

U.S. International Transactions

Fourth Quarter and Year 1999

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FOURTH QUARTER 1999

THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$99.8 billion in the fourth quarter of 1999 from \$89.1 billion (revised) in the third quarter (table A).¹ The goods and services deficit, the income deficit, and net unilateral current transfers all contributed to the increase.

In the financial account, net recorded inflows—the difference between changes in U.S.-

owned assets abroad and changes in foreign-owned assets in the United States—were \$90.9 billion in the fourth quarter, down slightly from \$94.3 billion in the third quarter. Financial inflows fell more than financial outflows.

The statistical discrepancy—errors and omissions in recorded transactions—was a positive \$9.6 billion in the fourth quarter, compared with a negative \$5.4 billion in the third quarter.

The following are highlights for the fourth quarter of 1999:

- Goods exports increased; as a result, goods exports in the second half of the year were well above their level in the first half, when

1. Quarterly estimates of U.S. current- and financial-account components are seasonally adjusted in cases in which statistically significant seasonal patterns are present. The accompanying tables present both adjusted and unadjusted estimates.

Table A.—Summary of U.S. International Transactions

[Millions of dollars, seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ()	1998	1999 ^r	Change: 1998-99	1998				1999				Change: 1999 III-IV
					I	II	III	IV	I ^r	II ^r	III ^r	IV ^p	
Current account													
1	Exports of goods and services and income receipts (1)	1,192,231	1,233,944	41,713	302,289	298,463	291,493	299,985	295,503	300,939	313,183	324,317	11,134
2	Goods, balance of payments basis (3)	670,246	683,021	12,775	170,665	165,198	164,259	170,124	164,008	165,577	173,680	179,756	6,076
3	Services (4)	263,661	277,067	13,406	65,166	66,691	65,025	66,780	67,559	68,597	69,574	71,336	1,762
4	Income receipts (12)	258,324	273,856	15,532	66,458	66,574	62,209	63,081	63,936	66,765	69,929	73,225	3,296
5	Imports of goods and services and income payments (18)	-1,368,718	-1,526,281	-157,563	-335,380	-340,977	-344,182	-348,180	-354,099	-370,921	-391,060	-410,204	-19,144
6	Goods, balance of payments basis (20)	-917,178	-1,030,152	-112,974	-225,541	-228,698	-229,228	-233,711	-238,389	-250,168	-265,623	-275,972	-10,349
7	Services (21)	-181,011	-197,484	-16,473	-43,628	-45,152	-45,780	-46,455	-47,355	-49,296	-50,219	-50,616	-397
8	Income payments (29)	-270,529	-298,645	-28,116	-66,211	-67,127	-69,174	-68,014	-68,355	-71,457	-75,218	-83,616	-8,398
9	Unilateral current transfers, net (35)	-44,075	-46,581	-2,506	-9,927	-9,886	-10,787	-13,474	-10,306	-11,175	-11,208	-13,892	-2,684
Capital and financial account													
Capital account													
10	Capital account transactions, net (39)	617	-172	-789	143	160	148	166	166	178	175	-691	-866
Financial account													
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)	-292,818	-372,567	-79,749	-59,599	-120,517	-62,097	-50,607	-15,394	-154,959	-113,388	-88,822	24,566
12	U.S. official reserve assets, net (41)	-6,784	8,749	15,533	-444	-1,945	-2,026	-2,369	4,068	1,159	1,950	1,572	-378
13	U.S. Government assets, other than official reserve assets, net (46)	-429	-365	64	-81	-483	185	-50	119	-392	-686	594	1,280
14	U.S. private assets, net (50)	-285,605	-380,951	-95,346	-59,074	-118,089	-60,256	-48,188	-19,581	-155,726	-114,652	-90,988	23,664
15	Foreign-owned assets in the United States, net (increase/ financial inflow (+)) (55)	502,637	750,765	248,128	96,817	162,466	93,547	149,805	88,968	274,379	207,735	179,686	-28,049
16	Foreign official assets in the United States, net (56)	-21,684	44,570	66,254	11,004	-10,551	-46,489	24,352	4,708	-628	11,881	28,609	16,728
17	Other foreign assets in the United States, net (63)	524,321	706,195	181,874	85,813	173,017	140,036	125,453	84,260	275,007	195,854	151,077	-44,777
18	Statistical discrepancy (sum of above items with sign reversed) (70)	10,126	-39,108	-49,234	5,657	10,291	31,878	-37,695	-4,838	-38,441	-5,437	9,606	15,043
Memoranda:													
19	Balance on goods (71)	-246,932	-347,131	-100,199	-54,876	-63,500	-64,969	-63,587	-74,381	-84,591	-91,943	-96,216	-4,273
20	Balance on services (72)	82,650	79,583	-3,067	21,538	21,539	19,245	20,325	20,204	19,301	19,355	20,720	1,365
21	Balance on goods and services (73)	-164,282	-267,548	-103,266	-33,338	-41,961	-45,724	-43,262	-54,177	-65,290	-72,588	-75,496	-2,908
22	Balance on income (74)	-12,205	-24,789	-12,584	247	-553	-6,965	-4,933	-4,419	-4,692	-5,289	-10,391	-5,102
23	Unilateral current transfers, net (75)	-44,075	-46,581	-2,506	-9,927	-9,886	-10,787	-13,474	-10,306	-11,175	-11,208	-13,892	-2,684
24	Balance on current account (76)	-220,562	-338,918	-118,356	-43,018	-52,400	-63,476	-61,669	-68,902	-81,157	-89,085	-99,779	-10,694
25	Capital account transactions, net (39)	617	-172	-789	143	160	148	166	166	178	175	-691	-866
26	Net financial flows (40 and 55)	209,819	378,198	168,379	37,218	41,949	31,450	99,198	73,574	119,420	94,347	90,864	-3,483

^r Revised.

^p Preliminary.

they were weak. Goods imports continued to rise strongly.

- Claims reported by U.S. banks increased sharply to meet a step-up in demand for credit abroad. Liabilities reported by U.S. banks reflected a strong demand for funds, partly to finance a sharp acceleration in U.S. commercial and industrial loans.
- Net foreign purchases of U.S. securities other than U.S. Treasury securities remained exceptionally strong. Transactions in U.S. Treasury securities shifted to net sales.
- Net financial inflows for foreign direct investment in the United States also remained strong, though they were not boosted by inflows from large-scale mergers as they were in the two previous quarters.

U.S. dollar in exchange markets

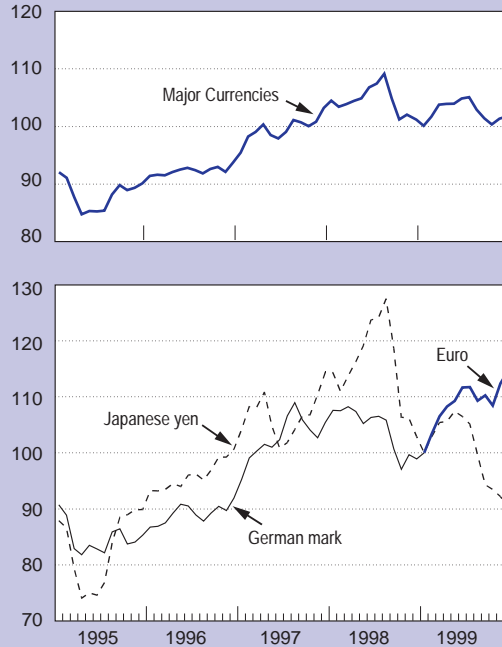
In the fourth quarter, the dollar depreciated 2 percent on a nominal, trade-weighted quarterly average basis against a group of 7 major currencies that trade widely in international markets (table B, chart 1). The dollar depreciated 8 percent against the Japanese yen and it appreciated 1 percent against the euro.

The Japanese yen appreciated sharply in the fourth quarter, as it had in the third; by the quarter's end, the yen was 15 percent above its level early in 1999 and exceeded its high of 2 years ago.

CHART 1

Nominal Indexes of Foreign Currency Price of the U.S. Dollar

January 1999=100



Indexes prepared by BEA from weekly data.

Data: Federal Reserve Board

Note:—See table B for definition of indexes.

U.S. Department of Commerce, Bureau of Economic Analysis

Table B.—Indexes of Foreign Currency Price of the U.S. Dollar

[January 1999=100]

	1998					1999													
	IV	I	II	III	IV	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Nominal: ¹																			
Broad ²	100.3	101.4	102.1	101.7	100.7	99.8	100.0	101.5	102.7	102.1	101.9	102.4	102.4	101.6	101.1	100.6	100.8	100.8	
Major currencies ³	101.3	101.7	104.1	103.0	101.0	101.0	100.0	101.5	103.6	103.8	103.8	104.7	104.9	102.8	101.3	100.2	101.2	101.6	
Other important trading partners ⁴	99.0	100.9	99.7	100.1	100.4	98.4	100.0	101.4	101.4	100.0	99.5	99.6	99.4	100.1	100.8	101.2	100.3	99.8	
Real: ¹																			
Broad ²	100.5	101.2	102.3	102.1	101.0	99.8	100.0	101.1	102.5	102.4	102.0	102.6	102.9	102.0	101.4	100.9	101.1	101.0	
Major currencies ³	100.7	101.8	104.3	103.7	102.0	100.5	100.0	101.6	103.7	104.1	104.0	104.9	105.5	103.4	102.1	101.1	102.3	102.5	
Other important trading partners ⁴	100.1	100.5	99.9	100.3	99.7	98.9	100.0	100.5	101.0	100.3	99.6	99.7	99.7	100.4	100.7	100.7	99.5	99.0	
Selected currencies: (nominal) ⁵																			
Canada	101.6	99.5	96.9	97.8	96.9	101.6	100.0	98.6	99.9	97.9	96.2	96.7	98.0	98.3	97.2	97.2	96.6	96.9	
European currencies:																			
Germany	98.6	103.3	109.7	110.5	111.7	99.0	100.0	103.5	106.5	108.3	109.0	111.7	111.8	109.3	110.4	108.3	112.2	114.6	
France	98.6	103.3	109.7	110.5	111.7	98.9	100.0	103.5	106.5	108.3	109.0	111.7	111.8	109.3	110.4	108.3	112.2	114.6	
Italy	98.6	103.3	109.7	110.5	111.7	99.0	100.0	103.5	106.5	108.3	109.0	111.7	111.8	109.3	110.4	108.3	112.2	114.6	
Euro area ⁶	n.a.	103.3	109.7	110.5	111.7	n.a.	100.0	103.5	106.5	108.3	109.0	111.7	111.8	109.3	110.4	108.3	112.2	114.6	
United Kingdom	98.5	101.1	102.7	103.0	101.2	98.7	100.0	101.4	101.8	102.5	102.1	103.4	104.7	102.7	101.5	99.6	101.8	102.3	
Switzerland	98.2	102.9	109.3	110.2	111.3	98.2	100.0	103.0	105.8	108.0	108.8	111.0	111.7	108.9	110.1	107.5	112.1	114.3	
Japan	105.5	102.8	106.7	99.8	92.1	103.3	100.0	103.0	105.5	105.7	107.7	106.6	105.3	99.9	94.3	93.5	92.4	90.5	
Mexico	98.8	98.3	93.3	92.5	93.5	97.8	100.0	98.8	96.1	93.1	92.8	93.9	92.5	92.8	92.2	94.5	93.0	93.1	
Brazil	79.1	117.8	113.7	123.2	126.6	79.7	100.0	127.4	126.0	112.6	111.5	116.9	119.2	124.7	125.6	130.2	127.7	122.0	

1. For more information on the nominal and real indexes of the foreign exchange value of the U.S. dollar, see Federal Reserve Bulletin, vol. 84 (October 1998): 811-18.

2. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, United Kingdom, Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

3. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that circulate widely outside the country of issue, including the currencies of euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the major currency index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

4. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that do not circulate widely outside the country of issue, including the currencies of Argentina, Brazil, Chile, Colombia, Mex-

ico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the other important trading partners index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

5. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.

6. The euro area includes Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. Exchange rates (but not index values with January 1999=100) for the individual euro-area currencies can be derived from the euro exchange rate by using the fixed conversion rates (in currencies per euro) as shown below: 13.7603 Austrian schillings; 40.3399 Belgian francs; 5.94573 Finnish markkas; 6.55957 French francs; 1.95583 German marks; 787564 Irish pounds; 1936.27 Italian lira; 40.3399 Luxembourg francs; 2.20371 Netherlands guilders; 200.482 Portuguese escudos; 166.386 Spanish pesetas.

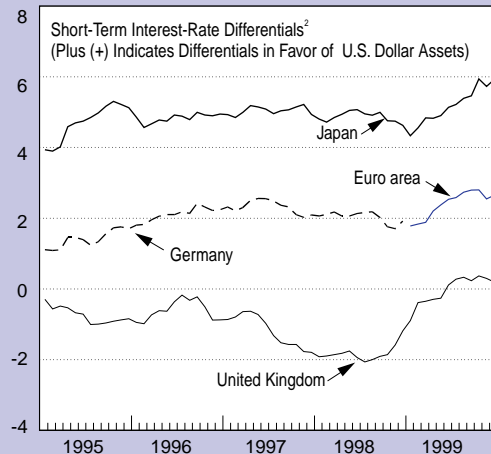
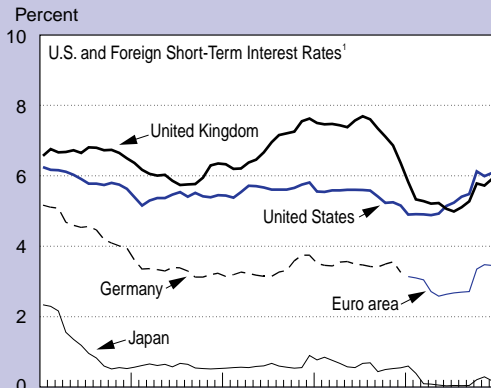
Economic reports released in the fourth quarter continued to point to recovery in the Japanese economy, although the strength of the recovery appeared to be very limited. Partly in anticipation of improving conditions, the Nikkei stock market, which had been rising for some time, reached a 2-year high. The more positive economic environment attracted large amounts of portfolio investment to Japan, including capital from the United States. During the quarter, there were several publicly confirmed reports of intervention in the foreign exchange markets by Japanese authorities to limit the yen's appreciation.

The dollar appreciated against the euro. U.S.

economic growth remained strong, raising bank credit demand and interest rates and leading to a tightening of monetary conditions in mid-November, when the Federal Reserve raised the target federal funds rate 25 basis points to 5.50 percent. Nonetheless, U.S. stock prices continued to rise to record levels, and economic reports released in the quarter gave no indication that economic growth might slow in the near future. In contrast, though recovery in Europe was more apparent than earlier in the year and the rise in demand for credit led to small increases in market and official interest rates, economic growth was expected to remain restrained and thereby put little pressure on interest rates. Consequently, in November and December, interest-rate differentials moved more in favor of U.S. assets, which led to capital inflows to the United States and to appreciation of the dollar (chart 2 and chart 3).

CHART 2

Short-Term Interest Rates

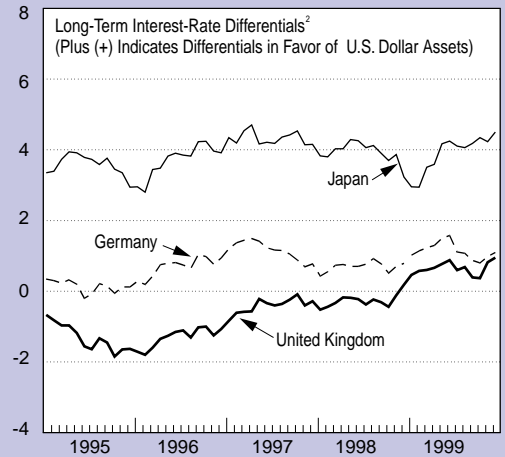
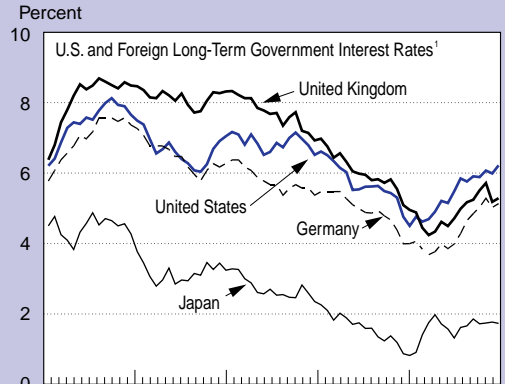


1. Three-month interest rates.
2. U.S. interest rates less respective foreign interest rates.
Data: Federal Reserve Board.

U.S. Department of Commerce, Bureau of Economic Analysis

CHART 3

Long-Term Interest Rates



1. Long-term government bonds, 10-year maturities
2. U.S. interest rates less respective foreign interest rates.
Data: Federal Reserve Board.

U.S. Department of Commerce, Bureau of Economic Analysis

Current Account

Goods and services

The deficit on goods and services increased to \$75.5 billion in the fourth quarter from \$72.6 billion in the third. The deficit on goods increased \$4.3 billion, to \$96.2 billion, and the surplus on services increased \$1.4 billion, to \$20.7 billion.

Goods.—The deficit on goods increased to \$96.2 billion in the fourth quarter from \$91.9 billion in the third. The increase resulted from a larger increase in imports than exports (table A).

Exports.—Exports increased \$6.1 billion, or 3 percent, to \$179.8 billion in the fourth quarter. Quantities increased 3 percent, and prices were unchanged.²

In value, nonagricultural exports increased \$6.4 billion, or 4 percent, to \$167.2 billion. Nonagricultural industrial supplies and materials increased \$3.7 billion. Chemicals accounted for nearly one-third of the increase. Nonmonetary gold, energy products, and paper also rose. Capital goods increased \$1.2 billion. Semiconductors accounted for nearly half of the increase and have risen strongly for six consecutive quarters. Electric generating machinery and industrial, agricultural, and service industry machinery also increased; both have risen strongly in each of the last three quarters. Civilian aircraft, engines, and parts changed little, and telecommunications equipment and computers, peripherals, and parts decreased. Consumer goods increased \$0.8 billion. Automotive vehicles, engines, and parts increased \$0.2 billion.

Agricultural products decreased \$0.3 billion, or 2 percent, to \$12.6 billion. Corn, mainly to the Republic of Korea and Japan, more than accounted for the decrease. Soybeans also fell. These decreases were partly offset by stronger exports of meat products and poultry and of raw cotton.

Imports.—Imports increased \$10.3 billion, or 4 percent, to \$276.0 billion in the fourth quarter. Quantities and prices each increased 2 percent.

In value, nonpetroleum imports increased \$8.5 billion, or 3 percent, to \$254.4 billion. Strength in imports was spread across all major commodity categories. Capital goods increased \$3.0 billion. The same high-technology products that fueled growth in the first three quarters continued to do

so in the fourth quarter. Over half of the fourth-quarter increase was accounted for by semiconductors, by communications equipment, and by computers, peripherals, and parts. Industrial, agricultural, and service industry machinery also increased strongly. Consumer goods increased \$2.8 billion. Nonpetroleum industrial supplies and materials increased \$2.3 billion, mostly in nonferrous metals, but also in steelmaking materials, iron and steel products, chemicals, and paper. Automotive vehicles, engines, and parts increased only \$0.2 billion, but remained at historically high levels.

Petroleum imports increased \$1.9 billion, or 10 percent, to \$21.5 billion—the highest level since the first quarter of 1981. The average price per barrel jumped to \$22.00—the highest level since the fourth quarter of 1996—from \$18.63; prices have risen sharply since the first quarter of 1999, when major petroleum producers curbed production in an effort to boost prices. This cut in production, coupled with increases in world demand, also resulted in a drawdown of worldwide inventories. The average number of barrels imported daily decreased to 10.68 million from 11.49 million. U.S. domestic production and consumption increased, and inventories declined.

Balances by area.—The deficit on goods increased \$4.3 billion, to \$96.2 billion in the fourth quarter, compared with a \$7.4 billion increase in the third.³ Higher deficits with industrial countries more than accounted for the fourth-quarter increase; the deficit with Western Europe was up \$2.0 billion; that with Canada, up \$2.0 billion; and that with Japan, up \$1.6 billion. These higher deficits were partly offset by lower deficits with Asia and with Latin America; the lower deficit with Latin America was more than accounted for by Mexico.

Services.—The surplus on services increased to \$20.7 billion in the fourth quarter from \$19.4 billion in the third (table A). Most major categories of services exports increased. For services imports, travel, passenger fares, and “other” transportation more than accounted for the increase.

Foreign visitors spent \$19.3 billion on travel to the United States, up 4 percent. Receipts from

3. Seasonally adjusted estimates for exports for areas and countries are derived by applying seasonal factors for total U.S. agricultural and nonagricultural exports to the unadjusted agricultural and nonagricultural exports for areas and countries and then summing the seasonally adjusted estimates. Seasonally adjusted estimates for imports for areas and countries are derived by applying seasonal factors for total U.S. petroleum and nonpetroleum imports to the unadjusted petroleum and nonpetroleum imports for areas and countries and then summing the seasonally adjusted estimates. (The seasonal factors are derived from the seasonal adjustment of U.S. exports and U.S. imports by five-digit end-use commodity category.)

2. Quantity (real) estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except for the most recent year, which is calculated using quarterly weights. Real estimates are expressed as chained (1996) dollars. Price indexes (1996=100) are also calculated using a chain-type Fisher formula.

overseas visitors were \$16.5 billion, up 5 percent, as a result of an increase in the number of visitors. Receipts from Canada decreased 4 percent, and receipts from Mexico were unchanged. Payments by U.S. travelers were \$15.4 billion, up 3 percent. Payments for overseas travel were \$12.4 billion, up 4 percent. Payments to Canada were up 2 percent, and payments to Mexico were down 4 percent.

Passenger fare exports were \$5.5 billion, up 4 percent, and passenger fare imports were \$5.5 billion, up 3 percent.

“Other” transportation exports were \$7.3 billion, up \$0.4 billion. The increase was mostly due to an increase in export volume that resulted in increases in both freight and port expenditures receipts. Increased economic activity in the United States, Europe, and Asia boosted the demand for bulk commodities such as iron ore and coal, and freight rates increased. “Other” transportation payments were \$9.3 billion, up 1 percent. After two quarters of large rises, freight payments slowed sharply in response to smaller increases in export and import volumes in the fourth quarter.

Royalties and license fees exports were unchanged at \$9.3 billion, and royalties and license fees imports were virtually unchanged at \$3.1 billion.

“Other” private services exports increased \$0.6 billion, to \$25.7 billion; affiliated services (transactions between affiliated companies) changed little, and unaffiliated transactions increased, partly reflecting an increase in financial services as a result of higher foreign activity in U.S. financial markets. “Other” private services imports decreased \$0.3

billion to \$12.9 billion, largely as a result of a decrease in affiliated services.

Transfers under U.S. military agency sales contracts decreased \$0.2 billion, to \$4.0 billion. Direct defense expenditures abroad decreased \$0.1 billion, to \$3.7 billion.

Income

The deficit on income increased to \$10.4 billion in the fourth quarter from \$5.3 billion in the third (table A).

Investment income.—Receipts of income on U.S.-owned assets abroad increased to \$72.8 billion from \$69.5 billion. Much of the increase was attributable to “other” private receipts, but direct investment receipts were also higher. Payments of income on foreign-owned assets in the United States increased to \$81.7 billion from \$73.3 billion. Direct investment payments, “other” private payments, and U.S. Government payments were all substantially higher.

Receipts of income on U.S. direct investment abroad increased to \$31.1 billion in the fourth quarter from \$30.3 billion in the third. By industry, petroleum earnings increased; growth was mainly in the producing areas, such as the United Kingdom, Norway, and Australia. The increases were partly offset by lower downstream (refining and marketing) earnings in several regions, especially Japan. Manufacturing earnings increased slightly; much of the increase occurred in Latin America and Australia. Earnings of “other” affiliates also increased slightly, mostly due to an increase in earnings of British utility affiliates and Swiss wholesale trading affiliates. These increases were partly offset by a decrease in earnings in banking that was mainly in Asia, and by a decrease in earnings in finance in several financial centers.

Payments of income on foreign direct investment in the United States increased to \$17.9 billion in the fourth quarter from \$13.8 billion in the third. Continued strong expansion in the U.S. economy boosted earnings of manufacturing and of “other” affiliates, largely in wholesale trade. A decrease in petroleum earnings reflected poor results from downstream refiners and marketers.

Receipts of income on “other” private investment were \$40.9 billion in the fourth quarter, up from \$38.4 billion in the third. Higher amounts outstanding for securities and for bank and non-bank claims and a sharp rise in average interest rates accounted for the increase. Interest rates have

Revisions to the Estimates for the Third Quarter of 1999

The international transactions account estimates for the third quarter were revised to incorporate more complete source data. The current-account deficit was revised to \$89.1 billion from \$89.9 billion. The goods deficit was revised to \$91.9 billion from \$92.1 billion (based on updated Census Bureau data); the services surplus was revised to \$19.4 billion from \$18.3 billion (reflecting newly available source data); the deficit on income was revised to \$5.3 billion from \$4.9 billion (reflecting updated capital flow and position data); and unilateral current transfers were net outflows of \$11.2 billion, virtually unchanged from the previous estimate (based on updated U.S. Government agency reports). Net recorded financial inflows were revised to \$94.3 billion from \$105.7 billion (reflecting newly available source data).

risen strongly for four consecutive quarters.

Payments of income on "other" private investment were \$38.6 billion in the fourth quarter, up from \$35.4 billion in the third. As with receipts, increases in both amounts outstanding and average interest rates accounted for the rise.

Receipts of income on U.S. Government investment were virtually unchanged at \$0.7 billion. Payments of income on U.S. Government liabilities were \$25.2 billion, up from \$24.1 billion, largely as a result of higher average interest rates.

Compensation of employees.—Receipts for compensation of U.S. workers abroad were unchanged at \$0.5 billion in the fourth quarter. Payments for compensation of foreign workers in the United States were unchanged at \$1.9 billion.

Unilateral current transfers

Unilateral current transfers were net outflows of \$13.9 billion in the fourth quarter, up from \$11.2 billion in the third (table A). Nearly all of the increase was attributable to U.S. Government grants, which rose to \$5.1 billion from \$2.7 billion, as a result of cash grants to Israel—\$1.4 billion under the credit waiver program to finance military purchases and \$1.0 billion for economic support. Not all of the funds allocated to Israel were drawn in the fourth quarter; another \$0.5 billion will be drawn over the remainder of the U.S. Government's fiscal year.

Capital Account

Net capital account transactions were outflows of \$0.7 billion in the fourth quarter, in contrast to inflows of \$0.2 billion in the third. Fourth-quarter transactions included the transfer of the U.S. Government's assets in the Panama Canal Commission

to the Republic of Panama. The assets are valued at the historical cost carried on the books of the Commission.⁴

Financial Account

Net recorded financial inflows—the difference between changes in U.S.-owned assets abroad and changes in foreign-owned assets in the United States—were \$90.9 billion in the fourth quarter, down slightly from \$94.3 billion (revised) in the third. Financial inflows fell more than financial outflows.

U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$88.8 billion in the fourth quarter, following an increase of \$113.4 billion in the third. Net U.S. purchases of foreign securities were sharply lower, but outflows by U.S. banks were sharply higher. Net outflows for U.S. direct investment abroad were lower.

U.S. official reserve assets.—Net U.S. official reserve assets decreased \$1.6 billion in the fourth quarter, compared with a decrease of \$2.0 billion in the third (table C).

