

U.S. International Transactions

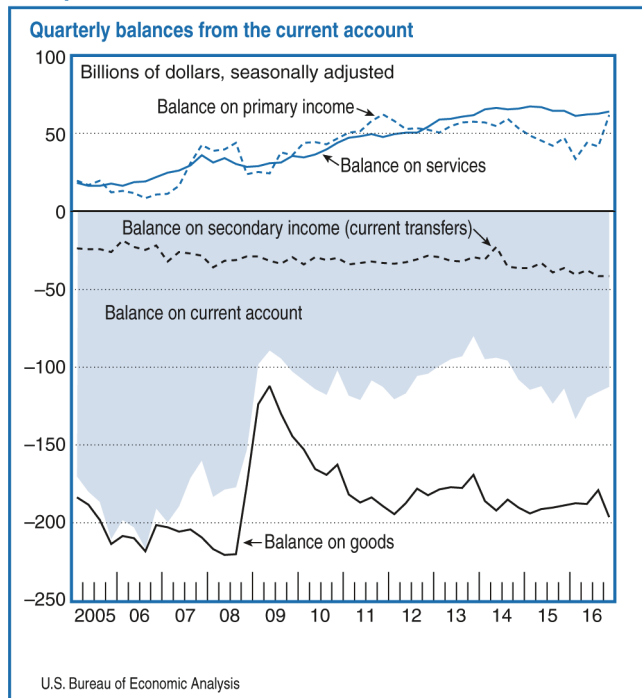
Fourth Quarter and Year 2016

THE U.S. CURRENT-ACCOUNT DEFICIT—a net measure of transactions between the United States and the rest of the world in goods, services, primary income, and secondary income—decreased to \$112.4 billion (preliminary) in the fourth quarter of 2016 from \$116.0 billion (revised) in the third quarter (chart 1; see also [table A](#) on page 2). The deficit decreased to 2.4 percent of current-dollar gross domestic product (GDP) from 2.5 percent in the third quarter.

The \$3.6 billion decrease in the current-account deficit mostly reflected an increase in the surplus on primary income that was largely offset by an increase in the deficit on goods.

In 2016, the annual current-account deficit increased to \$481.2 billion (preliminary) from \$463.0 billion in 2015. The deficit was 2.6 percent of current-dollar GDP in 2016, the same percentage as in 2015 (see chart 15 and the discussion on [page 9](#)).

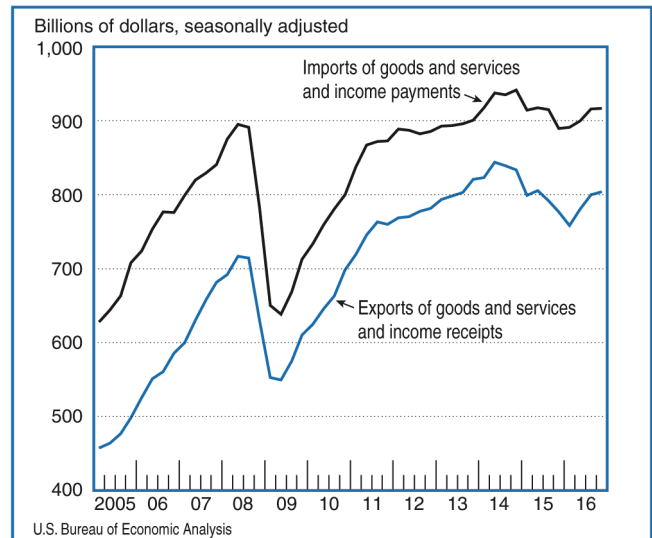
Chart 1. U.S. Current-Account Balance and Its Components



Net U.S. borrowing measured by financial-account transactions was \$92.0 billion in the fourth quarter, down from net borrowing of \$224.4 billion in the third quarter. A decrease in net U.S. incurrence of liabilities excluding financial derivatives was partly offset by a shift to net U.S. liquidation of financial assets excluding financial derivatives and a shift to net borrowing in financial derivatives other than reserves.

Net U.S. borrowing measured by financial-account transactions was \$406.5 billion in 2016, up from \$195.2 billion (see [page 10](#)).

Chart 2. Current-Account Transactions



Preview of the 2017 Annual Update

The annual update of the U.S. international transactions accounts will be released along with preliminary estimates for the first quarter of 2017 on June 20, 2017. See “Preview of the 2017 Annual Update of the International Economic Accounts” in the May *SURVEY OF CURRENT BUSINESS* for a summary of the changes that will be incorporated as part of the update.

Christopher P. Steiner and Michelle Murillo prepared this article.

Fourth-Quarter Overview

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

	2016				Change 2016:III to 2016:IV
	I ^r	II ^r	III ^r	IV ^p	
Current account					
Exports of goods and services and income receipts (credits)	757,974	780,154	800,035	804,012	3,977
Exports of goods and services	538,104	545,590	564,980	563,406	-1,574
Goods	353,355	359,440	375,146	371,725	-3,421
Services	184,748	186,149	189,834	191,680	1,846
Primary income receipts	188,282	202,250	203,478	207,914	4,436
Secondary income (current transfer) receipts	31,588	32,315	31,577	32,692	1,115
Imports of goods and services and income payments (debits)	891,045	899,899	916,041	916,395	354
Imports of goods and services	664,307	671,396	681,210	695,726	14,516
Goods	540,698	547,229	553,798	567,867	14,069
Services	123,609	124,167	127,412	127,859	447
Primary income payments	154,523	158,459	161,894	146,458	-15,436
Secondary income (current transfer) payments	72,215	70,044	72,938	74,211	1,273
Capital account					
Capital transfer receipts and other credits	0	0	0	0	0
Capital transfer payments and other debits	58	0	1	n.a.	n.a.
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	59,062	322,678	28,343	-79,128	-107,471
Direct investment assets	66,612	105,525	94,663	80,728	-13,935
Portfolio investment assets	-57,326	146,397	-35,268	-33,121	2,147
Other investment assets	50,968	70,566	-32,694	-128,184	-95,490
Reserve assets	-1,191	189	1,642	1,450	-192
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	119,117	368,588	259,245	12,420	-246,825
Direct investment liabilities	92,245	175,271	124,741	33,000	-91,741
Portfolio investment liabilities	-21,197	11,934	218,594	61,593	-157,001
Other investment liabilities	48,069	181,383	-84,090	-82,173	1,917
Financial derivatives other than reserves, net transactions	12,994	2,904	6,500	-447	-6,947
Statistical discrepancy					
Statistical discrepancy¹	86,069	76,739	-108,394	20,387	128,781
Balances					
Balance on current account	-133,072	-119,745	-116,007	-112,382	3,625
Balance on goods and services	-126,204	-125,806	-116,230	-132,320	-16,090
Balance on goods	-187,343	-187,789	-178,652	-196,142	-17,490
Balance on services	61,139	61,983	62,422	63,822	1,400
Balance on primary income	33,759	43,791	41,585	61,457	19,872
Balance on secondary income	-40,627	-37,730	-41,361	-41,519	-158
Balance on capital account	-58	0	-1	0	1
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-133,130	-119,745	-116,008	-112,382	3,626
Net lending (+) or net borrowing (-) from financial-account transactions³	-47,061	-43,006	-224,402	-91,995	132,407

p Preliminary r Revised n.a. Not available

1. The statistical discrepancy is the difference between net acquisition of assets and net incurrence of liabilities in the financial account (including financial derivatives) less the difference between total credits and total debits recorded in the current and capital accounts.

