



U.S. International Transactions

Second Quarter 2021

By Rudy Telles

The U.S. current-account deficit, which reflects the combined balances on trade in goods and services and income flows between U.S. residents and residents of other countries, widened by \$0.9 billion, or 0.5 percent, to \$190.3 billion in the second quarter of 2021 (chart 1 and table A). The revised first-quarter deficit was \$189.4 billion.

The second-quarter deficit was 3.3 percent of current-dollar gross domestic product, down from 3.4 percent in the first quarter.

The \$0.9 billion widening of the current-account deficit in the second quarter mainly reflected reduced surpluses on services and on primary income that were mostly offset by a reduced deficit on secondary income.

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



U.S. Bureau of Economic Analysis

Table A. U.S. International Transactions

[Millions of dollars, seasonally adjusted]

Series	2020		2021		Change 2021:Q1 to 2021:Q2
	Q3	Q4	Q1 ^r	Q2 ^p	
Current account					
Exports of goods and services and income receipts (credits)	806,445	851,907	895,258	937,949	42,691
Exports of goods and services	523,259	558,795	589,805	625,667	35,862
Goods	356,826	384,050	408,344	436,607	28,263
Services	166,433	174,745	181,461	189,060	7,599
Primary income receipts	240,265	252,040	262,922	270,644	7,722
Secondary income (current transfer) receipts	42,921	41,072	42,531	41,638	-893
Imports of goods and services and income payments (debits)	978,807	1,026,986	1,084,681	1,128,231	43,550
Imports of goods and services	710,359	755,582	795,902	834,094	38,192
Goods	602,196	637,175	677,232	706,276	29,044
Services	108,163	118,406	118,670	127,818	9,148
Primary income payments	192,008	197,824	212,732	221,546	8,814
Secondary income (current transfer) payments	76,440	73,580	76,048	72,590	-3,458
Capital account					
Capital transfer receipts and other credits	348	9	23	5	-18
Capital transfer payments and other debits	898	1,133	2,765	870	-1,895
Financial account					
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	29,307	228,289	395,838	248,225	-147,613
Direct investment assets	122,349	96,702	76,945	139,660	62,715
Portfolio investment assets	121,217	53,940	294,204	134,819	-159,385
Other investment assets	-216,078	75,209	26,788	-26,731	-53,519
Reserve assets	1,820	2,438	-2,100	477	2,577
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	201,141	502,122	574,400	526,954	-47,446
Direct investment liabilities	111,589	101,824	70,558	94,982	24,424
Portfolio investment liabilities	114,935	350,675	323,752	236,583	-87,169
Other investment liabilities	-25,383	49,623	180,090	195,389	15,299
Financial derivatives other than reserves, net transactions	28,425	2,633	-2,216	-8,612	-6,396
Statistical discrepancy					
Statistical discrepancy¹	29,504	-94,997	11,388	-96,194	-107,582
Balances					
Balance on current account	-172,362	-175,079	-189,424	-190,282	-858
Balance on goods and services	-187,101	-196,787	-206,097	-208,427	-2,330
Balance on goods	-245,370	-253,125	-268,889	-269,669	-780
Balance on services	58,270	56,339	62,791	61,242	-1,549
Balance on primary income	48,257	54,216	50,190	49,098	-1,092
Balance on secondary income	-33,519	-32,508	-33,516	-30,953	2,563
Balance on capital account	-550	-1,124	-2,743	-865	1,878
Net lending (+) or net borrowing (-) from current- and capital-account transactions²	-172,912	-176,203	-192,166	-191,147	1,019
Net lending (+) or net borrowing (-) from financial-account transactions³	-143,408	-271,199	-180,778	-287,341	-106,563

p Preliminary

r Revised

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

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

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

Note. The statistics are presented in International Transactions Accounts [table 1.2](#) on BEA's website.

Data Availability and Methodology

Detailed statistics for U.S. international transactions and a description of the estimation methods are available on the Bureau of Economic Analysis website. For the statistics, see “[International Transactions, International Services, and International Investment Position Tables](#).” For the methods, see *U.S. International Economic Accounts: Concepts and Methods*.

