

# U.S. International Transactions

## Fourth Quarter and Year 2010

THE U.S. CURRENT-ACCOUNT deficit—which measures transactions between the United States and the rest of the world in goods, services, income, and net unilateral current transfers—decreased to \$113.3 billion (preliminary) in the fourth quarter of 2010 from \$125.5 billion (revised) in the third quarter (see pages 14–17).<sup>1</sup> The deficit decreased to 3.0 percent of current-dollar gross domestic product (GDP) from 3.4 percent, the first decrease after five straight quarterly increases.<sup>2</sup> The decrease in the deficit resulted from a decrease in the deficit on goods and an increase in the surplus on services; these changes were partly offset by a decrease in the surplus on income and an increase in net unilateral current transfers. In 2010, the current-account deficit increased to \$470.2 billion from \$378.4 billion in 2009 (see page 20). The 2010 deficit increased to 3.2 percent of current-dollar GDP from 2.7 percent in 2009, the first year of increase after peaking in 2006.

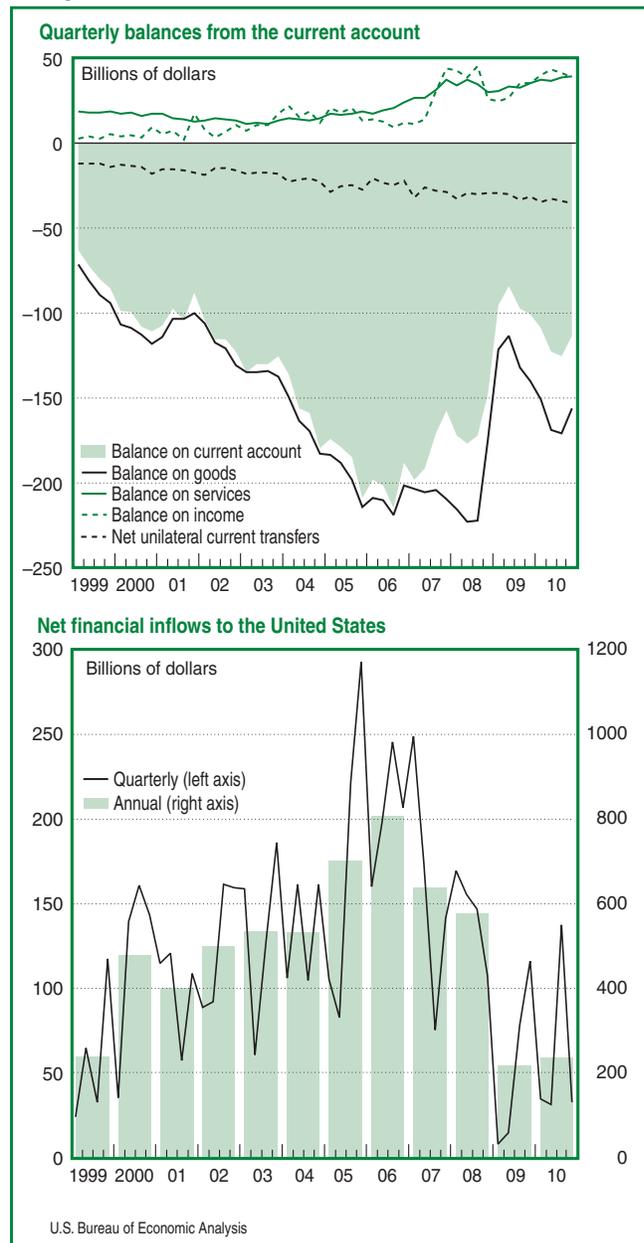
Net financial inflows to the United States decreased to \$32.4 billion in the fourth quarter from \$137.0 billion in the third quarter (see pages 18–19). Net financial flows reflect combined transactions in U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives. However, the preliminary statistics for the fourth quarter exclude transactions for financial derivatives because the data are not yet available. In 2010, net financial inflows increased to \$235.3 billion from \$216.1 billion in 2009 (see page 21).

The statistical discrepancy—net errors and omissions in recorded transactions—was \$80.9 billion in the fourth quarter, compared with –\$11.4 billion in the third quarter. In 2010, the statistical discrepancy was \$235.1 billion, compared with \$162.5 billion in 2009.

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 and Net Financial Flows**



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## Overview, Fourth Quarter

**Table A. U.S. International Transactions**  
[Millions of dollars, seasonally adjusted]

(Credits +; debits -)	2010				Change 2010:III- 2010:IV
	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Current account</b>					
<b>Exports of goods and services and income receipts</b>	<b>600,802</b>	<b>614,362</b>	<b>627,201</b>	<b>654,264</b>	<b>27,063</b>
Goods, balance of payments basis	306,158	316,682	323,533	342,290	18,757
Services	133,464	133,884	138,228	139,926	1,698
Income receipts	161,180	163,796	165,440	172,047	6,607
<b>Imports of goods and services and income payments</b>	<b>-674,596</b>	<b>-703,926</b>	<b>-718,456</b>	<b>-732,405</b>	<b>-13,949</b>
Goods, balance of payments basis	-457,051	-485,824	-494,373	-498,491	-4,118
Services	-96,441	-97,248	-100,008	-100,456	-448
Income payments	-121,104	-120,854	-124,074	-133,458	-9,384
<b>Unilateral current transfers, net</b>	<b>-34,889</b>	<b>-33,163</b>	<b>-34,234</b>	<b>-35,204</b>	<b>-970</b>
U.S. government grants	-12,311	-10,005	-11,038	-11,611	-573
U.S. government pensions and other transfers	-2,548	-2,590	-2,616	-2,604	12
Private remittances and other transfers	-20,029	-20,568	-20,579	-20,989	-410
<b>Capital account</b>					
<b>Capital account transactions, net</b>	<b>-3</b>	<b>-2</b>	<b>-146</b>	<b>0</b>	<b>146</b>
<b>Financial account</b>					
<b>U.S.-owned assets abroad (increase/financial outflow (-))<sup>1</sup></b>	<b>-301,271</b>	<b>-141,259</b>	<b>-341,024</b>	<b>-241,169</b>	<b>99,855</b>
U.S. official reserve assets	-773	-165	-1,096	200	1,296
U.S. government assets, other than official reserve assets	9,433	-2,441	788	-297	-1,085
U.S. private assets	-309,931	-138,653	-340,717	-241,072	99,645
Direct investment	-102,823	-72,617	-78,124	-92,058	-13,934
Foreign securities	-46,147	-20,329	-50,489	-50,185	304
U.S. claims on unaffiliated foreigners reported by nonbanking concerns	10,821	11,306	-18,623	-1,957	16,666
U.S. claims reported by banks and brokers	-171,782	-57,013	-193,481	-96,872	96,609
<b>Foreign-owned assets in the United States (increase/financial inflow (+))<sup>1</sup></b>	<b>320,258</b>	<b>162,241</b>	<b>488,753</b>	<b>273,579</b>	<b>-215,174</b>
Foreign official assets in the United States	72,507	43,568	132,885	49,082	-83,803
Other foreign assets in the United States	247,751	118,673	355,868	224,497	-131,371
Direct investment	51,609	18,182	68,898	55,775	-13,123
U.S. Treasury securities	103,092	101,320	64,497	37,498	-26,999
U.S. securities other than U.S. Treasury securities	6,077	-5,588	104,062	70,866	-33,196
U.S. currency	2,265	2,100	10,514	13,440	2,926
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns	20,877	9,406	3,755	15,924	12,169
U.S. liabilities reported by banks and brokers	63,831	-6,747	104,142	30,994	-73,148
<b>Financial derivatives, net</b>	<b>15,838</b>	<b>10,048</b>	<b>-10,743</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Statistical discrepancy (sum of the bold lines above with sign reversed)</b>	<b>73,860</b>	<b>91,698</b>	<b>-11,351</b>	<b>180,935</b>	<b>392,286</b>
<b>Memoranda:</b>					
Balance on goods	-150,893	-169,142	-170,840	-156,201	14,639
Balance on services	37,023	36,636	38,220	39,471	1,251
Balance on goods and services	-113,870	-132,506	-132,621	-116,730	15,891
Balance on income	40,076	42,943	41,366	38,589	-2,777
Unilateral current transfers, net	-34,889	-33,163	-34,234	-35,204	-970
Balance on current account	-108,683	-122,727	-125,489	-113,345	12,144
Net financial flows <sup>2</sup>	34,825	31,030	136,986	132,410	3-104,576

