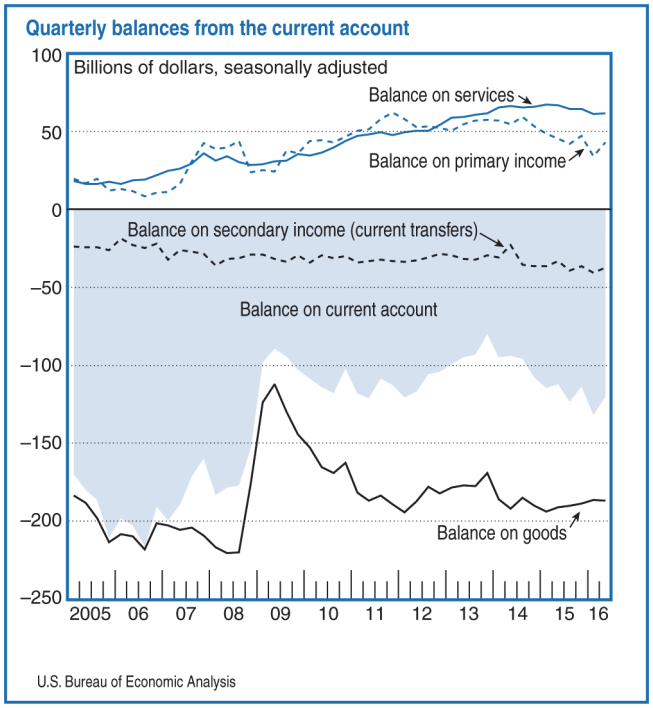
U.S. International Transactions

Second Quarter of 2016

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, and secondary income—decreased to $119.9 billion (preliminary) in the second quarter of 2016 from $131.8 billion (revised) in the first quarter (chart 1; see also table A on page 2). The deficit decreased to 2.6 percent of current-dollar gross domestic product from 2.9 percent in the first quarter.

The decrease in the current-account deficit reflected an increase in the surplus on primary income and a decrease in the deficit on secondary income.

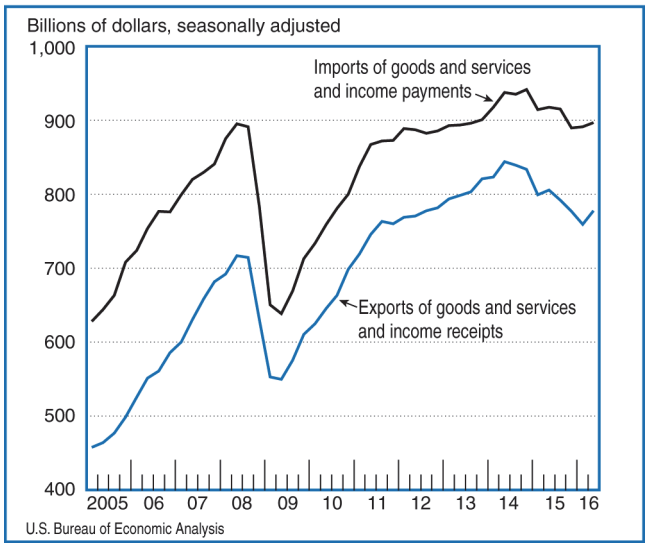
Chart 1. U.S. Current-Account Balance and Its Components



Net U.S. borrowing measured by financial-account transactions was $31.1 billion in the second quarter, a $14.3 billion decrease from net borrowing of $45.4 billion in the first quarter. An increase in net U.S. acquisition of financial assets excluding financial derivatives was mostly offset by an increase in net U.S. incurrence of liabilities excluding financial derivatives. Net transactions in financial derivatives other than reserves reflected more net lending in the second quarter than in the first quarter.

The statistical discrepancy—the difference between the net acquisition of assets and the net incurrence of liabilities in the financial account (including financial derivatives) less the difference between total credits and total debits recorded in the current account and the capital account—increased $2.3 billion in the second quarter to $88.8 billion.

Chart 2. Current-Account Transactions



Christopher P. Steiner prepared this article.

Overview

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

	2015		2016		Change 2016:I to 2016:II
	III	IV	I r	II p	
Current account					
Exports of goods and services and income receipts (credits)	**791,880**	**776,218**	**758,947**	**776,967**	**18,020**
Exports of goods and services	564,276	552,236	538,870	545,858	6,988
Goods	377,157	365,275	354,143	360,208	6,065
Services	187,118	186,962	184,727	185,650	923
Primary income receipts	196,752	192,089	188,488	198,860	10,372
Secondary income (current transfer) receipts	30,852	31,893	31,589	32,248	659
Imports of goods and services and income payments (debits)	**914,985**	**889,625**	**890,785**	**896,852**	**6,067**
Imports of goods and services	689,887	676,445	664,086	671,107	7,021
Goods	566,925	553,678	540,433	546,949	6,516
Services	122,961	122,767	123,654	124,158	504
Primary income payments	154,903	144,974	154,473	155,912	1,439
Secondary income (current transfer) payments	70,195	68,205	72,225	69,833	–2,392
Capital account					
Capital transfer receipts and other credits	**0**	**0**	**0**	**0**	**0**
Capital transfer payments and other debits	**1**	**0**	**58**	**n.a.**	**n.a.**
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	**–83,824**	**–152,461**	**59,862**	**293,695**	**233,833**
Direct investment assets	51,322	95,969	67,412	106,069	38,657
Portfolio investment assets	–97,468	–122,306	–57,326	109,942	167,268
Other investment assets	–37,412	–125,134	50,968	77,495	26,527
Reserve assets	–266	–990	–1,191	189	1,380
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	**–39,884**	**–118,322**	**118,207**	**350,368**	**232,161**
Direct investment liabilities	50,590	26,773	91,335	159,588	68,253
Portfolio investment liabilities	–126,250	18,109	–21,197	–1,188	20,009
Other investment liabilities	35,775	–163,204	48,069	191,968	143,899
Financial derivatives other than reserves, net transactions	**746**	**12,353**	**12,994**	**25,599**	**12,605**
Statistical discrepancy					
Statistical discrepancy [1]	**79,913**	**91,620**	**86,546**	**88,812**	**2,266**
Balances					
Balance on current account	**–123,106**	**–113,406**	**–131,838**	**–119,885**	**11,953**
Balance on goods and services	–125,611	–124,209	–125,217	–125,248	–31
Balance on goods	–189,768	–188,404	–186,290	–186,740	–450
Balance on services	64,157	64,195	61,073	61,492	419
Balance on primary income	41,848	47,115	34,015	42,948	8,933
Balance on secondary income	–39,343	–36,312	–40,637	–37,585	3,052
Balance on capital account	**–1**	**0**	**–58**	**0**	**58**
Net lending (+) or net borrowing (–) from current- and capital-account transactions [2]	**–123,106**	**–113,406**	**–131,897**	**–119,885**	**12,012**
Net lending (+) or net borrowing (–) from financial-account transactions [3]	**–43,194**	**–21,786**	**–45,350**	**–31,074**	**14,276**

