

U.S. International Transactions

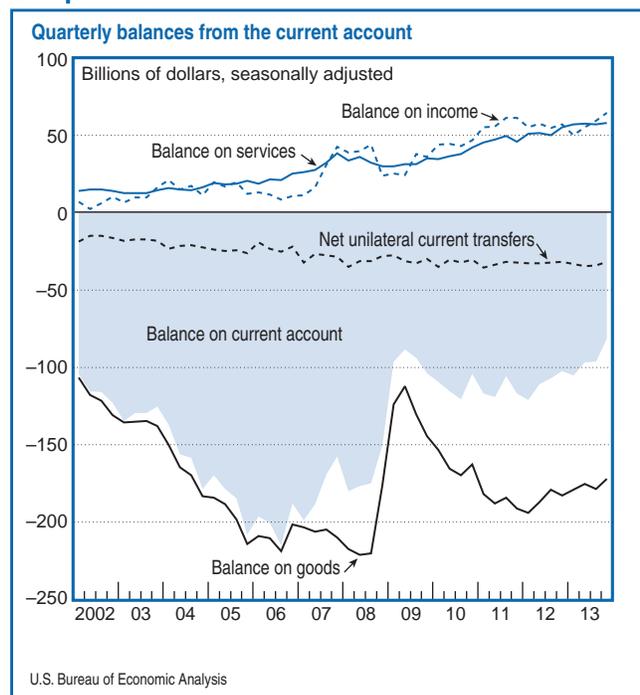
Fourth Quarter of 2013 and 2013

THE U.S. CURRENT-ACCOUNT deficit—a net measure of transactions between the United States and the rest of the world in goods, services, income, and unilateral current transfers—decreased to \$81.1 billion (preliminary) in the fourth quarter from \$96.4 billion (revised) in the third quarter (see chart 1 and pages 3–6).¹ The deficit decreased to 1.9 percent of current-dollar gross domestic product (GDP) from 2.3 percent in the third quarter.² The decrease in the current-account deficit reflected a decrease in the deficit on goods and services, an increase in the surplus on

1. Quarterly statistics are seasonally adjusted when series demonstrate statistically significant seasonal patterns; seasonally adjusted statistics are cited in this article when available.

2. Current-dollar GDP is used to provide a consistently scaled comparison across time. In this context, its use does not imply that these international transactions accounts statistics are components of GDP.

Chart 1. U.S. Current-Account Balance and Its Components



income, and a decrease in net outflows of unilateral current transfers. In 2013, the annual current-account deficit decreased to \$379.3 billion from \$440.4 billion in 2012 (see page 9). The 2013 deficit decreased to 2.3 percent of current-dollar GDP from 2.7 percent in 2012.

In the financial account, net financial inflows increased to \$173.7 billion in the fourth quarter from \$68.2 billion in the third (see pages 7–8). Net financial inflows were \$351.2 billion in 2013, down from \$439.4 billion in 2012 (see page 10). Net financial flows reflect combined transactions in U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives.

The statistical discrepancy—the amount that balances the sum of the recorded credits and debits across all the accounts in the international transactions accounts—was $-\$92.6$ billion in the fourth quarter, compared with $\$28.3$ billion in the third quarter. In 2013, the statistical discrepancy was $\$28.5$ billion, compared with $-\$5.9$ billion in 2012.

Comprehensive Restructuring of the U.S. International Economic Accounts

On June 18, 2014, BEA will introduce a new presentation of the international transactions accounts as part of a comprehensive restructuring of BEA's international economic accounts. This change in presentation will enhance the quality and usefulness of the accounts for customers and bring the statistics into closer alignment with international guidelines.

For additional information, see Maria Borga and Kristy L. Howell, "The Comprehensive Restructuring of the International Economic Accounts: Changes in Definitions, Classifications, and Presentations," SURVEY OF CURRENT BUSINESS 94 (March 2014). Table templates for the restructured presentation and information on the earliest quarter and year for which statistics will be available in each table are available on BEA's Web site at www.bea.gov under International.

Sarah P. Scott prepared this article.

Fourth-Quarter Overview

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

(Credits +; debits -)	2013				Change 2013:III to 2013:IV
	I ^r	II ^r	III ^r	IV ^p	
Current account					
Exports of goods and services and income receipts	749,188	759,884	766,204	785,176	18,972
Goods, balance of payments basis.....	391,293	395,241	397,775	405,356	7,581
Services.....	167,135	170,032	170,864	173,690	2,826
Income receipts.....	190,760	194,611	197,565	206,129	8,564
Imports of goods and services and income payments	-821,093	-822,150	-828,609	-834,698	-6,089
Goods, balance of payments basis.....	-569,991	-570,219	-576,176	-577,189	-1,013
Services.....	-110,394	-112,503	-114,004	-115,773	-1,769
Income payments.....	-140,707	-139,427	-138,429	-141,737	-3,308
Unilateral current transfers, net	-33,140	-34,484	-33,960	-31,595	2,365
U.S. government grants.....	-11,061	-11,361	-12,293	-10,853	1,440
U.S. government pensions and other transfers	-756	-1,619	-984	767	1,751
Private remittances and other transfers.....	-21,323	-21,505	-20,684	-21,508	-824
Capital account					
Capital account transactions, net	-40	-227	-146	n.a.	n.a.
Financial account					
U.S.-owned assets abroad (increase/financial outflow (-))¹	-228,214	-105,353	-70,825	-148,591	-77,766
U.S. official reserve assets.....	-876	191	1,001	2,782	1,781
U.S. government assets, other than official reserve assets.....	-446	3,115	-142	-553	-411
U.S. private assets.....	-226,892	-108,659	-71,684	-150,820	-79,136
Foreign-owned assets in the United States (increase/financial inflow (+))¹	266,887	168,563	145,592	325,025	179,433
Foreign official assets in the United States.....	126,871	-6,577	66,070	97,380	31,310
Other foreign assets in the United States.....	140,016	175,140	79,522	227,645	148,123
Financial derivatives, net	3,948	3,511	-6,569	-2,740	3,829
Statistical discrepancy (sum of the bold lines above with sign reversed)	62,464	30,256	28,313	²-92,577	³-120,890
Memoranda:					
Balance on goods.....	-178,698	-174,978	-178,401	-171,833	6,568
Balance on services.....	56,740	57,529	56,860	57,917	1,057
Balance on goods and services.....	-121,958	-117,449	-121,541	-113,915	7,626
Balance on income.....	50,053	55,183	59,136	64,393	5,257
Unilateral current transfers, net.....	-33,140	-34,484	-33,960	-31,595	2,365
Balance on current account.....	-105,045	-96,750	-96,365	-81,118	15,247
Net financial flows ⁴	42,621	66,721	68,198	173,694	105,496

p Preliminary r Revised n.a. Not available

1. Excludes transactions in financial derivatives.

2. Excludes capital account transactions.

3. Change from prior period, not the sum of changes in components with sign reversed.

4. Sum of U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives.

NOTE: The statistics, except for net financial flows, are presented in table 1 in this article and on BEA's Web site.

Current-account highlights

- The deficit on the current-account decreased to its lowest level since the third quarter of 1999.
- The deficit on goods decreased after increasing in the third quarter. The decrease reflected a larger increase in goods exports than in goods imports.
- The surplus on services increased after decreasing in the third quarter. The increase reflected a larger increase in services exports than in services imports.
- The surplus on income rose for the third straight quarter. In the fourth quarter, income receipts increased more than income payments.