2. Sum of current-account and capital-account balances.

3. Sum of net U.S. acquisition of financial assets and net transactions in financial derivatives less net U.S. incurrence of liabilities.

NOTE: The statistics are presented in table 1.2 on BEA's Web site.

Current-account highlights

- The deficit on goods increased \$17.5 billion in the fourth quarter to \$196.1 billion.
- The surplus on services increased \$1.4 billion to \$63.8 billion.
- The surplus on primary income increased \$19.9 billion to \$61.5 billion.
- The deficit on secondary income increased \$0.2 billion to \$41.5 billion.

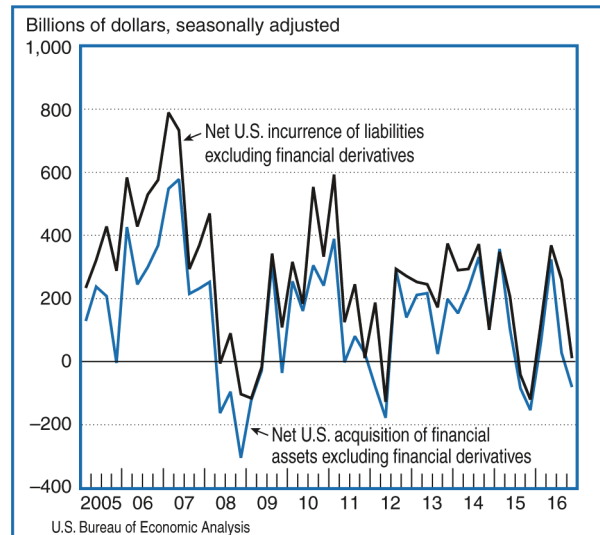
Financial-account highlights

- Transactions in financial assets excluding financial derivatives shifted to net U.S. liquidation of \$79.1 billion from net U.S. acquisition of \$28.3 billion (chart 3).
- Net U.S. incurrence of liabilities excluding financial derivatives decreased \$246.8 billion to \$12.4 billion.
- Transactions in financial derivatives other than reserves reflected fourth-quarter net borrowing of \$0.4 billion, a shift from net lending of \$6.5 billion in the third quarter.

Statistical discrepancy

- The statistical discrepancy shifted to \$20.4 billion from -\$108.4 billion.

Chart 3. Acquisition of Financial Assets and Incurrence of Liabilities



Fourth-Quarter Current Account—Exports of Goods and Services and Income Receipts

Table B. Exports of Goods and Services and Income Receipts
[Millions of dollars, seasonally adjusted]

	2016				Change 2016:III to 2016:IV
	I ^r	II ^r	III ^r	IV ^p	
Exports of goods and services and income receipts	757,974	780,154	800,035	804,012	3,977
Exports of goods	353,355	359,440	375,146	371,725	-3,421
General merchandise	349,051	355,365	369,274	365,144	-4,130
Foods, feeds, and beverages	27,784	30,074	40,629	32,217	-8,412
Grains and preparations	5,863	7,240	8,144	6,878	-1,266
Soybeans	2,917	3,245	12,492	4,985	-7,507
Other foods, feeds, and beverages	19,004	19,589	19,993	20,354	361
Industrial supplies and materials	92,142	96,137	98,832	101,323	2,491
Energy products	24,764	29,066	28,691	31,284	2,593
Of which: Petroleum and products	21,895	26,055	25,529	26,965	1,436
Nonenergy products	67,378	67,071	70,141	70,039	-102
Chemicals except medicinals	25,814	25,579	26,305	26,160	-145
Metals and nonmetallic products	17,362	17,459	18,541	18,581	40
Other nonenergy products	24,202	24,033	25,295	25,298	3
Capital goods except automotive	129,771	129,610	128,955	131,288	2,333
Electric generating machinery, apparatus, and parts	13,835	13,078	13,489	13,984	495
Industrial engines, pumps, and compressors	6,692	6,020	6,051	6,449	398
Other industrial machinery	18,024	17,745	17,640	18,447	807
Computers, accessories, peripherals, and parts	11,886	11,592	10,975	10,599	-376
Semiconductors	11,089	11,206	10,896	11,354	458
Telecommunications equipment	9,819	10,148	10,529	10,637	108
Other machinery, equipment, tools, and instruments	28,277	27,523	27,548	27,900	352
Civilian aircraft, engines, and parts	28,818	30,860	30,500	30,606	106
Other transportation equipment	1,331	1,438	1,326	1,311	-15
Automotive vehicles, parts, and engines	37,559	37,708	37,892	36,820	-1,072
Passenger cars	13,290	13,394	13,639	12,782	-857
Trucks, buses, and special purpose vehicles	4,561	4,775	4,576	4,050	-526
Engines, parts, and accessories	19,708	19,540	19,677	19,988	311
Consumer goods except food and automotive	48,359	47,329	48,855	48,705	-150
Nondurable goods	22,886	22,073	21,852	22,115	263
Medicinal, dental, and pharmaceutical products	13,995	13,215	13,059	13,121	62
Other	8,891	8,858	8,793	8,994	201
Durable goods	25,473	25,256	27,004	26,590	-414
Household and kitchen appliances and other household goods	9,415	9,314	9,594	9,968	374
Other	16,058	15,942	17,410	16,622	-788
Other general merchandise	13,437	14,507	14,112	14,792	680
Net exports of goods under merchandising	50	50	93	79	-14
Nonmonetary gold	4,254	4,025	5,779	6,503	724
Exports of services¹	184,748	186,149	189,834	191,680	1,846
Maintenance and repair services n.i.e.	6,314	6,502	6,795	6,873	78
Transport	21,417	21,058	20,760	21,398	638
Of which: Air passenger transport	10,141	9,495	9,363	10,149	786
Travel (for all purposes including education)	51,387	50,639	52,334	52,476	142
Business	10,273	10,021	9,847	9,874	27
Personal	41,114	40,618	42,487	42,602	115
Insurance services	4,244	4,453	4,494	4,551	57
Financial services	22,824	23,962	24,723	25,243	520
Charges for the use of intellectual property n.i.e.	30,298	30,192	31,027	30,710	-317
Industrial processes	10,421	10,189	10,894	10,533	-361
Computer software	9,167	9,325	9,926	9,957	31
Other	10,710	10,678	10,207	10,220	13
Telecommunications, computer, and information services	9,408	9,273	9,243	9,340	97
Other business services	34,394	34,999	35,416	35,806	390
Government goods and services n.i.e.	4,462	5,072	5,041	5,284	243
Primary income receipts	188,282	202,250	203,478	207,914	4,436
Investment income	186,485	200,451	201,673	206,114	4,441
Direct investment income	95,756	109,282	110,509	112,887	2,378
Income on equity	90,815	104,141	104,931	106,895	1,964
Interest	4,942	5,141	5,578	5,991	413
Portfolio investment income	81,617	81,031	80,967	82,728	1,761
Income on equity and investment fund shares	55,969	55,282	54,751	55,053	302
Interest on debt securities	25,648	25,749	26,216	27,674	1,458
Other investment income	9,083	10,117	10,204	10,438	234
Interest	6,625	7,584	7,605	7,817	212
Income attributable to insurance policyholders	2,458	2,533	2,598	2,620	22
Reserve asset income	28	21	-6	62	68
Compensation of employees	1,797	1,799	1,805	1,800	-5
Secondary income (current transfer) receipts²	31,588	32,315	31,577	32,692	1,115

p Preliminary r Revised n.i.e. Not included elsewhere

1. See also Alexis N. Grimm and Maya Ortiz, "U.S. International Services: Trade in Services in 2015 and Services Supplied Through Affiliates in 2014," SURVEY OF CURRENT BUSINESS 96 (December 2016).

