

# Comprehensive Restructuring and Annual Revision of the U.S. International Transactions Accounts

By Jeffrey R. Bogen, Mai-Chi Hoang, Kristy L. Howell, and Erin M. Whitaker

IN JUNE 2014, the Bureau of Economic Analysis (BEA) released annual revisions of the U.S. international transactions accounts (ITAs) and the U.S. international investment position (IIP) accounts. Through annual revisions, BEA introduces new classifications and definitions, newly available and revised source data, and new and improved methodologies. Together, these changes improve the accuracy and the consistency of the statistics and address important new developments in the U.S. economy and in international economies. In this annual revision, statistics on U.S. international transactions for the first quarter of 1999 to the fourth quarter of 2013 were revised to incorporate newly available and revised source data, updated seasonal adjustments, improved estimation methodologies, and changes in classifications and definitions.

With this annual revision, BEA also introduces a new presentation of the ITAs as part of a comprehensive restructuring of BEA's international economic accounts.<sup>1</sup> This restructuring represents the most significant change to the international accounts since 1976. It is part of a multiyear effort to modernize the accounts by introducing changes that bring BEA's statistics into closer alignment with new international statistical guidelines for compiling balance of payments and IIP statistics, including the International Monetary Fund's *Balance of Payments and International Investment Position Manual*, 6<sup>th</sup> edition.<sup>2</sup> This change in presentation, combined with changes in classifications and definitions, enhances the quality and usefulness of the accounts for customers. With the release of the restructured ITAs and IIP accounts, BEA has also published the *U.S. International Economic*

*Accounts: Concepts and Methods*, a new methodology guide for the estimation of the U.S. international economic accounts.

Table A in this article provides a descriptive summary of the major changes to the ITAs.<sup>3</sup> Appendix A provides a numerical summary of the revisions in tabular form; for a comparison of these revisions with past annual revisions, see the box "2014 Annual Revision in Historical Context" on page 5. Revised statistics on the detailed components of the ITAs are presented in "U.S. International Transactions Tables" that accompanies this article.

Key changes in classifications, definitions, and presentations include the following:

- The balance of payments sign convention that used negative signs for debit entries has been eliminated. Positive signs are now used to show exports and imports, income receipts and payments, transfers made and received, and acquisitions of assets and incurrences of liabilities. Negative signs specify negative income (losses) and net sales of assets or net repayment of liabilities.
- The use of gross recording—primarily of statistics on secondary income (current transfers), capital-account transactions, and direct investment income and financial flows—has been expanded. The underlying flows are now shown at their full credit or debit values.
- Goods transactions are newly categorized into three major aggregates—general merchandise, net exports of goods under merchanting (exports only), and nonmonetary gold—and end-use commodity detail has been expanded. The number of major categories used to classify services transactions has been expanded from seven to nine. Changes associated with the increase in the number of major categories include separating subcategories out as major categories, consolidating categories, reallocating transactions between categories, and renaming categories.

1. The June release of the IIP accounts also reflects changes in the presentation of the accounts that are consistent with related ITA tables. For more information, see Elena L. Nguyen, "The U.S. Net International Investment Position at the End of the First Quarter of 2014, Year 2013, and Annual Revisions" in this issue.

2. *Balance of Payments and International Investment Position Manual*, 6<sup>th</sup> ed. (Washington, DC: International Monetary Fund, 2009).

Christopher A. Gohrband, Alexis N. Grimm, and Daniel R. Yorgason also made significant contributions to this article.

3. For more information, see Maria Borga and Kristy L. Howell, "The Comprehensive Restructuring of the International Economic Accounts: Changes in Definitions, Classifications, and Presentations," *SURVEY OF CURRENT BUSINESS* 94 (March 2014).

**Table A. Summary of Major Changes in Classifications, Definitions,  
and Presentations to the International Transactions Accounts**

Components	Major changes
<b>Multiple accounts</b>	
Balance of payments signs	Eliminate the balance of payments sign convention that used negative signs for debit entries. Positive signs are now used to show exports and imports, income receipts and payments, transfers made and received, and acquisitions of assets and incurrences of liabilities. Negative signs specify negative income (losses) and net sales of assets or net repayment of liabilities.
Direct investment income and financial transactions	Feature a presentation of these accounts on a gross (asset/liability) basis rather than on a directional basis.
<b>Current account</b>	
Trade in goods	<p>Categorize into three major aggregates: general merchandise, net exports of goods under merchanting (exports only), and nonmonetary gold.</p> <p>Expand the publication of end-use categories for general merchandise trade from 59 categories to 77 categories for exports and from 56 categories to 69 categories for imports.</p> <p>Reclassify net exports of goods under merchanting from services.</p> <p>Provide quarterly seasonally adjusted statistics on trade in goods for selected major trading partner countries and areas in ITA table 2.2.</p>
Trade in services	<p>Classify services by nine new broad categories: maintenance and repair services n.i.e. (not included elsewhere); transport; travel (for all purposes including education); insurance services; financial services; charges for the use of intellectual property n.i.e.; telecommunications, computer, and information services; other business services; and government goods and services n.i.e.</p> <p>Include all services categories in the table that presents trade in services (ITA table 3.1). The previous standard trade in services table (ITA table 3a) excluded transactions by the U.S. military and other government agencies.</p> <p>Show maintenance and repair services n.i.e., insurance services, financial services, and telecommunications, computer, and information services separately. Previously, these services were components of other private services.</p> <p>Classify the remaining components of other private services—research and development services, professional and management consulting services, and technical, trade-related, and other business services—into other business services.</p> <p>Provide quarterly seasonally adjusted statistics on trade in services for selected major trading partner countries and areas in ITA table 3.2.</p> <p>Reclassify net exports of goods under merchanting to goods. Previously, these transactions were included in other private services.</p> <p>Classify transfers under U.S. military agency sales contracts (for exports), direct defense expenditures (for imports), and U.S. government miscellaneous services (for exports and imports) into government goods and services n.i.e. Previously, these components were shown separately.</p>
Travel services	<p>Broaden the definition of travel to include health- and education-related travel and expenditures by short-term workers (previously components of other private services) along with other personal and business travel.</p> <p>Show business and personal travel separately.</p>
Transport services	<p>Replace the previous category “other transportation” services.</p> <p>Include passenger fares, which is shown separately as air passenger transport services in ITA table 3.1. Previously, passenger fares was shown as one of the broad services categories.</p>
Insurance services	Provide quarterly detail on primary insurance, reinsurance, and auxiliary insurance.
Financial services	Provide quarterly detail on securities brokerage, underwriting, and related services; financial management, financial advisory, and custody services; credit card and other credit-related services; and securities lending, electronic fund transfers, and other services.
Charges for the use of intellectual property (previously royalties and license fees)	Provide quarterly detail on the charges for the use of computer software, trademarks and franchise fees, audio-visual and related products, and “other” intellectual property.
Primary income (previously income)	<p>Classify primary investment income into four functional categories: direct investment, portfolio investment, other investment, and reserve assets (receipts only).</p> <p>Provide detail for investment income on equity and investment fund shares, interest income, and income attributable to insurance policyholders.</p> <p>Provide detail for investment income by maturity and by sector.</p>
Secondary income (previously unilateral current transfers)	<p>Record on a gross basis rather than netting transfer receipts and payments.</p> <p>Provide additional detail by type of transfer.</p>
<b>Capital account</b>	
Capital account	Present on a gross basis rather than netting capital-account receipts and payments.
<b>Financial account</b>	
Financial transactions	<p>Rename “U.S.-owned assets abroad, excluding financial derivatives” as “net U.S. acquisition of financial assets excluding financial derivatives” and “foreign-owned assets in the United States, excluding financial derivatives” as “net U.S. incurrence of liabilities excluding financial derivatives.”</p> <p>Rename “net financial flows” as “net lending or net borrowing” (the difference between the net acquisition of assets and the net incurrence of liabilities). Net lending or net borrowing takes the opposite sign of net financial flows.</p> <p>Classify financial transactions into five functional categories: direct investment, portfolio investment, other investment, reserve assets (assets only), and financial derivatives.</p>
Portfolio investment	Provide detail by instrument, by maturity, and by sector.
Other investment	Provide detail by instrument, by maturity, and by sector.
Reserve assets	Provide detail on currency and deposits, securities, financial derivatives, and other claims.

- Financial transactions are classified into five functional categories: direct investment, portfolio investment, other investment, reserve assets (assets only), and financial derivatives. Similarly, transactions in primary investment income are classified into four functional categories: direct investment, portfolio investment, other investment, and reserve assets (receipts only). These functional categories reflect the motivation behind the investment and the relationship between the parties to the transactions.
- Direct investment transactions are now presented on a gross basis according to whether the transactions are related to assets or liabilities. Similarly, direct investment income is now presented on a gross basis according to whether the income is derived from assets or liabilities. In the previous presentation, direct investment and direct investment income were presented on a directional basis—outward or inward—according to whether the investor was a domestic resident or a foreign resident.<sup>4</sup>

Major changes in methodology and source data and other sources of revisions include the following:

- Goods exports and imports for 2009–2013 were revised to reflect revised source data on goods exports and imports from the U.S. Census Bureau and on balance of payments adjustments.
- Services exports and imports for 2011–2013 and services exports for 2006–2008 were revised to reflect newly available and revised data from BEA's quarterly surveys of international services transactions and other sources.
- Travel services exports and imports for 1999–2013 were revised to reflect the implementation of an improved methodology for estimating average expenditures by travelers.
- Travel services imports and air passenger transport imports (previously passenger fare imports) for 1999–2013 were revised to reflect improved source data from the U.S. Department of Homeland Security on the number of U.S. travelers abroad. The revisions to travel services imports for 1999–2013 also reflect an improved methodology for allocating the number of travelers to destination countries.
- Secondary income (current transfer) receipts for 1999–2013 were revised to incorporate source data on receipts from foreign residents for contributions to military operations.
- Financial transactions and primary income related to direct investment for 2011–2013 were revised to incorporate newly available and revised data from BEA's quarterly and annual direct investment surveys.
- Financial transactions and primary income related to portfolio investment for 2011–2013 were revised to incorporate newly available and revised data from the U.S. Department of the Treasury.
- Financial transactions and primary income related to other investment for 2009–2013 were revised to incorporate revisions from several sources.
  - Revisions for 2011–2013 incorporate newly available and revised data from the Department of the Treasury.
  - Revisions for 2011–2013 also incorporate newly available and revised data on transactions of U.S. financial intermediaries with foreign financial intermediaries from BEA's quarterly and annual direct investment surveys that are reclassified from direct investment to other investment.
  - Revisions for 2009–2013 incorporate newly available and revised U.S. government administrative data.
  - Financial transactions in financial derivatives for 2013 were revised to incorporate newly available and revised data from the Department of the Treasury.

Generally, this annual revision has not significantly altered the overall picture of recent U.S. international transactions, but certain revisions were notable. The revisions resulted in higher estimates of the current-account deficit for most years (table B). The largest revisions were upward revisions of \$21.0 billion for 2013 and of \$20.3 billion for 2012. The upward revision for 2012 reversed a narrowing of the current-account deficit in the previously published statistics to a slight widening of the deficit (chart 1). The revisions to the current-account balance before 2012 mostly reflect improvements to the methodology for estimating travel services exports and imports and revised source data on air passenger transport imports (previously passenger fare imports). Net borrowing from financial-account transactions (previously net financial flows, with the sign reversed) was revised downward \$35.9 billion for 2010 and \$15.9 billion for 2011 and was revised upward \$19.4 billion for 2013. Although the revisions to the financial flows for 2010–2013 were relatively large, the revised statistics did not change the direction of changes in net borrowing for the revised years (chart 2).

The combined revisions resulted in two notable revisions to the statistical discrepancy—the difference between total debits and total credits recorded in the

4. The directional basis of direct investment income is still available in ITA table 4.2, and the directional basis of direct investment is still available in ITA table 6.1. Tables 4.2 and 6.1 also show the conversion from the gross (asset/liability) basis to the directional basis, which is still used for the country and area statistics in ITA table 1.3.

current, capital, and financial accounts. For 2011, the discrepancy was revised from the previously published  $-\$92.8$  billion to  $-\$55.2$  billion. For 2012, it was revised from the previously published  $-\$5.9$  billion to  $\$30.4$  billion.

The remainder of this article discusses all the changes—newly available and revised source data and changes in methodology, in source data, in classifications, in definitions, and in presentations—and the revisions resulting from these changes for the current

**Table B. Revisions to Current-Account and Capital-Account Balances, Net Lending or Borrowing From Financial-Account Transactions, and the Statistical Discrepancy, 1999–2013**

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Balance on current account (line 101):</b>															
Revised.....	-295.5	-410.8	-395.3	-458.1	-521.3	-633.8	-745.4	-806.7	-718.6	-686.6	-380.8	-443.9	-459.3	-460.7	-400.3
Previously published.....	-300.8	-416.3	-396.7	-457.8	-518.7	-629.3	-739.8	-798.5	-713.4	-681.3	-381.6	-449.5	-457.7	-440.4	-379.3
Amount of revision.....	5.2	5.6	1.4	-0.3	-2.7	-4.4	-5.6	-8.2	-5.3	-5.3	0.8	5.5	-1.6	-20.3	-21.0
<b>Balance on goods and services (line 102):</b>															
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	-537.6	-476.4
Previously published.....	-263.8	-377.3	-362.3	-418.2	-490.5	-604.9	-707.9	-752.4	-699.1	-702.3	-383.7	-499.4	-556.8	-534.7	-474.9
Amount of revision.....	5.1	4.8	0.8	-0.8	-3.3	-5.0	-6.3	-9.3	-6.3	-6.4	-0.1	4.7	8.2	-2.9	-1.5
<b>Balance on primary income (previously balance on income) (line 105):</b>															
Revised.....	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	203.0	199.7
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	203.0	199.7
Amount of revision <sup>1</sup> .....	(*)	0.0	(*)	(*)	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	-11.7	-29.1
<b>Balance on secondary income (previously unilateral current transfers, net) (line 106):</b>															
Revised.....	-48.8	-57.4	-63.5	-64.3	-70.2	-88.0	-98.8	-88.3	-113.9	-124.1	-120.6	-126.9	-131.7	-126.1	-123.5
Previously published.....	-49.0	-58.2	-64.1	-64.8	-70.9	-88.6	-99.5	-89.4	-114.9	-125.2	-121.6	-127.8	-133.5	-129.7	-133.2
Amount of revision.....	0.1	0.7	0.5	0.5	0.7	0.5	0.7	1.1	1.1	1.1	1.0	0.8	1.9	3.6	9.7
<b>Balance on capital account (previously capital-account transactions, net) (line 107):</b>															
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
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	7.0	-0.4
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	(*)	-0.1	0.0
<b>Net lending (+) or net borrowing (-) from financial-account transactions (previously net financial flows) (line 109):</b>															
Revised.....	-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	-423.5	-370.7
Previously published <sup>2</sup> .....	-238.1	-477.7	-400.3	-500.5	-532.9	-532.3	-700.7	-809.2	-617.3	-730.6	-231.0	-438.0	-515.7	-439.4	-351.2
Amount of revision <sup>1</sup> .....	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)	(*)	(*)	0.1	1.1	35.9	15.9	-19.4
<b>Statistical discrepancy (line 100):</b>															
Revised.....	61.6	-66.9	-18.1	-42.3	-9.7	98.4	31.6	-0.6	101.0	-49.9	150.0	7.1	-55.2	30.4	30.0
Previously published.....	66.8	-61.4	-16.8	-42.6	-12.4	93.9	26.0	-8.9	95.7	-55.2	150.8	11.6	-92.8	-5.9	28.5
Amount of revision.....	-5.2	-5.6	-1.4	0.3	2.7	4.4	5.6	8.3	5.3	5.3	-0.8	-4.5	37.5	36.2	1.6

(\*) Between zero and +/- 50,000,000

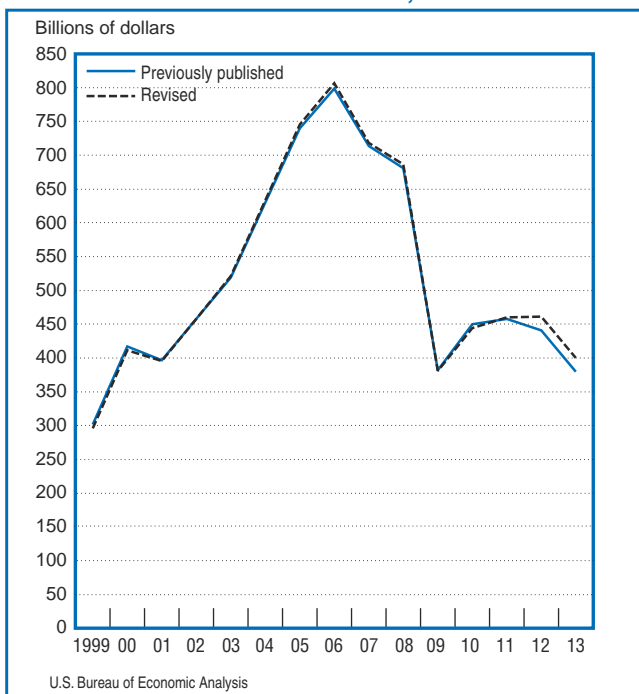
1. Small revisions to the balance on primary income before 2011 and to net lending or borrowing before 2009 result from the enhanced precision available from a new data processing system.

2. Previously published values for net lending or borrowing reflect the previously published values for net

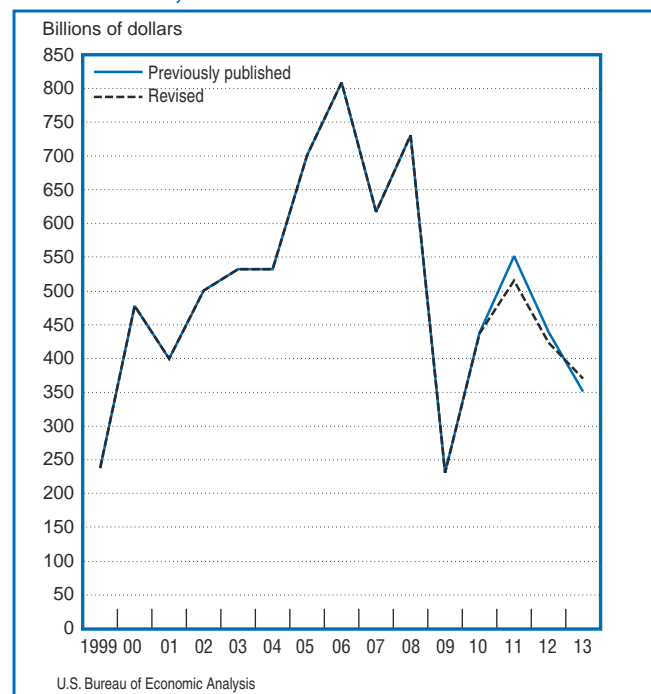
financial flows with the sign reversed.