Financial-account highlights

- U.S.-owned assets abroad and foreign-owned assets in the United States both increased more than in the third quarter. Net financial inflows were up, as inflows of foreign-owned assets in the United States rose more than outflows of U.S.-owned assets abroad.
- The rise in outflows of U.S.-owned assets abroad reflected higher U.S. net purchases of foreign securities than in the third quarter.
- The fourth-quarter rise in inflows of foreign-owned assets in the United States reflected increases in U.S. liabilities reported by banks and brokers and in foreign net purchases of U.S. Treasury securities.
- Net outflows of financial derivatives were down from the third quarter.

Comprehensive Restructuring—Sign Convention

The new presentation to be introduced on June 18, 2014 will eliminate the balance of payments sign convention that uses negative signs for debit entries. The new presentation will use positive signs to show exports and imports, income receipts and payments, transfers made and received, and increases in assets and in liabilities. Negative signs will specify negative income (losses) and decreases in assets or in liabilities (for example, the sale of an asset). Current-account and capital-account balances will indicate the difference between underlying gross credit and debit flows (for example, exports less imports). For the financial account, net lending or net borrowing will be calculated as the difference between the net acquisition of assets and the net incurrence of liabilities. For additional information, see [Borga and Howell, 5](#).

Revisions

The preliminary statistics for U.S. international transactions for the third quarter that were published in the January 2014 SURVEY OF CURRENT BUSINESS have been revised to reflect new or revised source data.

Preliminary and Revised Third-Quarter 2013 Statistics

[Millions of dollars, seasonally adjusted]

	Preliminary	Revised
Balance on goods.....	-178,630	-178,401
Balance on services.....	57,892	56,860
Balance on income.....	59,998	59,136
Unilateral current transfers, net.....	-34,100	-33,960
Balance on current account.....	-94,840	-96,365
Net financial flows.....	67,290	68,198

Fourth-Quarter Current Account—Goods

Table B. Goods Exports
[Millions of dollars, seasonally adjusted]

	2013				Change 2013:III to 2013:IV
	I ^p	II ^r	III ^r	IV ^p	
Exports, balance of payments basis	391,293	395,241	397,775	405,356	7,581
Agricultural products	37,083	34,041	36,239	40,715	4,476
Nonagricultural products	354,210	361,200	361,536	364,641	3,105
Foods, feeds, and beverages	34,075	30,849	33,269	37,750	4,481
Grains and preparations	7,685	6,841	7,630	8,127	497
Soybeans	6,097	3,729	4,459	8,601	4,142
Other	20,293	20,279	21,180	21,022	-158
Industrial supplies and materials	130,949	128,822	132,097	133,444	1,347
Petroleum and products	34,158	35,657	40,629	43,658	3,029
Nonpetroleum products	96,791	93,165	91,468	89,786	-1,682
Chemicals, excluding medicinals.....	30,667	29,943	30,051	30,089	38
Metals and nonmetallic products.....	33,767	30,774	29,350	27,631	-1,719
Steelmaking materials	3,305	2,276	2,368	2,726	358
Nonferrous metals	19,261	17,326	15,714	13,390	-2,324
Other	11,201	11,172	11,268	11,515	247
Other	32,357	32,448	32,067	32,066	-1
Capital goods, except automotive	130,828	134,896	134,156	134,582	426
Electric generating machinery, apparatus, and parts.....	13,672	13,544	13,450	13,652	202
Oil drilling, mining, and construction machinery.....	8,685	8,130	7,404	7,580	176
Industrial engines, pumps, and compressors.....	7,015	7,279	7,458	7,447	-11
Industrial, agricultural, and service machinery, n.e.c.....	31,798	32,479	31,427	32,706	1,279
Computers, peripherals, and parts.....	12,100	12,083	11,907	11,963	56
Semiconductors	10,423	10,721	10,863	10,920	57
Telecommunications equipment	9,788	10,163	9,699	10,062	363
Civilian aircraft, engines, and parts.....	23,916	26,872	28,297	26,462	-1,835
Other	13,431	13,625	13,651	13,790	139
Automotive vehicles, parts, and engines	36,648	38,423	38,725	38,312	-413
Passenger cars	13,710	14,359	14,053	13,986	-67
Trucks, buses, and special purpose vehicles	5,203	5,359	5,292	4,882	-410
Engines, parts, and accessories	17,734	18,705	19,380	19,444	64
Consumer goods, except automotive	45,637	49,011	46,273	47,598	1,325
Nondurable goods	20,746	21,428	20,962	20,582	-380
Medicinal, dental, and pharmaceutical products	11,935	12,541	12,046	11,416	-630
Other	8,811	8,887	8,916	9,166	250
Durable goods	24,890	27,582	25,310	27,016	1,706
Gems, jewelry, and collectibles	4,496	6,283	4,497	5,444	947
Other	20,394	21,299	20,813	21,572	759
Other exports	13,156	13,241	13,255	13,671	416

p Preliminary r Revised
n.e.c. Not elsewhere classified
NOTE: The statistics are presented in table 2 after this article and on BEA's Web site.

Table C. Growth in Real Goods Exports and Imports

[Percent change from preceding period in chained-dollar exports and imports, seasonally adjusted]

	2012		2013			
	III	IV	I ^r	II ^r	III ^p	IV ^p
Exports, balance of payments basis	-0.1	-0.6	0.0	2.2	0.5	2.0
Imports, balance of payments basis	0.1	-0.7	-0.6	1.6	0.9	0.3

p Preliminary r Revised
NOTE: Real goods exports and imports are calculated using price indexes from "Table 4.2.4. Indexes for Exports and Imports of Goods and Services by Type of Product" of the national income and product accounts.

Trends in the Trade in Goods

The deficit on goods has decreased \$21.8 billion, or 11 percent, after a recent high in the first quarter of 2012. Exports rose in six of the last eight quarters, and imports rose in five (chart 2). Exports accounted for most of the narrowing in the deficit during the 2-year period, as exports grew 4.6 percent and imports dropped 0.7 percent. The goods deficit decreased to 4.0 percent of current-dollar GDP in the fourth quarter from 4.2 percent in the third quarter.

Real exports grew more than real imports in the fourth quarter (table C). Both grew for a third straight quarter.

Exports of goods increased for the fourth straight quarter, increasing almost three times more than in the third quarter. More than half of the fourth-quarter increase in exports was in foods, feeds, and beverages.

Foods, feeds, and beverages increased for the second straight quarter. The fourth-quarter increase was mostly accounted for by an increase in soybean exports.

