

# U.S. International Transactions, 2004

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THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$665.9 billion in 2004 from \$530.7 billion in 2003. An increase in the deficit on goods to \$665.5 billion from \$547.6 billion accounted for most of the increase. Other contributors to the increase in the current-account deficit were a decrease in the surplus on income to \$24.1 billion from \$33.3 billion, an increase in net outflows on unilateral current transfers to \$72.9 billion from \$67.4 billion, and a decrease in the surplus on services to \$48.4 billion from \$51.0 billion (table A, chart 1).

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

The statistical discrepancy—errors and omissions in

recorded transactions—was a positive \$51.9 billion in 2004, compared with a negative \$12.0 billion in 2003.

The following are highlights for 2004:

- The deficit on goods increased by a substantially larger amount in 2004 than in 2003. Exports were also substantially higher, partly as a result of a pickup in economic growth abroad. Imports rose even more substantially, reflecting faster U.S. economic growth.
- The surplus on services decreased, but by a much smaller amount in 2004 than in 2003. Both services imports and services exports increased much more rapidly in 2004 than in 2003.
- The surplus on income declined as the deficits on “other” private income and U.S. Government income both increased. These increases were partly offset by an increase in the surplus on direct investment. Both receipts and payments for direct investment reflected substantially larger increases in earnings than in 2003. Receipts were boosted by the appreciation of foreign currencies against the dollar.

**Table A. Summary of U.S. International Transactions**

[Millions of dollars, quarters seasonally adjusted]

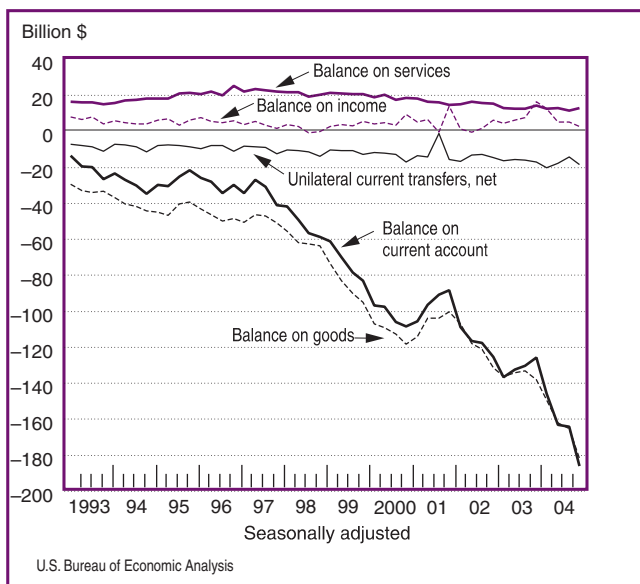
Line	Lines in tables 1 and 11 in which transactions are included are indicated in ( ) (Credits +; debits -)	2003	2004 <sup>P</sup>	Change: 2003-2004	2003				2004				Change: 2004: III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>	
<b>Current account</b>													
1	<b>Exports of goods and services and income receipts (1)</b> .....	<b>1,314,888</b>	<b>1,516,169</b>	<b>201,281</b>	<b>315,676</b>	<b>317,367</b>	<b>329,508</b>	<b>352,336</b>	<b>360,045</b>	<b>372,895</b>	<b>382,867</b>	<b>400,363</b>	<b>17,496</b>
2	Goods, balance of payments basis (3).....	713,122	807,610	94,488	173,459	174,554	178,251	186,858	194,322	199,717	205,013	208,558	3,545
3	Services (4).....	307,381	339,571	32,190	74,540	73,920	77,472	81,448	82,298	84,870	85,076	87,327	2,251
4	Income receipts (12).....	294,385	368,988	74,603	67,677	68,893	73,785	84,030	83,425	88,308	92,778	104,478	11,700
5	<b>Imports of goods and services and income payments (18)</b> .....	<b>-1,778,117</b>	<b>-2,109,181</b>	<b>-331,064</b>	<b>-437,067</b>	<b>-434,873</b>	<b>-444,497</b>	<b>-461,679</b>	<b>-486,803</b>	<b>-519,271</b>	<b>-533,828</b>	<b>-569,278</b>	<b>-35,450</b>
6	Goods, balance of payments basis (20).....	-1,260,674	-1,473,087	-212,413	-311,402	-310,087	-312,886	-326,299	-345,376	-363,583	-372,028	-392,100	-20,072
7	Services (21).....	-256,337	-291,169	-34,832	-61,983	-61,767	-65,087	-67,501	-70,083	-72,326	-73,925	-74,836	-911
8	Income payments (29).....	-261,106	-344,925	-83,819	-63,682	-63,019	-66,524	-67,879	-71,344	-83,362	-87,875	-102,342	-14,467
9	<b>Unilateral current transfers, net (35)</b> .....	<b>-67,439</b>	<b>-72,928</b>	<b>-5,489</b>	<b>-16,815</b>	<b>-16,369</b>	<b>-16,639</b>	<b>-17,617</b>	<b>-20,720</b>	<b>-18,332</b>	<b>-14,897</b>	<b>-18,983</b>	<b>-4,086</b>
<b>Capital account</b>													
10	<b>Capital account transactions, net (39)</b> .....	<b>-3,079</b>	<b>-1,477</b>	<b>1,602</b>	<b>-406</b>	<b>-1,552</b>	<b>-821</b>	<b>-300</b>	<b>-396</b>	<b>-324</b>	<b>-374</b>	<b>-383</b>	<b>-9</b>
<b>Financial account</b>													
11	<b>U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)</b> .....	<b>-283,414</b>	<b>-817,676</b>	<b>-534,262</b>	<b>-102,665</b>	<b>-110,962</b>	<b>-8,138</b>	<b>-61,647</b>	<b>-307,170</b>	<b>-106,472</b>	<b>-127,581</b>	<b>-276,453</b>	<b>-148,872</b>
12	U.S. official reserve assets, net (41).....	1,523	2,805	1,282	83	-170	-611	2,221	557	1,122	429	697	268
13	U.S. Government assets, other than official reserve assets, net (46)	537	1,269	732	53	310	483	-309	727	-2	-10	554	564
14	U.S. private assets, net (50).....	-285,474	-821,750	-536,276	-102,801	-111,102	-8,101	-63,559	-308,454	-107,592	-128,000	-277,704	-149,704
15	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55)</b> .....	<b>829,173</b>	<b>1,433,171</b>	<b>603,998</b>	<b>246,105</b>	<b>218,553</b>	<b>134,202</b>	<b>230,311</b>	<b>445,608</b>	<b>271,031</b>	<b>256,283</b>	<b>460,246</b>	<b>203,963</b>
16	Foreign official assets in the United States, net (56).....	248,573	355,252	106,679	48,986	65,245	50,663	83,679	127,864	73,349	72,004	82,035	10,031
17	Other foreign assets in the United States, net (63).....	580,600	1,077,919	497,319	197,119	153,308	83,539	146,632	317,744	197,682	184,279	378,211	193,932
18	<b>Statistical discrepancy (sum of above items with sign reversed) (70)</b> .....	<b>-12,012</b>	<b>51,922</b>	<b>63,934</b>	<b>-4,828</b>	<b>27,836</b>	<b>6,385</b>	<b>-41,404</b>	<b>9,436</b>	<b>473</b>	<b>37,530</b>	<b>4,488</b>	<b>-33,042</b>
<b>Memoranda:</b>													
19	Balance on current account (76).....	-530,668	-665,940	-135,272	-138,206	-133,875	-131,628	-126,960	-147,478	-164,708	-165,858	-187,898	-22,040
20	Net financial flows (40 and 55).....	545,759	615,495	69,736	143,440	107,591	126,064	168,664	138,438	164,559	128,702	183,793	55,091

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

- Financial outflows for U.S.-owned assets abroad were substantially higher as a result of a sharp increase in lending by U.S. banks and nonbanks and a sizable increase in U.S. direct investment abroad.
- Financial inflows for foreign-owned assets in the United States were also substantially higher. Inflows for foreign official assets increased a sizable amount. Among private assets, liabilities reported by U.S. banks, net foreign purchases of U.S. securities other than U.S. Treasury securities, and foreign direct investment in the United States were all up by substantial amounts.

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



**Selected economic and financial conditions**

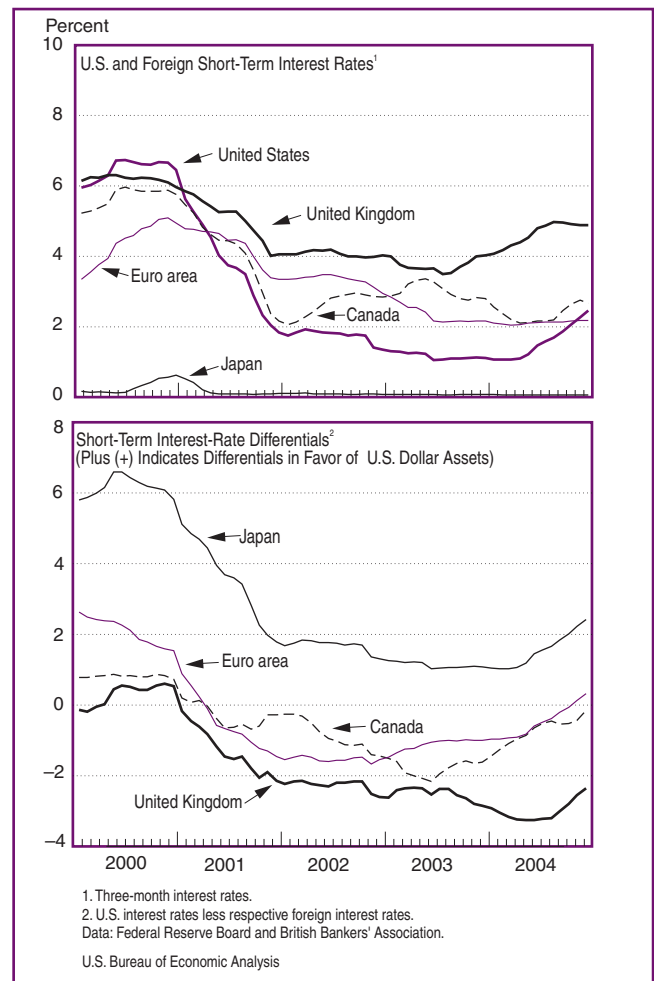
U.S. real gross domestic product (GDP) grew 4.4 percent in 2004, significantly faster than the 3.0-percent growth in 2003. Businesses spent more vigorously on equipment and software, consumer spending increased, and corporate profits rose significantly. Other signs of a strengthening expansion also emerged. Energy and commodity prices rose. The core inflation rate also rose, albeit from especially low levels. In recognition of this stronger economic growth and higher inflation, the Federal Reserve raised the target Federal funds rate, beginning in late June, in five quarter-point steps to 2.25 percent at yearend from the 1-percent rate that had been maintained since mid-2003.

Economic growth in many foreign countries also accelerated in 2004. Real GDP growth in the euro area was 2.2 percent, up from 0.5 percent in 2003. However, euro area growth remained well below that in the United States, and unemployment remained high. In

key countries such as Germany, growth was only one-third that in the United States. The European Central Bank left the bid rate on main financing operations unchanged at 2 percent in 2004. Growth in Japan was 2.7 percent in 2004, up from 1.4 percent in 2003; the Bank of Japan left the overnight call rate unchanged in 2004. Growth in the United Kingdom was 3.1 percent in 2004, up from 2.2 percent in 2003; the Bank of England raised the target repo rate 100 basis points. Growth in Canada was 2.8 percent in 2004, up from 2.0 percent in 2003; the Bank of Canada lowered the target overnight rate 75 basis points early in the year and then raised the rate 50 basis points in the autumn (charts 2, 3, and 4).

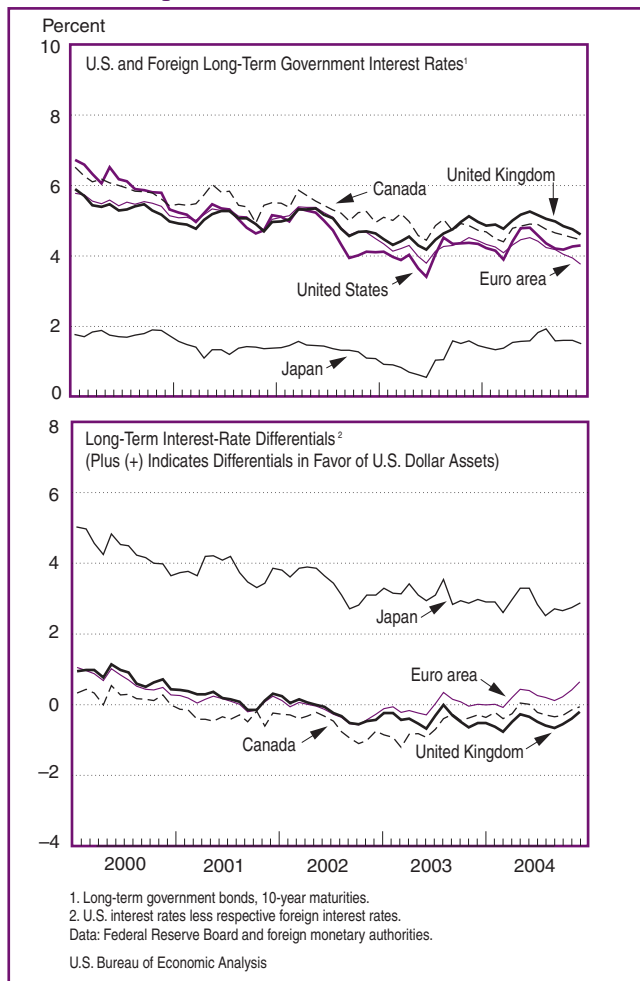
In 2004, the dollar depreciated 8 percent on a trade-weighted yearly average basis against a group of seven major currencies that are widely traded in international markets (table B, chart 5). The dollar depreciated 11 percent against the British pound, 9 percent against the euro, and 7 percent against the Canadian

**Chart 2. Short-Term Interest Rates**



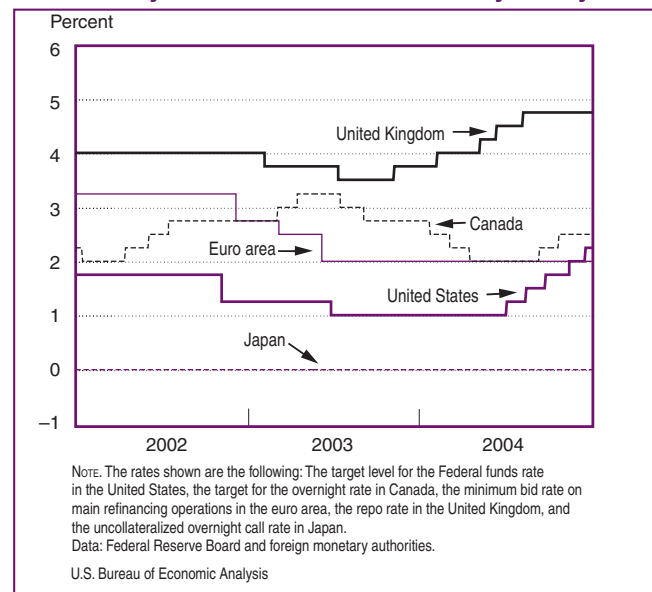
1. Three-month interest rates.  
 2. U.S. interest rates less respective foreign interest rates.  
 Data: Federal Reserve Board and British Bankers' Association.  
 U.S. Bureau of Economic Analysis

**Chart 3. Long-Term Interest Rates**



dollar and the Japanese yen. The dollar depreciated 13 percent against the South Korean won, but central banks of a few Asian countries, most notably the People's Bank of China, kept their currencies stable against the dollar. Since 2002, the dollar has depreciated 24 percent against the euro, 18 percent against the British pound, 17 percent against the Canadian dollar, and 14 percent against the Japanese yen.

**Chart 4. Key Interest Rates for Monetary Policy**



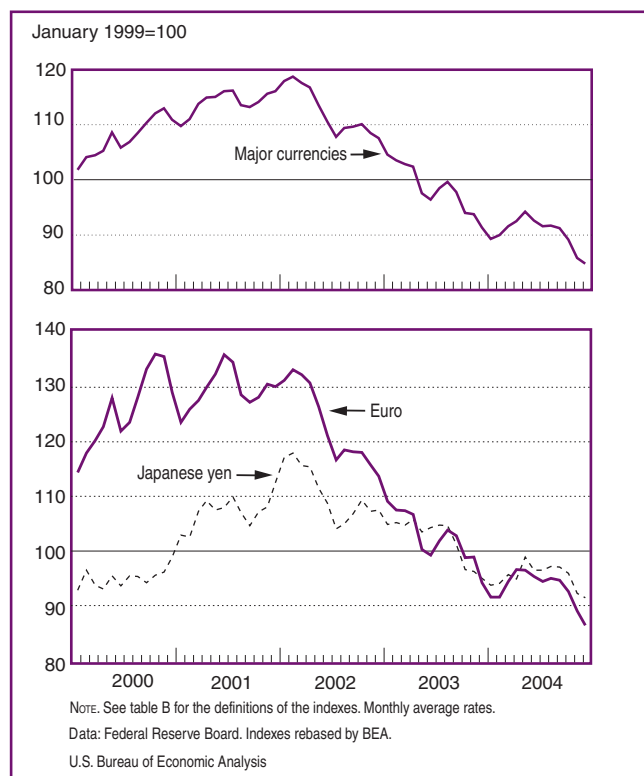
**Table B. Indexes of Foreign Currency Price of the U.S. Dollar**  
(January 1999=100)

	2003	2004				2003	2004												
	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	Dec. <sup>r</sup>	Jan. <sup>r</sup>	Feb. <sup>r</sup>	March <sup>r</sup>	April <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct. <sup>p</sup>	Nov. <sup>p</sup>	Dec. <sup>p</sup>	
<b>Nominal:<sup>1</sup></b>																			
Broad <sup>2</sup> .....	100.9	98.9	101.2	100.4	96.7	100.0	98.3	98.7	99.7	100.5	102.1	101.1	100.4	100.6	100.2	98.7	96.2	95.1	
Major currencies <sup>3</sup> .....	93.0	90.2	93.1	91.5	86.6	91.3	89.3	89.9	91.5	92.5	94.2	92.6	91.5	91.7	91.2	89.2	85.8	84.8	
Other important trading partners <sup>4</sup> .....	111.1	110.2	111.7	112.0	110.1	111.2	110.0	110.3	110.4	110.7	112.3	112.1	112.1	112.1	111.8	111.3	110.1	108.9	
<b>Real:<sup>1</sup></b>																			
Broad <sup>2</sup> .....	101.5	99.7	102.8	101.9	97.9	100.2	98.8	99.5	100.8	101.7	103.7	103.0	102.0	102.0	101.6	100.2	97.4	96.0	
Major currencies <sup>3</sup> .....	97.0	94.7	98.3	96.8	91.7	94.9	93.4	94.4	96.3	97.5	99.3	98.0	96.8	97.1	96.6	94.6	90.9	89.6	
Other important trading partners <sup>4</sup> .....	106.8	105.5	107.9	107.7	105.3	106.4	105.1	105.4	105.9	106.3	108.6	108.7	108.1	107.8	107.3	106.7	105.3	103.8	
<b>Selected currencies: (nominal)<sup>5</sup></b>																			
Canada.....	86.6	86.7	89.5	86.1	80.4	86.4	85.3	87.5	87.4	88.3	90.8	89.4	87.0	86.4	84.8	82.1	78.8	80.2	
<b>European currencies:</b>																			
Euro area <sup>6</sup> .....	97.4	92.6	96.2	94.8	89.5	94.3	91.7	91.7	94.5	96.7	96.6	95.4	94.5	95.1	94.8	92.7	89.2	86.5	
United Kingdom.....	96.7	89.7	91.4	90.7	88.5	94.2	90.4	88.4	90.3	91.5	92.4	90.3	89.5	90.6	92.0	91.3	88.7	85.5	
Switzerland.....	94.2	90.5	92.2	90.7	85.4	91.2	89.4	89.8	92.2	93.6	92.7	90.2	89.9	91.1	91.1	89.0	84.5	82.7	
Japan.....	96.1	94.6	96.9	97.0	93.3	95.1	93.8	94.2	95.8	95.0	99.0	96.6	96.6	97.3	97.2	96.0	92.4	91.6	
Mexico.....	110.5	108.5	112.5	113.0	111.8	111.1	107.8	108.9	108.8	111.3	113.7	112.5	113.2	112.5	113.4	112.6	112.3	110.6	
Brazil.....	191.9	191.7	201.5	196.9	184.2	193.5	188.7	194.1	192.2	192.3	205.2	207.0	201.0	198.5	191.2	188.6	184.4	179.6	

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.  
1. For more information on the nominal and real indexes of the foreign exchange value of the U.S. dollar, see Federal Reserve Bulletin, vol. 84 (October 1998): 811-18.  
2. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, United Kingdom, Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.  
3. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that circulate widely outside the country of issue, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom. The weight for each currency is its broad-index

weight divided by the sum of the broad-index weights for all of the currencies included in the major currency index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.  
4. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that do not circulate widely outside the country of issue, including the currencies of Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the other important trading partners index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.  
5. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.  
6. The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

**Chart 5. Nominal Indexes of Foreign Currency Price of the U.S. Dollar**



## Current Account

### Goods and services

The deficit on goods and services increased to \$617.1 billion in 2004 from \$496.5 billion in 2003. The deficit on goods increased substantially, and the surplus on services decreased slightly (table C).

### Goods

The deficit on goods increased to \$665.5 billion in 2004 from \$547.6 billion in 2003. Goods exports increased significantly, continuing the stronger growth

that began in mid-2003. Goods imports, which increased strongly in 2003, increased even more strongly in 2004.

Goods exports increased \$94.5 billion, or 13 percent, in 2004 after an increase of \$31.3 billion, or 5 percent, in 2003. Nearly three-fourths of the increase in 2004 was in capital goods and in industrial supplies and materials; smaller increases occurred in consumer goods and in automotive vehicles, engines, and parts (tables D and E).

Goods imports increased \$212.4 billion, or 17 percent, in 2004 after an increase of \$95.9 billion, or 8 percent, in 2003. Nearly one-half of the increase in 2004 was in industrial supplies and materials; sizable increases also occurred in capital goods and in consumer goods (tables D and E).

U.S. exports strengthened considerably in 2004 in response to an increase in real GDP growth in the euro area to 2.2 percent from 0.5 percent in 2003 and in response to a strengthening in real GDP growth in the United Kingdom, Japan, and Canada to a range of 2.7–3.1 percent from a range of 1.4–2.2 percent (chart 6). Growth in the newly industrialized countries of Asia nearly doubled to 5.5 percent, and growth in Latin America included strong recoveries in Brazil and Mexico. Appreciations of many foreign currencies against the dollar over the past several years also stimulated exports.

U.S. imports increased especially strongly in 2004, reflecting a pickup in U.S. real GDP growth to 4.4 percent in 2004 from 3.0 percent in 2003 and 1.9 percent in 2002. Expansion in the U.S. economy was a dominant factor in import growth in 2004.

Dollar prices of total U.S. exports increased more strongly in 2004 than in 2003. Most price increases were attributable to large increases in prices of foods, feeds, and beverages (mainly soybeans) and of industrial supplies and materials (mainly metals and metallic products and petroleum). Prices of capital goods declined slightly (table F). When translated into

**Table C. Selected Balances on U.S. International Transactions**

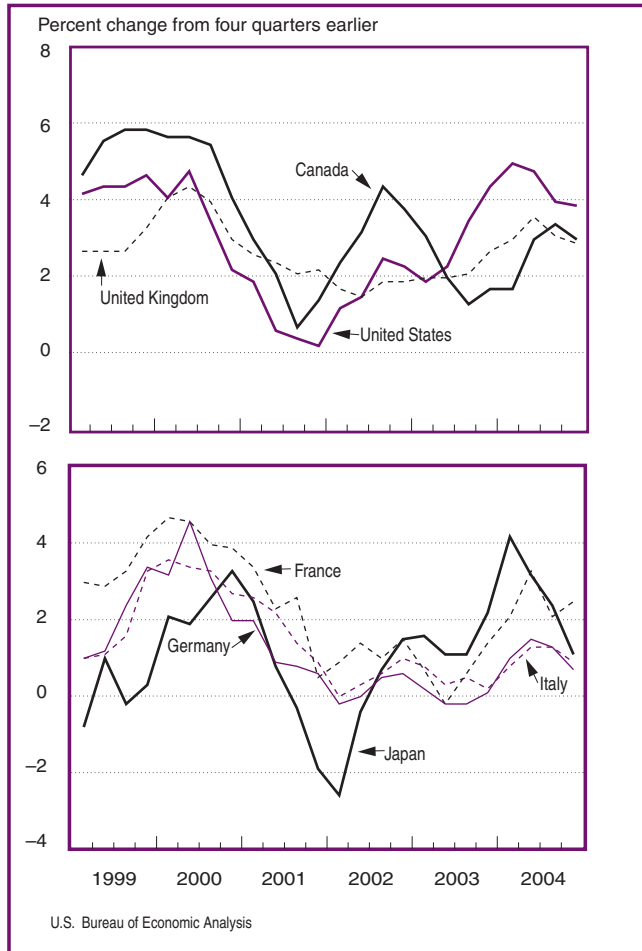
[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2002	2003	2004 <sup>P</sup>	2004			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
Balance on goods .....	-482,895	-547,552	-665,477	-151,054	-163,866	-167,015	-183,542
Balance on services .....	61,160	51,044	48,402	12,215	12,544	11,151	12,491
Balance on income .....	7,173	33,279	24,063	12,081	4,946	4,903	2,136
Investment income, net .....	12,615	38,781	29,822	13,473	6,477	6,326	3,549
Direct investment, net .....	100,831	118,865	132,312	34,673	31,163	31,368	35,112
Other private, net .....	-15,405	-12,739	-21,379	-2,928	-4,798	-4,238	-9,415
U.S. Government, net .....	-72,811	-67,345	-81,111	-18,272	-19,888	-20,804	-22,148
Compensation of employees, net .....	-5,442	-5,502	-5,759	-1,392	-1,531	-1,423	-1,413
Unilateral current transfers, net .....	-59,382	-67,439	-72,928	-20,720	-18,332	-14,897	-18,983
Balance on current account .....	-473,944	-530,668	-665,940	-147,478	-164,708	-165,858	-187,898

<sup>r</sup> Revised.  
<sup>P</sup> Preliminary.

foreign currencies, prices of U.S. exports decreased by sizable amounts because appreciations of foreign currencies more than offset small dollar price increases;

**Chart 6. Major Industrial Countries: Real GDP**



the largest decreases were in capital goods, automotive goods, and consumer goods (table G).

Dollar prices of total U.S. imports also increased more strongly in 2004 than in 2003. Prices of most nonpetroleum products were only slightly higher. In contrast, petroleum prices were sharply higher (table F).