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-account 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.

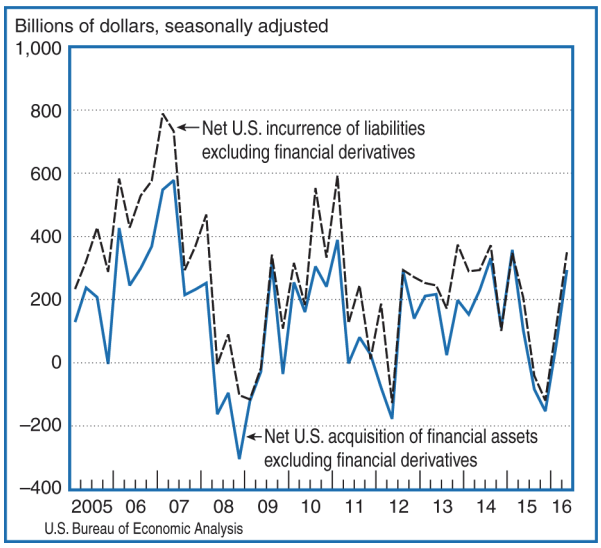
Current-account highlights

- The deficit on goods increased $0.5 billion in the second quarter to $186.7 billion.
- The surplus on services increased $0.4 billion to $61.5 billion.
- The surplus on primary income increased $8.9 billion to $42.9 billion.
- The deficit on secondary income decreased $3.1 billion to $37.6 billion.

Financial-account highlights

- Net U.S. acquisition of financial assets excluding financial derivatives increased $233.8 billion to $293.7 billion.
- Net U.S. incurrence of liabilities excluding financial derivatives increased $232.2 billion to $350.4 billion.
- Transactions in financial derivatives other than reserves reflected second-quarter net lending of $25.6 billion, a $12.6 billion increase from the first quarter.

Chart 3. Acquisition of Financial Assets and Incurrence of Liabilities



Current Account—Exports of Goods and Services and Income Receipts

Table B. Exports of Goods and Services and Income Receipts

[Millions of dollars, seasonally adjusted]