p Preliminary r Revised n.a. Not available

1. Excludes transactions in financial derivatives.

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

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

NOTE: The statistics except for net financial flows are from table 1.

### Data Availability

Detailed statistics for U.S. international transactions are presented in tables 1–12 after this article. They are also available interactively on BEA's Web site at [www.bea.gov](http://www.bea.gov). Users may view and download the statistics for an entire table, or they may select the period, frequency, and lines that they wish to view. The statistics are available in an HTML table, in a spreadsheet file (.xls format), or as comma-separated values.

### Current-account highlights

- The deficit on goods decreased, reflecting a strong increase in exports that outpaced a small increase in imports.
- The surplus on services continued to rise for a second quarter, as services receipts grew faster than services payments.
- Growth in income payments outpaced growth in income receipts, reducing the surplus on income.

### Financial-account highlights

- U.S.-owned assets abroad and foreign-owned assets in the United States both rose, but less in the fourth quarter than in the third quarter. The slowdown in the growth in foreign-owned assets in the United States was greater than in U.S.-owned assets abroad, primarily U.S. claims reported by banks and brokers.
- U.S.-owned assets abroad increased for the sixth quarter in a row. The fourth-quarter growth resulted from an increase in U.S.-owned private assets abroad.
- Foreign-owned assets in the United States grew for the sixth straight quarter, but at a slower pace than in the third quarter. The net increase in "other foreign assets in the United States" slowed, reflecting smaller increases in liabilities to foreigners reported by U.S. banks and securities brokers and in net purchases of U.S. securities by private foreigners.

### Revisions

The preliminary statistics for U.S. international transactions for the third quarter that were published in the January 2011 SURVEY OF CURRENT BUSINESS have been revised to reflect new or revised source data. In addition, the statistics for the first, second, and third quarters have been revised to ensure that the seasonally adjusted statistics sum to the same annual totals as the unadjusted statistics.

The revisions to the first and second quarters were small. In the third-quarter, the current-account deficit was revised down to \$125.5 billion from \$127.2 billion. The goods deficit was revised to \$170.8 billion from \$171.2 billion; the services surplus was revised to \$38.2 billion from \$36.8 billion; the income surplus was revised to \$41.4 billion from \$41.1 billion; and unilateral current transfers were revised to net outflows of \$34.2 billion from \$33.9 billion. Net financial inflows were revised to \$137.0 billion from \$181.6 billion.

## Current Account, Fourth Quarter—Goods

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

	2010				Change 2010:III– 2010:IV
	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Exports, balance of payments basis</b>	<b>306,158</b>	<b>316,682</b>	<b>323,533</b>	<b>342,290</b>	<b>18,757</b>
Agricultural products	29,335	26,552	28,383	34,692	6,309
Nonagricultural products	276,824	290,130	295,150	307,598	12,448
<b>Foods, feeds, and beverages</b>	<b>26,492</b>	<b>23,864</b>	<b>25,967</b>	<b>31,377</b>	<b>5,410</b>
Grains and preparations	7,042	6,347	6,567	7,884	1,317
Other	19,450	17,517	19,400	23,493	4,093
<b>Industrial supplies and materials</b>	<b>93,836</b>	<b>100,773</b>	<b>100,968</b>	<b>109,655</b>	<b>8,687</b>
Petroleum and products	18,541	21,633	21,004	24,052	3,048
Nonpetroleum products	75,295	79,140	79,964	85,603	5,639
Chemicals, excluding medicinals	25,633	26,307	26,837	29,053	2,216
Metals and nonmetallic products	23,301	24,969	25,587	27,087	1,500
Nonferrous metals	12,057	12,312	13,368	13,997	629
Other	11,244	12,657	12,219	13,090	871
Other	26,361	27,864	27,540	29,463	1,923
<b>Capital goods, except automotive</b>	<b>105,820</b>	<b>110,492</b>	<b>113,761</b>	<b>115,838</b>	<b>2,077</b>
Electric generating machinery, apparatus, and parts	10,406	11,458	11,158	11,335	177
Oil drilling, mining, and construction machinery	6,053	6,716	6,869	7,267	398
Industrial engines, pumps, and compressors	5,958	6,127	5,874	6,343	469
Industrial, agricultural, and service machinery, n.e.c.	24,594	26,156	28,346	29,324	978
Computers, peripherals, and parts	10,393	11,009	10,989	11,436	447
Semiconductors	11,802	12,297	11,625	11,252	-373
Telecommunications equipment	7,915	7,782	8,057	8,170	113
Scientific, hospital, and medical equipment	9,585	9,791	10,066	10,301	235
Civilian aircraft, engines, and parts	17,429	17,162	18,747	18,520	-227
Other	1,685	1,994	2,030	1,890	-140
<b>Automotive vehicles, parts, and engines</b>	<b>27,129</b>	<b>28,332</b>	<b>27,898</b>	<b>28,499</b>	<b>601</b>
Passenger cars	8,935	9,628	9,536	10,235	699
Trucks, buses, and special purpose vehicles	4,641	4,239	3,924	3,800	-124
Engines, parts, and accessories	13,552	14,464	14,437	14,464	27
<b>Consumer goods, except automotive</b>	<b>40,737</b>	<b>40,360</b>	<b>41,153</b>	<b>43,503</b>	<b>2,350</b>
Nondurable goods	20,031	18,513	18,775	20,176	1,401
Medicinal, dental, and pharmaceutical products	12,500	10,720	11,065	12,320	1,255
Other	7,531	7,793	7,710	7,856	146
Durable goods	20,706	21,847	22,379	23,327	948
Household appliances and other household goods	7,812	7,887	8,077	8,102	25
Other	12,894	13,960	14,302	15,225	923
<b>Other exports</b>	<b>12,145</b>	<b>12,861</b>	<b>13,787</b>	<b>13,419</b>	<b>-368</b>

p Preliminary r Revised

NOTE: The statistics are from table 2. For additional statistics on goods exports, see [BEA's Web site](#).

**Table C. Real Goods Exports and Imports**

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

	2009		2010			
	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
Exports, balance of payments basis	4.6	6.9	3.7	2.1	2.1	3.0
Imports, balance of payments basis	6.7	1.6	2.6	9.0	4.3	-3.9

p Preliminary r Revised

### Trends in the Trade in Goods

The deficit on goods decreased strongly in the fourth quarter of 2010, after rising over the previous five quarters. Relative to current-dollar GDP, the goods deficit fell to 4.2 percent in the fourth quarter from 4.6 percent. Current-dollar goods exports grew much faster than imports, but both grew at a slower pace than in the third quarter.