**Exports.** Goods exports increased \$94.5 billion, or 13 percent, to \$807.6 billion in 2004, following an increase of \$31.3 billion, or 5 percent, in 2003. The rise marks the highest dollar increase on record and equals the record for the highest percentage set in 2000. Real exports increased 9 percent in 2004, and export prices increased 4 percent (table D). In value, capital goods and industrial supplies and materials accounted for

**Table E. Percent Change in U.S. Trade in Goods, Current and Chained Dollars**

[Balance of payments basis]

	Current dollars			Chained (2000) dollars		
	2002	2003	2004 <sup>p</sup>	2002	2003	2004 <sup>p</sup>
<b>Exports</b> .....	<b>-5.1</b>	<b>4.6</b>	<b>13.2</b>	<b>-4.5</b>	<b>2.5</b>	<b>9.1</b>
Agricultural products.....	-0.7	11.7	3.3	-2.5	1.3	-6.6
Nonagricultural products.....	-5.5	4.0	14.2	-4.7	2.6	10.7
Foods, feeds, and beverages.....	0.4	10.9	2.4	-2.0	1.7	-8.1
Industrial supplies and materials.....	-2.1	10.4	17.6	-0.6	3.2	5.7
Capital goods, except automotive.....	-9.7	1.1	12.8	-8.7	2.2	13.0
Automotive vehicles, parts, and engines.....	4.6	2.2	9.3	4.1	1.5	8.5
Consumer goods (nonfood), except automotive.....	-4.5	6.6	14.4	-4.0	6.0	13.3
Exports, n.e.c.....	-8.3	-3.8	22.5	-8.2	-6.4	17.3
<b>Imports</b> .....	<b>1.6</b>	<b>8.2</b>	<b>16.8</b>	<b>3.5</b>	<b>5.2</b>	<b>11.4</b>
Petroleum and products.....	-0.1	28.6	35.6	-2.5	6.4	6.6
Nonpetroleum products.....	1.8	6.3	14.6	4.1	5.0	11.9
Foods, feeds, and beverages.....	6.5	12.4	11.3	5.3	7.7	5.9
Industrial supplies and materials.....	-2.9	17.3	31.1	0.2	3.8	10.8
Capital goods, except automotive.....	-4.9	4.4	16.2	-1.6	6.0	17.5
Automotive vehicles, parts, and engines.....	7.4	3.2	8.6	7.0	2.6	6.8
Consumer goods (nonfood), except automotive.....	8.3	8.5	11.7	9.4	8.7	11.0
Imports, n.e.c., and U.S. goods returned.....	2.0	-3.0	6.4	3.0	-5.0	3.0

<sup>p</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table D. U.S. Trade in Goods in Current and Chained Dollars**

[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current dollars								Chained (2000) dollars <sup>1</sup>							
	2002	2003	2004 <sup>p</sup>	2004				2002	2003	2004 <sup>p</sup>	2004					
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>Exports</b> .....	<b>681,833</b>	<b>713,122</b>	<b>807,610</b>	<b>194,322</b>	<b>199,717</b>	<b>205,013</b>	<b>208,558</b>	<b>691,087</b>	<b>708,587</b>	<b>773,343</b>	<b>188,620</b>	<b>191,380</b>	<b>195,875</b>	<b>197,345</b>		
Agricultural products.....	54,512	60,883	62,864	16,052	15,841	15,280	15,691	53,130	53,844	50,302	12,549	11,905	12,581	13,358		
Nonagricultural products.....	627,321	652,239	744,746	178,270	183,876	189,733	192,867	637,845	654,582	724,905	176,425	180,059	183,830	184,436		
Foods, feeds, and beverages.....	49,617	55,026	56,354	14,241	14,063	13,669	14,381	48,257	49,072	45,084	11,289	10,533	11,219	12,136		
Industrial supplies and materials.....	156,819	173,050	203,582	47,952	49,879	51,791	53,960	164,121	169,406	179,020	44,198	44,683	44,968	45,123		
Capital goods, except automotive.....	290,435	293,622	331,091	80,996	82,388	83,703	84,004	294,007	300,556	339,709	83,328	84,592	85,863	85,921		
Automotive vehicles, parts, and engines.....	78,942	80,685	88,227	20,853	21,342	23,053	22,979	78,275	79,441	86,201	20,468	20,877	22,500	22,346		
Consumer goods (nonfood), except automotive.....	84,359	89,907	102,827	24,521	25,595	25,692	27,019	85,097	90,182	102,160	24,458	25,498	25,452	26,744		
Exports, n.e.c.....	21,661	20,832	25,529	5,759	6,450	7,105	6,215	21,764	20,375	23,897	5,475	6,048	6,634	5,734		
<b>Imports</b> .....	<b>1,164,728</b>	<b>1,260,674</b>	<b>1,473,087</b>	<b>345,376</b>	<b>363,583</b>	<b>372,028</b>	<b>392,100</b>	<b>1,222,414</b>	<b>1,285,510</b>	<b>1,431,724</b>	<b>344,154</b>	<b>355,523</b>	<b>359,239</b>	<b>372,107</b>		
Petroleum and products.....	103,491	133,088	180,491	40,480	40,928	44,761	54,322	121,562	129,287	137,839	35,982	32,538	32,707	36,549		
Nonpetroleum products.....	1,061,237	1,127,586	1,292,596	304,896	322,655	327,267	337,778	1,100,777	1,155,764	1,293,786	307,861	323,545	327,120	335,011		
Foods, feeds, and beverages.....	49,687	55,831	62,156	15,051	15,633	15,226	16,246	50,644	54,561	57,773	14,296	14,555	14,172	14,741		
Industrial supplies and materials.....	268,088	314,466	412,220	91,264	97,805	105,966	117,185	299,145	310,522	344,044	83,739	83,426	86,273	90,642		
Capital goods, except automotive.....	283,323	295,832	343,738	80,515	85,436	87,996	89,791	302,466	320,511	376,448	87,526	93,545	96,662	98,794		
Automotive vehicles, parts, and engines.....	203,744	210,173	228,248	55,588	57,167	57,883	57,610	203,287	208,565	222,707	54,608	55,937	56,384	55,770		
Consumer goods (nonfood), except automotive.....	307,972	334,006	373,156	89,904	94,048	91,575	97,629	313,723	340,937	378,297	91,065	95,402	92,988	98,839		
Imports, n.e.c., and U.S. goods returned.....	51,914	50,366	53,569	13,054	13,494	13,382	13,639	52,625	50,000	51,485	12,702	13,007	12,825	12,949		

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.  
n.e.c. Not elsewhere classified.

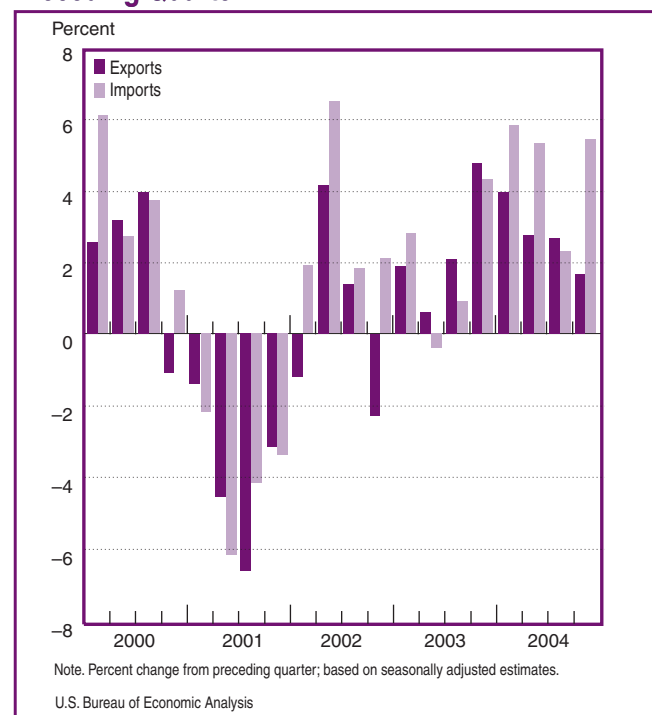
1. Because chain indexes use weights of more than one period, the corresponding chained dollar estimates are usually not additive.

nearly three-fourths of the increase (charts 7 and 8). Exports to Asia excluding Japan increased \$24.1 billion; to Latin America, \$22.0 billion; to Europe, \$21.1 billion; to Canada, \$20.3 billion; and to Japan, \$2.1 billion.

Capital goods increased \$37.5 billion, or 13 percent, following an increase of \$3.2 billion, or 1 percent. Exports of industrial, agricultural, and service industry machinery, machine tools, and electric generating machinery increased \$14.8 billion, following virtually no increase in 2003; shipments to the newly industrialized countries in Asia, China, Canada, Japan, and Europe increased in response to significantly higher economic growth in those areas. High-technology products increased \$8.3 billion. Increases were small for computers and telecommunications equipment, as manufacturers of these products still struggled to recover from sharp contractions in 2001–2002; semiconductors increased less than in 2003. Civilian aircraft and parts increased \$3.6 billion, following 2 years of large declines; in 2004, growth in engines and parts increased, while deliveries of complete aircraft were unchanged (table H).

Nonagricultural industrial supplies and materials increased \$29.3 billion, or 18 percent, following an increase of \$14.9 billion, or 10 percent. All major categories were significantly higher in response to the

**Chart 7. U.S. Trade in Goods: Change From Preceding Quarter**



worldwide pickup in industrial output. The pickup in industrial output led to major price increases for the second consecutive year; prices increased 12 percent in 2004, following an increase of 7 percent in 2003. In value, chemicals increased \$10.9 billion, or 19 percent, and prices increased 11 percent; shipments to both advanced countries and developing countries in Asia and Latin America were sharply higher. Metals and nonmetallic products increased \$6.8 billion, or 19 percent; prices of copper increased 48 percent; precious metals, 38 percent; aluminum, 16 percent; and nonmonetary gold, 13 percent. Iron and steel products and steelmaking materials increased \$3.1 billion, or 32 percent; prices increased 37 percent for products and 70 percent for materials. Energy products increased \$6.0

**Table F. Percent Change in U.S. Trade in Goods, Chain-Weighted Price Indexes**

[Based on index numbers (2000=100)]

	2002 <sup>1</sup>	2003 <sup>1</sup>	2004 <sup>P</sup>
<b>Exports</b> .....	<b>-0.7</b>	<b>2.0</b>	<b>3.8</b>
Agricultural products .....	1.9	10.2	10.5
Nonagricultural products .....	-0.9	1.3	3.1
Foods, feeds, and beverages .....	2.5	9.1	11.5
Industrial supplies and materials .....	-1.5	6.9	11.3
Capital goods, except automotive .....	-1.2	-1.1	-0.2
Computers, peripherals, and parts .....	-6.2	-2.4	-1.4
Civilian aircraft, engines, and parts .....	2.7	3.9	4.0
Other capital goods .....	-1.0	-2.0	-1.0
Automotive vehicles, parts, and engines .....	0.5	0.7	0.8
Consumer goods (nonfood), except automotive .....	-0.5	0.6	1.0
Exports, n.e.c. ....	-0.1	2.7	4.5
<b>Imports</b> .....	<b>-1.8</b>	<b>2.9</b>	<b>4.9</b>
Petroleum and products .....	2.4	20.9	27.2
Nonpetroleum products .....	-2.2	1.2	2.4
Foods, feeds, and beverages .....	1.2	4.3	5.1
Industrial supplies and materials .....	-3.1	13.0	18.3
Capital goods, except automotive .....	-3.4	-1.5	-1.1
Computers, peripherals, and parts .....	-7.9	-6.6	-6.3
Civilian aircraft, engines, and parts .....	1.3	0.6	3.7
Other capital goods .....	-2.2	0.4	0.5
Automotive vehicles, parts, and engines .....	0.3	0.5	1.7
Consumer goods (nonfood), except automotive .....	-1.0	-0.2	0.7
Imports, n.e.c., and U.S. goods returned .....	-0.9	2.1	3.3

<sup>1</sup> Revised.  
<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table G. Percent Change in Foreign Currency Cost of U.S. Exports of Goods**

[Based on index numbers (2000=100)]

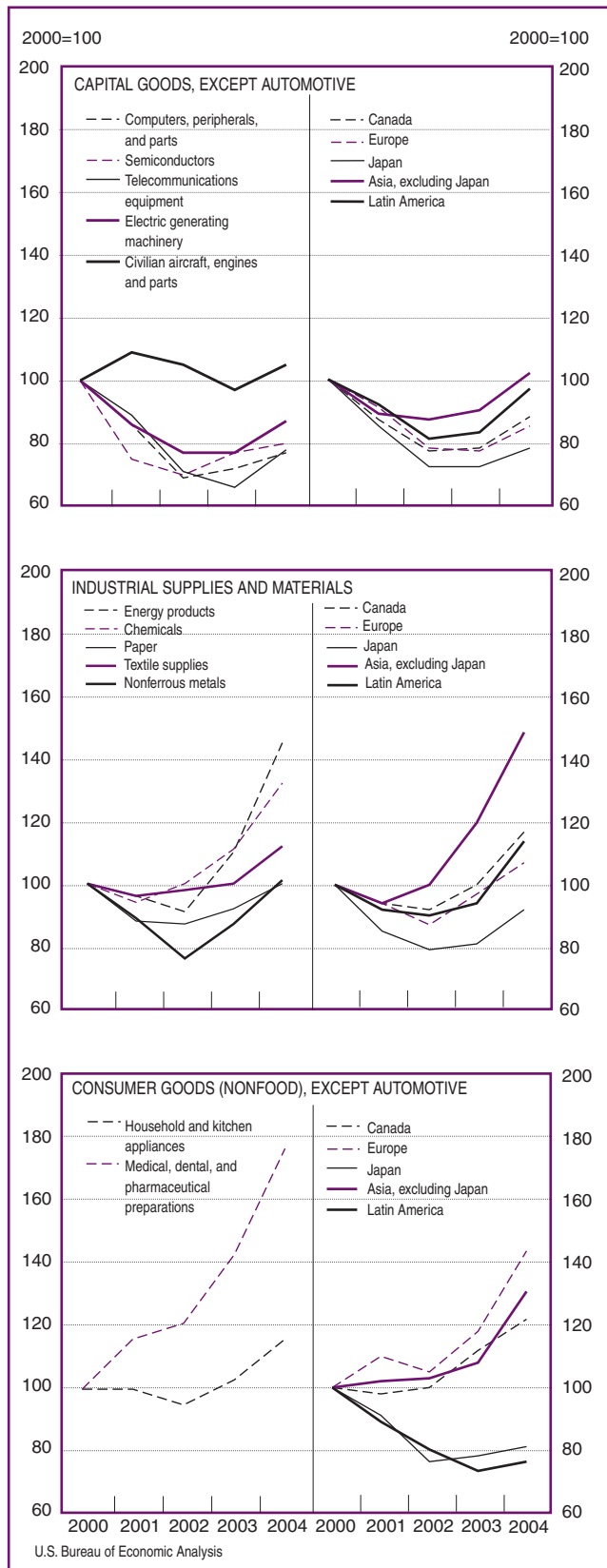
	2002 <sup>1</sup>	2003 <sup>1</sup>	2004 <sup>P</sup>
<b>Exports</b> .....	<b>-2.2</b>	<b>-10.5</b>	<b>-4.8</b>
Agricultural products .....	0.3	-3.3	1.4
Nonagricultural products .....	-2.4	-11.1	-5.4
Foods, feeds, and beverages .....	0.9	-4.3	2.3
Industrial supplies and materials .....	-3.0	-6.2	2.2
Capital goods, except automotive .....	-2.7	-13.2	-8.5
Computers, peripherals, and parts .....	-7.6	-14.3	-9.5
Civilian aircraft, engines, and parts .....	1.2	-8.8	-4.6
Other capital goods .....	-2.6	-14.0	-9.1
Automotive vehicles, parts, and engines .....	-1.0	-11.6	-7.5
Consumer goods (nonfood), except automotive .....	-2.0	-11.7	-7.4
Exports, n.e.c. ....	-1.6	-9.8	-4.1

<sup>1</sup> Revised.  
<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

NOTE. Chain-weighted price indexes multiplied by the trade-weighted exchange rate index of the currencies of Australia, Austria, Belgium, Canada, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and since January 2001, Greece.



**Chart 8. Growth in Exports by Selected Commodity Categories and Areas**



billion, or 33 percent; prices increased 19 percent (table I).

Consumer goods increased \$12.9 billion, or 14 percent, following an increase of \$5.5 billion, or 7 percent. Durable goods increased \$5.7 billion, and nondurable goods increased \$5.3 billion. Within nondurable goods, exports of pharmaceutical materials for manufacture in Europe continued to increase strongly, as they have since 1998.

Automotive vehicles, parts, and engines increased \$7.5 billion, or 9 percent, following an increase of \$1.7 billion, or 2 percent. Parts and accessories increased 7 percent, largely to Canada and Mexico, following 3 years of decline. Passenger cars increased 11 percent, mainly to Europe, Mexico, and Saudi Arabia.

Foods, feeds, and beverages increased \$1.3 billion, or 2 percent, following an increase of \$5.4 billion, or 11 percent. Prices increased 12 percent in 2004, following an increase of 9 percent in 2003. In value, wheat and corn increased substantially, while meat and soybeans fell sharply. Soybeans had been boosted by especially large shipments to China in 2003; however, this level was not sustained in 2004. Concerns about mad cow disease in the United States in late 2003 continued in 2004; Japan and Korea maintained especially stringent controls on beef imports from the United States, accounting for virtually all of the year-to-year decrease in meat exports.

**Imports.** Goods imports increased \$212.4 billion, or 17 percent, to \$1,473.1 billion in 2004, following an increase of \$95.9 billion, or 8 percent, in 2003. The rise marks the highest dollar increase on record and the highest percentage increase since 2000 (table D). Real

**Annual Revision of the U.S. International Transactions Accounts**

The annual revision of the U.S. international accounts, to be released in June 2005, will incorporate selected results from the U.S. Treasury Department's Surveys of Foreign Portfolio Investment in the United States for June 2003 and June 2004 and U.S. Portfolio Investment Abroad for December 2003. In addition, more accurate measures of commercial paper issued in the United States by foreign companies and of selected short-term liabilities will be introduced for 2002–2004. The above improvements will affect both financial flows and related income flows. Updated estimates of personal transfers by U.S. residents to foreigners will be introduced for the years 1992–2004, based on newly available source data and refined methods.

imports increased 11 percent in 2004, and import prices increased 5 percent. In value, industrial supplies and materials and capital goods accounted for nearly 70 percent of the increase, and consumer goods, for nearly 20 percent (charts 7 and 9). By area, imports from Asia excluding Japan increased \$76.8 billion; from Europe, \$37.0 billion; from Latin America, \$35.6 billion; from Canada, \$34.4 billion; and from Japan, \$11.5 billion.

Petroleum and petroleum products increased \$47.4 billion, or 36 percent—the largest increase since

2000—following an increase of 29 percent in 2003. The average number of barrels imported daily increased to 13.71 million from 12.94 million. The average price jumped 28 percent to \$36.05 from \$28.16 (chart 10). Price increases persisted throughout the year in response to a strong pickup in worldwide industrial output in advanced and developing countries, including China. At times during the year, there were concerns about supply disruptions in Nigeria, Russia, Venezuela, and Iraq. After curbing production in April, OPEC members raised official production in July, August,

**Table H. U.S. Trade in Capital Goods, Except Automotive**

[Balance of payments basis, millions of dollars]

	1999	2000	2001	2002	2003	2004 <sup>P</sup>
<b>Exports</b> .....	<b>311,249</b>	<b>356,999</b>	<b>321,723</b>	<b>290,435</b>	<b>293,622</b>	<b>331,091</b>
Computers, peripherals, and parts.....	46,724	55,542	47,555	38,553	39,925	42,714
Semiconductors.....	46,962	60,077	45,065	42,235	46,137	47,922
Telecommunications equipment.....	25,367	31,268	27,874	22,208	20,744	24,481
Scientific, hospital, and medical equipment and parts.....	16,748	19,309	20,063	19,306	20,861	23,908
Industrial, agricultural, and service industry machinery.....	44,695	53,142	46,060	42,830	43,467	52,710
Machine tools, metalworking equipment, and control instruments.....	19,350	23,837	19,985	18,392	19,189	23,867
Oil drilling, mining, and construction machinery.....	11,965	12,598	14,057	12,893	12,834	15,538
Industrial engines, pumps, and compressors.....	10,992	11,602	11,992	11,601	11,690	13,446
Electric generating machinery, electric apparatus, and parts.....	29,353	35,766	30,887	27,544	27,445	31,157
Civilian aircraft, engines, and parts.....	52,920	48,091	52,618	50,425	46,724	50,332
Other capital goods, n.e.c.....	6,173	5,767	5,567	4,448	4,606	5,016
<b>Imports</b> .....	<b>295,717</b>	<b>347,024</b>	<b>297,992</b>	<b>283,323</b>	<b>295,832</b>	<b>343,738</b>
Computers, peripherals, and parts.....	81,456	89,762	74,001	75,151	76,511	88,660
Semiconductors.....	37,628	48,354	30,423	26,015	24,605	26,749
Telecommunications equipment.....	21,553	32,688	24,632	23,134	24,781	29,437
Scientific, hospital, and medical equipment and parts.....	12,150	14,941	15,213	16,030	18,443	22,067
Industrial, agricultural, and service industry machinery.....	46,849	51,636	47,478	47,979	51,872	62,047
Machine tools, metalworking equipment, and control instruments.....	15,588	18,193	16,422	14,870	15,879	18,532
Oil drilling, mining, and construction machinery.....	6,984	7,166	6,901	6,573	7,823	11,619
Industrial engines, pumps, and compressors.....	7,715	9,453	9,780	9,034	9,210	11,090
Electric generating machinery, electric apparatus, and parts.....	32,815	39,716	34,788	32,879	33,291	38,521
Civilian aircraft, engines, and parts.....	23,773	26,376	31,358	25,458	24,085	24,554
Other capital goods, n.e.c.....	9,206	8,739	6,996	6,200	9,332	10,462

<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table I. U.S. Trade in Nonagricultural Industrial Supplies and Materials**

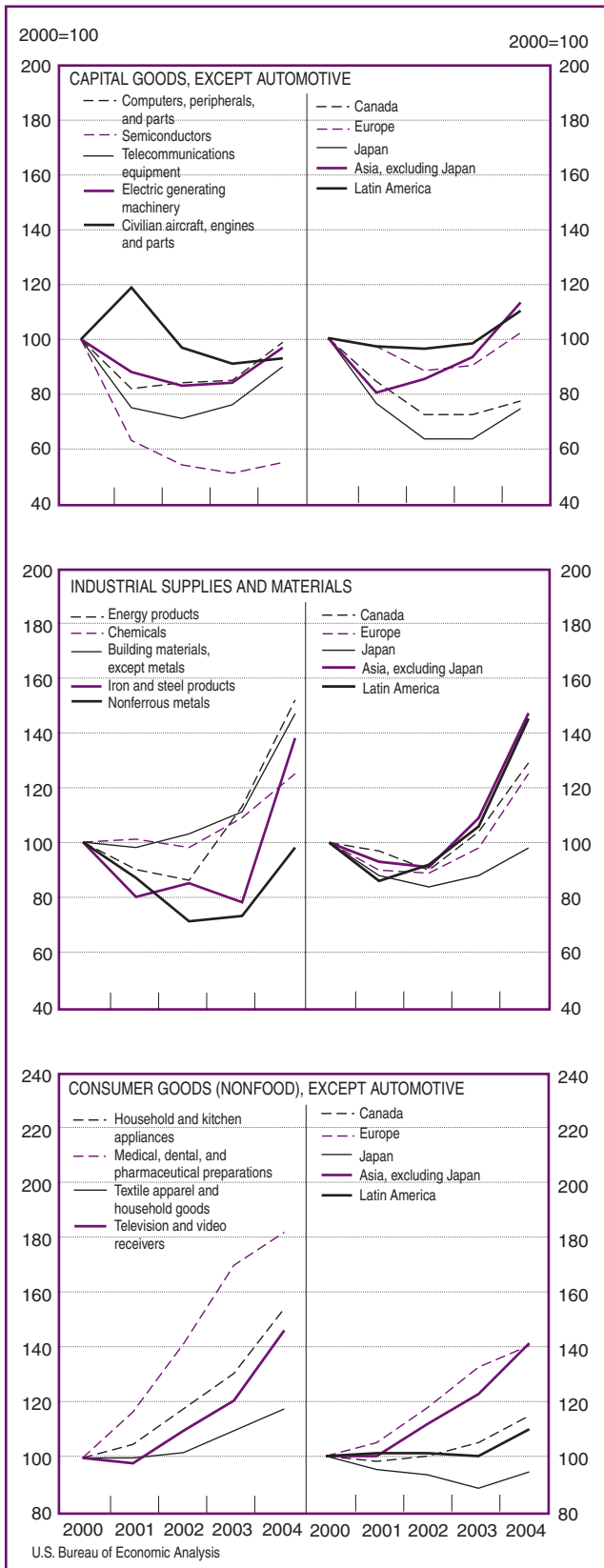
[Balance of payments basis, millions of dollars]

	1999	2000	2001	2002	2003	2004 <sup>P</sup>
<b>Exports</b> .....	<b>140,313</b>	<b>163,889</b>	<b>150,476</b>	<b>147,605</b>	<b>162,478</b>	<b>191,774</b>
Energy products.....	12,882	16,636	15,922	15,076	18,230	24,192
Chemicals, excluding medicinals.....	45,927	52,242	49,326	52,320	57,994	68,925
Paper and paper base stocks.....	12,174	14,000	12,386	12,211	12,813	13,957
Textile supplies and related materials.....	9,806	11,367	10,866	11,142	11,347	12,720
Building materials, except metals.....	8,156	8,755	7,770	7,610	7,829	8,927
Other nonmetals.....	18,896	21,629	19,598	17,030	17,952	19,929
Metals and nonmetallic products.....	32,472	39,260	34,608	32,216	36,313	43,124
Steelmaking materials and iron and steel products.....	7,156	8,559	7,968	7,850	9,688	12,823
Nonferrous metals.....	13,526	16,048	14,219	12,127	13,943	16,216
Other metals and nonmetallic products.....	11,790	14,653	12,421	12,239	12,682	14,085
<b>Imports</b> .....	<b>218,544</b>	<b>296,496</b>	<b>270,802</b>	<b>262,856</b>	<b>308,640</b>	<b>405,544</b>
Energy products.....	78,140	138,397	124,876	118,812	157,080	210,079
Chemicals, excluding medicinals.....	29,600	33,761	34,049	33,088	36,661	42,288
Paper and paper base stocks.....	11,582	13,686	12,239	11,462	11,768	13,057
Textile supplies and related materials.....	10,305	11,255	10,314	10,868	10,806	12,031
Building materials, except metals.....	21,812	21,788	21,261	22,487	24,163	32,023
Other nonmetals.....	15,799	17,848	17,252	18,432	20,141	23,304
Metals and nonmetallic products.....	51,306	59,761	50,811	47,707	48,021	72,762
Steelmaking materials and iron and steel products.....	20,917	24,006	18,945	20,183	19,158	34,519
Nonferrous metals.....	22,796	26,686	23,245	18,841	19,349	26,036
Other metals and nonmetallic products.....	7,593	9,069	8,621	8,683	9,514	12,207
<b>Memorandum:</b>						
Nonpetroleum industrial supplies and materials imports.....	156,311	181,918	172,527	164,597	181,378	231,729

<sup>P</sup> Preliminary.



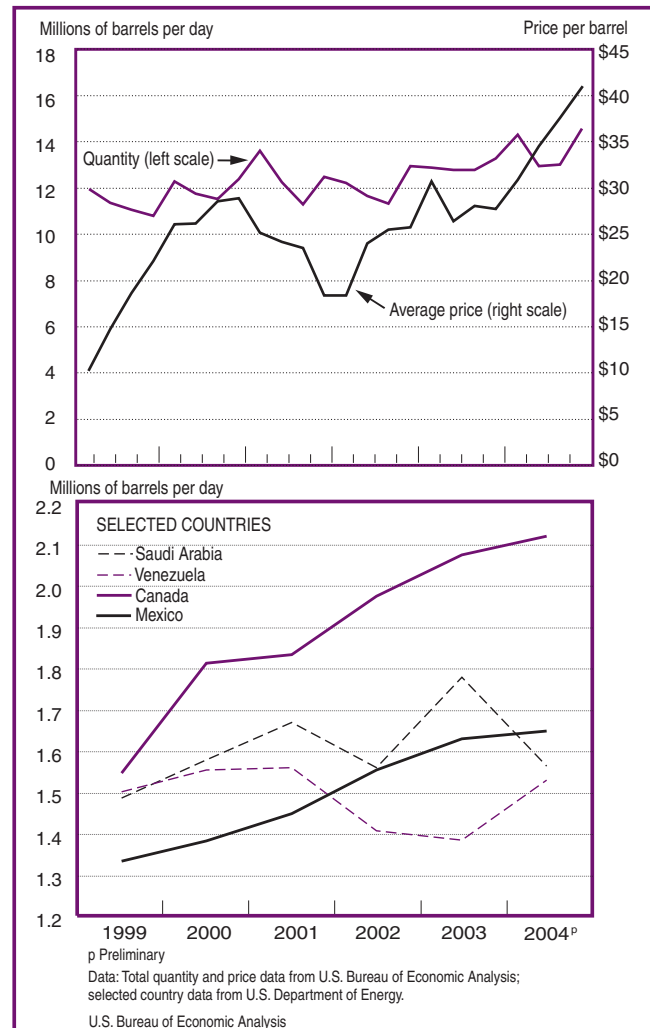
**Chart 9. Growth in Imports by Selected Commodity Categories and Areas**



and November in an attempt to alleviate rising prices. Domestic consumption increased 2 percent, and domestic production decreased by less than 1 percent. One-half of the rise in imports was from OPEC members Venezuela, Nigeria, and Saudi Arabia. The remaining half was mostly from Canada, Mexico, and Europe.

Nonpetroleum industrial supplies and materials increased \$50.4 billion, or 28 percent, following an increase of \$16.8 billion, or 10 percent. The last year of strong demand for many of these materials was 2000. In response to strengthened demand in 2004, prices of supplies and materials rose even more sharply than in 2003, 11 percent, compared with 8 percent. In value, iron and steel products and steelmaking materials increased \$15.4 billion, or 80 percent, the largest annual increase on record in both dollar and percentage terms. The rise was the result of strong domestic

**Chart 10. U.S. Petroleum Imports and Price, Total and from Selected Countries**



demand for these products as well as a 45-percent increase in the price of iron and steel products and a 52-percent increase in the price of materials. These increases followed the lifting of steel tariffs in December 2003. Building materials increased \$7.9 billion, or 33 percent, half of which came from Canada, and nonferrous metals increased \$6.7 billion, or 35 percent, mostly from Latin America, Canada, and Russia. Chemicals strengthened \$5.6 billion, or 15 percent (table I).

Capital goods increased \$47.9 billion, or 16 percent, following an increase of \$12.5 billion, or 4 percent. One-quarter of this increase was a \$12.1 billion, or 16-percent, increase in computers, peripherals, and parts, which was driven by strong business investment during most of the year. Almost the entire increase in computers and parts came from China, while imports from Taiwan, the Philippines, Singapore, Japan, and Western Europe all declined. Semiconductors rebounded slightly following 3 years of decline. Telecommunications equipment—over three-quarters of which was from China, Mexico, and Thailand—recovered further from a low in 2002. Industrial, agricultural, and service industry machinery—mostly from Europe, Japan, and China—increased \$10.2 billion, more than double the increase in 2003. Electric generating machinery and electric apparatus and parts also increased substantially, by \$5.2 billion, the largest rise since 2000. Increases in oil drilling, mining, and construction machinery, mostly from Japan and Europe, and in scientific, hospital, and medical equipment, mostly from Europe, also contributed to the rise in capital goods. Civilian aircraft, engines, and parts increased \$0.5 billion (table H).

