

FOR WIRE TRANSMISSION: 8:30 A.M. EDT, THURSDAY, September 19, 2013

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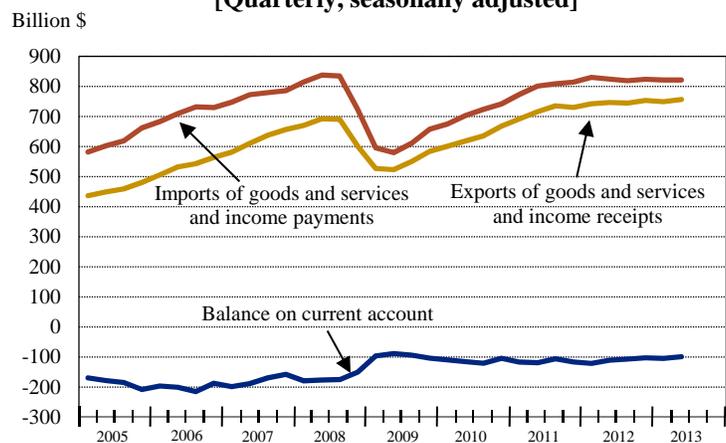
BEA 13-43

## U.S. International Transactions: Second Quarter 2013

### Current Account

The U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—decreased to \$98.9 billion (preliminary) in the second quarter from \$104.9 billion (revised) in the first quarter. The decrease in the current-account deficit was accounted for by a decrease in the deficit on goods, an increase in the surplus on income, and an increase in the surplus on services. These changes were partly offset by an increase in net outflows of unilateral current transfers, such as government grants, government pensions and other transfers, and private remittances.

### U.S. Current-Account Transactions [Quarterly, seasonally adjusted]



### Goods and services

The deficit on goods and services decreased to \$117.8 billion in the second quarter from \$122.6 billion in the first.

NOTE: This news release is available on [BEA's Web site](http://www.bea.gov) <www.bea.gov> along with [Highlights](#) related to this release, the latest detailed [statistics](#) for U.S. international transactions, and a description of the [estimation methods](#) used to compile them. The second-quarter statistics in this release are preliminary and will be revised on December 17, 2013. All links in the text of this release—including archived versions of this release—refer to the latest available statistics.

**Goods** The deficit on goods decreased to \$175.7 billion in the second quarter from \$179.5 billion in the first.

Goods exports increased to \$394.7 billion from \$390.7 billion. Exports in four of the six major end-use categories increased. The largest increases were in capital goods and in consumer goods. The increase in capital goods was largely due to an increase in civilian aircraft, engines, and parts. The largest decrease was in foods, feeds, and beverages and was mostly due to a decrease in soybeans ([Table 2a](#)).

Goods imports increased to \$570.4 billion from \$570.2 billion. Increases in five of the six major end-use categories were nearly offset by a substantial decrease in industrial supplies and materials. The largest increase was in automotive vehicles, parts, and engines, much of that in passenger cars. The decrease in industrial supplies and materials was mostly due to a decrease in petroleum and products ([Table 2a](#)).

**Services** The surplus on services increased to \$57.9 billion in the second quarter from \$56.8 billion in the first.

Services exports increased to \$169.2 billion from \$167.2 billion. Exports increased in five of the seven major services categories. More than half the increase was in other private services, primarily in financial services and in business, professional, and technical services ([Table 3a](#)).

Services imports increased to \$111.3 billion from \$110.4 billion. Imports increased in six of the seven major services categories. The largest increases were in travel and in other transportation ([Table 3a](#)).

