Annual Update of the U.S. International Transactions Accounts

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IN JUNE 2017, the Bureau of Economic Analysis (BEA) released annual updates of the U.S. international transactions accounts (ITAs) and the U.S. international investment position (IIP) accounts.[1] In this annual update, quarterly and annual statistics on U.S. international transactions were revised to incorporate newly available and revised source data and updated seasonal factors for 2014–2016. In addition, BEA incorporated new data sources for estimating taxes withheld by the U.S. government on certain U.S. imports of services and income payments and by foreign governments on certain U.S. exports of services and income receipts, beginning with statistics for 1999. BEA also implemented a new method for estimating the current-cost adjustments to direct investment income, beginning with statistics for 1999. Appendix A provides a numerical summary of the revisions; for a comparison of this year's revisions with revisions from past annual updates, see the box "The 2017 Annual Update in Historical Context" on page 3. Revised statistics on the detailed components of the ITAs are presented in "U.S. International Transactions Tables" in this issue of the SURVEY OF CURRENT BUSINESS.

Revisions due to newly available and revised source data were mostly accounted for by the following:

- Goods exports and imports for 2014–2016 were revised to incorporate revised source data from the U.S. Census Bureau.
- Services exports and imports for 2014–2016 were revised to incorporate newly available and revised source data from BEA's quarterly surveys of international services transactions and from other sources, primarily the U.S. Customs and Border Protection.
- Primary income receipts and payments for 2014–2016 were revised to incorporate newly available and revised source data from BEA's quarterly and annual direct investment surveys and from the U.S. Department of the Treasury's Treasury International Capital (TIC) surveys.
- Financial asset and liability transactions for direct investment, portfolio investment, and other investment for 2014–2016 were revised to incorporate newly available and revised source data from BEA's quarterly and annual direct investment surveys and from the TIC surveys.

Changes in source data and methodology include the following:

- Secondary income receipts and payments were revised to incorporate new data sources for estimating taxes withheld by the U.S. government and by foreign governments on receipts and payments in the ITAs, beginning with statistics for 1999. In addition, primary income receipts and payments were revised for 1999–2005 to incorporate the new estimates of taxes withheld.
- Transactions in direct investment assets and liabilities and in primary income receipts and payments for 1999–2016 were revised to incorporate a new method for estimating current-cost adjustments to direct investment income.

For 1999–2014 and 2016, this annual update has not altered the overall picture of U.S. international transactions. Revisions to the current-account deficit for 1999–2016 did not alter its direction of change for any year. For 2015, the revision to net borrowing from financial-account transactions switched the direction of the year-to-year change to an increase from a decrease and brought the 2015 level much closer to the level of the combined current- and capital-account deficit for that year, significantly reducing the statistical discrepancy. The largest revisions to the current-account deficit were downward revisions of $29.5 billion for 2016, $28.4 billion for 2015, and $20.3 billion for 2012 (table A, chart 1). The largest revisions to net borrowing were upward revisions of $137.9 billion for 2015 and $39.5 billion for 2014 and a downward revision of $28.8 billion for 2016 (chart 2).

The next section of this article discusses the new data sources and the change in methodology. The final section summarizes the effect of the revisions on the current account, the financial account, and the statistical discrepancy of the ITAs.

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1. For a discussion of the revisions to the IIP accounts, see Elena L. Nguyen and Douglas B. Weinberg, **"U.S. Net International Investment Position: First Quarter of 2017, Year 2016, and Annual Update"** in this issue of the SURVEY OF CURRENT BUSINESS.

Chart 1. Current-Account Deficit, 1999–2016

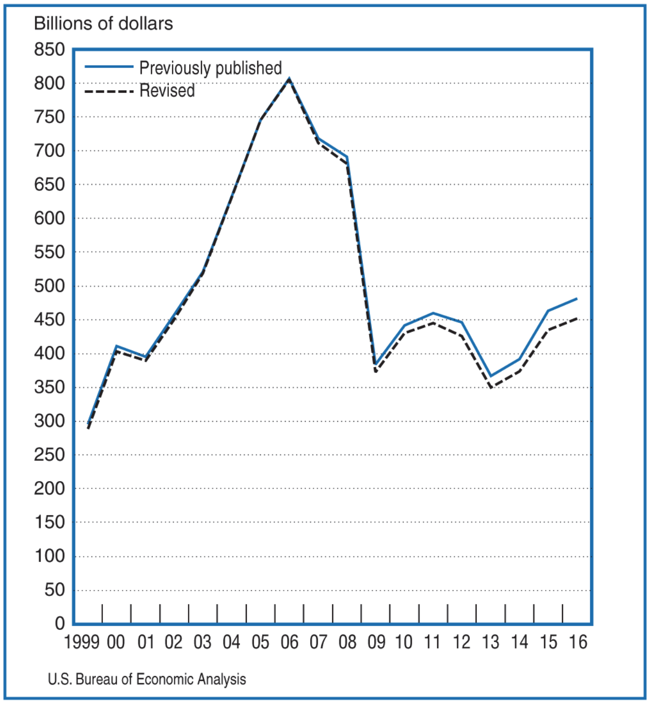


Chart 2. Net Borrowing From Financial-Account Transactions, 1999–2016

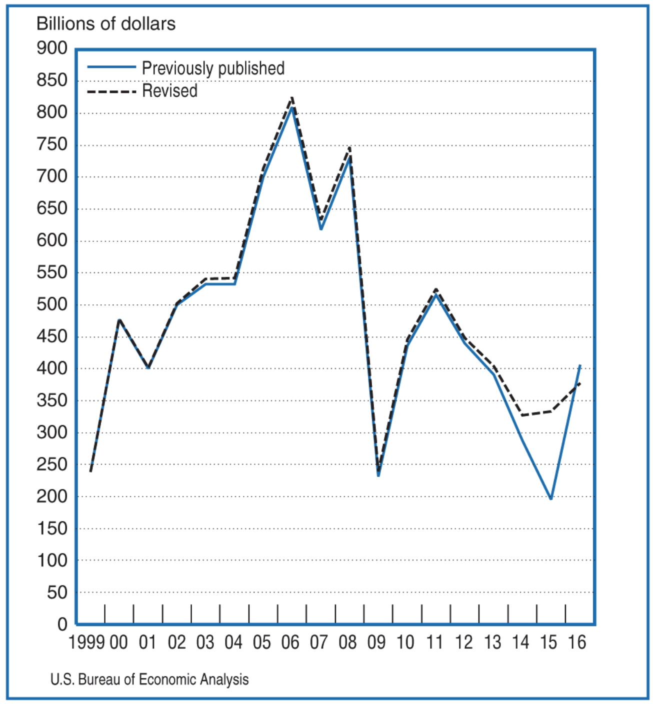


Table A. Revisions to Current-Account and Capital-Account Balances, Net Lending or Borrowing From Financial-Account Transactions, and the Statistical Discrepancy, 1999–2016

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Balance on current account (line 101):																		
Revised	–288.4	–403.5	–389.7	–450.8	–518.7	–631.6	–745.2	–806.0	–711.0	–681.4	–372.5	–430.7	–444.6	–426.2	–349.5	–373.8	–434.6	–451.7
Previously published	–295.5	–410.8	–395.3	–458.1	–521.3	–633.8	–745.4	–806.7	–718.6	–690.8	–384.0	–442.0	–460.4	–446.5	–366.4	–392.1	–463.0	–481.2
Amount of revision	7.2	7.3	5.6	7.3	2.6	2.2	0.2	0.8	7.6	9.4	11.5	11.3	15.8	20.3	16.9	18.3	28.4	29.5
Balance on goods and services (line 102):																		
Revised	–258.6	–372.5	–361.5	–419.0	–493.9	–609.9	–714.2	–761.7	–705.4	–708.7	–383.8	–494.7	–548.6	–536.8	–461.9	–490.3	–500.4	–504.8
Previously published	–258.6	–372.5	–361.5	–419.0	–493.9	–609.9	–714.2	–761.7	–705.4	–708.7	–383.8	–494.7	–548.6	–536.8	–461.9	–490.2	–500.4	–500.6
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–0.2	–0.1	–4.2
Balance on primary income (line 105):																		
Revised	11.1	18.1	27.5	22.7	34.7	53.9	53.9	26.9	85.0	129.6	115.2	168.2	211.1	207.5	206.0	210.8	181.0	173.2
Previously published	11.9	19.2	29.7	25.2	42.8	64.1	67.6	43.3	100.6	146.1	123.6	177.7	221.0	215.8	219.0	224.0	182.4	180.6
Amount of revision	–0.8	–1.1	–2.2	–2.5	–8.0	–10.2	–13.7	–16.4	–15.6	–16.5	–8.4	–9.4	–9.9	–8.3	–13.0	–13.2	–1.4	–7.4
Balance on secondary income (line 106):																		
Revised	–40.9	–49.0	–55.7	–54.5	–59.6	–75.6	–84.9	–71.1	–90.7	–102.3	–103.9	–104.3	–107.0	–96.9	–93.6	–94.2	–115.1	–120.1
Previously published	–48.8	–57.4	–63.5	–64.3	–70.2	–88.0	–98.8	–88.3	–113.9	–128.2	–123.8	–125.0	–132.7	–125.5	–123.5	–125.9	–145.0	–161.2
Amount of revision	8.0	8.4	7.8	9.8	10.6	12.4	13.9	17.2	23.2	25.9	19.9	20.7	25.6	28.6	29.9	31.7	29.9	41.1
Balance on capital account (line 107):																		
Revised	–4.2	(*)	13.2	–0.1	–1.8	3.0	13.1	–1.8	0.4	6.0	–0.1	–0.2	–1.2	6.9	–0.4	(*)	(*)	–0.1
Previously published	–4.2	(*)	13.2	–0.1	–1.8	3.0	13.1	–1.8	0.4	6.0	–0.1	–0.2	–1.2	6.9	–0.4	(*)	(*)	–0.1
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net lending (+) or net borrowing (–) from financial-account transactions (line 109):																		
Revised	–238.6	–478.4	–402.0	–502.7	–540.6	–542.2	–714.1	–825.6	–632.9	–747.1	–239.4	–446.4	–525.6	–448.9	–404.0	–326.8	–333.2	–377.7
Previously published	–238.1	–477.7	–400.3	–500.5	–532.9	–532.3	–700.7	–809.1	–617.3	–730.6	–231.0	–437.0	–515.8	–440.5	–391.0	–287.4	–195.2	–406.5
Amount of revision	–0.5	–0.7	–1.8	–2.2	–7.7	–9.9	–13.4	–16.4	–15.6	–16.5	–8.4	–9.4	–9.9	–8.3	–13.0	–39.5	–137.9	28.8
Statistical discrepancy (line 100):																		
Revised	53.9	–74.9	–25.5	–51.7	–20.0	86.3	18.0	–17.8	77.8	–71.7	133.3	–15.6	–79.9	–29.6	–54.0	47.0	101.5	74.1
Previously published	61.6	–66.9	–18.1	–42.3	–9.7	98.4	31.6	–0.6	101.0	–45.8	153.2	5.1	–54.2	–0.9	–24.2	104.7	267.8	74.8
Amount of revision	–7.6	–8.0	–7.4	–9.4	–10.3	–12.1	–13.6	–17.2	–23.2	–25.9	–19.9	–20.7	–25.6	–28.6	–29.9	–57.7	–166.3	–0.7

(*) A nonzero value between –$50,000,000 and $50,000,000.
NOTE. Line numbers refer to ITA table 1.2, available on BEA's Web site.

