.3	.5
Foods, feeds, and beverages	-.7	-.3	1.5
Industrial supplies and materials	-2.5	-2.6	.8
Capital goods, except automotive .....	.9	1.0	.1
Computers, peripherals, and parts	-14.6	-12.1	-11.5
Civilian aircraft, engines, and parts	4.4	4.0	2.9
Other capital goods	3.5	2.6	1.2
Automotive vehicles, parts, and engines	2.8	1.9	.8
Consumer goods (nonfood), except automotive	3.4	2.6	1.5
Exports, n.e.c.	1.1	.5	.7
Imports	-1	.7	-1
Petroleum and products	-12.0	-4.3	-9.3
Nonpetroleum products	1.4	1.3	.9
Foods, feeds, and beverages	4.3	-.4	-.2
Industrial supplies and materials, excluding petroleum	-1.8	-1.0	.1
Capital goods, except automotive .....	.8	.8	.7
Computers, peripherals, and parts	-12.5	-11.9	-9.4
Civilian aircraft, engines, and parts	4.1	4.2	2.8
Other capital goods	2.7	2.2	1.6
Automotive vehicles, parts, and engines	4.1	1.9	1.8
Consumer goods (nonfood), except automotive	1.0	3.1	.9
Imports, n.e.c., and U.S. goods returned	1.4	1.4	1.1

^P Preliminary.

Table H.—Percent Changes in Foreign Currency Cost of U.S. Merchandise Exports

[Based on index numbers (1987=100)]

	1991	1992	1993 ^P
Exports	-0.5	-0.7	4.8
Agricultural products	-1.9	-2.0	5.7
Nonagricultural products	-.4	-.4	4.6
Foods, feeds, and beverages	-1.4	-.9	5.6
Industrial supplies and materials	-3.2	-3.2	4.9
Capital goods, except automotive .....	.1	.3	4.2
Computers, peripherals, and parts	-15.3	-12.7	-8.0
Civilian aircraft, engines, and parts	3.6	3.3	7.0
Other capital goods	2.7	1.9	5.3
Automotive vehicles, parts, and engines	2.0	1.2	4.9
Consumer goods (nonfood), except automotive	2.6	1.9	5.6
Exports, n.e.c. ....	.3	-.1	4.8

^P Preliminary.

NOTE.—Fixed-weighted price indexes multiplied by trade-weighted exchange rate index of the currencies of 22 OECD countries and 4 newly industrialized countries in Asia.

following an increase of 15 percent (table I). Automotive parts, which increased 15 percent, continued to account for most of the increase. Parts to Canada increased substantially for the second consecutive year. Parts to Mexico continued to climb. Passenger cars increased 2 percent, as increases to Canada, Japan, and Mexico more than offset decreases to Germany and Taiwan.

Nonagricultural industrial supplies and materials increased \$3.4 billion, or 3 percent, to \$105.2 billion, compared with no increase. Volume increased 3 percent for the second consecutive year. Nonmonetary gold exports more than accounted for the increase in value, rising \$4.6 billion; there was little growth in other categories. Chemicals to Canada, Latin America (mainly Mexico), and the newly industrialized countries in Asia (NIC's) increased by a small amount, as did building materials to Japan, Canada, and the NIC's. Paper and paper-base products declined substantially, the first decline since 1985, as a result of declining prices and abundant supplies. Energy products also declined substantially.

Consumer goods (nonfood) increased \$3.1 billion, or 6 percent, to \$53.5 billion, compared with a 10-percent increase. Volume increased 5 percent, compared with an 8-percent increase. Both durable and nondurable goods increased 6 percent, and unmanufactured goods (mostly gem diamonds) increased 13 percent. Growth in durable goods was only about half that of the previous year; the largest increases were in home entertainment equipment and in household and kitchen appliances. Growth in nondurable goods was also about half that of the previous year; the largest

increases were in textile apparel, footwear, and household goods. The step-up in gem diamonds reflected unsold imports, which were exported to Asian markets or returned to Belgium, India, and Israel.

Agricultural exports decreased \$0.5 billion, or 1 percent, to \$43.5 billion, following a 10-percent increase. Volume decreased 3 percent, following a 12-percent increase. Corn decreased \$0.5 billion; corn volume and prices have now declined for 4 consecutive years. Cotton decreased \$0.5 billion, also the fourth year of declines in volume and price; the past few years have been characterized by high production by China, India, and Pakistan, resulting in low prices and weak demand for the U.S. crop. Vegetables, fruits, and nuts continued to increase, by \$0.3 billion, to a record, although the 1993 increase was the smallest in this category in the last 8 years. Wheat and soybeans both increased \$0.2 billion; both increases were much smaller than last year. Both corn and wheat shipments to the Newly Independent States (the former Soviet Union) were restrained by the inability of the States to make commercial payments or to qualify for U.S. Government financing.

Imports.—Nonpetroleum imports increased \$53.0 billion, or 11 percent, to \$537.7 billion in 1993, compared with an increase of 10 percent in 1992. Volume increased 13 percent, compared with a 12-percent increase. The step-up was the result of increases in capital goods, automotive products, and industrial supplies. Consumer goods and foods slowed (chart 5). Imports from industrial countries accounted for 60 percent of

Table I.—U.S. Trade in Selected Automotive Products

[Balance of payments basis, millions of dollars]

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993 ^P
Imports of passenger cars	23,939	30,640	35,987	45,233	47,923	47,053	44,477	46,631	46,309	47,033	52,284
From selected countries:											
Japan	10,795	12,946	15,760	20,950	21,272	19,874	20,140	20,246	21,375	21,017	21,876
Canada	7,464	10,039	11,090	11,764	10,185	13,256	12,878	13,702	14,048	14,403	18,269
Mexico	13	38	133	425	1,176	1,272	1,174	2,164	2,578	2,592	3,084
Imports of automotive parts	13,097	17,604	19,374	22,417	26,507	30,546	32,381	32,179	30,167	34,094	38,937
From selected countries:											
Japan	2,537	3,860	4,308	6,020	7,465	9,177	10,936	10,670	10,149	11,184	12,677
Canada	6,359	8,004	8,496	8,641	9,085	9,861	9,693	9,234	8,009	9,019	10,302
Mexico	1,289	1,818	2,416	2,702	3,382	4,279	4,456	4,533	5,018	6,371	7,596
Exports of passenger cars	4,780	5,466	6,711	7,239	7,923	10,022	10,798	10,537	11,691	14,266	14,562
To selected countries:											
Japan	38	34	24	56	111	348	481	869	661	846	1,131
Canada	4,298	5,020	6,322	6,649	6,610	7,275	6,922	5,890	6,311	6,087	6,435
Mexico	4	5	6	7	10	13	17	182	167	116	122
Taiwan	3	5	7	11	119	528	710	637	544	1,316	1,197
Exports of automotive parts	11,510	14,337	15,245	14,482	15,712	19,075	20,737	21,737	22,945	27,262	31,349
To selected countries:											
Japan	147	180	204	227	274	432	578	762	726	926	1,049
Canada	8,260	10,229	10,749	9,985	10,471	12,560	13,519	13,287	13,344	15,162	17,665
Mexico	803	1,428	1,965	1,849	2,144	2,791	3,269	4,190	5,020	6,391	7,100

^P Preliminary.

the increase in 1993, and those from developing countries accounted for 40 percent.

Capital goods increased \$18.0 billion, or 13 percent, to \$152.2 billion, following an 11-percent increase. Volume increased 21 percent, following a 19-percent increase. This is the second consecutive year of substantial gains in this category, paralleling the expansion in the U.S. economy. Strong imports of computers, peripherals, and parts and of semiconductors accounted for more than one-half of the increase in 1993, down from nearly two-thirds in 1992. Nonetheless, imports of computers again increased strongly in 1993. Over two-thirds of the domestic demand is met by imports from the NIC's and Japan. Semiconductors reflected a step-up in purchases from Japan, the NIC's, and Malaysia. Partly offsetting these increases was a decrease in civilian aircraft, engines, and parts. After reaching a record level in 1992, aircraft and parts from almost all major areas declined; the largest decrease was from Western Europe, the top supplier to the United States.

Nonpetroleum industrial supplies and materials increased \$11.7 billion, or 13 percent, to \$100.4 billion, following an increase of 10 percent. Volume increased 15 percent, following an increase of 11 percent. Nonmonetary gold increased \$5.0 billion. Building materials, chemicals, and iron and steel products increased in response to the strength in the domestic economy. Building materials increased from Canada and Latin America (mainly Mexico and Brazil), partly as a result of a rise in housing starts and in the price of lumber. Chemicals increased from Canada, Japan, and Western Europe, partly as a result of strength in manufacturing industries. Iron and steel products increased from Canada, Western Europe (mainly Germany and Italy), and Latin America.

Consumer goods (nonfood) increased \$11.4 billion, or 9 percent, to \$134.4 billion, following a 14-percent increase. Volume increased 9 percent, following an 11-percent increase. Last year, consumer goods had been boosted by exceptional increases from the developing countries in Asia. In 1993, durable goods increased 9 percent, nondurable goods 8 percent, and unmanufactured goods 17 percent, the latter as a result of an increase in gem diamonds. In durable and nondurable goods, the most significant increases were in apparel, footwear, household goods and appliances, toys, and recreational equipment. Developing countries in Asia accounted for more than 65 percent of the increase; however, China, Indonesia, and Malaysia continued to gain share at the expense of the NIC's. Developing countries in Latin America accounted for another 18 percent of the increase. Within unmanufactured goods, gem diamonds from Belgium, India, and Israel were sharply higher; unsold diamonds were later shipped abroad.

Automotive products increased \$10.7 billion, or 12 percent, to \$102.4 billion, following an increase of 7 percent. Volume increased 10 percent, following an increase of 5 percent.

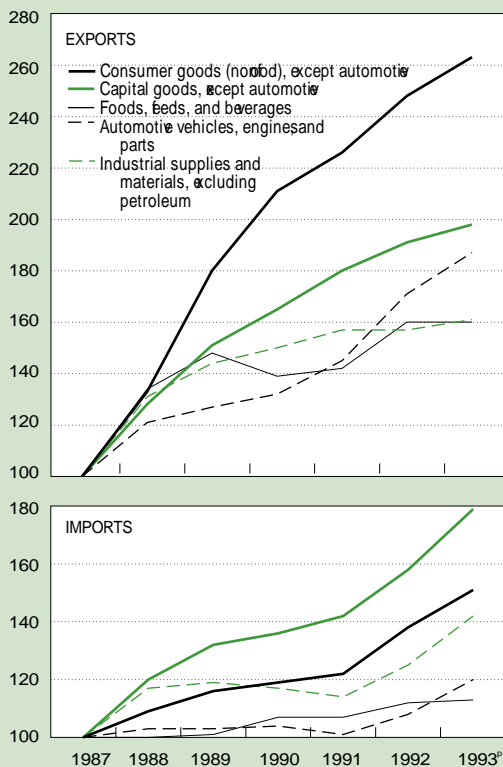
Automotive parts increased 14 percent as a result of higher domestic production. Parts imports from Canada increased 14 percent, from Mexico 19 percent, and from Japan 13 percent. Mexico's share of parts imports continued to increase; Canada's share and Japan's share remained about unchanged, and Western Europe's share declined (table I).

Passenger cars increased significantly; a rise in imports from Canada and Mexico accounted for more than four-fifths of the increase. Sales of domestic nameplates increased 7 percent, the highest increase since 1984. For Japanese cars,

CHART 5

Growth in U.S. Merchandise Nonpetroleum Exports and Imports

1987=100



* Preliminary
U.S. Department of Commerce, Bureau of Economic Analysis

transplant sales exceeded import sales for the first time. The market share of domestic nameplates increased to 59 percent, while the Japanese share, including imports and transplants, declined to 33 percent.

Petroleum imports were unchanged at \$51.6 billion; they have been at this level for 3 consecutive years. In 1993, a decrease in price offset an increase in volume. The average price per barrel fell for the third consecutive year to \$15.69, the lowest annual average since 1988. Prices declined throughout the year. Volume increased 11 percent, as the average number of barrels imported daily increased from 8.1 million to 9.0 million, the highest level since 1977; the increase reflected rising U.S. demand and falling domestic petroleum production. In 1993, domestic production, which had been falling since 1985, reached its lowest level since 1965. The volume of imports from OPEC increased 8 percent, while the share of imports from OPEC declined from 53 percent to 51 percent, the lowest level since 1988; the share had been 54 percent in 1991. The volume of imports from Venezuela increased 11 percent to a record level. The volume of imports from Saudi Arabia declined 19 percent, the second consecutive yearly decline (chart 6).

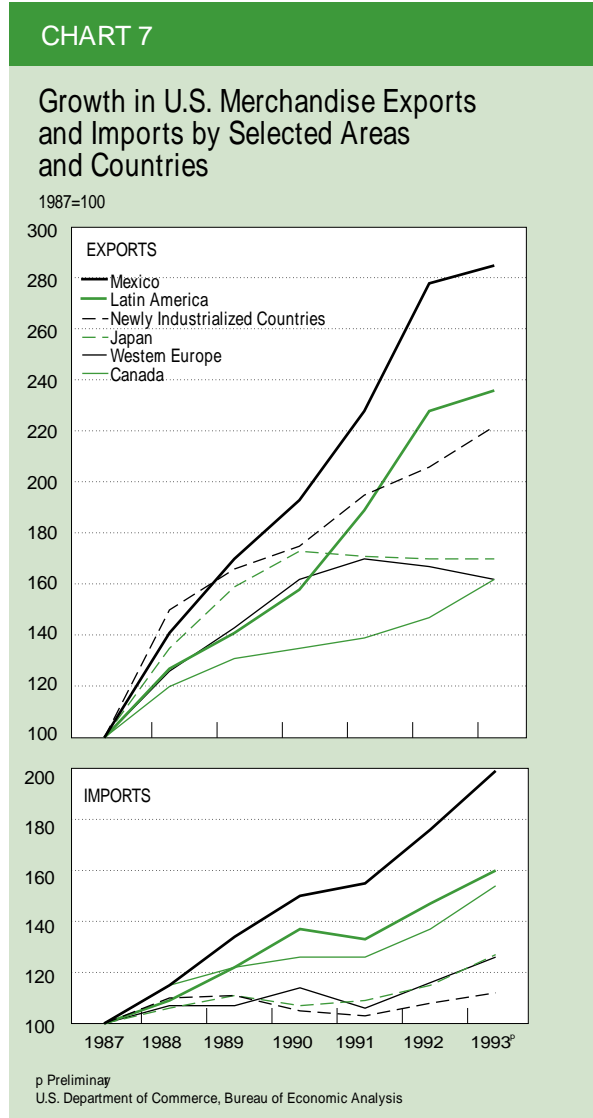
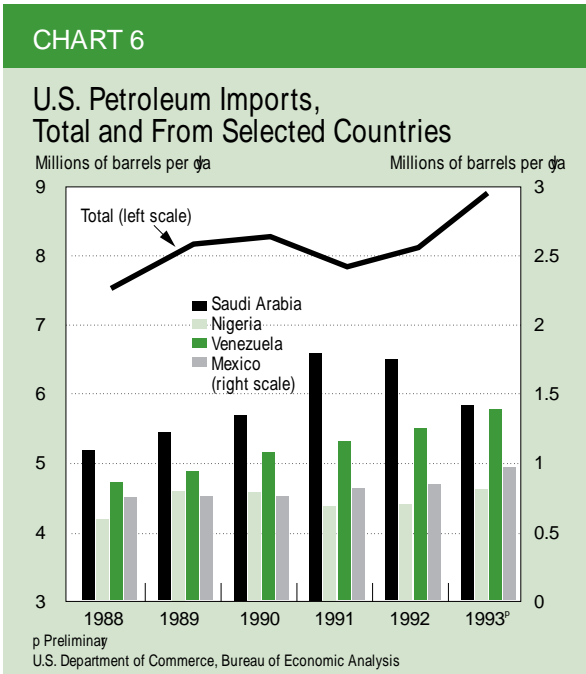
U.S. consumption of petroleum and products increased from 17.03 million barrels per day to 17.25 million barrels per day, the highest level since 1989. The rise in consumption reflected the increased level of U.S. economic activity. Imports as a percentage of consumption increased to a

record 52 percent, as domestic oil production declined to a 28-year low; the last time that imports accounted for more than half of consumption was in 1977.

Balances by area.—The U.S. merchandise trade deficit increased to \$132.5 billion in 1993 from \$96.1 billion in 1992.

The increase mainly reflected a shift to a deficit of \$9.7 billion with Western Europe from a surplus of \$3.2 billion; this shift resulted from weaker U.S. exports of capital goods in combination with stronger imports of industrial supplies and consumer goods. An increase in the deficit with Japan to \$60.4 billion from \$50.5 billion was attributable to higher imports of capital goods; exports failed to grow (table J and chart 7).

The surplus with Latin America decreased to \$2.1 billion from \$5.4 billion, as exports, particularly of capital goods and industrial supplies to



Mexico, slowed sharply, while imports of capital goods and automotive products, largely from Mexico, increased.

The deficit with the developing countries in Asia increased to \$50.6 billion from \$45.1 billion, as an increase in exports of capital goods was exceeded by an increase in imports of capital goods and consumer goods.

Services.—The surplus on services was slightly lower at \$55.7 billion in 1993, compared with \$56.4 billion in 1992. In 1993, the surplus failed to grow for the first time since 1985 (table K). Service receipts were \$186.8 billion in 1993, compared with \$179.7 billion in 1992; travel and other private services accounted for the increase. Service payments were \$131.1 billion, compared with \$123.3

billion; travel, passenger fares, and other private services were all higher.

Foreign visitors spent \$56.5 billion for travel in the United States in 1993, up 5 percent but down substantially from the 12-percent increase of 1992. Travel receipts from overseas were \$44.1 billion, up 10 percent, following a 16-percent increase. Recessions abroad and appreciation of the dollar against most currencies slowed foreign travel to the United States. The slowdown was greatest for Western Europe, but was also sizable for Japan. Receipts from Canada decreased to \$7.3 billion, or 8 percent, following a decrease of 6 percent. Depreciation of the Canadian dollar has had a particularly large impact on automotive travelers, which were down 14 percent this year and down 4 percent in 1992. Receipts from Mexico decreased

Table J.—U.S. Merchandise Trade by Major End-Use Category for Selected Areas and Countries

(Balance of payments basis, millions of dollars)

	Canada			Western Europe			United Kingdom			Germany			Japan		
	1991	1992	1993 ^P	1991	1992	1993 ^P	1991	1992	1993 ^P	1991	1992	1993 ^P	1991	1992	1993 ^P
Exports	85,915	91,146	100,466	116,813	114,454	111,327	21,516	22,398	25,823	20,763	20,349	18,305	47,212	46,874	46,883
Agricultural products	5,290	5,585	5,953	7,797	8,415	7,841	839	927	957	1,084	1,188	1,097	7,776	8,495	8,769
Nonagricultural products	80,625	85,561	94,513	109,016	106,039	103,486	20,677	21,471	24,866	19,679	19,161	17,208	39,436	38,379	38,114
Foods, feeds, and beverages	5,210	5,470	5,888	6,084	6,743	6,548	756	836	850	743	792	858	8,619	9,693	9,806
Industrial supplies and materials	19,155	20,116	22,058	29,045	28,350	29,639	4,687	5,196	7,675	3,790	3,960	3,513	14,857	13,457	13,262
Capital goods, except automotive	26,122	27,847	30,104	57,572	55,047	51,375	12,040	12,297	12,941	11,626	10,892	9,524	15,140	15,072	14,553
Automotive vehicles, parts, and engines	22,499	23,848	27,367	4,304	5,085	4,637	510	597	675	1,559	1,920	1,649	1,485	1,826	2,218
Consumer goods (nonfood), except automotive	8,758	9,779	10,763	14,919	15,292	15,354	2,462	2,701	2,853	2,177	2,268	2,360	6,143	5,867	6,295
Exports, n.e.c.	4,171	4,086	4,286	4,889	3,937	3,774	1,061	771	829	868	517	401	968	959	749
Imports	93,022	100,871	113,023	101,885	111,287	121,008	18,259	19,934	21,509	26,025	28,725	28,528	92,252	97,387	107,255
Petroleum and products	7,469	7,230	7,832	3,843	4,660	5,045	1,423	1,807	2,483	71	164	176	33	60	43
Nonpetroleum products	85,553	93,641	105,191	98,042	106,627	115,963	16,836	18,127	19,026	25,954	28,561	28,352	92,219	97,327	107,212
Foods, feeds, and beverages	4,561	5,166	5,613	5,824	6,178	6,021	761	821	846	547	612	554	336	349	365
Industrial supplies and materials	35,310	38,231	42,443	24,663	27,388	33,634	4,434	5,237	5,927	5,128	5,509	5,834	8,477	9,325	9,344
Capital goods, except automotive	13,903	14,002	14,502	34,261	37,044	38,635	7,126	7,939	8,038	10,021	10,587	10,602	36,031	39,248	45,899
Automotive vehicles, parts, and engines	28,782	31,697	37,314	11,210	12,457	12,919	1,072	1,025	1,447	6,599	7,810	7,421	33,579	33,857	36,092
Consumer goods (nonfood), except automotive	3,833	4,630	5,845	20,856	22,720	24,183	3,458	3,597	3,928	2,725	3,079	2,831	12,477	13,035	13,736
Imports, n.e.c., and U.S. goods returned	6,633	7,145	7,306	5,071	5,500	5,616	1,408	1,315	1,323	1,005	1,128	1,286	1,352	1,573	1,819
Balance	-7,107	-9,725	-12,557	14,928	3,167	-9,681	3,257	2,464	4,314	-5,262	-8,376	-10,223	-45,040	-50,513	-60,372
	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	1991	1992	1993 ^P	1991	1992	1993 ^P	1991	1992	1993 ^P	1991	1992	1993 ^P	1991	1992	1993 ^P
Exports	57,048	69,091	71,501	33,137	40,494	41,531	81,216	88,229	96,151	44,385	46,881	50,449	6,261	7,399	8,739
Agricultural products	4,744	5,773	5,862	3,020	3,815	3,647	8,552	9,203	9,000	4,978	5,244	5,076	724	545	378
Nonagricultural products	52,304	63,318	65,639	30,117	36,679	37,884	72,664	79,026	87,151	39,407	41,637	45,373	5,537	6,854	8,361
Foods, feeds, and beverages	4,100	5,069	5,011	2,586	3,329	3,119	6,257	7,076	7,437	3,587	3,884	3,910	401	358	382
Industrial supplies and materials	16,489	18,635	19,071	8,933	10,781	10,896	24,202	23,513	22,381	14,818	14,397	14,115	2,880	2,463	1,918
Capital goods, except automotive	21,253	25,464	26,196	11,294	13,587	13,754	36,168	41,745	49,626	19,314	21,403	24,786	2,780	4,109	5,371
Automotive vehicles, parts, and engines	6,666	9,123	9,665	5,372	6,727	7,341	4,188	6,092	6,442	1,411	2,537	2,608	57	268	770
Consumer goods (nonfood), except automotive	6,161	8,256	9,015	3,428	4,410	4,776	6,625	7,253	7,774	3,524	3,768	4,095	96	143	200
Exports, n.e.c.	2,379	2,544	2,543	1,524	1,660	1,645	3,776	2,550	2,491	1,731	892	935	47	58	98
Imports	57,873	63,642	69,429	31,496	35,609	40,434	120,184	136,925	150,294	59,235	62,342	64,541	19,003	25,727	31,549
Petroleum and products	14,234	14,253	14,455	4,678	4,749	4,905	13,945	12,765	11,394	145	247	316	601	512	243
Nonpetroleum products	43,639	49,389	54,974	26,818	30,860	35,529	106,239	124,160	138,900	59,090	62,095	64,225	18,402	25,215	31,306
Foods, feeds, and beverages	8,483	8,456	8,607	2,801	2,665	3,038	4,872	5,472	5,243	732	704	684	489	674	606
Industrial supplies and materials	22,067	22,680	23,422	7,749	8,035	8,431	24,023	24,453	23,851	5,565	6,012	6,065	1,986	2,339	2,450
Capital goods, except automotive	7,160	8,070	9,021	6,124	6,920	7,977	28,513	34,848	42,932	20,656	24,042	28,381	1,519	2,292	3,369
Automotive vehicles, parts, and engines	8,701	10,290	12,279	7,871	9,518	11,375	3,035	3,144	3,507	2,490	2,341	2,440	132	221	289
Consumer goods (nonfood), except automotive	9,473	11,707	13,539	5,345	6,718	7,567	58,049	66,980	72,505	28,738	28,126	25,672	14,700	19,799	24,540
Imports, n.e.c., and U.S. goods returned	1,989	2,439	2,561	1,606	1,753	2,046	1,692	2,028	2,256	1,054	1,117	1,299	177	402	295
Balance	-825	5,449	2,072	1,641	4,885	1,097	-38,968	-48,696	-54,143	-14,850	-15,461	-14,092	-12,742	-18,328	-22,810

12 percent to \$5.1 billion, as expenditures in the border area decreased sharply.

