

## An Ownership-Based Framework of the U.S. Current Account, 2000–2011

This report updates the supplemental ownership-based framework of the current account of the U.S. international transactions accounts prepared by the Bureau of Economic Analysis (BEA). The supplemental presentation includes the same major elements as the standard current-account presentation—trade in goods and services and receipts and payments of income on foreign investment. As in the standard presentation, transactions are defined as international when they occur between a U.S. resident and a nonresident, and the residency of an affiliate of a multinational company depends on the country of its location and not on the country of its owner. However, the ownership-based framework adds several features that highlight the important role that multinational companies play in international transactions. First, it recognizes that direct investment income results from the multinational company's active role in producing goods and services, and it renames this income as "net receipts or payments of direct investment income resulting from sales by affiliates." This distinguishes it from the other, more passive types of investment income included in the current account, such as dividends and interest on foreign stocks and bonds. Second, it shows that these receipts and payments are the result of substantial sales of goods and services and purchases of labor and other inputs. Finally, it disaggregates trade in goods and services to show trade with affiliated foreigners separately from trade with unaffiliated foreigners.

This report includes new summary statistics of the major current-account aggregates for 2011, revised and more detailed statistics for 2010, and revised statistics for 2009.<sup>1</sup> A technical note that presents information on the conceptual basis of the ownership-based framework follows the highlights of this presentation.<sup>2</sup>

1. The statistics for 1982–2011 are available on BEA's Web site at [www.bea.gov](http://www.bea.gov). Under "International" and "Supplemental Statistics," click on "Ownership-based current account and other supplemental statistics" and then on "Ownership-Based Framework of the U.S. Current Account, 1982–2011 (XLS)"; for details about data sources for the statistics, see the "Data Sources" tab of the Excel spreadsheet.

2. For additional information on the sources and methods used to prepare the supplemental estimates, see Obie G. Whichard and Jeffrey H. Lowe, "An Ownership-Based Disaggregation of the U.S. Current Account, 1982–93," *SURVEY OF CURRENT BUSINESS* 75 (October 1995): 52–61. For a general review of the issues relating to ownership relationships in international transactions, see J. Steven Landefeld, Obie G. Whichard, and Jeffrey H. Lowe, "Alternative Frameworks for U.S. International Transactions," *SURVEY* 73 (December 1993): 50–61.

The following are highlights of the updated statistics:

- Net receipts of direct investment income by U.S. parents defined as sales by their foreign affiliates net of costs and profits accruing to foreigners were \$480.2 billion in 2011, up from \$444.0 billion in 2010 (table 1). Net payments of direct investment income to foreign parents defined as sales by their U.S. affiliates net of costs and profits accruing to U.S. persons were \$158.6 billion in 2011, up from \$146.1 billion in 2010.
- In 2010 (the latest year for which the detailed statistics are available), the net receipts of \$444.0 billion resulted from sales by foreign affiliates of \$6,034.8 billion less deductions of \$5,590.8 billion for labor, capital, purchased inputs, and profits accruing to foreign persons, for example. The net payments of \$146.1 billion resulted from sales of \$3,400.7 billion less deductions of \$3,254.6 billion.
- In 2011, U.S. receipts from exports of goods and services and net income receipts of U.S. parents from sales by foreign affiliates were \$2,583.6 billion, which consisted of exports of goods and services of \$2,103.4 billion and net income receipts of U.S. parents from sales by their foreign affiliates of \$480.2 billion. U.S. payments from imports of goods and services and net income payments to foreign parents resulting from sales by U.S. affiliates were \$2,821.8 billion, which consisted of imports of goods and services of \$2,663.2 billion and net income payments to foreign parents from sales by their U.S. affiliates of \$158.6 billion.
- In 2011, the resulting U.S. deficit on goods, services, and net receipts from sales by affiliates (line 41) was \$238.2 billion (\$2,583.6 billion minus \$2,821.8 billion). This deficit was \$321.6 billion less than the \$559.9 billion deficit on trade in goods and services in the conventional framework of the international transactions accounts. The deficit in the ownership-based framework was smaller than the deficit in the conventional framework because the receipts of income by U.S. parents from sales by their foreign affiliates exceeded the payments of income to foreign parents from sales by their U.S. affiliates.
- The \$238.2 billion deficit on goods, services, and net receipts from sales by affiliates in 2011 was \$41.3 billion more than the deficit in 2010. The 2011 increase stemmed from a \$65.2 billion increase in the deficit on trade in goods and services (the result of a \$93.3 billion increase in the deficit on trade in goods and a

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\$28.1 billion increase in the surplus on trade in services) that was partly offset by a \$23.8 billion increase in the surplus on net receipts from sales by affiliates.

