

# U.S. International Transactions

## First Quarter of 2011

THE U.S. CURRENT-ACCOUNT deficit—a net measure of transactions between the United States and the rest of the world in goods, services, income, and net unilateral current transfers—increased to \$119.3 billion (preliminary) in the first quarter of 2011 from \$112.2 billion (revised) in the fourth quarter of 2010 (see pages 64–67).<sup>1</sup> The deficit increased to 3.2 percent of current-dollar gross domestic product (GDP) from 3.0 percent in the fourth quarter of 2010, but it was still smaller as a percent of GDP than in each of the first three quarters of 2010.<sup>2</sup> The increase in the deficit resulted from an increase in the deficit on goods that was partly offset by increases in the surpluses on income and services and a decrease in net unilateral current transfers.

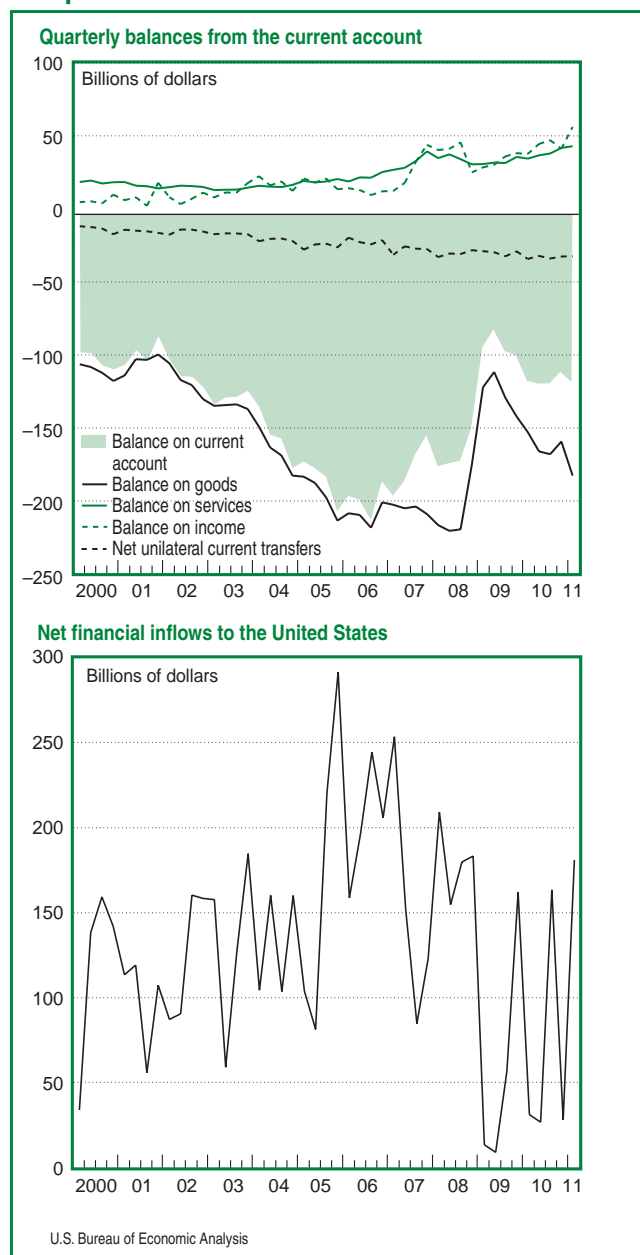
In the financial account, net financial inflows to the United States increased to \$181.9 billion in the first quarter from \$29.3 billion in the fourth quarter (see pages 68 and 69). Net financial flows reflect combined transactions in U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives. However, the preliminary statistics for the first quarter exclude transactions for financial derivatives because the data are not yet available. Both U.S.-owned assets abroad and foreign-owned assets in the United States grew considerably in the first quarter; however, the growth in foreign-owned assets in the United States was larger than that in U.S.-owned assets abroad.

The statistical discrepancy—net errors and omissions in recorded transactions—was –\$62.6 billion in the first quarter, compared with \$82.8 billion in the fourth quarter.

1. Quarterly statistics are seasonally adjusted when series demonstrate statistically significant seasonal patterns; seasonally adjusted statistics are cited in this article when available.

2. Current-dollar GDP is used to provide a consistently scaled comparison across time. In this context, its use does not imply that these international transactions accounts statistics are components of GDP.