Claims reported by banks.—U.S. claims on foreigners reported by U.S. banks increased \$37.9 billion

4. In concept, the international transactions estimates and the international investment position estimates should reflect all transactions and positions, respectively, at market, or "current" values. Most transactions and position estimates have long been valued on that basis, and in 1991, BEA revalued direct investment capital and income transactions and positions, and U.S. gold reserves, to "current" values. The U.S. Government's assets in the Panama Canal Commission were not revalued at that time because of resource constraints and problems in the accurate valuation of the holdings. With the completion of the transfer of the U.S. Government's assets in the Panama Canal Commission to the Republic of Panama in the fourth quarter of 1999, BEA will take the opportunity to restate the assets in the Panama Canal Commission to a "current value" and will publish the revised transactions and position estimates as part of its annual revisions at the end of June.

Table C.—Selected Transactions with Official Agencies

[Millions of dollars]

	1998	1999p	Change: 1998-99	1998				1999				Change: 1999 III-IV
				I	II	III	IV	I	II	IIIr	IVp	
Changes in foreign official assets in the United States, net (decrease -) (table 1, line 56)	-21,684	44,570	66,254	11,004	-10,551	-46,489	24,352	4,708	-628	11,881	28,609	16,728
Industrial countries ¹	-7,025	31,609	38,634	-56	-9,740	-6,174	8,945	3,330	1,447	14,008	12,824	-1,184
Members of OPEC ²	-11,499	968	12,467	-1,257	-657	-11,642	2,057	2,058	1,966	-983	-2,073	-1,090
Other countries	-3,160	11,993	15,153	12,317	-154	-28,673	13,350	-680	-4,041	-1,144	17,858	19,002
Changes in U.S. official reserve assets, net (increase -) (table 1, line 41)	-6,784	8,749	15,533	-444	-1,945	-2,026	-2,369	4,068	1,159	1,950	1,572	-378
Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: ³												
Foreign drawings, or repayments (-), net												
Drawings												
Repayments												

¹ Revised.

² Preliminary.

1. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

2. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning January 1993 and Gabon beginning January 1995.

3. Consists of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.

in the fourth quarter, following an increase of \$8.8 billion in the third. U.S. banks' own claims payable in dollars increased \$28.2 billion, following an increase of \$7.7 billion. Interbank claims were sharply higher, mainly on offices in the Caribbean, France, and Germany; the higher claims were partly to meet increased credit demands in Europe associated with business consolidations and with an acceleration in economic activity. Yearend lending for balance sheet adjustments at banks, mainly in the Caribbean, also accounted for some of the increase. These increases were partly offset by a decline in lending by U.S. securities dealers, mainly to the Caribbean in October. U.S. banks' domestic customers' claims payable in dollars increased \$3.7 billion, following an increase of \$6.1 billion. U.S. banks' claims payable in foreign currencies increased \$6.0 billion, following a decrease of \$5.0 billion.

Foreign securities.—Net U.S. purchases of foreign securities slowed sharply, to \$7.0 billion in the fourth quarter from \$34.4 billion in the third. Sharply reduced merger-related exchanges of stock resulted in a decline in net U.S. purchases of foreign stocks to \$11.3 billion from \$27.1 billion. Rising long-term interest rates in the U.S. bond market outpaced more slowly rising rates in foreign markets, resulting in a shift to net U.S. sales of foreign bonds of \$4.3 billion from net purchases of \$7.3 billion.

Net U.S. purchases of foreign stocks dropped to \$11.3 billion from \$27.1 billion. Merger-related exchanges of foreign stocks declined to \$5.6 billion from \$26.4 billion because of a reduction in large-scale mergers. Net purchases of other stocks increased to \$5.8 billion from \$0.7 billion; the increase was more than accounted for by a very strong step-up in net purchases from Japan. Signs of limited economic recovery in Japan buoyed expectations and resulted in record net purchases of \$19.8 billion in Japanese stocks, more than double third-quarter net purchases, as Japanese stock prices rose 14 percent in the fourth quarter and the yen appreciated 8 percent against the U.S. dollar, yielding total appreciation of 22 percent in just 3 months. Net sales of stocks occurred in Western Europe, despite economic recovery and a sharp rise in stock prices. Gross trading in foreign stocks—that is gross purchases plus gross sales—increased 20 percent.

Transactions in foreign bonds shifted to net

sales of \$4.3 billion from net purchases of \$7.3 billion. New issues in the United States were \$2.9 billion—the lowest since the third quarter of 1990—compared with \$9.7 billion. Rising U.S. long-term bond rates, associated with both sustained economic growth and a tightening of monetary policy, discouraged all but a few Latin American sovereign issues. Transactions in outstanding foreign bonds shifted to net sales of \$1.1 billion from net purchases of \$4.2 billion. Net sales to Latin America and to Japan more than offset net purchases from the United Kingdom and the euro area. Redemptions of outstanding bonds remained strong, particularly from Latin America and Western Europe. Gross trading in foreign bonds decreased 16 percent.

Direct investment.—Net financial outflows for U.S. direct investment abroad were \$31.3 billion in the fourth quarter, compared with \$47.4 billion in the third. Net equity capital outflows dropped to \$5.9 billion from \$22.8 billion. In the third quarter, but not in the fourth, there were a number of large-scale U.S. acquisitions of foreign companies. In addition, an increase in selloffs in the fourth quarter also contributed to the decline. Reinvested earnings increased to \$22.0 billion from \$21.6 billion. Net intercompany debt outflows increased to \$3.4 billion from \$3.0 billion.

Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$179.7 billion in the fourth quarter, following an increase of \$207.7 billion in the third. Inflows for net foreign purchases of U.S. securities other than U.S. Treasury securities remained exceptionally strong, net inflows for direct investment in the United States were sharply lower, but still very sizable, and transactions in U.S. Treasury securities shifted to net sales from net purchases.

Foreign official assets.—Net foreign official assets in the United States increased \$28.6 billion in the fourth quarter, compared with an increase of \$11.9 billion in the third. In the fourth quarter, assets of industrial countries increased \$12.8 billion, and assets of developing countries increased \$15.8 billion. The increase in industrial countries largely reflected intervention sales of foreign currencies for dollars by a few countries in Asia. The increase in assets of developing countries was widespread, reflecting a variety of factors (table C).

Liabilities reported by banks.—U.S. liabilities reported by U.S. banks increased \$24.3 billion in the fourth quarter, compared with an increase of \$22.6 billion in the third. U.S. banks' own liabilities payable in dollars increased \$30.2 billion, following an \$8.6 billion increase. Strong demand for funds to finance a sharp acceleration in U.S. commercial and industrial loans and demand for credit abroad, including yearend balance sheet adjustments, led to the step-up. In addition, the rise in U.S. short-term interest rates relative to foreign rates encouraged the placement of funds in the United States; most of the funds came from the Caribbean and Western Europe. These increases were partly offset by U.S. securities dealers' repayments of borrowings to banks in Western Europe, mostly to the United Kingdom in December.

U.S. banks' custody liabilities payable in dollars increased \$6.4 billion in the fourth quarter, mostly to Caribbean banking centers, following a \$6.7 billion increase in the third.

U.S. banks' foreign currency liabilities decreased \$12.3 billion in the fourth quarter after a \$7.3 billion increase in the third, as banks repaid earlier borrowings.

U.S. Treasury securities.—Foreign transactions in U.S. Treasury securities shifted to net sales of \$17.2 billion in the fourth quarter from net purchases of \$9.6 billion in the third. Foreigners continued to purchase higher yielding U.S. corporate and U.S. Government agency bonds rather than U.S. Treasury bonds, despite a 40-basis-point rise in the yield on the benchmark 30-year U.S. Treasury bond to 6.48 percent, its highest level in 2 years, and a substantial increase in interest-rate differentials of U.S. Treasury bonds over most foreign government bonds. Most sales of U.S. Treasury bonds occurred in October, when leveraged bond hedge funds in the Caribbean sold large amounts of bonds. Net sales also occurred by several countries in Asia. The net sales were partly offset by purchases by Western Europe.

Other U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities were especially strong at \$90.7 billion in the fourth quarter, but they were down from a record \$94.6 billion in the third.

Net foreign purchases of U.S. stocks were a record \$33.2 billion, up from \$23.9 billion. Net foreign purchases of U.S. stocks accelerated, largely from Western Europe, as a result of solid economic

expansion, low inflation, and a strong rise in corporate profits in the United States. In this environment, U.S. stock prices accelerated sharply in the fourth quarter, accounting for more than half of the gain for the year; the S & P 500 index gained 15 percent, the DJIA gained 11 percent, while the NASDAQ—which is weighted heavily with technology issues—gained 48 percent. The increase in foreign purchases occurred despite sharp rises in the broad European stock indexes, which rose even more sharply than the broad U.S. indexes. Gross trading in U.S. stocks increased 32 percent.

Net foreign purchases of bonds were \$57.5 billion, down from a record \$70.7 billion. Net foreign purchases of bonds dropped sharply, mostly as a result of a drop in new bonds issued abroad by U.S. corporations. New issues had been boosted to exceptionally high levels in the third quarter. In addition, a sharp rise in interest rates slowed new borrowing, despite a narrowing in the spread between Eurobond rates and U.S. bond rates. Net foreign purchases of outstanding U.S. corporate and U.S. Government agency bonds changed little. Gross trading in U.S. bonds decreased 2 percent.

U.S. currency flows.—Net U.S. currency shipments were \$12.2 billion in the fourth quarter, up from \$4.7 billion in the third. Large shipments toward yearend may have been partly attributable to cur-

Data Availability

The current and historical estimates that are presented in tables 1–10 of the U.S. international transactions accounts are available as compressed files on BEA's Web site at <www.bea.doc.gov>; under "International," click on "Data," and look under "Balance of Payments."

The estimates are also available from BEA on the following diskettes:

- *U.S. International Transactions.* The most recently released annual and quarterly estimates are available as a 1-year subscription (four installments)—product number IDS-0001, price \$80.00. The subscription also includes the diskette of the historical estimates (see below).

- *U.S. International Transactions, Fourth Quarter 1999.* Annual estimates for 1998 and 1999 and quarterly estimates for 1998:I–1999:IV on a single diskette—product number IDN-0243, price \$20.00.

- *U.S. International Transactions, Historical Series.* All the available historical annual and quarterly estimates on a single diskette, for some series as far back as 1960—product number IDN-0237, price \$20.00.

To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

rency ordered as a precaution against possible disruptions from Y2K problems.

Direct investment.—Net financial inflows for foreign direct investment in the United States were \$44.1 billion in the fourth quarter, down from \$60.8 billion. A sharp drop in net intercompany debt inflows to \$3.2 billion from \$18.8 billion was mostly with the United Kingdom, where the decreases were widespread across most industries, and to a much lesser extent with Japan, where the decreases were concentrated in wholesale trade and manufacturing. Net equity capital inflows, at \$30.4 billion, were down from \$36.2 billion, but remained strong; they included several large-scale foreign acquisitions of U.S. companies, largely by Western European purchasers. Partly offsetting were outflows from the sale of several affiliate operations by, and return of capital to, Western European parents. Reinvested earnings increased to \$10.6 billion.

THE YEAR 1999

The U.S. current-account deficit increased to \$338.9 billion in 1999 from \$220.6 billion in 1998. Most of the increase was attributable to a rise in the deficit on goods and services, but the deficit on investment income and net unilateral current transfers also increased (table D).

In the financial account, net recorded financial inflows were \$378.2 billion in 1999, compared with \$209.8 billion in 1998. Financial inflows accelerated much more than financial outflows.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$39.1 billion in 1999, compared with a positive \$10.1 billion in 1998.

The following are highlights for 1999:

- The U.S. current-account deficit was substantially higher, mostly as a result of the sizable increase in the deficit on goods. However, the deficit on income was also markedly higher, and the surplus on services fell.
- Net financial inflows to the United States increased by a substantial amount, led by inflows into U.S. securities other than U.S. Treasury securities, as exceptional inflows into U.S. corporate bonds and stocks continued. Net inflows for foreign direct investment in the United States also increased by a substantial amount, as an especially high number of large-scale acquisitions of U.S. companies by foreign companies were completed. These acquisitions were just one aspect of the worldwide boom in acquisitions and consolidations.
- Financial flows to U.S. banks and financial flows from U.S. banks were both larger than last year. However, as in many recent years, a far greater share of transactions took place through securities channels rather than through bank channels.
- Net financial outflows for U.S. direct investment abroad included numerous large-scale U.S. acquisitions of foreign companies, as has been typical in each of the past several years.
- Net U.S. purchases of foreign stocks and bonds were just under net purchases in 1998, as U.S. investors increased their purchases of foreign stocks and cut back sharply in their purchases of foreign bonds.

U.S. dollar in exchange markets

In 1999, the dollar traded in a range just below the

Table D.—Selected Balances on U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

	1997	1998	1999 ^a	1999			
				I ^r	II ^r	III ^r	IV ^r
Balance on goods	-196,651	-246,932	-347,131	-74,381	-84,591	-91,943	-96,216
Balance on services	91,921	82,650	79,583	20,204	19,301	19,355	20,720
Balance on income	3,231	-12,205	-24,789	-4,419	-4,692	-5,289	-10,391
Investment income, net	8,185	-6,956	-19,186	-3,029	-3,308	-3,887	-8,964
Direct, net	69,220	59,405	58,433	14,757	13,913	16,543	13,218
Other private, net	23,456	21,138	14,327	4,001	5,112	2,969	2,245
U.S. Government, net	-84,491	-87,499	-91,946	-21,787	-22,333	-23,399	-24,427
Compensation of employees, net	-4,954	-5,249	-5,603	-1,390	-1,384	-1,402	-1,427
Unilateral current transfers, net	-41,966	-44,075	-46,581	-10,306	-11,175	-11,208	-13,892
Balance on current account	-143,465	-220,562	-338,918	-68,902	-81,157	-89,085	-99,779

^r Revised.

^a Preliminary.

peak value achieved in the summer of 1998. The plateau on which the dollar traded was in marked contrast to the long period of dollar appreciation that began in mid-1995 and continued through mid-1998. However, many of the conditions that provided the impetus for sustained appreciation in the earlier period were the same as those that provided support to the dollar in 1999. In 1999, U.S. economic growth remained strong at 4.2 percent and much greater than growth in other industrial countries, inflation did not emerge as a major problem in the United States, U.S. interest rates exceeded those abroad by a significant margin, and U.S. stock prices rose substantially. By contrast, economic growth in industrial countries abroad was about 2.5 percent, but picked up over the course of the year; recessions lingered in many of the developing countries in Asia as a consequence of financial crises in 1997 and 1998, although some recovery occurred over the course of the year; and there was little growth in Latin America. In this environment, the United States remained an important destination for the exports of foreign goods and services and an attractive location for portfolio and direct investment capital.

The value of the dollar was unchanged from yearend 1998 to yearend 1999 on a nominal, trade-weighted basis against the group of 7 major currencies that trade widely in international markets (table B, chart 1). During the first half of the year, the dollar appreciated 12 percent against the euro and 7 percent against the yen. During the last half of the year, the dollar appreciated an additional 3 percent against the euro, but it fell 16 percent against the yen. Large differences in relative growth rates and perceptions about prospective changes in growth rates were key determinants of exchange rates in 1999.

During the first half of the year, the dollar appreciated 12 percent against the euro as the result of a large disparity between the prospects for economic growth in the United States and in the euro area countries. Growth in the U.S. economy continued strong, while growth in the euro area economies remained relatively weak. The spread between future U.S. and euro area short-term interest rates implied by futures market prices widened over much of the period in favor of the dollar, partly as a result of belief by financial market participants that the disparity between economic growth prospects would lead to a tightening of monetary conditions in the United States relative to those in the euro area. These expectations and

continued rapid U.S. growth led to a strong rise in U.S. short- and long-term interest rates relative to those abroad (chart 2 and chart 3). In late June, the Federal Reserve System raised the target Federal funds rate by 25 basis points to 5.00 percent. In contrast, weak economic growth led the European Central Bank to lower its short-term lending rate by 50 basis points to 2.50 percent.

During the second half of the year, the dollar appreciated 3 percent against the euro, partly as more positive European economic news, particularly from Germany, prompted increased interest in European investments, while expectations of tighter monetary policy in the United States encouraged profit-taking in U.S. stock and bond markets. A rise in German bond rates relative to U.S. long-term rates decreased the yield differential in favor of U.S. bonds and gave further indication that a pickup in economic growth was under way in Europe. However, conditions in the United States continued to be very positive and led to record U.S. stock prices and a tightening of monetary conditions by the Federal Reserve System in late August and mid-November. Consequently, interest rates and growth rates in the United States were well above those in the euro area, and the dollar appreciated.

The dollar appreciated 7 percent against the Japanese yen in the first half of the year. During the first half, there were indications that the recovery in Japan was beginning to take hold. However, the pace of expansion was unclear and considerable uncertainty prevailed as to whether the expansion was sustainable. By mid-year, in anticipation of recovery, Japanese stock prices had increased strongly, encouraging strong purchases of Japanese stocks by foreign investors. In contrast, rising U.S. interest rates created a strong incentive to place assets in the United States, which contributed to the dollar's appreciation.

During the second half of the year, the dollar depreciated 16 percent against the Japanese yen. Positive news about the Japanese economy, continued expansionary fiscal policy, and the maintenance of near-zero short-term interest rates all contributed to a more favorable outlook for the Japanese economy. Economic reports released in the second half continued to indicate a limited recovery, but expectations of a strengthening recovery encouraged further yen appreciation and a sharp rise in Japanese stock prices. In this environment, a considerable amount of portfolio capital flowed into the Japanese stock market, including

capital from the United States. Japanese authorities intervened in exchange markets on several occasions in the third and fourth quarters to slow the especially rapid rise of the yen.

Current Account

Goods and services

The deficit on goods and services increased to \$267.5 billion in 1999 from \$164.3 billion in 1998. A record annual increase in the goods deficit was augmented by the second annual decrease in the services surplus since 1985 (table D).

Goods.—The deficit on goods increased to \$347.1 billion in 1999 from \$246.9 billion in 1998. Imports increased by a very substantial amount, and exports recovered only slightly from a drop in 1998.

Goods exports increased \$12.8 billion, or 2 percent, to \$683.0 billion in 1999 after decreasing \$9.5 billion, or 1 percent, in 1998. The increase was limited almost entirely to capital goods, mostly as a result of a pickup in worldwide demand for semiconductors, computers and computer parts, and telecommunications equipment (table E and table F).

Goods imports increased \$113.0 billion, or 12 percent, to \$1,030.2 billion in 1999, up from an increase of \$40.8 billion, or 5 percent, in 1998. Petroleum imports increased \$16.9 billion after 2 years of decline. Nonpetroleum imports increased \$96.1

billion, or 11 percent, up from a \$61.7 billion, or 8-percent, increase. Increases were especially strong in automotive products and capital goods.

U.S. export growth in 1999 was limited by real GDP growth in many industrial countries abroad that, for the year, was up only slightly from reduced growth in 1998 (chart 4). Growth in Western Europe was higher and picked up over the

Table F.—Percent Changes in U.S. Trade in Goods, Current and Chained (1996) Dollars

[Balance of payments basis]

	Current dollars			Chained (1996) dollars		
	1997	1998	1999 ^P	1997	1998	1999 ^P
Exports	11.1	-1.4	1.9	14.2	1.8	3.3
Agricultural products	-5.0	-9.1	-6.9	1.8	.1	.5
Nonagricultural products	12.8	-7	2.7	15.5	1.9	3.6
Foods, feeds, and beverages	-7.3	-9.9	-2.3	.1	-9	2.5
Industrial supplies and materials	6.9	-6.3	-9	7.4	-1.0	.6
Capital goods, except automotive	16.8	1.5	3.5	22.9	4.3	5.1
Automotive vehicles, parts, and engines	13.9	-1.2	2.1	12.9	-1.3	1.5
Consumer goods (nonfood), except automotive	10.4	2.4	1.7	9.6	2.5	2.0
Exports, n.e.c.	12.9	1.0	7.8	14.1	3.3	9.1
Imports	9.1	4.7	12.3	13.8	11.3	12.2
Petroleum and products	-1.3	-29.1	33.1	4.6	7.0	.2
Nonpetroleum products	10.1	7.7	11.1	14.7	11.6	13.1
Foods, feeds, and beverages	11.2	3.9	5.7	10.1	7.3	9.2
Industrial supplies and materials	3.8	-6.6	10.5	5.9	9.7	1.8
Capital goods, except automotive	11.1	6.4	10.1	25.4	14.8	15.4
Automotive vehicles, parts, and engines	8.4	6.6	20.4	8.2	6.5	19.6
Consumer goods (nonfood), except automotive	12.7	11.7	10.7	14.1	13.2	11.5
Imports, n.e.c., and U.S. goods returned	11.2	16.4	22.6	11.8	15.8	23.5

^P Preliminary.
n.e.c. Not elsewhere classified.

Table E.—U.S. Trade in Goods, Current and Chained (1996) Dollars

[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current dollars							Chained (1996) dollars ¹						
	1997	1998	1999 ^P	1999				1997	1998	1999 ^P	1999			
				I ^r	II ^r	III ^r	IV ^P				I ^r	II ^r	III ^r	IV ^P
Exports	679,715	670,246	683,021	164,008	165,577	173,680	179,756	698,658	711,177	734,555	176,733	178,616	186,954	192,252
Agricultural products	58,425	53,106	49,449	11,773	12,200	12,881	12,595	62,585	62,654	62,990	14,643	15,601	16,578	16,168
Nonagricultural products	621,290	617,140	633,572	152,235	153,377	160,799	167,161	635,972	648,298	671,424	161,952	162,994	170,519	175,959
Foods, feeds, and beverages	51,506	46,398	45,340	10,761	11,278	11,737	11,564	55,625	55,133	56,491	13,188	13,958	14,726	14,619
Industrial supplies and materials	158,274	148,270	146,988	34,060	35,024	37,129	40,775	158,951	157,359	158,364	37,511	38,404	39,753	42,696
Capital goods, except automotive	295,742	300,130	310,591	75,286	74,753	79,693	80,859	311,153	324,425	340,966	82,280	81,966	87,864	88,856
Automotive vehicles, parts, and engines	74,029	73,156	74,666	17,832	18,730	18,961	19,143	73,420	72,450	73,504	17,603	18,471	18,662	18,768
Consumer goods (nonfood), except automotive	77,366	79,261	80,618	19,863	19,750	20,114	20,891	76,788	78,673	80,255	19,804	19,691	20,014	20,746
Exports, n.e.c.	22,798	23,031	24,818	6,206	6,042	6,046	6,524	23,042	23,807	25,964	6,492	6,353	6,344	6,775
Imports	876,366	917,178	1,030,152	238,389	250,168	265,623	275,972	913,998	1,016,842	1,141,368	269,671	279,517	292,536	299,644
Petroleum and products	71,772	50,903	67,771	10,647	15,971	19,630	21,523	76,092	81,440	81,619	20,241	21,380	20,729	19,269
Nonpetroleum products	804,594	866,275	962,381	227,742	234,197	245,993	254,449	837,896	935,193	1,057,678	248,898	257,642	271,216	279,922
Foods, feeds, and beverages	39,695	41,242	43,586	10,420	10,935	11,045	11,186	39,333	42,206	46,107	10,922	11,498	11,800	11,887
Industrial supplies and materials	217,357	203,095	224,362	46,983	53,270	59,956	64,153	222,003	243,588	248,023	59,927	61,584	63,245	63,267
Capital goods, except automotive	253,281	269,558	296,869	69,786	72,958	75,575	78,550	286,035	328,353	378,876	86,907	92,704	97,516	101,749
Automotive vehicles, parts, and engines	139,811	149,055	179,520	42,803	43,664	46,450	46,603	139,532	148,572	177,687	42,505	43,232	45,945	46,005
Consumer goods (nonfood), except automotive	193,936	216,654	239,732	57,277	58,181	60,723	63,551	196,317	222,283	247,741	58,927	60,166	62,860	65,788
Imports, n.e.c., and U.S. goods returned	32,286	37,574	46,083	11,120	11,160	11,874	11,929	32,467	37,604	46,454	11,187	11,284	11,982	12,001

^r Revised.
^P Preliminary.
n.e.c. Not elsewhere classified.

1. Because chain indexes use weights of more than one period, the corresponding chained dollar estimates are usually not additive.

course of the year, and in Asia, several key countries partially recovered from the financial problems of late 1997 and 1998. Growth in Canada accelerated, and Japan showed some signs of recovery from its recession. There was little growth in Latin America.

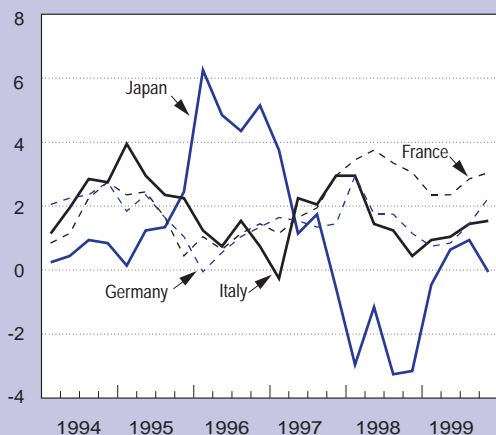
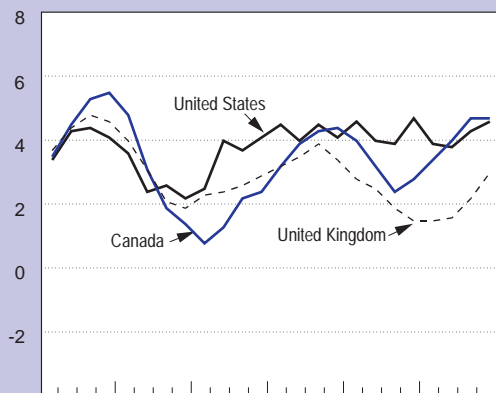
U.S. import growth increased substantially in 1999, as the U.S. economy continued to grow strongly. Growth in U.S. real GDP was 4.2 percent in 1999, following growth of 4.3 percent in 1998 and 4.2 percent in 1997.

Domestic prices of exports slowed their decline in 1999, and some prices began to rise by yearend. The largest declines were in foods, feeds, and beverages and in capital goods (in computers, peripherals, and parts) (table G). When converted into foreign currencies, most price declines were larger, because appreciation of foreign currencies added to the price reductions (table H).

CHART 4

**Major Industrial Countries:
Real GDP**

Percent change from four quarters earlier



Data: International Monetary Fund.

U.S. Department of Commerce, Bureau of Economic Analysis

Dollar prices of most imports were unchanged. However, prices of petroleum and petroleum products were sharply higher, prices of other industrial supplies and materials were somewhat higher, and prices of capital goods (particularly computers, peripherals, and parts) continued to decline (table G).

Exports.—Nonagricultural exports increased \$16.4 billion, or 3 percent, to \$633.6 billion in 1999, following a decrease of 1 percent in 1998. Quantities increased 4 percent, and prices decreased 1 percent. In value, capital goods accounted for more than half of the increase in 1999. Other major

**Table G.—Percent Changes in U.S. Goods Trade
Chain-Weighted Price Indexes**

[Based on index numbers (1996=100)]

	1997	1998	1999 ^P
Exports	-2.7	-3.2	-1.3
Agricultural products	-6.6	-9.2	-7.4
Nonagricultural products	-2.3	-2.6	-8
Foods, feeds, and beverages	-7.4	-9.1	-4.6
Industrial supplies and materials	-4	-5.4	-1.5
Capital goods, except automotive	-4.9	-2.7	-1.5
Computers, peripherals, and parts	-14.0	-12.1	-9.3
Civilian aircraft, engines, and parts	3.4	1.4	2.1
Other capital goods	-4.1	-1.4	-7
Automotive vehicles, parts, and engines .....	.8	.2	.6
Consumer goods (nonfood), except automotive .....	.7	.1	-4
Exports, n.e.c.	-1.0	-2.3	-1.2
Imports	-4.1	-5.9	0
Petroleum and products	-5.7	-33.7	32.8
Nonpetroleum products	-4.0	-3.5	-1.7
Foods, feeds, and beverages .....	.9	-3.2	-3.3
Industrial supplies and materials	-2.1	-14.8	8.4
Capital goods, except automotive	-11.4	-7.3	-4.5
Computers, peripherals, and parts	-13.6	-17.1	-13.3
Civilian aircraft, engines, and parts	3.8	1.7	1.8
Other capital goods	-11.8	-3.9	-1.3
Automotive vehicles, parts, and engines .....	.2	.1	.7
Consumer goods (nonfood), except automotive	-1.2	-1.3	-7
Imports, n.e.c., and U.S. goods returned	-6	-5	-7

^P Preliminary.
n.e.c. Not elsewhere classified.