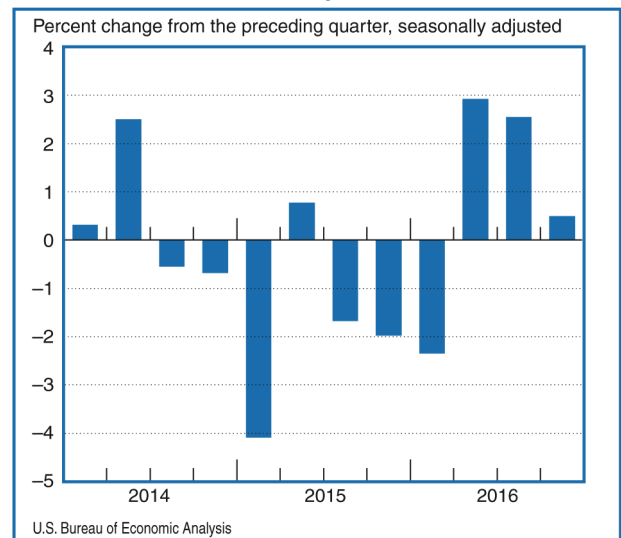
2. Secondary income receipts include U.S. government and private transfers, such as fines and penalties, withholding taxes, insurance-related transfers, and other current transfers.

NOTE: The statistics are presented in table 2.1, table 3.1, table 4.1, and table 5.1 on BEA's Web site.

Exports of goods and services and income receipts increased \$4.0 billion, or 0.5 percent, to \$804.0 billion in the fourth quarter.

- Primary income receipts increased \$4.4 billion to \$207.9 billion, reflecting increases in direct investment income, largely income on equity, and in portfolio investment income, largely interest on long-term debt securities.
- Exports of goods decreased \$3.4 billion to \$371.7 billion; this decrease partly offset the increase in primary income receipts. The decrease reflected an \$8.4 billion decrease in exports of foods, feeds, and beverages, largely soybeans, that was partly offset by a net increase in other major categories.

Chart 4. Percent Change in Exports of Goods and Services and Income Receipts



Data Availability and Methodology

Detailed statistics for U.S. international transactions accompany this article in tables 1.1–9.1. The statistics and a description of the estimation methods used to compile them are also available on BEA's Web site.

The links in the text and tables of this article are to the latest available statistics in the interactive tables.

For the statistics, see "International Data." For the methods, see *U.S. International Economic Accounts: Concepts and Methods*.

Fourth-Quarter Current Account—Imports of Goods and Services and Income Payments

Table C. Imports of Goods and Services and Income Payments

[Millions of dollars, seasonally adjusted]

	2016				Change 2016:III to 2016:IV
	I ^r	II ^r	III ^r	IV ^p	
Imports of goods and services and income payments	891,045	899,899	916,041	916,395	354
Imports of goods	540,698	547,229	553,798	567,867	14,069
General merchandise.....	537,312	541,722	548,241	564,164	15,923
Foods, feeds, and beverages.....	32,789	32,213	32,647	33,609	962
Industrial supplies and materials.....	102,049	107,349	113,853	119,272	5,419
Energy products.....	38,104	42,157	46,255	50,005	3,750
Of which: Petroleum and products.....	34,491	38,160	41,941	45,161	3,220
Nonenergy products.....	63,945	65,192	67,598	69,267	1,669
Chemicals except medicinals.....	17,076	17,605	17,479	17,800	321
Metals and nonmetallic products.....	21,699	22,355	24,260	24,651	391
Nonferrous metals.....	7,147	7,629	8,711	8,914	203
Other metals and nonmetallic products.....	14,552	14,726	15,549	15,737	188
Other nonenergy products.....	25,170	25,232	25,859	26,816	957
Capital goods except automotive.....	145,590	149,196	148,736	150,270	1,534
Machinery and equipment except consumer-type.....	132,000	133,845	135,166	137,026	1,860
Electric generating machinery, apparatus, and parts.....	17,435	17,555	17,631	18,122	491
Industrial engines, pumps, and compressors	5,713	5,598	5,491	5,662	171
Computers, accessories, peripherals, and parts.....	28,331	28,728	28,814	28,639	-175
Semiconductors.....	12,736	13,332	13,124	12,613	-511
Telecommunications equipment.....	16,785	17,550	18,353	19,173	820
Other machinery, equipment, tools, and instruments.....	51,000	51,082	51,753	52,817	1,064
Civilian aircraft, engines, and parts.....	12,191	13,751	12,208	11,809	-399
Of which: Civilian aircraft, complete, all types	3,153	4,485	3,095	3,127	32
Other transportation equipment.....	1,399	1,599	1,362	1,434	72
Automotive vehicles, parts, and engines.....	88,375	86,330	87,025	89,458	2,433
Passenger cars.....	42,766	41,420	43,105	43,044	-61
Trucks, buses, and special purpose vehicles.....	8,969	8,739	7,603	8,687	1,084
Engines, parts, and accessories.....	36,640	36,171	36,317	37,728	1,411
Consumer goods, except food and automotive.....	147,388	145,014	144,102	149,093	4,991
Nondurable goods.....	70,126	70,412	67,883	69,648	1,765
Medicinal, dental, and pharmaceutical products.....	27,798	28,905	27,237	27,635	398
Other.....	42,328	41,507	40,646	42,013	1,367
Durable goods.....	77,262	74,601	76,219	79,445	3,226
Household and kitchen appliances and other household goods.....	43,739	40,895	42,201	45,899	3,698
Of which: Other household goods, including cell phones.....	28,699	26,258	27,326	29,766	2,440
Other.....	33,523	33,706	34,018	33,546	-472
Other general merchandise.....	21,119	21,620	21,878	22,461	583
Nonmonetary gold.....	3,387	5,508	5,556	3,703	-1,853
Imports of services¹	123,609	124,167	127,412	127,859	447
Maintenance and repair services n.i.e.....	2,147	2,059	2,266	2,227	-39
Transport.....	24,042	24,195	24,199	24,738	539
Of which: Air passenger transport.....	9,183	9,474	9,346	9,384	38
Travel (for all purposes including education).....	29,800	29,803	30,538	31,384	846
Business.....	3,955	4,000	3,866	4,024	158
Personal.....	25,845	25,803	26,672	27,360	688
Insurance services.....	11,785	11,972	12,265	12,378	113
Financial services.....	6,002	6,158	6,504	6,568	64
Charges for the use of intellectual property n.i.e.....	9,900	10,280	11,840	10,723	-1,117
Industrial processes.....	5,273	5,365	5,531	5,555	24
Computer software.....	1,812	1,962	1,898	1,999	101
Other.....	2,815	2,953	4,411	3,169	-1,242
Telecommunications, computer, and information services.....	9,434	9,231	9,461	9,397	-64
Other business services.....	25,428	25,182	24,936	25,107	171
Government goods and services n.i.e.....	5,070	5,286	5,403	5,337	-66
Primary income payments	154,523	158,459	161,894	146,458	-15,436
Investment income.....	149,994	153,837	157,297	141,846	-15,451
Direct investment income.....	41,116	45,651	47,016	27,089	-19,927
Income on equity.....	30,430	34,766	36,021	16,149	-19,872
Interest.....	10,687	10,886	10,996	10,940	-56
Portfolio investment income.....	103,113	101,973	103,519	107,417	3,898
Income on equity and investment fund shares	36,118	33,954	33,647	34,492	845
Interest on debt securities.....	66,994	68,018	69,873	72,925	3,052
Other investment income.....	5,765	6,213	6,762	7,340	578
Interest.....	5,081	5,511	6,067	6,644	577
Income attributable to insurance policyholders	684	703	695	696	1
Compensation of employees.....	4,529	4,621	4,596	4,612	16
Secondary income (current transfer) payments²	72,215	70,044	72,938	74,211	1,273