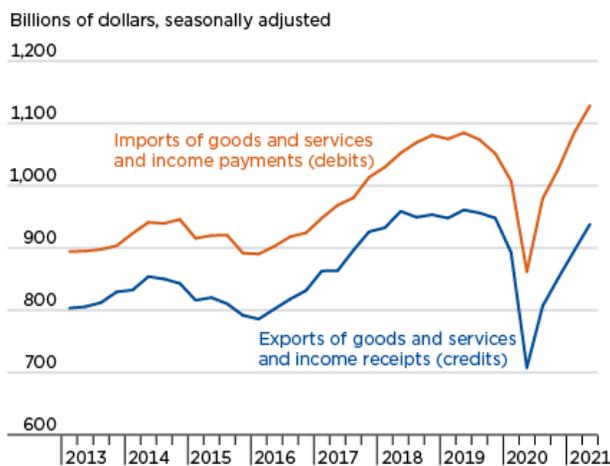
COVID-19 Impact on Second-Quarter 2021 International Transactions

Nearly all major categories of current-account transactions increased in the second quarter of 2021, the fourth consecutive quarter of broad-based growth following notable COVID-19-related declines in the second quarter of 2020. The full economic effects of the COVID-19 pandemic cannot be quantified in the statistics, because the impacts are generally embedded in source data and cannot be separately identified. More information can be found in the “[Technical Note](#)” that accompanied the second-quarter 2021 international transactions statistics.

Current Account

Exports of goods and services to, and income received from, foreign residents increased \$42.7 billion to \$937.9 billion in the second quarter (charts 2 and 3 and tables A and B). Imports of goods and services from, and income paid to, foreign residents increased \$43.6 billion, to \$1.13 trillion (charts 2 and 4 and tables A and C).

Chart 2. Current-Account Transactions



Trade in goods

Exports of goods increased \$28.3 billion to \$436.6 billion, mostly reflecting increases in industrial supplies and materials, mainly petroleum and related products, and in capital goods, mainly civilian aircraft and semiconductors. Imports of goods increased \$29.0 billion, to \$706.3 billion, primarily reflecting an increase in industrial supplies and materials, mainly petroleum and related products and metals and nonmetallic products.

Trade in services

Exports of services increased \$7.6 billion, to \$189.1 billion, primarily reflecting an increase in travel, mostly other personal travel. Imports of services increased \$9.1 billion, to \$127.8 billion, mostly reflecting increases in transport, primarily sea freight and air passenger transport, and in travel, primarily other personal travel.

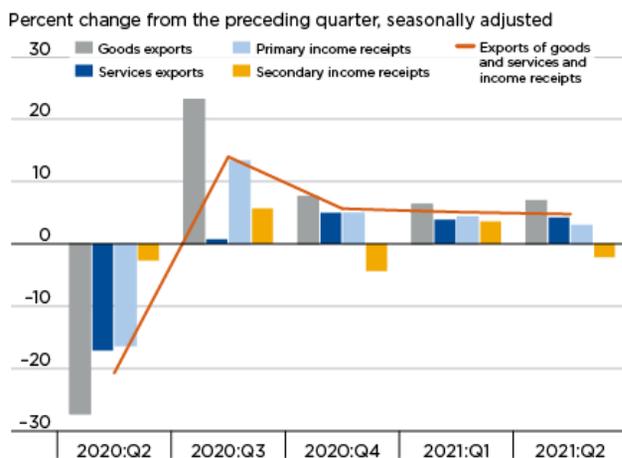
Primary income

Receipts of primary income increased \$7.7 billion, to \$270.6 billion, and payments of primary income increased \$8.8 billion, to \$221.5 billion. The increases in both receipts and payments mainly reflected increases in direct investment income, primarily earnings.