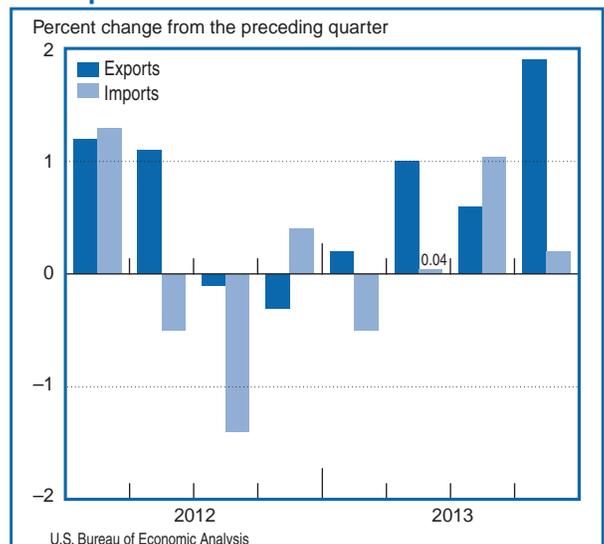
Industrial supplies and materials increased for the second straight quarter. The fourth-quarter increase was more than accounted for by an increase in exports of petroleum and products. Exports of nonpetroleum products, especially nonferrous metals, fell.

Capital goods increased after decreasing in the third quarter. The largest increase was in industrial, agricultural, and service machinery, n.e.c., mainly machinery for manufacturing semiconductor devices. The largest decrease was in civilian aircraft, engines, and parts, mostly in completed aircraft.

Automotive vehicles, parts, and engines decreased after increasing three straight quarters. The decrease reflected a decrease in trucks, buses, and special purpose vehicles.

Exports of consumer goods increased after decreasing in the third quarter. The increase was more than accounted for by an increase in exports of durable goods. The largest increase in durable goods was in gems, jewelry, and collectibles.

Chart 2. Growth in Current-Dollar Goods Exports and Imports



Fourth-Quarter Current Account—Goods

Table D. Goods Imports
[Millions of dollars, seasonally adjusted]

	2013				Change 2013:III to 2013:IV
	I ^r	II ^r	III ^r	IV ^p	
Imports, balance of payments basis	569,991	570,219	576,176	577,189	1,013
Petroleum and products	101,004	93,708	98,190	94,347	-3,843
Nonpetroleum products	468,987	476,511	477,986	482,841	4,855
Foods, feeds, and beverages	28,690	29,241	28,992	29,097	105
Industrial supplies and materials	181,783	173,213	175,802	171,709	-4,093
Petroleum and products	101,004	93,708	98,190	94,347	-3,843
Nonpetroleum products	80,779	79,505	77,612	77,362	-250
Natural gas	3,175	3,396	2,931	2,578	-353
Chemicals, excluding medicinals	19,974	19,360	18,658	18,698	40
Building materials, except metals	6,379	6,450	6,336	6,673	337
Metals and nonmetallic products	31,483	29,685	28,885	28,747	-138
Iron and steel products	9,253	8,990	9,110	9,490	380
Nonferrous metals	15,028	13,645	12,715	12,063	-652
Other	7,202	7,050	7,060	7,194	134
Other	19,768	20,614	20,802	20,666	-136
Capital goods, except automotive	137,090	137,316	139,633	143,232	3,599
Electric generating machinery, apparatus, and parts	16,552	16,630	16,803	17,067	264
Oil drilling, mining, and construction machinery	5,885	5,632	5,409	5,489	80
Industrial engines, pumps, and compressors	5,303	5,434	5,602	5,767	165
Industrial, agricultural, and service machinery, n.e.c.	33,025	33,200	33,605	34,123	518
Computers, peripherals, and parts	30,053	29,089	30,119	31,929	1,810
Semiconductors	9,766	10,527	10,944	10,451	-493
Telecommunications equipment	13,694	13,684	13,745	13,301	-444
Scientific, hospital, and medical equipment	9,443	9,494	9,422	9,533	111
Civilian aircraft, engines, and parts	11,024	11,178	11,488	12,880	1,392
Other	2,345	2,448	2,496	2,692	196
Automotive vehicles, parts, and engines	72,909	76,931	79,996	79,819	-177
Passenger cars	35,987	38,552	39,184	39,097	-87
Trucks, buses, and special purpose vehicles	5,533	6,007	7,623	7,047	-576
Engines, parts, and accessories	31,390	32,372	33,188	33,675	487
Consumer goods, except automotive	131,756	134,426	133,715	135,943	2,228
Nondurable goods	61,473	61,123	60,929	61,309	380
Apparel, footwear, and household goods	33,340	32,485	32,577	33,408	831
Medicinal, dental, and pharmaceutical products	21,026	21,412	21,005	20,618	-387
Other	7,107	7,226	7,347	7,283	-64
Durable goods	70,284	73,303	72,786	74,634	1,848
Televisions and other video equipment	7,991	7,228	6,850	6,704	-146
Toys and sporting goods, including bicycles	9,558	8,446	8,915	9,374	459
Household appliances and other household goods	35,562	39,600	38,980	40,045	1,065
Other	17,173	18,029	18,041	18,511	470
Other imports and U.S. goods returned	17,763	19,091	18,038	17,389	-649

p Preliminary r Revised n.e.c. Not elsewhere classified

NOTE: The statistics are presented in table 2 in this article and on BEA's Web site.

Imports of goods increased for the third straight quarter, though less in the fourth quarter than in the third quarter. The largest increases in the fourth quarter were in capital goods and in consumer goods. The largest decrease was in industrial supplies and materials.

Imports of foods, feeds, and beverages increased after decreasing in the third quarter. The largest increase was in fish and shellfish.

Industrial supplies and materials decreased after increasing in the third quarter. The decrease was mostly accounted for by decreased imports of petroleum and products.

Capital goods imports increased for the third straight quarter, and each quarterly increase was larger than the previous increase. The largest fourth-quarter increases were in imports of computers, peripherals, and parts and imports of civilian aircraft, engines, and parts.

Imports of automotive vehicles, parts, and engines decreased after increasing for two straight quarters. Decreases in trucks, buses, and special purpose vehicles and in passenger cars were mostly offset by an increase in engines, parts, and accessories.

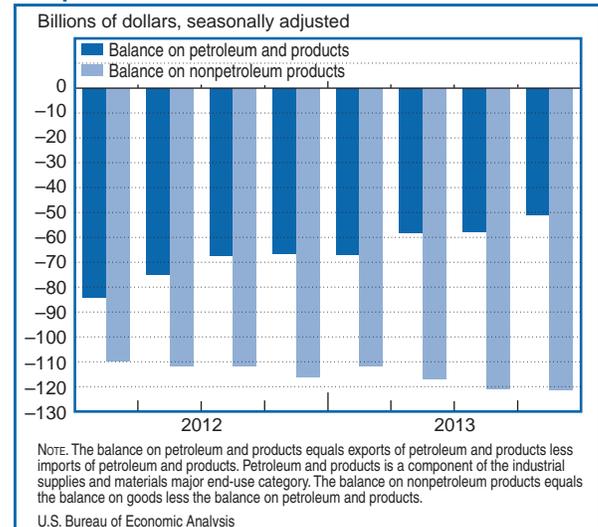
Consumer goods imports increased after decreasing in the third quarter. Most of the increase was in imports of durable goods, where the largest increase was in household appliances and other household goods. Imports of nondurable goods also increased; the largest increase was in apparel, footwear, and household goods.

Goods Deficit by Area and Type of Product

The goods deficit decreased \$6.6 billion in the fourth quarter after increasing in the third quarter. The decrease was the third in the past four quarters. The fourth-quarter decrease was more than accounted for by a decrease in the deficit with Asia and Pacific, largely reflecting a decrease in the deficit with China. The deficit with Africa also decreased. In contrast, deficits increased with Europe, Canada, Latin America and Other Western Hemisphere, and the Middle East.