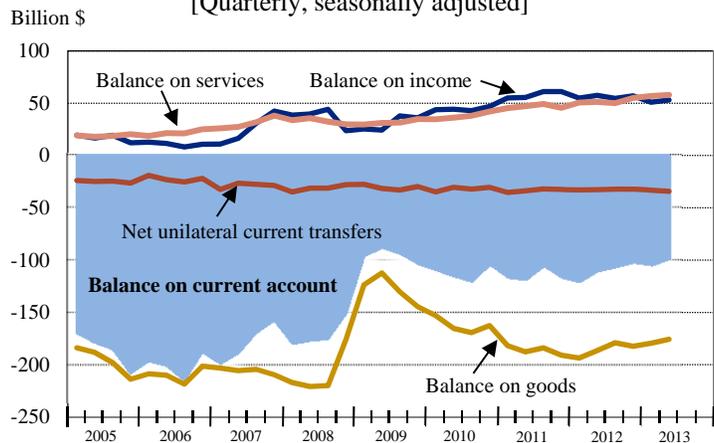
**Income**

The surplus on income increased to \$53.1 billion in the second quarter from \$50.9 billion in the first.

**Investment income** Income receipts on U.S.-owned assets abroad increased to \$190.8 billion from \$190.0 billion. The increase was more than accounted for by an increase in other private receipts, which consists of interest and dividends. Direct investment receipts and U.S. government receipts decreased ([Table 4](#)).

Income payments on foreign-owned assets in the United States decreased to \$135.6 billion from \$137.1 billion. The decrease was more than accounted for by decreases in direct investment payments and in U.S. government payments. Other private payments increased ([Table 4](#)).

**U.S. Current-Account Balance and Its Components**  
[Quarterly, seasonally adjusted]



Compensation of employees Receipts for compensation of U.S. residents paid by nonresidents were \$1.7 billion in the second quarter, up from \$1.6 billion in the first. Payments for compensation of foreign residents paid by U.S. residents were \$3.8 billion in the second quarter, up from \$3.7 billion in the first.

#### Unilateral current transfers

Net unilateral current transfers to foreigners were \$34.2 billion in the second quarter, up from \$33.1 billion in the first. The increase was mostly due to an increase in net outflows of U.S. government pensions and other transfers that resulted from a decrease in fines and penalties received by the U.S. government from foreign corporations. U.S. government grants to foreigners also increased.

#### Capital Account

Net capital-account transactions are not available for the second quarter because source data are not yet available. In the first quarter, net payments were less than \$0.1 billion.

#### Financial Account

Net financial inflows were \$73.1 billion in the second quarter, up from \$40.4 billion in the first. U.S.-owned assets abroad and foreign-owned assets in the United States both increased less than in the first quarter, and outflows of U.S.-owned assets abroad were down more relative to the first quarter than were inflows of foreign-owned assets in the United States. Net inflows of financial derivatives decreased in the second quarter.

#### U.S.-owned assets abroad

U.S.-owned assets abroad increased \$109.6 billion in the second quarter after increasing \$229.1 billion in the first.

U.S. official reserve assets decreased \$0.2 billion in the second quarter after increasing \$0.9 billion in the first. The second-quarter decrease reflected a decrease in the U.S. reserve position in the International Monetary Fund.

U.S. government assets other than official reserve assets decreased \$3.9 billion in the second quarter after increasing \$0.4 billion in the first. The decrease reflected a reduction of central bank liquidity swaps between the U.S. Federal Reserve System and foreign central banks.

U.S. direct investment abroad was \$95.5 billion in the second quarter, up from \$84.1 billion in the first. The increase was more than accounted for by a shift in equity investment to net outflows in the second quarter from net inflows in the first quarter ([Table 7a](#)).

U.S. purchases of foreign securities exceeded sales (net purchases) by \$80.1 billion in the second quarter, down from net purchases of \$133.8 billion in the first. Net purchases of foreign bonds were \$3.8 billion, down from net purchases of \$60.0 billion in the first. Net purchases of foreign stocks were \$76.3 billion, up from net purchases of \$73.8 billion in the first ([Table 8a](#)).

U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns increased \$67.1 billion in the second quarter after increasing \$22.4 billion in the first. An example of these claims is deposits of U.S. nonbanks at foreign banks.