U.S. travel payments increased to \$42.3 billion, up 6 percent, following a 13-percent increase. Travel expenditures overseas increased 7 percent to \$33.4 billion, down from a 17-percent increase. The total number of overseas travelers increased about 6 percent each year; the increase in travelers to Western Europe, at 6 percent, was half that in 1992, but the number of travelers increased slightly to Japan and substantially to the Caribbean and Latin America. However, given the large share of travelers accounted for by Western Europe, the decline in travelers to that area held down the rise in total overseas payments. Payments to Canada increased 3 percent to \$3.6 billion; although the amount of same-day automotive travel was virtually unchanged, the average expenditure per traveler increased. Payments to Mexico increased less than 1 percent to \$5.3 billion.

Passenger fare receipts from foreign visitors traveling on U.S.-flag carriers increased 3 percent to \$17.8 billion, down from a 9-percent increase.

Passenger fare payments from U.S. residents traveling on foreign transocean carriers increased 3 percent to \$11.3 billion, down from a 9-percent increase.

Other transportation receipts were \$23.5 billion, up \$0.7 billion. Increases in air port expenditure receipts and in air freight receipts led the increase; ocean port receipts and ocean freight receipts were unchanged.

Port expenditure receipts increased \$0.4 billion, mostly as a result of higher air port expenditures by foreign airlines in U.S. ports. Ocean port expenditures were unchanged; higher import tonnage carried by foreign flag vessels, reflecting expansion in the U.S. economy, was offset by lower export tonnage, reflecting recession abroad.

Freight receipts increased \$0.3 billion as a result of a 5-percent increase in air export tonnage. Ocean freight receipts were unchanged; recessions in Europe and Japan resulted in a 6-percent decline in revenues from Europe and in no growth in revenues from Japan. Excluding Europe and Japan, ocean freight revenues fared better, increasing nearly 3 percent from the previous year.

Other transportation payments were \$24.5 billion, up \$1.1 billion. Freight payments accounted for nearly all of the jump. Freight payments increased \$1.0 billion, following 2 years of decline. The increase reflected growing imports as the U.S. economy completed the second consecutive year of expansion.

Port expenditure payments were virtually unchanged, as weak export volumes in ocean trade, due to recessions in Europe and Japan, offset an increase in import volumes. Declines in jet fuel prices also held down payments.

Royalties and license fees receipts increased to \$20.4 billion from \$20.2 billion. These receipts are heavily concentrated in Europe, Canada, and Japan and in the manufacturing and wholesale affiliates located there.

Royalties and license fees payments decreased to \$4.7 billion from \$5.0 billion.

Other private services receipts were \$56.4 billion, up from \$53.6 billion. Among these receipts, business, professional, and technical services showed the largest increase. Financial services also increased, reflecting a step-up in commissions received on securities transactions.

Other private services payments were \$33.6 billion, up from \$28.0 billion. Financial services showed the largest increase, reflecting a step-up in commissions paid on securities transactions. Business, professional, and technical services also

Table K.—Services

(Millions of dollars, quarters seasonally adjusted)

	1991	1992	1993 ^P	1993			
				I ^r	II ^r	III ^r	IV ^P
Exports	164,260	179,710	186,792	46,476	46,810	46,856	46,654
Travel	48,384	53,861	56,501	13,898	14,186	14,285	14,132
Passenger fares	15,854	17,353	17,849	4,445	4,530	4,475	4,399
Other transportation	22,326	22,773	23,508	5,856	5,894	5,760	5,999
Royalties and license fees	18,479	20,238	20,414	4,898	5,223	5,174	5,119
Other private services	47,982	53,601	56,434	14,157	13,737	14,148	14,394
Affiliated services	15,363	17,619	16,260	4,439	3,986	3,899	3,934
Unaffiliated services	32,619	35,982	40,174	9,718	9,750	10,248	10,459
Education	5,683	6,140	6,620	1,601	1,588	1,752	1,679
Financial	4,976	5,447	6,522	1,521	1,514	1,657	1,831
Insurance	1,028	1,069	1,220	292	302	310	315
Telecommunications	3,316	3,306	3,570	867	889	903	910
Business, professional, and technical	11,261	12,678	14,434	3,490	3,552	3,654	3,738
Other	6,355	7,342	7,808	1,946	1,905	1,972	1,985
Transfers under U.S. military agency sales contracts ¹	10,545	11,015	11,259	3,058	2,950	2,830	2,422
U.S. Government receipts	690	869	827	165	290	184	189
Imports	118,378	123,299	131,114	31,822	32,320	33,001	33,973
Travel	35,322	39,872	42,329	10,446	10,263	10,594	11,026
Passenger fares	10,012	10,943	11,256	2,760	2,743	2,790	2,963
Other transportation	23,297	23,454	24,511	5,930	6,184	6,144	6,254
Royalties and license fees	4,203	4,986	4,748	1,088	1,201	1,232	1,227
Other private services	27,034	27,987	33,595	7,801	8,183	8,649	8,963
Affiliated services	10,166	10,600	11,009	2,662	2,647	2,909	2,790
Unaffiliated services	16,868	17,387	22,586	5,139	5,536	5,741	6,173
Education	737	796	827	199	206	213	209
Financial	2,668	3,461	5,560	1,048	1,286	1,460	1,766
Insurance	2,450	1,372	2,751	682	687	690	692
Telecommunications	6,639	6,520	7,320	1,755	1,820	1,862	1,883
Business, professional, and technical	2,801	3,594	4,389	1,028	1,100	1,094	1,167
Other	1,574	1,645	1,740	428	436	422	456
Direct defense expenditures ²	16,396	13,766	12,286	3,203	3,176	2,958	2,950
U.S. Government payments	2,114	2,290	2,388	594	571	634	590

^r Revised

^P Preliminary.

1. Consists of goods and services transferred under U.S. military agency sales contracts which cannot be separately identified.

2. Consists of goods and services purchased by U.S. defense agencies which cannot be separately identified.

increased strongly. A step-up in net insurance payments represented a return to more normal conditions, following unusually large receipts in 1992 (which held down net outflows) to cover losses caused by Hurricanes Andrew and Iniki.

Transfers under U.S. military agency sales contracts were \$11.3 billion, compared with \$11.0 billion in 1992. An increase in transfers to Western Europe under the Polaris/Trident program more than offset drops to Saudi Arabia, Egypt, Israel, and Kuwait, reflecting the end of the F-16 and F-18 programs. The growth in transfers has slowed sharply over the past several years.

Direct defense expenditures were \$12.3 billion in 1993, down from \$13.8 billion in 1992. Expenditures for contractual services, personnel, and pay to foreign nationals were all down sharply as bases were closed in Europe, mainly in Germany, and troops returned to the United States. (This drawdown did not include troops in Japan and South Korea). The decline in expenditures in Western Europe over the past several years has significantly lagged the decline in troop strength there because of large base-closing costs, severance pay settlements, and transportation costs for the redeployment of military staff. The drawdown is expected to continue through 1995.

Investment income

Net receipts of investment income were zero in 1993, compared with a surplus of \$6.2 billion in 1992 (table D). The peak surplus in recent years was \$20.4 billion in 1990. In 1993, receipts

decreased slightly, and payments were sharply higher.

Direct investment income.—Income receipts on U.S. direct investment abroad increased to \$55.8 billion in 1993 from \$49.9 billion in 1992 (table L).

Earnings in Western Europe were significantly higher as a result of a step-up in earnings of finance and banking affiliates in the United Kingdom. However, one-half of the step-up was offset by a decline in earnings in other European countries. Earnings in Latin America were boosted by the liberalization of Brazilian trade and tax policies; regulations were eased to permit the import of digital technology for both computer and telecommunications applications, and sales taxes on automobiles were reduced. Earnings were also higher in Canada.

Although earnings were up 11 percent in 1993, they have remained in the \$50-\$55 billion range for 3 years. In 1991-93, European earnings were well below their 1990 peak, as growth in industrial economies slowed markedly. During this period, worldwide earnings were buoyed by earnings growth in Latin America (primarily in Brazil and Mexico) and in Asia and the Pacific (primarily in Hong Kong and Singapore). The most rapid growth in earnings in recent years occurred in 1986-88, caused by the synchronous expansion in economies worldwide and depreciation of the dollar (chart 8).

Income payments on foreign direct investment in the United States were \$9.8 billion, compared with \$1.6 billion. A shift from negative (losses)

Table L.—Direct Investment Income and Capital

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	1991	1992	1993 ^P	1993			
				I ^r	II ^r	III ^r	IV ^P
Income							
Income receipts on U.S. direct investment abroad	49,766	49,888	55,815	12,696	14,338	14,546	14,236
Distributed earnings	35,167	33,294	25,778	5,704	7,947	6,876	5,251
Reinvested earnings	13,189	15,289	28,589	6,628	6,049	7,294	8,618
Interest	1,411	1,305	1,448	364	342	376	367
Income payments on foreign direct investment in the United States	2,993	-1,630	-9,837	-1,465	-2,704	-2,005	-3,664
Distributed earnings	-7,931	-6,920	-8,815	-2,321	-2,766	-2,101	-1,627
Reinvested earnings	19,921	12,583	5,592	2,613	1,505	1,780	-306
Interest	-8,997	-7,294	-6,613	-1,757	-1,443	-1,683	-1,731
Capital							
U.S. direct investment abroad (increase/capital outflow (-))	-29,113	-34,791	-50,244	-8,659	-11,906	-8,349	-21,330
Equity capital	-17,281	-8,007	-12,332	-2,239	-4,928	-3,347	-1,818
Reinvested earnings	-13,189	-15,289	-28,589	-6,628	-6,049	-7,294	-8,618
Intercompany debt	1,357	-11,495	-9,323	208	-929	2,292	-10,894
Foreign direct investment in the United States (increase/capital inflow (+))	23,975	2,378	31,519	8,758	10,456	2,659	9,646
Equity capital	41,932	22,467	21,207	3,740	4,282	3,850	9,335
Reinvested earnings	-19,921	-12,583	-5,592	-2,613	-1,505	-1,780	306
Intercompany debt	1,965	-7,506	15,905	7,631	7,680	589	5

^r Revised.

^P Preliminary.

to positive (profits) operating earnings reflected the expansion of the U.S. economy.

Portfolio investment income.—Receipts of income on other private investment decreased to \$49.5 billion from \$53.7 billion (table M). The decline was attributable to lower receipts on bank and nonbank claims, reflecting reduced U.S. bank and nonbank lending activity and declining interest rates. Interest receipts on bonds and stocks increased sharply as a result of the large step-up in U.S. acquisitions of foreign securities.

Receipts of income on U.S. Government assets decreased to \$5.0 billion from \$7.0 billion; receipts from debt reschedulings were substantially

lower, as were earnings on holdings of foreign currencies (table N).

Payments of income on other private investment decreased to \$58.5 billion from \$61.6 billion. The decline was attributable to lower payments of interest on bank and nonbank liabilities, reflecting reduced deposit flows to the United States and declining interest rates. Payments of interest on bonds and stocks were higher, reflecting large foreign acquisitions of U.S. securities.

Payments of income on U.S. Government liabilities were slightly higher at \$41.9 billion, as declining interest rates about offset higher balances.

Unilateral transfers

Net unilateral transfers were \$32.5 billion in 1993, compared with \$32.9 billion in 1992.

U.S. Government grants were somewhat lower at \$14.4 billion, reflecting both a drop in grants financing military purchases and the end of cash inflows from coalition partners in Operation Desert Storm. Grants for debt forgiveness were low, as they had been in 1992, and were directed to Latin American countries (table N).

Private remittances and other transfers were \$14.1 billion, down from \$14.5 billion, as institutional remittances were slightly lower.

Table M. Other Private Income
(Billions of dollars)

	1991	1992	1993 ^P
Receipts	69.5	53.7	49.5
Dividends	4.6	5.3	6.0
Interest on bonds	13.6	14.9	16.9
Interest on bank claims	37.2	24.1	19.1
Interest on other claims ¹	14.1	9.4	7.5
Payments	75.6	61.6	58.5
Dividends	8.5	8.4	8.7
Interest on bonds	21.4	23.0	24.4
Interest on bank liabilities	38.4	25.7	21.4
Interest on other liabilities ¹	7.3	4.5	4.0

^P Preliminary.

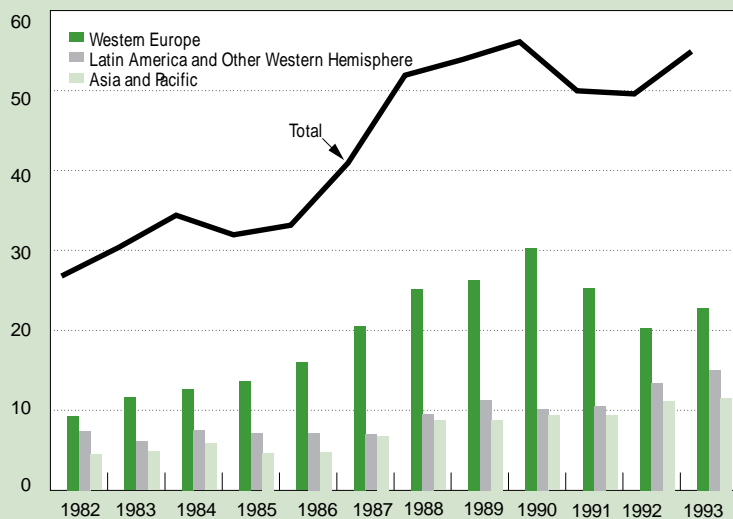
1. Primarily income of business concerns other than banks.

NOTE.—Excludes direct investment income receipts and payments.

CHART 8

Earnings on U.S. Direct Investment Abroad, 1982–1993

Billion \$



Note.—To be consistent with earnings by area, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area data are available.

U.S. Department of Commerce, Bureau of Economic Analysis

Capital Account

Net recorded capital inflows—that is, net changes in U.S. assets abroad less net changes in foreign assets in the United States—increased to \$82.5 billion in 1993 from \$78.6 billion in 1992. Increases in both U.S. assets abroad and foreign assets in the United States were sharply higher in 1993, boosted by unprecedented flows in securities.

U.S. assets abroad

U.S. assets abroad increased \$143.9 billion in 1993, compared with an increase of \$51.0 billion in 1992. The step-up was due to large increases in net U.S. purchases of foreign securities and in direct investment outflows. These step-ups were partly offset by continued, substantial reductions in U.S. bank claims.

U.S. official reserve assets.—U.S. official reserve assets increased \$1.4 billion in 1993, following a decrease of \$3.9 billion in 1992 (table C). In 1993, foreign currency holdings increased by only a small amount.

U.S. Government assets other than official reserve assets.—U.S. Government credits and other long-term assets increased \$5.6 billion in 1993, down from a \$7.1 billion increase in 1992, as fewer credits were rescheduled. Disbursements under country loan programs also were lower, but were augmented by \$1.0 billion in new credits to the Government of the Russian Federation, that represented the consolidation and rescheduling of certain debts of the former Soviet Union owed to the U.S. Government (table N).

U.S. Government short-term assets reflected the acquisition of outstanding claims on the former Soviet Union held by U.S. banks.

Claims reported by banks.—U.S. claims on foreigners reported by U.S. banks decreased \$34.6 billion in 1993, compared with a decrease of \$24.9 billion in 1992 (tables O and P).

The primary reason for the diminished demand for U.S. bank credit was the further scaling back of Japanese banks' international operations in 1993 in response to the economic recession in Japan, as well as to the residual effects of declining securities markets and asset quality problems stemming from poor real estate loans. Recession in most other industrial countries also lowered demand for U.S. bank credit in 1993, particularly in the interbank market. Finally, the shift away from traditional bank intermediation into securities accelerated significantly in 1993, prompted by an exceptionally sharp drop in U.S. medium- and long-term interest rates to their lowest levels in 20 years. These low interest rates encouraged

a large volume of refinancing in the medium- and long-term securities markets, which attracted funds away from the banking sector to the Euro medium-term note facilities and other Eurobond sectors.

Interbank claims decreased \$26.2 billion, compared with a \$25.7 billion decrease. The decrease in 1993 was more than accounted for by the withdrawal of Japanese banks; however, claims on other industrial countries also decreased. Borrowing to meet yearend requirements, which sometimes can be large, was only moderate in 1993. The primary offset to these declines was an increase in U.S. securities firms' lending to mutual funds in the Caribbean and Western Europe through resale agreements.

Banks' domestic customers' claims decreased \$17.9 billion, compared with an increase of \$4.0 billion. Dollar deposits decreased \$8.2 billion; negotiable and transferable instruments decreased \$6.8 billion reflecting large sales of Eurodollar certificates of deposit; and foreign commercial paper outstanding in the United States decreased \$1.1 billion, partly the result of a shift in programs to U.S. subsidiaries (where they would be classified as direct investment) or their replacement by new Euro medium-term note programs.

Foreign securities.—Net U.S. purchases of foreign securities reached an unprecedented \$125.4 billion in 1993, more than double the heavy 1992 purchases of \$48.0 billion. Net purchases of foreign stocks reached \$64.9 billion, following purchases of \$30.6 billion, and net purchases of foreign

Table N.—Selected U.S. Government Transactions

[Millions of dollars]

	1991	1992	1993 ^P	1993			
				I	II	III ^r	IV ^p
U.S. Government grants	24,073	-14,688	-14,438	-3,242	-2,730	-3,029	-5,437
Disbursed	-18,467	-15,985	-14,438	-3,242	-2,730	-3,029	-5,437
For debt forgiveness	-5,130	-57	-667	-611		-56	
Other disbursements	-13,338	-15,928	-13,771	-2,631	-2,730	-2,973	-5,437
Received	42,541	1,297	(*)	(*)			
For Defense Cooperation Account	42,539	1,286					
Other Receipts	1	11	(*)	(*)			
U.S. Government credits and other long-term assets	-12,829	-7,140	-5,642	-940	-727	-1,536	-2,438
For debt rescheduling	-9,162	-3,669	-1,372	-55	-90	-185	-1,041
Other disbursements	-3,667	-3,471	-4,270	-885	-637	-1,351	-1,398
Repayments of U.S. Government credits and other long-term assets	16,736	5,596	5,891	1,807	859	1,924	1,301
From debt rescheduling	7,819	1,973	204	38	38	122	5
From debt forgiveness	5,009	57	667	611		56	
Other repayments	3,907	3,567	5,020	1,157	821	1,746	1,296
U.S. Government receipts of income	8,019	7,038	4,997	1,390	1,090	1,427	1,090
From debt rescheduling	1,139	980	152	10	29	50	63
From debt forgiveness	121						
Other receipts	6,760	6,058	4,845	1,380	1,061	1,377	1,027
U.S. Government payments of income	-41,689	-41,179	-41,891	-10,410	-10,305	-10,586	-10,590

* Less than \$500,000 (±).

r Revised.

p Preliminary.

bonds were \$60.5 billion, compared with \$17.3 billion (table O and chart 9).