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



*Sarah P. Scott prepared this article.*

## Overview

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

(Credits +; debits -)	2010			2011	Change 2010:IV- 2011:I
	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>p</sup>	
<b>Current account</b>					
<b>Exports of goods and services and income receipts</b>	<b>616,163</b>	<b>632,309</b>	<b>656,986</b>	<b>684,227</b>	<b>27,241</b>
Goods, balance of payments basis	315,954	325,514	342,659	361,334	18,675
Services	135,180	139,680	142,088	144,883	2,795
Income receipts	165,030	167,115	172,239	178,009	5,770
<b>Imports of goods and services and income payments</b>	<b>-703,516</b>	<b>-717,682</b>	<b>-735,804</b>	<b>-770,253</b>	<b>-34,449</b>
Goods, balance of payments basis	-481,912	-493,336	-501,904	-543,786	-41,882
Services	-99,745	-102,971	-101,592	-103,228	-1,636
Income payments	-121,859	-121,375	-132,309	-123,239	9,070
<b>Unilateral current transfers, net</b>	<b>-32,947</b>	<b>-34,754</b>	<b>-33,360</b>	<b>-33,248</b>	<b>112</b>
U.S. government grants	-10,005	-11,031	-11,396	-10,979	417
U.S. government pensions and other transfers	-2,590	-2,616	-2,611	-2,603	8
Private remittances and other transfers	-20,352	-21,107	-19,353	-19,666	-313
<b>Capital account</b>					
<b>Capital account transactions, net</b>	<b>-2</b>	<b>-146</b>	<b>-2</b>	<b>-13</b>	<b>-11</b>
<b>Financial account</b>					
<b>U.S.-owned assets abroad (increase/financial outflow (-))<sup>1</sup></b>	<b>-168,537</b>	<b>-286,834</b>	<b>-236,802</b>	<b>-325,205</b>	<b>-88,403</b>
U.S. official reserve assets	-165	-1,096	200	-3,619	-3,819
U.S. government assets, other than official reserve assets	-2,441	788	-240	-588	-348
U.S. private assets	-165,931	-286,526	-236,762	-320,998	-84,236
Direct investment	-69,478	-78,734	-92,990	-86,473	6,517
Foreign securities	-22,114	-39,336	-43,438	-58,505	-15,067
U.S. claims on unaffiliated foreigners reported by nonbanking concerns	4,382	-2,146	-5,747	-86,757	-81,010
U.S. claims reported by banks and brokers	-78,721	-166,310	-94,587	-89,263	5,324
<b>Foreign-owned assets in the United States (increase/financial inflow (+))<sup>1</sup></b>	<b>186,636</b>	<b>463,115</b>	<b>266,646</b>	<b>507,059</b>	<b>240,413</b>
Foreign official assets in the United States	66,736	135,477	57,790	70,906	13,116
Other foreign assets in the United States	119,900	327,638	208,856	436,153	227,297
Direct investment	33,930	79,655	70,557	25,276	-45,281
U.S. Treasury securities	82,062	60,659	29,514	3,475	-26,039
U.S. securities other than U.S. Treasury securities	-15,475	82,076	48,431	-7,235	-55,666
U.S. currency	2,100	10,514	13,440	12,576	-864
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns	21,302	11,668	16,758	38,361	21,603
U.S. liabilities reported by banks and brokers	-4,019	83,066	30,156	363,700	333,544
<b>Financial derivatives, net</b>	<b>9,980</b>	<b>-11,893</b>	<b>-504</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Statistical discrepancy (sum of the bold lines above with sign reversed)</b>	<b>92,223</b>	<b>-44,116</b>	<b>82,841</b>	<b>-62,567</b>	<b>145,408</b>
<b>Memoranda:</b>					
Balance on goods	-165,958	-167,822	-159,245	-182,452	-23,207
Balance on services	35,435	36,709	40,496	41,655	1,159
Balance on goods and services	-130,523	-131,113	-118,749	-140,797	-22,048
Balance on income	43,170	45,740	39,930	54,771	14,841
Unilateral current transfers, net	-32,947	-34,754	-33,360	-33,248	112
Balance on current account	-120,300	-120,127	-112,179	-119,274	-7,095
Net financial flows <sup>3</sup>	28,079	164,388	29,340	181,854	152,514

p Preliminary r Revised n.a. Not available

1. Excludes transactions in financial derivatives.

2. Change from prior period, not the sum of changes in components.

3. Sum of U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives.

NOTE: The statistics except for net financial flows are from table 1.

## Current-account highlights

- The deficit on goods increased considerably in the first quarter after decreasing in the fourth quarter, as imports grew faster than exports.
- The surplus on services rose, as growth in services exports outpaced growth in services imports.
- The surplus on income rose sharply as a result of a rise in income receipts and a fall in income payments.

## Financial-account highlights

- U.S.-owned assets abroad and foreign-owned assets in the United States both rose in the first quarter after smaller increases in the fourth quarter. The pickup in foreign-owned assets in the United States was greater than that in U.S.-owned assets abroad, mainly as a result of U.S. liabilities reported by U.S. banks and securities brokers.
- The increase in U.S.-owned assets abroad was the seventh consecutive quarter of net outflows, following five quarters of net inflows.
- The increase in foreign-owned assets in the United States was the largest since the second quarter of 2007. This was the seventh straight increase after a stretch of five quarters of net outflows.

## Revisions

Many of the statistics presented in this article for periods before the first quarter of 2011 have been revised to incorporate changes in definitions, classifications, and methodologies and to incorporate newly available source data. For more information, see "Annual Revision of the U.S. International Transactions Accounts" in this issue.

For the fourth quarter of 2010, the current-account deficit was revised down to \$112.2 billion from \$113.3 billion. The goods deficit was revised up to \$159.2 billion from \$156.2 billion; the services surplus was revised up to \$40.5 billion from \$39.5 billion; the income surplus was revised up to \$39.9 billion from \$38.6 billion; and unilateral current transfers were revised to net outflows of \$33.4 billion from \$35.2 billion. Net financial inflows were revised to \$29.3 billion from \$32.4 billion.

## Data Availability

Detailed statistics for U.S. international transactions are presented in tables 1–12 after this article. The statistics are also available to view interactively and download from BEA's Web site. To access these files, go to [www.bea.gov](http://www.bea.gov) and, under "Interactive Data," click on "International Transactions," then click on "Begin using the data..." and select from the "Table List" to navigate through the options.

