

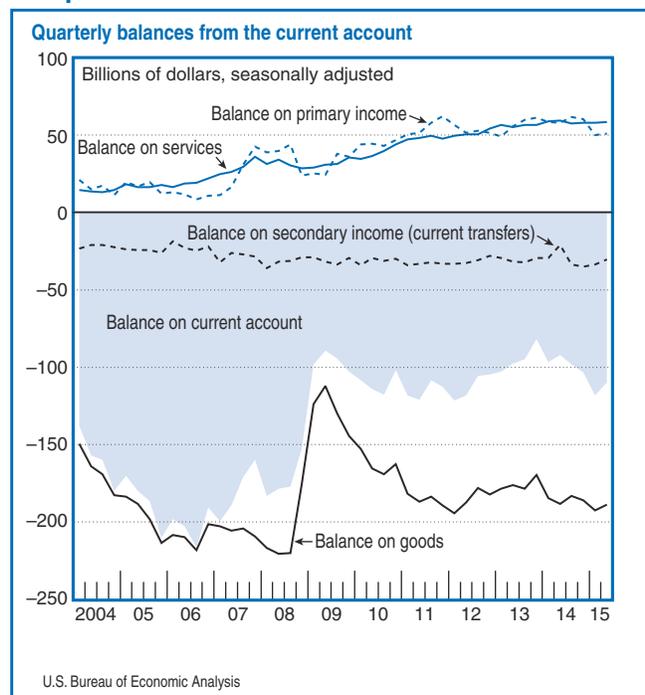
# U.S. International Transactions

## Second Quarter of 2015

THE U.S. CURRENT-ACCOUNT deficit—a net measure of transactions between the United States and the rest of the world in goods, services, primary income (investment income and compensation), and secondary income (current transfers)—decreased to \$109.7 billion (preliminary) in the second quarter of 2015 from \$118.3 billion (revised) in the first quarter (chart 1; see also table A on page 2).<sup>1</sup> The deficit decreased to 2.4 percent of current-dollar gross domestic product (GDP) from 2.7 percent in the first quarter.

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

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



The decrease in the current-account deficit was largely accounted for by decreases in the deficits on goods and secondary income. The decrease was also attributable to increases in the surpluses on primary income and services.

Net U.S. borrowing measured by financial-account transactions was \$59.7 billion in the second quarter, down from \$60.3 billion in the first quarter (table A). Net U.S. acquisition of financial assets excluding financial derivatives decreased more than net U.S. incurrence of liabilities excluding financial derivatives. However, a shift to net lending in transactions in financial derivatives more than offset the combined changes in net acquisition of assets and net incurrence of liabilities excluding financial derivatives, thereby slightly decreasing net U.S. borrowing measured in the financial account.

The statistical discrepancy—the difference between net acquisition of assets and net incurrence of liabilities in the financial account (including financial derivatives) less the difference between total credits and total debits recorded in the current and capital accounts—was \$49.9 billion in the second quarter, compared with \$58.0 billion in the first quarter.

### Data Availability and Methodology

Detailed statistics for U.S. international transactions accompany this article in tables 1.1–9.1. The statistics and a description of the estimation methods used to compile them are also available on BEA's Web site.

The links in the text and tables of this article are to the latest available statistics in the interactive tables.

For the statistics, see "[International Data.](#)" For the methods, see [U.S. International Transactions Accounts: Concepts and Methods.](#)

*William J. Zeile prepared this article.*

## Overview

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Current account</b>					
<b>Exports of goods and services and income receipts (credits)</b> .....	<b>830,374</b>	<b>827,361</b>	<b>789,263</b>	<b>801,227</b>	<b>11,964</b>
Exports of goods and services .....	589,263	588,935	561,679	564,695	3,016
Goods .....	412,933	409,126	382,803	384,752	1,949
Services .....	176,331	179,810	178,876	179,943	1,067
Primary income receipts .....	209,715	206,554	194,746	201,854	7,108
Secondary income (current transfer) receipts	31,396	31,872	32,838	34,679	1,841
<b>Imports of goods and services and income payments (debits)</b> .....	<b>928,279</b>	<b>930,499</b>	<b>907,557</b>	<b>910,904</b>	<b>3,347</b>
Imports of goods and services .....	715,134	717,258	695,968	694,693	-1,275
Goods .....	596,009	595,089	574,959	573,117	-1,842
Services .....	119,126	122,170	121,009	121,576	567
Primary income payments .....	147,985	146,529	144,998	151,214	6,216
Secondary income (current transfer) payments	65,160	66,712	66,591	64,997	-1,594
<b>Capital account</b>					
<b>Capital transfer receipts and other credits</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital transfer payments and other debits</b> .....	<b>1</b>	<b>(*)</b>	<b>24</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Financial account</b>					
<b>Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets/financial outflow (+))</b> .....	<b>359,601</b>	<b>41,690</b>	<b>320,173</b>	<b>137,519</b>	<b>-182,654</b>
Direct investment assets .....	99,300	112,547	67,443	101,060	33,617
Portfolio investment assets .....	162,884	81,125	233,524	166,322	-67,202
Other investment assets .....	98,306	-149,471	23,365	-128,987	-152,352
Reserve assets .....	-889	-2,511	-4,159	-877	3,282
<b>Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities/financial inflow (+))</b> .....	<b>364,518</b>	<b>57,712</b>	<b>340,309</b>	<b>199,041</b>	<b>-141,268</b>
Direct investment liabilities .....	106,473	52,378	190,224	78,164	-112,060
Portfolio investment liabilities .....	240,879	132,976	101,085	271,008	169,923
Other investment liabilities .....	17,166	-127,642	49,000	-150,130	-199,130
<b>Financial derivatives other than reserves, net transactions</b> .....	<b>-24,269</b>	<b>-31,737</b>	<b>-40,149</b>	<b>1,784</b>	<b>41,933</b>
<b>Statistical discrepancy</b>					
<b>Statistical discrepancy</b> <sup>1</sup> .....	<b>68,720</b>	<b>55,379</b>	<b>58,034</b>	<b>49,937</b>	<b>-8,097</b>
<b>Balances</b>					
<b>Balance on current account</b> .....	<b>-97,905</b>	<b>-103,138</b>	<b>-118,295</b>	<b>-109,676</b>	<b>8,619</b>
Balance on goods and services .....	-125,871	-128,323	-134,288	-129,998	4,290
Balance on goods .....	-183,076	-185,963	-192,156	-188,365	3,791
Balance on services .....	57,205	57,640	57,868	58,367	499
Balance on primary income .....	61,730	60,025	49,748	50,640	892
Balance on secondary income .....	-33,764	-34,840	-33,754	-30,318	3,436
<b>Balance on capital account</b> .....	<b>-1</b>	<b>(*)</b>	<b>-24</b>	<b>0</b>	<b>24</b>
<b>Net lending (+) or net borrowing (-) from current- and capital-account transactions</b> <sup>2</sup>	<b>-97,906</b>	<b>-103,138</b>	<b>-118,319</b>	<b>-109,676</b>	<b>8,643</b>
<b>Net lending (+) or net borrowing (-) from financial-account transactions</b> <sup>3</sup> .....	<b>-29,186</b>	<b>-47,759</b>	<b>-60,285</b>	<b>-59,739</b>	<b>546</b>