Secondary income

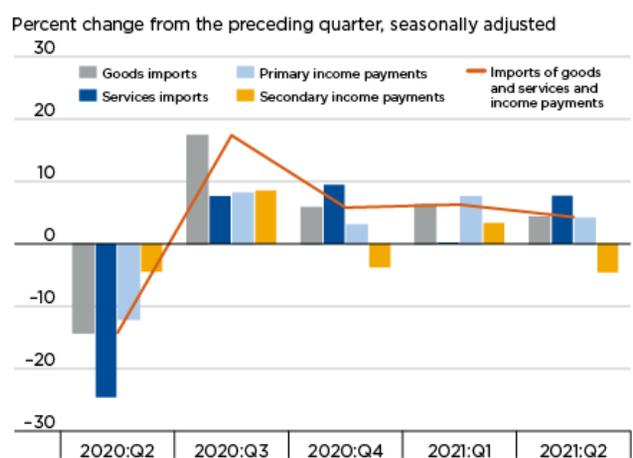
Receipts of secondary income decreased \$0.9 billion, to \$41.6 billion, mainly reflecting a decrease in general government transfers, mostly public sector fines and penalties. Payments of secondary income decreased \$3.5 billion, to \$72.6 billion, mainly reflecting a decrease in general government transfers, mostly international cooperation.

Chart 3. Percent Change in Exports of Goods and Services and Income Receipts



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Chart 4. Percent Change in Imports of Goods and Services and Income Payments



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Table B. Exports of Goods and Services and Income Receipts

[Millions of dollars, seasonally adjusted]

Series	2020		2021		Change 2021:Q1 to 2021:Q2
	Q3	Q4	Q1 ^r	Q2 ^p	
Exports of goods and services and income receipts	806,445	851,907	895,258	937,949	42,691
Exports of goods	356,826	384,050	408,344	436,607	28,263
General merchandise	349,705	376,467	398,257	428,356	30,099
Foods, feeds, and beverages	34,741	38,922	40,667	40,445	-222
Industrial supplies and materials	108,713	119,483	134,595	152,662	18,067
Energy products	39,385	42,678	52,074	63,373	11,299
<i>Of which: Petroleum and products</i>	32,819	33,665	39,992	51,510	11,518
Nonenergy products	69,328	76,805	82,521	89,289	6,768
Capital goods except automotive	112,003	117,444	122,323	131,809	9,486
Automotive vehicles, parts, and engines	36,438	38,372	37,395	34,856	-2,539
Consumer goods except food and automotive	44,822	48,781	48,256	52,847	4,591
Other general merchandise	12,987	13,464	15,021	15,737	716
Net exports of goods under merchanting	252	276	253	258	5
Nonmonetary gold	6,869	7,307	9,833	7,993	-1,840
Exports of services¹	166,433	174,745	181,461	189,060	7,599
Manufacturing services on physical inputs owned by others	n.a.	n.a.	n.a.	n.a.	n.a.
Maintenance and repair services n.i.e.	2,833	2,820	2,946	2,987	41
Transport	12,191	13,301	14,338	15,354	1,016
Travel (for all purposes including education)	10,527	11,967	13,258	16,153	2,895
Business	1,854	2,229	2,459	2,921	462
Personal	8,673	9,738	10,800	13,233	2,433
Construction	596	505	651	703	52
Insurance services	5,353	5,281	5,291	5,478	187
Financial services	36,004	37,944	39,420	40,481	1,061
Charges for the use of intellectual property n.i.e.	28,757	30,343	30,092	31,157	1,065
Telecommunications, computer, and information services	13,501	15,505	14,701	14,042	-659
Other business services	45,402	45,869	49,436	50,569	1,133
Personal, cultural, and recreational services	5,740	5,777	5,483	6,336	853
Government goods and services n.i.e.	5,528	5,433	5,842	5,800	-42
Primary income receipts	240,265	252,040	262,922	270,644	7,722
Investment income	238,676	250,444	261,280	268,975	7,695
Direct investment income	132,107	141,436	150,871	155,302	4,431
Income on equity	127,692	137,130	146,940	151,463	4,523
Dividends and withdrawals	58,041	50,926	84,037	58,138	-25,899
Reinvested earnings	69,651	86,204	62,903	93,325	30,422
Interest	4,415	4,306	3,931	3,839	-92
Portfolio investment income	91,205	94,038	95,851	97,989	2,138
Income on equity and investment fund shares	59,988	62,513	62,311	64,636	2,325
Interest on debt securities	31,217	31,525	33,540	33,353	-187
Other investment income	15,321	14,974	14,493	15,637	1,144
Reserve asset income	44	-3	65	47	-18
Compensation of employees	1,588	1,596	1,642	1,669	27
Secondary income (current transfer) receipts²	42,921	41,072	42,531	41,638	-893

