

FOR WIRE TRANSMISSION: 8:30 A.M. EST, WEDNESDAY, December 16, 2009

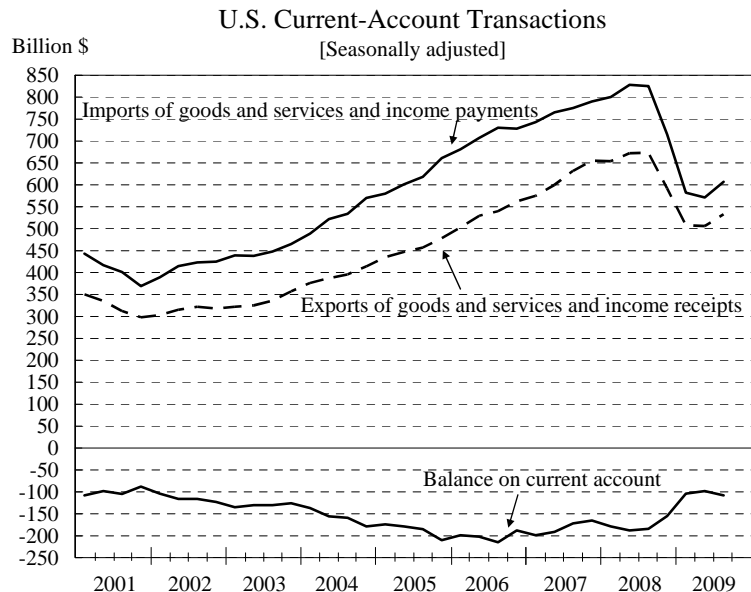
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BEA 09-54

U.S. International Transactions: Third Quarter 2009

Current Account

The U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$108.0 billion (preliminary) in the third quarter of 2009 from \$98.0 billion (revised) in the second quarter. The increase was more than accounted for by an increase in the deficit on goods. A small increase in net unilateral current transfers to foreigners also contributed to the higher current-account deficit. Increases in the surpluses on income and on services were partly offsetting.



Goods and services

The deficit on goods and services increased to \$97.4 billion in the third quarter from \$81.2 billion in the second.

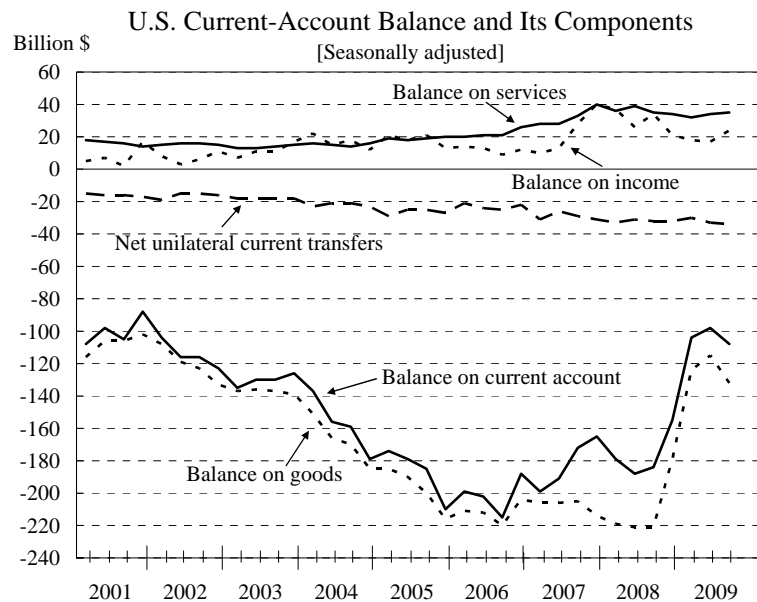
Goods The deficit on goods increased to \$132.1 billion in the third quarter from \$115.5 billion in the second.

NOTE: This news release is available on BEA's Web site at www.bea.gov/newsreleases/rels.htm.

In a departure from BEA's normal schedule for revisions, selected historical statistics for the international transactions accounts released today are revised starting with the first quarter of 1970. The revisions result from a change in the way that BEA records allocations of special drawing rights (SDRs) to the United States and are prompted by the need to record special SDR allocations made by the International Monetary Fund (IMF) in the third quarter to help combat the global financial crisis. (SDRs are international reserve assets created by the IMF and allocated to participating member countries.) Consistent with new international standards, allocations of SDRs to the United States are now recorded as transactions in the financial account. Such allocations were made in the first quarters of 1970, 1971, 1972, 1979, 1980, and 1981 and in the third quarter of 2009. Additional information is available in an [FAQ](#) on BEA's Web site and will also be available in the January *Survey of Current Business* article on U.S. international transactions.