Petroleum and products. The deficit on petroleum and products decreased for the third straight quarter (chart 3). In the fourth quarter, imports of petroleum and products decreased, while exports increased. The fourth-quarter deficit was the lowest deficit since the second quarter of 2009 and was \$35.9 billion lower than the recent high in the second quarter of 2011.

Chart 3. Balance on Total Petroleum and Nonpetroleum Products



Fourth-Quarter Current Account—Services

Table E. Services Exports and Imports
[Millions of dollars, seasonally adjusted]

	2013				Change 2013:III to 2013:IV
	I ^r	II ^r	III ^r	IV ^p	
Services exports	167,135	170,032	170,864	173,690	2,826
Travel.....	33,903	34,624	35,156	35,886	730
Passenger fares.....	10,218	10,300	10,170	10,457	287
Other transportation.....	11,499	11,379	11,068	11,468	400
Freight.....	5,696	5,686	5,437	5,608	171
Port services.....	5,803	5,693	5,631	5,860	229
Royalties and license fees.....	31,645	32,235	32,620	32,831	211
Other private services.....	74,340	75,980	76,551	77,569	1,018
Education.....	6,425	6,530	6,660	6,742	82
Financial services.....	19,733	20,566	20,164	20,807	643
Insurance services.....	3,825	3,797	3,838	3,851	13
Telecommunications.....	3,517	3,559	3,491	3,516	25
Business, professional, and technical services.....	38,273	38,891	39,714	40,005	291
Other services.....	2,566	2,636	2,685	2,648	-37
Transfers under U.S. military agency sales contracts	4,870	4,797	4,591	4,719	128
U.S. government miscellaneous services.....	659	717	708	761	53
Services imports	110,394	112,503	114,004	115,773	1,769
Travel.....	21,100	21,509	21,525	22,109	584
Passenger fares.....	9,108	9,211	9,155	9,870	715
Other transportation.....	14,420	14,639	14,807	14,813	6
Freight.....	10,974	11,156	11,325	11,285	-40
Port services.....	3,446	3,483	3,482	3,528	46
Royalties and license fees.....	10,445	10,240	10,208	10,398	190
Other private services.....	48,966	50,491	52,105	52,411	306
Education.....	1,566	1,593	1,610	1,624	14
Financial services.....	4,317	4,645	4,476	4,589	113
Insurance services.....	12,435	12,505	12,851	12,799	-52
Telecommunications.....	1,870	1,993	1,877	1,893	16
Business, professional, and technical services.....	28,407	29,384	30,916	31,138	222
Other services.....	371	372	373	369	-4
Direct defense expenditures.....	5,696	5,699	5,520	5,398	-122
U.S. government miscellaneous services.....	659	714	685	774	89

Exports of services increased for the fifth straight quarter. The largest fourth-quarter increase was in “other” private services.

Travel exports—purchases of goods and services by foreign travelers in the United States—increased for the eighth straight quarter.

Passenger fares increased after decreasing in the third quarter.

“Other” transportation exports increased after decreasing two straight quarters. Both port services and freight services increased.

Imports of services increased for the third straight quarter. The largest fourth-quarter increases were in passenger fares and in travel.

Travel imports—purchases of goods and services by U.S. travelers abroad—increased more in the fourth quarter than in any of the previous three quarters.

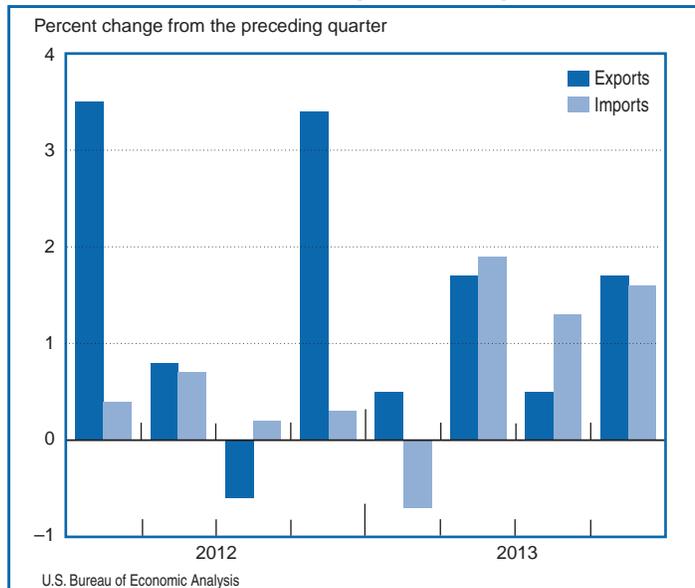
Passenger fares increased after decreasing in the third quarter.

“Other” transportation imports increased for the eighth straight quarter, but the fourth-quarter increase was smaller than the increases in any of the previous seven quarters. The fourth-quarter increase was the result of an increase in port services and a nearly offsetting decrease in freight services.

^p Preliminary ^r Revised

NOTE: The statistics are presented in tables 1 and 3 after this article and on BEA's Web site. For additional information on services, including definitions, see Alexis Grimm and Charu Sharma, *U.S. International Services: Cross-Border Trade in 2012 and Services Supplied Through Affiliates in 2011*, SURVEY OF CURRENT BUSINESS 93 (October 2013); 25–66.

Chart 4. Growth in Services Exports and Imports



Trends in the Trade in Services

The surplus on services increased to \$57.9 billion in the fourth quarter from \$56.9 billion in the third quarter. The surplus increased after decreasing in the third quarter and after increasing in the previous three quarters. Both services exports and imports grew more in the fourth quarter than in the third quarter, but less than in the second quarter. Services imports increased in three of the last four quarters and exports increased in all of the last four quarters (chart 4).

The services surplus increased to 1.4 percent of current-dollar GDP in the fourth quarter from 1.3 percent in the third quarter. The services surplus was 1.4 percent of current-dollar GDP in three of the last four quarters, which is the highest percentage on record.

Fourth-Quarter Current Account—Income

Table F. Income Receipts and Payments

[Millions of dollars, seasonally adjusted]

	2013				Change 2013:III to 2013:IV
	I ^r	II ^r	III ^r	IV ^p	
Income receipts	190,760	194,611	197,565	206,129	8,564
Income on U.S.-owned assets abroad.....	189,118	192,958	195,905	204,461	8,556
Direct investment receipts	112,940	115,129	117,361	124,658	7,297
Earnings.....	111,023	113,127	115,415	122,681	7,266
Interest.....	1,917	2,002	1,946	1,978	32
Other private receipts	75,704	77,418	78,244	79,500	1,256
Income on foreign securities.....	68,056	70,053	71,070	72,393	1,323
Dividends.....	42,180	43,426	44,959	45,439	480
Interest.....	25,876	26,628	26,110	26,954	844
Interest on claims reported by banks and brokers	4,456	4,250	3,916	3,888	-28
For own claims.....	4,009	3,834	3,548	3,540	-8
For customers' claims.....	447	416	368	348	-20
Interest on claims reported by nonbanking concerns.....	3,193	3,115	3,259	3,218	-41
U.S. government receipts.....	474	411	300	303	3
Compensation of employees.....	1,642	1,653	1,660	1,668	8
Income payments	140,707	139,427	138,429	141,737	3,308
Income on foreign-owned assets in the United States	137,037	135,577	134,561	137,842	3,281
Direct investment payments	44,596	43,275	42,017	44,407	2,390
Earnings.....	38,363	37,273	36,413	38,751	2,338
Interest.....	6,232	6,001	5,603	5,655	52
Other private payments	61,403	62,083	62,387	63,018	631
Income on U.S. corporate securities.....	57,060	58,067	58,637	59,257	620
Dividends.....	26,979	27,400	27,956	27,670	-286
Interest.....	30,081	30,667	30,681	31,588	907
Interest on liabilities reported by banks and brokers.....	2,869	2,629	2,424	2,363	-61
For own liabilities.....	1,725	1,604	1,476	1,472	-4
For customers' liabilities.....	1,144	1,024	949	891	-58
Interest on liabilities reported by nonbanking concerns.....	1,474	1,388	1,326	1,398	72
U.S. government payments.....	31,038	30,219	30,157	30,417	260
Compensation of employees.....	3,671	3,851	3,868	3,895	27