U.S. institutional investors, primarily pensions and mutual funds, accelerated their acquisitions of foreign securities—their total purchases as well as the percentage of total portfolios allocated to foreign securities. Pension funds invested approximately \$54 billion, or 8 percent, of their assets abroad in 1993, up from \$33 billion, or 5 percent, in 1992.² Sales of shares by U.S. mutual funds investing abroad increased to \$28 billion in 1993 from \$9 billion in 1992.³ These investors aggressively sought higher yielding fixed-income securities abroad, and foreign stock markets far

outperformed the U.S. market. Falling bond rates induced record foreign borrowing in the U.S. market, as U.S. bond rates remained lower than most comparable foreign rates.

Net U.S. purchases of foreign stocks more than doubled to a record \$64.9 billion in 1993. Stock prices abroad, particularly in Europe and the emerging markets of Latin America and the Pacific Rim, rose on average 27 percent during the year, compared with only a 7-percent gain in the United States. U.S. investment was heaviest in Europe (\$30.0 billion in net purchases), followed by the Asian emerging markets (\$10.5 billion) and Latin American markets (\$9.5 billion).

Investment in European stocks was dominated by \$15.6 billion in net purchases from the United Kingdom, as U.S. investors responded strongly to

2. *Pensions and Investments* 22, no. 2 (January 24, 1994).
3. *Trends in Mutual Fund Activity* (Washington, DC: Investment Company Institute, Research Department).

Table O.—Private Capital Flows, Net

[Billions of dollars]

Claims (increase/capital outflow (-)); liabilities (increase/ capital inflow (+))	1991	1992	1993 ^P	1993			
				I ^r	II ^r	III ^r	IV ^P
Private capital flows, net	-2.8	35.6	6.6	2.7	-5.4	9.9	5.7
Bank-reported capital, net ¹	-8.1	43.5	46.8	9.2	3.9	33.4	0.2
U.S. claims	3.3	24.9	34.6	28.1	5.3	8.5	-7.3
U.S. liabilities ¹	-11.4	18.6	12.2	-18.9	-1.4	24.9	7.5
Securities, net	9.2	19.2	-21.5	-3.9	-9.7	-25.0	17.2
Net U.S. purchases of foreign securities	-44.7	-48.0	-125.4	-26.9	-24.1	-45.8	-28.6
Stocks	-30.6	-30.7	-64.9	-8.0	-13.5	-24.7	-18.8
Bonds	-14.1	-17.3	-60.5	-18.9	-10.6	-21.1	-9.8
Net foreign purchases of U.S. securities	53.9	67.2	103.9	23.0	14.4	20.8	45.8
U.S. Treasury securities	18.8	36.9	24.3	13.6	-0.6	3.5	7.9
Other than U.S. Treasury securities	35.1	30.3	79.6	9.4	15.0	17.3	37.9
Stocks	9.4	-4.4	18.2	3.6	0.2	2.5	11.8
Bonds	25.7	34.7	61.4	5.8	14.8	14.8	26.1
Direct investment, net	-5.1	-32.4	-18.7	0.1	-1.4	-5.6	-11.7
U.S. direct investment abroad	-29.1	-34.8	-50.2	-8.7	-11.9	-8.3	-21.3
Foreign direct investment in the United States	24.0	2.4	31.5	8.8	10.5	2.7	9.6
Nonbank-reported capital, net	1.2	5.3	n.a.	-2.7	1.8	7.1	n.a.
U.S. claims	1.9	4.6	n.a.	-4.8	0.4	3.0	n.a.
U.S. liabilities	-0.7	0.7	n.a.	2.1	1.4	4.1	n.a.

n.a. Not available.

^r Revised.

^P Preliminary.

1. Liabilities exclude U.S. Treasury securities.

Table P.—U.S. Bank-Reported Claims and Liabilities by Type

[Billions of dollars]

Claims on foreigners reported by U.S. banks (increase/capital outflow (-))	1991	1992	1993 ^P	1993			
				I	II	III ^r	IV ^P
Claims on foreigners reported by U.S. banks (increase/capital outflow (-))	3.3	24.9	34.6	28.1	5.3	8.5	-7.3
Banks' claims for own accounts, payable in dollars:							
Own foreign offices	-14.5	19.0	14.8	7.0	-4.5	11.9	.4
Unaffiliated banks .....	.6	6.7	11.4	12.7	3.1	-2.1	-2.2
Public borrowers and other foreigners	10.5	-7.2	-12.1	.....	-3.9	-4.4	-3.7
Banks' claims for domestic customers' accounts, payable in dollars	10.1	-3.0	16.6	7.9	2.3	6.6	-1
Claims payable in foreign currencies	-3.5	9.4	3.8	.5	8.3	-3.4	-1.6
Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities)(increase/capital inflow (+))¹	-11.4	18.6	12.2	-18.9	-1.4	24.9	7.5
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices	7.4	1.1	-18.2	-6.3	-8.3	5.8	-9.3
Unaffiliated banks	-6.6	14.9	15.6	-17.1	14.8	5.0	12.9
Other private foreigners and international financial institutions	-2.2	-1.8	2.3	-4.6	.3	5.5	1.1
Banks' custody liabilities, payable in dollars	-14.7	6.4	5.9	-1.0	-1.9	2.3	6.4
Liabilities payable in foreign currencies	4.7	-1.9	6.6	10.2	-6.3	6.3	-3.6

^r Revised.

^P Preliminary.

London stock prices, which rose 23 percent, to a more stable sterling-dollar relationship, and to expansion in the British economy.

Investment in Asian emerging markets was \$10.5 billion. These markets experienced explosive price appreciation. In U.S. dollar terms, stock prices in Hong Kong soared 110 percent, and in Singapore 65 percent. Gains in other markets were nearly as spectacular. U.S. investors, primarily through country-specific mutual funds, invested \$6.1 billion in Hong Kong, \$1.3 billion in South Korea, \$1.2 billion in Singapore, \$1.1 billion in Malaysia, and smaller amounts—less than \$0.8 billion total—in China, Taiwan, India, Indonesia, the Philippines, and Thailand. (Some of the price gains in 1993 have already eroded in the early months of 1994.)

Net purchases from Latin America increased strongly to \$9.5 billion and included \$4.4 billion in new stock issues. Much of the increase was attributable to Mexico (where the stock market rose 48 percent), which had net purchases of \$5.1

billion, of which \$2.0 billion was in new issues or stocks issued in privatizations.

Net U.S. purchases of foreign bonds soared to \$60.5 billion in 1993 from \$17.3 billion in 1992.

New foreign bond issues in the United States increased to a record \$46.1 billion, up from \$25.5 billion in 1992. Issuance was heavy throughout the year, as U.S. long-term interest rates declined sharply and more rapidly than most foreign rates. Issuance by foreign governments accelerated, but the pickup by foreign corporations was even larger, as both sought to raise funds at the lowest U.S. rates in 20 years. The Canadian Government stepped up its borrowing, as U.S. rates were 150 basis points below Canadian rates. Canadian, Dutch, and British corporations accounted for well over half of the step-up in corporate borrowing, as U.S. rates averaged about 100 basis points below comparable corporate rates in those countries. From all sources, there were 243 new bond issues placed in the United States, nearly double the 123 issues placed in 1992.

Net U.S. purchases of outstanding foreign bonds were \$21.5 billion, compared with net sales of \$1.6 billion; the shift was more than accounted for by net purchases of British gilt-edged bonds, which, at \$41.3 billion, were more than double the 1992 level of \$17.0 billion. British bond rates, although falling, remained 100 to 190 basis points higher than comparable U.S. rates until the fourth quarter. Purchases were strong for much of the year, but were especially heavy in the third quarter, when British bond rates fell sharply and created opportunities for large capital gains. Large sales of bonds occurred in the Caribbean and Asia.

Direct investment.—Net capital outflows for U.S. direct investment abroad were \$50.2 billion in 1993, compared with \$34.8 billion in 1992 (table L).

Most of the step-up was attributable to reinvested earnings, which increased to \$28.6 billion from \$15.3 billion. Higher reinvested earnings in Western Europe, almost all of which was in finance and banking, accounted for over one-half of the increase. Equity capital outflows increased to \$12.3 billion from \$8.0 billion as a result of smaller inflows in (decreases in) equity capital.

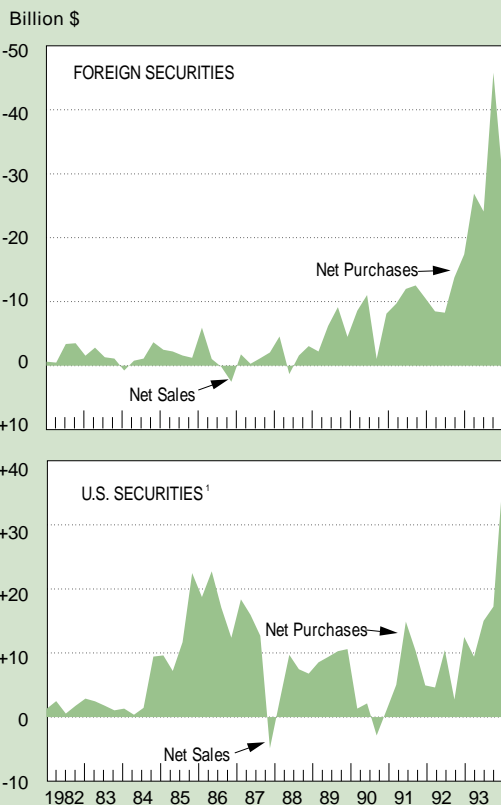
Intercompany debt outflows decreased to \$9.3 billion from \$11.5 billion.

Foreign assets in the United States

Foreign assets in the United States increased \$226.4 billion in 1993, compared with an increase

CHART 9

Securities Transactions



1. Excludes U.S. Treasury securities.
U.S. Department of Commerce, Bureau of Economic Analysis

of \$129.6 billion in 1992. The step-up was mostly due to a large increase in foreign net purchases of U.S. securities by both private and official foreigners.

Foreign official assets.—Foreign official assets in the United States increased \$71.2 billion in 1993, compared with an increase of \$40.7 billion in 1992. Dollar assets of industrial countries increased \$38.4 billion (table C). Much of the increase was from Asia in the second and third quarters and from Western Europe in the fourth quarter. Dollar assets of non-OPEC developing countries increased \$38.6 billion. Many Asian countries stepped up their placement of dollar assets in the United States. In addition, a few Latin American countries may have deposited unspent proceeds of new international debt issues in the United States.

Liabilities reported by banks.—U.S. liabilities to foreigners reported by U.S. banks, excluding U.S. Treasury securities, increased \$12.2 billion in 1993, compared with an increase of \$18.6 billion in 1992. The withdrawal of Japanese banking operations from the U.S. market was a major reason for the limited inflow in 1993. In addition, inflows were limited by weak demand for bank funds, both in the United States and abroad, and by low bank interest rates, which reduced the incentive to place funds on deposit in the United States (tables O and P).

Net interbank flows decreased \$2.6 billion in 1993, following a \$15.9 billion increase in 1992; the shift was more than accounted for by the continued withdrawal of Japanese operations from the U.S. market. Excluding the Japanese transactions, there was some interbank demand for foreign funds in the second and fourth quarters, when non-Japanese foreign-owned banks borrowed from foreign sources, largely to repay earlier interbank borrowing. This pattern is in contrast to that in 1992, when most borrowing by non-Japanese banks was used to expand their share of the U.S. loan market. U.S.-owned banks had little demand for funds in 1993, as bank reserves were sufficient to finance the loan growth associated with the U.S. economic expansion. Liabilities to other private foreigners increased, mainly as a result of U.S. securities dealers' repurchase arrangements with mutual funds.

Banks' liabilities payable in foreign currencies increased \$6.6 billion. Banks' custody liabilities increased \$5.9 billion, mostly in the form of negotiable CD's acquired in the fourth quarter.

U.S. Treasury securities.—Net foreign purchases of U.S. Treasury securities were \$24.3 billion in 1993, down from a record \$36.9 billion in 1992. Demand was strongest in the first half of the year, when bond prices were rising sharply, but demand fell late in the third quarter and in the fourth, when bond prices fell. Purchases by

Table Q.—New International Bond Issues by U.S. Borrowers

[Millions of dollars]

	1991	1992	1993 ^P	1993			
				I	II	III ^P	IV ^P
Total	21,186	23,413	33,969	5,672	10,649	8,056	9,592
By issuer:							
Industrial corporations	3,802	3,808	2,210	390	150	606	1,064
Banking corporations ¹	1,731	4,317	2,645	119	1,386	650	490
Nonbank financial corporations ²	11,499	14,896	24,584	4,800	7,023	6,344	6,417
U.S. federally sponsored agencies	255	.....	300	.....	300	.....	.....
All other borrowers	3,899	392	4,230	363	1,790	456	1,621
By instrument:							
Straight fixed-rate bonds	15,126	15,215	15,312	2,355	5,369	2,388	5,200
Floating-rate notes	272	3,624	6,318	500	2,300	1,590	1,928
Medium-term notes ³	3,158	3,089	9,838	2,338	1,695	3,918	1,887
Zero-coupon bonds	1,524	291	185	.....	185	.....	.....
Bonds convertible into stock	1,033	819	2,012	175	1,100	160	577
Other debt instruments	73	375	304	304	.....	.....	.....
By currency:							
U.S. dollars	12,187	11,900	20,320	3,367	6,981	5,253	4,719
Foreign currencies	8,999	11,513	13,649	2,305	3,668	2,803	4,873
Japanese yen	1,812	1,383	3,349	516	595	1,289	949
Swiss franc	1,277	958	938	165	169	192	412
German mark	280	2,444	2,543	368	1,171	16	988
British pound	816	742	863	10	337	183	333
European currency unit	520	2,159	225	.....	.....	225	.....
Canadian dollar	2,639	1,917	2,321	480	125	609	1,107
Other currencies	1,655	1,910	3,410	766	1,271	289	1,084

¹ Revised.

² Preliminary.

1. Includes banks and bank holding companies.

2. Principally credit, securities, brokerage, and insurance companies.

3. Includes fixed-rate, floating-rate, and zero-coupon instruments issued through medium-term note programs.

Western Europe and Japan were one-half those in 1992; purchases by Canada were higher.

Other U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities more than doubled to a record \$79.6 billion in 1993 from \$30.3 billion in 1992, surpassing the previous record of \$71.0 billion in 1986 (table O and chart 9).

International capital market activity, both in new issues and outstanding securities, accelerated worldwide. Foreign demand for dollar-denominated assets reached record highs, as U.S. financial markets advanced on an acceleration in the decline in U.S. bond rates, low inflation, significant dollar appreciation, and, toward yearend, strong economic growth. Net purchases were strong throughout the year, but nearly one-half

Table R.— Selected U.S. Transactions With OPEC Members ¹

[Millions of dollars]

(Credits +; debits -)	1979	1980	1981	1982	1983	1984	1985 ^r	1986 ^r	1987 ^r	1988 ^r	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^p
Exports of goods, services, and income:															
Merchandise, adjusted, excluding military	14,529	17,388	21,091	20,638	15,257	13,775	11,397	10,386	10,714	13,777	13,311	13,401	18,456	20,719	18,583
Transfers under U.S. military agency sales contracts ..	3,087	2,991	3,664	4,700	5,555	3,241	2,890	2,992	2,781	1,430	1,309	2,471	3,373	4,224	3,430
Royalties and license fees ²	46(^D)	^(D)	69	116	81	74	84	48	103	76	71	94	149	147	170
Other private services ²	966	^(D)	³ 2,762	3,395	3,397	2,619	2,493	³ 2,287	1,929	1,502	1,541	1,553	2,129	2,702	2,840
U.S. Government miscellaneous services	37	34	28	29	44	48	41	15	25	18	16	20	16	25	-80
Income receipts on U.S. assets abroad:															
Direct investment receipts	4,514	2,591	4,133	³ 3,474	2,854	3,395	2,481	1,867	1,881	1,826	1,835	2,858	3,322	3,227	2,819
Other private receipts	1,092	1,401	2,047	2,532	2,256	2,453	1,995	1,535	1,680	1,941	2,435	2,258	1,445	1,072	869
U.S. Government receipts	155	147	167	174	274	212	222	196	167	215	154	261	217	184	137
Imports of goods, services, and income:															
Merchandise, adjusted, excluding military	-47,893	-58,803	-49,977	-31,510	-24,919	-26,853	-22,834	-18,893	-24,416	-23,016	-30,712	-38,231	-33,428	-33,716	-32,642
Direct defense expenditures	-1,580	-1,489	-1,862	-1,798	-1,976	-1,440	-962	-494	-370	-377	-614	-1,419	-785	-882	-444
Royalties and license fees ²	([*])	^(D)	^(D)	^(D)	^(D)	^(D)	^(D)	^(D)	^(*)	-4	-1	^(*)	-1	-2	-8
Other private services ²	-90	^(D)	³ ^(D)	^(D)	^(D)	^(D)	^(D)	³ ^(D)	-211	-222	-205	-296	-431	-465	-486
U.S. Government miscellaneous services	-71	-73	-85	-98	-106	-116	-120	-102	-118	-96	-104	-93	-90	-88	18
Income payments on foreign assets in the United States:															
Direct investment payments	-49	-40	-48	-327	27	38	-72	114	-78	164	-50	-98	-72	61	-117
Other private payments	-1,646	-2,592	-3,294	-3,556	-2,914	-3,094	-2,499	-1,916	-1,837	-2,175	-2,798	-2,871	-2,658	-2,160	-2,027
U.S. Government payments	-1,382	-2,430	-4,007	-6,062	-5,462	-4,806	-4,241	-3,141	-2,586	-2,141	-2,758	-3,284	-2,792	-2,556	-2,261
U.S. Government grants	-43	-73	-57	-53	-56	-68	-64	-75	-85	-99	-130	3,367	27,449	1,122	-77
U.S. Government pensions and other transfers	-15	-17	-7	-7	-8	-8	-9	-9	-14	-10	16	-12	-292	-15	-7
U.S. assets abroad, net (increase/capital outflow (-))	-1,672	290	-3,147	-6,891	-4,262	-1,171	2,010	-1,001	-511	-980	-1,875	2,051	-877	-11,615	1,059
U.S. Government assets, other than official reserve assets, net	-179	-251	-188	41	82	-92	-7	158	141	-61	135	-247	-790	-529	1
U.S. credits and other long-term assets	-465	-353	-432	-195	-525	-425	-358	-195	-165	-396	-212	-647	-246	-267	-83
Repayments on U.S. credits and other long-term assets	277	112	251	238	586	331	348	349	308	344	343	481	397	271	215
U.S. foreign currency holdings and U.S. short-term assets, net	9	-10	-7	-2	21	2	3	4	-2	-9	4	-81	-941	-533	-131
U.S. private assets, net	-1,493	541	-2,959	-6,932	-4,344	-1,079	2,017	-1,159	-652	-919	-2,010	2,298	-87	-11,086	1,058
Direct investment abroad	-1,783	2,106	-523	-1,605	-1,260	-1,698	336	-1,413	-4	937	535	-1,079	-2,998	-1,165	-1,778
Foreign securities	258	321	130	-218	-77	324	156	33	58	-365	96	-2,815	-17	625	-664
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-209	-202	-264	589	98	171	208	43	81	41	100	13	-224	-44	252
U.S. claims reported by U.S. banks, not included elsewhere	241	-1,684	-2,302	-5,698	-3,105	124	1,317	178	-787	-1,532	-2,741	6,179	3,152	-10,502	3,248
Foreign assets in the United States, net (increase/capital inflow(+))	7,047	14,968	14,784	10,488	-7,931	-3,133	-3,393	-9,380	-5,371	-728	15,282	3,537	-4,384	14,483	-8,104
Of which: foreign official	5,498	12,680	13,092	7,271	-8,561	-4,664	-6,644	-9,308	-9,939	-2,885	10,724	1,772	-5,183	5,857	-3,968
U.S. Treasury securities	2,179	9,566	10,338	7,345	-6,650	-3,501	-1,389	-4,938	-5,398	1,688	7,815	-244	-5,902	4,424	-5,989
Other U.S. securities	1,089	4,688	4,621	-673	-1,947	-3,228	-2,327	-1,746	-1,808	-2,591	3,170	-2,676	1,989	4,128	3,319
Other U.S. Government liabilities	-1,033	543	416	737	-276	838	23	-427	-957	177	437	722	203	685	847
U.S. liabilities reported by U.S. banks, not included elsewhere	5,088	-1,161	-2,054	4,660	1,043	3,458	325	-1,459	2,405	-1,146	1,836	5,686	-164	4,728	-5,616
Direct investment in the United States	20	240	2,689	1,427	-11	747	176	510	296	1,629	1,503	-662	61	26	-829
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-296	1,092	-1,226	-3,008	-90	-1,447	-201	-1,320	91	-485	521	711	-571	492	164
All other transactions with OPEC and transfers of funds between foreign areas, net	22,968	24,412	13,517	4,926	18,111	15,012	10,802	15,784	16,317	8,899	3,277	14,433	-10,746	3,533	16,328
Memorandum:															
Balance on merchandise trade	-33,364	-41,415	-28,886	-10,872	-9,662	-13,078	-11,437	-8,507	-13,702	-9,239	-17,401	-24,830	-14,972	-12,997	-14,059

^D Suppressed to avoid disclosure of data of individual companies.

^r Revised.

^p Preliminary.

^{*} Less than \$500,000 (±).

1. OPEC members are Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Ecuador withdrew from OPEC in December 1992. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.

2. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

3. Break in series. See Technical Notes in June 1989 and June 1990 SURVEY.

of the net purchases, or \$37.9 billion, occurred in the record fourth quarter. U.S. corporate and other bonds accounted for most of the net foreign purchases, totaling a record \$61.4 billion in 1993. Net foreign purchases of U.S. stocks totaled a record \$18.2 billion in 1993.