Consumer goods increased \$39.2 billion, or 12 percent—the largest increase since 2000—following an increase of \$26.0 billion, or 8 percent. This was the third successive year of sizable increases; increases in 2002–2004 were comparable in size to the strong increases of 1998–2000—the last period of large increases in this category. In 2004, two-thirds of the increase was in consumer durable goods, particularly household and kitchen appliances, mostly from Asia, and television and video receivers, three-quarters of which was from China and Mexico. Nearly one-third of the increase was in consumer nondurable goods, mainly textile apparel and household goods from Asia, and medical, dental, and pharmaceutical preparations from Europe. The increase in pharmaceutical preparations has been strong for many years, reflecting the export of raw materials to manufacturing facilities abroad, particularly in Ireland, and the import of finished drugs into the United States. In addition, a quota system that capped imports of textile apparel into the

United States from developing countries expired at the end of December.

Automotive vehicles, parts, and engines increased \$18.1 billion, or 9 percent—the largest increase since 2000—following an increase of \$6.4 billion, or 3 percent. Most of the increase was attributable to a 7-percent increase in complete autos, over two-thirds of which was from Canada, and to a 12-percent increase in parts and accessories from Japan, Mexico, Canada, and China. Domestic auto production fell 6 percent in 2004 after a drop of 11 percent in 2003. U.S. sales of autos and light trucks increased 1 percent in 2004, the first increase in 4 years; U.S. sales of heavy trucks increased 31 percent.

Foods, feeds, and beverages increased \$6.3 billion, or 11 percent, following an increase of \$6.1 billion, or 12 percent. Increases in fruits and vegetables, mainly from Latin America, and in meat products and poultry from Canada, Australia, and New Zealand contributed to the rise.

**Balances by area.** The deficit on goods increased \$117.9 billion in 2004 to \$665.5 billion. In 2003, the deficit increased \$64.7 billion, and in 2002, \$55.7 billion. In 2004, the increase in exports was triple that in 2003; nearly three-fourths of the increase in 2004 was in industrial supplies and materials and in capital goods. The increase in imports in 2004 was more than double that in 2003; in 2004, industrial supplies and materials and capital goods accounted for nearly 70 percent of the increase, and consumer goods, for nearly 20 percent (table J).

The deficit with Asia excluding Japan increased \$52.7 billion. Nearly one-third of the increase in imports was in capital goods, largely from China, and more than one-third was in consumer goods, also largely from China. Nearly one-half of the increase in exports was in capital goods, largely to the newly industrialized countries in Asia.

#### Data Availability

The estimates that are presented in tables 1–12 of the U.S. international transactions accounts (table 12 is presented annually) in the July SURVEY OF CURRENT BUSINESS are available interactively on BEA's Web site at <[www.bea.gov](http://www.bea.gov)>. Users may view and download the most recent quarterly estimates (annual estimates for table 12) for an entire table, or they may select the period, frequency, and lines that they wish to view. The estimates are available in an HTML table, in an Excel file, or as comma-separated values. The current and historical estimates in tables 1–12 are also available as compressed files on BEA's Web site at <[www.bea.gov/bea/uguide.htm#\\_1\\_22](http://www.bea.gov/bea/uguide.htm#_1_22)>.

The deficit with OPEC members increased \$20.8 billion. Asian members and African members each accounted for over one-third of the increase, and Venezuela, for over one-fourth. Among Asian members, Saudi Arabia accounted for much of the increase in imports. Among African members, Nigeria accounted for two-thirds of the increase in imports.

The deficit with Europe increased \$15.9 billion. The increase in imports was led by industrial supplies and materials (which includes petroleum), capital goods, and consumer goods. The increase in exports was led by capital goods and consumer goods.

The deficit with Canada increased \$14.1 billion. The increase in imports was led by increases in industrial supplies and materials (which includes petroleum) and automotive vehicles, parts, and engines. The increase in exports was led by industrial supplies and materials and capital goods.

The deficit with Latin America increased \$13.6 billion. More than 60 percent of the increase in imports

was in industrial supplies and materials (which includes petroleum). Much of the increase in exports was in industrial supplies and materials, capital goods, and automotive products.

The deficit with Japan increased \$9.4 billion. The increase in exports was small, while imports, led by capital goods, increased strongly.

### Services

The surplus on services decreased to \$48.4 billion in 2004 from \$51.0 billion in 2003 (table K, chart 11). The decrease was much smaller than in 2003. Growth in services receipts increased to 10 percent in 2004 from 5 percent in 2003, while growth in services payments increased to 14 percent in 2004 from 10 percent in 2003. In 2004, travel and passenger fare receipts increased more than travel and passenger fare payments. In contrast, "other" transportation payments increased more than "other" transportation receipts, and direct defense expenditures abroad continued to rise.

**Table J. U.S. Trade in Goods by Major End-Use Category for Selected Areas and Countries**

(Balance of payments basis, millions of dollars)

	Canada			Europe			United Kingdom			Germany			Japan		
	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>
<b>Exports</b> .....	<b>160,894</b>	<b>169,905</b>	<b>190,215</b>	<b>159,735</b>	<b>168,220</b>	<b>189,347</b>	<b>32,085</b>	<b>32,869</b>	<b>35,090</b>	<b>26,024</b>	<b>28,288</b>	<b>30,809</b>	<b>49,669</b>	<b>50,250</b>	<b>52,327</b>
Agricultural products.....	9,661	10,477	10,966	8,422	8,759	9,300	1,028	1,049	1,175	997	1,043	1,205	8,545	9,051	8,306
Nonagricultural products.....	151,233	159,428	179,249	151,313	159,461	180,047	31,057	31,820	33,915	25,027	27,245	29,604	41,124	41,199	44,021
Foods, feeds, and beverages.....	9,716	10,569	11,082	6,902	7,399	8,038	1,008	1,041	1,176	859	907	1,144	9,071	9,478	8,841
Industrial supplies and materials.....	37,184	40,492	47,250	33,752	37,598	41,567	5,994	6,605	6,667	4,261	4,678	5,227	9,963	10,237	11,610
Capital goods, except automotive.....	46,039	46,992	52,740	77,488	76,986	84,786	15,542	15,732	16,866	13,991	14,021	14,369	20,313	20,302	22,171
Automotive vehicles, parts, and engines.....	44,552	46,226	48,956	9,207	10,757	11,897	1,743	2,013	1,932	3,758	4,963	5,259	2,784	2,534	2,015
Consumer goods (nonfood), except automotive.....	18,978	21,194	23,177	26,868	30,359	37,018	6,446	6,350	7,208	2,389	2,899	3,922	6,330	6,535	6,765
Exports, n.e.c.....	4,425	4,432	7,010	5,518	5,121	6,041	1,352	1,128	1,241	766	820	888	1,208	1,164	925
<b>Imports</b> .....	<b>211,756</b>	<b>224,249</b>	<b>258,682</b>	<b>260,782</b>	<b>284,679</b>	<b>321,699</b>	<b>40,464</b>	<b>42,574</b>	<b>46,134</b>	<b>62,471</b>	<b>68,007</b>	<b>77,263</b>	<b>121,426</b>	<b>118,034</b>	<b>129,518</b>
Petroleum and products.....	17,133	21,783	28,481	15,740	18,849	24,975	4,709	5,553	6,124	526	626	1,057	122	129	210
Nonpetroleum products.....	194,623	202,466	230,201	245,042	265,830	296,724	35,755	37,021	40,010	61,945	67,381	76,206	121,304	117,905	129,308
Foods, feeds, and beverages.....	11,914	12,061	13,165	11,384	13,725	15,367	1,257	1,342	1,509	683	783	894	409	436	462
Industrial supplies and materials.....	77,602	89,432	111,159	56,242	61,557	78,818	9,438	10,447	12,063	8,843	9,609	12,006	10,905	11,441	12,747
Capital goods, except automotive.....	29,083	29,254	31,244	71,592	73,017	82,913	11,750	11,462	12,749	19,793	20,709	24,128	39,292	38,935	45,815
Automotive vehicles, parts, and engines.....	59,748	60,652	67,994	35,912	42,065	44,266	5,280	6,263	6,108	22,273	25,244	26,633	49,259	46,711	48,635
Consumer goods (nonfood), except automotive.....	15,946	16,819	18,421	71,836	81,039	86,299	9,211	10,092	10,684	7,753	8,817	10,470	17,949	16,997	18,156
Imports, n.e.c., and U.S. goods returned.....	17,463	16,031	16,699	13,816	13,276	14,036	3,528	2,968	3,021	3,126	2,845	3,132	3,612	3,514	3,703
<b>Balance</b> .....	<b>-50,862</b>	<b>-54,344</b>	<b>-68,467</b>	<b>-101,047</b>	<b>-116,459</b>	<b>-132,352</b>	<b>-8,379</b>	<b>-9,705</b>	<b>-11,044</b>	<b>-36,447</b>	<b>-39,719</b>	<b>-46,454</b>	<b>-71,757</b>	<b>-67,784</b>	<b>-77,191</b>

	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>	2002	2003	2004 <sup>¶</sup>
<b>Exports</b> .....	<b>136,818</b>	<b>137,293</b>	<b>159,283</b>	<b>97,231</b>	<b>97,221</b>	<b>110,586</b>	<b>140,828</b>	<b>152,851</b>	<b>176,913</b>	<b>68,155</b>	<b>70,067</b>	<b>81,972</b>	<b>22,037</b>	<b>28,285</b>	<b>34,610</b>
Agricultural products.....	10,501	11,273	12,059	7,459	8,020	8,679	13,116	16,543	16,918	6,032	6,326	5,806	2,085	5,012	5,554
Nonagricultural products.....	126,317	126,020	147,224	89,772	89,201	101,907	127,712	136,308	159,995	62,123	63,741	76,166	19,952	23,273	29,056
Foods, feeds, and beverages.....	9,092	9,804	10,364	6,466	7,064	7,536	10,766	13,363	13,004	5,123	5,471	4,954	1,608	3,835	3,762
Industrial supplies and materials.....	39,962	42,143	51,040	28,216	28,730	34,278	29,220	35,054	43,556	14,576	16,278	20,077	6,728	9,749	12,903
Capital goods, except automotive.....	50,637	51,330	60,321	33,747	35,343	40,452	81,427	84,448	95,764	40,393	40,414	47,657	12,119	12,811	15,534
Automotive vehicles, parts, and engines.....	16,868	15,192	17,547	15,257	13,640	15,548	3,716	3,987	5,447	826	900	1,048	414	582	796
Consumer goods (nonfood), except automotive.....	15,275	14,065	14,612	9,853	8,895	8,974	11,912	12,425	15,165	5,153	5,352	6,168	1,014	1,118	1,361
Exports, n.e.c.....	4,984	4,759	5,399	3,692	3,549	3,798	3,787	3,574	3,977	2,084	1,652	2,068	154	190	254
<b>Imports</b> .....	<b>195,937</b>	<b>206,006</b>	<b>241,623</b>	<b>135,505</b>	<b>138,992</b>	<b>157,013</b>	<b>336,841</b>	<b>377,103</b>	<b>453,876</b>	<b>91,841</b>	<b>92,816</b>	<b>105,389</b>	<b>125,189</b>	<b>152,426</b>	<b>196,675</b>
Petroleum and products.....	32,497	38,952	52,564	12,229	15,506	19,784	21,034	27,499	36,272	744	666	1,443	320	351	370
Nonpetroleum products.....	163,440	167,054	189,059	123,276	123,486	137,229	315,807	349,604	417,604	91,097	92,150	103,946	124,869	152,075	196,305
Foods, feeds, and beverages.....	13,683	15,458	17,269	6,178	7,051	8,006	8,915	10,298	11,625	667	682	690	1,606	2,138	2,488
Industrial supplies and materials.....	52,650	60,274	82,756	21,403	24,875	32,188	47,294	57,046	76,373	9,566	10,106	13,015	9,067	10,928	16,538
Capital goods, except automotive.....	37,100	37,874	42,694	32,662	33,022	36,671	104,337	114,662	138,905	41,460	38,874	41,900	30,200	42,050	60,950
Automotive vehicles, parts, and engines.....	43,973	43,880	45,929	41,513	41,238	43,187	13,856	15,891	20,084	9,780	11,164	13,890	2,197	2,807	4,012
Consumer goods (nonfood), except automotive.....	40,281	40,072	44,043	27,310	26,388	29,875	155,231	171,671	198,163	27,025	28,650	32,180	80,747	92,751	110,380
Imports, n.e.c., and U.S. goods returned.....	8,250	8,448	8,932	6,439	6,418	7,086	7,208	7,535	8,726	3,343	3,340	3,714	1,372	1,752	2,307
<b>Balance</b> .....	<b>-59,119</b>	<b>-68,713</b>	<b>-82,340</b>	<b>-38,274</b>	<b>-41,771</b>	<b>-46,427</b>	<b>-196,013</b>	<b>-224,252</b>	<b>-276,963</b>	<b>-23,686</b>	<b>-22,749</b>	<b>-23,417</b>	<b>-103,152</b>	<b>-124,141</b>	<b>-162,065</b>

<sup>¶</sup> Preliminary.  
n.e.c. Not elsewhere classified.

“Other” private services receipts and “other” private services payments each increased about the same amount.

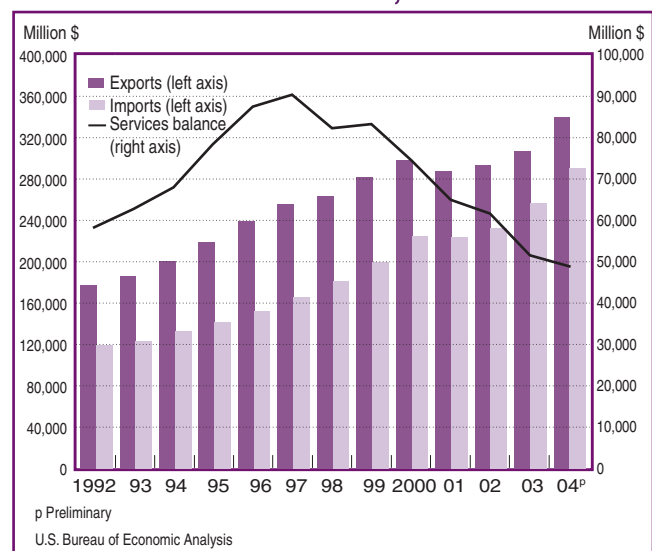
Travel receipts increased to \$74.8 billion in 2004 from \$64.5 billion in 2003. Receipts from overseas increased 17 percent, following a decline of 5 percent in 2003, as a result of concerns about SARS and the war

in Iraq, and following even steeper declines in 2002 and 2001 as a result of disruptions caused by the September 11<sup>th</sup> attacks. Faster growth abroad and appreciation in the values of foreign currencies were primary causes of the increase in 2004. In 2004, the largest increase in receipts was from Europe. In percentage terms, the number of visitors from Europe increased 12 percent; from Asia excluding Japan, 12 percent; and from Japan, 18 percent. Despite these increases, the number of visitors from overseas remained well below the number in 2000, the last year of normal travel conditions.

Travel receipts from Canada increased 16 percent in 2004, following an increase of 9 percent in 2003, spurred by a healthy Canadian economy and by an 8-percent increase in the value of the Canadian dollar. Travel receipts from Mexico increased 11 percent, up from a 3-percent increase, as a record number of Mexican visitors came to the United States; the previous record was in 2000. Both border and interior travel increased.

Travel payments increased to \$64.6 billion in 2004 from \$56.6 billion in 2003. Payments to overseas countries increased 14 percent in 2004, following a decline of 4 percent in 2003 as result of concerns about SARS and the war in Iraq; a pickup in U.S. economic growth was the primary cause of the increase in 2004. The

**Chart 11. Annual Services Data, 1992–2004**



**Table K. Services**

[Millions of dollars, quarters seasonally adjusted]

	2002	2003	2004 <sup>p</sup>	2004			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Exports</b> .....	<b>294,107</b>	<b>307,381</b>	<b>339,571</b>	<b>82,298</b>	<b>84,870</b>	<b>85,076</b>	<b>87,327</b>
Travel.....	66,728	64,509	74,768	18,001	18,740	18,547	19,480
Passenger fares.....	17,046	15,693	18,939	4,534	4,724	4,760	4,921
Other transportation.....	29,195	31,833	37,047	9,070	9,215	9,150	9,612
Royalties and license fees.....	44,219	48,227	51,341	12,478	12,586	12,950	13,326
Other private services.....	124,181	133,818	143,150	34,741	35,750	36,179	36,481
Affiliated services.....	43,329	48,450	51,145	12,289	12,787	13,091	12,979
Unaffiliated services.....	80,852	85,368	92,005	22,452	22,963	23,088	23,502
Education.....	12,628	13,399	14,156	3,477	3,515	3,578	3,586
Financial.....	16,091	17,637	19,476	4,828	4,869	4,793	4,986
Insurance.....	4,515	4,877	5,277	1,267	1,302	1,335	1,373
Telecommunications.....	5,016	5,477	5,852	1,433	1,455	1,473	1,491
Business, professional, and technical.....	28,488	29,084	31,458	7,638	7,848	7,919	8,053
Other.....	14,115	14,894	15,785	3,807	3,973	3,991	4,014
Military transactions <sup>1</sup> .....	11,943	12,491	13,571	3,290	3,668	3,301	3,312
U.S. Government receipts.....	795	810	755	184	187	189	195
<b>Imports</b> .....	<b>232,947</b>	<b>256,337</b>	<b>291,169</b>	<b>70,083</b>	<b>72,326</b>	<b>73,925</b>	<b>74,836</b>
Travel.....	58,044	56,613	64,590	15,574	16,351	16,378	16,287
Passenger fares.....	19,969	20,957	23,310	5,608	5,779	5,900	6,023
Other transportation.....	38,407	44,768	54,173	13,055	13,056	13,402	14,660
Royalties and license fees.....	19,235	20,049	22,868	5,225	5,618	6,318	5,708
Other private services.....	75,271	85,829	94,736	23,013	23,559	23,854	24,310
Affiliated services.....	31,848	35,497	38,877	9,405	9,692	9,773	10,007
Unaffiliated services.....	43,423	50,332	55,859	13,608	13,867	14,081	14,303
Education.....	2,451	2,696	2,879	701	716	727	735
Financial.....	3,823	4,236	4,902	1,261	1,243	1,189	1,209
Insurance.....	22,116	26,702	29,979	7,229	7,412	7,586	7,753
Telecommunications.....	4,647	4,799	4,982	1,221	1,236	1,254	1,271
Business, professional, and technical.....	9,617	10,960	12,119	2,951	3,015	3,075	3,078
Other.....	769	938	998	246	246	250	256
Direct defense expenditures <sup>2</sup> .....	19,101	25,117	28,238	6,824	7,143	7,239	7,032
U.S. Government payments.....	2,920	3,004	3,254	784	820	834	816

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Consists of goods and services transferred under U.S. military agency sales contracts, which cannot be separately identified.

2. Consists of imports of goods and services by U.S. defense agencies, which cannot be separately identified.

largest increase in payments was to Europe. The number of travelers to Europe was up 11 percent; to Asia excluding Japan, up 33 percent; to Japan, up 15 percent; and to Latin America, up 8 percent. The number of travelers abroad exceeded the number in 2000, the last year of normal travel conditions.

Travel payments to Canada increased 12 percent in 2004, following a decrease of 2 percent in 2003. Travel has recovered from the effects of SARS in Toronto in 2003, but the number of travelers to Canada has declined every year since 2000. Depreciation of the U.S. dollar in 2002–2004 was a major contributing factor to the decline in the number of travelers in recent years. Travel payments to Mexico increased 14 percent, up from a 5-percent increase; both border and interior travel increased.

Passenger fare receipts increased to \$18.9 billion in 2004 from \$15.7 billion in 2003, reflecting a 12-percent increase in the number of travelers and an increase in the share of passengers traveling on U.S.-flag carriers. Passenger fare payments increased to \$23.3 billion in 2004 from \$21.0 billion in 2003, reflecting a 12-percent increase in the number of travelers and little change in the share of passengers traveling on foreign-flag carriers. Sizable price increases resulting from higher fuel costs affected both receipts and payments; the impact was larger for receipts than for payments and affected routes on the Pacific more than routes on the Atlantic, because fuel is a higher portion of total costs on Pacific routes.

“Other” transportation receipts increased \$5.2 billion, or 16 percent, in 2004, following a \$2.6 billion, or 9-percent, increase in 2003. The largest increases were from Europe and Asia excluding Japan. Port services receipts increased \$3.6 billion, or 20 percent, reflecting strong increases in U.S. export and import volumes, both for ocean and air port services, and a large increase in fuel prices. Freight receipts increased \$1.6 billion, or 12 percent, also as a result of higher volumes for both ocean and air cargoes.

“Other” transportation payments increased \$9.4 billion, or 21 percent, in 2004, following a \$6.4 billion, or 17-percent, increase in 2003. Freight services payments increased \$7.6 billion, or 24 percent, mostly as a result of an increase in ocean freight, reflecting sizable increases both in U.S. import volume and freight rates. West coast ports reported record volumes on liner vessels in July through November as imports from Asia surged. Freight services payments for tramp and tanker vessels also reflected higher U.S. import volumes and especially strong rate increases. Port services payments increased \$1.8 billion, or 14 percent, as most U.S. air carriers reported higher expenses overseas, especially for jet fuel.

“Other” private services receipts increased to \$143.2 billion in 2004 from \$133.8 billion in 2003. Business, professional, and technical services and financial services accounted for much of the increase. “Other” private services payments increased to \$94.7 billion from \$85.8 billion. Insurance and business, professional, and technical services accounted for much of the increase.

Transfers under U.S. military agency sales contracts increased to \$13.6 billion in 2004 from \$12.5 billion in 2003. Direct defense expenditures abroad increased to \$28.2 billion in 2004 from \$25.1 billion in 2003. The increase was attributable to continuing military operations in Iraq. Expenditures were largely for purchases of equipment and supplies and for transportation of troops and materiel.

### Income

The surplus on income decreased to \$24.1 billion in 2004 from \$33.3 billion in 2003 (table C). Income payments increased more than income receipts. The surplus on direct investment income increased to \$132.3 billion from \$118.9 billion, while the deficit on “other” private income increased to \$21.4 billion from \$12.7 billion, and the deficit on U.S. Government income increased to \$81.1 billion from \$67.3 billion.

Receipts of income on U.S. direct investment abroad were \$237.6 billion in 2004, up from \$187.5 billion in 2003 (table L, chart 12). Earnings moved sharply higher in 2002–2004 and are now nearly double their recent cyclical low in 2001. Economic growth in Canada, Japan, and the United Kingdom accelerated in 2003–2004 and in the euro area in 2004 and was a major contributor to the rise in earnings. Substantial appreciation of major foreign currencies also raised earnings abroad in recent years; appreciations were in the 5–8-percent range in 2002, the 8–16-percent range in 2003, and the 7–11-percent range in 2004. By area, in 2004, the largest increases in earnings were in Europe, “other” countries (mainly in Asia), and Canada and were widespread across all major industries. By industry, in 2004, earnings in “other” industries increased \$14.2 billion; the increase was largest in mining (which includes petroleum extraction) and was attributable partly to higher prices of metals and crude oil. Earnings in manufacturing increased \$12.5 billion, reflecting increases in chemicals, petroleum products, and transportation equipment. Earnings in finance and insurance increased \$9.0 billion; nearly all of the increase occurred in nondepository institutions. Earnings in holding companies increased \$7.0 billion, and earnings in wholesale trade increased \$6.7 billion.

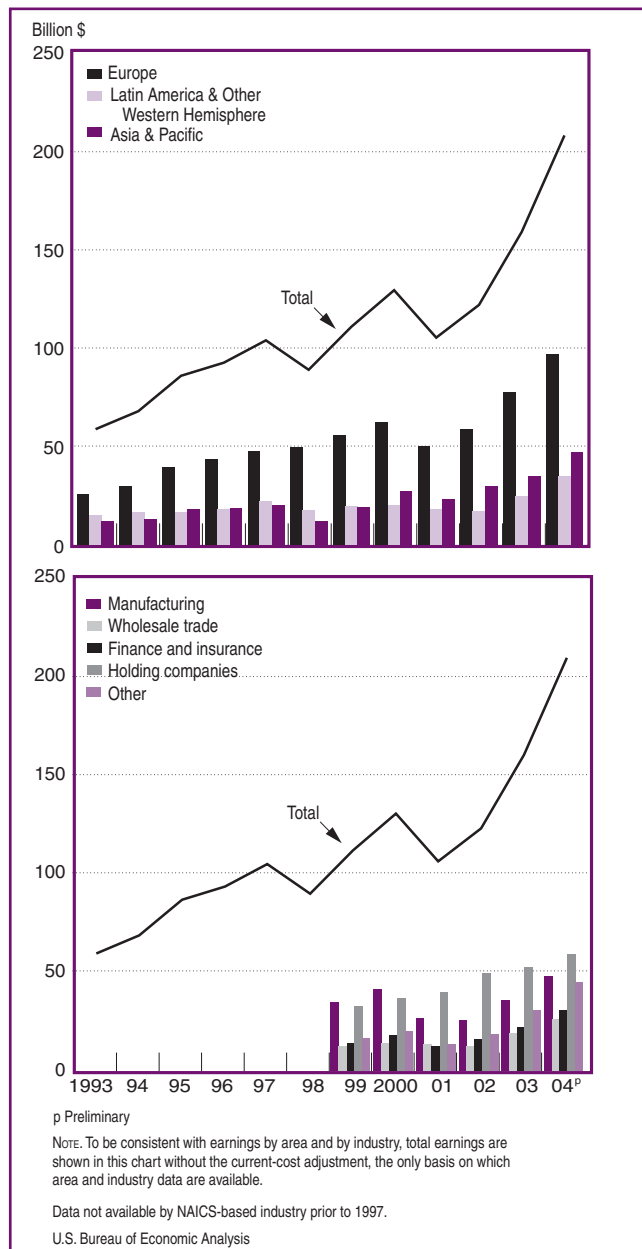
Payments of income on foreign direct investment in the United States were \$105.3 billion in 2004, up from

\$68.7 billion in 2003 (table L, chart 13). Earnings are now substantially above their cyclical low in 2001, when they were negative. The strong increase has paralleled the strengthening of the U.S. economy, which grew 1.9 percent in 2002, 3.0 percent in 2003, and 4.4 percent in 2004. By area, in 2004, earnings of affiliates of parents in continental Europe increased the most, at \$17.9 billion, mostly from Germany (transportation equipment and depository institutions), the Netherlands (petroleum manufacturing), and France (professional, scientific, and technical services; finance

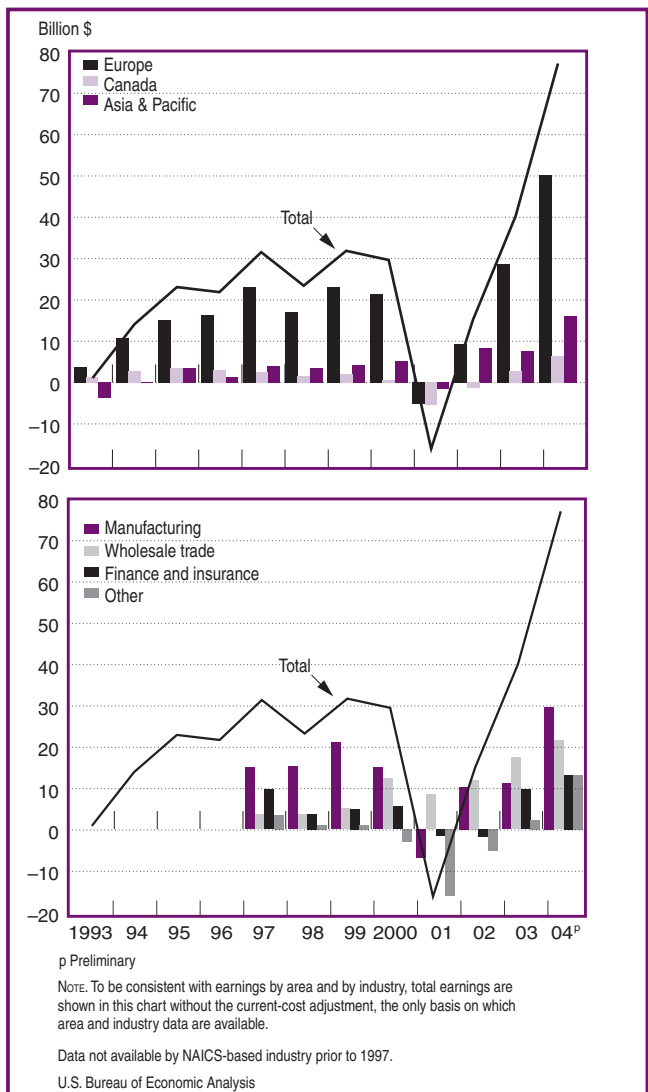
(except depository institutions); and insurance). By industry, most of the increase in earnings was accounted for by manufacturing, which increased \$18.5 billion. Earnings in “other” industries increased \$10.9 billion; earnings in wholesale trade increased \$4.1 billion (mostly automotive); and earnings in finance and insurance increased \$3.6 billion (mostly depository institutions).