p Preliminary r Revised n.i.e Not included elsewhere

1. See also Alexis N. Grimm and Maya Ortiz, "U.S. International Services: Trade in Services in 2015 and Services Supplied Through Affiliates in 2014," SURVEY OF CURRENT BUSINESS 96 (December 2016).

2. Secondary income payments include U.S. government and private transfers, such as U.S. government grants and pensions, fines and penalties, withholding taxes, personal transfers (remittances), insurance-related transfers, and other current transfers.

NOTE: The statistics are presented in table 2.1, table 3.1, table 4.1, and table 5.1 on BEA's Web site.

Imports of goods and services and income payments increased \$0.4 billion, or less than 0.1 percent, to \$916.4 billion in the fourth quarter.

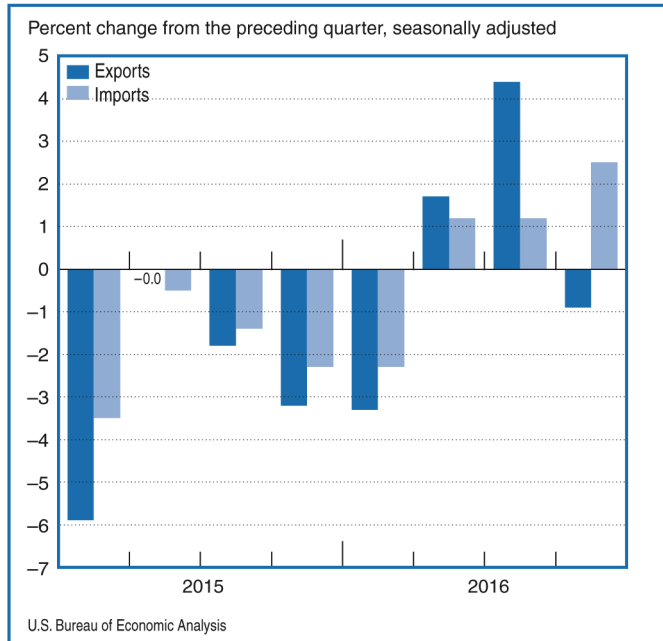
- Imports of goods increased \$14.1 billion to \$567.9 billion. Increases were largest in industrial supplies and materials and in consumer goods except food and automotive.
- Primary income payments decreased \$15.4 billion to \$146.5 billion; this decrease mostly offset the increase in goods imports and small increases in secondary income payments and services imports. The decrease reflected a \$19.9 billion decrease in direct investment income that was concentrated in earnings of U.S. affiliates in wholesale trade and mostly resulted from charges against earnings related to legal settlements. The decrease in direct investment income was partly offset by an increase in portfolio investment income, primarily interest on long-term debt securities.

Chart 5. Percent Change in Imports of Goods and Services and Income Payments



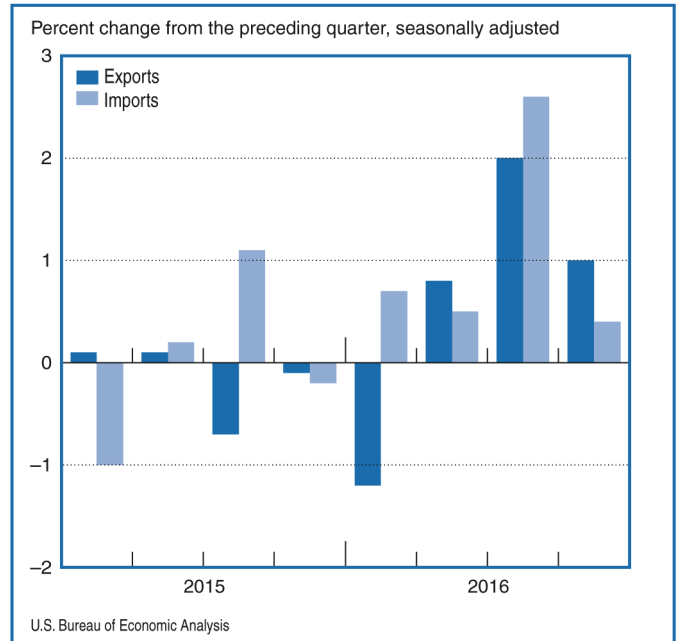
Fourth-Quarter Current Account—Goods, Services, and Income

Chart 6. Percent Change in Goods Exports and Imports



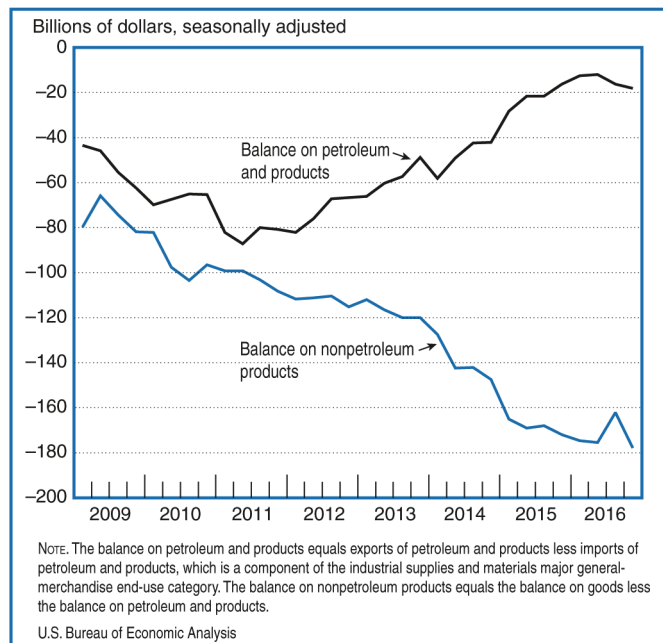
In the fourth quarter of 2016, exports of goods decreased 0.9 percent, and imports of goods increased 2.5 percent. For imports, this was the third consecutive increase after five consecutive decreases.

