

U.S. International Transactions

First Quarter of 2015

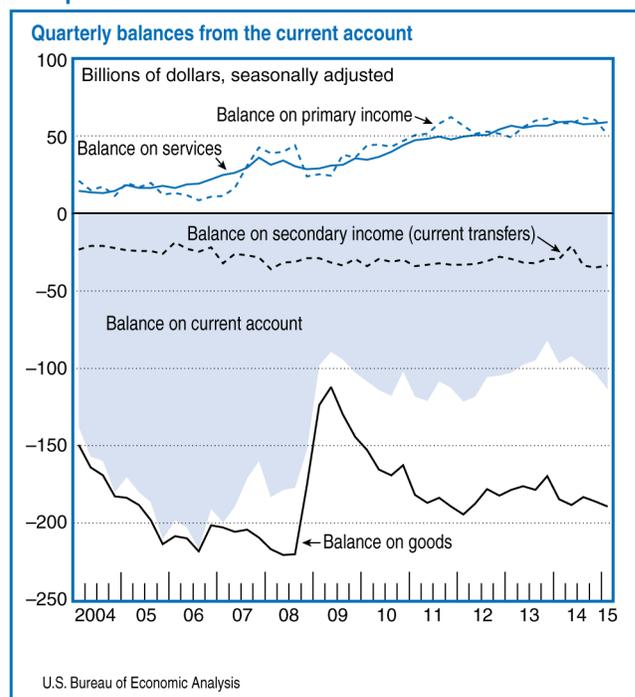
THE U.S. CURRENT-ACCOUNT deficit—a net measure of transactions between the United States and the rest of the world in goods, services, primary income (investment income and compensation), and secondary income (current transfers)—increased to \$113.3 billion (preliminary) in the first quarter of 2015 from \$103.1 billion (revised) in the fourth quarter of 2014 (chart 1; see also table A on page 2).¹ The deficit increased to 2.6 percent of current-dollar gross domestic product (GDP) from 2.3 percent in the fourth quarter. The increase in the current-account deficit was largely accounted for by a decrease in the surplus on primary income. In addition, the deficit on goods increased. These changes were partly offset by an increase in the surplus on services and a decrease in the deficit on secondary income.

Net U.S. borrowing measured by financial-account transactions was \$47.9 billion in the first quarter, up slightly from \$47.8 billion in the fourth quarter (table A). Net U.S. acquisition of financial assets excluding financial derivatives increased more than net U.S. incurrence of liabilities excluding financial derivatives. However, the change in net transactions in financial derivatives other than reserves more than offset the combined changes in net acquisition of assets and net incurrence of liabilities excluding financial derivatives, thereby slightly increasing net U.S. borrowing measured in the financial account.

The statistical discrepancy—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—was \$65.5 billion in the first quarter, compared with \$55.4 billion in the fourth quarter.

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



1. Quarterly statistics are seasonally adjusted when series demonstrate statistically significant seasonal patterns; seasonally adjusted statistics are cited in this article when available.

Overview

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II ^r	III ^r	IV ^r	I ^p	
Current account					
Exports of goods and services and income receipts (credits)	835,686	830,374	827,361	794,154	-33,207
Exports of goods and services	587,873	589,263	588,935	564,261	-24,674
Goods.....	409,152	412,933	409,126	382,715	-26,411
Services	178,721	176,331	179,810	181,546	1,736
Primary income receipts	204,850	209,715	206,554	196,561	-9,993
Secondary income (current transfer) receipts	42,962	31,396	31,872	33,332	1,460
Imports of goods and services and income payments (debits)	927,725	928,279	930,499	907,491	-23,008
Imports of goods and services.....	716,585	715,134	717,258	694,522	-22,736
Goods.....	597,265	596,009	595,089	571,705	-23,384
Services	119,320	119,126	122,170	122,816	646
Primary income payments	146,915	147,985	146,529	145,807	-722
Secondary income (current transfer) payments	64,225	65,160	66,712	67,162	450
Capital account					
Capital transfer receipts and other credits	0	0	0	0	0
Capital transfer payments and other debits....	2	1	(*)	n.a.	n.a.
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets/financial outflow (+))	239,149	359,601	41,690	325,128	283,438
Direct investment assets	90,293	99,300	112,547	75,635	-36,912
Portfolio investment assets	195,068	162,884	81,125	230,179	149,054
Other investment assets	-46,986	98,306	-149,471	23,473	172,944
Reserve assets	773	-889	-2,511	-4,159	-1,648
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities/financial inflow (+))	283,271	364,518	57,712	332,837	275,125
Direct investment liabilities.....	78,405	106,473	52,378	186,182	133,804
Portfolio investment liabilities	88,549	240,879	132,976	100,816	-32,160
Other investment liabilities	116,317	17,166	-127,642	45,839	173,481
Financial derivatives other than reserves, net transactions	-4,513	-24,269	-31,737	-40,149	-8,412
Statistical discrepancy					
Statistical discrepancy ¹	43,406	68,720	55,379	65,480	10,101
Balances					
Balance on current account	-92,039	-97,905	-103,138	-113,337	-10,199
Balance on goods and services.....	-128,712	-125,871	-128,323	-130,261	-1,938
Balance on goods	-188,113	-183,076	-185,963	-188,990	-3,027
Balance on services	59,401	57,205	57,640	58,730	1,090
Balance on primary income	57,935	61,730	60,025	50,754	-9,271
Balance on secondary income.....	-21,263	-33,764	-34,840	-33,830	1,010
Balance on capital account	-2	-1	(*)	0	(*)
Net lending (+) or net borrowing (-) from current- and capital-account transactions ²	-92,041	-97,906	-103,138	-113,337	-10,199
Net lending (+) or net borrowing (-) from financial-account transactions ³	-48,635	-29,186	-47,759	-47,858	-99

p Preliminary r Revised n.a. Not available * A nonzero value between -\$500,000 and \$500,000