Real exports increased in the fourth quarter; real imports fell for the first time since the second quarter of 2009, primarily because of a decrease in petroleum imports (table C).

Goods exports increased for the sixth consecutive quarter. Growth in exports slowed in the first three quarters of 2010. Fourth-quarter exports grew 2½ times as much as in the third quarter. Most major end-use categories increased in the fourth quarter; the largest increases were in industrial supplies and materials and in foods, feeds, and beverages.

Foods, feeds, and beverages rose 20.8 percent. Nearly all commodities increased strongly; most notable were increases in soybeans and in grains and preparations.

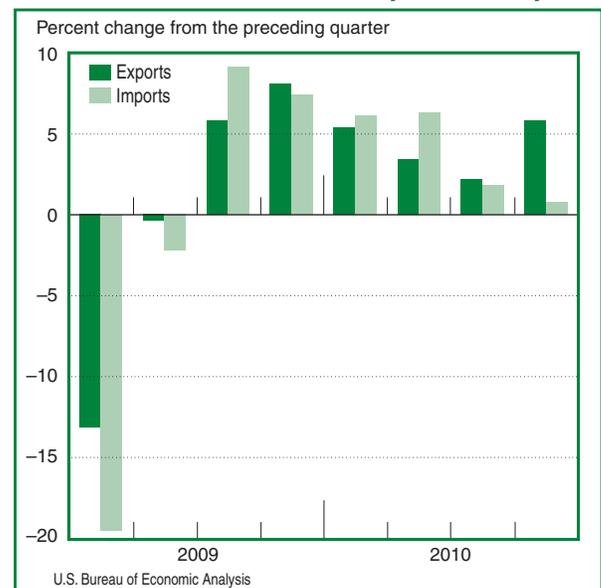
Industrial supplies and materials grew 8.6 percent after slower growth in the two previous quarters; the growth was largely a result of an increase in petroleum and products and continued growth in chemicals. Metals and nonmetallic products also increased. Raw cotton posted a record quarterly increase.

Capital goods increased for the sixth consecutive quarter, mostly because of growth in other industrial, agricultural, and service machinery and in industrial engines, pumps, and compressors. A decrease in civilian aircraft, engines, and parts partly offset the increase.

Automotive vehicles, parts, and engines rose slightly because of growth in passenger car exports after a small decline the third quarter.

Consumer goods rose because of increases in both nondurable and durable goods. The increase in nondurable goods mostly resulted from an increase in medicinal, dental, and pharmaceutical products. Durable goods increased for the sixth straight quarter.

**Chart 2. Current-Dollar Goods Exports and Imports**



**Current Account, Fourth Quarter—Goods**

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

	2010				Change 2010:III- 2010:IV
	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Imports, balance of payments basis</b> .....	<b>457,051</b>	<b>485,824</b>	<b>494,373</b>	<b>498,491</b>	<b>4,118</b>
Petroleum and products .....	89,362	89,453	86,508	89,420	2,912
Nonpetroleum products .....	367,689	396,372	407,865	409,071	1,206
<b>Foods, feeds, and beverages</b> .....	<b>21,987</b>	<b>22,942</b>	<b>23,236</b>	<b>23,557</b>	<b>321</b>
<b>Industrial supplies and materials</b> .....	<b>152,798</b>	<b>157,385</b>	<b>153,907</b>	<b>158,237</b>	<b>4,330</b>
Petroleum and products .....	89,362	89,453	86,508	89,420	2,912
Nonpetroleum products .....	63,436	67,932	67,399	68,817	1,418
Natural gas .....	5,752	4,551	4,392	3,430	-962
Chemicals, excluding medicinals .....	13,980	14,704	15,138	15,957	819
Building materials, except metals .....	4,660	5,156	4,821	4,585	-236
Metals and nonmetallic products .....	22,731	25,593	24,619	26,967	2,348
Iron and steel products .....	6,130	7,518	7,656	7,067	-589
Nonferrous metals .....	10,794	11,465	10,714	13,550	2,836
Other .....	5,807	6,610	6,249	6,350	101
Other .....	16,313	17,928	18,429	17,878	-551
<b>Capital goods, except automotive</b> .....	<b>101,975</b>	<b>112,296</b>	<b>116,456</b>	<b>118,983</b>	<b>2,527</b>
Electric generating machinery, apparatus, and parts .....	12,677	13,808	14,079	14,670	591
Oil drilling, mining, and construction machinery .....	2,737	3,860	4,245	4,509	264
Industrial engines, pumps, and compressors .....	3,685	4,119	4,394	4,574	180
Industrial, agricultural, and service machinery, n.e.c. ....	21,304	23,875	25,639	26,828	1,189
Computers, peripherals, and parts .....	28,227	31,246	29,358	28,440	-918
Semiconductors .....	5,894	6,542	8,119	8,952	833
Telecommunications equipment .....	10,688	11,685	12,591	12,624	33
Scientific, hospital, and medical equipment .....	7,550	7,833	8,174	8,329	155
Civilian aircraft, engines, and parts .....	7,591	7,591	8,011	8,158	147
Other .....	1,622	1,737	1,846	1,899	53
<b>Automotive vehicles, parts, and engines</b> .....	<b>50,320</b>	<b>57,548</b>	<b>59,927</b>	<b>57,315</b>	<b>-2,612</b>
Passenger cars .....	25,005	30,348	31,062	28,583	-2,479
Trucks, buses, and special purpose vehicles .....	3,611	4,200	4,369	4,118	-251
Engines, parts, and accessories .....	21,705	23,000	24,497	24,613	116
<b>Consumer goods, except automotive</b> .....	<b>114,507</b>	<b>121,239</b>	<b>125,758</b>	<b>124,707</b>	<b>-1,051</b>
Nondurable goods .....	53,680	56,321	58,911	58,171	-740
Apparel, footwear, and household goods .....	26,920	29,159	30,372	30,307	-65
Medicinal, dental, and pharmaceutical products ...	20,641	21,046	22,186	21,660	-526
Other .....	6,119	6,116	6,352	6,205	-147
Durable goods .....	60,827	64,918	66,847	66,536	-311
Televisions and other video equipment .....	8,966	9,721	9,678	9,396	-282
Toys and sporting goods, including bicycles .....	8,831	9,041	9,225	9,520	295
Household appliances and other household goods .....	28,243	30,327	32,325	31,361	-964
Other .....	14,787	15,829	15,619	16,259	640
<b>Other imports and U.S. goods returned</b> .....	<b>15,463</b>	<b>14,415</b>	<b>15,089</b>	<b>15,692</b>	<b>603</b>

<sup>p</sup> Preliminary    <sup>r</sup> Revised  
NOTE: The statistics are from table 2. For additional statistics on goods imports, see [BEA's Web site](#).

Goods imports increased slightly in the fourth quarter, after five quarters of more substantial growth. Most major end-use categories increased, but the increase was more than accounted for by gains in industrial supplies and materials.

Foods, feeds, and beverages continued its slow pace of growth, similar to its growth in the third quarter after strong growth in the two previous quarters.

Industrial supplies and materials increased, after decreasing in the third quarter. The upturn was more than accounted for by increases in petroleum and products and in nonferrous metals.

Capital goods rose for the sixth consecutive quarter, but more slowly than in the previous five quarters. The increase in capital goods was largely due to an increase in industrial, agricultural, and service machinery that was partly offset by a decrease in computers, peripherals, and parts.

Automotive vehicles, parts, and engines decreased, after six quarters of growth. Passenger cars accounted for most of the decrease.