## Current Account—Goods

**Table B. Goods Exports**  
[Millions of dollars, seasonally adjusted]

	2010			2011	Change 2010:IV– 2011:I
	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>p</sup>	
<b>Exports, balance of payments basis</b> .....	<b>315,954</b>	<b>325,514</b>	<b>342,659</b>	<b>361,334</b>	<b>18,675</b>
Agricultural products.....	27,140	29,023	34,008	37,146	3,138
Nonagricultural products.....	288,814	296,491	308,651	324,188	15,537
<b>Foods, feeds, and beverages</b> .....	<b>24,444</b>	<b>26,469</b>	<b>30,594</b>	<b>32,048</b>	<b>1,454</b>
Grains and preparations.....	6,542	6,819	7,658	9,276	1,618
Other.....	17,902	19,650	22,936	22,772	-164
<b>Industrial supplies and materials</b> .....	<b>100,720</b>	<b>102,027</b>	<b>109,711</b>	<b>124,309</b>	<b>14,598</b>
Petroleum and products.....	21,397	21,285	24,139	28,473	4,334
Nonpetroleum products.....	79,323	80,742	85,572	95,836	10,264
Chemicals, excluding medicinals.....	26,326	27,156	29,198	29,937	739
Metals and nonmetallic products.....	24,892	25,643	27,110	31,055	3,945
Nonferrous metals.....	12,254	13,356	14,030	17,006	2,976
Other.....	12,638	12,287	13,080	14,049	969
Other.....	28,105	27,943	29,264	34,844	5,580
<b>Capital goods, except automotive</b> .....	<b>110,369</b>	<b>114,100</b>	<b>116,571</b>	<b>117,600</b>	<b>1,029</b>
Electric generating machinery, apparatus, and parts.....	11,440	11,197	11,424	11,533	109
Oil drilling, mining, and construction machinery.....	6,723	6,887	7,294	7,260	-34
Industrial engines, pumps, and compressors.....	6,106	5,916	6,424	6,561	137
Industrial, agricultural, and service machinery, n.e.c.....	26,107	28,370	29,532	29,316	-216
Computers, peripherals, and parts.....	10,967	11,118	11,363	11,670	307
Semiconductors.....	12,067	11,875	11,639	11,800	161
Telecommunications equipment.....	7,802	8,057	8,242	8,824	582
Scientific, hospital, and medical equipment.....	9,796	10,074	10,324	10,438	114
Civilian aircraft, engines, and parts.....	17,371	18,571	18,451	18,170	-281
Other.....	1,990	2,035	1,878	2,028	150
<b>Automotive vehicles, parts, and engines</b> .....	<b>27,811</b>	<b>28,428</b>	<b>28,958</b>	<b>32,044</b>	<b>3,086</b>
Passenger cars.....	9,524	9,616	10,268	11,073	805
Trucks, buses, and special purpose vehicles.....	4,179	4,043	3,926	4,691	765
Engines, parts, and accessories.....	14,109	14,771	14,763	16,281	1,518
<b>Consumer goods, except automotive</b> .....	<b>40,338</b>	<b>41,316</b>	<b>43,648</b>	<b>42,381</b>	<b>-1,267</b>
Nondurable goods.....	18,481	18,863	20,181	18,528	-1,653
Medicinal, dental, and pharmaceutical products.....	10,733	11,103	12,284	10,577	-1,707
Other.....	7,748	7,760	7,897	7,951	54
Durable goods.....	21,857	22,452	23,467	23,853	386
Household appliances and other household goods.....	7,898	8,081	8,224	8,169	-55
Other.....	13,959	14,371	15,243	15,684	441
<b>Other exports</b> .....	<b>12,271</b>	<b>13,174</b>	<b>13,178</b>	<b>12,952</b>	<b>-226</b>

p Preliminary r Revised

NOTE: The statistics are from table 2. For additional statistics on goods exports, see BEA's Web site.

**Table C. Real Goods Exports and Imports**

[Percent change from preceding period in chained-dollar exports and imports, seasonally adjusted]

	2009	2010				2011
	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>p</sup>
Exports, balance of payments basis.....	6.4	3.2	2.4	2.9	2.5	2.2
Imports, balance of payments basis.....	2.5	2.1	8.0	4.9	-3.1	2.3

p Preliminary r Revised

### Trends in the Trade in Goods

The deficit on goods rose strongly in the first quarter of 2011 after decreasing in the fourth quarter. Current-dollar imports increased at a faster pace than current-dollar exports. The goods deficit increased faster than current-dollar GDP in the first quarter. As a result, the goods deficit increased to 4.9 percent of current-dollar GDP in the first quarter from 4.3 percent in the fourth quarter.

Both real imports and exports rose at similar rates in the first quarter (table C); real imports shifted to growth in the first quarter after a decrease in the previous quarter.

Goods exports increased for the seventh consecutive quarter. Exports grew 5.5 percent, which was stronger than the growth in any of the four previous quarters. Most major end-use categories rose in the first quarter; nearly 80 percent of the increase was in industrial supplies and materials.

Foods, feeds, and beverages rose, but less than in the fourth quarter. Nearly all commodities increased, led by strong growth in wheat exports that was partly offset by lower exports of soybeans.

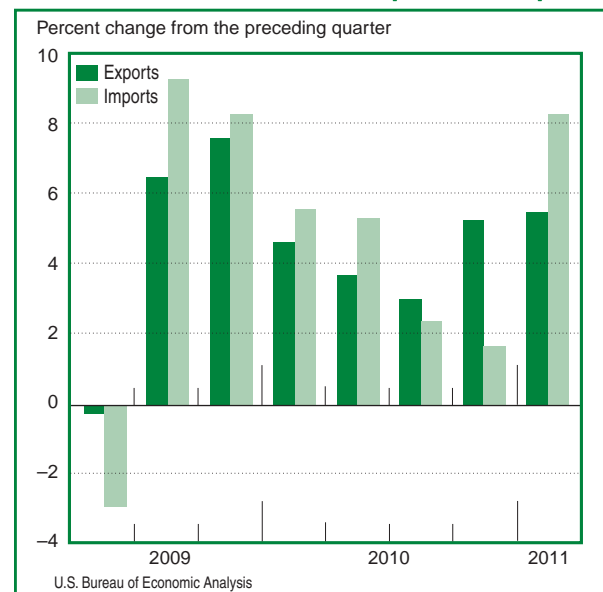
Industrial supplies and materials grew strongly after slower growth in the seven previous quarters. Increases in petroleum and products and in metals and nonmetallic products—mainly in nonmonetary gold—contributed to the growth.

Capital goods growth has decelerated over the last three quarters. The largest first-quarter increase was in telecommunications equipment; the increase was partly offset by a drop in civilian aircraft, engines, and parts.