p Preliminary r Revised

NOTE: The statistics are presented in tables 1, 4 and 7 after this article and on BEA's Web site.

Income receipts on U.S. direct investment abroad increased more than the increases in the previous two quarters. The fourth-quarter increase was mainly accounted for by higher foreign affiliate earnings in several industries, led by holding companies.

“Other” private income receipts increased for the fifth straight quarter. The fourth-quarter increase reflected higher income on U.S. holdings of foreign securities.

U.S. government receipts increased slightly after decreasing in each of the previous two quarters.

Income payments on foreign direct investment in the United States increased after decreasing in each of the the previous two quarters. By industry, U.S. affiliate earnings rose the most in manufacturing, primarily among affiliates producing consumer goods.

“Other” private income payments increased for the fifth straight quarter. The fourth-quarter increase reflected higher interest income on foreign holdings of U.S. corporate bonds that was partly offset by lower dividend income on foreign holdings of U.S. stocks.

U.S. government payments increased for the first time since the third quarter of 2011. The increase was primarily due to higher foreign holdings of U.S. marketable Treasury bonds.

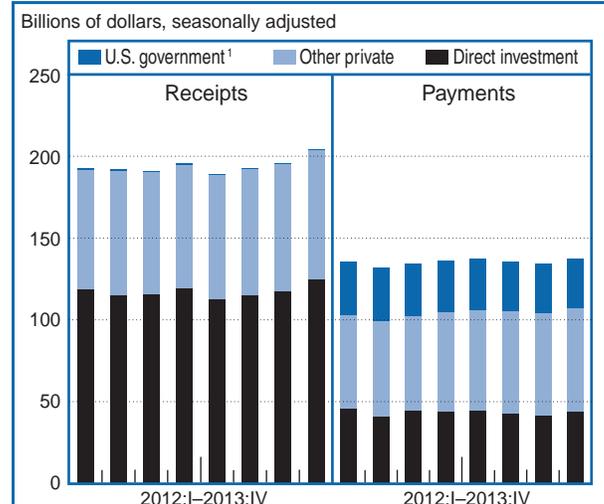
Trends in Income

The surplus on income increased to \$64.4 billion—a record high—in the fourth quarter from \$59.1 billion in the third quarter. The surplus increased for the third straight quarter after decreasing in the first quarter of 2013. The surplus was 1.5 percent of current-dollar GDP in the fourth quarter of 2013, compared with 1.4 percent in the third quarter, 1.3 percent in the second quarter, and 1.2 percent in the first quarter.

Income receipts on U.S.-owned assets abroad increased for three straight quarters (chart 5). The fourth-quarter increase was larger than the increases in the previous two quarters, reflecting a larger increase in direct investment receipts.

Income payments on foreign-owned assets in the United States increased to a 5-year high in the fourth quarter after edging down in the previous two quarters. The increase was primarily accounted for by an increase in direct investment payments.

Chart 5. Investment Income Receipts and Payments



1. U.S. government receipts are relatively small and may not be clearly visible above. See table F for these statistics.

U.S. Bureau of Economic Analysis

Fourth-Quarter Financial Account—U.S.-Owned Assets Abroad

Table G. U.S.-Owned Assets Abroad

[Millions of dollars, seasonally adjusted]

(Increase/financial outflow (-), decrease/financial inflow (+))	2013				Change 2013:III to 2013:IV
	I ^r	II ^r	III ^r	IV ^p	
U.S.-owned assets abroad ¹	-228,214	-105,353	-70,825	-148,591	-77,766
U.S. official reserve assets.....	-876	191	1,001	2,782	1,781
U.S. government assets, other than official reserve assets.....	-446	3,115	-142	-553	-411
U.S. private assets.....	-226,892	-108,659	-71,684	-150,820	-79,136
Direct investment.....	-83,266	-96,156	-93,227	-86,992	6,235
Equity	852	-5,665	-11,857	4,134	15,991
Reinvested earnings.....	-78,883	-86,413	-92,859	-95,045	-2,186
Intercompany debt.....	-5,235	-4,078	11,488	3,919	-7,569
Foreign securities.....	-133,783	-79,359	-42,280	-133,456	-91,176
Stocks.....	-73,830	-78,392	-22,855	-51,123	-28,268
Bonds.....	-59,953	-967	-19,425	-82,333	-62,908
U.S. claims on unaffiliated foreigners reported by nonbanking concerns	-22,437	-59,730	-1,054	21,457	22,511
U.S. claims reported by banks and brokers....	12,594	126,586	64,877	48,171	-16,706
For own accounts	31,313	163,495	59,026	9,105	-49,921
For customers' accounts	-18,719	-36,909	5,851	39,066	33,215

^p Preliminary ^r Revised

¹ Excludes transactions in financial derivatives.

NOTE: Under balance-of-payments conventions, increases in U.S.-owned assets abroad are shown with a negative sign, and decreases are shown with a positive sign. The statistics are presented in tables 1, 7, 8 and 10 in this article and on BEA's Web site.

U.S. official reserve assets abroad decreased for the third straight quarter. The fourth-quarter decrease was the largest since the fourth quarter of 2005 and was more than accounted for by a decrease in the U.S. reserve position in the International Monetary Fund.

U.S. government assets abroad other than official reserve assets increased more than in the third quarter. The increase reflected an increase in U.S. government credit to foreigners that was partly offset by a decrease in central bank liquidity swaps between the U.S. Federal Reserve System and foreign central banks.

U.S. direct investment abroad was lower than in the third quarter, reflecting a shift to net inflows of equity investment from net outflows in the third quarter. This shift was partly offset by lower fourth-quarter net inflows of intercompany debt and higher reinvested earnings.

U.S. net purchases of foreign securities—purchases in excess of sales—were higher than those in the third quarter. The fourth-quarter increase reflected an increase in net purchases of foreign bonds to a record level. Net purchases of foreign stocks also increased.

U.S. claims on foreigners reported by nonbanks decreased after increasing in the third quarter. The decrease was more than accounted for by a shift to a decrease in deposit claims.

