



U.S. International Transactions

First Quarter 2021

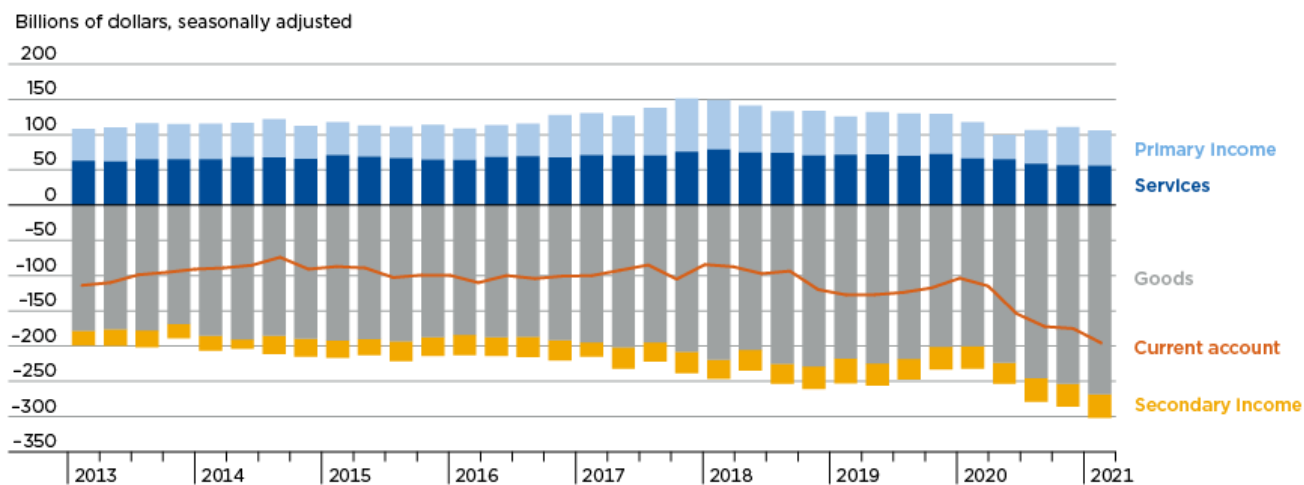
By Rudy Telles Jr.

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, widened by \$20.7 billion, or 11.8 percent, to \$195.7 billion in the first quarter of 2021 (chart 1 and table A). The revised fourth-quarter deficit was \$175.1 billion.

The first-quarter deficit was 3.6 percent of current-dollar gross domestic product, up from 3.3 percent in the fourth quarter.

The \$20.7 billion widening of the current-account deficit in the first quarter mostly reflected an increased deficit on goods and a reduced surplus on primary 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]

Series	2020			2021	Change 2020:Q4 to 2021:Q1
	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^p	
Current account					
Exports of goods and services and income receipts (credits)	707,716	806,445	851,907	888,746	36,839
Exports of goods and services	454,987	523,259	558,795	584,450	25,655
Goods	289,779	356,826	384,050	408,579	24,529
Services	165,208	166,433	174,745	175,871	1,126
Primary income receipts	212,111	240,265	252,040	261,650	9,610
Secondary income (current transfer) receipts	40,618	42,921	41,072	42,645	1,573
Imports of goods and services and income payments (debits)	861,582	978,807	1,026,986	1,084,485	57,499
Imports of goods and services	613,536	710,359	755,582	797,209	41,627
Goods	513,050	602,196	637,175	677,037	39,862
Services	100,485	108,163	118,406	120,172	1,766
Primary income payments	177,587	192,008	197,824	211,366	13,542
Secondary income (current transfer) payments	70,459	76,440	73,580	75,910	2,330
Capital account					
Capital transfer receipts and other credits	4	348	9	25	16
Capital transfer payments and other debits	951	898	1,133	2,764	1,631
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	-253,779	29,307	228,289	382,022	153,733
Direct investment assets	63,839	122,349	96,702	64,039	-32,663
Portfolio investment assets	-10,340	121,217	53,940	304,691	250,751
Other investment assets	-312,239	-216,078	75,209	15,391	-59,818
Reserve assets	4,960	1,820	2,438	-2,100	-4,538
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	-181,226	201,141	502,122	554,904	52,782
Direct investment liabilities	-46,832	111,589	101,824	64,540	-37,284
Portfolio investment liabilities	272,485	114,935	350,675	326,494	-24,181
Other investment liabilities	-406,879	-25,383	49,623	163,869	114,246
Financial derivatives other than reserves, net transactions	-11,702	28,425	2,633	-2,344	-4,977
Statistical discrepancy					
Statistical discrepancy¹	70,556	29,504	-94,997	23,253	118,250
Balances					
Balance on current account	-153,866	-172,362	-175,079	-195,739	-20,660
Balance on goods and services	-158,549	-187,101	-196,787	-212,759	-15,972
Balance on goods	-223,271	-245,370	-253,125	-268,457	-15,332
Balance on services	64,723	58,270	56,339	55,699	-640
Balance on primary income	34,524	48,257	54,216	50,284	-3,932
Balance on secondary income	-29,841	-33,519	-32,508	-33,264	-756
Balance on capital account	-946	-550	-1,124	-2,740	-1,616
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-154,812	-172,912	-176,203	-198,479	-22,276
Net lending (+) or net borrowing (-) from financial-account transactions³	-84,255	-143,408	-271,199	-175,226	95,973