U.S. claims on foreigners reported by U.S. banks and securities brokers decreased \$129.0 billion in the second quarter after decreasing \$12.6 billion in the first. Examples of these claims are deposits of U.S. banks at foreign banks and loans by U.S. banks to foreigners.

#### Foreign-owned assets in the United States

Foreign-owned assets in the United States increased \$179.3 billion in the second quarter after increasing \$265.5 billion in the first.

Foreign official assets in the United States decreased \$9.7 billion in the second quarter after increasing \$126.9 billion in the first. The second-quarter decrease was more than accounted for by net sales of U.S. government securities.

Foreign direct investment in the United States was \$37.9 billion in the second quarter, up from \$28.6 billion in the first. The increase was accounted for by lower net outflows of intercompany debt investment and by larger reinvested earnings than in the first quarter ([Table 7a](#)).

Foreign private sales of U.S. Treasury securities exceeded purchases (net sales) by \$0.3 billion in the second quarter, a shift from net purchases of \$50.8 billion in the first quarter. The shift to net sales reflected a shift to net sales of U.S. Treasury bills and certificates and a decrease in net purchases of U.S. Treasury bonds and notes ([Table 8a](#) and [Table 11a](#)).

Foreign private sales of U.S. securities other than U.S. Treasury securities exceeded purchases (net sales) by \$30.0 billion in the second quarter, up from net sales of \$11.0 billion in the first. Net purchases of U.S. corporate bonds were \$19.8 billion, down from \$32.3 billion. Net sales of U.S. stocks were \$29.7 billion, up from \$23.4 billion. Net sales of U.S. federally sponsored agency bonds were \$20.1 billion, up from \$19.8 billion ([Table 8a](#)).

Net shipments of U.S. currency to foreign countries were \$9.5 billion in the second quarter following net shipments of \$5.0 billion in the first.

U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns increased \$18.7 billion in the second quarter after decreasing \$20.9 billion in the first. An example of these liabilities is loans by foreign banks to U.S. nonbanks.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers, other than those recorded under foreign official assets, increased \$153.2 billion in the second quarter after increasing \$86.2 billion in the first. Examples of these liabilities are deposits of foreign residents at U.S. banks and loans by foreign banks to U.S. banks.

Financial Derivatives

Net inflows of financial derivatives were \$3.5 billion in the second quarter after net inflows of \$3.9 billion in the first.

\* \* \*

The statistical discrepancy—the amount that balances the sum of the recorded credits and debits across all the accounts in the international transactions accounts—was \$25.8 billion in the second quarter compared with \$64.5 billion in the first.

In the second quarter, the U.S. dollar appreciated 2.2 percent on a trade-weighted quarterly average basis against a group of 7 major currencies, the same percent increase as in the first quarter. Exchange rate data are based on Federal Reserve Statistical Release H.10.

**Revisions**

The first-quarter 2013 international transactions are revised from previously published statistics. The current-account deficit was revised down to \$104.9 billion from \$106.1 billion. The goods deficit was revised up to \$179.5 billion from \$179.1 billion; the services surplus was revised up to \$56.8 billion from \$55.5 billion; the income surplus was revised down to \$50.9 billion from \$52.0 billion; and net outflows of unilateral current transfers were revised down to \$33.1 billion from \$34.5 billion. Net financial inflows were revised down to \$40.4 billion from \$80.7 billion, reflecting a downward revision to inflows of foreign-owned assets in the United States and an upward revision to outflows of U.S.-owned assets abroad.