NOTE: Line numbers refer to ITA table 1.2 of the new standard presentation, available on BEA's Web site at [www.bea.gov](http://www.bea.gov).

**Chart 1. Current-Account Deficit, 1999–2013**



**Chart 2. Net Borrowing From Financial-Account Transactions, 1999–2013**



account, the capital account, the financial account, and the statistical discrepancy. The revisions due to

newly available and revised source data and to changes in methodology and source data are discussed first to

### 2014 Annual Revision in Historical Context

The 2014 annual revision represents the first annual revision of statistics for 2013, the second annual revision of statistics for 2012, and the third annual revision of statistics for 2011. Revisions to both the annual and quarterly statistics are generally smaller than the typical first, second, and third annual revisions that were released in 2000–2013 (for statistics covering 1999 to 2012). For the current-account balance, the absolute value of the revision of the annual level for 2012 is larger than the comparable mean absolute revision for the second annual revisions of annual statistics, but as shown in table I, all the other absolute revisions of annual statistics and all the mean absolute revisions (MARs) of quarterly statistics are smaller than their comparable MARs. (In this table, a “ratio” value greater than one indicates that the annual revisions for 2014 are larger than average annual revisions in past years.) For net lending or net borrowing from the financial account, all 2014 absolute revisions (annual statistics) and MARs (quarterly statistics) for 2011–2013 are smaller than the comparable MARs from previous annual revisions.

MARs ratios calculated from statistics reported under the previous ITA presentation are shown in the first two

columns of table II for some of the main component accounts. Among these accounts, only revisions of statistics for the balance on secondary income (previously unilateral current transfers, net) and for the balance on primary income (previously balance on income) are larger than average. In part, these smaller-than-average revisions are attributable to the fact that revisions calculated from the previous ITA presentation excluded changes in classifications and definitions. MARs calculated from statistics under the new presentation are shown in the last two columns of table II. The MARs calculated with the new presentation’s statistics tend to be larger because, for the most part, the changes in classifications and definitions introduced as part of the restructuring tend to increase the value of aggregates as certain transactions previously recorded on a net basis are recorded on a gross basis in the new presentation. However, several balances and their associated revisions—including the current-account balance and net lending or net borrowing from the financial account—are unaffected by the increased gross recording of transactions.

### II. Ratios of the Revisions From the 2014 Annual Revision to Revisions From the Previous Annual Revisions

[Geometric mean of ratios of MARs]<sup>1</sup>

#### I. Comparison of Revisions From the 2014 Annual Revision With Revisions From Previous Annual Revisions

	MARs from the 2014 annual revision	MARs from previous annual revisions	Ratio <sup>1</sup>
<b>Balance on current account</b>			
Quarterly statistics			
2011 <sup>2</sup> .....	0.066	0.103	0.64
2012 <sup>3</sup> .....	0.126	0.149	0.85
2013 <sup>4</sup> .....	0.125	0.158	0.79
Annual statistics			
2011 <sup>2</sup> .....	0.010	0.101	0.10
2012 <sup>3</sup> .....	0.126	0.123	1.03
2013 <sup>4</sup> .....	0.126	0.141	0.89
<b>Net lending or net borrowing from financial-account transactions</b>			
Quarterly statistics			
2011 <sup>2</sup> .....	0.228	0.562	0.41
2012 <sup>3</sup> .....	0.418	0.644	0.65
2013 <sup>4</sup> .....	0.478	0.708	0.68
Annual statistics			
2011 <sup>2</sup> .....	0.230	0.423	0.54
2012 <sup>3</sup> .....	0.098	0.323	0.30
2013 <sup>4</sup> .....	0.116	0.413	0.28

MARs Mean absolute revisions

1. Ratios are MARs from the 2014 annual revision divided by MARs from previous annual revisions.

2. Revisions to statistics on transactions for 2011 are compared with previous third annual revisions for 2002–2013.

3. Revisions to statistics on transactions for 2012 are compared with previous second annual revisions for 2001–2013.

4. Revisions to statistics on transactions for 2013 are compared with previous first annual revisions for 2000–2013.

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

	Previous presentation		New presentation	
	Quarterly statistics	Annual statistics	Quarterly statistics	Annual statistics
Exports of goods and services and income receipts .....	0.33	0.22	3.85	4.21
Goods exports .....	0.29	0.22	0.30	0.39
Services exports .....	0.54	0.14	0.85	0.87
Primary income receipts .....	0.59	0.63	0.28	0.24
Imports of goods and services and income payments .....	0.58	0.41	13.22	15.52
Goods imports .....	0.34	0.15	0.34	0.15
Services imports .....	0.38	0.27	1.12	1.26
Primary income payments .....	0.54	0.30	0.92	1.05
Net U.S. acquisition of financial assets excluding financial derivatives .....	0.41	0.43	0.84	1.00
Net U.S. incurrence of liabilities excluding financial derivatives .....	0.36	0.35	0.88	0.59
Balance on goods .....	0.61	0.54	0.65	0.51
Balance on services .....	0.56	0.53	0.59	0.60
Balance on goods and services .....	0.87	0.69	0.87	0.69
Balance on primary income .....	1.02	1.04	1.02	1.04
Balance on secondary income .....	1.11	1.26	1.11	1.26
Balance on current account .....	0.76	0.45	0.76	0.45
Balance on capital account .....	0.11	0.06	0.11	0.06
Net lending or net borrowing from financial account .....	0.56	0.36	0.56	0.36

MARs Mean absolute revisions

1. Mean computed over three ratios: (1) ratio of MAR of statistics for 2013 to MARs from other first annual revisions; (2) ratio of MAR of statistics for 2012 to MARs from other second annual revisions; (3) ratio of MAR of statistics for 2011 to MARs from other third annual revisions

NOTE. Revisions used in top panel are scaled by item values; revisions used in bottom panel are scaled by trend current-dollar gross domestic product.

distinguish these revisions from the revisions due to changes in classifications, definitions, and presentations. Revisions due to newly available and revised source data and to changes in methodology and source data are discussed based on the previous standard presentation to allow for an easier comparison to the previously published statistics. Next, revisions due to changes in classifications, definitions, and presentations are discussed based on the structure of the new presentation.<sup>5</sup>

## Current Account

### Revisions due to newly available and revised source data and to changes in methodology and source data

**Improved estimation methodology for travel and improved source data for travel and passenger fares.** Beginning with statistics for 1999, BEA has implemented

5. With the June release of the ITAs, BEA published statistics through the first quarter of 2014 under both the new standard presentation and the previous standard presentation so that users have a statistical overlap period, or bridge, that allows them to evaluate the relationships between the new series and the old series. The previous presentation is available on the BEA Web site under “International.” Under “Balance of Payments (International Transactions),” click on “Interactive Tables: Detailed estimates” and see tables 1–12 under “Previous standard tables.” Statistics in the previous presentation will not be updated in future releases of the ITAs.

A [concordance table](#) that shows the accounts in table 1 of the previous presentation and those shown in table 1.2 of the new presentation is also available on the BEA Web site.

an improved methodology for estimating travel services exports and imports. The improved methodology is the outcome of an extensive review of the methodology and data sources for compiling travel statistics for transactions with countries other than Canada and Mexico.<sup>6</sup> During the review process, BEA considered several alternative approaches to estimate cross-border travel transactions, such as using a survey of credit, debit, and charge card issuers alongside a one-time survey of international travelers that measured travelers’ propensities for using different payment methods. After a thorough evaluation of the alternatives, BEA chose to continue the previous general methodology of multiplying the number of travelers by an estimate of average travel expenditures. Key data sources have not changed. However, the use of the data has been refined, and new supplemental source data have been introduced. Average expenditures continue to be based on information from the Survey of International Air Travelers (SIAT) administered by the International Trade Administration of the U.S. Department of Commerce. Under the new methodology, the SIAT information is used to establish baseline estimates of average travel expenditures, which are supplemented with information from (1) a survey of credit, debit,

6. Estimates for travel to and from Canada and Mexico continue to be based on data provided by Statistics Canada and the Bank of Mexico, respectively.

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*Methodology and special studies:* Daniel R. Yorgason, Thomas Anderson, Alexis N. Grimm, Ryan Howley, Sarah P. Scott, and Douglas Weinberg.

*Research:* Raymond J. Mataloni and Marilyn Ibarra-Caton.

*Direct investment:* See “Acknowledgments” in “Direct Investment Positions for 2013” in this issue.

*Computer systems and operations:* Diane Young, Paula Brown, Marie Colosimo, Karen Poffel, Dan Powell, and Kevin Smith.

*Reengineering of systems for statistical production and data dissemination:* Benjamin P. Kavanaugh, Douglas Weinberg, Marina Melnik, Gentian Cala, Steve Holliday, Walter Kampas, Paul Kilday, Anna Libkhen, Kenneth Pond, and Shirley Zhou.

*Secretarial and program assistance:* Pamela N. Aiken and Sheila L. Johnson.

and charge card issuers administered by BEA, (2) other sources of information on traveler expenditures, including studies commissioned by BEA, and (3) bilateral comparisons of source data. The baseline estimates are adjusted to account for particular limitations often faced by expenditure surveys, including underreported spending.

BEA continues to use data on the number of travelers that is collected by the U.S. Department of Homeland Security (DHS) to estimate travel and passenger fares. However, BEA has introduced two significant improvements to the use of these data. First, BEA has fully incorporated the number of outbound U.S. travelers that the DHS began collecting under an improved electronic method in July 2010. The change in collection methods revealed that, for some countries, the estimated number of travelers gathered under the earlier collection method was significantly higher than the number of travelers collected electronically under the new method.<sup>7</sup> To correct this overestimation and to avoid a break in series between July 2010 and the prior periods, BEA has revised downward the number of outbound travelers used in both the travel and passenger fare imports statistics back to January 1999. Second, BEA has developed an improved method for allocating outbound U.S. travelers to individual countries for its travel imports statistics. This method is based on the relationships observed in the SIAT data between the U.S. traveler's initial country of disembarkation outside of the United States and the ultimate country or countries of destination.

The effect of the changes on the methodology varies by country and by year, but in general, the revised travel statistics follow the same trends as the previously published statistics. Travel exports were revised upward for 1999 and for 2010–2012 and were revised downward for all other years as a result of the new travel methodology. Travel imports were revised downward for 1999–2003 and were revised upward for all other years as a result of (1) the new methodology and (2) the transition to the electronic collection and the accompanying downward revisions to the earlier estimates. The downward revision to the number of travelers also resulted in downward revisions to passenger fare imports for 1999–2013.

**Source data on receipts from foreign residents for contributions to military operations from the Department of the Treasury.** Beginning with statistics for 1999, BEA has incorporated source data on inflows (receipts) from foreign residents for contributions to

military operations from the Department of the Treasury. These data reflect cash contributions that the host nation provides to the United States to support U.S. troops in the host nation. Contributions include compensation for foreign nationals employed by the U.S. Department of Defense (DOD), military construction projects of the DOD, supplies and services of the DOD, and contributions in support of the relocation of U.S. forces to or from any location in the host nation. As a result of including these inflows, net outflows (payments) of unilateral current transfers for 1999–2013 were revised downward.

### Effects of the revisions

**Goods.** Exports and imports of goods for 2009–2013 were revised (table C). The largest revisions were to goods exports for 2011 and 2013, mostly as a result of revised DOD source data on exports of goods under the Foreign Military Sales program; the revisions also reflect revised source data from the U.S. Census Bureau.

**Services.** Exports and imports of services for 1999–2013 were revised. Services exports were revised downward for 2000–2009 and were revised upward for all other years. Revisions for all years reflect revisions to travel. The upward revision for 2011 reflects upward revisions to travel and to royalties and license fees. The upward revision for 2012 reflects upward revisions to royalties and license fees, to other transportation, and to travel that were mostly offset by a downward revision to other private services. The upward revision for 2013 reflects an upward revision to other private services that was mostly offset by a downward revision to travel.

Services imports were revised downward for 1999–2004, 2009, and 2010 and were revised upward for all other years. The revisions for 1999–2010 were entirely attributable to revisions to travel and to passenger fares that resulted from the incorporation of both the improved methodology for estimating the average expenditures of travelers and improved data on the number of U.S. travelers abroad. The upward revision for 2011 reflects upward revisions to travel and to royalties and license fees that were mostly offset by a downward revision to passenger fares. The upward revisions for 2012 and 2013 primarily reflect upward revisions to travel that were partly offset by downward revisions to passenger fares. For 2004–2013, upward revisions to travel were partly or entirely offset by downward revisions to passenger fares.

**Income.** Income receipts and payments for 2011–2013 were revised as a result of newly available and revised source data. Income receipts for all 3 years

7. For more information on the change in data collection, see Office of Travel and Tourism Industries, "U.S. International Outbound Air Travel for 2010" (September 27, 2011).

were revised downward. The downward revision for investment income receipts. The downward revisions for 2011 was due to a downward revision to direct in- 2012 and 2013 reflect downward revisions to direct

Table C. Revisions to Selected Current-Account Transactions, 1999–2013—Continues

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Exports of goods and services and income receipts (line 1):</b>															
Revised .....	1,262.7	1,424.7	1,295.0	1,257.3	1,339.9	1,573.8	1,820.4	2,137.5	2,482.2	2,648.6	2,181.3	2,527.0	2,874.5	2,967.1	3,048.1
Previously published .....	1,262.4	1,425.3	1,300.2	1,263.6	1,346.3	1,579.5	1,825.6	2,145.5	2,486.8	2,654.4	2,184.8	2,522.5	2,873.7	2,986.9	3,060.5
Amount of revision.....	0.3	-0.5	-5.2	-6.3	-6.5	-5.8	-5.2	-7.9	-4.6	-5.8	-3.5	4.5	0.8	-19.8	-12.3
<b>Goods, balance of payments basis (line 3):</b>															
Revised .....	698.2	784.8	731.2	697.4	729.8	822.0	911.7	1,039.4	1,163.6	1,307.3	1,069.5	1,289.9	1,498.7	1,561.1	1,592.2
Previously published .....	698.2	784.8	731.2	697.4	729.8	822.0	911.7	1,039.4	1,163.6	1,307.3	1,069.5	1,288.8	1,495.9	1,561.2	1,589.7
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	1.1	2.9	-0.1	2.5
<b>Services (line 4):</b>															
Revised .....	269.1	287.5	271.3	277.2	287.7	336.0	371.4	413.4	484.6	527.2	505.2	559.1	622.7	649.9	682.2
Previously published .....	268.8	288.0	276.5	283.4	294.1	341.7	376.6	421.4	489.3	533.0	508.7	555.7	617.0	649.3	681.7
Amount of revision.....	0.3	-0.5	-5.2	-6.3	-6.5	-5.8	-5.2	-7.9	-4.6	-5.8	-3.5	3.4	5.7	0.5	0.5
<b>Transfers under U.S. military agency sales contracts (line 5):</b>															
Revised .....	5.2	6.2	5.2	4.7	5.9	8.8	12.1	15.6	17.4	14.9	16.3	15.0	18.8	18.2	18.2
Previously published .....	5.2	6.2	5.2	4.7	5.9	8.8	12.1	15.6	17.4	14.9	16.3	15.0	18.8	18.5	19.0
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	-0.1	-0.3	-0.8
<b>Travel (line 6):</b>															
Revised .....	75.5	82.4	67.4	61.1	58.7	69.7	77.0	79.6	92.7	104.6	90.7	106.9	118.6	126.6	135.6
Previously published .....	75.2	82.9	72.6	67.4	65.2	75.5	82.2	86.2	97.4	110.4	94.2	103.5	115.6	126.2	139.6
Amount of revision.....	0.3	-0.5	-5.2	-6.3	-6.5	-5.8	-5.2	-6.6	-4.6	-5.8	-3.5	3.4	3.1	0.4	-4.0
<b>Passenger fares (line 7):</b>															
Revised .....	19.4	20.2	17.2	16.3	15.1	17.9	20.6	21.6	25.2	31.0	26.1	31.0	36.8	39.4	41.6
Previously published .....	19.4	20.2	17.2	16.3	15.1	17.9	20.6	21.6	25.2	31.0	26.1	31.0	36.8	39.4	41.1
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	(*)	0.5
<b>Other transportation (line 8):</b>															
Revised .....	23.8	25.6	24.5	25.6	26.4	29.8	32.0	35.8	40.6	44.0	36.1	40.7	43.1	44.2	45.6
Previously published .....	23.8	25.6	24.5	25.6	26.4	29.8	32.0	35.8	40.6	44.0	36.1	40.7	43.1	43.9	45.4
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	0.4	0.2
<b>Royalties and license fees (line 9):</b>															
Revised .....	47.7	51.8	49.5	53.9	56.8	67.1	74.4	83.5	97.8	102.1	98.4	107.5	123.3	125.5	129.2
Previously published .....	47.7	51.8	49.5	53.9	56.8	67.1	74.4	83.5	97.8	102.1	98.4	107.5	120.7	124.2	129.3
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	2.6	1.3	-0.2
<b>Other private services (line 10):</b>															
Revised .....	96.8	100.8	106.9	115.1	124.2	141.9	154.1	175.9	209.3	228.8	235.7	256.0	279.7	293.3	309.2
Previously published .....	96.8	100.8	106.9	115.1	124.2	141.9	154.1	177.3	209.3	228.8	235.7	256.0	279.6	294.5	304.4
Amount of revision.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.3	(*)	(*)	0.0	0.0	0.1	-1.2	4.8
<b>Income receipts (line 12):</b>															
Revised .....	295.4	352.5	292.4	282.7	322.4	415.8	537.3	684.7	833.9	814.1	606.6	678.0	753.0	756.1	773.7
Previously published .....	295.4	352.5	292.4	282.7	322.4	415.8	537.3	684.7	834.0	814.1	606.6	678.1	760.8	776.4	789.1
Amount of revision <sup>1</sup> .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)	(*)	-7.8	-20.2	-15.4
<b>Direct investment receipts (line 14):</b>															
Revised .....	131.6	151.8	128.7	145.6	186.4	250.6	294.5	324.8	370.8	413.7	362.5	440.9	470.7	453.6	460.3
Previously published .....	131.6	151.8	128.7	145.6	186.4	250.6	294.5	324.8	370.8	413.7	362.5	440.9	478.8	470.2	470.1
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	-8.1	-16.7	-9.8
<b>Other private receipts (line 15):</b>															
Revised .....	156.4	192.4	155.7	129.2	126.5	157.3	235.1	352.1	455.4	389.9	233.5	229.7	274.3	294.3	305.3
Previously published .....	156.4	192.4	155.7	129.2	126.5	157.3	235.1	352.1	455.4	389.9	233.5	229.7	274.0	297.9	310.9
Amount of revision <sup>1</sup> .....	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0.3	-3.6	-5.6
<b>Imports of goods and services and income payments (line 18):<sup>2</sup></b>															
Revised .....	1,509.4	1,778.1	1,626.7	1,651.1	1,791.0	2,119.5	2,467.0	2,855.9	3,087.0	3,211.2	2,441.5	2,844.0	3,202.1	3,301.7	3,324.9
Previously published .....	1,514.3	1,783.4	1,632.8	1,656.6	1,794.1	2,120.3	2,465.9	2,854.5	3,085.3	3,210.6	2,444.9	2,844.2	3,197.8	3,297.7	3,306.5
Amount of revision.....	-4.8	-5.3	-6.0	-5.5	-3.1	-0.8	1.2	1.4	1.7	0.6	-3.3	-0.3	4.3	4.1	18.3
<b>Goods, balance of payments basis (line 20):</b>															
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	2,239.0	2,303.8	2,294.5
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	2,240.0	2,302.7	2,293.6
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	-1.1	0.9
<b>Services (line 21):</b>															
Revised .....	190.3	213.0	210.3	220.3	239.3	279.5	301.5	336.4	367.3	402.0	378.5	404.6	430.2	444.8	456.4
Previously published .....	195.2	218.4	216.4	225.8	242.4	280.3	300.4	335.0	365.6	401.3	381.8	404.9	429.7	442.5	452.7
Amount of revision.....	-4.8	-5.3	-6.0	-5.5	-3.1	-0.8	1.2	1.4	1.7	0.6	-3.3	-0.3	0.5	2.3	3.7
<b>Direct defense expenditures (line 22):</b>															
Revised .....	11.8	12.1	12.9	16.8	21.9	24.1	25.2	25.1	25.9	26.2	28.3	28.5	27.8	24.7	22.5
Previously published .....	11.8	12.1	12.9	16.8	21.9	24.1	25.2	25.1	25.9	26.2	28.3	28.5	27.8	24.7	22.3
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	0.2
<b>Travel (line 23):</b>															
Revised .....	57.3	63.2	57.9	56.8	58.1	69.5	74.9	78.3	82.9	85.7	74.4	79.1	81.7	91.8	95.5
Previously published .....	59.3	65.4	60.9	59.5	58.3	66.7	69.9	73.0	77.1	80.5	74.1	75.5	78.2	83.5	86.2
Amount of revision.....	-2.0	-2.1	-3.0	-2.7	-0.2	2.7	4.9	5.4	5.8	5.2	0.3	3.6	3.4	8.3	9.3
<b>Passenger fares (line 24):</b>															
Revised .....	18.1	20.4	18.9	16.4	17.2	20.2	21.4	22.6	23.6	27.3	21.5	23.4	26.7	29.6	32.0
Previously published .....	20.9	23.6	21.9	19.2	20.1	23.7	25.2	26.6	27.7	31.8	25.1	27.3	31.1	34.7	37.3
Amount of revision.....	-2.8	-3.2	-3.0	-2.8	-2.9	-3.5	-3.8	-4.0	-4.1	-4.5	-3.6	-3.8	-4.3	-5.1	-5.3
<b>Royalties and license fees (line 26):</b>															
Revised .....	13.3	16.6	16.7	19.5	19.3	23.7	25.6	25.0	26.5	29.6	31.3	32.6	36.1	39.5	39.0
Previously published .....	13.3	16.6	16.7	19.5	19.3	23.7	25.6	25.0	26.5	29.6	31.3	32.6	34.8	39.9	41.3
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	1.3	-0.4	-2.3
<b>Other private services (line 27):</b>															
Revised .....	55.9	61.1	66.6	73.2	80.5	90.9	98.0	127.7	150.3	173.8	177.2	186.4	199.8	200.6</	



