

U.S. International Transactions

Fourth Quarter and Year 2019

By Molly Garber

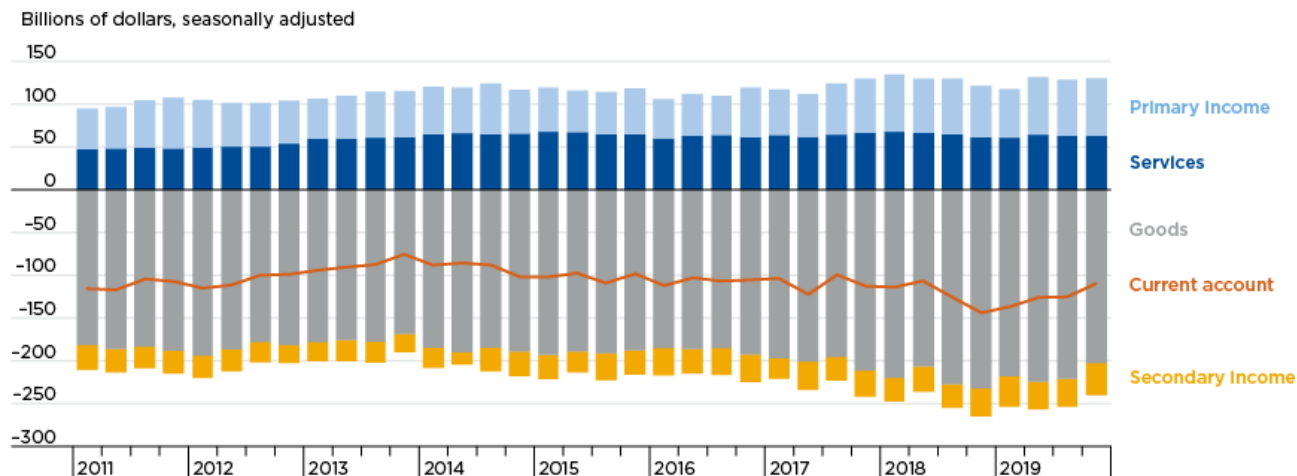
The U.S. current-account deficit, which reflects the combined balances on trade in goods and services and income flows between U.S. residents and residents of other countries, narrowed by \$15.6 billion, or 12.4 percent, to \$109.8 billion in the fourth quarter of 2019 (chart 1 and table A). The revised third-quarter deficit was \$125.4 billion.

The deficit was 2.0 percent of current-dollar gross domestic product (GDP), down from 2.3 percent in the third quarter.

The \$15.6 billion narrowing of the current-account deficit in the fourth quarter mainly reflected a reduced deficit on goods that was partly offset by an expanded deficit on secondary income.

The U.S. current-account deficit widened by \$7.4 billion, or 1.5 percent, to \$498.4 billion in 2019. The deficit was 2.3 percent of current-dollar GDP, down from 2.4 percent in 2018.

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



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Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

	2019				Change 2019:III to 2019:IV
	I ^r	II ^r	III ^r	IV ^p	
Current account					
Exports of goods and services and income receipts (credits)	939,453	947,211	941,193	936,087	-5,106
Exports of goods and services	625,487	625,475	623,413	623,658	245
Goods	417,623	413,217	412,244	409,722	-2,522
Services	207,865	212,258	211,169	213,936	2,767
Primary income receipts	278,151	286,155	280,808	277,987	-2,821
Secondary income (current transfer) receipts	35,814	35,581	36,972	34,441	-2,531
Imports of goods and services and income payments (debits)	1,076,351	1,073,464	1,066,571	1,045,908	-20,663
Imports of goods and services	783,245	785,865	781,836	763,512	-18,324
Goods	635,666	637,734	633,142	612,506	-20,636
Services	147,579	148,131	148,694	151,006	2,312
Primary income payments	221,112	219,385	214,903	210,704	-4,199
Secondary income (current transfer) payments	71,994	68,213	69,832	71,692	1,860
Capital account					
Capital transfer receipts and other credits	0	0	0	0	0
Capital transfer payments and other debits	0	0	10	n.a.	n.a.
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	111,706	142,647	171,561	998	-170,563
Direct investment assets	8,617	111,767	42,085	35,202	-6,883
Portfolio investment assets	-41,876	26,706	32,106	18,939	-13,167
Other investment assets	144,757	1,815	95,488	-53,352	-148,840
Reserve assets	208	2,359	1,882	210	-1,672
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	125,661	345,328	241,596	71,855	-169,741
Direct investment liabilities	109,459	92,686	65,171	43,495	-21,676
Portfolio investment liabilities	-42,822	181,016	121,606	-28,183	-149,789
Other investment liabilities	59,023	71,626	54,820	56,543	1,723
Financial derivatives other than reserves, net transactions	-21,421	-9,642	-6,382	-933	5,449
Statistical discrepancy					
Statistical discrepancy¹	101,523	-86,071	48,972	38,032	-10,940
Balances					
Balance on current account	-136,898	-126,252	-125,378	-109,822	15,556
Balance on goods and services	-157,758	-160,390	-158,423	-139,854	18,569
Balance on goods	-218,044	-224,517	-220,899	-202,784	18,115
Balance on services	60,286	64,128	62,476	62,930	454
Balance on primary income	57,039	66,769	65,905	67,283	1,378
Balance on secondary income	-36,180	-32,632	-32,860	-37,251	-4,391
Balance on capital account	0	0	-10	0	10
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-136,898	-126,252	-125,389	-109,822	15,567
Net lending (+) or net borrowing (-) from financial-account transactions³	-35,376	-212,323	-76,417	-71,790	4,627

p Preliminary

r Revised

n.a. Not available

1. The statistical discrepancy is the difference between net acquisition of financial 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 website.