The 2017 Annual Update in Historical Context

The 2017 annual update represents the first annual update of statistics for 2016, the second annual update of statistics for 2015, and the third annual update of statistics for 2014. Revisions to both the quarterly and annual statistics as a percentage of trend gross domestic product (GDP) are generally similar to, or smaller than, typical first, second, and third annual revisions that were released each June in 2000–2016 (for statistics for 1999–2015).[1] A notable exception is revisions to statistics on the balance on secondary income.[2]

As shown in table I, first, second, and third mean absolute revisions (MARs) in the quarterly and annual statistics for the current-account balance and net lending or borrowing from financial-account transactions are mostly similar to their comparable MARs from past years. (In this table, a "ratio" value less than one indicates that the June 2017 revisions are smaller than average annual revisions in past years.) However, in the June 2017 revisions, statistics for 2015 on net lending or borrowing from financial-account transactions were revised more than average. Annual surveys of direct investment were used in the 2017 annual update that were not previously available and that revealed several large transactions in direct investment liabilities not captured in quarterly direct investment surveys.

Geometric means of MARs ratios are shown in table II for some of the main aggregates and balances. For instance, the value of 1.07 for the balance on the current account in the first column is the geometric mean of 0.94, 1.12, and 1.17 from the third column of table I. Revisions to the balance on secondary income are larger than in previous periods, mainly reflecting the use of the new data source for estimating taxes withheld.[3] The use of the new source data for taxes withheld is also reflected in the addenda. The two series in the addenda exclude the effects on 2014 revisions of definitional changes implemented in the 2014 comprehensive restructuring of the ITAs.[4] In 2014, "exports of goods and services and income receipts" and "imports of goods and services and income payments" were redefined to include receipts and payments, respectively, of secondary income; previously, transactions in secondary income were not included in these two aggregates. The redefinitions resulted in revisions for these aggregates that were much larger in 2014 than in typical years.[5] To avoid the distortions created by these redefinitions, the values in the addenda are based on calculations of 2014 revisions that use a common definition for the revised and the previously published estimates that excludes secondary income. The recalculated 2014 revisions are more in line with typical revisions of the aggregates, so the historical averages used in computing the ratios in the addenda are more reflective of typical revisions than those used for computing ratios shown in the main body of the table. Compared to these more typical revisions, the 2017 revisions to imports of goods and services and income payments, which reflect the improved measures of taxes withheld, are relatively large (ratios of 1.37 and 1.42, respectively).

Aside from the accounts affected by the new source data on withholding taxes, the 2017 revisions to statistics in the ITAs are in line with, or smaller than, historical averages.

1. Trend GDP is derived using a Hodrick-Prescott filter to separate out the quarter-to-quarter deviations from the time series trend. For additional information on trend GDP calculation, see Ryan Howley, **"An Analysis of the Reliability of BEA's International Transactions Accounts,"** SURVEY OF CURRENT BUSINESS 97 (February 2017): footnote 17.

2. Secondary income was first introduced on a gross basis with the 2014 comprehensive restructuring. Previously, it was available only on a net (balance) basis. Consequently, time series of revisions of receipts and payments in secondary income are too short to yield an informative historical average with which the 2017 receipts and payments revisions can be compared.

3. For additional information, see the section **"Improved source data for withholding taxes."** As noted, the new source data result in much larger revisions to secondary income payments than to secondary income receipts.

4. For more information on the 2014 comprehensive restructuring, see Jeffrey R. Bogen, Mai-Chi Hoang, Kristy L. Howell, and Erin M. Whitaker, **"Comprehensive Restructuring and Annual Revision of the U.S. International Transactions Accounts,"** SURVEY 94 (July 2014).

5. Outside of these two aggregates, the 2014 revisions in other series due to redefinitions did not materially differ from typical revisions.

I. Comparison of Revisions From the 2017 Annual Update With Revisions From Previous Annual Updates

	MAR from the 2017 annual update	MAR from previous annual updates	Ratio [1]
Balance on current account			
Quarterly statistics:			
2014 [2]	0.105	0.112	0.94
2015 [3]	0.158	0.141	1.12
2016 [4]	0.177	0.152	1.17
Annual statistics:			
2014 [2]	0.105	0.090	1.17
2015 [3]	0.158	0.117	1.35
2016 [4]	0.159	0.137	1.16
Net lending or borrowing from financial-account transactions			
Quarterly statistics:			
2014 [2]	0.408	0.460	0.89
2015 [3]	0.825	0.653	1.26
2016 [4]	0.567	0.684	0.83
Annual statistics:			
2014 [2]	0.228	0.365	0.62
2015 [3]	0.768	0.295	2.60
2016 [4]	0.155	0.399	0.39

MAR Mean absolute revision

1. Ratio is MAR from the 2017 annual update divided by MAR from previous annual updates.
2. Revisions to statistics on transactions for 2014 are compared with revisions in previous third annual updates in 2002–2016.
3. Revisions to statistics on transactions for 2015 are compared with revisions in previous second annual updates in 2001–2016.
4. Revisions to statistics on transactions for 2016 are compared with revisions in previous first annual updates in 2000–2016.

NOTE. All revisions are computed as a percentage of trend current-dollar gross domestic product.

II. Ratios of the Revisions From the 2017 Annual Update to Revisions From Previous Annual Updates

[Geometric mean of ratios of MARs [1]]

	Quarterly statistics	Annual statistics
Exports of goods and services and income receipts	0.26	0.10
Goods exports	0.77	0.30
Services exports	0.28	0.06
Primary income receipts	0.41	0.10
Imports of goods and services and income payments	0.71	0.65
Goods imports	0.54	0.05
Services imports	0.26	0.25
Primary income payments	0.73	0.52
Net U.S. acquisition of financial assets excluding financial derivatives	0.84	0.20
Net U.S. incurrence of liabilities excluding financial derivatives	0.86	0.64
Balance on goods	0.79	0.30
Balance on services	0.20	0.14
Balance on goods and services	0.54	0.06
Balance on primary income	0.43	0.26
Balance on secondary income	6.74	9.50
Balance on current account	1.07	1.22
Net lending or borrowing from financial account	0.98	0.86
Addenda:		
Exports of goods and services and income receipts excluding effects of the 2014 definitional changes [2]	0.34	0.13
Imports of goods and services and income payments excluding effects of the 2014 definitional changes [2]	1.37	1.42

MARs Mean absolute revisions

1. Geometric mean computed over three ratios: (1) ratio of MAR of statistics for 2016 to MAR from other first annual updates; (2) ratio of MAR of statistics for 2015 to MAR from other second annual updates; (3) ratio of MAR of statistics for 2014 to MAR from other third annual updates.
2. See the discussion in the text.

New Data Sources and Change in Methodology

Improved source data for withholding taxes

BEA has introduced improved estimates of withholding taxes on selected primary income and trade in services transactions by incorporating additional information from the U.S. Internal Revenue Service (IRS). Transactions in primary income and services are recorded gross of withholding taxes in the primary income and services accounts of the ITAs.[2] Withholding taxes associated with these transactions, which are considered payable by the recipients of the primary income or service revenues, are recorded as transfers in the secondary income accounts of the ITAs.[3] The withholding tax amounts are recorded in a manner that partly offsets the underlying primary income and services transactions. This treatment reflects the fact that the amount of primary income or service revenue earned precedes the deduction of withholding taxes, but the income or revenue actually received is net (that is, after the deduction) of withholding taxes.

Estimates of withholding taxes contribute to two lines presented in **"Table 5.1. U.S. International Transactions in Secondary Income"** of the ITAs:

- Taxes withheld by the U.S. government on income accruing to foreign residents (U.S. primary income payments) and on imports of services contribute to U.S. government transfers receipts (line 2).
- Taxes withheld by foreign governments on income accruing to U.S. residents (U.S. primary income receipts) and on exports of services contribute to other current transfers payments (line 10), a component of private transfers.

BEA has updated estimates of withholding taxes both on receipts and payments of direct investment interest income, portfolio investment interest income, and portfolio dividend income (transactions that are recorded in the primary income accounts) as well as on exports and imports associated with charges for the use of intellectual property (transactions that are recorded in the trade in services accounts). Estimates of withholding taxes on other international transactions—including direct investment dividend income, compensation of employees, and income associated with services transactions other than charges for the use of intellectual property—were not affected because they are derived using other data sources.

Previously, BEA estimated effective withholding tax rates by using source data from BEA, the IRS, and the Department of the Treasury. These source data provided limited information regarding country detail and variation in tax rates over time. For the statistics released with the June 2017 annual update, BEA relied exclusively on IRS data to derive withholding tax rates for the affected series, beginning with statistics for 1999.

- Annual data on income and taxes withheld by country and by type of income reported on IRS form 1118 "Foreign Tax Credit—Corporations" are used to calculate the effective tax rates used in estimating taxes withheld by foreign governments on the selected primary income receipts and services exports transactions.
- Data at similar frequency and in similar detail on income and taxes withheld reported on IRS form 1042–S "Foreign Person's U.S. Source Income Subject to Withholding" are used to calculate the effective tax rates used in estimating taxes withheld by the U.S. government on the selected primary income payments and services imports transactions.

