

# Technical Note

## U.S. International Transactions, Third Quarter 2020

December 18, 2020

This technical note provides information about the impacts of the COVID-19 pandemic on the international transactions statistics and estimation methods for the third quarter of 2020. The news release, statistics, and other materials are available on BEA's website at [www.bea.gov](http://www.bea.gov).

### Coronavirus (COVID-19) Impact on Third Quarter U.S. International Transactions

All major categories of current account transactions increased in the third quarter following sharp declines in the second quarter, reflecting the resumption of trade and other business activities that were postponed or restricted due to COVID-19. Earlier in the year, many businesses were operating at limited capacity or ceased operations completely and the United States and other countries issued travel advisories or restrictions that led to rapid declines in the numbers of foreign travelers to the United States and U.S. travelers abroad. In the third quarter, travel remained well below pre-pandemic levels.

In the financial account, central bank liquidity swaps, which provided U.S. dollar liquidity internationally earlier in the pandemic, were reduced by \$203.0 billion in the third quarter. Most of the currency swaps between the U.S. Federal Reserve System and foreign central banks that remained at the end of the second quarter were ended in the third quarter, contributing to the continued U.S. withdrawal of deposit assets and the continued U.S. repayment of deposit and loan liabilities. A record level of net shipments of U.S. currency abroad to meet the demand for U.S. currency by foreign residents increased U.S. currency liabilities, partly offsetting the net repayment of U.S. deposit liabilities. More information about the central bank liquidity swaps is available from the [Federal Reserve System](https://www.federalreserve.gov).

The full economic effects of the COVID-19 pandemic cannot be quantified in the statistics because the impacts are generally embedded in source data and cannot be separately identified.

### Impact on Estimation Methods

For international transactions categories based on source data that are lagged, including services categories based on BEA's quarterly surveys of financial, insurance, and other selected services and intellectual property transactions, BEA generally estimates the current quarter using related indicator series and historical trends. To more accurately measure the third quarter transactions given the impact of COVID-19, BEA incorporated early reporting on the Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE-125) and the Quarterly Survey of Financial Services Transactions Between U.S. Financial Services Providers and Foreign Persons (BE-185). Reported

data were available for 75 percent of the reporters for the BE-125 and for 77 percent of the reporters for the BE-185; BEA used its standard methods to estimate companies that had not yet reported.

More complete source data will be incorporated following the schedule described under “Release and update cycle” in the Additional Information section of each international transactions news release.