The updated statistics incorporate the results of the 2012 annual revision of the U.S. international transactions accounts that featured newly available and revised source data and improved estimation methodologies.<sup>3</sup> Many of these changes are part of an ongoing multiyear effort to modernize and enhance the international transactions accounts and to align them with international standards.<sup>4</sup> The current-account statistics on exports and imports of goods and services, income receipts and payments, and net unilateral current transfers were revised for 2009–2011. In addition, the statistics incorporate the preliminary results from the 2010 annual surveys of U.S. direct investment abroad and foreign direct investment in the United States and the final results of the 2009 benchmark survey of U.S. direct investment abroad and the 2009 annual survey of foreign direct investment in the United States.<sup>5</sup>

### Technical Note

The ownership-based framework was developed in the early 1990s in response to interest in examining international transactions to reflect the increasing importance of multinational companies in world economies and, particularly, the growing tendency of these companies to use locally established affiliates to deliver goods and services to international markets.<sup>6</sup>

In the conventionally constructed current account, the trade balance reflects only the goods and services that are delivered to international markets through cross-border exports and imports. This balance is an important indicator of U.S. performance in foreign markets; it reflects the net value of the transactions in goods and services between U.S. residents (including companies) and foreign residents. In the international accounts, affiliates are treated as residents in their countries of location rather than as residents in the countries of their owners. As a result, sales of goods and services by foreign affiliates of U.S. companies to other foreign residents and sales by

U.S. affiliates of foreign companies to other U.S. residents are not regarded as exports and imports and are therefore excluded from the conventional trade balance.

In the ownership-based framework, a balance is considered in which net receipts from sales by affiliates are combined with cross-border exports and imports. Specifically, the net receipts that accrue to U.S. parent companies from the sales by their foreign affiliates are combined with cross-border sales to foreigners by U.S. companies (U.S. exports of goods and services), and the net payments that accrue to foreign parent companies from the sales by their U.S. affiliates are combined with cross-border sales to the United States by foreign companies (U.S. imports of goods and services). The presentation reflects the perspective that cross-border trade and sales through affiliates both represent methods of active participation in the international markets for goods and services and that the difference between these receipts and payments is an indicator of the net effect of United States-foreign commerce on the U.S. economy.

Only the net receipts that accrue to the U.S. parent companies (table 1, line 8), not the gross value of sales by their foreign affiliates (line 9), are included in the ownership-based balance because only those receipts represent value originating in the United States. The remainder of the gross value of sales by foreign affiliates represents foreign contributions—such as labor, capital, purchased inputs, and profits accruing to foreign persons—for which the resulting income accrues to the benefit of the foreign economy. Similarly, only the net payments that accrue to foreign parent companies (line 27), not the gross value of sales by their U.S. affiliates (line 28), are included because only those payments represent value originating abroad. The remainder of the gross value of sales by U.S. affiliates represents U.S. contributions for which the resulting income accrues to the benefit of the U.S. economy. This methodology also eliminates the double-counting that would occur if both the total value of the sales by parents to their affiliates and the subsequent sales by the affiliates to others were included.

Conceptually, the ownership-based framework is fully consistent with the current account in the conventional international transactions accounts and can be viewed as a “satellite” of those accounts.<sup>7</sup> Moreover, the current-account balance is the same in both sets of accounts. The grouping of the income from affiliates with cross-border trade in goods and services acknowledges the active role that parent companies typically take in managing and coordinating their affiliates’ operations. This direct

3. For more information, see Jeffrey R. Bogen and Jessica M. Hanson, “Annual Revision of the U.S. International Transactions Accounts,” *SURVEY 92* (July 2012): 35–46.