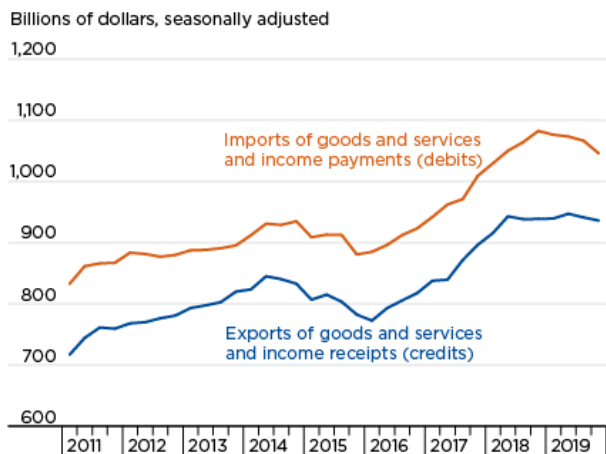
Data Availability and Methodology

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 are also available on the Bureau of Economic Analysis (BEA) website. The links in the text and tables of this article provide the latest available statistics in the interactive tables. For the statistics, see “[International Transactions, International Services, and International Investment Position Tables](#).” For the methods, see *U.S. International Economic Accounts: Concepts and Methods*.

Current Account, Fourth Quarter

Exports of goods and services to, and income received from, foreign residents decreased \$5.1 billion to \$936.1 billion in the fourth quarter (charts 2 and 3 and table B). Imports of goods and services from, and income paid to, foreign residents decreased \$20.7 billion to \$1.05 trillion (charts 2 and 4 and table C).

Chart 2. Current-Account Transactions



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Trade in goods

Exports of goods decreased \$2.5 billion to \$409.7 billion, led by a decrease in foods, feeds, and beverages, mainly soybeans. Changes in the other major categories were nearly offsetting. Imports of goods decreased \$20.6 billion to \$612.5 billion, mainly reflecting decreases in consumer goods, led by apparel, footwear, and household goods, and in automotive, vehicles, parts, and engines, led by trucks, buses, and special purpose vehicles.

Trade in services

Exports of services increased \$2.8 billion to \$213.9 billion, mainly reflecting increases in travel, primarily other personal travel, and in other business services, mostly professional and management consulting services. Imports of services increased \$2.3 billion to \$151.0 billion, reflecting increases in all major categories. Increases were led by travel, mainly other personal travel.

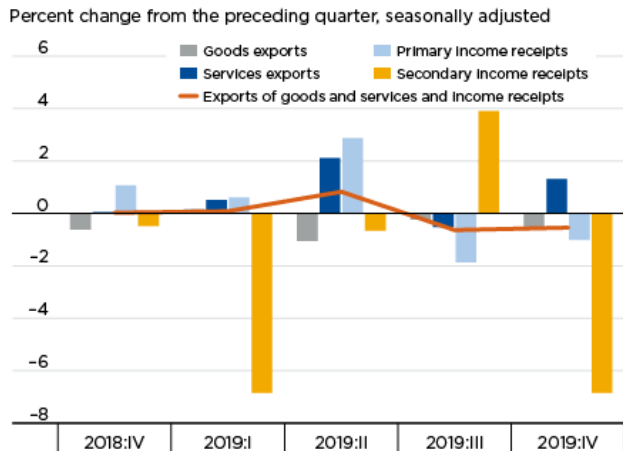
Primary income

Receipts of primary income decreased \$2.8 billion to \$278.0 billion, and payments of primary income decreased \$4.2 billion to \$210.7 billion. The decreases in both receipts and payments mainly reflected decreases in other investment income, mostly interest on loans and deposits.

Secondary income

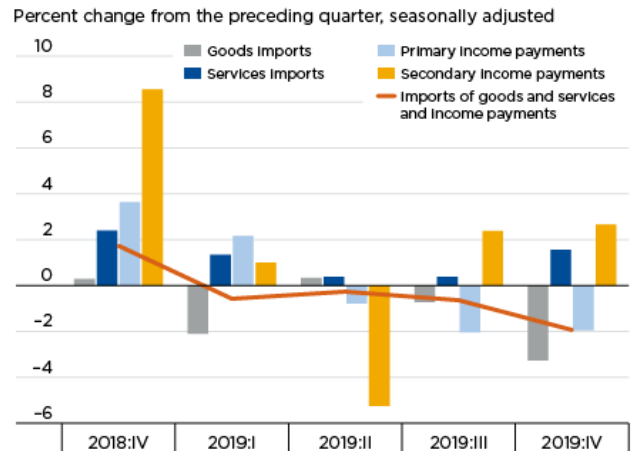
Receipts of secondary income decreased \$2.5 billion to \$34.4 billion, mainly reflecting a decrease in private sector fines and penalties, a component of private transfer receipts. Payments of secondary income increased \$1.9 billion to \$71.7 billion, mainly reflecting an increase in U.S. government grants.