p Preliminary**r** Revised**n.a.** Not available**n.i.e.** Not included elsewhere1. See also International Services [table 2.1](#).

2. Secondary income (current transfer) receipts include U.S. government and private transfers, such as fines and penalties, withholding taxes, insurance-related transfers, and other current transfers.

Note. The statistics are presented in International Transactions Accounts [table 1.2](#), [table 2.1](#), [table 3.1](#), [table 4.1](#), and [table 5.1](#) on BEA's website.

Table C. Imports of Goods and Services and Income Payments

[Millions of dollars, seasonally adjusted]

Series	2020		2021		Change 2021:Q1 to 2021:Q2
	Q3	Q4	Q1 ^r	Q2 ^p	
Imports of goods and services and income payments	978,807	1,026,986	1,084,681	1,128,231	43,550
Imports of goods	602,196	637,175	677,232	706,276	29,044
General merchandise	587,803	629,137	670,355	699,708	29,353
Foods, feeds, and beverages	39,734	40,104	41,284	46,263	4,979
Industrial supplies and materials	103,738	114,295	136,280	156,815	20,535
Energy products	31,305	34,917	46,785	56,519	9,734
<i>Of which: Petroleum and products</i>	28,333	31,241	42,689	52,205	9,516
Nonenergy products	72,433	79,378	89,495	100,296	10,801
Capital goods except automotive	165,285	173,646	183,798	190,577	6,779
Automotive vehicles, parts, and engines	85,142	96,590	90,642	87,214	-3,428
Consumer goods except food and automotive	167,608	177,787	190,923	190,302	-621
Other general merchandise	26,297	26,716	27,428	28,538	1,110
Nonmonetary gold	14,393	8,038	6,877	6,568	-309
Imports of services¹	108,163	118,406	118,670	127,818	9,148
Manufacturing services on physical inputs owned by others	n.a.	n.a.	n.a.	n.a.	n.a.
Maintenance and repair services n.i.e.	1,508	1,562	1,945	2,021	76
Transport	16,227	18,728	19,875	24,390	4,515
Travel (for all purposes including education)	3,687	7,559	7,891	11,826	3,935
Business	568	1,172	1,132	1,812	680
Personal	3,118	6,387	6,760	10,015	3,255
Construction	227	312	334	320	-14
Insurance services	14,381	14,399	14,059	14,414	355
Financial services	10,204	10,869	10,497	10,751	254
Charges for the use of intellectual property n.i.e.	11,165	11,959	11,783	11,251	-532
Telecommunications, computer, and information services	9,263	10,156	9,971	9,827	-144
Other business services	29,342	30,598	29,674	30,486	812
Personal, cultural, and recreational services	6,027	6,067	6,416	6,210	-206
Government goods and services n.i.e.	6,132	6,197	6,226	6,321	95
Primary income payments	192,008	197,824	212,732	221,546	8,814
Investment income	188,552	194,211	208,898	217,730	8,832
Direct investment income	50,147	53,342	64,108	73,158	9,050
Portfolio investment income	119,840	122,822	127,727	126,118	-1,609
Income on equity and investment fund shares	41,795	44,659	46,463	45,379	-1,084
Interest on debt securities	78,045	78,163	81,264	80,739	-525
Other investment income	18,566	18,048	17,063	18,453	1,390
Compensation of employees	3,456	3,613	3,834	3,817	-17
Secondary income (current transfer) payments²	76,440	73,580	76,048	72,590	-3,458
Supplemental detail on insurance transactions:					
Premiums paid	37,034	36,435	36,533	37,399	866
Losses recovered	25,481	25,145	25,266	25,509	243

