



## U.S. INTERNATIONAL TRANSACTIONS: FIRST QUARTER 2005

*Preliminary estimates of Current-Account Balance*

The estimates of transactions for 1991 forward reflect the incorporation of improved estimating methodologies and newly available source data from the annual revision of the International Transactions Accounts.

### Current Account

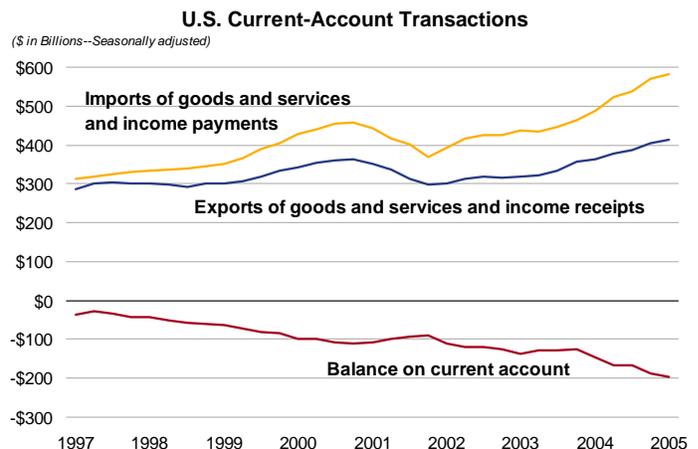
The U.S. current-account deficit—the broadest measure of receipts and payments for trade in goods and services, income, and net unilateral current transfers, such as gifts—increased to \$195.1 billion (preliminary) in the first quarter of 2005 from \$188.4 billion (revised) in the fourth quarter of 2004. As a share of U.S. GDP, the deficit increased to 6.4 percent in the first quarter from 6.3 percent in the fourth.

The deficit on goods increased to \$186.3 billion from \$182.2 billion, as goods imports increased more than goods exports. More than half the increase in imports was in consumer goods. Much of the increase in exports was in industrial supplies and materials, in consumer goods, and in capital goods.

The surplus on services increased to \$14.6 billion from \$13.0 billion, as services receipts increased more than services payments. The largest increases in receipts were in transfers under U.S. military agency sales contracts, in travel, and in “other” private services. The largest increases in payments were in “other” transportation and in “other” private services.

The surplus on income increased to \$3.8 billion from \$3.2 billion, as income payments decreased more than income receipts.

Net unilateral transfers were net outflows of \$27.1 billion, up from \$22.4 billion.



### Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$165.4 billion in the first quarter, down from \$169.0 billion in the fourth.

U.S.-owned assets abroad increased \$60.7 billion in the first quarter after they had increased \$289.0 billion in the fourth. Among these assets, U.S. claims reported by U.S. banks decreased \$62.3 billion in the first quarter, in contrast to an increase of \$97.3 billion in the fourth. Net financial outflows for U.S. direct investment abroad increased \$32.2 billion in the first quarter, down from a \$100.0 billion increase in the fourth. Net U.S. purchases of foreign securities increased.

Foreign-owned assets in the United States increased \$226.1 billion in the first quarter after they had increased \$457.9 billion in the fourth. Among these assets, U.S. liabilities to foreigners reported by U.S. banks decreased \$78.3 billion in the first quarter, in contrast to an increase of \$91.5 billion in the fourth. Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$88.2 billion in the first quarter, down from \$158.2 billion in the fourth. Net foreign purchases of U.S. Treasury securities were \$75.5 billion in the first quarter, up from \$15.7 billion in the fourth. Net financial inflows for foreign direct investment in the United States decreased slightly.

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BEA's data—including GDP, personal income, the balance of payments, direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on its Web site: [www.bea.gov](http://www.bea.gov).

NOTE: A revised estimate of the first-quarter current-account balance—and new estimates of the second-quarter current-account balance—will be released on September 16, 2005.

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