Chart 7. Percent Change in Services Exports and Imports



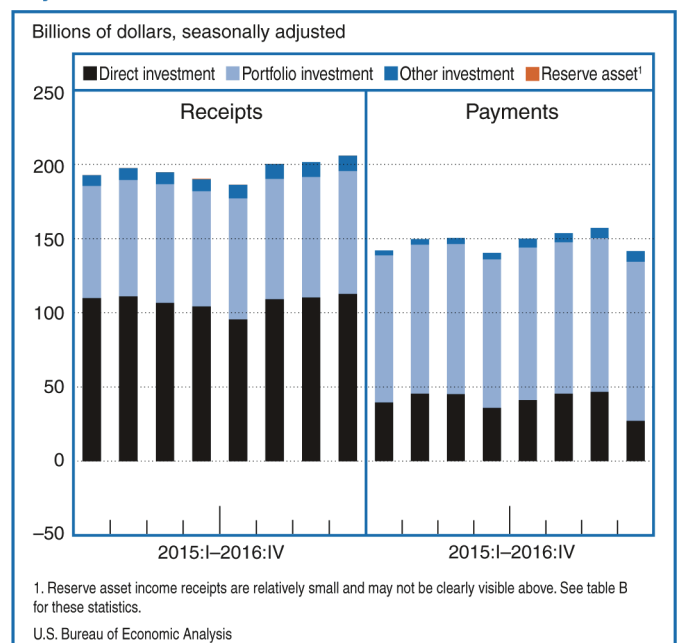
In the fourth quarter, exports of services increased 1.0 percent, and imports of services increased 0.4 percent. Imports increased in each of the four quarters of 2016.

Chart 8. Balance on Total Petroleum and Nonpetroleum Products



The deficits on nonpetroleum products and on petroleum and products increased. The fourth-quarter increase in both deficits followed eight consecutive quarters in which an increase in one deficit was accompanied by a decrease in the other.

Chart 9. Primary Investment Income Receipts and Payments



Primary investment income receipts increased and payments decreased. The direct investment share of investment income payments was 19.1 percent, its lowest share in over 7 years.

Fourth-Quarter Current Account—Exports and Imports of Goods by Country

Chart 10. Exports of Goods to Selected Countries

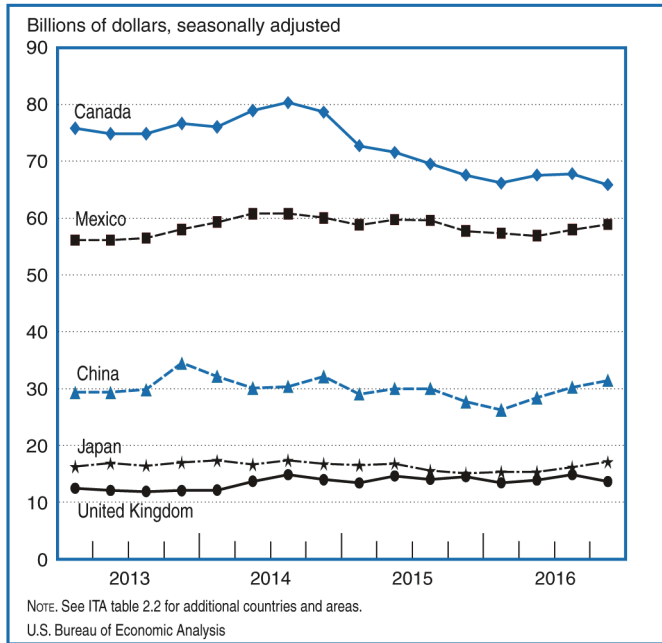
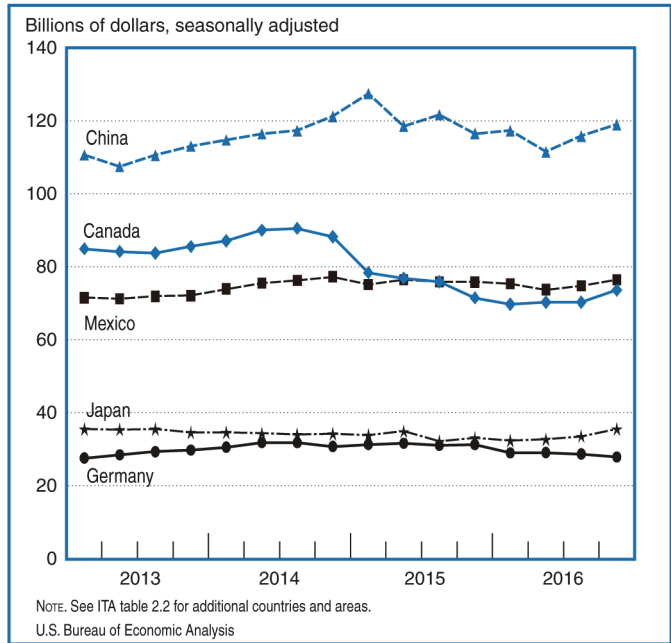


Chart 11. Imports of Goods from Selected Countries



In the fourth quarter of 2016, exports of goods to Canada and the United Kingdom decreased. Exports to China, Mexico, and Japan increased. These five countries are the top five recipient countries in the fourth quarter of 2016 in ITA table 2.2; this table provides seasonally adjusted trade-in-goods statistics for a selection of 15 countries that together accounted for 71.4 percent of the exports of goods in the fourth quarter. The rankings of each of these five countries have not changed since the second quarter of 2014, when goods exports to the United Kingdom surpassed goods exports to Germany.

In the fourth quarter of 2016, imports of goods from Canada, China, Japan, and Mexico increased. Imports from Germany decreased. These five countries are the top five source countries in the fourth quarter of 2016 in ITA table 2.2; this table provides seasonally adjusted trade-in-goods statistics for a selection of 15 countries that together accounted for 75.2 percent of the imports of goods in the fourth quarter. In the fourth quarter of 2008, Canada dropped from the largest source country to the second largest. In the third quarter of 2015, it dropped to third largest.

Updates

The U.S. international transactions statistics for the third quarter of 2016 have been updated to incorporate new and revised source data. In addition, the statistics for the first three quarters of 2016 have been updated to align the seasonally adjusted statistics with annual totals.

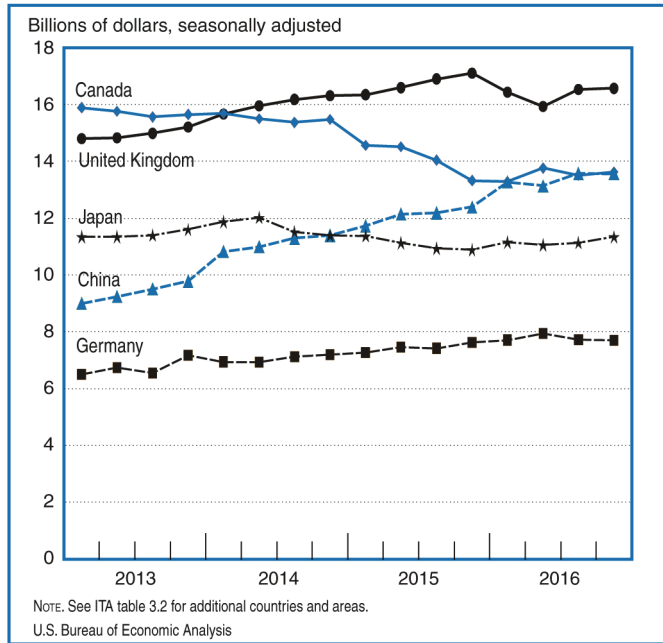
Preliminary and Revised Third-Quarter 2016 Statistics

[Millions of dollars, seasonally adjusted]

