

FOR WIRE TRANSMISSION: 8:30 A.M. EDT, WEDNESDAY, September 16, 2009

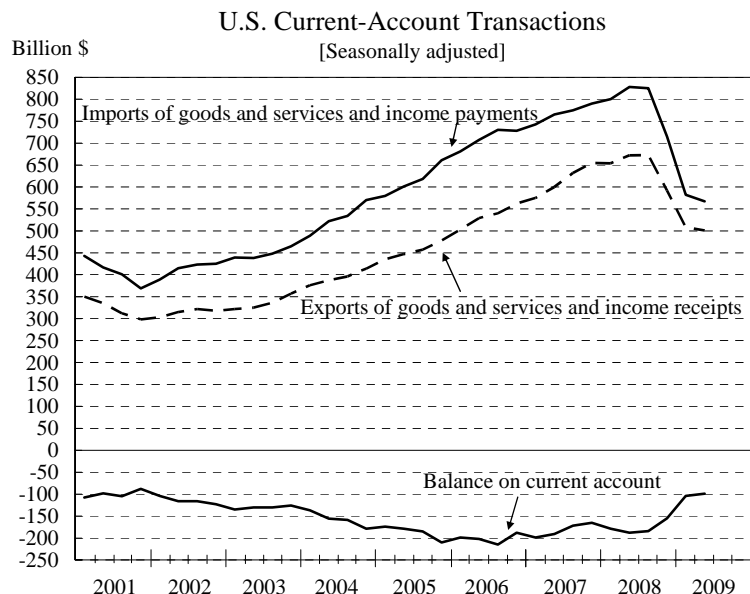
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BEA 09-40

## U.S. International Transactions: Second 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—decreased to \$98.8 billion (preliminary) in the second quarter of 2009, the smallest deficit since the fourth quarter of 2001, from \$104.5 billion (revised) in the first quarter. The decrease was more than accounted for by a decrease in the deficit on goods. A small increase in the surplus on services also contributed to the lower current-account deficit. An increase in net unilateral current transfers to foreigners and a decrease in the surplus on income were partly offsetting.



### Goods and services

The deficit on goods and services decreased to \$83.0 billion in the second quarter from \$92.4 billion in the first.

Goods The deficit on goods decreased to \$115.5 billion in the second quarter from \$124.0 billion in the first.

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

Goods exports decreased to \$246.1 billion from \$249.4 billion. The decrease was more than accounted for by a decrease in capital goods, reflecting declines in most categories of capital goods. Automotive products and consumer goods also decreased. These decreases were partly offset by increases in foods, feeds, and beverages and in industrial supplies and materials.

Goods imports decreased to \$361.6 billion from \$373.4 billion. The decrease was more than accounted for by a decrease in nonpetroleum products, particularly in nonpetroleum industrial supplies and materials and in capital goods. Consumer goods and automotive products also decreased. These decreases were partly offset by an increase in petroleum and products.

Services The surplus on services increased to \$32.5 billion in the second quarter from \$31.6 billion in the first.

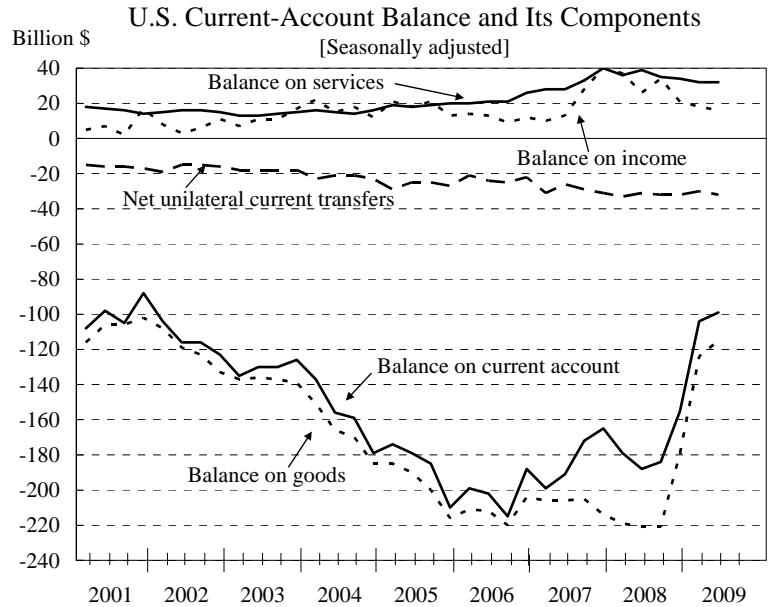
Services exports decreased to \$121.7 billion from \$122.8 billion. The decrease was more than accounted for by decreases in travel, in passenger fares, and in “other” transportation (such as freight and port services). These decreases were partly offset by increases in transfers under U.S. military agency sales contracts and in “other” private services (such as business, professional, and technical services, insurance services, and financial services).