	2015		2016		Change 2016:I to 2016:II
	III	IV	I r	II p	
Exports of goods and services and income receipts	**791,880**	**776,218**	**758,947**	**776,967**	**18,020**
Exports of goods	**377,157**	**365,275**	**354,143**	**360,208**	**6,065**
General merchandise	371,021	360,173	349,838	356,130	6,292
Foods, feeds, and beverages	32,121	30,049	28,858	31,148	2,290
Grains and preparations	7,405	6,067	5,899	7,276	1,377
Soybeans	5,294	4,992	3,995	4,324	329
Other foods, feeds, and beverages	19,422	18,990	18,964	19,548	584
Industrial supplies and materials	103,427	95,873	92,204	96,301	4,097
Energy products	30,673	27,119	24,741	29,144	4,403
Of which: Petroleum and products	27,262	23,949	21,876	26,138	4,262
Nonenergy products	72,754	68,754	67,463	67,157	–306
Chemicals except medicinals	28,029	26,408	25,807	25,572	–235
Metals and nonmetallic products	18,887	17,666	17,339	17,436	97
Other nonenergy products	25,838	24,680	24,317	24,149	–168
Capital goods except automotive	134,012	132,751	129,467	129,306	–161
Electric generating machinery, apparatus, and parts	14,182	13,712	13,832	13,076	–756
Industrial engines, pumps, and compressors	6,725	6,676	6,671	5,999	–672
Other industrial machinery	19,963	18,486	17,993	17,714	–279
Computers, accessories, peripherals, and parts	11,814	11,639	11,886	11,592	–294
Semiconductors	10,598	10,553	11,057	11,174	117
Telecommunications equipment	10,310	10,577	9,798	10,127	329
Other machinery, equipment, tools, and instruments	29,547	29,374	28,227	27,472	–755
Civilian aircraft, engines, and parts	29,183	30,369	28,673	30,715	2,042
Other transportation equipment	1,690	1,366	1,331	1,438	107
Automotive vehicles, parts, and engines	38,620	37,664	37,547	37,696	149
Passenger cars	14,283	13,077	13,288	13,392	104
Trucks, buses, and special purpose vehicles	4,362	4,481	4,558	4,772	214
Engines, parts, and accessories	19,975	20,106	19,700	19,532	–168
Consumer goods except food and automotive	49,010	49,168	48,324	47,295	–1,029
Nondurable goods	22,681	23,360	22,832	22,018	–814
Medicinal, dental, and pharmaceutical products	13,505	14,198	13,950	13,170	–780
Other	9,176	9,162	8,882	8,848	–34
Durable goods	26,330	25,807	25,493	25,277	–216
Household and kitchen appliances and other household goods	9,933	9,720	9,396	9,294	–102
Other	16,397	16,087	16,097	15,983	–114
Other general merchandise	13,831	14,668	13,438	14,384	946
Net exports of goods under merchanting	74	63	50	53	3
Nonmonetary gold	6,062	5,038	4,254	4,025	–229
Exports of services [1]	**187,118**	**186,962**	**184,727**	**185,650**	**923**
Maintenance and repair services n.i.e.	6,018	6,627	6,307	6,709	402
Transport	21,550	21,594	21,363	20,909	–454
Of which: Air passenger transport	10,246	10,277	10,174	9,595	–579
Travel (for all purposes including education)	51,712	51,569	51,420	51,497	77
Business	10,731	10,659	10,292	10,358	66
Personal	40,981	40,910	41,128	41,139	11
Insurance services	4,237	4,492	4,244	4,381	137
Financial services	24,981	24,318	22,830	23,206	376
Charges for the use of intellectual property n.i.e.	31,252	30,739	30,317	29,999	–318
Industrial processes	11,261	11,700	10,421	10,291	–130
Computer software	9,719	8,708	9,169	9,026	–143
Other	10,272	10,331	10,727	10,682	–45
Telecommunications, computer, and information services	9,062	9,168	9,408	9,523	115
Other business services	32,936	33,654	34,374	34,402	28
Government goods and services n.i.e.	5,369	4,800	4,464	5,024	560
Primary income receipts	**196,752**	**192,089**	**188,488**	**198,860**	**10,372**
Investment income	194,969	190,304	186,691	197,063	10,372
Direct investment income	106,676	104,645	95,964	106,247	10,283
Income on equity	102,054	99,302	91,022	101,197	10,175
Interest	4,622	5,343	4,942	5,049	107
Portfolio investment income	80,014	77,497	81,617	80,846	–771
Income on equity and investment fund shares	53,349	51,115	55,969	55,171	–798
Interest on debt securities	26,665	26,382	25,648	25,674	26
Other investment income	8,227	8,101	9,083	9,950	867
Interest	5,801	5,656	6,624	7,450	826
Income attributable to insurance policyholders	2,426	2,445	2,458	2,500	42
Reserve asset income	53	61	28	21	–7
Compensation of employees	1,782	1,785	1,797	1,798	1
Secondary income (current transfer) receipts [2]	**30,852**	**31,893**	**31,589**	**32,248**	**659**

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

1. See also Alexis Grimm and Charu Krishnan, "U.S. International Services: Trade in Services in 2014 and Services Supplied Through Affiliates in 2013," SURVEY OF CURRENT BUSINESS 95 (October 2015).

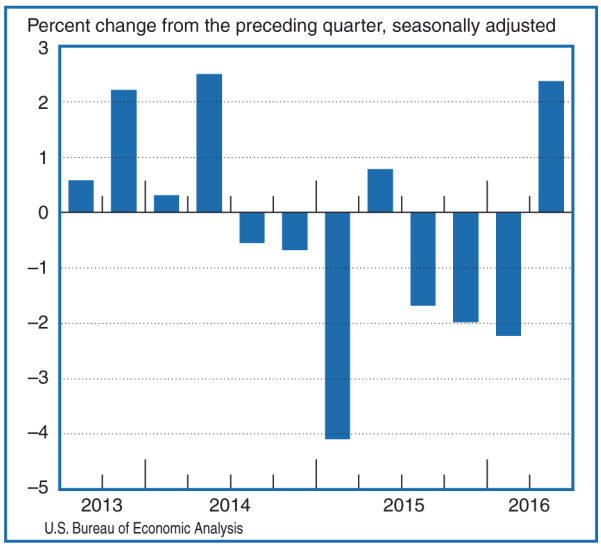
2. Secondary income receipts include U.S. government and private transfers, such as fines and penalties, withholding taxes, insurance-related transfers, and other current transfers.

NOTE. The statistics are presented in table 2.1, table 3.1, table 4.1, and table 5.1 on BEA's Web site.

Exports of goods and services and income receipts increased $18.0 billion (2.4 percent) to $777.0 billion in the second quarter.

- Primary income receipts increased $10.4 billion to $198.9 billion, primarily reflecting an increase in direct investment income.
- Exports of goods increased $6.1 billion to $360.2 billion, reflecting increases in industrial supplies and materials, primarily petroleum and products, and in foods, feeds, and beverages. These increases were partly offset by a decrease in consumer goods except food and automotive.

Chart 4. Growth in Exports of Goods and Services and Income Receipts



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.*

Current Account—Imports of Goods and Services and Income Payments

Table C. Imports of Goods and Services and Income Payments

[Millions of dollars, seasonally adjusted]