Table C. Revisions to Selected Current-Account Transactions, 1999–2013—Table Ends

[Billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Income payments (line 29):</b>															
Revised .....	283.5	333.3	262.7	257.5	279.7	351.7	469.7	641.3	733.3	667.9	483.0	500.4	532.1	553.1	574.0
Previously published .....	283.5	333.3	262.7	257.5	279.7	351.7	469.7	641.3	733.3	667.9	483.0	500.4	528.2	552.4	560.3
Amount of revision <sup>1</sup> .....	0.0	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	3.9	0.7	13.7
<b>Direct investment payments (line 31):</b>															
Revised .....	53.4	56.9	12.8	43.2	73.8	99.8	121.3	150.8	126.2	129.4	104.8	152.9	172.2	172.0	169.4
Previously published .....	53.4	56.9	12.8	43.2	73.8	99.8	121.3	150.8	126.2	129.4	104.8	152.9	168.2	176.7	174.3
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	3.9	-4.8	-4.9
<b>Other private payments (line 32):</b>															
Revised .....	138.1	180.9	159.8	127.0	119.0	155.3	228.4	338.9	426.8	354.6	219.4	196.4	213.3	234.9	251.8
Previously published .....	138.1	180.9	159.8	127.0	119.1	155.3	228.4	338.9	426.8	354.6	219.4	196.4	213.4	233.3	248.9
Amount of revision <sup>1</sup> .....	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1.5	2.9
<b>U.S. government payments (line 33):</b>															
Revised .....	80.5	84.5	78.4	74.9	73.9	82.7	104.1	135.2	164.7	166.8	144.4	137.2	132.4	131.5	137.2
Previously published .....	80.5	84.5	78.4	74.9	73.9	82.7	104.1	135.2	164.7	166.8	144.4	137.2	132.4	127.7	121.8
Amount of revision <sup>1</sup> .....	0.0	0.0	0.0	0.0	(*)	(*)	0.0	0.0	(*)	0.0	0.0	0.0	(*)	3.8	15.4
<b>Unilateral current transfers, net (line 35):</b>															
Revised .....	-48.8	-57.4	-63.5	-64.3	-70.2	-88.0	-98.8	-88.3	-113.9	-124.1	-120.6	-126.9	-131.7	-126.1	-123.5
Previously published .....	-49.0	-58.2	-64.1	-64.8	-70.9	-88.6	-99.5	-89.4	-114.9	-125.2	-121.6	-127.8	-133.5	-129.7	-133.2
Amount of revision .....	0.1	0.7	0.5	0.5	0.7	0.5	0.7	1.1	1.1	1.1	1.0	0.8	1.9	3.6	9.7
<b>U.S. government grants (line 36):</b>															
Revised .....	-13.7	-16.1	-11.1	-16.6	-21.5	-23.2	-32.9	-26.7	-33.5	-35.3	-41.7	-41.9	-46.4	-45.0	-44.2
Previously published .....	-13.8	-16.8	-11.6	-17.1	-22.2	-23.7	-33.6	-27.8	-34.6	-36.5	-42.7	-42.7	-47.4	-46.1	-45.6
Amount of revision .....	0.1	0.7	0.5	0.5	0.7	0.5	0.7	1.1	1.1	1.1	1.0	0.8	0.9	1.1	1.4
<b>Private remittances and other transfers (line 38):</b>															
Revised .....	-31.8	-36.7	-47.0	-42.6	-43.4	-58.9	-60.6	-55.4	-73.7	-82.4	-72.3	-78.4	-77.4	-77.4	-76.9
Previously published .....	-31.8	-36.7	-47.0	-42.6	-43.4	-58.9	-60.6	-55.4	-73.7	-82.4	-72.3	-78.4	-78.3	-79.9	-85.0
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	0.9	2.5	8.2

(\*) Between zero and +/- 50,000,000

1. Small revisions to income before 2011 result from the enhanced precision available from a new data processing system.

2. Values for imports of goods and services and for income payments (including component accounts) reflect

the values for these accounts with the sign reversed.

NOTE: Line numbers refer to ITA table 1 of the previous standard presentation, available on BEA's Web site at www.bea.gov.

investment income receipts and to other private receipts. Revisions to direct investment income receipts reflect newly available and revised data from BEA's quarterly and annual direct investment surveys. Revisions to other private receipts reflect downward revisions to dividend and average interest yields applied to U.S. holdings of foreign securities based on newly available data from the Department of the Treasury's December 2012 Annual Survey of U.S. Ownership of Foreign Securities (SHCA).

Income payments for all 3 years were revised upward. The upward revision for 2011 reflects an upward revision to direct investment income payments. The upward revisions for 2012 and 2013 reflect upward revisions to U.S. government payments and to other private payments that were partly offset by a downward revision to direct investment income payments. Revisions to direct investment income payments reflect newly available and revised data from BEA's direct investment surveys. Revisions to U.S. government payments and to other private payments reflect upward revisions to average interest yields applied to foreign holdings of U.S. securities. These revisions are primarily based on newly available information from the Department of the Treasury's June 2013 Annual Survey of Foreign Portfolio Holdings of U.S. Securities (SHLA).

**Transfers.** Net outflows of unilateral current transfers for 1999–2013 were revised downward reflecting the incorporation of source data from the Department of the Treasury on receipts from foreign residents for

contributions to U.S. military operations. Revisions for 2011–2013 also reflect revised source data on private remittances and other transfers, particularly data from BEA's surveys of international insurance transactions, which affect insurance-related transfers.

### Revisions due to changes in classifications, definitions, and presentations

This section identifies the effects of the changes in classifications, definitions, and presentations on statistics of selected current-account transactions (table D). Except where noted, changes were implemented beginning with statistics for 1999.

**Seasonally adjusted trade in goods and services by country and area.** In June 2014, BEA introduced quarterly seasonally adjusted statistics on trade in goods and services for selected major trading partner countries and areas. These statistics are presented in ITA tables 2.2 (trade in goods) and 3.2 (trade in services).

Unlike the seasonal adjustments by commodity and by service type that are applied to global totals, these adjustments are developed and applied directly to the statistics at the country and world area levels. Seasonally adjusted trade data by geographic area allow data users to assess more clearly underlying patterns in geographic time series data by removing predictable seasonal patterns specific to each country or world area. For more information, see [“Seasonal Adjustment of Trade in Goods and Services by Selected Countries and World Areas: Frequently Asked Questions”](#) on the BEA Web site.

With the release of the new presentation of seasonally adjusted trade in goods for selected countries and areas in table 2.2, BEA has discontinued the seasonally adjusted statistics on trade in goods by country and area that were previously published in part B of tables 2a and 2b in the previous presentation of the ITAs. The geographic statistics in tables 2a and 2b were seasonally adjusted indirectly using seasonal factors derived through seasonal adjustment of commodity groups.

**Reclassification of net exports of goods under merchanting.** Net exports of goods under merchanting were reclassified from services exports under other private services exports to goods exports. They reflect the net value of goods that are purchased and subsequently sold abroad without entering the United

States. Because these goods do not cross the U.S. customs frontier, their value is not recorded in the data from the Census Bureau, the primary source for data on trade in goods. The data source for net exports of goods under merchanting is BEA's quarterly and benchmark surveys of transactions in selected services and intellectual property with foreign persons. The reclassification of merchanting transactions from services to goods is made through a new balance of payments adjustment.<sup>8</sup>

8. Balance of payments adjustments are adjustments that BEA applies to Census Bureau data on goods exports and imports to convert them to a balance of payments basis. These adjustments are itemized in table 2.4 in "U.S. International Transactions Tables" that accompanies this article and are incorporated into the respective general merchandise commodity categories in table 2.1.

