

A Look at the U.S. International Transactions

Third Quarter of 2023

By Elliot Berg | January 16, 2024

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 \$16.5 billion, or 7.6 percent, to \$200.3 billion in the third quarter of 2023 (chart 1 and table A). The revised second-quarter deficit was \$216.8 billion.

The third-quarter deficit was 2.9 percent of current-dollar gross domestic product, down from 3.2 percent in the second quarter.

The \$16.5 billion narrowing of the current-account deficit in the third quarter mostly reflected a reduced deficit on goods.

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

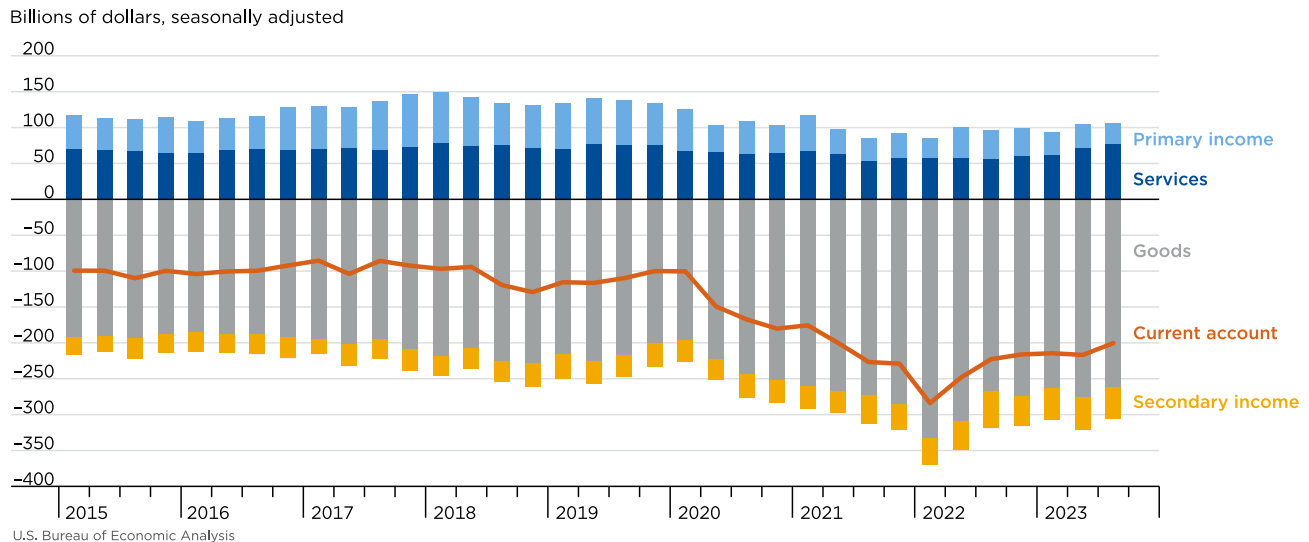


Table A. U.S. International Transactions
[Millions of dollars, seasonally adjusted]