Receipts of income on “other” private investment were \$125.3 billion in 2004, up from \$99.1 billion in 2003 (table M, chart 14). Both short- and long-term interest rates increased, and U.S. residents purchased a large amount of foreign stocks for the second consecutive year. Dividends on stocks increased \$11.9 billion as a result of a 38-percent increase in average outstanding balances; dividend yields declined slightly. Interest on

**Chart 12. Earnings on U.S. Direct Investment Abroad**



**Chart 13. Earnings on Foreign Direct Investment in the United States**

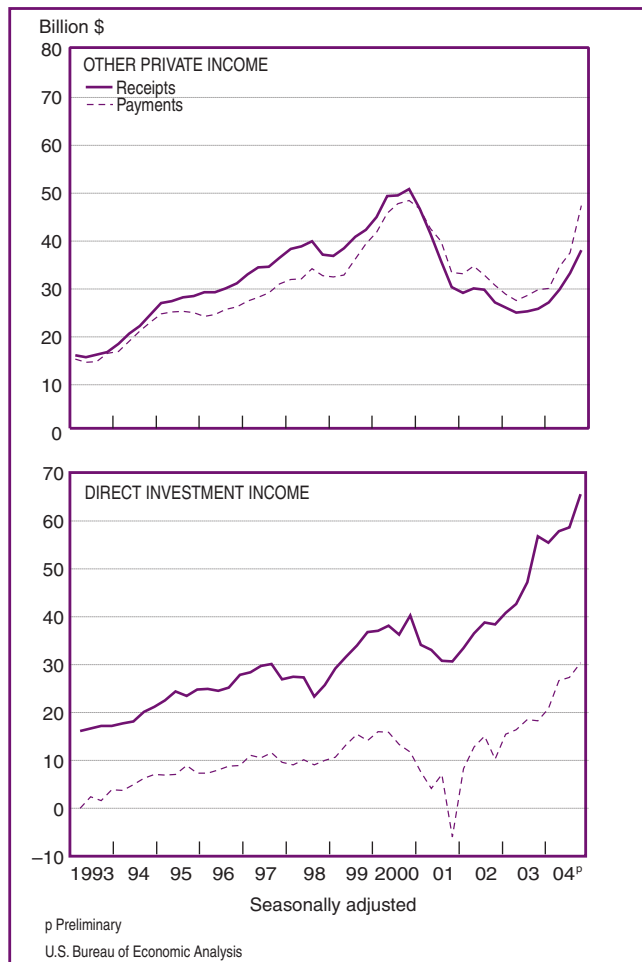




bonds increased \$1.1 billion, largely as a result of a 27-basis-point increase in yields. Interest earned on banks' claims increased \$7.7 billion as a result of a 21-percent

increase in average outstanding balances and a 26-basis-point increase in yields. Interest earned on "other" (largely nonbanks') claims increased \$5.5 billion as a result of an 11-percent increase in average outstanding balances and a 28-basis-point rise in yields.

**Chart 14. Private Investment Income**



Payments of income on "other" private investment were \$146.7 billion in 2004, up from \$111.9 billion in 2003 (table M, chart 14). Both short- and long-term interest rates increased, and foreigners purchased large amounts of U.S. bonds for the second consecutive year. Interest on bonds increased \$13.8 billion as a result of a 19-percent increase in average outstanding balances and a 20-basis-point increase in yields. Dividends on stocks increased \$8.8 billion as a result of an increase in average outstanding balances that was partly offset by a decline in yields; included in this total is a large special dividend paid by Microsoft Corporation in December. Interest paid on banks' liabilities increased \$7.4 billion as a result of a 21-percent increase in average outstanding balances and a 25-basis-point increase in yields. Interest paid on "other" (largely nonbanks') liabilities

**Table M. Other Private Income**

[Billions of dollars]

	2002	2003	2004 <sup>p</sup>
<b>Receipts</b> .....	<b>113.3</b>	<b>99.1</b>	<b>125.3</b>
Dividends.....	38.0	41.8	53.7
Interest on bonds.....	24.6	18.4	19.4
Interest on bank claims.....	22.7	18.0	25.7
Interest on other claims <sup>1</sup> .....	28.0	21.0	26.5
<b>Payments</b> .....	<b>128.7</b>	<b>111.9</b>	<b>146.7</b>
Dividends.....	23.2	23.3	32.1
Interest on bonds.....	58.8	56.2	70.0
Interest on bank liabilities.....	22.5	15.7	23.1
Interest on other liabilities <sup>1</sup> .....	24.1	16.6	21.5

<sup>p</sup> Preliminary.

<sup>1</sup> Primarily income of financial concerns other than banks.

NOTE: Excludes direct investment income receipts and payments.

**Table L. Direct Investment Income and Capital**

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2002	2003	2004 <sup>p</sup>	2004			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income</b>							
<b>Income receipts on U.S. direct investment abroad</b> .....	<b>147,291</b>	<b>187,522</b>	<b>237,564</b>	<b>55,448</b>	<b>57,898</b>	<b>58,650</b>	<b>65,570</b>
Distributed earnings.....	47,400	40,363	50,698	12,700	14,671	12,208	11,121
Reinvested earnings.....	94,468	141,106	180,907	41,229	41,761	44,962	52,955
Interest, net.....	5,422	6,053	5,959	1,519	1,466	1,480	1,494
<b>Income payments on foreign direct investment in the United States</b> .....	<b>-46,460</b>	<b>-68,657</b>	<b>-105,252</b>	<b>-20,775</b>	<b>-26,735</b>	<b>-27,282</b>	<b>-30,458</b>
Distributed earnings.....	-19,626	-38,265	-25,290	-9,921	-6,360	-4,538	-4,472
Reinvested earnings.....	-5,184	-12,048	-62,619	-6,941	-16,117	-18,144	-21,414
Interest, net.....	-21,649	-18,345	-17,343	-3,913	-4,259	-4,600	-4,571
<b>Capital</b>							
<b>U.S. direct investment abroad (increase/financial outflow (-))</b> .....	<b>-134,835</b>	<b>-173,799</b>	<b>-248,508</b>	<b>-48,049</b>	<b>-55,919</b>	<b>-43,253</b>	<b>-101,287</b>
Equity capital.....	-24,558	-24,595	-84,400	-10,069	-22,009	1,692	-54,014
Reinvested earnings.....	-94,468	-141,106	-180,907	-41,229	-41,761	-44,962	-52,955
Intercompany debt.....	-15,809	-8,096	16,799	3,249	7,851	17	5,682
<b>Foreign direct investment in the United States (increase/financial inflow (+))</b> .....	<b>72,411</b>	<b>39,890</b>	<b>115,530</b>	<b>10,485</b>	<b>32,854</b>	<b>35,861</b>	<b>36,327</b>
Equity capital.....	88,410	62,216	64,797	3,365	27,007	20,221	14,204
Reinvested earnings.....	5,184	12,048	62,619	6,941	16,117	18,144	21,414
Intercompany debt.....	-21,184	-34,374	-11,885	179	-10,270	-2,504	709

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

increased \$4.9 billion as a result of an 18-basis-point increase in average outstanding balances and an 18-basis-point increase in yields.

Receipts of income on U.S. Government assets decreased to \$3.0 billion in 2004 from \$4.7 billion in 2003. In 2003, receipts were boosted by interest receipts on rescheduled debt (table N).

Payments of income on U.S. Government liabilities were \$84.1 billion in 2004, up from \$72.0 billion in 2003 (table N). Payments on U.S. Treasury bonds increased \$21.8 billion, up strongly following 3 years of decline. Much of the rise in interest payments is attributable to strong net foreign purchases of U.S. Treasury securities in 2004, both by private foreigners and by foreign central banks investing the proceeds from the sales of their currencies against the dollar in exchange markets, especially central banks in Asia. A rise in interest rates, mostly in the shorter maturity range, also accounted for some of the increase in interest payments. Payments on agency bonds decreased \$4.6 billion. Payments on U.S. Treasury bills increased \$0.7 billion.

### Unilateral current transfers

Unilateral current transfers were net outflows of \$72.9 billion in 2004, \$5.5 billion more than in 2003 (table N).

U.S. Government grants increased \$1.3 billion. Grants for 2003 disbursed annually to Israel and Egypt under the credit waiver program and under economic assistance programs were not disbursed until the first quarter of 2004; these disbursements in the first quarter totaled \$3.2 billion. Similar disbursements for 2004

were delayed until the first quarter of 2005; only \$0.6 billion was disbursed in the fourth quarter of 2004.

In addition, U.S. Government grants of congressionally appropriated funds to finance reconstruction activities in Iraq totaled \$4.6 billion for 2004, up from \$3.1 billion in 2003; these funds constituted only one source of financial flows for reconstruction activities.

Private remittances and other transfers to foreigners increased \$3.3 billion, mostly because of an increase in personal remittances and withholding taxes.

### Capital Account

Capital account transactions were net outflows of \$1.5 billion in 2004, down from net outflows of \$3.1 billion in 2003. The decrease was more than accounted for by U.S. Government debt forgiveness, which decreased in 2004 from an elevated level in 2003.

### Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$615.5 billion in 2004, up from \$545.8 billion in 2003. Financial inflows for foreign-owned assets in the United States increased more than financial outflows for U.S.-owned assets abroad (chart 15).

### U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$817.7 billion in 2004, compared with an increase of \$283.4 billion in 2003. U.S. claims on foreigners reported by banks and by nonbanks both increased sharply, and net outflows

Table N. Selected U.S. Government Transactions

[Millions of dollars]

(Credits +; debits -)	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III <sup>†</sup>	IV <sup>P</sup>
<b>U.S. Government grants</b> .....	-17,097	-21,865	-23,187	-7,744	-4,910	-4,876	-5,657
<b>U.S. Government forgiveness of foreign debt</b> .....	-193	-1,886	-142	-59	-3	-28	-52
<b>U.S. Government credits and other long-term assets</b> .....	-5,251	-7,279	-3,026	-561	-668	-1,270	-527
From debt rescheduling .....	-2,679	-4,505	-313	-129	-112	-55	-17
Other disbursements .....	-2,572	-2,774	-2,713	-432	-556	-1,215	-510
<b>Repayments of U.S. Government credits and other long-term assets</b> .....	5,701	7,981	4,245	1,374	544	1,299	1,028
From debt rescheduling .....	2,215	2,681	57	42	3	7	5
From debt forgiveness .....	172	1,639	79	26	2	21	30
Other repayments .....	3,314	3,661	4,109	1,306	539	1,271	993
<b>U.S. Government foreign currency holdings and short-term assets, net</b> .....	-105	-165	50	-86	122	-39	53
From debt rescheduling .....	220	292	112	4	103	.....	5
From debt forgiveness .....	.....	29	17	1	(*)	1	15
Other .....	-325	-486	-79	-91	19	-40	33
<b>U.S. Government receipts of income</b> .....	3,303	4,697	3,027	874	529	846	778
From debt rescheduling .....	245	1,533	155	96	6	47	6
From debt forgiveness .....	21	218	46	32	1	6	7
Other receipts .....	3,037	2,945	2,826	746	522	793	765
<b>U.S. Government payments of income</b> .....	-76,114	-72,042	-84,138	-19,057	-20,500	-21,625	-22,956

<sup>†</sup> Revised.

<sup>P</sup> Preliminary.

\* Less than \$500,00 (+/-).

for U.S. direct investment abroad were up substantially.

**US. official reserve assets.** U.S. official reserve assets decreased \$2.8 billion in 2004, following a decrease of \$1.5 billion in 2003. The decrease in 2004 was more than accounted for by a \$3.8 billion decrease in the U.S. reserve position in the International Monetary

Fund (IMF), partly because of the repayment of funds to the IMF by Brazil, Turkey, Argentina, Indonesia, and Russia.

**Claims reported by banks and nonbanks.** U.S. claims reported by U.S. banks and securities brokers increased a record \$353.8 billion in 2004, up very substantially from an increase of \$10.4 billion in 2003 (tables O and P). The previous record was \$148.7 billion in 2000. In 2004, much of the activity was related to conditions in the securities markets and to a step-up in resale agreements with hedge funds in the Caribbean. In addition, banks' interoffice transfers of funds to bank offices abroad were unusually large, partly as a result of a pickup in syndicated loans and in mergers and corporate refinancings. These large outflows from U.S. banks and U.S. securities brokers were nearly matched by large inflows to U.S. banks and U.S. securities brokers; most of the inflows and outflows were channeled through the United Kingdom and Caribbean. In total, outflows and inflows in 2004 were about even, though at much higher levels of gross activity than in 2003.

Claims of U.S. securities brokers increased \$151.3 billion, up from an increase of \$55.6 billion. Increases were related to large net foreign purchases of U.S. securities and resale agreements. Moreover, some of this step-up was attributable to a significantly higher volume of hedge fund activity in the Caribbean throughout the year.

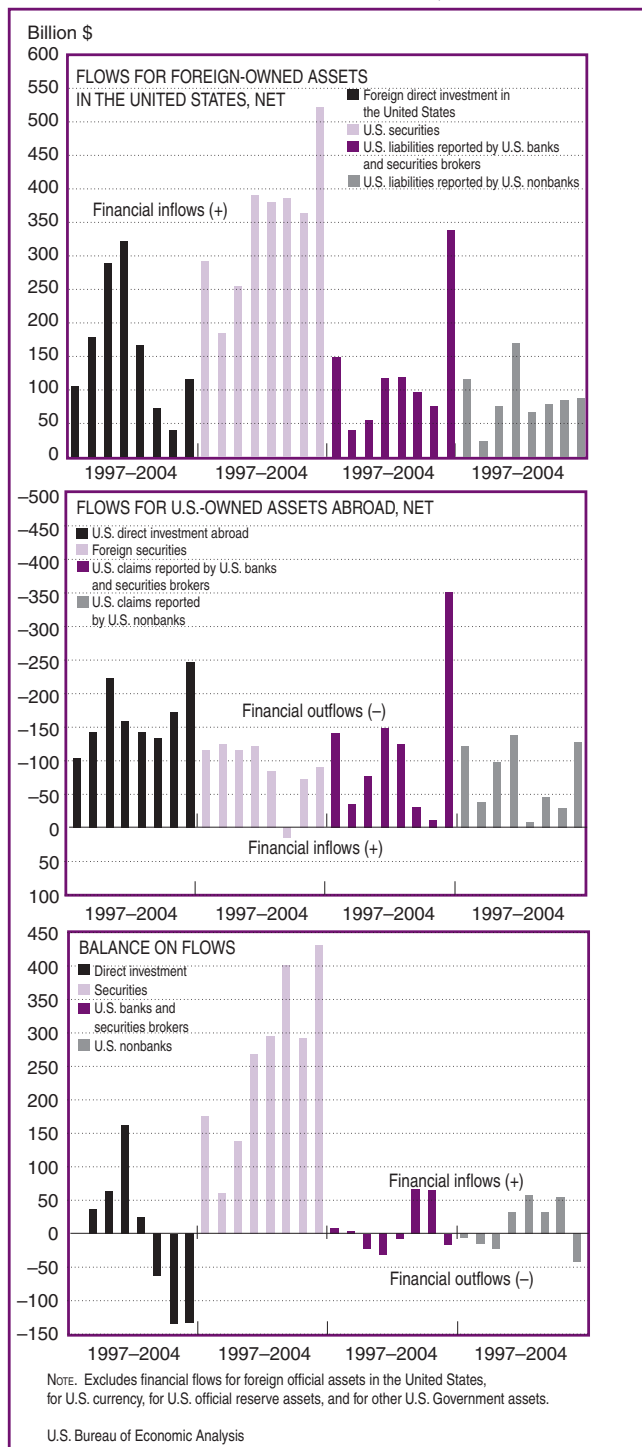
Claims of foreign-owned banks increased \$147.3 billion, up from an increase of \$3.0 billion. Especially large interoffice deposits were used to meet temporary needs for funds, some of which were related to syndicated bank lending and to mergers and corporate refinancings.

Claims of U.S.-owned banks increased \$45.2 billion, following a decrease of \$50.7 billion.

Claims for banks' customers' accounts increased \$8.6 billion in 2004, down from an increase of \$12.5 billion in 2003. Claims denominated in dollars decreased \$6.1 billion in 2004 after an increase of \$14.1 billion; a large decrease in negotiable certificates of deposit and a smaller decrease in commercial paper more than accounted for the decrease. Claims denominated in foreign currencies increased \$14.7 billion, following a decrease of \$1.7 billion, as U.S. investors sought to take advantage of the rising value of short-term instruments denominated in foreign currencies relative to similar dollar-denominated instruments.

Claims reported by U.S. nonbanking concerns increased \$128.6 billion in 2004, following an increase of \$28.9 billion in 2003 (table O). In 2004, U.S. nonbanking concerns increased their deposits \$114.0 billion, largely as a result of a \$90.7 billion increase in deposits in Caribbean financial centers.

**Chart 15. Selected Financial Flows, 1997–2004**



**Foreign securities.** Net U.S. purchases of foreign securities increased to \$90.8 billion in 2004 from \$72.3 billion in 2003 (table O). Net U.S. purchases of foreign stocks were \$93.0 billion, down from \$100.4 billion. Net U.S. sales of foreign bonds decreased to \$2.2 billion from \$28.1 billion.

Net U.S. purchases of foreign stocks remained strong at \$93.0 billion in 2004 but were down from \$100.4 billion in 2003. Foreign stock price returns of 10 percent in local currency and 18 percent in U.S. dollars surpassed U.S. stock price returns of 9 percent, providing incentives for U.S. investors to invest abroad (chart 16). An increase in net purchases of European stocks was partly offset by a decrease in net purchases of Asian stocks.

Stock swaps related to cross-border mergers and acquisitions were net sales of \$12.1 billion in 2004. An unusually large stock swap transaction in the fourth

quarter associated with the restructuring of a large foreign media company as a U.S. company resulted in substantial net U.S. sales of foreign stocks, which partly offset net U.S. purchases of outstanding stocks. Excluding this transaction, net U.S. purchases would show substantially more strength for the fourth quarter and year.

Net U.S. purchases of European stocks were \$60.6 billion, up from \$25.6 billion in 2003. European stock prices rose 9 percent in local currency and 18 percent in U.S. dollars. Net purchases in the United Kingdom accounted for much of the increase; British economic growth remained relatively robust throughout the year, and the pound appreciated 7 percent to a 12-year high against the U.S. dollar. Net U.S. purchases of Asian stocks were \$44.3 billion, down from \$63.3 billion. On average, Asian stock prices rose 9 percent in local currency and 15 percent in U.S. dollars. Net purchases of

**Table O. Private Financial Flows, Net**  
[Billions of dollars]

Claims (increase/financial outflow (-)); liabilities (increase/financial inflow (+))	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Private financial flows, net</b> .....	<b>459.6</b>	<b>295.1</b>	<b>256.2</b>	<b>9.3</b>	<b>90.1</b>	<b>56.3</b>	<b>100.5</b>
<b>Bank-reported capital, net</b> <sup>1</sup> .....	<b>66.1</b>	<b>65.2</b>	<b>-15.6</b>	<b>-46.3</b>	<b>4.2</b>	<b>-16.4</b>	<b>42.9</b>
U.S. claims.....	-30.3	-10.4	-353.8	-187.1	-37.0	-55.0	-74.7
U.S. liabilities <sup>1</sup> .....	96.4	75.6	338.2	140.8	41.2	38.7	117.6
<b>Securities, net</b> .....	<b>401.8</b>	<b>292.1</b>	<b>431.4</b>	<b>111.0</b>	<b>91.7</b>	<b>73.6</b>	<b>155.1</b>
Net U.S. purchases of foreign securities.....	15.9	-72.3	-90.8	-16.5	-26.8	-20.3	-27.2
Stocks.....	-17.6	-100.4	-93.0	-21.4	-40.4	-17.1	-14.1
Bonds.....	33.5	28.1	2.2	4.9	13.5	-3.2	-13.1
Net foreign purchases of U.S. securities.....	385.9	364.4	522.2	127.5	118.5	93.9	182.3
U.S. Treasury securities.....	100.4	113.4	108.1	65.4	29.7	0.9	12.1
Other than U.S. Treasury securities.....	285.5	251.0	414.1	62.1	88.8	93.0	170.2
Stocks.....	56.2	37.3	56.2	4.2	1.8	4.8	45.5
Bonds.....	229.3	213.7	357.9	57.9	87.0	88.2	124.7
<b>U.S. currency flows, net</b> .....	<b>21.5</b>	<b>16.6</b>	<b>14.8</b>	<b>-1.8</b>	<b>8.8</b>	<b>2.6</b>	<b>5.3</b>
<b>Direct investment, net</b> .....	<b>-62.4</b>	<b>-133.9</b>	<b>-133.0</b>	<b>-37.6</b>	<b>-23.1</b>	<b>-7.4</b>	<b>-65.0</b>
U.S. direct investment abroad.....	-134.8	-173.8	-248.5	-48.0	-55.9	-43.3	-101.3
Foreign direct investment in the United States.....	72.4	39.9	115.5	10.5	32.9	35.9	36.3
<b>Nonbank-reported capital, net</b> .....	<b>32.6</b>	<b>55.1</b>	<b>-41.5</b>	<b>-16.0</b>	<b>8.5</b>	<b>3.8</b>	<b>-37.8</b>
U.S. claims.....	-45.4	-28.9	-128.6	-56.8	12.1	-9.4	-74.5
U.S. liabilities.....	78.0	84.0	87.1	40.7	-3.6	13.3	36.7

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Liabilities exclude U.S. Treasury securities.

**Table P. Claims and Liabilities Reported by U.S. Banks and Securities Brokers**  
[Billions of dollars]

	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Claims on foreigners reported by U.S. banks and securities brokers (increase/financial outflow (-))</b> .....	<b>-30.3</b>	<b>-10.4</b>	<b>-353.8</b>	<b>-187.1</b>	<b>-37.0</b>	<b>-55.0</b>	<b>-74.7</b>
Claims for own accounts, denominated in dollars:							
Foreign banks.....	-16.7	12.7	-210.8	-138.3	6.8	-49.2	-30.1
Foreign nonbanks, excluding foreign official institutions.....	-7.0	-7.1	-118.1	-29.7	-15.2	-23.0	-50.2
Foreign official institutions.....	-2.8	-13.5	-14.9	-14.0	-0.4	6.1	-6.5
Claims for domestic customers' accounts, denominated in dollars.....	-16.4	-14.1	6.1	-6.0	-13.7	13.6	12.2
Claims denominated in foreign currencies.....	12.6	11.7	-16.1	0.9	-14.6	-2.4	(*)
<b>Liabilities to foreigners reported by U.S. banks and securities brokers (excluding U.S. Treasury securities) (increase/financial inflow (+))</b> <sup>1</sup> .....	<b>96.4</b>	<b>75.6</b>	<b>338.2</b>	<b>140.8</b>	<b>41.2</b>	<b>38.7</b>	<b>117.6</b>
Liabilities for own accounts, denominated in dollars:							
Foreign banks.....	59.5	13.6	142.9	78.2	10.3	-3.0	57.3
Foreign nonbanks, including international organizations.....	30.7	105.3	189.7	57.4	15.6	42.2	74.5
Liabilities for domestic customers' accounts, denominated in dollars.....	16.2	-12.8	4.8	2.9	18.1	-1.4	-14.8
Liabilities denominated in foreign currencies.....	-10.0	-30.5	0.9	2.3	-2.9	0.9	0.6

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Excludes liabilities to foreign official agencies.

Japanese stocks were \$6.4 billion below those of 2003, net purchases of Taiwanese stocks fell, and transactions in Chinese stocks shifted to net sales.

Net U.S. sales of foreign bonds were \$2.2 billion in 2004, down from net sales of \$28.1 billion in 2003. Transactions in bonds from the United Kingdom shifted to net purchases of \$55.1 billion from net sales of \$4.8 billion, and net purchases of other European bonds were also strong. European bonds outperformed nearly all other bond markets; annual total returns on European Monetary Union bonds were 7.3 percent, and for sterling bonds, 6.8 percent. By comparison, annual total returns on U.S. bonds were 4.4 percent. Transactions with Caribbean banking centers shifted to net sales of \$12.2 billion from net purchases of \$10.2 billion. Net sales of Asian bonds increased to \$29.7 billion from \$18.3 billion, mostly because of an increase in net sales of bonds from Singapore. New issues of foreign bonds in the United States were \$15.7 billion, down from \$21.3 billion.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$248.5 billion in 2004, up from \$173.8 billion in 2003 (table L). Net equity capital outflows were \$84.4 billion, up from \$24.6 billion; outflows were dominated by the restructuring of a large foreign media company as a U.S. company in the fourth quarter. This sizable transaction involved large net equity outflows on direct investment that were offset by stock swap transactions in the portfolio

accounts. Net financial outflows for other acquisitions were somewhat larger than in recent years; many of the largest acquisitions were in “other” manufacturing, mostly in Europe.

Reinvested earnings were \$180.9 billion, up sharply from \$141.1 billion, reflecting a pickup in earnings. Reinvested earnings have increased strongly in each of the past 3 years from their cyclical low in 2001. In 2004, the increase was widespread by industry and was largest in Europe, “Other countries” (mainly Asia), Other Western Hemisphere, and Canada.

Net intercompany debt shifted to net inflows of \$16.8 billion from net outflows of \$8.1 billion. The shift was largest in holding companies and in finance and insurance.

### Foreign-owned assets in the United States

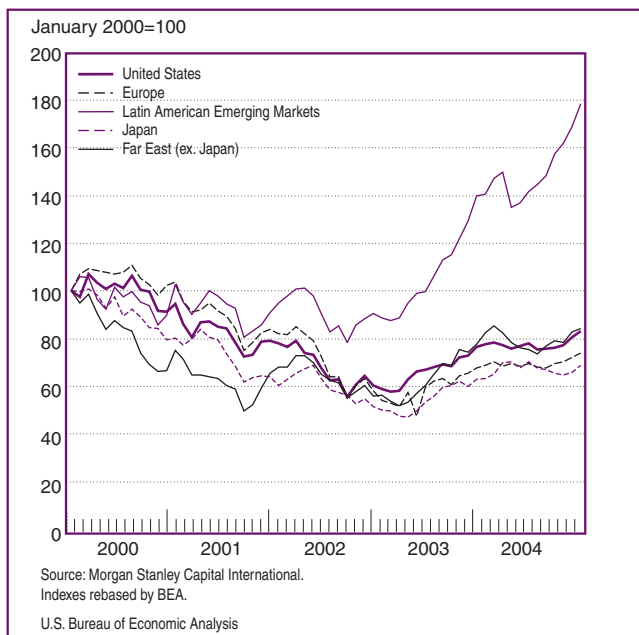
Net foreign-owned assets in the United States increased \$1,433.2 billion in 2004, compared with an increase of \$829.2 billion in 2003. Foreign official assets increased substantially for the third consecutive year. Among private assets, liabilities reported by U.S. banks, net foreign purchases of U.S. securities other than U.S. Treasury securities, and foreign direct investment in the United States were all up by substantial amounts.

**Foreign official assets.** Foreign official assets in the United States increased a record \$355.3 billion in 2004—the third consecutive year of especially large increases—following an increase of \$248.6 billion in 2003. Dollar assets of advanced countries increased \$175.6 billion in 2004. Dollar assets of Japan accounted for much of the increase, as Japanese monetary authorities intervened heavily in exchange markets in the first quarter in order to slow the appreciation of the yen and then continued to acquire dollar assets throughout most of the rest of the year. Dollar assets of developing countries increased \$179.7 billion, largely from Asian countries other than Japan. China and the Republic of Korea each increased their foreign exchange reserves and accumulated a substantial amount of dollar assets. Dollar assets of Russia also increased.

**U.S. liabilities to banks and to nonbanks.** U.S. liabilities reported by U.S. banks and securities brokers increased a record \$338.2 billion in 2004, up substantially from an increase of \$75.6 billion in 2003. The previous record inflow was \$118.4 billion in 2001 (tables O and P).

U.S. financial institutions borrowed large amounts of funds from offshore sources in 2004. Inflows closely paralleled the pattern of cross-border lending by U.S. banks: 40 percent of annual inflows (borrowings) occurred in the first quarter, and 35 percent of inflows occurred in the fourth quarter, when lending was also

**Chart 16. Selected Stock Price Indexes in Local Currencies**



the strongest. As with U.S. bank claims, the large increase in liabilities was related to the sizable increase in repurchase activity in the securities markets, including activity with hedge funds in the Caribbean, and to exceptionally large deposit transfers among banks to satisfy short-term demands for funds for syndicated loans and for mergers and corporate refinancings.

Liabilities of U.S. securities brokers increased \$172.1 billion in 2004, following an increase of \$165.3 billion in 2003. Sizable borrowing by U.S. brokers from foreign nonbanks reflected an increase in repurchase activity, in large part with international mutual funds and hedge funds in the Caribbean.

Liabilities of foreign-owned banks increased \$78.2 billion in 2004, following a decrease of \$59.0 billion in 2003. Interoffice borrowing from foreign banks was related to syndicated lending and merger and acquisition financing.

Liabilities of U.S.-owned banks increased \$82.3 billion, following a \$12.6 billion increase. Much of the increase reflected interoffice borrowing from foreign banks.

Liabilities for banks' customers' accounts increased \$5.8 billion in 2004, following a decrease of \$12.8 billion in 2003, mostly against the Caribbean in the form of negotiable certificates of deposit and other short-term instruments.

Nonbank liabilities increased \$87.1 billion in 2004, following an increase of \$84.0 billion in 2003 (table O). In 2004, the increase was largely accounted for by a \$74.8 billion increase in "other" liabilities (which includes loans, advances, and other borrowings by U.S. nonbank concerns) that was attributable to a \$62.1 billion increase to the United Kingdom.