	2015		2016		Change 2016:I to 2016:II
	III	IV	I r	II p	
Imports of goods and services and income payments	**914,985**	**889,625**	**890,785**	**896,852**	**6,067**
Imports of goods	**566,925**	**553,678**	**540,433**	**546,949**	**6,516**
General merchandise	563,627	550,752	537,046	541,441	4,395
Foods, feeds, and beverages	32,074	31,578	32,824	32,248	–576
Industrial supplies and materials	121,422	109,742	101,957	107,344	5,387
Energy products	53,256	44,202	38,010	42,152	4,142
Of which: Petroleum and products	48,958	40,286	34,393	38,149	3,756
Nonenergy products	68,166	65,540	63,947	65,192	1,245
Chemicals except medicinals	18,139	17,245	17,043	17,572	529
Metals and nonmetallic products	24,404	22,881	21,701	22,356	655
Nonferrous metals	7,865	7,391	7,146	7,627	481
Other metals and nonmetallic products	16,539	15,490	14,555	14,729	174
Other nonenergy products	25,623	25,414	25,203	25,264	61
Capital goods except automotive	150,361	149,532	145,482	149,081	3,599
Machinery and equipment except consumer-type	134,905	134,008	131,856	133,701	1,845
Electric generating machinery, apparatus, and parts	17,496	17,682	17,429	17,549	120
Industrial engines, pumps, and compressors	5,839	5,741	5,707	5,591	–116
Computers, accessories, peripherals, and parts	30,890	29,058	28,349	28,747	398
Semiconductors	11,690	12,016	12,695	13,291	596
Telecommunications equipment	16,759	17,523	16,717	17,481	764
Other machinery, equipment, tools, and instruments	52,231	51,988	50,959	51,042	83
Civilian aircraft, engines, and parts	13,689	13,708	12,227	13,787	1,560
Of which: Civilian aircraft, complete, all types	4,497	4,632	3,197	4,529	1,332
Other transportation equipment	1,767	1,817	1,399	1,593	194
Automotive vehicles, parts, and engines	88,534	88,799	88,441	86,396	–2,045
Passenger cars	42,704	43,303	42,812	41,466	–1,346
Trucks, buses, and special purpose vehicles	8,569	8,515	9,000	8,770	–230
Engines, parts, and accessories	37,261	36,981	36,628	36,159	–469
Consumer goods, except food and automotive	149,751	149,107	147,260	144,886	–2,374
Nondurable goods	70,547	69,926	70,113	70,398	285
Medicinal, dental, and pharmaceutical products	26,893	27,561	27,744	28,851	1,107
Other	43,654	42,365	42,369	41,547	–822
Durable goods	79,204	79,180	77,148	74,487	–2,661
Household and kitchen appliances and other household goods	42,747	43,412	43,658	40,814	–2,844
Of which: Other household goods, including cell phones	27,533	28,267	28,624	26,182	–2,442
Other	36,457	35,768	33,490	33,673	183
Other general merchandise	21,485	21,995	21,082	21,486	404
Nonmonetary gold	3,298	2,926	3,387	5,508	2,121
Imports of services [1]	**122,961**	**122,767**	**123,654**	**124,158**	**504**
Maintenance and repair services n.i.e.	2,451	2,287	2,147	2,220	73
Transport	24,322	23,979	24,045	24,174	129
Of which: Air passenger transport	8,983	8,919	9,188	9,457	269
Travel (for all purposes including education)	28,209	29,231	29,844	30,062	218
Business	3,908	4,098	3,941	3,988	47
Personal	24,301	25,134	25,903	26,074	171
Insurance services	12,020	11,826	11,785	11,810	25
Financial services	6,405	6,125	6,001	6,173	172
Charges for the use of intellectual property n.i.e.	9,871	10,175	9,901	9,793	–108
Industrial processes	5,300	5,485	5,273	5,122	–151
Computer software	1,639	1,764	1,812	1,818	6
Other	2,932	2,926	2,816	2,853	37
Telecommunications, computer, and information services	9,184	9,049	9,434	9,501	67
Other business services	25,092	24,920	25,424	25,525	101
Government goods and services n.i.e.	5,408	5,175	5,072	4,899	–173
Primary income payments	**154,903**	**144,974**	**154,473**	**155,912**	**1,439**
Investment income	150,301	140,316	149,934	151,281	1,347
Direct investment income	45,387	36,165	41,057	43,002	1,945
Income on equity	35,467	27,115	30,363	32,374	2,011
Interest	9,921	9,049	10,694	10,629	–65
Portfolio investment income	101,101	99,975	103,113	102,129	–984
Income on equity and investment fund shares	34,768	32,643	36,118	33,988	–2,130
Interest on debt securities	66,333	67,332	66,994	68,141	1,147
Other investment income	3,813	4,177	5,765	6,149	384
Interest	3,142	3,490	5,081	5,463	382
Income attributable to insurance policyholders	671	687	684	686	2
Compensation of employees	4,602	4,658	4,539	4,632	93
Secondary income (current transfer) payments [2]	**70,195**	**68,205**	**72,225**	**69,833**	**–2,392**

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

1. See also Alexis Grimm and Charu Krishnan, "U.S. International Services: Trade in Services in 2014 and Services Supplied Through Affiliates in 2013," Survey of Current Business 95 (October 2015).

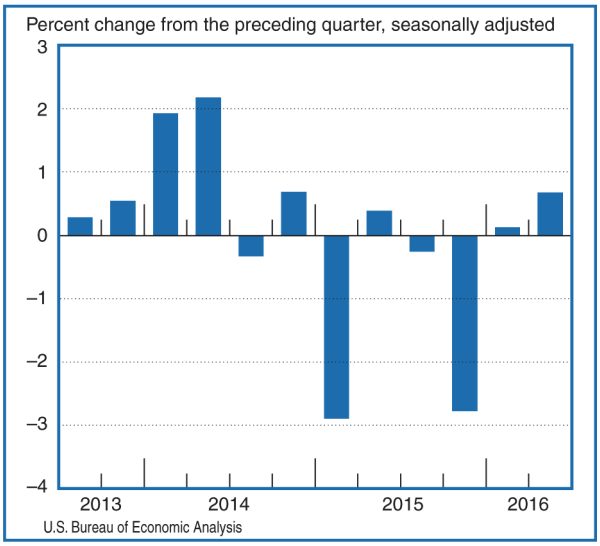
2. Secondary income payments include U.S. government and private transfers, such as U.S. government grants and pensions, fines and penalties, withholding taxes, personal transfers (remittances), insurance-related transfers, and other current transfers.