Series	2022	2023			Change 2023:Q2 to 2023:Q3
	Q4	Q1	Q2 ^r	Q3 ^p	
Current account					
Exports of goods and services and income receipts (credits)	1,138,053	1,153,162	1,142,858	1,175,811	32,953
Exports of goods and services	758,561	769,219	746,795	768,601	21,806
Goods	517,725	526,548	497,270	516,414	19,144
Services	240,836	242,671	249,525	252,187	2,662
Primary income receipts	326,508	339,004	350,315	362,114	11,799
Secondary income (current transfer) receipts	52,985	44,939	45,749	45,097	-652
Imports of goods and services and income payments (debits)	1,354,207	1,367,634	1,359,664	1,376,116	16,452
Imports of goods and services	972,093	971,017	950,594	953,338	2,744
Goods	791,865	789,815	772,770	777,367	4,597
Services	180,228	181,201	177,824	175,971	-1,853
Primary income payments	288,414	307,558	318,070	332,107	14,037
Secondary income (current transfer) payments	93,700	89,059	91,000	90,671	-329
Capital account					
Capital transfer receipts and other credits	23	44	8	18	10
Capital transfer payments and other debits	3,444	5,957	2,745	2,123	-622
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	-260,318	208,346	201,852	323,357	121,505
Direct investment assets	105,743	108,734	86,516	101,614	15,098
Portfolio investment assets	-330,802	8,109	38,966	47,181	8,215
Other investment assets	-38,162	90,725	76,098	174,163	98,065
Reserve assets	2,903	778	272	400	128
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	-80,707	556,677	337,499	463,018	125,519
Direct investment liabilities	66,847	112,094	111,530	80,841	-30,689
Portfolio investment liabilities	-101,060	299,510	402,487	193,074	-209,413
Other investment liabilities	-46,494	145,073	-176,518	189,102	365,620
Financial derivatives other than reserves, net transactions	-6,949	-1,727	-4,741	1,068	5,809
Statistical discrepancy					
Statistical discrepancy¹	33,015	-129,673	79,154	63,818	-15,336
Balances					
Balance on current account	-216,154	-214,472	-216,805	-200,304	16,501
Balance on goods and services	-213,532	-201,798	-203,799	-184,737	19,062
Balance on goods	-274,140	-263,268	-275,500	-260,953	14,547
Balance on services	60,608	61,470	71,701	76,216	4,515
Balance on primary income	38,094	31,446	32,245	30,007	-2,238
Balance on secondary income	-40,716	-44,120	-45,251	-45,574	-323
Balance on capital account	-3,421	-5,913	-2,737	-2,106	631
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-219,575	-220,385	-219,542	-202,410	17,132
Net lending (+) or net borrowing (-) from financial-account transactions³	-186,560	-350,058	-140,388	-138,592	1,796

p Preliminary

r Revised

Table Footnotes

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 of the [International Transactions Accounts Interactive Data Application](#) on the BEA website.

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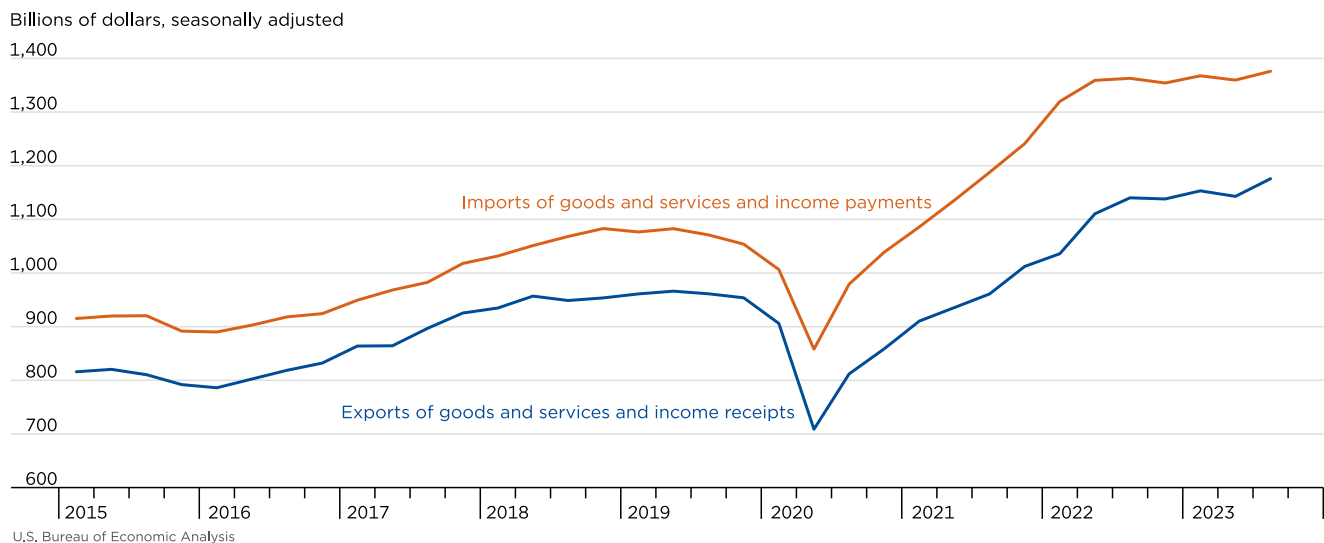
Data Availability and Methodology

Detailed statistics for U.S. international transactions and a description of the estimation methods are available on the U.S. Bureau of Economic Analysis website. For the statistics, see the [International Transactions Accounts Interactive Data Application](#). For the methods, see the [U.S. International Economic Accounts: Concepts and Methods](#).