**Table H.—Percent Changes in Foreign Currency Cost of
U.S. Exports of Goods**

[Based on index numbers (1996=100)]

	1997	1998	1999 ^P
Exports	4.9	1.7	-3.1
Agricultural products .....	.7	-4.7	-9.1
Nonagricultural products	5.3	2.3	-2.7
Foods, feeds, and beverages	-2	-4.5	-6.4
Industrial supplies and materials	7.4	-7	-3.3
Capital goods, except automotive	2.5	2.1	-3.3
Computers, peripherals, and parts	-7.3	-7.7	-10.9
Civilian aircraft, engines, and parts	11.5	6.4	.2
Other capital goods	3.4	3.6	-2.6
Automotive vehicles, parts, and engines	8.7	5.2	-1.3
Consumer goods (nonfood), except automotive	8.6	5.1	-2.2
Exports, n.e.c.	6.7	2.6	-3.1

^P Preliminary.
n.e.c. Not elsewhere classified.

NOTE.—Chain-weighted price indexes multiplied by trade-weighted exchange rate index of the currencies of Australia, Austria, Belgium, Canada, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, and United Kingdom.

commodity categories increased only slightly or decreased (chart 5).

Capital goods, except automotive, increased \$10.5 billion, or 3 percent, following an increase of 1 percent. Unlike in 1998 when increases in aircraft, engines, and parts more than offset decreases in most other capital goods, in 1999, most capital goods increased, albeit some by small amounts, and aircraft decreased.

Semiconductors, which accounted for over 80 percent of the increase in capital goods, increased \$9.2 billion, or 24 percent, following a decrease of \$1.2 billion, or 3 percent. This is the largest annual increase on record, reflecting increased shipments to Asia, Latin America, and Western Europe. Electric generating equipment and parts increased \$2.0 billion, following a decrease of \$0.7 billion. Telecommunications equipment—mainly to Europe, Canada, and Mexico—increased \$1.6 billion, up from an increase of \$1.0 billion. Computers, peripherals, and parts—mainly to the newly industrialized countries in Asia—increased \$1.3 billion, following a decrease of \$4.1 billion. Scientific, hospital, and medical equipment—mainly to Europe, Canada, Mexico, and Japan—increased \$1.0 billion, following a decrease of \$0.3 billion. These increases were partly offset by lower exports of oil drilling, mining, and construction machinery, which fell \$4.1 billion, following little change, largely to developing countries in Asia and Latin America but also to Western Europe (table I).

Civilian aircraft, engines, and parts decreased \$0.6 billion, or 1 percent, following increases of 29 percent in 1998, 34 percent in 1997, and 18 percent in 1996. A decline in deliveries of both complete aircraft and aircraft parts to Asia reflected the weakened financial position of countries in that area and more than accounted for the worldwide decline. Deliveries to Europe were higher and nearly offset the decline to Asia.

Automotive vehicles, engines, and parts increased \$1.5 billion, or 2 percent, following a 1-percent decrease. Exports to Canada increased \$4.2 billion, or 10 percent. In contrast, exports to other countries, mainly in Latin America, decreased \$2.7 billion, or 8 percent, largely as a result of the economic difficulties in countries where major production facilities are located.

Consumer goods increased \$1.4 billion, or 2 percent, following a 2-percent increase. Medicinal, dental, and pharmaceutical preparations more than accounted for the increase in 1999.

Nonagricultural industrial supplies and materials increased \$0.7 billion, or 1 percent, following a

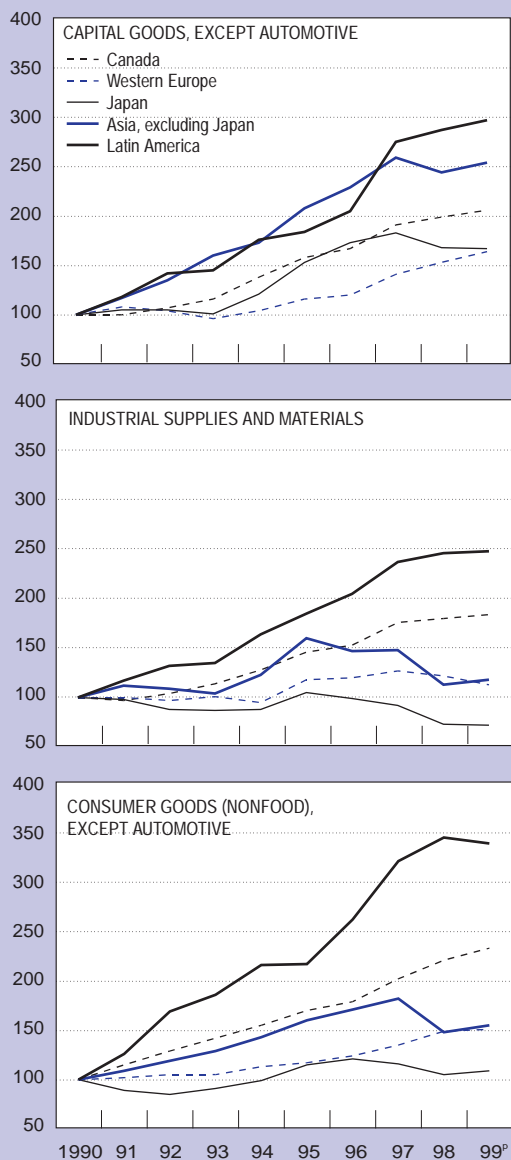
6-percent decrease. Increases in chemicals, “other” nonmetals, and textile supplies more than offset decreases in metals and nonmetallic products and in energy products (table J).

Agricultural products decreased \$3.7 billion, or 7 percent—the third consecutive annual decrease—reaching the lowest level since 1994. Quantities increased 1 percent, and prices declined 8 percent. Raw cotton decreased \$1.6 billion, 42 percent in quantity and 20 percent in price. Other

CHART 5

Growth in Exports by Selected Commodity Categories and Areas

1990=100



p Preliminary

U.S. Department of Commerce, Bureau of Economic Analysis

bulk commodities, such as soybeans and wheat, increased in quantity, but large price declines more than offset the increases. Soybean prices declined 21 percent, and wheat prices, 9 percent.

Imports.—Nonpetroleum imports increased \$96.1 billion, or 11 percent, to \$962.4 billion in 1999, following an 8-percent increase in 1998. Quanti-

ties increased 13 percent, and prices fell 2 percent. In value, the largest increases were in automotive vehicles, engines, and parts and in capital goods, and both increased by substantially greater amounts in 1999 than in 1998. The increase in consumer goods was also sizable, while the increase in nonpetroleum industrial supplies and materials was small ([chart 6](#)).

Table I.—U.S. Trade in Capital Goods, except Automotive

[Balance of payments basis, millions of dollars]

	1994	1995	1996	1997	1998	1999 ^P
Exports	205,248	233,778	253,252	295,742	300,130	310,591
Computers, peripherals, and parts	33,320	39,654	43,719	49,360	45,246	46,583
Semiconductors	25,178	34,153	35,768	38,861	37,650	46,872
Telecommunications equipment	16,296	20,248	20,323	23,996	24,956	26,568
Scientific, hospital, and medical equipment and parts	11,523	13,073	14,748	16,114	15,773	16,777
Industrial, agricultural, and service industry machinery	31,922	37,088	40,178	45,619	42,803	42,973
Machine tools, metalworking equipment, and control instruments	12,320	14,259	15,607	18,275	18,815	19,226
Oil drilling, mining, and construction machinery	10,216	11,517	12,693	15,965	15,943	11,878
Industrial engines, pumps, and compressors	9,176	10,160	10,287	12,614	11,727	11,814
Electric generating machinery, electric apparatus, and parts	19,674	23,040	24,112	27,977	27,301	29,251
Civilian aircraft, engines, and parts	31,475	26,128	30,792	41,359	53,547	52,959
Other capital goods, n.e.c.	4,148	4,458	5,025	5,602	6,369	5,690
Imports	184,369	221,429	228,075	253,281	269,558	296,869
Computers, peripherals, and parts	46,160	56,277	61,513	70,176	72,475	81,445
Semiconductors	26,156	39,042	36,707	36,881	33,417	37,619
Telecommunications equipment	14,184	15,331	13,360	14,774	17,074	24,028
Scientific, hospital, and medical equipment and parts	5,908	6,669	7,209	8,153	9,579	11,337
Industrial, agricultural, and service industry machinery	31,852	36,707	38,195	41,552	44,400	45,871
Machine tools, metalworking equipment, and control instruments	9,804	12,245	13,463	14,973	16,173	15,496
Oil drilling, mining, and construction machinery	5,325	5,481	5,201	6,381	8,007	7,025
Industrial engines, pumps, and compressors	5,758	6,176	6,266	6,541	7,338	8,291
Electric generating machinery, electric apparatus, and parts	20,030	24,150	24,749	27,920	29,074	32,842
Civilian aircraft, engines, and parts	11,298	10,709	12,671	16,598	21,814	23,363
Other capital goods, n.e.c.	7,894	8,642	8,741	9,332	10,207	9,552

^P Preliminary.
n.e.c. Not elsewhere classified.

Table J.—U.S. Trade in Nonagricultural Industrial Supplies and Materials

[Balance of payments basis, millions of dollars]

	1994	1995	1996	1997	1998	1999 ^P
Exports	112,558	135,483	137,961	147,671	138,490	139,191
Energy products	12,041	13,778	15,556	16,520	13,294	12,745
Chemicals, excluding medicinals	35,137	42,985	42,472	46,865	44,979	45,968
Paper and paper base stocks	10,104	14,487	12,483	12,785	12,150	12,200
Textile supplies and related materials	8,183	9,284	9,555	10,700	8,919	9,221
Building materials, except metals	8,839	9,061	9,261	9,482	7,977	8,154
Other nonmetals	11,900	13,410	15,262	16,655	18,010	18,427
Metals and nonmetallic products	26,354	32,478	33,372	34,664	33,161	32,476
Steelmaking materials and iron and steel products	5,789	8,574	7,565	8,186	7,329	7,133
Nonferrous metals	12,279	14,602	15,481	15,027	14,236	13,522
Other metals and nonmetallic products	8,286	9,302	10,326	11,451	11,596	11,821
Imports	160,224	179,434	203,015	211,106	197,205	218,809
Energy products	58,080	62,178	80,257	80,242	59,436	77,857
Chemicals, excluding medicinals	21,359	25,552	26,897	29,164	29,239	30,124
Paper and paper base stocks	8,931	12,879	10,871	10,676	11,223	11,617
Textile supplies and related materials	8,182	8,617	8,843	10,108	10,348	10,306
Building materials, except metals	12,684	12,819	15,035	16,822	17,909	21,833
Other nonmetals	11,047	12,503	13,353	14,147	14,618	15,813
Metals and nonmetallic products	39,941	44,886	47,759	49,947	54,432	51,259
Steelmaking materials and iron and steel products	18,377	19,133	20,265	21,163	24,456	20,928
Nonferrous metals	16,728	20,260	21,679	22,036	22,836	22,727
Other metals and nonmetallic products	4,836	5,493	5,815	6,748	7,140	7,604
Memorandum:						
Nonpetroleum industrial supplies and materials imports	113,671	128,850	136,733	145,585	152,192	156,591

^P Preliminary.

Automotive vehicles, engines, and parts increased \$30.5 billion, or 20 percent, up sharply from a \$9.2 billion, or 7-percent increase in 1998. Imports of passenger cars increased \$17.1 billion, up from a \$7.1 billion increase; increases were strong from all areas of the world. The quantity of imported new passenger cars increased 20 percent, and the average price fell 6 percent. U.S. sales of domestic and foreign autos increased 9 percent, up from a 3-percent increase. Imports of engines, other parts, and accessories increased \$7.8 billion. Trucks, buses, and special purpose vehicles increased \$5.5 billion.

Capital goods, except automotive, increased \$27.3 billion, or 10 percent, following a \$16.3 billion, or 6-percent increase in 1998. The increase was the largest since 1995. High-technology products dominated capital goods imports in 1999. Computers, peripherals, and parts increased \$9.0 billion, up from a \$2.3 billion increase; computer parts accounted for over two-thirds of the increase, reflecting stronger purchases from Asia and Latin America. Telecommunications equipment, largely from Asia and Mexico, increased \$6.9 billion, up from a \$2.3 billion increase. Semiconductors, largely from Asia, shifted to an increase of \$4.2 billion from a decrease of \$3.5 billion. In 1998, the chip industry had been plagued by a variety of factors, among them excess manufacturing capacity, falling prices, and economic crises in Asia. The market rebounded in 1999, driven by demand from Internet users as well as from producers of communications equipment, consumer electronics, and automotive electronics. Electric generating machinery, electric apparatus, and parts increased \$3.8 billion, up from a \$1.2 billion increase. Civilian aircraft, engines, and parts slowed to an increase of \$1.5 billion from an increase of \$5.2 billion. As a partial offset to these increases, machine tools and metalworking machinery decreased \$1.1 billion, the first annual decrease since 1992 (table I).

Consumer goods remained strong, increasing \$23.1 billion, or 11 percent, in 1999, compared with an increase of \$22.7 billion, or 12 percent, in 1998. Durable and nondurable goods contributed nearly equal amounts to the 1999 increase. Within durable goods, household products and home entertainment equipment increased the most. Within nondurables goods, pharmaceutical preparations, apparel, and household goods increased the most.

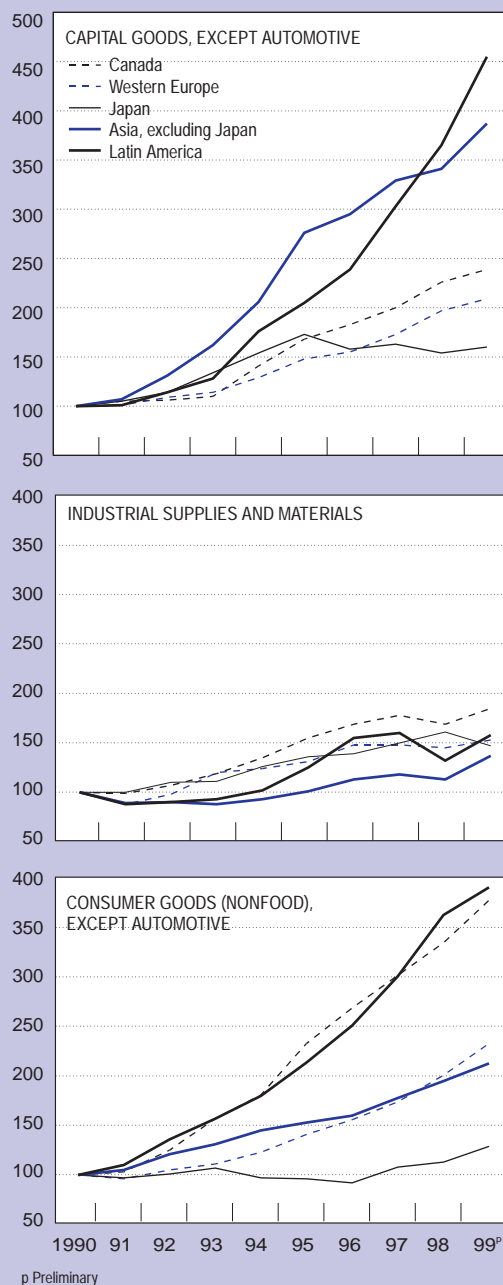
Nonpetroleum industrial supplies and materials

slowed in 1999, increasing \$4.4 billion, or 3 percent, following a \$6.6 billion, or 5-percent, increase in 1998. Building materials, largely from Canada, accounted for much of the increase in 1999. Chemicals, mainly from Western Europe and Canada, precious metals (excluding nonmonetary gold) from Eastern Europe, and paper, main-

CHART 6

Growth in Imports by Selected Commodity Categories and Areas

1990=100



p Preliminary

U.S. Department of Commerce, Bureau of Economic Analysis

ly from Canada and Western Europe, also increased. These increases were partly offset by a \$3.1 billion decrease in iron and steel products, mainly from Japan and Eastern Europe. Steel imports surged into U.S. markets throughout much of 1998, and in response, the U.S. steel industry filed antidumping complaints. As a result, penalties were imposed beginning in the fourth quarter of 1998, which helped reduce steel imports in 1999 (table J).

Petroleum and products rebounded in 1999, increasing \$16.9 billion, or 33 percent, to \$67.8 billion, compared with a decrease of \$20.9 billion, or 29 percent, in 1998. The rebound resulted from an increase in prices to an average of \$16.41 per barrel from \$12.31 per barrel. Quantities were nearly unchanged at 11.31 million barrels per day. In response to the sharp decline in oil prices in 1997-98, major oil producers met in March 1999 and

agreed to curb production. This action, combined with the pickup in demand by developing countries in Asia and by industrial countries, led to a drop in worldwide crude oil stocks and an average price per barrel of \$25.65 by December that was the highest in 9 years (chart 7).

U.S. consumption of petroleum and products increased 2 percent to an average of 19.3 million barrels per day in 1999. In contrast, U.S. domestic production decreased 1 percent to an average of 9.3 million barrels per day. Inventories decreased.

Balances by area.—The U.S. deficit on goods increased \$100.2 billion in 1999, following a \$50.3 billion increase in 1998. The sizable increase in 1999 reflected limited expansion in exports, which was attributable to a modest upturn in economic growth abroad in many industrial countries and in Asia, and a substantial strengthening in imports (table K).

The deficit with Western Europe increased to \$52.9 billion from \$34.9 billion. Exports in 1999 slowed to one-half their increase in 1998, mostly due to a slower rise in consumer goods and capital goods and a decrease in industrial supplies and materials. Imports accelerated in nearly all major commodity categories except capital goods.

The deficit with Canada increased to \$34.4 billion from \$19.0 billion. Exports were sharply higher in 1999, mainly due to automotive exports. Imports were up even more strongly than exports, mostly in automotive products and in industrial supplies and materials.

The deficit with Latin America increased to \$30.0 billion from \$7.3 billion. Exports changed little in 1999 from 1998. Imports of petroleum shifted by a sizable amount to an increase, and imports of automotive products and capital goods were stronger than in 1998.

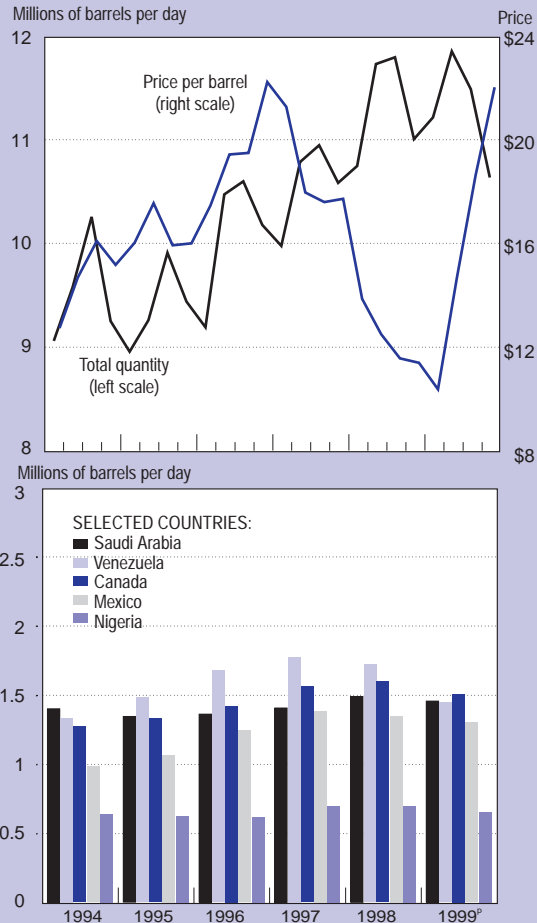
The deficit with Asia, excluding Japan, increased to \$149.6 billion from \$121.3 billion. Exports increased a small amount in 1999, after a sharp drop in 1998, as a result of a turnaround in capital goods. For imports, capital goods were up very sharply, and petroleum and consumer goods were up strongly.

The deficit with Japan increased to \$74.9 billion from \$65.3 billion. Exports changed little in 1999, following a large decrease in 1998. For imports, automotive products and capital goods picked up.

Services.—The services surplus decreased \$3.1 billion in 1999 to \$79.6 billion, following a decrease of \$9.3 billion in 1998. In 1999, exports increased

CHART 7

U.S. Petroleum Imports and Price, Total and from Selected Countries



p Preliminary
Data: Selected country data from U.S. Department of Energy
U.S. Department of Commerce, Bureau of Economic Analysis

\$13.4 billion, up sharply from a \$4.8 billion increase. Services imports increased \$16.5 billion, up from a \$14.1 billion increase (table L).

Foreign visitors spent \$74.4 billion for travel in the United States in 1999, an increase of 4 percent, following a decrease of 3 percent in 1998. In 1998, receipts from overseas had decreased to \$61.2 billion from \$63.0 billion, as the number of visitors from Western Europe dropped to a 3-percent increase in 1998 from a 7-percent increase in 1997 (as a result of slower European economic growth), and as the number of visitors from Asia shifted to a 13-percent decrease in 1998 from a 3-percent increase in 1997 (as a result of recession in Japan and

financial crises in other Asian countries). In 1999, receipts increased to \$63.7 billion, as the number of visitors from Europe recovered to a 6-percent increase, reflecting the pickup in European economic activity, and as the number of visitors from Asia recovered to an increase of 4 percent, reflecting some improvement in Asian economic conditions. However, the 7.0 million visitors from Asia in 1999 were still well below the record 7.8 million visitors from Asia who visited the United States in 1997 prior to the financial crises. Receipts from Canada were \$6.5 billion in 1999, up 5 percent. Receipts from Mexico were \$4.3 billion in 1999, up 12 percent.

Table K. U.S. Trade in Goods by Major End-Use Category for Selected Areas and Countries

[Balance of payments basis, millions of dollars]

	Canada			Western Europe			United Kingdom			Germany			Japan		
	1997	1998	1999 ^P	1997	1998	1999 ^P	1997	1998	1999 ^P	1997	1998	1999 ^P	1997	1998	1999 ^P
Exports	152,069	156,810	166,474	152,965	159,107	162,168	35,911	37,899	37,252	24,205	26,388	26,510	64,599	56,595	56,341
Agricultural products	8,072	8,305	8,361	10,441	8,949	7,527	1,312	1,252	1,090	1,319	1,219	924	10,560	9,197	8,997
Nonagricultural products	143,997	148,505	158,113	142,524	150,158	154,641	34,599	36,647	36,162	22,886	25,169	25,586	54,039	47,398	47,344
Foods, feeds, and beverages	7,809	8,056	8,322	8,095	6,859	5,892	1,108	1,082	1,026	1,038	911	690	10,960	9,333	9,616
Industrial supplies and materials	34,230	34,922	35,787	37,019	35,452	32,944	7,048	7,864	6,305	4,693	4,638	4,384	13,950	11,071	10,895
Capital goods, except automotive	49,411	51,473	53,256	74,665	81,233	87,036	20,895	21,629	21,491	12,549	14,912	15,583	26,364	24,156	23,943
Automotive vehicles, parts, and engines	39,764	40,573	44,793	7,314	7,737	8,019	1,122	1,423	1,786	2,195	2,411	2,190	3,930	3,316	2,755
Consumer goods (nonfood), except automotive	15,647	17,137	18,084	20,028	22,080	22,371	4,384	4,511	5,135	2,589	2,489	2,629	8,087	7,329	7,576
Exports, n.e.c.	5,208	4,649	6,232	5,844	5,746	5,906	1,354	1,390	1,509	1,141	1,027	1,034	1,308	1,390	1,556
Imports	170,058	175,806	200,922	175,771	194,016	215,025	32,496	34,416	38,754	43,018	49,727	55,000	121,658	121,850	131,254
Petroleum and products	12,012	8,530	9,950	6,165	4,542	6,579	2,135	1,557	2,411	185	219	284	113	96	180
Nonpetroleum products	158,046	167,276	190,972	169,606	189,474	208,446	30,361	32,859	36,343	42,833	49,508	54,716	121,545	121,754	131,074
Foods, feeds, and beverages	8,560	8,923	9,463	8,175	8,581	9,485	986	1,056	1,229	660	651	644	423	403	426
Industrial supplies and materials	63,655	60,367	66,246	41,590	40,929	43,209	6,721	6,421	7,376	7,958	8,188	8,263	12,765	13,732	12,481
Capital goods, except automotive	26,447	29,832	31,583	58,799	66,644	70,855	13,651	14,477	14,862	15,858	17,907	19,726	56,038	52,829	55,073
Automotive vehicles, parts, and engines	49,317	51,374	64,191	20,541	24,304	28,697	2,684	3,143	3,847	11,795	14,295	16,967	36,164	37,395	42,999
Consumer goods (nonfood), except automotive	11,198	12,387	13,980	37,797	43,534	50,544	6,256	6,985	8,377	4,952	6,476	6,775	13,791	14,546	16,516
Imports, n.e.c., and U.S. goods returned	10,881	12,923	15,459	8,869	10,024	12,235	2,198	2,334	3,063	1,795	2,210	2,625	2,477	2,945	3,759
Balance	-17,989	-18,996	-34,448	-22,806	-34,909	-52,857	3,415	3,483	-1,502	-18,813	-23,339	-28,490	-57,059	-65,255	-74,913

	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	1997	1998	1999 ^P	1997	1998	1999 ^P	1997	1998	1999 ^P	1997	1998	1999 ^P	1997	1998	1999 ^P
Exports	124,666	130,938	131,075	71,144	78,388	86,598	144,786	125,980	129,905	76,375	61,422	68,664	12,723	13,977	13,020
Agricultural products	8,961	10,007	8,666	5,225	6,202	5,679	14,458	11,275	10,856	7,476	5,738	5,842	1,605	1,344	854
Nonagricultural products	115,705	120,931	122,409	65,919	72,186	80,919	130,328	114,705	119,049	68,899	55,684	62,822	11,118	12,633	12,166
Foods, feeds, and beverages	7,256	7,932	7,415	4,298	4,951	4,908	11,684	9,199	9,428	6,193	4,657	5,085	1,001	1,127	770
Industrial supplies and materials	33,376	34,965	34,878	19,546	21,690	24,128	31,838	24,303	25,476	17,857	13,120	14,055	4,197	3,604	3,868
Capital goods, except automotive	49,131	51,309	53,119	24,947	27,460	32,062	79,756	74,992	78,081	41,784	36,228	42,033	6,576	8,540	7,418
Automotive vehicles, parts, and engines	15,175	15,159	13,774	11,573	11,778	11,753	5,494	3,956	3,309	2,306	1,286	1,144	392	192	277
Consumer goods (nonfood), except automotive	15,922	17,098	16,787	8,088	9,319	10,100	11,431	9,267	9,761	5,825	3,888	4,354	534	576	565
Exports, n.e.c.	3,806	4,745	5,102	2,692	3,190	3,647	4,583	4,263	3,850	2,410	2,243	1,993	23	-62	122
Imports	132,479	138,192	161,056	86,713	95,454	110,662	234,887	247,324	279,524	86,138	85,918	95,075	62,555	71,170	81,792
Petroleum and products	24,221	16,497	22,340	8,451	5,295	7,303	12,540	9,705	15,251	268	423	563	459	273	182
Nonpetroleum products	108,258	121,695	138,716	78,262	90,159	103,359	222,347	237,619	264,273	85,870	85,495	94,512	62,096	70,897	81,610
Foods, feeds, and beverages	12,896	13,003	13,376	4,620	5,192	5,473	6,879	7,281	7,790	711	687	711	737	771	943
Industrial supplies and materials	40,301	33,167	39,970	15,825	13,128	15,325	31,981	30,878	37,297	7,627	8,489	9,011	5,161	5,458	5,963
Capital goods, except automotive	21,536	25,901	32,358	19,758	23,094	28,070	87,515	90,752	102,864	50,823	48,376	53,366	11,530	14,078	17,766
Automotive vehicles, parts, and engines	27,418	29,537	34,869	25,937	27,978	33,072	5,688	5,846	7,951	3,708	3,624	5,209	787	941	1,191
Consumer goods (nonfood), except automotive	25,830	31,147	33,547	16,835	21,611	23,352	98,358	107,564	117,450	20,972	22,204	23,608	43,879	49,224	55,034
Imports, n.e.c., and U.S. goods returned	4,498	5,437	6,936	3,738	4,451	5,370	4,466	5,003	6,172	2,297	2,538	3,170	461	698	895
Balance	-7,813	-7,254	-29,981	-15,569	-17,066	-24,064	-90,101	-121,344	-149,619	-9,763	-24,496	-26,411	-49,832	-57,193	-68,772

^P Preliminary.
n.e.c. Not elsewhere classified.