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

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

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

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

Current-account highlights

- The deficit on goods increased to \$189.0 billion in the first quarter from \$186.0 billion in the fourth quarter (table A).
- The surplus on services increased to \$58.7 billion from \$57.6 billion.
- The surplus on primary income decreased to \$50.8 billion from \$60.0 billion.
- The deficit on secondary income decreased to \$33.8 billion from \$34.8 billion.

Financial-account highlights

- Net U.S. acquisition of financial assets excluding financial derivatives was \$325.1 billion in the first quarter, up from \$41.7 billion in the fourth quarter (see chart 9 on page 7).
- Net U.S. incurrence of liabilities to foreigners excluding financial derivatives was \$332.8 billion, up from \$57.7 billion.
- Net transactions in financial derivatives other than reserves were -\$40.1 billion in the first quarter, compared with -\$31.7 billion in the fourth quarter, reflecting an increase in net borrowing.

Revisions

The U.S. international transactions statistics for the first quarter of 1999 to the fourth quarter of 2014 have been revised to incorporate newly available and revised source data, updated seasonal adjustments, a change in classification, and a change in source data. For more information, see "Annual Revision of the U.S. International Transactions Accounts" in this issue.

Preliminary and Revised Fourth-Quarter 2014 Statistics

[Millions of dollars, seasonally adjusted]

	Preliminary	Revised
Balance on goods.....	-185,183	-185,963
Balance on services	58,156	57,640
Balance on primary income.....	50,623	60,025
Balance on secondary income (current transfers)	-37,046	-34,840
Balance on current account.....	-113,451	-103,138
Net U.S. acquisition of financial assets	77,195	41,690
Net U.S. incurrence of liabilities.....	56,208	57,712
Net lending/borrowing from financial-account transactions	-10,750	-47,759

Current Account—Goods Exports

Table B. Goods Exports

[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II ^r	III ^r	IV ^r	I ^p	
Exports of goods	409,152	412,933	409,126	382,715	-26,411
General merchandise	405,199	407,927	401,801	377,174	-24,627
Foods, feeds, and beverages	36,413	34,661	36,021	32,706	-3,315
Grains and preparations.....	9,480	8,150	7,121	7,499	378
Soybeans.....	4,947	5,077	7,781	4,543	-3,238
Other foods, feeds, and beverages.....	21,986	21,434	21,119	20,664	-455
Industrial supplies and materials	127,152	128,831	120,392	107,846	-12,546
Energy products.....	47,818	48,385	40,736	32,637	-8,099
Of which: Petroleum and products.....	42,026	43,659	36,108	27,908	-8,200
Nonenergy products.....	79,334	80,446	79,656	75,209	-4,447
Chemicals except medicinals.....	30,011	30,120	30,139	28,354	-1,785
Metals and nonmetallic products.....	22,000	23,208	22,675	20,919	-1,756
Other non-energy products.....	27,323	27,118	26,842	25,936	-906
Capital goods except automotive	137,309	139,156	139,888	135,574	-4,314
Electric generating machinery, apparatus, and parts.....	14,211	14,518	14,733	14,133	-600
Industrial engines, pumps, and compressors.....	7,367	7,620	7,614	7,218	-396
Other industrial machinery.....	19,711	20,378	20,390	19,759	-631
Computers, peripherals, and parts.....	12,255	12,299	12,040	11,528	-512
Semiconductors.....	10,814	11,015	11,007	10,844	-163
Telecommunications equipment.....	9,626	10,371	10,523	10,086	-437
Other machinery, equipment, tools, and instruments.....	33,093	32,611	32,364	31,007	-1,357
Civilian aircraft, engines, and parts.....	28,553	28,771	29,308	29,371	63
Other transportation equipment.....	1,679	1,574	1,908	1,627	-281
Automotive vehicles, parts, and engines	39,897	41,626	40,307	36,909	-3,398
Passenger cars.....	15,567	16,128	14,631	12,963	-1,668
Trucks, buses, and special purpose vehicles.....	4,915	5,285	5,207	4,409	-798
Engines, parts, and accessories.....	19,416	20,213	20,469	19,536	-933
Consumer goods except food and automotive	49,837	49,904	50,084	50,489	405
Nondurable goods.....	21,686	22,185	22,366	23,193	827
Medicinal, dental, and pharmaceutical products.....	12,514	13,064	13,089	14,230	1,141
Other.....	9,172	9,121	9,277	8,963	-314
Durable goods.....	28,151	27,719	27,717	27,296	-421
Household and kitchen appliances and other household goods.....	9,935	10,247	10,208	10,171	-37
Other.....	18,216	17,472	17,509	17,125	-384
Other general merchandise	14,591	13,749	15,110	13,650	-1,460
Net exports of goods under merchandising	64	103	53	59	6
Nonmonetary gold	3,889	4,902	7,271	5,482	-1,789

p Preliminary r Revised

NOTE: The statistics are presented in table 2.1 on BEA's Web site.