p Preliminary

r Revised

n.a. Not available

n.i.e. Not included elsewhere

1. See also International Services [table 2.1](#)

2. Secondary income (current transfer) payments include U.S. government and private transfers, such as U.S. government grants and pensions, fines and penalties, withholding taxes, personal transfers (remittances), insurance-related transfers, and other current transfers.

Note. The statistics are presented in International Transactions Accounts [table 1.2](#), [table 2.1](#), [table 3.1](#), [table 4.1](#), and [table 5.1](#) on BEA's website.

Capital Account

Capital-transfer payments decreased \$1.9 billion, to \$0.9 billion, in the second quarter, mostly reflecting a decrease in investment grants (table A).

Financial Account

Net financial-account transactions were -\$287.3 billion in the second quarter, reflecting net U.S. borrowing from foreign residents.

Financial assets

Second-quarter transactions increased U.S. residents' foreign financial assets by \$248.2 billion (charts 5 and 6 and table D). Transactions increased direct investment assets, primarily equity, by \$139.7 billion; portfolio investment assets, primarily equity securities, by \$134.8 billion; and reserve assets by \$0.5 billion. Transactions decreased other investment assets by \$26.7 billion, driven by deposits.

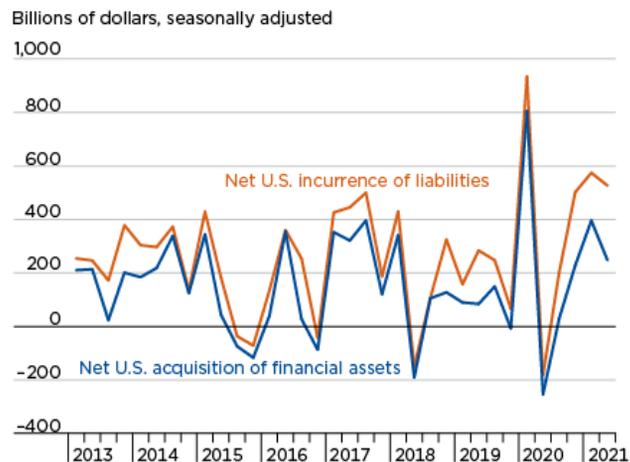
Liabilities

Second-quarter transactions increased U.S. liabilities to foreign residents by \$527.0 billion. Transactions increased portfolio investment liabilities, primarily long-term debt securities, by \$236.6 billion; other investment liabilities, mostly loans and deposits, by \$195.4 billion; and direct investment liabilities, mostly equity, by \$95.0 billion.