\* \* \*

Release dates in 2013:

Fourth Quarter and Year 2012.....	March 14, 2013 (Thursday)
First Quarter 2013 and Annual Revisions.....	June 14, 2013 (Friday)
Second Quarter 2013.....	September 19, 2013 (Thursday)
Third Quarter 2013.....	December 17, 2013 (Tuesday)

\* \* \*

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## Table 1. U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

	(Credits +, debits -) <sup>1</sup>	2012	2012				2013		Change: 2013:I to 2013:II
			I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Current account</b>									
<b>1</b>	<b>Exports of goods and services and income receipts.....</b>	<b>2,986,949</b>	<b>742,117</b>	<b>746,799</b>	<b>744,602</b>	<b>753,430</b>	<b>749,493</b>	<b>756,453</b>	<b>6,960</b>
2	Exports of goods and services.....	2,210,585	548,046	553,702	552,275	556,561	557,883	563,956	6,073
3	Goods, balance of payments basis.....	1,561,239	387,559	391,867	391,474	390,339	390,705	394,747	4,042
4	Services.....	649,346	160,487	161,835	160,802	166,222	167,178	169,210	2,032
5	Transfers under U.S. military agency sales contracts.....	18,520	4,578	4,429	4,529	4,984	4,870	5,070	200
6	Travel.....	126,214	30,243	31,369	32,079	32,523	33,911	34,335	424
7	Passenger fares.....	39,360	9,649	10,069	9,846	9,796	10,223	10,181	-42
8	Other transportation.....	43,855	11,031	11,108	10,856	10,860	11,504	11,445	-59
9	Royalties and license fees.....	124,182	31,293	30,726	30,827	31,336	31,666	32,051	385
10	Other private services.....	294,527	73,059	73,459	71,969	76,041	74,344	75,404	1,060
11	U.S. government miscellaneous services.....	2,688	634	676	695	683	661	724	63
12	Income receipts.....	776,364	194,071	193,097	192,327	196,869	191,610	192,497	887
13	Income receipts on U.S.-owned assets abroad.....	770,079	192,550	191,551	190,748	195,230	189,968	190,844	876
14	Direct investment receipts.....	470,233	119,118	115,731	115,735	119,649	113,783	112,925	-858
15	Other private receipts.....	297,891	72,752	75,384	74,554	75,201	75,704	77,569	1,865
16	U.S. government receipts.....	1,954	680	436	459	380	481	350	-131
17	Compensation of employees.....	6,286	1,521	1,546	1,579	1,639	1,642	1,653	11
<b>18</b>	<b>Imports of goods and services and income payments.....</b>	<b>-3,297,677</b>	<b>-830,188</b>	<b>-824,644</b>	<b>-819,001</b>	<b>-823,844</b>	<b>-821,245</b>	<b>-821,155</b>	<b>90</b>
19	Imports of goods and services.....	-2,745,240	-690,993	-689,004	-681,304	-683,939	-680,516	-681,743	-1,227
20	Goods, balance of payments basis.....	-2,302,714	-581,163	-578,355	-570,454	-572,742	-570,162	-570,399	-237
21	Services.....	-442,527	-109,830	-110,649	-110,850	-111,197	-110,354	-111,344	-990
22	Direct defense expenditures.....	-24,734	-6,479	-6,253	-6,120	-5,882	-5,696	-5,568	128
23	Travel.....	-83,451	-20,960	-21,139	-20,709	-20,643	-21,122	-21,443	-321
24	Passenger fares.....	-34,654	-8,466	-8,784	-8,735	-8,669	-9,138	-9,241	-103
25	Other transportation.....	-55,445	-13,614	-13,864	-13,978	-13,989	-14,421	-14,704	-283
26	Royalties and license fees.....	-39,889	-9,742	-9,978	-10,314	-9,854	-10,454	-10,651	-197
27	Other private services.....	-201,227	-49,769	-49,832	-50,249	-51,378	-48,864	-49,022	-158
28	U.S. government miscellaneous services.....	-3,127	-800	-799	-745	-782	-659	-715	-56
29	Income payments.....	-552,437	-139,195	-135,639	-137,697	-139,905	-140,730	-139,411	1,319
30	Income payments on foreign-owned assets in the United States.....	-537,815	-135,665	-131,898	-133,996	-136,256	-137,070	-135,574	1,496
31	Direct investment payments.....	-176,747	-46,476	-41,436	-44,874	-43,961	-44,629	-42,940	1,689
32	Other private payments.....	-233,336	-56,638	-58,311	-57,394	-60,993	-61,403	-62,373	-970
33	U.S. government payments.....	-127,732	-32,551	-32,151	-31,728	-31,302	-31,038	-30,261	777
34	Compensation of employees.....	-14,622	-3,530	-3,742	-3,701	-3,649	-3,660	-3,838	-178
<b>35</b>	<b>Unilateral current transfers, net.....</b>	<b>-129,688</b>	<b>-32,771</b>	<b>-32,668</b>	<b>-32,343</b>	<b>-31,906</b>	<b>-33,143</b>	<b>-34,192</b>	<b>-1,049</b>
36	U.S. government grants.....	-46,090	-11,912	-11,473	-11,823	-10,882	-11,061	-11,363	-302
37	U.S. government pensions and other transfers.....	-3,685	-1,649	-1,435	-1,270	668	-756	-1,648	-892
38	Private remittances and other transfers.....	-79,913	-19,210	-19,761	-19,250	-21,692	-21,327	-21,181	146