Services imports decreased to \$89.2 billion from \$91.2 billion. The decrease was more than accounted for by decreases in “other” transportation, in travel, and in passenger fares. These decreases were partly offset by increases in “other” private services and in direct defense expenditures.

### Income

The surplus on income decreased to \$16.4 billion in the second quarter from \$18.3 billion in the first.

Investment income Income receipts on U.S.-owned assets abroad decreased to \$132.3 billion from \$134.6 billion. Decreases in “other” private receipts (which consists of interest and dividends) and in U.S. government receipts were mostly offset by an increase in direct investment receipts.



Income payments on foreign-owned assets in the United States decreased to \$114.1 billion from \$114.5 billion. Decreases in “other” private payments (which consists of interest and dividends) and in U.S. government payments were mostly 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 edged down to \$2.5 billion from \$2.6 billion.

#### Unilateral current transfers

Net unilateral current transfers to foreigners were \$32.2 billion in the second quarter, up from \$30.3 billion in the first. 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 second quarter.

#### Financial Account

Net financial inflows were \$58.3 billion in the second quarter, up from \$35.4 billion in the first. The pickup resulted from a shift from financial outflows to financial inflows for foreign-owned assets in the United States that was only partly offset by a slowdown in financial inflows for U.S.-owned assets abroad.

#### U.S.-owned assets abroad

U.S.-owned assets abroad decreased \$41.9 billion in the second quarter, following a decrease of \$94.7 billion in the first.

U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$34.4 billion in the second quarter, following an increase of \$89.4 billion in the first. (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 \$92.4 billion in the second quarter, up from \$36.2 billion in the first. Net U.S. purchases of foreign stocks were \$37.2 billion, up from \$1.8 billion. Net U.S. purchases of foreign bonds were \$55.2 billion, up from \$34.4 billion.

U.S. direct investment abroad increased \$44.9 billion in the second quarter, following an increase of \$40.3 billion in the first. A pickup in reinvested earnings was partly offset by a shift from an increase to a decrease in net equity capital investment abroad and a larger decrease in net intercompany debt investment abroad.

U.S. official reserve assets increased \$3.6 billion in the second quarter, following an increase of \$1.0 billion in the first.

U.S. government assets other than official reserve assets decreased \$193.9 billion in the second quarter, following a decrease of \$244.1 billion in the first. The decreases in both quarters resulted from the reversal of some of the 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 \$16.4 billion in the second quarter, following a decrease of \$67.8 billion in the first.

U.S. liabilities to foreigners reported by U.S. banks and securities brokers decreased \$144.4 billion in the second quarter, following a decrease of \$163.8 billion in the first. (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.)

Transactions in U.S. Treasury securities by private foreigners shifted to net foreign sales of \$22.7 billion in the second quarter from net foreign purchases of \$53.7 billion in the first.

Transactions in U.S. securities other than U.S. Treasury securities by private foreigners shifted to net foreign purchases of \$14.2 billion in the second quarter from net foreign sales of \$56.0 billion in the first. Transactions in U.S. federally sponsored agency bonds shifted to net foreign purchases of \$0.4 billion from net foreign sales of \$49.7 billion. Net foreign purchases of U.S. stocks were \$35.8 billion, up from \$6.1 billion. Net foreign sales of U.S. corporate bonds were \$22.0 billion, up from \$12.4 billion.