Goods exports increased to \$263.9 billion from \$246.1 billion. The increase was largely accounted for by increases in industrial supplies and materials and in automotive products. Capital goods and consumer goods also increased.

Goods imports increased to \$396.1 billion from \$361.6 billion. The increase was largely accounted for by increases in industrial supplies and materials, mostly in petroleum and products, and in automotive products. Capital goods and consumer goods also increased.



Services The surplus on services increased to \$34.8 billion in the third quarter from \$34.2 billion in the second.

Services exports increased to \$128.6 billion from \$125.3 billion. The increase was mostly accounted for by increases in travel, in "other" private services (such as business, professional, and technical services, insurance services, and financial services), in "other" transportation (such as freight and port services), and in royalties and license fees.

Services imports increased to \$93.9 billion from \$91.0 billion. The increase was mostly accounted for by increases in "other" private services, in travel, in "other" transportation, and in direct defense expenditures.

Income

The surplus on income increased to \$23.7 billion in the third quarter from \$16.7 billion in the second.

Investment income Income receipts on U.S.-owned assets abroad increased to \$139.7 billion from \$134.3 billion. An increase in direct investment receipts was partly offset by decreases in “other” private receipts (which consists of interest and dividends) and in U.S. government receipts.

Income payments on foreign-owned assets in the United States decreased to \$114.2 billion from \$115.9 billion. Decreases in “other” private payments (which consists of interest and dividends) and in U.S. government payments were largely offset by an increase in direct investment payments.

Compensation of employees Receipts for compensation of U.S. workers abroad were virtually unchanged at \$0.7 billion, and payments for compensation of foreign workers in the United States were virtually unchanged at \$2.5 billion.

Unilateral current transfers

Net unilateral current transfers to foreigners were \$34.4 billion in the third quarter, up from \$33.4 billion in the second. The increase was more than accounted for by an increase in U.S. government grants.

Capital Account

Net capital account payments (outflows) were virtually unchanged at \$0.7 billion in the third quarter.

Financial Account

Net financial inflows were \$38.3 billion in the third quarter, down from \$63.3 billion in the second. The slowdown resulted from a shift to an increase from a decrease in U.S.-owned assets abroad (a shift to outflows from inflows) that was mostly offset by a larger increase in foreign-owned assets in the United States in the third quarter than in the second quarter (larger inflows).

U.S.-owned assets abroad

U.S.-owned assets abroad increased \$294.1 billion in the third quarter, following a decrease of \$37.4 billion in the second.

U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$240.1 billion in the third quarter, following an increase of \$27.2 billion in the second. (Examples of these claims are U.S. residents’ deposits at banks abroad and loans by U.S. banks and securities brokers to foreigners.)

Net U.S. purchases of foreign securities were \$47.8 billion in the third quarter, down from \$92.6 billion in the second. Net U.S. purchases of foreign stocks were \$26.8 billion, down from \$37.7 billion.

Net U.S. purchases of foreign bonds were \$21.0 billion, down from \$54.9 billion.

U.S. direct investment abroad increased \$62.7 billion in the third quarter, following an increase of \$47.4 billion in the second. Shifts to increases from decreases in net equity capital investment and in net intercompany debt investment abroad were partly offset by a small reduction in reinvested earnings.

U.S. official reserve assets increased \$49.0 billion in the third quarter, following an increase of \$3.6 billion in the second. The pickup resulted from the allocation of \$47.6 billion in special drawing rights (SDRs) to the United States as part of two new allocations of SDRs by the International Monetary Fund to its member countries.

U.S. government assets other than official reserve assets decreased \$57.9 billion in the third quarter, following a decrease of \$193.8 billion in the second. The decreases in each of the last three quarters resulted from the reversal of swaps initiated under temporary reciprocal currency arrangements between the U.S. Federal Reserve System and foreign central banks.

Foreign-owned assets in the United States

Foreign-owned assets in the United States increased \$332.4 billion in the third quarter, following an increase of \$14.6 billion in the second.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers increased \$127.0 billion in the third quarter, following a decrease of \$178.9 billion in the second. (Examples of these liabilities are deposits of foreign residents at banks in the United States and loans by banks abroad to banks and securities brokers in the United States.)

Net sales of U.S. Treasury securities by private foreigners were \$9.2 billion in the third quarter, down from \$22.8 billion in the second.