Goods exports decreased to \$382.7 billion, or 6.5 percent, from \$409.1 billion (table B and chart 2).

Exports decreased in five of the six major general-merchandise end-use categories and in non-monetary gold. The largest decreases were in industrial supplies and materials and in capital goods except automotive. The decrease in industrial supplies and materials was primarily due to a decrease in petroleum and products; it also reflected decreases in chemicals except medicinals and in metals and nonmetallic products.

Exports to Canada decreased for the second consecutive quarter, exports to China decreased after increasing in the fourth quarter, and exports to Mexico decreased for the third consecutive quarter (chart 3).

Chart 2. Growth in Goods Exports and Imports

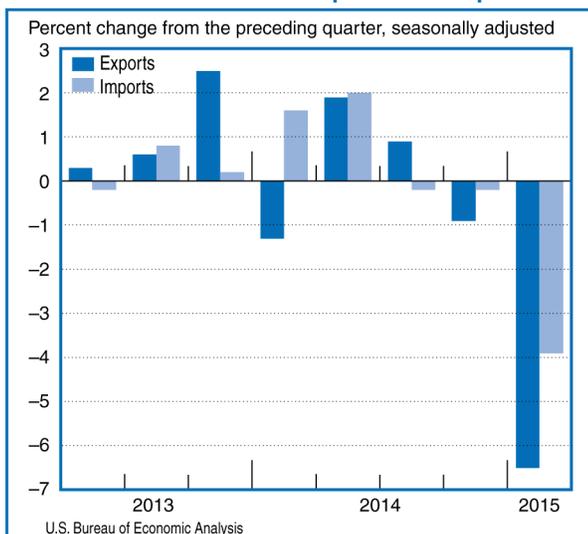
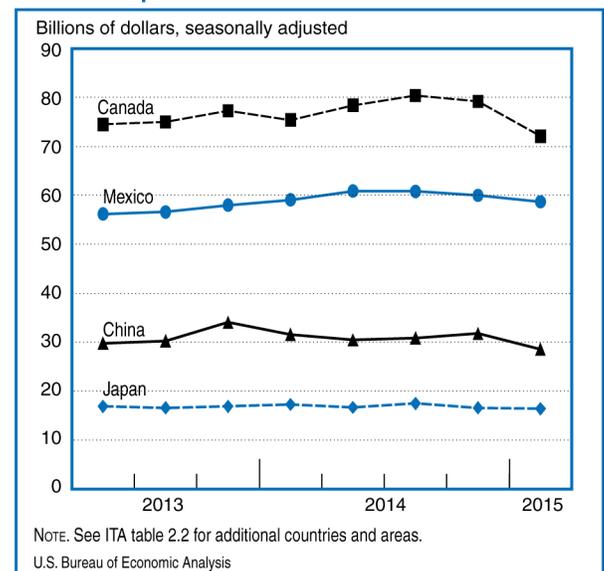


Chart 3. Exports of Goods to Selected Countries



Current Account—Goods Imports

Table C. Goods Imports
[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II ^r	III ^r	IV ^r	I ^p	
Imports of goods	597,265	596,009	595,089	571,705	-23,384
General merchandise	593,541	591,750	591,428	568,732	-22,696
Foods, feeds, and beverages	32,288	32,049	32,112	32,424	312
Industrial supplies and materials	169,946	166,846	160,564	132,475	-28,089
Energy products.....	95,425	91,237	84,555	58,743	-25,812
<i>Of which: Petroleum and products</i>	89,663	86,048	79,150	53,788	-25,362
Nonenergy products.....	74,521	75,609	76,009	73,732	-2,277
Chemicals except medicinals.....	20,416	20,921	19,854	19,215	-639
Metals and nonmetallic products.....	28,611	28,960	30,010	28,556	-1,454
Nonferrous metals.....	9,793	9,282	9,848	9,420	-428
Other metals and nonmetallic products.....	18,818	19,678	20,162	19,136	-1,026
Other nonenergy products.....	25,494	25,728	26,145	25,961	-184
Capital goods except automotive	148,679	151,305	152,546	152,468	-78
Machinery and equipment except consumer-type Electric generating machinery, apparatus, and parts.....	17,780	17,843	18,158	18,592	434
Industrial engines, pumps, and compressors.....	6,250	6,362	6,330	6,229	-101
Computers, accessories, peripherals, and parts.....	29,904	30,548	32,016	29,670	-2,346
Semiconductors.....	11,063	11,053	11,520	10,947	-573
Telecommunications equipment.....	14,730	14,932	14,960	15,774	814
Other machinery, equipment, tools, and instruments.....	54,071	54,509	54,537	55,885	1,348
Civilian aircraft, engines, and parts.....	13,229	14,169	13,044	13,593	549
<i>Of which: Civilian aircraft, complete, all types</i>	4,077	4,772	3,956	4,484	528
Other transportation equipment.....	1,652	1,889	1,980	1,778	-202
Automotive vehicles, parts, and engines	82,958	83,445	83,931	83,904	-27
Passenger cars.....	39,263	38,517	38,907	39,550	643
Trucks, buses, and special purpose vehicles.....	8,321	8,098	8,556	8,760	204
Engines, parts, and accessories.....	35,374	36,829	36,468	35,594	-874
Consumer goods except food and automotive	140,259	139,139	143,437	147,715	4,278
Nondurable goods.....	64,877	64,892	65,104	68,891	3,787
Medicinal, dental, and pharmaceutical products.....	23,575	23,466	23,092	25,034	1,942
Other.....	41,302	41,426	42,012	43,857	1,845
Durable goods.....	75,383	74,247	78,334	78,824	490
Household and kitchen appliances and other household goods.....	41,232	40,451	44,220	44,329	109
<i>Of which: Other household goods, including cell phones</i>	27,804	26,318	29,746	29,812	66
Other.....	34,151	33,796	34,114	34,495	381
Other general merchandise	19,410	18,966	18,838	19,747	909
Nonmonetary gold	3,723	4,259	3,660	2,973	-687