Foreign direct investment in the United States increased \$26.1 billion in the second quarter, following an increase of \$23.9 billion in the first. A shift from negative to positive reinvested earnings was mostly offset by slowdowns in net intercompany debt investment and net equity capital investment in the United States.

Foreign official assets in the United States increased \$125.0 billion in the second quarter, following an increase of \$70.9 billion in the first.

Transactions in U.S. currency shifted to net shipments to the United States of \$1.9 billion in the second quarter from net shipments to foreign countries of \$11.8 billion in the first.

The statistical discrepancy—errors and omissions in recorded transactions—was \$41.2 billion in the second quarter, compared with \$69.8 billion in the first.

In the second quarter, the U.S. dollar depreciated 4 percent on a trade-weighted quarterly average basis against a group of 7 major currencies.

### Revisions

The first-quarter international transactions are revised from previously published statistics. The current-account deficit was revised to \$104.5 billion from \$101.5 billion. The goods deficit was unrevised at \$124.0 billion; the services surplus was revised to \$31.6 billion from \$32.8 billion; the income surplus was revised to \$18.3 billion from \$19.3 billion; and unilateral current transfers were revised to net outflows of \$30.3 billion from \$29.6 billion. Net financial inflows were revised to \$35.4 billion from \$47.1 billion.

\* \* \*

Release dates in 2009:

Fourth quarter and year 2008.....	March 18, 2009 (Wednesday)
First quarter 2009.....	June 17, 2009 (Wednesday)
Second quarter 2009.....	September 16, 2009 (Wednesday)
Third quarter 2009.....	December 16, 2009 (Wednesday)

