



U.S. International Transactions

First Quarter 2020

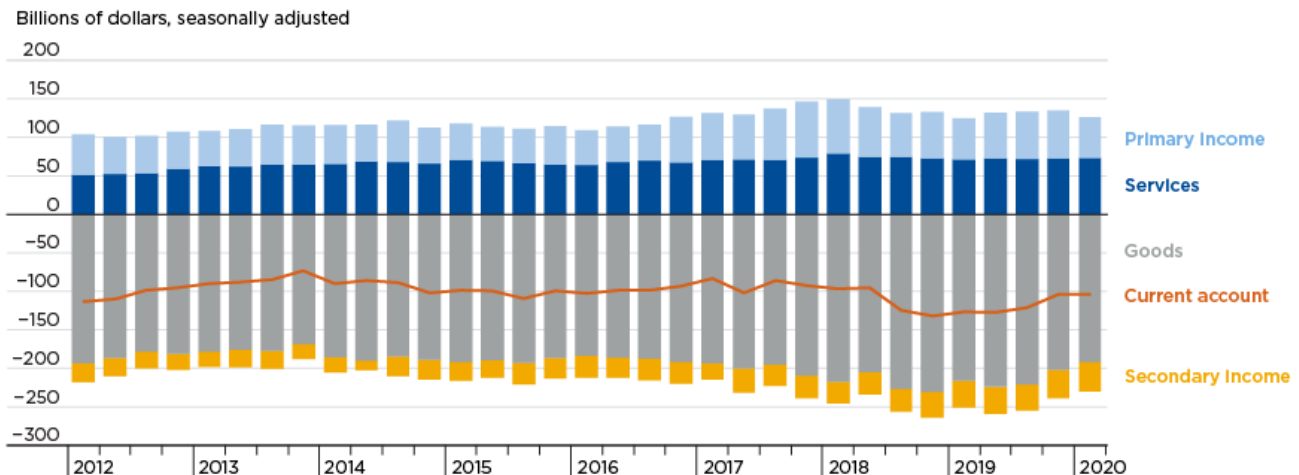
By Molly Garber

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 \$0.1 billion, or 0.1 percent, to \$104.2 billion in the first quarter of 2020 (chart 1 and table A). The revised fourth-quarter deficit was \$104.3 billion.

The first-quarter deficit was 1.9 percent of current-dollar gross domestic product, up less than 0.1 percentage point from the fourth quarter.

The \$0.1 billion narrowing of the current-account deficit in the first quarter mainly reflected a reduced deficit on goods that was largely offset by a reduced surplus on primary income and an expanded deficit on secondary income.

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



U.S. Bureau of Economic Analysis

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

	2019			2020	Change 2019:IV to 2020:I
	II ^r	III ^r	IV ^r	I ^p	
Current account					
Exports of goods and services and income receipts (credits)	953,927	954,446	949,848	902,303	-47,545
Exports of goods and services	631,394	630,189	632,469	612,382	-20,087
Goods	411,069	410,930	411,390	402,960	-8,430
Services	220,326	219,259	221,079	209,422	-11,657
Primary income receipts	287,535	286,761	282,943	255,139	-27,804
Secondary income (current transfer) receipts	34,997	37,496	34,435	34,781	346
Imports of goods and services and income payments (debits)	1,081,619	1,076,040	1,054,172	1,006,507	-47,665
Imports of goods and services	783,605	779,847	762,228	731,437	-30,791
Goods	635,641	632,059	613,887	595,291	-18,596
Services	147,964	147,788	148,341	136,146	-12,195
Primary income payments	228,069	225,140	220,985	202,652	-18,333
Secondary income (current transfer) payments	69,945	71,053	70,959	72,419	1,460
Capital account					
Capital transfer receipts and other credits	4	15	6	6	0
Capital transfer payments and other debits	852	850	2,026	2,968	942
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	158,966	142,221	55,067	722,712	667,645
Direct investment assets	115,561	25,574	59,180	-36,326	-95,506
Portfolio investment assets	45,025	20,460	21,806	144,705	122,899
Other investment assets	-3,980	94,305	-26,128	614,578	640,706
Reserve assets	2,359	1,882	210	-245	-455
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	317,227	238,964	83,479	901,987	818,508
Direct investment liabilities	99,461	78,119	56,506	47,790	-8,716
Portfolio investment liabilities	146,049	105,660	-53,160	21,312	74,472
Other investment liabilities	71,717	55,185	80,133	832,885	752,752
Financial derivatives other than reserves, net transactions	-9,642	-6,382	-933	-21,830	-20,897
Statistical discrepancy					
Statistical discrepancy¹	-39,364	19,303	76,998	-93,939	-170,937
Balances					
Balance on current account	-127,691	-121,594	-104,324	-104,204	120
Balance on goods and services	-152,210	-149,658	-129,759	-119,055	10,704
Balance on goods	-224,572	-221,129	-202,497	-192,332	10,165
Balance on services	72,362	71,471	72,738	73,277	539
Balance on primary income	59,467	61,621	61,958	52,488	-9,470
Balance on secondary income	-34,948	-33,556	-36,524	-37,637	-1,113
Balance on capital account	-848	-835	-2,019	-2,962	-943
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-128,539	-122,429	-106,344	-107,166	-822
Net lending (+) or net borrowing (-) from financial-account transactions³	-167,903	-103,125	-29,345	-201,105	-171,760