The tax rates are calculated by dividing taxes withheld by interest income, dividend income, and charges for the use of intellectual property by geographic area. Because the IRS source data are available with a 3-year lag, tax rates based on the most recent source data are carried forward to estimate taxes through the current period. To address volatility in the source data and outlier observations, the resulting tax rates are smoothed using a 3-year moving average to help ensure they adequately reflect the underlying effective tax rates.

Given the detail available from the IRS source data, the updated effective tax rates capture variation over time and across geographic areas, aspects that were not captured by the previous source data. Revisions to withholding tax estimates for 1999–2013 primarily reflect the change in the source data used to calculate effective tax rates. Revisions to the estimates for 2014–2016 reflect both the change in the source data and newly available and revised source data for the underlying primary income and services transactions to which the effective tax rates are applied.

The updated withholding tax estimates primarily affected secondary income, but they also affected estimates of the direct investment interest component of

2. Primary income transactions include investment income and compensation of employees. Investment income is the return on holdings of financial assets and includes direct investment income, portfolio investment income, other investment income, and income on reserve assets. Compensation of employees is income for the contribution of labor inputs to the production process.

3. Secondary income consists of current transfers between residents and nonresidents. Unlike an exchange, a transfer is a transaction in which a good, service, or asset is provided without a corresponding return of economic value. Secondary income receipts and 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.

primary income for 1999–2005. Before 2006, data reported on BEA's surveys for direct investment interest income were reported net of withholding taxes, and BEA added an estimate of withholding taxes to present direct investment interest income gross of withholding taxes in the ITAs. The updated withholding tax estimates, therefore, affect the direct investment interest income estimates for periods before 2006. In contrast, the source data on portfolio investment interest and dividend income and on charges for the use of intellectual property were reported gross of taxes for 1999 to the present, so the new withholding tax estimates do not affect these primary income or services estimates over this period.

A new method for current-cost measures of direct investment

BEA has introduced a new, streamlined method for estimating current-cost adjustments to direct investment equity income. Current-cost adjustments to direct investment income substitute economic depreciation charges for the financial-accounting-based depreciation and depletion charges against equity income that are reported on BEA's surveys of direct investment. These adjustments put depreciation on a replacement-cost basis and more closely align parents' claims on affiliates' income earned in a given period with charges against income in the same period, as required by economic accounting principles.[4]

The new method for estimating current-cost adjustments is related to a new method for estimating direct investment equity positions at current cost. These positions are included as alternative current-price measures of positions in BEA's IIP accounts.[5] The remainder of this section describes the current-cost adjustments to direct investment equity income and compares the previous method used in their estimation with the new method.

The estimation of current-cost adjustments to direct investment equity income requires current-cost estimates of stocks of depreciable tangible assets—namely, plant and equipment—held by the affiliates of multinational enterprises (MNEs).[6] Using claims of U.S. parents on their foreign affiliates' stocks and claims of foreign parents on their U.S. affiliates' stocks as a starting point, economic depreciation charges are calculated using estimates of economic depreciation rates.

Current-cost adjustments to direct investment income on equity are included in the current account of the ITAs and are shown in ITA **"Table 4.2. U.S. International Transactions in Primary Income on Direct Investment"** (lines 16 and 53). Direct investment income on equity with current-cost adjustments feed into other ITA tables, including **table 1.1, table 1.2,** and **table 4.1.** In addition, the adjustments enter into the financial account of the ITAs and are shown in **"Table 6.1. U.S. International Financial Transactions for Direct Investment"** (lines 18 and 63) as a component of reinvestment of earnings. Reinvestment of earnings is a component of equity transactions in direct investment in ITA tables 1.1 and 1.2.[7]

The estimation of direct investment plant and equipment stocks at current cost begins with historical-cost affiliate stocks reported by MNEs on BEA's annual and benchmark surveys of direct investment and reflect affiliates' financial statements. Under the previous method, estimates of the stocks at current cost, which enable estimation of current-cost adjustments to direct investment income on equity, were based primarily on calculations of a perpetual inventory model that revalued plant and equipment reported for affiliates from historical cost to current prices.[8] The model is the same one used by BEA to produce estimates of total U.S. structures and equipment in BEA's **fixed assets accounts,** which are part of BEA's national economic accounts. The perpetual inventory model first revalued each year's plant and equipment investments from historical cost to constant cost using price indexes of capital goods. For inward investment, it used U.S. capital goods price indexes; for outward investment, the model used a weighted average of foreign-country and U.S. capital goods price indexes. The model then estimated the constant-cost net capital stock of plant and equipment for a given year by cumulating past investment in plant and equipment and deducting the cumulative value of economic depreciation through the end of that year. Finally, the constant-cost net capital stock was revalued to current cost using the appropriate price indexes for capital goods.

4. For more information on the current-cost adjustment to direct investment income on equity, see **paragraph 10.157** in *U.S. International Economic Accounts: Concepts and Methods* on BEA's Web site (updates pending).

5. Revisions to the IIP accounts, including revisions to the direct investment position at current cost, are discussed in Nguyen and Weinberg.

6. A slightly larger collection of tangible assets is used for the related estimates of direct investment equity positions at current cost. Along with plant and equipment, current-cost stocks of tangible assets used there include land and inventories, neither of which is subject to depreciation.

7. Note that the current-cost adjustments to direct investment income are not included in the measures of direct investment income in lines 20–31 and 57–66 of table 4.2 or for individual areas and countries in lines 25 and 54 of table 1.3. Neither are they incorporated into measures of reinvestment of earnings for all industries combined and for individual industry groups in lines 22–27, 34–39, 67–71, and 77–81 of table 6.1 or into equity transactions for individual areas and countries in lines 63 and 86 of table 1.3.

8. See J. Steven Landefeld and Ann M. Lawson, **"Valuation of the U.S. Net International Investment Position,"** SURVEY 71 (May 1991): 40–49.

With the new method, BEA no longer directly uses the perpetual inventory model to estimate capital stocks at current cost. Instead, it uses industry-level ratios of current-cost domestic stocks of structures and equipment to historical-cost domestic stocks of structures and equipment derived from BEA's fixed assets accounts.[9] BEA now revalues the historical-cost stocks of plant and equipment of direct investment affiliates by applying the ratios from the fixed assets accounts to these stocks.

Beginning with statistics for 1999, these estimates of plant and equipment stocks at current cost are used along with economic depreciation rates implied by the fixed assets accounts to calculate the economic depreciation component of the current-cost adjustment to direct investment income on equity. This change in method considerably streamlines the production of estimates of the current-cost adjustments to direct investment income as well as related estimates of direct investment equity positions at current cost that are included in the IIP accounts.

The new method substitutes one set of assumptions for another in revaluing direct investment plant and equipment. Previously, assumptions were made, by industry, about the mix of asset types in plant and equipment investment and in stocks of affiliates entering and exiting the direct investment universe through acquisitions and disposals. These assumptions have been replaced with an assumption that asset mixes and asset ages of stocks for a given direct investment industry are similar to those in the corresponding U.S. industry. The new method also assumes that trends in asset prices abroad can be approximated by trends in asset prices in the United States.

The new method of estimating current-cost capital stocks and current-cost adjustments to income is less direct than the previous method because it relies on ratios from accounts covering the entire U.S. economy instead of calculations specifically for direct investment. Although the previous method was conceptually more complete, it required richer input data than were actually available. Consequently, estimates made under the previous method relied heavily on strong assumptions and required complex adjustments in processing the data. The new method eliminates most of these adjustments. Along with simplifying the calculation of the estimates of direct investment capital stocks at current cost, the new method uses finer industry detail than the previous method.[10] The previous method involved calculations for each of 27 industries based on the Standard Industrial Classification (SIC); the new method involves calculations for each of 62 industries based on the North American Industry Classification System (NAICS).[11] This finer detail improves estimates of revalued plant and equipment and of current-cost adjustments to income.

The estimates prepared using the new method are conceptually the same as those prepared using the previous method—with one exception. Previously, estimates of investment flows of plant and equipment used in the perpetual inventory model added reported expensed oil and gas exploration and development costs to plant and equipment investment reported on BEA's direct investment surveys; the rationale was that many of these expensed costs are incurred to acquire structures (for example, oil wells). However, the goods and services purchased with these expensed funds are largely out of scope of the current-cost capital stocks; they consist of either dry wells, which will not be used in production on an ongoing basis and have little prospect for resale, or intangible assets, which are not revalued from historical cost in the current-cost estimates. Under the new method, estimates of direct investment capital stocks at current cost no longer reflect a markup to goods and services acquired in the course of expensed oil and gas exploration and development.

The new treatment of expensed exploration and development costs in estimates of direct investment capital stocks at current cost are paralleled by a new treatment of those costs in the current-cost adjustment to equity income. Equity income reported by MNEs on BEA's surveys of direct investment reflects accounting of these costs as expenses in the period in which they occur. The previous current-cost adjustment removed these costs from income in that period (increasing income) and included depreciation of the implied asset stocks derived from expensed costs in earlier periods (decreasing income). The new treatment leaves these expensed costs in income in the period in which they are incurred and does not remove any implied depreci-

9. Because the fixed assets accounts statistics use the perpetual inventory model, the direct investment estimates still rely indirectly on the perpetual inventory model. However, data reported on direct investment surveys are no longer entered into the model itself; they are adjusted by an output of the model applied to domestic data. See section 3 of the **fixed assets accounts** tables on BEA's Web site for the data on domestic stocks at current cost and at historical cost that are used in calculating these ratios and for current-cost depreciation values that are used in calculating depreciation rates for the current-cost adjustment to direct investment income.

10. The industry detail used in generating the current-cost estimates is not included in the published statistics; only an aggregate current-cost adjustment is included in the published direct investment statistics. Nonetheless, the use of industry detail in the estimation process improves the accuracy of the aggregate estimate because asset price inflation, asset mix, and depreciation rates can vary widely across industries.

11. The use of SIC industries under the previous method was primarily a historical artifact that began long before NAICS was introduced. Because each period's model builds on the results of the prior period's model, SIC-based industries were maintained after direct investment surveys began to be collected for NAICS-based industries, and the new NAICS-based data were converted back into SIC-based industries.

ation charges associated with expenses in earlier periods.