\* \* \*

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](http://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:I - 2009:II
			I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>	
	<b>Current account</b>								
<b>1</b>	<b>Exports of goods and services and income receipts.....</b>	<b>2,591,233</b>	<b>654,217</b>	<b>671,886</b>	<b>673,383</b>	<b>591,747</b>	<b>507,553</b>	<b>500,835</b>	<b>-6,718</b>
2	Exports of goods and services.....	1,826,596	451,290	473,090	478,064	424,151	372,201	367,816	-4,385
3	Goods, balance of payments basis.....	1,276,994	315,637	332,876	337,912	290,569	249,374	246,134	-3,240
4	Services.....	549,602	135,653	140,214	140,152	133,583	122,827	121,682	-1,145
5	Transfers under U.S. military agency sales contracts.....	22,571	6,226	5,931	5,120	5,295	5,437	5,846	409
6	Travel.....	110,090	27,072	28,005	28,835	26,178	23,491	22,476	-1,015
7	Passenger fares.....	31,623	7,522	7,950	8,254	7,896	7,146	6,507	-639
8	Other transportation.....	58,945	14,541	15,601	15,621	13,182	10,779	10,652	-127
9	Royalties and license fees.....	91,599	22,633	23,212	23,069	22,685	19,997	19,991	-6
10	Other private services.....	233,529	57,359	59,209	58,940	58,021	55,665	55,891	226
11	U.S. government miscellaneous services.....	1,245	299	307	313	326	312	319	7
12	Income receipts.....	764,637	202,927	198,796	195,319	167,596	135,352	133,019	-2,333
13	Income receipts on U.S.-owned assets abroad.....	761,593	202,163	198,028	194,554	166,847	134,611	132,282	-2,329
14	Direct investment receipts.....	370,747	98,426	100,538	96,047	75,736	63,168	69,829	6,661
15	Other private receipts.....	385,940	103,024	96,756	97,196	88,964	68,995	61,360	-7,635
16	U.S. government receipts.....	4,906	713	735	1,311	2,147	2,448	1,093	-1,355
17	Compensation of employees.....	3,044	764	767	765	749	741	737	-4
<b>18</b>	<b>Imports of goods and services and income payments.....</b>	<b>-3,168,938</b>	<b>-800,185</b>	<b>-828,458</b>	<b>-825,200</b>	<b>-715,096</b>	<b>-581,660</b>	<b>-567,401</b>	<b>14,259</b>
19	Imports of goods and services.....	-2,522,532	-633,943	-655,937	-664,006	-568,646	-464,609	-450,821	13,788
20	Goods, balance of payments basis.....	-2,117,245	-534,482	-554,372	-559,002	-469,389	-373,411	-361,621	11,790
21	Services.....	-405,287	-99,461	-101,565	-105,004	-99,257	-91,199	-89,200	1,999
22	Direct defense expenditures.....	-36,452	-8,769	-8,986	-9,784	-8,913	-8,454	-8,629	-175
23	Travel.....	-79,743	-20,235	-20,109	-19,848	-19,551	-18,504	-17,598	906
24	Passenger fares.....	-32,597	-7,868	-8,029	-8,343	-8,357	-6,979	-6,322	657
25	Other transportation.....	-72,143	-17,956	-18,496	-18,924	-16,767	-13,948	-12,722	1,226
26	Royalties and license fees.....	-26,616	-6,427	-6,537	-7,644	-6,007	-5,687	-5,689	-2
27	Other private services.....	-153,267	-37,122	-38,315	-39,331	-38,498	-36,521	-37,054	-533
28	U.S. government miscellaneous services.....	-4,469	-1,083	-1,092	-1,130	-1,164	-1,105	-1,186	-81
29	Income payments.....	-646,406	-166,241	-172,521	-161,194	-146,450	-117,051	-116,581	470
30	Income payments on foreign-owned assets in the United States.....	-636,043	-163,652	-169,951	-158,618	-143,823	-114,501	-114,085	416
31	Direct investment payments.....	-120,862	-27,269	-40,071	-29,050	-24,473	-11,970	-20,626	-8,656
32	Other private payments.....	-349,871	-94,416	-87,061	-88,504	-79,890	-66,038	-58,747	7,291
33	U.S. government payments.....	-165,310	-41,967	-42,819	-41,064	-39,460	-36,493	-34,712	1,781
34	Compensation of employees.....	-10,364	-2,590	-2,571	-2,576	-2,627	-2,550	-2,496	54
<b>35</b>	<b>Unilateral current transfers, net.....</b>	<b>-128,363</b>	<b>-33,330</b>	<b>-31,147</b>	<b>-32,361</b>	<b>-31,527</b>	<b>-30,343</b>	<b>-32,226</b>	<b>-1,883</b>
36	U.S. government grants.....	-36,003	-10,335	-7,893	-8,568	-9,207	-8,342	-10,488	-2,146
37	U.S. government pensions and other transfers.....	-8,390	-2,082	-2,097	-2,100	-2,113	-2,300	-2,280	20
38	Private remittances and other transfers.....	-83,970	-20,913	-21,157	-21,693	-20,207	-19,701	-19,458	243

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

[Millions of dollars, quarters seasonally adjusted]