Note. The statistics are presented in table 2.1, table 3.1, table 4.1, and table 5.1 on BEA's Web site.

Imports of goods and services and income payments increased $6.1 billion (0.7 percent) to $896.9 billion in the second quarter.

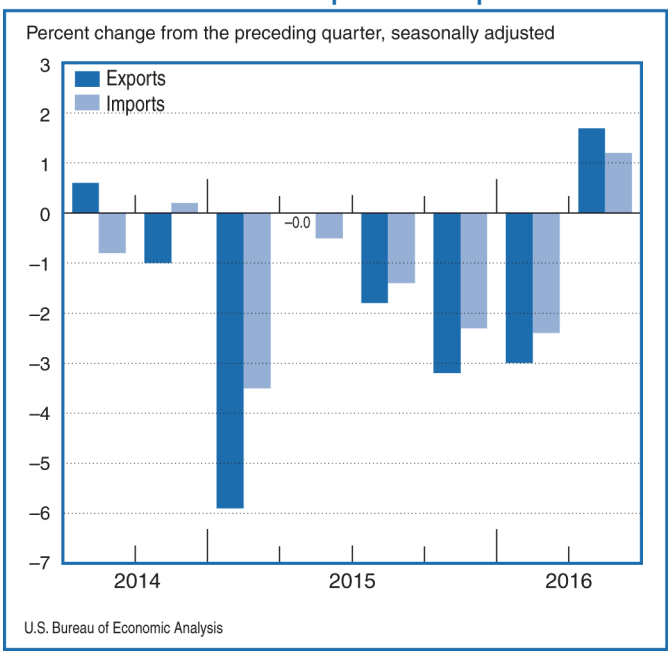
- Imports of goods increased $6.5 billion to $546.9 billion, reflecting increases in imports of industrial supplies and materials, mainly energy products, and in capital goods except automotive. These increases were partly offset by a decrease in imports of consumer goods except food and automotive—particularly other household goods, including cell phones—and by a decrease in imports of automotive vehicles, parts, and engines.
- Primary income payments increased $1.4 billion to $155.9 billion, reflecting an increase in direct investment income.

Chart 5. Growth in Imports of Goods and Services and Income Payments



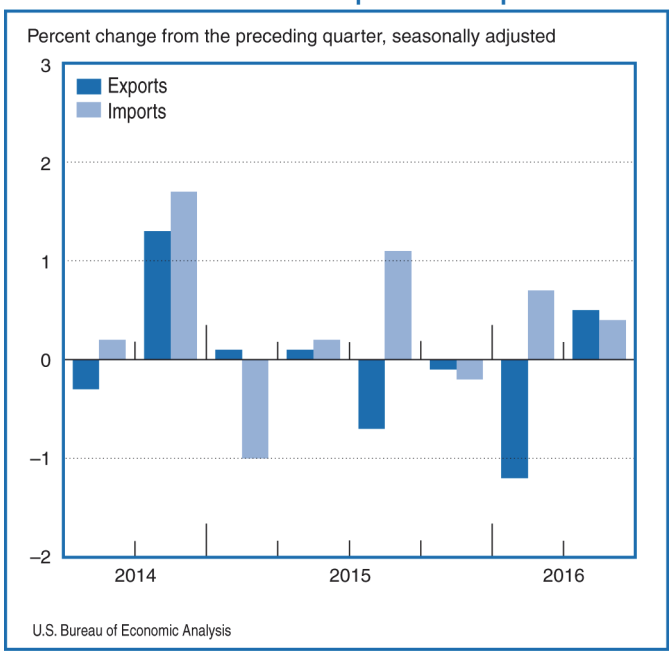
Current Account—Goods, Services, and Income

Chart 6. Growth in Goods Exports and Imports



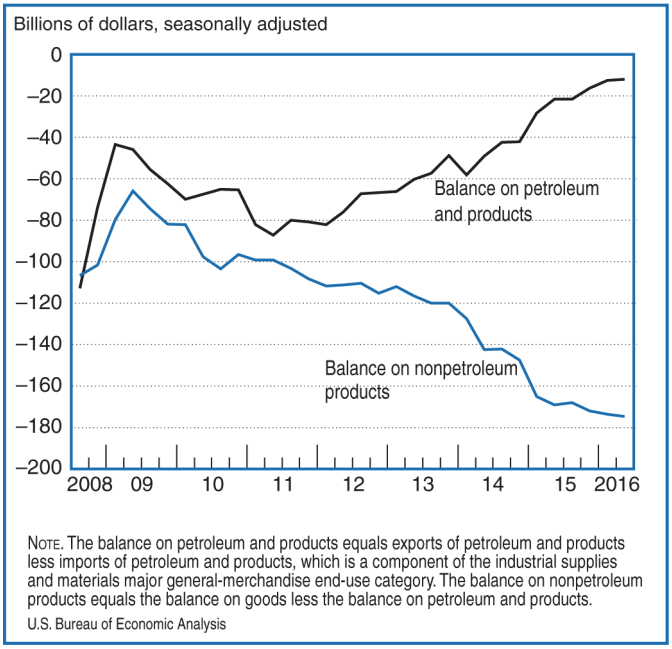
In the second quarter of 2016, exports of goods increased 1.7 percent—the first quarterly increase since the third quarter of 2014. Imports of goods increased 1.2 percent in the second quarter—the first quarterly increase since the fourth quarter of 2014.