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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.

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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 website. For the statistics, see “[International Transactions, International Services, and International Investment Position Tables](#).” For the methods, see the recently expanded and updated *U.S. International Economic Accounts: Concepts and Methods* and “[A Primer on the U.S. International Economic Accounts](#)” in this issue of the *Survey of Current Business*.

Coronavirus (COVID-19) Impact on First-Quarter 2021 International Transactions

All major categories of current-account transactions increased in the first quarter of 2021, the third consecutive quarter of broad-based growth following notable COVID-19-related declines in the second quarter of 2020. The full economic effects of the COVID-19 pandemic cannot be quantified in the statistics, 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 2021 international transactions statistics.

Current Account

Exports of goods and services to, and income received from, foreign residents increased \$36.8 billion to \$888.7 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 increased \$57.5 billion to \$1.08 trillion (charts 2 and 4 and tables A and C).

Trade in goods

Exports of goods increased \$24.5 billion to \$408.6 billion, and imports of goods increased \$39.9 billion to \$677.0 billion. The increases in both exports and imports reflected increases in nearly all major categories, led by industrial supplies and materials, primarily petroleum and products, that were partly offset by a decrease in automotive vehicles, parts, and engines.

Trade in services

Exports of services increased \$1.1 billion to \$175.9 billion, reflecting mostly offsetting changes in several major categories. Increases were led by travel, mainly other personal travel; decreases were led by charges for the use of intellectual property, mainly for licenses to reproduce and/or distribute computer software. Imports of services increased \$1.8 billion to \$120.2 billion, mostly reflecting an increase in transport, primarily sea freight transport.

Primary income

Receipts of primary income increased \$9.6 billion to \$261.7 billion, mostly reflecting an increase in direct investment income, primarily earnings. Payments of primary income increased \$13.5 billion to \$211.4 billion, mainly reflecting increases in direct investment income, mostly earnings, and in portfolio investment

Chart 2. Current-Account Transactions



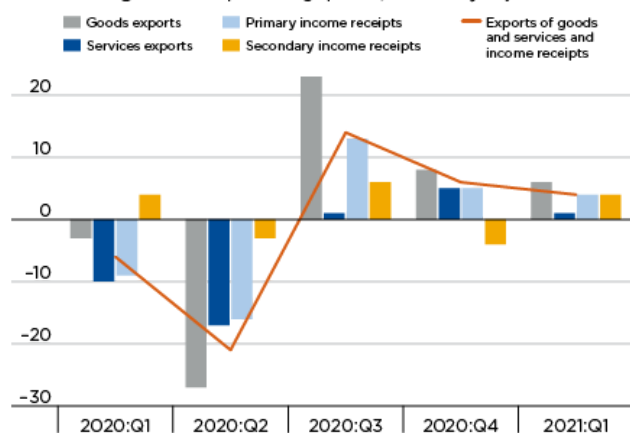
income, mostly interest on long-term debt securities.

