



WEDNESDAY March 16, 2005

U.S. INTERNATIONAL TRANSACTIONS: 2004

Preliminary estimates of Current-Account Balance

Current Account

The U.S. current-account deficit—the broadest measure of receipts and payments for trade in goods and services, income, and net unilateral current transfers, such as gifts—increased to \$665.9 billion (preliminary) in 2004 from \$530.7 billion in 2003. As a share of U.S. GDP, the deficit increased to 5.7 percent in 2004 from 4.8 percent in 2003.

The deficit on goods increased to \$665.5 billion from \$547.6 billion, as goods imports increased more than goods exports. Most of the increase in imports was in petroleum and petroleum products, nonpetroleum industrial supplies and materials, capital goods, and consumer goods. Much of the increase in exports was in capital goods and in industrial supplies and materials.

The surplus on services decreased to \$48.4 billion from \$51.0 billion, as services payments increased more than services receipts. The largest increases in receipts were in travel and in “other” private services, and the largest increases in payments were in “other” transportation, in “other” private services, and in travel.

The surplus on income decreased to \$24.1 billion from \$33.3 billion, as income payments increased more than income receipts. Increases in direct investment receipts and in “other” private receipts more than accounted for the increase in income receipts. For income payments, direct investment payments, “other” private payments, and U.S. Government payments all increased.

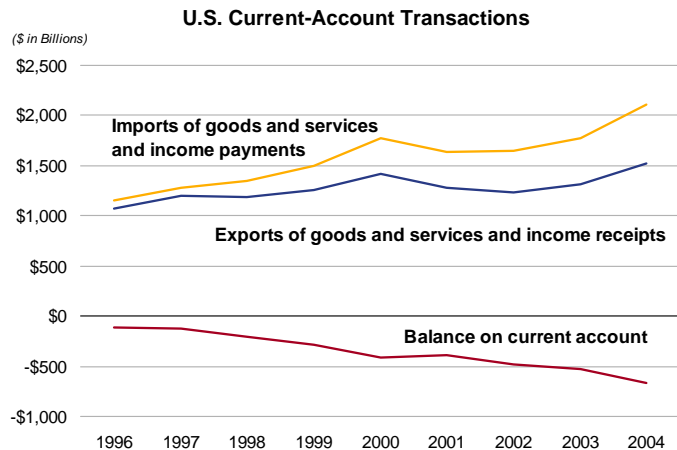
Net unilateral transfers were net outflows of \$72.9 billion, up from \$67.4 billion.

Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$615.5 billion in 2004, up from \$545.8 billion in 2003.

U.S.-owned assets abroad increased \$817.7 billion in 2004 compared with an increase of \$283.4 billion in 2003. Among these assets, U.S. claims reported by U.S. banks increased much more in 2004 than in 2003. Net financial outflows for U.S. direct investment abroad and net U.S. purchases of foreign securities also increased.

Foreign-owned assets in the United States increased \$1,433.2 billion in 2004 compared with an increase of \$829.2 billion in 2003. Among these assets, U.S. liabilities to foreigners reported by U.S. banks increased much more in 2004 than in 2003. Net foreign purchases of U.S. securities other than U.S. Treasury securities and net financial inflows for foreign direct investment in the United States also increased by large amounts.



BEA's data—including GDP, personal income, the balance of payments, direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on its Web site: www.bea.gov.

NOTE: Revised estimates of the fourth-quarter and year 2004 current-account balances, additional revised historical estimates of U.S. international transactions, and a preliminary estimate of the first-quarter 2005 current-account balance will be released on June 17, 2005.

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