U.S. residents spent \$60.1 billion for travel abroad in 1999, an increase of 7 percent, following an increase of 8 percent in 1998. Expenditures overseas were \$47.9 billion; the number of travelers to Western Europe and Asia strengthened somewhat, largely as a result of continued strong growth in the United States and a high level of consumer confidence. Payments to Canada increased to \$6.1 billion in 1999, up 6 percent. Payments to Mexico were \$6.1 billion in 1999, down 5 percent.

Passenger fare exports increased 6 percent to \$21.1 billion in 1999, and passenger fare imports increased 8 percent to \$21.3 billion.

"Other" transportation exports were \$27.3 billion, up \$1.8 billion, or 7 percent, in 1999, following a decrease of \$1.5 billion, or 6 percent, in 1998. Exports to nearly every geographic area increased, but they were particularly strong with Asia, as goods exports to that area of the world rebounded from large drops in 1998 as a result of the Asian financial crises. Port service receipts increased \$1.2 billion, or 8 percent, following a 6-percent decrease, mostly because of increases in export and import tonnage on foreign-operated vessels. Port

services receipts were constrained by a drop in the demand for bulk commodities in Europe and Asia in the first half of the year and by a 5-percent decrease in revenues from purchases of bunker fuel in U.S. ports, as a decrease in volume more than offset an increase in price. Freight receipts increased \$0.6 billion, or 5 percent, following a 5-percent decrease, partly reflecting a turnaround in goods exports. Air freight increased 4 percent on larger export volume to nearly all geographic areas except Latin America, where volume declined. Ocean freight increased 3 percent after 3 years of decline, mostly as a result of increased export volume to Asia.

"Other" transportation imports were \$34.5 billion in 1999, up \$4.0 billion, or 13 percent, following an increase of \$1.5 billion, or 5 percent, in 1998. Freight payments increased \$3.0 billion. Ocean freight accounted for much of the increase as a result of a strong increase in goods imports. In addition, ocean freight rates on imports from Asia increased, largely as a result of an especially large increase in imports from that area. Air freight import volumes also increased. Port expenditures payments increased \$1.1 billion, mostly reflecting

Table L.—Services

[Millions of dollars, quarters seasonally adjusted]

	1997	1998	1999 ^p	1999			
				I ^r	II ^r	III ^r	IV ^p
Exports	258,828	263,661	277,067	67,559	68,597	69,574	71,336
Travel	73,301	71,250	74,448	18,130	18,429	18,611	19,279
Passenger fares	20,789	19,996	21,123	4,996	5,242	5,344	5,541
Other transportation	27,006	25,518	27,313	6,504	6,734	6,824	7,251
Royalties and license fees	33,781	36,808	37,213	9,318	9,346	9,251	9,297
Other private services	85,566	92,116	99,357	24,065	24,500	25,089	25,702
Affiliated services	27,272	28,321	29,200	7,449	7,081	7,334	7,335
Unaffiliated services	58,294	63,795	70,157	16,616	17,419	17,755	18,367
Education	8,343	8,964	9,271	2,289	2,286	2,328	2,368
Financial	11,539	13,698	15,773	3,419	3,950	4,019	4,385
Insurance	2,485	2,842	3,402	794	831	869	908
Telecommunications	3,949	3,689	3,340	882	872	818	769
Business, professional, and technical	22,467	24,338	27,226	6,544	6,746	6,894	7,043
Other	9,511	10,264	11,143	2,688	2,735	2,827	2,895
Military transactions ¹	17,561	17,155	16,688	4,340	4,099	4,232	4,017
U.S. Government receipts	824	818	925	206	247	223	249
Imports	166,907	181,011	197,484	47,355	49,296	50,219	50,616
Travel	52,051	56,105	60,092	14,815	14,929	14,957	15,391
Passenger fares	18,138	19,797	21,305	5,112	5,314	5,362	5,518
Other transportation	28,959	30,457	34,500	7,734	8,370	9,138	9,258
Royalties and license fees	9,390	11,292	12,437	3,174	3,195	2,985	3,083
Other private services	43,909	47,670	51,591	12,335	13,166	13,183	12,908
Affiliated services	17,728	19,095	21,276	5,032	5,619	5,464	5,163
Unaffiliated services	26,181	28,575	30,315	7,303	7,547	7,719	7,745
Education	1,395	1,538	1,727	405	424	442	456
Financial	3,563	3,771	3,923	834	949	1,080	1,060
Insurance	6,002	6,908	7,662	1,816	1,878	1,949	2,020
Telecommunications	8,351	8,125	7,772	2,024	2,011	1,915	1,822
Business, professional, and technical	6,358	7,684	8,737	2,103	2,160	2,211	2,262
Other	511	549	494	121	124	123	125
Direct defense expenditures ²	11,698	12,841	14,604	3,503	3,593	3,808	3,700
U.S. Government payments	2,762	2,849	2,955	682	729	786	758

^r Revised.^p Preliminary.¹ Consists of goods and services transferred under U.S. military agency sales contracts which cannot be separately identified.² Consists of imports of goods and services by U.S. defense agencies which cannot be separately identified.

an increase in air port expenditures that resulted from increases in both export and import volumes and from higher prices for jet fuel.

“Other” private services exports were \$99.4 billion in 1999, up from \$92.1 billion in 1998. Affiliated services (transactions between affiliated companies) increased slightly. Among unaffiliated services, business, professional, and technical services increased by a much larger amount than in 1998 and financial services by a smaller amount.

“Other” private services imports were \$51.6 billion in 1999, up from \$47.7 billion in 1998. Affiliated services (transactions between affiliated companies) accounted for three-fifths of the increase. Among unaffiliated services, both financial services and business, professional, and technical services increased by smaller amounts than in 1998.

Transfers under U.S. agency military sales contracts were \$16.7 billion in 1999, down from \$17.2 billion in 1998. The totals for both years represent a plateau from the steady annual rises of 1991-97 that followed the Persian Gulf War, when many Middle Eastern countries rebuilt their weapons systems and many other countries also entered into multiyear contracts to upgrade their weapons systems. Deliveries under these contracts have been largely completed, and deliveries in 1998 and 1999 represent a moderation in both new orders and deliveries. Lower oil prices in 1997 and 1998 may also have moderated new orders.

Direct defense expenditures abroad were \$14.6 billion in 1999, up from \$12.8 billion in 1998. U.S. participation in the NATO air campaign against

Serbia resulted in the deployment of U.S. troops in Europe to the Balkan region and entailed higher costs for transportation, materials and supplies, and contractual purchases from local economies. Petroleum stocks were also run down and replenished later in the year during a period of rapidly rising prices.

Income

The deficit on income was \$24.8 billion in 1999, up from \$12.2 billion in 1998 (table D).

Investment income.—Receipts of income on U.S.-owned assets abroad increased to \$272.0 billion in 1999 from \$256.5 billion in 1998. Most of the increase was attributable to direct investment receipts. Payments of income on foreign-owned assets in the United States increased to \$291.2 billion from \$263.4 billion. Direct investment payments, “other” private payments, and U.S. Government payments all increased by substantial amounts.

Direct investment income.—Receipts of income on U.S. direct investment abroad were \$116.7 billion in 1999, up from \$102.8 billion in 1998 (table M, chart 8). Financial crises in Asia and Latin America and slower growth in Western Europe reduced earnings abroad in 1998. In 1999, limited economic recovery in Asia and a pickup in growth in Western Europe led to a rise in earnings, but to levels that did not exceed those in 1997.

Earnings increases in 1999 were widespread by area and by industry. The largest increases were in

Table M.—Direct Investment Income and Capital

[Millions of dollars, quarters seasonally adjusted]

	1997	1998	1999 ^P	1999			
				I ^r	II ^r	III ^r	IV ^P
Income							
Income receipts on U.S. direct investment abroad	115,795	102,846	116,683	26,824	28,400	30,311	31,147
Distributed earnings	51,937	41,419	35,439	11,869	7,706	7,738	8,128
Reinvested earnings	61,644	58,651	77,567	14,097	19,825	21,597	22,046
Interest, net	2,215	2,775	3,676	858	869	976	973
Income payments on foreign direct investment in the United States	-46,575	-43,441	-58,250	-12,067	-14,487	-13,768	-17,929
Distributed earnings	-17,036	-19,638	-18,081	-3,689	-6,639	-4,256	-3,496
Reinvested earnings	-20,265	-12,789	-25,996	-5,267	-4,329	-5,845	-10,557
Interest, net	-9,275	-11,015	-14,173	-3,111	-3,519	-3,667	-3,876
Capital							
U.S. direct investment abroad (increase/capital outflow (-))	-109,955	-132,829	-152,152	-41,631	-31,812	-47,356	-31,349
Equity capital	-43,907	-59,427	-56,399	-19,809	-7,930	-22,753	-5,907
Reinvested earnings	-61,644	-58,651	-77,567	-14,097	-19,825	-21,597	-22,046
Intercompany debt	-4,403	-14,753	-18,184	-7,725	-4,057	-3,006	-3,396
Foreign direct investment in the United States (increase/capital inflow (+))	109,264	193,375	282,507	23,057	154,481	60,841	44,131
Equity capital	64,654	154,204	215,847	7,888	141,367	36,242	30,350
Reinvested earnings	20,265	12,789	25,996	5,267	4,329	5,845	10,557
Intercompany debt	24,345	26,383	40,665	9,902	8,785	18,754	3,224

^r Revised.

^P Preliminary.

the Pacific Rim countries (including Japan), Canada, and the United Kingdom. Earnings of "other" affiliates increased \$7.3 billion, earnings of manufacturing affiliates increased \$3.5 billion, and earnings of petroleum affiliates increased \$2.3 billion.

Payments of income on foreign direct investment in the United States were \$58.3 billion in 1999, up from \$43.4 billion in 1998 (table M, chart 9). In 1998, sizable drops in petroleum earnings, as a result of petroleum price declines, and in banking and finance (part of "other" industries), as a result of losses partly related to financial crises abroad, contributed to a substantial drop in total

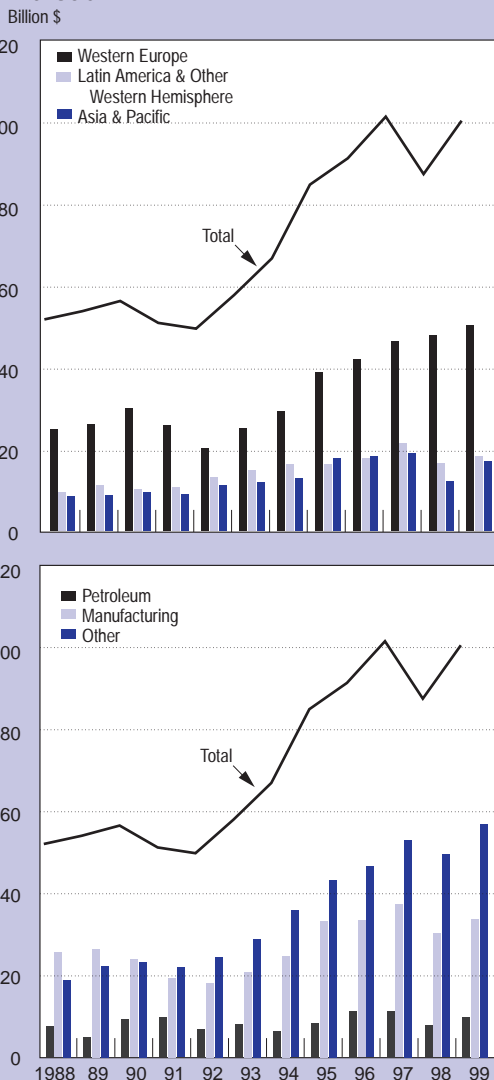
earnings. In 1999, a turnaround in banking and strong increases in earnings in manufacturing, "other" (especially wholesale trade), and petroleum industries brought total earnings well above their level in 1997.

The strength of earnings in 1999 reflected growth in the U.S. economy and an expanded affiliate universe as a result of increased investment from abroad in recent years. Foreign acquisitions were particularly large in 1998 and 1999. In 1999, earnings of "other" affiliates increased \$5.3 billion, earnings of manufacturing affiliates increased \$4.1 billion, and earnings of petroleum affiliates increased \$2.0 billion.

"Other" private and U.S. Government income.—Receipts of income on "other" private investment increased to \$152.1 billion in 1999, up from \$150.0

CHART 8

Earnings on U.S. Direct Investment Abroad

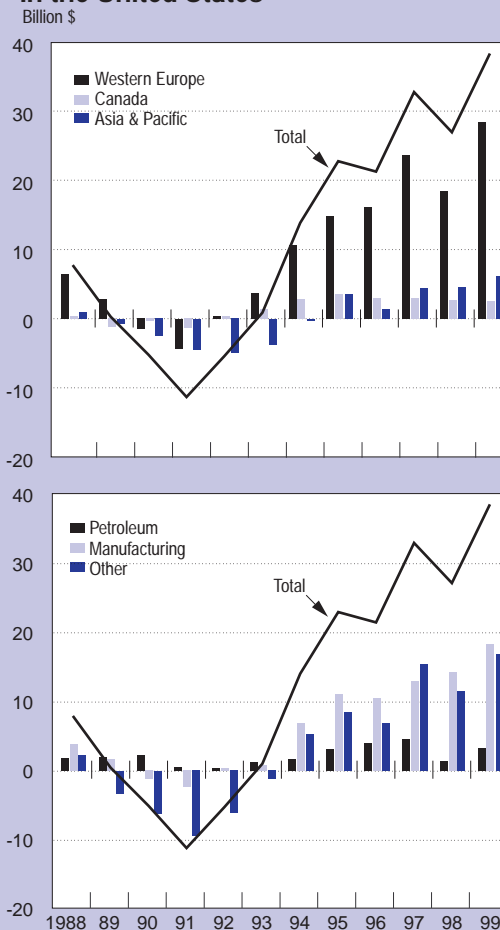


Note.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.

U.S. Department of Commerce, Bureau of Economic Analysis

CHART 9

Earnings on Foreign Direct Investment in the United States



Note.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.

U.S. Department of Commerce, Bureau of Economic Analysis

billion in 1998 (table N, chart 10). Bank and non-bank interest receipts declined after several years of increases. Interest rates rose significantly in 1999 after falling sharply in 1998, and on average they were lower in 1999 than in 1998; lower average rates more than offset a rise in outstanding amounts. Higher outstanding amounts of foreign stocks led to a strong increase in dividends, and higher outstanding amounts of foreign bonds and sharply higher interest rates led to higher interest receipts on bonds.

Receipts of income on U.S. Government investment fell to \$3.2 billion in 1999 from \$3.6 billion in 1998.

Payments of income on "other" private investment increased to \$137.8 billion in 1999 from \$128.9 billion in 1998 (table N, chart 10). Bank and nonbank interest payments decreased after several years of increases. Interest rates rose signifi-

Table N.—Other Private Income

[Billions of dollars]

	1997	1998	1999 ^P
Receipts	137.5	150.0	152.1
Dividends	28.1	27.9	31.0
Interest on bonds	33.9	37.6	40.2
Interest on bank claims	37.5	41.0	38.8
Interest on other claims ¹	38.0	43.5	42.1
Payments	114.1	128.9	137.8
Dividends	14.1	15.7	17.3
Interest on bonds	30.1	33.5	43.8
Interest on bank liabilities	44.7	48.1	45.6
Interest on other liabilities ¹	25.2	31.6	31.1

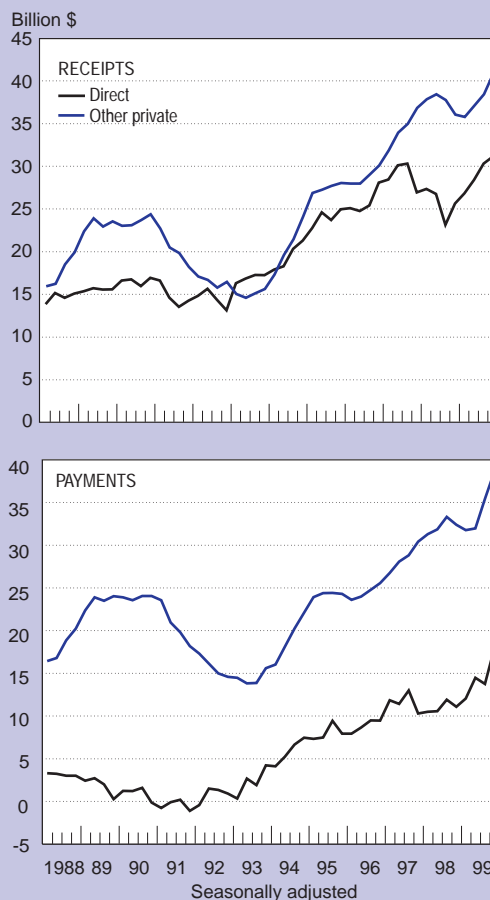
^P Preliminary.

¹ Primarily income of business concerns other than banks.

NOTE.—Excludes direct investment income receipts and payments.

CHART 10

Private Investment Income



U.S. Department of Commerce, Bureau of Economic Analysis

Table O.—Selected U.S. Government Transactions

[Millions of dollars]

	1997	1998	1999 ^P	1999			
				I	II	III ^r	IV ^P
U.S. Government grants (table 1, line 36)	-12,386	-13,057	-12,825	-2,200	-2,760	-2,727	-5,138
U.S. Government forgiveness of foreign debt (table 1, part of Line 39)	-183	-22	-69	-9	-3	-6	-51
U.S. Government credits and other long-term assets (table 1, line 47)	-5,417	-4,676	-6,123	-1,304	-2,167	-1,595	-1,057
For debt rescheduling	-1,299	-586	-1,858	-479	-1,189	-12	-178
Other disbursements	-4,118	-4,090	-4,268	-828	-978	-1,583	-879
Repayments of U.S. Government credits and other long-term assets (table 1, line 48)	5,438	4,102	6,223	1,545	1,887	1,026	1,765
From debt rescheduling	875	457	1,790	474	1,185	11	120
From debt forgiveness	139	19	40	9	1	4	26
Other repayments	4,424	3,626	4,393	1,062	701	1,011	1,619
U.S. Government foreign currency holdings and short-term assets, net (table 1, line 49)	47	145	-465	-122	-112	-117	-114
From debt rescheduling	221	75	48			1	47
From debt forgiveness	1		11				11
Other	-175	70	-524	-122	-112	-118	-172
U.S. Government receipts of income (table 1, line 16)	3,559	3,620	3,185	965	649	860	711
From debt rescheduling	203	54	21	5	4	1	11
From debt forgiveness	43	3	17	(*)	2	1	14
Other receipts	3,313	3,563	3,147	960	643	858	686
U.S. Government payments of income (table 1, line 33)	-88,050	-91,119	-95,131	-22,669	-23,155	-24,147	-25,160

^r Revised.

^P Preliminary.

* Less than \$500,000 (±).

cantly in 1999 after falling sharply in 1998, and on average they were lower in 1999 than in 1998; lower average rates more than offset a rise in outstanding amounts. Bond interest payments were higher as a result of both higher outstanding amounts and sharply higher interest rates. Dividend payments were higher as a result of higher outstanding amounts.

Payments of income on U.S. Government liabilities increased to \$95.1 billion in 1999 from \$91.1 billion in 1998, as both liabilities outstanding and interest rates increased (table O).

Compensation of employees.—Receipts for compensation of U.S. workers abroad were unchanged at \$1.9 billion in 1999. Payments for compensation of foreign workers in the United States increased to \$7.5 billion from \$7.1 billion.

Unilateral current transfers

Unilateral current transfers were net outflows of \$46.6 billion in 1999, up from \$44.1 billion in 1998. Most of the increase was attributable to an increase in private remittances and other transfers, mainly from an increase in institutional remittances and net taxes paid to foreigners. U.S. Government grants were below the total in 1998, because not all of the funds allocated annually for assistance extended to Israel under the Sinai Peace Accords were disbursed in the fourth quarter. A small amount of additional funds will be disbursed over the remainder of the U.S. Government's fiscal year (table O).

Capital Account

Net capital transactions were outflows of \$0.2 billion in 1999, in contrast to inflows of \$0.6 billion in 1998.

Financial Account

Net recorded financial inflows—the difference between changes in U.S.-owned assets abroad and changes in foreign-owned assets in the United States—were \$378.2 billion in 1999, compared with \$209.8 billion in 1998. Financial inflows accelerated much more than financial outflows.

U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$372.6 billion in 1999, compared with an increase of \$292.8 billion in 1998. U.S. claims reported by banks increased substantially more than in 1998. Net U.S. purchases of foreign securities remained strong.

U.S. reserve assets.—Net U.S. official reserve assets decreased \$8.7 billion in 1999, in contrast to an increase of \$6.8 billion in 1998 (table C). The decrease in 1999 was attributable to special transactions in foreign currencies related to a quota increase at the International Monetary Fund in the first quarter and to decreases in the U.S. reserve position with the International Monetary Fund in the third and fourth quarters.

Claims reported by banks.—U.S. claims on foreigners reported by U.S. banks increased \$61.4 billion

Table P.—Private Capital Flows, Net

(Billions of US dollars)

Claims (increase/capital outflow (-)); liabilities (increase/capital inflow (+))	1997	1998	1999 ^P	1999			
				I	II	III ^r	IV ^P
Private capital flows	269.2	238.7	325.1	60.8	119.1	81.5	63.6
Bank-reported capital, net ¹	4.2	15.8	6.3	13.6	-7.6	13.8	-13.6
U.S. claims	-144.8	-24.9	-61.4	27.8	-42.5	-8.8	-37.9
U.S. liabilities ¹	149.0	40.7	67.7	-14.2	34.9	22.6	24.3
Securities, net	253.5	161.3	206.2	60.8	9.1	69.8	66.5
Net U.S. purchases of foreign securities	-89.2	-102.9	-97.9	8.1	-64.6	-34.4	-7.0
Stocks	-42.0	-77.8	-97.8	8.3	-67.7	-27.1	-11.3
Bonds	-47.2	-25.1	-0.1	-0.2	3.1	-7.3	4.3
Net foreign purchases of U.S. securities	342.7	264.2	304.1	52.7	73.7	104.2	73.5
U.S. Treasury securities	146.4	46.2	-21.8	-8.8	-5.4	9.6	-17.2
Other than U.S. Treasury securities	196.3	218.0	325.9	61.5	79.1	94.6	90.7
Stocks	68.5	47.5	94.9	8.8	29.0	23.9	33.2
Bonds	127.8	170.5	231.0	52.7	50.1	70.7	57.5
U.S. currency flows, net	24.8	16.6	22.4	2.4	3.1	4.7	12.2
Direct investment, net	-0.7	60.6	130.3	-22.3	122.4	13.8	16.4
U.S. direct investment abroad	-110.0	-132.8	-152.2	-45.0	-32.9	-48.1	-26.2
Foreign direct investment in the United States	109.3	193.4	282.5	22.7	155.3	61.9	42.6
Nonbank-reported capital, net	-12.6	-15.6	-40.1	6.3	-7.9	-20.6	-17.9
U.S. claims	-120.4	-25.0	-69.5	-13.9	-16.8	-24.1	-14.8
U.S. liabilities	107.8	9.4	29.4	20.2	8.9	3.5	-3.1

^r Revised.

^P Preliminary.

1. Liabilities exclude U.S. Treasury securities.

in 1999, compared with an increase of \$24.9 billion in 1998 (tables P and Q).

Funds provided through interbank channels were much smaller in 1999 than in 1998—an increase of \$17.8 billion, compared with an increase of \$49.2 billion—as lending to banks slowed significantly. U.S. banks' claims on Japan decreased \$18.1 billion in 1999. As capital positions improved, banks in Japan were able to rely on borrowings in international money markets without a large credit risk premium and therefore needed to rely less on borrowings from their branches in the United States (and elsewhere) U.S. banks' claims on Canada decreased \$11.2 billion in 1999. However, U.S. banks' claims on Western Europe were up sharply—to an increase of \$65.2 billion in 1999 from an increase of \$27.9 billion in 1998. Higher credit demands resulted from substantial merger and acquisition activity, some of which was associated with further integration in countries of the European Union, and from a recovery in economic growth in many European countries, particularly in the last half of the year. Interbank lending also increased strongly to offices in the Caribbean in the fourth quarter and included some funding of balance sheet adjustments at yearend. U.S. banks' claims on foreign public borrowers and other private foreigners, including claims of U.S. brokers and dealers, increased \$17.3 billion in 1999; U.S. brokers and dealers resumed lending in 1999, following a sharp pull back during the disruptions caused by financial problems in Russia and Asia in the last half of 1998.

U.S. banks' domestic customers' claims payable in dollars increased \$27.9 billion in 1999, in contrast to a decrease of \$2.0 billion in 1998. In 1999,

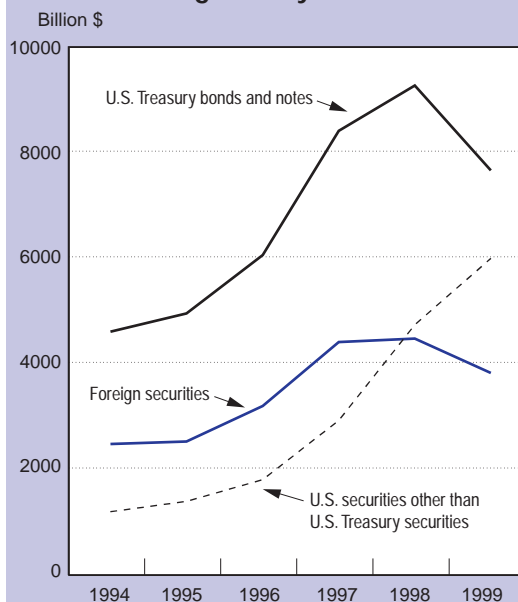
large increases in foreign commercial paper and in negotiable and readily transferable instruments accounted for much of the increase.

U.S. banks' claims payable in foreign currencies decreased \$7.5 billion in 1999 and increased \$0.3 billion in 1998.