Secondary income

Receipts of secondary income increased \$1.6 billion to \$42.6 billion, mostly reflecting an increase in general government transfers, primarily public-sector fines and penalties. Payments of secondary income increased \$2.3 billion to \$75.9 billion, mainly reflecting an increase in general government transfers, primarily international cooperation.

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

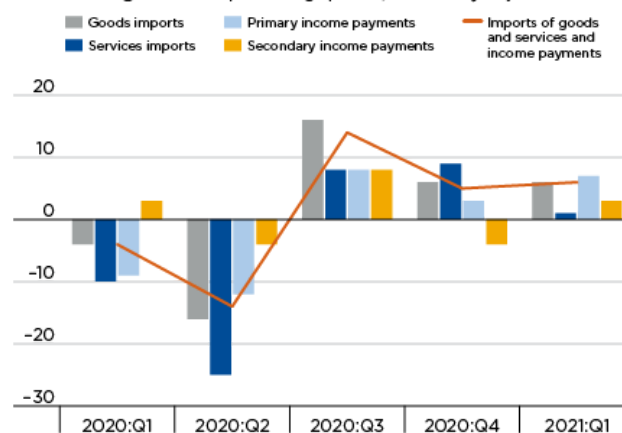
Percent change from the preceding quarter, seasonally adjusted



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

Percent change from the preceding quarter, seasonally adjusted



U.S. Bureau of Economic Analysis

Table B. Exports of Goods and Services and Income Receipts

[Millions of dollars, seasonally adjusted]

Series	2020			2021	Change 2020:Q4 to 2021:Q1
	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^p	
Exports of goods and services and income receipts	707,716	806,445	851,907	888,746	36,839
Exports of goods	289,779	356,826	384,050	408,579	24,529
General merchandise	284,404	349,705	376,467	398,443	21,976
Foods, feeds, and beverages	32,321	34,741	38,922	40,667	1,745
Industrial supplies and materials	92,551	108,713	119,483	134,752	15,269
Energy products	30,769	39,385	42,678	52,232	9,554
<i>Of which:</i> Petroleum and products	24,390	32,819	33,665	40,148	6,483
Nonenergy products	61,782	69,328	76,805	82,520	5,715
Capital goods except automotive	99,585	112,003	117,444	122,323	4,879
Automotive vehicles, parts, and engines	15,328	36,438	38,372	37,395	-977
Consumer goods except food and automotive	33,526	44,822	48,781	48,256	-525
Other general merchandise	11,092	12,987	13,464	15,051	1,587
Net exports of goods under merchandising	230	252	276	302	26
Nonmonetary gold	5,145	6,869	7,307	9,833	2,526
Exports of services¹	165,208	166,433	174,745	175,871	1,126
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.	3,440	2,833	2,820	2,982	162
Transport	11,002	12,191	13,301	13,925	624
Travel (for all purposes including education)	13,914	10,527	11,967	13,426	1,459
Business	1,616	1,854	2,229	2,524	295
Personal	12,298	8,673	9,738	10,903	1,165
Construction	624	596	505	498	-7
Insurance services	4,769	5,353	5,281	5,351	70
Financial services	35,106	36,004	37,944	38,154	210
Charges for the use of intellectual property n.i.e.	26,960	28,757	30,343	28,183	-2,160
Telecommunications, computer, and information services	13,719	13,501	15,505	14,493	-1,012
Other business services	46,460	45,402	45,869	47,199	1,330
Personal, cultural, and recreational services	4,119	5,740	5,777	6,018	241
Government goods and services n.i.e.	5,095	5,528	5,433	5,641	208
Primary income receipts	212,111	240,265	252,040	261,650	9,610
Investment income	210,530	238,676	250,444	260,033	9,589
Direct investment income	104,885	132,107	141,436	150,171	8,735
Income on equity	100,330	127,692	137,130	146,132	9,002
Dividends and withdrawals	72,846	58,041	50,926	86,790	35,864
Reinvested earnings	27,484	69,651	86,204	59,342	-26,862
Interest	4,555	4,415	4,306	4,039	-267
Portfolio investment income	88,773	91,205	94,038	95,832	1,794
Income on equity and investment fund shares	58,402	59,988	62,513	62,068	-445
Interest on debt securities	30,371	31,217	31,525	33,763	2,238
Other investment income	16,807	15,321	14,974	13,965	-1,009
Reserve asset income	65	44	-3	65	68
Compensation of employees	1,581	1,588	1,596	1,617	21
Secondary income (current transfer) receipts²	40,618	42,921	41,072	42,645	1,573