Automotive vehicles, parts, and engines rose as a result of increases in all subcategories. Trucks, buses, and special purpose vehicles sent to Canada rose 27 percent after declining for three quarters.

Consumer goods decreased; a decrease in nondurable goods was partly offset by a smaller rise in durable goods. The decrease in nondurable goods was concentrated in medicinal, dental, and pharmaceutical products. Durable goods increased for a seventh quarter; its first-quarter increase was accounted for by “other” durable goods.

**Chart 2. Current-Dollar Goods Exports and Imports**



## Current Account—Goods

**Table D. Goods Imports**  
[Millions of dollars, seasonally adjusted]

	2010			2011	Change 2010:IV– 2011:I
	II r	III r	IV r	I p	
<b>Imports, balance of payments basis.....</b>	<b>481,912</b>	<b>493,336</b>	<b>501,904</b>	<b>543,786</b>	<b>41,882</b>
Petroleum and products.....	89,070	86,906	89,492	111,369	21,877
Nonpetroleum products.....	392,842	406,430	412,412	432,417	20,005
<b>Foods, feeds, and beverages.....</b>	<b>22,969</b>	<b>23,531</b>	<b>23,920</b>	<b>25,880</b>	<b>1,960</b>
<b>Industrial supplies and materials.....</b>	<b>156,638</b>	<b>155,103</b>	<b>159,754</b>	<b>187,961</b>	<b>28,207</b>
Petroleum and products.....	89,070	86,906	89,492	111,369	21,877
Nonpetroleum products.....	67,568	68,197	70,262	76,592	6,330
Natural gas.....	4,621	4,882	3,744	4,055	311
Chemicals, excluding medicinals.....	14,649	15,250	16,272	17,583	1,311
Building materials, except metals.....	5,148	4,886	4,723	4,997	274
Metals and nonmetallic products.....	25,249	24,708	27,471	30,963	3,492
Iron and steel products.....	7,277	7,639	7,403	8,603	1,200
Nonferrous metals.....	11,462	10,784	13,561	15,060	1,499
Other.....	6,510	6,285	6,507	7,300	793
Other.....	17,901	18,471	18,052	18,994	942
<b>Capital goods, except automotive.....</b>	<b>111,533</b>	<b>116,197</b>	<b>119,876</b>	<b>123,394</b>	<b>3,518</b>
Electric generating machinery, apparatus, and parts.....	13,711	14,092	14,828	15,181	353
Oil drilling, mining, and construction machinery.....	3,858	4,242	4,538	4,703	165
Industrial engines, pumps, and compressors.....	4,100	4,379	4,683	5,184	501
Industrial, agricultural, and service machinery, n.e.c.....	23,758	25,584	26,931	29,077	2,146
Computers, peripherals, and parts.....	30,757	29,423	28,757	28,233	-524
Semiconductors.....	6,559	8,004	8,914	9,579	665
Telecommunications equipment.....	11,645	12,506	12,680	12,478	-202
Scientific, hospital, and medical equipment.....	7,777	8,154	8,459	8,730	271
Civilian aircraft, engines, and parts.....	7,622	7,998	8,174	8,260	86
Other.....	1,746	1,815	1,912	1,969	57
<b>Automotive vehicles, parts, and engines.....</b>	<b>56,234</b>	<b>59,070</b>	<b>58,585</b>	<b>64,036</b>	<b>5,451</b>
Passenger cars.....	29,006	30,137	29,590	31,766	2,176
Trucks, buses, and special purpose vehicles.....	4,095	4,191	4,187	4,661	474
Engines, parts, and accessories.....	23,135	24,741	24,807	27,609	2,802
<b>Consumer goods, except automotive.....</b>	<b>121,174</b>	<b>125,432</b>	<b>125,161</b>	<b>128,737</b>	<b>3,576</b>
Nondurable goods.....	56,002	58,332	58,021	59,716	1,695
Apparel, footwear, and household goods.....	28,754	29,815	30,061	30,464	403
Medicinal, dental, and pharmaceutical products.....	21,092	22,139	21,666	22,688	1,022
Other.....	6,156	6,378	6,294	6,564	270
Durable goods.....	65,172	67,101	67,140	69,020	1,880
Televisions and other video equipment.....	9,651	9,657	9,487	8,942	-545
Toys and sporting goods, including bicycles.....	8,997	9,192	9,602	9,103	-499
Household appliances and other household goods.....	30,629	32,559	31,766	33,736	1,970
Other.....	15,895	15,693	16,285	17,239	954
<b>Other imports and U.S. goods returned.....</b>	<b>13,364</b>	<b>14,002</b>	<b>14,608</b>	<b>13,778</b>	<b>-830</b>

p Preliminary r Revised

NOTE: The statistics are from table 2. For additional statistics on goods imports, see BEA's Web site.

Goods imports increased 8.3 percent after rising in each of the prior six quarters. Most major end-use categories increased in the first quarter; two-thirds of the increase was in industrial supplies and materials.

Growth in foods, feeds, and beverages picked up after rising at a slower pace in the previous five quarters; all commodities contributed to the increase.

Industrial supplies and materials increased substantially after slower growth in the fourth quarter. An increase of 24 percent in petroleum and products was the main driver of the major category's increase.

Capital goods grew after similar growth in the fourth quarter, but at a slower rate than in the previous two quarters. The growth was led by an increase in industrial, agricultural, and service machinery and partly offset by a decrease in computers, peripherals, and parts.

Automotive vehicles, parts, and engines rose strongly in the first quarter after a modest decrease in the fourth quarter. The growth was mostly in engines, parts, and accessories and in passenger cars.