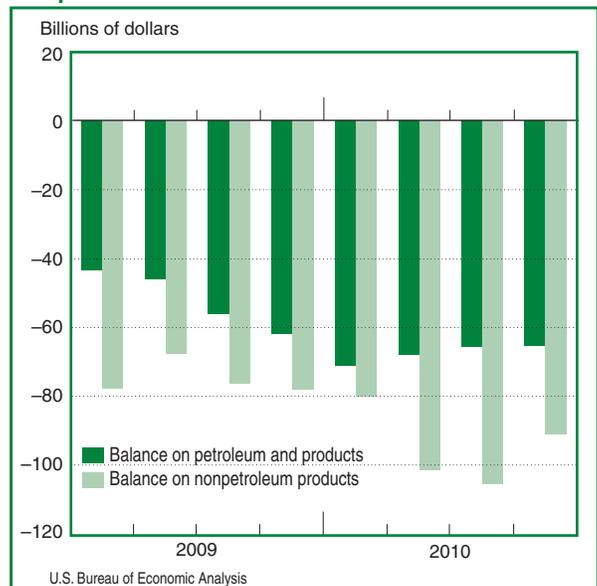
Consumer goods decreased slightly after five quarters of growth; both nondurable and durable goods contributed to the decrease. Nondurable goods decreased mostly as a result of a decline in medicinal, dental, and pharmaceutical products. The durable goods decrease was a result of a decline in household appliances and other household goods.

**Goods Deficit by Area and Type of Product**

The goods deficit decreased \$14.6 billion in the fourth quarter, the first decrease since the second quarter of 2009. The deficit with Asia and Pacific decreased \$11.1 billion as the deficit with China decreased \$10.6 billion. The deficit with Europe decreased \$6.1 billion. The deficits with Africa and with Latin America and Other Western Hemisphere also decreased, as the deficits with Canada and the Middle East increased.

**Petroleum products.** The deficit on petroleum products decreased \$0.1 billion; the deficit decreased for the third consecutive quarter after a substantial cumulative increase over the preceding four quarters. The average price per barrel of petroleum rose more than 6 percent in the fourth quarter, and the average number of barrels imported daily decreased 3 percent.

**Chart 3. Balance on Total Petroleum and Nonpetroleum Products**



## Current Account, Fourth Quarter—Services

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

	2010				Change 2010:III- 2010:IV
	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Services exports</b> .....	<b>133,464</b>	<b>133,884</b>	<b>138,228</b>	<b>139,926</b>	<b>1,698</b>
Travel.....	25,137	25,328	26,030	26,599	569
Passenger fares .....	7,186	7,826	8,219	8,063	-156
Other transportation.....	9,698	9,955	10,101	10,073	-28
Freight.....	4,777	4,903	4,946	5,011	65
Port services .....	4,921	5,052	5,155	5,062	-93
Royalties and license fees .....	24,127	24,051	23,754	23,875	121
Other private services.....	62,619	61,936	65,294	66,721	1,427
Education .....	5,238	5,355	5,501	5,596	95
Financial services .....	14,028	13,726	14,856	15,393	537
Insurance services.....	3,505	3,518	3,748	3,787	39
Telecommunications.....	2,432	2,451	2,616	2,701	85
Business, professional, and technical services.....	31,657	31,031	32,596	33,013	417
Other services.....	5,758	5,855	5,977	6,232	255
Transfers under U.S. military agency sales contracts	4,242	4,464	4,499	4,240	-259
U.S. government miscellaneous services .....	454	324	332	355	23
<b>Services imports</b> .....	<b>96,441</b>	<b>97,248</b>	<b>100,008</b>	<b>100,456</b>	<b>448</b>
Travel.....	18,628	18,130	18,948	18,940	-8
Passenger fares .....	6,631	6,974	7,221	7,260	39
Other transportation.....	11,328	12,385	12,870	12,370	-500
Freight.....	8,456	9,517	10,143	9,541	-602
Port services .....	2,872	2,868	2,727	2,829	102
Royalties and license fees .....	7,658	7,086	7,148	7,335	187
Other private services.....	43,281	43,858	44,890	45,691	801
Education .....	1,446	1,473	1,498	1,543	45
Financial services .....	3,896	3,951	3,898	4,052	154
Insurance services.....	13,398	13,831	14,589	14,637	48
Telecommunications.....	1,819	1,867	1,920	1,934	14
Business, professional, and technical services.....	22,076	22,131	22,386	22,920	534
Other services.....	646	605	599	605	6
Direct defense expenditures .....	7,721	7,590	7,609	7,526	-83
U.S. government miscellaneous services .....	1,194	1,224	1,322	1,334	12

Travel receipts—purchases of goods and services by foreign travelers in the United States—increased for the sixth consecutive quarter as a result of an increase in the average expenditures of foreign visitors in the United States.

Passenger fare receipts declined somewhat after increasing strongly over the three preceding quarters.

“Other” transportation receipts turned down slightly after rising over the previous five quarters.

“Other” private services receipts increased for a second straight quarter, mostly because of higher receipts for financial services and for business, professional, and technical services.

Travel payments—purchases of goods and services by U.S. travelers abroad—edged down; the slight decrease resulted from a small decrease in the average expenditures of U.S. travelers abroad.

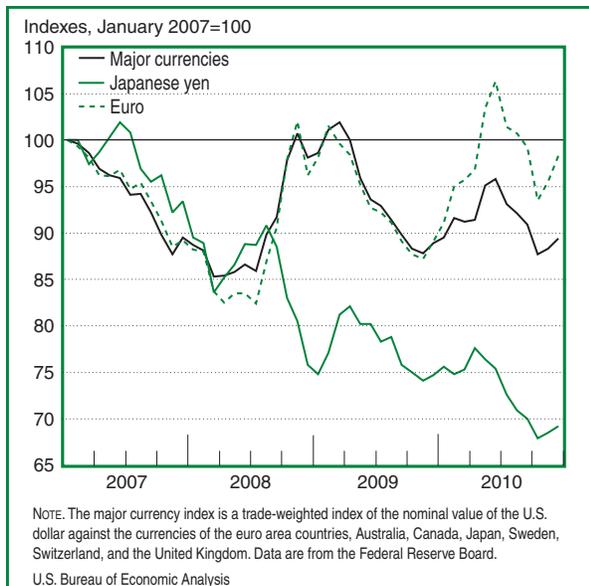
Passenger fare payments increased for the sixth quarter in a row.

“Other” transportation payments turned down after increasing over the previous four quarters. A decrease in freight services was partly offset by an increase in port services.

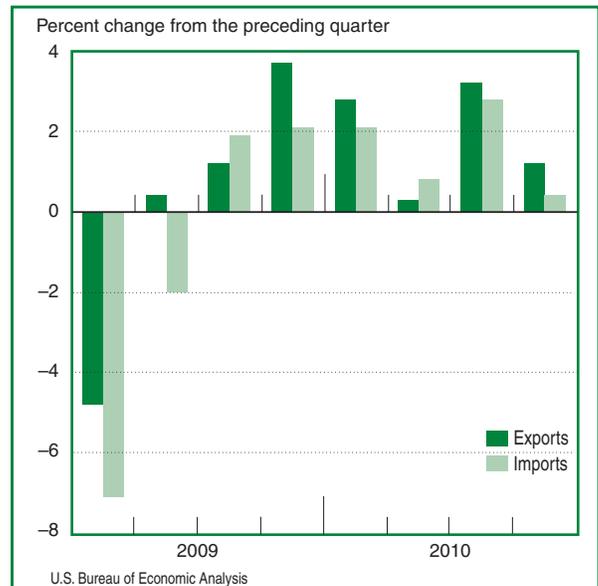
“Other” private services payments increased for the third quarter in a row, mostly because of higher payments for business, professional, and technical services.

p Preliminary r Revised  
NOTE: The statistics are from tables 1 and 3. For additional information on services, including definitions, see Jennifer Konz-Bruner and Anne Flatness, “U.S. International Services: Cross-Border Trade in 2009 and Services Supplied Through Affiliates in 2008,” SURVEY OF CURRENT BUSINESS 90 (OCTOBER 2010); 18-60.