Net purchases of U.S. securities other than U.S. Treasury securities by private foreigners were \$24.7 billion in the third quarter, up from \$13.9 billion in the second. Net foreign purchases of U.S. stocks were \$48.6 billion, up from \$35.6 billion. Net foreign purchases of U.S. federally sponsored agency bonds were \$6.6 billion, up from \$0.3 billion. Net foreign sales of U.S. corporate bonds were \$30.4 billion, up from \$22.0 billion.

Foreign direct investment in the United States increased \$40.0 billion in the third quarter, following an increase of \$37.0 billion in the second. The pickup was more than accounted for by larger increases in reinvested earnings and, to a much lesser extent, in net equity capital investment in the United States. In contrast, net intercompany debt investment in the United States slowed.

Foreign official assets in the United States increased \$123.6 billion in the third quarter, following an increase of \$124.3 billion in the second. The third-quarter increase includes, as part of "other" U.S. government liabilities, a \$47.6 billion increase associated with the allocation of SDRs to the United States.

Transactions in U.S. currency shifted to net shipments to foreign countries of \$4.2 billion in the third quarter from net shipments to the United States of \$1.9 billion in the second.

The statistical discrepancy—errors and omissions in recorded transactions—was \$70.4 billion in the third quarter, compared with \$35.4 billion in the second.

In the third quarter, the U.S. dollar depreciated 5 percent on a trade-weighted quarterly average basis against a group of 7 major currencies.

Revisions

The second-quarter international transactions are revised from previously published statistics. The current-account deficit was revised to \$98.0 billion from \$98.8 billion. The goods deficit was unrevised at \$115.5 billion; the services surplus was revised to \$34.2 billion from \$32.5 billion; the income surplus was revised to \$16.7 billion from \$16.4 billion; and unilateral current transfers were revised to net outflows of \$33.4 billion from \$32.2 billion. Net financial inflows were revised to \$63.3 billion from \$58.3 billion.

* * *

Release dates in 2010:

Fourth quarter and year 2009.....	March 18, 2010 (Thursday)
First quarter 2010.....	June 17, 2010 (Thursday)
Second quarter 2010.....	September 16, 2010 (Thursday)
Third quarter 2010.....	December 16, 2010 (Thursday)

* * *

Summary BEA statistics are available on recorded messages at the time of public release at the following telephone numbers:

(202) 606-5306 Gross domestic product
-5303 Personal income and outlays

BEA's national, international, regional, and industry statistics; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