Foreign securities.—Net U.S. purchases of foreign securities were \$97.9 billion in 1999, down from \$102.8 billion in 1998. Net purchases of foreign bonds fell to only \$0.1 billion—the lowest level

CHART 11

Gross Trading Activity



U.S. Department of Commerce, Bureau of Economic Analysis

Table Q.—U.S. Bank-Reported Claims and Liabilities by Type

[Billions of dollars]

	1997	1998	1999 ^P	1999			
				I	II	III ^r	IV ^P
Claims on foreigners reported by U.S. banks (increase/capital outflow (-))	-144.8	-24.9	-61.4	27.8	-42.5	-8.8	-37.9
Banks' claims for own accounts, payable in dollars:							
Own foreign offices	-90.1	-52.7	-22.7	32.7	-20.8	0.5	-35.1
Unaffiliated banks	4.5	3.5	4.8	12.3	-10.3	2.0	0.8
Public borrowers and other foreigners	-22.7	22.6	-17.3	-4.4	-8.6	-10.3	6.0
Banks' claims for domestic customers' accounts, payable in dollars	-18.2	2.0	-27.9	-16.7	-1.4	-6.1	-3.7
Claims payable in foreign currencies	-18.3	-0.3	1.5	3.9	-1.5	5.0	-6.0
Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities)(increase/capital inflow (+))¹	149.0	40.7	67.7	-14.2	34.9	22.6	24.3
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices	83.5	77.8	42.3	-30.1	41.6	-9.2	39.9
Unaffiliated banks	-4.2	-43.0	13.1	2.8	4.8	6.2	-0.7
Other private foreigners and international financial institutions	22.8	-10.4	20.4	18.5	-0.7	11.6	-9.0
Banks' custody liabilities, payable in dollars	26.5	38.1	-5.6	-9.8	-9.0	6.7	6.4
Liabilities payable in foreign currencies	20.4	-21.8	-2.5	4.3	-1.8	7.3	-12.3

^r Revised.^P Preliminary.¹ Excludes liabilities to foreign official agencies.

since 1982—from \$25.1 billion, and net purchases of foreign stocks increased to a record \$97.8 billion from the previous record of \$77.8 billion in 1998 (table P, chart 11, and chart 14).

Investments abroad by U.S. mutual funds resumed at a brisk pace in 1999, as total assets increased 6 percent and as foreign assets increased over 40 percent. Investments in foreign-targeted equity funds rebounded strongly with gains from both price appreciation and new investment. Mutual funds continued to sell foreign bonds. The proportion of foreign to total investments increased to 12 percent at yearend 1999 from 8 percent at yearend 1998.

Net U.S. purchases of foreign bonds fell to only \$0.1 billion in 1999 from \$25.1 billion in 1998. U.S. bond interest rates rose substantially during the year, prompted by sustained U.S. economic growth and tighter monetary policy. For 1999, U.S. A-rated corporate rates increased 135 basis points to 7.7 percent, while Eurobond rates rose 180 basis points to 7.3 percent. Although the yield differential narrowed over the year, the advantage to borrowers for acquiring funds in the Eurobond markets remained sizable and attracted placements away from the U.S. market, where new issues dropped sharply from \$58.3 billion to \$34.7 billion, the lowest level since 1992. The drop was particularly sharp in the corporate sector. In addition, borrowing problems of emerging market

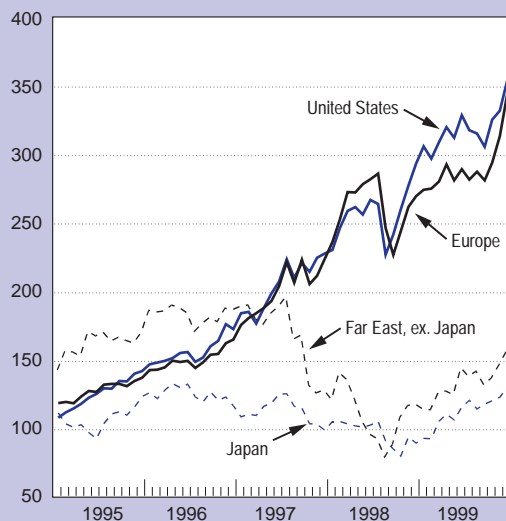
countries continued in 1999, resulting in sharply lower new sovereign issues from Asia. In contrast, though some Asian financial problems affected Latin America in early 1999, new sovereign issues by Latin American countries in 1999 were just under 1998 levels despite political instability in Venezuela, financial problems in Brazil early in the year, and a default by Ecuador on its Brady bonds in midyear. The risk premium on emerging market debt fell over 200 points in the last half of 1999, but it remained well above its level just prior to the Russian debt moratorium in July 1998 (chart 13). Trading activity in foreign bonds—that is, gross purchases plus gross sales—decreased 40 percent in 1999, following a decrease of 12 percent in 1998.

Net U.S. purchases of foreign stocks were \$97.8 billion; they consisted of \$114.0 billion in numerous merger-related exchanges of stock, which were partly offset by \$16.3 billion in net sales of other stocks. Exceptional U.S. stock price performance over the past several years facilitated some of the mergers. The largest merger-related exchanges of stock were with the United Kingdom, the Netherlands, and France. Net purchases of Western European stocks were \$34.0 billion; they consisted of \$97.9 billion in purchases through merger-related exchanges of stocks and \$63.9 billion in sales of other stocks. Sales of other stocks were largest in the first half of the year, when it was not clear that the European recovery would take hold and the euro fell significantly against the dollar. Sales were sharply lower in the last half of the year, when economic recovery appeared under way, particularly in Germany, when the euro's decline against the dollar slowed, and when price increases on most European stock exchanges were exceptionally strong. The sell-off of other European stocks was partly offset by a rebound in net purchases of outstanding Japanese stocks to \$46.0 billion, up from \$1.4 billion. Net purchases were driven by a 45-percent increase in Japanese stock prices and by an additional 13-percent appreciation in the value of the yen, yielding a 58-percent return. The cautiously optimistic outlook for the Japanese economy was based on restructuring in several major industries, promises of fiscal and monetary policy stimulus, and indications of renewed, yet limited, economic growth. Net purchases of other stocks of developing countries were \$6.6 billion, down from \$14.3 billion, despite economic recovery in Asian countries and price gains, that in percentage terms, exceeded the strong performances of the U.S. and European markets (chart 12). Trading activity in foreign stocks increased 26 percent in 1999, following an increase of 25 percent in 1998.

CHART 12

Selected Stock Price Indexes in Local Currencies

December 1992=100



Source: Morgan Stanley Capital International.
Indexes rebased by BEA.

U.S. Department of Commerce, Bureau of Economic Analysis

Direct investment.—Net financial outflows for U.S. direct investment abroad were \$152.2 billion in 1999, up from \$132.8 billion in 1998 (table M).

Most of the step-up was attributable to larger reinvested earnings, which were \$77.6 billion, up from \$58.7 billion. The increase in reinvested earnings reflected both an increase in total earnings and a decline in the portion of those earnings that was distributed. Strong domestic earnings by U.S. parents may have lessened the need to repatriate earnings from their overseas operations. Net equity capital outflows were down slightly to \$56.4 billion from \$59.4 billion, but remained very strong. Although the number of acquisitions exceeding \$1 billion was down from 1998, capital outflows associated with the fewer acquisitions were still larger in 1999 than in 1998. The outflows for these acquisitions are but one manifestation of the worldwide explosion in merger activity that has continued for several years. In 1999, these outflows were partly offset by inflows from several large sales of U.S.-owned foreign operations. Net intercompany debt outflows were \$18.2 billion, compared with \$14.8 billion.

Foreign-owned assets in the United States

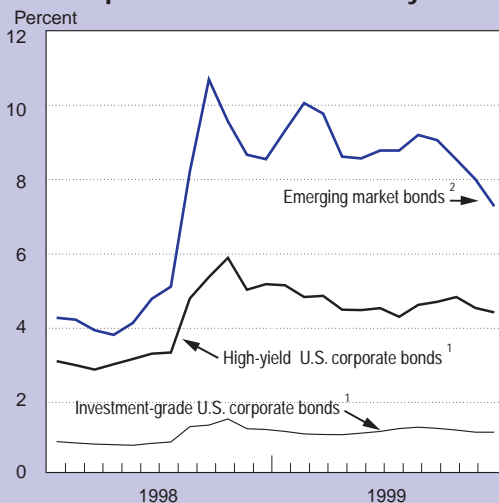
Net foreign-owned assets in the United States increased \$750.8 billion in 1999, compared with an increase of \$502.6 billion in 1998. Net foreign purchases of U.S. securities other than U.S. Treasury securities and financial inflows for foreign direct

investment in the United States were both substantially larger. Inflows for both accounts were records and exceeded previous records by substantial amounts.

Foreign official assets.—Net foreign official assets in the United States increased \$44.6 billion in 1999, in contrast to a decrease of \$21.7 billion in 1998 (table C). In 1999, assets of industrial countries increased \$31.6 billion, and assets of developing countries increased \$13.0 billion. The increase in assets of industrial countries included large intervention sales of foreign currencies for dollars in exchange markets by a few countries in Asia. The increase was partly offset by a reduction in reserve assets of a single European country, which sold dollars in order to acquire foreign currency. Among developing countries, several Asian countries added to their holdings of dollar assets.

CHART 13

Bond Spreads over U.S. Treasury Securities



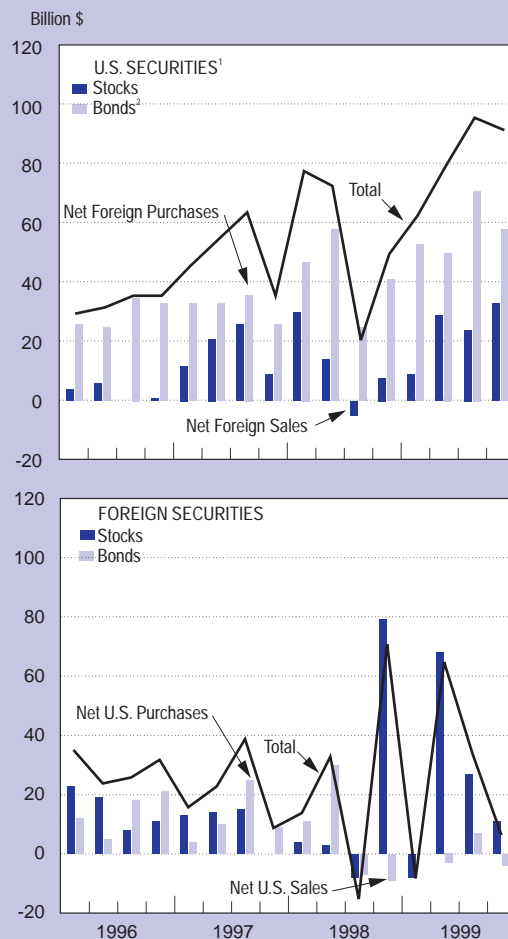
1. Source: Merrill Lynch

2. Source: J.P. Morgan. Emerging Market Bond Index Plus, EMBI+, represents external currency-denominated debt in emerging markets. It is comprised mostly of U.S. dollar issues.

U.S. Department of Commerce, Bureau of Economic Analysis

CHART 14

Securities Transactions



1. Excluding transactions of foreign official agencies.

2. Excludes U.S. Treasury securities.

U.S. Department of Commerce, Bureau of Economic Analysis

Liabilities reported by banks.—U.S. liabilities reported by U.S. banks increased \$67.7 billion in 1999, compared with an increase of \$40.7 billion in 1998 (table P and table Q).

U.S. banks' own liabilities payable in dollars increased \$75.8 billion in 1999, following an increase of \$24.4 billion in 1998. The sharp acceleration of dollar inflows reflected heightened U.S. and international demand for credit, much of it in the second half of the year, and a widening of short-term interest-rate differentials in favor of investment in U.S. assets.

Interbank liabilities increased \$55.4 billion, following a \$34.8 billion increase. Inflows from overseas were an important source of funding for the rapid acceleration in U.S. commercial and industrial loans in the last half of the year and for meeting temporary surges in international loan demand in the second and fourth quarters, including demands abroad for funds for bank balance sheet adjustments at yearend. Some of the temporary surges in demand were probably part of financing packages for mergers and acquisitions, both in the United States and abroad. In addition, as U.S. interest rates rose faster than foreign rates, rising short-term interest-rate differentials in favor of U.S. assets encouraged deposits in the United States, also mostly in the second and fourth quarters.

Most of the inflows were from own offices in the Caribbean and Western Europe, which increased

\$75.7 billion. These inflows were partly offset by a \$42.3 billion decrease in inflows from parent banks in Japan to their U.S. branches, mostly in the first half of the year, as Japanese banks reduced their activity in the U.S. market.

U.S. banks' custody liabilities decreased \$5.6 billion in 1999, mostly in the first half of the year, following an increase of \$38.1 billion in 1998.

U.S. banks' liabilities payable in foreign currencies decreased \$2.5 billion in 1999, following a decrease of \$21.8 billion in 1998.

U.S. Treasury securities.—Transactions in U.S. Treasury securities shifted to net sales of \$21.8 billion in 1999, the first year of net sales since 1990. In 1998, net purchases had dropped sharply to \$46.2 billion from peak net purchases in 1997 and 1996 (table P and chart 11).

Several factors contributed to the shift to net sales. First, as confidence grew from the sustained strength of the U.S. economic growth and the renewed expansion of foreign economies throughout 1999 and as financial crises in Asia and Latin America waned, foreign investors moved from U.S. Treasury bonds to higher yielding U.S. Government agency bonds and U.S. and foreign corporate bonds, despite the higher risk. Second, U.S. Treasury bond prices fared considerably more poorly than corporate bond prices, and the large issuance of new U.S. Government agency and U.S. corporate bonds made up for reduced supplies of

Table R.—New International Bond Issues by U.S. Borrowers

(Millions of dollars)

	1997	1998	1999 ^P	1999			
				I	II	III ^r	IV ^P
Total	96,569	87,098	65,847	15,435	13,119	24,311	12,982
By issuer:							
Industrial corporations	8,188	4,440	7,124	1,262	846	2,849	2,167
Banking corporations ¹	24,473	7,203	5,338	1,457	1,352	2,302	227
Nonbank financial corporations ²	46,779	41,722	26,432	6,254	5,194	11,579	3,405
U.S. federally sponsored agencies	11,792	33,121	24,004	6,103	5,296	6,013	6,592
All other borrowers	5,337	612	2,949	359	431	1,568	591
By instrument:							
Straight fixed-rate bonds	56,456	67,204	57,620	13,900	10,613	20,921	12,186
Floating-rate notes	36,397	16,757	7,764	1,327	2,362	3,390	685
Zero-coupon bonds	2,375	490	128	128			
Bonds convertible into stock	633	1,239	111				111
Other debt instruments	708	1,408	224	80	144		
By currency:							
U.S. dollars	64,215	56,110	42,125	11,597	8,941	12,183	9,404
Foreign currencies	32,354	30,988	23,722	3,838	4,178	12,128	3,578
Japanese yen	2,969	1,645	3,200		21	1,702	1,477
Swiss franc	3,714	3,265	2,082	261	726	827	268
German mark	4,847	4,427					
British pound	6,529	10,249	3,852	499	545	2,266	542
Euro	485	3,965	13,658	2,841	2,778	7,027	1,012
Canadian dollar	258	253	28		28		
Other currencies	13,552	7,184	902	237	80	306	279

^r Revised.

^P Preliminary.

1. Includes banks and bank holding companies.

2. Principally credit, securities, brokerage, and insurance companies.

U.S. Treasury bonds that were retired with the large Federal budget surplus. Both of these factors more than offset a rise in yields on the benchmark 30-year U.S. Treasury bond of 139 basis points to 6.48 percent, its highest level in 2 years.

Net sales from Western Europe were \$20.4 billion in 1999, in contrast to net purchases of \$16.1 billion in 1998, marking the first time in 10 years that Western Europe had been net sellers of U.S.

Treasury bonds. Net purchases from Asia totaled \$17.6 billion, down from net purchases of \$28.3 billion. The Caribbean, where many international bond hedge funds are located, was again a net seller in 1999; net sales totaled \$12.7 billion, up from net sales of \$7.6 billion. Trading activity in U.S. Treasury bonds—that is, gross purchases plus gross sales—decreased 17 percent in 1999, following an increase of 8 percent in 1998.

Table S.— Selected U.S. Transactions With OPEC Members

[Millions of dollars]

(Credits +; debits -)	1985	1986	1987	1988	1989 ^r	1990 ^r	1991 ^r	1992 ^r	1993 ^r	1994 ^r	1995 ^r	1996 ^r	1997 ^r	1998 ^r	1999 ^r
Exports of goods and services and income receipts:															
Goods, balance of payments basis	11,397	10,386	10,714	13,777	12,669	12,712	18,446	19,726	18,692	17,113	18,326	20,225	24,156	23,382	18,484
Transfers under U.S. military agency sales contracts	2,890	2,992	2,781	1,430	1,309	2,687	3,809	4,454	3,675	2,936	4,471	5,031	4,625	5,183	4,372
Royalties and license fees ¹	84	48	103	77	71	94	149	161	220	357	394	253	313	310	342
Other private services ¹	2,482	² 2,270	1,939	1,516	1,541	1,423	1,898	2,546	2,210	2,080	2,187	3,027	3,117	3,588	3,876
U.S. Government miscellaneous services	41	15	25	18	16	20	16	22	13	14	17	11	10	10	11
Income receipts on U.S.-owned assets abroad:															
Direct investment receipts	2,485	1,858	1,965	1,875	1,835	2,854	3,293	3,224	2,745	2,701	3,966	4,220	4,036	2,476	2,874
Other private receipts	1,995	1,535	1,680	1,941	2,435	2,326	1,441	1,202	1,045	1,470	1,456	1,371	1,697	1,843	1,690
U.S. Government receipts	222	196	167	215	154	261	217	187	141	122	192	268	263	238	304
Imports of goods and services and income payments:															
Goods, balance of payments basis	-22,834	-18,893	-24,416	-23,016	-29,243	-37,024	-33,431	-32,377	-32,644	-31,674	-34,257	-42,665	-44,018	-33,917	-41,940
Direct defense expenditures	-962	-494	-370	-377	-614	-1,419	-784	-883	-455	-360	-335	-545	-944	-1,754	-1,952
Royalties and license fees ¹	^(D)	^(D)	^(*)	-6	-1	^(*)	-1	-37	-7	-2	-38	-5	-5	-5	-11
Other private services ¹	^(D)	² ^(D)	-253	-259	-245	-306	-461	-388	-340	-405	-456	-628	-586	-589	-591
U.S. Government miscellaneous services	-120	-102	-118	-96	-104	-96	-87	-47	-26	-39	-34	-31	-31	-30	-31
Income payments on foreign-owned assets in the United States:															
Direct investment payments	-72	114	-78	164	-50	-98	-93	182	-82	-49	-34	-136	-424	-254	-37
Other private payments	-2,499	-1,916	-1,837	-2,175	-2,798	-2,892	-2,669	-2,302	-2,176	-1,964	-2,955	-2,799	-3,105	-3,146	-3,343
U.S. Government payments	-4,241	-3,141	-2,586	-2,141	-2,758	-3,241	-2,764	-2,524	-2,160	-1,747	-2,179	-2,430	-3,751	-3,804	-3,784
U.S. Government grants	-62	-74	-84	-97	-94	3,368	27,453	1,018	-197	-204	-195	-151	-46	-50	-97
U.S. Government pensions and other current transfers	-9	-21	-25	-20	5	-25	-305	-32	-27	-28	-25	-93	-57	-40	-21
U.S.-owned assets abroad, net (increase/capital outflow (-))	2,005	-945	-571	-782	-1,875	1,847	-577	-12,162	-513	-3,107	143	-7,078	-8,589	-11,289	-2,847
U.S. Government assets, other than official reserve assets, net	-7	158	141	-59	135	-253	-788	-529	19	-422	-901	-458	12	-10	-253
U.S. credits and other long-term assets	-358	-195	-165	-396	-212	-647	-246	-277	-85	-234	-925	-912	-412	-166	-462
Repayments on U.S. credits and other long-term assets	348	349	308	344	343	481	397	279	224	177	215	290	420	154	222
U.S. foreign currency holdings and U.S. short-term assets, net	3	4	-2	-7	4	-87	-939	-531	-120	-365	-191	164	4	2	-13
U.S. private assets, net	2,012	-1,103	-712	-723	-2,010	2,100	211	-11,633	-532	-2,685	1,044	-6,620	-8,601	-11,279	-2,594
Direct investment	331	-1,357	-64	1,133	535	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-2,884	-2,026	-3,379	-4,863
Foreign securities	156	33	58	-365	96	-2,815	-17	337	-679	-2,077	-675	-2,882	-3,997	-677	47
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	208	43	81	41	100	13	-224	-44	-306	-146	-25	-478	-336	369	-343
U.S. claims reported by U.S. banks, not included elsewhere	1,317	178	-787	-1,532	-2,741	6,179	3,158	-10,461	2,050	3,113	4,123	-376	-2,242	-7,592	2,565
Foreign-owned assets in the United States, net (increase/capital inflow(+))	-3,393	-9,380	-5,371	-728	15,282	3,320	-4,416	14,529	-8,904	1,400	5,396	19,099	17,385	-9,510	9,171
Of which: foreign official	-6,644	-9,308	-9,939	-2,885	10,724	1,555	-5,235	5,626	-3,850	-1,464	4,061	14,823	12,124	-11,499	968
U.S. Treasury securities	-1,389	-4,938	-5,398	1,688	7,815	-244	-5,902	4,323	-6,302	-1,668	1,829	16,159	9,004	-13,863	3,225
Other U.S. securities	-2,327	-1,746	-1,808	-2,591	3,170	-2,676	1,989	4,186	3,322	-820	1,592	217	4,054	4,284	2,426
Other U.S. Government liabilities	23	-427	-957	177	437	505	151	569	730	1,797	617	-264	-924	-2,339	-1,546
U.S. liabilities reported by U.S. banks, not included elsewhere	325	-1,459	2,405	-1,146	1,836	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,094	2,296	4,845
Direct investment in the United States	176	510	296	1,629	1,503	-662	81	167	-812	251	-140	623	349	542	338
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-201	-1,320	91	-485	521	711	-571	491	-177	163	439	551	808	-430	-117
All other transactions with OPEC and transfers of funds between foreign areas, net	10,876	15,834	16,335	8,684	2,465	14,189	-11,134	3,465	18,820	11,391	3,924	3,089	5,954	27,358	13,530
Memorandum:															
Balance on goods	-11,437	-8,507	-13,702	-9,239	-16,574	-24,312	-14,985	-12,651	-13,952	-14,561	-15,931	-22,440	-19,862	-10,535	-23,456

^D Suppressed to avoid disclosure of data of individual companies.^r Revised.^P Preliminary.^{*} Less than \$500,000 (±).

1. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

2. Break in series. See Technical Notes in June 1989 and June 1990 SURVEY.

NOTE.—OPEC members are Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Excludes Ecuador beginning January 1993 and Gabon January 1995. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.

U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities were a record \$325.9 billion in 1999, surpassing the previous record of \$218.0 billion in 1998 by a large amount (table P, chart 11, and chart 14). Net foreign purchases have increased strongly every year since 1994.

Net foreign purchases of U.S. stocks were a record \$94.9 billion, double net purchases of \$47.5 billion in 1998. After a sharp dip in U.S. stock prices in the third quarter of 1998 as a consequence of uncertainties created by the Russian debt moratorium and to renewed concerns about emerging market economies, U.S. stock prices recovered quickly. In 1999, the S & P 500 stock index posted a 20-percent gain, the DJIA stock index gained 25 percent, and the NASDAQ, which is heavily weighted with technology and Internet stocks, gained 86 percent. Net foreign purchases both responded to, and contributed to, the rise. Western European purchases increased the most, to \$89.5 billion from \$65.2 billion, despite a concurrent sharp pickup in most European stock prices (chart 12). Trading activity in U.S. stocks increased 50 percent in 1999, following an increase of 60 percent in 1998.

Despite steeply falling bond prices, net foreign purchases of U.S. corporate and U.S. Government agency bonds were a record \$231.0 billion, surpassing the 1998 record of \$170.5 billion. As concerns about financial problems in developing countries subsided, foreign investors in the United States were less risk adverse and sought the high yields of U.S. corporate and U.S. Government agency bonds, often at the expense of purchases of U.S. Treasury securities. U.S. Treasury securities were in reduced supply as the U.S. Federal debt was repaid with budget surpluses, and they performed more poorly than U.S. corporate and U.S. Government agency bonds. Investors also benefited from a sizable interest-rate differential in favor of holding U.S. assets rather than foreign corporate and government instruments. Net foreign purchases of outstanding U.S. corporate bonds were a record \$115.5 billion, up sharply from the 1998 record of \$68.2 billion, and net foreign purchases of U.S. Government agency bonds were a record \$73.7 billion, easily surpassing the 1998 record of \$48.3 billion. Trading in U.S. bonds de-

creased 13 percent in 1999, following an increase of 87 percent in 1998.

New bond issues sold abroad by U.S. borrowers were \$65.8 billion, down from \$87.1 billion. Issues by banks and nonbank corporations and government agencies all slowed as a result of the rise in interest rates, mostly in fixed-rate issues. Issues denominated in dollars continued to dominate, though issues denominated in euros gained considerably in importance (table R).

U.S. currency flows.—Net U.S. currency shipments were \$22.4 billion in 1999, up from \$16.6 billion in 1998. Shipments to Eastern Europe weakened, but shipments to the Middle East, Asia, and Europe strengthened, in many cases reflecting concerns about exchange rate and financial instability in certain countries in those regions. Toward yearend, probably partly in response to concerns about disruptions from potential Y2K problems, countries who could afford to do so ordered additional currency, and some countries that typically return currency to the United States did so less rapidly.

Direct investment.—Net financial inflows for foreign direct investment in the United States were \$282.5 billion in 1999, up from \$193.4 billion in 1998 (table M). Net equity capital inflows increased by a very substantial amount to \$215.8 billion from \$154.2 billion; about half of the inflows were directly related to new foreign acquisitions of U.S. companies. The other half was the result of capital contributions to existing affiliates, which in some cases were used to finance acquisitions by the affiliates. The increase in equity inflows in 1999 follows an increase to \$154.2 billion in 1998 from \$64.7 billion in 1997, marking the second consecutive year of exceptionally large inflows. These inflows are another manifestation of the explosion in business consolidations and acquisitions that have occurred worldwide over the past 4 years. Net intercompany debt inflows were also substantially higher in 1999 at \$40.7 billion, up from \$26.4 billion, and reinvested earnings more than doubled to \$26.0 billion from \$12.8 billion, as manufacturing and “other” earnings were sharply higher.


Tables 1 through 10 follow. 