**Chart 4. Foreign Currency Price of the U.S. Dollar**



**Chart 5. Services Exports and Imports**



**Current Account, Fourth Quarter—Income**

**Table F. Income Receipts and Payments**  
[Millions of dollars, seasonally adjusted]

	2010				Change 2010:III— 2010:IV
	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Income receipts</b> .....	<b>161,180</b>	<b>163,796</b>	<b>165,440</b>	<b>172,047</b>	<b>6,607</b>
Income on U.S.-owned assets abroad .....	160,421	163,019	164,654	171,259	6,605
Direct investment receipts .....	104,046	105,042	106,391	110,558	4,167
Earnings .....	102,668	103,526	104,995	109,082	4,087
Interest .....	1,378	1,516	1,396	1,477	81
Other private receipts .....	55,981	57,655	57,954	60,391	2,437
Income on foreign securities .....	46,897	47,167	47,273	50,006	2,733
Dividends .....	26,564	26,496	27,006	28,541	1,535
Interest .....	20,333	20,671	20,267	21,465	1,198
Interest on claims reported by banks and brokers	4,805	5,998	6,001	5,873	-128
For own claims .....	4,108	5,085	5,065	5,002	-63
For customers' claims .....	697	913	936	871	-65
Interest on claims reported by nonbanking concerns .....	4,279	4,490	4,680	4,512	-168
U.S. government receipts .....	394	322	309	310	1
Compensation of employees .....	759	777	786	788	2
<b>Income payments</b> .....	<b>121,104</b>	<b>120,854</b>	<b>124,074</b>	<b>133,458</b>	<b>9,384</b>
Income on foreign-owned assets in the United States .....	118,303	117,991	121,193	130,552	9,359
Direct investment payments .....	35,142	33,460	37,240	45,259	8,019
Earnings .....	28,744	27,029	31,801	38,870	7,069
Interest .....	6,398	6,432	5,439	6,389	950
Other private payments .....	48,426	48,902	48,126	49,674	1,548
Income on U.S. corporate securities .....	43,576	43,175	42,526	44,466	1,940
Dividends .....	13,640	14,142	14,065	15,015	950
Interest .....	29,936	29,033	28,461	29,452	991
Interest on liabilities reported by banks and brokers .....	3,249	3,869	3,629	3,376	-253
For own liabilities .....	1,628	2,133	2,245	2,078	-167
For customers' liabilities .....	1,621	1,736	1,384	1,298	-86
Interest on liabilities reported by nonbanking concerns .....	1,602	1,858	1,971	1,831	-140
U.S. government payments .....	34,735	35,629	35,827	35,619	-208
Compensation of employees .....	2,801	2,862	2,881	2,906	25

<sup>p</sup> Preliminary <sup>r</sup> Revised  
NOTE: The statistics are from tables 1, 4, and 7.

Income receipts on U.S. direct investment abroad increased for the seventh straight quarter, mostly as a result of higher foreign affiliates' earnings in manufacturing. Earnings also increased in mining, especially for affiliates of U.S. petroleum companies, and in professional, technical, scientific, and technical services industries.

"Other" private income receipts continued to gradually trend upward, rising for the third straight quarter after a steep decline between the fourth quarter of 2007 and the third quarter of 2009. Income on foreign securities drove this rise as dividends and interest receipts rose.

U.S. government receipts increased very slightly after decreasing in the previous quarter to its lowest level since the fourth quarter of 1976.

Income payments on foreign direct investment in the United States rose for the second straight quarter as a result of an increase in U.S. affiliates' earnings. The increase was largely due to growth in "other," led by telecommunications-related affiliates, and manufacturing, led by computer and electronics products and chemicals affiliates.

"Other" private income payments rose after a drop in the third quarter. The rise was accounted for by similar increases in interest payments and dividends on securities because of a rise in foreign holdings.

U.S. government payments decreased after three straight quarters of growth, led by a decline in yields on U.S. agency bonds.

**Trends in Income**

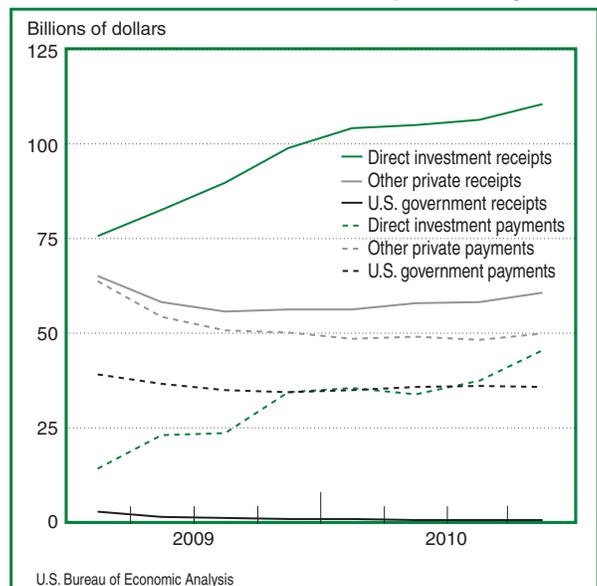
The surplus on income fell to \$38.6 billion in the fourth quarter. The surplus was 1.0 percent relative to U.S. current-dollar GDP, slipping from 1.1 percent in the third quarter.

Income receipts rose in the fourth quarter, bringing cumulative growth over the previous six quarters to 21 percent. Income payments also rose, bringing cumulative growth over the previous five quarters to 20 percent.

Direct investment continued its upward trend that began in the second quarter of 2009, rising to a record high in the fourth quarter. Direct investment payments rose sharply to a record high after decreasing in the second quarter of 2010, the only quarterly decrease in a period of growth that began in the second quarter of 2009.

"Other" private receipts grew modestly for the third consecutive quarter, but still remained 50 percent below its previous peak in the third quarter of 2007. "Other" private payments increased, but after seesawing in 2010, it was left slightly below its level in the fourth quarter of 2009 and 55 percent below its previous peak in the third quarter of 2007.