**Table 1. U.S. International Transactions (Continued)**

[Millions of dollars, quarters seasonally adjusted]

	(Credits +, debits -) <sup>1</sup>	2012	2012				2013		Change: 2013:I to 2013:II
			I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Capital account</b>									
<b>39</b>	<b>Capital account transactions, net.....</b>	<b>6,956</b>	<b>-1</b>	<b>-241</b>	<b>-470</b>	<b>7,668</b>	<b>-40</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Financial account</b>									
<b>40</b>	<b>U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-)).....</b>	<b>-97,469</b>	<b>93,519</b>	<b>192,062</b>	<b>-267,054</b>	<b>-115,996</b>	<b>-229,070</b>	<b>-109,648</b>	<b>119,422</b>
41	U.S. official reserve assets.....	-4,460	-1,233	-3,289	-833	895	-876	191	1,067
42	Gold.....	0	0	0	0	0	0	0	0
43	Special drawing rights.....	-37	-11	-10	-10	-6	-5	-6	-1
44	Reserve position in the International Monetary Fund.....	-4,032	-1,078	-3,179	-744	969	-755	287	1,042
45	Foreign currencies.....	-391	-144	-100	-79	-68	-116	-90	26
46	U.S. government assets, other than official reserve assets.....	85,331	51,087	16,650	15,206	2,388	-446	3,900	4,346
47	U.S. credits and other long-term assets.....	-8,202	-2,655	-2,538	-1,038	-1,971	-1,865	-2,907	-1,042
48	Repayments on U.S. credits and other long-term assets.....	2,546	386	680	847	633	461	494	33
49	U.S. foreign currency holdings and U.S. short-term assets.....	90,987	53,356	18,508	15,397	3,726	958	6,313	5,355
50	U.S. private assets.....	-178,341	43,665	178,701	-281,428	-119,279	-227,748	-113,739	114,009
51	Direct investment.....	-388,293	-113,038	-86,202	-93,635	-95,418	-84,122	-95,538	-11,416
52	Foreign securities.....	-144,823	2,276	-22,920	-51,183	-72,996	-133,783	-80,139	53,644
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	-25,723	-67,175	16,793	6,325	18,334	-22,437	-67,058	-44,621
54	U.S. claims reported by U.S. banks and securities brokers.....	380,498	221,602	271,030	-142,935	30,801	12,594	128,996	116,402
<b>55</b>	<b>Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+)).....</b>	<b>543,884</b>	<b>177,381</b>	<b>-176,468</b>	<b>300,570</b>	<b>242,401</b>	<b>265,544</b>	<b>179,260</b>	<b>-86,284</b>
56	Foreign official assets in the United States.....	393,922	144,468	57,374	107,684	84,396	126,871	-9,654	-136,525
57	U.S. government securities.....	314,660	124,225	42,927	87,309	60,199	96,603	-23,535	-120,138
58	U.S. Treasury securities.....	433,155	143,100	96,213	100,571	93,271	118,533	-11,962	-130,495
59	Other.....	-118,495	-18,875	-53,286	-13,262	-33,072	-21,930	-11,573	10,357
60	Other U.S. government liabilities.....	8,241	2,939	2,773	1,722	807	1,608	3,243	1,635