Current Account

Exports of goods and services to, and income received from, foreign residents increased \$33.0 billion to \$1.18 trillion in the third quarter (charts 2 and 3 and tables A and B). Imports of goods and services from, and income paid to, foreign residents increased \$16.5 billion to \$1.38 trillion (charts 2 and 4 and tables A and C).¹

Chart 2. Quarterly Current-Account Transactions



Trade in goods

Exports of goods increased \$19.1 billion to \$516.4 billion, and imports of goods increased \$4.6 billion to \$777.4 billion. The increases in both exports and imports reflected increases in most major categories. The increase in exports was led by industrial supplies and materials, primarily petroleum and products. The increase in imports was led by automotive vehicles, parts, and engines, primarily passenger cars and other parts and accessories. Partly offsetting this increase was a decrease in imports of nonmonetary gold.

Trade in services

Exports of services increased \$2.7 billion to \$252.2 billion, reflecting an increase in travel, mainly other personal travel, that was partly offset by a decrease in technical, trade-related, and other business services, a subcategory of the broader other business services category.² Imports of services decreased \$1.9 billion to \$176.0 billion, reflecting a decrease in transport, mostly sea freight transport.

Primary income

Receipts of primary income increased \$11.8 billion to \$362.1 billion, and payments of primary income increased \$14.0 billion to \$332.1 billion. The increases in both receipts and payments reflected increases in most major categories. The increase in receipts was led by direct investment income, mainly earnings. The increase in payments was led by other investment income, mostly interest on loans and deposits.

Secondary income

Receipts of secondary income decreased \$0.7 billion to \$45.1 billion, reflecting a decrease in general government transfers, mostly fines and penalties. Payments of secondary income decreased \$0.3 billion to \$90.7 billion, reflecting a decrease in general government transfers, mainly international cooperation, that was mostly offset by an increase in private transfers, led by fines and penalties.

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

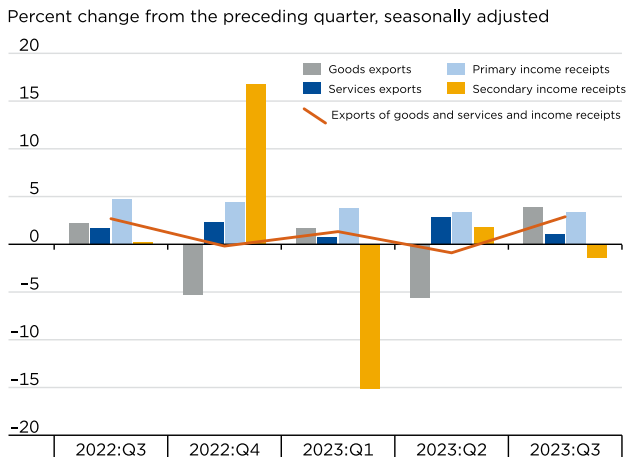


Chart 4. Percent Change in Imports of Goods and Services and Income Payments

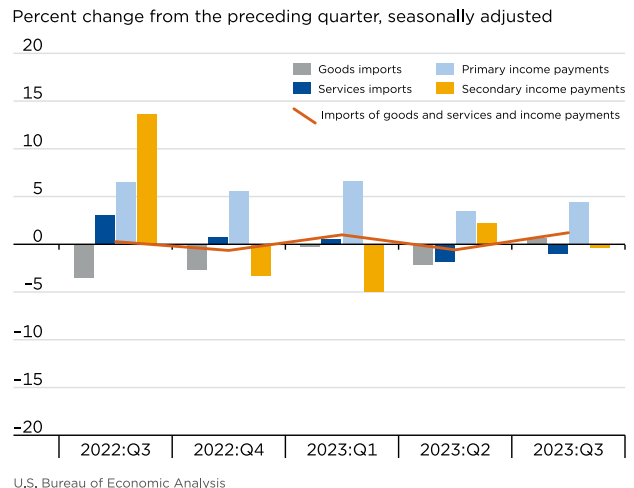


Table B. Exports of Goods and Services and Income Receipts

[Millions of dollars, seasonally adjusted]