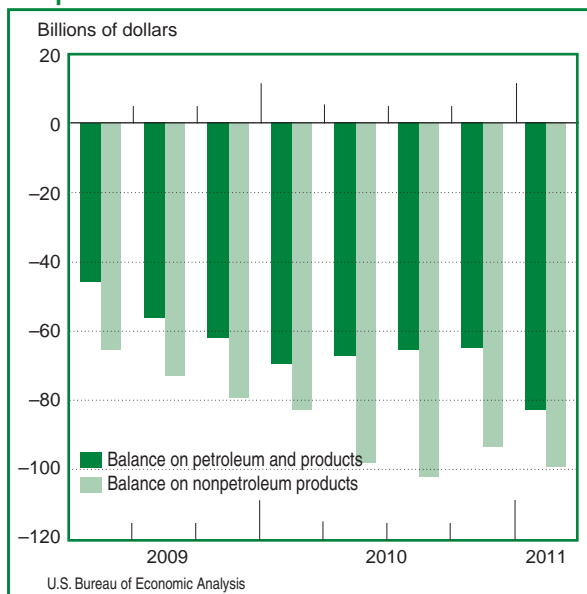
Consumer goods increased after a slight decrease in the fourth quarter; both durable and nondurable goods grew. The growth in durable goods was accounted for by an increase in household appliances and other household goods. The largest increase in nondurable goods was in medicinal, dental, and pharmaceutical products.

### Goods Deficit by Area and Type of Product

The goods deficit increased \$23.2 billion in the first quarter after decreasing in the fourth quarter. The deficit with Latin America and Other Western Hemisphere rose, mostly because of deficit increases with Venezuela and Mexico. The deficits with Canada and Europe also increased. In addition, the deficits with Africa and the Middle East increased, reflecting a large increase in the deficit with OPEC member countries. In contrast, the deficit with Asia and Pacific decreased, a decrease that was more than accounted for by China.

**Petroleum products.** The deficit on petroleum products increased substantially after three quarters of decreases. The average price per barrel of petroleum rose 15 percent in the first quarter, and the average number of barrels imported daily increased 8 percent.

**Chart 3. Balance on Total Petroleum and Nonpetroleum Products**



## Current Account—Services

**Table E. Services Exports and Imports**

[Millions of dollars, seasonally adjusted]

	2010			2011	Change 2010:IV– 2011:I
	II <sup>p</sup>	III <sup>p</sup>	IV <sup>p</sup>	I <sup>p</sup>	
<b>Services exports</b> .....	<b>135,180</b>	<b>139,680</b>	<b>142,088</b>	<b>144,883</b>	<b>2,795</b>
Travel.....	25,395	26,203	26,695	27,561	866
Passenger fares .....	7,725	8,076	7,994	8,362	368
Other transportation.....	9,998	10,098	10,121	10,529	408
Freight.....	4,978	4,920	5,000	5,137	137
Port services .....	5,020	5,178	5,121	5,392	271
Royalties and license fees .....	26,227	26,720	27,021	27,165	144
Other private services.....	61,097	63,805	65,851	66,818	967
Education .....	5,275	5,373	5,458	5,549	91
Financial services .....	15,699	16,785	18,252	18,305	53
Insurance services .....	3,487	3,729	3,968	4,106	138
Telecommunications.....	2,664	2,818	2,934	3,046	112
Business, professional, and technical services.....	31,287	32,425	32,553	33,116	563
Other services.....	2,685	2,675	2,686	2,696	10
Transfers under U.S. military agency sales contracts .....	4,498	4,532	4,141	4,142	1
U.S. government miscellaneous services .....	239	247	266	307	41
<b>Services imports</b> .....	<b>99,745</b>	<b>102,971</b>	<b>101,592</b>	<b>103,228</b>	<b>1,636</b>
Travel.....	18,291	19,077	19,054	18,942	-112
Passenger fares .....	6,770	7,022	7,259	7,552	293
Other transportation.....	13,018	13,600	12,666	13,451	785
Freight.....	9,577	10,197	9,488	9,936	448
Port services .....	3,441	3,403	3,178	3,514	336
Royalties and license fees .....	7,916	8,177	8,359	8,480	121
Other private services.....	45,045	46,265	45,585	46,267	682
Education .....	1,414	1,429	1,440	1,462	22
Financial services .....	3,387	3,291	3,828	3,842	14
Insurance services .....	15,718	16,066	15,113	15,372	259
Telecommunications.....	1,920	2,049	2,007	1,990	-17
Business, professional, and technical services.....	22,416	23,240	23,006	23,411	405
Other services.....	190	190	191	190	-1
Direct defense expenditures .....	7,590	7,609	7,471	7,459	-12
U.S. government miscellaneous services .....	1,116	1,221	1,198	1,077	-121

p Preliminary r Revised

NOTE: The statistics are from tables 1 and 3. For additional information on services, including definitions, see Jennifer Koncz-Bruner and Anne Flatness, "U.S. International Services: Cross-Border Trade in 2009 and Services Supplied Through Affiliates in 2008," SURVEY OF CURRENT BUSINESS 90 (October 2010); 18–60.

Travel receipts—purchases of goods and services by foreign travelers in the United States—grew for a seventh consecutive quarter. The first-quarter growth resulted from increases in the number of foreign visitors and their average expenditures in the United States.

Passenger fare receipts increased after decreasing in the fourth quarter.

"Other" transportation receipts rose, mostly because of increases in port services, after slower growth in the previous four quarters.

"Other" private services receipts trended upwards for a third straight quarter. The largest contributor to the first-quarter rise was business, professional, and technical services.