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n.a. Not available

n.i.e. Not included elsewhere

1. See also International Services [table 2.1](#) on BEA's website.

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]

Series	2020			2021	Change 2020:Q4 to 2021:Q1
	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^p	
Imports of goods and services and income payments	861,582	978,807	1,026,986	1,084,485	57,499
Imports of goods	513,050	602,196	637,175	677,037	39,862
General merchandise	480,008	587,803	629,137	670,160	41,023
Foods, feeds, and beverages	36,951	39,734	40,104	41,284	1,180
Industrial supplies and materials	90,706	103,738	114,295	136,107	21,812
Energy products	23,344	31,305	34,917	46,612	11,695
<i>Of which:</i> Petroleum and products	20,619	28,333	31,241	42,535	11,294
Nonenergy products	67,362	72,433	79,378	89,495	10,117
Capital goods except automotive	147,162	165,285	173,646	183,776	10,130
Automotive vehicles, parts, and engines	41,249	85,142	96,590	90,642	-5,948
Consumer goods except food and automotive	142,617	167,608	177,787	190,923	13,136
Other general merchandise	21,323	26,297	26,716	27,428	712
Nonmonetary gold	33,042	14,393	8,038	6,877	-1,161
Imports of services¹	100,485	108,163	118,406	120,172	1,766
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.	1,393	1,508	1,562	1,810	248
Transport	13,934	16,227	18,728	20,073	1,345
Travel (for all purposes including education)	2,383	3,687	7,559	7,943	384
Business	304	568	1,172	1,253	81
Personal	2,079	3,118	6,387	6,690	303
Construction	261	227	312	292	-20
Insurance services	13,383	14,381	14,399	14,481	82
Financial services	10,447	10,204	10,869	10,636	-233
Charges for the use of intellectual property n.i.e.	9,004	11,165	11,959	12,464	505
Telecommunications, computer, and information services	9,377	9,263	10,156	9,898	-258
Other business services	28,607	29,342	30,598	30,539	-59
Personal, cultural, and recreational services	5,547	6,027	6,067	5,781	-286
Government goods and services n.i.e.	6,147	6,132	6,197	6,255	58
Primary income payments	177,587	192,008	197,824	211,366	13,542
Investment income	174,266	188,552	194,211	207,526	13,315
Direct investment income	34,101	50,147	53,342	63,078	9,736
Portfolio investment income	118,651	119,840	122,822	127,711	4,889
Income on equity and investment fund shares	41,226	41,795	44,659	46,464	1,805
Interest on debt securities	77,425	78,045	78,163	81,247	3,084
Other investment income	21,514	18,566	18,048	16,736	-1,312
Compensation of employees	3,321	3,456	3,613	3,840	227
Secondary income (current transfer) payments²	70,459	76,440	73,580	75,910	2,330
Supplemental detail on insurance transactions:					
Premiums paid	33,447	37,034	36,435	37,307	872
Losses recovered	25,372	25,481	25,145	25,386	241

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n.a. Not available

n.i.e. Not included elsewhere

1. See also International Services [table 2.1](#) on BEA's website.

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 \$1.6 billion to \$2.8 billion in the first quarter, mostly reflecting an increase in investment grants (table A).

Financial Account

Net financial-account transactions were -\$175.2 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 \$382.0 billion (charts 5 and 6 and table D). Transactions increased portfolio investment assets, primarily long-term debt securities, by \$304.7 billion; direct investment assets, primarily equity, by \$64.0 billion; and other investment assets, primarily loans, by \$15.4 billion. Transactions decreased reserve assets by \$2.1 billion.