**Table D. Current-Account Changes in Classifications and Definitions, 1999–2013**

(Billions of dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Exports of goods (table 1, line 3).....	698.2	784.8	731.2	697.4	729.8	822.0	911.7	1,039.4	1,163.6	1,307.3	1,069.5	1,289.9	1,498.7	1,561.1	1,592.2
Plus: Net exports of goods under merchanting (table 2.1, line 3).....	0.3	0.2	0.1	0.6	0.6	1.6	1.3	1.5	1.5	1.5	0.8	0.4	0.5	0.6	0.6
<b>Equals: Exports of goods (table 1.2, line 3).....</b>	<b>698.5</b>	<b>784.9</b>	<b>731.3</b>	<b>698.0</b>	<b>730.4</b>	<b>823.6</b>	<b>913.0</b>	<b>1,040.9</b>	<b>1,165.2</b>	<b>1,308.8</b>	<b>1,070.3</b>	<b>1,290.3</b>	<b>1,499.2</b>	<b>1,561.7</b>	<b>1,592.8</b>
Exports of services (table 1, line 4).....	269.1	287.5	271.3	277.2	287.6	336.0	371.4	413.4	484.6	527.2	505.2	559.1	622.7	649.9	682.2
Minus: Net exports of goods under merchanting (table 2.1, line 3).....	0.3	0.2	0.1	0.6	0.6	1.6	1.3	1.5	1.5	1.5	0.8	0.4	0.5	0.6	0.6
Plus: U.S. contractors' expenses abroad (related to construction, architectural and engineering, and mining services) <sup>1</sup> .....	2.6	3.1	3.1	4.1	3.0	3.6	2.9	4.8	5.3	7.1	8.3	4.7	5.6	5.5	5.8
<b>Equals: Exports of services (table 1.2, line 13).....</b>	<b>271.3</b>	<b>290.4</b>	<b>274.3</b>	<b>280.7</b>	<b>290.0</b>	<b>338.0</b>	<b>373.0</b>	<b>416.7</b>	<b>488.4</b>	<b>532.8</b>	<b>512.7</b>	<b>563.3</b>	<b>627.8</b>	<b>654.9</b>	<b>687.4</b>
Other transportation (table 1, line 8).....	23.8	25.6	24.5	25.6	26.4	29.8	32.0	35.8	40.6	44.0	36.1	40.7	43.1	44.2	45.6
Plus: Passenger fares (table 1, line 7).....	19.4	20.2	17.2	16.3	15.1	17.9	20.6	21.6	25.2	31.0	26.1	31.0	36.8	39.4	41.6
<b>Equals: Transport (table 1.2, line 15).....</b>	<b>43.2</b>	<b>45.8</b>	<b>41.7</b>	<b>41.9</b>	<b>41.4</b>	<b>47.7</b>	<b>52.6</b>	<b>57.5</b>	<b>65.8</b>	<b>75.0</b>	<b>62.2</b>	<b>71.7</b>	<b>79.8</b>	<b>83.6</b>	<b>87.3</b>
Travel (table 1, line 6).....	75.5	82.4	67.4	61.1	58.7	69.7	77.0	79.6	92.7	104.6	90.7	106.9	118.6	126.6	135.6
Plus: Education, medical, and expenditures of short-term workers (part of table 1, line 10).....	16.9	17.8	19.3	20.8	21.6	22.7	24.5	25.6	26.3	29.1	29.2	30.2	32.2	34.7	37.6
<b>Equals: Travel (for all purposes including education) (table 1.2, line 16).....</b>	<b>92.3</b>	<b>100.2</b>	<b>86.7</b>	<b>81.9</b>	<b>80.3</b>	<b>92.4</b>	<b>101.5</b>	<b>105.1</b>	<b>119.0</b>	<b>133.8</b>	<b>119.9</b>	<b>137.0</b>	<b>150.9</b>	<b>161.2</b>	<b>173.1</b>
Other private services (table 1, line 10).....	96.8	100.8	106.9	115.0	124.2	141.9	154.1	175.9	209.3	228.8	235.7	256.0	279.7	293.3	309.2
Minus: Maintenance and repair services n.i.e. (table 1.2, line 14).....	3.8	4.7	5.6	5.8	5.5	5.3	7.2	7.7	9.1	10.0	12.1	13.9	14.3	15.1	16.3
Minus: Education, medical, and expenditures of short-term workers (part of table 1.2, line 16).....	16.9	17.8	19.3	20.8	21.6	22.7	24.5	25.6	26.3	29.1	29.2	30.2	32.2	34.7	37.6
Minus: Insurance services (table 1.2, line 17).....	3.1	3.6	3.4	4.4	6.0	7.3	7.6	9.4	10.8	13.4	14.6	14.4	15.1	16.5	16.1
Minus: Financial services (table 1.2, line 18).....	19.4	22.1	21.9	24.5	27.8	36.4	39.9	47.9	61.4	63.0	64.4	72.3	78.3	76.6	84.1
Minus: Telecommunications, computer, and information services (table 1.2, line 20).....	12.3	12.2	12.8	12.5	14.1	15.0	15.5	17.2	20.2	23.1	23.8	25.0	29.2	32.1	33.4
Minus: Foreign government expenditures (part of table 1, line 10).....	2.6	2.7	2.7	2.6	2.7	2.8	2.8	2.9	2.9	2.9	3.1	3.4	3.2	3.4	3.5
Plus: U.S. contractors' expenses abroad (related to construction, architectural and engineering, and mining services) <sup>1</sup> .....	2.6	3.1	3.1	4.1	3.0	3.6	2.9	4.8	5.3	7.1	8.3	4.7	5.6	5.5	5.8
Minus: Net exports of goods under merchanting (table 2.1, line 3).....	0.3	0.2	0.1	0.6	0.6	1.6	1.3	1.5	1.5	1.5	0.8	0.4	0.5	0.6	0.6
<b>Equals: Other business services (table 1.2, line 21).....</b>	<b>41.0</b>	<b>40.5</b>	<b>44.1</b>	<b>48.0</b>	<b>48.8</b>	<b>54.4</b>	<b>58.3</b>	<b>68.6</b>	<b>82.4</b>	<b>92.7</b>	<b>96.0</b>	<b>101.0</b>	<b>112.6</b>	<b>119.9</b>	<b>123.4</b>
Transfers under U.S. military agency sales contracts (table 1, line 5).....	5.2	6.2	5.2	4.7	5.9	8.8	12.1	15.6	17.4	14.9	16.3	15.0	18.8	18.2	18.2
Plus: U.S. government miscellaneous services (table 1, line 11).....	0.7	0.5	0.6	0.6	0.6	0.8	1.1	1.3	1.5	1.8	1.9	2.1	2.4	2.7	2.8
Plus: Foreign government expenditures (part of table 1, line 10).....	2.6	2.7	2.7	2.6	2.7	2.8	2.8	2.9	2.9	2.9	3.1	3.4	3.2	3.4	3.5
<b>Equals: Government goods and services n.i.e. (table 1.2, line 22).....</b>	<b>8.5</b>	<b>9.5</b>	<b>8.5</b>	<b>7.9</b>	<b>9.3</b>	<b>12.4</b>	<b>16.0</b>	<b>19.8</b>	<b>21.9</b>	<b>19.7</b>	<b>21.3</b>	<b>20.5</b>	<b>24.3</b>	<b>24.3</b>	<b>24.5</b>
Income receipts (table 1, line 12).....	295.4	352.5	292.4	282.7	322.4	415.8	537.3	684.7	833.9	814.1	606.6	678.0	753.0	756.1	773.7
Plus: U.S. parents' interest payments and U.S. affiliates' interest receipts (table 4.2, line 8).....	4.9	6.3	5.8	4.8	4.3	4.8	6.6	8.4	10.1	9.6	7.8	6.9	6.7	6.8	6.4
<b>Equals: Primary income receipts (table 1.2, line 23).....</b>	<b>300.3</b>	<b>358.8</b>	<b>298.2</b>	<b>287.5</b>	<b>326.7</b>	<b>420.6</b>	<b>544.0</b>	<b>693.1</b>	<b>844.0</b>	<b>823.7</b>	<b>614.4</b>	<b>684.9</b>	<b>759.7</b>	<b>762.9</b>	<b>780.1</b>
Imports of services (table 1, line 21).....	190.3	213.0	210.3	220.3	239.3	279.5	301.5	336.4	367.3	402.0	378.5	404.6	430.2	444.8	456.4
Plus: U.S. contractors' expenses abroad (related to construction, architectural and engineering, and mining services) <sup>1</sup> .....	2.6	3.1	3.1	4.1	3.0	3.6	2.9	4.8	5.3	7.1	8.3	4.7	5.6	5.5	5.8
<b>Equals: Imports of services (table 1.2, line 42).....</b>	<b>192.9</b>	<b>216.1</b>	<b>213.5</b>	<b>224.4</b>	<b>242.2</b>	<b>283.1</b>	<b>304.4</b>	<b>341.2</b>	<b>372.6</b>	<b>409.1</b>	<b>386.8</b>	<b>409.3</b>	<b>435.8</b>	<b>450.4</b>	<b>462.1</b>
Other transportation (table 1, line 25).....	31.5	37.2	34.9	35.1	40.6	48.9	54.2	55.3	55.8	56.7	42.6	51.2	54.6	55.5	58.7
Plus: Passenger fares (table 1, line 24).....	18.1	20.4	18.9	16.4	17.2	20.2	21.4	22.6	23.6	27.3	21.5	23.4	26.7	29.6	32.0
<b>Equals: Transport (table 1.2, line 44).....</b>	<b>49.6</b>	<b>57.6</b>	<b>53.8</b>	<b>51.5</b>	<b>57.9</b>	<b>69.2</b>	<b>75.6</b>	<b>78.0</b>	<b>79.3</b>	<b>84.0</b>	<b>64.1</b>	<b>74.6</b>	<b>81.4</b>	<b>85.0</b>	<b>90.8</b>
Travel (table 1, line 23).....	57.3	63.2	57.9	56.8	58.1	69.5	74.9	78.3	82.9	85.7	74.4	79.1	81.7	91.8	95.5
Plus: Education, medical, and expenditures of short-term workers (part of table 1, line 27).....	2.3	2.6	2.8	3.2	3.8	4.5	5.1	5.9	6.3	6.9	7.0	7.6	8.0	8.5	9.1
<b>Equals: Travel (for all purposes including education) (table 1.2, line 45).....</b>	<b>59.6</b>	<b>65.8</b>	<b>60.7</b>	<b>59.9</b>	<b>61.9</b>	<b>74.0</b>	<b>80.0</b>	<b>84.2</b>	<b>89.2</b>	<b>92.5</b>	<b>81.4</b>	<b>86.6</b>	<b>89.7</b>	<b>100.3</b>	<b>104.7</b>
Other private services (table 1, line 27).....	55.9	61.1	66.6	73.2	80.5	90.9	98.0	127.7	150.3	173.8	177.2	186.4	199.8	200.6	205.7
Minus: Maintenance and repair services n.i.e. (table 1.2, line 43).....	1.3	2.6	2.0	2.2	2.2	2.4	3.0	4.6	5.2	5.7	5.9	6.9	8.2	8.0	7.6
Minus: Education, medical, and expenditures of short-term workers (part of table 1.2, line 45).....	2.3	2.6	2.8	3.2	3.8	4.5	5.1	5.9	6.3	6.9	7.0	7.6	8.0	8.5	9.1
Minus: Insurance services (table 1.2, line 46).....	9.4	11.3	10.7	21.9	25.2	29.1	28.7	39.4	47.5	58.9	63.8	61.5	55.7	53.2	50.5
Minus: Financial services (table 1.2, line 47).....	8.3	10.9	16.2	9.0	8.9	11.2	12.1	14.7	19.2	17.2	14.4	15.5	17.4	17.0	18.7
Minus: Telecommunications, computer, and information services (table 1.2, line 49).....	13.3	12.4	12.4	11.7	13.1	14.2	16.0	19.8	22.4	24.7	25.8	29.0	32.8	32.2	32.9
Plus: U.S. contractors' expenses abroad (related to construction, architectural and engineering, and mining services) <sup>1</sup> .....	2.6	3.1	3.1	4.1	3.0	3.6	2.9	4.8	5.3	7.1	8.3	4.7	5.6	5.5	5.8
<b>Equals: Other business services (table 1.2, line 50).....</b>	<b>23.9</b>	<b>24.4</b>	<b>25.6</b>	<b>29.3</b>	<b>30.1</b>	<b>33.1</b>	<b>36.0</b>	<b>48.1</b>	<b>55.0</b>	<b>67.5</b>	<b>68.6</b>	<b>70.6</b>	<b>83.3</b>	<b>87.3</b>	<b>92.7</b>
Direct defense expenditures (table 1, line 22).....	11.8	12.1	12.9	16.8	21.9	24.1	25.2	25.1	25.9	26.2	28.3	28.5	27.8	24.7	22.5
Plus: U.S. government miscellaneous services (table 1, line 28).....	2.4	2.4	2.5	2.6	1.7	2.2	2.3	2.2	2.4	2.7	3.1	3.5	3.5	3.1	2.8
<b>Equals: Government goods and services n.i.e. (table 1.2, line 51).....</b>	<b>14.2</b>	<b>14.5</b>	<b>15.3</b>	<b>19.4</b>	<b>23.6</b>	<b>26.3</b>	<b>27.5</b>	<b>27.4</b>	<b>28.3</b>	<b>28.9</b>	<b>31.5</b>	<b>32.0</b>	<b>31.3</b>	<b>27.9</b>	<b>25.3</b>
Income payments (table 1, line 29).....	283.5	333.3	262.7	257.5	279.7	351.7	469.7	641.3	733.3	667.9	483.0	500.4	532.1	553.1	574.0
Plus: U.S. parents' interest payments and U.S. affiliates' interest receipts (table 4.2, line 45).....	4.9	6.3	5.8	4.8	4.3	4.8	6.6	8.4	10.1	9.6	7.8	6.9	6.7	6.8	6.4
<b>Equals: Primary income payments (table 1.2, line 52).....</b>	<b>288.4</b>	<b>339.6</b>	<b>268.5</b>	<b>262.3</b>	<b>283.9</b>	<b>356.5</b>	<b>476.3</b>	<b>649.8</b>	<b>743.4</b>	<b>677.6</b>	<b>490.8</b>	<b>507.3</b>	<b>537.8</b>	<b>559.9</b>	<b>580.5</b>

1. U.S. contractors' expenses abroad include salaries and wages transmitted or disbursed abroad; expenses or outlays for services (including purchases from foreign subcontractors), materials, and equipment purchases abroad; and other foreign expenses (for example, local taxes and fees for permits). Under gross recording, foreign contractors' expenditures

abroad are netted against their gross operating revenues (exports) but are recorded as imports.

Note: This table is a reconciliation of the current account as published in ITA table 1.2 of the new standard presentation with the current account as published in table 1 of the previous standard presentation.

**Reclassifications and new definitions within services.** The category “other transportation” is renamed transport and now includes passenger fares. Transport is further broken out into sea transport, air transport, and other modes of transport. Passenger fares, which covers fares for air travel, is now shown as air passenger transport, a subcomponent of air transport.

The definition of travel has been broadened to include both health-related and education-related travel and the expenditures on goods and services by border, seasonal, and other short-term workers, all of which were previously classified under other private services. The expanded definition brings the U.S. ITAs into closer alignment with international guidelines and improves the comparability of BEA’s travel statistics with those of other countries. To distinguish between the new definition and the previous definition, the category has been renamed “travel (for all purposes including education).” Along with the expanded definition of travel, BEA has introduced statistics on business travel and on personal travel. The distinction between business travel and personal travel is based on the main purpose of travel and not on the type of good or service consumed. Business travel includes (1) expenditures by border, seasonal, and other short-term workers and (2) other business travel. Personal travel covers travel for all nonbusiness purposes, including (1) health-related travel, (2) education-related travel, and (3) other personal travel. BEA uses information from the SIAT to separate what was defined as travel under the previous definition—that is, expenditures by those traveling for all purposes other than health, education, or short-term work—into spending by other business and other personal travelers.

Maintenance and repair services n.i.e. (not included elsewhere), insurance services, financial services, and telecommunications, computer, and information services have been reclassified from other private services in the previous presentation to individual major categories in the new presentation. The remainder of other private services, including research and development services, professional and management consulting services, and technical, trade-related, and other business services, is now classified as other business services.

Government goods and services n.i.e. combines transactions previously recorded in transfers under U.S. military agency sales contracts (for exports), direct defense expenditures (for imports), and U.S. government miscellaneous services (for both exports and imports), as well as expenditures of foreign governments and international organizations and foreign government workers in the United States, which were previously recorded in other private services.

Details on trade in services by type of affiliation (U.S. parents, U.S. affiliates, and unaffiliated) that were

previously published in ITA tables 3a and 7a will no longer be published on a quarterly basis. However, BEA will continue to provide the affiliation breakdown annually in the services tables presented in the international services section of the BEA Web site.

**Expanded use of gross-basis recording.** With this annual revision, BEA began recording the following components of other business services on a gross basis rather than on a net basis: construction services, architectural and engineering services, and mining services. Previously, BEA recorded these services on a net basis within services exports. U.S. contractors’ expenses abroad were netted against the U.S. contractors’ gross operating revenues.<sup>9</sup> Under the new presentation, the contractors’ expenses abroad are represented as debits within the current account under services imports.

Beginning with statistics for 1982, direct investment income is now presented on a gross basis according to whether the income is derived from an asset or a liability. On the gross (asset/liability) basis, direct investment income receipts covers income receipts associated with U.S. assets for both outward (U.S. parents) and inward (U.S. affiliates) direct investment. Direct investment income payments covers income payments associated with U.S. liabilities for both inward (U.S. affiliates) and outward (U.S. parents) direct investment. In the previous presentation, direct investment income was shown on a directional basis. On the directional basis, direct investment income receipts (payments) covered only outward (inward) investment; income receipts associated with U.S. parents’ assets were netted against income payments associated with U.S. parents’ liabilities, and income payments associated with U.S. affiliates’ liabilities were netted against income receipts associated with U.S. affiliates’ assets.

Secondary income (current transfer) receipts and payments are now presented on a gross basis and replace the previous net measure of unilateral current transfers. The balance on secondary income presented in ITA table 1.2, line 106, of the new presentation is equivalent to net unilateral current transfers presented in ITA table 1, line 35, of the previous presentation.

**Classifications of investment income by functional category and by type of income.** Under primary income, investment income is classified into four functional categories—direct investment, portfolio investment, other investment, and reserve assets—and then by type of income within the functional category—(1) income on equity and investment fund

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9. U.S. contractors’ expenses abroad include salaries and wages transmitted or disbursed abroad; expenses or outlays for services (including purchases from foreign subcontractors), materials, and equipment purchases abroad; and other foreign expenses (for example, local taxes and fees for permits).

shares, (2) interest income, and (3) income attributable to insurance policyholders. Income receipts on portfolio investment includes dividend and income receipts from the previous category “other private receipts.” Income payments on portfolio investment includes dividend payments from the previous category “other private payments” and interest payments from the previous categories “other private payments” and “U.S. government payments.” Income receipts and payments on other investment include interest receipts and payments and receipts and payments on income attributable to insurance policyholders from “other private” receipts and payments and “U.S. government” receipts and payments. Income on reserve assets, including interest earned on foreign-currency-denominated debt instruments and on U.S. accounts at the International Monetary Fund, which was previously commingled in government receipts, is now recorded separately.

### Effects of the revisions

**Goods.** Goods exports for 1999–2013 were revised upward as a result of the reclassification of net exports of goods under merchanting from services exports to goods exports. The revisions averaged \$0.8 billion annually (table D).

**Services.** Services exports for 1999–2013 were revised upward. The revisions averaged \$3.8 billion annually. Upward revisions that averaged \$4.6 billion annually and that resulted from the addition of U.S. contractors’ expenses abroad were partly offset by downward revisions that averaged \$0.8 billion annually and that resulted from the reclassification of net exports of goods under merchanting to goods. Services imports for 1999–2013 were revised upward. The revisions averaged \$4.6 billion annually. The upward revisions resulted from recording exports of construction, architectural and engineering, and mining services on a gross basis.

**Income.** Primary income receipts and primary income payments for 1999–2013 were both revised upward an average of \$6.7 billion annually reflecting the recording of direct investment income on a gross (asset/liability) basis. U.S. parents’ interest payments and U.S. affiliates’ interest receipts were added to both primary income receipts and primary income payments to convert the statistics from a directional basis to a gross (asset/liability) basis.

### Total revisions

This section discusses the total effects of all the changes—newly available and revised source data and changes in methodology, in source data, in classifica-

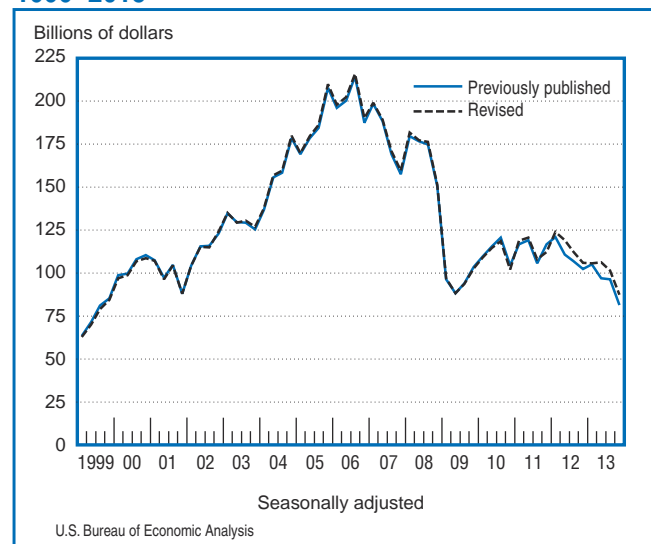
tions, in definitions, and in presentations—on the current account based on the new presentation of the ITAs (table B and table E).

Current-account statistics for 1999–2013 were revised to incorporate newly available and revised source data and changes in methodology. The current-account deficit was revised upward for 2002–2008 and for 2011–2013 and was revised downward for all other years. Because changes in classifications and definitions resulted in offsetting revisions to components of the current account, revisions to the current-account balance only reflect changes due to newly available and revised source data and changes in methodology.

The revised statistics for all years except for 2012 display the same trend in the current-account deficit as the previously published statistics. For 2012, the revised statistics indicate that the deficit increased, while the previously published statistics indicated that the current-account deficit decreased.

In addition to the sources of revisions for the annual statistics, the quarterly statistics reflect revised seasonal adjustments for exports and imports of goods and services and for receipts and payments of primary and secondary income (current transfers). The revisions to these statistics for most quarters did not affect the direction of the quarter-to-quarter changes in the current-account deficit (chart 3). The exceptions were the third quarter of 2002, the third quarter of 2003, and the first and second quarters of 2013. The revised statistics for the third quarter of 2003 and the second quarter of 2013 indicate that the deficit increased, while the previously published statistics for these quarters indicated that the deficit decreased. In contrast,

**Chart 3. Quarterly Current-Account Deficit, 1999–2013**



the revised statistics for the third quarter of 2002 and the first quarter of 2013 indicate that the deficit decreased, while the previously published statistics for these quarters indicated that the deficit increased.

For most quarters of 1999–2013, the revisions did not significantly affect the magnitude of the quarter-to-quarter changes in the current-account deficit. The largest revisions to the quarter-to-quarter changes were for the second quarter of 2013 when the deficit increased \$0.7 billion in the revised statistics but decreased \$8.3 billion in the previously published statistics; for the first quarter of 2012 when the increase in the deficit was revised upward \$7.5 billion; and for the fourth quarter of 2011 when the increase in the deficit was revised downward \$6.7 billion.

**Goods and services.** The deficit on goods and services was revised upward for 2002–2009, 2012, and 2013 and was revised downward for all other years. The revised statistics show the same trend as the previously published statistics.

The deficit on goods for all years except for 2012 was revised downward. Goods exports for all years were revised upward reflecting the reclassification of net exports of goods under merchanting from services

exports. Revisions for 2009–2013 also reflect revised source data. Goods imports were revised downward for 2011 and were revised upward for 2012 and 2013 as a result of revised source data.