4. For the most recent update, see Kristy L. Howell, “Modernizing and Enhancing BEA’s International Economic Accounts: A Progress Report,” *SURVEY 92* (May 2012): 37–50.

5. For more information on the U.S. direct investment abroad annual and benchmark survey results, see Kevin B. Barefoot, “U.S. Multinational Companies: Operations of U.S. Parents and Their Foreign Affiliates in 2010,” *SURVEY 92* (November 2012): 51–74. For more information on the foreign direct investment in the United States annual survey results, see Thomas Anderson, “U.S. Affiliates of Foreign Companies: Operations in 2010,” *SURVEY 92* (August 2012): 213–228.

6. Among the calls for more information on ownership was a National Academy of Sciences study panel. See Anne Y. Kester, ed., *Behind the Numbers: U.S. Trade in the World Economy*, National Research Council, Panel on Foreign Trade Statistics (Washington, DC: National Academy Press, 1992).

7. According to the sixth edition of the International Monetary Fund’s *Balance of Payments and International Investment Position Manual*, paragraph 2.43, “[satellite] presentations use the basic framework as a starting point but differ by adding detail or other information, or by rearranging information, to meet particular needs. Use of the basic framework as a starting point increases the ability to relate the topic to other aspects of the economy while maintaining international comparability.”

investment income from affiliates differs fundamentally from income on other types of investments. For example, for U.S. direct investment abroad, direct investment income represents U.S. companies' returns on sales that for reasons such as efficiency, transportation costs, or the avoidance of trade barriers are made by foreign affiliates rather than by their U.S. parent companies.<sup>8</sup> In contrast, other investment income represents returns on passive investments, such as foreign stocks and bonds. In many cases, a portion of the income from affiliates may be regarded as a kind of implicit management fee that compensates parent companies for undertaking active roles in

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8. Direct investment income consists of net receipts of earnings and of interest by parents from their affiliates.

the operations of their affiliates.

In addition, the framework provides information on ownership relationships by disaggregating the trade in goods and services into trade between affiliated parties (that is, trade within multinational companies) and trade between unaffiliated parties. It also shows how receipts and payments of direct investment income are derived from the production and sales by affiliates. To highlight the links between the direct investment income and the activities that produce it, this income is designated as "resulting from sales by affiliates." In the addenda to table 1, the framework also provides information on both the U.S. and foreign content of affiliates' sales and on the extent to which such content results from the affiliates' own value added.

Table 1. Ownership-Based Framework of the U.S. Current Account, 2000–2011—Continues

[Billions of dollars]