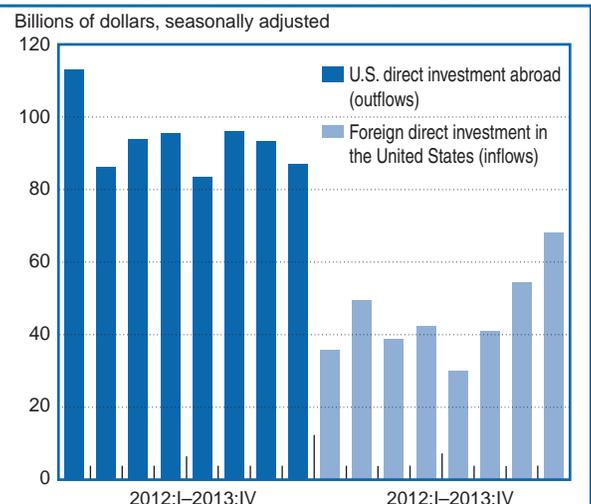
U.S. claims on foreigners reported by U.S. banks and securities brokers—such as U.S. residents' deposits at foreign banks and loans to foreigners—decreased less than in the third quarter. Claims on own accounts increased less than in the third quarter. Claims on customer accounts decreased more than in the third quarter.

Developments in the Financial Account

U.S.-owned assets abroad increased for the sixth straight quarter. The fourth-quarter increase was larger than the third-quarter increase, reflecting greater U.S. net purchases of foreign securities than in the third quarter (table G). In addition, U.S. claims reported by U.S. banks and securities brokers decreased less than in the third quarter. These changes were partly offset by a shift to a decrease in U.S. claims reported by nonbanking concerns and a decrease in outflows of U.S. direct investment abroad.

Foreign-owned assets in the United States also increased for the sixth straight quarter, by a larger amount than in each of the previous five quarters (table H). The larger fourth-quarter increase was more than accounted for by a shift to an increase in U.S. liabilities reported by banks and brokers. In addition, U.S. liabilities to unaffiliated foreigners reported by nonbanks decreased less, and foreign official assets in the United States increased more, than in the third quarter. Foreign private net purchases of U.S. Treasury securities increased. These changes were partly offset by a shift to foreign private net sales of U.S. securities other than U.S. Treasury securities in the fourth quarter from third-quarter net purchases.

Chart 6. Direct Investment Financial Flows



NOTE: Under balance-of-payments conventions, financial outflows are shown with a negative sign in tables 1-12.

U.S. Bureau of Economic Analysis

Fourth-Quarter Financial Account—Foreign-Owned Assets in the United States

Table H. Foreign-Owned Assets in the United States

[Millions of dollars, seasonally adjusted]

(Increase/financial inflow (+), decrease/financial outflow (-))	2013				Change 2013:III to 2013:IV
	I ^r	II ^r	III ^r	IV ^p	
Foreign-owned assets in the United States¹	266,887	168,563	145,592	325,025	179,433
Foreign official assets	126,871	-6,577	66,070	97,380	31,310
U.S. government securities	96,603	-23,558	33,114	98,489	65,375
U.S. Treasury securities	118,533	-11,974	13,890	115,074	101,184
Other	-21,930	-11,584	19,224	-16,585	-35,809
Other U.S. government liabilities	1,608	3,546	3,768	2,384	-1,384
U.S. liabilities reported by banks and brokers	20,061	-9,354	29,024	21,212	-7,812
Other foreign official assets	8,599	22,789	164	-24,705	-24,869
Other foreign assets	140,016	175,140	79,522	227,645	148,123
Direct investment	29,967	40,928	54,321	68,145	13,824
Equity	13,090	10,534	40,112	29,109	-11,003
Reinvested earnings	26,934	32,288	15,072	29,584	14,512
Intercompany debt	-10,057	-1,894	-863	9,453	10,316
U.S. Treasury securities	50,780	-6,065	64,833	92,672	27,839
U.S. securities other than U.S. Treasury securities	-10,970	-43,203	127,913	-29,437	-157,350
Stocks	-23,439	-47,098	60,830	-61,321	-122,151
Corporate bonds	32,254	28,758	65,349	50,965	-14,384
Federally sponsored agency bonds	-19,785	-24,863	1,734	-19,081	-20,815
U.S. currency	4,957	9,486	12,664	10,615	-2,049
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns	-20,872	18,850	-59,979	-2,818	57,161
U.S. liabilities reported by banks and brokers	86,154	155,144	-120,230	88,468	208,698
For own accounts	89,152	175,207	-84,532	65,105	149,637
For customers' accounts	-2,998	-20,063	-35,698	23,363	59,061

p Preliminary r Revised

1. Excludes transactions in financial derivatives.

NOTE: The statistics are presented in tables 1, 7, 8 and 11 in this article and on BEA's Web site.

Foreign official assets in the United States increased more than in the third quarter. The fourth-quarter increase was more than accounted for by net purchases of U.S. Treasury securities.

Foreign direct investment in the United States was higher than in the third quarter. The fourth-quarter increase was more than accounted for by higher reinvested earnings. In addition, intercompany debt investment shifted to net inflows from third-quarter net outflows. These changes were partly offset by lower net equity investment.

Foreign private net purchases of U.S. Treasury securities—purchases in excess of sales—increased to a record level in the fourth quarter. The increase reflected a shift to net purchases of U.S. Treasury bills and certificates.

Transactions in other U.S. securities shifted to net sales—sales in excess of purchases—from net purchases. The shift reflected a shift to net sales of U.S. stocks and agency bonds from net purchases and a decrease in net purchases of corporate bonds.

U.S. liabilities to foreigners reported by nonbanks decreased less than in the third quarter. The smaller fourth-quarter decrease reflected a shift to an increase from a decrease in “other” financial liabilities, such as loan liabilities to foreigners.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers increased after decreasing in the third quarter. The shift was largely accounted for by a shift to an increase in liabilities for own accounts, mostly in foreign-owned bank deposits and repurchase agreements with affiliated banks abroad.

Chart 7. Transactions in U.S. Claims and Liabilities Reported by Banks and Brokers, Excluding Transactions in Foreign Official Assets

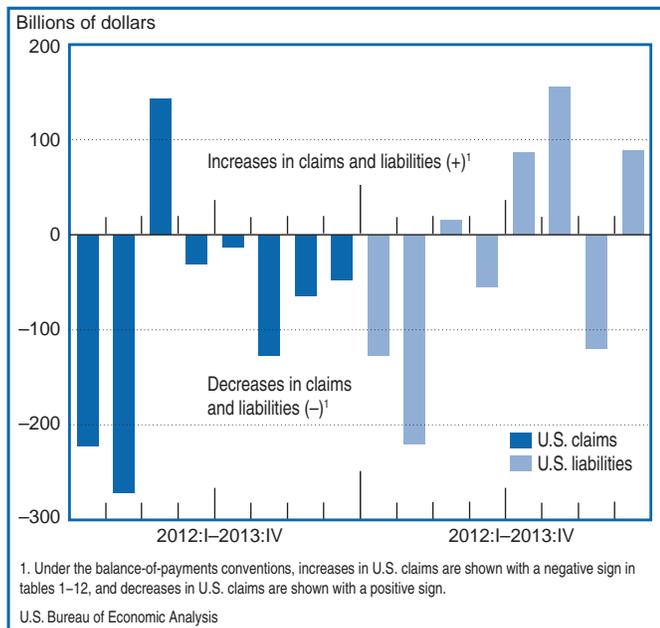
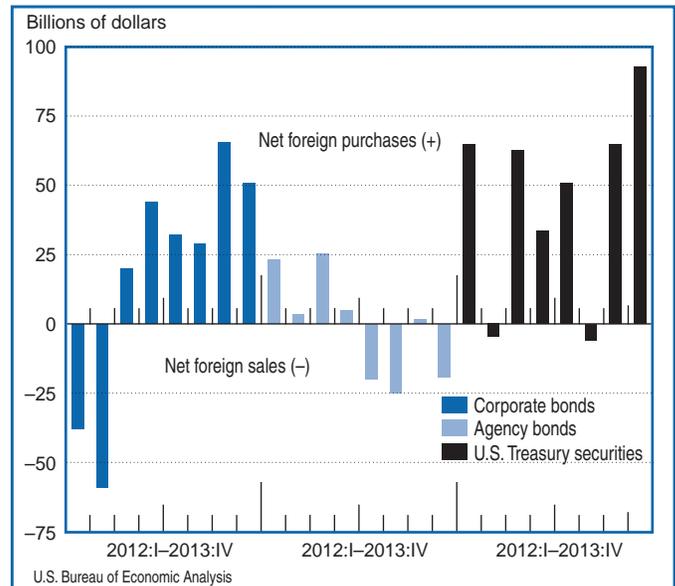