**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities by private foreigners were \$108.1 billion in 2004, down from \$113.4 billion in 2003 (table O). However, in 2002–2004, net foreign purchases have been strong, totaling \$321.9 billion, just below the record total of \$368.9 accumulated in 1995–97. In 2004, most purchases were by the United Kingdom and the Caribbean.

Relative to 2003, the Treasury yield curve shifted up and flattened in 2004 on an average annual basis (chart 17). During 2004, short-term and long-term rates both increased in the first half of the year. In the second half, short-term rates continued to rise, while long-term rates fell.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than U.S. Treasury securities were a record \$414.1 billion in 2004, up from \$251.0 billion in 2003 (table O). Net purchases of U.S. agency bonds were a record \$103.6 billion, following net sales of \$13.4 billion. Net foreign purchases of U.S. corporate

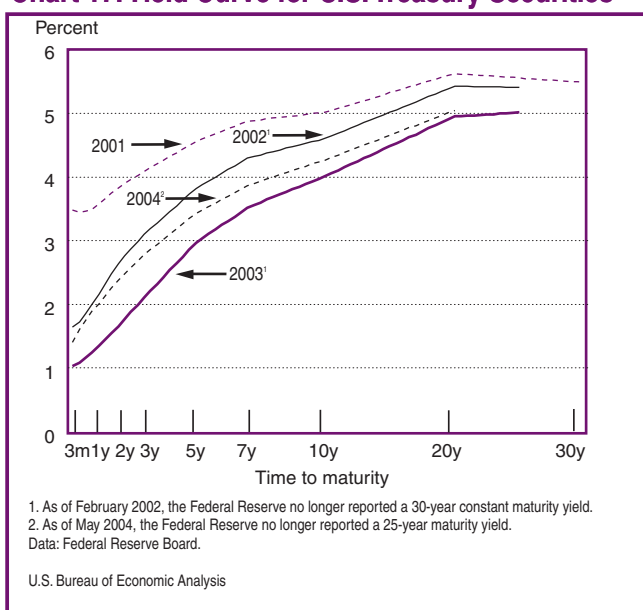
bonds were a record \$254.2 billion, up from the previous record of \$227.1 billion in 2003. Net foreign purchases of U.S. stocks were \$56.2 billion, up from \$37.3 billion.

Foreign transactions in U.S. agency bonds shifted to record net purchases of \$103.6 billion in 2004 from net sales of \$13.4 billion in 2003, as investors sought to gain an advantage of 25–35 basis points over Treasury bonds. The strong net purchases were also partly attributable to the slowdown in debt refinancings (which are considered net sales) as higher interest rates resulted in lower principal prepayments of mortgage-backed agency bonds. The increase in net purchases was widespread across all major geographic areas; the largest changes were an increase from the United Kingdom and a shift from net sales to net purchases from Japan.

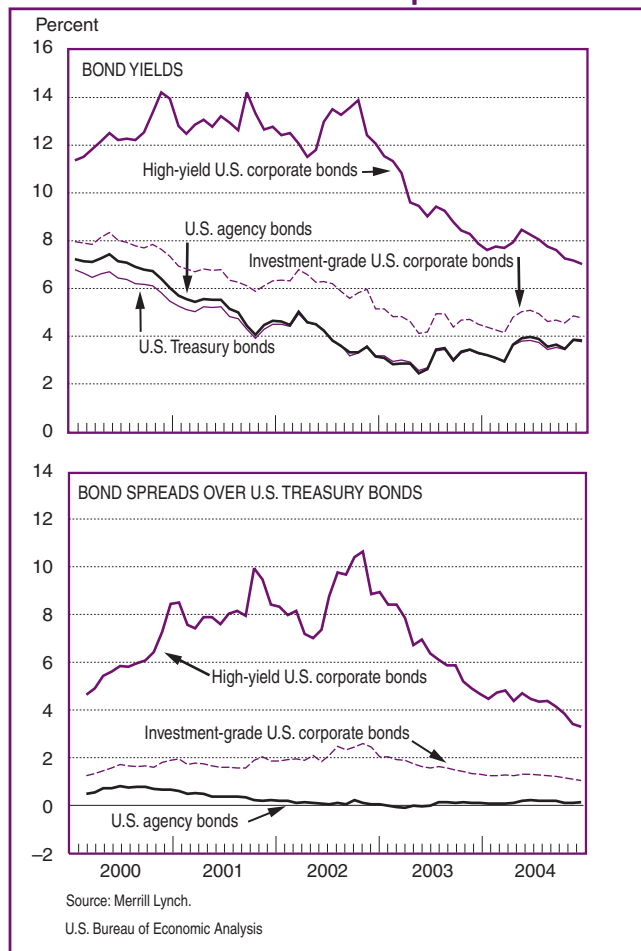
Net foreign purchases of U.S. corporate bonds were a record \$254.2 billion in 2004, up from the previous record of \$227.1 billion in 2003. Most of the step-up was attributable to increases from Asia, where net purchases doubled to \$53.6 billion, and from Latin America, where net purchases nearly tripled to \$20.7 billion. Throughout the year, credit spreads narrowed, balance sheets improved, and corporate profits rose, enhancing the attractiveness of U.S. corporate debt. Yields on corporate investment grade and noninvestment grade debt exceeded yields on Treasury debt by a smaller amount than in 2003 (chart 18).

New U.S. bond issues sold to foreigners in 2004 were a record \$140.5 billion, up from a record \$118.2 billion in 2003 (table Q). Borrowing costs remained relatively low, credit spreads narrowed, and credit

**Chart 17. Yield Curve for U.S. Treasury Securities**





**Chart 18. U.S. Bond Yields and Spreads**

quality continued to improve. Strong demand continued as investors sought alternatives to relatively low U.S. Treasury bond yields. Foreign acquisitions of new corporate issues were \$84.9 billion, up from \$69.1 billion, and acquisitions of new agency issues were \$55.6 billion, up from \$49.1 billion. Straight fixed-rate issues continued to dominate the market, but floating-rate issues increased significantly. Foreign-currency-denominated issues surpassed dollar-denominated issues for the second year in a row; euro-denominated issues continued to account for this strength.

Net foreign purchases of U.S. stocks were \$56.2 billion in 2004, up from \$37.3 billion in 2003. Net purchases of outstanding issues were low until the fourth quarter, when U.S. stock prices picked up significantly, perhaps stimulated by an improved outlook for U.S. corporate profits; over half of the annual net purchases occurred in the fourth quarter. For the year 2004, the S&P 500 Index gained 9 percent; the NASDAQ Composite Index, 9 percent; and the Dow Jones Industrial Average, 3 percent—all well below their gains in 2003. By comparison, in 2004, the MSCI European Stock Index was up 9 percent in local currency, and the MSCI Emerging Markets Index was up 13 percent in local currency; these advances were also well below those in 2003.

Net foreign purchases of U.S. stocks were also boosted in the fourth quarter by a substantial increase in foreign holdings of U.S. stocks associated with the restructuring of a large foreign media company as a

**Table Q. New Bond Issues Sold to Foreigners by U.S. Borrowers**

[Millions of dollars]

	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III	IV <sup>P</sup>
<b>Total</b> .....	<b>105,435</b>	<b>118,166</b>	<b>140,513</b>	<b>39,820</b>	<b>34,982</b>	<b>35,842</b>	<b>29,869</b>
<b>By issuer:</b>							
Industrial corporations .....	8,404	8,756	6,615	1,265	894	923	3,533
Banking corporations <sup>1</sup> .....	10,007	14,508	27,767	5,897	6,074	9,197	6,599
Nonbank financial corporations <sup>2</sup> .....	38,552	45,841	46,987	11,796	15,292	11,822	8,077
U.S. federally sponsored agencies .....	47,649	49,061	55,637	20,639	11,371	11,967	11,660
All other borrowers .....	823	.....	3,507	223	1,351	1,933	.....
<b>By instrument:</b>							
Straight fixed-rate bonds .....	97,244	101,455	111,101	36,015	24,499	27,113	23,474
Floating-rate notes .....	8,191	16,598	29,412	3,805	10,483	8,729	6,395
Zero-coupon bonds .....	.....	.....	.....	.....	.....	.....	.....
Bonds convertible into stock .....	.....	113	.....	.....	.....	.....	.....
Other debt instruments .....	.....	.....	.....	.....	.....	.....	.....
<b>By currency:</b>							
U.S. dollars .....	61,195	56,690	60,863	19,501	11,226	14,468	15,668
Foreign currencies .....	44,240	61,476	79,650	20,319	23,756	21,374	14,201
Japanese yen .....	4,370	3,582	10,968	1,739	4,125	1,528	3,576
Swiss franc .....	1,865	1,048	4,133	1,676	1,365	634	458
German mark .....	.....	.....	.....	.....	.....	.....	.....
British pound .....	3,594	9,017	10,129	862	1,376	6,234	1,657
Euro .....	34,046	44,783	47,736	12,357	16,108	12,042	7,229
Canadian dollar .....	.....	.....	428	150	109	.....	169
Other currencies .....	365	3,046	6,256	3,535	673	936	1,112

<sup>P</sup> Preliminary.

1. Includes banks and bank holding companies.

2. Principally credit, securities, brokerage, and insurance companies.

U.S. company. Excluding this transaction, net foreign purchases would show substantially less strength for the fourth quarter and for the year. For all of 2004, stock swap transactions related to cross-border mergers and acquisitions resulted in net foreign purchases of U.S. stocks of \$36.9 billion.

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$14.8 billion in 2004, down from \$16.6 billion in 2003. The somewhat lower shipments reflected the continued use of euros rather than dollars for travel and trade and fewer crises in countries and regions that tend to demand dollars in difficult times.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$115.5 billion in 2004, up sharply from \$39.9 billion in 2003 (table L).

Reinvested earnings accounted for most of the increase, rising to \$62.6 billion from \$12.0 billion. Reinvested earnings were strongest for affiliates of parent companies in the United Kingdom, Netherlands, Germany, and France; by industry, the largest gains were in petroleum manufacturing and wholesale trade.

Net intercompany debt outflows decreased to \$11.9 billion from \$34.4 billion, as U.S. affiliates' receivables increased sharply and as U.S. affiliates' payables shifted to net inflows.

Net equity capital inflows increased to \$64.8 billion from \$62.2 billion, but remained at low levels and at only 25 percent of peak inflows in 2000. In 2004, a few large acquisitions occurred in financial services, banking, manufacturing, and insurance. The largest acquisition was in financial services by a Canadian company.

Table R. Selected U.S. Transactions With OPEC Members

[Millions of dollars]

(Credit +; debit -)	1990	1991 <sup>†</sup>	1992 <sup>†</sup>	1993 <sup>†</sup>	1994 <sup>†</sup>	1995 <sup>†</sup>	1996 <sup>†</sup>	1997 <sup>†</sup>	1998 <sup>†</sup>	1999 <sup>†</sup>	2000 <sup>†</sup>	2001 <sup>†</sup>	2002 <sup>†</sup>	2003 <sup>†</sup>	2004 <sup>‡</sup>
<b>Exports of goods and services and income receipts:</b>															
Goods, balance of payments basis .....	13,141	18,106	20,667	18,318	16,295	17,405	19,226	23,696	22,933	18,315	17,625	19,503	17,806	16,552	21,567
Transfers under U.S. military agency sales contracts .....	2,687	3,809	4,454	3,675	2,936	4,471	5,638	4,039	5,179	3,982	3,029	2,056	1,983	2,984	2,893
Royalties and license fees .....	94	149	161	220	357	394	253	312	263	332	409	353	357	387	436
Other private services .....	1,423	1,898	3,076	2,752	3,096	3,372	4,138	4,195	4,637	5,585	3,394	3,838	3,971	4,267	5,271
U.S. Government miscellaneous services .....	20	16	22	13	14	17	11	8	8	14	13	13	13	12	12
Income receipts on U.S.-owned assets abroad:															
Direct investment receipts .....	2,854	3,293	3,224	2,745	2,701	3,966	4,220	4,073	2,682	3,750	4,789	3,738	3,526	4,666	6,619
Other private receipts .....	2,326	1,441	1,242	1,015	1,426	1,436	1,241	1,522	1,823	1,804	1,978	1,083	622	387	388
U.S. Government receipts .....	261	217	187	141	122	192	268	263	238	266	448	330	311	754	257
<b>Imports of goods and services and income payments:</b>															
Goods, balance of payments basis .....	-38,399	-33,430	-33,718	-32,648	-31,675	-34,265	-42,675	-43,997	-33,672	-41,952	-66,995	-59,752	-53,246	-68,347	-94,138
Direct defense expenditures .....	-1,419	-784	-883	-455	-360	-335	-545	-944	-1,754	-1,815	-1,568	-1,687	-3,847	-6,374	-8,534
Royalties and license fees .....	(*)	-1	-1	-37	-7	-2	-38	-5	-8	-9	-17	-25	-7	-7	-7
Other private services .....	-306	-461	-482	-430	-535	-570	-801	-821	-916	-954	-566	-583	-673	-716	-1,088
U.S. Government miscellaneous services .....	-96	-87	-47	-26	-39	-34	-31	-29	-28	-46	-46	-45	-42	-47	-47
Income payments on foreign-owned assets in the United States:															
Direct investment payments .....	-98	-93	182	-82	-49	-34	-136	-448	-111	-17	-169	-434	-127	-741	-1,592
Other private payments .....	-2,892	-2,669	-2,385	-2,166	-1,979	-2,697	-2,570	-2,811	-2,738	-2,832	-3,808	-2,751	-1,814	-1,589	-2,254
U.S. Government payments .....	-3,241	-2,764	-2,524	-2,160	-1,747	-2,080	-2,374	-3,454	-3,145	-2,912	-3,224	-3,103	-2,526	-1,722	-1,881
<b>U.S. Government grants</b> .....	<b>3,368</b>	<b>27,453</b>	<b>1,018</b>	<b>-197</b>	<b>-204</b>	<b>-195</b>	<b>-152</b>	<b>-55</b>	<b>-54</b>	<b>-108</b>	<b>-115</b>	<b>-82</b>	<b>-203</b>	<b>-3,334</b>	<b>-4,861</b>
<b>U.S. Government pensions and other current transfers</b> .....	<b>-25</b>	<b>-305</b>	<b>-32</b>	<b>-27</b>	<b>-28</b>	<b>-25</b>	<b>-93</b>	<b>-57</b>	<b>-40</b>	<b>-26</b>	<b>-23</b>	<b>-20</b>	<b>-20</b>	<b>-18</b>	<b>-22</b>
<b>U.S.-owned assets abroad, net (increase/capital outflow (-))</b> .....	<b>1,847</b>	<b>-577</b>	<b>-12,162</b>	<b>-513</b>	<b>-2,963</b>	<b>262</b>	<b>-7,318</b>	<b>-9,054</b>	<b>-12,846</b>	<b>1,484</b>	<b>3,437</b>	<b>80</b>	<b>-4,385</b>	<b>-1,274</b>	<b>-682</b>
U.S. Government assets, other than official reserve assets, net .....	-253	-788	-529	19	-422	-901	-458	12	-10	-317	-217	-610	-11	-947	482
U.S. credits and other long-term assets .....	-647	-246	-277	-85	-234	-925	-912	-412	-166	-504	-566	-1,095	-329	-1,923	-36
Repayments on U.S. credits and other long-term assets .....	481	397	279	224	177	215	290	420	154	210	366	490	351	1,024	566
U.S. foreign currency holdings and U.S. short-term assets, net .....	-87	-939	-531	-120	-365	-191	164	4	2	-23	-17	-5	-33	-48	-48
U.S. private assets, net .....	2,100	211	-11,633	-532	-2,541	1,163	-6,860	-9,066	-12,836	1,801	3,654	1,412	-4,374	-327	-1,164
Direct investment .....	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-2,884	-2,411	-4,323	-113	-5,824	-2,997	-4,014	-2,792	-1,040
Foreign securities .....	-2,815	-17	337	-679	-1,933	-556	-3,122	-4,077	-965	97	1,515	2,080	1,120	2,124	1,953
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	13	-224	-44	-306	-146	-25	-478	-336	369	-531	566	429	53	-68	-392
U.S. claims reported by U.S. banks, not included elsewhere .....	6,179	3,158	-10,461	2,050	3,113	4,123	-376	-2,242	-7,917	2,348	7,397	1,900	-1,533	409	-1,685
<b>Foreign-owned assets in the United States, net (increase/capital inflow (+))</b> .....	<b>3,320</b>	<b>-4,416</b>	<b>14,529</b>	<b>-8,904</b>	<b>1,400</b>	<b>4,544</b>	<b>18,133</b>	<b>17,353</b>	<b>-12,162</b>	<b>9,868</b>	<b>30,528</b>	<b>-1,702</b>	<b>-2,598</b>	<b>7,497</b>	<b>33,536</b>
Of which: Foreign official .....	1,555	-5,235	5,626	-3,850	-1,464	4,061	14,105	12,700	-11,420	1,595	12,056	-1,710	-9,636	4,541	10,521
U.S. Treasury securities .....	-244	-5,902	4,323	-6,302	-1,668	1,293	16,125	8,965	-13,870	3,250	10,201	-934	-4,593	-5,792	9,794
Other U.S. securities .....	-2,676	1,989	4,186	3,322	-820	1,276	3	3,657	3,393	2,104	14,028	4,391	2,226	7,831	18,837
Other U.S. Government liabilities .....	505	151	569	730	1,797	617	-982	-2,260	-1,163	-678	-288	-288	-337	-1,446	-1,291
U.S. liabilities reported by U.S. banks, not included elsewhere .....	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,094	2,296	5,540	4,473	-3,893	-1,946	6,626	4,519
Direct investment in the United States .....	-662	81	167	-812	251	-140	623	177	-1,291	315	2,204	-650	827	954	1,224
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ..	711	-571	491	-177	163	439	551	808	-430	-178	300	-328	1,225	-676	453
All other transactions with OPEC and transfers of funds between foreign areas, net	15,135	-10,795	3,472	18,766	11,239	4,178	3,605	6,214	29,711	5,271	10,881	38,468	40,899	46,663	44,127
<b>Memorandum:</b>															
Balance on goods .....	-25,258	-15,324	-13,051	-14,330	-15,380	-16,860	-23,449	-20,301	-10,739	-23,637	-49,370	-40,249	-35,440	-51,795	-72,571

<sup>†</sup> Revised.<sup>‡</sup> Preliminary.<sup>\*</sup> Less than \$500,000 (+/-).

NOTE: OPEC members are Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Excludes Ecuador beginning January 1993 and Gabon in January 1995. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.

Table 1 through 11 follow.

Table 1. U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	2003	2004 <sup>P</sup>	Not seasonally adjusted			
				2003			
				I	II	III	IV
<b>Current account</b>							
<b>1</b>	<b>Exports of goods and services and income receipts</b>	<b>1,314,888</b>	<b>1,516,169</b>	<b>312,717</b>	<b>319,352</b>	<b>327,829</b>	<b>354,990</b>
2	Exports of goods and services	1,020,503	1,147,181	244,400	249,271	253,788	273,044
3	Goods, balance of payments basis <sup>2</sup>	713,122	807,610	171,660	177,552	172,740	191,170
4	Services <sup>3</sup>	307,381	339,571	72,740	71,719	81,048	81,874
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	12,491	13,571	2,827	3,014	3,292	3,358
6	Travel	64,509	74,768	13,602	14,518	19,220	17,169
7	Passenger fares	15,693	18,939	3,454	3,440	4,561	4,238
8	Other transportation	31,833	37,047	7,352	7,777	8,215	8,489
9	Royalties and license fees <sup>5</sup>	48,227	51,341	11,286	11,779	11,914	13,248
10	Other private services <sup>5</sup>	133,818	143,150	34,017	30,989	33,643	35,169
11	U.S. Government miscellaneous services	810	755	202	202	203	203
12	Income receipts	294,385	368,988	68,317	70,081	74,041	81,946
13	Income receipts on U.S.-owned assets abroad	291,354	365,886	67,576	69,351	73,272	81,155
14	Direct investment receipts	187,522	237,564	41,288	43,984	47,452	54,798
15	Other private receipts	99,135	125,295	25,345	24,218	24,498	25,074
16	U.S. Government receipts	4,697	3,027	943	1,149	1,322	1,283
17	Compensation of employees	3,031	3,102	741	730	769	791
<b>18</b>	<b>Imports of goods and services and income payments</b>	<b>-1,778,117</b>	<b>-2,109,181</b>	<b>-418,713</b>	<b>-438,545</b>	<b>-455,104</b>	<b>-465,755</b>
19	Imports of goods and services	-1,517,011	-1,764,256	-355,417	-374,464	-387,701	-399,429
20	Goods, balance of payments basis <sup>2</sup>	-1,260,674	-1,473,087	-297,186	-310,988	-319,254	-333,246
21	Services <sup>3</sup>	-256,337	-291,169	-58,231	-63,476	-68,447	-66,183
22	Direct defense expenditures	-25,117	-28,238	-5,732	-6,229	-6,339	-6,817
23	Travel	-56,613	-64,590	-12,229	-14,286	-16,868	-13,230
24	Passenger fares	-20,957	-23,310	-4,498	-5,347	-6,163	-4,949
25	Other transportation	-44,768	-54,173	-10,248	-11,242	-11,668	-11,610
26	Royalties and license fees <sup>5</sup>	-20,049	-22,868	-4,480	-4,726	-5,180	-5,663
27	Other private services <sup>5</sup>	-85,829	-94,736	-20,299	-20,897	-21,476	-23,157
28	U.S. Government miscellaneous services	-3,004	-3,254	-745	-749	-753	-757
29	Income payments	-261,106	-344,925	-63,296	-64,081	-67,403	-66,326
30	Income payments on foreign-owned assets in the United States	-252,573	-336,064	-61,221	-62,078	-65,265	-64,009
31	Direct investment payments	-68,657	-105,252	-15,079	-17,541	-19,452	-16,585
32	Other private payments	-111,874	-146,674	-28,146	-26,785	-27,844	-29,099
33	U.S. Government payments	-72,042	-84,138	-17,996	-17,752	-17,969	-18,325
34	Compensation of employees	-8,533	-8,861	-2,075	-2,003	-2,138	-2,317
<b>35</b>	<b>Unilateral current transfers, net</b>	<b>-67,439</b>	<b>-72,928</b>	<b>-16,979</b>	<b>-16,001</b>	<b>-16,674</b>	<b>-17,785</b>
36	U.S. Government grants <sup>4</sup>	-21,865	-23,187	-5,833	-5,832	-5,447	-4,753
37	U.S. Government pensions and other transfers	-5,341	-6,235	-1,037	-1,208	-1,155	-1,941
38	Private remittances and other transfers <sup>6</sup>	-40,233	-43,506	-10,109	-8,961	-10,072	-11,091
<b>Capital and financial account</b>							
<b>Capital account</b>							
<b>39</b>	<b>Capital account transactions, net</b>	<b>-3,079</b>	<b>-1,477</b>	<b>-406</b>	<b>-1,552</b>	<b>-821</b>	<b>-300</b>
<b>Financial account</b>							
<b>40</b>	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-283,414</b>	<b>-817,676</b>	<b>-106,395</b>	<b>-114,630</b>	<b>-10,447</b>	<b>-51,942</b>
41	U.S. official reserve assets, net	1,523	2,805	83	-170	-611	2,221
42	Gold <sup>7</sup>						
43	Special drawing rights	601	-398	897	-102	-97	-97
44	Reserve position in the International Monetary Fund	1,494	3,826	-644	86	-383	2,435
45	Foreign currencies	-572	-623	-170	-154	-131	-117
46	U.S. Government assets, other than official reserve assets, net	537	1,269	53	310	483	-309
47	U.S. credits and other long-term assets	-7,279	-3,026	-2,428	-1,591	-1,532	-1,728
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	7,981	4,245	2,445	1,975	2,035	1,526
49	U.S. foreign currency holdings and U.S. short-term assets, net	-165	50	36	-74	-20	-107
50	U.S. private assets, net	-285,474	-821,750	-106,531	-114,770	-10,319	-53,854
51	Direct investment	-173,799	-248,508	-44,567	-37,717	-47,515	-44,000
52	Foreign securities	-72,337	-90,840	-26,619	8,429	-28,312	-25,835
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-28,932	-128,589	-11,207	-22,480	35,845	-31,090
54	U.S. claims reported by U.S. banks, not included elsewhere	-10,406	-353,813	-24,138	-63,002	29,663	47,071
<b>55</b>	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>829,173</b>	<b>1,433,171</b>	<b>245,695</b>	<b>220,419</b>	<b>135,414</b>	<b>227,645</b>
56	Foreign official assets in the United States, net	248,573	355,252	48,986	65,245	50,663	83,679
57	U.S. Government securities	194,568	287,495	39,845	45,958	27,293	81,472
58	U.S. Treasury securities <sup>9</sup>	169,685	261,540	30,277	42,668	23,953	72,787
59	Other <sup>10</sup>	24,883	25,955	9,568	3,290	3,340	8,685
60	Other U.S. Government liabilities <sup>11</sup>	-564	-314	-437	-16	-41	-70
61	U.S. liabilities reported by U.S. banks, not included elsewhere	49,420	55,442	8,325	18,552	22,019	524
62	Other foreign official assets <sup>12</sup>	5,149	12,629	1,253	751	1,392	1,753
63	Other foreign assets in the United States, net	580,600	1,077,919	196,709	155,174	84,751	143,966
64	Direct investment	39,890	115,530	32,113	1,322	-1,598	8,053
65	U.S. Treasury securities	113,432	108,138	8,974	53,254	46,490	4,714
66	U.S. securities other than U.S. Treasury securities	250,981	414,084	56,723	92,407	18,090	83,761
67	U.S. currency	16,640	14,827	4,927	1,458	2,768	7,487
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	84,014	87,113	69,410	-2,257	12,721	4,140
69	U.S. liabilities reported by U.S. banks, not included elsewhere	75,643	338,227	24,562	8,990	6,280	35,811
<b>70</b>	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-12,012</b>	<b>51,922</b>	<b>-15,919</b>	<b>30,957</b>	<b>19,803</b>	<b>-46,853</b>
70a	Of which: Seasonal adjustment discrepancy						
<b>Memoranda:</b>							
71	Balance on goods (lines 3 and 20)	-547,552	-665,477	-125,526	-133,436	-146,514	-142,076
72	Balance on services (lines 4 and 21)	51,044	48,402	14,509	8,243	12,601	15,691
73	Balance on goods and services (lines 2 and 19)	-496,508	-617,075	-111,017	-125,193	-133,913	-126,385
74	Balance on income (lines 12 and 29)	33,279	24,063	5,021	6,000	6,638	15,620
75	Unilateral current transfers, net (line 35)	-67,439	-72,928	-16,979	-16,001	-16,674	-17,785
76	Balance on current account (lines 1, 18, and 39 or lines 73, 74, and 75) <sup>13</sup>	-530,668	-665,940	-122,975	-135,194	-143,949	-128,550















**Table 4. U.S. Official Reserve Assets and Foreign Official Assets in the United States**  
 [Millions of dollars]

Line	(Credits +; decrease in U.S. assets or increase in foreign assets. Debits -; increase in U.S. assets or decrease in foreign assets.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	
A1	<b>U.S. official reserve assets, net (table 1, line 41).....</b>	<b>1,523</b>	<b>2,805</b>	<b>83</b>	<b>-170</b>	<b>-611</b>	<b>2,221</b>	<b>557</b>	<b>1,122</b>	<b>429</b>	<b>697</b>	<b>189,545</b>
2	Gold (table 1, line 42).....											113,947
3	Special drawing rights (table 1, line 43).....	601	-398	897	-102	-97	-97	-100	-90	-98	-110	13,582
4	Reserve position in the International Monetary Fund (table 1, line 44).....	1,494	3,826	-644	86	-383	2,435	815	1,345	676	990	19,544
5	Foreign currencies (table 1, line 45).....	-572	-623	-170	-154	-131	-117	-158	-133	-149	-183	42,472
B1	<b>Foreign official assets in the United States, net (table 1, line 56).....</b>	<b>248,573</b>	<b>355,252</b>	<b>48,986</b>	<b>65,245</b>	<b>50,663</b>	<b>83,679</b>	<b>127,864</b>	<b>73,349</b>	<b>72,004</b>	<b>82,035</b>	<b>1,852,316</b>
	By instrument:											
2	U.S. Treasury securities (table 1, line 58).....	169,685	261,540	30,277	42,668	23,953	72,787	101,692	62,979	54,693	42,176	1,209,807
3	Bills and certificates.....	21,581	15,523	16,818	3,763	-3,107	4,107	19,579	289	10,555	-14,900	244,573
4	Bonds and notes, marketable.....	148,259	246,999	13,406	38,850	27,004	68,999	83,186	62,660	44,108	57,045	963,604
5	Bonds and notes, nonmarketable.....	-155	-982	53	55	56	-319	-1,073	30	30	31	1,630
6	Other U.S. Government securities (table 1, line 59).....	24,883	25,955	9,568	3,290	3,340	8,685	13,016	2,261	7,140	3,538	211,092
7	Other U.S. Government liabilities (table 1, line 60).....	-564	-314	-437	-16	-41	-70	-140	-89	501	-586	16,267
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61).....	49,420	55,442	8,325	18,552	22,019	524	11,854	6,189	6,354	31,045	271,976
9	Banks' liabilities for own account <sup>1</sup> .....	27,316	21,620	5,670	8,175	15,264	-1,793	8,296	7,698	1,409	4,217	147,117
10	Repurchase agreements.....	28,558	15,081	6,125	4,668	16,709	1,056	2,029	10,456	7,378	-4,782	110,743
11	Deposits and brokerage balances <sup>2</sup> .....	3,292	4,075	4,288	615	-2,891	1,280	1,129	3,489	-5,109	4,566	28,222
12	Other liabilities.....	-4,534	2,464	-4,743	2,892	1,446	-4,129	5,138	-6,247	-860	4,433	8,152
13	Banks' customers' liabilities <sup>1</sup> .....	22,104	33,822	2,655	10,377	6,755	2,317	3,558	-1,509	4,945	26,828	124,859
14	Negotiable certificates of deposit and other short-term instruments.....	19,719	34,565	1,808	6,195	5,154	6,562	5,666	-3,668	6,245	26,322	123,153
15	Other liabilities.....	2,385	-743	847	4,182	1,601	-4,245	-2,108	2,159	-1,300	506	1,706
16	Other foreign official assets (table 1, line 62).....	5,149	12,629	1,253	751	1,392	1,753	1,442	2,009	3,316	5,862	143,174
	By area:											
17	Europe.....	5,118	43,089	8,744	3,210	308	-7,144	4,549	22,534	4,545	11,461	347,675
18	Canada.....	-1,105	933	-978	-168	406	-365	892	-114	968	-813	7,373
19	Latin America and Caribbean.....	12,290	20,336	3,339	7,992	522	437	4,448	7,786	3,841	4,261	111,697
20	Asia.....	228,067	280,263	40,568	49,492	51,744	86,283	117,367	45,661	62,339	54,896	1,348,457
21	Africa.....	328	2,177	-189	505	-972	984	1,512	480	1,239	-1,054	13,953
22	Other.....	3,855	8,454	-2,498	4,214	-1,345	3,484	-904	-2,998	-928	13,284	23,161

See the footnotes on pages 67-68.