	Preliminary estimate	Revised estimate
Balance on goods	-177,697	-178,652
Balance on services	61,265	62,422
Balance on primary income	43,400	41,585
Balance on secondary income (current transfers)	-39,925	-41,361
Balance on current account	-112,958	-116,007
Net U.S. acquisition of financial assets	31,451	28,343
Net U.S. incurrence of liabilities	251,459	259,245
Net lending or borrowing from financial-account transactions	-207,945	-224,402

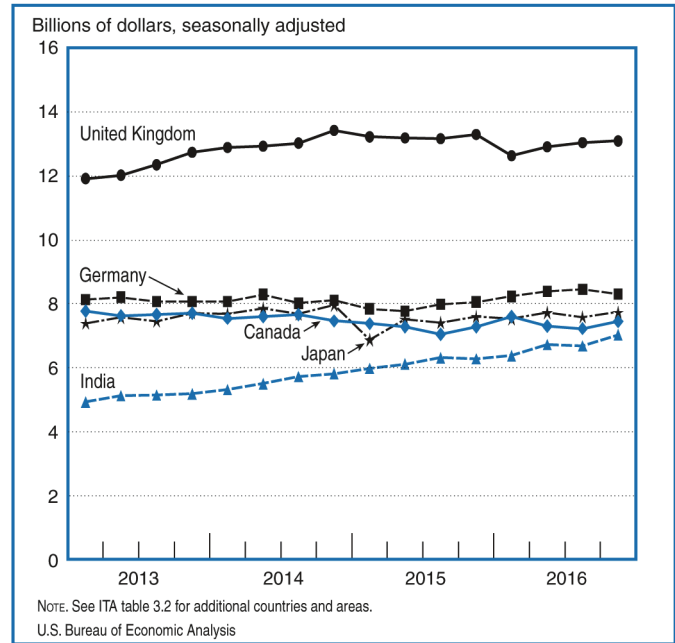
Fourth-Quarter Current Account—Exports and Imports of Services by Country

Chart 12. Exports of Services to Selected Countries



In the fourth quarter of 2016, exports of services to Japan, Canada, and the United Kingdom increased. Exports of services to Germany and China decreased. These five countries are the top five recipient countries in the fourth quarter of 2016 in ITA [table 3.2](#); this table provides seasonally adjusted trade-in-services statistics for a selection of 15 countries that together accounted for 56.2 percent of the exports of services in the fourth quarter. Exports to China have increased to \$13.6 billion from \$9.0 billion in the first quarter of 2013, overtaking exports to Japan and drawing nearly even with exports to Canada.

Chart 13. Imports of Services from Selected Countries



In the fourth quarter of 2016, imports of services from India, Canada, Japan, and the United Kingdom increased. Services imports from Germany decreased. These five countries are the top five source countries in the fourth quarter of 2016 in ITA [table 3.2](#); this table provides seasonally adjusted trade-in-services statistics for a selection of 15 countries that together accounted for 56.2 percent of the imports of services in the fourth quarter. The gap between India, the fifth-largest source country, and the fourth-largest source country (Canada or Japan) has narrowed by \$2.1 billion since the first quarter of 2013.

Fourth-Quarter Financial Account

Table D. Net U.S. Acquisition of Financial Assets and Net U.S. Incurrence of Liabilities Excluding Financial Derivatives

[Millions of dollars, seasonally adjusted]

	2016				Change 2016:III to 2016:IV
	I ^r	II ^r	III ^r	IV ^p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	59,062	322,678	28,343	-79,128	-107,471
Direct investment assets	66,612	105,525	94,663	80,728	-13,935
Equity.....	76,840	89,419	81,080	85,518	4,438
Equity other than reinvestment of earnings	7,438	12,967	4,879	8,715	3,836
Reinvestment of earnings.....	69,402	76,452	76,201	76,803	602
Debt instruments.....	-10,228	16,106	13,583	-4,790	-18,373
Portfolio investment assets	-57,326	146,397	-35,268	-33,121	2,147
Equity and investment fund shares.....	-60,527	155,767	-25,653	-94,422	-68,769
Debt securities.....	3,200	-9,369	-9,614	61,301	70,915
Short-term securities.....	45,866	-24,286	-45,992	3,807	49,799
Long-term corporate securities.....	-32,618	11,616	27,182	41,920	14,738
Other long-term securities.....	-10,048	3,301	9,196	15,574	6,378
Other investment assets	50,968	70,566	-32,694	-128,184	-95,490
Currency and deposits.....	72,116	-25,267	-88,661	-58,861	29,800
Loans.....	-24,242	98,186	53,959	-67,360	-121,319
Trade credit and advances.....	3,094	-2,353	2,008	-1,963	-3,971
Reserve assets	-1,191	189	1,642	1,450	-192
Monetary gold.....	0	0	0	0	0
Special drawing rights.....	2	(*)	2	680	678
Reserve position in the International Monetary Fund.....	-1,214	175	1,654	732	-922
Other reserve assets.....	21	14	-14	37	51
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	119,117	368,588	259,245	12,420	-246,825
Direct investment liabilities	92,245	175,271	124,741	33,000	-91,741
Equity.....	90,547	123,070	89,755	37,380	-52,375
Equity other than reinvestment of earnings	70,352	101,927	62,697	33,398	-29,299
Reinvestment of earnings.....	20,195	21,143	27,058	3,982	-23,076
Debt instruments.....	1,698	52,201	34,986	-4,381	-39,367
Portfolio investment liabilities	-21,197	11,934	218,594	61,593	-157,001
Equity and investment fund shares.....	-95,660	-48,482	121,599	-107,641	-229,240
Debt securities.....	74,462	60,416	96,995	169,235	72,240
Short term.....	-10,464	-27,272	30,237	-5,330	-35,567
Treasury bills and certificates.....	217	-40,925	11,607	-25,654	-37,261
Federally sponsored agency securities	-7,243	-1,132	-6,931	-3,032	3,899
Other short-term securities.....	-3,438	14,785	25,561	23,356	-2,205
Long term.....	84,927	87,688	66,758	174,564	107,806
Treasury bonds and notes.....	18,819	-28,419	-90,958	56,515	147,473
Federally sponsored agency securities	26,278	26,071	39,061	5,223	-33,838
Corporate bonds and notes.....	39,160	87,096	115,492	108,321	-7,171
Other.....	670	2,940	3,163	4,505	1,342
Other investment liabilities	48,069	181,383	-84,090	-82,173	1,917
Currency (short term).....	12,578	7,184	7,942	14,607	6,665
Deposits.....	-53,547	89,756	-50,331	-3,277	47,054
Loans.....	84,376	79,639	-39,784	-95,541	-55,757
Trade credit and advances.....	4,662	4,805	-1,917	2,038	3,955
Special drawing rights allocations.....	0	0	0	0	0

p Preliminary r Revised (*) A nonzero transaction between -\$500,000 and \$500,000.

NOTE: The statistics are presented in table 1.2, table 6.1, table 7.1, and table 8.1 on BEA's Web site.

Acquisition of financial assets

Transactions in financial assets excluding financial derivatives shifted to net U.S. liquidation of \$79.1 billion in the fourth quarter from net U.S. acquisition of \$28.3 billion in the third quarter.