p Preliminary r Revised

NOTE: The statistics are presented in table 2.1 on BEA's Web site.

Goods imports decreased to \$571.7 billion, or 3.9 percent, from \$595.1 billion (table C; see also chart 2 on page 3).

Imports decreased in three of the six major general-merchandise end-use categories and in non-monetary gold. The largest decrease—which more than accounted for the total decrease in goods imports—was in industrial supplies and materials, largely reflecting a decrease in petroleum and products. The largest increase was in consumer goods except food and automotive, mostly due to increased imports of nondurable goods.

Imports from Canada decreased for the second consecutive quarter, and imports from Mexico decreased after increasing in the fourth quarter. In contrast, imports from China increased for the fourth consecutive quarter (chart 4).

The deficit on petroleum and products decreased in the first quarter to \$25.9 billion. The first-quarter deficit was less than half that of the first quarter of 2014. Imports of petroleum and products decreased for the fourth consecutive quarter, and exports decreased for the second consecutive quarter. The deficit on nonpetroleum products increased for the fifth consecutive quarter, to \$163.1 billion (chart 5).

Chart 4. Imports of Goods from Selected Countries

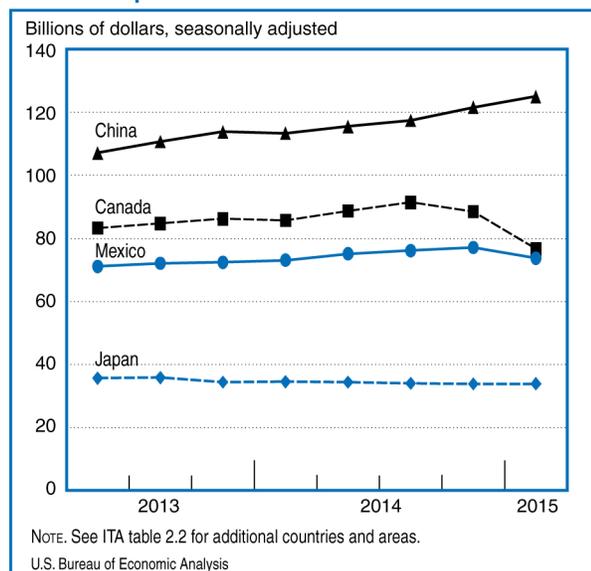
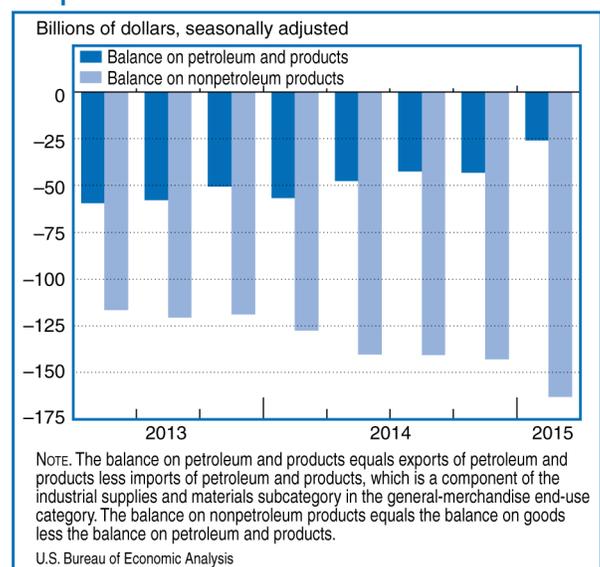