Chart 3. Percent Change in Exports of Goods and Services and Income Receipts



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Chart 4. Percent Change in Imports of Goods and Services and Income Payments



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Table B. Exports of Goods and Services and Income Receipts

[Millions of dollars, seasonally adjusted]

	2019				Change 2019:III to 2019:IV
	I ^r	II ^r	III ^r	IV ^p	
Exports of goods and services and income receipts	939,453	947,211	941,193	936,087	-5,106
Exports of goods	417,623	413,217	412,244	409,722	-2,522
General merchandise	412,906	408,967	407,162	404,031	-3,131
Foods, feeds, and beverages	31,835	34,304	33,926	31,068	-2,858
Industrial supplies and materials	130,523	132,768	129,503	132,911	3,408
Energy products	53,380	56,888	54,645	59,081	4,436
<i>Of which: Petroleum and products</i>	45,951	49,417	47,394	50,874	3,480
Nonenergy products	77,143	75,880	74,858	73,830	-1,028
Capital goods except automotive	141,791	135,408	134,842	135,322	480
Automotive vehicles, parts, and engines	41,306	40,287	41,491	38,764	-2,727
Consumer goods except food and automotive	52,826	51,328	51,675	49,860	-1,815
Other general merchandise	14,624	14,873	15,724	16,106	382
Net exports of goods under merchandising	92	85	139	114	-25
Nonmonetary gold	4,625	4,165	4,943	5,577	634
Exports of services¹	207,865	212,258	211,169	213,936	2,767
Maintenance and repair services n.i.e.	8,069	7,750	8,211	8,495	284
Transport	23,040	23,270	22,621	22,426	-195
Travel (for all purposes including education)	54,190	53,373	52,409	53,511	1,102
Business	9,528	9,572	9,245	9,514	269
Personal	44,661	43,801	43,164	43,997	833
Insurance services	4,404	4,359	4,731	4,787	56
Financial services	27,316	28,710	27,639	27,610	-29
Charges for the use of intellectual property n.i.e.	31,568	32,741	32,210	32,413	203
Telecommunications, computer, and information services	11,414	11,894	12,045	12,460	415
Other business services	42,974	44,885	45,620	46,592	972
Government goods and services n.i.e.	4,890	5,277	5,684	5,642	-42
Primary income receipts	278,151	286,155	280,808	277,987	-2,821
Investment income	276,447	284,445	279,095	276,279	-2,816
Direct investment income	143,551	147,657	143,460	145,320	1,860
Income on equity	137,075	141,172	136,681	138,556	1,875
Dividends and withdrawals	95,272	69,909	99,449	96,278	-3,171
Reinvested earnings	41,803	71,263	37,232	42,278	5,046
Interest	6,476	6,485	6,779	6,764	-15
Portfolio investment income	103,721	107,619	108,474	107,829	-645
Income on equity and investment fund shares	68,621	72,181	72,761	71,740	-1,021
Interest on debt securities	35,100	35,438	35,713	36,089	376
Other investment income	28,943	28,921	26,918	22,978	-3,940
Reserve asset income	231	248	243	151	-92
Compensation of employees	1,704	1,710	1,712	1,709	-3
Secondary income (current transfer) receipts²	35,814	35,581	36,972	34,441	-2,531

p Preliminary**r** Revised**n.i.e.** Not included elsewhere1. See also Shari A. Allen, Thomas Anderson, and Alexis N. Grimm, “,” *Survey of Current Business* 99 (October 2019).

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 1.2](#), [table 2.1](#), [table 3.1](#), [table 4.1](#), and [table 5.1](#) on BEA's website.

Table C. Imports of Goods and Services and Income Payments

[Millions of dollars, seasonally adjusted]