Table 5. Selected U.S. Government Transactions

[Millions of dollars]

Line		2003	2004 <sup>p</sup>	Not seasonally adjusted							
				2003				2004			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>
A1	<b>U.S. Government grants and transactions increasing Government assets, total</b>	<b>31,196</b>	<b>26,305</b>	<b>8,322</b>	<b>8,764</b>	<b>7,509</b>	<b>6,601</b>	<b>8,451</b>	<b>5,459</b>	<b>6,213</b>	<b>6,183</b>
	<b>By category</b>										
2	Grants, net	23,752	23,330	5,930	7,100	5,957	4,766	7,804	4,914	4,904	5,709
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	21,865	23,187	5,833	5,832	5,447	4,753	7,744	4,910	4,876	5,657
4	Financing military purchases <sup>1</sup>	6,364	6,235	2,979	1,642	512	1,230	3,973	576	397	1,290
5	Other grants	15,502	16,953	2,854	4,190	4,935	3,523	3,772	4,334	4,479	4,367
6	Cash contributions received from coalition partners for Persian Gulf operations										
7	Debt forgiveness (table 1, part of line 39, with sign reversed)	1,886	142	97	1,267	509	13	59	3	28	52
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	7,279	3,026	2,428	1,591	1,532	1,728	561	668	1,270	527
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,434	2,037	378	405	357	294	342	513	849	333
10	Credits repayable in U.S. dollars	5,845	990	2,050	1,186	1,175	1,434	219	155	421	195
11	Credits repayable in other than U.S. dollars										
12	Other long-term assets										
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	165	-50	-36	74	20	107	86	-122	39	-53
14	Foreign currency holdings (excluding administrative cash holdings), net	5	1			5				1	
	Receipts from:										
15	Sales of agricultural commodities										
16	Interest	4				4					
17	Repayments of principal	2	1	(*)		1				1	
18	Reverse grants										
19	Other sources										
	Less currencies disbursed for:										
20	Grants and credits in the recipient's currency										
21	Other grants and credits										
22	Other U.S. Government expenditures										
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	181	-41	-4	94	24	67	78	-137	31	-12
24	Other assets held under Commodity Credit Corporation Charter Act, net										
25	Assets financing military sales contracts, net <sup>2</sup>										
26	Other short-term assets (including changes in administrative cash holdings), net	-21	-11	-33	-20	-9	40	8	15	8	-41
	<b>By program</b>										
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,434	2,037	378	405	357	294	342	513	849	333
28	Under Agricultural Trade Development and Assistance Act and related programs	2,661	1,129	327	1,318	453	564	306	276	267	280
29	Under Foreign Assistance Act and related programs	22,451	21,429	6,611	6,344	5,146	4,351	7,444	4,255	4,659	5,072
30	Under Export-Import Bank Act	3,316	273	753	429	1,159	975	60	23	104	86
31	Under Commodity Credit Corporation Charter Act	97	97	17	5	39	36	68	13	17	
32	Under other grant and credit programs	1,253	1,350	270	284	359	341	224	364	309	453
33	Other foreign currency assets acquired (lines A16, A17, and A19)	5	1	1		5				1	
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)										
35	Other (including changes in administrative cash holdings), net	-22	-11	-33	-20	-9	40	8	15	8	-41
	<b>By disposition<sup>3</sup></b>										
36	Estimated transactions involving no direct dollar outflow from the United States	24,327	16,902	6,959	6,919	5,502	4,948	6,733	3,092	3,237	3,840
37	Expenditures on U.S. goods	9,006	7,052	3,575	2,730	1,376	1,325	3,815	871	946	1,420
38	Expenditures on U.S. services <sup>4</sup>	7,744	6,791	1,237	2,096	2,492	1,919	1,632	1,685	1,807	1,666
39	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6)	2,532	2,824	603	474	568	888	1,123	565	417	719
40	By long-term credits	180	124	10	76	58	36			46	77
41	By short-term credits <sup>1</sup>										
42	By grants <sup>1</sup>	2,353	2,699	592	398	510	852	1,123	565	370	642
43	U.S. Government grants and credits to repay prior U.S. Government credits <sup>1,4</sup>	4,574	166	1,386	1,522	998	668	82	6	37	41
44	U.S. Government long- and short-term credits to repay prior U.S. private credits <sup>6</sup> and other assets	529	135	179	102	87	162	71	20	35	9
45	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line C11)										
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts <sup>1</sup> (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	57	63	21	4	19	13	-11	55	3	16
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)										
48	Estimated dollar payments to foreign countries and international financial institutions	6,869	9,404	1,363	1,846	2,007	1,653	1,718	2,367	2,975	2,343
B1	<b>Repayments on U.S. Government long-term assets, total (table 1, line 48)</b>	<b>7,981</b>	<b>4,245</b>	<b>2,445</b>	<b>1,975</b>	<b>2,035</b>	<b>1,526</b>	<b>1,374</b>	<b>544</b>	<b>1,299</b>	<b>1,028</b>
2	Receipts of principal on U.S. Government credits	7,981	4,245	2,445	1,975	2,035	1,526	1,374	544	1,299	1,028
3	Under Agricultural Trade Development and Assistance Act and related programs	1,640	531	88	1,023	141	388	55	31	137	309
4	Under Foreign Assistance Act and related programs	3,417	1,810	1,792	591	724	310	795	235	445	335
5	Under Export-Import Bank Act	2,520	1,446	440	310	1,054	716	390	223	583	250
6	Under Commodity Credit Corporation Charter Act	328	375	125	51	107	45	125	56	133	62
7	Under other credit programs	77	83			9	68	10		1	72
8	Receipts on other long-term assets										
C1	<b>U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)</b>	<b>-564</b>	<b>-314</b>	<b>-437</b>	<b>-16</b>	<b>-41</b>	<b>-70</b>	<b>-140</b>	<b>-89</b>	<b>501</b>	<b>-586</b>
2	Associated with military sales contracts <sup>2</sup>	-591	-303	-441	-35	-49	-67	-142	-89	516	-588
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds <sup>1</sup>	11,062	11,985	3,126	3,178	2,273	2,484	3,439	2,773	3,638	2,134
4	Less U.S. Government receipts from principal repayments	796	991	346	124	244	81	567	57	238	129
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	899	548	997	549	-647		847	-299		
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A39)	2,532	2,824	603	474	568	888	1,123	565	417	719
7	By long-term credits	180	124	10	76	58	36			46	77
8	By short-term credits <sup>1</sup>										
9	By grants <sup>1</sup>	2,353	2,699	592	398	510	852	1,123	565	370	642
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) <sup>1,2</sup> (table 1, line 5)	12,491	13,572	2,827	3,014	3,292	3,358	3,289	3,669	3,302	3,312
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line A45)										
12	Associated with other liabilities	27	-10	4	19	7	-4	2		-14	2
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation <sup>8</sup>										
14	Sales of space launch and other services by National Aeronautics and Space Administration	32		17	16		-1				
15	Other sales and miscellaneous operations	-6	-10	-13	3	7	-3	2		-14	2

See the footnotes on pages 67-68.







**Table 7a. Transactions in Long-Term Securities—Continues**  
 (Millions of dollars)

Line	(Credits +; debits -)	2003	2004 <sup>P</sup>	Not seasonally adjusted							
				2003				2004			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>A1</b>	<b>Foreign securities, net purchases (-) or net sales (+) by U.S. residents (table 1, line 52 or lines 4 + 18 below)</b>	<b>-72,337</b>	<b>-90,840</b>	<b>-26,619</b>	<b>8,429</b>	<b>-28,312</b>	<b>-25,835</b>	<b>-16,524</b>	<b>-26,844</b>	<b>-20,290</b>	<b>-27,182</b>
2	Stocks, gross purchases by U.S. residents	1,476,983	1,863,748	304,908	334,356	407,143	430,576	510,116	517,198	396,226	440,208
3	Stocks, gross sales by U.S. residents	1,376,552	1,770,754	270,802	317,732	376,642	411,376	488,684	476,808	379,151	426,111
4	<b>Stocks, net purchases by U.S. residents</b>	<b>-100,431</b>	<b>-92,994</b>	<b>-34,106</b>	<b>-16,624</b>	<b>-30,501</b>	<b>-19,200</b>	<b>-21,432</b>	<b>-40,390</b>	<b>-17,075</b>	<b>-14,097</b>
5	New issues in the United States	-313	-372	-201	.....	-112	.....	-75	-92	.....	-205
6	Transactions in outstanding stocks, net	-100,118	-92,622	-33,905	-16,624	-30,389	-19,200	-21,357	-40,298	-17,075	-13,892
	Net purchases by U.S. residents, by area:										
7	Europe	-25,574	-60,605	-23,424	-8,294	-4,189	10,333	-5,215	-21,261	-12,380	-21,749
9	Of which: United Kingdom	-27,787	-38,954	-22,668	-6,343	-1,711	2,935	1,579	-16,874	-8,349	-15,310
9	Canada	-2,570	-13,580	137	-1,395	-1,218	-94	418	-11,686	-599	-1,713
10	Caribbean financial centers <sup>1</sup>	-3,877	419	-4,139	-1,213	1,609	-134	-1,687	-3,037	1,231	3,912
11	Latin America, excluding Caribbean financial centers	-1,212	2,181	-520	313	32	-1,037	1,639	1,136	305	-899
12	Asia	-63,324	-44,268	-5,523	-5,470	-27,213	-25,118	-16,357	-5,016	-4,258	-18,637
	Of which: Japan	-37,483	-31,055	-2,792	-2,848	-17,370	-14,473	-13,923	-5,197	-3,599	-8,336
14	Africa	-188	-105	-79	-45	-187	123	8	-33	360	-440
15	Other	-3,686	22,964	-558	-520	665	-3,273	-238	-493	-1,734	25,429
16	Bonds, gross purchases by U.S. residents	2,136,812	1,647,463	412,054	555,580	578,522	590,656	525,576	400,262	350,662	370,963
17	Bonds, gross sales by U.S. residents	2,164,906	1,649,617	419,541	580,633	580,711	584,021	530,484	413,808	347,447	357,878
18	<b>Bonds, net purchases by U.S. residents</b>	<b>28,094</b>	<b>2,154</b>	<b>7,487</b>	<b>25,053</b>	<b>2,189</b>	<b>-6,635</b>	<b>4,908</b>	<b>13,546</b>	<b>-3,215</b>	<b>-13,085</b>
19	New issues in the United States	-21,262	-15,664	-10,138	-2,282	-3,235	-5,607	-4,518	-2,261	-5,039	-3,846
20	Transactions in outstanding bonds, net <sup>2</sup>	49,356	17,818	17,625	27,335	5,424	-1,028	9,426	15,807	1,824	-9,239
	Net purchases by U.S. residents, by area:										
21	Europe	10,679	-44,614	5,262	15,923	-9,511	-995	-11,886	-7,530	-9,806	-15,392
	Of which: United Kingdom	4,755	-55,115	9,644	8,146	-11,484	-1,551	-15,668	-10,176	-12,147	-17,124
23	Canada	10,218	-2,417	4,083	3,188	4,021	-1,074	967	-820	-511	-2,053
24	Caribbean financial centers <sup>1</sup>	-10,215	12,230	-6,324	-649	-6,035	2,793	4,944	3,818	4,418	-950
25	Latin America, excluding Caribbean financial centers	-1,330	6,551	-1,858	-2,136	2,265	399	2,072	4,503	1,544	-1,568
26	Asia	18,307	29,677	4,748	9,908	11,474	-7,823	8,601	14,687	138	6,251
	Of which: Japan	5,508	7,837	1,630	2,756	6,803	-5,681	482	7,836	-2,496	2,015
28	Africa	463	2,541	274	190	-66	65	219	423	653	1,246
29	Other	-28	-1,814	1,302	-1,371	41	.....	-9	-1,535	349	-619

See the footnotes on pages 67-68.

Table 7a. Transactions in Long-Term Securities

(Millions of dollars)

Line	(Credits +; debits -)	2003	2004 <sup>P</sup>	Not seasonally adjusted							
				2003				2004			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>
B1	<b>U.S. securities, excluding transactions in U.S. Treasury securities and transactions of foreign official agencies, net purchases (+) or net sales (-) by foreign residents (table 1, line 66 or lines 4 + 16 + 30 below)</b> .....	<b>250,981</b>	<b>414,084</b>	<b>56,723</b>	<b>92,407</b>	<b>18,090</b>	<b>83,761</b>	<b>62,064</b>	<b>88,843</b>	<b>93,021</b>	<b>170,156</b>
2	Stocks, gross purchases by foreign residents .....	3,107,487	4,080,037	653,734	816,984	777,317	859,452	1,019,250	1,057,550	921,386	1,081,851
3	Stocks, gross sales by foreign residents .....	3,070,224	4,023,805	656,399	796,475	780,717	836,633	1,015,094	1,055,739	916,591	1,036,381
4	<b>Stocks, net purchases by foreign residents</b> .....	<b>37,263</b>	<b>56,232</b>	<b>-2,665</b>	<b>20,509</b>	<b>-3,400</b>	<b>22,819</b>	<b>4,156</b>	<b>1,811</b>	<b>4,795</b>	<b>45,470</b>
	Net purchases by foreign residents, by area:										
5	Europe.....	25,206	34,243	801	9,582	-723	15,546	4,765	5,004	-42	24,432
	Of which: United Kingdom.....	199	28,388	-1,247	1,352	-3,167	3,261	1,235	4,870	1,360	20,923
7	Canada.....	11,593	2,251	2,224	4,457	-2,150	7,062	3,128	-3,332	3,885	-1,430
8	Caribbean financial centers <sup>1</sup> .....	-1,699	1,227	-6,742	4,005	409	629	-793	-5,587	-1,008	8,615
9	Latin America, excluding Caribbean financial centers.....	-97	257	-342	367	-68	-54	205	-252	-43	347
10	Asia.....	2,587	6,519	4,271	1,107	-1,524	-1,267	-3,310	5,599	2,071	2,159
	Of which: Japan .....	-2,529	4,829	1,474	-2,434	-1,311	-2,58	-3,317	2,421	1,924	3,801
12	Africa.....	243	-67	-3	128	-35	153	-197	13	116	1
13	Other.....	-570	11,802	-2,874	863	691	750	358	366	-268	11,346
14	Corporate bonds, gross purchases by foreign residents .....	1,030,558	1,162,877	228,091	271,392	258,469	272,606	292,462	276,045	288,844	305,526
15	Corporate bonds, gross sales by foreign residents .....	803,475	908,647	172,875	210,240	206,022	214,338	241,238	224,934	206,335	236,140
16	<b>Corporate bonds, net purchases by foreign residents</b> .....	<b>227,083</b>	<b>254,230</b>	<b>55,216</b>	<b>61,152</b>	<b>52,447</b>	<b>58,268</b>	<b>51,224</b>	<b>51,111</b>	<b>82,509</b>	<b>69,386</b>
17	New issues sold abroad by U.S. corporations.....	69,105	84,876	18,625	15,185	20,991	14,304	19,181	23,611	23,875	18,209
18	Transactions in outstanding bonds, net.....	157,978	169,354	36,591	45,967	31,456	43,964	32,043	27,500	58,634	51,177
	Net purchases by foreign residents, by area:										
19	Europe.....	129,146	124,294	35,798	35,121	26,632	31,595	20,923	19,576	47,873	35,922
	Of which: United Kingdom.....	87,619	66,988	24,692	24,746	26,443	21,738	6,552	6,250	28,015	26,171
21	Canada.....	6,789	6,438	2,019	1,196	1,319	2,255	1,343	1,019	1,773	2,303
22	Caribbean financial centers <sup>1</sup> .....	54,285	46,036	10,369	15,077	14,649	14,190	12,385	12,459	11,624	9,568
23	Latin America, excluding Caribbean financial centers.....	7,467	20,721	1,487	1,983	2,621	1,376	2,206	3,746	7,052	7,717
24	Asia.....	26,761	53,640	4,726	7,076	6,707	8,252	13,094	13,478	13,274	13,794
	Of which: Japan .....	12,161	34,751	248	3,016	3,629	5,268	9,907	10,638	6,835	7,371
26	Africa.....	403	557	124	118	78	83	68	157	197	135
27	Other.....	2,232	2,544	693	581	441	517	1,205	676	716	-53
28	Federally sponsored agency bonds, gross purchases by foreign residents .....	2,146,473	1,459,431	459,068	705,457	581,264	400,684	506,158	463,609	258,878	230,786
29	Federally sponsored agency bonds, gross sales by foreign residents .....	2,159,838	1,355,809	454,896	694,711	612,221	398,010	499,474	427,688	253,161	175,486
30	<b>Federally sponsored agency bonds, net purchases by foreign residents</b> .....	<b>-13,365</b>	<b>103,622</b>	<b>4,172</b>	<b>10,746</b>	<b>-30,957</b>	<b>2,674</b>	<b>6,684</b>	<b>35,921</b>	<b>5,717</b>	<b>55,300</b>
31	New issues sold abroad by federally sponsored agencies.....	49,061	55,637	14,521	12,153	8,929	13,458	20,639	11,371	11,967	11,660
32	Transactions in outstanding bonds, net.....	-62,426	47,985	-10,349	-1,407	-39,886	-10,784	-13,955	24,550	-6,250	43,640
	Net purchases by foreign residents, by area:										
33	Europe.....	-30,222	27,191	2,534	-13,736	-11,959	-7,061	-12,378	10,642	6,803	22,124
	Of which: United Kingdom.....	13,162	39,958	11,669	2,461	-1,229	261	1,494	12,253	10,692	15,519
35	Canada.....	-4,405	2,511	-1,443	-1,700	-1,006	-256	1,749	198	-268	832
36	Caribbean financial centers <sup>1</sup> .....	11,187	20,392	-6,244	17,297	-4,176	4,310	8,264	4,875	842	6,411
37	Latin America, excluding Caribbean financial centers.....	5,146	2,097	1,252	1,006	1,583	1,305	1,228	-1,769	1,528	1,110
38	Asia.....	6,787	50,834	8,005	9,054	-14,583	4,311	7,909	21,045	-3,296	25,176
	Of which: Japan .....	-15,171	19,354	547	2,757	-18,101	-374	-1,947	8,184	-5,589	18,706
40	Africa.....	853	286	671	-10	168	24	-70	891	-340	-195
41	Other.....	-2,711	311	-603	-1,165	-984	41	-18	39	448	-158
C1	<b>U.S. Treasury bonds and notes, excluding transactions of foreign official agencies, net purchases (+) or net sales (-) by foreign residents (table 1, part of line 65)</b> .....	<b>115,371</b>	<b>95,697</b>	<b>11,754</b>	<b>53,738</b>	<b>45,978</b>	<b>3,901</b>	<b>60,956</b>	<b>34,584</b>	<b>-2,468</b>	<b>2,625</b>
2	U.S. Treasury bonds and notes, gross purchases by foreign residents.....	8,264,749	8,435,680	1,682,277	2,178,956	2,443,409	1,960,107	2,067,635	2,276,325	1,993,714	2,098,006
3	U.S. Treasury bonds and notes, gross sales by foreign residents.....	8,149,378	8,339,983	1,670,523	2,125,218	2,397,431	1,956,206	2,006,679	2,241,741	1,996,182	2,095,381
	Net purchases by foreign residents, by area:										
4	Europe.....	20,544	73,807	-10,134	21,719	17,351	-8,392	45,614	-418	-520	29,131
5	Canada.....	11,759	15,889	-694	3,972	6,521	1,960	4,152	1,078	3,000	7,659
6	Caribbean financial centers <sup>1</sup> .....	12,849	5,258	10,184	-940	3,688	-83	12,182	21,569	1,490	-29,983
7	Latin America, excluding Caribbean financial centers.....	6,955	929	1,921	-116	3,614	1,536	-171	5,977	-4,464	-413
8	Asia.....	57,242	-136	9,892	26,782	12,982	7,586	875	5,731	-2,005	-4,737
9	Africa.....	-67	642	33	46	-43	-103	-31	331	129	213
10	Other.....	6,089	-692	552	2,275	1,865	1,397	-1,665	316	-98	755
	<b>Memoranda:</b>										
	<b>Net purchases of marketable long-term U.S. securities by foreign official agencies included elsewhere in the international transactions accounts, net purchases (+) or net sales (-) (lines in table 4):</b>										
1	U.S. Treasury marketable bonds and notes (line B4).....	148,259	246,999	13,406	38,850	27,004	68,999	83,186	62,660	44,108	57,045
2	Other U.S. Government securities (line B6) .....	24,883	25,955	9,568	3,290	3,340	8,685	13,016	2,261	7,140	3,538
3	U.S. corporate and other bonds (part of line B16).....	5,519	11,288	1,201	731	1,316	2,271	1,898	1,794	3,167	4,429
4	U.S. stocks (part of line B16).....	-370	1,341	52	20	76	-518	-456	215	149	1,433

See the footnotes on pages 67-68.

**Table 8a. Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns Except Securities Brokers <sup>1</sup>**  
 (Millions of dollars)

Line	(Credits +; decrease in U.S. assets or increase in U.S. liabilities. Debits -; increase in U.S. assets or decrease in U.S. liabilities.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>F</sup>	IV <sup>2</sup>	
A1	<b>Claims, total (table 1, line 53)</b>	<b>-28,932</b>	<b>-128,589</b>	<b>-11,207</b>	<b>-22,480</b>	<b>35,845</b>	<b>-31,090</b>	<b>-56,761</b>	<b>12,122</b>	<b>-9,447</b>	<b>-74,503</b>	<b>770,317</b>
2	<b>Financial claims</b>	<b>-26,582</b>	<b>-130,039</b>	<b>-12,191</b>	<b>-19,998</b>	<b>34,709</b>	<b>-29,102</b>	<b>-56,206</b>	<b>12,805</b>	<b>-12,135</b>	<b>-74,503</b>	<b>738,522</b>
3	Denominated in U.S. dollars	-22,663	-99,677	2,111	-26,072	37,755	-36,457	-47,953	20,439	-17,307	-54,856	583,849
4	Denominated in foreign currencies	-3,919	-30,362	-14,302	6,074	-3,046	7,355	-8,253	-7,634	5,172	-19,647	154,673
	By instrument: <sup>3</sup>											
5	Resale agreements	1,628	-7,854	-1,162	2,869	-1,480	1,401	1,884	-6,093	376	-4,021	11,966
6	Negotiable certificates of deposit	44	54	-41	108	-24	1	151	-123	59	-33	103
7	Other short-term instruments (including money market instruments)	2,074	-6,730	1,578	469	69	-42	583	-2,876	-2,184	-2,253	9,789
8	Deposits	14,621	-114,026	2,784	-23,276	64,982	-29,869	-41,356	11,168	-26,243	-57,595	506,394
9	Other claims	-44,949	-1,483	-15,350	-168	-28,838	-593	-17,468	10,729	15,857	-10,601	210,270
10	Of which: Financial intermediaries' accounts <sup>4</sup>	-44,459	14,190	-12,068	-165	-27,238	-4,988	-11,306	16,412	16,177	-7,093	168,845
	By area:											
11	Europe	-40,544	-30,795	-32,316	-16,849	15,968	-7,347	-45,119	16,941	20,956	-23,573	395,208
	Of which:											
12	United Kingdom	-30,041	-39,961	-25,824	-7,706	12,429	-8,940	-31,730	11,118	-199	-19,150	216,610
13	Germany	2,388	6,847	3,800	713	-435	-1,690	5,568	3,220	1,805	-3,746	81,376
14	Caribbean financial centers <sup>5</sup>	21,906	-90,096	26,857	-7,911	23,476	-20,516	-6,972	-9,844	-29,918	-43,362	296,594
15	Other	-7,944	-9,148	-6,732	4,762	-4,735	-1,239	-4,115	5,708	-3,173	-7,568	46,720
16	<b>Commercial claims</b>	<b>-2,350</b>	<b>1,450</b>	<b>984</b>	<b>-2,482</b>	<b>1,136</b>	<b>-1,988</b>	<b>-555</b>	<b>-683</b>	<b>2,688</b>		<b>31,795</b>
17	Denominated in U.S. dollars	120	-2,639	5,054	-2,381	-1,291	-1,262	-929	-1,208	-502		27,919
18	Denominated in foreign currencies	-2,470	4,089	-4,070	-101	2,427	-726	374	525	3,190		3,876
	By instrument:											
19	Trade receivables	-2,296	946	892	-998	403	-2,593	-280	-1,366	2,592		27,357
20	Advance payments and other claims	-54	504	92	-1,484	733	605	-275	683	96		4,438
	By area:											
21	Europe	-190	1,227	693	-1,808	1,225	-300	-62	728	561		13,010
22	Canada	-315	797	114	-310	241	-360	-207	970	34		2,261
23	Asia	-67	-1,250	1,103	-404	52	-818	107	-926	-431		8,607
24	Other	-1,778	676	-926	40	-382	-510	-393	-1,455	2,524		7,917
B1	<b>Liabilities, total (table 1, line 68)</b>	<b>84,014</b>	<b>87,113</b>	<b>69,410</b>	<b>-2,257</b>	<b>12,721</b>	<b>4,140</b>	<b>40,723</b>	<b>-3,603</b>	<b>13,275</b>	<b>36,718</b>	<b>627,828</b>
2	<b>Financial liabilities</b>	<b>84,270</b>	<b>83,811</b>	<b>69,681</b>	<b>-703</b>	<b>13,827</b>	<b>1,465</b>	<b>36,212</b>	<b>-3,028</b>	<b>13,909</b>	<b>36,718</b>	<b>598,452</b>
3	Denominated in U.S. dollars	88,435	68,311	54,385	4,573	23,127	6,350	45,343	-5,282	3,413	24,837	488,385
4	Denominated in foreign currencies	-4,165	15,500	15,296	-5,276	-9,300	-4,885	-9,131	2,254	10,496	11,881	110,067
	By instrument: <sup>3</sup>											
5	Repurchase agreements	6,785	11,580	5,753	-659	206	1,485	-1,717	11,046	-1,142	3,393	37,849
6	Short-term instruments	-8,589	-2,603	749	-3,861	-1,171	-4,306	-3,649	1,069	425	-448	11,759
7	Other liabilities	86,074	74,834	63,179	3,817	14,792	4,286	41,578	-15,143	14,626	33,773	548,844
8	Of which: Financial intermediaries' accounts <sup>4</sup>	56,966	12,568	35,497	-701	21,403	767	9,996	-7,897	9,970	499	300,732
	By area:											
9	Europe	86,199	65,899	66,335	-912	19,291	1,485	33,311	-11,364	15,884	28,068	459,685
	Of which:											
10	United Kingdom	64,380	64,569	59,088	-2,422	17,727	-10,013	34,216	-14,940	11,216	34,077	283,964
11	Germany	14,634	-2,207	10,432	5,604	-6,067	4,665	-2,313	200	-121	27	79,053
12	Caribbean financial centers <sup>5</sup>	-4,538	13,994	-2,186	2,087	-6,813	2,374	-2,390	8,711	-1,150	8,823	116,533
13	Other	2,609	3,918	5,532	-1,878	1,349	-2,394	5,291	-375	-825	-173	22,234
14	<b>Commercial liabilities</b>	<b>-256</b>	<b>3,302</b>	<b>-271</b>	<b>-1,554</b>	<b>-1,106</b>	<b>2,675</b>	<b>4,511</b>	<b>-575</b>	<b>-634</b>		<b>29,376</b>
15	Denominated in U.S. dollars	-564	2,453	-1,961	-1,136	165	2,368	4,711	-830	-1,428		26,080
16	Denominated in foreign currencies	308	849	1,690	-418	-1,271	307	-200	255	794		3,296
	By instrument:											
17	Trade payables	2,513	1,528	425	405	824	859	654	921	-47		18,352
18	Advance receipts and other liabilities	-2,769	1,774	-696	-1,959	-1,930	1,816	3,857	-1,496	-587		11,024
	By area:											
19	Europe	1,916	262	-1,788	2,420	-1,486	2,770	2,179	-1,181	-736		8,842
20	Canada	-1,500	1,080	1,366	-1,502	-290	-1,074	260	344	476		1,990
21	Asia	-216	1,075	188	-1,815	55	1,356	949	-194	320		12,705
22	Other	-456	885	-37	-657	615	-377	1,123	456	-694		5,839

See the footnotes on pages 67-68.