Revised and previously published estimates of the two current-cost adjustments to direct investment equity income along with revised and previously published estimates of direct investment equity income (after current-cost adjustment) are shown in chart 3. Because current-cost adjustments are calculated primarily as the *difference* between financial depreciation and economic depreciation, the economic depreciation estimates generated by the new method need not differ much in percentage terms from those generated by the old method in order to yield large percentage differences in current-cost adjustments.

For most years, revisions to the current-cost adjustment to equity income receipts were downward; for most years, revisions to the adjustment to income payments were upward. Consequently, the revisions combine to revise the balance on direct investment income downward. The revisions in different directions for receipts and payments are partly due to the differences in the weighted depreciation rates implied by the fixed assets data. Depreciation rates used for outward direct investment were revised upward, and rates for inward direct investment were revised downward.[12]

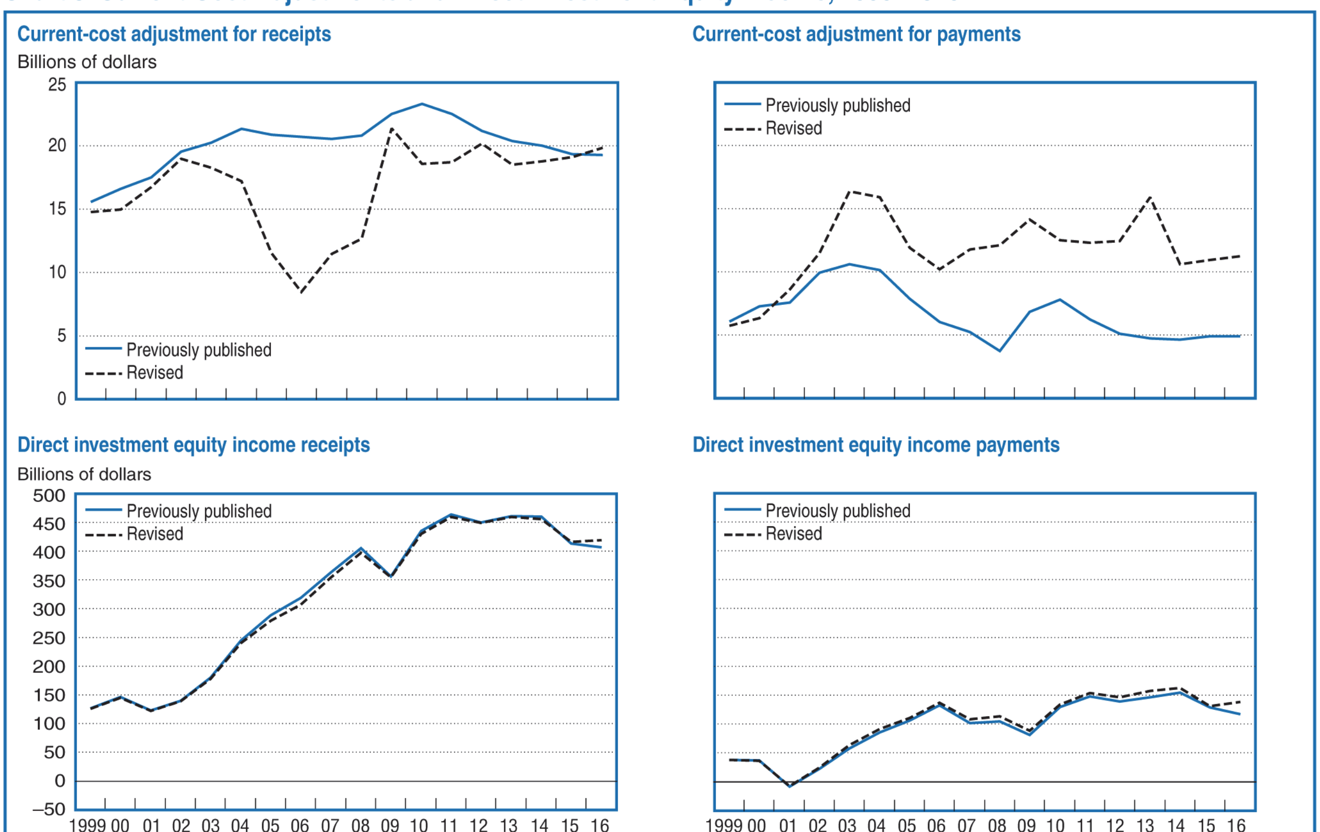
Other factors affecting revisions to current-cost adjustments include the elimination of the treatment of expensed exploration and development costs as investment and revisions to current-cost estimates of plant and equipment stocks. The elimination of the costs as investment raised current-cost adjustments by about $2 billion per year. The revisions to stocks tended to lower current-cost adjustments, all else being equal.[13]

The new adjustments show more variation across time than the old adjustments. This variation is not primarily a function of variation in depreciation rates; weighted depreciation rates vary only slowly over time.

12. Aggregated weighted depreciation rates depend on depreciation rates by industry from the fixed assets accounts and the particular industry mix of plant and equipment stocks in outward and inward direct investment. A contributor to the upward revision for outward rates was a decision to use the same depreciation rates in oil and gas extraction for outward direct investment and for inward direct investment (and for the broader U.S. economy). Under the previous method, a significantly lower depreciation rate had been applied to outward direct investment in this industry. For most other industries, a common depreciation rate was used for both inward and outward investment.

13. Because of differences in industry categories and in the implicit mixes of structures and equipment within categories, it is difficult to decompose precisely the effect of revised capital stock estimates on the revisions of current-cost adjustments.

Chart 3. Current-Cost Adjustments and Direct Investment Equity Income, 1999–2016

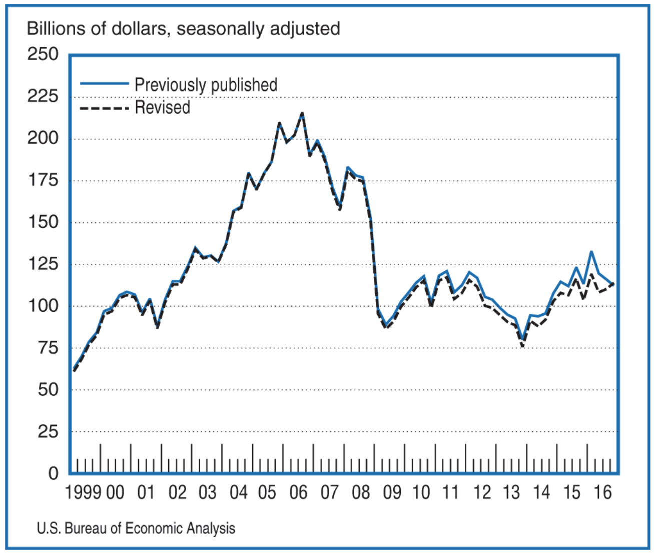


U.S. Bureau of Economic Analysis

Revisions to current-cost estimates of plant and equipment play a bigger role. Some of the peaks and valleys in the revised current-cost adjustments in chart 3 can be traced to fluctuations in current-cost plant and equipment estimates. For example, the drop in the current-cost adjustment to receipts in 2006 can be attributed partly to increases in current-cost plant and equipment stocks in oil and gas exploration, which in turn derive partly from increases in current-to-historical cost ratios for structures and equipment in the fixed assets accounts.

Estimates from the new current-cost method were phased in over a period of 16 quarters to avoid a series break in 1999. During this period, the new published estimates for the current-cost adjustments are a weighted average of the previously published estimates and the estimates obtained using the new method. The weight given to the estimates from the new method rises from zero to one over the 16 quarters.

Chart 4. Quarterly Current-Account Deficit, 1999–2016



Effects of the Revisions

Current-account highlights

Current-account statistics for 1999–2016 were revised to incorporate newly available and revised source data, updated seasonal factors, the improved data source for withholding taxes, and the new method for estimating current-cost adjustments to direct investment equity income (tables A, B, and C). The current-account deficit was revised downward for all years. The revised statistics for all years display the same trend in the current-account deficit as the previously published statistics.

The revisions to most quarterly statistics did not affect the direction of the quarter-to-quarter changes in the current-account deficit (chart 4). For most quarters of 1999–2016, the revisions also did not significantly affect the magnitude of the quarter-to-quarter changes in the current-account deficit. The largest revision to the quarter-to-quarter change was for the fourth quarter of 2016 when a previously published $3.6 billion decrease in the deficit was revised to a $3.7 billion increase, a revision of $7.4 billion.

Goods and services. The deficit on goods and services was revised upward $0.2 billion for 2014, $0.1 billion for 2015, and $4.2 billion for 2016. The revised statistics show the same trend as the previously published statistics.

The deficit on goods was revised downward $0.7 billion for both 2014 and 2015; it was revised upward $2.6 billion for 2016. The revisions to exports and imports of goods primarily reflect revised source data from the Census Bureau.

The surplus on services was revised downward $0.8 billion for 2014, $0.8 billion for 2015, and $1.7 billion for 2016. The revisions to exports and imports of services primarily reflect newly available and revised source data from BEA's quarterly surveys of international services transactions and from other sources, mainly the U.S. Customs and Border Protection.

Primary income. The surplus on primary income was revised downward an average of $9.1 billion per year for 1999–2013. The largest downward revision during this period was $16.5 billion for 2008; the smallest downward revision was $0.8 billion for 1999. The surplus on primary income was revised downward $13.2 billion for 2014, $1.4 billion for 2015, and $7.4 billion for 2016.