	2019				Change 2019:III to 2019:IV
	I ^r	II ^r	III ^r	IV ^p	
Imports of goods and services and income payments	1,076,351	1,073,464	1,066,571	1,045,908	-20,663
Imports of goods	635,666	637,734	633,142	612,506	-20,636
General merchandise	633,756	635,959	630,218	608,496	-21,722
Foods, feeds, and beverages	37,469	38,589	38,363	37,175	-1,188
Industrial supplies and materials	134,407	136,746	130,170	127,651	-2,519
Energy products	54,903	60,942	54,077	53,410	-667
<i>Of which:</i> Petroleum and products	50,514	57,443	50,700	49,778	-922
Nonenergy products	79,504	75,804	76,093	74,241	-1,852
Capital goods except automotive	172,332	170,706	169,703	168,810	-893
Automotive vehicles, parts, and engines	95,396	96,867	95,636	89,057	-6,579
Consumer goods except food and automotive	167,453	165,124	167,726	155,863	-11,863
Other general merchandise	26,698	27,926	28,621	29,940	1,319
Nonmonetary gold	1,911	1,775	2,924	4,010	1,086
Imports of services¹	147,579	148,131	148,694	151,006	2,312
Maintenance and repair services n.i.e.	2,164	2,277	2,175	2,207	32
Transport	27,931	27,455	27,245	27,485	240
Travel (for all purposes including education)	37,774	37,773	37,905	38,869	964
Business	4,035	3,964	4,020	3,942	-78
Personal	33,739	33,809	33,884	34,927	1,043
Insurance services	11,680	12,131	12,337	12,433	96
Financial services	8,448	8,385	8,396	8,440	44
Charges for the use of intellectual property n.i.e.	14,258	14,243	14,155	14,416	261
Telecommunications, computer, and information services	10,309	10,762	10,934	11,151	217
Other business services	29,113	29,142	29,441	29,870	429
Government goods and services n.i.e.	5,903	5,962	6,105	6,135	30
Primary income payments	221,112	219,385	214,903	210,704	-4,199
Investment income	216,142	214,373	209,762	205,508	-4,254
Direct investment income	65,138	61,618	59,176	59,839	663
Portfolio investment income	119,776	121,649	122,038	121,769	-269
Income on equity and investment fund shares	40,849	42,723	42,538	42,047	-491
Interest on debt securities	78,927	78,926	79,500	79,723	223
Other investment income	31,228	31,106	28,548	23,901	-4,647
Compensation of employees	4,970	5,013	5,142	5,195	53
Secondary income (current transfer) payments²	71,994	68,213	69,832	71,692	1,860
Supplemental detail on insurance transactions:					
Premiums paid	31,142	31,603	32,007	31,872	-135
Losses recovered	19,789	19,415	18,922	18,896	-26

p Preliminary**r** Revised**n.i.e.** Not included elsewhere1. See also Shari A. Allen, Thomas Anderson, and Alexis N. Grimm, “,” *Survey of Current Business* 99 (October 2019).

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 1.2](#), [table 2.1](#), [table 3.1](#), [table 4.1](#), and [table 5.1](#) on BEA's website.

Financial Account, Fourth Quarter

Net financial-account transactions were $-\$71.8$ billion in the fourth quarter, reflecting net U.S. borrowing from foreign residents.

Financial assets

Fourth-quarter transactions increased U.S. residents' foreign financial assets by $\$1.0$ billion (charts 5 and 6 and table D). Transactions increased direct investment assets, mainly equity, by $\$35.2$ billion; portfolio investment assets by $\$18.9$ billion, resulting from large and mostly offsetting transactions in equity securities and debt securities; and reserve assets by $\$0.2$ billion. Transactions decreased other investment assets, primarily loans, by $\$53.4$ billion.

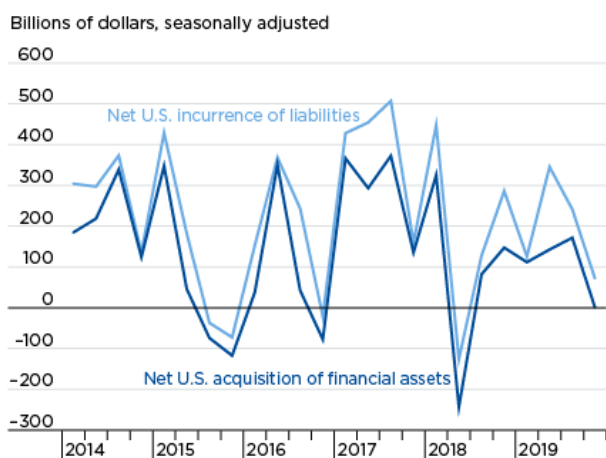
Liabilities

Fourth-quarter transactions increased U.S. liabilities to foreign residents by $\$71.9$ billion. Transactions increased direct investment liabilities, mainly equity, by $\$43.5$ billion and other investment liabilities, mainly loans, by $\$56.5$ billion. Transactions decreased portfolio investment liabilities, mainly short-term debt securities, by $\$28.2$ billion.

Financial derivatives

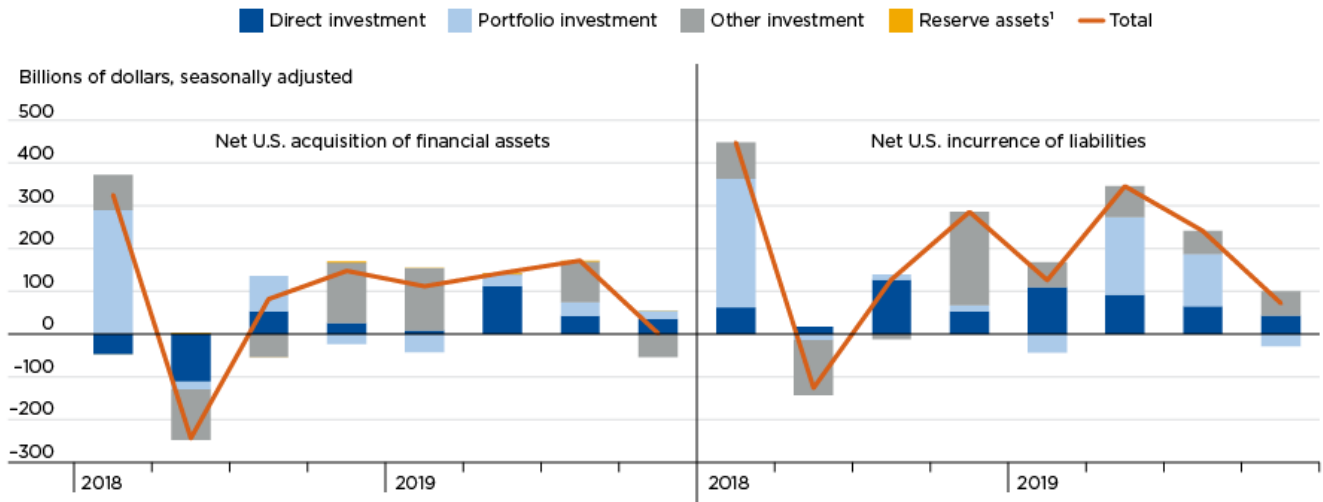
Net transactions in financial derivatives were $-\$0.9$ billion in the fourth quarter, reflecting net borrowing from foreign residents.