Chart 7. Growth in Services Exports and Imports



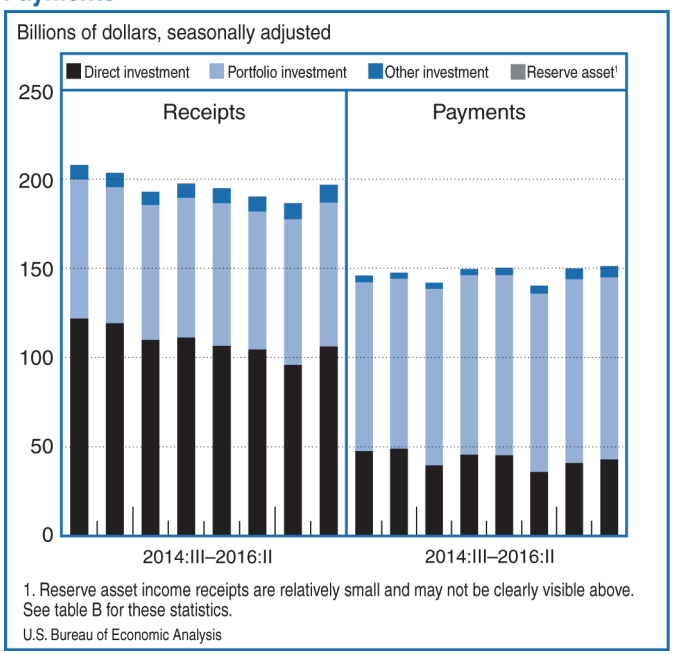
In the second quarter of 2016, exports of services increased 0.5 percent. Exports had decreased in each of the three preceding quarters. In the second quarter, imports of services were up 0.4 percent.

Chart 8. Balance on Total Petroleum and Nonpetroleum Products



In the second quarter of 2016, the deficit on petroleum and products decreased, and the deficit on nonpetroleum products increased. The gap between these deficits has increased in eight of the last nine quarters.

Chart 9. Primary Investment Income Receipts and Payments



In the second quarter of 2016, primary investment income receipts were up $10.4 billion, and primary investment income payments were up $1.3 billion. Payments reached their highest level in the second quarter since the third quarter of 2008.

Current Account—Exports and Imports of Goods by Country

Chart 10. Exports of Goods to Selected Countries

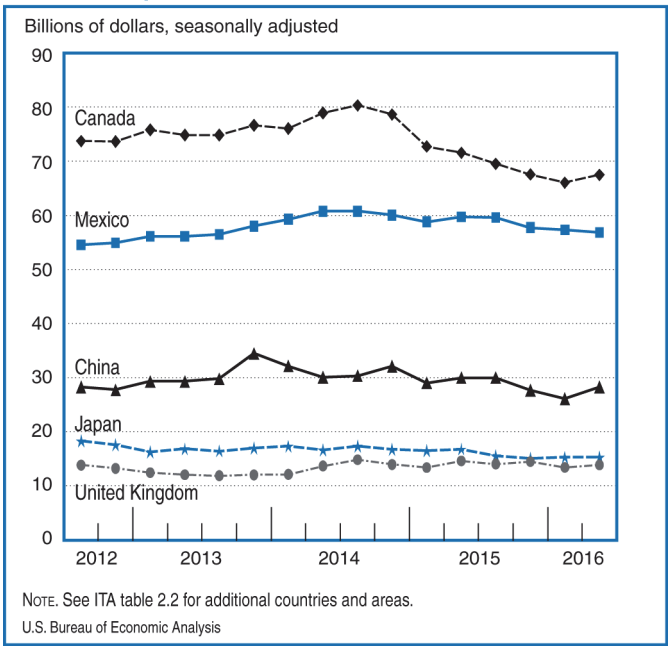
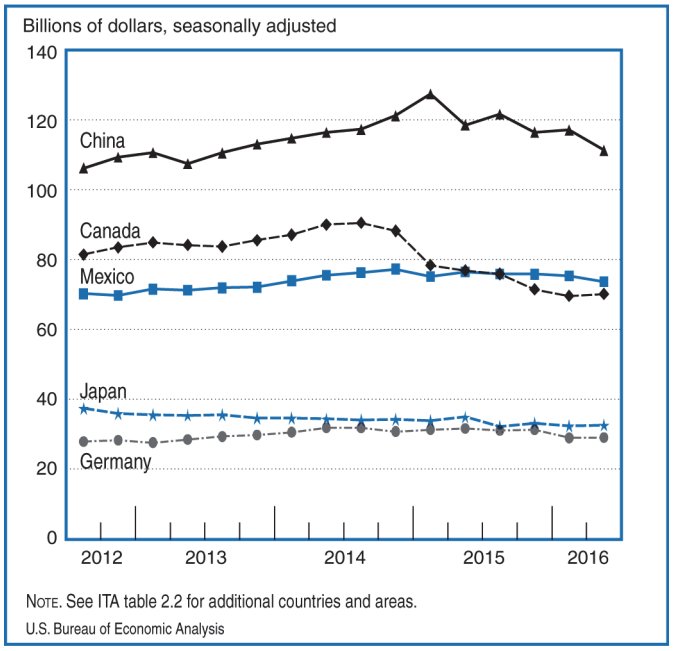


Chart 11. Imports of Goods from Selected Countries



In the second quarter of 2016, exports of goods to Canada increased after decreasing in the six preceding quarters. Exports to China, Japan, and the United Kingdom also increased, but exports to Mexico decreased. These five countries are the top five recipient countries in the second quarter of 2016 in ITA table 2.2; this table provides seasonally adjusted trade-in-goods statistics for a selection of 15 countries that together accounted for 70.1 percent of the exports of goods in the second quarter.

In the second quarter of 2016, imports of goods from China decreased 4.9 percent, and imports of goods from Mexico decreased 2.2 percent. Imports of goods from Canada, Japan, and Germany each increased less than 1 percent. These five countries are the top five source countries in the second quarter of 2016 in ITA table 2.2; this table provides seasonally adjusted trade-in-goods statistics for a selection of 15 countries that together accounted for 74.7 percent of the imports of goods in the second quarter.