Table 9a. Claims on Foreigners Reported by U.S. Banks and Securities Brokers<sup>1</sup>

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
1	<b>Claims reported by U.S. banks and securities brokers, total (table 1, line 54)</b>	<b>-10,406</b>	<b>-353,813</b>	<b>-24,138</b>	<b>-63,002</b>	<b>29,663</b>	<b>47,071</b>	<b>-187,120</b>	<b>-36,951</b>	<b>-55,010</b>	<b>-74,732</b>	<b>2,156,950</b>
2	<b>Claims for own accounts</b> .....	<b>2,044</b>	<b>-345,194</b>	<b>-4,098</b>	<b>-52,831</b>	<b>16,655</b>	<b>42,318</b>	<b>-183,528</b>	<b>-15,803</b>	<b>-64,306</b>	<b>-81,557</b>	<b>1,743,441</b>
3	Denominated in dollars .....	-7,941	-343,767	266	-51,728	5,166	38,355	-182,027	-8,739	-66,153	-86,848	1,650,004
	By instrument: <sup>2</sup>											
4	Resale agreements .....	-78,178	-157,431	-20,468	-23,274	-33,768	-668	-70,840	7,122	-61,069	-32,644	471,887
5	Negotiable certificates of deposit .....	1,261	-5,869	-275	1,850	-239	-75	-3,390	-1,178	-259	-1,042	3,970
6	Other short-term instruments (including money market instruments) .....	15,647	663	12,755	-3,169	5,098	963	120	-303	112	734	4,472
7	Deposits and brokerage balances .....	-24,903	-105,152	-12,353	-12,092	-4,365	3,907	-52,883	-12,504	5,932	-45,697	606,595
8	Other claims (including loans) .....	78,232	-75,978	20,607	-15,043	38,440	34,228	-55,034	-1,876	-10,869	-8,199	563,080
	By foreign borrower:											
	Claims on:											
9	Foreign banks .....	12,713	-210,840	-7,241	-40,817	11,666	49,105	-138,317	6,805	-49,192	-30,136	1,189,311
10	Foreign nonbanks, excluding foreign official institutions .....	-7,144	-118,063	15,411	-16,903	1,553	-7,205	-29,706	-15,151	-23,025	-50,181	385,749
11	Foreign official institutions <sup>3</sup> .....	-13,510	-14,864	-7,904	5,992	-8,053	-3,545	-14,004	-393	6,064	-6,531	74,944
	By type of U.S. reporting institution: <sup>4</sup>											
	U.S.-owned banks' claims on:											
12	Foreign banks .....	30,838	-49,752	-11,185	8,518	24,841	8,664	-41,102	-3,082	-11,489	5,921	343,935
13	Foreign nonbanks and foreign official institutions .....	19,875	4,560	14,911	2,882	2,360	-278	1,112	2,016	2,255	-823	45,092
	Foreign-owned banks' claims on:											
14	Foreign banks .....	-3,107	-142,558	-2,693	-42,045	8,309	33,322	-84,581	-3,698	-5,952	-48,327	741,776
15	Foreign nonbanks and foreign official institutions .....	58	-4,730	-767	-5,504	3,654	2,675	-4,526	-7,337	6,155	978	73,156
	Brokers' and dealers' claims on:											
16	Foreign banks .....	-15,018	-18,530	6,637	-7,290	-21,484	7,119	-12,634	13,585	-31,751	12,270	103,600
17	Foreign nonbanks and foreign official institutions .....	-40,587	-132,757	-6,637	-8,289	-12,514	-13,147	-40,296	-10,223	-25,371	-56,867	342,445
18	Denominated in foreign currencies .....	9,985	-1,427	-4,364	-1,103	11,489	3,963	-1,501	-7,064	1,847	5,291	93,437
	By instrument: <sup>2</sup>											
19	Deposits and brokerage balances .....	2,089	2,574	-2,325	-3,649	6,921	1,142	22	-1,682	1,797	2,437	37,917
20	Other claims (including loans) .....	7,896	-4,001	-2,039	2,546	4,568	2,821	-1,523	-5,382	50	2,854	55,520
21	<b>Claims for customers' accounts</b> .....	<b>-12,450</b>	<b>-8,619</b>	<b>-20,040</b>	<b>-10,171</b>	<b>13,008</b>	<b>4,753</b>	<b>-3,592</b>	<b>-21,148</b>	<b>9,296</b>	<b>6,825</b>	<b>413,509</b>
22	Denominated in dollars .....	-14,133	6,053	-15,905	-14,615	10,933	5,454	-6,001	-13,652	13,551	12,155	380,106
	By instrument: <sup>2</sup>											
23	Commercial paper <sup>5</sup> .....	-2,176	1,244	-2,115	-4,320	13,235	-8,976	-9,412	8,395	-1,600	3,861	138,925
24	Negotiable certificates of deposit .....	9,387	13,141	2,437	6,119	-10,696	11,527	-1,027	-7,108	18,343	2,933	90,087
25	Other short-term instruments (including money market instruments) <sup>6</sup> .....	-5,011	-914	-1,103	-3,989	-2,675	2,756	-2,331	-4,551	2,783	3,185	3,723
26	Deposits and brokerage balances (including sweep accounts) <sup>7</sup> .....	-19,146	-3,518	-15,110	-14,659	8,973	1,650	5,123	-11,574	-5,377	8,310	133,457
27	Other claims .....	2,813	-3,900	-14	2,234	2,096	-1,503	1,646	1,186	-598	-6,134	13,914
28	Denominated in foreign currencies .....	1,683	-14,672	-4,135	4,444	2,075	-701	2,409	-7,496	-4,255	-5,330	33,403
	By instrument: <sup>2</sup>											
29	Deposits and brokerage balances .....	1,749	284	3,654	-69	459	-2,295	1,491	-4,479	2,365	907	7,343
30	Other claims .....	-66	-14,956	-7,789	4,513	1,616	1,594	918	-3,017	-6,620	-6,237	26,060
	<b>Claims, total (line 1), by area:</b>											
31	Europe .....	-2,351	-199,647	2,851	-48,979	6,383	37,394	-124,362	-21,884	-39,940	-13,461	1,053,384
	Of which:											
32	United Kingdom .....	-41,234	-112,280	-8,478	-39,708	-10,954	17,906	-55,281	-12,024	-45,272	297	564,640
33	Switzerland .....	54,122	-33,714	23,768	2,418	11,356	16,580	-26,192	10,643	-15,184	-2,981	117,460
34	Canada .....	11,950	2,072	6,384	11,202	-5,118	-518	-1,031	-1,028	6,951	-2,820	84,516
35	Caribbean financial centers <sup>8</sup> .....	10,030	-127,853	-8,281	-28,580	33,221	13,670	-51,483	-17,913	-14,174	-44,283	772,716
36	Latin America, excluding Caribbean financial centers .....	5,199	2,797	-562	1,046	2,121	2,594	-1,168	552	2,888	525	50,667
37	Asia .....	-32,309	-29,205	-23,475	3,931	-5,031	-7,734	-3,930	-4,998	-9,594	-10,683	168,269
38	Of which: Japan .....	-21,694	-28,754	-12,642	-6,743	1,041	-3,350	6,855	-13,159	-10,698	-11,752	104,283
39	Africa .....	367	140	-115	371	-115	226	76	200	85	-221	1,086
40	Other .....	-3,292	-2,117	-940	-1,993	-1,798	1,439	-5,222	8,120	-1,226	-3,789	26,312
	<b>Memoranda:</b>											
1	International banking facilities' (IBFs) own claims, denominated in dollars (in lines 1-15 above) .....	19,552	-71,608	12,428	-18,310	6,452	18,982	-45,443	-1,988	-33,585	9,408	365,500
	By bank ownership: <sup>4</sup>											
2	U.S.-owned IBFs .....	16,008	7,371	5,010	-3,140	6,476	7,662	-15,099	-7,376	2,438	27,408	47,174
3	Foreign-owned IBFs .....	3,544	-78,979	7,418	-15,170	-24	11,320	-30,344	5,388	-36,023	-18,000	318,326

See the footnotes on pages 67-68.

**Table 10a. Liabilities to Foreigners, Except Foreign Official Agencies, Reported by U.S. Banks and Securities Brokers<sup>1</sup>**  
 (Millions of dollars)

Line	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>F</sup>	IV <sup>P</sup>	
1	<b>Liabilities reported by U.S. banks and securities brokers, total (table 1, part of line 65 and table 1, line 69)</b> .....	<b>73,704</b>	<b>350,668</b>	<b>21,782</b>	<b>8,506</b>	<b>6,792</b>	<b>36,624</b>	<b>145,316</b>	<b>36,250</b>	<b>42,030</b>	<b>127,072</b>	<b>2,351,020</b>
2	<b>U.S. Treasury bills and certificates (table 1, part of line 65)</b> .....	<b>-1,939</b>	<b>12,441</b>	<b>-2,780</b>	<b>-484</b>	<b>512</b>	<b>813</b>	<b>4,482</b>	<b>-4,900</b>	<b>3,376</b>	<b>9,483</b>	<b>68,485</b>
3	<b>Other U.S. liabilities, total (table 1, line 69)</b> .....	<b>75,643</b>	<b>338,227</b>	<b>24,562</b>	<b>8,990</b>	<b>6,280</b>	<b>35,811</b>	<b>140,834</b>	<b>41,150</b>	<b>38,654</b>	<b>117,589</b>	<b>2,282,535</b>
4	<b>Liabilities for own accounts</b> .....	<b>88,451</b>	<b>332,452</b>	<b>38,058</b>	<b>-8,830</b>	<b>38,661</b>	<b>20,562</b>	<b>137,883</b>	<b>23,816</b>	<b>40,486</b>	<b>130,267</b>	<b>1,921,152</b>
5	Denominated in dollars.....	118,877	332,526	34,079	8,974	45,298	30,526	135,610	25,950	39,183	131,783	1,853,357
	By instrument: <sup>2</sup>											
6	Repurchase agreements.....	131,328	167,506	53,016	-765	38,877	40,200	65,847	8,217	41,508	51,934	535,984
7	Deposits and brokerage balances.....	23,668	138,150	1,912	49,575	-28,573	754	8,979	39,295	155	89,721	963,794
8	Other liabilities (including loans).....	-36,119	26,870	-20,849	-39,836	34,994	-10,428	60,784	-21,562	-2,480	-9,872	353,579
	By foreign holder:											
	Liabilities to:											
9	Foreign banks.....	13,618	142,862	-9,355	11,617	5,759	5,597	78,169	10,339	-2,968	57,322	1,268,706
10	Foreign nonbanks, including international organizations.....	105,259	189,664	43,434	-2,643	39,539	24,929	57,441	15,611	42,151	74,461	584,651
	By type of U.S. reporting institution: <sup>3</sup>											
	U.S.-owned banks' liabilities to:											
11	Foreign banks.....	-11,388	65,070	5,896	-34,353	-8,995	26,064	17,852	29,012	-11,533	29,739	549,513
12	Foreign nonbanks, including international organizations.....	23,969	17,183	11,467	5,735	-2,135	8,902	-1,048	4,472	2,075	11,684	94,998
	Foreign-owned banks' liabilities to:											
13	Foreign banks.....	-48,211	72,081	-52,264	43,063	-13,902	-25,108	30,602	-10,792	4,889	47,382	538,306
14	Foreign nonbanks, including international organizations.....	-10,805	6,111	-4,924	-1,664	2,775	-6,992	6,090	-2,648	4,211	-1,542	68,699
	Brokers' and dealers' liabilities to:											
15	Foreign banks.....	73,217	5,711	37,013	2,907	28,656	4,641	29,715	-7,881	3,676	-19,799	180,887
16	Foreign nonbanks, including international organizations.....	92,095	166,370	36,891	-6,714	38,899	23,019	52,399	13,787	35,865	64,319	420,954
17	Denominated in foreign currencies.....	-30,426	-74	3,979	-17,804	-6,637	-9,964	2,273	-2,134	1,303	-1,516	67,795
	By instrument: <sup>2</sup>											
18	Deposits and brokerage balances.....	-18,722	-1,685	1,796	-8,925	-4,574	-7,019	2,342	-7,133	4,558	-1,452	38,055
19	Other liabilities (including loans).....	-11,704	1,611	2,183	-8,879	-2,063	-2,945	-69	4,999	-3,255	-64	29,740
20	<b>Liabilities for customers' accounts</b> .....	<b>-12,808</b>	<b>5,775</b>	<b>-13,496</b>	<b>17,820</b>	<b>-32,381</b>	<b>15,249</b>	<b>2,951</b>	<b>17,334</b>	<b>-1,832</b>	<b>-12,678</b>	<b>361,383</b>
21	Denominated in dollars.....	-12,783	4,758	-14,346	17,800	-31,443	15,206	2,896	18,092	-1,432	-14,798	353,530
	By instrument: <sup>2</sup>											
22	Negotiable certificates of deposit and other short-term instruments.....	-7,206	13,469	-3,349	8,738	-16,610	4,015	-335	6,575	1,529	5,700	187,036
23	Other liabilities (including loans).....	-5,577	-8,711	-10,997	9,062	-14,833	11,191	3,231	11,517	-2,961	-20,498	166,494
24	Denominated in foreign currencies.....	-25	1,017	850	20	-938	43	55	-758	-400	2,120	7,853
	<b>Other U.S. liabilities, total (line 3), by area:</b>											
25	Europe.....	2,479	121,827	-11,812	-22,142	24,566	11,867	90,177	16,126	40,373	-24,849	785,632
26	Canada.....	2,716	-5,235	2,683	2,680	-2,551	-96	-4,148	928	-320	-1,695	27,873
27	Caribbean financial centers <sup>4</sup> .....	81,708	223,735	43,215	37,072	-21,327	22,748	50,123	37,551	-1,665	137,726	1,199,447
28	Latin America, excluding Caribbean financial centers.....	-697	2,539	301	-2,016	-2,336	3,354	1,411	-1,392	-284	2,804	83,093
29	Asia.....	-10,651	-124	-7,122	-11,205	7,133	543	2,466	-12,503	4,651	5,262	160,510
30	Africa.....	2,850	-351	1,050	-269	108	1,961	204	406	-609	-352	8,366
31	Other.....	-2,762	-4,164	-3,753	4,870	687	-4,566	601	34	-3,492	-1,307	17,614
	<b>Memoranda:</b>											
1	International banking facilities' (IBFs) own liabilities, denominated in dollars (in lines 3-14 above).....	-41,951	1,711	-62,045	5,960	6,181	7,953	40,031	-15,726	6,092	-28,686	369,576
	By bank ownership: <sup>3</sup>											
2	U.S.-owned IBFs.....	7,007	1,829	-4,731	6,904	-9,388	14,222	13,493	938	10,489	-23,091	77,043
3	Foreign-owned IBFs.....	-48,958	-118	-57,314	-944	15,569	-6,269	26,538	-16,664	-4,397	-5,595	292,533

See the footnotes on pages 67-68.

Table 11. U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Europe					European Union <sup>14</sup>		
		2003	2004 <sup>P</sup>	2004				2003	2004 <sup>P</sup>
				I	II	III <sup>F</sup>	IV <sup>P</sup>		
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>422,230</b>	<b>487,651</b>	<b>114,985</b>	<b>121,279</b>	<b>119,800</b>	<b>131,587</b>	<b>363,531</b>	<b>424,900</b>
2	Exports of goods and services	289,781	322,787	77,251	80,303	79,458	85,775	251,837	283,203
3	Goods, balance of payments basis <sup>2</sup>	168,220	189,347	46,358	47,807	44,754	50,428	147,391	167,636
4	Services <sup>3</sup>	121,561	133,440	30,893	32,496	34,704	35,347	104,446	115,567
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	3,921	3,762	1,066	969	879	848	3,053	2,561
6	Travel	21,976	25,469	5,158	6,400	7,510	6,401	19,124	23,075
7	Passenger fares	5,699	6,900	1,374	1,673	2,086	1,767	5,392	6,451
8	Other transportation	10,754	12,576	2,882	3,118	3,329	3,247	9,245	11,087
9	Royalties and license fees <sup>5</sup>	23,268	24,993	5,850	6,009	6,081	7,053	19,844	21,271
10	Other private services <sup>5</sup>	55,768	59,590	14,526	14,288	14,781	15,995	47,661	51,019
11	U.S. Government miscellaneous services	175	150	37	39	38	36	127	103
12	Income receipts	132,449	164,864	37,734	40,976	40,342	45,812	111,694	141,697
13	Income receipts on U.S.-owned assets abroad	132,069	164,469	37,638	40,878	40,242	45,711	111,418	141,389
14	Direct investment receipts	82,282	101,465	24,299	26,294	23,753	27,119	67,084	84,790
15	Other private receipts	48,491	61,767	12,953	14,428	16,115	18,271	43,550	55,802
16	U.S. Government receipts	1,296	1,237	386	156	374	321	784	797
17	Compensation of employees	380	395	96	98	100	101	276	308
18	<b>Imports of goods and services and income payments</b>	<b>-531,836</b>	<b>-620,450</b>	<b>-137,722</b>	<b>-157,917</b>	<b>-156,338</b>	<b>-168,473</b>	<b>-456,995</b>	<b>-540,756</b>
19	Imports of goods and services	-398,356	-447,277	-102,423	-114,069	-112,047	-118,738	-341,395	-387,585
20	Goods, balance of payments basis <sup>2</sup>	-284,679	-321,699	-74,766	-81,344	-78,488	-87,101	-245,002	-278,906
21	Services <sup>3</sup>	-113,677	-125,578	-27,657	-32,725	-33,559	-31,637	-96,393	-108,679
22	Direct defense expenditures	-11,140	-11,819	-2,963	-2,909	-3,047	-2,900	-9,551	-10,435
23	Travel	-19,923	-22,108	-3,868	-7,056	-6,754	-4,430	-17,160	-19,968
24	Passenger fares	-11,063	-11,564	-2,303	-3,221	-3,457	-2,583	-10,046	-10,812
25	Other transportation	-17,030	-19,969	-4,573	-4,887	-5,071	-5,438	-13,893	-17,177
26	Royalties and license fees <sup>5</sup>	-11,114	-12,377	-2,676	-3,004	-3,227	-3,470	-8,549	-9,413
27	Other private services <sup>5</sup>	-42,181	-46,455	-10,957	-11,330	-11,675	-12,493	-36,203	-39,831
28	U.S. Government miscellaneous services	-1,226	-1,286	-317	-318	-328	-323	-991	-1,043
29	Income payments	-133,480	-173,173	-35,299	-43,848	-44,291	-49,735	-115,600	-153,171
30	Income payments on foreign-owned assets in the United States	-133,029	-172,713	-35,173	-43,742	-44,189	-49,609	-115,274	-152,820
31	Direct investment payments	-45,461	-66,533	-12,744	-18,269	-17,725	-17,795	-37,536	-58,754
32	Other private payments	-66,361	-84,739	-17,407	-20,233	-21,045	-26,054	-60,560	-76,857
33	U.S. Government payments	-21,207	-21,441	-5,022	-5,240	-5,419	-5,760	-17,178	-17,209
34	Compensation of employees	-451	-460	-126	-106	-102	-126	-326	-351
35	<b>Unilateral current transfers, net</b>	<b>-1,759</b>	<b>-1,514</b>	<b>-733</b>	<b>-528</b>	<b>703</b>	<b>-956</b>	<b>667</b>	<b>445</b>
36	U.S. Government grants <sup>4</sup>	-2,301	-2,181	-612	-485	-493	-591	-51	-77
37	U.S. Government pensions and other transfers	-1,672	-1,784	-435	-415	-425	-509	-1,373	-1,463
38	Private remittances and other transfers <sup>6</sup>	2,214	2,451	314	372	1,621	144	2,091	1,985
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>-518</b>	<b>-578</b>	<b>-144</b>	<b>-140</b>	<b>-152</b>	<b>-142</b>	<b>-210</b>	<b>-297</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-157,026</b>	<b>-426,154</b>	<b>-208,240</b>	<b>-69,099</b>	<b>-54,174</b>	<b>-94,641</b>	<b>-182,044</b>	<b>-394,457</b>
41	U.S. official reserve assets, net	-572	-621	-158	-132	-148	-183	-386	-465
42	Gold <sup>7</sup>								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies	-572	-621	-158	-132	-148	-183	-386	-465
46	U.S. Government assets, other than official reserve assets, net	719	1,284	648	95	312	229	505	551
47	U.S. credits and other long-term assets	-523	-190	-25	-24	-63	-78		
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	1,255	1,425	685	84	382	274	480	548
49	U.S. foreign currency holdings and U.S. short-term assets, net	-13	49	-12	35	-7	33	25	3
50	U.S. private assets, net	-157,173	-426,817	-208,730	-69,062	-54,338	-94,687	-182,163	-394,543
51	Direct investment	-99,191	-92,384	-22,086	-36,057	-13,729	-20,512	-81,437	-83,329
52	Foreign securities	-14,895	-105,219	-17,101	-28,971	-22,186	-37,141	-14,536	-104,543
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-40,736	-29,567	-45,181	17,670	21,517	-23,573	-34,887	-49,972
54	U.S. claims reported by U.S. banks, not included elsewhere	-2,351	-199,647	-124,362	-21,884	-39,940	-13,461	-51,303	-156,699
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>244,036</b>	<b>549,680</b>	<b>189,622</b>	<b>64,824</b>	<b>147,403</b>	<b>147,831</b>	<b>217,744</b>	<b>463,867</b>
56	Foreign official assets in the United States, net	5,118	43,089	4,549	22,534	4,545	11,461	( <sup>18</sup> )	( <sup>18</sup> )
57	U.S. Government securities	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
58	U.S. Treasury securities <sup>9</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
59	Other <sup>10</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
60	Other U.S. Government liabilities <sup>11</sup>	-635	-491	-80	-277	-93	-41	-951	-574
61	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
62	Other foreign official assets <sup>12</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
63	Other foreign assets in the United States, net	238,918	506,591	185,073	42,290	142,858	136,370	( <sup>18</sup> )	( <sup>18</sup> )
64	Direct investment	6,572	52,719	153	5,924	28,916	17,726	11,516	48,219
65	U.S. Treasury securities	17,619	80,157	45,944	-2,438	3,704	32,947	( <sup>18</sup> )	( <sup>18</sup> )
66	U.S. securities other than U.S. Treasury securities	124,130	185,728	13,310	35,222	54,718	82,478	107,652	168,293
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	88,118	66,160	35,489	-12,544	15,147	28,068	84,493	61,524
69	U.S. liabilities reported by U.S. banks, not included elsewhere	2,479	121,827	90,177	16,126	40,373	-24,849	<sup>18</sup> 15,034	<sup>18</sup> 186,405
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>24,873</b>	<b>11,365</b>	<b>42,232</b>	<b>41,581</b>	<b>-57,242</b>	<b>-15,206</b>	<b>57,307</b>	<b>46,298</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	-116,459	-132,352	-28,408	-33,537	-33,734	-36,673	-97,611	-111,270
72	Balance on services (lines 4 and 21)	7,884	7,862	3,236	-229	1,145	3,710	8,053	6,888
73	Balance on goods and services (lines 2 and 19)	-108,575	-124,490	-25,172	-33,766	-32,589	-32,963	-89,558	-104,382
74	Balance on income (lines 12 and 29)	-1,031	-8,309	2,435	-2,872	-3,949	-3,923	-3,906	-11,474
75	Unilateral current transfers, net (line 35)	-1,759	-1,514	-733	-528	703	-956	667	445
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	-111,365	-134,313	-23,470	-37,166	-35,835	-37,842	-92,797	-115,411

See the footnotes on pages 67-68.





Table 11. U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Latin America and Other Western Hemisphere					Mexico <sup>15</sup>		
		2003	2004 <sup>P</sup>	2004				2003	2004 <sup>P</sup>
				I	II	III <sup>F</sup>	IV <sup>P</sup>		
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>251,612</b>	<b>296,214</b>	<b>68,161</b>	<b>72,008</b>	<b>75,468</b>	<b>80,577</b>	<b>121,545</b>	<b>139,954</b>
2	Exports of goods and services	203,065	231,051	53,793	56,918	58,916	61,424	113,853	129,127
3	Goods, balance of payments basis <sup>2</sup>	148,802	171,761	40,531	42,606	42,915	45,709	97,221	110,586
4	Services <sup>3</sup>	54,263	59,290	13,262	14,312	16,001	15,715	16,632	18,541
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	415	398	114	118	84	82	7	7
6	Travel	17,088	19,083	3,820	4,605	5,514	5,144	5,861	6,512
7	Passenger fares	4,275	4,972	1,046	1,215	1,338	1,373	1,158	1,423
8	Other transportation	3,623	4,304	959	1,071	1,159	1,115	862	1,058
9	Royalties and license fees <sup>5</sup>	3,964	3,842	860	941	982	1,059	1,224	1,265
10	Other private services <sup>5</sup>	24,722	26,516	6,418	6,319	6,879	6,900	7,481	8,257
11	U.S. Government miscellaneous services	176	175	45	43	45	42	19	19
12	Income receipts	48,547	65,163	14,368	15,090	16,552	19,153	7,692	10,827
13	Income receipts on U.S.-owned assets abroad	48,343	64,955	14,316	15,038	16,500	19,101	7,666	10,799
14	Direct investment receipts	24,671	34,792	8,412	8,508	8,596	9,276	5,764	8,639
15	Other private receipts	23,347	29,882	5,860	6,440	7,855	9,727	1,884	2,144
16	U.S. Government receipts	325	281	44	90	49	98	18	16
17	Compensation of employees	204	208	52	52	52	52	26	28
18	<b>Imports of goods and services and income payments</b>	<b>-307,067</b>	<b>-364,618</b>	<b>-81,576</b>	<b>-89,493</b>	<b>-93,943</b>	<b>-99,606</b>	<b>-159,819</b>	<b>-179,754</b>
19	Imports of goods and services	-267,626	-311,188	-71,353	-77,431	-79,821	-82,583	-150,892	-169,925
20	Goods, balance of payments basis <sup>2</sup>	-217,826	-255,723	-58,128	-63,513	-65,353	-68,729	-138,992	-157,013
21	Services <sup>3</sup>	-49,800	-55,465	-13,225	-13,918	-14,468	-13,854	-11,900	-12,912
22	Direct defense expenditures	-285	-327	-56	-60	-121	-90	-8	-15
23	Travel	-18,760	-20,046	-4,754	-4,987	-5,369	-4,936	-7,404	-8,417
24	Passenger fares	-2,896	-3,489	-649	-1,025	-1,063	-752	-862	-849
25	Other transportation	-3,696	-4,615	-1,069	-1,152	-1,158	-1,236	-1,040	-1,023
26	Royalties and license fees <sup>5</sup>	-1,212	-1,328	-287	-367	-329	-345	-122	-137
27	Other private services <sup>5</sup>	-22,410	-25,028	-6,268	-6,149	-6,263	-6,348	-2,253	-2,263
28	U.S. Government miscellaneous services	-541	-632	-142	-178	-165	-147	-211	-208
29	Income payments	-39,441	-53,430	-10,223	-12,062	-14,122	-17,023	-8,927	-9,829
30	Income payments on foreign-owned assets in the United States	-32,559	-46,310	-8,597	-10,298	-12,255	-15,160	-2,208	-2,894
31	Direct investment payments	-1,324	-4,245	-601	-1,082	-1,132	-1,430	-193	-259
32	Other private payments	-24,212	-33,197	-6,196	-7,097	-8,727	-11,177	-657	-1,187
33	U.S. Government payments	-7,023	-8,868	-1,800	-2,119	-2,396	-2,553	-1,358	-1,448
34	Compensation of employees	-6,882	-7,120	-1,626	-1,764	-1,867	-1,863	-6,719	-6,935
35	<b>Unilateral current transfers, net</b>	<b>-26,132</b>	<b>-28,609</b>	<b>-7,337</b>	<b>-7,427</b>	<b>-5,885</b>	<b>-7,960</b>	<b>-7,308</b>	<b>-7,739</b>
36	U.S. Government grants <sup>4</sup>	-1,986	-2,039	-521	-466	-689	-363	-33	-30
37	U.S. Government pensions and other transfers	-842	-925	-221	-202	-212	-290	-250	-250
38	Private remittances and other transfers <sup>6</sup>	-23,304	-25,645	-6,595	-6,759	-4,984	-7,307	-7,025	-7,709
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>-94</b>	<b>-109</b>	<b>-15</b>	<b>-12</b>	<b>-18</b>	<b>-64</b>		<b>-17</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>8,505</b>	<b>-212,029</b>	<b>-62,127</b>	<b>-20,947</b>	<b>-43,424</b>	<b>-85,531</b>	<b>-3,536</b>	<b>-4,115</b>
41	U.S. official reserve assets, net								
42	Gold <sup>7</sup>								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies								
46	U.S. Government assets, other than official reserve assets, net	373	470	99	95	201	75	45	36
47	U.S. credits and other long-term assets	-279	-354	-36	-128	-90	-100	-2	-8
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	738	738	147	122	307	162	44	44
49	U.S. foreign currency holdings and U.S. short-term assets, net	-86	86	-12	101	-16	13	3	
50	U.S. private assets, net	8,132	-212,499	-62,226	-21,042	-43,625	-85,606	-3,581	-4,151
51	Direct investment	-13,170	-18,603	-9,623	-2,263	-8,445	1,728	-5,667	-8,415
52	Foreign securities	-16,634	21,381	6,968	6,420	7,498	495	-1,236	4,092
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	22,707	-90,694	-7,634	-9,284	-30,510	-43,266	1,124	-301
54	U.S. claims reported by U.S. banks, not included elsewhere	15,229	-124,583	-51,937	-15,915	-12,168	-44,563	2,198	473
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>191,242</b>	<b>368,395</b>	<b>96,987</b>	<b>94,528</b>	<b>15,365</b>	<b>161,515</b>	<b>11,850</b>	<b>28,579</b>
56	Foreign official assets in the United States, net	12,290	20,336	4,448	7,786	3,841	4,261	( <sup>18</sup> )	( <sup>18</sup> )
57	U.S. Government securities	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
58	U.S. Treasury securities <sup>9</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
59	Other <sup>10</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
60	Other U.S. Government liabilities <sup>11</sup>	70	250	44	60	51	95		-7
61	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
62	Other foreign official assets <sup>12</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
63	Other foreign assets in the United States, net	178,952	348,059	92,539	86,742	11,524	157,254	( <sup>18</sup> )	( <sup>18</sup> )
64	Direct investment	3,526	2,501	3,144	1,736	-2,324	-55	1,944	346
65	U.S. Treasury securities	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
66	U.S. securities other than U.S. Treasury securities	76,289	90,730	23,495	13,472	19,995	33,768	4,144	14,896
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	196	693
69	U.S. liabilities reported by U.S. banks, not included elsewhere	81,011	228,920	54,180	36,159	-1,949	140,530	<sup>18</sup> 5,566	<sup>18</sup> 12,651
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-118,066</b>	<b>-59,244</b>	<b>-14,093</b>	<b>-48,657</b>	<b>52,437</b>	<b>-48,931</b>	<b>37,268</b>	<b>23,092</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	-69,024	-83,962	-17,597	-20,907	-22,438	-23,020	-41,771	-46,427
72	Balance on services (lines 4 and 21)	4,463	3,825	37	394	1,533	1,861	4,732	5,629
73	Balance on goods and services (lines 2 and 19)	-64,561	-80,137	-17,560	-20,513	-20,905	-21,159	-37,039	-40,798
74	Balance on income (lines 12 and 29)	9,106	11,733	4,145	3,028	2,430	2,130	-1,235	998
75	Unilateral current transfers, net (line 35)	-26,132	-28,609	-7,337	-7,427	-5,885	-7,960	-7,308	-7,739
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>15</sup>	-81,587	-97,013	-20,752	-24,912	-24,360	-26,989	-45,582	-47,539

See the footnotes on pages 67-68.