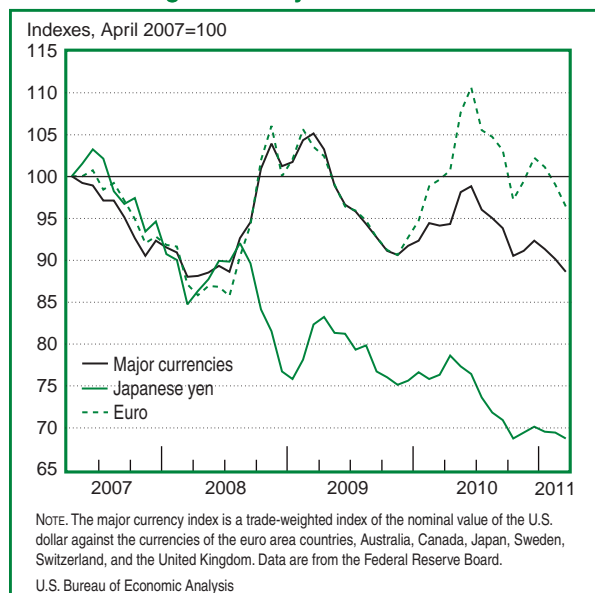
Travel payments—purchases of goods and services by U.S. travelers abroad—decreased slightly for a second straight quarter; the first-quarter decrease resulted from fewer U.S. travelers abroad.

Passenger fare payments increased for the fourth straight quarter.

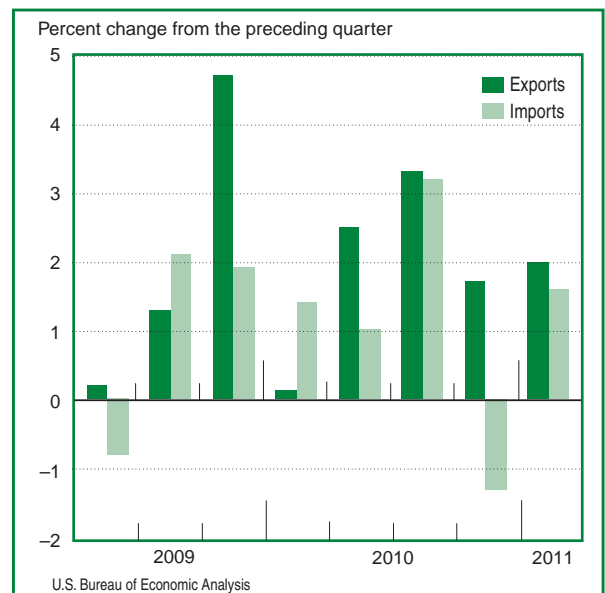
"Other" transportation payments turned up after a decrease of similar magnitude in the fourth quarter. The growth reflected increases in freight and port services.

"Other" private services payments increased in the first quarter after decreasing in the fourth quarter, mostly because of higher payments for business, professional, and technical services.

**Chart 4. Foreign Currency Price of the U.S. Dollar**



**Chart 5. Services Exports and Imports**



## Current Account—Income

Table F. Income Receipts and Payments

[Millions of dollars, seasonally adjusted]

	2010			2011	Change 2010:IV– 2011:I
	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>p</sup>	
<b>Income receipts</b> .....	<b>165,030</b>	<b>167,115</b>	<b>172,239</b>	<b>178,009</b>	<b>5,770</b>
Income on U.S.-owned assets abroad .....	163,708	165,793	170,921	176,655	5,734
Direct investment receipts .....	107,629	109,653	112,199	115,896	3,697
Earnings .....	106,153	108,132	110,689	114,351	3,662
Interest .....	1,476	1,521	1,511	1,545	34
Other private receipts .....	55,729	55,785	58,371	60,301	1,930
Income on foreign securities .....	46,307	46,337	49,105	50,611	1,506
Dividends .....	27,012	27,429	28,883	30,263	1,380
Interest .....	19,295	18,908	20,222	20,348	126
Interest on claims reported by banks and brokers	6,000	5,996	5,870	5,899	29
For own claims .....	5,076	5,061	4,998	5,012	14
For customers' claims .....	924	935	872	887	15
Interest on claims reported by nonbanking concerns .....	3,423	3,453	3,396	3,791	395
U.S. government receipts .....	350	355	351	458	107
Compensation of employees .....	1,321	1,322	1,317	1,354	37
<b>Income payments</b> .....	<b>121,859</b>	<b>121,375</b>	<b>132,309</b>	<b>123,239</b>	<b>–9,070</b>
Income on foreign-owned assets in the United States .....	118,222	117,727	128,700	119,635	–9,065
Direct investment payments .....	35,056	35,465	44,861	34,731	–10,130
Earnings .....	28,888	30,109	38,737	28,765	–9,972
Interest .....	6,168	5,355	6,123	5,965	–158
Other private payments .....	48,997	48,098	49,993	51,060	1,067
Income on U.S. corporate securities .....	43,548	42,692	44,932	45,975	1,043
Dividends .....	14,879	14,919	15,908	17,388	1,480
Interest .....	28,669	27,773	29,024	28,587	–437
Interest on liabilities reported by banks and brokers .....	3,668	3,619	3,367	3,264	–103
For own liabilities .....	2,124	2,231	2,066	2,040	–26
For customers' liabilities .....	1,544	1,388	1,301	1,223	–78
Interest on liabilities reported by nonbanking concerns .....	1,781	1,788	1,695	1,822	127
U.S. government payments .....	34,169	34,164	33,846	33,844	–2
Compensation of employees .....	3,637	3,649	3,609	3,604	–5

p Preliminary r Revised

NOTE: The statistics are from tables 1, 4, and 7.

Income receipts on U.S. direct investment abroad rose for the fourth consecutive quarter to a level 50 percent higher than the recent low point in the first quarter of 2009. Earnings increased in holding companies, notably among affiliates of petroleum companies. Earnings were also up in wholesale trade and in chemicals manufacturing.

“Other” private income receipts increased in the first quarter and added to a four-quarter rise. The first-quarter increase was due to dividend income on foreign securities.

U.S. government receipts increased strongly, resulting mostly from an increase in interest receipts on U.S. reserve assets.

Income payments on foreign direct investment in the United States decreased strongly in the first quarter after a similar increase in the fourth quarter. The first-quarter decrease was dominated by a decrease in earnings that was spread among several industries, including telecommunications and chemicals manufacturing.