Revisions for 1999–2013 reflect the new method for estimating current-cost adjustments to direct investment income and the new data source for estimating withholding taxes. (Revisions related to estimates of withholding taxes did not affect the primary income statistics for 2006–2016.) For 2014–2016, revisions reflect both the new method for estimating current-cost adjustments to direct investment income and newly available and revised source data from BEA's direct investment surveys and from the Department of the Treasury's TIC surveys.[14]

Secondary income. The deficit on secondary income (current transfers) was revised downward an average of $20.3 billion per year for 1999–2016; the largest revisions were for 2007–2016, averaging $27.7 billion per year. The revisions to secondary income for

14. Statistics for portfolio investment income and for other investment income are based partly on resident-nonresident transactions and positions collected monthly and quarterly on the TIC surveys, as explained in *U.S. International Economic Accounts: Concepts and Methods.*

Table B. Revisions to Selected Current-Account Transactions, 1999–2016

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Exports of goods and services and income receipts (line 1):																		
Revised	1,303.6	1,469.6	1,344.2	1,318.3	1,407.0	1,638.0	1,885.8	2,209.2	2,559.3	2,742.3	2,283.1	2,624.6	2,982.6	3,095.7	3,212.2	3,333.3	3,173.0	3,157.2
Previously published	1,304.6	1,471.5	1,345.2	1,318.8	1,409.1	1,642.3	1,896.0	2,222.1	2,569.5	2,751.9	2,285.9	2,630.8	2,987.6	3,097.1	3,214.8	3,338.8	3,172.7	3,142.2
Amount of revision	–1.0	–1.9	–0.9	–0.5	–2.0	–4.3	–10.1	–13.0	–10.2	–9.7	–2.9	–6.2	–5.0	–1.4	–2.6	–5.4	0.3	15.1
Exports of goods (line 3):																		
Revised	698.5	784.9	731.3	698.0	730.4	823.6	913.0	1,040.9	1,165.2	1,308.8	1,070.3	1,290.3	1,499.2	1,562.6	1,592.0	1,634.0	1,510.8	1,455.7
Previously published	698.5	784.9	731.3	698.0	730.4	823.6	913.0	1,040.9	1,165.2	1,308.8	1,070.3	1,290.3	1,499.2	1,562.6	1,592.0	1,633.3	1,510.3	1,459.7
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.5	–4.0
Exports of services (line 13):																		
Revised	271.3	290.4	274.3	280.7	290.0	338.0	373.0	416.7	488.4	532.8	512.7	563.3	627.8	656.4	701.5	741.9	753.2	752.4
Previously published	271.3	290.4	274.3	280.7	290.0	338.0	373.0	416.7	488.4	532.8	512.7	563.3	627.8	656.4	701.5	743.3	750.9	752.4
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–1.3	2.3	(*)
Primary income receipts (line 23):																		
Revised	299.1	356.7	297.0	286.5	324.4	416.1	534.2	680.8	835.0	815.6	613.2	680.2	755.9	768.0	792.8	817.3	783.0	814.0
Previously published	300.3	358.8	298.2	287.5	326.7	420.6	544.0	693.1	844.0	823.7	614.4	684.9	759.7	769.0	794.7	821.8	782.9	801.9
Amount of revision	–1.2	–2.1	–1.2	–1.0	–2.3	–4.5	–9.8	–12.3	–9.1	–8.1	–1.1	–4.7	–3.8	–1.0	–1.8	–4.5	0.1	12.1
Secondary income receipts (line 30):																		
Revised	34.6	37.6	41.6	53.1	62.3	60.3	65.6	70.7	70.8	85.1	86.8	90.8	99.7	108.7	126.0	140.1	126.1	135.2
Previously published	34.4	37.4	41.3	52.6	61.9	60.2	66.0	71.4	71.9	86.6	88.5	92.3	100.8	109.1	126.7	140.4	128.6	128.2
Amount of revision	0.2	0.2	0.3	0.5	0.3	0.2	–0.4	–0.7	–1.1	–1.6	–1.7	–1.5	–1.2	–0.4	–0.7	–0.3	–2.5	7.0
Imports of goods and services and income payments (line 31):																		
Revised	1,591.9	1,873.1	1,733.9	1,769.1	1,925.8	2,269.5	2,631.1	3,015.1	3,270.4	3,423.6	2,655.6	3,055.3	3,427.2	3,521.9	3,561.8	3,707.1	3,607.6	3,608.9
Previously published	1,600.1	1,882.3	1,740.5	1,776.9	1,930.4	2,276.1	2,641.4	3,028.9	3,288.1	3,442.7	2,669.9	3,072.8	3,447.9	3,543.6	3,581.2	3,730.8	3,635.7	3,623.4
Amount of revision	–8.1	–9.2	–6.6	–7.8	–4.6	–6.5	–10.4	–13.7	–17.8	–19.1	–14.4	–17.5	–20.7	–21.7	–19.4	–23.7	–28.1	–14.5
Imports of goods (line 33):																		
Revised	1,035.6	1,231.7	1,153.7	1,173.3	1,272.1	1,488.3	1,695.8	1,878.2	1,986.3	2,141.3	1,580.0	1,939.0	2,239.9	2,303.7	2,294.2	2,385.5	2,272.6	2,208.2
Previously published	1,035.6	1,231.7	1,153.7	1,173.3	1,272.1	1,488.3	1,695.8	1,878.2	1,986.3	2,141.3	1,580.0	1,939.0	2,239.9	2,303.7	2,294.2	2,385.5	2,272.9	2,209.6
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	–0.3	–1.4
Imports of services (line 42):																		
Revised	192.9	216.1	213.5	224.4	242.2	283.1	304.4	341.2	372.6	409.1	386.8	409.3	435.8	452.0	461.1	480.8	491.7	504.7
Previously published	192.9	216.1	213.5	224.4	242.2	283.1	304.4	341.2	372.6	409.1	386.8	409.3	435.8	452.0	461.1	481.3	488.7	503.0
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–0.5	3.1	1.6
Primary income payments (line 52):																		
Revised	288.0	338.6	269.4	263.9	289.7	362.2	480.3	653.9	750.0	685.9	498.1	511.9	544.9	560.5	586.8	606.6	602.0	640.8
Previously published	288.4	339.6	268.5	262.3	283.9	356.5	476.3	649.8	743.4	677.6	490.8	507.3	538.8	553.2	575.7	597.8	600.5	621.3
Amount of revision	–0.4	–1.0	1.0	1.5	5.7	5.7	4.0	4.2	6.5	8.4	7.3	4.7	6.1	7.3	11.2	8.8	1.5	19.4
Secondary income payments (line 58):																		
Revised	75.5	86.6	97.3	107.6	121.8	135.9	150.5	141.8	161.5	187.4	190.7	195.0	206.7	205.6	219.6	234.3	241.2	255.3
Previously published	83.2	94.8	104.9	116.9	132.2	148.2	164.8	159.7	185.8	214.8	212.3	217.2	233.5	234.7	250.2	266.3	273.6	289.4
Amount of revision	–7.8	–8.2	–7.5	–9.3	–10.3	–12.2	–14.3	–17.9	–24.3	–27.4	–21.7	–22.2	–26.8	–29.1	–30.6	–31.9	–32.4	–34.1

(*) A nonzero value between –$50,000,000 and $50,000,000.
NOTE. Line numbers refer to ITA table 1.2, available on BEA's Web.

all years primarily reflect the new data sources for estimating withholding taxes. In addition, the revisions for 2014–2016 reflect newly available and revised source data on U.S. government transfers and private transfers from several sources, including the U.S. Department of Defense, the U.S. Agency for International Development, and the IRS.

Financial-account highlights

Financial-account statistics for 1999–2013 were revised to incorporate the new method for current-cost adjustments to direct investment income, which affect direct investment financial transactions via reinvestment of direct investment earnings. Net borrowing for 1999–2013 was revised upward an average of $8.9 billion per year. Financial-account statistics for 2014–2016 were revised to incorporate the new method for current-cost adjustments to direct investment income and newly available and revised source data from BEA's direct investment surveys and the Department of the Treasury's TIC surveys. Net borrowing was revised upward $39.5 billion for 2014 and $137.9 billion for 2015; it was revised downward $28.8 billion for 2016 (tables A and D).

Revisions to net borrowing reflect the combined revisions to net U.S. acquisition of financial assets excluding financial derivatives, to net U.S. incurrence of liabilities excluding financial derivatives, and to net transactions in financial derivatives. For 1999–2014 and 2016, the revised annual financial transactions for each of these major accounts are similar in size and direction to the previously published financial transactions. For 2015, the revision to net borrowing raised it from significantly below to slightly above the level of the previous year, changing the direction of the previously published year-to-year change to an increase from a sharp decrease.

The volatility in quarterly net lending or net borrowing from financial-account transactions reflects the volatility in global financial markets as well as possible incomplete measurement of the financial-account transactions. These transactions can respond very quickly to changing conditions in financial markets, resulting in large quarterly increases or decreases in financial-account aggregates (chart 5). Quarterly changes in transactions can range as high as hundreds of billions of dollars, and transactions can shift from

Chart 5. Quarterly Net Borrowing From Financial-Account Transactions, 1999–2016

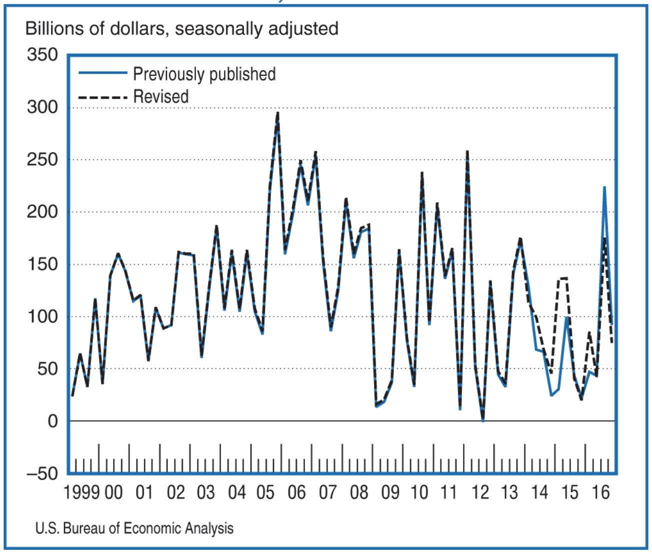


Table C. Sources of Revisions for Selected Current-Account Transactions, 1999–2016