Line	2000	2001	2002	2003	2004	2005
1 Exports of goods and services and income receipts (line 2 plus line 16, and international transactions accounts (ITAs) table 1, line 1).....	1,425.3	1,300.2	1,263.6	1,345.9	1,578.9	1,824.8
2 Receipts resulting from exports of goods and services and sales by foreign affiliates (line 3 plus line 8).....	1,224.6	1,136.4	1,126.5	1,209.9	1,413.8	1,582.0
3 Exports of goods and services, total (ITA table 1, line 2).....	1,072.8	1,007.7	980.9	1,023.5	1,163.1	1,287.4
3a Goods, balance of payments basis (ITA table 1, line 3).....	784.8	731.2	697.4	729.8	822.0	911.7
3b Services (ITA table 1, line 4).....	288.0	276.5	283.4	293.7	341.2	375.8
4 To unaffiliated foreigners.....	758.4	705.5	688.0	713.0	822.9	917.1
4a Goods <sup>1</sup> .....	535.8	495.1	477.8	497.9	571.2	637.9
4b Services.....	222.6	210.4	210.2	215.2	251.6	279.3
5 To affiliated foreigners.....	314.4	302.3	292.9	310.5	340.3	370.3
5a Goods <sup>1</sup> .....	248.9	236.1	219.6	232.0	250.7	273.8
5b Services.....	65.4	66.2	73.3	78.5	89.5	96.5
6 To foreign affiliates of U.S. parents.....	234.1	221.7	204.9	215.3	238.9	264.7
6a Goods <sup>1</sup> .....	182.7	170.2	150.6	156.6	170.6	188.8
6b Services.....	51.4	51.5	54.3	58.6	68.2	75.9
7 To foreign parent groups of U.S. affiliates.....	80.3	80.6	88.0	95.2	101.4	105.6
7a Goods <sup>1</sup> .....	66.2	65.9	69.0	75.3	80.1	85.1
7b Services.....	14.1	14.7	19.0	19.9	21.3	20.6
8 Net receipts of direct investment income by U.S. parents resulting from sales by their foreign affiliates (ITA table 1, line 14).....	151.8	128.7	145.6	186.4	250.6	294.5
9 Sales by foreign affiliates <sup>2</sup> .....	2,905.5	2,945.9	2,945.7	3,319.5	3,841.4	4,362.2
10 Less: Foreign affiliates' purchases of goods and services directly from the United States <sup>3</sup> .....	260.7	249.5	232.8	242.6	264.0	293.1
11 Less: Costs and profits accruing to foreign persons.....	1,989.1	2,055.2	2,038.7	2,246.3	2,548.2	2,837.3
12 Compensation of employees of foreign affiliates.....	310.8	309.7	311.4	338.1	378.6	405.0
13 Other.....	1,678.4	1,745.6	1,727.3	1,908.2	2,169.6	2,432.3
14 Less: Sales by foreign affiliates to other foreign affiliates of the same parent.....	506.1	514.8	530.0	646.4	780.0	937.5
15 Plus: Bank affiliates (net receipts).....	2.2	2.3	1.3	2.3	1.3	0.2
16 Other income receipts.....	200.6	163.8	137.1	136.0	165.2	242.8
17 Other private receipts on U.S.-owned assets abroad (ITA table 1, line 15).....	192.4	155.7	129.2	126.5	157.3	235.1
18 U.S. government receipts (ITA table 1, line 16).....	3.8	3.6	3.3	4.8	3.1	2.9
19 Compensation of employees (ITA table 1, line 17).....	4.4	4.5	4.6	4.7	4.7	4.8
20 Imports of goods and services and income payments (line 21 plus line 35, and ITA table 1, line 18).....	1,782.8	1,632.2	1,655.8	1,793.2	2,119.2	2,464.8
21 Payments resulting from imports of goods and services and sales by U.S. affiliates (line 22 plus line 27).....	1,506.4	1,382.3	1,441.6	1,588.3	1,868.3	2,117.4
22 Imports of goods and services, total (ITA table 1, line 19).....	1,449.5	1,369.5	1,398.3	1,514.5	1,768.5	1,996.1
22a Goods, balance of payments basis (ITA table 1, line 20).....	1,230.6	1,152.5	1,171.9	1,270.2	1,485.5	1,692.4
22b Services (ITA table 1, line 21).....	219.0	217.0	226.4	244.3	283.0	303.6
23 From unaffiliated foreigners.....	945.1	880.0	894.0	975.4	1,166.2	1,322.9
23a Goods <sup>1</sup> .....	765.8	703.8	712.2	777.8	933.9	1,077.4
23b Services.....	179.3	176.1	181.8	197.6	232.3	245.5
24 From affiliated foreigners.....	504.5	489.5	504.3	539.1	602.3	673.1