61	U.S. liabilities reported by U.S. banks and securities brokers.....	-1,572	-14,458	406	7,066	5,414	20,061	-9,301	-29,362
62	Other foreign official assets.....	72,593	31,762	11,268	11,587	17,976	8,599	19,939	11,340
63	Other foreign assets in the United States.....	149,962	32,913	-233,842	192,886	158,005	138,673	188,914	50,241
64	Direct investment.....	166,411	35,756	49,524	38,839	42,292	28,624	37,869	9,245
65	U.S. Treasury securities.....	156,385	64,974	-4,652	62,548	33,515	50,780	-312	-51,092
66	U.S. securities other than U.S. Treasury securities.....	196,908	28,297	-39,577	64,694	143,494	-10,970	-30,015	-19,045
67	U.S. currency.....	57,141	18,057	7,116	16,156	15,812	4,957	9,486	4,529
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	-39,505	13,279	-25,581	-4,763	-22,440	-20,872	18,671	39,543
69	U.S. liabilities reported by U.S. banks and securities brokers.....	-387,378	-127,450	-220,672	15,412	-54,668	86,154	153,215	67,061
<b>70</b>	<b>Financial derivatives, net.....</b>	<b>-7,064</b>	<b>-7,339</b>	<b>2,419</b>	<b>-5,129</b>	<b>2,985</b>	<b>3,948</b>	<b>3,511</b>	<b>-437</b>
<b>71</b>	<b>Statistical discrepancy (lines 1, 18, 35, 39, 40, 55, and 70 with sign reversed).....</b>	<b>-5,891</b>	<b>-142,718</b>	<b>92,741</b>	<b>78,825</b>	<b>-34,738</b>	<b>64,513</b>	<b><sup>2</sup> 25,771</b>	<b><sup>3</sup> -38,742</b>
<b>Memoranda:</b>									
72	Balance on goods (lines 3 and 20).....	-741,475	-193,604	-186,487	-178,980	-182,403	-179,457	-175,652	3,805
73	Balance on services (lines 4 and 21).....	206,819	50,657	51,186	49,952	55,025	56,824	57,865	1,041
74	Balance on goods and services (lines 2 and 19).....	-534,656	-142,947	-135,302	-129,029	-127,378	-122,633	-117,787	4,846
75	Balance on income (lines 12 and 29).....	223,928	54,876	57,457	54,630	56,965	50,881	53,086	2,205
76	Unilateral current transfers, net (line 35).....	-129,688	-32,771	-32,668	-32,343	-31,906	-33,143	-34,192	-1,049
77	Balance on current account (lines 1, 18, and 35 or lines 74, 75, and 76).....	-440,416	-120,842	-110,513	-106,742	-102,320	-104,895	-98,893	6,002
78	Net financial flows (lines 40, 55, and 70).....	439,351	263,561	18,013	28,387	129,390	40,422	73,123	32,701

p Preliminary r Revised n.a. Not available

<sup>1</sup> **Credits, +:** Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims). **Debits, -:** Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

<sup>2</sup> Calculated excluding capital account transactions, net (line 39).

<sup>3</sup> The change shown here is calculated as the change from the prior period, not as the sum of changes in the above items.

Note: Details may not add to totals because of rounding. Source: U. S. Bureau of Economic Analysis