Table 1. U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

	(Credits +, debits -)	2008	2008				2009			Change: 2009 II-III
			I	II	III	IV	I	II r	III p	
Current account										
1	Exports of goods and services and income receipts.....	2,591,233	654,217	671,886	673,383	591,747	507,553	506,482	532,937	26,455
2	Exports of goods and services.....	1,826,596	451,290	473,090	478,064	424,151	372,201	371,409	392,534	21,125
3	Goods, balance of payments basis.....	1,276,994	315,637	332,876	337,912	290,569	249,374	246,134	263,911	17,777
4	Services.....	549,602	135,653	140,214	140,152	133,583	122,827	125,274	128,622	3,348
5	Transfers under U.S. military agency sales contracts.....	22,571	6,226	5,931	5,120	5,295	5,437	6,976	7,142	166
6	Travel.....	110,090	27,072	28,005	28,835	26,178	23,491	22,812	23,886	1,074
7	Passenger fares.....	31,623	7,522	7,950	8,254	7,896	7,146	6,659	6,607	-52
8	Other transportation.....	58,945	14,541	15,601	15,621	13,182	10,779	10,639	11,304	665
9	Royalties and license fees.....	91,599	22,633	23,212	23,069	22,685	19,997	20,763	21,165	402
10	Other private services.....	233,529	57,359	59,209	58,940	58,021	55,665	57,106	58,163	1,057
11	U.S. government miscellaneous services.....	1,245	299	307	313	326	312	319	355	36
12	Income receipts.....	764,637	202,927	198,796	195,319	167,596	135,352	135,074	140,403	5,329
13	Income receipts on U.S.-owned assets abroad.....	761,593	202,163	198,028	194,554	166,847	134,611	134,336	139,672	5,336
14	Direct investment receipts.....	370,747	98,426	100,538	96,047	75,736	63,168	71,566	78,978	7,412
15	Other private receipts.....	385,940	103,024	96,756	97,196	88,964	68,995	61,673	60,010	-1,663
16	U.S. government receipts.....	4,906	713	735	1,311	2,147	2,448	1,097	684	-413
17	Compensation of employees.....	3,044	764	767	765	749	741	738	731	-7
18	Imports of goods and services and income payments.....	-3,168,938	-800,185	-828,458	-825,200	-715,096	-581,660	-571,053	-606,606	-35,553
19	Imports of goods and services.....	-2,522,532	-633,943	-655,937	-664,006	-568,646	-464,609	-452,649	-489,912	-37,263
20	Goods, balance of payments basis.....	-2,117,245	-534,482	-554,372	-559,002	-469,389	-373,411	-361,621	-396,050	-34,429
21	Services.....	-405,287	-99,461	-101,565	-105,004	-99,257	-91,199	-91,028	-93,862	-2,834
22	Direct defense expenditures.....	-36,452	-8,769	-8,986	-9,784	-8,913	-8,454	-8,831	-9,186	-355
23	Travel.....	-79,743	-20,235	-20,109	-19,848	-19,551	-18,504	-17,457	-18,370	-913
24	Passenger fares.....	-32,597	-7,868	-8,029	-8,343	-8,357	-6,979	-6,122	-6,094	28
25	Other transportation.....	-72,143	-17,956	-18,496	-18,924	-16,767	-13,948	-13,022	-13,394	-372
26	Royalties and license fees.....	-26,616	-6,427	-6,537	-7,644	-6,007	-5,687	-6,131	-6,292	-161
27	Other private services.....	-153,267	-37,122	-38,315	-39,331	-38,498	-36,521	-38,279	-39,303	-1,024
28	U.S. government miscellaneous services.....	-4,469	-1,083	-1,092	-1,130	-1,164	-1,105	-1,186	-1,223	-37
29	Income payments.....	-646,406	-166,241	-172,521	-161,194	-146,450	-117,051	-118,404	-116,694	1,710
30	Income payments on foreign-owned assets in the United States.....	-636,043	-163,652	-169,951	-158,618	-143,823	-114,501	-115,913	-114,206	1,707
31	Direct investment payments.....	-120,862	-27,269	-40,071	-29,050	-24,473	-11,970	-23,836	-27,589	-3,753
32	Other private payments.....	-349,871	-94,416	-87,061	-88,504	-79,890	-66,038	-58,782	-55,186	3,596
33	U.S. government payments.....	-165,310	-41,967	-42,819	-41,064	-39,460	-36,493	-33,295	-31,431	1,864
34	Compensation of employees.....	-10,364	-2,590	-2,571	-2,576	-2,627	-2,550	-2,491	-2,488	3
35	Unilateral current transfers, net.....	-128,363	-33,330	-31,147	-32,361	-31,527	-30,343	-33,410	-34,365	-955
36	U.S. government grants.....	-36,003	-10,335	-7,893	-8,568	-9,207	-8,342	-10,841	-11,917	-1,076
37	U.S. government pensions and other transfers.....	-8,390	-2,082	-2,097	-2,113	-2,100	-2,300	-2,342	-2,348	-6
38	Private remittances and other transfers.....	-83,970	-20,913	-21,157	-21,693	-20,207	-19,701	-20,227	-20,100	127

Table 1. U.S. International Transactions (Continued)

[Millions of dollars, quarters seasonally adjusted]