**Chart 6. Investment Income Receipts and Payments**



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

**Table G. U.S.-Owned Assets Abroad**  
[Millions of dollars, seasonally adjusted]

(Increase/financial outflow (-), decrease/financial inflow (+))	2010				Change 2010:III-2010:IV
	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>U.S.-owned assets abroad <sup>1</sup></b> .....	<b>-301,271</b>	<b>-141,259</b>	<b>-341,024</b>	<b>-241,169</b>	<b>99,855</b>
U.S. official reserve assets .....	-773	-165	-1,096	200	1,296
U.S. government assets, other than official reserve assets.....	9,433	-2,441	788	-297	-1,085
U.S. private assets.....	-309,931	-138,653	-340,717	-241,072	99,645
Direct investment .....	-102,823	-72,617	-78,124	-92,058	-13,934
Equity .....	-30,183	-9,065	-829	-6,665	-5,836
Reinvested earnings.....	-80,518	-73,142	-79,284	-82,925	-3,641
Intercompany debt .....	7,878	9,590	1,989	-2,468	-4,457
Foreign securities.....	-46,147	-20,329	-50,489	-50,185	304
Stocks.....	-10,787	-22,153	-16,741	-28,914	-12,173
Bonds.....	-35,360	1,824	-33,748	-21,271	12,477
U.S. claims on unaffiliated foreigners reported by nonbanking concerns .....	10,821	11,306	-18,623	-1,957	16,666
U.S. claims reported by banks and brokers ....	-171,782	-57,013	-193,481	-96,872	96,609
For own accounts.....	-170,126	-71,068	-175,008	-47,098	127,910
For customers' accounts.....	-1,656	14,055	-18,473	-49,774	-31,301

<sup>p</sup> Preliminary <sup>r</sup> Revised

<sup>1</sup> Excludes transactions in financial derivatives, which are not available separately for U.S.-owned assets abroad.

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 from tables 1, 7, 8, and 10.

U.S. official reserve assets decreased in the fourth quarter after increasing in the first three quarters of 2010. The downward swing resulted from a reduced U.S. reserve position in the International Monetary Fund.

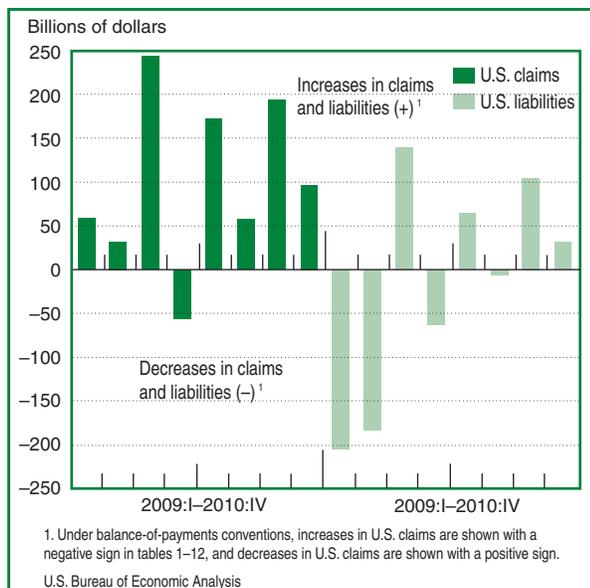
U.S. government assets other than official reserve assets turned up, after decreasing in the third quarter. The upturn resulted from an increase in U.S. credits and other long-term assets.

U.S. direct investment abroad increased strongly after moderate growth in the third quarter. Outflows in each component contributed to the increase, but the largest portion was attributable to a boost in equity outflows. Smaller contributions came from a shift to outflows from inflows in net intercompany debt investment abroad and from growth in reinvested earnings.

U.S. net purchases of foreign securities slowed slightly after a vigorous pickup in the third quarter. A slowdown in net purchases of foreign bonds was nearly offset by a pickup—mainly on flows to Asian economies—in net purchases of foreign stocks.

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—increased much less in the fourth quarter than in the third quarter. The slowdown was more than accounted for by a sizable decrease in claims for own accounts. Foreign-owned banks in the United States sharply reduced their deposits and other claims abroad. Claims for customers' accounts increased more than in the third quarter, as U.S. holdings of foreign commercial paper, deposits and brokerage balances, and other short-term instruments increased.

**Chart 7. U.S. Claims and Liabilities Reported by Banks and Brokers**



**Financial Account, Fourth Quarter—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 (-))	2010				Change 2010:III-2010:IV
	I <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Foreign-owned assets in the United States<sup>1</sup></b>	<b>320,258</b>	<b>162,241</b>	<b>488,753</b>	<b>273,579</b>	<b>-215,174</b>
Foreign official assets	72,507	43,568	132,885	49,082	-83,803
U.S. government securities	83,384	37,848	121,036	54,887	-66,149
U.S. Treasury securities	89,654	18,229	188,994	77,247	-111,747
Other	-6,270	19,619	-67,958	-22,360	45,598
Other U.S. government liabilities	4,060	2,484	1,786	3,887	2,101
U.S. liabilities reported by banks and brokers	-15,968	3,886	10,019	-7,277	-17,296
Other foreign official assets	1,031	-650	44	-2,415	-2,459
Other foreign assets	247,751	118,673	355,868	224,497	-131,371
Direct investment	51,609	18,182	68,898	55,775	-13,123
Equity	16,672	11,668	38,765	9,750	-29,015
Reinvested earnings	18,489	19,330	24,155	31,164	7,009
Intercompany debt	16,448	-12,816	5,978	14,861	8,883
U.S. Treasury securities	103,092	101,320	64,497	37,498	-26,999
U.S. securities other than U.S. Treasury securities	6,077	-5,588	104,062	70,866	-33,196
Stocks	35,625	4,374	36,736	39,923	3,187
Corporate bonds	-28,073	-18,064	16,930	2,015	-14,915
Federally sponsored agency bonds	-1,475	8,102	50,396	28,928	-21,468
U.S. currency	2,265	2,100	10,514	13,440	2,926
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns	20,877	9,406	3,755	15,924	12,169
U.S. liabilities reported by banks and brokers	63,831	-6,747	104,142	30,994	-73,148
For own accounts	81,668	-478	103,754	53,525	-50,229
For customers' accounts	-17,837	-6,269	388	-22,531	-22,919

p Preliminary r Revised  
1. Excludes transactions in financial derivatives, which are not available separately for foreign-owned assets in the United States.  
NOTE: The statistics are from tables 1, 7, 8, and 11.

Foreign official assets in the United States grew at a much slower pace than in the third quarter because of lower net purchases of U.S. Treasury securities.

Foreign direct investment in the United States slowed as a result of a decrease in equity inflows that was partly offset by a pickup in net intercompany debt investment in the United States and reinvested earnings.

Net purchases by private foreigners of U.S. Treasury securities continued to slow from the historically high levels in the first half of 2010. The decrease resulted from lower net purchases of long-term Treasury bonds, which were partly offset by a shift from net sales to net purchases of short-term securities.

Net purchases of other U.S. securities by private foreigners increased, but at a slower pace than in the third quarter. This was due to a drop in net purchases of U.S. corporate and agency bonds. The drop was partly offset by a slight increase in net stock purchases.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers—such as foreign residents' deposits at U.S. banks and loans to U.S. residents—increased for the second quarter in a row, though much less than in the previous quarter. Much of the slowdown resulted from a decrease in liabilities for own accounts, as liabilities of foreign-owned banks decreased.

**Trends in the Financial Account**

Increases in U.S.-owned assets abroad and foreign-owned assets in the United States slowed in the fourth quarter, continuing a pattern of irregular growth that started in the third quarter of 2009.