The surplus on services was revised downward for 2002–2009, 2012, and 2013 and was revised upward for all other years. Services exports were revised downward for 2001–2008 and were revised upward for all other years. The downward revisions for 2001–2008 were mainly due to the incorporation of an improved estimation methodology for travel (chart 4). These revisions were partly offset by upward revisions due to both changes in classifications and the introduction of gross-basis recording of construction services, architectural and engineering services, and mining services. The upward revisions for all other years mainly reflect the incorporation of gross-basis recording.

Services imports for 2004–2013 were revised upward as a result of the introduction of gross-basis recording of construction services, architectural and engineering services, and mining services and the incorporation of an improved estimation methodology for travel. These upward revisions were partly offset by downward revisions to source data, particularly newly

**Table E. Sources of Revisions for Selected Current-Account Transactions, 1999–2013**

[Billions of dollars]

	Amount of revision														
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Exports of goods (line 3)</b> .....	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.6</b>	<b>0.6</b>	<b>1.6</b>	<b>1.3</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>0.9</b>	<b>1.5</b>	<b>3.4</b>	<b>0.5</b>	<b>3.1</b>
Reclassification of net exports of goods under merchanting.....	0.3	0.2	0.1	0.6	0.6	1.6	1.3	1.5	1.5	1.5	0.8	0.4	0.5	0.6	0.6
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	0.1	1.1	2.9	-0.1	2.5
<b>Exports of services (line 13)</b> .....	<b>2.6</b>	<b>2.4</b>	<b>-2.2</b>	<b>-2.8</b>	<b>-4.1</b>	<b>-3.8</b>	<b>-3.6</b>	<b>-4.6</b>	<b>-0.9</b>	<b>-0.2</b>	<b>4.0</b>	<b>7.7</b>	<b>10.8</b>	<b>5.5</b>	<b>5.7</b>
Reclassification of net exports of goods under merchanting.....	-0.3	-0.2	-0.1	-0.6	-0.6	-1.6	-1.3	-1.5	-1.5	-1.5	-0.8	-0.4	-0.5	-0.6	-0.6
Gross-basis recording of U.S. contractors' expenses abroad.....	2.6	3.1	3.1	4.1	3.0	3.6	2.9	4.8	5.3	7.1	8.3	4.7	5.6	5.4	5.8
Reclassifications within exports of services.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Improved estimation methodology for travel <sup>1</sup> .....	0.3	-0.5	-5.2	-6.3	-6.5	-5.8	-5.2	-6.6	-4.7	-5.8	-3.6	3.4	3.4	0.7	-3.5
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.3	(*)	(*)	0.0	0.0	2.3	-0.1	4.0
<b>Primary income receipts (previously income receipts) (line 23)<sup>2</sup></b> .....	<b>4.9</b>	<b>6.3</b>	<b>5.8</b>	<b>4.8</b>	<b>4.3</b>	<b>4.8</b>	<b>6.6</b>	<b>8.4</b>	<b>10.1</b>	<b>9.6</b>	<b>7.8</b>	<b>6.9</b>	<b>-1.1</b>	<b>-13.5</b>	<b>-8.9</b>
Gross (asset/liability) basis recording of direct investment income.....	4.9	6.3	5.8	4.8	4.3	4.8	6.6	8.4	10.1	9.6	7.8	6.9	6.7	6.8	6.4
Newly available and revised source data.....	(*)	0.0	(*)	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	-7.8	-20.2	-15.4
<b>Imports of goods (line 33)</b> .....	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>1.1</b>	<b>0.9</b>
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	-0.1	1.1	0.9
<b>Imports of services (line 42)</b> .....	<b>-2.3</b>	<b>-2.3</b>	<b>-2.9</b>	<b>-1.4</b>	<b>-0.2</b>	<b>2.8</b>	<b>4.1</b>	<b>6.2</b>	<b>7.0</b>	<b>7.7</b>	<b>5.0</b>	<b>4.4</b>	<b>6.1</b>	<b>7.8</b>	<b>9.5</b>
Gross-basis recording of U.S. contractors' expenses abroad.....	2.6	3.1	3.1	4.1	3.0	3.6	2.9	4.8	5.3	7.1	8.3	4.7	5.6	5.4	5.8
Reclassifications within imports of services.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Improved estimation methodology for travel <sup>1</sup> .....	-2.0	-2.1	-3.0	-2.7	-0.2	2.7	4.9	5.4	5.9	5.2	(*)	3.4	3.2	8.5	9.3
Newly available and revised source data.....	-2.8	-3.2	-3.0	-2.8	-2.9	-3.5	-3.8	-4.0	-4.2	-4.5	-3.4	-3.6	-2.7	-6.2	-5.6
<b>Primary income payments (previously income payments) (line 52)<sup>2</sup></b> .....	<b>4.9</b>	<b>6.3</b>	<b>5.8</b>	<b>4.8</b>	<b>4.3</b>	<b>4.8</b>	<b>6.6</b>	<b>8.4</b>	<b>10.1</b>	<b>9.6</b>	<b>7.8</b>	<b>6.9</b>	<b>10.6</b>	<b>7.5</b>	<b>20.2</b>
Gross (asset/liability) basis recording of direct investment income.....	4.9	6.3	5.8	4.8	4.3	4.8	6.6	8.4	10.1	9.6	7.8	6.9	6.7	6.8	6.4
Newly available and revised source data.....	(*)	0.0	0.0	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	3.9	0.7	13.7
<b>Balance on current account (line 101)</b> .....	<b>5.2</b>	<b>5.6</b>	<b>1.4</b>	<b>-0.3</b>	<b>-2.7</b>	<b>-4.4</b>	<b>-5.6</b>	<b>-8.2</b>	<b>-5.3</b>	<b>-5.3</b>	<b>0.8</b>	<b>5.5</b>	<b>-1.6</b>	<b>-20.3</b>	<b>-21.0</b>
Reclassification of net exports of goods under merchanting.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross-basis recording of U.S. contractors' expenses abroad.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Improved estimation methodology for travel <sup>1</sup> .....	2.3	1.6	-2.2	-3.5	-6.2	-8.5	-10.1	-12.0	-10.5	-11.0	-3.6	(*)	0.3	-7.8	-12.8
Newly available and revised source data.....	2.9	4.0	3.5	3.3	3.5	4.1	4.4	3.7	5.2	5.7	4.4	5.5	-1.9	-12.5	-8.2
<b>Balance on goods and services (line 102)</b> .....	<b>5.1</b>	<b>4.8</b>	<b>0.8</b>	<b>-0.8</b>	<b>-3.3</b>	<b>-5.0</b>	<b>-6.3</b>	<b>-9.3</b>	<b>-6.3</b>	<b>-6.4</b>	<b>-0.1</b>	<b>4.7</b>	<b>8.2</b>	<b>-2.9</b>	<b>-1.5</b>
Reclassification of net exports of goods under merchanting.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross-basis recording of U.S. contractors' expenses abroad.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Improved estimation methodology for travel <sup>1</sup> .....	2.3	1.6	-2.2	-3.5	-6.2	-8.5	-10.1	-12.0	-10.5	-11.0	-3.6	(*)	0.3	-7.8	-12.8
Newly available and revised source data.....	2.8	3.2	3.0	2.8	2.9	3.5	3.8	2.7	4.2	4.5	3.4	4.7	8.0	4.9	11.3
<b>Balance on primary income (previously balance on income) (line 105)<sup>2</sup></b> .....	<b>(*)</b>	<b>0.0</b>	<b>(*)</b>	<b>(*)</b>	<b>0.0</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>-11.7</b>	<b>-20.9</b>
Gross (asset/liability) basis recording of direct investment income.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Newly available and revised source data.....	(*)	0.0	(*)	(*)	0.0	(*)	(*)	(*)	(*)	(*)	(*)	(*)	-11.7	-20.9	-29.1
<b>Balance on secondary income (previously unilateral current transfers, net) (line 106)</b> .....	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>0.8</b>	<b>1.9</b>	<b>3.6</b>	<b>9.7</b>
Gross-basis recording of current transfers.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Newly available and revised source data.....	0.1	0.7	0.5	0.5	0.7	0.5	0.7	1.1	1.1	1.1	1.0	0.8	1.9	3.6	9.7

(\*) Between zero and +/- 50,000,000

1. The revisions also include revisions to source data.

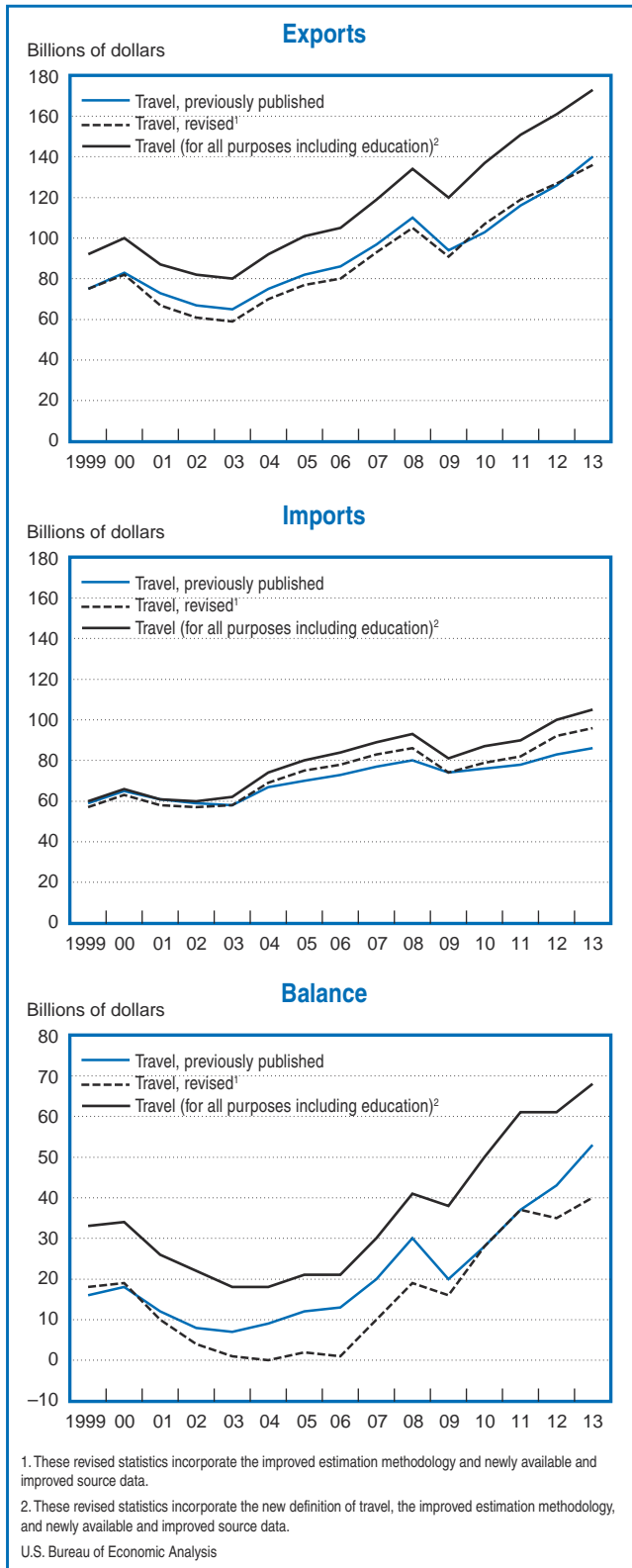
2. Small revisions to primary income before 2011 result from the enhanced precision available from a new

data processing system.

NOTE: Line numbers refer to ITA table 1.2, available on BEA's Web site at [www.bea.gov](http://www.bea.gov).

incorporated data from the DHS. In contrast, services imports for 1999–2003 were revised downward reflecting downward revisions due to the incorporation of the improved estimation methodology for travel and the introduction of improved traveler counts from the

**Chart 4. Revisions to Travel, 1999–2013**



DHS that were partly offset by the introduction of gross-basis recording.

**Primary income.** The surplus on primary income for 1999–2010 was nearly unrevised.<sup>10</sup> The surplus on primary income for 2011–2013 was revised downward reflecting newly available and revised source data from BEA’s direct investment surveys and from the Department of the Treasury surveys. Primary income receipts for 2011–2013 were revised downward, while primary income payments were revised upward. Revisions to primary income receipts and payments for 1999–2013 also reflect the introduction of gross (asset/liability) basis recording of direct investment income transactions. However, these revisions were identical for receipts and for payments and therefore did not affect the surplus on primary income.

**Secondary income.** The deficit on secondary income (current transfers) for 1999–2013 was revised downward reflecting the incorporation of source data from the Department of the Treasury on receipts from foreign residents for contributions to military operations. Revisions for 2011–2013 also reflect revised source data on private remittances and other transfers, particularly data from BEA’s surveys of international insurance transactions.

### Capital Account

Beginning with statistics for 1999, capital-account transactions are presented on a gross basis rather than on a net basis. The new components of the capital account are (1) capital transfer receipts and other credits and (2) capital transfer payments and other debits.

The balance on the capital account for 2011 and 2012 was revised slightly (table B). The deficit on the capital account for 2011 was revised downward reflecting a downward revision to capital transfer payments and other debits. The surplus on the capital account for 2012 was revised downward reflecting an upward revision to capital transfer payments and other debits. These revisions resulted from new information on transactions between sports franchises for the rights to negotiate with professional athletes.

### Financial Account

#### Revisions due to newly available and revised source data

Financial-account statistics for 2009–2013 were revised as a result of newly available and revised source data (table F). Net financial inflows, which include transactions in financial derivatives, were revised downward \$0.1 billion for 2009, \$1.1 billion for 2010,

10. Small revisions to primary income before 2011 (appendix A) resulted from the enhanced precision available from a new data processing system.

\$36.0 billion for 2011, and \$15.9 billion for 2012 and were revised upward \$19.4 billion for 2013. Revisions to net financial flows represent the combined revisions to transactions in U.S.-owned assets abroad, foreign-

owned assets in the United States, and financial derivatives, net. These revisions reflect the incorporation of newly available and revised source data from BEA's quarterly and annual surveys of direct investment and

**Table F. Revisions to Selected Financial-Account Transactions, 2010–2013**

[Billions of dollars]

	2010	2011	2012	2013
<b>U.S.-owned assets abroad, excluding financial derivatives (line 40):</b> <sup>1</sup>				
Revised .....	910.0	475.0	128.9	586.0
Previously published .....	910.0	452.3	97.5	553.0
Amount of revision <sup>2</sup> .....	(*)	22.7	31.4	33.1
<b>U.S. private assets abroad</b>				
<b>Direct investment (line 51):</b>				
Revised .....	301.1	419.1	333.0	349.5
Previously published .....	301.1	409.0	388.3	359.6
Amount of revision .....	0.0	10.1	-55.3	-10.1
<b>Foreign securities (line 52):</b>				
Revised .....	139.1	144.7	247.8	445.2
Previously published .....	139.1	143.8	144.8	388.9
Amount of revision .....	0.0	0.9	103.0	56.3
<b>U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns (line 53):</b>				
Revised .....	-31.3	-6.3	31.1	56.6
Previously published .....	-31.3	-4.1	25.7	61.8
Amount of revision .....	0.0	-2.2	5.4	-5.2
<b>U.S. claims reported by U.S. banks, not included elsewhere (line 54):</b>				
Revised .....	506.8	-202.0	-402.2	-259.2
Previously published .....	506.8	-215.9	-380.5	-252.2
Amount of revision .....	0.0	13.9	-21.7	-7.0
<b>Foreign-owned assets in the United States, excluding financial derivatives (line 55):</b>				
Revised .....	1,332.9	955.7	559.4	959.0
Previously published .....	1,333.9	969.0	543.9	906.1
Amount of revision .....	-1.1	-13.3	15.5	52.9
<b>Foreign official assets in the United States</b>				
<b>U.S. Treasury securities (line 58):</b>				
Revised .....	442.0	169.8	433.8	238.0
Previously published .....	442.0	169.8	433.2	235.5
Amount of revision <sup>2</sup> .....	(*)	0.0	0.6	2.5
<b>Other U.S. government securities (line 59):</b>				
Revised .....	-88.7	-20.7	-118.5	-30.9
Previously published .....	-88.7	-20.7	-118.5	-30.9
Amount of revision <sup>2</sup> .....	0.0	(*)	(*)	(*)
<b>Other U.S. government liabilities (line 60):</b>				
Revised .....	11.4	9.0	8.4	10.3
Previously published .....	12.4	9.6	8.2	11.3
Amount of revision .....	-1.1	-0.6	0.2	-1.0
<b>Other foreign official assets (line 62):</b>				
Revised .....	40.5	57.8	74.5	7.3
Previously published .....	40.5	67.7	72.6	6.8
Amount of revision .....	0.0	-9.9	1.9	0.4
<b>Other foreign assets in the United States</b>				
<b>Direct investment (line 64):</b>				
Revised .....	205.9	236.1	175.2	236.3
Previously published .....	205.9	230.2	166.4	193.4
Amount of revision .....	0.0	5.8	8.8	42.9
<b>U.S. Treasury securities (line 65):</b>				
Revised .....	298.3	185.5	156.0	193.2
Previously published .....	298.3	188.0	156.4	202.2
Amount of revision <sup>2</sup> .....	(*)	-2.6	-0.4	-9.0
<b>U.S. securities other than U.S. Treasury securities (line 66):</b>				
Revised .....	140.9	-54.5	197.0	58.1
Previously published .....	140.9	-54.5	196.9	44.3
Amount of revision .....	0.0	(*)	0.1	13.8
<b>U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns (line 68):</b>				
Revised .....	68.0	1.8	-36.1	-62.8
Previously published .....	68.0	6.1	-39.5	-64.8
Amount of revision <sup>2</sup> .....	(*)	-4.2	3.4	2.1
<b>U.S. liabilities reported by U.S. banks, not included elsewhere (line 69):</b>				
Revised .....	194.2	288.5	-386.8	210.3
Previously published .....	194.2	290.3	-387.4	209.5
Amount of revision .....	0.0	-1.8	0.6	0.8
<b>Financial derivatives, net (line 70):</b>				
Revised .....	14.1	35.0	-7.1	-2.2
Previously published .....	14.1	35.0	-7.1	-1.9
Amount of revision .....	0.0	0.0	0.0	-0.4
<b>Net financial flows (lines 40, 55, and 70):</b> <sup>1</sup>				
Revised .....	-437.0	-515.8	-423.5	-370.7
Previously published .....	-438.0	-551.7	-439.4	-351.2
Amount of revision .....	1.1	36.0	15.9	-19.4

(\*) Between zero and +/- 50,000,000

1. Values for acquisition or sales of U.S.-owned assets abroad (including component accounts) and of net financial flows reflect the values for these accounts with the sign reversed.