p Preliminary r Revised n.a. Not available

1. The statistical discrepancy is the difference between net acquisition of assets and net incurrence of liabilities in the financial account (including financial derivatives) less the difference between total credits and total debits recorded in the current and capital accounts.

2. Sum of current- and capital-account balances.

3. Sum of net U.S. acquisition of financial assets and net transactions in financial derivatives less net U.S. incurrence of liabilities.

NOTE: The statistics are presented in table 1.2 on BEA's Web site.

## Current-account highlights

- The deficit on goods decreased to \$188.4 billion in the second quarter from \$192.2 billion in the first quarter (table A).
- The surplus on services increased to \$58.4 billion from \$57.9 billion.
- The surplus on primary income increased to \$50.6 billion from \$49.7 billion.
- The deficit on secondary income decreased to \$30.3 billion from \$33.8 billion.

## Financial-account highlights

- Net U.S. acquisition of financial assets excluding financial derivatives was \$137.5 billion in the second quarter, down from \$320.2 billion in the first quarter (see chart 9 on page 7).
- Net U.S. incurrence of liabilities to foreigners excluding financial derivatives was \$199.0 billion, down from \$340.3 billion.
- Net transactions in financial derivatives other than reserves were \$1.8 billion in the second quarter, compared with -\$40.1 billion in the first quarter; the change represents a shift to net lending from net borrowing.

## Revisions

The preliminary statistics for U.S. international transactions for the first quarter of 2015 that were published in the July 2015 SURVEY OF CURRENT BUSINESS have been revised to incorporate new or revised source data.

## Preliminary and Revised First-Quarter 2015 Statistics

[Millions of dollars, seasonally adjusted]

	Preliminary	Revised
Balance on goods .....	-188,990	-192,156
Balance on services .....	58,730	57,868
Balance on primary income .....	50,754	49,748
Balance on secondary income (current transfers) .....	-33,830	-33,754
Balance on current account .....	-113,337	-118,295
Net U.S. acquisition of financial assets .....	325,128	320,173
Net U.S. incurrence of liabilities .....	332,837	340,309
Net lending/borrowing from financial-account transactions .....	-47,858	-60,285

## Current Account—Goods Exports

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

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Exports of goods</b> .....	<b>412,933</b>	<b>409,126</b>	<b>382,803</b>	<b>384,752</b>	<b>1,949</b>
<b>General merchandise</b> .....	<b>407,927</b>	<b>401,801</b>	<b>377,244</b>	<b>379,875</b>	<b>2,631</b>
<b>Foods, feeds, and beverages</b> .....	<b>34,661</b>	<b>36,021</b>	<b>32,706</b>	<b>32,252</b>	<b>-454</b>
Grains and preparations .....	8,150	7,121	7,499	7,452	-47
Soybeans .....	5,077	7,781	4,543	3,956	-587
Other foods, feeds, and beverages .....	21,434	21,119	20,664	20,844	180
<b>Industrial supplies and materials</b> .....	<b>128,831</b>	<b>120,392</b>	<b>107,916</b>	<b>110,409</b>	<b>2,493</b>
Energy products .....	48,385	40,736	32,707	35,276	2,569
Of which: Petroleum and products .....	43,659	36,108	27,977	30,929	2,952
Non-energy products .....	80,446	79,656	75,209	75,133	-76
Chemicals except medicinals .....	30,120	30,139	28,354	28,411	57
Metals and nonmetallic products .....	23,208	22,675	20,919	20,267	-652
Other non-energy products .....	27,118	26,842	25,936	26,455	519
<b>Capital goods except automotive</b> .....	<b>139,156</b>	<b>139,888</b>	<b>135,574</b>	<b>136,403</b>	<b>829</b>
Electric generating machinery, apparatus, and parts .....	14,518	14,733	14,133	14,140	7
Industrial engines, pumps, and compressors .....	7,620	7,614	7,218	6,785	-433
Other industrial machinery .....	20,378	20,390	19,759	19,534	-225
Computers, peripherals, and parts .....	12,299	12,040	11,528	11,577	49
Semiconductors .....	11,015	11,007	10,844	10,796	-48
Telecommunications equipment .....	10,371	10,523	10,086	10,974	888
Other machinery, equipment, tools, and instruments .....	32,611	32,364	31,007	30,396	-611
Civilian aircraft, engines, and parts .....	28,771	29,308	29,371	30,034	663
Other transportation equipment .....	1,574	1,908	1,627	2,168	541
<b>Automotive vehicles, parts, and engines</b> .....	<b>41,626</b>	<b>40,307</b>	<b>36,909</b>	<b>37,831</b>	<b>922</b>
Passenger cars .....	16,128	14,631	12,963	13,690	727
Trucks, buses, and special purpose vehicles .....	5,285	5,207	4,409	4,628	219
Engines, parts, and accessories .....	20,213	20,469	19,536	19,512	-24
<b>Consumer goods except food and automotive</b> .....	<b>49,904</b>	<b>50,084</b>	<b>50,489</b>	<b>48,655</b>	<b>-1,834</b>
Nondurable goods .....	22,185	22,366	23,193	22,536	-657
Medicinal, dental, and pharmaceutical products .....	13,064	13,089	14,230	13,293	-937
Other .....	9,121	9,277	8,963	9,243	280
Durable goods .....	27,719	27,717	27,296	26,119	-1,177
Household and kitchen appliances and other household goods .....	10,247	10,208	10,171	9,827	-344
Other .....	17,472	17,509	17,125	16,292	-833
<b>Other general merchandise</b> .....	<b>13,749</b>	<b>15,110</b>	<b>13,650</b>	<b>14,326</b>	<b>676</b>
<b>Net exports of goods under merchandising</b> .....	<b>103</b>	<b>53</b>	<b>77</b>	<b>74</b>	<b>-3</b>
<b>Nonmonetary gold</b> .....	<b>4,902</b>	<b>7,271</b>	<b>5,482</b>	<b>4,802</b>	<b>-680</b>