	(Credits +, debits -)	2008	2008				2009			Change: 2009 II-III
			I	II	III	IV	I	II r	III p	
Capital account										
39	Capital account transactions, net.....	953	-637	-682	2,967	-695	-710	-719	-686	33
Financial account										
40	U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-)).....	-106	-251,501	107,343	29,322	114,730	94,734	37,398	-294,102	-331,500
41	U.S. official reserve assets.....	-4,848	-276	-1,267	-179	-3,126	-982	-3,632	-49,021	-45,389
42	Gold.....	0	0	0	0	0	0	0	0	0
43	Special drawing rights.....	-106	-29	-22	-30	-25	-15	-8	-47,720	-47,712
44	Reserve position in the International Monetary Fund.....	-3,473	112	-955	256	-2,886	-754	-3,485	-1,098	2,387
45	Foreign currencies.....	-1,269	-359	-290	-405	-215	-213	-139	-203	-64
46	U.S. government assets, other than official reserve assets.....	-529,615	3,268	-41,592	-225,997	-265,293	244,102	193,750	57,928	-135,822
47	U.S. credits and other long-term assets.....	-2,202	-179	-1,106	-475	-442	-240	-1,947	-397	1,550
48	Repayments on U.S. credits and other long-term assets.....	2,354	490	497	695	672	484	432	476	44
49	U.S. foreign currency holdings and U.S. short-term assets.....	-529,766	2,957	-40,983	-226,217	-265,523	243,858	195,265	57,849	-137,416
50	U.S. private assets.....	534,357	-254,493	150,202	255,498	383,150	-148,387	-152,720	-303,009	-150,289
51	Direct investment.....	-332,012	-89,792	-103,619	-54,115	-84,486	-40,262	-47,442	-62,742	-15,300
52	Foreign securities.....	60,761	-47,870	-40,566	79,182	70,015	-36,201	-92,589	-47,847	44,742
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	372,229	116,232	64,906	87,352	103,739	17,477	14,519	47,656	33,137
54	U.S. claims reported by U.S. banks and securities brokers.....	433,379	-233,063	229,481	143,079	293,882	-89,401	-27,208	-240,076	-212,868
55	Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+)).....	534,071	426,058	2,003	117,897	-11,888	-67,757	14,614	332,407	317,793
56	Foreign official assets in the United States.....	487,021	208,646	178,826	115,573	-16,024	70,892	124,299	123,584	-715
57	U.S. government securities.....	543,498	185,239	169,365	105,920	82,974	118,565	120,661	94,135	-26,526
58	U.S. Treasury securities.....	477,652	106,005	76,220	116,479	178,948	118,309	123,713	123,763	50
59	Other.....	65,846	79,234	93,145	-10,559	-95,974	256	-3,052	-29,628	-26,576
60	Other U.S. government liabilities.....	8,626	1,645	2,439	1,642	2,900	2,720	1,228	53,313	52,085
61	U.S. liabilities reported by U.S. banks and securities brokers.....	-153,443	-24,173	-29,697	9,797	-109,370	-51,891	-732	-27,483	-26,751
62	Other foreign official assets.....	88,340	45,935	36,719	-1,786	7,472	1,498	3,142	3,619	477
63	Other foreign assets in the United States.....	47,050	217,412	-176,823	2,324	4,136	-138,649	-109,685	208,823	318,508
64	Direct investment.....	319,737	59,473	100,706	62,755	96,802	23,851	36,975	40,023	3,048
65	U.S. Treasury securities.....	196,619	16,127	18,947	80,049	81,496	53,716	-22,755	-9,156	13,599
66	U.S. securities other than U.S. Treasury securities.....	-126,737	-15,179	19,983	-102,512	-29,029	-55,992	13,917	24,720	10,803
67	U.S. currency.....	29,187	-6,750	230	5,845	29,862	11,816	-1,935	4,179	6,114
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	-45,167	73,211	-54,996	76,442	-139,824	-8,270	43,003	22,079	-20,924
69	U.S. liabilities reported by U.S. banks and securities brokers.....	-326,589	90,530	-261,693	-120,255	-35,171	-163,770	-178,890	126,978	305,868
70	Financial derivatives, net.....	-28,905	-7,966	-2,355	-4,075	-14,509	8,407	11,265	n.a.	n.a.
71	Statistical discrepancy (sum of above items with sign reversed).....	200,055	13,344	81,410	38,067	67,236	69,777	35,422	70,416	¹ 34,994
Memoranda:										
72	Balance on goods (lines 3 and 20).....	-840,252	-218,846	-221,496	-221,090	-178,820	-124,036	-115,487	-132,138	-16,651
73	Balance on services (lines 4 and 21).....	144,316	36,192	38,649	35,148	34,326	31,628	34,247	34,760	513
74	Balance on goods and services (lines 2 and 19).....	-695,936	-182,653	-182,847	-185,942	-144,495	-92,408	-81,240	-97,378	-16,138
75	Balance on income (lines 12 and 29).....	118,231	36,686	26,274	34,125	21,146	18,301	16,670	23,709	7,039
76	Unilateral current transfers, net (line 35).....	-128,363	-33,330	-31,147	-32,361	-31,527	-30,343	-33,410	-34,365	-955
77	Balance on current account (lines 1, 18, and 35 or lines 74, 75, and 76).....	-706,068	-179,298	-187,719	-184,178	-154,875	-104,450	-97,980	-108,034	-10,054

¹ The statistical discrepancy in this column cannot be calculated as the "sum of above items with sign reversed" because financial derivatives, net (line 70) are not available.

p Preliminary

r Revised

n.a. Not available

NOTE: Details may not add to totals because of rounding. Source: U. S. Bureau of Economic Analysis