Net foreign purchases of U.S. stocks occurred throughout the year, but mostly in the fourth quarter, when a record \$11.9 billion was purchased on reports of a strengthening U.S. economy. Heavy volumes of initial public offerings, along with an increase in the U.S. issuance of Euro-equities abroad, contributed to the increase in net purchases. Most of the increase in net purchases was attributable to Western European investors, who shifted to net purchases of \$9.7 billion from net sales of \$5.3 billion. Gross purchases and sales of U.S. stocks were 38 percent higher in 1993 than in 1992. (The U.S. stock market advanced consistently during 1993, but underperformed most foreign markets. The U.S. market advanced about 7 percent, while the German, Swiss, and Dutch markets advanced 40 percent each; the Canadian, British, and French markets about 25 percent each; and the Japanese market, 10 percent.)

Net foreign purchases of U.S. corporate and other bonds increased strongly to \$61.4 billion from \$34.6 billion.

New bond issues sold abroad by U.S. corporations increased to \$34.0 billion from \$23.4 billion, reaching the highest annual volume since 1986 (table Q). The lowest U.S. interest rates in 20 years prompted a large volume of refinancing. (The Eurobond market as a whole saw record primary market activity, with new issue volume up 44 percent from the 1992 level.) Issues placed by U.S. nonbank financial corporations increased to \$24.6 billion from \$14.9 billion; issues by retail, telecommunications, and trading companies were also strong.

Straight fixed-rate bonds accounted for \$15.3 billion of the new issues, unchanged from last year; however, as a percentage of total new issues, these bonds dropped to 45 percent from 65 percent. Issues placed through medium-term note (MTN) programs increased sharply to \$9.8 billion from \$3.1 billion; popularity of MTN programs has increased as a result of the lower costs and greater flexibility offered borrowers. Floating-rate notes also increased, as issuers were attracted to comparatively cheaper funding than was available in the swap market and as investors were attracted to floating-rate yields that were higher than fixed-rate yields.

The U.S. dollar remained the most popular currency for new issues; new issues denominated in dollars totaled \$20.3 billion, up from \$11.9 billion.

Net foreign purchases of U.S. federally sponsored agency bonds more than doubled to a record \$32.1 billion in 1993, as investors moved into mortgage-backed securities of U.S. agencies, partly on expectations that interest rates would begin to rise. Gross purchases and sales of agency bonds were 29 percent higher than in 1993.

Direct investment.—Net capital inflows for foreign direct investment in the United States were \$31.5 billion in 1993, compared with \$2.4 billion in 1992 (table L).

Net intercompany debt shifted to inflows of \$15.9 billion from outflows of \$7.5 billion. The shift, which occurred mostly from large inflows in the first half of the year, was primarily responsible for the rebound in total capital inflows to a very substantial amount in 1993 from a very small amount in 1992.

Reinvested earnings increased to $-\$5.6$ billion from $-\$12.6$ billion, as operating losses of many affiliates shifted to gains. Equity capital inflows decreased to \$21.2 billion from \$22.5 billion.


Tables 1 through 10 follow. 

Table 2.—U.S. Merchandise Trade

[Millions of dollars]

Line	1992	1993 ^P	Not seasonally adjusted							Seasonally adjusted							
			1992			1993				1992			1993				
			II	III	IV	I	II	III ^r	IV ^P	II	III	IV	I ^r	II ^r	III ^r	IV ^P	
A	Balance of payments adjustments to Census trade data:																
	EXPORTS																
1	Merchandise exports, Census basis ¹ including reexports and including military grant shipments	448,164	464,767	112,984	107,628	116,322	113,821	117,741	110,205	123,000	110,429	111,495	115,892	113,278	114,998	113,993	122,498
	Adjustments:																
2	Private gift parcel remittances	1,010	761	276	202	209	207	189	179	186	276	202	209	207	189	179	186
3	Gold exports, nonmonetary	398		75	86	225					75	86	225				
4	Inland U.S. freight to Canada ²																
5	U.S.—Canadian reconciliation adjustments, n.e.c., net ³																
6	Merchandise exports transferred under U.S. military agency sales contracts identified in Census documents ⁴	-7,767	-7,490	-2,132	-1,779	-1,902	-1,720	-1,783	-1,840	-2,147	-2,132	-1,779	-1,902	-1,720	-1,783	-1,840	-2,147
7	Other adjustments, net ⁵	-1,667	-1,272	-342	-511	-432	-285	-336	-397	-254	-342	-511	-432	-285	-336	-397	-254
8	Equals: Merchandise exports, adjusted to balance of payments basis excluding "military" (table 1, line 2)	440,138	456,766	110,864	105,626	114,418	112,023	115,811	108,147	120,785	108,306	109,493	113,992	111,480	113,067	111,935	120,284
	IMPORTS																
9	Merchandise imports, Census basis ¹ (general imports)	532,665	580,543	130,882	137,431	141,948	134,725	144,460	147,278	154,080	132,322	136,358	138,294	139,336	145,637	145,086	150,484
	Adjustments:																
10	Electric energy	85	65	21	20	22	22	21	14	8	21	20	22	22	21	14	8
11	Gold imports, nonmonetary	1,887	6,775	369	307	1,211	1,003	1,358	2,347	2,067	369	307	1,211	1,003	1,358	2,347	2,067
12	Inland freight in Canada ²	2,809	2,768	714	688	706	705	690	652	721	714	688	706	705	690	652	721
13	U.S.—Canadian reconciliation adjustment, n.e.c., net ³																
14	Merchandise imports of U.S. military agencies identified in Census documents ⁴																
15	Other adjustments, net ⁵	-1,058	-787	-267	-248	-263	-222	-216	-167	-182	-267	-248	-263	-222	-216	-167	-182
		-112	-120	-52	-20	-16	-39	-25	-25	-31	-52	-20	-16	-39	-25	-25	-31
16	Equals: Merchandise imports, adjusted to balance of payments basis, excluding "military" (table 1, line 16)	536,276	589,244	131,671	138,176	143,601	136,194	146,288	150,099	156,663	133,107	137,105	139,954	140,805	147,465	147,907	153,067
B	Merchandise trade, by area and country, adjusted to balance of payments basis, excluding military:⁷																
	EXPORTS																
1	Total, all countries (A-8)	440,138	456,766	110,864	105,626	114,418	112,023	115,811	108,147	120,785	108,306	109,493	113,992	111,480	113,067	111,935	120,284
2	Western Europe	114,454	111,327	28,387	26,193	28,736	29,589	27,476	24,889	29,373	27,702	27,101	28,686	29,505	26,789	25,714	29,319
3	European Communities	100,623	94,999	24,936	23,063	25,097	26,098	22,707	20,901	25,293	24,336	23,860	25,051	26,021	22,141	21,595	25,242
4	Belgium and Luxembourg	9,955	9,353	2,474	2,466	2,527	2,330	2,102	2,154	2,767	2,409	2,544	2,525	2,324	2,047	2,219	2,763
5	France	14,589	13,229	3,643	3,295	3,500	3,933	3,342	2,836	3,118	3,551	3,400	3,502	3,930	3,256	2,924	3,119
6	Germany	20,349	18,305	4,979	4,717	5,130	5,074	4,520	4,017	4,694	4,852	4,874	5,124	5,065	4,402	4,149	4,689
7	Italy	8,595	6,321	2,284	2,084	1,854	1,709	1,771	1,203	1,638	2,231	2,155	1,850	1,706	1,731	1,249	1,635
8	Netherlands	13,429	12,645	3,108	2,870	3,589	3,534	3,105	2,762	3,244	3,049	2,986	3,565	3,511	3,041	2,868	3,225
9	United Kingdom	22,398	25,823	5,611	4,933	5,914	6,947	5,578	5,833	7,465	5,466	5,093	5,919	6,937	5,421	6,006	7,459
10	Other	11,308	9,323	2,837	2,698	2,583	2,571	2,289	2,096	2,367	2,778	2,808	2,566	2,548	2,243	2,180	2,352
11	Western Europe, excluding EC	13,831	16,328	3,451	3,130	3,639	3,491	4,769	3,988	4,080	3,366	3,241	3,635	3,484	4,648	4,119	4,077
12	Canada ³	91,146	100,466	24,107	21,852	22,816	23,933	26,634	24,032	25,867	23,526	22,568	22,799	23,875	25,967	24,794	25,830
13	Japan	46,874	46,883	11,202	11,753	11,719	11,757	11,848	11,579	11,699	10,995	12,253	11,597	11,632	11,627	12,069	11,555
14	Australia, New Zealand, and South Africa ⁸																
15	Australia	8,697	8,118	2,205	2,156	2,524	1,930	2,034	2,047	2,107	2,145	2,221	2,526	1,928	1,977	2,109	2,104
16	Eastern Europe	5,630	6,178	1,242	1,391	1,716	1,154	1,779	1,326	1,919	1,241	1,479	1,681	1,139	1,773	1,393	1,873
17	Latin America and Other Western Hemisphere	75,379	78,325	19,148	18,843	19,676	18,776	19,999	18,954	20,596	18,696	19,501	19,611	18,682	19,519	19,603	20,521
18	Brazil	5,742	5,981	1,400	1,281	1,695	1,321	1,482	1,422	1,756	1,363	1,318	1,696	1,319	1,441	1,465	1,756
19	Mexico	40,494	41,531	10,368	10,185	10,179	10,238	10,755	9,805	10,733	10,129	10,540	10,149	10,188	10,501	10,141	10,701
20	Venezuela	5,316	4,495	1,401	1,435	1,260	1,200	1,165	1,090	1,040	1,366	1,485	1,254	1,192	1,138	1,130	1,035
21	Other	23,827	26,318	5,979	5,942	6,542	6,017	6,597	6,637	7,067	5,838	6,158	6,512	5,983	6,439	6,867	7,029
22	Other countries in Asia and Africa ^{7,8}	97,869	105,245	24,485	23,437	27,231	24,884	26,041	25,320	29,000	23,913	24,369	27,092	24,719	25,415	26,253	28,858
23	Asia ^{7,8}	88,229	96,151	22,048	21,020	24,536	22,622	23,801	23,151	26,577	21,522	21,812	24,451	22,501	23,204	23,976	26,470
24	Members of OPEC	12,596	12,193	3,274	2,747	3,245	3,010	2,916	2,436	3,831	3,187	2,855	3,242	3,000	2,842	2,529	3,822
25	China	7,399	8,739	1,888	1,654	2,245	1,924	2,064	2,301	2,450	1,847	1,705	2,252	1,916	2,010	2,364	2,449
26	Hong Kong	9,021	9,838	2,215	2,243	2,615	2,331	2,659	2,374	2,474	2,163	2,322	2,606	2,322	2,596	2,457	2,463
27	Korea, Republic of	13,840	14,060	3,460	3,154	3,355	3,271	3,531	3,594	3,664	3,386	3,298	3,328	3,240	3,449	3,734	3,637
28	Singapore	9,511	11,197	2,562	2,264	2,626	2,704	2,739	2,851	2,903	2,494	2,331	2,632	2,702	2,660	2,933	2,902
29	Taiwan	14,509	15,354	3,726	3,236	4,368	3,550	4,081	3,573	4,150	3,646	3,369	4,345	3,528	3,985	3,719	4,122
30	Africa ^{7,8}	9,144	8,677	2,236	2,294	2,606	2,187	2,115	2,055	2,320	2,193	2,426	2,556	2,244	2,086	2,158	2,289
31	Members of OPEC	1,812	1,895	532	345	531	477	457	415	546	527	362	524	468	454	437	536
32	International organizations and unallocated	89	224	88	1					224	88	1					224
	Memoranda:																
33	Industrial countries ⁷	264,900	270,222	66,656	63,054	66,893	68,005	68,764	63,487	69,966	65,103	65,286	66,692	67,727	67,114	65,655	69,726
34	Members of OPEC ⁷	20,719	18,583	5,471	4,805	5,279	4,928	4,836	3,672	5,147	5,337	4,989	5,263	4,660	4,434	4,096	5,393
35	Other countries ⁷	154,430	167,737	38,649	37,766	42,246	39,090	42,211	40,988	45,448	37,778	39,217	42,037	39,093	41,519	42,184	44,941

See footnotes on page 79.

Table 2.—U.S. Merchandise Trade—Continued

(Millions of dollars)

Line	1992	1993 ^P	Not seasonally adjusted								Seasonally adjusted							
			1992			1993					1992			1993				
			II	III	IV	I	II	III ^r	IV ^P	II	III	IV	I ^r	II ^r	III ^r	IV ^P		
C	Merchandise trade, by principal end-use category, adjusted to balance of payments basis, excluding military:																	
1	Merchandise exports, balance of payments basis, excluding military (A-8)																	
	440,138	456,766	110,864	105,626	114,418	112,023	115,811	108,147	120,785	108,306	109,493	113,992	111,480	113,067	111,935	120,284		
2	44,033	43,505	10,358	9,926	12,180	11,522	10,393	9,471	12,119	10,653	11,163	11,380	10,828	10,756	10,585	11,336		
3	396,105	413,261	100,506	95,700	102,238	100,501	105,418	98,676	108,666	97,653	98,330	102,612	100,652	102,311	101,350	108,948		
4	40,275	40,489	9,273	9,766	10,862	10,608	9,522	9,280	11,079	9,562	10,219	10,473	10,209	9,885	9,721	10,674		
5	35,869	36,405	8,335	8,348	10,064	9,537	8,627	8,016	10,225	8,563	9,163	9,411	9,094	8,964	8,765	9,582		
6	14,872	14,319	3,534	3,490	4,047	3,898	3,502	3,063	3,856	3,563	3,627	4,002	3,780	3,536	3,187	3,816		
7	4,647	4,867	967	1,117	1,305	1,332	1,227	1,099	1,209	967	1,117	1,305	1,332	1,227	1,099	1,209		
8	5,138	4,670	1,283	1,283	1,421	1,165	1,114	984	1,407	1,283	1,283	1,421	1,166	1,114	983	1,407		
9	4,452	4,637	705	825	1,541	1,651	779	692	1,515	928	1,339	1,195	1,218	1,092	1,134	1,193		
10	4,477	4,561	1,080	1,143	1,188	990	1,180	1,156	1,235	1,095	1,150	1,122	1,027	1,200	1,165	1,169		
11	6,405	6,669	1,639	1,446	1,718	1,521	1,724	1,551	1,873	1,591	1,613	1,552	1,556	1,684	1,737	1,692		
12	5,663	6,219	1,377	1,444	1,570	1,477	1,442	1,554	1,746	1,386	1,434	1,540	1,513	1,452	1,542	1,712		
13	4,406	4,084	938	1,418	798	1,071	895	1,264	854	999	1,056	1,062	1,115	921	956	1,092		
14	3,610	3,200	756	1,205	606	866	670	1,030	634	817	843	870	910	696	723	871		
15	109,757	112,062	27,956	26,843	27,736	27,447	28,328	27,230	29,057	27,261	27,512	28,033	27,288	27,568	27,837	29,369		
16	7,941	6,856	1,960	1,536	2,065	1,915	1,697	1,403	1,841	2,039	1,941	1,910	1,678	1,736	1,750	1,692		
17	2,014	1,539	556	274	386	487	395	272	385	569	472	406	322	379	449	389		
18	1,641	1,299	473	278	460	352	393	234	320	425	444	377	335	341	372	251		
19	1,366	1,297	337	347	310	330	331	327	309	339	359	326	303	333	336	325		
20	2,920	2,721	594	637	909	746	578	570	827	706	666	801	718	683	593	727		
21	101,816	105,206	25,996	25,307	25,671	25,532	26,631	25,827	27,216	25,222	25,571	26,123	25,610	25,832	26,087	27,677		
22	13,682	11,875	3,499	3,466	3,406	3,079	3,179	2,682	2,935	3,457	3,396	3,383	3,176	3,151	2,631	2,917		
23	13,579	11,774	3,479	3,443	3,386	3,052	3,145	2,657	2,920	3,437	3,373	3,362	3,149	3,116	2,607	2,902		
24	4,924	3,640	1,292	1,244	1,164	926	971	893	850	1,249	1,174	1,141	1,024	942	842	832		
25	6,939	6,705	1,713	1,760	1,864	1,644	1,792	1,509	1,760	1,713	1,760	1,864	1,644	1,792	1,509	1,760		
26	9,338	8,516	2,364	2,394	2,276	2,223	2,146	2,057	2,090	2,293	2,394	2,362	2,212	2,083	2,053	2,168		
27	6,753	7,084	1,743	1,656	1,671	1,744	1,828	1,731	1,781	1,669	1,706	1,698	1,739	1,751	1,779	1,815		
28	30,644	30,987	8,188	7,493	7,324	7,703	7,880	7,614	7,790	7,889	7,691	7,583	7,590	7,566	7,785	8,046		
29	8,098	8,755	2,056	2,074	2,046	2,149	2,429	2,102	2,075	1,966	2,121	2,054	2,184	2,327	2,155	2,089		
30	10,269	10,693	2,619	2,576	2,545	2,615	2,734	2,695	2,649	2,542	2,592	2,604	2,620	2,653	2,711	2,709		
31	23,032	27,296	5,527	5,648	6,403	6,019	6,435	6,946	7,896	5,406	5,671	6,439	6,080	6,301	6,973	7,933		
32	1,625	1,780	411	445	410	340	463	491	486	348	451	418	399	395	498	497		
33	4,021	3,922	1,036	976	978	1,013	1,006	957	946	1,036	976	978	1,013	1,006	957	946		
34	11,047	14,685	2,399	2,614	3,463	3,062	3,224	3,723	4,676	2,399	2,614	3,463	3,061	3,223	3,724	4,677		
35	4,540	9,133	880	902	1,809	1,592	1,885	2,313	3,343	880	902	1,809	1,592	1,885	2,313	3,343		
36	902	891	210	213	213	229	225	214	223	210	231	213	213	225	214	223		
37	5,605	4,661	1,309	1,481	1,441	1,241	1,114	1,196	1,110	1,309	1,481	1,441	1,240	1,113	1,197	1,111		
38	6,339	6,909	1,681	1,613	1,552	1,604	1,742	1,775	1,788	1,623	1,630	1,581	1,625	1,677	1,794	1,813		
39	176,864	183,386	44,295	42,333	45,808	44,575	46,414	43,518	48,879	43,744	43,319	45,503	44,459	45,818	44,639	48,470		
40	137,395	149,105	34,411	33,707	35,901	35,909	36,895	36,494	39,807	33,869	34,586	35,719	35,767	36,307	37,513	39,518		
41	14,230	15,587	3,491	3,488	3,664	3,737	3,911	3,897	4,042	3,420	3,565	3,657	3,726	3,836	3,987	4,038		
42	123,165	133,518	30,920	30,219	32,237	32,172	32,984	32,597	35,765	30,449	31,021	32,062	32,041	32,471	33,526	35,480		
43	10,056	9,828	2,639	2,586	2,427	2,473	2,479	2,408	2,468	2,567	2,618	2,466	2,477	2,406	2,461	2,484		
44	8,298	9,335	2,150	1,969	2,218	2,383	2,329	2,156	2,473	2,150	1,969	2,218	2,188	2,385	2,251	2,473		
45	3,488	3,728	855	908	886	856	920	950	1,002	828	932	883	860	893	979	996		
46	6,274	6,936	1,953	1,527	1,597	1,670	1,769	1,690	1,807	1,563	1,571	1,578	1,742	1,740	1,742	1,782		
47	26,236	28,643	6,738	6,454	6,589	6,813	7,338	7,100	7,392	6,472	6,627	6,647	6,836	7,052	7,290	7,465		
48	28,762	29,320	7,108	6,826	7,790	7,325	6,964	6,963	8,068	7,169	7,205	7,504	7,214	7,020	7,399	7,687		
49	15,987	19,116	3,842	4,082	4,299	4,457	4,625	4,937	5,097	3,743	4,099	4,355	4,491	4,509	4,964	5,152		
50	11,684	13,831	2,861	2,885	3,263	2,980	3,338	3,328	4,185	2,861	2,885	3,263	2,980	3,338	3,328	4,185		
51	2,580	2,380	681	619	664	596	585	570	629	673	637	652	598	577	588	617		
52	9,800	10,401	2,453	2,363	2,504	2,617	2,645	2,495	2,644	2,423	2,478	2,496	2,528	2,615	2,619	2,639		
53	37,724	32,764	9,432	8,236	9,386	8,246	9,114	6,667	8,737	9,423	8,343	9,263	8,272	9,106	6,769	8,617		
54	24,451	20,163	6,092	4,903	6,070	5,105	5,910	3,617	5,531	6,092	4,903	6,070	5,105	5,910	3,617	5,531		
55	1,745	1,517	452	390	521	420	405	357	335	452	390	521	420	405	357			
56	47,079	51,690	12,764	10,552	12,820	12,766	14,165	10,862	13,897	11,610	11,954	12,735	12,824	12,853	12,103	13,910		
57	23,849	27,367	6,766	5,250	6,257	6,624	7,736	5,751	7,256	5,956	6,061	6,397	6,626	6,812	6,516	7,413		
58	6,087	6,435	1,825	1,288	1,700	1,451	2,016	1,059	1,909	1,527	1,593	1,681	1,555	1,688	1,307	1,885		
59	2,600	3,267	762	576	687	652	806	735	1,074	650	669	698	667	674	845	1,081		
60	3,386	4,022	941	755	890	1,025	1,107	914	976	837	832	900	1,025	983	994	1,020		
61	11,776	13,643	3,238	2,631	2,980	3,496	3,807	3,043	3,297	2,942	2,967	3,038	3,079	3,467	3,370	3,427		
62	23,230	24,323	5,998	5,302	6,563	6,142	6,429	5,111	6,641	5,654	5,893	6,338	6,198	6,041	5,587	6,497		
63	8,179	8,127	1,989	1,618	2,605	2,161	2,233	1,481	2,252	1,815	2,218	2,282	2,075	2,045	2,011</			