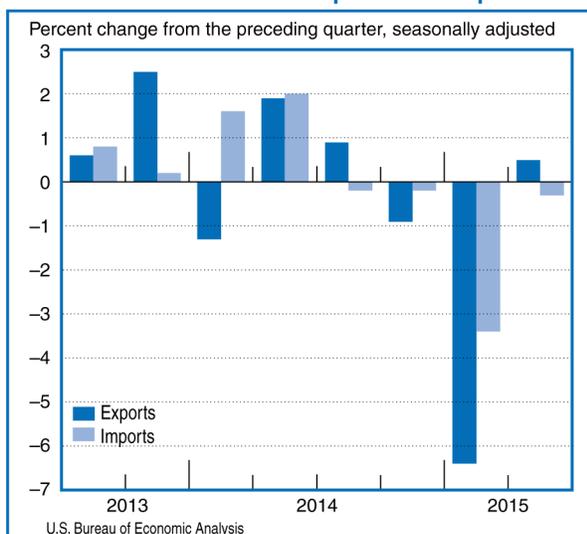
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NOTE: The statistics are presented in table 2.1 on BEA's Web site.

Goods exports increased to \$384.8 billion in the second quarter from \$382.8 billion in the first quarter, a 0.5 percent increase (table B and chart 2).

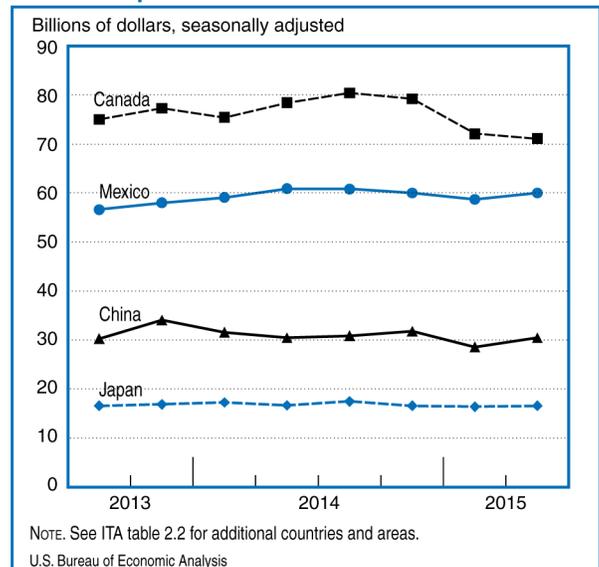
Exports increased in four of the six major general-merchandise end-use categories. The largest increase was in industrial supplies and materials. This increase was more than accounted for by an increase in petroleum and products, which was partly offset by a decrease in metals and nonmetallic products. Exports decreased in nonmonetary gold and in two major general-use categories. The largest of these decreases was in consumer goods except food and automotive, mainly due to a decrease in durable goods.

Exports to China and Mexico increased after decreasing in the first quarter. In contrast, exports to Canada decreased for the third consecutive quarter (chart 3).

**Chart 2. Growth in Goods Exports and Imports**



**Chart 3. Exports of Goods to Selected Countries**



NOTE: See ITA table 2.2 for additional countries and areas.  
U.S. Bureau of Economic Analysis