Series	2022	2023			Change 2023:Q2 to 2023:Q3
	Q4	Q1	Q2 ^r	Q3 ^p	
Exports of goods and services and income receipts	1,138,053	1,153,162	1,142,858	1,175,811	32,953
Exports of goods	517,725	526,548	497,270	516,414	19,144
General merchandise	507,683	518,454	488,465	503,617	15,152
Foods, feeds, and beverages	42,036	44,332	39,161	38,502	-659
Industrial supplies and materials	196,470	189,213	170,549	175,757	5,208
Energy products	100,789	95,512	82,043	87,855	5,812
<i>Of which: Petroleum and products</i>	79,391	76,829	66,155	72,042	5,887
Nonenergy products	95,681	93,701	88,506	87,902	-604
Capital goods except automotive	146,859	148,563	148,079	152,047	3,968
Automotive vehicles, parts, and engines	41,969	43,487	44,581	48,388	3,807
Consumer goods except food and automotive	59,998	68,188	63,430	66,274	2,844
Other general merchandise	20,350	24,671	22,664	22,649	-15
Net exports of goods under merchandising	232	192	186	133	-53
Nonmonetary gold	9,810	7,902	8,618	12,663	4,045
Exports of services¹	240,836	242,671	249,525	252,187	2,662
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.	3,867	3,654	3,992	4,542	550
Transport	23,599	24,132	23,969	24,490	521
Travel (for all purposes including education)	38,932	39,686	42,321	45,837	3,516
Business	8,057	8,096	8,916	9,462	546
Personal	30,875	31,590	33,405	36,375	2,970
Construction	359	261	207	229	22
Insurance services	5,861	5,952	6,040	6,224	184
Financial services	41,179	43,315	42,720	43,610	890
Charges for the use of intellectual property n.i.e.	30,058	31,904	31,935	30,937	-998
Telecommunications, computer, and information services	17,398	17,197	18,406	18,634	228
Other business services	64,487	61,440	64,327	62,501	-1,826
Personal, cultural, and recreational services	6,395	6,651	6,761	6,809	48
Government goods and services n.i.e.	8,701	8,479	8,846	8,373	-473
Primary income receipts	326,508	339,004	350,315	362,114	11,799
Investment income	324,634	337,131	348,438	360,232	11,794
Direct investment income	164,024	164,607	163,958	171,080	7,122
Income on equity	158,574	159,306	157,926	165,203	7,277
Dividends and withdrawals	54,447	100,702	85,452	93,260	7,808
Reinvested earnings	104,128	58,604	72,473	71,943	-530
Interest	5,450	5,301	6,032	5,877	-155
Portfolio investment income	117,080	120,260	125,462	124,612	-850
Income on equity and investment fund shares	76,726	79,288	83,401	81,631	-1,770
Interest on debt securities	40,354	40,972	42,061	42,982	921
Other investment income	42,323	50,673	57,134	62,403	5,269
Reserve asset income	1,208	1,590	1,884	2,137	253
Compensation of employees	1,874	1,873	1,877	1,882	5
Secondary income (current transfer) receipts²	52,985	44,939	45,749	45,097	-652

p Preliminary**r** Revised**n.a.** Not available**n.i.e.** Not included elsewhere**Table Footnotes**

1. See also "[Table 2.1. U.S. Trade in Services, by Type of Service](#)" on the BEA 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 tables 1.2, 2.1, 3.1, 4.1, and 5.1 of the [International Transactions Accounts Interactive Data Application](#) on the BEA website.

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Table C. Imports of Goods and Services and Income Payments

[Millions of dollars, seasonally adjusted]