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Exports of goods (line 3)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.7**	**0.5**	**–4.0**
Newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.5	–4.0
Exports of services (line 13)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–1.3**	**2.3**	**(*)**
Newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–1.3	2.3	(*)
Primary income receipts (line 23)	**–1.2**	**–2.1**	**–1.2**	**–1.0**	**–2.3**	**–4.5**	**–9.8**	**–12.3**	**–9.1**	**–8.1**	**–1.1**	**–4.7**	**–3.8**	**–1.0**	**–1.8**	**–4.5**	**0.1**	**12.1**
New method and newly available and revised source data for current-cost adjustment	–0.8	–1.6	–0.8	–0.6	–1.9	–4.1	–9.3	–12.3	–9.1	–8.1	–1.1	–4.7	–3.8	–1.0	–1.8	–1.2	–0.2	0.6
New data source for withholding taxes	–0.4	–0.5	–0.5	–0.4	–0.4	–0.4	–0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–3.2	0.3	11.5
Secondary income receipts (line 30)	**0.2**	**0.2**	**0.3**	**0.5**	**0.3**	**0.2**	**–0.4**	**–0.7**	**–1.1**	**–1.6**	**–1.7**	**–1.5**	**–1.2**	**–0.4**	**–0.7**	**–0.3**	**–2.5**	**7.0**
New data source and newly available and revised source data for withholding taxes	0.2	0.2	0.3	0.5	0.3	0.2	–0.4	–0.7	–1.1	–1.6	–1.7	–1.5	–1.2	–0.4	–0.7	–1.0	–1.0	–0.9
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	–1.5	7.9
Imports of goods (line 33)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(*)**	**–0.3**	**–1.4**
Newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	–0.3	–1.4
Imports of services (line 42)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–0.5**	**3.1**	**1.6**
Newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–0.5	3.1	1.6
Primary income payments (line 52)	**–0.4**	**–1.0**	**1.0**	**1.5**	**5.7**	**5.7**	**4.0**	**4.2**	**6.5**	**8.4**	**7.3**	**4.7**	**6.1**	**7.3**	**11.2**	**8.8**	**1.5**	**19.4**
New method and newly available and revised source data for current-cost adjustment	–0.3	–0.9	1.0	1.6	5.8	5.8	4.0	4.2	6.5	8.4	7.3	4.7	6.1	7.3	11.2	6.0	6.0	6.3
New data source for withholding taxes	0.0	–0.1	–0.1	–0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	–4.5	13.1
Secondary income payments (line 58)	**–7.8**	**–8.2**	**–7.5**	**–9.3**	**–10.3**	**–12.2**	**–14.3**	**–17.9**	**–24.3**	**–27.4**	**–21.7**	**–22.2**	**–26.8**	**–29.1**	**–30.6**	**–31.9**	**–32.4**	**–34.1**
New data source and newly available and revised source data for withholding taxes	–7.8	–8.2	–7.5	–9.3	–10.3	–12.2	–14.3	–17.9	–24.3	–27.4	–21.7	–22.2	–26.8	–29.1	–30.6	–34.4	–35.1	–36.8
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.8	2.7
Balance on current account (line 101)	**7.2**	**7.3**	**5.6**	**7.3**	**2.6**	**2.2**	**0.2**	**0.8**	**7.6**	**9.4**	**11.5**	**11.3**	**15.8**	**20.3**	**16.9**	**18.3**	**28.4**	**29.5**
New method and newly available and revised source data for current-cost adjustment	–0.5	–0.7	–1.8	–2.2	–7.7	–9.9	–13.4	–16.4	–15.6	–16.5	–8.4	–9.4	–9.9	–8.3	–13.0	–7.2	–6.3	–5.8
New data source and newly available and revised source data for withholding taxes	7.6	8.0	7.4	9.4	10.3	12.1	13.5	17.2	23.2	25.9	19.9	20.7	25.6	28.6	29.9	33.4	34.1	36.0
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–7.9	0.5	–0.7
Balance on goods and services (line 102)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–0.2**	**–0.1**	**–4.2**
Newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–0.2	–0.1	–4.2
Balance on primary income (line 105)	**–0.8**	**–1.1**	**–2.2**	**–2.5**	**–8.0**	**–10.2**	**–13.7**	**–16.4**	**–15.6**	**–16.5**	**–8.4**	**–9.4**	**–9.9**	**–8.3**	**–13.0**	**–13.2**	**–1.4**	**–7.4**
New method and newly available and revised source data for current-cost adjustment	–0.5	–0.7	–1.8	–2.2	–7.7	–9.9	–13.4	–16.4	–15.6	–16.5	–8.4	–9.4	–9.9	–8.3	–13.0	–7.2	–6.3	–5.8
New data source for withholding taxes	–0.3	–0.4	–0.4	–0.4	–0.3	–0.3	–0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–6.0	4.8	–1.6
Balance on secondary income (line 106)	**8.0**	**8.4**	**7.8**	**9.8**	**10.6**	**12.4**	**13.9**	**17.2**	**23.2**	**25.9**	**19.9**	**20.7**	**25.6**	**28.6**	**29.9**	**31.7**	**29.9**	**41.1**
New data source and newly available and revised source data for withholding taxes	8.0	8.4	7.8	9.8	10.6	12.4	13.9	17.2	23.2	25.9	19.9	20.7	25.6	28.6	29.9	33.4	34.1	36.0
Other newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–1.8	–4.2	5.2

(*) A nonzero value between –$50,000,000 and $50,000,000.
NOTE. Line numbers refer to ITA table 1.2, available onBEA'Web.

an increase to a decrease from one quarter to the next. Volatility in quarterly net lending or net borrowing could also be due to differences in timing between transactions that would otherwise offset in the financial account or other instances of incomplete or imperfect measurement that cause mismatches between components of transactions that would be offsetting if the measurement were more complete or more accurate. Annual net lending or net borrowing from the financial-account transactions is less susceptible to this measurement-driven volatility.

Net U.S. acquisition of financial assets excluding financial derivatives

Net U.S. acquisition of financial assets excluding financial derivatives was revised downward for 1999–2007 and 2009–2013. Net U.S. liquidation of financial assets was revised upward for 2008. All these revisions reflect

Table D. Revisions to, and Sources of Revisions for, Selected Financial-Account Transactions, 1999–2016—Continues

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets/financial outflow (+)) (line 61):																		
Revised	526.6	587.7	386.3	319.2	371.1	1,058.7	563.0	1,324.6	1,563.5	–317.6	131.1	958.7	492.5	176.8	649.6	818.8	194.2	347.9
Previously published	527.4	589.3	387.1	319.7	373.0	1,062.8	572.3	1,336.9	1,572.5	–309.5	132.2	963.4	496.3	177.7	651.4	823.3	225.4	331.0
Amount of revision	–0.8	–1.6	–0.8	–0.6	–1.9	–4.1	–9.3	–12.3	–9.1	–8.1	–1.1	–4.7	–3.8	–1.0	–1.8	–4.6	–31.2	16.9
Revisions due to new method and newly available and revised source data for current-cost adjustment	–0.8	–1.6	–0.8	–0.6	–1.9	–4.1	–9.3	–12.3	–9.1	–8.1	–1.1	–4.7	–3.8	–1.0	–1.8	–1.2	–0.2	0.6
Other revisions due to newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–3.3	–31.0	16.4
Direct investment assets (line 62):																		
Revised	247.5	186.4	146.0	179.0	195.2	374.0	52.6	283.8	523.9	343.6	312.6	349.8	436.6	377.2	392.8	338.9	311.1	311.6
Previously published	248.3	188.0	146.8	179.6	197.2	378.1	61.9	296.1	532.9	351.7	313.7	354.6	440.4	378.2	394.6	343.4	348.6	347.5
Amount of revision	–0.8	–1.6	–0.8	–0.6	–1.9	–4.1	–9.3	–12.3	–9.1	–8.1	–1.1	–4.7	–3.8	–1.0	–1.8	–4.6	–37.5	–35.9
Revisions due to new method and newly available and revised source data for current-cost adjustment	–0.8	–1.6	–0.8	–0.6	–1.9	–4.1	–9.3	–12.3	–9.1	–8.1	–1.1	–4.7	–3.8	–1.0	–1.8	–1.2	–0.2	0.6
Other revisions due to newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–3.4	–37.3	–36.5
Portfolio investment assets (line 65):																		
Revised	141.0	159.7	106.9	79.5	133.1	192.0	267.3	493.4	380.8	–284.3	375.9	199.6	85.4	248.8	481.3	582.7	160.4	40.6
Previously published	141.0	159.7	106.9	79.5	133.1	192.0	267.3	493.4	380.8	–284.3	375.9	199.6	85.4	248.8	481.3	582.7	154.0	20.7
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	6.4	20.0
Equity and investment fund shares (line 66):																		
Revised	114.3	106.7	109.1	17.0	118.0	84.8	186.7	137.3	147.8	–38.6	63.7	79.2	7.0	104.0	287.4	431.6	196.9	14.4
Previously published	114.3	106.7	109.1	17.0	118.0	84.8	186.7	137.3	147.8	–38.6	63.7	79.2	7.0	104.0	287.4	431.6	202.6	–24.8
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–5.7	39.3
Debt securities																		
Short term (line 68):																		
Revised	18.8	31.8	16.3	31.0	–12.9	20.5	18.8	115.7	15.2	–82.6	136.1	62.3	–51.3	–8.6	48.8	11.4	43.0	–21.1
Previously published	18.8	31.8	16.3	31.0	–12.9	20.5	18.8	115.7	15.2	–82.6	136.1	62.3	–51.3	–8.6	48.8	11.4	42.5	–20.6
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	0.6	–0.5
Long term (line 69):																		
Revised	7.9	21.2	–18.5	31.6	28.0	86.7	61.8	240.3	217.8	–163.1	176.1	58.2	129.7	153.4	145.1	139.7	–79.6	47.3
Previously published	7.9	21.2	–18.5	31.6	28.0	86.7	61.8	240.3	217.8	–163.1	176.1	58.2	129.7	153.4	145.1	139.7	–91.1	66.1
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.5	–18.8
Other investment assets (line 70):																		
Revised	146.9	241.3	128.4	57.0	44.3	495.5	257.2	549.8	658.6	–381.8	–609.7	407.4	–45.3	–453.7	–221.4	–99.2	–271.1	–6.4
Previously published	146.9	241.3	128.4	57.0	44.3	495.5	257.2	549.8	658.6	–381.8	–609.7	407.4	–45.3	–453.7	–221.4	–99.2	–270.9	–39.3
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	–0.1	32.9
Currency and deposits (line 71):																		
Revised	n.a.	n.a.	n.a.	n.a.	51.3	240.4	82.9	154.0	375.1	123.5	–394.5	150.2	–89.2	–521.9	–127.0	–161.8	–201.6	–89.7
Previously published	n.a.	n.a.	n.a.	n.a.	51.3	240.4	82.9	154.0	375.1	123.5	–394.5	150.2	–89.2	–521.9	–127.0	–160.4	–194.4	–100.7
Amount of revision	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–1.3	–7.2	11.0
Loans (line 72):																		
Revised	n.a.	n.a.	n.a.	n.a.	–9.3	256.2	173.0	392.3	272.8	–501.6	–215.7	251.1	39.8	67.5	–104.3	68.4	–67.7	82.3
Previously published	n.a.	n.a.	n.a.	n.a.	–9.3	256.2	173.0	392.3	272.8	–501.6	–215.7	251.1	39.8	67.5	–104.3	67.1	–74.8	60.5
Amount of revision	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	7.1	21.8

See the note at the end of the table.