Updates to First-Quarter 2016 Statistics

The U.S. international transactions statistics for the first quarter of 2016 have been updated to incorporate new and revised source data.

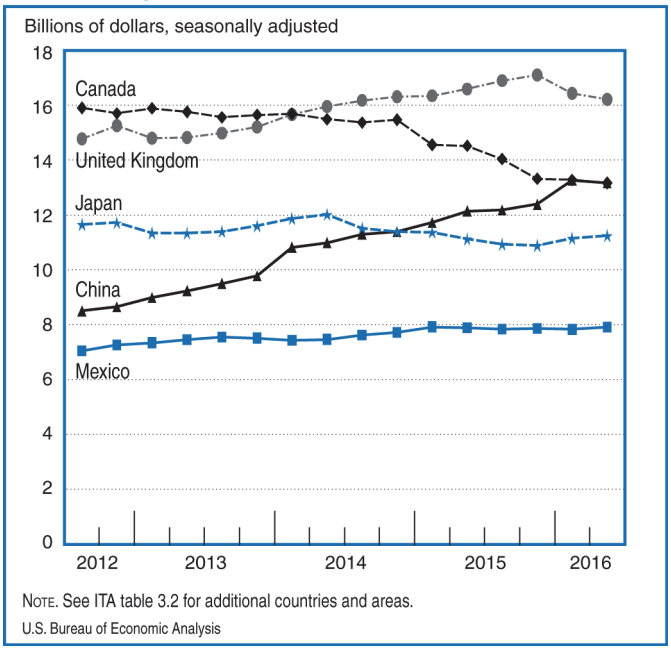
Preliminary and Revised First-Quarter 2016 Statistics

[Millions of dollars, seasonally adjusted]

	Preliminary estimate	Revised estimate
Balance on goods	–186,429	–186,290
Balance on services	64,557	61,073
Balance on primary income	37,498	34,015
Balance on secondary income (current transfers)	–40,297	–40,637
Balance on current account	–124,671	–131,838
Net U.S. acquisition of financial assets	66,803	59,862
Net U.S. incurrence of liabilities	115,488	118,207
Net lending or borrowing from financial-account transactions	–35,042	–45,350

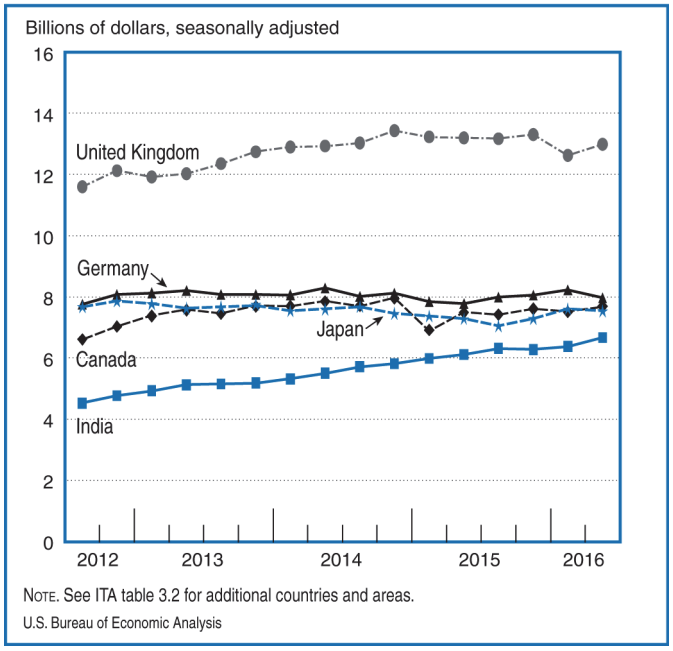
Current Account—Exports and Imports of Services by Country

Chart 12. Exports of Services to Selected Countries



In the second quarter of 2016, exports of services to Canada, China, and the United Kingdom decreased, and exports of services to Japan and Mexico increased. These five countries are the top five recipient countries in the second quarter of 2016 in ITA table 3.2; this table provides seasonally adjusted trade-in-services statistics for a selection of 15 countries that together accounted for 56.8 percent of the exports of services in the second quarter. For the second consecutive quarter, exports of services to China and Canada were nearly equal; in most of the preceding quarters shown in the chart, the gap between exports of services to these two countries narrowed.

Chart 13. Imports of Services from Selected Countries



In the second quarter of 2016, imports of services from the United Kingdom, Japan, and India increased. Imports of services from Germany and Canada decreased. These five countries are the top five source countries in the second quarter of 2016 in ITA table 3.2; this table provides seasonally adjusted trade-in-services statistics for a selection of 15 countries that together accounted for 56.8 percent of the imports of services in the second quarter. Imports of services from India increased 9.0 percent from the second quarter of 2015 to the second quarter of 2016. Imports of services from Germany, Japan, and Canada have been within $1 billion of each other since the first quarter of 2013.