Transactions, by Area—Continues  
of dollars]

Mexico <sup>15</sup>				Japan								Australia				Line
2004				2003	2004 <sup>P</sup>	2004				2003	2004 <sup>P</sup>	2004				
I	II	III <sup>F</sup>	IV <sup>P</sup>			I	II	III <sup>F</sup>	IV <sup>P</sup>			I	II	III <sup>F</sup>	IV <sup>P</sup>	
32,630	34,853	35,247	37,224	95,613	106,466	25,641	26,211	27,002	27,612	24,190	28,929	6,485	7,144	7,560	7,740	1
30,071	32,088	32,690	34,278	80,613	87,022	21,036	21,492	22,057	22,437	18,711	20,638	4,728	5,087	5,452	5,371	2
25,849	27,539	27,907	29,291	50,250	52,327	12,708	13,329	12,799	13,491	12,696	13,811	3,134	3,327	3,629	3,721	3
4,222	4,549	4,783	4,987	30,363	34,695	8,328	8,163	9,258	8,946	6,015	6,827	1,594	1,760	1,823	1,650	4
1	4	1	1	475	436	111	115	106	104	172	192	53	35	53	51	5
1,470	1,572	1,641	1,829	7,595	9,343	2,171	2,097	2,736	2,339	1,502	2,019	435	548	615	421	6
324	348	356	395	2,422	3,067	706	672	887	802	312	461	97	134	128	102	7
233	265	294	266	3,145	3,687	884	941	917	945	332	390	82	92	108	108	8
273	313	325	354	6,657	7,074	1,714	1,740	1,750	1,870	913	1,032	234	264	253	281	9
1,916	2,042	2,161	2,138	9,965	11,024	2,726	2,582	2,846	2,870	2,776	2,724	691	684	664	685	10
5	5	5	4	104	64	16	16	16	16	8	9	2	3	2	2	11
2,559	2,765	2,557	2,946	15,000	19,444	4,605	4,719	4,945	5,175	5,479	8,291	1,757	2,057	2,108	2,369	12
2,552	2,758	2,550	2,939	14,928	19,372	4,587	4,701	4,927	5,157	5,453	8,263	1,750	2,050	2,101	2,362	13
2,072	2,237	2,006	2,324	9,183	11,582	2,824	2,853	2,939	2,966	3,737	6,143	1,265	1,526	1,563	1,789	14
476	517	540	611	5,742	7,789	1,763	1,848	1,987	2,191	1,716	2,120	485	524	538	573	15
4	4	4	4	3	1			1								16
7	7	7	7	72	72	18	18	18	18	26	28	7	7	7	7	17
-42,047	-45,179	-45,072	-47,456	-171,253	-198,379	-46,663	-48,889	-49,786	-53,041	-11,770	-16,502	-3,392	-3,838	-4,557	-4,715	18
-39,960	-42,913	-42,372	-44,680	-137,243	-151,321	-36,385	-37,323	-37,656	-39,957	-9,716	-11,442	-2,616	-2,668	-2,994	-3,164	19
-36,636	-39,742	-39,300	-41,335	-118,034	-129,518	-31,141	-32,029	-32,301	-34,047	-6,396	-7,511	-1,669	-1,751	-1,972	-2,119	20
-3,324	-3,171	-3,072	-3,345	-19,209	-21,803	-5,244	-5,294	-5,355	-5,910	-3,320	-3,931	-947	-917	-1,022	-1,045	21
-4	-3	-4	-4	-1,650	-1,659	-453	-402	-414	-390	-124	-232	-47	-58	-67	-60	22
-2,263	-2,040	-1,911	-2,203	-2,323	-2,564	-708	-708	-670	-644	-1,037	-1,148	-295	-294	-286	-273	23
-212	-215	-234	-188	-966	-912	-275	-172	-175	-290	-648	-704	-199	-142	-179	-184	24
-242	-255	-256	-270	-4,763	-5,924	-1,320	-1,400	-1,547	-1,657	-185	-278	-62	-64	-75	-77	25
-23	-33	-36	-45	-5,594	-6,122	-1,580	-1,465	-1,411	-1,666	-94	-127	-32	-20	-34	-41	26
-525	-570	-581	-587	-3,717	-4,421	-1,024	-1,096	-1,088	-1,213	-1,196	-1,394	-295	-331	-366	-402	27
-55	-55	-50	-48	-196	-201	-50	-51	-50	-50	-36	-48	-17	-8	-15	-8	28
-2,087	-2,266	-2,700	-2,776	-34,010	-47,058	-10,278	-11,566	-12,130	-13,084	-2,054	-5,060	-776	-1,170	-1,563	-1,559	29
-504	-538	-877	-975	-33,920	-46,966	-10,250	-11,547	-12,113	-13,056	-2,040	-5,046	-772	-1,167	-1,560	-1,547	30
-29	26	-151	-105	-7,629	-12,206	-2,634	-3,049	-3,259	-3,264	-533	-3,153	-359	-732	-1,105	-957	31
-188	-230	-323	-446	-5,852	-7,889	-1,555	-1,870	-1,965	-2,499	-1,065	-1,458	-286	-330	-358	-484	32
-287	-334	-403	-424	-20,439	-26,871	-6,061	-6,628	-6,889	-7,293	-442	-435	-127	-105	-97	-106	33
-1,583	-1,728	-1,823	-1,801	-90	-92	-28	-19	-17	-28	-14	-14	-4	-3	-3	-4	34
-1,825	-1,912	-1,983	-2,019	59	66	-105	12	2	157	-131	-232	-52	-53	-58	-69	35
-8	-8	-8	-6	-141	-141	-37	-38	-38	-28	-56	-63	-15	-16	-16	-16	36
-1,817	-1,904	-1,975	-2,013	200	207	-68	50	40	185	-75	-169	-37	-37	-42	-53	37
																38
-4	-4	-5	-4	24	25	6	6	6	7	-28	-29	-7	-7	-8	-7	39
991	1,062	-2,760	-3,408	-59,919	-61,605	-5,234	-14,795	-20,694	-20,882	-19,215	-33,387	-4,858	2,011	2,316	-32,856	40
					-2		-1	-1								41
																42
																43
																44
					-2		-1	-1								45
8	8	12	8		6			-1	7	-1						46
-2	-3	-1	-2													47
10	11	13	10													48
					6			-1	7	-1						49
983	1,054	-2,772	-3,416	-59,919	-61,609	-5,234	-14,794	-20,692	-20,889	-19,214	-33,387	-4,858	2,011	2,316	-32,856	50
-2,669	-2,204	-1,532	-2,010	-5,800	-9,084	560	-3,453	-3,867	-2,324	-3,882	( <sup>19</sup> ) -828	-828	-1,394	1,316	( <sup>19</sup> ) 51	
2,790	1,894	1	-593	-31,975	-23,218	-13,441	2,639	-6,095	-6,321	-3,787	21,862	-206	-1,703	-1,237	25,008	52
148	-82	-359	-8	-451	-553	792	-821	-32	-492	-9,104	<sup>18</sup> -52,769	-2,266	3,235	2,483	<sup>18</sup> -55,315	53
714	1,446	-882	-805	-21,693	-28,754	6,855	-13,159	-10,698	-11,752	-2,441	-2,480	-1,558	1,873	-246	-2,549	54
4,180	8,635	6,526	9,238	140,569	240,461	105,026	60,583	39,588	35,264	13,133	21,522	-3,465	3,319	-4,899	26,567	55
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	56
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	57
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	58
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	59
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	60
-1	-4	-1	-1	-114	25	-103	-83	423	-212	23	69	-16	43	8	34	61
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	62
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	63
418	-419	-243	590	6,494	14,479	2,739	3,936	3,421	4,363	4,382	2,635	197	2,907	-3,124	2,655	64
( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	65
750	618	7,703	5,825	-5,539	58,934	4,643	21,243	3,170	29,878	-1,650	12,796	1,101	591	152	10,952	66
																67
111	409	180	-7	242	1,996	1,257	-792	758	773	1,480	-437	-478	-400	352	89	68
<sup>18</sup> 2,902	<sup>18</sup> 8,031	<sup>18</sup> -1,113	<sup>18</sup> 2,831	<sup>18</sup> 139,486	<sup>18</sup> 165,027	<sup>18</sup> 96,490	<sup>18</sup> 36,279	<sup>18</sup> 31,816	<sup>18</sup> 442	<sup>18</sup> 8,898	<sup>18</sup> 6,459	<sup>18</sup> -4,269	<sup>18</sup> 178	<sup>18</sup> -2,287	<sup>18</sup> 12,837	69
6,075																

Table 11. U.S. International Transactions, by Area

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Other countries in Asia and Africa						International organizations and unallocated <sup>16</sup>					
		2003	2004 <sup>p</sup>	2004				2003	2004 <sup>p</sup>	2004			
				I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Current account</b>													
1	<b>Exports of goods and services and income receipts</b> .....	<b>261,504</b>	<b>305,547</b>	<b>74,056</b>	<b>74,216</b>	<b>78,583</b>	<b>78,692</b>	<b>38,343</b>	<b>41,469</b>	<b>10,048</b>	<b>10,320</b>	<b>10,424</b>	<b>10,677</b>
2	Exports of goods and services .....	225,467	259,340	63,704	63,488	66,052	66,096	5,952	6,546	1,521	1,615	1,655	1,755
3	Goods, balance of payments basis <sup>2</sup> .....	163,249	190,149	46,155	46,952	47,815	49,227						
4	Services <sup>3</sup> .....	62,218	69,191	17,549	16,536	18,237	16,869	5,952	6,546	1,521	1,615	1,655	1,755
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	7,308	8,648	1,886	2,401	2,156	2,205						
6	Travel .....	9,504	10,930	2,231	2,969	3,417	2,313						
7	Passenger fares .....	871	1,120	247	281	301	291						
8	Other transportation .....	10,658	12,426	2,975	3,100	3,176	3,175	707	779	192	197	187	203
9	Royalties and license fees <sup>5</sup> .....	7,499	8,140	1,973	1,971	2,038	2,158	2,537	2,696	637	653	666	740
10	Other private services <sup>5</sup> .....	26,115	27,655	8,173	5,750	7,084	6,648	2,708	3,071	692	765	802	812
11	U.S. Government miscellaneous services .....	263	272	64	64	65	79						
12	Income receipts .....	36,037	46,207	10,352	10,728	12,531	12,596	32,391	34,923	8,527	8,705	8,769	8,922
13	Income receipts on U.S.-owned assets abroad .....	35,626	45,787	10,247	10,624	12,426	12,490	30,551	33,056	8,074	8,267	8,293	8,422
14	Direct investment receipts .....	28,305	38,645	8,554	9,021	10,550	10,520	21,914	22,762	5,672	5,701	5,705	5,684
15	Other private receipts .....	4,662	6,033	1,349	1,410	1,552	1,722	8,223	9,895	2,302	2,476	2,490	2,627
16	U.S. Government receipts .....	2,659	1,109	344	193	324	248	414	399	100	90	98	111
17	Compensation of employees .....	411	420	105	104	105	106	1,840	1,867	453	438	476	500
18	<b>Imports of goods and services and income payments</b> .....	<b>-485,801</b>	<b>-595,318</b>	<b>-127,459</b>	<b>-143,558</b>	<b>-159,553</b>	<b>-164,748</b>	<b>-17,121</b>	<b>-20,262</b>	<b>-4,638</b>	<b>-4,701</b>	<b>-5,554</b>	<b>-5,369</b>
19	Imports of goods and services .....	-456,761	-558,788	-119,565	-134,892	-150,362	-153,969	-3,639	-5,324	-1,129	-1,113	-1,900	-1,182
20	Goods, balance of payments basis <sup>2</sup> .....	-409,490	-499,954	-106,016	-119,832	-135,405	-138,701						
21	Services <sup>3</sup> .....	-47,271	-58,834	-13,549	-15,060	-14,957	-15,268	-3,639	-5,324	-1,129	-1,113	-1,900	-1,182
22	Direct defense expenditures .....	-11,823	-14,077	-3,279	-3,677	-3,559	-3,562						
23	Travel .....	-8,194	-11,558	-2,707	-3,284	-2,816	-2,751						
24	Passenger fares .....	-4,978	-6,198	-1,532	-1,543	-1,604	-1,519						
25	Other transportation .....	-12,900	-15,995	-3,502	-3,869	-4,148	-4,476	-2,560	-3,352	-859	-825	-810	-858
26	Royalties and license fees <sup>5</sup> .....	-256	-251	-64	-60	-65	-62	-969	-1,851	-241	-258	-1,059	-293
27	Other private services <sup>5</sup> .....	-8,299	-9,901	-2,255	-2,418	-2,554	-2,674	-106	-117	-28	-29	-30	-30
28	U.S. Government miscellaneous services .....	-821	-854	-210	-209	-211	-224	-4	-4	-1	-1	-1	-1
29	Income payments .....	-29,040	-36,530	-7,894	-8,666	-9,191	-10,779	-13,482	-14,938	-3,509	-3,588	-3,654	-4,187
30	Income payments on foreign-owned assets in the United States .....	-28,290	-35,755	-7,656	-8,505	-9,055	-10,539	-13,482	-14,938	-3,509	-3,588	-3,654	-4,187
31	Direct investment payments .....	-64	-1,753	-210	-500	-372	-671	-10,118	-10,626	-2,642	-2,642	-2,672	-2,701
32	Other private payments .....	-6,510	-9,202	-1,793	-2,032	-2,306	-3,071	-3,196	-4,178	-869	-915	-949	-1,445
33	U.S. Government payments .....	-21,716	-24,800	-5,653	-6,377	-6,797	-6,797	-168	-134	-29	-31	-33	-41
34	Compensation of employees .....	-750	-775	-238	-161	-136	-240						
35	<b>Unilateral current transfers, net</b> .....	<b>-31,705</b>	<b>-34,236</b>	<b>-10,706</b>	<b>-12,620</b>	<b>-7,876</b>	<b>-8,034</b>	<b>-7,581</b>	<b>-8,210</b>	<b>-1,859</b>	<b>-1,819</b>	<b>-1,993</b>	<b>-2,539</b>
36	U.S. Government grants <sup>4</sup> .....	-16,351	-18,410	-6,526	-3,795	-3,506	-4,583	-1,227	-552	-85	-164	-188	-115
37	U.S. Government pensions and other transfers .....	-546	-575	-140	-143	-143	-149	-1,531	-2,161	-403	-203	-361	-1,194
38	Private remittances and other transfers <sup>6</sup> .....	-14,808	-15,251	-4,040	-3,682	-4,227	-3,302	-4,823	-5,497	-1,371	-1,452	-1,444	-1,230
<b>Capital and financial account</b>													
<b>Capital account</b>													
39	<b>Capital account transactions, net</b> .....	<b>-2,565</b>	<b>-878</b>	<b>-255</b>	<b>-197</b>	<b>-231</b>	<b>-195</b>						
<b>Financial account</b>													
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....	<b>-39,512</b>	<b>-22,673</b>	<b>-16,109</b>	<b>8,059</b>	<b>-3,082</b>	<b>-11,541</b>	<b>-21,418</b>	<b>-23,119</b>	<b>-6,566</b>	<b>-1,680</b>	<b>-7,609</b>	<b>-7,264</b>
41	U.S. official reserve assets, net .....							2,095	3,428	715	1,255	578	880
42	Gold <sup>7</sup> .....												
43	Special drawing rights .....							601	-398	-100	-90	-98	-110
44	Reserve position in the International Monetary Fund .....							1,494	3,826	815	1,345	676	990
45	Foreign currencies .....												
46	U.S. Government assets, other than official reserve assets, net .....	510	986	227	53	219	487	-1,064	-1,477	-247	-245	-741	-244
47	U.S. credits and other long-term assets .....	-5,413	-1,005	-253	-271	-376	-105	-1,064	-1,477	-247	-245	-741	-244
48	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	5,988	2,082	542	338	610	592						
49	U.S. foreign currency holdings and U.S. short-term assets, net .....	-65	-91	-62	-14	-15							
50	U.S. private assets, net .....	-40,022	-23,659	-16,336	8,006	-3,301	-12,028	-22,449	-25,070	-7,034	-2,690	-7,446	-7,900
51	Direct investment .....	-16,016	-7,811	-7,310	-9,758	( <sup>19</sup> )	( <sup>19</sup> )	-21,914	-22,762	-5,672	-5,701	-5,705	-5,684
52	Foreign securities .....	-12,106	10,940	5,965	7,208	2,825	-5,058	-588	-589	-94	-111	15	-399
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-738	-35,896	-670	-1,932	785	19	-9,200	-9	-1			
54	U.S. claims reported by U.S. banks, not included elsewhere .....	-11,162	1,297	-13,820	10,040	2,847	2,230	62	-1,718	-1,267	3,122	-1,756	-1,817
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....	<b>181,146</b>	<b>179,048</b>	<b>44,775</b>	<b>21,986</b>	<b>45,262</b>	<b>67,025</b>	<b>23,648</b>	<b>21,844</b>	<b>998</b>	<b>10,195</b>	<b>3,093</b>	<b>7,558</b>
56	Foreign official assets in the United States, net .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	211	111	2		101	8
57	U.S. Government securities .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )						
58	U.S. Treasury securities <sup>9</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )						
59	Other <sup>10</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )						
60	Other U.S. Government liabilities <sup>11</sup> .....	-80	-300	44	145	6	-495	211	111	2		101	8
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )						
62	Other foreign official assets <sup>12</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )						
63	Other foreign assets in the United States, net .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	23,437	21,733	996	10,195	2,992	7,550
64	Direct investment .....	-318	3,969	1,884	-603	1,908	780	10,118	10,626	2,611	2,642	2,672	2,701
65	U.S. Treasury securities .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )						
66	U.S. securities other than U.S. Treasury securities .....	44,770	53,479	13,009	19,890	9,100	11,480	-996	1,217	286	540	496	-105
67	U.S. currency .....							16,640	14,827	-1,800	8,754	2,560	5,313
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-348	2,721	2,156	268	326	-29	-22					
69	U.S. liabilities reported by U.S. banks, not included elsewhere .....	<sup>18</sup> 137,122	<sup>18</sup> 119,179	<sup>18</sup> 27,682	<sup>18</sup> 2,286	<sup>18</sup> 33,922	<sup>18</sup> 55,289	<sup>18</sup> -2,303	<sup>18</sup> -4,937	<sup>18</sup> -101	<sup>18</sup> -1,741	<sup>18</sup> -2,736	<sup>18</sup> -359
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>116,933</b>	<b>168,510</b>	<b>35,698</b>	<b>47,114</b>	<b>46,897</b>	<b>38,801</b>	<b>-15,871</b>	<b>-11,722</b>	<b>2,017</b>	<b>-12,315</b>	<b>1,639</b>	<b>-3,063</b>
<b>Memoranda:</b>													
71	Balance on goods (lines 3 and 20) .....	-246,241	-309,805	-59,861	-72,880	-87,590	-89,474						
72	Balance on services (lines 4 and 21) .....	14,947	10,357	4,000	1,476	3,280	1,601	2,313	1,222	392	502	-245	573
73	Balance on goods and services (lines 2 and 19) .....	-231,294	-299,448	-55,861	-71,404	-84,310	-87,873	2,313	1,222	392	502	-245	573
74	Balance on income (lines 12 and 29) .....	6,997	9,677	2,458	2,062	3,340	1,817	18,909	19,985	5,018	5,117	5,115	4,735
75	Unilateral current transfers, net (line 35) .....	-31,705	-34,236	-10,706	-12,620	-7,876	-8,034	-7,581	-8,210	-1,859	-1,819	-1,993	-2,539
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>15</sup> .....	-256,002	-324,007	-64,109	-76,962	-88,846	-94,090	13,641	12,997	3,551	3,800	2,877	2,769

See the footnotes on pages 67-68.

## Footnotes to U.S. International Transactions Tables 1–11

**General notes for all tables:** <sup>P</sup> Preliminary, <sup>r</sup> Revised, <sup>\*</sup> Less than \$500,000 (+/-) <sup>D</sup> Suppressed to avoid disclosure of data of individual companies. Quarterly estimates are not annualized and are expressed at quarterly rates.

**Table 1:**

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).

Debits, -: Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2.

3. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.

4. Includes transfers of goods and services under U.S. military grant programs.

5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.

7. At the present time, all U.S. Treasury-owned gold is held in the United States.

8. Includes sales of foreign obligations to foreigners.

9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.

10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 5.

12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

13. Conceptually, the sum of line 76 and line 39 is equal to "net lending or net borrowing" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 in appendix A in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.3B of the full set of NIPA tables.

Additional footnotes for historical data in July issues of the SURVEY:

14. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.

15. For 1978–83, includes foreign currency-denominated notes sold to private residents abroad.

16. Break in series. See Technical Notes in the June 1989–90, 1992–95, and July 1996–2004 issues of the SURVEY.

**Table 2:**

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974–81, when they represent transactions values, f.a.s. foreign port of exportation (see July issues of the SURVEY for historical data). From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" monthly data supplied by the Census Bureau (see Techni-

cal Notes in the December 1985 SURVEY). Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see technical Notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975–80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.

2. Adjustments in lines A5 and A13, B12, B47, and B82 reflect the Census Bureau's reconciliation of discrepancies between the goods statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 11, line 5 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 11, line 22 (direct defense expenditures).

4. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975–82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see July issues of the SURVEY for historical data).

5. Coverage adjustments for special situations in which shipments were omitted from Census data; the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair; and the adjustment of software imports to market value. Also includes addition of understatement of inland freight in f.a.s. values of U.S. imports of goods from Canada in 1974–81; deduction of imports from the Panama Canal Zone before October 1, 1979; and for 1975–82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see July issues of the SURVEY for historical data).

6. For 1988–89, correction for the understatement of crude petroleum imports from Canada.

7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 11, lines 3 and 20. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries*: Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC*: Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995.); *Other countries*: Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

8. Includes the former German Democratic Republic (East Germany) beginning in fourth quarter of 1990. In earlier periods, the German Democratic Republic was included in Eastern Europe.

9. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."

10. The "Euro area," which formed in January 1999, includes Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and from January 2001, Greece.

**Table 3:**

1. Includes royalties, license fees, and other fees associated with the use of intangible assets, including patents, trade secrets, and other proprietary rights, that are used in connection with the production of goods.

2. Includes royalties, license fees, and other fees associated with the use of

copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States and film and television tape rentals. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals.

4. These reflect the amount of premiums explicitly charged by, or paid to, insurers and reinsurers.

**Table 4:**

1. Complete instrument detail is only available beginning with 2003.

2. Prior to 2003, includes only demand deposits and nonnegotiable time and savings deposits.

**Table 5:**

1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods and services purchased through military sales contracts—first authorized (for Israel) under Public Law 93–199, section 4, and subsequently authorized (for many recipients) under similar legislation—are included in line A4. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A4 items, part of these military expenditures is applied in lines A43 and A46 to reduce short-term assets previously recorded in lines A41 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A4 expenditures finances future deliveries under military sales contracts for the recipient countries and is applied directly to lines A42 and C9. A third part of line A4, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A37. A fourth part of line A4, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A48.

2. Transactions under military sales contracts are those in which the Department of Defense sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. Purchases by foreigners directly from commercial suppliers are *not* included as transactions under military sales contracts. The entries for the several categories of transactions related to military sales contracts in this and other tables are partly estimated from incomplete data.

3. The identification of transactions involving direct dollar outflows from the United States is made in reports by each operating agency.

4. Line A38 includes foreign currency collected as interest and line A43 includes foreign currency collected as principal, as recorded in lines A16 and A17, respectively.

5. Includes (a) advance payments to the Department of Defense (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the contraentry for the part of line C10 that was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.

6. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.

7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.

8. Excludes transactions of the U.S. Enrichment Corporation since it became a non-government entity in July 1998.

**Table 6a:**

1. For bank affiliates, includes only interest on permanent debt investment by their parent companies. Excludes interest between financial parent companies and nonbank financial affiliates.

2. For bank affiliates, includes only permanent debt investment by their parent companies. Excludes intercompany debt between financial parent companies and nonbank financial affiliates.

**Table 7a:**

1. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

2. Includes all redemptions and early retirements.

**Table 8a:**

1. Prior to 2003, securities brokers' claims on and liabilities to their foreign affiliates are included in the estimates. They are excluded begin-

ning in 2003.

2. Estimates of commercial claims and liabilities with unaffiliated foreigners are not available.

3. Complete instrument detail is only available beginning with 2003.

4. Financial intermediaries' accounts are shown under "other claims (liabilities)" because the majority of these claims (liabilities) are in the form of intercompany balances. Financial intermediaries' accounts represent transactions between firms in a direct investment relationship (that is, between U.S. parents and their foreign affiliates or between U.S. affiliates and their foreign-parent groups), where both the U.S. and foreign firms are classified in a finance industry, but the firms are neither banks nor securities brokers.

5. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

**Table 9a:**

1. Beginning with 2003, includes securities brokers' claims on their foreign affiliates.

2. Complete instrument detail is only available beginning with 2003.

3. Includes foreign official agencies and international and regional organizations. Prior to 2003, also includes government-owned corporations and state, provincial, and local governments and their agencies.

4. U.S.-owned banks include U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. Brokers and dealers may be U.S.-owned or foreign-owned.

5. Commercial paper issued in the U.S. market by foreign incorporated entities and held in U.S. customers' accounts. Excludes commercial paper issued through foreign direct investment affiliates in the United States.

6. Prior to 2003, includes negotiable certificates of deposit and other negotiable and transferable instruments.

7. Prior to 2003, includes only deposits.

8. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

**Table 10a:**

1. Beginning with 2003, includes securities brokers' liabilities to their foreign affiliates.

2. Complete instrument detail is only available beginning with 2003.

3. U.S.-owned banks include U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. Brokers and dealers may be U.S.-owned or foreign-owned.

4. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

**Table 11:**

For footnotes 1–13, see table 1.

14. The "European Union" includes Belgium, Denmark, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom; beginning with the first quarter of 1995, also includes Austria, Finland, and Sweden; and beginning with the second quarter of 2004, also includes Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. The "European Union" also includes the European Atomic Energy Community, the European Coal and Steel Community (through the third quarter of 2002), and the European Investment Bank.

15. Quarterly estimates for Mexico are available beginning with 2004.

16. Includes, as part of international and unallocated, taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; and net U.S. currency flows. Before 1999, also includes the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Before 1996, also includes small transactions in business services that are not reported by country.

17. Details are not shown separately; see totals in lines 56 and 63.

18. Details not shown separately are included in line 69.

19. Details for lines 51 and 53 are combined and shown in line 53 for the fourth quarter of 2004 and the year 2004.