Chart 5. Balance on Total Petroleum and Nonpetroleum Products



Current Account—Services

Table D. Services Exports and Imports

[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II r	III r	IV r	I p	
Exports of services	178,721	176,331	179,810	181,546	1,736
Maintenance and repair services n.i.e.	5,591	5,671	6,123	6,020	-103
Transport	22,574	22,621	22,754	22,011	-743
Of which: Air passenger transport.....	16,993	16,985	16,995	16,326	-669
Travel (for all purposes including education).....	44,929	43,722	44,399	45,506	1,107
Business.....	10,322	10,028	9,727	9,708	-19
Personal.....	34,608	33,694	34,672	35,798	1,126
Insurance services.....	4,422	4,340	4,453	4,529	76
Financial services.....	22,456	21,351	22,410	22,437	27
Charges for the use of intellectual property n.i.e.	32,880	32,355	32,499	32,632	133
Industrial processes.....	12,183	12,190	12,537	12,756	219
Computer software.....	9,962	9,939	9,567	9,426	-141
Other.....	10,735	10,226	10,395	10,450	55
Telecommunications, computer, and information services.....	9,171	8,980	8,928	8,938	10
Other business services.....	31,685	32,183	33,787	34,538	801
Government goods and services n.i.e.	5,013	5,106	4,456	4,884	428
Imports of services	119,320	119,126	122,170	122,816	646
Maintenance and repair services n.i.e.	1,878	1,854	1,974	2,027	53
Transport	23,416	23,377	24,334	24,849	515
Of which: Air passenger transport.....	13,388	13,338	13,874	14,305	431
Travel (for all purposes including education).....	27,900	27,767	28,814	28,693	-121
Business.....	4,633	4,482	4,607	4,256	-351
Personal.....	23,267	23,284	24,207	24,437	230
Insurance services.....	12,628	12,496	12,592	12,448	-144
Financial services.....	4,913	5,003	4,941	5,094	153
Charges for the use of intellectual property n.i.e.	10,337	10,571	10,720	10,862	142
Industrial processes.....	5,821	6,067	6,124	6,157	33
Computer software.....	1,677	1,690	1,849	1,894	45
Other.....	2,838	2,813	2,749	2,812	63
Telecommunications, computer, and information services.....	8,312	8,359	8,302	8,227	-75
Other business services.....	23,834	23,588	24,582	24,793	211
Government goods and services n.i.e.	6,103	6,111	5,910	5,822	-88

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

NOTE: The statistics are presented in table 3.1 on BEAs Web site. For additional information on services, see Alexis Grimm and Charu Krishnan, "U.S. International Services: Trade in Services in 2013 and Services Supplied Through Affiliates in 2012" SURVEY OF CURRENT BUSINESS 94 (October 2014).

Services exports increased to \$181.5 billion, or 1.0 percent, from \$179.8 billion (table D and chart 6). Exports increased in seven of the nine major services categories. The largest increases were in travel (for all purposes including education)—particularly personal travel—and in other business services. The largest decrease was in transport, mostly due to a decrease in air transport.

Services imports increased to \$122.8 billion, or 0.5 percent, from \$122.2 billion. Imports increased in five of the nine major services categories. The largest increase was in transport, primarily due to an increase in air transport.

Exports to China increased for the fifth consecutive quarter, and exports to the United Kingdom increased for the eighth consecutive quarter. In contrast, exports to Canada decreased after increasing slightly in the fourth quarter. Imports from Germany and from the United Kingdom both increased for the second consecutive quarter (chart 7).

Chart 6. Growth in Services Exports and Imports

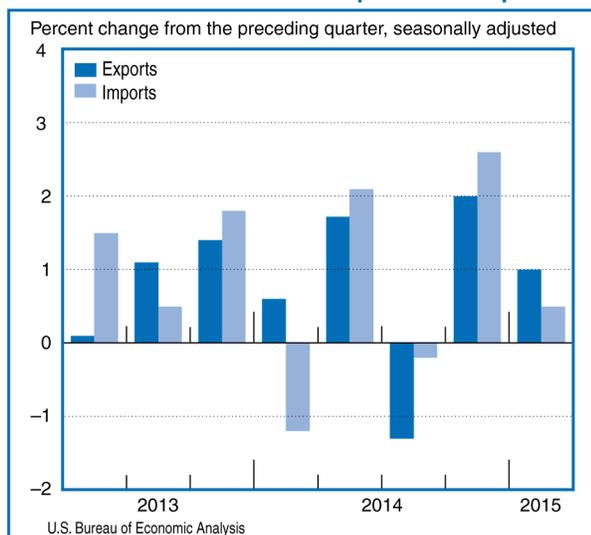
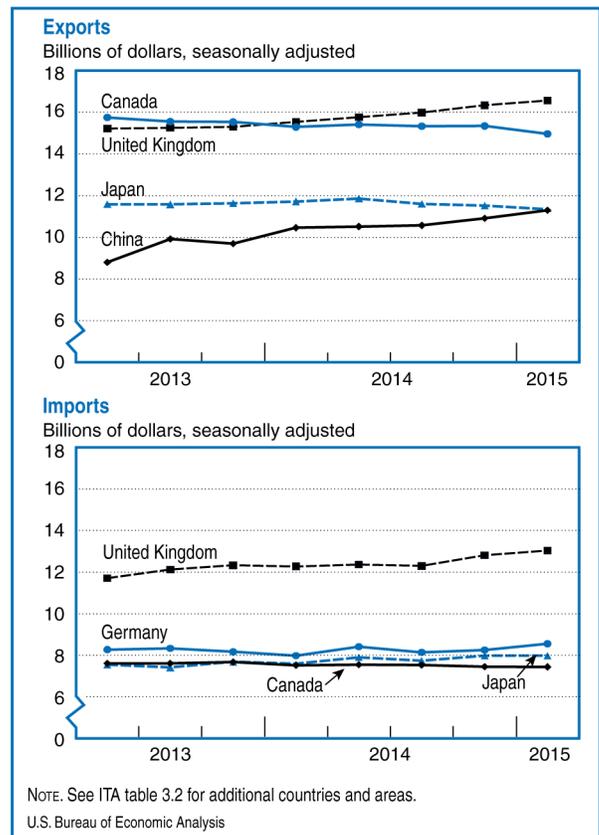