Financial derivatives

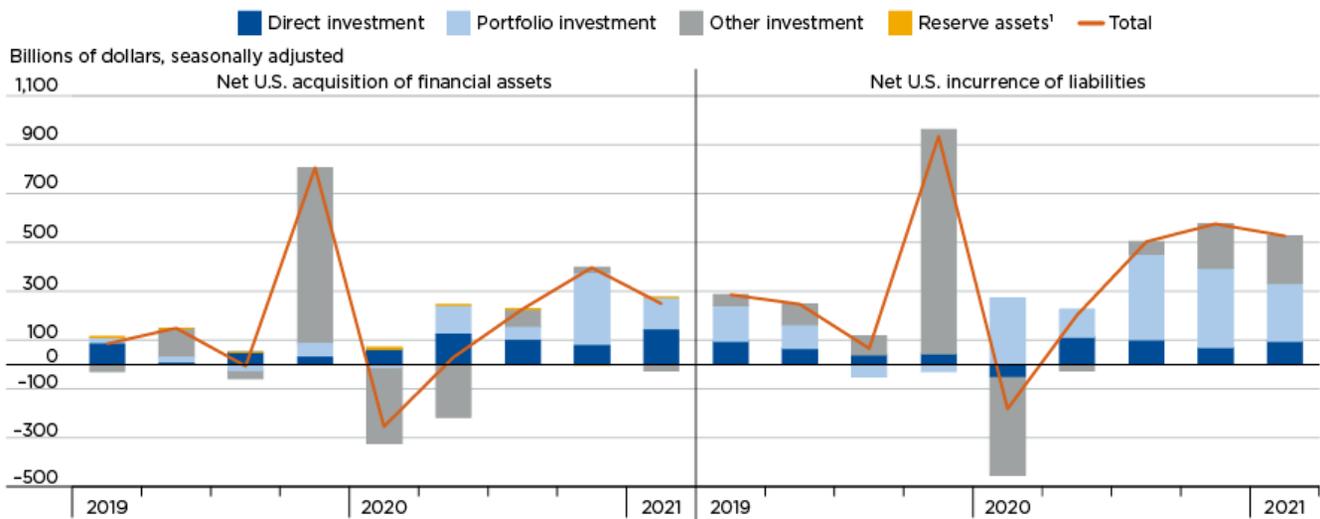
Net transactions in financial derivatives were -\$8.6 billion in the second quarter, reflecting net U.S. borrowing from foreign residents.

Chart 5. Acquisition of Financial Assets and Incurrence of Liabilities Excluding Financial Derivatives



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Chart 6. Transactions in Financial Assets and Liabilities Excluding Financial Derivatives



1. Transactions in reserve assets are relatively small and may not be clearly visible. See table D for these statistics.
U.S. Bureau of Economic Analysis

Table D. Net U.S. Acquisition of Financial Assets and Net U.S. Incurrence of Liabilities

[Millions of dollars, seasonally adjusted]

Series	2020		2021		Change 2021:Q1 to 2021:Q2
	Q3	Q4	Q1 ^r	Q2 ^p	
Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	29,307	228,289	395,838	248,225	-147,613
Direct investment assets	122,349	96,702	76,945	139,660	62,715
Equity	79,749	86,913	76,921	124,077	47,156
Equity other than reinvestment of earnings	10,098	709	14,019	30,752	16,733
Reinvestment of earnings	69,651	86,204	62,903	93,325	30,422
Debt instruments	42,600	9,789	24	15,583	15,559
Portfolio investment assets	121,217	53,940	294,204	134,819	-159,385
Equity and investment fund shares	88,690	-42,526	83,024	116,623	33,599
Debt securities	32,527	96,466	211,180	18,196	-192,984
Short-term securities	19,457	29,440	39,856	19,530	-20,326
Long-term corporate securities	10,094	50,875	123,792	-2,414	-126,206
Other long-term securities	2,976	16,151	47,532	1,080	-46,452
Other investment assets	-216,078	75,209	26,788	-26,731	-53,519
Other equity	215	324	1,169	0	-1,169
Currency and deposits	-130,385	-6,533	-1,588	-77,345	-75,757
Loans	-84,148	77,929	23,323	53,569	30,246
Trade credit and advances	-1,761	3,489	3,884	-2,955	-6,839
Reserve assets	1,820	2,438	-2,100	477	2,577
Monetary gold	0	0	0	0	0
Special drawing rights	5	7	8	4	-4
Reserve position in the International Monetary Fund	1,785	2,454	-2,157	437	2,594
Other reserve assets	29	-23	50	36	-14
Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	201,141	502,122	574,400	526,954	-47,446
Direct investment liabilities	111,589	101,824	70,558	94,982	24,424
Equity	42,809	82,922	72,192	84,922	12,730
Equity other than reinvestment of earnings	13,307	51,302	30,740	36,126	5,386
Reinvestment of earnings	29,502	31,620	41,453	48,797	7,344
Debt instruments	68,780	18,902	-1,635	10,060	11,695
Portfolio investment liabilities	114,935	350,675	323,752	236,583	-87,169
Equity and investment fund shares	117,901	246,335	96,969	-15,709	-112,678
Debt securities	-2,966	104,340	226,783	252,292	25,509
Short term	-38,910	1,406	-44,402	-27,750	16,652
Treasury bills and certificates	-23,352	10,017	-60,815	-41,245	19,570
Federally sponsored agency securities	-3,444	-1,778	-3,419	-1,352	2,067
Other short-term securities	-12,114	-6,833	19,832	14,847	-4,985
Long term	35,944	102,935	271,186	280,042	8,856
Treasury bonds and notes	63,639	50,485	223,025	158,132	-64,893
Federally sponsored agency securities	-51,228	11,801	-24,416	-13,697	10,719
Corporate bonds and notes	21,323	40,629	70,063	129,676	59,613
Other	2,210	20	2,514	5,931	3,417
Other investment liabilities	-25,383	49,623	180,090	195,389	15,299
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency	36,861	29,051	10,092	12,650	2,558
Deposits	-40,913	33,304	83,801	52,444	-31,357
Loans	-22,984	-18,784	81,318	127,280	45,962
Trade credit and advances	1,653	6,052	4,878	3,014	-1,864
Special drawing rights allocations	0	0	0	0	0