## Current Account—Goods Imports

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

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Imports of goods</b> .....	<b>596,009</b>	<b>595,089</b>	<b>574,959</b>	<b>573,117</b>	<b>-1,842</b>
<b>General merchandise</b> .....	<b>591,750</b>	<b>591,428</b>	<b>571,986</b>	<b>569,762</b>	<b>-2,224</b>
<b>Foods, feeds, and beverages</b> .....	<b>32,049</b>	<b>32,112</b>	<b>32,515</b>	<b>32,855</b>	<b>340</b>
<b>Industrial supplies and materials</b> .....	<b>166,846</b>	<b>160,564</b>	<b>132,682</b>	<b>125,280</b>	<b>-7,402</b>
Energy products.....	91,237	84,555	58,782	54,922	-3,860
<i>Of which: Petroleum and products</i> .....	86,048	79,150	53,830	50,728	-3,102
Non-energy products.....	75,609	76,009	73,900	70,358	-3,542
Chemicals except medicinals.....	20,921	19,854	19,226	18,900	-326
Metals and nonmetallic products.....	28,960	30,010	28,646	25,699	-2,947
Nonferrous metals.....	9,282	9,848	9,421	8,933	-488
Other metals and nonmetallic products.....	19,678	20,162	19,225	16,766	-2,459
Other non-energy products.....	25,728	26,145	26,028	25,759	-269
<b>Capital goods except automotive</b> .....	<b>151,305</b>	<b>152,546</b>	<b>153,214</b>	<b>153,178</b>	<b>-36</b>
Machinery and equipment except consumer-type parts.....	135,247	137,521	137,824	137,001	-823
Industrial engines, pumps, and compressors.....	6,362	6,330	6,259	6,387	128
Computers, accessories, peripherals, and parts.....	30,548	32,016	29,790	29,909	119
Semiconductors.....	11,053	11,520	10,963	11,522	559
Telecommunications equipment.....	14,932	14,960	15,845	16,139	294
Other machinery, equipment, tools, and instruments.....	54,509	54,537	56,169	54,788	-1,381
Civilian aircraft, engines, and parts.....	14,169	13,044	13,619	14,189	570
<i>Of which: Civilian aircraft, complete, all types</i> ....	4,772	3,956	4,484	4,642	158
Other transportation equipment.....	1,889	1,980	1,771	1,988	217
<b>Automotive vehicles, parts, and engines</b> .....	<b>83,445</b>	<b>83,931</b>	<b>84,233</b>	<b>88,447</b>	<b>4,214</b>
Passenger cars.....	38,517	38,907	39,550	40,723	1,173
Trucks, buses, and special purpose vehicles.....	8,098	8,556	8,760	9,394	634
Engines, parts, and accessories.....	36,829	36,468	35,923	38,330	2,407
<b>Consumer goods except food and automotive</b> .....	<b>139,139</b>	<b>143,437</b>	<b>147,989</b>	<b>149,052</b>	<b>1,063</b>
Nondurable goods.....	64,892	65,104	68,973	72,211	3,238
Medicinal, dental, and pharmaceutical products.....	23,466	23,092	25,039	28,741	3,702
Other.....	41,426	42,012	43,934	43,470	-464
Durable goods.....	74,247	78,334	79,016	76,841	-2,175
Household and kitchen appliances and other household goods.....	40,451	44,220	44,460	42,188	-2,272
<i>Of which: Other household goods, including       cell phones</i> .....	26,318	29,746	29,900	27,453	-2,447
Other.....	33,796	34,114	34,556	34,653	97
<b>Other general merchandise</b> .....	<b>18,966</b>	<b>18,838</b>	<b>21,353</b>	<b>20,950</b>	<b>-403</b>
<b>Nonmonetary gold</b> .....	<b>4,259</b>	<b>3,660</b>	<b>2,973</b>	<b>3,355</b>	<b>382</b>

p Preliminary    r Revised

NOTE: The statistics are presented in table 2.1 on BEA's Web site.

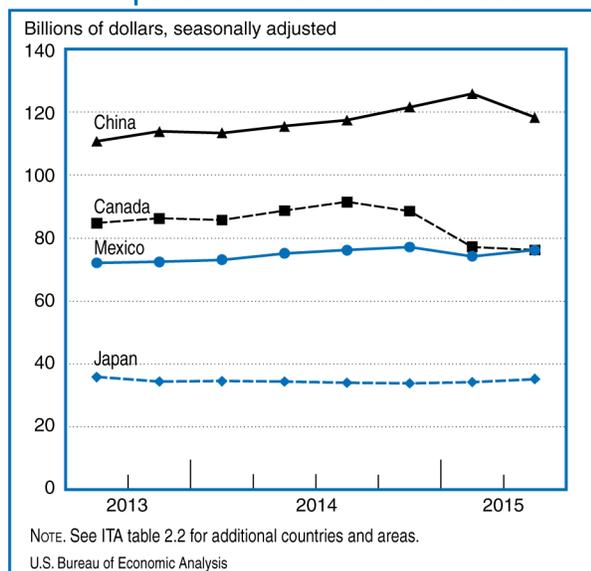
Goods imports decreased to \$573.1 billion in the second quarter from \$575.0 billion in the first quarter, a 0.3 percent decrease (table C and chart 2 on page 3).

Imports decreased in three of the six major general-merchandise end-use categories. The largest decrease—which more than accounted for the total decrease in goods imports—was in industrial supplies and materials, largely reflecting decreases in petroleum and products and in metals and nonmetallic products. Imports increased in nonmonetary gold and in three general-merchandise end-use categories. The largest of these increases was in automotive vehicles, parts, and engines.

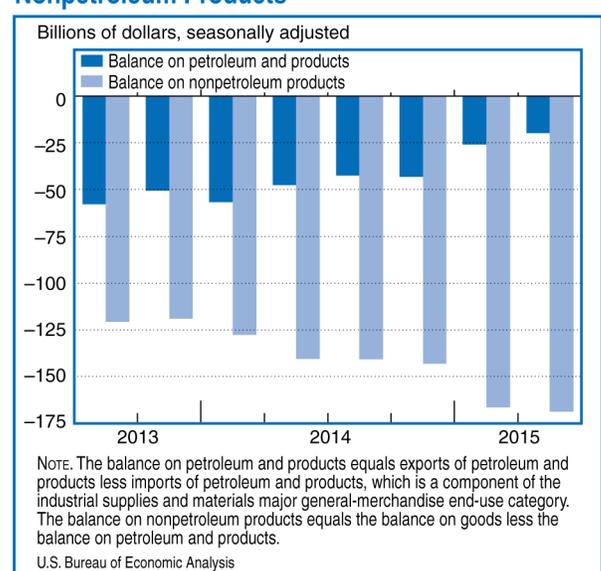
Imports from China decreased after increasing for four consecutive quarters, and imports from Canada decreased for the third consecutive quarter. Imports from Mexico increased after decreasing in the first quarter, and imports from Japan increased slightly for the second consecutive quarter (chart 4).