24a Goods <sup>1</sup> .....	464.7	448.6	459.8	492.4	551.5	615.0
24b Services.....	39.7	40.9	44.6	46.6	50.7	58.2
25 From foreign affiliates of U.S. parents.....	209.9	201.3	202.0	214.1	241.8	270.7
25a Goods <sup>1</sup> .....	191.2	182.2	182.0	192.6	218.8	245.0
25b Services.....	18.7	19.1	19.9	21.5	23.0	25.7
26 From foreign parent groups of U.S. affiliates.....	294.6	288.3	302.4	324.9	360.4	402.4
26a Goods <sup>1</sup> .....	273.6	266.5	277.7	299.8	332.7	370.0
26b Services.....	21.0	21.8	24.7	25.2	27.7	32.4
27 Net payments of direct investment income to foreign parents resulting from sales by their U.S. affiliates (ITA table 1, line 31).....	56.9	12.8	43.2	73.8	99.8	121.3
28 Sales by U.S. affiliates <sup>2</sup> .....	2,334.7	2,327.1	2,216.5	2,323.2	2,526.3	2,792.5
29 Less: U.S. affiliates' purchases of goods and services directly from abroad <sup>4</sup> .....	393.1	369.6	372.8	393.3	437.5	495.0
30 Less: Costs and profits accruing to U.S. persons.....	1,888.2	1,946.7	1,802.1	1,858.2	1,993.8	2,180.5
31 Compensation of employees of U.S. affiliates.....	332.2	344.7	341.9	342.7	351.9	365.5
32 Other.....	1,556.1	1,601.9	1,460.2	1,515.5	1,641.9	1,815.0
33 Less: Sales by U.S. affiliates to other U.S. affiliates of the same parent <sup>5</sup> .....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
34 Plus: Bank affiliates (net payments).....	3.6	2.0	1.6	2.2	4.7	4.4
35 Other income payments.....	276.4	249.9	214.3	205.0	251.0	347.4
36 Other private payments on foreign-owned assets in the United States (ITA table 1, line 32).....	180.9	159.8	127.0	119.1	155.3	228.4
37 U.S. government payments (ITA table 1, line 33).....	84.5	78.4	74.9	73.9	82.7	104.1
38 Compensation of employees (ITA table 1, line 34).....	11.0	11.7	12.4	12.0	13.0	14.9
39 Unilateral current transfers, net (ITA table 1, line 35).....	-58.8	-64.6	-65.0	-71.8	-88.2	-105.7
Memoranda:						
40 Balance on goods and services (line 3 minus line 22, and ITA table 1, line 74).....	-376.7	-361.8	-417.4	-491.0	-605.4	-708.6
41 Balance on goods, services, and net receipts from sales by affiliates (line 2 minus line 21).....	-281.8	-245.9	-315.1	-378.3	-454.5	-535.4
42 Balance on current account (line 1 minus line 20 plus line 39, and ITA table 1, line 77).....	-416.3	-396.6	-457.2	-519.1	-628.5	-745.8
Addenda:						
43 Source of the content of foreign affiliates' sales and change in inventories: <sup>2</sup>						
44 Sales to nonaffiliates and change in inventories, total (line 9 minus line 14 plus the change in inventories).....	2,406.8	2,424.0	2,425.9	2,692.3	3,092.4	3,544.0
44 Foreign content.....	2,146.1	2,174.5	2,193.1	2,449.7	2,828.5	3,250.9
45 Value added by foreign affiliates of U.S. parents.....	702.9	683.4	704.5	808.4	948.9	1,050.0
46 Other foreign content <sup>6</sup> .....	1,443.2	1,491.1	1,488.6	1,641.3	1,879.6	2,200.9
47 U.S. content.....	260.7	249.5	232.8	242.6	264.0	293.1
48 Source of the content of U.S. affiliates' sales and change in inventories: <sup>2,7</sup>						
48 Sales to nonaffiliates and change in inventories, total (line 28 minus line 33 plus the change in inventories).....	2,349.9	2,318.9	2,214.5	2,326.1	2,543.4	2,814.6
49 U.S. content.....	1,956.7	1,949.3	1,841.7	1,932.7	2,105.9	2,319.5
50 Value added by U.S. affiliates of foreign parents.....	516.7	477.0	502.7	519.9	563.5	611.5
51 Other U.S. content <sup>8</sup> .....	1,440.1	1,472.3	1,339.0	1,412.8	1,542.4	1,708.0
52 Foreign content.....	393.1	369.6	372.8	393.3	437.5	495.0