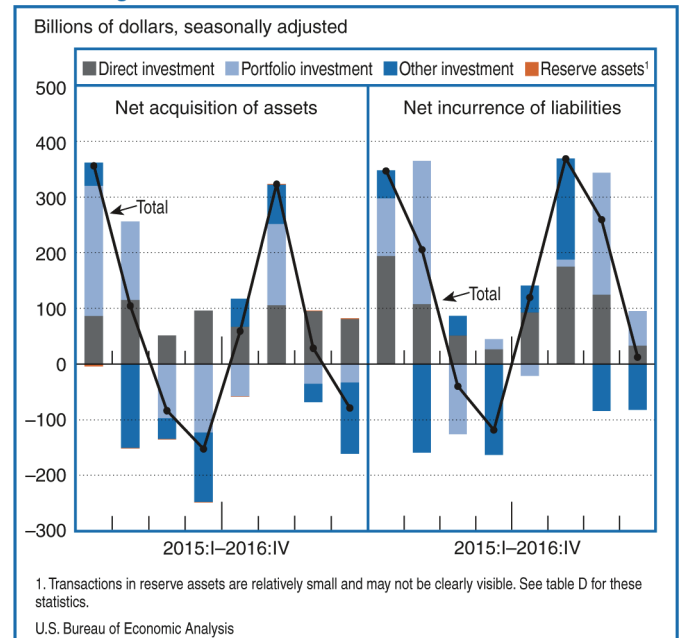
- Net U.S. liquidation of other investment assets increased \$95.5 billion, reflecting a shift to net foreign repayment of loans from net U.S. provision of loans in the third quarter.
- Net U.S. acquisition of direct investment assets decreased \$13.9 billion to \$80.7 billion, reflecting a shift to net repayment of debt by foreign affiliates to their U.S. parents.

Incurrence of liabilities

Net U.S. incurrence of liabilities excluding financial derivatives decreased \$246.8 billion to \$12.4 billion.

- Net U.S. incurrence of portfolio investment liabilities decreased \$157.0 billion to \$61.6 billion, reflecting a shift to net foreign sales of U.S. equity and investment fund shares that was partly offset by an increase in net foreign purchases of U.S. long-term debt securities.
- Net U.S. incurrence of direct investment liabilities decreased \$91.7 billion to \$33.0 billion, reflecting a decrease in net incurrence of equity liabilities and a shift to net U.S. repayment of debt instrument liabilities.

Chart 14. Transactions in Financial Assets and Liabilities Excluding Financial Derivatives



Current Account in 2016

Table E. Current Account
[Millions of dollars]

	2013	2014	2015	2016 ^p	Change 2015 to 2016
Current account					
Exports of goods and services and income receipts (credits)	3,214,804	3,338,757	3,172,693	3,142,175	-30,518
Exports of goods	1,592,002	1,633,320	1,510,303	1,459,667	-50,636
Foods, feeds, and beverages	136,163	143,722	127,727	130,703	2,976
Industrial supplies and materials	492,422	500,360	417,062	388,434	-28,628
Capital goods except automotive	534,757	551,720	539,700	519,624	-20,076
Automotive vehicles, parts, and engines	152,661	159,812	151,917	149,978	-1,939
Consumer goods except food and automotive	188,093	197,990	197,285	193,247	-4,038
Other general merchandise	53,562	56,763	54,948	56,847	1,899
Net exports of goods under merchanting	461	299	259	273	14
Nonmonetary gold	33,883	22,654	21,405	20,561	-844
Exports of services	701,455	743,257	750,860	752,412	1,552
Maintenance and repair services n.i.e.	18,568	22,132	24,036	26,484	2,448
Transport	86,776	90,701	87,221	84,633	-2,588
Travel (for all purposes including education)	177,484	191,325	204,523	206,836	2,313
Insurance services	16,696	17,312	17,142	17,743	601
Financial services	95,131	107,712	102,461	96,752	-5,709
Charges for the use of intellectual property n.i.e.	128,034	129,890	124,664	122,227	-2,437
Telecommunications, computer, and information services	34,419	35,044	35,895	37,263	1,368
Other business services	121,530	128,817	134,648	140,615	5,967
Government goods and services n.i.e.	22,816	20,325	20,270	19,860	-410
Primary income receipts	794,658	821,807	782,915	801,923	19,008
Direct investment income	478,051	478,381	432,498	428,434	-4,064
Portfolio investment income	278,441	304,984	311,619	326,342	14,723
Other investment income	31,179	31,457	31,515	39,842	8,327
Reserve asset income	374	302	214	105	-109
Compensation of employees	6,613	6,684	7,069	7,200	131
Secondary income (current transfer) receipts	126,688	140,373	128,614	128,172	-442
Imports of goods and services and income payments (debits)	3,581,225	3,730,817	3,635,658	3,623,381	-12,277
Imports of goods	2,294,247	2,385,489	2,272,868	2,209,592	-63,276
Foods, feeds, and beverages	116,003	126,804	128,783	131,258	2,475
Industrial supplies and materials	686,673	675,645	492,348	442,523	-49,825
Capital goods except automotive	558,971	598,674	606,730	593,793	-12,937
Automotive vehicles, parts, and engines	309,573	329,500	350,053	351,189	1,136
Consumer goods except food and automotive	532,876	558,695	596,541	585,596	-10,945
Other general merchandise	72,402	80,707	85,823	87,078	1,255
Nonmonetary gold	17,748	15,464	12,589	18,154	5,565
Imports of services	461,087	481,264	488,657	503,047	14,390
Maintenance and repair services n.i.e.	7,420	7,521	8,996	8,698	-298
Transport	90,634	94,160	97,050	97,174	124
Travel (for all purposes including education)	98,120	105,529	112,873	121,526	8,653
Insurance services	53,420	51,824	47,772	48,400	628
Financial services	21,545	24,906	25,162	25,231	69
Charges for the use of intellectual property n.i.e.	38,860	42,208	39,495	42,744	3,249
Telecommunications, computer, and information services	35,034	36,313	36,440	37,524	1,084
Other business services	90,714	94,568	99,354	100,654	1,300
Government goods and services n.i.e.	25,341	24,236	21,515	21,096	-419
Primary income payments	575,689	597,802	600,531	621,333	20,802
Direct investment income	181,777	189,375	167,103	160,873	-6,230
Portfolio investment income	361,750	377,521	400,396	416,022	15,626
Other investment income	16,135	13,974	14,967	26,080	11,113
Compensation of employees	16,026	16,931	18,065	18,358	293
Secondary income (current transfer) payments	250,203	266,261	273,602	289,409	15,807
Balances					
Balance on current account	-366,422	-392,060	-462,965	-481,206	-18,241
Balance on goods	-702,244	-752,169	-762,565	-749,926	12,639
Balance on services	240,368	261,993	262,203	249,365	-12,838
Balance on primary income	218,970	224,005	182,385	180,591	-1,794
Balance on secondary income	-123,515	-125,888	-144,988	-161,237	-16,249

p Preliminary n.i.e. Not included elsewhere
NOTE: The statistics are presented in table 1.2 on BEA's Web site.

Current-account highlights

In 2016, the current-account deficit increased \$18.2 billion to \$481.2 billion, primarily reflecting an increase in the deficit on secondary income and a decrease in the surplus on services. These changes were partly offset by a decrease in the deficit on goods.

Exports of goods and services and income receipts decreased \$30.5 billion to \$3,142.2 billion.