Chart 8. Transactions in U.S. Debt Securities, Excluding Transactions in Foreign Official Assets



Current and Capital Accounts in 2013

Table I. Current and Capital Accounts

[Millions of dollars]

(Credits +; debits -)	2010	2011	2012	2013 ^p	Change 2012 to 2013
Current account					
Exports of goods and services and income receipts	2,522,520	2,873,654	2,986,949	3,060,451	73,502
Goods, balance of payments basis	1,288,795	1,495,853	1,561,239	1,589,664	28,425
Foods, feeds, and beverages	107,719	126,207	132,810	135,942	3,132
Industrial supplies and materials	406,138	518,795	518,924	525,312	6,388
Capital goods, except automotive	447,839	493,251	527,656	534,462	6,806
Automotive vehicles, parts, and engines	112,008	132,849	146,126	152,108	5,982
Consumer goods, except automotive	165,228	174,955	181,745	188,518	6,773
Other exports	49,864	49,796	53,977	53,322	-655
Services	555,674	616,973	649,346	681,721	32,375
Travel	103,463	115,552	126,214	139,569	13,355
Passenger fares	30,987	36,763	39,360	41,145	1,785
Other transportation	40,669	43,067	43,855	45,414	1,559
Royalties and license fees	107,521	120,717	124,182	129,331	5,149
Other private services	255,989	279,645	294,527	304,440	9,913
Transfers under U.S. military agency sales contracts	14,958	18,821	18,520	18,977	457
U.S. government misc. services	2,087	2,408	2,688	2,845	157
Income receipts	678,051	760,829	776,364	789,065	12,701
Income on U.S.-owned assets abroad	672,120	754,724	770,079	782,442	12,363
Direct investment receipts	440,906	478,803	470,233	470,088	-145
Other private receipts	229,720	273,999	297,891	310,866	12,975
U.S. government receipts	1,494	1,923	1,954	1,488	-466
Compensation of employees	5,931	6,105	6,286	6,623	337
Imports of goods and services and income payments	2,844,240	3,197,844	3,297,677	3,306,549	-8,872
Goods, balance of payments basis	1,938,950	2,239,991	2,302,714	2,293,574	9,140
Foods, feeds, and beverages	-92,492	-108,258	-111,114	-116,020	-4,906
Industrial supplies and materials	-623,375	-781,994	-752,286	-702,506	49,780
Capital goods, except automotive	-450,406	-513,482	-551,683	-557,271	-5,588
Automotive vehicles, parts, and engines	-225,641	-255,229	-298,531	-309,654	-11,123
Consumer goods, except automotive	-486,517	-517,457	-519,626	-535,841	-16,215
Other imports and U.S. goods returned	-60,519	-63,572	-69,474	-72,282	-2,808
Services	-404,897	-429,672	-442,527	-452,675	-10,148
Travel	-75,505	-78,229	-83,451	-86,243	-2,792
Passenger fares	-27,256	-31,079	-34,654	-37,344	-2,690
Other transportation	-51,202	-54,630	-55,445	-58,679	-3,234
Royalties and license fees	-32,551	-34,786	-39,889	-41,291	-1,402
Other private services	-186,423	-199,654	-201,227	-203,973	-2,746
Direct defense expenditures	-28,478	-27,752	-24,734	-22,313	2,421
U.S. government misc. services	-3,483	-3,541	-3,127	-2,832	295
Income payments	-500,392	-528,181	-552,437	-560,300	-7,863
Income on foreign-owned assets in the United States	-486,430	-513,997	-537,815	-545,016	-7,201
Direct investment payments	-152,890	-168,243	-176,747	-174,294	2,453
Other private payments	-196,390	-213,350	-233,336	-248,891	-15,555
U.S. government payments	-137,150	-132,404	-127,732	-121,831	5,901
Compensation of employees	-13,962	-14,184	-14,622	-15,285	-663
Unilateral current transfers, net	-127,751	-133,535	-129,688	-133,179	-3,491
U.S. government grants	-42,736	-47,350	-46,090	-45,567	523
U.S. government pensions and other transfers	-6,645	-7,837	-3,685	-2,593	1,092
Private remittances and other transfers	-78,371	-78,349	-79,913	-85,020	-5,107
Capital account					
Capital account transactions, net	-157	-1,212	6,956	1-412	-7,368
Memoranda:					
Balance on goods	-650,156	-744,139	-741,475	-703,910	37,565
Balance on services	150,777	187,301	206,819	229,046	22,227
Balance on goods and services	-499,379	-556,838	-534,656	-474,864	59,792
Balance on income	177,659	232,648	223,928	228,765	4,837
Unilateral current transfers, net	-127,751	-133,535	-129,688	-133,179	-3,491
Balance on current account	-449,471	-457,725	-440,416	-379,278	61,138

^p Preliminary

1. Equals the sum of net capital account transactions for the first, second, and third quarters of the year.

NOTE: The statistics are presented in tables 1 and 2 in this article and on BEA's Web site.

Exports of goods increased in 2013 for the fourth straight year after falling in 2009; each increase since 2009 has been progressively smaller. Exports increased in five of the six major end-use categories in 2013. Each of the largest four increases were in the neighborhood of \$6 billion–\$7 billion.

Exports of services increased for the fourth straight year. The largest increases in 2013 were in travel and “other” private services. The increase in “other” private services reflected increases in financial services and in business, professional, and technical services.

Income receipts increased for the fourth straight year. The 2013 increase was more than accounted for by an increase in other private receipts, which reflected increases in receipts of both interest and dividends on U.S. holdings of foreign securities.

Goods imports decreased in 2013 after increasing for three straight years, despite 2013 increases in five of the six major end-use categories. A decrease in industrial supplies and materials—mostly due to a decrease in imports of petroleum and products—was larger than the combined increase in the other five categories. The largest increases were in imports of consumer goods and imports of automotive vehicles, parts, and engines.