Table 1.—U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) ¹	1998	1999 ^P	Not seasonally adjusted				Seasonally adjusted			
				1999				1999			
				I	II	III ^P	IV ^P	I ^r	II ^r	III ^r	IV ^r
Current account											
1	Exports of goods and services and income receipts	1,192,231	1,233,944	293,632	302,257	310,308	327,747	295,503	300,939	313,183	324,317
2	Exports of goods and services	933,907	960,088	229,124	235,175	240,585	255,204	231,567	234,174	243,254	251,092
3	Goods, balance of payments basis ²	670,246	683,021	163,344	168,453	166,810	184,414	164,008	165,577	173,680	179,756
4	Services ³	263,661	277,067	65,780	66,722	73,775	70,790	67,559	68,597	69,574	71,336
5	Transfers under U.S. military agency sales contracts ⁴	17,155	16,688	4,340	4,099	4,232	4,017	4,340	4,099	4,232	4,017
6	Travel	71,250	74,448	15,809	18,271	21,976	18,392	18,130	18,429	18,611	19,279
7	Passenger fares	19,996	21,123	4,651	5,049	6,060	5,363	4,996	5,242	5,344	5,541
8	Other transportation	25,518	27,313	6,362	6,727	6,852	7,372	6,504	6,734	6,824	7,251
9	Royalties and license fees ⁵	36,808	37,213	9,124	9,063	9,141	9,885	9,318	9,346	9,251	9,297
10	Other private services ⁵	92,116	99,357	25,288	23,266	25,291	25,512	24,065	24,500	25,089	25,702
11	U.S. Government miscellaneous services	818	925	206	247	223	249	206	247	223	249
12	Income receipts	258,324	273,856	64,508	67,082	69,723	72,543	63,936	66,765	69,929	73,225
13	Income receipts on U.S.-owned assets abroad	256,467	271,972	64,038	66,611	69,252	72,071	63,466	66,294	69,458	72,753
14	Direct investment receipts	102,846	116,683	27,313	28,890	29,993	30,487	26,824	28,400	30,311	31,147
15	Other private receipts	150,001	152,104	35,760	37,072	38,999	40,873	35,760	37,072	38,999	40,873
16	U.S. Government receipts	3,620	3,185	965	649	860	711	882	822	748	733
17	Compensation of employees	1,857	1,884	470	471	471	472	470	471	471	472
18	Imports of goods and services and income payments	-1,368,718	-1,526,281	-342,780	-371,764	-398,144	-413,593	-354,099	-370,921	-391,060	-410,204
19	Imports of goods and services	-1,098,189	-1,227,636	-275,023	-299,857	-322,573	-330,183	-285,744	-299,464	-315,842	-326,588
20	Goods, balance of payments basis ²	-917,178	-1,030,152	-230,903	-249,336	-268,114	-281,799	-238,389	-250,168	-265,623	-275,972
21	Services ³	-181,011	-197,484	-44,120	-50,521	-54,459	-48,384	-47,355	-49,296	-50,219	-50,616
22	Direct defense expenditures	-12,841	-14,604	-3,503	-3,593	-3,808	-3,700	-3,503	-3,593	-3,808	-3,700
23	Travel	-56,105	-60,092	-12,543	-16,063	-18,425	-13,061	-14,819	-14,929	-14,957	-15,391
24	Passenger fares	-19,797	-21,305	-4,691	-5,711	-6,044	-4,859	-5,112	-5,314	-5,362	-5,518
25	Other transportation	-30,457	-34,500	-7,554	-8,290	-9,259	-9,397	-7,734	-8,370	-9,138	-9,258
26	Royalties and license fees ⁵	-11,292	-12,437	-3,162	-3,073	-2,946	-3,256	-3,174	-3,195	-2,985	-3,083
27	Other private services ⁵	-47,670	-51,591	-11,985	-13,062	-13,191	-13,353	-12,335	-13,166	-13,183	-12,908
28	U.S. Government miscellaneous services	-2,849	-2,955	-682	-729	-786	-758	-682	-729	-786	-758
29	Income payments	-270,529	-298,645	-67,575	-71,907	-75,571	-83,410	-68,355	-71,457	-75,218	-83,616
30	Income payments on foreign-owned assets in the United States	-263,423	-291,158	-66,024	-70,138	-73,612	-81,384	-66,495	-69,602	-73,345	-81,717
31	Direct investment payments	-43,441	-58,250	-11,596	-15,023	-14,035	-17,596	-12,067	-14,487	-13,768	-17,929
32	Other private payments	-128,863	-137,777	-31,759	-31,960	-35,430	-38,628	-31,759	-31,960	-35,430	-38,628
33	U.S. Government payments	-91,119	-95,131	-22,669	-23,155	-24,147	-25,160	-22,669	-23,155	-24,147	-25,160
34	Compensation of employees	-7,106	-7,487	-1,733	-1,769	-1,859	-2,026	-1,860	-1,855	-1,873	-1,899
35	Unilateral current transfers, net	-44,075	-46,581	-10,420	-10,744	-11,218	-14,199	-10,306	-11,175	-11,208	-13,892
36	U.S. Government grants ⁴	-13,057	-12,825	-2,200	-2,760	-2,727	-5,138	-2,200	-2,760	-2,727	-5,138
37	U.S. Government pensions and other transfers	-4,350	-4,396	-893	-857	-1,005	-1,641	-1,065	-1,075	-1,075	-1,181
38	Private remittances and other transfers ⁶	-26,668	-29,360	-7,327	-7,127	-7,486	-7,420	-7,041	-7,340	-7,406	-7,573
Capital and financial account											
Capital account											
39	Capital account transactions, net	617	-172	166	178	175	-691	166	178	175	-691
Financial account											
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-292,818	-372,567	-18,746	-156,044	-114,097	-83,680	-15,394	-154,959	-113,388	-88,822
41	U.S. official reserve assets, net	-6,784	8,749	4,068	1,159	1,950	1,572	4,068	1,159	1,950	1,572
42	Gold ⁷	-149	12	563	-190	-185	-176	563	-190	-185	-176
43	Special drawing rights	-5,118	5,485	3	1,413	2,268	1,801	3	1,413	2,268	1,801
44	Reserve position in the International Monetary Fund	-1,517	3,252	3,502	-64	-133	-53	3,502	-64	-133	-53
45	Foreign currencies	-429	-365	119	-392	-686	594	119	-392	-686	594
46	U.S. Government assets, other than official reserve assets, net	-4,767	-6,123	-1,304	-2,167	-1,595	-1,057	-1,304	-2,167	-1,595	-1,057
47	U.S. credits and other long-term assets	4,102	6,223	1,545	1,887	1,026	1,765	1,545	1,887	1,026	1,765
48	Repayments on U.S. credits and other long-term assets ⁸	145	-465	-122	-112	-112	-114	-122	-112	-112	-114
49	U.S. foreign currency holdings and U.S. short-term assets, net	-285,605	-380,951	-22,933	-156,811	-115,361	-85,846	-19,581	-155,726	-114,652	-90,988
50	Direct investment	-132,829	-152,152	-44,983	-32,897	-48,065	-26,207	-41,631	-31,812	-47,356	-31,349
51	Foreign securities	-102,817	-97,882	8,132	-64,579	-34,431	-7,004	8,132	-64,579	-34,431	-7,004
52	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-25,041	-69,493	-13,853	-16,816	-24,066	-14,758	-13,853	-16,816	-24,066	-14,758
53	U.S. claims reported by U.S. banks, not included elsewhere	-24,918	-61,424	27,771	-42,519	-8,799	-37,877	27,771	-42,519	-8,799	-37,877
54	Foreign-owned assets in the United States, net (increase/financial inflow(+))	502,637	750,765	88,636	275,220	208,798	178,111	88,968	274,379	207,735	179,686
55	Foreign official assets in the United States, net	-21,684	44,570	4,708	-628	11,881	28,609	4,708	-628	11,881	28,609
56	U.S. Government securities	-3,625	32,423	6,793	-916	14,798	11,748	6,793	-916	14,798	11,748
57	U.S. Treasury securities ⁹	-9,957	12,073	800	-6,708	12,963	5,018	800	-6,708	12,963	5,018
58	Other ¹⁰	6,332	20,350	5,993	5,792	1,835	6,730	5,993	5,792	1,835	6,730
59	Other U.S. Government liabilities ¹¹	-3,113	-3,698	-1,594	-647	-1,070	-387	-1,594	-647	-1,070	-387
60	U.S. liabilities reported by U.S. banks, not included elsewhere	-11,469	14,937	-589	1,437	-2,032	16,121	-589	1,437	-2,032	16,121
61	Other foreign official assets ¹²	-3,477	908	98	-502	185	1,127	98	-502	185	1,127
62	Other foreign assets in the United States, net	524,321	706,195	83,928	275,848	196,917	149,502	84,260	275,007	195,854	151,077
63	Direct investment	193,375	282,507	22,725	155,322	61,904	42,556	23,057	154,481	60,841	44,131
64	U.S. Treasury securities	46,155	-21,756	-8,781	-5,407	9,639	-17,207	-8,781	-5,407	9,639	-17,207
65	U.S. securities other than U.S. Treasury securities	218,026	325,913	61,540	79,067	94,573	90,733	61,540	79,067	94,573	
66	U.S. currency	16,622	22,407	2,440	3,057	4,697	12,213	2,440	3,057	4,697	12,213
67	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	9,412	29,411	20,188	8,871	3,475	-3,123	20,188	8,871	3,475	-3,123
68	U.S. liabilities reported by U.S. banks, not included elsewhere	9,731	67,713	-14,184	34,938	22,629	24,330	-14,184	34,938	22,629	24,330
69	Statistical discrepancy (sum of above items with sign reversed)	10,126	-39,108	-10,488	-39,103	4,178	6,305	-4,838	-38,441	-5,437	9,606
70a	Of which seasonal adjustment discrepancy							5,650	662	-9,615	3,301
Memoranda:											
71	Balance on goods (lines 3 and 20)	-246,932	-347,131	-67,559	-80,883	-101,304	-97,385	-74,381	-84,591	-91,943	-96,216
72	Balance on services (lines 4 and 21)	82,650	79,583	21,660	16,201	19,316	22,406	20,204	19,301	19,355	20,720
73	Balance on goods and services (lines 2 and 19)	-164,282	-267,548	-45,899	-64,682	-81,988	-74,979	-54,177	-65,290	-72,588	-75,496
74	Balance on income (lines 12 and 29)	-12,205	-24,789	-3,249	-4,825	-5,848	-10,867	-4,419	-4,692	-5,289	-10,391
75	Unilateral current transfers, net (line 35)	-44,075	-46,581	-10,420	-10,744	-11,218	-14,199	-10,306	-11,175	-11,208	-13,892
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-220,562	-338,918	-59,568	-80,251	-99,054	-100,045	-68,902	-81,157	-89,085	-99,779

Table 2.—U.S. Trade in Goods

(Millions of dollars)

Line	1998	1999 ^P	Not seasonally adjusted							Seasonally adjusted						
			1998			1999				1998			1999			
			II	III	IV	I	II	III ^r	IV ^P	II	III	IV	I ^r	II ^r	III ^r	IV ^P
A	Balance of payments adjustments to Census trade data:															
	EXPORTS															
1	682,138	695,009	170,341	160,624	178,470	166,448	171,792	169,846	186,923	167,517	167,499	174,125	167,112	168,916	176,716	182,265
	Exports of goods, Census basis ¹ including reexports and including military grant shipments															
	Adjustments:															
2	567	611	147	132	131	139	145	161	166	147	132	131	139	145	161	166
	Private gift parcel remittances															
3		27				27							27			
	Gold exports, nonmonetary															
4																
	Inland U.S. freight to Canada															
5																
	U.S.–Canadian reconciliation adjustments, n.e.c., net ²															
6																
	Exports transferred under U.S. military agency sales contracts identified in Census documents ³															
7	-10,903	-10,036	-2,095	-2,837	-3,633	-2,669	-2,853	-2,401	-2,113	-2,095	-2,837	-3,633	-2,669	-2,853	-2,401	-2,113
	Other adjustments, net ⁴															
8	-1,556	-2,590	-372	-533	-500	-601	-631	-796	-562	-372	-533	-500	-601	-631	-796	-562
	Equals: Exports of goods, adjusted to balance of payments basis excluding "military" (table 1, line 3)															
	670,246	683,021	168,021	157,386	174,468	163,344	168,453	166,810	184,414	165,198	164,259	170,124	164,008	165,577	173,680	179,756
	IMPORTS															
9	911,896	1,025,032	226,659	230,785	237,738	230,293	248,575	266,587	279,577	227,724	227,618	232,331	237,779	249,408	264,095	273,750
	Imports of goods, Census basis ¹ (general imports)															
	Adjustments:															
10	49	48	10	11	20	12	12	12	12	10	11	20	12	12	12	12
	Electric energy															
11	2,908	2,747	333	1,093	796	0	112	1,083	1,552	333	1,093	796	0	112	1,083	1,552
	Gold imports, nonmonetary															
12	3,572	3,656	939	835	872	907	925	888	936	939	835	872	907	925	888	936
	Inland freight in Canada															
13																
	U.S.–Canadian reconciliation adjustment, n.e.c., net ²															
14	-1,200	-1,033	-306	-311	-282	-273	-266	-228	-266	-306	-311	-282	-273	-266	-228	-266
	Imports of U.S. military agencies identified in Census documents ³															
15	-47	-298	-2	-18	-26	-36	-22	-228	-12	-2	-18	-26	-36	-22	-228	-12
	Other adjustments, net ^{3 6}															
16	917,178	1,030,152	227,633	232,395	239,118	230,903	249,336	268,114	281,799	228,698	229,228	233,711	238,389	250,168	265,623	275,972
	Equals: Imports of goods, adjusted to balance of payments basis, excluding "military" (table 1, line 20)															
B	Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:⁷															
	EXPORTS															
1	670,246	683,021	168,021	157,386	174,468	163,344	168,453	166,810	184,414	165,198	164,259	170,124	164,008	165,577	173,680	179,756
	Total, all countries (A–B)															
2	159,107	162,168	39,587	37,191	41,089	41,287	40,173	37,740	42,968	38,857	38,795	40,135	41,517	39,415	39,276	41,960
	Western Europe															
3	145,926	148,576	36,444	34,161	36,961	38,499	36,847	34,470	38,760	35,762	35,624	36,101	38,717	36,144	35,869	37,846
	European Union															
4	14,265	13,231	3,559	3,376	3,423	3,465	3,206	3,179	3,381	3,487	3,523	3,339	3,468	3,151	3,306	3,306
	Belgium and Luxembourg															
5	17,522	18,438	4,403	3,863	4,568	5,014	4,618	3,955	4,851	4,318	4,025	4,472	5,062	4,520	4,110	4,748
	France															
6	26,388	26,510	6,561	6,288	7,148	6,862	6,560	6,077	7,011	6,440	6,552	6,984	6,872	6,445	6,333	6,860
	Germany ⁸															
7	8,911	9,904	2,156	2,019	2,357	2,299	2,556	2,247	2,802	2,119	2,105	2,299	2,314	2,510	2,346	2,734
	Italy															
8	18,816	19,207	4,481	4,285	4,947	4,741	4,656	4,675	5,135	4,401	4,472	4,828	4,765	4,579	4,866	5,003
	Netherlands															
9	37,899	37,252	9,771	9,302	8,741	9,809	9,302	8,979	9,162	9,574	9,686	8,545	9,891	9,096	9,334	9,931
	United Kingdom															
10	22,125	24,034	5,513	5,028	5,777	6,309	5,949	5,358	6,418	5,423	5,261	5,634	6,345	5,843	5,580	6,266
	Other															
11	13,181	13,592	3,143	3,030	4,128	2,788	3,326	3,270	4,208	3,095	3,171	4,034	2,900	3,271	3,407	4,114
	Western Europe, excluding EU															
12	156,810	166,474	40,835	35,892	40,437	40,070	42,857	39,697	43,850	40,129	37,372	39,542	40,247	42,131	41,242	42,854
	Canada ²															
13	56,595	56,341	14,063	14,042	13,690	14,432	13,328	13,590	14,991	13,894	14,692	13,245	14,432	13,180	14,205	14,524
	Japan															
14																
	Australia, New Zealand, and South Africa ⁹															
15	11,775	11,523	2,838	2,918	2,902	2,543	2,758	2,951	3,271	2,777	3,038	2,833	2,563	2,704	3,064	3,192
	Australia															
16	7,365	5,331	2,299	1,655	1,412	1,213	1,304	1,461	1,353	2,284	1,745	1,375	1,200	1,294	1,528	1,309
	Eastern Europe															
17	141,599	141,323	35,517	34,410	36,363	32,125	34,060	35,565	39,573	34,910	35,899	35,429	32,287	33,462	37,020	38,554
	Latin America and Other Western Hemisphere															
18	15,029	13,175	3,786	3,677	4,096	2,974	3,291	3,320	3,590	3,710	3,832	4,003	3,009	3,217	3,445	3,504
	Brazil															
19	78,388	86,598	19,175	19,129	20,577	18,738	20,395	22,307	25,158	18,844	19,931	20,057	18,825	20,033	23,209	24,531
	Mexico															
20	6,462	5,330	1,762	1,433	1,416	1,443	1,278	1,376	1,233	1,729	1,499	1,379	1,444	1,253	1,437	1,196
	Venezuela															
21	41,720	36,220	10,794	10,171	10,274	8,970	9,096	8,562	9,592	10,627	10,637	9,990	9,009	8,959	8,929	9,323
	Other															
22	136,995	139,861	32,882	31,278	38,575	31,674	33,973	35,806	38,408	32,347	32,718	37,565	31,762	33,391	37,345	37,363
	Other countries in Asia and Africa ^{7 9}															
23	125,980	129,905	30,273	28,523	35,500	29,327	31,443	33,346	35,789	29,772	29,818	34,586	29,420	30,881	34,764	34,840
	Asia ^{7 9}															
24	15,455	12,066	3,490	3,043	4,818	2,844	2,532	2,272	4,418	3,429	3,192	4,716	2,844	2,502	2,401	4,319
	Members of OPEC															
25	13,977	13,020	3,116	3,172	4,509	2,777	3,556	3,525	3,162	3,066	3,312	4,390	2,782	3,487	3,671	3,080
	China															
26	12,849	12,547	3,410	3,097	3,150	2,986	2,989	3,267	3,305	3,361	3,230	3,063	2,979	2,946	3,406	3,216
	Hong Kong															
27	15,782	22,372	3,700	3,532	5,181	4,729	5,655	6,035	5,953	3,664	3,706	5,043	4,721	5,568	6,292	5,791
	Korea, Republic of															
28	15,557	16,081	3,805	3,948	3,890	3,875	3,693	4,396	4,117	3,716	4,104	3,802	3,910	3,602	4,552	4,017
	Singapore															
29	17,234	17,664	4,098	3,753	4,695	3,791	4,199	4,611	5,063	4,033	3,927	4,564	3,807	4,129	4,818	4,910
	Taiwan															
30	10,584	9,539	2,495	2,625	2,982	2,274	2,394	2,337	2,534	2,462	2,765	2,890	2,269	2,374	2,454	2,442
	Africa ^{7 9}															
31	1,465	1,088	310	359	375	310	233	304	241	310	380	361	309	231	320	228
	Members of OPEC															
32																
	International organizations and unallocated															
	Memoranda:															
33	389,758	400,981	98,643	91,291	99,805	99,352	100,085	95,201	106,343	96,954	95,201	97,405	99,784	98,383	99,055	103,759
	Industrial countries ⁷															
34		104,652														
	Of which: Euro area ¹⁰															
35	23,382	18,484	5,562	4,835	6,609	4,597	4,043	3,952	5,892	5,468	5,071	6,456	4,597	3,986	4,158	5,743
	Members of OPEC ⁷															
36	257,106	263,556	63,816	61,260	68,054	59,395	64,235	67,657	72,179	62,776	63,987	66,263	59,627	63,208	70,467	70,254
	Other countries ⁷															

See footnotes on page 192.

Table 2.—U.S. Trade in Goods—Continued
[Millions of dollars]

Line	1998	1999 ^P	Not seasonally adjusted								Seasonally adjusted							
			1998			1999					1998			1999				
			II	III	IV	I	II	III ^r	IV ^P	II	III	IV	I ^r	II ^r	III ^r	IV ^P		
C	Trade in goods, by principal end-use category, adjusted to balance of payments basis, excluding military—Continued:																	
74	917,178	1,030,152	227,633	232,395	239,118	230,903	249,336	268,114	281,799	228,698	229,228	233,711	238,389	250,168	265,623	275,972		
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See footnotes on page 192.

Table 3.—Private Service Transactions
[Millions of dollars]

Line		1998	1999 ^r	Not seasonally adjusted								Seasonally adjusted							
				1998				1999				1998				1999			
				I	II	III	IV	I	II	III ^r	IV ^r	I	II	III	IV	I ^r	II ^r	III ^r	IV ^r
1	Exports of private services	245,688	259,454	58,542	60,204	64,697	62,245	61,234	62,376	69,320	66,524	60,341	62,011	60,847	62,490	63,013	64,251	65,119	67,070
2	Travel (table 1, line 6)	71,250	74,448	15,652	18,119	20,354	17,125	15,809	18,271	21,976	18,392	17,903	18,260	17,149	17,938	18,130	18,429	18,611	19,279
3	Passenger fares (table 1, line 7)	19,996	21,123	4,581	5,000	5,733	4,682	4,651	5,049	6,060	5,363	4,916	5,185	5,052	4,843	4,996	5,242	5,344	5,541
4	Other transportation (table 1, line 8)	25,518	27,313	6,201	6,261	6,367	6,689	6,362	6,727	6,852	7,372	6,338	6,268	6,339	6,575	6,504	6,734	6,824	7,251
5	Freight	11,176	11,772	2,824	2,801	2,669	2,884	2,769	2,883	2,918	3,200	2,872	2,769	2,684	2,852	2,820	2,849	2,935	3,168
6	Port services	14,340	15,541	3,377	3,460	3,698	3,805	3,592	3,844	3,934	4,170	3,465	3,498	3,654	3,722	3,684	3,885	3,889	4,083
7	Royalties and license fees (table 1, line 9)	36,808	37,213	8,655	8,716	8,866	10,571	9,124	9,063	9,141	9,885	8,882	9,002	9,029	9,894	9,318	9,346	9,251	9,297
8	Affiliated	26,761	26,044	6,277	6,256	6,328	7,900	6,427	6,301	6,317	6,999	6,504	6,542	6,491	7,223	6,621	6,584	6,427	6,411
9	U.S. parents' receipts	24,712	24,120	5,805	5,899	5,950	7,058	5,929	5,841	5,829	6,521	5,963	6,066	6,091	6,591	6,082	6,004	5,949	6,084
10	U.S. affiliates' receipts	2,049	1,924	472	357	378	842	498	486	488	478	541	476	400	632	539	580	478	327
11	Unaffiliated	10,047	11,169	2,378	2,460	2,538	2,671	2,697	2,762	2,824	2,886	2,378	2,460	2,538	2,671	2,697	2,762	2,824	2,886
12	Industrial processes ¹	4,138	4,383	973	1,018	1,053	1,094	1,093	1,097	1,097	1,095	973	1,018	1,053	1,094	1,093	1,097	1,097	1,095
13	Other ²	5,909	6,786	1,405	1,442	1,485	1,578	1,604	1,665	1,727	1,791	1,405	1,442	1,485	1,578	1,604	1,665	1,727	1,791
14	Other private services (table 1, line 10)	92,116	99,357	23,453	22,108	23,377	23,178	25,288	23,266	25,291	25,512	22,302	23,296	23,278	23,240	24,065	24,500	25,089	25,702
15	Affiliated services	28,321	29,200	6,752	7,058	7,111	7,400	7,190	7,028	7,259	7,723	6,987	7,114	7,184	7,036	7,449	7,081	7,334	7,335
16	U.S. parents' receipts	18,212	18,495	4,503	4,657	4,282	4,770	4,455	4,433	4,544	5,063	4,608	4,631	4,411	4,561	4,562	4,404	4,687	4,842
17	U.S. affiliates' receipts	10,109	10,705	2,249	2,401	2,829	2,630	2,735	2,595	2,715	2,660	2,379	2,483	2,773	2,475	2,887	2,677	2,647	2,493
18	Unaffiliated services	63,795	70,157	16,701	15,050	16,266	15,778	18,098	16,238	18,032	17,789	15,315	16,182	16,094	16,204	16,616	17,419	17,755	18,367
19	Education	8,964	9,271	3,629	3,142	2,411	1,777	3,866	1,134	2,525	1,747	2,160	2,251	2,310	2,243	2,289	2,286	2,328	2,368
20	Financial services	13,698	15,773	3,132	3,778	3,419	3,369	3,419	3,950	4,019	4,385	3,132	3,419	3,369	3,419	3,369	3,419	3,369	4,019
21	Insurance, net	2,842	3,402	883	696	717	746	734	831	869	908	683	696	717	746	794	831	869	908
22	Premiums received	6,985	7,582	1,657	1,722	1,780	1,826	1,860	1,887	1,911	1,934	1,657	1,722	1,780	1,826	1,860	1,887	1,911	1,934
23	Losses paid	4,143	4,190	974	1,026	1,063	1,080	1,066	1,056	1,042	1,027	974	1,026	1,063	1,080	1,066	1,056	1,042	1,027
24	Telecommunications	3,689	3,340	955	926	900	908	882	872	818	769	955	926	900	882	872	818	769	769
25	Business, professional, and technical services	24,338	27,226	5,858	6,017	6,164	6,299	6,544	6,746	6,894	7,043	5,858	6,017	6,164	6,299	6,544	6,746	6,894	7,043
26	Other unaffiliated services ³	10,264	11,143	2,444	2,490	2,649	2,680	2,593	2,705	2,907	2,939	2,527	2,513	2,583	2,640	2,688	2,735	2,827	2,895
27	Imports of private services	165,321	179,925	36,887	42,553	45,614	40,267	39,935	46,199	49,865	43,926	41,424	41,739	42,304	43,170	44,974	45,625	46,158	
28	Travel (table 1, line 23)	56,105	60,092	11,662	15,193	17,234	12,016	12,543	16,063	18,425	13,061	13,736	14,168	14,070	14,131	14,815	14,929	14,957	15,391
29	Passenger fares (table 1, line 24)	19,797	21,305	4,232	5,325	5,722	4,518	4,691	5,711	6,044	4,859	4,629	4,958	5,085	5,125	5,112	5,314	5,362	5,518
30	Other transportation (table 1, line 25)	30,457	34,500	7,147	7,533	7,820	7,957	7,554	8,290	9,259	9,397	7,321	7,590	7,700	7,849	7,734	8,370	9,138	9,258
31	Freight	19,412	22,401	4,485	4,829	5,016	5,082	4,806	5,370	6,079	6,145	4,548	4,858	4,999	5,006	4,868	5,417	6,069	6,047
32	Port services	11,048	12,099	2,663	2,705	2,805	2,675	2,748	2,919	3,180	3,251	2,773	2,732	2,701	2,843	2,866	2,953	3,069	3,211
33	Royalties and license fees (table 1, line 26)	11,292	12,437	2,939	2,587	2,685	3,081	3,162	3,073	2,946	3,256	2,955	2,694	2,721	2,923	3,174	3,195	2,985	3,083
34	Affiliated	8,374	9,655	2,001	1,943	2,001	2,429	2,500	2,395	2,233	2,527	2,017	2,050	2,037	2,271	2,512	2,517	2,272	2,354
35	U.S. parents' payments	1,169	1,218	290	273	298	308	304	310	309	295	290	273	298	308	304	310	309	295
36	U.S. affiliates' payments	7,205	8,437	1,711	1,670	1,703	2,121	2,196	2,085	1,924	2,232	1,727	1,777	1,739	1,963	2,208	2,207	1,963	2,059
37	Unaffiliated	2,918	2,782	938	644	684	652	662	678	713	729	938	644	684	652	662	678	713	729
38	Industrial processes ¹	1,546	1,669	372	382	392	401	408	414	420	427	372	382	392	401	406	414	420	427
39	Other ²	1,372	1,113	567	262	292	252	254	292	302	567	262	292	252	254	264	292	302	
40	Other private services (table 1, line 27)	47,670	51,591	10,907	11,915	12,153	12,695	11,985	13,062	13,191	13,353	11,217	12,014	12,163	12,276	12,335	13,166	13,183	12,908
41	Affiliated services	19,095	21,276	4,014	4,759	4,881	5,441	4,752	5,516	5,372	5,636	4,267	4,856	4,974	4,998	5,032	5,619	5,464	5,163
42	U.S. parents' payments	9,730	10,752	2,047	2,367	2,405	2,911	2,315	2,686	2,667	3,084	2,288	2,424	2,453	2,565	2,583	2,746	2,712	2,712
43	U.S. affiliates' payments	9,365	10,524	1,967	2,392	2,476	2,530	2,437	2,830	2,705	2,552	1,979	2,432	2,521	2,433	2,449	2,873	2,752	2,451
44	Unaffiliated services	28,575	30,315	6,893	7,156	7,272	7,254	7,233	7,546	7,819	7,717	6,950	7,158	7,189	7,278	7,303	7,547	7,719	7,745
45	Education	1,538	1,727	300	378	484	377	335	423	542	428	356	380	401	401	405	424	442	456
46	Financial services	3,771	3,923	927	1,010	932	902	834	949	1,080	1,060	927	1,010	932	902	834	949	1,080	1,060
47	Insurance, net	6,908	7,662	1,702	1,717	1,736	1,753	1,816	1,878	1,949	2,020	1,702	1,717	1,736	1,753	1,816	1,878	1,949	2,020
48	Premiums paid	18,581	20,276	4,329	4,572	4,770	4,910	4,998	5,054	5,095	5,130	4,329	4,572	4,770	4,910	4,998	5,054	5,095	5,130
49	Losses recovered	11,673	12,614	2,627	2,855	3,034	3,157	3,183	3,175	3,146	3,110	2,627	2,855	3,034	3,157	3,183	3,175	3,146	3,110
50	Telecommunications	8,125	7,772	2,050	2,032	2,014	2,029	2,024	2,011	1,915	1,822	2,050	2,032	2,014	2,029	2,024	2,011	1,915	1,822
51	Business, professional, and technical services	7,684	8,737	1,786	1,884	1,968	2,045	2,103	2,160	2,211	2,262	1,786	1,884	1,968	2,045	2,103	2,160	2,211	2,262
52	Other unaffiliated services ³	549	494	129	135	138	148	121	124	123	125	129	135	138	148	121	124	123	
Memoranda:																			
53	Balance on goods (table 1, line 71)	-246,932	-347,131	-47,661	-59,														

Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1998	1999 ^a	Not seasonally adjusted							
				1998				1999			
				I	II	III	IV	I	II	III ^b	IV ^b
A1	U.S. Government grants and transactions increasing Government assets, total	17,610	19,483	3,559	3,351	3,971	6,729	3,635	5,043	4,444	6,360
	By category										
2	Grants, net	13,079	12,895	2,345	2,169	2,824	5,742	2,209	2,764	2,733	5,190
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	13,057	12,825	2,340	2,168	2,807	5,742	2,200	2,760	2,727	5,138
4	Financing military purchases ¹	4,075	3,816	596	340	590	2,549	492	651	608	2,066
5	Other grants	8,982	9,009	1,744	1,829	2,217	3,193	1,708	2,109	2,120	3,072
6	Cash contributions received from coalition partners for Persian Gulf operations										
7	Debt forgiveness (table 1, part of line 39, with sign reversed)	22	69	5	(*)	17		9	3	6	51
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	4,676	6,123	1,192	1,156	1,285	1,043	1,304	2,167	1,595	1,057
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,580	1,451	385	444	413	338	394	456	329	272
10	Credits repayable in U.S. dollars	2,431	3,989	647	610	627	548	726	1,544	1,094	626
11	Credits repayable in other than U.S. dollars	-3	-4	(*)	-7	2	1	-6	1	2	(*)
12	Other long-term assets	667	687	159	109	243	157	191	167	170	159
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	-145	465	22	26	138	55	122	112	117	114
14	Foreign currency holdings (excluding administrative cash holdings), net	22	-34	5	-5	38	-17	7	-38	4	-8
15	& Receipts from: Sales of agricultural commodities		(*)						(*)		
16	Interest	43	2	4	4	4	30	1	1	(*)	
17	Repayments of principal	22	15	11	3	6	2	8	2	2	2
18	Reverse grants										
19	Other sources		1								1
20	& Less currencies disbursed for: Grants and credits in the recipient's currency	2		(*)	(*)	1					
21	Other grants and credits										
22	Other U.S. Government expenditures	42	51	10	12	-29	49	2	41	-2	10
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	44	329	-1	11	(*)	34	19	139	96	75
24	Other assets held under Commodity Credit Corporation Charter Act, net	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
25	Assets financing military sales contracts, net ²										
26	Other short-term assets (including changes in administrative cash holdings), net	-210	170	18	21	-176	-72	96	11	17	47
	By program										
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,580	1,451	385	444	413	338	394	456	329	272
28	Under Agricultural Trade Development and Assistance Act and related programs	1,012	1,287	181	183	273	376	174	283	442	387
29	Under Foreign Assistance Act and related programs	11,532	11,333	2,074	1,879	2,442	5,138	1,903	2,409	2,437	4,584
30	Under Export-Import Bank Act	1,528	1,636	388	512	244	384	193	269	750	425
31	Under Commodity Credit Corporation Charter Act	325	1,806	140	6	147	33	467	1,204	80	55
32	Under other grant and credit programs	1,150	1,147	209	202	347	393	211	282	215	439
33	Other foreign currency assets acquired (lines A16, A17, and A19)	65	17	16	7	10	32	10	3	2	2
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	42	51	10	12	-29	49	2	41	-2	10
35	Other (including changes in administrative cash holdings), net	457	856	176	130	66	85	287	178	186	206
	By disposition³										
36	Estimated transactions involving no direct dollar outflow from the United States	11,253	13,536	2,275	2,030	2,565	4,383	2,232	3,499	3,131	4,674
37	Expenditures on U.S. goods	5,441	5,451	778	927	894	2,841	603	800	1,463	2,585
38	Expenditures on U.S. services ⁴	3,042	3,355	662	717	825	838	620	773	805	1,158
39	Financing of military sales contracts by U.S. Government ⁶ (line C6)	2,304	2,548	635	348	631	690	513	637	753	646
40	By long-term credits	215	264	66	37	68	44	48	24	182	9
41	By short-term credits ⁵										
42	By grants	2,089	2,284	569	312	563	646	464	613	571	636
43	U.S. Government grants and credits to repay prior U.S. Government credits ^{1,4}	390	1,855	161	13	186	30	480	1,191	11	174
44	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	133	397	51	45	3	34	20	142	110	125
45	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C1)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	14	20	2	9	2	1	3	13	3	3
47	Less private currencies used by U.S. Government other than for grants or credits (line A22)	42	51	10	12	-29	49	2	41	-2	10
48	Estimated dollar payments to foreign countries and international financial institutions	6,357	5,947	1,284	1,322	1,406	2,347	1,403	1,544	1,314	1,686
B1	Repayments on U.S. Government long-term assets, total (table 1, line 48)	4,102	6,223	1,133	699	1,332	938	1,545	1,887	1,026	1,765
2	Receipts of principal on U.S. Government credits	3,354	4,854	948	578	1,085	743	1,349	1,701	848	957
3	Under Agricultural Trade Development and Assistance Act and related programs	302	367	32	30	106	134	52	31	106	179
4	Under Foreign Assistance Act and related programs	1,507	1,661	534	276	470	227	564	370	475	253
5	Under Export-Import Bank Act	923	1,067	223	238	243	219	253	208	233	372
6	Under Commodity Credit Corporation Charter Act	375	1,604	159	32	153	32	473	1,089	26	16
7	Under other credit programs	247	155	(*)	3	113	131	8	3	8	137
8	Receipts on other long-term assets	748	1,368	186	121	246	196	196	186	178	808
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)	-3,113	-3,698	-1,028	-807	-224	-1,054	-1,594	-647	-1,070	-387
2	Associated with military sales contracts ²	-3,101	-3,697	-1,082	-752	-212	-1,056	-1,595	-650	-1,068	-385
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds	12,525	10,442	3,036	3,166	2,488	3,835	1,730	1,917	2,860	3,936
4	Less U.S. Government receipts from principal repayments	809	748	342	105	274	87	289	84	278	97
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	-32	-748	-195	-327	-922	1,412	-791	-981	171	852
6	Plus financing of military sales contracts by U.S. Government ² (line A39)	2,304	2,548	635	348	631	690	513	637	753	646
7	By long-term credits	215	264	66	37	68	44	48	24	182	9
8	By short-term credits ⁵										
9	By grants	2,089	2,284	569	312	563	646	464	613	571	636
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ^{1,2} (table 1, line 5)	17,155	16,688	4,606	4,489	3,979	4,081	4,340	4,099	4,232	4,017
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A45)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
12	Associated with other liabilities	-10	-1	54	-55	-12	2	1	2	-2	-2
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation	-11	-4	62	-53	-20					
14	Sales of space launch and other services by National Aeronautics and Space Administration	3	-7	-4	-1	2	6	-3	-2	-1	-1
15	Other sales and miscellaneous operations	-2	6	-4	-1	6	-4	4	4	-1	-1

See footnotes on page 192.

Table 5.—Direct Investment: Income, Capital, Royalties and License Fees, and Other Private Services

(Millions of dollars)

Line	(Credits +; debits -)	1998	1999 ^a	Not seasonally adjusted								Seasonally adjusted							
				1998				1999				1998				1999			
				I	II	III	IV	I	II	III ^b	IV ^c	I	II	III	IV	I ^d	II ^d	III ^d	IV ^d
U.S. direct investment abroad:																			
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 14)	102,846	116,683	27,804	27,095	22,779	25,168	27,313	28,890	29,993	30,487	27,338	26,744	23,124	25,639	26,824	28,400	30,311	31,147
2	Earnings	100,071	113,007	27,119	26,403	22,108	24,441	26,455	28,021	29,017	29,514	26,653	26,052	22,452	24,913	25,966	27,531	29,335	30,174
3	Distributed earnings	41,419	35,439	8,475	7,734	9,171	16,039	9,006	7,111	6,711	12,611	11,298	8,719	10,911	10,491	11,869	7,706	7,738	8,128
4	Reinvested earnings	58,651	77,567	18,643	18,669	12,937	8,402	17,449	20,910	22,305	16,903	15,355	17,333	11,541	14,422	14,097	19,825	21,597	22,046
5	Interest ¹	2,775	3,676	685	692	726	726	858	869	976	973	685	692	672	726	858	869	976	973
6	U.S. parents' receipts	5,742	6,252	1,339	1,410	1,484	1,509	1,464	1,518	1,623	1,647	1,339	1,410	1,484	1,509	1,464	1,518	1,623	1,647
7	U.S. parents' payments	-2,967	-2,576	-654	-718	-812	-783	-606	-649	-647	-674	-654	-718	-812	-783	-606	-649	-647	-674
8	Less: Current-cost adjustment	11,185	11,380	2,748	2,786	2,815	2,836	2,848	2,852	2,847	2,833	2,748	2,786	2,815	2,836	2,848	2,852	2,847	2,833
9	Less: Withholding taxes	1,419	1,055	285	254	307	573	293	221	216	325	272	293	361	443	325	241	237	252
10	Equals: Income without current-cost adjustment, after deduction of withholding taxes ²	90,242	104,248	24,771	24,055	19,657	21,759	24,172	25,817	26,930	27,329	24,268	23,665	19,948	22,360	23,651	25,307	27,227	28,062
11	Petroleum	8,058	10,414	2,622	2,396	1,867	1,173	1,959	2,172	2,863	3,420	2,350	2,485	2,011	1,212	1,710	2,197	3,029	3,478
12	Manufacturing	31,417	34,953	9,079	8,811	6,368	7,159	8,119	8,691	9,247	8,896	8,848	8,332	6,515	7,722	7,847	8,157	9,378	9,571
13	Other	50,766	58,880	13,070	12,848	11,422	13,426	14,094	14,963	14,820	15,013	13,070	12,848	11,422	13,426	14,094	14,963	14,820	15,013
14	Capital with current-cost adjustment (table 1, line 51)	-132,829	-152,152	-40,589	-44,507	-22,981	-24,752	-44,983	-32,897	-48,065	-26,207	-37,300	-43,172	-21,586	-30,733	-41,631	-31,812	-47,356	-31,349
15	Equity capital	-59,427	-56,399	-12,245	-20,284	-13,776	-13,122	-19,809	-7,930	-22,753	-5,907	-12,245	-20,284	-13,776	-13,122	-19,809	-7,930	-22,753	-5,907
16	Increases in equity capital ³	-79,857	-83,167	-16,889	-24,742	-18,366	-19,860	-22,822	-19,425	-26,177	-14,743	-16,889	-24,742	-18,366	-19,860	-22,822	-19,425	-26,177	-14,743
17	Decreases in equity capital ⁴	20,432	26,767	4,644	4,458	4,591	6,739	3,013	11,495	3,424	8,836	4,644	4,458	4,591	6,739	3,013	11,495	3,424	8,836
18	Reinvested earnings	-58,651	-77,567	-18,643	-18,669	-12,937	-8,402	-17,449	-20,910	-22,305	-16,903	-15,355	-17,333	-11,541	-14,422	-14,097	-19,825	-21,597	-22,046
19	Intercompany debt	-14,753	-18,184	-9,700	-5,555	3,731	-3,229	-7,725	-4,057	-3,006	-3,396	-9,700	-5,555	3,731	-3,229	-7,725	-4,057	-3,006	-3,396
20	U.S. parents' receivables	-22,277	-25,006	-5,580	-6,207	-1,870	-8,612	-5,195	-8,360	-8,588	-8,663	-5,580	-6,207	-1,878	-8,612	-5,195	-8,360	-8,588	-8,663
21	U.S. parents' payables	7,526	6,821	-4,120	653	5,176	5,383	-2,530	4,302	5,582	-2,863	-4,120	653	5,176	5,383	-2,530	4,302	5,582	-2,863
22	Less: Current-cost adjustment (line 8 with sign reversed)	-11,185	-11,380	-2,748	-2,786	-2,815	-2,836	-2,848	-2,852	-2,847	-2,833	-2,748	-2,786	-2,815	-2,836	-2,848	-2,852	-2,847	-2,833
23	Equals: Capital without current-cost adjustment ²	-121,644	-140,772	-37,841	-41,721	-20,166	-21,916	-42,135	-30,445	-45,218	-23,374	-34,552	-40,386	-18,771	-27,937	-38,783	-28,960	-44,509	-28,516
24	Equity capital (line 15)	-59,427	-56,399	-12,245	-20,284	-13,776	-13,122	-19,809	-7,930	-22,753	-5,907	-12,245	-20,284	-13,776	-13,122	-19,809	-7,930	-22,753	-5,907
25	Petroleum	-7,254	-8,057	-2,397	-1,443	-1,552	-1,862	-4,552	-563	-448	-2,494	-2,397	-1,443	-1,552	-1,862	-4,552	-563	-448	-2,494
26	Manufacturing	-15,160	-20,195	-5,304	-2,542	-4,417	-2,867	-5,920	-4,913	-6,607	-2,755	-5,304	-2,542	-4,417	-2,867	-5,920	-4,913	-6,607	-2,755
27	Other	-37,012	-28,148	-4,544	-16,299	-7,807	-8,362	-9,337	-2,454	-15,698	-659	-4,544	-16,299	-7,807	-8,362	-9,337	-2,454	-15,698	-659
28	Reinvested earnings without current-cost adjustment (line 18 less line 22)	-47,466	-66,187	-15,895	-15,883	-10,122	-5,566	-14,601	-18,058	-19,458	-14,070	-12,607	-14,547	-8,726	-11,586	-11,249	-16,973	-18,750	-19,213
29	Petroleum	-2,988	-5,405	-1,161	-1,370	-881	424	-686	-1,083	-1,994	-1,642	-619	-1,550	-821	2	-207	-1,167	-1,952	-2,080
30	Manufacturing	-13,806	-20,354	-5,902	-5,462	-1,984	-458	-4,916	-6,079	-5,948	-3,411	-4,990	-4,322	-1,926	-2,568	-3,930	-5,067	-5,975	-5,382
31	Other	-30,672	-40,427	-8,833	-9,050	-7,257	-5,532	-8,999	-10,986	-11,516	-9,096	-6,998	-8,726	-5,979	-9,020	-7,112	-10,739	-10,823	-11,751
32	Intercompany debt (line 19)	-14,753	-18,184	-9,700	-5,555	3,731	-3,229	-7,725	-4,057	-3,006	-3,396	-9,700	-5,555	3,731	-3,229	-7,725	-4,057	-3,006	-3,396
33	Petroleum	462	641	-225	-289	96	829	-3,229	-1,525	155	904	-225	-289	96	880	-1,525	-1,075	155	904
34	Manufacturing	2,288	-3,480	-1,277	724	1,244	1,597	-4,204	971	-1,520	1,273	-1,277	724	1,244	1,597	-4,204	971	-1,520	1,273
35	Other	-17,501	-14,065	-8,198	-5,989	2,392	-5,706	-1,997	-4,854	-1,641	-5,573	-8,198	-5,989	2,392	-5,706	-1,997	-4,854	-1,641	-5,573
36	Royalties and license fees, before deduction of withholding taxes, net	23,541	22,900	5,515	5,626	5,651	6,749	5,624	5,531	5,520	6,225	5,673	5,793	5,793	6,283	5,778	5,694	5,640	5,789
37	U.S. parents' receipts (table 1, part of line 9)	24,712	24,120	5,805	5,899	5,950	7,058	5,929	5,841	5,829	6,521	5,963	6,066	6,091	6,591	6,082	6,004	5,949	6,084
38	U.S. parents' payments (table 1, part of line 26)	-1,169	-1,218	-290	-273	-298	-308	-304	-310	-309	-295	-290	-273	-298	-308	-304	-310	-309	-295
39	Other private services, before deduction of withholding taxes, net	8,482	7,745	2,456	2,291	1,877	1,858	2,140	1,748	1,877	1,980	2,320	2,207	1,958	1,996	1,979	1,658	1,975	2,130
40	U.S. parents' receipts (table 1, part of line 10)	18,212	18,495	4,503	4,657	4,282	4,770	4,455	4,433	4,544	5,063	4,608	4,631	4,411	4,561	4,562	4,404	4,687	4,842
41	U.S. parents' payments (table 1, part of line 27)	-9,730	-10,752	-2,047	-2,367	-2,405	-2,911	-2,315	-2,686	-2,667	-3,084	-2,288	-2,424	-2,453	-2,565	-2,588	-2,746	-2,712	-2,712
Foreign direct investment in the United States:																			
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 31)	-43,441	-58,250	-10,012	-11,089	-11,540	-10,800	-11,596	-15,023	-14,035	-17,596	-10,501	-10,567	-11,290	-11,081	-12,067	-14,487	-13,768	-17,929
43	Earnings	-32,425	-44,078	-7,503	-8,382	-8,661	-7,879	-8,485	-11,504	-10,369	-13,720	-7,992	-7,861	-8,411	-8,160	-8,956	-10,968	-10,101	-14,053
44	Distributed earnings	-19,638	-18,081	-3,866	-4,077	-3,021	-8,674	-3,550	-6,334	-3,460	-4,737	-4,231	-4,363	-4,000	-7,043	-6,689	-6,639	-4,256	-3,496
45	Reinvested earnings	-12,789	-25,996	-3,637	-4,306	-5,641	795	-4,935	-5,170	-6,908	-8,983	-3,761	-3,498	-4,411	-1,117	-5,267	-4,329	-5,845	-10,557
46	Interest ¹	-11,015	-14,173	-2,509	-2,706	-2,879	-2,921	-3,111	-3,519	-3,667	-3,876	-2,509	-2,706	-2,879	-2,921	-3,111	-3,519	-3,667	-3,876
47	U.S. affiliates' payments	-13,014	-16,030	-2,889	-3,201	-3,372	-3,552	-3,579	-3,972	-4,123	-4,356	-2,889	-3,201	-3,372	-3,552	-3,579	-3,972	-4,123	-4,356
48	U.S. affiliates' receipts	1,999	1,856	380	495	493	631	468	453	456	479	380	495	493	631	468	453	456	479
49	Less: Current-cost adjustment	-4,415	-4,996	-1,046	-1,085	-1,123	-1,161	-1,197	-1,232	-1,267	-1,300	-1,046	-1,085	-1,123	-1,161	-1,197	-1,232	-1,267	-1,300
50	Less: Withholding taxes	-1,011	-696	-112	-127	-130	-642	-168	-213	-136	-179	-106	-182	-167	-556	-133	-232	-146	-144
51	Equals: Income without current-cost adjustment, after deduction of withholding taxes ²	-38,015	-52,558	-8,854	-9,877	-10,287	-8,997	-10,231	-13,578	-12,632	-16,117	-9,301	-10,000	-9,364	-10,738	-12,982	-14,254	-12,354	-16,487
52	Petroleum	-1,443	-3,468	-314	-513	-610	-6	-159	-933	-1,311	-1,063	-314	-513	-610	-6	-1			

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1998	1999 ^a	Not seasonally adjusted							
				1998				1999			
				I	II	III	IV	I	II	III ^r	IV ^r
A1	Foreign securities, net U.S. purchases (-), (table 1, line 52 or lines 2 + 13 below)	-102,817	-97,882	-14,116	-32,886	14,994	-70,809	8,132	-64,579	-34,431	-7,004
2	Stocks, net U.S. purchases	-77,753	-97,771	-3,500	-3,083	8,191	-79,361	8,346	-67,721	-27,093	-11,303
3	New issues in the United States	-11,608	-8,770	-1,144	-4,856	-2,707	-2,901	-1,121	-3,047	-2,614	-1,988
4	Of which Western Europe	-3,949	(D)	-138	-1,963	-1,679	-169	(D)	(D)	(D)	-665
5	Canada	(D)	(D)	(D)	(D)	(D)	(D)	(D)	-1,361	(D)	(D)
6	Latin America	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	-880
7	Transactions in outstanding stocks, net	-66,145	-89,001	-2,356	1,773	10,898	-76,460	9,467	-64,674	-24,479	-9,315
8	Western Europe	-54,489	-34,030	1,872	8,444	13,373	-78,178	17,217	-57,808	-1,337	7,898
9	Of which United Kingdom	-37,757	-35,674	1,659	8,106	4,042	-51,564	14,571	-55,232	1,412	3,575
10	Canada	-4,043	-2,327	-31	362	2,664	1,048	-45	1,339	-3,291	-330
11	Japan	-1,437	-45,976	-2,632	2,722	356	-1,883	-8,710	-8,566	-8,887	-19,813
12	Other	-14,262	-6,668	-1,565	-9,755	-5,495	2,553	1,005	361	-10,964	2,930
13	Bonds, net U.S. purchases	-25,064	-111	-10,616	-29,803	6,803	8,552	-214	3,142	-7,338	4,299
14	New issues in the United States	-58,295	-34,691	-13,658	-24,270	-10,702	-9,665	-7,791	-14,374	-9,673	-2,853
15	By issuer:										
16	Central governments and their agencies and corporations	-8,701	-11,805	-300	-7,142	-984	-275	-3,790	-4,843	-1,150	-2,022
17	Other governments and their agencies and corporations ¹	-2,764	-1,450		-1,971	-500	-293	-225	-1,175		-50
18	Private corporations	-46,420	-21,436	-13,358	-15,157	-9,218	-8,687	-3,776	-8,356	-8,523	-781
19	International financial institutions ²	-410					-410				
19	By area:										
20	Western Europe	-17,474	-8,963	-6,196	-5,756	-3,907	-1,615		-3,963	-5,000	
21	Canada	-9,940	-4,794	-775	-2,335	-3,141	-3,689	-1,825	-724	-1,545	-700
22	Japan	-2,271	-50	-2,271				-50			
23	Latin America	-13,216	-12,528	-2,199	-5,970	-2,466	-2,581	-3,460	-6,704	-550	-1,814
24	Other countries	-14,984	-8,356	-2,217	-10,209	-1,188	-1,370	-2,456	-2,983	-2,578	-339
25	International financial institutions ²	-410					-410				
25	Redemptions of U.S.-held foreign bonds ³	17,525	18,537	3,102	5,580	4,607	4,236	3,463	2,417	6,573	6,084
26	Western Europe	3,682	5,222	1,065	886	1,057	674	798	1,404	1,584	1,436
27	Canada	3,136	4,275	890	1,018	591	637	1,123	572	1,785	795
28	Other countries	10,707	7,637	1,147	3,676	2,959	2,925	1,542	441	2,733	2,921
29	International financial institutions ²		1,403							471	932
30	Other transactions in outstanding bonds, net ³	15,706	16,043	-60	-11,113	12,898	13,981	4,114	15,099	-4,238	1,068
31	Western Europe	-3,088	3,240	-645	-12,907	-337	10,801	3,674	10,844	-7,208	-4,070
32	Of which United Kingdom	-5,648	4,707	-959	-10,505	-3,430	9,246	3,034	12,165	-7,284	-3,208
33	Canada	2,110	380	-9	-567	4,010	-1,324	340	-25	298	
34	Japan	3,251	2,230	-2,835	-2,844	3,158	5,772	-1,716	3,209	-786	1,523
35	Other	13,433	10,193	3,429	5,205	6,067	-1,268	2,389	706	3,781	3,317
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 66 or lines 2 + 10 below)	218,026	325,913	76,810	71,785	20,103	49,328	61,540	79,067	94,573	90,733
2	Stocks, net foreign purchases	47,487	94,897	30,227	14,203	-5,362	8,419	8,841	28,966	23,857	33,233
3	By area:										
4	Western Europe	65,209	89,465	27,144	22,101	13,724	2,240	17,900	18,888	21,885	30,792
5	Of which Germany	10,149	12,854	1,881	4,228	4,028	12	2,326	3,778	954	5,796
6	Switzerland	5,262	4,584	3,702	4,625	425	-3,490	2,043	3,085	-1,005	461
7	United Kingdom	21,982	39,414	10,647	4,070	3,272	3,993	9,953	4,514	17,361	10,586
8	Canada	-5,725	-1,898	-178	-2,009	-937	-2,601	1,166	-833	-810	-1,421
9	Japan	-2,079	4,891	-3,247	-253	373	1,048	-2,944	1,990	3,396	2,449
10	Other	-9,918	2,439	6,508	-5,636	-18,522	7,732	-7,281	8,921	-614	1,413
10	Corporate and other bonds, net foreign purchases	170,539	231,016	46,583	57,582	25,465	40,909	52,699	50,101	70,716	57,500
11	By type:										
12	New issues sold abroad by U.S. corporations	53,978	41,843	15,829	15,664	13,314	9,171	9,332	7,823	18,298	6,390
13	U.S. federally sponsored agency bonds, net	48,348	73,659	19,873	17,188	1,347	9,940	18,021	17,042	21,162	17,434
14	Other outstanding bonds, net	68,213	115,514	10,881	24,730	10,804	21,798	25,346	25,236	31,256	33,676
14	By area:										
15	Western Europe	123,080	133,326	24,593	35,784	24,629	38,074	30,954	30,637	41,775	29,960
16	Of which Germany	4,425	6,394	857	1,726	1,129	713	1,846	1,389	2,359	800
17	Switzerland	3,595	4,159	370	1,808	1,296	121	1,088	471	1,442	1,158
18	United Kingdom	96,837	105,337	19,769	27,701	18,267	31,100	23,356	24,506	31,925	25,550
19	Canada	5,606	4,446	1,861	1,488	1,511	946	1,075	527	1,060	1,784
20	Japan	8,345	17,508	664	3,888	-1,261	5,054	1,308	1,518	8,876	5,806
21	Other countries	33,053	75,301	19,439	16,170	691	-3,247	19,539	17,422	18,457	19,883
22	International financial institutions ²	255	435	26	252	-105	82	-177	-3	548	67
Memoranda:											
Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:											
Foreign official assets in the United States (lines in table 9):											
1	U.S. Treasury marketable bonds (line A4)	4,123	-9,861	6,186	-1,426	-26,755	26,118	-7,081	-3,076	-1,093	1,389
2	Other U.S. Government securities (line A6)	6,332	20,350	2,610	254	1,906	1,562	5,993	5,792	1,835	6,730
3	U.S. corporate and other bonds (part of line A14)	202	1,543	97	802	-608	-89	-310	-678	1,590	941
4	U.S. stocks (part of line A14)	-3,679	-635	-1,053	30	-1,886	-770	408	176	-1,405	186
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	41,744	-2,045	4,145	29,094	1,011	7,494	-10,363	4,657	13,899	-10,238

See footnotes on page 192.