Series	2022	2023			Change 2023:Q2 to 2023:Q3
	Q4	Q1	Q2 ^r	Q3 ^p	
Imports of goods and services and income payments	1,354,207	1,367,634	1,359,664	1,376,116	16,452
Imports of goods	791,865	789,815	772,770	777,367	4,597
General merchandise	787,004	784,570	760,674	770,368	9,694
Foods, feeds, and beverages	52,084	51,704	48,886	50,631	1,745
Industrial supplies and materials	189,498	179,078	163,625	162,864	-761
Energy products	79,477	77,056	65,108	70,192	5,084
<i>Of which: Petroleum and products</i>	72,321	67,652	58,912	64,886	5,974
Nonenergy products	110,021	102,022	98,517	92,672	-5,845
Capital goods except automotive	220,012	217,833	213,624	214,426	802
Automotive vehicles, parts, and engines	103,734	109,689	113,486	118,908	5,422
Consumer goods except food and automotive	192,285	194,809	189,399	191,903	2,504
Other general merchandise	29,391	31,456	31,653	31,636	-17
Nonmonetary gold	4,861	5,246	12,096	6,998	-5,098
Imports of services¹	180,228	181,201	177,824	175,971	-1,853
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.	1,572	1,654	1,810	1,644	-166
Transport	38,396	36,571	36,096	34,773	-1,323
Travel (for all purposes including education)	33,726	37,510	36,577	36,458	-119
Business	3,620	4,058	3,902	4,421	519
Personal	30,106	33,452	32,675	32,037	-638
Construction	222	217	239	261	22
Insurance services	15,866	13,759	14,422	14,439	17
Financial services	16,050	15,170	14,736	14,749	13
Charges for the use of intellectual property n.i.e.	11,963	10,663	10,994	11,017	23
Telecommunications, computer, and information services	13,459	14,497	13,927	14,285	358
Other business services	34,988	36,871	35,084	34,780	-304
Personal, cultural, and recreational services	7,644	7,978	7,556	7,300	-256
Government goods and services n.i.e.	6,342	6,312	6,382	6,264	-118
Primary income payments	288,414	307,558	318,070	332,107	14,037
Investment income	282,281	301,576	311,814	325,844	14,030
Direct investment income	78,862	82,177	80,513	84,558	4,045
Portfolio investment income	148,829	153,630	158,457	162,165	3,708
Income on equity and investment fund shares	49,533	52,695	54,273	53,804	-469
Interest on debt securities	99,296	100,934	104,185	108,362	4,177
Other investment income	54,590	65,769	72,844	79,120	6,276
Compensation of employees	6,133	5,982	6,256	6,263	7
Secondary income (current transfer) payments²	93,700	89,059	91,000	90,671	-329
Supplemental detail on insurance transactions:					
Premiums paid	42,503	36,492	39,196	39,349	153
Losses recovered	26,626	26,578	26,572	26,526	-46

p Preliminary

r Revised

n.a. Not available

n.i.e. Not included elsewhere

Table Footnotes

1. See also “[Table 2.1. U.S. Trade in Services, by Type of Service](#)” on the BEA 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 tables 1.2, 2.1, 3.1, 4.1, and 5.1 of the [International Transactions Accounts Interactive Data Application](#) on the BEA website.

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Capital Account

Capital-transfer receipts increased \$10 million to \$18 million (table A). Capital-transfer payments decreased \$0.6 billion to \$2.1 billion, reflecting a decrease in infrastructure grants.

Financial Account

Net financial-account transactions were -\$138.6 billion in the third quarter, reflecting net U.S. borrowing from foreign residents (table A).

Financial assets

Third-quarter transactions increased U.S. residents' foreign financial assets by \$323.4 billion (charts 5 and 6 and table D). Transactions increased other investment assets, mostly loans, by \$174.2 billion; direct investment assets, mostly equity, by \$101.6 billion; portfolio investment assets, mostly equity, by \$47.2 billion; and reserve assets by \$0.4 billion.

Liabilities

Third-quarter transactions increased U.S. liabilities to foreign residents by \$463.0 billion. Transactions increased portfolio investment liabilities, mostly debt securities, by \$193.1 billion; other investment liabilities, mostly loans, by \$189.1 billion; and direct investment liabilities, mostly equity, by \$80.8 billion.

Financial derivatives

Net transactions in financial derivatives were \$1.1 billion in the third quarter, reflecting net U.S. lending to foreign residents.