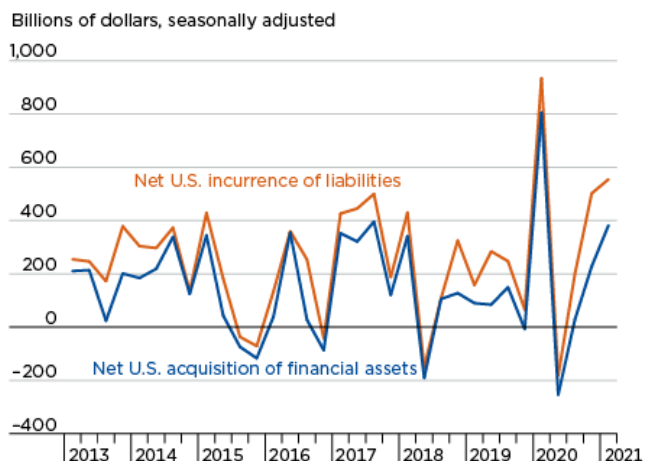
Liabilities

First-quarter transactions increased U.S. liabilities to foreign residents by \$554.9 billion. Transactions increased portfolio investment liabilities, primarily long-term debt securities, by \$326.5 billion; other investment liabilities, primarily deposits and loans, by \$163.9 billion; and direct investment liabilities, primarily equity, by \$64.5 billion.

Financial derivatives

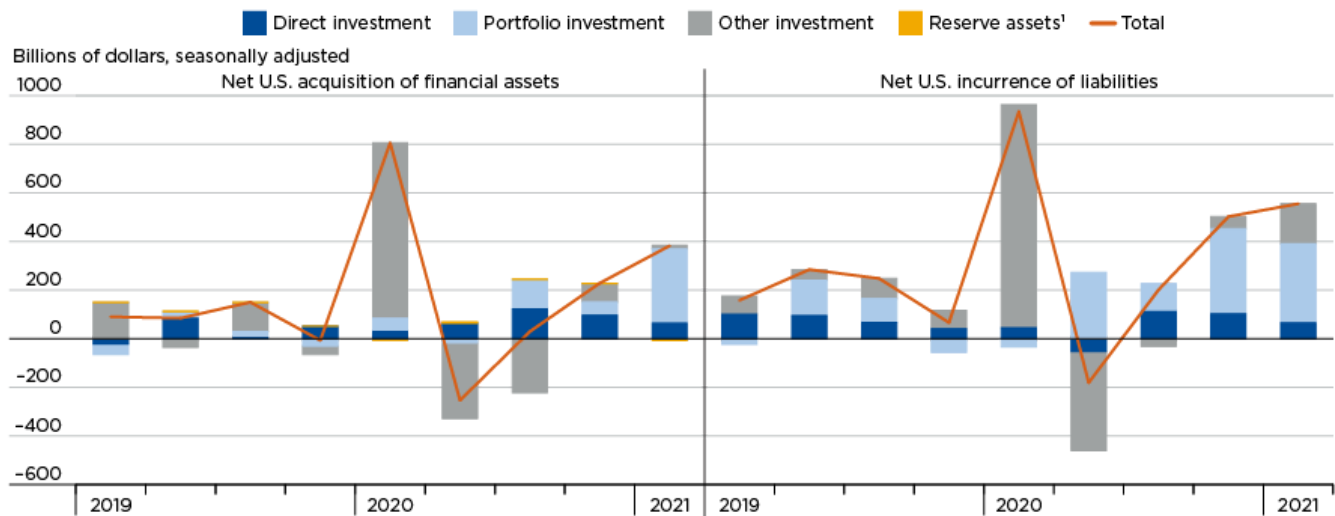
Net transactions in financial derivatives were -\$2.3 billion in the first quarter, reflecting net U.S. borrowing from foreign residents.