The deficit on petroleum and products decreased in the second quarter to \$19.8 billion. The second-quarter deficit was less than half that of the fourth quarter of 2014. Imports of petroleum and products decreased for the fifth consecutive quarter. Exports increased after decreasing for two consecutive quarters. The deficit on nonpetroleum products increased for the sixth consecutive quarter, to \$168.6 billion (chart 5).

**Chart 4. Imports of Goods from Selected Countries**



**Chart 5. Balance on Total Petroleum and Nonpetroleum Products**



**Current Account—Services**

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

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Exports of services</b> .....	<b>176,331</b>	<b>179,810</b>	<b>178,876</b>	<b>179,943</b>	<b>1,067</b>
Maintenance and repair services n.i.e. ....	5,671	6,123	5,227	5,358	131
Transport .....	22,621	22,754	21,687	21,088	-599
<i>Of which: Air passenger transport</i> .....	16,985	16,995	16,002	15,364	-638
Travel (for all purposes including education) .....	43,722	44,399	44,334	44,792	458
Business .....	10,028	9,727	9,163	9,248	85
Personal .....	33,694	34,672	35,171	35,544	373
Insurance services .....	4,340	4,453	4,537	4,594	57
Financial services .....	21,351	22,410	22,732	22,791	59
Charges for the use of intellectual property n.i.e. ....	32,355	32,499	31,733	31,867	134
Industrial processes .....	12,190	12,537	11,845	12,051	206
Computer software .....	9,939	9,567	9,165	9,030	-135
Other .....	10,226	10,395	10,724	10,785	61
Telecommunications, computer, and information services .....	8,980	8,928	9,268	9,288	20
Other business services.....	32,183	33,787	34,336	35,154	818
Government goods and services n.i.e. ....	5,106	4,456	5,021	5,011	-10
<b>Imports of services</b> .....	<b>119,126</b>	<b>122,170</b>	<b>121,009</b>	<b>121,576</b>	<b>567</b>
Maintenance and repair services n.i.e. ....	1,854	1,974	2,083	2,122	39
Transport .....	23,377	24,334	24,726	24,118	-608
<i>Of which: Air passenger transport</i> .....	13,338	13,874	14,213	13,670	-543
Travel (for all purposes including education) .....	27,767	28,814	29,081	29,692	611
Business .....	4,482	4,607	4,260	4,487	227
Personal .....	23,284	24,207	24,821	25,205	384
Insurance services .....	12,496	12,592	12,201	12,162	-39
Financial services .....	5,003	4,941	4,716	4,985	269
Charges for the use of intellectual property n.i.e. ....	10,571	10,720	9,594	9,740	146
Industrial processes .....	6,067	6,124	4,729	4,754	25
Computer software .....	1,690	1,849	1,754	1,797	43
Other .....	2,813	2,749	3,111	3,189	78
Telecommunications, computer, and information services .....	8,359	8,302	8,171	8,201	30
Other business services.....	23,588	24,582	24,964	25,160	196
Government goods and services n.i.e. ....	6,111	5,910	5,472	5,396	-76

p Preliminary r Revised n.i.e. Not included elsewhere

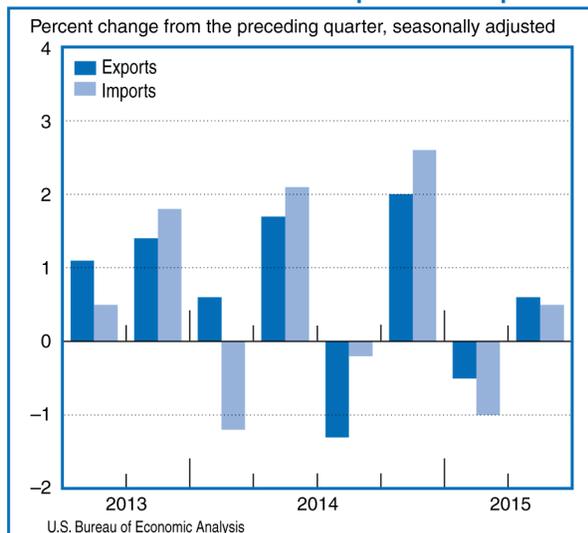
NOTE: The statistics are presented in table 3.1 on BEAs Web site. For additional information on services, see Alexis N. Grimm and Charu S. Krishnan, "U.S. International Services: Trade in Services in 2014 and Services Supplied Through Affiliates in 2013" in this issue of the SURVEY OF CURRENT BUSINESS.

Services exports increased to \$179.9 billion from \$178.9 billion, a 0.6 percent increase (table D and chart 6). Exports increased in seven of the nine major services categories. The largest increases were in other business services—mostly in professional and management consulting services and in research and development—and in personal travel. Transport decreased, reflecting a decrease in air passenger transport.