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

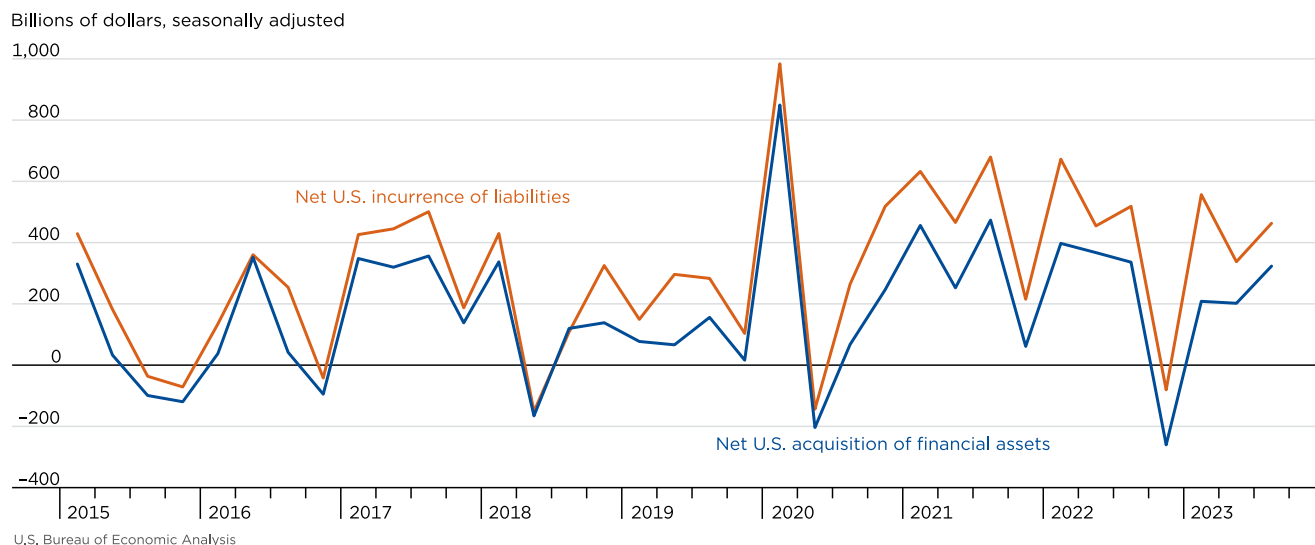
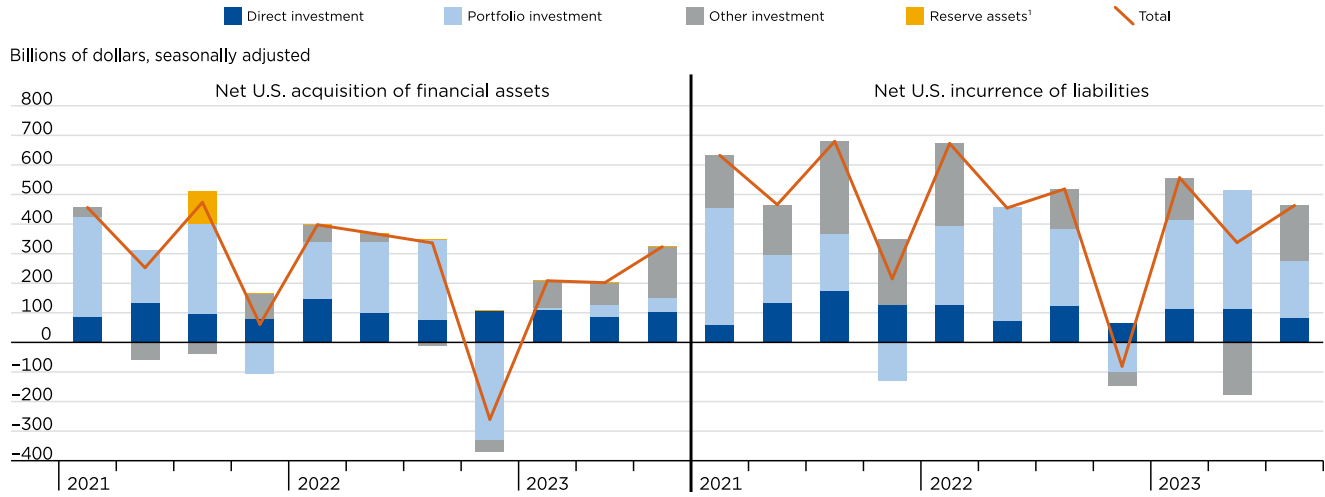


Chart 6. Quarterly Transactions in Financial Assets and Liabilities Excluding Financial Derivatives