Chart 7. Services Trade with Selected Countries



Current Account—Income

Table E. Income Receipts and Payments

[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II ^r	III ^r	IV ^r	I ^p	
Primary income receipts	204,850	209,715	206,554	196,561	-9,993
Investment income.....	203,125	207,980	204,822	194,813	-10,009
Direct investment income.....	118,170	121,657	118,625	109,521	-9,104
Income on equity.....	113,836	117,448	114,229	105,365	-8,864
Interest.....	4,334	4,209	4,396	4,156	-240
Portfolio investment income.....	76,908	78,498	78,287	77,415	-872
Income on equity and investment fund shares....	49,522	49,911	49,742	48,608	-1,134
Interest on debt securities.....	27,386	28,587	28,545	28,807	262
Other investment income.....	7,973	7,755	7,849	7,837	-12
Interest.....	5,330	5,093	5,149	5,081	-68
Income attributable to insurance policyholders...	2,643	2,662	2,699	2,756	57
Reserve asset income.....	74	70	61	40	-21
Compensation of employees.....	1,725	1,734	1,731	1,748	17
Primary income payments	146,915	147,985	146,529	145,807	-722
Investment income.....	142,815	143,868	142,354	141,646	-708
Direct investment income.....	45,765	44,940	42,992	38,609	-4,383
Income on equity.....	38,357	37,237	34,841	29,245	-5,596
Interest.....	7,408	7,703	8,151	9,364	1,213
Portfolio investment income.....	93,380	95,412	95,864	99,457	3,593
Income on equity and investment fund shares....	31,318	31,846	31,969	34,819	2,850
Interest on debt securities.....	62,062	63,565	63,895	64,639	744
Other investment income.....	3,670	3,516	3,498	3,580	82
Interest.....	2,893	2,733	2,705	2,774	69
Income attributable to insurance policyholders...	778	784	793	806	13
Compensation of employees.....	4,100	4,117	4,175	4,161	-14
Secondary income ¹					
Secondary income (current transfer) receipts.....	42,962	31,396	31,872	33,332	1,460
Secondary income (current transfer) payments.....	64,225	65,160	66,712	67,162	450

p Preliminary r Revised

1. 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.

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

Investment income receipts—income receipts from foreigners on U.S. holdings of financial assets abroad—decreased to \$194.8 billion from \$204.8 billion (table E and chart 8). The decrease mostly reflected a decrease in direct investment income on equity from foreign affiliates, which was accounted for by decreases spread over several industries that were partly associated with the continued appreciation of the U.S. dollar against most currencies. Decreases for affiliates of U.S. oil and gas companies were particularly notable. Income on portfolio investment also decreased.

Receipts for compensation of U.S. residents paid by nonresident employers were nearly unchanged at \$1.7 billion.

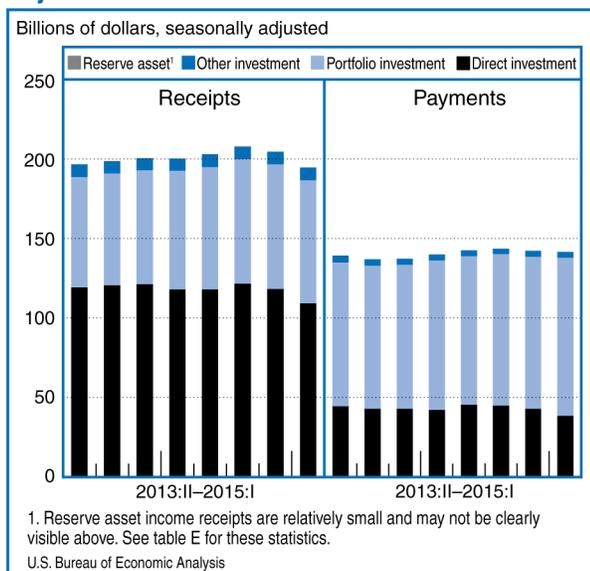
Investment income payments—income payments to foreigners on U.S. liabilities—decreased to \$141.6 billion from \$142.4 billion. The decrease was more than accounted for by a decrease in payments on direct investment equity, including decreases at foreign-owned U.S. affiliates in oil and gas extraction and in finance and insurance. The decrease in direct investment income payments was partly offset by an increase in portfolio investment income payments, mainly income payments on equity and investment fund shares in nonfinancial institutions.