Table D. Revisions to, and Sources of Revisions for, Selected Financial-Account Transactions, 1999–2016—Table Ends

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities/financial inflow (+)) (line 84):																		
Revised	765.2	1,066.1	788.3	821.8	911.7	1,600.9	1,277.1	2,120.5	2,190.1	462.4	325.6	1,391.0	983.2	632.7	1,055.8	1,091.4	502.1	741.4
Previously published	765.6	1,067.0	787.3	820.3	905.9	1,595.1	1,273.0	2,116.3	2,183.5	454.1	318.4	1,386.3	977.1	625.4	1,044.6	1,056.4	395.2	759.4
Amount of revision	–0.3	–0.9	1.0	1.6	5.8	5.8	4.0	4.2	6.5	8.4	7.3	4.7	6.1	7.3	11.2	35.0	106.9	–18.0
Revisions due to new method and newly available and revised source data for current-cost adjustment	–0.3	–0.9	1.0	1.6	5.8	5.8	4.0	4.2	6.5	8.4	7.3	4.7	6.1	7.3	11.2	6.0	6.0	6.3
Other revisions due to newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.0	100.8	–24.3
Direct investment liabilities (line 85):																		
Revised	312.4	349.1	172.5	111.1	117.1	213.6	142.3	298.5	346.6	341.1	161.1	264.0	263.5	250.3	288.1	237.7	506.2	479.4
Previously published	312.8	350.1	171.5	109.5	111.3	207.9	138.3	294.3	340.1	332.7	153.8	259.3	257.4	243.0	277.0	207.4	379.4	425.3
Amount of revision	–0.3	–0.9	1.0	1.6	5.8	5.8	4.0	4.2	6.5	8.4	7.3	4.7	6.1	7.3	11.2	30.3	126.7	54.2
Revisions due to new method and newly available and revised source data for current-cost adjustment	–0.3	–0.9	1.0	1.6	5.8	5.8	4.0	4.2	6.5	8.4	7.3	4.7	6.1	7.3	11.2	6.0	6.0	6.3
Other revisions due to newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.3	120.7	47.8
Portfolio investment liabilities (line 88):																		
Revised	278.7	442.0	431.5	504.2	550.2	867.3	832.0	1,126.7	1,156.6	523.7	357.4	820.4	311.6	747.0	512.0	703.5	214.0	237.4
Previously published	278.7	442.0	431.5	504.2	550.2	867.3	832.0	1,126.7	1,156.6	523.7	357.4	820.4	311.6	747.0	512.0	701.9	250.9	270.9
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	–37.0	–33.6
Equity and investment fund shares (line 89):																		
Revised	112.3	193.6	121.5	54.1	34.0	61.8	89.3	145.5	275.6	126.8	219.3	179.0	123.4	239.1	–62.6	154.3	–187.3	–141.1
Previously published	112.3	193.6	121.5	54.1	34.0	61.8	89.3	145.5	275.6	126.8	219.3	179.0	123.4	239.1	–62.6	154.3	–178.3	–130.2
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–9.0	–10.9
Debt securities																		
Short term (line 91):																		
Revised	–6.9	5.4	3.1	76.5	31.1	99.9	–45.3	22.8	159.0	287.2	–124.0	–53.0	–86.7	16.3	45.7	22.3	45.9	–8.6
Previously published	–6.9	5.4	3.1	76.5	31.1	99.9	–45.3	22.8	159.0	287.2	–124.0	–53.0	–86.7	16.3	45.7	22.3	45.8	–12.8
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	0.1	4.2
Long term (line 92):																		
Revised	173.3	243.0	306.9	373.5	485.1	705.7	788.1	958.5	722.0	109.7	262.1	694.5	275.0	491.6	529.0	526.8	355.4	387.0
Previously published	173.3	243.0	306.9	373.5	485.1	705.7	788.1	958.5	722.0	109.7	262.1	694.5	275.0	491.6	529.0	525.2	383.4	413.9
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	–28.0	–26.9
Other investment liabilities (line 93):																		
Revised	174.1	275.0	184.4	206.6	244.4	519.9	302.7	695.3	686.9	–402.4	–192.8	306.6	408.0	–364.7	255.7	150.2	–218.0	24.6
Previously published	174.1	275.0	184.4	206.6	244.4	519.9	302.7	695.3	686.9	–402.4	–192.8	306.6	408.0	–364.7	255.7	147.1	–235.1	63.2
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	17.1	–38.6
Currency and deposits (line 94):																		
Revised	n.a.	n.a.	n.a.	n.a.	30.8	131.5	–124.8	224.4	239.3	74.4	–74.2	115.7	475.7	–246.0	202.8	59.7	36.2	19.7
Previously published	n.a.	n.a.	n.a.	n.a.	30.8	131.5	–124.8	224.4	239.3	74.4	–74.2	115.7	475.7	–246.0	202.8	59.6	33.4	24.9
Amount of revision	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	2.8	–5.3
Loans (line 95):																		
Revised	n.a.	n.a.	n.a.	n.a.	214.5	386.4	415.8	465.2	427.0	–483.6	–172.5	172.3	–84.8	–130.3	41.3	77.9	–262.6	–2.3
Previously published	n.a.	n.a.	n.a.	n.a.	214.5	386.4	415.8	465.2	427.0	–483.6	–172.5	172.3	–84.8	–130.3	41.3	73.6	–282.7	28.7
Amount of revision	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3	20.1	–31.0
Financial derivatives other than reserves, net transactions (line 99):																		
Revised	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	–29.7	–6.2	32.9	–44.8	–14.1	–35.0	7.1	2.2	–54.3	–25.2	15.8
Previously published	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	–29.7	–6.2	32.9	–44.8	–14.1	–35.0	7.1	2.2	–54.3	–25.4	22.0
Amount of revision	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	–6.1
Net lending (+) or net borrowing (–) from financial–account transactions (line 109):																		
Revised	–238.6	–478.4	–402.0	–502.7	–540.6	–542.2	–714.1	–825.6	–632.9	–747.1	–239.4	–446.4	–525.6	–448.9	–404.0	–326.8	–333.2	–377.7
Previously published	–238.1	–477.7	–400.3	–500.5	–532.9	–532.3	–700.7	–809.1	–617.3	–730.6	–231.0	–437.0	–515.8	–440.5	–391.0	–287.4	–195.2	–406.5
Amount of revision	–0.5	–0.7	–1.8	–2.2	–7.7	–9.9	–13.4	–16.4	–15.6	–16.5	–8.4	–9.4	–9.9	–8.3	–13.0	–39.5	–137.9	28.8
Revisions due to new method and newly available and revised source data for current-cost adjustment	–0.5	–0.7	–1.8	–2.2	–7.7	–9.9	–13.4	–16.4	–15.6	–16.5	–8.4	–9.4	–9.9	–8.3	–13.0	–7.2	–6.3	–5.8
Other revisions due to newly available and revised source data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–32.2	–131.7	34.5

(*) A nonzero value between –$50,000,000 and $50,000,000. n.a. Not available NOTE. Line numbers refer to ITA table 1.2, available onBEA's.

the new method for calculating the current-cost adjustment to direct investment income. Revisions for 2014–2016 reflect the new current-cost method as well as newly available and revised source data. Net U.S. acquisition of financial assets excluding financial derivatives was revised downward for 2014 and 2015, and it was revised upward for 2016. The revisions reflect downward revisions to net acquisition of direct investment assets for 2014 and 2015. For 2016, the revisions reflect an upward revision to net acquisition of portfolio investment assets and a downward revision to net liquidation of other investment assets.

Direct investment assets. Net acquisition of direct investment assets was revised downward by an annual average of $4.1 billion for 1999–2013, reflecting the new method for calculating the current-cost adjustment to direct investment income. Net acquisition of direct investment assets was revised downward $4.6 billion for 2014, $37.5 billion for 2015, and $35.9 billion for 2016. The revisions for 2014–2016 mostly reflect newly available and revised source data from BEA's quarterly and annual surveys of direct investment; revisions due to the new current-cost method were relatively small. For 2015, the revision to net acquisition changed the direction of the year-to-year change to a decrease from an increase. For both previously published and revised statistics, the level in 2016 is very close to the level in 2015.

Portfolio investment assets. Net acquisition of portfolio investment assets (equity and debt securities) was revised downward less than $0.1 billion for 2014, and it was revised upward $6.4 billion for 2015 and $20.0 billion for 2016. The revisions reflect newly available and revised source data from the TIC surveys of U.S. holdings of foreign securities.[15]

Other investment assets. Net liquidation of other investment assets (currency and deposits, loans, insurance technical reserves, and trade credit and advances) was revised downward less than $0.1 billion for 2014 and $32.9 billion for 2016, and it was revised upward $0.1 billion for 2015. The revisions mainly reflect newly available and revised source data from the TIC surveys of U.S. claims on foreigners in the form of deposits, loans, and trade credit and advances.[16]

15. Revised data from the following TIC surveys were incorporated: (1) Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (foreign securities), (2) Report of U.S. Ownership of Foreign Securities, including Selected Money Market Instruments, and (3) Reports by Financial Institutions of Liabilities to, and Claims on, Foreign Residents by U.S. Residents (claims).

16. Revised data from the following monthly TIC surveys were incorporated: (1) Reports by Financial Institutions of Liabilities to, and Claims on, Foreign Residents by U.S. Residents (claims) and (2) Reports of Liabilities to, and Claims on, Unaffiliated Foreign Residents by U.S. Resident Non-Financial Institutions (claims).