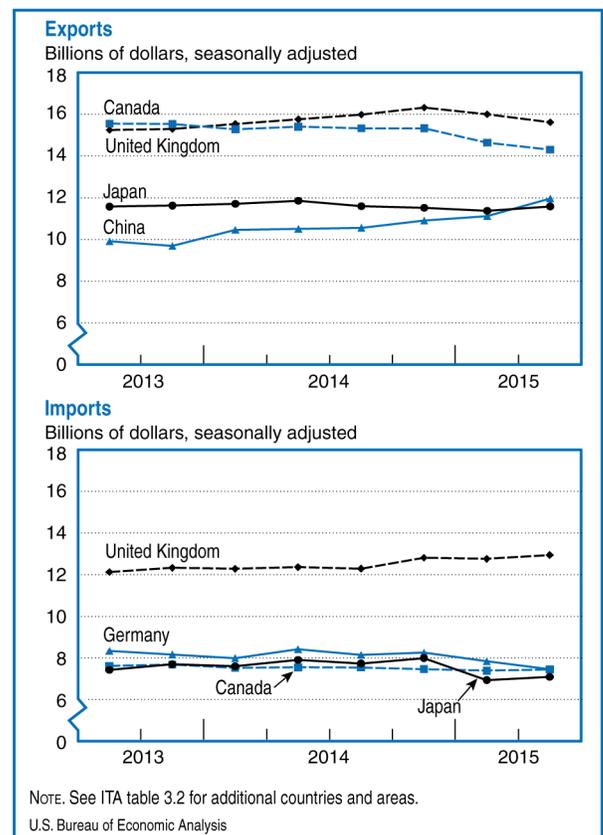
Services imports increased to \$121.6 billion from \$121.0 billion, a 0.5 percent increase. Imports increased in six of the nine major services categories. The largest increase was in travel (for all purposes including education). The largest decrease was in transport, mainly air freight transport.

Exports to China increased for the sixth consecutive quarter. In contrast, exports to the United Kingdom and Canada each decreased for the second consecutive quarter. Imports from Japan increased slightly after decreasing in the first quarter. Imports from Germany fell for the second quarter in a row (chart 7).

**Chart 6. Growth in Services Exports and Imports**



**Chart 7. Services Trade with Selected Countries**



NOTE: See ITA table 3.2 for additional countries and areas.

U.S. Bureau of Economic Analysis

## Current Account—Income

**Table E. Income Receipts and Payments**

[Millions of dollars, seasonally adjusted]

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Primary income receipts</b> .....	<b>209,715</b>	<b>206,554</b>	<b>194,746</b>	<b>201,854</b>	<b>7,108</b>
Investment income.....	207,980	204,822	192,994	200,090	7,096
Direct investment income.....	121,657	118,625	107,508	111,380	3,872
Income on equity.....	117,448	114,229	103,298	107,089	3,791
Interest.....	4,209	4,396	4,210	4,291	81
Portfolio investment income.....	78,498	78,287	77,430	80,381	2,951
Income on equity and investment fund shares....	49,911	49,742	48,606	51,045	2,439
Interest on debt securities.....	28,587	28,545	28,824	29,336	512
Other investment income.....	7,755	7,849	8,015	8,270	255
Interest.....	5,093	5,149	5,282	5,505	223
Income attributable to insurance policyholders...	2,662	2,699	2,733	2,765	32
Reserve asset income.....	70	61	40	59	19
Compensation of employees.....	1,734	1,731	1,751	1,764	13
<b>Primary income payments</b> .....	<b>147,985</b>	<b>146,529</b>	<b>144,998</b>	<b>151,214</b>	<b>6,216</b>
Investment income.....	143,868	142,354	140,805	146,916	6,111
Direct investment income.....	44,940	42,992	37,814	41,241	3,427
Income on equity.....	37,237	34,841	29,003	32,476	3,473
Interest.....	7,703	8,151	8,810	8,765	-45
Portfolio investment income.....	95,412	95,864	99,459	101,901	2,442
Income on equity and investment fund shares....	31,846	31,969	34,820	34,708	-112
Interest on debt securities.....	63,565	63,895	64,639	67,193	2,554
Other investment income.....	3,516	3,498	3,532	3,774	242
Interest.....	2,733	2,705	2,721	2,950	229
Income attributable to insurance policyholders...	784	793	812	824	12
Compensation of employees.....	4,117	4,175	4,193	4,298	105
<b>Secondary income</b> <sup>1</sup>					
Secondary income (current transfer) receipts.....	31,396	31,872	32,838	34,679	1,841
Secondary income (current transfer) payments.....	65,160	66,712	66,591	64,997	-1,594

p Preliminary r Revised

1. Secondary income receipts and payments include U.S. government and private transfers, such as U.S. government grants and pensions, fines and penalties, withholding taxes, personal transfers (remittances), insurance-related transfers, and other current transfers.

NOTE: The statistics are presented in table 4.1 and table 5.1 on BEA's Web site.

Investment income receipts—income receipts from foreigners on U.S. holdings of financial assets abroad—increased to \$200.1 billion in the second quarter from \$193.0 billion in the first quarter (table E and chart 8). The increase mainly reflected an increase in direct investment income on equity from foreign affiliates, particularly affiliates in Ireland, the Netherlands, and Bermuda. Income on portfolio investment also increased, largely because of an increase in income on equity and investment fund shares.

Receipts for compensation of U.S. residents paid by nonresident employers were nearly unchanged at \$1.8 billion.