Payments for compensation of foreign residents paid by U.S.-resident employers were nearly unchanged at \$4.2 billion.

Secondary income receipts increased to \$33.3 billion from \$31.9 billion, mostly due to an increase in U.S. government transfers.

Secondary income payments increased to \$67.2 billion from \$66.7 billion, reflecting an increase in U.S. government grants to foreigners.

Chart 8. Primary Investment Income Receipts and Payments



Data Availability and Methodology

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

For the statistics, see “[International Data](#).” For the methods, see *U.S. International Transactions Accounts: Concepts and Methods*.

Financial Account—U.S. Acquisition of Financial Assets

Table F. Net U.S. Acquisition of Financial Assets

[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II ^r	III ^r	IV ^r	I ^p	
Net U.S. acquisition of financial assets excluding financial derivatives	239,149	359,601	41,690	325,128	283,438
Direct investment assets.....	90,293	99,300	112,547	75,635	-36,912
Equity.....	85,576	96,520	117,395	89,679	-27,716
Equity other than reinvestment of earnings	-3,767	8,955	28,029	7,729	-20,300
Reinvestment of earnings.....	89,344	87,564	89,366	81,950	-7,416
Debt instruments.....	4,716	2,780	-4,848	-14,043	-9,195
Portfolio investment assets.....	195,068	162,884	81,125	230,179	149,054
Equity and investment fund shares.....	90,670	131,572	131,463	168,147	36,684
Debt securities.....	104,399	31,312	-50,338	62,032	112,370
Short-term securities.....	45,519	-2,587	-19,691	27,119	46,810
Long-term corporate securities.....	41,467	24,061	-21,648	24,892	46,540
Other long-term securities.....	17,413	9,838	-8,999	10,021	19,020
Other investment assets.....	-46,986	98,306	-149,471	23,473	172,944
Currency and deposits.....	-5,194	32,190	-131,119	-22,156	108,963
Loans.....	-44,455	67,876	-18,173	47,438	65,611
Trade credit and advances.....	2,663	-1,760	-179	-1,809	-1,630
Reserve assets.....	773	-889	-2,511	-4,159	-1,648
Monetary gold.....	0	0	0	0	0
Special drawing rights.....	8	4	3	3	0
Reserve position in the International Monetary Fund.....	710	-951	-2,568	-4,195	-1,627
Other reserve assets.....	55	59	54	33	-21

p Preliminary r Revised (-) Net sales
NOTE: The statistics are presented in table 1.2, table 6.1, table 7.1, and table 8.1 on BEA's Web site.

Net U.S. acquisition of direct investment assets was \$75.6 billion in the first quarter, down from \$112.5 billion in the fourth quarter (table F and chart 10). The decrease was largely due to a decrease in net acquisition of equity other than reinvestment of earnings.

Net U.S. acquisition of portfolio investment assets abroad was \$230.2 billion in the first quarter, up from \$81.1 billion in the fourth quarter (see chart 11 on page 8). Some of these transactions were associated with corporate inversions of U.S. corporations as U.S. investors received shares in the new foreign entities in exchange for their shares in the former U.S. corporations. Transactions in foreign debt securities shifted to net U.S. purchases of \$62.0 billion from net U.S. sales of \$50.3 billion, a shift accounted for by shifts to net U.S. purchases in both long-term and short-term securities.

Net U.S. acquisition of other investment assets abroad was \$23.5 billion in the first quarter, a shift from net sales of \$149.5 billion in the fourth quarter (see chart 12 on page 8). The shift to net acquisition reflected a decrease in net U.S. withdrawals of deposits abroad and a shift to net U.S. provision of loans to foreign residents.

Transactions in U.S. reserve assets decreased holdings by \$4.2 billion in the first quarter, after decreasing holdings by \$2.5 billion in the fourth quarter.

Chart 9. Acquisition of Financial Assets and Incurrence of Liabilities

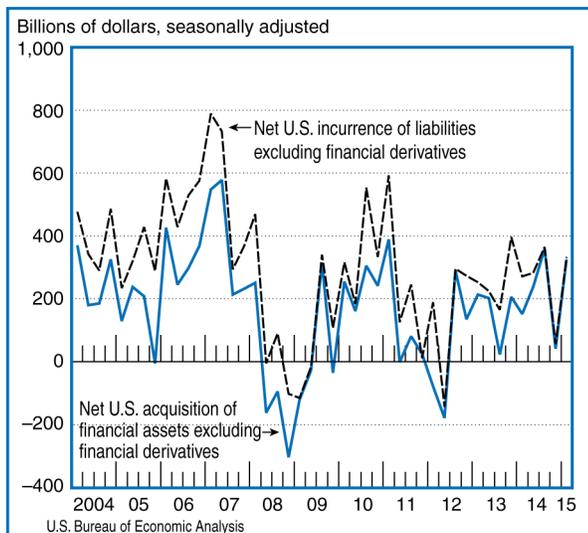
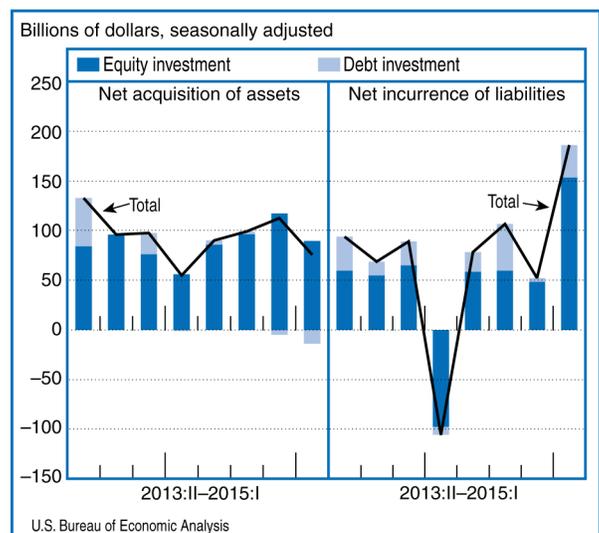