Chart 5. Acquisition of Financial Assets and Incurrence of Liabilities Excluding Financial Derivatives



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Chart 6. 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.
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Table D. Net U.S. Acquisition of Financial Assets and Net U.S. Incurrence of Liabilities

[Millions of dollars, seasonally adjusted]

	2019				Change 2019:III to 2019:IV
	I ^r	II ^r	III ^r	IV ^p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	111,706	142,647	171,561	998	-170,563
Direct investment assets	8,617	111,767	42,085	35,202	-6,883
Equity	46,708	79,434	40,835	40,069	-766
Equity other than reinvestment of earnings	4,905	8,171	3,604	-2,210	-5,814
Reinvestment of earnings	41,803	71,263	37,232	42,278	5,046
Debt instruments	-38,091	32,332	1,250	-4,867	-6,117
Portfolio investment assets	-41,876	26,706	32,106	18,939	-13,167
Equity and investment fund shares	-50,488	-30,446	-72,808	-97,224	-24,416
Debt securities	8,612	57,152	104,915	116,163	11,248
Short-term securities	16,591	23,109	64,297	63,505	-792
Long-term corporate securities	-8,415	23,801	26,186	33,967	7,781
Other long-term securities	436	10,242	14,432	18,691	4,259
Other investment assets	144,757	1,815	95,488	-53,352	-148,840
Currency and deposits	12,962	37,392	16,306	39,539	23,233
Loans	133,716	-34,814	74,537	-92,012	-166,549
Trade credit and advances	-1,921	-762	4,645	-879	-5,524
Reserve assets	208	2,359	1,882	210	-1,672
Monetary gold	0	0	0	0	0
Special drawing rights	57	60	63	57	-6
Reserve position in the International Monetary Fund	114	2,248	1,754	155	-1,599
Other reserve assets	38	51	64	-2	-66
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	125,661	345,328	241,596	71,855	-169,741
Direct investment liabilities	109,459	92,686	65,171	43,495	-21,676
Equity	86,910	71,032	46,848	77,627	30,779
Equity other than reinvestment of earnings	45,889	33,316	14,632	48,135	33,503
Reinvestment of earnings	41,021	37,716	32,216	29,493	-2,723
Debt instruments	22,549	21,654	18,322	-34,132	-52,454
Portfolio investment liabilities	-42,822	181,016	121,606	-28,183	-149,789
Equity and investment fund shares	-214,949	96,780	-69,633	-39,000	30,633
Debt securities	172,127	84,236	191,239	10,816	-180,423
Short term	22,022	-78,972	60,740	-48,581	-109,321
Treasury bills and certificates	18,041	-57,630	42,275	-43,855	-86,130
Federally sponsored agency securities	3,901	47	-748	5,493	6,241
Other short-term securities	80	-21,389	19,213	-10,219	-29,432
Long term	150,105	163,209	130,498	59,398	-71,100
Treasury bonds and notes	121,286	112,919	42,847	12,079	-30,768
Federally sponsored agency securities	10,670	19,732	10,120	3,887	-6,233
Corporate bonds and notes	17,366	31,959	75,934	42,751	-33,183
Other	783	-1,401	1,597	681	-916
Other investment liabilities	59,023	71,626	54,820	56,543	1,723
Currency	5,249	9,356	19,110	17,579	-1,531
Deposits	-36,613	104,297	74,616	2,763	-71,853
Loans	83,326	-42,876	-37,737	32,975	70,712
Trade credit and advances	7,061	849	-1,169	3,226	4,395
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 website.

Updates to Statistics

The U.S. international transactions statistics for the third quarter have been updated to incorporate newly available and revised source data (table E). In addition, the statistics for the first three quarters of 2019 have been updated to align the seasonally adjusted statistics with annual totals.