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	2022	2023			Change 2023:Q2 to 2023:Q3
	Q4	Q1	Q2 ^r	Q3 ^p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	-260,318	208,346	201,852	323,357	121,505
Direct investment assets	105,743	108,734	86,516	101,614	15,098
Equity	109,714	68,850	80,025	83,592	3,567
Equity other than reinvestment of earnings	5,586	10,246	7,551	11,649	4,098
Reinvestment of earnings	104,128	58,604	72,473	71,943	-530
Debt instruments	-3,971	39,884	6,491	18,022	11,531
Portfolio investment assets	-330,802	8,109	38,966	47,181	8,215
Equity and investment fund shares	-264,288	-40,678	26,322	28,981	2,659
Debt securities	-66,514	48,787	12,644	18,200	5,556
Short-term securities	-5,958	-997	-18,872	13,668	32,540
Long-term corporate securities	-46,689	34,091	25,721	3,900	-21,821
Other long-term securities	-13,867	15,693	5,795	632	-5,163
Other investment assets	-38,162	90,725	76,098	174,163	98,065
Other equity	165	266	1,582	0	-1,582
Currency and deposits	27,131	-69,162	-28,532	24,176	52,708
Loans	-63,548	162,134	104,892	147,921	43,029
Trade credit and advances	-1,911	-2,513	-1,844	2,065	3,909
Reserve assets	2,903	778	272	400	128
Monetary gold	0	0	0	0	0
Special drawing rights	1,223	969	812	1,713	901
Reserve position in the International Monetary Fund	1,652	-210	-637	-1,487	-850
Other reserve assets	29	19	97	175	78
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	-80,707	556,677	337,499	463,018	125,519
Direct investment liabilities	66,847	112,094	111,530	80,841	-30,689
Equity	73,985	116,807	73,749	70,623	-3,126
Equity other than reinvestment of earnings	21,805	66,062	20,268	9,910	-10,358
Reinvestment of earnings	52,180	50,745	53,481	60,714	7,233
Debt instruments	-7,138	-4,712	37,781	10,218	-27,563
Portfolio investment liabilities	-101,060	299,510	402,487	193,074	-209,413
Equity and investment fund shares	-246,432	74,159	74,039	3,874	-70,165
Debt securities	145,372	225,351	328,448	189,200	-139,248
Short-term securities	43,710	-7,487	10,290	88,570	78,280
Treasury bills and certificates	30,378	12,633	-13,992	111,265	125,257
Federally sponsored agency securities	3,719	3,764	-5,892	-5,017	875
Other short-term securities	9,613	-23,884	30,174	-17,678	-47,852
Long-term securities	101,662	232,838	318,157	100,630	-217,527
Treasury bonds and notes	16,692	150,411	182,120	-191	-182,311
Federally sponsored agency securities	67,563	37,587	49,619	46,165	-3,454
Corporate bonds and notes	17,772	45,260	84,409	53,056	-31,353
Other long-term securities	-365	-420	2,009	1,600	-409
Other investment liabilities	-46,494	145,073	-176,518	189,102	365,620
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency	11,247	6,807	11,869	-9,688	-21,557
Deposits	-24,098	55,438	-50,727	36,981	87,708
Loans	-37,079	78,958	-142,460	154,748	297,208
Trade credit and advances	3,435	3,869	4,800	7,061	2,261
Special drawing rights allocations	0	0	0	0	0

p Preliminary

r Revised

n.a. Not available

Note. The statistics are presented in tables 1.2, 6.1, 7.1, and 8.1 of the [International Transactions Accounts Interactive Data Application](#) on the BEA website.

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Updates to Statistics

The U.S. international transactions statistics for the second quarter of 2023 have been updated to incorporate newly available and revised source data (table E).

Table E. Updates to Second-Quarter 2023 International Transactions Aggregates

[Millions of dollars, seasonally adjusted]

Series	Preliminary estimates	Revised estimates
Balance on current account	-212,104	-216,805
Balance on goods	-275,173	-275,500
Balance on services	71,659	71,701
Balance on primary income	35,004	32,245
Balance on secondary income (current transfers)	-43,595	-45,251
Net lending or borrowing from financial-account transactions	-109,006	-140,388
Net U.S. acquisition of financial assets	238,206	201,852
Net U.S. incurrence of liabilities	342,471	337,499
Financial derivatives other than reserves, net transactions	-4,741	-4,741

Footnotes

1. U.S. international transactions are presented in current dollars in accordance with international statistical presentation guidelines. For a comparison of current-dollar, or nominal, and inflation-adjusted, or real, measures of international transactions, see "SECTION 4 – FOREIGN TRANSACTIONS" of the [National Income and Product Accounts](#).
2. Underlying detail on U.S. trade in services presented in tables B and C of this article is available from table 3.1 of the [International Transactions Accounts Interactive Data Application](#).



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