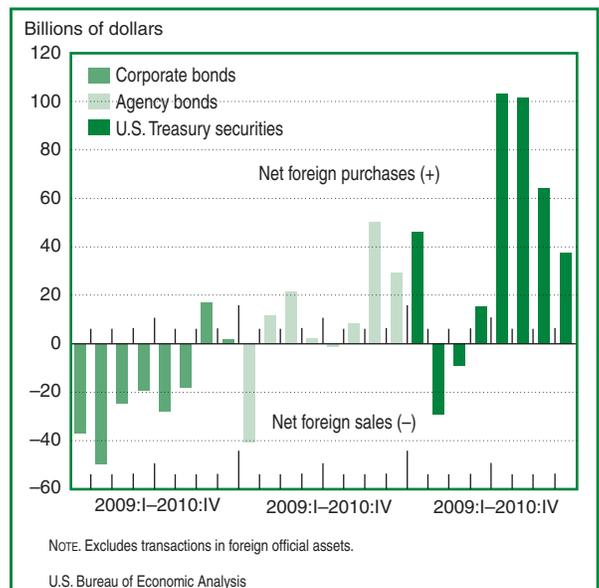
After strengthening in 2009, U.S. direct investment abroad was mixed over 2010. Outflow levels peaked in the first quarter, lagged in the second and third quarters, and picked up again in the fourth quarter. Foreign direct investment in the United States has been weak and uneven over the last eight quarters.

Transactions by private foreigners in U.S. Treasury securities were net purchases over the last five quarters, peaking in the first quarter of 2010.

Transactions by private foreigners in U.S. securities other than U.S. Treasury securities returned to net purchases in the third and fourth quarters of 2010, after erratic swings since the second quarter of 2007.

U.S. claims and liabilities reported by banks and brokers increased in 2010, following a more typical pattern compared to 2009. Transactions in U.S. claims changed to net outflows throughout 2010 from net inflows in the fourth quarter of 2009. Transactions in U.S. liabilities by banks and brokers were net inflows for the last half of 2010, following a small net outflow in the second quarter.

**Chart 8. Transactions in U.S. Debt Securities**



## Current and Capital Accounts, 2010

**Table I. Current and Capital Accounts**

[Millions of dollars]

(Credits +; debits -)	2007	2008	2009	2010 <sup>p</sup>	Change 2009- 2010
<b>Current account</b>					
<b>Exports of goods and services and income receipts.....</b>	<b>2,478,267</b>	<b>2,635,540</b>	<b>2,159,000</b>	<b>2,496,630</b>	<b>337,630</b>
Goods, balance of payments basis.....	1,160,366	1,304,896	1,068,499	1,288,663	220,164
Foods, feeds, and beverages.....	84,264	108,349	93,908	107,699	13,791
Industrial supplies and materials.....	329,511	405,606	307,650	405,231	97,581
Capital goods, except automotive.....	433,019	457,655	390,461	445,910	55,449
Automotive vehicles, parts, and engines.....	121,264	121,451	81,715	111,858	30,143
Consumer goods, except automotive.....	145,975	161,292	150,044	165,754	15,710
Other exports.....	46,333	50,542	44,722	52,212	7,490
Services.....	488,299	534,116	502,298	545,502	43,204
Travel.....	96,896	109,976	93,917	103,094	9,177
Passenger fares.....	25,646	31,404	26,424	31,295	4,871
Other transportation.....	40,315	43,714	35,406	39,826	4,420
Royalties and license fees.....	84,580	93,920	89,791	95,807	6,016
Other private services.....	222,434	238,932	238,332	256,570	18,238
Transfers under U.S. military agency sales contracts.....	17,216	14,936	17,096	17,445	349
U.S. government misc. services.....	1,212	1,234	1,333	1,465	132
Income receipts.....	829,602	796,528	588,203	662,464	74,261
Income on U.S.-owned assets abroad.....	826,632	793,484	585,256	659,354	74,098
Direct investment receipts.....	370,712	403,225	346,073	426,038	79,965
Other private receipts.....	453,687	385,353	234,458	231,981	-2,477
U.S. government receipts.....	2,233	4,906	4,724	1,336	-3,388
Compensation of employees.....	2,971	3,044	2,947	3,110	163
<b>Imports of goods and services and income payments.....</b>	<b>-3,080,813</b>	<b>-3,182,368</b>	<b>-2,412,489</b>	<b>-2,829,383</b>	<b>-416,894</b>
Goods, balance of payments basis.....	-1,983,558	-2,139,548	-1,575,443	-1,935,740	-360,297
Foods, feeds, and beverages.....	-81,683	-88,997	-81,604	-91,721	-10,117
Industrial supplies and materials.....	-655,959	-810,737	-476,494	-622,327	-145,833
Capital goods, except automotive.....	-446,030	-455,226	-369,734	-449,710	-79,976
Automotive vehicles, parts, and engines.....	-256,651	-231,210	-157,571	-225,110	-67,539
Consumer goods, except automotive.....	-478,201	-484,727	-430,712	-486,212	-55,500
Other imports and U.S. goods returned.....	-65,033	-68,651	-59,328	-60,659	-1,331
Services.....	-367,206	-398,266	-370,262	-394,153	-23,891
Travel.....	-76,331	-79,726	-73,230	-74,646	-1,416
Passenger fares.....	-28,437	-32,563	-25,980	-28,086	-2,106
Other transportation.....	-53,513	-53,702	-41,586	-48,953	-7,367
Royalties and license fees.....	-24,931	-25,781	-25,230	-29,227	-3,997
Other private services.....	-151,894	-173,686	-168,892	-177,720	-8,828
Direct defense expenditures.....	-27,917	-28,311	-30,474	-30,446	28
U.S. government misc. services.....	-4,184	-4,497	-4,871	-5,075	-204
Income payments.....	-730,049	-644,554	-466,783	-499,491	-32,708
Income on foreign-owned assets in the United States.....	-719,983	-634,190	-456,027	-488,040	-32,013
Direct investment payments.....	-129,134	-115,538	-94,010	-151,102	-57,092
Other private payments.....	-426,501	-352,053	-218,020	-195,128	22,892
U.S. government payments.....	-164,348	-166,599	-143,997	-141,810	2,187
Compensation of employees.....	-10,066	-10,364	-10,757	-11,451	-694
<b>Unilateral current transfers, net.....</b>	<b>-115,548</b>	<b>-122,026</b>	<b>-124,943</b>	<b>-137,489</b>	<b>-12,546</b>
U.S. government grants.....	-34,437	-36,003	-41,638	-44,966	-3,328
U.S. government pensions and other transfers.....	-7,323	-8,390	-8,874	-10,358	-1,484
Private remittances and other transfers.....	-73,788	-77,633	-74,431	-82,165	-7,734
<b>Capital account</b>					
<b>Capital account transactions, net.....</b>	<b>384</b>	<b>6,010</b>	<b>-140</b>	<b>-150</b>	<b>-10</b>
<b>Memoranda:</b>					
Balance on goods.....	-823,192	-834,652	-506,944	-647,077	-140,133
Balance on services.....	121,093	135,850	132,036	151,350	19,314
Balance on goods and services.....	-702,099	-698,802	-374,908	-495,727	-120,819
Balance on income.....	99,553	151,974	121,419	162,974	41,555
Unilateral current transfers, net.....	-115,548	-122,026	-124,943	-137,489	-12,546
Balance on current account.....	-718,094	-668,854	-378,432	-470,242	-91,810

<sup>p</sup> Preliminary

NOTE: The statistics are from tables 1 and 2.

In 2010, the current-account deficit partly rebounded from an unprecedented drop in 2009. In 2010, a sharp increase in the deficit on goods was partly offset by increases in the surpluses on income and services. After peaking in 2006, the current-account deficit declined each year until reaching its lowest level in a decade in 2009.

Goods exports grew sharply in 2010, nearly returning to its 2008 peak after a steep decline in 2009. All major end-use categories increased in 2010, but the largest increases were in industrial supplies and materials, capital goods, and automotive vehicles, parts, and engines.

Services exports increased, surpassing its previous peak reached in 2008 after a modest decrease in 2009. All major categories of services receipts increased in 2010, but nearly two-thirds of the increase was accounted for by other private services and travel.