Table 2.—U.S. Merchandise Trade—Continued
 (Millions of dollars)

Line	1992	1993 ^P	Not seasonally adjusted								Seasonally adjusted							
			1992			1993					1992			1993				
			II	III	IV	I	II	III ^r	IV ^P	II	III	IV	I ^r	II ^r	III ^r	IV ^P		
C	Merchandise trade, by principal end-use category, adjusted to balance of payments basis, excluding military—Continued:																	
74	Merchandise imports, balance of payments basis, excluding military (A-16)																	
	536,276	589,244	131,671	138,176	143,601	136,194	146,288	150,099	156,663	133,107	137,105	139,954	140,805	147,465	147,907	153,067		
75	51,589	51,584	13,022	14,372	13,782	12,595	14,264	12,634	12,091	13,105	14,298	13,713	12,750	14,309	12,529	11,996		
76	484,687	537,660	118,649	123,804	129,819	123,599	132,024	137,465	144,572	120,002	122,807	126,241	128,055	133,156	135,378	141,071		
77	27,857	28,054	7,246	6,752	7,138	6,780	6,938	6,836	7,500	7,187	7,024	6,891	6,845	6,878	7,078	7,253		
78	19,986	20,013	5,240	4,662	5,046	5,104	5,002	4,724	5,183	5,155	4,941	4,979	4,964	4,928	5,017	5,104		
79	2,669	2,430	691	621	524	701	586	561	582	691	621	524	701	586	561	582		
80	1,563	1,382	378	327	336	413	308	306	355	378	327	336	413	308	306	355		
81	4,000	4,190	1,055	901	1,046	1,072	1,049	1,041	1,028	1,055	901	1,046	1,072	1,049	1,041	1,028		
82	5,628	5,595	1,541	1,109	1,383	1,698	1,465	1,153	1,279	1,429	1,415	1,460	1,403	1,363	1,468	1,361		
83	1,983	1,946	558	534	523	370	510	497	569	542	527	460	455	496	497	498		
84	5,708	5,853	1,396	1,497	1,571	1,263	1,392	1,472	1,726	1,439	1,477	1,489	1,334	1,435	1,450	1,634		
85	7,871	8,041	2,006	2,090	2,092	1,676	1,936	2,112	2,317	2,032	2,083	1,912	1,881	1,950	2,061	2,149		
86	5,670	5,905	1,407	1,449	1,542	1,288	1,420	1,503	1,694	1,392	1,425	1,473	1,419	1,392	1,457	1,637		
87	1,827	1,737	502	449	458	302	408	501	526	543	565	347	375	450	498	414		
88	140,217	151,956	35,384	36,266	37,107	35,866	39,393	38,384	38,313	35,118	36,375	37,095	36,215	38,967	38,318	38,456		
89	4,304	4,380	1,126	1,015	1,033	1,177	1,180	1,016	1,007	1,121	1,024	1,038	1,169	1,175	1,025	1,011		
90	135,913	147,576	34,258	35,251	36,074	34,689	38,213	37,368	37,306	33,997	35,351	36,057	35,046	37,792	37,293	37,445		
91	56,812	57,189	14,199	15,665	15,262	13,994	15,550	14,033	13,612	14,331	15,753	15,075	14,031	15,650	14,101	13,407		
92	56,138	56,442	14,057	15,465	15,079	13,834	15,405	13,816	13,387	14,189	15,553	14,892	13,871	15,505	13,883	13,183		
93	8,232	8,320	2,017	2,091	2,184	2,124	2,151	2,050	1,995	2,024	2,089	2,166	2,140	2,160	2,046	1,974		
94	6,872	7,561	1,762	1,738	1,700	1,781	1,993	1,931	1,856	1,731	1,729	1,714	1,825	1,952	1,909	1,875		
95	16,736	18,090	4,197	4,052	4,285	4,498	4,642	4,417	4,533	4,138	4,166	4,345	4,424	4,542	4,480	4,644		
96	8,304	10,575	2,126	2,145	2,102	2,450	2,608	2,587	2,930	1,990	2,038	2,254	2,549	2,424	2,436	3,176		
97	8,487	9,337	2,120	2,192	2,254	2,125	2,323	2,450	2,439	2,075	2,205	2,256	2,183	2,260	2,427	2,467		
98	30,470	36,504	7,837	7,368	8,287	7,717	8,946	9,900	9,941	7,708	7,371	7,894	8,814	9,894	9,902	9,902		
99	1,532	1,667	422	419	387	345	402	431	489	386	381	375	441	363	388	475		
100	10,915	11,775	2,784	2,703	2,803	2,513	2,828	3,050	3,384	2,721	2,733	2,764	2,577	2,769	3,083	3,346		
101	13,540	18,284	3,464	3,100	4,001	3,727	4,525	5,224	4,808	3,464	3,101	4,000	3,727	4,526	5,224	4,807		
102	3,808	8,821	888	672	1,683	1,334	2,101	2,890	2,496	888	673	1,683	1,334	2,101	2,890	2,496		
103	2,065	1,824	607	509	476	423	452	460	489	607	509	476	423	452	460	489		
104	2,984	3,512	767	738	701	894	885	885	848	767	738	700	894	885	885	848		
105	4,683	4,127	1,202	1,181	1,141	1,076	1,087	989	975	1,202	1,181	1,141	1,076	1,088	989	974		
106	4,483	4,778	1,167	1,146	1,096	1,132	1,191	1,195	1,260	1,137	1,156	1,108	1,149	1,156	1,199	1,274		
107	134,194	152,187	32,777	34,455	36,172	34,721	37,623	38,446	41,397	32,940	34,455	35,440	35,657	37,687	38,159	40,684		
108	120,944	139,870	29,200	31,081	32,610	31,787	34,395	35,627	38,061	29,363	31,081	31,878	32,723	34,459	35,340	37,348		
109	13,619	15,578	3,321	3,488	3,593	3,618	3,834	3,969	4,157	3,253	3,515	3,583	3,718	3,756	3,945	4,159		
110	106,875	124,292	25,879	27,593	29,017	28,169	30,561	31,658	33,904	26,110	27,566	28,295	29,005	30,703	31,395	33,189		
111	3,040	4,475	763	796	801	930	1,117	1,007	1,421	736	795	825	932	1,083	1,007	1,453		
112	5,232	5,905	1,285	1,317	1,396	1,421	1,499	1,471	1,514	1,266	1,336	1,416	1,413	1,476	1,479	1,537		
113	3,599	4,242	930	846	887	1,048	1,074	1,009	1,111	933	850	885	1,054	1,074	1,004	1,110		
114	3,166	3,460	766	802	857	813	872	850	925	789	816	817	827	896	856	881		
115	23,158	25,778	5,780	5,777	6,156	5,926	6,625	6,452	6,775	5,712	5,923	6,091	5,965	6,532	6,572	6,709		
116	31,808	38,182	7,506	8,463	9,080	8,537	9,127	9,935	10,583	7,708	8,397	8,643	8,974	9,314	9,765	10,129		
117	15,476	19,491	3,801	3,866	4,091	4,387	4,758	4,986	5,360	3,723	3,919	4,168	4,874	4,639	4,882	5,483		
118	10,649	11,102	2,482	2,845	2,887	2,470	2,688	2,916	3,028	2,602	2,772	2,720	2,828	2,815	2,837	2,822		
119	4,901	5,411	1,192	1,266	1,269	1,201	1,283	1,444	1,483	1,231	1,265	1,204	1,223	1,319	1,443	1,426		
120	5,846	6,246	1,374	1,515	1,593	1,436	1,518	1,588	1,704	1,410	1,493	1,526	1,502	1,555	1,550	1,639		
121	13,700	12,317	3,577	3,374	3,562	2,934	3,228	2,819	3,336	3,577	3,374	3,562	2,934	3,228	2,819	3,336		
122	12,594	11,236	3,321	3,072	3,246	2,637	2,940	2,625	3,034	3,321	3,072	3,246	2,637	2,940	2,625	3,034		
123	3,806	3,712	1,116	901	1,055	709	1,001	857	1,145	1,116	901	1,055	709	1,001	857	1,145		
124	91,779	102,441	23,122	21,270	25,235	24,769	26,022	23,442	28,208	22,792	22,939	23,766	25,131	25,538	25,047	26,725		
125	31,696	37,314	8,688	7,052	8,363	8,945	10,146	8,304	9,919	7,895	7,889	8,074	9,228	9,251	9,277	9,558		
126	14,403	18,269	4,030	3,214	3,799	4,137	4,917	4,210	5,005	3,571	3,736	3,605	4,299	4,373	4,871	4,726		
127	8,274	8,743	2,207	1,811	2,151	2,254	2,451	1,858	2,180	2,072	1,985	2,046	2,318	2,330	2,027	2,068		
128	1,564	1,909	448	364	406	439	520	417	533	397	398	412	455	458	449	547		
129	7,455	8,393	2,003	1,663	2,007	2,115	2,258	1,819	2,201	1,855	1,770	2,011	2,156	2,090	1,930	2,217		
130	60,083	65,127	14,434	14,218	16,872	15,824	15,876	15,138	18,289	14,897	15,050	15,992	15,903	16,287	15,770	17,167		
131	32,630	34,015	7,640	7,394	9,559	8,285	8,055	7,661	10,014	8,177	8,106	8,500	8,170	8,607	8,279	8,959		
132	2,378	2,477	545	553	684	659	655	553	610	581	557	631	677	693	542	565		
133	5,502	6,522	1,334	1,319	1,537	1,518	1,617	1,563	1,824	1,313	1,366	1,517	1,555	1,581	1,571	1,815		
134	19,573	22,113	4,915	4,932	5,092	5,362	5,549	5,361	5,841	4,826	5,021	5,044	5,501	5,406	5,378	5,828		
135	122,974	134,383	28,397	34,802	32,809	29,343	31,156	38,110	35,774	30,325	31,681	31,623	32,242	33,237	34,425	34,479		

Table 3.—Selected Service Transactions

(Millions of dollars)

Line	1992	1993 ^P	Not seasonally adjusted								Seasonally adjusted							
			1992				1993				1992				1993			
			I	II	III	IV	I	II	III ^r	IV ^P	I	II	III	IV	I ^r	II ^r	III ^r	IV ^P
1 Exports of private services	167,826	174,706	40,435	40,416	45,352	41,622	41,950	42,389	47,171	43,197	41,644	41,488	42,351	42,344	43,254	43,570	43,842	44,043
2 Travel (table 1, line 5)	53,861	56,501	12,128	13,446	15,839	12,448	12,384	14,093	16,973	13,051	13,482	13,513	13,405	13,460	13,898	14,186	14,285	14,132
3 Passenger fares (table 1, line 6)	17,353	17,849	3,989	4,133	5,165	4,066	4,022	4,404	5,360	4,064	4,378	4,243	4,327	4,405	4,445	4,530	4,475	4,399
4 Other transportation (table 1, line 7)	22,773	23,508	5,566	5,668	5,788	5,751	5,732	5,839	5,856	6,081	5,683	5,718	5,696	5,677	5,856	5,894	5,760	5,999
5 Freight	7,251	7,545	1,841	1,820	1,825	1,764	1,861	1,893	1,853	1,939	1,841	1,820	1,825	1,764	1,861	1,894	1,853	1,939
6 Port services	14,410	14,809	3,443	3,570	3,686	3,712	3,580	3,661	3,717	3,851	3,559	3,619	3,595	3,638	3,704	3,716	3,621	3,769
7 Other	1,112	1,154	283	278	276	275	291	286	287	290	283	278	276	275	291	286	287	290
8 Royalties and license fees (table 1, line 8)	20,238	20,414	4,787	4,893	5,026	5,532	4,697	5,095	4,952	5,670	5,008	5,002	5,252	4,976	4,898	5,223	5,174	5,119
9 Affiliated	16,106	15,888	3,798	3,875	3,979	4,454	3,591	3,967	3,809	4,520	4,019	3,984	4,205	3,898	3,792	4,095	4,032	3,969
10 U.S. parents' receipts	15,387	15,075	3,626	3,747	3,800	4,214	3,424	3,749	3,644	4,258	3,843	3,836	3,999	3,709	3,625	3,842	3,843	3,766
11 U.S. affiliates' receipts	719	813	172	128	179	240	167	218	165	262	176	148	206	189	167	253	189	203
12 Unaffiliated	4,132	4,526	989	1,018	1,047	1,078	1,106	1,128	1,142	1,150	989	1,018	1,047	1,078	1,106	1,128	1,142	1,150
13 Industrial processes ¹	2,597	2,800	630	642	655	670	686	698	706	710	630	642	655	670	686	698	706	710
14 Other ²	1,535	1,726	359	377	392	408	420	430	436	440	359	377	392	408	420	430	436	440
15 Other private services (table 1, line 9)	53,601	56,434	13,965	12,276	13,534	13,825	15,115	12,958	14,030	14,331	13,093	13,012	13,671	13,826	14,156	13,737	14,148	14,394
16 Affiliated services	17,619	16,260	4,293	4,142	4,388	4,798	4,370	3,957	3,832	4,102	4,384	4,164	4,479	4,593	4,439	3,986	3,899	3,934
17 U.S. parents' receipts	10,958	10,226	2,621	2,729	2,708	2,901	2,487	2,494	2,513	2,732	2,677	2,680	2,746	2,856	2,541	2,449	2,548	2,686
18 U.S. affiliates' receipts	6,661	6,034	1,672	1,413	1,680	1,897	1,883	1,463	1,319	1,370	1,707	1,484	1,733	1,737	1,898	1,537	1,351	1,248
19 Unaffiliated services	35,982	40,174	9,673	8,135	9,146	9,028	10,745	9,001	10,198	10,230	8,709	8,848	9,192	9,233	9,718	9,750	10,248	10,459
20 Education	6,140	6,620	2,465	798	1,576	1,301	2,629	839	1,702	1,450	1,501	1,511	1,622	1,506	1,601	1,588	1,752	1,679
21 Financial services	5,447	6,522	1,324	1,331	1,388	1,405	1,521	1,514	1,657	1,831	1,324	1,331	1,388	1,405	1,521	1,514	1,657	1,831
22 Insurance, net	1,069	1,220	261	263	268	277	292	302	310	315	261	263	268	277	292	302	310	315
23 Premiums received	5,523	6,000	1,325	1,363	1,400	1,435	1,470	1,495	1,512	1,523	1,325	1,363	1,400	1,435	1,470	1,495	1,512	1,523
24 Losses paid	4,454	4,780	1,064	1,101	1,132	1,158	1,178	1,193	1,202	1,207	1,064	1,101	1,132	1,158	1,178	1,193	1,202	1,207
25 Telecommunications	3,306	3,570	827	818	822	839	867	889	903	910	827	818	822	839	867	889	903	910
26 Business, professional, and technical services	12,678	14,434	3,046	3,115	3,230	3,288	3,490	3,552	3,654	3,738	3,046	3,115	3,230	3,288	3,490	3,552	3,654	3,738
27 Other unaffiliated services ³	7,342	7,808	1,751	1,810	1,820	1,918	1,946	1,905	1,972	1,985	1,751	1,810	1,862	1,918	1,946	1,905	1,972	1,985
28 Imports of private services	107,243	116,440	24,314	27,688	28,867	26,373	25,601	29,525	32,283	29,029	26,671	26,754	26,152	27,668	28,025	28,572	29,409	30,432
29 Travel (table 1, line 19)	39,872	42,329	8,057	10,976	12,153	8,687	8,396	11,387	13,077	9,470	10,009	9,899	9,825	10,140	10,446	10,263	10,594	11,026
30 Passenger fares (table 1, line 20)	10,943	11,256	2,370	2,821	3,118	2,634	2,404	2,895	3,190	2,767	2,714	2,674	2,722	2,833	2,760	2,743	2,790	2,963
31 Other transportation (table 1, line 21)	23,454	24,511	5,722	5,618	6,161	5,953	5,847	6,092	6,311	6,261	5,809	5,700	5,999	5,945	5,930	6,184	6,144	6,254
32 Freight	11,720	12,695	2,827	2,825	3,034	3,033	3,005	3,181	3,193	3,317	2,827	2,825	3,034	3,033	3,005	3,181	3,193	3,317
33 Port services	10,761	10,831	2,638	2,551	2,902	2,669	2,600	2,666	2,871	2,694	2,731	2,636	2,729	2,664	2,689	2,759	2,692	2,691
34 Other	974	985	257	242	225	250	243	246	246	250	251	239	236	248	244	258	247	
35 Royalties and license fees (table 1, line 22)	4,986	4,748	1,316	1,078	1,478	1,113	1,070	1,174	1,252	1,251	1,334	1,101	1,464	1,088	1,088	1,201	1,232	1,227
36 Affiliated	3,233	3,491	782	797	834	820	766	861	934	930	800	820	819	795	784	888	914	905
37 U.S. parents' payments	279	268	52	68	77	81	57	70	67	74	52	68	77	81	57	70	67	74
38 U.S. affiliates' payments	2,954	3,223	730	729	757	739	709	791	867	856	748	752	742	714	727	818	847	831
39 Unaffiliated	1,753	1,257	534	281	645	293	304	313	318	322	534	281	645	293	304	313	318	322
40 Industrial processes ¹	863	950	210	212	217	224	231	237	240	242	210	212	217	224	231	237	240	242
41 Other ²	890	307	324	69	428	69	74	76	78	79	324	69	428	69	74	76	78	79
42 Other private services (table 1, line 23)	27,988	33,595	6,849	7,195	5,957	7,986	7,884	7,977	8,453	9,281	6,805	7,380	6,142	7,662	7,801	8,182	8,649	8,963
43 Affiliated services	10,600	11,009	2,251	2,507	2,830	3,014	2,747	2,464	2,710	3,087	2,204	2,670	3,019	2,709	2,662	2,647	2,909	2,790
44 U.S. parents' payments	5,529	5,329	1,185	1,358	1,397	1,590	1,091	1,291	1,351	1,595	1,228	1,418	1,436	1,448	1,136	1,351	1,390	1,451
45 U.S. affiliates' payments	5,071	5,680	1,066	1,149	1,433	1,424	1,656	1,173	1,359	1,492	976	1,252	1,583	1,261	1,526	1,296	1,519	1,339
46 Unaffiliated services	17,387	22,586	4,598	4,689	3,127	4,973	5,137	5,513	5,743	6,194	4,601	4,710	3,123	4,963	5,139	5,536	5,741	6,173
47 Education	796	827	160	203	253	180	164	208	260	195	194	201	207	193	199	206	213	209
48 Financial services	3,461	5,560	841	863	864	893	1,048	1,286	1,460	1,766	841	863	864	893	1,048	1,286	1,460	1,766
49 Insurance, net	1,372	2,751	735	752	—890	775	682	687	690	692	735	752	—890	775	682	687	690	692
50 Premiums received	11,875	12,520	2,898	2,945	2,993	3,039	3,088	3,124	3,148	3,160	2,898	2,945	2,993	3,039	3,088	3,124	3,148	3,160
51 Losses paid	10,503	9,769	2,163	2,193	3,882	2,264	2,406	2,437	2,458	2,468	2,163	2,193	3,882	2,264	2,406	2,437	2,458	2,468
52 Telecommunications	6,520	7,320	1,624	1,603	1,621	1,672	1,755	1,820	1,862	1,883	1,624	1,603	1,621	1,672	1,755	1,820	1,862	1,883
53 Business, professional, and technical services	3,594	4,389	815	878	918	982	1,028	1,100	1,094	1,167	815	878	918	982	1,028	1,100	1,094	1,167
54 Other unaffiliated services ³	1,645	1,740	423	390	361	470	460	411	378	491	392	413	403	437	428	436	422	456
Memoranda:																		
55 Balance on merchandise trade (table 1, line 64)	-96,138	-132,477	-13,598	-20,807	-32,550	-29,183	-24,171	-30,477	-41,952	-35,877	-17,763	-24,801	-27,612	-25,962	-29,325	-34,398	-35,972	-32,783
56 Balance on private services (line 1 minus line 28)	60,584	58,266	16,121	12,730	16,484	15,248	16,348	12										

Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1992	1993 ¹	Not seasonally adjusted							
				1992				1993			
				I	II	III	IV	I	II	III ²	IV ²
A1	U.S. Government grants and transactions increasing Government assets, total	21,893	20,435	4,419	4,599	4,448	8,428	4,514	3,864	5,133	6,924
	By category										
2	Grants, net (table 1, line 30, with sign reversed)	14,688	14,438	2,788	3,234	2,783	5,883	3,242	2,730	3,029	5,437
3	Financing military purchases ¹	6,084	4,607	1,225	1,624	663	2,572	656	721	810	2,420
4a	Other grants	9,890	9,831	2,017	2,416	2,121	3,336	2,586	2,009	2,220	3,016
4b	Cash contributions received from coalition partners for Persian Gulf operations	-1,286		-453	-807		-25				
5	Credits and other long-term assets (table 1, line 40, with sign reversed)	7,140	5,642	1,548	1,232	1,890	2,470	940	727	1,536	2,438
6	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,419	1,132	314	298	381	426	223	269	247	393
7	Credits repayable in U.S. dollars	5,179	3,987	1,108	809	1,361	1,902	594	325	1,148	1,919
8	Credits repayable in other than U.S. dollars	28	5	2	-2	11	17	-7	3	8	2
9	Other long-term assets	515	518	125	128	137	125	131	130	133	125
10	Foreign currency holdings and short-term assets, net (table 1, line 42 with sign reversed)	65	355	83	133	-225	75	332	407	568	-951
11	Foreign currency holdings (excluding administrative cash holdings), net	-44	-56	-14	-14	-14	-3	-15	4	-18	-27
	Receipts from:										
12	Sales of agricultural commodities	1	(¹)	(¹)	1	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
13	Interest	28	22	13	5	5	5	12	2	6	2
14	Repayments of principal	43	60	30	3	8	3	29	6	16	9
15	Reverse grants										
16	Other sources ⁸	49	36	34	11	1	3	1	3	17	16
	Less currencies disbursed for:										
17	Grants and credits in the recipient's currency	1	8	1	(¹)			(¹)	1	5	3
18	Other grants and credits										
19	Other U.S. Government expenditures ⁹	164	166	90	33	28	14	55	6	53	52
20	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	198	294	174	154	-215	85	350	344	539	-939
21	Other assets held under Commodity Credit Corporation Charter Act, net	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
22	Assets financing military sales contracts, net ²										
23	Other short-term assets (including changes in administrative cash holdings), net	-88	117	-77	-7	3	-7	-4	59	47	15
	By program										
24	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,419	1,132	314	298	381	426	223	269	247	393
25	Under Agricultural Trade Development and Assistance Act and related programs	1,584	2,386	389	323	444	428	861	277	364	884
26	Under Foreign Assistance Act and related programs	15,126	12,997	3,042	3,676	2,542	5,865	2,236	2,394	3,368	4,999
27	Under Export-Import Bank Act	2,422	561	618	511	387	907	59	163	247	92
28	Under Commodity Credit Corporation Charter Act	963	1,324	233	206	299	226	349	354	547	74
29	Under other grant and credit programs	-49	1,445	-246	-524	265	455	672	214	193	367
30	Other foreign currency assets acquired (lines A13, A14, and A16)	120	118	77	18	14	10	41	10	39	27
31	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	164	166	90	33	28	14	55	6	53	52
32	Other (including changes in administrative cash holdings), net	474	639	83	124	144	124	128	190	181	140
	By disposition³										
33	Estimated transactions involving no direct dollar outflow from the United States	15,977	14,567	3,661	3,677	3,042	5,597	3,007	2,581	3,727	5,253
34	Expenditures on U.S. merchandise	6,365	6,492	972	1,755	981	2,658	1,123	771	1,128	3,471
35	Expenditures on U.S. services ⁴	3,485	3,652	829	734	912	1,009	665	706	1,172	1,109
36	Financing of military sales contracts by U.S. Government ⁵ (line C6)	3,308	2,688	1,099	781	653	775	582	698	790	619
37	By long-term credits	375	226	143	50	85	97	65	28	70	63
38	By short-term credits ¹										
39	By grants ¹	2,932	2,462	957	731	568	677	517	670	719	556
40	U.S. Government grants and credits to repay prior U.S. Government credits ^{1,4}	2,070	533	581	199	360	930	336	45	138	15
41	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	968	1,674	279	227	213	249	361	376	584	353
42	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C1)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
43	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. merchandise	54	307	9	-14	49	10	5	9	32	261
44	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	164	166	90	33	28	14	55	6	53	52
45	Estimated dollar payments to foreign countries and international financial institutions	5,916	5,868	758	922	1,406	2,830	1,507	1,283	1,407	1,671
B1	Repayments on U.S. Government long-term assets, total (table 1, line 41)	5,596	5,891	1,286	1,002	1,430	1,878	1,807	859	1,924	1,301
2	Receipts of principal on U.S. Government credits	5,076	5,344	1,156	872	1,301	1,746	1,667	722	1,790	1,165
3	Under Agricultural Trade Development and Assistance Act and related programs	373	984	110	33	88	141	660	27	112	184
4	Under Foreign Assistance Act and related programs	1,797	2,312	442	343	438	574	736	262	1,132	182
5	Under Export-Import Bank Act	2,260	1,724	470	470	468	852	199	400	465	660
6	Under Commodity Credit Corporation Charter Act	522	199	132	23	308	60	72	30	79	17
7	Under other credit programs	124	126	1	3	(¹)	119	(¹)	3	2	121
8	Receipts on other long-term assets	521	547	131	130	129	132	140	137	134	136
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 53)	2,542	1,890	58	678	864	943	-395	396	1,105	784
2	Associated with military sales contracts ²	2,476	1,988	18	647	898	913	-407	450	1,121	824
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds ¹	11,722	11,050	2,177	3,090	2,947	3,508	1,968	2,445	2,977	3,660
4	Less U.S. Government receipts from principal repayments	594	579	177	117	214	86	208	92	257	23
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	946	-88	30	362	-208	761	-309	-348	-441	1,010
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A36)	3,307	2,688	1,099	781	653	775	582	698	790	619
7	By long-term credits	375	226	143	50	85	97	65	28	70	63
8	By short-term credits ¹										
9	By grants ¹	2,932	2,462	957	731	568	677	517	670	719	556
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits)/1/2 (table 1, line 4)	11,015	11,259	3,053	2,744	2,695	2,523	3,058	2,950	2,830	2,422
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A42)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
12	Associated with other liabilities	66	-98	40	31	-35	30	12	-54	-16	-40
13	Sales of nuclear material by Department of Energy	2	-38	10	-7	-6	6	14	-42	-9	-2
14	Sales of space launch and other services by National Aeronautics and Space Administration	88	-13	28	31	5	24	4	10	-6	-22
15	Other sales and miscellaneous operations	-24	-46	2	7	-34	1	-6	-23	-1	-16

See footnotes on page 79.

Table 5.—Direct Investment: Income, Capital, Royalties and License Fees, and Other Private Services

(Millions of dollars)

Line	(Credits +; debits -)	1992	1993 ^a	Not seasonally adjusted								Seasonally adjusted							
				1992				1993				1992				1993			
				I	II	III	IV	I	II	III ^r	IV ^p	I	II	III	IV	I ^r	II ^r	III ^r	IV ^p
U.S. direct investment abroad:																			
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 12) ..	49,888	55,815	13,484	13,222	11,500	11,682	13,205	14,336	13,535	14,739	13,037	13,193	12,455	11,202	12,696	14,338	14,546	14,236
2	Earnings	48,583	54,366	13,202	12,914	11,117	11,350	12,841	13,994	13,160	14,372	12,755	12,885	12,073	10,869	12,332	13,996	14,170	13,869
3	Distributed earnings	33,294	25,778	8,349	7,463	6,461	11,021	5,251	6,440	4,773	9,313	8,940	9,303	8,892	6,160	5,704	7,947	6,876	5,251
4	Reinvested earnings	15,289	28,589	4,853	5,451	4,656	329	7,590	7,554	8,387	5,059	3,815	3,582	3,181	4,709	6,628	6,049	7,294	8,618
5	Interest	1,305	1,448	282	308	382	333	364	342	376	367	282	308	382	333	364	342	376	367
6	U.S. parents' receipts	4,153	3,833	1,033	999	1,080	1,040	922	977	993	990	1,033	999	1,080	1,040	922	977	993	990
7	U.S. parents' payments	-2,848	-2,384	-751	-691	-698	-708	-559	-586	-617	-623	-751	-691	-698	-708	-559	-586	-617	-623
8	Less: Current-cost adjustment	-2,331	-1,520	-728	-619	-524	-460	-426	-399	-367	-328	-728	-619	-524	-460	-426	-399	-367	-328
9	Less: Withholding taxes	1,510	1,162	383	367	315	446	250	231	223	458	412	403	391	305	281	264	282	335
10	Equals: Income without current-cost adjustment, after deduction of withholding taxes¹	50,708	56,173	13,829	13,474	11,709	11,696	13,380	14,504	13,679	14,610	13,353	13,409	12,588	11,357	12,841	14,472	14,631	14,229
11	Petroleum	7,941	8,182	1,886	1,731	2,097	2,227	2,071	2,065	1,920	2,127	1,629	2,097	2,291	1,924	1,761	2,522	2,076	1,823
12	Manufacturing	20,251	20,328	6,072	5,901	4,143	4,135	4,953	5,637	6,852	4,886	5,853	5,470	4,829	4,099	4,724	5,148	4,848	4,808
13	Other	22,517	27,662	5,872	5,843	5,469	5,334	6,356	6,803	4,907	7,597	5,872	5,843	5,469	5,334	6,356	6,803	6,907	7,597
14	Capital with current-cost adjustment (table 1, line 44)	-34,791	-50,244	-15,376	-8,803	-3,504	-7,108	-9,620	-13,411	-9,441	-17,771	-14,338	-6,934	-2,028	-11,489	-8,659	-11,906	-8,349	-21,330
15	Equity capital	-8,007	-12,332	-3,562	-1,791	-70	-2,584	-2,239	-4,928	-3,347	-1,818	-3,562	-1,791	-70	-2,584	-2,239	-4,928	-3,347	-1,818
16	Increases in equity capital ²	-19,585	-18,679	-5,475	-3,377	-5,237	-5,497	-3,741	-5,868	-4,458	-4,613	-5,475	-3,377	-5,237	-5,497	-3,741	-5,868	-4,458	-4,613
17	Decreases in equity capital ³	11,579	6,348	1,914	1,586	5,167	2,913	1,502	940	1,111	2,795	1,914	1,586	5,167	2,913	1,502	940	1,111	2,795
18	Reinvested earnings	-15,289	-28,589	-4,853	-5,451	-4,656	-329	-7,590	-7,554	-8,387	-5,059	-3,815	-3,582	-3,181	-4,709	-6,628	-6,049	-7,294	-8,618
19	Intercompany debt	-11,495	-9,323	-6,962	-1,561	1,223	-4,195	208	-929	2,292	-10,894	-6,962	-1,561	1,223	-4,195	208	-929	2,292	-10,894
20	U.S. parents' receivables	-10,653	-10,829	-6,634	-4,124	-1,469	1,574	-2,246	-3,266	-9,303	3,986	-6,344	-4,124	-1,469	1,574	-2,246	-3,266	-9,303	3,986
21	U.S. parents' payables	-842	1,506	-328	2,563	2,692	-5,769	2,454	2,337	11,596	-14,880	-328	2,563	2,692	-5,769	2,454	2,337	11,596	-14,880
22	Less: Current-cost adjustment (line 8 with sign reversed)	2,331	1,520	728	619	524	460	426	399	367	328	728	619	524	460	426	399	367	328
23	Equals: Capital without current-cost adjustment¹	-37,122	-51,764	-16,104	-9,422	-4,028	-7,568	-10,046	-13,810	-9,808	-18,099	-15,066	-7,553	-2,552	-11,949	-9,085	-12,305	-8,716	-21,658
24	Equity capital (line 15)	-8,007	-12,332	-3,562	-1,791	-70	-2,584	-2,239	-4,928	-3,347	-1,818	-3,562	-1,791	-70	-2,584	-2,239	-4,928	-3,347	-1,818
25	Petroleum	119	-291	275	163	-5	-313	144	-251	-49	-135	275	163	-5	-313	144	-251	-49	-135
26	Manufacturing	-4,184	-6,009	-1,406	-862	-1,000	-917	-1,317	-2,955	-1,773	36	-1,406	-862	-1,000	-917	-1,317	-2,955	-1,773	36
27	Other	-3,942	-6,032	-2,430	-1,092	935	-1,355	-1,066	-1,722	-1,525	-1,720	-2,430	-1,092	935	-1,355	-1,066	-1,722	-1,525	-1,720
28	Reinvested earnings without current-cost adjustment (line 18 less line 22)	-17,620	-30,109	-5,581	-6,070	-5,180	-789	-8,016	-7,953	-8,754	-5,387	-4,543	-4,201	-3,705	-5,169	-7,054	-6,448	-7,661	-8,946
29	Petroleum	1,467	-2,686	1,175	149	-281	-424	-852	-429	-963	-442	1,024	652	-12	-196	-804	-179	-950	-752
30	Manufacturing	-8,972	-11,450	-3,754	-3,481	-1,589	-149	-2,836	-3,723	-3,316	-1,575	-2,976	-2,415	-1,816	-1,763	-2,040	-2,721	-3,865	-2,825
31	Other	-10,115	-15,974	-3,002	-2,739	-3,311	-1,063	-4,328	-3,801	-4,475	-3,370	-2,591	-2,438	-1,877	-3,210	-4,210	-3,548	-2,847	-5,369
32	Intercompany debt (line 19)	-11,495	-9,323	-6,962	-1,561	1,223	-4,195	208	-929	2,292	-10,894	-6,962	-1,561	1,223	-4,195	208	-929	2,292	-10,894
33	Petroleum	-1,431	-1,869	-919	-250	833	572	-188	-1,686	144	-139	-919	-250	833	572	-188	-1,686	144	-139
34	Manufacturing	-2,627	-570	-8	-1,607	396	-1,409	-838	-294	923	-361	-8	-1,607	396	-1,409	-838	-294	923	-361
35	Other	-7,437	-6,884	-6,035	296	1,660	-3,358	1,234	1,050	1,226	-10,393	-6,035	296	1,660	-3,358	1,234	1,050	1,226	-10,393
36	Royalties and license fees, before deduction of withholding taxes, net	15,109	14,808	3,574	3,678	3,723	4,133	3,367	3,679	3,577	4,185	3,791	3,767	3,922	3,628	3,568	3,771	3,775	3,692
37	U.S. parents' receipts (table 1, part of line 8)	15,387	15,075	3,626	3,747	3,800	4,214	3,424	3,749	3,644	4,258	3,843	3,836	3,999	3,709	3,625	3,842	3,843	3,766
38	U.S. parents' payments (table 1, part of line 22) ..	-279	-268	-52	-68	-77	-81	-57	-70	-67	-74	-52	-68	-77	-81	-57	-70	-67	-74
39	Other private services, before deduction of withholding taxes, net	5,429	4,897	1,436	1,371	1,311	1,311	1,395	1,203	1,162	1,136	1,449	1,262	1,310	1,408	1,405	1,098	1,158	1,235
40	U.S. parents' receipts (table 1, part of line 9)	10,958	10,226	2,621	2,729	2,708	2,901	2,487	2,494	2,513	2,732	2,677	2,680	2,746	2,856	2,541	2,449	2,548	2,686
41	U.S. parents' payments (table 1, part of line 23) ..	-5,529	-5,329	-1,185	-1,358	-1,397	-1,590	-1,091	-1,291	-1,351	-1,595	-1,228	-1,418	-1,436	-1,448	-1,136	-1,351	-1,390	-1,451
Foreign direct investment in the United States:																			
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 26) ..	-1,630	-9,837	2,005	-1,720	-1,259	-655	-795	-3,132	-2,602	-3,309	1,359	-1,296	-681	-1,011	-1,465	-2,704	-2,005	-3,664
43	Earnings	5,663	-3,224	3,821	136	606	1,101	962	-1,689	-919	-1,578	3,175	5,066	1,183	746	292	-1,261	-322	-1,933
44	Distributed earnings	-6,920	-8,815	-1,807	-1,774	-1,364	-1,974	-2,309	-2,306	-2,011	-2,190	-1,863	-2,016	-1,524	-1,516	-2,321	-2,766	-2,101	-1,627
45	Reinvested earnings	12,583	5,592	5,628	1,910	1,970	3,076	3,270	617	1,093	612	5,038	2,577	2,707	2,262	2,613	1,505	1,780	-306
46	Interest	-7,294	-6,613	-1,817	-1,856	-1,864	-1,757	-1,757	-1,443	-1,683	-1,731	-1,817	-1,856	-1,864	-1,757	-1,757	-1,443	-1,683	-1,731
47	U.S. affiliates' payments	-9,424	-12,084	-2,305	-2,363	-2,365	-2,390	-2,227	-2,775	-3,148	-3,934	-2,305	-2,363	-2,365	-2,390	-2,227	-2,775	-3,148	-3,934
48	U.S. affiliates' receipts	2,130	5,471	488	507	501	633	400	1,333	1,465	2,203	488	507	501	633	400	1,333	1,465	2,203
49	Less: Current-cost adjustment	1,010	113	375	294	209	132	72	32	8	1	375	294	209	132	72	32	8	1
50	Less: Withholding taxes	-169	-116	-33	-37	-47	-53	-90	-22	-9	5	-33	-37	-47	-53	-90	-22	-9	5
51	Equals: Income without current-cost adjustment, after deduction of withholding taxes¹	-2,471	-9,834	1,662	-1,977	-1,421	-734	-777	-3,141	-2,601	-3,315	1,016	-1,553	-844	-1,091	-1,447	-2,713	-2,004	-3,670
52	Petroleum	-787																	

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1992	1993 ^r	Not seasonally adjusted							
				1992				1993			
				I	II	III	IV	I	II	III ^r	IV ^p
A1	Foreign securities, net U.S. purchases (-), (table 1, line 45 or lines 2 + 13 below)	-47,961	-125,377	-8,493	-8,276	-13,787	-17,405	-26,889	-24,098	-45,794	-28,596
2	Stocks, net U.S. purchases	-30,628	-64,907	-7,264	-2,791	-8,706	-11,867	-7,987	-13,493	-24,659	-18,768
3	New issues in the United States	-8,326	-13,679	-927	-2,417	-2,755	-2,227	-1,555	-2,405	-3,925	-5,794
4	Of which Western Europe	-12,986	-25,257	-2,664	862	-4,137	-7,047	-2,362	-6,570	-13,021	-3,304
5	Canada	(^D) -4,770	(^D) -4,770	(^D) -1,142	-2,347	-545	-282	-1,592	-977	-1,919	
6	Latin America	(^D) -408	(^D) -408	(^D) -100	(^D) -187	-37	-11	-253	-107	-253	
7	Other	(^D) -2,854	(^D) -2,854	(^D) -674	(^D) -1,059	-155	(^D) -113	-267	-954	-1,520	
8	Transactions in outstanding stocks, net	-22,302	-51,228	-6,337	-374	-5,951	-9,640	-6,432	-11,088	-20,734	-12,974
9	Western Europe	-12,986	-25,257	-2,664	862	-4,137	-7,047	-2,362	-6,570	-13,021	-3,304
10	Of which United Kingdom	-7,865	-14,079	-1,550	1,025	-2,452	-4,888	-1,403	-3,603	-7,637	-1,436
11	Canada	683	-4,638	345	184	63	91	-1,212	-1,320	-863	-1,243
12	Japan	-3,967	-5,475	-1,530	-320	-1,573	-544	-1,527	-360	-1,356	-2,232
13	Other	-6,032	-15,858	-2,488	-1,100	-304	-2,140	-1,331	-2,838	-5,494	-6,195
14	Bonds, net U.S. purchases	-17,333	-60,470	-1,229	-5,485	-5,081	-5,538	-18,902	-10,605	-21,135	-9,828
15	New issues in the United States	-25,465	-46,106	-4,674	-5,361	-7,512	-7,918	-10,239	-12,343	-14,318	-9,206
16	By issuer:										
17	Central governments and their agencies and corporations	-4,146	-9,576	-791	-288	-1,031	-2,036	-1,002	-2,443	-4,764	-1,367
18	Other governments and their agencies and corporations ¹	-6,724	-12,526	-1,706	-2,418	-1,631	-969	-5,097	-3,166	-3,067	-1,196
19	Private corporations	-12,634	-22,500	-1,722	-2,525	-3,970	-4,417	-2,836	-6,734	-6,487	-6,443
20	International financial institutions ²	-1,961	-1,504	-455	-130	-880	-496	-1,304			-200
21	By area:										
22	Western Europe	-8,133	-14,902	-1,197	-1,566	-1,810	-3,560	-2,777	-3,392	-7,179	-1,554
23	Canada	-10,415	-14,146	-2,162	-3,404	-2,651	-2,198	-4,913	-4,449	-3,801	-983
24	Japan	-667				-667					
25	Latin America	-1,262	-5,334			-339	-923	-200	-2,627	-273	-2,234
26	Other countries	-3,027	-10,220	-860	-261	-1,165	-741	-1,045	-1,875	-3,065	-4,235
27	International financial institutions ²	-1,961	-1,504	-455	-130	-880	-496	-1,304			-200
28	Redemptions of U.S.-held foreign bonds ³	6,491	7,086	1,483	1,539	1,841	1,628	965	2,451	1,409	2,261
29	Western Europe	775	1,365	187	141	390	57	16	341	210	798
30	Canada	3,214	4,124	864	655	731	964	700	1,647	749	1,028
31	Other countries	1,708	1,132	361	120	620	607	99	263	335	435
32	International financial institutions ²	794	465	71	623	100		150	200	115	
33	Other transactions in outstanding bonds, net ³	1,641	-21,450	1,962	-1,663	590	752	-9,628	-713	-8,226	-2,883
34	Western Europe	-11,910	-41,758	-3,314	-2,551	-1,170	-4,875	-10,317	-8,373	-17,572	-5,496
35	Of which United Kingdom	-16,955	-41,261	-2,493	-3,836	-1,306	-9,320	-7,859	-10,128	-18,070	-5,204
36	Canada	281	719	721	125	-322	-243	-2,716	2,083	1,905	-553
37	Japan	818	3,125	1,665	51	-2,507	1,609	-549	1,410	1,329	935
38	Other	12,452	16,464	2,890	712	4,589	4,261	3,954	4,167	6,112	2,231
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 59 or lines 2 + 10 below)	30,274	79,612	4,613	10,453	2,730	12,478	9,394	15,025	17,257	37,936
2	Stocks, net foreign purchases	-4,370	18,236	-3,022	-1,358	-3,965	3,975	3,627	229	2,523	11,857
3	By area:										
4	Western Europe	-5,275	9,724	-1,612	-1,688	-3,813	1,838	3,191	-979	776	6,736
5	Of which Germany	-91	1,610	-174	91	-158	150	282	234	381	713
6	Switzerland	99	2,928	265	196	-404	42	1,047	495	448	938
7	United Kingdom	-3,453	3,918	-1,460	-1,060	-2,307	1,374	1,200	-1,689	236	4,171
8	Canada	1,337	-3,346	888	708	-226	-33	-134	-598	-2,157	-457
9	Japan	-3,652	3,772	-3,327	-693	-236	604	-363	140	2,489	1,506
10	Other	3,220	8,086	1,029	315	310	1,566	933	1,666	1,415	4,072
11	Corporate and other bonds, net foreign purchases	34,644	61,376	7,635	11,811	6,695	8,503	5,767	14,796	14,734	26,079
12	By type:										
13	New issues sold abroad by U.S. corporations	23,413	33,669	6,077	7,077	5,480	4,779	5,672	10,349	8,056	9,592
14	U.S. federally-sponsored agency bonds, net	14,314	32,056	2,712	4,976	525	6,101	1,152	7,878	8,320	14,706
15	Other outstanding bonds, net	-3,083	-4,349	-1,154	-242	690	-2,377	-1,057	-3,431	-1,642	1,781
16	By area:										
17	Western Europe	17,279	21,133	4,661	5,028	4,538	3,052	2,833	4,770	4,985	8,545
18	Of which Germany	2,525	911	985	471	341	728	89	816	-627	633
19	Switzerland	-508	-624	313	-487	-158	-176	95	-514	-360	155
20	United Kingdom	13,305	18,753	3,657	3,934	3,501	2,213	2,470	3,756	4,716	7,811
21	Canada	143	1,611	-135	-119	18	379	-173	698	624	462
22	Japan	-401	11,981	-416	1,743	-2,532	804	844	2,791	2,813	5,533
23	Other countries	17,145	27,180	3,467	4,881	4,713	4,084	2,826	6,598	6,260	11,496
24	International financial institutions ²	478	-529	58	278	-42	184	-563	-61	52	43
Memoranda:											
Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:											
Foreign official assets in the United States (lines in table 9):											
1	U.S. Treasury marketable bonds (line A4)	6,877	1,276	5,368	4,436	-4,558	1,631	-8,002	-1,475	-771	11,524
2	Other U.S. Government securities (line A6)	3,949	4,091	464	1,699	912	874	710	1,082	1,345	954
3	U.S. corporate and other bonds (part of line A14)	782	627	217	141	241	183	224	255	260	-112
4	U.S. stocks (part of line A14)	-1,470	1,958	-104	-216	-1,241	91	1,180	844	-76	10
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	31,882	21,848	926	8,513	3,004	19,439	13,137	-1,310	2,160	7,861

See footnotes on page 79.