2. Small revisions to these accounts for 2010 and 2011 result from the enhanced precision available from a

new data processing system.

NOTE: Line numbers refer to ITA table 1 of the previous standard presentation, available on BEA's Web site at [www.bea.gov](http://www.bea.gov).

from three surveys administered by the Department of the Treasury: (1) Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (SLT) survey, (2) the December 2012 Annual Survey of U.S. Ownership of Foreign Securities (SHCA), and (3) the June 2013 Annual Survey of Foreign Portfolio Holdings of U.S. Securities (SHLA).

The volatility in quarterly net financial transactions reflects the volatility in global financial markets as well as the incomplete measurement of 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 components. Quarterly changes can range from a few million dollars to hundreds of billions of dollars and can change from an increase to a decrease from one quarter to the next. Volatility in net financial transactions is also due to incomplete or imperfect measurement that may cause mismatches between components of transactions that would otherwise be offsetting if the measurement were more complete or more accurate. Net annual financial transactions are less susceptible to such measurement-driven volatility.

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

Transactions in U.S.-owned assets abroad, excluding financial derivatives represent the net acquisition or sale of foreign financial assets by U.S. residents in which increases (acquisitions) are recorded as outflows. Upward revisions of \$22.7 billion for 2011, of \$31.4 billion for 2012, and of \$33.1 billion for 2013 reflect very different annual patterns in the revisions to the underlying component accounts of U.S. direct investment abroad, foreign securities, nonbank claims, and bank claims.

**U.S. direct investment abroad.** Revisions resulted from the incorporation of newly available and revised source data from BEA's quarterly and annual surveys of direct investment. An upward revision of \$10.1 billion for 2011 reflects an upward revision to equity investment that was partly offset by downward revisions to both reinvested earnings and intercompany debt investment. A downward revision of \$55.3 billion for 2012 reflects downward revisions to all three components: reinvested earnings, intercompany debt investment, and equity investment. A downward revision of \$10.1 billion for 2013 reflects a downward revision to reinvested earnings that was partly offset by upward revisions to both intercompany debt investment and equity investment.

**Foreign securities.** Revisions to U.S. net purchases of foreign securities reflect revised SLT data, the incorporation of the SHCA data as of December 2012, and

revised transactions for stock swaps. Revisions to financial transactions for foreign stocks and bonds resulted in a slight upward revision to foreign securities for 2011. The incorporation of SHCA and SLT data led to improved statistics for transactions (net purchases or net sales), price changes, and other changes in volume and valuation for 2012 and 2013. As a result, net purchases of foreign securities were revised upward \$103.0 billion for 2012 and \$56.3 billion for 2013.

U.S. net purchases of foreign bonds were revised upward \$82.3 billion for 2012 and \$7.3 billion for 2013 as a result of including previously unreported U.S. net purchases. The upward revision for 2012 reflects the incorporation of revised SHCA data that revealed holdings were much higher than previously reported, largely because of larger net purchases. The upward revision for 2013 reflects revised SLT data that revealed more price depreciation of foreign securities and larger net purchases. U.S. net purchases of foreign stocks were revised upward \$20.7 billion for 2012 and \$49.1 billion for 2013. The upward revision for 2012 reflects revised SHCA data that revealed significantly less price appreciation and larger net purchases than previously reported. The upward revision for 2013 reflects revised SLT data that revealed larger net purchases.

**Nonbank claims.** Revisions to transactions in nonbank claims were relatively small. Decreases in nonbank claims were revised upward \$2.2 billion for 2011, increases in nonbank claims were revised upward \$5.4 billion for 2012, and increases in nonbank claims were revised downward \$5.2 billion for 2013. These revisions reflect revised data from the Treasury International Capital (TIC) reporting system as well as other sources and revised data on the intercompany debt claims of financial intermediaries from BEA's surveys of direct investment.

**Bank claims.** Decreases in bank claims were revised downward \$13.9 billion for 2011 and were revised upward \$21.7 billion for 2012 and \$7.0 billion for 2013. These revisions were largely due to revised data from the TIC reporting system. The revisions also partly reflect revised data from BEA's direct investment surveys.

#### **Foreign-owned assets in the United States**

Transactions in foreign-owned assets in the United States, excluding financial derivatives represent the net acquisition or sales of U.S. financial assets by foreign residents in which increases (acquisitions by foreign residents) are recorded as inflows. The largest revision was for 2013: the increase in U.S. liabilities was revised upward \$52.9 billion.

**Foreign direct investment in the United States.** Revisions resulted from the incorporation of newly



available and revised source data from BEA's quarterly and annual surveys of direct investment. An upward revision of \$5.8 billion for 2011 reflects upward revisions to equity investment and to intercompany debt investment that were partly offset by a downward revision to reinvested earnings. An upward revision of \$8.8 billion for 2012 reflects an upward revision to equity investment that was largely offset by downward revisions to intercompany debt investment and to reinvested earnings. An upward revision of \$42.9 billion for 2013 reflects upward revisions to equity investment and to intercompany debt investment that were partly offset by a downward revision to reinvested earnings.

**Official and private transactions in U.S. Treasury securities.** Foreign official net purchases of U.S. Treasury securities were revised upward \$0.6 billion for 2012 and \$2.5 billion for 2013. Private net purchases of U.S. Treasury securities were revised downward \$2.6 billion for 2011, \$0.4 billion for 2012, and \$9.0 billion for 2013. These revisions were largely due to revised data from the monthly SLT survey that revealed that changes in foreign official and private holdings of long-term U.S. Treasury securities were \$0.2 billion higher for 2012 and \$6.6 billion lower for 2013 than previously reported. As a result, financial transactions for 2012 were revised slightly upward, and financial transactions for 2013 were revised downward.

**Official transactions in other U.S. government securities.** Foreign official net sales of other U.S. government-sponsored agency securities, such as those issued by Fannie Mae and Freddie Mac, were nearly unrevised for 2012 and 2013 after the incorporation of revised data from the monthly SLT survey. The revised SLT data revealed that changes in foreign official holdings of agency securities were nearly the same as previously reported.

**Other foreign official assets.** Foreign official net purchases of other foreign official assets (U.S. corporate stocks and bonds) were revised downward \$9.9 billion for 2011 and were revised upward \$1.9 billion for 2012 and \$0.4 billion for 2013 as a result of the incorporation of revised source data from the SLT survey. The revised SLT data revealed that changes in holdings of other foreign official assets were lower than previously reported for 2011 and were higher than previously reported for 2012 and 2013; the incorporation of these data resulted in a downward revision to transactions for 2011 and in upward revisions to transactions for 2012 and 2013.

**Private transactions in U.S. securities other than U.S. Treasury securities.** Private foreign net sales of U.S. securities other than U.S. Treasury securities (U.S. agency securities and U.S. corporate stocks and bonds) were nearly unrevised for 2011. Private foreign net

purchases were revised upward \$0.1 billion for 2012 and \$13.8 billion for 2013. These revisions resulted from revised SLT data and the incorporation of data from the SHLA survey.

**Nonbank liabilities.** Increases in nonbank liabilities were revised downward \$4.2 billion for 2011, and decreases in nonbank liabilities were revised downward \$3.4 billion for 2012 and \$2.1 billion for 2013. These revisions resulted from the incorporation of revised data from the TIC reporting system and from BEA's quarterly and annual surveys of direct investment.

**Bank liabilities.** Increases in bank liabilities were revised downward \$1.8 billion for 2011, decreases in bank liabilities were revised downward \$0.6 billion for 2012, and increases in bank liabilities were revised upward \$0.8 billion for 2013. These revisions resulted from the incorporation of revised data from BEA's quarterly and annual surveys of direct investment and from the TIC reporting system.

#### **Revisions due to changes in classifications, definitions, and presentations**

This section identifies the effects of the changes in classifications, definitions, and presentations on statistics of selected financial-account transactions (table G). Except where noted, changes were implemented beginning with statistics for 1999.

The financial account is significantly restructured in the new standard presentation of the ITAs. Net U.S. acquisition of financial assets excluding financial derivatives replaces U.S.-owned assets abroad, excluding financial derivatives, and net U.S. incurrence of liabilities excluding financial derivatives replaces foreign-owned assets in the United States, excluding financial derivatives. Net lending or net borrowing is calculated as the difference between the net acquisition of financial assets excluding financial derivatives and the net incurrence of liabilities excluding financial derivatives plus net transactions in financial derivatives. In the new presentation, net lending or net borrowing from financial-account transactions takes the opposite sign of net financial flows in the previous presentation. Net lending will be positive whenever the net acquisition of financial assets exceeds the net incurrence of liabilities, a situation that previously resulted in negative net financial flows.

**Classifications by major functional category and by instrument.** Financial-account transactions are classified into five functional categories—direct investment, portfolio investment, other investment, reserve assets, and financial derivatives—and then by type of instrument within the functional category (for example, equity, debt securities, and loans). Instrument detail is provided under the functional categories in ITA

table 1.2 of the new presentation. Tables for portfolio investment and other investment provide statistics by sector. This consistent structure replaces the previous

financial-account structure, which was a mix of classifications by U.S. sector, by sector of the foreign counterparty, by reporter, and by instrument. The changes

**Table G. Financial-Account Changes in Classifications and Definitions**

[Billions of dollars]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net U.S. acquisitions of financial assets excluding financial derivatives (table 1.2, line 61)</b> .....	<b>373.0</b>	<b>1,062.8</b>	<b>572.3</b>	<b>1,336.9</b>	<b>1,572.5</b>	<b>-309.5</b>	<b>132.2</b>	<b>963.4</b>	<b>496.3</b>	<b>171.4</b>	<b>644.8</b>
<b>Direct investment assets, (table 1.2, line 62)</b> .....	<b>197.2</b>	<b>378.1</b>	<b>61.9</b>	<b>296.1</b>	<b>532.9</b>	<b>351.7</b>	<b>313.7</b>	<b>354.6</b>	<b>440.4</b>	<b>375.5</b>	<b>408.2</b>
Direct investment (outward), directional basis (table 1, line 51) <sup>1</sup> .....	149.6	316.2	36.2	244.9	414.0	329.1	310.4	301.1	419.1	333.0	349.5
Adjustments to convert to asset/liability basis <sup>2</sup> .....	47.6	61.9	25.7	51.1	118.9	22.6	3.3	53.5	21.3	42.5	58.7
U.S. parents' liabilities.....	24.6	36.9	11.0	33.1	40.0	2.0	4.2	43.5	24.7	3.1	25.9
U.S. affiliates' claims.....	23.0	25.0	14.7	18.0	78.9	20.6	-0.9	10.0	-3.4	39.5	32.8
<b>Portfolio investment assets (table 1.2, line 65)</b> .....	<b>133.1</b>	<b>192.0</b>	<b>267.3</b>	<b>493.4</b>	<b>380.8</b>	<b>-284.3</b>	<b>375.9</b>	<b>199.6</b>	<b>85.4</b>	<b>239.8</b>	<b>489.9</b>
<b>Equity (table 1.2, line 66)</b> .....	<b>118.0</b>	<b>84.8</b>	<b>186.7</b>	<b>137.3</b>	<b>147.8</b>	<b>-38.6</b>	<b>63.7</b>	<b>79.2</b>	<b>7.0</b>	<b>103.3</b>	<b>275.2</b>
Foreign stocks (part of table 1, line 52) <sup>1,3</sup> .....	118.0	84.8	186.7	137.3	147.8	-38.6	63.7	79.2	7.0	103.3	275.2
<b>Debt instruments (table 1.2, line 67)</b> .....	<b>15.1</b>	<b>107.2</b>	<b>80.6</b>	<b>356.0</b>	<b>233.0</b>	<b>-245.7</b>	<b>312.2</b>	<b>120.5</b>	<b>78.4</b>	<b>136.5</b>	<b>214.6</b>
Foreign bonds (part of table 1, line 52) <sup>1,3</sup> .....	28.7	85.8	64.5	227.8	218.7	-158.8	163.3	59.9	137.7	144.6	170.0
Adjustment to add short term securities and negotiable certificates of deposit (NCDs) of any maturity, included in table 1 lines 53 and 54 <sup>1</sup> .....	-13.7	21.4	16.1	128.2	14.3	-86.9	148.9	60.5	-59.3	-8.1	44.7
Short term securities and NCDs reported by U.S. nonbanking concerns (part of line 53) <sup>4</sup> .....	-2.1	6.7	3.3	8.9	-1.5	(*)	3.4	2.6	-3.3	3.1	7.5
Short term securities and NCDs reported by U.S. banks and securities brokers (part of line 54) <sup>5</sup> .....	-11.5	14.7	12.8	119.4	15.8	-86.9	145.5	58.0	-56.0	-11.2	37.2
<b>Other investment assets (table 1.2, line 70)</b> .....	<b>44.3</b>	<b>495.5</b>	<b>257.2</b>	<b>549.8</b>	<b>658.6</b>	<b>-381.8</b>	<b>-609.7</b>	<b>407.4</b>	<b>-45.3</b>	<b>-448.4</b>	<b>-250.3</b>
U.S. government assets, other than official reserve assets (table 1, line 46) <sup>1</sup> .....	-0.5	-1.7	-5.5	-5.3	22.3	529.6	-541.3	-7.5	103.7	-85.3	-3.0
Claims reported by U.S. nonbanking concerns (table 1, line 53) <sup>1</sup> .....	18.2	152.6	71.2	181.3	0.9	-456.2	-154.1	-31.3	-6.3	31.1	56.6
Claims reported by U.S. banks and securities brokers (table 1, line 54) <sup>1</sup> .....	13.0	366.0	207.6	502.1	649.7	-542.1	234.7	506.8	-202.0	-402.2	-259.2
Adjustment to remove short term securities and NCDs of any maturity, included in table 1 lines 53 and 54.....	13.7	-21.4	-16.1	-128.2	-14.3	86.9	-148.9	-60.5	59.3	8.1	-44.7
Short term securities and NCDs reported by U.S. nonbanking concerns (part of line 53), reverse sign <sup>4</sup> .....	2.1	-6.7	-3.3	-8.9	1.5	(*)	-3.4	-2.6	3.3	-3.1	-7.5
Short term securities and NCDs reported by U.S. banks and securities brokers (part of line 54), reverse sign <sup>5</sup> .....	11.5	-14.7	-12.8	-119.4	-15.8	86.9	-145.5	-58.0	56.0	11.2	-37.2
<b>Reserve assets (table 1.2, line 75)</b> .....	<b>-1.5</b>	<b>-2.8</b>	<b>-14.1</b>	<b>-2.4</b>	<b>0.1</b>	<b>4.8</b>	<b>52.3</b>	<b>1.8</b>	<b>15.9</b>	<b>4.5</b>	<b>-3.1</b>
U.S. official reserve assets (table 1, line 41) <sup>1</sup> .....	-1.5	-2.8	-14.1	-2.4	0.1	4.8	52.3	1.8	15.9	4.5	-3.1
<b>Of which:</b>											
<b>Other reserve assets (table 1.2, line 79) <sup>6</sup></b> .....	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>1.0</b>	<b>1.3</b>	<b>0.7</b>	<b>0.5</b>	<b>-0.5</b>	<b>0.4</b>	<b>0.3</b>
Foreign currencies (table 1, line 45) <sup>1</sup> .....	0.6	0.6	0.6	0.7	1.0	1.3	0.7	0.5	-0.5	0.4	0.3
<b>Currency and deposits (table 1.2, line 80)</b> .....	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>(*)</b>	<b>(*)</b>
<b>Securities (table 1.2, line 81)</b> .....	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>-0.6</b>	<b>0.4</b>	<b>0.3</b>
<b>Financial derivatives (table 1.2, line 82)</b> .....	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other claims (table 1.2, line 83)</b> .....	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>	<b>(*)</b>
<b>Net U.S. incurrence of financial liabilities excluding financial derivatives (table 1.2, line 84)</b> .....	<b>905.9</b>	<b>1,595.1</b>	<b>1,273.0</b>	<b>2,116.3</b>	<b>2,183.5</b>	<b>454.1</b>	<b>318.4</b>	<b>1,386.3</b>	<b>977.1</b>	<b>602.0</b>	<b>1,017.7</b>
<b>Direct investment liabilities (table 1.2, line 85)</b> .....	<b>111.3</b>	<b>207.9</b>	<b>138.3</b>	<b>294.3</b>	<b>340.1</b>	<b>332.7</b>	<b>153.8</b>	<b>259.3</b>	<b>257.4</b>	<b>217.8</b>	<b>295.0</b>
Direct investment (inward, directional basis) (table 1, line 64).....	63.8	146.0	112.6	243.2	221.2	310.1	150.4	205.9	236.1	175.2	236.3
Adjustments to convert to asset/liability basis <sup>2</sup> .....	47.6	61.9	25.7	51.1	118.9	22.6	3.3	53.5	21.3	42.5	58.7
U.S. parents' liabilities.....	24.6	36.9	11.0	33.1	40.0	2.0	4.2	43.5	24.7	3.1	25.9
U.S. affiliates' claims.....	23.0	25.0	14.7	18.0	78.9	20.6	-0.9	10.0	-3.4	39.5	32.8
<b>Portfolio investment liabilities (table 1.2, line 88)</b> .....	<b>550.2</b>	<b>867.3</b>	<b>832.0</b>	<b>1,126.7</b>	<b>1,156.6</b>	<b>523.7</b>	<b>357.4</b>	<b>820.4</b>	<b>311.6</b>	<b>747.0</b>	<b>490.9</b>
<b>Equity (table 1.2, line 89)</b> .....	<b>34.0</b>	<b>61.8</b>	<b>89.3</b>	<b>145.5</b>	<b>275.6</b>	<b>126.8</b>	<b>219.3</b>	<b>179.0</b>	<b>123.4</b>	<b>239.1</b>	<b>-85.4</b>
U.S. corporate stocks, foreign official agencies (part of table 1, line 62) <sup>7</sup> .....	-0.3	2.2	1.0	5.8	45.1	68.9	55.9	39.7	62.4	61.1	-18.6
U.S. corporate stocks, other foreign residents (part of table 1, line 66) <sup>8</sup> .....	34.3	59.5	88.3	139.7	230.5	57.9	163.4	139.2	60.9	178.0	-66.8
<b>Debt instruments (table 1.2, line 90)</b> .....	<b>516.2</b>	<b>805.6</b>	<b>742.8</b>	<b>981.3</b>	<b>881.0</b>	<b>396.9</b>	<b>138.1</b>	<b>641.5</b>	<b>188.3</b>	<b>507.9</b>	<b>576.4</b>
Transactions of foreign official agencies.....											
Treasury securities (table 1, line 58).....	184.9	273.3	112.8	208.6	98.4	548.7	569.9	442.0	169.8	433.8	238.0
Other U.S. government securities (table 1, line 59).....	39.9	41.7	100.5	219.8	171.5	42.7	-132.6	-88.7	-20.7	-118.5	-30.9
U.S. corporate bonds (part of table 1, line 62) <sup>7</sup> .....	5.6	11.5	19.1	28.6	51.6	35.0	-2.3	0.8	-4.6	13.4	25.9
Transactions of other foreign residents.....											
Treasury securities (table 1, line 65).....	91.5	93.6	132.3	-58.2	66.8	162.9	-15.5	298.3	185.5	156.0	193.2
U.S. corporate bonds (part of table 1, line 66) <sup>8</sup> .....	223.2	254.6	312.3	517.8	383.7	-51.0	-117.3	-24.5	-106.3	-33.8	183.6
Agency bonds (part of table 1, line 66) <sup>8</sup> .....	-36.8	67.4	49.8	25.8	-8.8	-172.6	-44.3	26.2	-9.1	52.8	-58.7
Adjustment to add short term securities and NCDs of any maturity, included in table 1 lines 61, 68, and 69.....	-7.9	63.6	15.9	39.0	117.8	-168.9	-120.0	-12.7	-26.3	4.2	25.2
Short term securities and NCDs reported by U.S. nonbanking concerns (part of line 68) <sup>9</sup> .....	-8.6	-3.0	-1.8	2.2	-6.9	(*)	-2.3	-1.0	-0.2	-0.2	-0.7
Short term securities and NCDs reported by U.S. banks and securities brokers (part of lines 61 and 69) <sup>10</sup> .....	16.4	66.6	17.8	36.7	124.7	-168.9	-117.7	-11.7	-26.1	4.4	25.8
<b>Other investment liabilities (table 1.2, line 93)</b> .....	<b>244.4</b>	<b>519.9</b>	<b>302.7</b>	<b>695.3</b>	<b>686.9</b>	<b>-402.4</b>	<b>-192.8</b>	<b>306.6</b>	<b>408.0</b>	<b>-362.8</b>	<b>231.8</b>
Transactions of foreign official agencies.....											
Other U.S. government liabilities (table 1, line 60).....	-0.7	-0.1	-0.4	2.8	5.4	9.0	58.1	11.4	9.0	8.4	10.3
Liabilities reported by U.S. banks and securities brokers (table 1, line 61).....	48.6	69.2	26.3	22.4	109.0	-149.7	-68.8	-8.0	27.5	-1.2	61.4
Transactions of other foreign residents.....											
U.S. currency (table 1, line 67).....	10.6	13.3	8.4	2.2	-10.7	29.2	12.6	28.3	55.0	57.1	37.7
Liabilities reported by U.S. nonbanking concerns (table 1, line 68).....	96.5	165.9	69.6	244.8	183.2	-31.5	9.5	68.0	1.8	-36.1	-62.8
Liabilities reported by U.S. banks and securities brokers (table 1, line 69).....	97.2	335.2	214.7	462.0	517.6	-428.3	-324.2	194.2	288.5	-386.8	210.3
Adjustment to remove short term securities and NCDs of any maturity, included in table 1 lines 61, 68, and 69.....	-7.9	-63.6	-15.9	-39.0	-117.8	168.9	120.0	12.7	26.3	-4.2	-25.2
Short term securities and NCDs reported by U.S. nonbanking concerns (part of line 68), reverse sign <sup>9</sup> .....	8.6	3.0	1.8	-2.2	6.9	(*)	2.3	1.0	0.2	0.2	0.7
Short term securities and NCDs reported by U.S. banks and securities brokers (part of lines 61 and 69), reverse sign <sup>10</sup> .....	-16.4	-66.6	-17.8	-36.7	-124.7	168.9	117.7	11.7	26.1	-4.4	-25.8
<b>Financial derivatives other than reserves, net transactions (table 1.2, line 99)</b> .....	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-29.7</b>	<b>-6.2</b>	<b>32.9</b>	<b>-44.8</b>	<b>-14.1</b>	<b>-35.0</b>	<b>7.1</b>	<b>2.2</b>
Financial derivatives, net (table 1, line 70) <sup>11</sup> .....	n.a.	n.a.	n.a.	-29.7	-6.2	32.9	-44.8	-14.1	-35.0	7.1	2.2