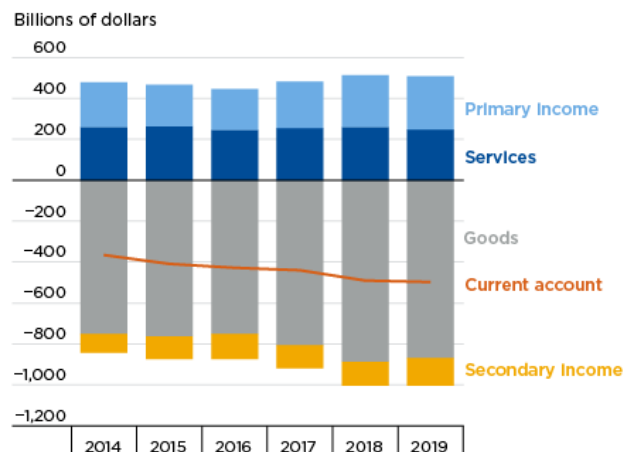
Table E. Updates to the Third Quarter 2019 International Transactions Aggregates
[Millions of dollars, seasonally adjusted]

	Preliminary estimates	Revised estimates
Balance on current account	-124,094	-125,378
Balance on goods	-219,558	-220,899
Balance on services	62,199	62,476
Balance on primary income	68,719	65,905
Balance on secondary income (current transfers)	-35,454	-32,860
Net lending or borrowing from financial-account transactions	-47,862	-76,417
Net U.S. acquisition of financial assets	123,516	171,561
Net U.S. incurrence of liabilities	164,922	241,596
Financial derivatives other than reserves, net transactions	-6,456	-6,382

Current Account, Year 2019

The \$7.4 billion widening of the current-account deficit in 2019 mainly reflected an expanded deficit on secondary income and a reduced surplus on services that were partly offset by a reduced deficit on goods (chart 7).

Chart 7. Annual U.S. Current-Account Balance and Its Components



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Exports of goods and services to, and income received from, foreign residents increased \$28.3 billion to \$3.76 trillion in 2019 (chart 8 and table F). Imports of goods and services from, and income paid to, foreign residents increased \$35.6 billion to \$4.26 trillion (chart 9 and table F).

Trade in goods

Exports of goods decreased \$21.5 billion to \$1.65 trillion, mainly reflecting a decrease in capital goods, mostly civilian aircraft. Imports of goods decreased \$42.6 billion to \$2.52 trillion, mainly reflecting a decrease in industrial supplies and materials, mostly petroleum and products.

Trade in services

Exports of services increased \$18.2 billion to \$845.2 billion, mainly reflecting an increase in other business services, primarily professional and management consulting services. Imports of services increased \$28.1 billion to \$595.4 billion, reflecting increases in all major categories. Increases were led by travel, mostly other personal travel.

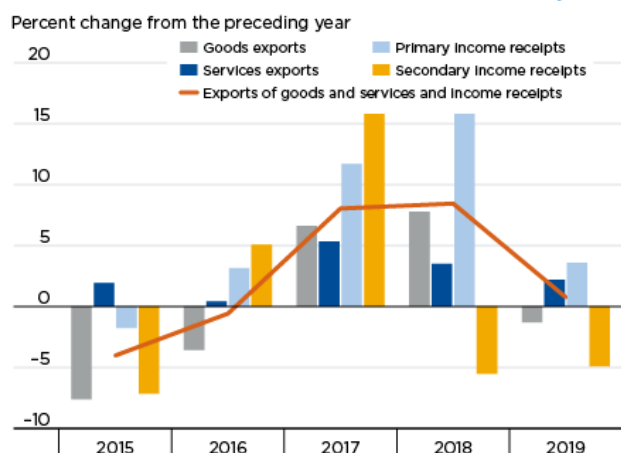
Primary income

Receipts of primary income increased \$38.9 billion to \$1.12 trillion, and payments of primary income increased \$35.9 billion to \$866.1 billion. The increases in both receipts and payments mainly reflected increases in other investment income, mostly interest on loans, and in portfolio investment income, mostly dividends on equity and investment fund shares.

Secondary income

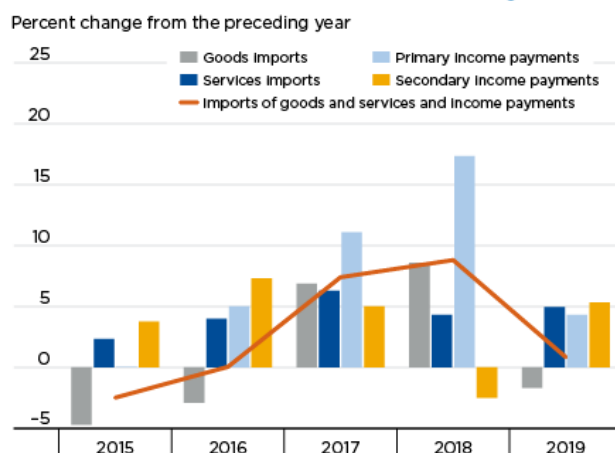
Receipts of secondary income decreased \$7.4 billion to \$142.8 billion, mainly reflecting a decrease in private transfers, mostly insurance-related transfers. Payments of secondary income increased \$14.3 billion to \$281.7 billion, mainly reflecting an increase in private transfers, mostly insurance-related transfers.