“Other” private income payments rose in the first quarter after a larger rise in the fourth quarter. The first-quarter increase was more than accounted for by dividend payments.

U.S. government payments decreased somewhat, continuing the trend of small decreases in the three previous quarters.

## Trends in Income

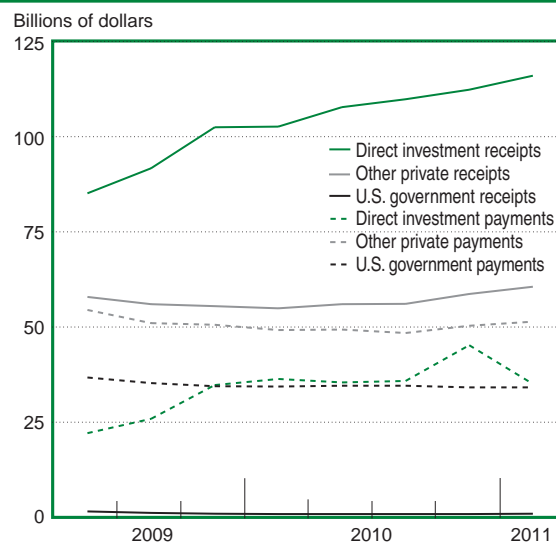
The surplus on income increased to \$54.8 billion in the first quarter. The surplus increased to 1.5 percent, relative to U.S. current-dollar GDP, from 1.1 percent in the fourth quarter.

Income receipts increased for a fourth straight quarter; since the first quarter of 2009 the cumulative growth of income receipts was 22 percent. Income payments decreased in the first quarter after increasing strongly in the fourth quarter; the cumulative growth of income payments from the first quarter of 2009 was 4 percent.

Direct investment receipts grew in the first quarter, continuing increases that started in the second quarter of 2009. Direct investment payments decreased substantially in the first quarter but returned to a level similar to that of the fourth quarter of 2009 and the first three quarters of 2010.

“Other” private receipts increased for a fourth straight quarter to the highest level since the first quarter of 2009. “Other” private payments, which increased slightly, have remained between \$48.1 billion and \$54.2 billion for the past eight quarters.

Chart 6. Investment Income Receipts and Payments



## Financial Account—U.S.-Owned Assets Abroad

**Table G. U.S.-Owned Assets Abroad**

[Millions of dollars, seasonally adjusted]

(Increase/financial outflow (-), decrease/financial inflow (+))	2010			2011	Change 2010:IV– 2011:I
	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>p</sup>	
<b>U.S.-owned assets abroad<sup>1</sup></b>	<b>-168,537</b>	<b>-286,834</b>	<b>-236,802</b>	<b>-325,205</b>	<b>-88,403</b>
U.S. official reserve assets	-165	-1,096	200	-3,619	-3,819
U.S. government assets, other than official reserve assets	-2,441	788	-240	-588	-348
U.S. private assets	-165,931	-286,526	-236,762	-320,998	-84,236
Direct investment	-69,478	-78,734	-92,990	-86,473	6,517
Equity	-10,780	-3,559	682	82	-600
Reinvested earnings	-76,104	-79,569	-86,854	-82,582	4,272
Intercompany debt	17,407	4,394	-6,818	-3,973	2,845
Foreign securities	-22,114	-39,336	-43,438	-58,505	-15,067
Stocks	-22,254	-16,893	-28,706	-48,983	-20,277
Bonds	140	-22,443	-14,732	-9,522	5,210
U.S. claims on unaffiliated foreigners reported by nonbanking concerns	4,382	-2,146	-5,747	-86,757	-81,010
U.S. claims reported by banks and brokers	-78,721	-166,310	-94,587	-89,263	5,324
For own accounts	-68,831	-152,264	-44,813	-90,179	-45,366
For customers' accounts	-9,890	-14,046	-49,774	916	50,690

p Preliminary r Revised

1. Excludes transactions in financial derivatives, which are not available separately for U.S.-owned assets abroad.

NOTE. Under balance-of-payments conventions, increases in U.S.-owned assets abroad are shown with a negative sign, and decreases are shown with a positive sign. The statistics are from tables 1, 7, 8, and 10.

U.S. official reserve assets increased in the first quarter after decreasing in the fourth quarter. The upturn resulted from a record increase in the U.S. reserve position in the International Monetary Fund that was partly offset by the sale of U.S. yen reserves in coordination with the Group of Seven efforts to stabilize the yen after Japan's earthquake disaster.

U.S. direct investment abroad slowed in the first quarter after strong growth in the fourth quarter. The decrease resulted from reduced reinvested earnings and net intercompany debt investment.

U.S. net purchases of foreign securities increased in the first quarter, as net purchases of foreign stocks—particularly European stocks—were stronger than in any other quarter since the third quarter of 2007.

U.S. claims on foreigners reported by U.S. nonbanking concerns increased strongly in the first quarter after smaller increases in the previous two quarters. Most of the first-quarter increase was accounted for by increases in deposits and other financial claims that were partly offset by decreases in commercial claims.

U.S. claims on foreigners reported by U.S. banks and securities brokers—such as U.S. residents' deposits at foreign banks and loans to foreigners—slowed, but by less than in the fourth quarter. The slowdown was more than accounted for by a sizable slowdown in claims for customer accounts that more than offset a speedup in claims for own accounts.

### Trends in the Financial Account

The first quarter growth in increases in both U.S.-owned assets abroad and foreign-owned assets in the United States continued an irregular pattern of growth that began in the middle of 2009.