p Preliminary

r Revised

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 International Transactions Accounts [table 1.2](#) on BEA's website.

Data Availability and Methodology

Detailed statistics for U.S. international transactions and a description of the estimation methods are available on the Bureau of Economic Analysis (BEA) website. 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*.

Coronavirus (COVID-19) Impact on First-Quarter 2020 International Transactions

The declines in first-quarter 2020 current-account transactions are, in part, due to the impact of COVID-19, as many businesses were operating at limited capacity or ceased operations completely, and the movement of travelers across borders was restricted. In the financial account, currency swaps between the U.S. Federal Reserve System and several foreign central banks contributed to record levels of U.S. acquisition of assets and U.S. incurrence of liabilities. The full economic effects of the COVID-19 pandemic cannot be quantified in the statistics for the first quarter, because the impacts are generally embedded in source data and cannot be separately identified. More information can be found in the “[Technical Note](#)” that accompanied the first-quarter 2020 international transactions statistics.

Current Account

Exports of goods and services to, and income received from, foreign residents decreased \$47.5 billion to \$902.3 billion in the first quarter (charts 2 and 3 and tables A and B). Imports of goods and services from, and income paid to, foreign residents decreased \$47.7 billion to \$1.01 trillion (charts 2 and 4 and tables A and C).

Chart 2. Current-Account Transactions



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Trade in goods

Exports of goods decreased \$8.4 billion to \$403.0 billion, mostly reflecting decreases in capital goods, mainly civilian aircraft, and in consumer goods, mainly jewelry and collectibles. Imports of goods decreased \$18.6 billion to \$595.3 billion, mostly reflecting decreases in consumer goods, mainly cell phones and other household goods, and in capital goods, mainly computers, telecommunications equipment, and other industrial machinery.

Trade in services

Exports of services decreased \$11.7 billion to \$209.4 billion, and imports of services decreased \$12.2 billion to \$136.1 billion. The decreases in both exports and imports mainly reflected decreases in travel, primarily other personal travel, and in transport, primarily air passenger

transport.

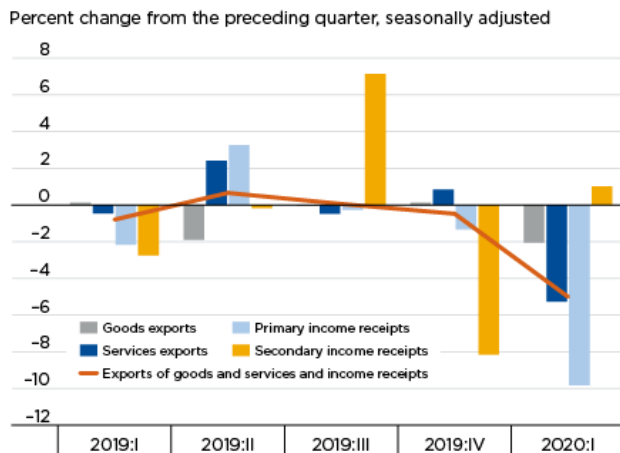
Primary income

Receipts of primary income decreased \$27.8 billion to \$255.1 billion, and payments of primary income decreased \$18.3 billion to \$202.7 billion. The decreases in both receipts and payments mostly reflected decreases in direct investment income, mainly earnings.