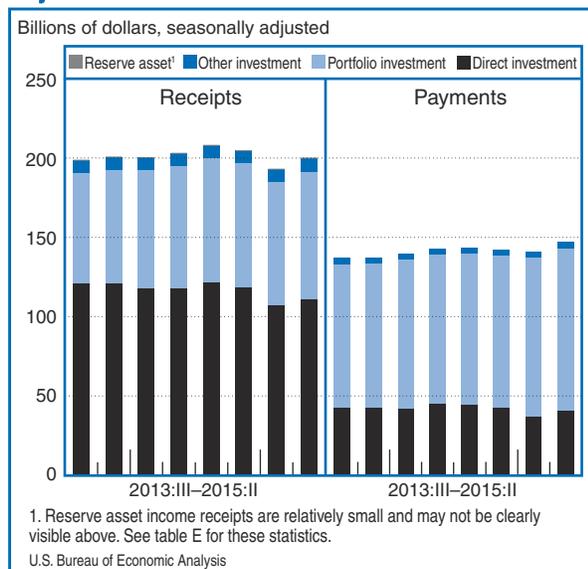
Investment income payments—income payments to foreigners on U.S. liabilities—increased to \$146.9 billion from \$140.8 billion. The increase was due primarily to an increase in direct investment payments on foreign equity in U.S. affiliates, partly reflecting affiliate income growth from increased sales of motor vehicles and an increase in oil prices. The increase was also due to an increase in portfolio investment income payments, particularly interest on debt securities.

Payments for compensation of foreign residents paid by U.S. residents increased to \$4.3 billion from \$4.2 billion.

Secondary income receipts increased to \$34.7 billion from \$32.8 billion. The increase was more than accounted for by an increase in U.S. government transfers, particularly fines and penalties.

Secondary income payments decreased to \$65.0 billion from \$66.6 billion, reflecting a decrease in U.S. government grants to foreigners that was partly offset by an increase in private transfers.

**Chart 8. Primary Investment Income Receipts and Payments**



**Financial Account—U.S. Acquisition of Financial Assets**

**Table F. Net U.S. Acquisition of Financial Assets**

[Millions of dollars, seasonally adjusted]

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Net U.S. acquisition of financial assets excluding financial derivatives</b> .....	<b>359,601</b>	<b>41,690</b>	<b>320,173</b>	<b>137,519</b>	<b>-182,654</b>
Direct investment assets.....	99,300	112,547	67,443	101,060	33,617
Equity.....	96,520	117,395	77,669	87,000	9,331
Equity other than reinvestment of earnings	8,955	28,029	-267	9,609	9,876
Reinvestment of earnings.....	87,564	89,366	77,936	77,391	-545
Debt instruments.....	2,780	-4,848	-10,226	14,061	24,287
Portfolio investment assets.....	162,884	81,125	233,524	166,322	-67,202
Equity and investment fund shares.....	131,572	131,463	168,735	116,710	-52,025
Debt securities.....	31,312	-50,338	64,789	49,612	-15,177
Short-term securities.....	-2,587	-19,691	26,980	42,031	15,051
Long-term corporate securities.....	24,061	-21,648	26,937	4,962	-21,975
Other long-term securities.....	9,838	-8,999	10,872	2,619	-8,253
Other investment assets.....	98,306	-149,471	23,365	-128,987	-152,352
Currency and deposits.....	32,190	-131,119	-18,773	-58,886	-40,113
Loans.....	67,876	-18,173	43,947	-69,472	-113,419
Trade credit and advances.....	-1,760	-179	-1,809	-630	1,179
Reserve assets.....	-889	-2,511	-4,159	-877	3,282
Monetary gold.....	0	0	0	0	0
Special drawing rights.....	4	3	3	2	-1
Reserve position in the International Monetary Fund.....	-951	-2,568	-4,195	-930	3,265
Other reserve assets.....	59	54	33	52	19

p Preliminary r Revised (-) Net sales  
NOTE: The statistics are presented in table 1.2, table 6.1, table 7.1, and table 8.1 on BEA's Web site.

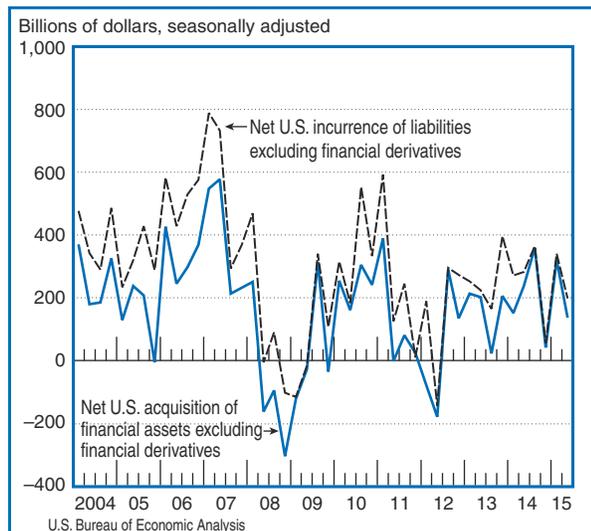
Net acquisition of direct investment assets was \$101.1 billion in the second quarter, up from \$67.4 billion in the first quarter (table F and chart 10). The increase was largely accounted for by a shift to net acquisition of debt instrument assets by both U.S. parent companies and U.S. affiliates. The increase was also due to an increase in net acquisition of equity other than reinvestment of earnings.

Net U.S. acquisition of portfolio investment assets abroad was \$166.3 billion, down from \$233.5 billion (see chart 11 on page 8). The decrease reflected a decrease in net purchases of equity securities, to \$116.7 billion from \$168.7 billion, and a decrease in net purchases of debt securities, to \$49.6 billion from \$64.8 billion.