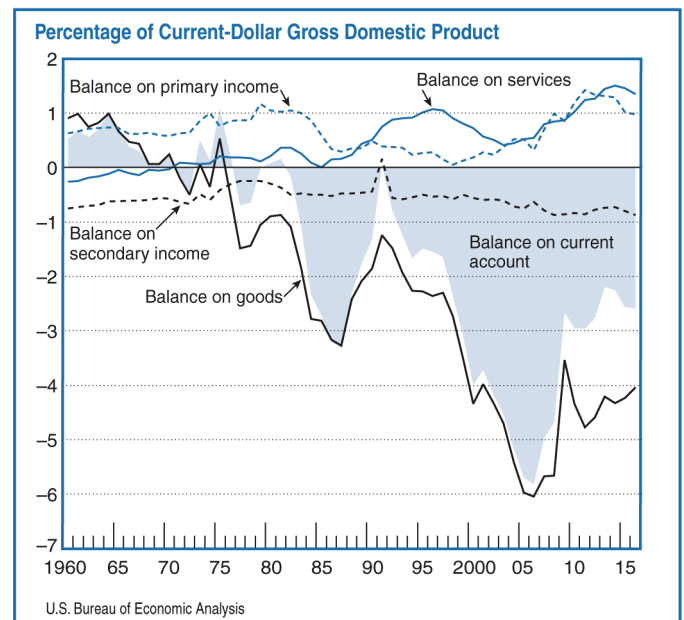
- Goods exports decreased \$50.6 billion to \$1,459.7 billion, mostly reflecting decreases in industrial supplies and materials and in capital goods except automotive.

- Primary income receipts increased \$19.0 billion to \$801.9 billion, partly offsetting the decrease in goods exports. The increase in primary income reflected increases in portfolio investment income, mostly dividends on equity other than investment fund shares, and in other investment income, mostly interest.

Imports of goods and services and income payments decreased \$12.3 billion to \$3,623.4 billion.

- Goods imports decreased \$63.3 billion to \$2,209.6 billion. The decrease was largely offset by increases in primary and secondary income payments and services imports. The decrease primarily reflected a decrease in industrial supplies and materials, mostly petroleum and products.

Chart 15. U.S. Current-Account and Component Annual Balances



Capital and Financial Accounts and the Statistical Discrepancy in 2016

Table F. Capital and Financial Accounts and Statistical Discrepancy

[Millions of dollars]

	2013	2014	2015	2016 ^p	Change 2015 to 2016
Capital account					
Capital transfer receipts and other credits ...	0	0	0	0	0
Capital transfer payments and other debits	412	45	42	59	17
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	651,427	823,343	225,398	330,956	105,558
Direct investment assets	394,635	343,441	348,646	347,528	-1,118
Equity	336,545	340,942	316,346	332,858	16,512
Equity other than reinvestment of earnings	19,642	6,476	11,991	34,000	22,009
Reinvestment of earnings	316,903	334,466	304,355	298,858	-5,497
Debt instruments	58,090	2,499	32,300	14,670	-17,630
Portfolio investment assets	481,298	582,688	153,968	20,682	-133,286
Equity and investment fund shares	287,432	431,625	202,574	-24,835	-227,409
Debt securities	193,866	151,063	-48,606	45,517	94,123
Short term	48,761	11,389	42,484	-20,605	-63,089
Long term	145,105	139,674	-91,090	66,123	157,213
Other investment assets	-221,408	-99,203	-270,924	-39,344	231,580
Currency and deposits	-126,959	-160,433	-194,429	-100,673	93,756
Loans	-104,254	67,055	-74,774	60,543	135,317
Trade credit and advances	9,805	-5,824	-1,721	786	2,507
Reserve assets	-3,099	-3,583	-6,292	2,090	8,382
Monetary gold	0	0	0	0	0
Special drawing rights	22	23	9	684	675
Reserve position in the International Monetary Fund	-3,438	-3,849	-6,485	1,348	7,833
Other reserve assets	317	243	185	58	-127
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	1,044,635	1,056,374	395,234	759,370	364,136
Direct investment liabilities	276,978	207,368	379,435	425,256	45,821
Equity	200,616	112,000	301,108	340,752	39,644
Equity other than reinvestment of earnings	124,103	14,580	218,355	268,374	50,019
Reinvestment of earnings	76,513	97,420	82,753	72,378	-10,375
Debt instruments	76,362	95,368	78,327	84,504	6,177
Portfolio investment liabilities	511,987	701,861	250,936	270,924	19,988
Equity and investment fund shares	-62,642	154,311	-178,266	-130,184	48,082
Debt securities	574,629	547,550	429,202	401,108	-28,094
Short term	45,675	22,329	45,783	-12,828	-58,611
Long term	528,954	525,221	383,419	413,936	30,517
Other investment liabilities	255,670	147,145	-235,137	63,190	298,327
Currency and deposits	202,838	59,579	33,406	24,912	-8,494
Loans	41,333	73,581	-282,713	28,691	311,404
Trade credit and advances	11,499	13,985	14,169	9,588	-4,581
Special drawing rights allocations	0	0	0	0	0
Financial derivatives other than reserves, net transactions	2,222	-54,347	-25,392	21,951	47,343
Statistical discrepancy					
Statistical discrepancy¹	-24,153	104,727	267,780	74,802	-192,978
Balances					
Balance on capital account	-412	-45	-42	-59	-17
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-366,833	-392,105	-463,007	-481,265	-18,258
Net lending (+) or net borrowing (-) from financial-account transactions³	-390,987	-287,378	-195,227	-406,463	-211,236

^p Preliminary

1. The statistical discrepancy is the difference between net acquisition of assets and net incurrence of liabilities in the financial account (including financial derivatives) less the difference between total credits and total debits recorded in the current and capital accounts.

2. Sum of current-account balance (table E) and capital-account balance.

3. Sum of net U.S. acquisition of financial assets and net transactions in financial derivatives less net U.S. incurrence of liabilities.

NOTE. The statistics are presented in [table 1.2](#) and [table 6.1](#) on BEA's Web site.

Acquisition of financial assets

Net U.S. acquisition of financial assets excluding financial derivatives increased \$105.6 billion in 2016 to \$331.0 billion.

- Net liquidation of other investment assets decreased \$231.6 billion to \$39.3 billion, reflecting a shift to net U.S. provision of loans to foreign residents and a decrease in net withdrawal of U.S. residents' foreign deposits.
- Net acquisition of portfolio investment assets decreased \$133.3 billion to \$20.7 billion; this decrease partly offset the decrease in net liquidation of other investment assets. The decrease in net acquisition of portfolio investment assets reflected a shift to net U.S. sales of foreign equity and investment fund shares that was partly offset by a shift to net U.S. purchases of foreign debt securities.

Incurrence of liabilities

Net U.S. incurrence of liabilities excluding financial derivatives increased \$364.1 billion to \$759.4 billion.

- Transactions in other investment liabilities shifted to net incurrence of \$63.2 billion from net repayment of \$235.1 billion, primarily reflecting a shift to net incurrence of loans from foreigners.
- Net incurrence of direct investment liabilities increased \$45.8 billion to \$425.3 billion, primarily reflecting an increase in net incurrence of equity liabilities.

Financial derivatives

Transactions in financial derivatives other than reserves shifted to net lending of \$22.0 billion in 2016 from net borrowing of \$25.4 billion in 2015.

Statistical discrepancy

The statistical discrepancy decreased to \$74.8 billion in 2016 from \$267.8 billion in 2015.