Secondary income

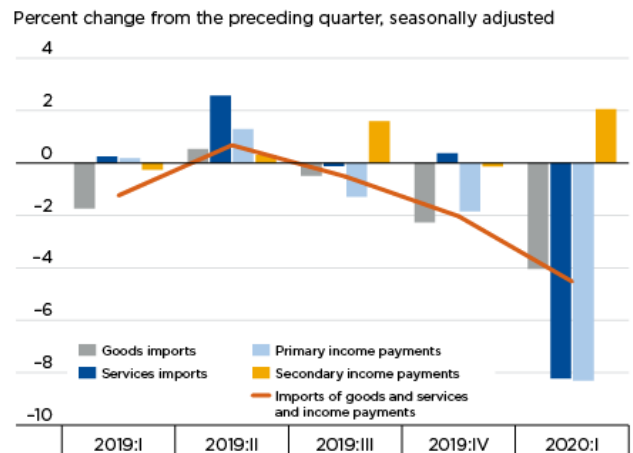
Receipts of secondary income increased \$0.3 billion to \$34.8 billion, and payments of secondary income increased \$1.5 billion to \$72.4 billion. The increases in both receipts and payments mainly reflected increases in private transfers, primarily private sector fines and penalties.

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			2020	Change 2019:IV to 2020:I
	II ^r	III ^r	IV ^r	I ^p	
Exports of goods and services and income receipts	953,927	954,446	949,848	902,303	-47,545
Exports of goods	411,069	410,930	411,390	402,960	-8,430
General merchandise	406,812	405,848	405,687	398,096	-7,591
Foods, feeds, and beverages	33,400	33,172	32,151	32,787	636
Industrial supplies and materials	132,140	129,780	132,804	133,847	1,043
Energy products	56,394	55,291	59,010	58,486	-524
<i>Of which: Petroleum and products</i>	48,979	47,373	50,844	50,553	-291
Nonenergy products	75,746	74,489	73,794	75,361	1,567
Capital goods except automotive	135,500	135,007	135,521	131,854	-3,667
Automotive vehicles, parts, and engines	40,440	41,324	39,756	37,832	-1,924
Consumer goods except food and automotive	51,200	51,462	49,797	46,983	-2,814
Other general merchandise	14,133	15,102	15,657	14,793	-864
Net exports of goods under merchanting	85	139	119	114	-5
Nonmonetary gold	4,172	4,943	5,585	4,750	-835
Exports of services¹	220,326	219,259	221,079	209,422	-11,657
Manufacturing services on physical inputs owned by others	n.a.	n.a.	n.a.	n.a.	n.a.
Maintenance and repair services n.i.e.	6,651	7,088	7,432	7,428	-4
Transport	22,930	22,333	22,693	20,295	-2,398
Travel (for all purposes including education)	48,858	47,721	48,219	38,996	-9,223
Business	9,466	9,107	9,368	7,330	-2,038
Personal	39,392	38,613	38,852	31,666	-7,186
Construction	761	849	734	705	-29
Insurance services	4,036	4,260	3,762	3,593	-169
Financial services	34,429	33,483	34,303	33,505	-798
Charges for the use of intellectual property n.i.e.	29,223	29,237	29,993	29,792	-201
Telecommunications, computer, and information services	14,328	14,267	14,306	14,825	519
Other business services	47,654	48,187	47,736	48,219	483
Personal, cultural, and recreational services	5,911	5,876	5,978	5,965	-13
Government goods and services n.i.e.	5,546	5,959	5,924	6,100	176
Primary income receipts	287,535	286,761	282,943	255,139	-27,804
Investment income	285,856	285,080	281,254	253,462	-27,792
Direct investment income	145,837	144,810	146,363	120,607	-25,756
Income on equity	139,282	138,192	140,194	114,799	-25,395
Dividends and withdrawals	103,480	95,327	83,643	124,218	40,575
Reinvested earnings	35,802	42,865	56,551	-9,419	-65,970
Interest	6,555	6,618	6,168	5,809	-359
Portfolio investment income	107,362	108,247	107,068	109,664	2,596
Income on equity and investment fund shares	72,633	73,190	72,083	74,911	2,828
Interest on debt securities	34,730	35,057	34,985	34,753	-232
Other investment income	32,409	31,780	27,672	23,042	-4,630
Reserve asset income	248	243	151	149	-2
Compensation of employees	1,679	1,682	1,689	1,678	-11
Secondary income (current transfer) receipts²	34,997	37,496	34,435	34,781	346