Table 7.—Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns

(Millions of dollars)

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	1992	Not seasonally adjusted								Amounts outstanding Sept. 30, 1993
			1992				1993				
			I	II	III	IV	I	II	III ^p	IV	
A1	Claims, total (table 1, line 46)	4,551	5,339	1,294	-3,214	1,132	-4,774	443	2,982	n.a.	114,368
2	Financial claims	4,502	5,004	1,678	-3,182	1,002	-2,809	592	1,981	n.a.	95,902
3	<i>Denominated in U.S. dollars</i>	3,317	3,469	3,650	-4,284	482	-33	3,349	1,145	n.a.	70,126
4	<i>Denominated in foreign currencies</i>	1,185	1,535	-1,972	1,102	520	-2,776	-2,757	836	n.a.	25,776
5	By type: Deposits ¹	4,736	4,898	1,361	-2,932	1,409	-2,925	1,409	2,234	n.a.	92,339
6	Other claims ¹ G52	-234	106	317	-250	-407	116	-817	-253	n.a.	3,563
7	By area: Industrial countries ³	3,183	4,094	-324	-2,589	2,002	-3,121	1,231	4,445	n.a.	70,797
8	<i>Of which: United Kingdom</i>	2,775	4,148	2,862	-3,912	-323	1,216	1,131	6,370	n.a.	35,254
9	Canada	2,411	1,205	-491	-1,265	2,962	-1,008	2,296	43	n.a.	8,754
10	Caribbean banking centers ⁴	1,321	807	1,881	-724	-643	303	-45	-2,473	n.a.	23,109
11	Other	-2	103	121	131	-357	9	-594	9	n.a.	1,996
12	Commercial claims	49	335	-384	-32	130	-1,965	-149	1,001	n.a.	18,466
13	<i>Denominated in U.S. dollars</i>	214	254	-159	-159	278	-1,972	143	1,254	n.a.	16,974
14	<i>Denominated in foreign currencies</i>	-165	81	-225	127	-148	7	-292	-253	n.a.	1,492
15	By type: Trade receivables	-407	213	-490	204	-334	-2,190	157	1,495	n.a.	15,458
16	Advance payments and other claims	456	122	106	-236	464	225	-306	-494	n.a.	3,008
17	By area: Industrial countries ³	563	108	-140	201	394	-1,202	-47	252	n.a.	11,824
18	Members of OPEC ⁵	-105	30	-14	69	-190	-96	93	239	n.a.	961
19	Other	-409	197	-230	-302	-74	-667	-195	510	n.a.	5,681
B1	Liabilities, total (table 1, line 60)	741	926	979	1,553	-2,717	2,057	1,361	4,069	n.a.	53,025
2	Financial liabilities	120	362	-264	1,421	-1,399	627	1,148	1,753	n.a.	25,928
3	<i>Denominated in U.S. dollars</i>	-2,113	246	-1,280	-273	-806	409	-86	1,744	n.a.	18,178
4	<i>Denominated in foreign currencies</i>	2,233	116	1,016	1,694	-593	218	1,234	9	n.a.	7,750
5	By area: Industrial countries ³	1,210	565	647	1,470	-1,472	678	1,051	2,395	n.a.	21,484
6	<i>Of which: United Kingdom</i>	1,558	909	6	336	307	722	201	2,588	n.a.	11,583
7	Caribbean banking centers ⁴	-905	-268	-776	-10	149	43	-219	-464	n.a.	3,119
8	Other	-185	65	-135	-39	-76	-94	316	-178	n.a.	1,325
9	Commercial liabilities	621	564	1,243	132	-1,318	1,430	213	2,316	n.a.	27,097
10	<i>Denominated in U.S. dollars</i>	843	760	1,022	-217	-722	1,102	21	1,948	n.a.	25,147
11	<i>Denominated in foreign currencies</i>	-222	-196	221	349	-596	328	192	368	n.a.	1,950
12	By type: Trade payables	539	616	590	-107	-560	827	-253	-603	n.a.	9,080
13	Advance receipts and other liabilities	82	-52	653	239	-758	603	466	2,919	n.a.	18,017
14	By area: Industrial countries ³	-704	-413	222	238	-751	1,201	229	2,372	n.a.	16,887
15	Members of OPEC ⁵	478	120	466	-135	27	-111	198	-44	n.a.	2,547
16	Other	847	857	555	29	-594	340	-214	-12	n.a.	7,663

See footnotes on page 79.

Table 8.—Claims on Foreigners Reported by U.S. Banks
[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1992	1993 ^P	Not seasonally adjusted								Amounts outstanding Dec. 31, 1993
				1992				1993				
				I	II	III	IV	I	II	III ^r	IV ^P	
1	Total (table 1, line 47)	24,948	34,582	17,795	4,050	6,584	-3,481	28,055	5,317	8,487	-7,277	633,732
2	By type:											
3	Banks' own claims	28,966	16,690	13,696	3,594	12,111	-435	18,395	3,623	1,348	-6,676	543,025
3	Payable in dollars	18,543	14,142	925	1,432	25,852	-9,666	19,683	-5,273	5,303	-5,571	482,804
4	By borrower:											
4	Claims on:											
5	own foreign offices	19,030	14,769	184	3,773	16,556	-1,483	6,978	-4,459	11,879	371	286,233
5	unaffiliated foreign banks	6,680	11,434	1,968	2,597	6,257	-4,142	12,717	3,076	-2,128	-2,231	98,377
6	foreign public borrowers ¹	5,691	2,262	353	762	4,465	111	-2,421	4,202	-2,522	3,003	28,937
7	other private foreigners	-12,858	-14,323	-1,580	-5,700	-1,426	-4,152	2,409	-8,092	-1,926	-6,714	69,257
8	By bank ownership: ²											
8	U.S.-owned banks' claims on:											
9	own foreign offices	8,944	5,752	-8,961	1,970	23,029	-7,094	-374	-1,581	4,774	2,933	128,435
9	unaffiliated foreign banks	-6,038	405	-6,877	2,289	-2,052	602	2,049	-377	777	-2,044	36,168
10	other foreigners	-11,906	-13,728	-5,235	-3,342	2,596	-5,925	-1,298	-4,239	-6,552	-1,639	66,402
11	Foreign-owned banks' claims on:											
11	own foreign offices	10,086	9,017	9,145	1,803	-6,473	5,611	7,352	-2,878	7,105	-2,562	157,798
12	unaffiliated foreign banks	12,718	11,029	8,845	308	8,309	-4,744	10,668	3,453	-2,905	-187	62,209
13	other foreigners	4,739	1,667	4,008	-1,596	443	1,884	1,286	349	2,104	-2,072	31,792
14	Payable in foreign currencies	10,423	2,548	12,771	2,162	-13,741	9,231	-1,288	8,896	-3,955	-1,105	60,221
15	Banks' domestic customers' claims	-4,018	17,892	4,099	456	-5,527	-3,046	9,660	1,694	7,139	-601	90,707
16	Payable in dollars	-2,984	16,605	3,663	1,869	-5,915	-2,601	7,853	2,303	6,545	-96	87,562
17	Deposits	-172	8,196	-2,268	450	1,750	-104	3,452	1,403	3,617	-276	9,619
18	Foreign commercial paper ³	-5,672	1,113	2,147	-3,310	-2,582	-1,927	-248	-57	1,396	22	53,063
19	Other negotiable and readily transferable instruments ⁴	3,053	6,829	3,562	4,320	-4,211	-618	4,123	815	1,560	331	11,244
20	Outstanding collections and other	-193	467	222	409	-872	48	526	142	-28	-173	13,636
21	Payable in foreign currencies	-1,034	1,287	436	-1,413	388	-445	1,807	-609	594	-505	3,145
22	By area:											
22	Industrial countries ⁵	1,369	34,037	29,758	-11,922	-21,497	5,030	15,969	5,968	10,566	1,534	315,905
23	Western Europe	-18,353	16,135	7,442	-20,089	-264	-5,442	13,229	-2,193	1,226	3,873	189,277
24	Of which United Kingdom	-6,640	13,799	4,006	-9,947	8,620	-9,319	8,636	1,141	2,479	1,543	89,366
25	Canada	-1,282	-4,654	164	-1,717	-1,475	1,746	-4,747	3,150	-1,351	-1,706	32,362
26	Japan	20,629	22,717	22,320	9,976	-20,435	8,768	9,162	4,552	10,180	-1,177	83,301
27	Other	375	-161	-168	-92	677	-42	-1,675	459	511	544	10,965
28	Caribbean banking centers ⁶	37,253	638	-5,367	15,387	30,278	-3,045	6,921	-1,625	-2,363	-2,295	183,147
29	Other areas	-13,674	-93	-6,596	585	-2,197	-5,466	5,165	974	284	-6,516	134,680
30	Of which Members of OPEC, included below ⁷	-10,502	3,248	-3,660	-2,169	-769	-3,904	-759	1,230	3,475	-698	23,581
31	Latin America	-2,765	-4,642	-1,743	-572	174	-624	2,466	-1,375	-1,374	-4,359	61,227
32	Asia	-11,465	872	-4,338	952	-4,128	-3,951	359	1,298	1,693	-2,478	62,713
33	Africa	460	16	142	125	183	10	338	-194	-254	126	3,727
34	Other ⁸	96	3,661	-657	80	1,574	-901	2,002	1,245	219	195	7,013
1	Memoranda:											
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	3,438	37,179	5,483	9,003	-5,736	-5,312	25,001	-6,337	14,462	4,053	193,758
2	By borrower:											
2	Claims on:											
3	own foreign offices	-10,560	18,788	-384	4,553	-14,857	128	11,158	-12,337	15,228	4,739	98,500
3	unaffiliated foreign banks	9,462	15,267	5,243	2,938	7,947	-6,666	13,403	4,244	-1,200	-1,180	61,976
4	foreign public borrowers	5,264	3,284	697	1,517	2,129	921	914	1,765	206	399	13,657
5	all other foreigners	-728	-160	-73	-5	-955	305	-474	-9	228	95	19,625
6	By bank ownership: ²											
6	U.S.-owned IBF's	-4,358	2,123	-6,020	6,495	-1,713	-3,120	1,612	-7,368	7,393	486	56,484
7	Foreign-owned IBF's	7,796	35,056	11,503	2,508	-4,023	-2,192	23,389	1,031	7,069	3,567	137,274
8	Banks' dollar acceptances payable by foreigners	273	867	1,092	312	-970	-161	741	-163	-30	319	7,871

See footnotes on page 79.

Table 9.—Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	1992	1993 ^a	1992				1993				Amounts outstanding Dec. 31, 1993
				I	II	III	IV	I	II	III ^r	IV ^p	
A1	Foreign official assets in the United States (table 1, line 49)	40,684	71,225	21,124	21,008	-7,378	5,931	10,929	17,699	19,237	23,360	508,592
	By type:											
2	U.S. Treasury securities (table 1, line 51)	18,454	48,700	14,916	11,240	-323	-7,379	1,039	5,668	19,098	22,895	372,875
3	Bills and certificates	11,904	46,304	9,451	7,135	4,356	-9,038	8,951	6,313	19,778	11,262	150,900
4	Bonds and notes, marketable	6,877	1,276	5,368	4,436	-4,558	1,631	-8,002	-1,475	-771	11,524	216,633
5	Bonds and notes, nonmarketable	-327	1,120	97	-331	-121	28	90	830	91	109	5,342
6	Other U.S. Government securities (table 1, line 52)	3,949	4,091	464	1,699	912	874	710	1,082	1,345	954	20,170
7	Other U.S. Government liabilities (table 1, line 53)	2,542	1,890	58	678	864	943	-395	396	1,105	784	23,186
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 54)	16,427	13,959	5,573	7,466	-7,831	11,219	8,171	9,454	-2,495	-1,171	69,048
9	Banks' liabilities for own account, payable in dollars ¹	16,647	12,147	5,458	7,678	-7,094	10,605	8,433	3,215	646	-147	63,471
10	Demand deposits	-1,352	298	-1,288	292	131	-487	183	747	-280	-352	1,599
11	Time deposits ¹	1,324	3,409	1,195	-200	-1,374	1,703	924	594	949	942	21,494
12	Other liabilities ²	16,675	8,440	5,551	7,586	-5,851	9,389	7,326	1,874	-23	-737	40,378
13	Banks' custody liabilities, payable in dollars ¹ G53	-220	1,812	115	-212	-737	614	-262	6,239	-3,141	-1,024	5,577
14	Other foreign official assets (table 1, line 55)	-688	2,585	113	-75	-1,000	274	1,404	1,099	184	-102	23,313
	By area (see text table D):											
B1	Other foreign assets in the United States (table 1, lines 58 and 61)	55,502	36,536	-2,716	9,640	28,517	20,061	-5,263	-2,004	28,415	15,388	975,829
	By type:											
2	U.S. Treasury securities (table 1, line 58)	36,893	24,328	623	10,168	4,870	21,232	13,599	-623	3,474	7,878	250,967
	By security:											
3	Bills and certificates	5,011	2,480	-303	1,655	1,866	1,793	462	687	1,314	17	25,530
4	Marketable bonds and notes	31,882	21,848	926	8,513	3,004	19,439	13,137	-1,310	2,160	7,861	225,437
	By holder:											
5	Foreign banks	3,616	-380	873	583	1,978	182	-1,111	570	1,248	-1,087	10,707
6	Other private foreigners	31,771	22,240	-711	8,440	2,289	21,753	11,714	-436	2,268	8,694	223,680
7	International financial institutions ⁴	1,506	2,468	461	1,145	603	-703	2,996	-757	-42	271	16,580
8	U.S. liabilities reported by U.S. banks (table 1, line 61)	18,609	12,208	-3,339	-528	23,647	-1,171	-18,862	-1,381	24,941	7,510	724,862
9	Banks' own liabilities ¹	12,245	6,327	-3,869	-287	19,237	-2,836	-17,838	482	22,615	1,068	633,103
10	Payable in dollars	14,147	-288	2,826	-3,093	5,990	8,424	-28,037	6,784	16,267	4,698	555,688
	By account:											
11	Liabilities to own foreign offices	1,066	-18,177	10,714	-10,329	7,733	-7,052	-6,313	-8,335	5,798	-9,327	313,166
	Liabilities to unaffiliated foreigners:											
12	demand deposits	2,853	-541	254	1,351	1,418	-170	-424	-852	4,259	-3,524	19,970
13	time deposits ¹	-646	11,234	-13,336	4,201	-6,799	15,288	-17,198	7,579	586	20,267	153,322
14	other liabilities ²	10,874	7,196	5,194	1,684	3,638	358	-4,102	8,392	5,624	-2,718	69,230
	By holder:											
	Liabilities to:											
15	own foreign offices	1,066	-18,177	10,714	-10,329	7,733	-7,052	-6,313	-8,335	5,798	-9,327	313,166
16	unaffiliated foreign banks	14,859	15,598	-8,269	8,609	-1,176	15,695	-17,123	14,782	4,994	12,945	160,585
17	other private foreigners	-1,902	3,692	-2,209	-2,778	1,607	1,478	-3,697	104	3,750	3,535	76,397
18	international financial institutions ⁴	124	-1,401	2,590	1,405	-2,174	-1,697	-904	233	1,725	-2,455	5,540
	By bank ownership: ⁵											
	U.S.-owned banks' liabilities to:											
19	own foreign offices	-5,855	649	17,207	-8,975	-10,297	-3,790	4,941	56	-598	-3,750	123,275
20	unaffiliated foreign banks	1,393	1,391	1,167	384	375	-533	-5	699	5,079	-4,382	27,526
21	other private foreigners and international financial institutions ⁴	-1,111	6,104	2,265	-4,651	1,638	-363	-2,924	1,677	3,871	3,480	52,049
	Foreign-owned banks' liabilities to:											
22	own foreign offices	6,921	-18,826	-6,493	-1,354	18,030	-3,262	-11,254	-8,391	6,396	-5,577	189,891
23	unaffiliated foreign banks	13,466	14,207	-9,436	8,225	-1,551	16,228	-17,118	14,083	-85	17,327	133,329
24	other private foreigners and international financial institutions ⁴	-667	-3,813	-1,884	3,278	-2,205	144	-1,677	-1,340	1,604	-2,400	29,888
25	Payable in foreign currencies	-1,902	6,615	-6,695	2,806	13,247	-11,260	10,199	-6,302	6,348	-3,630	77,415
26	Banks' custody liabilities, payable in dollars ¹³	6,364	5,881	530	-241	4,410	1,665	-1,024	-1,863	2,326	6,442	91,759
27	Of which negotiable and readily transferable instruments	3,471	12,346	-375	8	2,009	1,829	642	1,562	4,276	5,866	30,596
	By area:											
28	Industrial countries ⁶	78,964	56,827	-6,316	13,395	53,239	18,646	-1,262	17,630	15,152	25,307	549,884
29	Western Europe	62,478	53,279	5,733	14,816	19,089	22,840	-13,230	28,429	9,715	28,365	377,053
30	Canada	883	7,437	-1,016	-10	3,818	-1,909	6,930	-2,195	7,589	-4,887	29,100
31	Other	15,603	-3,889	-11,033	-1,411	30,332	-2,285	5,038	-8,604	-2,152	1,829	143,731
32	Caribbean banking centers ⁷	-31,021	-17,039	1,584	-7,447	-22,338	-2,820	4,554	-16,722	5,130	-10,001	273,644
33	Other areas	7,559	-3,252	2,016	3,692	-2,384	4,235	-8,555	-2,912	8,133	82	152,301
34	Of which Members of OPEC, included below ⁸	3,413	-6,325	3,057	-833	625	564	-2,989	-80	-2,670	-586	77,075
35	Latin America	-7,462	-5,288	-3,835	-342	-3,179	-106	-6,187	-1,140	1,454	585	48,137
36	Asia	11,676	-3,122	2,174	1,420	1,786	6,296	-3,723	-3,253	3,451	403	69,877
37	Africa	746	1,511	598	-10	17	141	-17	420	492	616	6,146
38	Other ⁹	2,599	3,647	3,079	2,624	-1,008	-2,096	1,372	1,061	2,736	-1,522	28,141
	Memoranda:											
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9, and B10 above)	16,184	-55	-7,713	-1,678	14,704	10,871	-22,941	8,952	6,007	7,927	315,444
	By holder:											
	Liabilities to:											
2	own foreign offices	7,284	-15,079	791	-9,237	22,741	-7,011	-6,447	-5,710	2,771	-5,693	137,889
3	unaffiliated foreign banks	8,726	14,292	-8,470	5,481	-3,338	15,053	-17,521	13,522	1,972	16,319	134,011
4	foreign official agencies	3,533	2,732	1,788	601	-1,189	2,333	2,051	1,528	286	-1,133	24,921
5	other private foreigners and international financial institutions ⁴	-3,359	-2,000	-1,822	1,477	-3,510	496	-1,024	-388	978	-1,566	18,623
	By bank ownership: ⁵											
6	U.S.-owned IBF's	-579	4,561	3,499	-6,873	723	2,072	369	2,522	-360	2,030	58,643
7	Foreign-owned IBF's	16,763	-4,616	-11,212	5,195	13,981	8,799	-23,310	6,430	6,367	5,897	256,801
8	Negotiable certificates of deposit held for foreigners ¹ (in lines A13 and B27 above)	1,658	8,456	654	-759	101	1,662	434	843	876	6,303	17,567

See footnotes on page 79.

FOOTNOTES TO U.S. INTERNATIONAL TRANSACTIONS TABLES 1-10

General notes for all tables:

r Revised. *P* Preliminary. * Less than \$500,000 (\pm) n.a. Not available.
D Suppressed to avoid disclosure of data of individual companies.

Table 1:

1. Credits, +: Exports of goods, services, and income; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets; increase in foreign official assets in the United States.
 Debits, -: Imports of goods, services, and income; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets; decrease in foreign official assets in the United States.
 2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2.
 3. Includes some goods: Mainly military equipment in line 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.
 4. Includes transfers of goods and services under U.S. military grant programs.
 5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.
 6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.
 7. For all areas, amounts outstanding December 31, 1993, were as follows in millions of dollars: Line 34, 73,442; line 35, 11,053; line 36, 9,039; line 37, 11,818; line 38, 41,532. Data are preliminary.
 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; see table 4.
 12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.
 13. Conceptually, the sum of lines 70 and 62 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 treatment 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 plans 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 the "Reconciliation and Other Special Tables" section in this issue of the SURVEY OF CURRENT 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 (published annually in the July issue of the SURVEY).

Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY). Unadjusted data are as published by the Bureau of the Census. Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA.
 2. Beginning in 1990, the Census Bureau replaced its compiled export statistics with counterpart Canadian import statistics. Similarly, Statistics Canada replaced its compiled export statistics with counterpart U.S. import statistics. This exchange of data has eliminated the need for the inland freight adjustment on U.S. exports, but not on U.S. imports.
 3. Adjustments in lines A5 and A13, B12, B47, and B82 reflect the Census Bureau's reconciliation of discrepancies between the merchandise trade statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C.
 4. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 4 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 18 (direct defense expenditures).
 5. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area.
 6. Deduction of foreign charges for repair of U.S. vessels abroad, which are included in tables 1 and 10, line 21 (other transportation); coverage adjustments for special situations in which shipments were omitted from Census data; and the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair.
 7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 2 and 16. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries*: Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC*: Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (beginning in January 1993, excludes Ecuador); *Other countries*: Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."
 8. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."
 9. Includes nuclear fuel materials and fuels.

Table 3:

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.
 2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.
 3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

Table 4:

1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods and services purchased through military sales contracts—first authorized (for Israel) under Public Law 93-199, section 4, and subsequently authorized (for many recipients) under similar legislation—are included in line A3. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A3 items, part of these military expenditures is applied in lines A40 and A43 to reduce short-term assets previously recorded in lines A38 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A3 expenditures finances future deliveries under military

sales contracts for the recipient countries and is applied directly to lines A39 and C9. A third part of line A3, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A34. A fourth part of line A3, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A45.

2. Transactions under military sales contracts are those in which the Department of Defense sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. Purchases by foreigners directly from commercial suppliers are not included as transactions under military sales contracts. The entries for the several categories of transactions related to military sales contracts in this and other tables are partly estimated from incomplete data.

3. The identification of transactions involving direct dollar outflows from the United States is made in reports by each operating agency.

4. Line A35 includes foreign currency collected as interest and line A40 includes foreign currency collected as principal, as recorded in lines A13 and A14, respectively.

5. Includes (a) advance payments to the Department of Defense (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the contraentry for the part of line C10 that was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.

6. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.

7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.

Table 5:

1. Petroleum includes, and manufacturing and "other" industries exclude, the exploration, development, and production of crude oil and gas, and the transportation, refining, and marketing of petroleum products, exclusive of petrochemicals. "Other" industries includes wholesale trade; banking; finance (except banking), insurance, and real estate; services; and other industries—agriculture, forestry, and fishing; mining; construction; transportation, communication, and public utilities; and retail trade.

2. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany debt, and other equity contributions.

3. Sales (total and partial), liquidations, returns of capital contributions, and other dispositions of equity holdings.

Table 6:

1. Primarily provincial, regional, and municipal.

2. Largely transactions by International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).

3. Estimate for scheduled redemptions and identifiable early retirements. Includes estimates based on Canadian statistics for redemptions of Canadian issues held in the United States. Unidentified and nonscheduled retirements appear in line A30.

Table 7:

1. Deposits include other financial claims for the United Kingdom, Canada, Bahamas, and British West Indies (Cayman Islands) due to the commingling of these categories in foreign source data.

2. Primarily mortgages, loans, and bills and notes drawn on foreigners.

3. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

4. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

5. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

Table 8:

1. Includes central governments and their agencies and corporations; state, provincial, and local governments and their agencies and corporations; and international and regional organizations.

2. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' accounts may be commingled in some categories. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

3. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

4. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

5. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

6. Includes Eastern Europe and international and regional organizations.

Table 9:

1. Negotiable certificates of deposit issued by banks in the United States are included in banks' custody liabilities and are separately identified in memorandum line 8. Nonnegotiable certificates of deposit are included in time deposits.

2. Includes borrowing under Federal funds or repurchase arrangements, deferred credits, and liabilities other than deposits.

3. Mainly negotiable and readily transferable instruments, excluding U.S. Treasury securities.

4. Mainly International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), and the Trust Fund of the International Monetary Fund.

5. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' liabilities may be commingled in some categories. Foreign-owned banks are U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

6. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

7. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

8. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

9. Includes Eastern Europe and international and regional organizations.

Table 10:

For footnotes 1-13, see table 1.

14. The "European Communities (12)" includes the "European Communities (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal.

15. The "European Communities (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld, current-cost adjustments associated with U.S. and foreign direct investment, and small transactions in business services that are not reported by country.

17. Details not shown separately; see totals in lines 49 and 56.

18. Details not shown separately are included in line 61.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Western Europe						European Communities (12) ¹⁴	
		1992	1993 ²	1993				1992	1993 ²
				I	II	III ³	IV ⁴		
1	Exports of goods, services, and income	223,925	224,691	56,306	56,143	54,289	57,954	194,783	191,685
2	Merchandise, adjusted, excluding military ²	114,454	111,327	29,589	27,476	24,889	29,373	100,623	94,999
3	Services ³	64,230	67,526	15,794	16,613	18,402	16,718	54,364	56,660
4	Transfers under U.S. military agency sales contracts ⁴	2,633	3,218	884	831	723	780	1,857	2,281
5	Travel	17,128	19,446	3,859	4,797	6,370	4,420	14,019	15,963
6	Passenger fares	6,455	6,441	1,416	1,486	2,069	1,471	5,969	5,968
7	Other transportation	7,468	7,993	1,860	2,004	1,986	2,143	5,806	5,904
8	Royalties and license fees ⁵	11,555	10,831	2,552	2,715	2,575	2,990	10,473	9,754
9	Other private services ⁵	18,876	19,278	5,150	4,605	4,662	4,861	16,154	16,526
10	U.S. Government miscellaneous services	116	318	75	174	17	53	86	265
11	Income receipts on U.S. assets abroad	45,241	45,838	10,922	12,054	10,998	11,863	39,796	40,027
12	Direct investment receipts	21,699	23,982	5,674	6,650	5,514	6,145	18,194	19,793
13	Other private receipts	20,550	19,841	4,645	4,940	4,937	5,319	18,825	18,389
14	U.S. Government receipts	2,992	2,014	604	464	548	399	2,777	1,845
15	Imports of goods, services, and income	-217,783	-237,170	-53,680	-60,773	-61,337	-61,380	-187,023	-203,602
16	Merchandise, adjusted, excluding military ²	-111,287	-121,008	-27,392	-29,978	-30,321	-33,317	-93,895	-102,255
17	Services ³	-52,727	-56,219	-11,928	-15,180	-16,003	-13,109	-46,532	-48,906
18	Direct defense expenditures	-9,843	-8,683	-2,308	-2,320	-2,031	-2,024	-9,029	-7,935
19	Travel	-13,221	-13,957	-2,089	-4,481	-5,033	-2,354	-12,185	-12,898
20	Passenger fares	-5,456	-5,460	-1,023	-1,539	-1,759	-1,139	-4,898	-4,895
21	Other transportation	-7,989	-8,359	-1,863	-2,150	-2,142	-2,204	-6,349	-6,187
22	Royalties and license fees ⁵	-3,508	-3,317	-708	-828	-892	-890	-2,763	-2,533
23	Other private services ⁵	-11,735	-15,367	-3,647	-3,615	-3,872	-4,233	-10,506	-13,601
24	U.S. Government miscellaneous services	-975	-1,077	-291	-246	-274	-266	-802	-858
25	Income payments on foreign assets in the United States	-53,769	-59,943	-14,360	-15,616	-15,013	-14,954	-46,596	-52,441
26	Direct investment payments	-4,650	-11,043	-2,312	-3,405	-2,967	-2,359	-4,295	-10,073
27	Other private payments	-32,127	-32,145	-7,738	-8,112	-7,843	-8,452	-28,122	-28,270
28	U.S. Government payments	-16,992	-16,755	-4,310	-4,099	-4,203	-4,143	-14,179	-14,098
29	Unilateral transfers, net	-157	591	40	126	275	150	989	1,678
30	U.S. Government grants ⁴	-993	-776	-285	-259	-121	-111	-290	-127
31	U.S. Government pensions and other transfers	-1,063	-1,117	-248	-276	-253	-341	-795	-829
32	Private remittances and other transfers ⁶	1,898	2,484	573	660	649	602	2,074	2,634
33	U.S. assets abroad, net (increase/capital outflow (-))	-60,721	-91,331	-5,630	-29,888	-34,899	-20,914	-41,671	-82,146
34	U.S. official reserve assets, net ⁷	5,271	-1,618	-455	-431	-388	-344	8,901	-1,006
35	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
37	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....
38	Foreign currencies	5,271	-1,618	-455	-431	-388	-344	8,901	-1,006
39	U.S. Government assets, other than official reserve assets, net	210	291	34	103	92	62	25	104
40	U.S. credits and other long-term assets	-527	-346	-98	-12	-117	-119	-455	-346
41	Repayments on U.S. credits and other long-term assets ⁸	686	669	143	123	210	193	432	473
42	U.S. foreign currency holdings and U.S. short-term assets, net	50	-33	-11	-8	-1	-12	49	-23
43	U.S. private assets, net	-66,202	-90,004	-5,209	-29,560	-34,603	-20,632	-50,598	-81,244
44	Direct investment	-13,012	-23,380	-2,272	-5,814	-2,245	-13,049	-9,711	-19,229
45	Foreign securities	-36,369	-85,325	-15,722	-19,588	-38,539	-11,476	-30,019	-79,235
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	1,535	n.a.	491	-1,955	4,967	n.a.	1,533	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere	-18,356	16,180	13,276	-2,203	1,214	3,893	-12,401	14,535
48	Foreign assets in the United States, net (increase/capital inflow (+))	94,787	132,474	478	44,484	29,540	57,972	71,817	121,488
49	Foreign official assets in the United States, net	20,795	14,274	-1,370	3,306	3,328	9,010	(18)	(18)
50	U.S. Government securities	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
51	U.S. Treasury securities ⁹	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
52	Other ¹⁰	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
53	Other U.S. Government liabilities ¹¹	467	-60	-64	38	44	-78	361	-127
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
55	Other foreign official assets ¹²	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
56	Other foreign assets in the United States, net	73,992	118,200	1,849	41,178	26,213	48,962	(18)	(18)
57	Direct investment	-62	27,470	7,572	7,379	6,692	5,829	-1,938	27,167
58	U.S. Treasury securities	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities	12,005	30,859	6,024	3,791	5,762	15,282	12,388	27,651
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-244	n.a.	1,281	1,778	3,621	n.a.	-257	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(17)	(17)	(17)	18 61,263	18 60,185
62	Allocations of special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-40,051	-29,255	2,486	-10,091	12,131	-33,782	-38,895	-29,104
Memoranda:									
64	Balance on merchandise trade (lines 2 and 16)	3,167	-9,681	2,197	-2,502	-5,432	-3,944	6,728	-7,256
65	Balance on services (lines 3 and 17)	11,504	11,307	3,866	1,433	2,399	3,609	7,832	7,754
66	Balance on goods and services (lines 64 and 65)	14,671	1,626	6,063	-1,069	-3,033	-335	14,560	498
67	Balance on investment income (lines 11 and 25)	-8,528	-14,105	-3,438	-3,562	-4,014	-3,091	-6,800	-12,415
68	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) ¹³	6,142	-12,479	2,626	-4,631	-7,048	-3,426	7,760	-11,917
69	Unilateral transfers, net (line 29)	-157	591	40	126	275	150	989	1,678
70	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) ¹³	5,985	-11,888	2,666	-4,505	-6,772	-3,276	8,748	-10,239

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Eastern Europe						Canada	
		1992	1993 ²	1993				1992	1993 ²
				I	II	III ³	IV ⁴		
1	Exports of goods, services, and income	7,113	8,179	1,609	2,269	1,867	2,434	117,993	127,812
2	Merchandise, adjusted, excluding military ²	5,630	6,178	1,154	1,779	1,326	1,919	91,146	100,466
3	Services ³	1,320	1,747	353	428	487	479	17,719	16,723
4	Transfers under U.S. military agency sales contracts ⁴	4	1	(*)	1		(*)	106	147
5	Travel	405	451	75	110	142	123	7,975	7,313
6	Passenger fares	112	105	27	28	26	25	1,306	1,150
7	Other transportation	350	613	98	160	174	182	1,008	961
8	Royalties and license fees ⁵	27	42	9	11	11	11	1,304	1,275
9	Other private services ⁵	396	505	135	115	127	128	5,963	5,801
10	U.S. Government miscellaneous services	27	30	9	3	8	10	56	76
11	Income receipts on U.S. assets abroad	163	254	102	63	54	36	9,128	10,623
12	Direct investment receipts	-62	-33	-5	18	-28	-18	2,933	4,250
13	Other private receipts	199	189	51	44	52	42	6,178	6,360
14	U.S. Government receipts	26	98	56	1	30	12	17	13
15	Imports of goods, services, and income	-3,393	-5,128	-852	-1,335	-1,376	-1,565	-113,165	-126,450
16	Merchandise, adjusted, excluding military ²	-1,977	-3,540	-594	-883	-886	-1,177	-100,871	-113,023
17	Services ³	-1,204	-1,322	-217	-399	-412	-295	-8,532	-9,000
18	Direct defense expenditures	-2	-6	(*)	-5	(*)	(*)	-149	-99
19	Travel	-468	-400	-31	-150	-163	-56	-3,507	-3,629
20	Passenger fares	-121	-133	-17	-43	-44	-29	-275	-241
21	Other transportation	-277	-387	-74	-104	-102	-107	-699	-685
22	Royalties and license fees ⁵	-5	-6	-1	-2	-2	-2	-110	-98
23	Other private services ⁵	-303	-362	-86	-89	-93	-95	-3,595	-4,048
24	U.S. Government miscellaneous services	-28	-28	-7	-6	-8	-7	-195	-201
25	Income payments on foreign assets in the United States	-212	-266	-41	-54	-78	-93	-3,762	-4,427
26	Direct investment payments	11	7	4	2	1	(*)	60	-275
27	Other private payments	-68	-72	-15	-16	-20	-21	-2,733	-2,619
28	U.S. Government payments	-155	-201	-30	-40	-59	-72	-1,089	-1,533
29	Unilateral transfers, net	-1,300	-1,474	-423	-350	-369	-332	-322	-318
30	U.S. Government grants ⁴	-543	-720	-221	-161	-187	-151		
31	U.S. Government pensions and other transfers	-31	-33	-8	-8	-9	-8	-405	-421
32	Private remittances and other transfers ⁶	-726	-721	-194	-181	-174	-173	84	103
33	U.S. assets abroad, net (increase/capital outflow (-))	-1,782	-2,001	19	-735	-396	-890	-8,677	-20,069
34	U.S. official reserve assets, net ⁷								
35	Gold								
36	Special drawing rights								
37	Reserve position in the International Monetary Fund								
38	Foreign currencies								
39	U.S. Government assets, other than official reserve assets, net	-196	-1,314	-265	-352	-584	-113	63	47
40	U.S. credits and other long-term assets	-199	-1,179	-3	-55	-40	-1,082		
41	Repayments on U.S. credits and other long-term assets ⁸		12			(*)	12	38	41
42	U.S. foreign currency holdings and U.S. short-term assets, net	3	-147	-263	-297	-544	956	25	5
43	U.S. private assets, net	-1,586	-687	284	-383	188	-777	-8,739	-20,116
44	Direct investment	-397	-881	31	-252	-170	-491	-3,257	-2,426
45	Foreign securities	-193	-651	1	-5	-3	-644	-6,543	-14,350
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-39	n.a.	24	-29	28	n.a.	2,343	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere	-957	822	228	-97	333	358	-1,282	-4,654
48	Foreign assets in the United States, net (increase/capital inflow (+))	1,075	3,655	-764	1,221	1,607	1,590	1,200	9,328
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	511	1,551
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
51	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
52	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
53	Other U.S. Government liabilities ¹¹	1	3	2	2	(*)	(*)	51	-34
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
55	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	690	7,777
57	Direct investment	69	82	37	82	-44	8	-2,144	1,804
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
59	U.S. securities other than U.S. Treasury securities	7	29	-4	2	18	13	1,480	-1,733
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	31	n.a.		-63	-32	n.a.	470	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere	18 967	18 3,635	18 -798	18 1,198	18 1,665	18 1,570	(17)	(17)
62	Allocations of special drawing rights								
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-1,713	-3,230	411	-1,070	-1,333	-1,238	2,970	9,697
64	Memoranda:								
65	Balance on merchandise trade (lines 2 and 16)	3,653	2,638	560	896	440	742	-9,725	-12,557
66	Balance on services (lines 3 and 17)	116	425	136	29	76	184	9,188	7,723
67	Balance on goods and services (lines 64 and 65)	3,769	3,063	696	925	516	926	-537	-4,835
68	Balance on investment income (lines 11 and 25)	-49	-12	61	9	-25	-57	5,366	6,197
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) ¹³	3,720	3,051	757	934	491	869	4,829	1,362
70	Unilateral transfers, net (line 29)	-1,300	-1,474	-423	-350	-369	-332	-322	-318
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) ¹³	2,420	1,576	334	584	122	537	4,507	1,044

See footnotes on page 79.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Australia					
		1992	1993 ^P	1993			
				I	II	III ^P	IV ^P
1	Exports of goods, services, and income	15,254	14,751	3,437	3,900	3,766	3,648
2	Merchandise, adjusted, excluding military ²	8,697	8,118	1,930	2,034	2,047	2,107
3	Services ³	3,620	3,787	859	1,056	958	914
4	Transfers under U.S. military agency sales contracts ⁴	175	260	49	99	44	68
5	Travel	1,180	1,173	260	335	322	257
6	Passenger fares	659	656	137	211	164	144
7	Other transportation	301	305	70	76	79	79
8	Royalties and license fees ⁵	451	468	104	119	118	128
9	Other private services ⁵	851	923	238	215	231	238
10	U.S. Government miscellaneous services	4	2	2	(*)	(*)	(*)
11	Income receipts on U.S. assets abroad	2,937	2,846	647	810	761	627
12	Direct investment receipts	2,167	2,051	456	610	566	419
13	Other private receipts	769	794	191	200	195	208
14	U.S. Government receipts	1	(*)	(*)	(*)	(*)	(*)
15	Imports of goods, services, and income	-6,263	-5,602	-1,362	-1,381	-1,458	-1,401
16	Merchandise, adjusted, excluding military ²	-3,673	-3,287	-793	-762	-897	-835
17	Services ³	-2,365	-2,295	-636	-550	-557	-552
18	Direct defense expenditures	-53	-39	-12	-8	-10	-10
19	Travel	-816	-799	-222	-173	-191	-213
20	Passenger fares	-307	-334	-96	-74	-68	-96
21	Other transportation	-753	-682	-194	-188	-184	-116
22	Royalties and license fees ⁵	-60	-33	-12	-13	-4	-4
23	Other private services ⁵	-333	-375	-84	-88	-95	-108
24	U.S. Government miscellaneous services	-42	-33	-17	-5	-6	-6
25	Income payments on foreign assets in the United States	-225	-20	68	-70	-4	-14
26	Direct investment payments	178	202	129	-13	49	38
27	Other private payments	-168	-170	-30	-47	-46	-47
28	U.S. Government payments	-235	-52	-31	-10	-6	-5
29	Unilateral transfers, net	-81	-87	-24	-20	-24	-20
30	U.S. Government grants ⁴						
31	U.S. Government pensions and other transfers	-25	-26	-7	-7	-7	-7
32	Private remittances and other transfers ⁶	-56	-61	-17	-13	-17	-14
33	U.S. assets abroad, net (increase/capital outflow (-))	-1,548	-6,283	-2,614	-878	-1,309	-1,482
34	U.S. official reserve assets, net ⁷						
35	Gold						
36	Special drawing rights						
37	Reserve position in the International Monetary Fund						
38	Foreign currencies						
39	U.S. Government assets, other than official reserve assets, net	20	4	3	(*)	(*)	
40	U.S. credits and other long-term assets						
41	Repayments on U.S. credits and other long-term assets ⁸	18	1	1		1	
42	U.S. foreign currency holdings and U.S. short-term assets, net	2	2	2	(*)	(*)	
43	U.S. private assets, net	-1,568	-6,286	-2,617	-878	-1,309	-1,482
44	Direct investment	-1,335	-1,789	-524	-586	-611	-68
45	Foreign securities	-554	-3,691	-173	-482	-947	-2,089
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	32	n.a.	-122	-33	18	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere	289	-669	-1,798	223	231	675
48	Foreign assets in the United States, net (increase/capital inflow (+))	-5,072	-2,716	283	-1,482	-1,132	-385
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)
52	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities ¹¹	24	-18	17	-52	8	10
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	663	-198	-159	248	-614	327
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities	62	-203	8	-155	-20	-36
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-494	n.a.	98	-114	23	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere	18 -5,327	18 -2,304	18 318	18 -1,409	18 -528	18 -685
62	Allocations of special drawing rights						
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-2,291	-64	280	-139	156	-361
64	Memoranda:						
65	Balance on merchandise trade (lines 2 and 16)	5,024	4,831	1,137	1,272	1,150	1,272
66	Balance on services (lines 3 and 17)	1,255	1,492	223	506	401	362
67	Balance on goods and services (lines 64 and 65)	6,279	6,323	1,360	1,778	1,551	1,634
68	Balance on investment income (lines 11 and 25)	2,713	2,826	715	741	757	613
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) ¹³	8,991	9,149	2,075	2,518	2,308	2,247
70	Unilateral transfers, net (line 29)	-81	-87	-24	-20	-24	-20
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) ¹³	8,911	9,062	2,051	2,499	2,285	2,227

See footnotes on page 79.