See the footnotes at the end of the table.

Table 1. Ownership-Based Framework of the U.S. Current Account, 2000–2011—Table Ends

[Billions of dollars]

Line	2006	2007	2008	2009	2010	2011 <sup>9</sup>
<b>1 Exports of goods and services and income receipts (line 2 plus line 16, and international transactions accounts (ITAs) table 1, line 1) .....</b>	<b>2,144.4</b>	<b>2,488.4</b>	<b>2,656.6</b>	<b>2,180.6</b>	<b>2,518.8</b>	<b>2,848.0</b>
<b>2 Receipts resulting from exports of goods and services and sales by foreign affiliates (line 3 plus line 8) .....</b>	<b>1,784.6</b>	<b>2,025.3</b>	<b>2,256.4</b>	<b>1,936.7</b>	<b>2,286.5</b>	<b>2,583.6</b>
<b>3 Exports of goods and services, total (ITA table 1, line 2) .....</b>	<b>1,459.8</b>	<b>1,654.6</b>	<b>1,842.7</b>	<b>1,578.9</b>	<b>1,842.5</b>	<b>2,103.4</b>
3a Goods, balance of payments basis (ITA table 1, line 3) .....	1,039.4	1,164.0	1,307.5	1,069.7	1,288.9	1,497.4
3b Services (ITA table 1, line 4) .....	420.4	490.6	535.2	509.2	553.6	606.0
4 To unaffiliated foreigners .....	1,057.7	1,193.3	1,353.4	1,116.3	1,343.2	.....
4a Goods <sup>1</sup> .....	746.4	836.0	960.0	747.9	939.1	.....
4b Services .....	311.3	357.3	393.5	368.3	404.0	.....
5 To affiliated foreigners .....	402.2	461.3	489.2	462.7	499.3	.....
5a Goods <sup>1</sup> .....	293.1	328.0	347.5	321.8	349.8	.....
5b Services .....	109.1	133.3	141.7	140.9	149.6	.....
6 To foreign affiliates of U.S. parents .....	286.1	321.3	339.9	317.5	346.9	.....
6a Goods <sup>1</sup> .....	200.2	214.1	227.6	207.5	229.7	.....
6b Services .....	85.8	107.2	112.3	110.0	117.2	.....
7 To foreign parent groups of U.S. affiliates .....	116.1	140.0	149.3	145.2	152.5	.....
7a Goods <sup>1</sup> .....	92.8	113.9	119.9	114.3	120.1	.....
7b Services .....	23.3	26.1	29.4	30.9	32.4	.....
<b>8 Net receipts of direct investment income by U.S. parents resulting from sales by their foreign affiliates (ITA table 1, line 14) .....</b>	<b>324.8</b>	<b>370.8</b>	<b>413.7</b>	<b>357.8</b>	<b>444.0</b>	<b>480.2</b>
9 Sales by foreign affiliates <sup>2</sup> .....	4,793.3	5,785.1	6,513.2	5,640.4	6,034.8	.....
10 Less: Foreign affiliates' purchases of goods and services directly from the United States <sup>3</sup> .....	323.4	363.4	380.2	340.1	374.0	.....
11 Less: Costs and profits accruing to foreign persons .....	3,098.8	3,752.5	4,285.4	3,711.3	3,929.4	.....
12 Compensation of employees of foreign affiliates .....	436.1	505.7	535.9	547.9	552.6	.....
13 Other .....	2,662.7	3,246.8	3,749.5	3,163.4	3,376.8	.....
14 Less: Sales by foreign affiliates to other foreign affiliates of the same parent .....	1,040.0	1,298.5	1,433.9	1,231.2	1,287.4	.....
15 Plus: Bank affiliates (net receipts) .....	-6.4	.....	.....	.....	.....	.....
<b>16 Other income receipts .....</b>	<b>359.8</b>	<b>463.1</b>	<b>400.2</b>	<b>243.8</b>	<b>232.2</b>	<b>264.4</b>
17 Other private receipts on U.S.-owned assets abroad (ITA table 1, line 15) .....	352.1	455.4	389.9	233.5	225.1	256.6
18 U.S. government receipts (ITA table 1, line 16) .....	2.7	2.5	5.1	4.8	1.5	1.9
19 Compensation of employees (ITA table 1, line 17) .....	5.0	5.1	5.2	5.5	5.6	5.8
<b>20 Imports of goods and services and income payments (line 21 plus line 35, and ITA table 1, line 18) .....</b>	<b>2,853.5</b>	<b>3,083.6</b>	<b>3,207.8</b>	<b>2,440.0</b>	<b>2,829.6</b>	<b>3,180.9</b>
<b>21 Payments resulting from imports of goods and services and sales by U.S. affiliates (line 22 plus line 27) .....</b>	<b>2,363.9</b>	<b>2,477.5</b>	<b>2,670.5</b>	<b>2,062.9</b>	<b>2,483.4</b>	<b>2,821.8</b>
<b>22 Imports of goods and services, total (ITA table 1, line 19) .....</b>	<b>2,213.1</b>	<b>2,351.3</b>	<b>2,541.0</b>	<b>1,958.1</b>	<b>2,337.2</b>	<b>2,663.2</b>
22a Goods, balance of payments basis (ITA table 1, line 20) .....	1,875.1	1,982.8	2,137.6	1,575.5	1,934.0	2,235.8
22b Services (ITA table 1, line 21) .....	338.0	368.4	403.4	382.6	403.2	427.4