p Preliminary

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n.a. Not available

n.i.e. Not included elsewhere

1. See also [International Services table 2.1](#).

2. Secondary income (current transfer) 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 International Transactions Accounts [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			2020	Change 2019:IV to 2020:I
	II ^r	III ^r	IV ^r	I ^p	
Imports of goods and services and income payments	1,081,619	1,076,040	1,054,172	1,006,507	-47,665
Imports of goods	635,641	632,059	613,887	595,291	-18,596
General merchandise	633,703	628,870	609,144	589,096	-20,048
Foods, feeds, and beverages	38,349	38,328	37,398	38,673	1,275
Industrial supplies and materials	135,439	129,899	126,630	121,677	-4,953
Energy products	59,727	54,163	53,410	48,302	-5,108
<i>Of which: Petroleum and products</i>	56,283	50,903	49,775	45,565	-4,210
Nonenergy products	75,712	75,736	73,220	73,375	155
Capital goods except automotive	170,460	169,509	168,127	161,779	-6,348
Automotive vehicles, parts, and engines	96,200	95,356	89,707	87,846	-1,861
Consumer goods except food and automotive	165,095	167,021	157,381	150,663	-6,718
Other general merchandise	28,159	28,757	29,901	28,458	-1,443
Nonmonetary gold	1,938	3,189	4,743	6,196	1,453
Imports of services¹	147,964	147,788	148,341	136,146	-12,195
Manufacturing services on physical inputs owned by others	n.a.	n.a.	n.a.	n.a.	n.a.
Maintenance and repair services n.i.e.	1,963	1,941	1,949	1,924	-25
Transport	26,892	26,668	26,570	22,720	-3,850
Travel (for all purposes including education)	34,668	33,151	33,717	24,853	-8,864
Business	4,893	4,685	4,609	3,140	-1,469
Personal	29,775	28,466	29,108	21,714	-7,394
Construction	327	330	321	321	0
Insurance services	12,880	13,403	13,954	14,418	464
Financial services	10,206	10,157	10,010	10,143	133
Charges for the use of intellectual property n.i.e.	10,448	10,631	10,587	9,982	-605
Telecommunications, computer, and information services	11,029	10,982	11,088	11,133	45
Other business services	28,310	29,171	28,550	28,889	339
Personal, cultural, and recreational services	5,278	5,249	5,483	5,649	166
Government goods and services n.i.e.	5,962	6,105	6,113	6,114	1
Primary income payments	228,069	225,140	220,985	202,652	-18,333
Investment income	223,413	220,430	216,145	198,001	-18,144
Direct investment income	63,876	60,941	61,104	46,249	-14,855
Portfolio investment income	123,759	124,526	124,328	124,926	598
Income on equity and investment fund shares	42,610	42,401	41,897	45,334	3,437
Interest on debt securities	81,149	82,125	82,431	79,592	-2,839
Other investment income	35,778	34,963	30,713	26,827	-3,886
Compensation of employees	4,656	4,711	4,840	4,651	-189
Secondary income (current transfer) payments²	69,945	71,053	70,959	72,419	1,460
Supplemental detail on insurance transactions:					
Premiums paid	32,167	32,787	33,042	33,351	309
Losses recovered	18,996	19,075	19,351	19,163	-188

p Preliminary

r Revised

n.a. Not available

n.i.e. Not included elsewhere

1. See also [International Services table 2.1](#).

2. Secondary income (current transfer) 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 International Transactions Accounts [table 1.2](#), [table 2.1](#), [table 3.1](#), [table 4.1](#), and [table 5.1](#) on BEA's website.

Capital Account

Capital transfer payments increased \$0.9 billion to \$3.0 billion in the first quarter, primarily reflecting an increase in investment grants (table A).

Financial Account

Net financial-account transactions were -\$201.1 billion in the first quarter, reflecting net U.S. borrowing from foreign residents.

Financial assets

First-quarter transactions increased U.S. residents' foreign financial assets by \$722.7 billion (charts 5 and 6 and table D). Transactions increased portfolio investment assets by \$144.7 billion, resulting from large and partly offsetting transactions in equity securities and debt securities, and other investment assets, mostly currency and deposits, by \$614.6 billion. Transactions in deposits included \$353.9 billion in foreign currency acquired by the Federal Reserve System from central bank liquidity swaps with foreign central banks. Transactions decreased direct investment assets, mostly debt instruments, by \$36.3 billion, and reserve assets by \$0.2 billion.