Services imports increased for the fourth straight year. The largest 2013 increases were in “other” transportation, travel, and “other” private services. The increase in “other” transportation was primarily in freight services. The increase in “other” private services was more than accounted for by an increase in business, professional, and technical services.

Income payments increased less in 2013 than in any of the previous 3 years. The 2013 increase was more than accounted for by an increase in “other” private payments, which reflected increases in both dividends and interest on foreign private holdings of U.S. corporate securities. U.S. government payments and direct investment payments decreased.

Net capital account transactions shifted to net outflows from larger net inflows in 2012. The net inflows in 2012 reflected receipts from foreign insurance companies for losses recovered resulting from Superstorm Sandy.

The U.S. current-account deficit decreased for the second straight year. The 2013 decrease was considerably larger than the 2012 decrease. In 2013, a decrease in the deficit on goods and increases on the surpluses on services and income more than offset an increase in net outflows of unilateral current transfers. The deficit decreased to 2.3 percent of current-dollar GDP in 2013 from 2.7 percent in 2012.

Financial Account and Statistical Discrepancy in 2013

Table J. Financial Account and Statistical Discrepancy

[Millions of dollars]

	2010	2011	2012	2013 ^p	Change 2012 to 2013
Financial account					
U.S.-owned assets abroad (increase/financial outflow (-))¹	-909,953	-452,304	-97,469	-552,983	-455,514
U.S. official reserve assets.....	-1,834	-15,877	-4,460	3,098	7,558
U.S. government assets, other than official reserve assets.....	7,540	-103,666	85,331	1,975	-83,356
U.S. private assets.....	-915,659	-332,761	-178,341	-558,056	-379,715
Direct investment.....	-301,080	-409,004	-388,293	-359,642	28,651
Equity.....	-40,550	-64,748	-34,562	-12,536	22,026
Reinvested earnings.....	-302,489	-326,497	-332,694	-353,200	-20,506
Intercompany debt.....	41,960	-17,759	-21,037	6,094	27,131
Foreign securities.....	-139,084	-143,770	-144,823	-388,878	-244,055
Stocks.....	-79,149	-6,040	-82,580	-226,200	-143,620
Bonds.....	-59,935	-137,730	-62,243	-162,678	-100,435
U.S. claims on unaffiliated foreigners reported by nonbanking concerns.....	31,326	4,147	-25,723	-61,764	-36,041
U.S. claims reported by banks and brokers.....	-506,821	215,866	380,498	252,228	-128,270
For own accounts.....	-443,655	74,760	337,495	262,939	-74,556
For customers' accounts.....	-63,166	141,106	43,003	-10,711	-53,714
Foreign-owned assets in the United States (increase/financial inflow (+))¹	1,333,921	969,006	543,884	906,066	362,182
Foreign official assets.....	398,309	253,816	393,922	283,744	-110,178
U.S. government securities.....	353,294	149,101	314,660	204,648	-110,012
U.S. Treasury securities.....	442,012	169,813	433,155	235,523	-197,632
Other.....	-88,718	-20,712	-118,495	-30,875	87,620
Other U.S. government liabilities.....	12,442	9,563	8,241	11,306	3,065
U.S. liabilities reported by banks and securities brokers.....	-7,967	27,474	-1,572	60,943	62,515
Other foreign official assets.....	40,540	67,678	72,593	6,847	-65,746
Other foreign assets.....	935,612	715,190	149,962	622,322	472,360
Direct investment.....	205,851	230,224	166,411	193,360	26,949
Equity.....	140,474	98,465	59,621	92,845	33,224
Reinvested earnings.....	62,673	80,859	105,572	103,877	-1,875
Intercompany debt.....	2,703	50,900	1,038	-3,361	-4,399
U.S. Treasury securities.....	298,341	188,045	156,385	202,220	45,835
U.S. securities other than U.S. Treasury securities.....	140,939	-54,462	196,908	44,303	-152,605
Stocks.....	139,221	60,919	173,324	-71,028	-244,352
Corporate bonds.....	-24,488	-106,256	-33,159	177,326	210,485
Federally sponsored agency bonds.....	26,206	-9,125	56,743	-61,995	-118,738
U.S. currency.....	28,319	54,996	57,141	37,722	-19,419
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns.....	67,985	6,053	-39,505	-64,819	-25,314
U.S. liabilities reported by banks and securities brokers.....	194,177	290,334	-387,378	209,536	596,914
For own accounts.....	231,298	314,671	-409,583	244,932	654,515
For customers' accounts.....	-37,121	-24,337	22,205	-35,396	-57,601
Financial derivatives, net	14,076	35,006	-7,064	-1,850	5,214
Statistical discrepancy (sum of the bold lines in tables I and J with sign reversed)	11,585	-92,771	-5,891	28,456	34,347
Memorandum:					
Net financial flows ²	438,044	551,708	439,351	351,233	-88,118

^p Preliminary

¹ Excludes transactions in financial derivatives.

² Sum of U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives.

NOTE: The statistics, except for net financial flows, are presented in tables 1, 7, 8, 10, and 11 in this article and on BEA's Web site.

Data Availability and Methodology

Detailed statistics for U.S. international transactions are presented in tables 1–12 in this article. The statistics and a description of the estimation methods used to compile them are available at www.bea.gov under “International.” For the statistics, click on “Interactive Tables: Detailed estimates.” For the methods, see “U.S. International Transactions Accounts: Concepts and Estimation Methods” under “Methodologies.”

U.S. official reserve assets decreased after increasing in 2012. The decrease reflected a decrease in the U.S. reserve position at the International Monetary Fund.

U.S. government assets other than official reserve assets decreased less than in 2012. The smaller decrease reflected a slowdown in the reversals of central bank liquidity swaps that were initiated in 2011. Most of these currency swaps were reversed in 2012, leaving a smaller amount to be reversed in 2013.

U.S. direct investment abroad was lower than in the previous 2 years. The 2013 decrease reflected a shift to net inflows of intercompany debt investment from net outflows in 2012 and lower equity investment. These changes were partly offset by an increase in reinvested earnings.

U.S. purchases of foreign securities exceeded sales for the fifth straight year and by a record amount in 2013. The 2013 net purchases reflected a record level of U.S. net purchases of foreign stocks and the highest level of net purchases of foreign bonds since 2009.

U.S. claims on foreigners reported by U.S. banks and securities brokers decreased less than in 2012. The smaller decrease was mostly accounted for by a smaller decrease in foreign deposits of U.S.-owned banks than in 2012, especially with affiliated institutions in the Caribbean.

Foreign official assets in the United States increased less than in 2012. The slowdown reflected lower net purchases of U.S. Treasury securities.

Foreign direct investment in the United States increased after decreasing in 2012. The increase was more than accounted for by an increase in equity investment, which was partly offset by a shift to net outflows of intercompany debt investment and a decrease in reinvested earnings.

Purchases of U.S. Treasury securities by private foreigners exceeded sales by more than in the 2 previous years. The 2013 increase in net purchases reflected larger net purchases of Treasury bonds and notes.

Purchases of other U.S. securities by private foreigners exceeded sales by less than in 2012. The slowdown in net purchases reflected a shift to net sales of U.S. stocks and agency bonds that was partly offset by a shift to net purchases of U.S. corporate bonds.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers increased after decreasing in 2012. The shift was more than accounted for by a shift to an increase from a decrease in liabilities for own accounts.