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]

Series	2020			2021	Change 2020:Q4 to 2021:Q1
	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	-253,779	29,307	228,289	382,022	153,733
Direct investment assets	63,839	122,349	96,702	64,039	-32,663
Equity	117,719	79,749	86,913	75,056	-11,857
Equity other than reinvestment of earnings	90,235	10,098	709	15,714	15,005
Reinvestment of earnings	27,484	69,651	86,204	59,342	-26,862
Debt instruments	-53,879	42,600	9,789	-11,017	-20,806
Portfolio investment assets	-10,340	121,217	53,940	304,691	250,751
Equity and investment fund shares	-71,865	88,690	-42,526	86,335	128,861
Debt securities	61,525	32,527	96,466	218,356	121,890
Short-term securities	20,509	19,457	29,440	38,762	9,322
Long-term corporate securities	32,767	10,094	50,875	130,130	79,255
Other long-term securities	8,249	2,976	16,151	49,464	33,313
Other investment assets	-312,239	-216,078	75,209	15,391	-59,818
Other equity	10	215	324	1,169	845
Currency and deposits	-313,148	-130,385	-6,533	-10,750	-4,217
Loans	6,145	-84,148	77,929	21,087	-56,842
Trade credit and advances	-5,245	-1,761	3,489	3,884	395
Reserve assets	4,960	1,820	2,438	-2,100	-4,538
Monetary gold	0	0	0	0	0
Special drawing rights	20	5	7	8	1
Reserve position in the International Monetary Fund	4,902	1,785	2,454	-2,157	-4,611
Other reserve assets	38	29	-23	50	73
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	-181,226	201,141	502,122	554,904	52,782
Direct investment liabilities	-46,832	111,589	101,824	64,540	-37,284
Equity	29,210	42,809	82,922	68,036	-14,886
Equity other than reinvestment of earnings	22,588	13,307	51,302	29,201	-22,101
Reinvestment of earnings	6,622	29,502	31,620	38,835	7,215
Debt instruments	-76,041	68,780	18,902	-3,496	-22,398
Portfolio investment liabilities	272,485	114,935	350,675	326,494	-24,181
Equity and investment fund shares	21,647	117,901	246,335	99,610	-146,725
Debt securities	250,838	-2,966	104,340	226,885	122,545
Short term	327,889	-38,910	1,406	-44,419	-45,825
Treasury bills and certificates	311,140	-23,352	10,017	-60,815	-70,832
Federally sponsored agency securities	2,662	-3,444	-1,778	-3,419	-1,641
Other short-term securities	14,087	-12,114	-6,833	19,815	26,648
Long term	-77,050	35,944	102,935	271,304	168,369
Treasury bonds and notes	-202,570	63,639	50,485	223,026	172,541
Federally sponsored agency securities	-56,987	-51,228	11,801	-24,416	-36,217
Corporate bonds and notes	176,273	21,323	40,629	70,180	29,551
Other	6,234	2,210	20	2,514	2,494
Other investment liabilities	-406,879	-25,383	49,623	163,869	114,246
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency	29,399	36,861	29,051	10,092	-18,959
Deposits	-272,486	-40,913	33,304	83,835	50,531
Loans	-165,191	-22,984	-18,784	65,042	83,826
Trade credit and advances	1,399	1,653	6,052	4,900	-1,152
Special drawing rights allocations	0	0	0	0	0

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n.a. Not available

1. Copy/paste Acronyms, Footnotes, and Notes content below.
2. Second footnote

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 2013 through the fourth quarter of 2020 have been updated to incorporate newly available and revised source data and updated seasonal adjustments (table E). For more information, see Ami Adjoh-Baliki and Jason Sutterley, “[Annual Update of the U.S. International Transactions Accounts](#),” in this issue of the *Survey*.

Table E. Updates to the Fourth-Quarter 2020 International Transactions Aggregates

[Millions of dollars, seasonally adjusted]

Series	Preliminary Estimates	Revised Estimates
Balance on current account	-188,484	-175,079
Balance on goods	-252,957	-253,125
Balance on services	52,972	56,339
Balance on primary income	47,861	54,216
Balance on secondary income (current transfers)	-36,361	-32,508
Net lending or borrowing from financial-account transactions	-262,383	-271,199
Net U.S. acquisition of financial assets	149,788	228,289
Net U.S. incurrence of liabilities	414,804	502,122
Financial derivatives other than reserves, net transactions	2,633	2,633