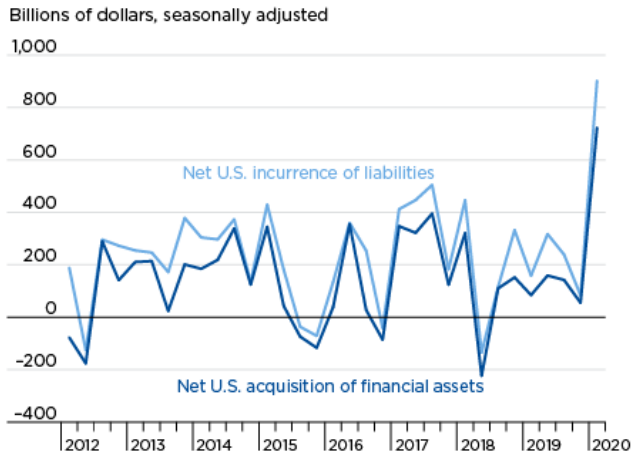
Liabilities

First-quarter transactions increased U.S. liabilities to foreign residents by \$902.0 billion. Transactions increased direct investment liabilities, mainly equity, by \$47.8 billion; portfolio investment liabilities by \$21.3 billion, resulting from large and mostly offsetting transactions in equity securities and debt securities; and other investment liabilities, mostly currency and deposits and loans, by \$832.9 billion. Transactions in deposits included \$387.3 billion in interbank deposits received by the U.S. branches of foreign banks from affiliated foreign banks. These were mainly the U.S. dollars that foreign central banks obtained through the swaps described in the assets section above, which they then lent to foreign banks.

Financial derivatives

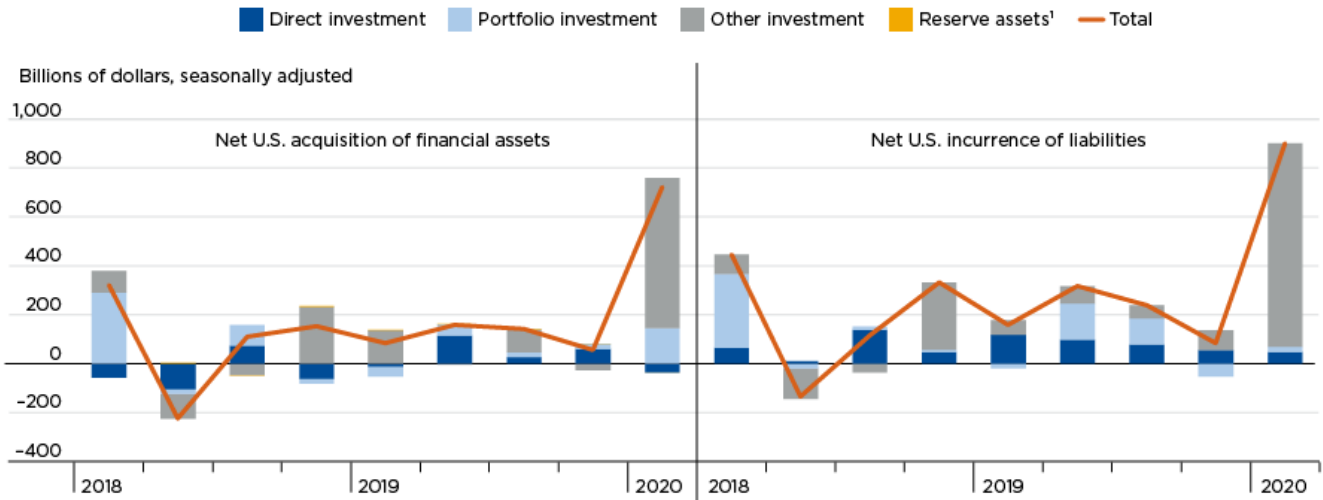
Net transactions in financial derivatives were -\$21.8 billion in the first quarter, reflecting net borrowing from foreign residents.