23 From unaffiliated foreigners .....	1,486.1	1,568.6	1,712.8	1,228.1	1,566.9	.....
23a Goods <sup>1</sup> .....	1,216.0	1,276.3	1,394.6	932.2	1,256.7	.....
23b Services .....	270.0	292.3	318.2	295.9	310.2	.....
24 From affiliated foreigners .....	727.0	782.7	828.3	730.0	770.3	.....
24a Goods <sup>1</sup> .....	659.1	706.5	743.0	643.2	677.3	.....
24b Services .....	68.0	76.2	85.2	86.7	93.0	.....
25 From foreign affiliates of U.S. parents .....	286.1	310.2	319.9	282.6	315.1	.....
25a Goods <sup>1</sup> .....	249.6	267.4	272.6	233.6	262.7	.....
25b Services .....	36.5	42.8	47.3	49.1	52.4	.....
26 From foreign parent groups of U.S. affiliates .....	440.9	472.6	508.3	447.3	455.2	.....
26a Goods <sup>1</sup> .....	409.5	439.2	470.4	409.7	414.6	.....
26b Services .....	31.5	33.4	37.9	37.7	40.6	.....
<b>27 Net payments of direct investment income to foreign parents resulting from sales by their U.S. affiliates (ITA table 1, line 31) .....</b>	<b>150.8</b>	<b>126.2</b>	<b>129.4</b>	<b>104.8</b>	<b>146.1</b>	<b>158.6</b>
28 Sales by U.S. affiliates <sup>2</sup> .....	3,114.5	3,616.2	3,887.1	3,277.2	3,400.7	.....
29 Less: U.S. affiliates' purchases of goods and services directly from abroad <sup>4</sup> .....	546.0	599.8	661.9	555.1	583.5	.....
30 Less: Costs and profits accruing to U.S. persons .....	2,425.3	2,890.3	3,095.7	2,617.2	2,671.1	.....
31 Compensation of employees of U.S. affiliates .....	395.9	437.6	457.2	450.6	440.8	.....
32 Other .....	2,029.4	2,452.7	2,638.6	2,166.6	2,230.3	.....
33 Less: Sales by U.S. affiliates to other U.S. affiliates of the same parent <sup>5</sup> .....	n.a.	n.a.	n.a.	n.a.	n.a.	.....
34 Plus: Bank affiliates (net payments) .....	7.5	.....	.....	.....	.....	.....
<b>35 Other income payments .....</b>	<b>489.7</b>	<b>606.2</b>	<b>537.4</b>	<b>377.1</b>	<b>346.3</b>	<b>359.1</b>
36 Other private payments on foreign-owned assets in the United States (ITA table 1, line 32) .....	338.9	426.8	354.6	219.4	196.4	212.5
37 U.S. government payments (ITA table 1, line 33) .....	135.2	164.7	166.8	144.4	137.1	132.7
38 Compensation of employees (ITA table 1, line 34) .....	15.5	14.7	15.9	13.3	12.8	13.8
<b>39 Unilateral current transfers, net (ITA table 1, line 35) .....</b>	<b>-91.5</b>	<b>-115.1</b>	<b>-125.9</b>	<b>-122.5</b>	<b>-131.1</b>	<b>-133.1</b>
<b>Memoranda:</b>						
40 Balance on goods and services (line 3 minus line 22, and ITA table 1, line 74) .....	-753.3	-696.7	-698.3	-379.2	-494.7	-559.9
41 Balance on goods, services, and net receipts from sales by affiliates (line 2 minus line 21) .....	-579.2	-452.1	-414.0	-126.2	-196.9	-238.2
42 Balance on current account (line 1 minus line 20 plus line 39, and ITA table 1, line 77) .....	-800.6	-710.3	-677.1	-381.9	-442.0	-465.9
<b>Addenda:</b>						
<b>Source of the content of foreign affiliates' sales and change in inventories: <sup>2</sup></b>						
43 Sales to nonaffiliates and change in inventories, total (line 9 minus line 14 plus the change in inventories) .....	3,722.6	4,565.1	5,069.7	4,433.8	4,766.6	.....
44 Foreign content .....	3,399.2	4,201.7	4,689.5	4,093.6	4,392.6	.....
45 Value added by foreign affiliates of U.S. parents .....	1,151.1	1,346.1	1,466.7	1,350.0	1,450.0	.....
46 Other foreign content <sup>6</sup> .....	2,248.1	2,855.6	3,222.7	2,743.6	2,942.6	.....
47 U.S. content .....	323.4	363.4	380.2	340.1	374.0	.....
<b>Source of the content of U.S. affiliates' sales and change in inventories: <sup>2,7</sup></b>						
48 Sales to nonaffiliates and change in inventories, total (line 28 minus line 33 plus the change in inventories) .....	3,138.3	3,613.3	3,912.5	3,273.1	3,402.3	.....
49 U.S. content .....	2,592.3	3,013.6	3,250.6	2,718.0	2,818.8	.....
50 Value added by U.S. affiliates of foreign parents .....	679.7	736.7	714.8	665.5	715.6	.....
51 Other U.S. content <sup>8</sup> .....	1,912.6	2,276.8	2,535.8	2,052.5	2,103.2	.....
52 Foreign content .....	546.0	599.8	661.9	555.1	583.5	.....