p Preliminary

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Note. The statistics are presented in International Transactions Accounts [table 1.2](#), [table 6.1](#), [table 7.1](#), and [table 8.1](#) on BEA's website.

Updates to Statistics

The U.S. international transactions statistics for the first quarter have been updated to incorporate newly available and revised source data (table E).

Table E. Updates to the First-Quarter 2021 International Transactions Aggregates
[Millions of dollars, seasonally adjusted]

Series	Preliminary Estimates	Revised Estimates
Balance on current account	-195,739	-189,424
Balance on goods	-268,457	-268,889
Balance on services	55,699	62,791
Balance on primary income	50,284	50,190
Balance on secondary income (current transfers)	-33,264	-33,516
Net lending or borrowing from financial-account transactions	-175,226	-180,778
Net U.S. acquisition of financial assets	382,022	395,838
Net U.S. incurrence of liabilities	554,904	574,400
Financial derivatives other than reserves, net transactions	-2,344	-2,216

Upcoming Releases of New Statistics

With the releases of the U.S. International Transactions Accounts (ITAs) on December 21, 2021, and the International Investment Position (IIP) Accounts on December 30, 2021, the Bureau of Economic Analysis (BEA) will introduce two new ITA tables (ITA tables 4.6 and 6.3) and two new IIP tables (IIP tables 2.2 and 4.1), respectively. These new tables will be released in December to fulfill commitments to the [G20 Data Gaps Initiative](#) and the [International Monetary Fund's Taskforce on Special Purpose Entities](#) for the release of certain new statistics by yearend 2021.

ITA table 4.6 will present primary income on foreign direct investment in U.S. resident special purpose entities (SPEs), which are U.S. legal entities with little or no employment or physical presence, and ITA table 6.3 will present financial transactions for direct investment in U.S. resident SPEs. IIP table 2.2 will present direct investment positions in U.S. resident SPEs, and IIP table 4.1 will present U.S. debt positions by currency, sector, and maturity for U.S. assets and liabilities.

In December, these tables will be released in supplemental Excel files to the respective releases. The SPE-related tables—ITA tables 4.6 and 6.3 and IIP table 2.2—will feature annual statistics for 2020, while IIP table 4.1 will feature quarter-end position statistics for the first quarter of 2020 through the third quarter of 2021. In March 2022, these tables will be updated and published as addenda to the current tables in BEA's [interactive data application](#). In June 2022, the statistics will be updated and incorporated into the standard presentations of the ITAs and the IIP Accounts in the interactive data application and in BEA's [data application programming interface](#). [ITA table templates](#) and [IIP table templates](#) are provided on BEA's website to prepare users for the upcoming changes. More information will be available in a preview article of BEA's annual update of the International Economic Accounts in the April 2022 issue of the [Survey of Current Business](#).