Acknowledgments

Paul W. Farello, Associate Director for International Economics and Acting Chief of the Balance of Payments Division, provided overall supervision of the preparation of this year's annual update of the international transactions accounts. Christopher A. Gohrband, Chief of the Financial Accounts Branch and Patricia E. Abaroa, Chief of the Direct Investment Division, directed major parts of the update. Raymond J. Mataloni Jr., Assistant Division Chief for Research and Analysis, provided general guidance.

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Net U.S. incurrence of liabilities excluding financial derivatives

Net U.S. incurrence of liabilities excluding financial derivatives was revised downward for 1999 and 2000 and revised upward for 2001–2013, reflecting the new method for calculating the current-cost adjustment to direct investment. Revisions for 2014–2016 reflect the new current-cost method as well as newly available and revised source data. Net U.S. incurrence of liabilities excluding financial derivatives was revised upward for 2014 and 2015 and revised downward for 2016. The revisions reflect (1) upward revisions to net incurrence of direct investment liabilities, portfolio investment liabilities, and other investment liabilities for 2014; (2) upward revisions to net incurrence of direct investment liabilities and downward revisions to net repayment of other investment liabilities for 2015; and (3) downward revisions to net incurrence of portfolio investment liabilities and other investment liabilities for 2016.

Direct investment liabilities. Net incurrence of direct investment liabilities was revised downward for 1999 and 2000 and revised upward for 2001–2013, reflecting the new method for calculating the current-cost adjustment to direct investment income. Net incurrence of direct investment liabilities was revised upward by an annual average of $4.8 billion for 1999–2013. It was revised upward $30.3 billion for 2014, $126.7 billion for 2015, and $54.2 billion for 2016. The large revision for 2015 raised the level significantly from below to above the 2016 level, changing the direction of the previously published year-to-year change for 2016. The revisions for 2014 and 2015 reflect newly available and revised source data from BEA's quarterly and annual surveys of direct investment and the new current-cost method. The annual surveys provided more comprehensive data than were available previously. The revision for 2016 reflects newly available and revised source data from BEA's quarterly surveys of direct investment and the new current-cost method.

Portfolio investment liabilities. Net incurrence of portfolio investment liabilities was revised upward $1.6 billion for 2014 and revised downward $37.0 billion for 2015 and $33.6 billion for 2016. The revisions reflect newly available and revised source data from the TIC surveys of foreign holdings of U.S. securities.[17]

17. Revised data from the following TIC surveys were incorporated: (1) Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (U.S. securities), (2) Foreign-residents' Holdings of U.S. Securities, including Selected Money Market Instruments, and (3) Reports by Financial Institutions of Liabilities to, and Claims on, Foreign Residents by U.S. Residents (liabilities).

Other investment liabilities. Net incurrence of other investment liabilities was revised upward $3.1 billion for 2014 and revised downward $38.6 billion for 2016. Net repayment of other investment liabilities was revised downward $17.1 billion for 2015. The revisions mainly reflect newly available and revised source data from the TIC surveys of U.S. liabilities to foreigners in the form of deposits, loans, and trade credit and advances.[18]

Statistical discrepancy

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. In principle, the combined deficit (or surplus) on recorded transactions in the current and capital accounts should equal net borrowing (or net lending) measured by recorded transactions in the financial account. In practice, however, they differ because of incomplete source data, gaps in coverage, timing differences, or other errors and omissions.

Table A presents revisions to the statistical discrepancy for 1999–2016. The revisions reflect revisions to net borrowing from financial-account transactions and to the deficit on the current account.

The largest revisions to the statistical discrepancy were for 2013–2015. For 2013, the statistical discrepancy was revised to –$54.0 billion from –$24.2 billion as a result of both the downward revision to the deficit on the current account and the upward revision to net borrowing from financial-account transactions. For 2014, the statistical discrepancy was revised to $47.0 billion from $104.7 billion as a result of both the downward revision to the deficit on the current account and the upward revision to net borrowing from financial-account transactions. For 2015, the statistical discrepancy was revised to $101.5 billion from $267.8 billion, mostly as a result of the large upward revision to net incurrence of direct investment liabilities and the large downward revision to net acquisition of direct investment assets, which contributed to the large upward revision to net borrowing from financial-account transactions.

18. Revised data from the following TIC surveys were incorporated: (1) Reports by Financial Institutions of Liabilities to, and Claims on, Foreign Residents by U.S. Residents (liabilities) and (2) Reports of Liabilities to, and Claims on, Unaffiliated Foreign Residents by U.S. Resident Non-Financial Institutions (liabilities).

Appendix A follows.

Appendix A. Revisions to U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Balance on goods and services												
Revised	–714,245	–761,716	–705,375	–708,726	–383,774	–494,658	–548,625	–536,773	–461,876	–490,336	–500,445	–504,793
Previously published	–714,245	–761,716	–705,375	–708,726	–383,774	–494,658	–548,625	–536,773	–461,876	–490,176	–500,361	–500,560
Amount of revision	0	0	0	0	0	0	0	0	0	–160	–84	–4,233
Balance on primary income												
Revised	53,898	26,902	85,005	129,649	115,160	168,221	211,084	207,475	205,977	210,774	180,962	173,225
Previously published	67,632	43,337	100,604	146,146	123,584	177,661	220,961	215,792	218,970	224,005	182,385	180,591
Amount of revision	–13,734	–16,435	–15,599	–16,497	–8,424	–9,440	–9,877	–8,317	–12,993	–13,231	–1,423	–7,366
Balance on secondary income												
Revised	–84,887	–71,149	–90,665	–102,312	–103,907	–104,261	–107,047	–96,900	–93,643	–94,238	–115,116	–120,117
Previously published	–98,822	–88,347	–113,872	–128,209	–123,833	–124,964	–132,690	–125,547	–123,515	–125,888	–144,988	–161,237
Amount of revision	13,935	17,198	23,207	25,897	19,926	20,703	25,643	28,647	29,872	31,650	29,872	41,120
Balance on current account												
Revised	–745,234	–805,964	–711,035	–681,389	–372,521	–430,698	–444,589	–426,198	–349,543	–373,800	–434,598	–451,685
Previously published	–745,434	–806,726	–718,643	–690,789	–384,023	–441,961	–460,354	–446,527	–366,422	–392,060	–462,965	–481,206
Amount of revision	200	762	7,608	9,400	11,502	11,263	15,765	20,329	16,879	18,260	28,367	29,521
Balance on capital account												
Revised	13,116	–1,788	384	6,010	–140	–157	–1,186	6,904	–412	–45	–42	–59
Previously published	13,116	–1,788	384	6,010	–140	–157	–1,186	6,904	–412	–45	–42	–59
Amount of revision	0	0	0	0	0	0	0	0	0	0	0	0
Net lending (+) or net borrowing (–) from financial-account transactions												
Revised	–714,073	–825,583	–632,850	–747,069	–239,386	–446,411	–525,636	–448,857	–403,979	–326,836	–333,155	–377,685
Previously published	–700,721	–809,148	–617,251	–730,572	–230,962	–436,972	–515,759	–440,540	–390,987	–287,378	–195,227	–406,463
Amount of revision	–13,352	–16,435	–15,599	–16,497	–8,424	–9,439	–9,877	–8,317	–12,992	–39,458	–137,928	28,778

	2014				2015				2016			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Balance on goods and services												
Revised	–122,487	–125,035	–119,959	–122,855	–127,059	–122,980	–126,757	–123,649	–126,079	–123,777	–120,889	–134,048
Previously published	–120,514	–125,834	–119,415	–124,414	–126,514	–124,028	–125,611	–124,209	–126,204	–125,806	–116,230	–132,320
Amount of revision	–1,973	799	–544	1,559	–545	1,048	–1,146	560	125	2,029	–4,659	–1,728
Balance on primary income												
Revised	54,196	51,619	55,498	49,462	48,375	42,302	42,013	48,272	38,059	42,746	41,123	51,297
Previously published	56,746	54,623	59,325	53,310	48,351	45,071	41,848	47,115	33,759	43,791	41,585	61,457
Amount of revision	–2,550	–3,004	–3,827	–3,848	24	–2,769	165	1,157	4,300	–1,045	–462	–10,160
Balance on secondary income												
Revised	–22,979	–14,481	–27,420	–29,358	–29,345	–25,819	–31,819	–28,133	–31,189	–27,169	–30,504	–31,255
Previously published	–30,887	–22,849	–35,529	–36,623	–36,386	–32,947	–39,343	–36,312	–40,627	–37,730	–41,361	–41,519
Amount of revision	7,908	8,368	8,109	7,265	7,041	7,128	7,524	8,179	9,438	10,561	10,857	10,264
Balance on current account												
Revised	–91,271	–87,897	–91,881	–102,751	–108,029	–106,496	–116,563	–103,509	–119,210	–108,200	–110,270	–114,006
Previously published	–94,654	–94,060	–95,619	–107,726	–114,549	–111,904	–123,106	–113,406	–133,072	–119,745	–116,007	–112,382
Amount of revision	3,383	6,163	3,738	4,975	6,520	5,408	6,543	9,897	13,862	11,545	5,737	–1,624
Balance on capital account												
Revised	–43	–2	–1	(*)	–22	–20	–1	0	–58	0	–1	0
Previously published	–43	–2	–1	(*)	–22	–20	–1	0	–58	0	–1	0
Amount of revision	0	0	0	0	0	0	0	0	0	0	0	0
Net lending (+) or net borrowing (–) from financial-account transactions												
Revised	–113,710	–99,077	–68,860	–45,188	–135,889	–136,663	–40,736	–19,866	–85,363	–42,274	–175,295	–74,753
Previously published	–129,322	–68,218	–65,993	–23,845	–30,642	–99,605	–43,194	–21,786	–47,061	–43,006	–224,402	–91,995
Amount of revision	15,612	–30,859	–2,867	–21,343	–105,247	–37,058	2,458	1,920	–38,302	732	49,107	17,242

(*) A nonzero value between –\$500,000 and \$500,000.
NOTES. Details may not add to totals because of rounding.

For revisions of quarterly and annual statistics beginning with the first quarter of 1999, see **table 9** in the News Release: U.S. International Transactions: First Quarter 2017 and Annual Update.