(\*) Between zero and +/- 50,000,000

1. Values for acquisition or sales of U.S.-owned assets abroad from previous table 1 (including component accounts) reflect the values for these accounts with the sign reversed.

2. Financial transactions on an asset/liability basis are organized according to whether the transactions relate to an asset or a liability. Net U.S. acquisition of direct investment assets relates to U.S. parent and U.S. affiliate acquisition of claims (assets). Net U.S. incurrence of direct investment liabilities relates to U.S. affiliate and U.S. parent incurrence of liabilities.

3. Purchases of foreign stocks are published separately in previous table 8a, line A4. Purchases of foreign bonds are published separately in table 8a, line A18.

4. Commercial paper bank claims are published separately in previous table 10a, line 23. Negotiable certificates of deposit (NCDs) bank claims and other short-term instrument bank claims are included in previous table 10a but not all details are available separately.

5. Nonbank NCDs are published in previous table 9a, line A6. Nonbank other short-term instruments are published in table 9a, line A7.

6. Formerly foreign currencies, table 1, line 46. Instrument detail was not previously available separately.

7. Foreign official purchases of U.S. stocks are published separately in previous table 8a, memorandum line 4. Foreign official purchases of U.S. bonds are published separately in table 8a, memorandum line 3.

8. Private purchases of U.S. stocks are published separately in previous table 8a, line B4. Private purchases of U.S. corporate bonds are published separately in table 8a, line B16, and private purchases of U.S. agency bonds are published separately in table 8a, line B30.

9. Nonbank short-term instruments are published in previous table 9a, line B6.

10. NCD bank liabilities and other short-term instrument bank liabilities are included in previous tables 5 and 11a but not all details are available separately.

11. Values for financial derivatives, net, from previous table 1 (including component accounts) reflect the values for these accounts with the sign reversed.

Note: This table is a reconciliation of the financial-account transactions as published in ITA table 1.2 of the new standard presentation with the financial-account transactions as published in tables 1, 5, 8a, 9a, 10a, and 11a of the previous standard presentation.

in classifications and definitions are presented in table G, grouped by the new functional categories:

- Direct investment is presented on the gross (asset/liability) basis.
- Portfolio investment is presented by combining transactions in short-term securities and negotiable certificates of deposit (NCDs) with transactions in long-term securities.
- Other investment is presented by removing transactions in short-term securities and NCDs from accounts that had previously combined these transactions with transactions in deposits, loans, and trade credit and advances, all of which are major components of other investment.
- Reserve assets are not redefined but are presented in greater detail.
- Financial derivatives other than reserves, net transactions are presented with signs that are opposite those used in the previous standard presentation.

In table G, the functional categories are presented along with the related components of the previous standard presentation that comprise the new functional categories. Financial transactions are presented with signs that reflect the new presentation; increases are represented by positive values and decreases are represented by negative values. Direct investment, portfolio investment, and other investment are the sum of the components from the previous presentation plus adjustments. Adjustments made to the previous line items to derive the new functional categories are presented with signs that depend on whether transactions are being added or removed.

**Direct investment presented on a gross (asset/liability) basis.** Beginning with statistics for 1982, direct investment financial transactions are now presented on a gross (asset/liability) basis according to whether the transactions are related to assets or liabilities rather than on a directional basis.

On the gross (asset/liability) basis, the financial-account category “net U.S. acquisition of financial assets” includes only transactions related to assets. Consequently, this account includes transactions related to U.S. parent companies’ investments in their foreign affiliates, but not those related to the foreign affiliates’ investments in their U.S. parents, which are now included in incurrence of liabilities. Similarly, net U.S. incurrence of liabilities includes transactions related to foreign residents’ direct investments in their U.S. affiliates, but not those related to U.S. affiliates’ investments in their foreign parents, which are now included in acquisition of assets. Although this change increases the level of transactions for direct investment assets and liabilities, it does not affect the net value of these two

levels or net lending or net borrowing from financial-account transactions.

The change in presentation of direct investment to a gross (asset/liability) basis resulted in identical upward revisions to transactions in direct investment assets and in direct investment liabilities of \$21.3 billion for 2011, of \$42.5 billion for 2012, and of \$58.7 billion for 2013.

**Portfolio investment.** In the restructured accounts, portfolio investment assets and liabilities are presented in ITA table 1.2 with their major components: (1) equity and investment fund shares and (2) debt securities. Table G shows the components of each of these lines, including, for assets, foreign stocks and bonds from ITA table 1, line 52, of the previous presentation, and the adjustment to add transactions in foreign short-term securities and NCDs. In the previous presentation, net purchases of foreign stocks and bonds by U.S. residents were presented in ITA table 1, line 52, and foreign stocks and bonds were presented separately in ITA table 8a. Also in the previous presentation, transactions in short-term securities and NCDs were commingled with loans, deposits, and trade credit and advances in ITA table 1, lines 53 and 54. Some components of short-term securities and NCDs were presented separately in ITA tables 9a and 10a, but other components were commingled with deposits and loans.

Compared with transactions in the previous category “foreign securities,” net U.S. purchases in the new category “portfolio investment”—which includes transactions in short-term securities and NCDs—are smaller by \$59.3 billion for 2011 and by \$8.1 billion for 2012 and are larger by \$44.7 billion for 2013.

Transactions in portfolio investment liabilities are comprised of several components from the previous presentation, representing transactions of foreign official agencies and other foreign residents in U.S. corporate stocks, U.S. Treasury securities, U.S. agency bonds, U.S. corporate bonds, and the adjustment to add transactions in U.S. short-term debt securities and NCDs. In the previous presentation, transactions in U.S. short-term securities and NCDs were commingled with deposits, loans, and trade credit and advances in ITA table 1, lines 61, 68, and 69. Some components of short-term securities and NCDs were presented separately in ITA tables 5, 9a, and 11a, but other components were commingled with deposits and loans.

Compared with transactions for securities in previous ITA table 1, lines 58, 59, 62, 65 and 66, net foreign purchases in the new category “portfolio investment”—which includes transactions in short-

term securities and NCDs—are smaller by \$26.3 billion for 2011 and are larger by \$4.2 billion for 2012 and by \$25.2 billion for 2013.

**Other investment.** Other investment is comprised of currency, deposits, loans, insurance technical reserves, trade credit and advances, and allocations of special drawing rights (liabilities only). In the previous presentation, insurance technical reserves were not separately available and in the restructured accounts, separate statistics for insurance technical reserves are not yet available. Therefore, separate line items for insurance technical reserves are not included in table G.

Other investment assets includes lines 46, 53, and 54 of ITA table 1 from the previous presentation excluding transactions in foreign short-term securities and NCDs, which are commingled with deposits, loans, and trade credit and advances in lines 53 and 54. This exclusion removes amounts for short-term securities and NCDs that were added to portfolio assets, resulting in larger estimates of transactions in other investment assets than for the previous aggregate of these line items for 2011 and 2012 and in a smaller estimate for 2013.

Other investment liabilities includes transactions of foreign official agencies and other foreign residents with U.S. government agencies, U.S. banks and securities brokers and their customers, and other U.S. non-banking concerns (presented in lines 60, 61, 67, 68, and 69 of ITA table 1 of the previous presentation), plus the adjustment to remove transactions in U.S. short-term securities and NCDs, which are commingled with deposits, loans, and trade credit and advances in lines 61, 68, and 69. This exclusion removes amounts for short-term securities and NCDs that were added to portfolio liabilities, resulting in a larger estimates for other investment liabilities than for the previous aggregate of these line items for 2011 and in smaller estimates for 2012 and 2013.

The restructuring of the financial account related to portfolio investment and to other investment did not result in revisions to net transactions in U.S. assets or in U.S. liabilities because the addition of transactions in short-term securities and NCDs to portfolio transactions is entirely offset by the removal of these transactions from other investment.

**Reserve assets.** Reserve assets are presented with expanded detail in the new presentation. The foreign currencies component from the previous presentation is renamed other reserve assets. Other reserve assets are presented with instrument detail for currency and deposits, securities, financial derivatives, and other claims. This change in presentation did not result in revisions to financial transactions in reserve assets.

**Financial derivatives other than reserves, net transactions.** Financial derivatives, net in the previous presentation is renamed financial derivatives other than reserves, net transactions in the new presentation to indicate that the financial derivatives functional category excludes financial derivatives in reserve assets. The U.S. monetary authorities do not currently hold financial derivatives as reserve assets, so all transactions and positions in financial derivatives reported in the TIC reporting system continue to be included in financial derivatives other than reserves, net transactions.

The sign used for net transactions in financial derivatives other than reserves is opposite that used for the data reported in the TIC system and for the statistics in the previous presentation of the ITAs. In the new presentation, measures that subtract transactions in liabilities from transactions in assets, such as financial derivatives other than reserves, net transactions, have a positive sign for net financial outflows, representing net U.S. lending to foreign residents, and a negative sign for net financial inflows, representing net U.S. borrowing from foreign residents.

Aside from the change in sign, no revisions to net financial transactions in financial derivatives resulted from the changes in presentations.

### Total revisions

This section presents the total effects of newly available and revised source data as well as of changes in classifications, definitions, and presentations on the financial account based on the new presentation of the ITAs (table H).

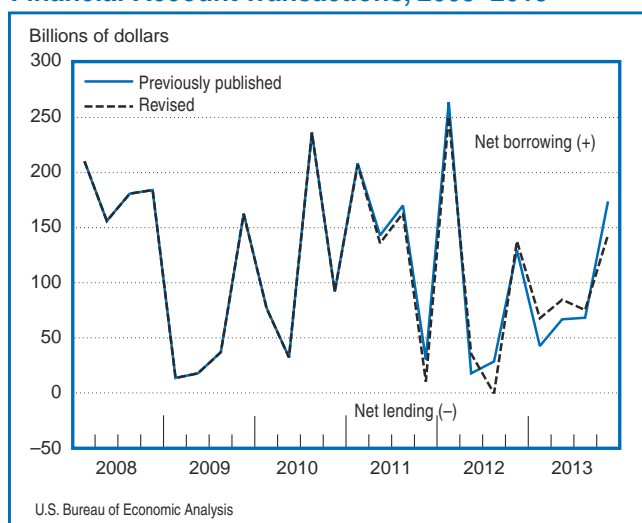
Financial-account statistics for 1982–2013 were revised. Net lending or net borrowing from financial-account transactions for 1982–2008 was nearly unrevised.<sup>11</sup> Net borrowing was revised downward for 2009–2012 and was revised upward for 2013. The revised statistics for all years show the same trend in net lending or net borrowing as the previously published statistics. Because the change in presentation for direct investment statistics did not affect net transactions, the revisions to net lending or net borrowing only reflect changes due to newly available and revised source data.

In addition to the sources of revision for the annual statistics, the quarterly statistics reflect revised seasonal adjustments. The revisions to quarterly statistics for 2009–2013 generally did not affect the direction of the quarter-to-quarter changes in net lending or net borrowing from financial-account transactions (chart 5).

11. Small revisions to net lending or borrowing before the fourth quarter of 2009 (appendix A) resulted from the enhanced precision available from a new data processing system.

The exceptions were for the third quarter of 2012 and for the third quarter of 2013. In the third quarter of 2012, the revised statistics indicate that transactions shifted to net lending, while the previously published

**Chart 5. Net Lending or Net Borrowing From Financial-Account Transactions, 2008–2013**



statistics indicated that net borrowing increased. In the third quarter of 2013, the revised statistics indicate that net borrowing decreased, while the previously published statistics indicated that net borrowing increased slightly. For most quarters between 2009–2013, the revisions did not significantly affect the magnitude of the quarter-to-quarter changes in net borrowing. Notable revisions to the quarter-to-quarter changes were for the second, third, and fourth quarters of 2012 and the fourth quarter of 2013. In the second quarter of 2012, net borrowing decreased \$215.0 billion in the revised statistics, while it decreased \$245.5 billion in the previously published statistics. In the third quarter of 2012, transactions shifted \$36.1 billion from net borrowing to net lending in the revised statistics, but net borrowing decreased \$10.8 billion in the previously published statistics. In the fourth quarter of 2012, transactions shifted \$137.9 billion from net lending to net borrowing in the revised statistics, but net borrowing increased \$101.0 billion in the previously published statistics. In the fourth quarter of 2013, net borrowing increased \$68.3 billion in the revised statistics, while it increased \$105.5 billion in the previously published statistics.