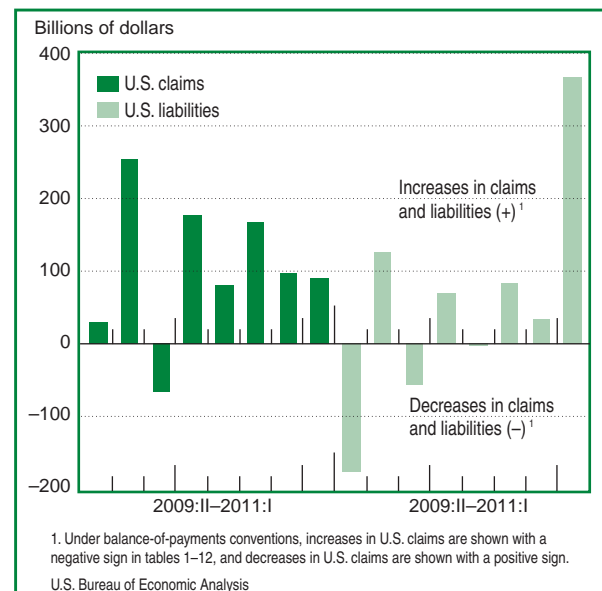
U.S. direct investment abroad decreased in the first quarter after a gradual incline over the last two quarters of 2010; growth since a recent low in the third quarter of 2008 has been uneven. Over that same period, the more erratic pattern of foreign direct investment in the United States continued in the first quarter.

Net purchases by private foreigners of U.S. Treasury securities declined for a fourth consecutive quarter from the peak in the first quarter of 2010.

Transactions by private foreigners in U.S. securities other than U.S. Treasury securities shifted to net sales in the first quarter after net purchases peaked in the third quarter of 2010 and slowed in the fourth quarter of 2010.

The increase in U.S. claims reported by banks and brokers was slower in the first quarter of 2011 than in prior quarters and was the eighth increase in the last nine quarters since the first quarter of 2009. U.S. liabilities by banks and brokers soared in the first quarter of 2011 and registered net inflows over five of the last nine quarters.

**Chart 7. U.S. Claims and Liabilities Reported by Banks and Brokers**



## Financial Account—Foreign-Owned Assets in the United States

**Table H. Foreign-Owned Assets in the United States**

[Millions of dollars, seasonally adjusted]

(Increase/financial inflow (+), decrease/financial outflow (-))	2010			2011	Change 2010:IV– 2011:I
	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>p</sup>	
<b>Foreign-owned assets in the United States<sup>1</sup></b>	<b>186,636</b>	<b>463,115</b>	<b>266,646</b>	<b>507,059</b>	<b>240,413</b>
Foreign official assets .....	66,736	135,477	57,790	70,906	13,116
U.S. government securities .....	45,128	123,736	63,279	71,274	7,995
U.S. Treasury securities .....	31,751	188,994	79,688	33,256	-46,432
Other .....	13,377	-65,258	-16,409	38,018	54,427
Other U.S. government liabilities .....	2,503	1,773	3,841	3,007	-834
U.S. liabilities reported by banks and brokers .....	3,888	10,019	-7,277	-4,025	3,252
Other foreign official assets .....	15,217	-51	-2,053	650	2,703
Other foreign assets .....	119,900	327,638	208,856	436,153	227,297
Direct investment .....	33,930	79,655	70,557	25,276	-45,281
Equity .....	15,370	53,509	24,172	7,584	-16,588
Reinvested earnings .....	21,436	21,826	30,673	21,531	-9,142
Intercompany debt .....	-2,876	4,320	15,712	-3,840	-19,552
U.S. Treasury securities .....	82,062	60,659	29,514	3,475	-26,039
U.S. securities other than U.S. Treasury securities .....	-15,475	82,076	48,431	-7,235	-55,666
Stocks .....	18,848	37,144	37,100	33,889	-3,211
Corporate bonds .....	-21,348	11,628	8,160	-4,568	-12,728
Federally sponsored agency bonds .....	-12,975	33,304	3,171	-36,556	-39,727
U.S. currency .....	2,100	10,514	13,440	12,576	-864
U.S. liabilities to unaffiliated foreigners reported by nonbanking concerns .....	21,302	11,668	16,758	38,361	21,603
U.S. liabilities reported by banks and brokers .....	-4,019	83,066	30,156	363,700	333,544
For own accounts .....	41	81,477	53,864	339,180	285,316
For customers' accounts .....	-4,060	1,589	-23,708	24,520	48,228

p Preliminary r Revised

1. Excludes transactions in financial derivatives, which are not available separately for foreign-owned assets in the United States.

NOTE: The statistics are from tables 1, 7, 8, and 11.

Foreign official assets in the United States increased more than the fourth quarter. Most of the first-quarter growth resulted from a shift to net purchases of “other” U.S. government securities, specifically U.S. agency bonds.

Foreign direct investment in the United States dropped sharply as a result of a shift from inflows to outflows of intercompany debt investment in the United States and slower equity inflows. Lower reinvested earnings also contributed to the drop.

Net purchases by private foreigners of U.S. Treasury securities continued to slow from the high levels of the first three quarters of 2010. The slowdown resulted from a shift to net sales of short-term Treasury bills and was partly offset by a slight increase in net purchases of long-term securities such as bonds and notes.

Net transactions of “other” U.S. securities by private foreigners shifted to net sales as a result of a shift to large net sales of U.S. agency bonds; net purchases of stocks remained robust, similar to growth in the previous two quarters, but they were more than offset by net sales of bonds.

The increase in U.S. liabilities to foreigners reported by U.S. banks and securities brokers—such as foreign residents’ deposits at U.S. banks and loans to U.S. residents—reached a record high after more moderate increases in the previous two quarters. Most of the first-quarter increase resulted from increased liabilities for own accounts. Foreign banks’ deposits at their affiliated banks in the United States increased significantly. Repurchase agreements—mainly liabilities of U.S. securities brokers and dealers to foreign nonbanks—increased much more than in the fourth quarter. Liabilities for customers’ accounts increased after decreasing; the borrowing was mostly in the form of negotiable CDs and other short-term instruments.

**Chart 8. Transactions in U.S. Debt Securities**