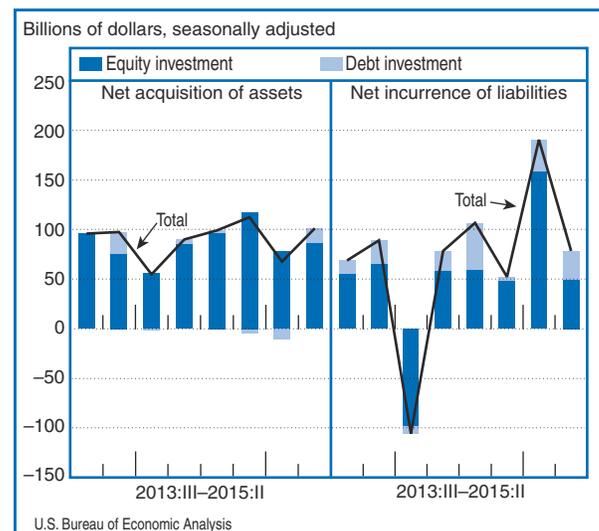
Net U.S. sales of other investment assets abroad were \$129.0 billion, a shift from net acquisitions of \$23.4 billion (see chart 12 on page 8). The shift to net sales mainly reflected (1) a shift to net foreign repayment of loans to foreign residents provided by U.S. nonbank financial institutions, such as securities dealers and financial holding companies, and (2) an increase in net U.S. withdrawals of deposits abroad by U.S. nonbanking concerns.

Transactions in U.S. reserve assets decreased holdings by \$0.9 billion in the second quarter after decreasing holdings by \$4.2 billion in the first quarter; the decrease mostly reflected changes in the U.S. reserve position in the International Monetary Fund for both quarters.

**Chart 9. Acquisition of Financial Assets and Incurrence of Liabilities**



**Chart 10. Transactions in Direct Investment Assets and Liabilities**



## Financial Account—U.S. Incurrence of Liabilities

**Table G. Net U.S. Incurrence of Liabilities**

[Millions of dollars, seasonally adjusted]

	2014		2015		Change 2015:I to 2015:II
	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Net U.S. incurrence of liabilities excluding financial derivatives</b> .....	<b>364,518</b>	<b>57,712</b>	<b>340,309</b>	<b>199,041</b>	<b>-141,268</b>
Direct investment liabilities.....	106,473	52,378	190,224	78,164	-112,060
Equity.....	59,437	48,401	158,662	50,133	-108,529
Equity other than reinvestment of earnings	33,447	21,654	141,825	27,815	-114,010
Reinvestment of earnings.....	25,990	26,747	16,837	22,318	5,481
Debt instruments.....	47,036	3,977	31,562	28,031	-3,531
Portfolio investment liabilities.....	240,879	132,976	101,085	271,008	169,923
Equity and investment fund shares.....	75,555	-34,660	32,455	-17,178	-49,633
Debt securities.....	165,323	167,636	68,630	288,186	219,556
Short term.....	-8,106	42,380	36,550	-6,208	-42,758
Long term.....	173,430	125,256	32,080	294,394	262,314
Treasury bonds and notes.....	84,314	26,458	-62,186	77,276	139,462
Federally sponsored agency securities	22,894	6,239	-7,052	42,533	49,585
Corporate bonds and notes.....	64,635	90,988	99,852	172,597	72,745
Other.....	1,587	1,571	1,466	1,988	522
Other investment liabilities.....	17,166	-127,642	49,000	-150,130	-199,130
Currency and deposits.....	41,638	-88,097	4,856	3,551	-1,305
Currency (short term).....	6,063	28,503	11,508	-624	-12,132
Deposits.....	35,575	-116,600	-6,652	4,175	10,827
Loans.....	-19,894	-40,140	41,964	-156,191	-198,155
Trade credit and advances.....	-4,578	595	2,180	2,511	331
Special drawing rights allocations.....	0	0	0	0	0

p Preliminary r Revised (-) Net repayment

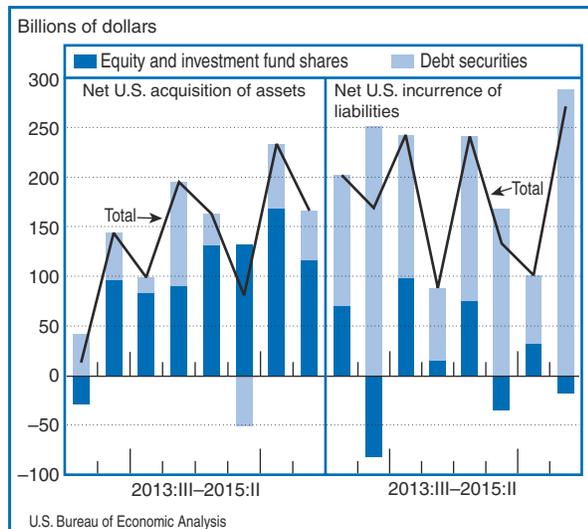
NOTE: The statistics are presented in table 1.2, table 6.1, table 7.1, and table 8.1 on BEA's Web site.

Net incurrence of direct investment liabilities to foreigners was \$78.2 billion in the second quarter, down from \$190.2 billion in the first quarter (table G; see also chart 10 on page 7). The decrease was more than accounted for by a decrease in net foreign-resident investment in equity other than reinvestment of earnings from an unusually high level in the first quarter.

Net U.S. incurrence of portfolio investment liabilities to foreigners was \$271.0 billion, up from \$101.1 billion (chart 11). The increase was more than accounted for by an increase in net foreign purchases of U.S. debt securities to \$288.2 billion from \$68.6 billion. Partly offsetting this increase, net foreign sales of U.S. equity and investment fund shares were \$17.2 billion, a shift from net foreign purchases of \$32.5 billion.

Net U.S. repayment of other investment liabilities to foreigners was \$150.1 billion, a shift from net incurrence of \$49.0 billion (chart 12). The shift to net U.S. repayment mainly reflected repayments of loan liabilities of U.S. banks and nonbank financial institutions to foreign financial institutions.

**Chart 11. Transactions in Portfolio Investment Assets and Liabilities**



**Chart 12. Transactions in Other Investment Assets and Liabilities**