**Table H. Sources of Revisions for Selected Financial-Account Aggregates, 2003–2013**

[Billions of dollars]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net U.S. acquisition of financial assets excluding financial derivatives (previously U.S.-owned assets abroad excluding financial derivatives with the sign reversed) (line 61):</b>											
Revised.....	373.0	1,062.8	572.3	1,336.9	1,572.5	-309.5	132.2	963.4	496.3	171.4	644.8
Previously published.....	325.4	1,000.9	546.6	1,285.7	1,453.6	-332.1	128.9	910.0	452.3	97.5	553.0
Amount of revision.....	47.6	61.9	25.7	51.1	118.9	22.6	3.3	53.5	44.0	73.9	91.8
Gross (asset/liability) basis recording of direct investment assets and liabilities.....	47.6	61.9	25.7	51.1	118.9	22.6	3.3	53.5	21.3	42.5	58.7
Newly available and revised source data <sup>1</sup> .....	(*)	(*)	(*)	0.0	(*)	(*)	0.0	(*)	22.7	31.4	33.1
<b>Net U.S. incurrence of liabilities excluding financial derivatives (previously foreign-owned assets in the United States excluding financial derivatives) (line 84):</b>											
Revised.....	905.9	1,595.1	1,273.0	2,116.3	2,183.5	454.1	318.4	1,386.3	977.1	602.0	1,017.7
Previously published.....	858.3	1,533.2	1,247.3	2,065.2	2,064.6	431.4	315.1	1,333.9	969.0	543.9	906.1
Amount of revision.....	47.6	61.9	25.7	51.1	118.9	22.6	3.3	52.4	8.1	58.1	111.6
Gross (asset/liability) basis recording of direct investment assets and liabilities.....	47.6	61.9	25.7	51.1	118.9	22.6	3.3	53.5	21.3	42.5	58.7
Newly available and revised source data <sup>1</sup> .....	0.0	(*)	(*)	(*)	(*)	(*)	-0.1	-1.1	-13.3	15.5	52.9
<b>Net lending(+) or net borrowing (-) from financial-account transactions (previously net financial flows with the sign reversed) (line 109):</b>											
Revised.....	-532.9	-532.3	-700.7	-809.1	-617.3	-730.6	-231.0	-437.0	-515.8	-423.5	-370.7
Previously published.....	-532.9	-532.3	-700.7	-809.2	-617.3	-730.6	-231.0	-438.0	-551.7	-439.4	-351.2
Amount of revision.....	(*)	(*)	(*)	(*)	(*)	(*)	0.1	1.1	35.9	15.9	-19.4
Gross (asset/liability) basis recording of direct investment assets and liabilities.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Newly available and revised source data <sup>1</sup> .....	(*)	(*)	(*)	(*)	(*)	(*)	0.1	1.1	35.9	15.9	-19.4

(\*) Between zero and +/- 50,000,000

<sup>1</sup>. Small revisions to these accounts before 2009 result from the enhanced precision available from a new data processing system.

NOTE. Line numbers refer to ITA table 1.2 of the new standard presentation, available on BEA's Web site at [www.bea.gov](http://www.bea.gov).

### Statistical Discrepancy

The statistical discrepancy is defined as the difference between total debits and total credits recorded in the current, capital, and financial 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 B presents revisions to the statistical discrepancy for 1999–2013. The revisions for 1999–2008 reflect revisions to the deficit on the current account only. For these years, the average absolute revision to the deficit on the current account is approximately \$4.4 billion. The revisions for 2009–2013 mostly reflect

revisions to net borrowing from financial-account transactions and to the deficit on the current account. The largest revisions to the statistical discrepancy are for 2011 and 2012. For 2011, the statistical discrepancy was revised from –\$92.8 billion to –\$55.2 billion, mostly as a result of a downward revision to net borrowing from financial-account transactions. For 2012, the statistical discrepancy was revised from –\$5.9 billion to \$30.4 billion as a result of both an upward revision to the deficit on the current account and a downward revision to net borrowing from financial-account transactions. For 2013, the statistical discrepancy was revised upward \$1.6 billion reflecting an upward revision to the deficit on the current account that was mostly offset by an upward revision to net borrowing from financial-account transactions.

*Appendix A follows.*

## Appendix A. Revisions to U.S. International Transactions—Continues

[Millions of dollars, quarters seasonally adjusted]

	Balance on goods and services			Balance on primary income			Balance on secondary income		
	Previously published	Revised	Revision	Previously published	Revised	Revision <sup>1</sup>	Previously published	Revised	Revision
1999	-263,755	-258,617	5,138	11,931	11,935	4	-48,954	-48,846	108
2000	-377,337	-372,517	4,820	19,178	19,178	0	-58,159	-57,418	741
2001	-362,339	-361,511	828	29,728	29,730	2	-64,086	-63,545	541
2002	-418,165	-418,955	-790	25,175	25,174	-1	-64,810	-64,307	503
2003	-490,545	-493,890	-3,345	42,760	42,760	0	-70,873	-70,212	661
2004	-604,897	-609,883	-4,986	64,129	64,127	-2	-88,559	-88,012	547
2005	-707,914	-714,245	-6,331	67,630	67,632	2	-99,512	-98,822	690
2006	-752,399	-761,716	-9,317	43,338	43,337	-1	-89,417	-88,347	1,070
2007	-699,065	-705,375	-6,310	100,606	100,604	-2	-114,929	-113,872	1,057
2008	-702,302	-708,726	-6,424	146,144	146,146	2	-125,185	-124,061	1,124
2009	-383,657	-383,774	-117	123,580	123,584	4	-121,559	-120,602	957
2010	-499,379	-494,658	4,721	177,659	177,661	2	-127,751	-126,934	817
2011	-556,838	-548,625	8,213	232,648	220,961	-11,687	-133,535	-131,680	1,855
2012	-534,656	-537,605	-2,949	223,928	202,993	-20,935	-129,688	-126,138	3,550
2013	-474,864	-476,392	-1,528	228,765	199,654	-29,111	-133,179	-123,515	9,664
1999: I	-53,308	-52,634	674	1,859	1,860	1	-11,892	-11,892	0
II	-63,096	-61,598	1,498	3,075	3,075	0	-11,352	-11,352	0
III	-71,286	-69,298	1,988	2,300	2,301	1	-11,813	-11,705	108
IV	-76,069	-75,090	979	4,703	4,703	0	-13,895	-13,895	0
2000: I	-89,530	-88,171	1,359	3,599	3,600	1	-12,711	-12,240	471
II	-90,380	-89,579	801	4,169	4,168	-1	-13,367	-13,355	12
III	-96,393	-95,480	913	2,752	2,752	0	-14,194	-13,989	205
IV	-101,036	-99,287	1,749	8,659	8,659	0	-17,889	-17,836	53
2001: I	-97,167	-96,898	269	4,911	4,911	0	-15,075	-14,892	183
II	-88,610	-87,800	810	6,964	6,965	1	-15,392	-15,297	95
III	-89,282	-89,394	-112	1,076	1,076	0	-16,316	-16,150	166
IV	-87,279	-87,415	-136	16,776	16,775	-1	-17,298	-17,201	97
2002: I	-92,332	-92,466	-134	6,953	6,953	0	-18,538	-18,479	59
II	-102,681	-102,488	193	2,305	2,305	0	-14,988	-14,831	157
III	-106,506	-105,913	593	5,841	5,842	1	-15,040	-14,797	243
IV	-116,649	-118,090	-1,441	10,081	10,081	0	-16,244	-16,200	44
2003: I	-122,944	-123,459	-515	6,569	6,569	0	-18,245	-18,097	148
II	-122,286	-122,384	-98	9,926	9,928	2	-17,080	-16,813	267
III	-121,691	-122,872	-1,181	9,858	9,855	-3	-17,500	-17,358	142
IV	-123,624	-125,175	-1,551	16,401	16,401	0	-18,049	-17,945	104
2004: I	-134,162	-135,158	-996	20,982	20,980	-2	-23,514	-23,408	106
II	-149,083	-150,348	-1,265	14,700	14,699	-1	-21,351	-21,166	185
III	-154,720	-156,097	-1,377	17,414	17,413	-1	-21,106	-20,860	246
IV	-166,932	-168,281	-1,349	11,033	11,034	1	-22,588	-22,578	10
2005: I	-164,831	-165,634	-803	19,456	19,458	2	-23,842	-23,632	210
II	-170,269	-171,639	-1,370	16,666	16,666	0	-24,774	-24,507	267
III	-179,366	-181,376	-2,010	19,354	19,355	1	-24,505	-24,306	199
IV	-193,448	-195,596	-2,148	12,153	12,153	0	-26,390	-26,376	14
2006: I	-189,989	-192,106	-2,117	12,812	12,812	-2	-19,023	-18,763	260
II	-188,706	-191,169	-2,463	11,566	11,565	-1	-23,192	-22,768	424
III	-197,378	-199,284	-1,906	8,198	8,197	-1	-25,320	-24,976	344
IV	-176,325	-179,157	-2,832	10,763	10,765	2	-21,882	-21,840	42
2007: I	-177,129	-177,931	-802	11,014	11,013	-1	-32,456	-32,175	281
II	-178,245	-179,322	-1,077	16,385	16,384	-1	-26,448	-26,179	269
III	-172,382	-174,713	-2,331	30,832	30,833	1	-27,496	-27,074	422
IV	-171,308	-173,409	-2,101	42,375	42,374	-1	-28,532	-28,447	85
2008: I	-183,334	-185,551	-2,217	38,670	38,670	0	-34,868	-34,749	119
II	-185,113	-186,349	-1,236	39,734	39,734	0	-31,204	-30,598	606
III	-187,622	-189,449	-1,827	44,041	44,041	0	-31,207	-30,926	281
IV	-146,233	-147,376	-1,143	23,700	23,701	1	-27,908	-27,790	118
2009: I	-94,074	-94,771	-697	25,317	25,319	2	-27,476	-27,330	146
II	-81,126	-81,444	-318	24,364	24,366	2	-31,439	-30,962	477
III	-98,735	-98,547	188	37,922	37,922	0	-32,943	-32,753	190
IV	-109,722	-109,012	710	35,977	35,977	0	-29,704	-29,560	144
2010: I	-118,275	-117,954	321	43,786	43,785	-1	-34,906	-34,803	103
II	-129,150	-128,754	396	44,230	44,232	2	-30,438	-30,028	410
III	-131,274	-129,376	1,898	42,827	42,828	1	-32,045	-31,828	217
IV	-120,682	-118,575	2,107	46,817	46,816	-1	-30,362	-30,275	87
2011: I	-136,385	-134,319	2,066	55,085	50,302	-4,783	-35,343	-34,564	779
II	-140,551	-138,879	1,672	55,435	51,219	-4,216	-33,788	-32,948	840
III	-134,689	-133,962	727	61,068	57,613	-3,455	-32,005	-31,630	375
IV	-145,214	-141,466	3,748	61,061	61,827	766	-32,401	-32,538	-137
2012: I	-142,947	-144,454	-1,507	54,876	53,532	-1,344	-32,771	-33,040	-269
II	-135,302	-138,036	-2,734	57,457	51,490	-5,967	-32,668	-32,329	339
III	-129,029	-128,519	510	54,630	47,680	-6,950	-32,343	-31,293	1,050
IV	-127,378	-126,596	782	56,965	50,291	-6,674	-31,906	-29,477	2,429
2013: I	-121,958	-120,948	1,010	50,053	45,983	-4,070	-33,140	-30,522	2,618
II	-117,449	-121,799	-4,350	55,183	47,507	-7,676	-34,484	-31,854	2,630
III	-121,541	-121,197	344	59,136	51,524	-7,612	-33,960	-31,632	2,328
IV	-113,915	-112,448	1,467	64,393	54,639	-9,754	-31,595	-29,508	2,087

See the footnotes at the end of the table.

## Appendix A. Revisions to U.S. International Transactions—Table Ends

[Millions of dollars, quarters seasonally adjusted]

	Balance on current account			Balance on capital account			Net lending (+) or net borrowing (-) from financial-account transactions		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published <sup>2</sup>	Revised	Revision <sup>1</sup>
1999	-300,778	-295,528	5,250	-4,176	-4,176	0	-238,148	-238,148	0
2000	-416,317	-410,756	5,561	-1	-1	0	-477,701	-477,701	0
2001	-396,697	-395,327	1,370	13,198	13,198	0	-400,254	-400,254	0
2002	-457,800	-458,087	-287	-141	-141	0	-500,515	-500,515	0
2003	-518,657	-521,342	-2,685	-1,821	-1,821	0	-532,879	-532,883	-4
2004	-629,327	-633,768	-4,441	3,049	3,049	0	-532,331	-532,334	-3
2005	-739,796	-745,434	-5,638	13,116	13,116	0	-700,716	-700,721	-5
2006	-798,478	-806,726	-8,248	-1,788	-1,788	0	-809,150	-809,148	2
2007	-713,389	-718,643	-5,254	384	384	0	-617,260	-617,251	9
2008	-681,343	-686,641	-5,298	6,010	6,010	0	-730,568	-730,572	-4
2009	-381,636	-380,792	844	-140	-140	0	-231,019	-230,962	57
2010	-449,471	-443,930	5,541	-157	-157	0	-438,044	-436,972	1,072
2011	-457,725	-459,344	-1,619	-1,212	-1,186	26	-551,708	-515,759	35,949
2012	-440,416	-460,749	-20,333	6,956	6,904	-52	-439,351	-423,492	15,859
2013	-379,278	-400,254	-20,976	-412	-412	0	-351,233	-370,658	-19,425
1999: I	-63,341	-62,666	675	-7	-7	0	-23,694	-23,694	0
II	-71,373	-69,875	1,498	-1	-1	0	-64,785	-64,785	0
III	-80,799	-78,703	2,096	-3	-3	0	-32,570	-32,570	0
IV	-85,261	-84,282	979	-4,165	-4,165	0	-117,099	-117,099	0
2000: I	-98,641	-96,811	1,830	(*)	(*)	0	-35,176	-35,176	0
II	-99,578	-98,765	813	2	2	0	-139,263	-139,263	0
III	-107,835	-106,717	1,118	-10	-10	0	-160,217	-160,217	0
IV	-110,266	-108,464	1,802	6	6	0	-143,045	-143,045	0
2001: I	-107,331	-106,879	452	(*)	(*)	0	-114,573	-114,573	0
II	-97,038	-96,133	905	4	4	0	-120,165	-120,165	0
III	-104,521	-104,468	53	13,188	13,188	0	-57,084	-57,084	0
IV	-87,801	-87,840	-39	6	6	0	-108,433	-108,433	0
2002: I	-103,916	-103,992	-76	7	7	0	-88,384	-88,384	0
II	-115,363	-115,013	350	-2	-2	0	-91,613	-91,613	0
III	-115,706	-114,869	837	-69	-69	0	-161,227	-161,227	0
IV	-122,812	-124,209	-1,397	-77	-77	0	-159,288	-159,288	0
2003: I	-134,619	-134,986	-367	-82	-82	0	-158,593	-158,597	-4
II	-129,440	-129,269	171	-1,252	-1,252	0	-60,305	-60,305	0
III	-129,332	-130,374	-1,042	-492	-492	0	-128,422	-128,423	-1
IV	-125,272	-126,719	-1,447	5	5	0	-185,563	-185,563	0
2004: I	-136,695	-137,586	-891	-56	-56	0	-105,507	-105,505	2
II	-155,734	-156,815	-1,081	(*)	(*)	0	-161,128	-161,130	-2
III	-158,413	-159,544	-1,131	3,173	3,173	0	-104,685	-104,688	-3
IV	-178,487	-179,825	-1,338	-68	-68	0	-161,012	-161,011	1
2005: I	-169,216	-169,807	-591	-2,160	-2,160	0	-105,007	-105,011	-4
II	-178,377	-179,480	-1,103	-83	-83	0	-82,483	-82,485	-2
III	-184,517	-186,327	-1,810	15,362	15,362	0	-221,043	-221,042	1
IV	-207,685	-209,820	-2,135	-3	-3	0	-292,183	-292,184	-1
2006: I	-196,200	-198,058	-1,858	-1,220	-1,220	0	-159,592	-159,592	0
II	-200,333	-202,372	-2,039	-487	-487	0	-197,789	-197,787	2
III	-214,501	-216,063	-1,562	-2	-2	0	-245,186	-245,186	0
IV	-187,444	-190,233	-2,789	-79	-79	0	-206,583	-206,583	0
2007: I	-198,571	-199,093	-522	0	0	0	-254,181	-254,176	5
II	-188,308	-189,117	-809	443	443	0	-153,165	-153,165	0
III	-169,046	-170,954	-1,908	-57	-57	0	-85,857	-85,852	5
IV	-157,465	-159,481	-2,016	-2	-2	0	-124,056	-124,058	-2
2008: I	-179,532	-181,630	-2,098	-8	-8	0	-209,946	-209,950	-4
II	-176,583	-177,213	-630	-18	-18	0	-155,766	-155,765	1
III	-174,788	-176,334	-1,546	6,043	6,043	0	-180,675	-180,677	-2
IV	-150,440	-151,465	-1,025	-7	-7	0	-184,179	-184,180	-1
2009: I	-96,233	-96,782	-549	-20	-20	0	-13,454	-13,453	1
II	-88,201	-88,040	161	-29	-29	0	-17,947	-17,948	-1
III	-93,756	-93,378	378	-36	-36	0	-37,031	-37,032	-1
IV	-103,449	-102,595	854	-56	-56	0	-162,588	-162,530	58
2010: I	-109,395	-108,972	423	-3	-3	0	-77,131	-76,790	341
II	-115,357	-114,550	807	-2	-2	0	-32,459	-32,404	55
III	-120,492	-118,375	2,117	-146	-146	0	-236,348	-235,953	395
IV	-104,228	-102,033	2,195	-7	-7	0	-92,106	-91,825	281
2011: I	-116,643	-118,581	-1,938	-29	-29	0	-208,146	-206,609	1,537
II	-118,903	-120,608	-1,705	-829	-854	-25	-143,110	-135,929	7,181
III	-105,626	-107,979	-2,353	-300	-300	0	-170,122	-162,945	7,177
IV	-116,554	-112,177	4,377	-55	-3	52	-30,330	-10,276	20,054
2012: I	-120,842	-123,962	-3,120	-1	-53	-52	-263,561	-250,671	12,890
II	-110,513	-118,875	-8,362	-241	-241	0	-18,013	-35,660	-17,647
III	-106,742	-112,132	-5,390	-470	-470	0	-28,387	414	28,801
IV	-102,320	-105,781	-3,461	7,668	7,668	0	-129,390	-137,574	-8,184
2013: I	-105,045	-105,487	-442	-40	-40	0	-42,621	-67,702	-25,081
II	-96,750	-106,146	-9,396	-227	-227	0	-66,721	-84,362	-17,641
III	-96,365	-101,305	-4,940	-146	-146	0	-68,198	-75,140	-6,942
IV	-81,118	-87,317	-6,199	n.a.	(*)	n.a.	-173,694	-143,455	30,239

(\*) Between zero and +/- 500,000  
n.a. Not available

1. Small revisions to the balance on primary income before the first quarter of 2011 and to net lending or borrowing before the fourth quarter of 2009 result from the enhanced precision available from a new data

processing system.

2. Previously published values for net lending or borrowing reflect the previously published values for net financial flows with the sign reversed.

NOTE: Details may not add to totals because of rounding.