n.a. Not available

1. The sources for total U.S. exports and imports of goods are based on Census Bureau tabulations of Customs data. The sources for U.S. parent trade in goods with their foreign affiliates and U.S. affiliate trade in goods with their foreign parent groups are BEA's annual surveys of financial and operating data of U.S. parents, their foreign affiliates, and foreign-owned U.S. affiliates.

2. For 2007–2010, annual data on sales, purchases, costs, and profits for both bank and nonbank affiliates are included in the calculation for lines 9–14, lines 28–33, lines 43–47, and lines 48–52. For 2000–2006, these data for bank affiliates are unavailable.

3. In principle, purchases of services from the United States should include both purchases from the U.S. parent and purchases from unaffiliated providers. However, data on purchases from unaffiliated providers are unavailable, so for services, line 10 only includes purchases from U.S. parents.

4. In principle, purchases of services from abroad should include both purchases from the foreign parent group and purchases from unaffiliated providers. However, data on purchases from unaffiliated providers are unavailable, so for

services, line 29 only includes purchases from the foreign parent groups.

5. In principle, sales by U.S. affiliates to other U.S. affiliates of the same foreign parent should be subtracted, but data on these sales are unavailable. Because U.S. affiliates are generally required to report to BEA on a fully consolidated basis, most of these sales are eliminated through consolidation, and the remaining amount is thought to be negligible.

6. Other foreign content (purchases from foreign persons by foreign affiliates) is overstated to the extent that it includes U.S. exports that are embodied in goods and services purchased by foreign affiliates from foreign suppliers.

7. In principle, the sales exclude the affiliates' sales to other affiliates of their parent. For U.S. affiliates, data on sales to other affiliates are unavailable, but these sales are thought to be negligible. (See footnote 5.)

8. Other U.S. content (purchases from U.S. persons by U.S. affiliates) is overstated to the extent that it includes U.S. imports that are embodied in goods and services purchased by U.S. affiliates from U.S. suppliers.

9. The estimates for 2011 are from the international transactions accounts, which are published quarterly. Detailed estimates for 2011 from BEA's annual surveys of U.S. direct investment abroad and foreign direct investment in the United States will not be available until the second half of 2013.