Financial Account—U.S. Acquisition of Financial Assets and Incurrence of Liabilities

Table D. Net U.S. Acquisition of Financial Assets and Net U.S. Incurrence of Liabilities Excluding Financial Derivatives

[Millions of dollars, seasonally adjusted]

	2015		2016		Change 2016:I to 2016:II
	III	IV	I r	II p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	**–83,824**	**–152,461**	**59,862**	**293,695**	**233,833**
Direct investment assets	**51,322**	**95,969**	**67,412**	**106,069**	**38,657**
Equity	79,509	73,622	77,640	103,621	25,981
Equity other than reinvestment of earnings	5,994	–419	7,438	27,136	19,698
Reinvestment of earnings	73,515	74,041	70,202	76,484	6,282
Debt instruments	–28,186	22,347	–10,228	2,449	12,677
Portfolio investment assets	**–97,468**	**–122,306**	**–57,326**	**109,942**	**167,268**
Equity and investment fund shares	–54,115	–54,186	–60,527	131,130	191,657
Debt securities	–43,354	–68,121	3,200	–21,188	–24,388
Short-term securities	12,690	–20,563	45,866	–24,220	–70,086
Long-term corporate securities	–40,261	–33,903	–32,618	3,116	35,734
Other long-term securities	–15,783	–13,655	–10,048	–84	9,964
Other investment assets	**–37,412**	**–125,134**	**50,968**	**77,495**	**26,527**
Currency and deposits	–66,480	–50,368	72,116	–23,601	–95,717
Loans	28,173	–73,938	–24,242	103,449	127,691
Trade credit and advances	895	–828	3,094	–2,353	–5,447
Reserve assets	**–266**	**–990**	**–1,191**	**189**	**1,380**
Monetary gold	0	0	0	0	0
Special drawing rights	2	2	2	(*)	–2
Reserve position in the International Monetary Fund	–314	–1,046	–1,214	175	1,389
Other reserve assets	46	54	21	14	–7
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	**–39,884**	**–118,322**	**118,207**	**350,368**	**232,161**
Direct investment liabilities	**50,590**	**26,773**	**91,335**	**159,588**	**68,253**
Equity	40,520	40,884	89,637	116,162	26,525
Equity other than reinvestment of earnings	17,436	26,116	70,352	93,144	22,792
Reinvestment of earnings	23,085	14,768	19,285	23,018	3,733
Debt instruments	10,069	–14,111	1,698	43,426	41,728
Portfolio investment liabilities	**–126,250**	**18,109**	**–21,197**	**–1,188**	**20,009**
Equity and investment fund shares	–33,301	–153,464	–95,660	–56,406	39,254
Debt securities	–92,949	171,573	74,462	55,218	–19,244
Short term	–51,361	65,957	–10,464	–29,057	–18,593
Treasury bills and certificates	–34,134	57,561	217	–42,709	–42,926
Federally sponsored agency securities	–7,170	–1,119	–7,243	–1,132	6,111
Other short-term securities	–10,057	9,515	–3,438	14,784	18,222
Long term	–41,588	105,616	84,927	84,276	–651
Treasury bonds and notes	–78,274	61,067	18,819	–26,759	–45,578
Federally sponsored agency securities	5,056	–17,327	26,278	27,135	857
Corporate bonds and notes	30,763	59,740	39,160	81,083	41,923
Other	867	2,136	670	2,817	2,147
Other investment liabilities	**35,775**	**–163,204**	**48,069**	**191,968**	**143,899**
Currency (short term)	13,364	14,122	12,578	7,184	–5,394
Deposits	–2,418	9,499	–53,547	85,335	138,882
Loans	19,479	–186,267	84,376	93,237	8,861
Trade credit and advances	5,351	–559	4,662	6,213	1,551
Special drawing rights allocations	0	0	0	0	0

p Preliminary r Revised

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 U.S. acquisition of financial assets

Net U.S. acquisition of financial assets excluding financial derivatives increased $233.8 billion to $293.7 billion in the second quarter.

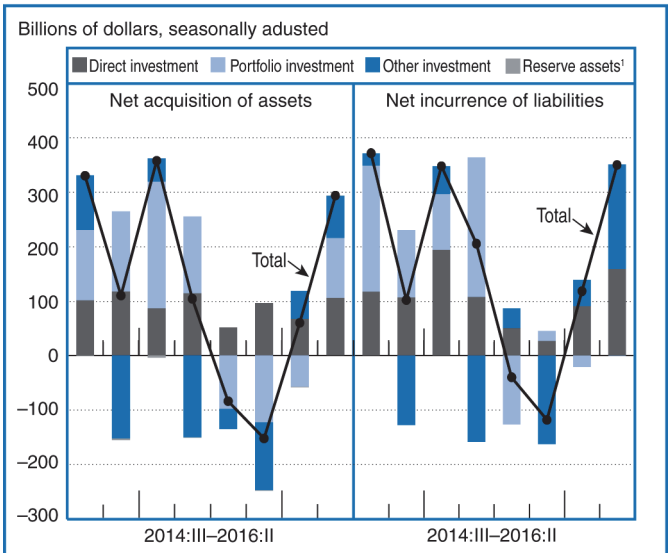
- Transactions in portfolio investment assets increased $167.3 billion to net U.S. acquisition of $109.9 billion; a shift to net acquisition of equity and investment fund shares more than offset a shift to net sales of debt securities.
- Net U.S. acquisition of direct investment assets increased $38.7 billion to $106.1 billion, largely reflecting an increase in net acquisition of equity.
- Net U.S. acquisition of other investment assets increased $26.5 billion to $77.5 billion; a shift to net provision of loans to foreigners exceeded a shift to net withdrawal of U.S. residents' deposits abroad (in currency and deposits).

Net U.S. incurrence of liabilities

Net U.S. incurrence of liabilities excluding financial derivatives increased $232.2 billion to $350.4 billion in the second quarter.

- Net U.S. incurrence of other investment liabilities increased $143.9 billion to $192.0 billion, reflecting a shift to a second-quarter rise in foreign residents' deposits in U.S. banks.
- Net U.S. incurrence of direct investment liabilities increased $68.3 billion to $159.6 billion, reflecting increased equity investment by foreign parent companies in their U.S. affiliates and increased net borrowing by U.S. affiliates.

Chart 14. Transactions in Financial Assets and Liabilities (Excluding Financial Derivatives)



1. Transactions in reserve assets are relatively small and may not be clearly visible. See table D for these statistics.

U.S. Bureau of Economic Analysis