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			2020	Change 2019:IV to 2020:I
	II ^r	III ^r	IV ^r	I ^p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	158,966	142,221	55,067	722,712	667,645
Direct investment assets	115,561	25,574	59,180	-36,326	-95,506
Equity	43,942	45,886	55,296	-3,804	-59,100
Equity other than reinvestment of earnings	8,140	3,021	-1,255	5,615	6,870
Reinvestment of earnings	35,802	42,865	56,551	-9,419	-65,970
Debt instruments	71,619	-20,312	3,884	-32,522	-36,406
Portfolio investment assets	45,025	20,460	21,806	144,705	122,899
Equity and investment fund shares	-14,209	-56,839	-99,715	306,370	406,085
Debt securities	59,234	77,299	121,521	-161,665	-283,186
Short-term securities	23,399	61,443	66,150	-62,295	-128,445
Long-term corporate securities	24,996	7,841	35,418	-76,131	-111,549
Other long-term securities	10,839	8,015	19,953	-23,239	-43,192
Other investment assets	-3,980	94,305	-26,128	614,578	640,706
Other equity	1,349	18	0	1,298	1,298
Currency and deposits	37,028	16,306	66,347	439,758	373,411
Loans	-41,481	73,336	-91,595	178,144	269,739
Trade credit and advances	-875	4,645	-879	-4,622	-3,743
Reserve assets	2,359	1,882	210	-245	-455
Monetary gold	0	0	0	0	0
Special drawing rights	60	63	57	49	-8
Reserve position in the International Monetary Fund	2,248	1,754	155	-327	-482
Other reserve assets	51	64	-2	33	35
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	317,227	238,964	83,479	901,987	818,508
Direct investment liabilities	99,461	78,119	56,506	47,790	-8,716
Equity	72,720	53,158	78,529	57,521	-21,008
Equity other than reinvestment of earnings	32,858	17,832	46,367	35,717	-10,650
Reinvestment of earnings	39,861	35,326	32,161	21,803	-10,358
Debt instruments	26,742	24,961	-22,023	-9,730	12,293
Portfolio investment liabilities	146,049	105,660	-53,160	21,312	74,472
Equity and investment fund shares	86,874	-42,481	-72,736	270,997	343,733
Debt securities	59,174	148,141	19,576	-249,685	-269,261
Short term	-71,238	60,400	-48,444	-10,669	37,775
Treasury bills and certificates	-57,630	42,275	-43,855	13,391	57,246
Federally sponsored agency securities	-73	-748	5,493	-4,708	-10,201
Other short-term securities	-13,535	18,873	-10,082	-19,352	-9,270
Long term	130,413	87,741	68,020	-239,015	-307,035
Treasury bonds and notes	93,996	32,139	19,117	-275,707	-294,824
Federally sponsored agency securities	20,390	10,507	5,067	54,628	49,561
Corporate bonds and notes	18,204	44,514	43,267	-16,560	-59,827
Other	-2,177	581	569	-1,376	-1,945
Other investment liabilities	71,717	55,185	80,133	832,885	752,752
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency	9,356	19,110	17,579	26,014	8,435
Deposits	104,374	74,616	3,075	480,067	476,992
Loans	-42,741	-37,372	56,253	322,996	266,743
Trade credit and advances	729	-1,169	3,226	3,808	582
Special drawing rights allocations	0	0	0	0	0

p Preliminary

r Revised

n.a. Not available

Note. The statistics are presented in International Transactions Accounts [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 first quarter of 1999 through the fourth quarter of 2019 have been updated to incorporate newly available and revised source data, improved estimation methodologies, updated seasonal adjustments, and changes in classifications and definitions (table E). In addition, table presentations for the International Transactions Accounts have been expanded to provide additional detail.

For more information, see Rudy Telles Jr., Nick Martinez, and Ted Peck, “[Annual Update of the International Transactions Accounts](#),” in this issue of the *Survey of Current Business*.

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

	Preliminary Estimates	Revised Estimates
Balance on current account	-109,822	-104,324
Balance on goods	-202,784	-202,497
Balance on services	62,930	72,738
Balance on primary income	67,283	61,958
Balance on secondary income (current transfers)	-37,251	-36,524
Net lending or borrowing from financial-account transactions	-71,790	-29,345
Net U.S. acquisition of financial assets	998	55,067
Net U.S. incurrence of liabilities	71,855	83,479
Financial derivatives other than reserves, net transactions	-933	-933

Change to the European Union

Beginning with statistics for the first quarter of 2020, the area grouping “European Union” excludes 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?](#)”



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