Income receipts partly rebounded from a substantial drop in 2009. Direct investment receipts more than accounted for the increase, rebounding significantly after a drop in 2009. Other private receipts continued to fall because of low interest rates. Declines continued in U.S. government receipts.

Goods imports rebounded strongly in 2010. The sharp increase partly reversed its plunge in 2009 but did not return it to its previous peak reached in 2008. In 2010, the largest increase was in industrial supplies and materials, especially petroleum and products. Capital goods and automotive vehicles, parts, and engines also showed significant growth.

Services imports increased but did not fully rebound from its large drop in 2009. All major categories of services increased in 2010 except direct defense expenditures. The largest increases were in other private services and other transportation, which together accounted for two-thirds of the increase. The next largest increases were in royalties and license fees and in passenger fares.

Income payments posted moderate growth after plunging in 2009. Direct investment payments more than accounted for the growth, rebounding sharply to a record level after declining for 3 straight years. Declines continued in other private payments and U.S. government payments because of low interest rates.

## Financial Account, 2010

**Table J. Financial Account and the Statistical Discrepancy**

(Millions of dollars)

	2007	2008	2009	2010 <sup>p</sup>	Change 2009–2010
<b>Financial account</b>					
<b>U.S.-owned assets abroad (increase/ financial outflow (-))<sup>1</sup></b>	<b>-1,475,719</b>	<b>156,077</b>	<b>-140,465</b>	<b>-1,024,723</b>	<b>-884,258</b>
U.S. official reserve assets.....	-122	-4,848	-52,256	-1,834	50,422
U.S. government assets, other than official reserve assets.....	-22,273	-529,615	541,342	7,482	-533,860
U.S. private assets.....	-1,453,324	690,540	-629,552	-1,030,372	-400,820
Direct investment.....	-413,993	-351,141	-268,680	-345,621	-76,941
Equity.....	-200,850	-145,531	-18,439	-46,741	-28,302
Reinvested earnings.....	-230,482	-239,522	-239,899	-315,868	-75,969
Intercompany debt.....	17,339	33,912	-10,342	16,988	27,330
Foreign securities.....	-366,512	197,897	-208,213	-167,150	41,063
Stocks.....	-147,784	39,034	-63,304	-78,595	-15,291
Bonds.....	-218,728	158,863	-144,909	-88,555	56,354
U.S. claims on unaffiliated foreigners reported by nonbanking concerns..	-23,089	421,153	124,428	1,547	-122,881
U.S. claims reported by banks and brokers.....	-649,730	422,631	-277,087	-519,148	-242,061
For own accounts.....	-533,072	347,087	-193,569	-463,300	-269,731
For customers' accounts.....	-116,658	75,544	-83,518	-55,848	27,670
<b>Foreign-owned assets in the United States (increase/financial inflow (+))<sup>1</sup></b>	<b>2,107,655</b>	<b>454,722</b>	<b>305,736</b>	<b>1,244,831</b>	<b>939,095</b>
Foreign official assets.....	481,043	550,770	450,030	298,042	-151,988
U.S. government securities.....	269,897	591,381	441,056	297,155	-143,901
U.S. Treasury securities.....	98,432	548,653	561,125	374,124	-187,001
Other.....	171,465	42,728	-120,069	-76,969	43,100
Other U.S. government liabilities.....	5,436	8,912	57,971	12,217	-45,754
U.S. liabilities reported by banks and brokers.....	109,019	-153,423	-70,851	-9,340	61,511
Other foreign official assets.....	96,691	103,900	21,854	-1,990	-23,844
Other foreign assets.....	1,626,612	-96,048	-144,294	946,789	1,091,083
Direct investment.....	271,210	328,334	134,707	194,464	59,757
Equity.....	152,807	261,583	94,762	76,855	-17,907
Reinvested earnings.....	55,179	46,993	28,485	93,138	64,653
Intercompany debt.....	63,224	19,759	11,460	24,471	13,011
U.S. Treasury securities.....	66,845	161,411	22,781	306,407	283,626
U.S. securities other than U.S. Treasury securities.....	605,414	-166,490	59	175,417	175,358
Stocks.....	230,510	57,534	136,355	116,658	-19,697
Corporate bonds.....	383,703	-51,412	-130,567	-27,192	103,375
Federally sponsored agency bonds	-8,799	-172,612	-5,729	85,951	91,680
U.S. currency.....	-10,675	29,187	12,632	28,319	15,687
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns	182,355	-36,522	-1,460	49,962	51,422
U.S. liabilities reported by banks and brokers.....	511,463	-411,968	-313,013	192,220	505,233
For own accounts.....	435,599	-319,813	-215,618	238,469	454,087
For customers' accounts.....	75,864	-92,155	-97,395	-46,249	51,146
<b>Financial derivatives, net</b> .....	<b>6,222</b>	<b>-32,947</b>	<b>50,804</b>	<b><sup>3</sup>15,143</b>	<b>-35,661</b>
<b>Statistical discrepancy (sum of the bold lines in tables I and J with sign reversed)</b> .....	<b>79,552</b>	<b>84,991</b>	<b>162,497</b>	<b>235,141</b>	<b>72,644</b>
<b>Memorandum:</b>					
Net financial flows <sup>2</sup> .....	638,158	577,852	216,075	235,251	19,176

<sup>p</sup> Preliminary n.a. Not available

<sup>1</sup> Excludes transactions in financial derivatives.

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

<sup>3</sup> Equals the sum of financial derivatives for the first, second, and third quarters of the year.

Note: The statistics except for net financial flows are from tables 1, 7, 8, 10, and 11.

U.S. official reserve assets increased after a sharper increase in 2009 that was due to an allocation of special drawing rights to the United States by the International Monetary Fund.

U.S. government assets other than official reserve assets decreased in 2010. In the prior 2 years, the initiation and subsequent reversal of currency swaps between the U.S. and foreign central banks resulted in large, nearly offsetting transactions.

U.S. direct investment abroad picked up after slowing for 2 consecutive years. An increase in reinvested earnings that followed 3 years of little change accounted for much of the increase. In addition, net equity capital investment abroad increased.

U.S. net purchases of foreign securities slowed as a result of a decrease in net U.S. purchases of foreign bonds. Net foreign purchases of U.S. stocks increased.

U.S. claims on unaffiliated foreigners reported by nonbanking concerns continued to decline, though the pace slowed.

U.S. claims on foreigners reported by U.S. banks and securities brokers increased more in 2010 than in 2009 after decreasing in 2008. A rise in claims for own accounts was partly offset by a drop in claims for customers' accounts.

Foreign official assets in the United States increased less in 2010 than in 2009. The slowdown was more than accounted for by a drop in net purchases of U.S. Treasury securities.

Foreign direct investment in the United States picked up. Reinvested earnings rose substantially above its previous record reached in 2006, after falling to its lowest level in 6 years in 2009.

Net purchases of U.S. Treasury securities by private foreigners reached a new record, exceeding the previous high reached in 2008 by \$145 billion.

Net purchases of other U.S. securities by private foreigners were considerably higher than in 2009. A decrease in net sales of U.S. corporate bonds by foreigners and a shift to net purchases from net sales of federally sponsored agency bonds were partly offset by a decrease in net purchases of U.S. stocks.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers increased after 2 years of large decreases. The increase resulted from a significant shift to increases from decreases in liabilities for own accounts and a smaller decrease in liabilities for customers' accounts in 2010 than in 2009.