Chart 8. Annual Percent Change in Exports of Goods and Services and Income Receipts



U.S. Bureau of Economic Analysis

Chart 9. Annual Percent Change in Imports of Goods and Services and Income Payments



U.S. Bureau of Economic Analysis

Table F. Current Account

[Millions of dollars]

	2016	2017	2018	2019 ^D	Change 2018 to 2019
Current account					
Exports of goods and services and income receipts (credits)	3,188,508	3,444,824	3,735,684	3,763,944	28,260
Exports of goods	1,457,393	1,553,589	1,674,330	1,652,806	-21,524
Foods, feeds, and beverages	130,515	132,736	133,176	131,133	-2,043
Industrial supplies and materials	387,600	456,223	534,649	525,705	-8,944
Capital goods except automotive	520,001	533,485	563,156	547,363	-15,793
Automotive vehicles, parts, and engines	150,398	157,865	158,839	161,848	3,009
Consumer goods except food and automotive	193,258	197,168	205,471	205,689	218
Other general merchandise	54,781	54,359	56,821	61,327	4,506
Net exports of goods under merchandising	300	210	270	430	160
Nonmonetary gold	20,542	21,544	21,947	19,310	-2,637
Exports of services	758,446	798,957	826,980	845,228	18,248
Maintenance and repair services n.i.e.	25,132	26,880	30,968	32,525	1,557
Transport	84,749	88,836	92,852	91,356	-1,496
Travel (for all purposes including education)	206,650	210,655	214,680	213,482	-1,198
Insurance services	16,819	18,015	17,466	18,281	815
Financial services	99,074	109,203	112,015	111,275	-740
Charges for the use of intellectual property n.i.e.	124,387	126,523	128,748	128,932	184
Telecommunications, computer, and information services	38,245	42,001	43,196	47,813	4,617
Other business services	144,614	157,190	165,821	180,071	14,250
Government goods and services n.i.e.	18,777	19,653	21,235	21,492	257
Primary income receipts	835,509	933,307	1,084,183	1,123,101	38,918
Direct investment income	461,768	509,756	574,464	579,988	5,524
Portfolio investment income	326,315	354,464	411,171	427,643	16,472
Other investment income	40,990	62,577	91,247	107,760	16,513
Reserve asset income	108	385	632	873	241
Compensation of employees	6,329	6,125	6,668	6,835	167
Secondary income (current transfer) receipts	137,160	158,970	150,191	142,809	-7,382
Imports of goods and services and income payments (debits)	3,616,858	3,884,470	4,226,662	4,262,295	35,633
Imports of goods	2,207,195	2,358,789	2,561,667	2,519,049	-42,618
Foods, feeds, and beverages	131,010	138,811	148,364	151,597	3,233
Industrial supplies and materials	441,793	511,359	583,344	528,974	-54,370
Capital goods except automotive	593,614	642,887	695,939	681,551	-14,388
Automotive vehicles, parts, and engines	350,847	359,189	373,123	376,956	3,833
Consumer goods except food and automotive	584,900	603,580	649,096	656,165	7,069
Other general merchandise	86,876	90,759	101,237	113,186	11,949
Nonmonetary gold	18,154	12,204	10,562	10,620	58
Imports of services	511,627	543,880	567,322	595,409	28,087
Maintenance and repair services n.i.e.	8,764	8,400	8,718	8,823	105
Transport	96,982	101,756	108,202	110,116	1,914
Travel (for all purposes including education)	123,549	134,868	144,463	152,321	7,858
Insurance services	50,144	50,599	42,485	48,581	6,096
Financial services	25,710	28,957	31,298	33,670	2,372
Charges for the use of intellectual property n.i.e.	46,987	53,440	56,117	57,073	956
Telecommunications, computer, and information services	37,418	39,628	41,190	43,156	1,966
Other business services	100,570	104,185	111,874	117,566	5,692
Government goods and services n.i.e.	21,503	22,047	22,975	24,105	1,130

	2016	2017	2018	2019 ^p	Change 2018 to 2019
Primary income payments	636,855	707,508	830,198	866,105	35,907
Direct investment income	183,795	205,798	244,197	245,770	1,573
Portfolio investment income	407,603	433,561	471,795	485,233	13,438
Other investment income	26,726	49,164	94,626	114,782	20,156
Compensation of employees	18,732	18,985	19,580	20,320	740
Secondary income (current transfer) payments	261,181	274,293	267,475	281,732	14,257
Balances					
Balance on current account	-428,349	-439,646	-490,978	-498,351	-7,373
Balance on goods	-749,801	-805,200	-887,338	-866,244	21,094
Balance on services	246,819	255,077	259,659	249,819	-9,840
Balance on primary income	198,654	225,799	253,985	256,997	3,012
Balance on secondary income	-124,022	-115,322	-117,284	-138,923	-21,639

p Preliminary

n.i.e. Not included elsewhere

Note. The statistics are presented in [table 1.2](#) on BEA's website.

Financial-Account Transactions, Year 2019

Net financial-account transactions were -\$395.9 billion in 2019, reflecting net U.S. borrowing from foreign residents (table G).

Financial assets

Transactions in 2019 increased U.S. residents' foreign financial assets by \$426.9 billion. Transactions increased direct investment assets, mainly equity, by \$197.7 billion; portfolio investment assets, resulting from large and mostly offsetting transactions in equity securities and debt securities, by \$35.9 billion; other investment assets, mostly bank deposits, by \$188.7 billion; and reserve assets by \$4.7 billion.

Liabilities

Transactions in 2019 increased U.S. liabilities to foreign residents by \$784.4 billion. Transactions increased direct investment liabilities, mostly equity, by \$310.8 billion; portfolio investment liabilities, resulting from large and partly offsetting transactions in equity securities and debt securities, by \$231.6 billion; and other investment liabilities, mostly bank deposits, by \$242.0 billion.