	(Credits +, debits -)	2008	2008				2009		Change: 2009:I - 2009:II
			I	II	III	IV	I <sup>r</sup>	II <sup>p</sup>	
<b>Capital account</b>									
<b>39</b>	<b>Capital account transactions, net.....</b>	<b>953</b>	<b>-637</b>	<b>-682</b>	<b>2,967</b>	<b>-695</b>	<b>-710</b>	<b>-693</b>	<b>17</b>
<b>Financial account</b>									
<b>40</b>	<b>U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-)).....</b>	<b>-106</b>	<b>-251,501</b>	<b>107,343</b>	<b>29,322</b>	<b>114,730</b>	<b>94,734</b>	<b>41,865</b>	<b>-52,869</b>
41	U.S. official reserve assets.....	-4,848	-276	-1,267	-179	-3,126	-982	-3,632	-2,650
42	Gold.....	0	0	0	0	0	0	0	0
43	Special drawing rights.....	-106	-29	-22	-30	-25	-15	-8	7
44	Reserve position in the International Monetary Fund.....	-3,473	112	-955	256	-2,886	-754	-3,485	-2,731
45	Foreign currencies.....	-1,269	-359	-290	-405	-215	-213	-139	74
46	U.S. government assets, other than official reserve assets.....	-529,615	3,268	-41,592	-225,997	-265,293	244,102	193,862	-50,240
47	U.S. credits and other long-term assets.....	-2,202	-179	-1,106	-475	-442	-240	-1,949	-1,709
48	Repayments on U.S. credits and other long-term assets.....	2,354	490	497	695	672	484	471	-13
49	U.S. foreign currency holdings and U.S. short-term assets.....	-529,766	2,957	-40,983	-226,217	-265,523	243,858	195,340	-48,518
50	U.S. private assets.....	534,357	-254,493	150,202	255,498	383,150	-148,387	-148,365	22
51	Direct investment.....	-332,012	-89,792	-103,619	-54,115	-84,486	-40,262	-44,861	-4,599
52	Foreign securities.....	60,761	-47,870	-40,566	79,182	70,015	-36,201	-42,406	-56,205
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	23,282	5,805
54	U.S. claims reported by U.S. banks and securities brokers.....	433,379	-233,063	229,481	143,079	293,882	-89,401	-34,380	55,021
<b>55</b>	<b>Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+)).....</b>	<b>534,071</b>	<b>426,058</b>	<b>2,003</b>	<b>117,897</b>	<b>-11,888</b>	<b>-67,757</b>	<b>16,393</b>	<b>84,150</b>
56	Foreign official assets in the United States.....	487,021	208,646	178,826	115,573	-16,024	70,892	124,989	54,097
57	U.S. government securities.....	543,498	185,239	169,365	105,920	82,974	118,565	120,443	1,878
58	U.S. Treasury securities.....	477,652	106,005	76,220	116,479	178,948	118,309	123,495	5,186
59	Other.....	65,846	79,234	93,145	-10,559	-95,974	256	-3,052	-3,308
60	Other U.S. government liabilities.....	8,626	1,645	2,439	1,642	2,900	2,720	1,905	-815
61	U.S. liabilities reported by U.S. banks and securities brokers.....	-153,443	-24,173	-29,697	9,797	-109,370	-51,891	-501	51,390
62	Other foreign official assets.....	88,340	45,935	36,719	-1,786	7,472	1,498	3,142	1,644
63	Other foreign assets in the United States.....	47,050	217,412	-176,823	2,324	4,136	-138,649	-108,596	30,053
64	Direct investment.....	319,737	59,473	100,706	62,755	96,802	23,851	26,137	2,286
65	U.S. Treasury securities.....	196,619	16,127	18,947	80,049	81,496	53,716	-22,740	-76,456
66	U.S. securities other than U.S. Treasury securities.....	-126,737	-15,179	19,983	-102,512	-29,029	-55,992	14,173	70,165
67	U.S. currency.....	29,187	-6,750	230	5,845	29,862	11,816	-1,935	-13,751
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	20,160	28,430
69	U.S. liabilities reported by U.S. banks and securities brokers.....	-326,589	90,530	-261,693	-120,255	-35,171	-163,770	-144,391	19,379
<b>70</b>	<b>Financial derivatives, net.....</b>	<b>-28,905</b>	<b>-7,966</b>	<b>-2,355</b>	<b>-4,075</b>	<b>-14,509</b>	<b>8,407</b>	<b>n.a.</b>	<b>n.a.</b>
<b>71</b>	<b>Statistical discrepancy (sum of above items with sign reversed).....</b>	<b>200,055</b>	<b>13,344</b>	<b>81,410</b>	<b>38,067</b>	<b>67,236</b>	<b>69,777</b>	<b>41,227</b>	<b><sup>1</sup>-28,550</b>
<b>Memoranda:</b>									
72	Balance on goods (lines 3 and 20).....	-840,252	-218,846	-221,496	-221,090	-178,820	-124,036	-115,487	8,549
73	Balance on services (lines 4 and 21).....	144,316	36,192	38,649	35,148	34,326	31,628	32,482	854
74	Balance on goods and services (lines 2 and 19).....	-695,936	-182,653	-182,847	-185,942	-144,495	-92,408	-83,004	9,404
75	Balance on income (lines 12 and 29).....	118,231	36,686	26,274	34,125	21,146	18,301	16,438	-1,863
76	Unilateral current transfers, net (line 35).....	-128,363	-33,330	-31,147	-32,361	-31,527	-30,343	-32,226	-1,883
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	-98,792	5,658

<sup>1</sup> 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