Chart 10. Transactions in Direct Investment Assets and Liabilities



Financial Account—U.S. Incurrence of Liabilities

Table G. Net U.S. Incurrence of Liabilities

[Millions of dollars, seasonally adjusted]

	2014			2015	Change 2014:IV to 2015:I
	II ^r	III ^r	IV ^r	I ^p	
Net U.S. incurrence of liabilities excluding financial derivatives	283,271	364,518	57,712	332,837	275,125
Direct investment liabilities.....	78,405	106,473	52,378	186,182	133,804
Equity.....	58,756	59,437	48,401	153,462	105,061
Equity other than reinvestment of earnings	30,988	33,447	21,654	140,170	118,516
Reinvestment of earnings.....	27,768	25,990	26,747	13,292	-13,455
Debt instruments.....	19,649	47,036	3,977	32,720	28,743
Portfolio investment liabilities.....	88,549	240,879	132,976	100,816	-32,160
Equity and investment fund shares.....	15,070	75,555	-34,660	32,166	66,826
Debt securities.....	73,479	165,323	167,636	68,650	-98,986
Short term.....	-24,913	-8,106	42,380	36,571	-5,809
Long term.....	98,392	173,430	125,256	32,080	-93,176
Treasury bonds and notes.....	95,824	84,314	26,458	-62,186	-88,644
Federally sponsored agency securities	-21,004	22,894	6,239	-7,052	-13,291
Corporate bonds and notes.....	21,697	64,635	90,988	99,852	8,864
Other.....	1,875	1,587	1,571	1,466	-105
Other investment liabilities.....	116,317	17,166	-127,642	45,839	173,481
Currency and deposits.....	103,243	41,638	-88,097	5,787	93,884
Currency (short term).....	6,530	6,063	28,503	11,508	-16,995
Deposits.....	96,713	35,575	-116,600	-5,721	110,879
Loans.....	7,984	-19,894	-40,140	38,032	78,172
Trade credit and advances.....	5,089	-4,578	595	2,021	1,426
Special drawing rights allocations.....	0	0	0	0	0

p Preliminary r Revised (-) Net repayment

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

Net U.S. incurrence of direct investment liabilities to foreigners was \$186.2 billion in the first quarter, up from \$52.4 billion in the fourth quarter (table G; see also chart 10 on page 7). The increase was mostly accounted for by an increase in net foreign resident investment in equity other than reinvestment of earnings. Corporate inversions accounted for much of the net incurrence of direct investment liabilities.

Net U.S. incurrence of portfolio investment liabilities to foreigners was \$100.8 billion in the first quarter, down from \$133.0 billion in the fourth quarter (chart 11). The decrease was more than accounted for by a decrease in net foreign purchases of U.S. debt securities—primarily long-term securities—to \$68.7 billion from \$167.6 billion. Partly offsetting this decrease, net foreign purchases of U.S. equity and investment fund shares were \$32.2 billion, a shift from net foreign sales of \$34.7 billion.

Net U.S. incurrence of other investment liabilities to foreigners was \$45.8 billion in the first quarter, a shift from net repayment of \$127.6 billion in the fourth quarter (chart 12). The shift to net incurrence of liabilities was mostly in currency and deposits and in loans.

Chart 11. Transactions in Portfolio Investment Assets and Liabilities

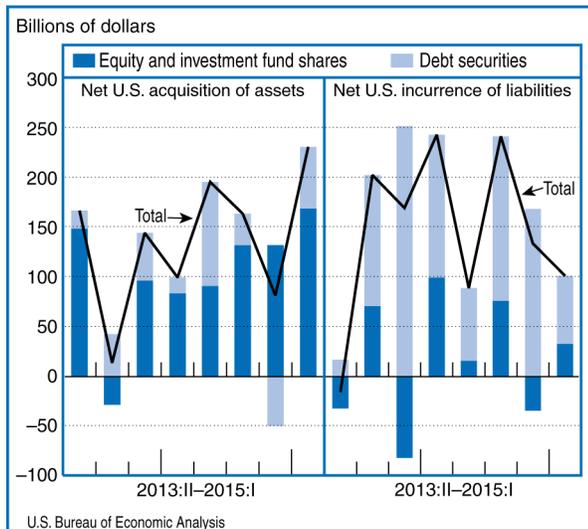


Chart 12. Transactions in Other Investment Assets and Liabilities