Financial derivatives

Net transactions in financial derivatives were -\$38.4 billion in 2019, reflecting net borrowing from foreign residents.

Table G. Capital and Financial Accounts and Statistical Discrepancy

[Millions of dollars]

	2016	2017	2018	2019 ^P	Change 2018 to 2019
Capital account					
Capital transfer receipts and other credits	0	19,154	3,247	0	-3,247
Capital transfer payments and other debits	152	204	12	10	-2
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	353,036	1,167,447	310,827	426,912	116,085
Direct investment assets	318,317	384,574	-78,457	197,670	276,127
Equity	341,999	357,856	-151,614	207,046	358,660
Equity other than reinvestment of earnings	43,747	29,878	78,037	14,470	-63,567
Reinvestment of earnings	298,252	327,979	-229,651	192,576	422,227
Debt instruments	-23,683	26,718	73,157	-9,376	-82,533
Portfolio investment assets	36,283	569,376	334,033	35,875	-298,158
Equity and investment fund shares	21,743	139,940	194,087	-250,967	-445,054
Debt securities	14,541	429,437	139,945	286,842	146,897
Short term	-27,409	191,686	16,341	167,502	151,161
Long term	41,950	237,751	123,604	119,339	-4,265
Other investment assets	-3,654	215,187	50,262	188,709	138,447
Currency and deposits	-91,319	169,239	71,792	106,199	34,407
Loans	86,762	40,240	-22,423	81,427	103,850
Trade credit and advances	903	5,708	893	1,083	190
Reserve assets	2,090	-1,690	4,989	4,659	-330
Monetary gold	0	0	0	0	0
Special drawing rights	684	78	156	237	81
Reserve position in the International Monetary Fund	1,348	-1,812	4,824	4,271	-553
Other reserve assets	58	44	10	150	140
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	742,905	1,549,024	735,583	784,440	48,857
Direct investment liabilities	494,438	354,651	258,392	310,811	52,419
Equity	387,582	308,228	357,164	282,418	-74,746
Equity other than reinvestment of earnings	295,955	200,547	210,374	141,972	-68,402
Reinvestment of earnings	91,627	107,681	146,790	140,446	-6,344
Debt instruments	106,856	46,423	-98,773	28,393	127,166
Portfolio investment liabilities	231,349	792,523	315,676	231,617	-84,059
Equity and investment fund shares	-139,700	149,633	142,396	-226,801	-369,197
Debt securities	371,049	642,889	173,280	458,418	285,138
Short term	-12,092	13,565	28,099	-44,792	-72,891
Long term	383,141	629,325	145,181	503,210	358,029
Other investment liabilities	17,118	401,851	161,515	242,012	80,497
Currency and deposits	18,695	217,750	32,320	196,357	164,037
Loans	-7,574	168,871	114,066	35,687	-78,379
Trade credit and advances	5,997	15,231	15,129	9,967	-5,162
Special drawing rights allocations	0	0	0	0	0
Financial derivatives other than reserves, net transactions	7,827	23,998	-20,721	-38,378	-17,657
Statistical discrepancy					
Statistical discrepancy¹	46,460	63,117	42,266	102,456	60,190
Balances					
Balance on capital account	-152	18,950	3,235	-10	-3,245
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-428,502	-420,696	-487,743	-498,361	-10,618

	2016	2017	2018	2019 ^p	Change 2018 to 2019
Net lending (+) or net borrowing (-) from financial-account transactions ³	-382,042	-357,579	-445,477	-395,906	49,571

p Preliminary

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 balance (table G) and capital-account balance.
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](#) and [table 6.1](#) on BEA's website.

Upcoming Update to the U.S. International Transactions Accounts

The annual update of the U.S. international transactions accounts will be released along with preliminary estimates for the first quarter of 2020 on June 19, 2020. See "[Preview of the 2020 Annual Update of the International Economic Accounts](#)" in this issue.

Change to the European Union

With the release of "U.S. International Transactions, First Quarter 2020 and Annual Update" on June 19, 2020, statistics for the area grouping "European Union" will exclude the United Kingdom, which withdrew from the European Union effective February 1, 2020. For more information, see "[What is the impact of the United Kingdom's withdrawal from the European Union on BEA's data products?](#)"

New Prototype Tables

With the release of the international transactions accounts (ITAs) on September 19, 2019, BEA introduced two new tables that present: (1) geographic detail by type of transaction ([ITA table 1.4](#)) and (2) annual trade in goods and services with expanded country and geographic area detail ([ITA table 1.5](#)). These tables were released as prototypes, along with prototypes for the other standard ITA tables that reflect changes that will be introduced with the annual update in June 2020. These prototype tables have been updated to incorporate the statistics from the March 2020 release of the ITAs. In addition, several of the prototype tables have been modified to include new subcategory detail and other minor changes. For details, see "[Prototype Tables for the International Transactions Accounts](#)" (updated March 19, 2020). These prototype tables are provided alongside the current standard presentation to prepare data users for the upcoming changes. With the release of "U.S. International Transactions, First Quarter 2020 and Annual Update" on June 19, 2020, the prototype tables will replace the existing tables as the standard presentation. The prototype tables, published as addenda to the current tables, are available in BEA's [interactive data application](#).



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apps.bea.gov/scb
scb@bea.gov
(301) 278-9004