Table 7.—Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns

[Millions of dollars]

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	1998	1999 ^p	Not seasonally adjusted								Amounts outstanding Dec. 31, 1999
				1998				1999				
				I	II	III	IV	I	II	III ^q	IV ^r	
A1	Claims, total (table 1, line 53)	-25,041	-69,493	-6,596	-14,327	-20,320	16,202	-13,853	-16,816	-24,066	-14,758	655,073
2	Financial claims	-23,434	-67,001	-6,417	-14,194	-19,528	16,705	-14,146	-15,765	-22,332	-14,758	621,378
3	<i>Denominated in U.S. dollars</i>	-28,419	-34,118	-1,798	-12,927	-18,075	4,381	-3,257	-10,663	-5,440	-14,758	489,736
4	<i>Denominated in foreign currencies</i>	4,985	-32,883	-4,619	-1,267	-1,453	12,324	-10,889	-5,102	-16,892		131,642
5	By type: Deposits ²	-719	-52,700	18,264	-18,995	-19,504	19,516	-18,694	-16,519	-14,387	-3,100	489,169
6	Financial intermediaries' accounts	-21,807	-12,706	-23,491	4,664	-1,143	-1,837	4,892	1,269	-7,209	-11,658	124,471
7	Other claims ^{2,3}	-908	-1,595	-1,190	137	1,119	-974	-344	-515	-736		7,738
8	By area: Industrial countries ⁴	-13,734	-31,643	-6,444	-13,437	-11,250	17,397	-20,182	-7,187	-4,274		319,114
9	<i>Of which United Kingdom</i>	-780	-16,260	-2,496	-1,807	-12,949	16,472	-15,059	-8,434	7,233		185,006
10	Canada	3,851	-1,437	-288	-1,696	3,843	1,992	-2,338	1,071	-169		9,242
11	Caribbean banking centers ⁵	-10,051	-21,665	2,123	-2,552	-8,547	-1,075	6,568	-8,253	-16,880	-3,100	273,461
12	Other	351	-13,693	-2,096	1,795	269	383	-532	-325	-1,178	-11,658	28,803
13	Commercial claims	-1,607	-2,492	-179	-133	-792	-503	293	-1,051	-1,734		33,695
14	<i>Denominated in U.S. dollars</i>	-1,853	-1,930	-565	-427	-66	-795	33	-1,063	-900		31,504
15	<i>Denominated in foreign currencies</i>	246	-562	386	294	-726	292	260	12	-834		2,191
16	By type: Trade receivables	-1,239	-2,215	1	134	-493	-881	395	-1,030	-1,580		29,371
17	Advance payments and other claims	-368	-277	-180	-267	-299	378	-102	-21	-154		4,324
18	By area: Industrial countries ⁴	-835	-1,589	-792	105	-189	41	-33	-123	-1,433		19,839
19	Members of OPEC ⁶	235	-373	282	-236	190	-1	21	-351	-43		2,322
20	Other	-1,007	-530	331	-2	-793	-543	305	-577	-258		11,534
B1	Liabilities, total (table 1, line 68)	9,412	29,411	32,707	18,040	11,875	-53,210	20,188	8,871	3,475	-3,123	499,238
2	Financial liabilities	13,570	32,733	33,126	17,046	12,217	-48,819	23,322	9,022	3,512	-3,123	466,880
3	<i>Denominated in U.S. dollars</i>	26,803	33,760	33,348	9,383	9,707	-25,635	20,078	14,506	2,299	-3,123	439,338
4	<i>Denominated in foreign currencies</i>	-13,233	-1,027	-222	7,663	2,510	-23,184	3,244	-5,484	1,213		27,542
5	By type: Financial intermediaries' accounts	8,213	30,072	14,713	4,907	7,135	-18,542	13,300	6,839	15,956	-6,023	153,286
6	Other Liabilities	5,357	2,661	18,413	12,139	5,082	-30,277	10,022	2,183	-12,444	2,900	313,594
7	By area: Industrial countries ⁴	-1,072	45,323	21,903	15,615	2,419	-41,009	21,377	17,136	6,810		261,966
8	<i>Of which United Kingdom</i>	18,638	29,022	24,802	19,221	14,002	-39,387	21,856	11,884	-4,718		178,041
9	Caribbean banking centers ⁵	15,035	-9,034	9,554	756	10,740	-6,015	573	-10,475	-2,032	2,900	191,127
10	Other	-393	-3,556	1,669	675	-942	-1,795	1,372	2,361	-1,266	-6,023	13,787
11	Commercial liabilities	-4,158	-3,322	-419	994	-342	-4,391	-3,134	-151	-37		32,358
12	<i>Denominated in U.S. dollars</i>	-3,759	-3,796	-131	1,221	-790	-4,059	-3,516	-203	-77		30,866
13	<i>Denominated in foreign currencies</i>	-399	474	-288	-227	448	-332	382	52	40		1,492
14	By type: Trade payables	558	1,715	-700	-280	853	685	-962	936	1,741		12,676
15	Advance receipts and other liabilities	-4,716	-5,037	281	1,274	-1,195	-5,076	-2,172	-1,087	-1,778		19,682
16	By area: Industrial countries ⁴	-1,663	-3,105	-624	1,011	360	-2,410	-2,696	382	-791		20,120
17	Members of OPEC ⁶	1,086	-25	-74	46	402	722	-478	-240	693		3,566
18	Other	-3,591	-192	279	-63	-1,104	-2,703	40	-293	61		8,672

See footnotes on page 192.

Table 8.—Claims on Foreigners Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1998	1999 ^r	Not seasonally adjusted								Amounts outstanding Dec. 31, 1999
				1998				1999				
				I	II	III	IV	I	II	III ^r	IV ^r	
1	Total (table 1, line 54)	-24,918	-61,424	-1,062	-27,704	-33,344	37,192	27,771	-42,519	-8,799	-37,877	1,100,009
2	By type:											
	Banks' own claims	-14,388	-39,188	15,656	-30,024	-29,602	29,582	34,748	-28,685	-14,615	-30,637	865,967
3	Payable in dollars	-26,569	-35,023	15,857	-43,825	-32,288	33,687	40,513	-39,634	-7,710	-28,192	786,812
	By borrower:											
	Claims on:											
4	own foreign offices	-52,671	-22,655	24,512	-36,220	-43,059	2,096	32,687	-20,796	519	-35,065	523,420
5	unaffiliated foreign banks	3,498	4,903	1,505	239	-940	2,694	12,274	-10,264	2,049	844	101,185
6	foreign public borrowers ¹	-2,959	-10,926	-7,535	295	1,393	2,888	-11,201	-2,563	2,347	491	34,511
7	other private foreigners	25,563	-6,345	-2,625	-8,139	10,318	26,009	6,753	-6,011	-12,625	5,538	127,696
	By type of reporting institution: ²											
	U.S.-owned banks' claims on:											
8	own foreign offices	4,601	16,287	18,572	-12,020	11,206	-13,157	26,434	9,394	-13,068	-6,473	162,626
9	unaffiliated foreign banks	1,602	-9,338	7,244	-6,313	5,397	-4,726	-2,424	715	2,061	-9,690	37,193
10	other foreigners	-5,567	4,187	3,134	-3,063	5,937	-11,575	4,880	424	138	-1,255	36,233
	Foreign-owned banks' claims on:											
11	own foreign offices	-57,272	-38,942	5,940	-24,200	-54,265	15,253	6,253	-30,190	13,587	-28,592	360,794
12	unaffiliated foreign banks	5,201	15,678	2,278	3,297	-5,001	4,627	10,178	-5,005	1,661	8,844	46,074
13	other foreigners	-2,088	-6,968	-5,363	-3,473	-5,619	12,367	-5,593	-906	548	-1,027	64,666
	U.S. brokers' and dealers' claims on:											
14	unaffiliated foreign banks	-3,305	-1,437	-8,017	3,255	-1,336	2,793	4,520	-5,974	-1,673	1,690	17,918
15	other foreigners	30,259	-14,490	-7,931	-1,308	11,393	28,105	-3,745	-8,092	-10,964	8,311	61,308
16	Payable in foreign currencies	12,181	-4,165	-201	13,801	2,686	-4,105	-5,764	10,949	-6,905	-2,445	79,155
17	Banks' domestic customers' claims	-10,530	-22,236	-16,718	2,320	-3,742	7,610	-6,978	-13,834	5,816	-7,240	234,042
18	Payable in dollars	1,997	-27,984	-16,983	1,748	-2,643	19,875	-16,657	-1,399	-6,124	-3,704	213,216
19	Deposits	-5,057	-7,148	-12,296	-602	-3,594	11,435	-13,213	-2,217	7,353	929	86,293
20	Foreign commercial paper ³	-2,909	-14,181	-10,087	2,866	-678	4,990	-4,360	4,669	-2,968	-11,522	93,100
21	Other negotiable and readily transferable instruments ⁴	5,936	-7,446	5,663	-3,632	1,869	2,036	-13	-6,089	-6,729	5,385	21,191
22	Outstanding collections and other	4,027	891	-263	3,116	-240	1,414	929	2,238	-3,780	1,504	12,632
23	Payable in foreign currencies	-12,527	5,648	265	572	-1,099	-12,265	9,679	-12,435	11,940	-3,536	20,826
	By area:											
24	Industrial countries ⁵	-27,393	-56,567	7,652	-6,583	-38,509	10,047	11,183	-57,219	-2,667	-7,864	604,352
25	Western Europe	-41,603	-98,387	-13,313	-25,338	-14,738	11,786	-4,304	-78,597	-10,171	-5,315	498,047
26	Of which United Kingdom	-14,485	-33,545	7,327	-23,851	11,671	-9,632	5,768	-40,475	-2,011	3,173	210,321
27	Canada	-21,561	19,414	-584	942	-15,323	-6,596	9,300	9,505	1,158	-549	60,083
28	Japan	36,549	20,499	20,937	19,297	-8,228	4,543	5,875	15,029	604	-1,009	34,817
29	Other	-778	1,907	612	-1,484	-220	314	312	-3,156	5,742	-991	11,405
30	Caribbean banking centers ⁶	-12,692	-16,241	-12,924	-24,982	2,868	22,346	10,895	10,700	-8,117	-29,719	337,678
31	Other areas	15,167	11,384	4,210	3,861	2,297	4,799	5,693	4,000	1,985	-294	157,979
32	Of which Members of OPEC, included below ⁷	-7,592	2,565	2,514	2,131	-4,933	-7,304	6,012	3,050	-4,335	-2,162	24,092
33	Latin America	1,680	3,116	-6,543	-489	2,869	5,823	1,882	794	3,959	-3,519	92,106
34	Asia	16,207	7,353	13,879	2,758	1,510	-1,940	5,749	953	-3,192	3,843	56,099
35	Africa	508	936	-220	1,511	-588	-195	402	182	30	322	1,799
36	Other ⁸	-3,226	-21	-2,905	61	-1,493	1,111	-2,340	2,071	1,188	-940	7,975
	Memoranda:											
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	37,620	-26,571	24,228	-7,323	6,529	14,186	18,289	-7,549	-24,988	-12,323	243,620
	By borrower:											
	Claims on:											
2	own foreign offices	33,029	-34,289	17,547	-9,470	9,870	15,082	10,725	-8,740	-24,854	-11,420	155,372
3	unaffiliated foreign banks	5,081	5,083	7,531	2,885	-3,221	-2,114	7,553	-106	-401	-1,963	48,642
4	foreign public borrowers	-203	358	-164	-590	968	-417	306	283	-355	124	6,294
5	all other foreigners	-287	2,277	-686	-148	-1,088	1,635	-295	1,014	622	936	33,312
	By bank ownership: ²											
6	U.S.-owned IBF's	-1,120	-10,633	174	-2,310	-3,547	4,563	3,559	-4,594	-10,074	476	79,776
7	Foreign-owned IBF's	38,615	-15,958	24,054	-5,013	9,951	9,623	14,730	-2,955	-17,493	-10,240	163,844
8	Banks' dollar acceptances payable by foreigners	5,105	-140	2,129	896	531	1,549	34	48	-164	-58	4,672

See footnotes on page 192.

Table 9.—Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	1998	1999 ^P	Not seasonally adjusted								Amounts outstanding Dec. 31, 1999
				1998				1999				
				I	II	III	IV	I	II	III ^P	IV ^P	
A1	Foreign official assets in the United States, net (table 1, line 56)	-21,684	44,570	11,004	-10,551	-46,489	24,352	4,708	-628	11,881	28,609	832,899
By type:												
2	U.S. Treasury securities (table 1, line 58)	-9,957	12,073	11,336	-20,318	-32,811	31,836	800	-6,708	12,963	5,018	582,689
3	Bills and certificates	-14,160	21,896	5,034	-19,011	-6,178	5,995	7,764	-3,423	13,939	3,616	156,073
4	Bonds and notes, marketable	4,123	-9,861	6,186	-1,426	-26,755	26,118	-7,081	-3,076	-1,093	1,389	420,504
5	Bonds and notes, nonmarketable	80	38	116	119	122	-277	117	-209	117	13	6,112
6	Other U.S. Government securities (table 1, line 59)	6,332	20,350	2,610	254	1,906	1,562	5,993	5,792	1,835	6,730	61,468
7	Other U.S. Government liabilities (table 1, line 60)	-3,113	-3,698	-1,028	-807	-224	-1,054	-1,594	-647	-1,070	-387	14,649
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61)	-11,469	14,937	-958	9,488	-12,866	-7,133	-589	1,437	-2,032	16,121	140,269
9	Banks' liabilities for own account, payable in dollars ¹	-22,879	18,819	1,740	-1,515	-17,274	-5,830	-3,255	1,449	-1,665	22,290	99,070
10	Demand deposits	473	937	-263	531	1,025	-820	390	-441	-20	408	3,340
11	Time deposits ¹	-12,449	1,180	-1,430	-4,061	-8,160	1,202	-5,762	2,803	-1,022	5,161	30,462
12	Other liabilities ²	-10,903	17,302	3,433	2,015	-10,139	-6,212	2,117	-913	-623	16,721	65,268
13	Banks' custody liabilities, payables in dollars ^{1,3}	11,410	-3,882	-2,898	11,003	4,408	-1,303	2,666	-12	-367	-6,169	41,199
14	Other foreign official assets (table 1, line 62)	-3,477	908	-956	832	-2,494	-859	98	-502	185	1,127	33,824
By area: (see text table C).												
B1	Other foreign assets in the United States, net (table 1, lines 65 and 69)	86,886	45,957	-51,466	59,897	75,875	2,580	-22,965	29,531	32,268	7,123	1,837,335
By type:												
2	U.S. Treasury securities (line 65)	46,155	-21,756	-2,557	25,759	-1,438	24,391	-8,781	-5,407	9,639	-17,207	754,903
By security:												
3	Bills and certificates	4,411	-19,711	-6,702	-3,335	-2,449	16,897	1,582	-10,064	-4,260	-6,969	29,604
4	Marketable bonds and notes	41,744	-2,045	4,145	29,094	1,011	7,494	-10,363	4,657	13,899	-10,238	725,299
5	U.S. liabilities reported by U.S. banks (line 69)	40,731	67,713	-48,909	34,138	77,313	-21,811	-14,184	34,938	22,629	24,330	1,082,432
6	Banks' own liabilities ¹	2,642	73,314	-56,217	28,921	52,606	-22,668	-4,422	43,924	15,927	17,885	977,747
7	Payable in dollars	24,428	75,801	-40,467	41,530	50,556	-27,191	-8,705	45,719	8,614	30,173	880,524
By account:												
8	Liabilities to own foreign offices	77,767	42,282	-44,965	37,747	66,488	18,497	-30,085	41,640	-9,160	39,887	605,189
Liabilities to unaffiliated foreigners:												
9	demand deposits	-2,476	12,991	1,507	3,127	-3,724	-3,386	967	5,850	8,292	-2,118	39,544
10	time deposits	-34,508	15,951	-13,989	7,693	-4,416	-23,796	5,692	1,716	1,099	7,444	139,495
11	other liabilities ²	-16,355	4,577	16,980	-7,037	-7,792	-18,506	14,721	-3,487	8,383	-15,040	97,296
By holder:												
Liabilities to:												
12	own foreign offices	77,767	42,282	-44,965	37,747	66,488	18,497	-30,085	41,640	-9,160	39,887	605,189
13	unaffiliated foreign banks	-43,006	13,128	-10,815	9,130	-10,601	-30,720	2,840	4,816	6,184	-712	126,348
14	other private foreigners	-9,697	17,258	11,875	-3,864	-6,018	-11,690	14,769	-2,118	9,866	-5,259	135,035
15	international financial institutions ⁴	-636	3,133	3,438	-1,483	687	-3,278	3,771	1,381	1,724	-3,743	13,952
By type of reporting institution: ⁵												
U.S.-owned banks' liabilities to:												
16	own foreign offices	17,484	51,432	-6,882	5,826	12,727	5,813	-2,670	24,367	7,325	22,410	265,229
17	unaffiliated foreign banks	365	7,751	-1,646	5,495	-3,338	-146	-6,121	1,036	2,557	10,279	35,473
18	other private foreigners and international financial institutions ⁴	9,348	22,166	-3,935	5,420	1,382	6,481	3,342	2,455	15,843	526	76,032
Foreign-owned banks' liabilities to:												
19	own foreign offices	60,283	-9,150	-38,083	31,921	53,761	12,684	-27,415	17,273	-16,485	17,477	339,960
20	unaffiliated foreign banks	-44,213	5,358	-12,913	5,436	-8,999	-27,737	6,912	-872	6,013	-6,695	76,422
21	other private foreigners and international financial institutions ⁴	-4,825	7,409	5,740	-2,194	-419	-7,952	8,478	3,454	-3,078	-1,445	48,824
U.S. brokers' and dealers' liabilities to:												
22	unaffiliated foreign banks	842	19	3,744	-1,801	1,736	-2,837	2,049	4,652	-2,386	-4,296	14,453
23	other private foreigners and international financial institutions ⁴	-14,856	-9,184	13,508	-8,573	-6,294	-13,497	6,720	-6,646	-1,175	-8,083	24,131
24	Payable in foreign currencies	-21,786	-2,487	-15,750	-12,609	2,050	4,523	4,283	-1,795	7,313	-12,288	97,223
25	Banks' custody liabilities, payable in dollars ^{1,3}	38,089	-5,601	7,308	5,217	24,707	857	-9,762	-8,986	6,702	6,445	104,685
26	Of which negotiable and readily transferable instruments	36,521	-6,942	5,761	5,349	25,068	343	-10,559	-10,473	7,760	6,330	91,423
By area:												
27	Industrial countries ⁶	53,853	-41,295	-40,378	9,997	66,679	17,555	-26,705	-13,825	15,238	-16,003	1,088,380
28	Western Europe	13,769	-13,971	-14,400	14,859	42,587	-29,277	-6,751	-7,048	16,356	-16,528	776,616
29	Canada	1,598	13,440	-3,438	3,381	932	723	409	3,558	4,286	5,187	51,643
30	Other	38,486	-40,764	-22,540	-8,243	23,160	46,109	-20,363	-10,335	-5,404	-4,662	260,121
31	Caribbean banking centers ⁷	-1,005	47,812	-30,642	53,600	-7,105	-16,858	-8,117	33,940	9,281	12,708	438,727
32	Other areas	34,039	39,440	19,554	-3,700	16,301	1,884	11,857	9,416	7,749	10,418	310,228
33	Of which Members of OPEC, included below ⁸	-647	5,690	3,200	-4,565	1,997	-1,279	431	576	655	4,028	39,006
34	Latin America	14,237	11,962	8,065	1,114	6,068	-1,010	4,598	5,935	2,425	-996	107,881
35	Asia	18,382	22,839	4,961	625	8,077	4,719	4,000	911	4,893	13,035	166,693
36	Africa	-897	69	166	-899	3	-167	-180	-138	16	233	4,743
37	Other ⁹	2,316	4,708	6,362	-4,540	2,153	-1,659	3,439	2,708	415	-1,854	30,911
Memoranda:												
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9, and B7 above)	-35,382	-6,876	-33,779	-11,056	32,653	-23,200	-23,734	8,506	3,514	4,838	363,776
By holder:												
Liabilities to:												
2	own foreign offices	22,199	-4,372	-19,621	-12,611	52,161	2,270	-21,780	7,616	-515	10,307	226,175
3	unaffiliated foreign banks	-40,064	1,182	-16,408	8,615	-11,840	-20,431	674	-2,419	9,148	-6,221	74,660
4	foreign official agencies	-17,819	-6,079	-1,544	-6,637	-7,134	-2,504	-5,401	1,398	-3,582	1,506	32,607
5	other private foreigners and international financial institutions ⁴	302	2,393	3,794	-423	-534	-2,535	2,773	1,911	-1,537	-754	30,334
By bank ownership: ⁵												
6	U.S.-owned IBF's	-6,236	16,293	-4,667	2,710	2,318	-6,597	-1,720	2,882	6,041	9,090	79,014
7	Foreign-owned IBF's	-29,146	-23,169	-29,112	-13,766	30,335	-16,603	-22,014	5,624	-2,527	-4,252	284,762
8	Negotiable certificates of deposit held for foreigners ¹ (in lines A13 and B25 above)	10,943	3,319	6,348	-1,131	6,155	-429	-3,991	-466	1,798	5,978	30,345

See footnotes on page 192.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Western Europe						European Union ¹⁴	
		1998	1999 ^p	1999				1998	1999 ^p
				I	II	III ^r	IV ^r		
Current account									
1	Exports of goods and services and income receipts	368,598	380,874	94,152	92,875	93,990	99,857	333,872	343,048
2	Exports of goods and services	255,532	261,083	64,445	64,038	64,000	68,600	232,443	236,986
3	Goods, balance of payments basis ²	159,107	162,168	41,287	40,173	37,740	42,968	145,926	148,576
4	Services ³	96,425	98,915	23,158	23,865	26,260	25,632	86,517	88,410
5	Transfers under U.S. military agency sales contracts ⁴	4,596	4,370	1,169	1,025	1,234	942	3,077	2,672
6	Travel	22,819	23,728	4,788	5,784	7,119	6,037	20,927	21,761
7	Passenger fares	6,784	7,210	1,481	1,748	2,079	1,902	6,566	6,981
8	Other transportation	7,631	7,457	1,784	1,785	1,875	2,013	6,494	6,471
9	Royalties and license fees ⁵	18,842	18,319	4,615	4,477	4,417	4,810	17,813	17,257
10	Other private services ⁵	35,613	37,665	9,282	9,001	9,497	9,885	31,521	33,125
11	U.S. Government miscellaneous services	140	166	39	45	39	43	119	143
12	Income receipts	113,066	119,791	29,707	28,837	29,990	31,257	101,429	106,062
13	Income receipts on U.S.-owned assets abroad	112,922	119,643	29,670	28,800	29,953	31,220	101,297	105,926
14	Direct investment receipts	49,675	52,968	13,952	12,914	12,805	13,297	43,268	45,640
15	Other private receipts	62,277	65,885	15,427	15,760	16,926	17,772	57,185	59,638
16	U.S. Government receipts	970	790	291	126	222	151	844	648
17	Compensation of employees	144	148	37	37	37	37	132	136
18	Imports of goods and services and income payments	-399,610	-448,037	-101,041	-110,488	-116,204	-120,304	-363,243	-404,198
19	Imports of goods and services	-269,040	-296,434	-66,068	-74,157	-77,342	-78,867	-242,250	-266,340
20	Goods, balance of payments basis ²	-194,016	-215,025	-48,566	-52,424	-54,289	-59,746	-176,081	-194,708
21	Services ³	-75,024	-81,409	-17,502	-21,733	-23,053	-19,121	-66,169	-71,632
22	Direct defense expenditures	-6,780	-8,269	-1,935	-2,070	-2,197	-2,067	-5,824	-6,892
23	Travel	-18,817	-20,481	-3,593	-6,192	-6,861	-3,835	-16,893	-18,387
24	Passenger fares	-9,969	-10,698	-2,064	-3,154	-3,266	-2,214	-8,988	-9,642
25	Other transportation	-11,146	-11,319	-2,554	-2,714	-3,052	-2,999	-9,009	-9,408
26	Royalties and license fees ⁵	-6,990	-7,924	-2,087	-1,942	-1,821	-2,074	-6,071	-6,623
27	Other private services ⁵	-20,228	-21,557	-5,002	-5,373	-5,551	-5,631	-18,445	-19,683
28	U.S. Government miscellaneous services	-1,094	-1,161	-267	-288	-305	-301	-939	-997
29	Income payments	-130,570	-151,603	-34,973	-36,331	-38,862	-41,437	-120,993	-137,858
30	Income payments on foreign-owned assets in the United States	-130,266	-151,285	-34,886	-36,255	-38,790	-41,354	-120,746	-137,599
31	Direct investment payments	-27,626	-40,672	-9,059	-10,028	-10,329	-11,256	-25,929	-36,538
32	Other private payments	-63,367	-69,904	-15,750	-16,246	-18,271	-19,637	-58,399	-63,482
33	U.S. Government payments	-39,273	-40,709	-10,077	-9,981	-10,190	-10,461	-36,418	-37,579
34	Compensation of employees	-304	-318	-87	-76	-72	-83	-247	-259
35	Unilateral current transfers, net	-324	-73	-30	66	-85	-24	692	1,285
36	U.S. Government grants ⁴	-493	-666	-172	-100	-230	-164	-13	.....
37	U.S. Government pensions and other transfers	-1,398	-1,384	-328	-329	-338	-389	-1,205	-1,190
38	Private remittances and other transfers ⁶	1,567	1,977	470	495	483	529	1,910	2,475
Capital and financial account									
Capital account									
39	Capital account transactions, net	148	99	37	37	38	-13	132	138
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-205,362	-234,488	-22,065	-143,513	-55,114	-13,796	-176,082	-197,869
41	U.S. official reserve assets, net	-2,735	5,684	5,502	348	-103	-63	4,598	-2,244
42	Gold ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....
45	Foreign currencies	-2,735	5,684	5,502	348	-103	-63	4,598	-2,244
46	U.S. Government assets, other than official reserve assets, net	652	433	206	61	87	79	441	271
47	U.S. credits and other long-term assets	-278	-447	-62	-36	-197	-152	-174	-275
48	Repayments on U.S. credits and other long-term assets ⁸	912	928	294	91	288	255	602	590
49	U.S. foreign currency holdings and U.S. short-term assets, net	18	-48	-26	6	-4	-24	13	-44
50	U.S. private assets, net	-203,279	-240,605	-27,773	-143,922	-55,098	-13,812	-181,121	-195,896
51	Direct investment	-73,167	-73,174	-21,262	-8,262	-30,538	-13,112	-66,460	-60,858
52	Foreign securities	-75,318	-35,708	21,689	-49,590	-12,406	4,599	-77,268	-40,846
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-13,149	-33,368	-23,909	-7,476	-1,983	.....	-11,252	-31,292
54	U.S. claims reported by U.S. banks, not included elsewhere	-41,645	-98,355	-4,291	-78,594	-10,171	-5,299	-26,141	-62,900
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	377,622	466,331	78,971	191,609	120,150	75,601	363,139	432,004
56	Foreign official assets in the United States, net	5,957	-14,759	-4,419	-9,707	-1,035	402	(¹⁸)	(¹⁸)
57	U.S. Government securities	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
58	U.S. Treasury securities ⁹	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
59	Other ¹⁰	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
60	Other U.S. Government liabilities ¹¹	-566	-1,409	-432	-473	-483	-21	-19	-450
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
62	Other foreign official assets ¹²	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
63	Other foreign assets in the United States, net	371,665	481,090	83,390	201,316	121,185	75,199	(¹⁸)	(¹⁸)
64	Direct investment	167,892	231,970	21,839	140,447	38,748	30,936	158,029	227,671
65	U.S. Treasury securities	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
66	U.S. securities other than U.S. Treasury securities	188,290	222,791	48,854	49,525	63,660	60,752	178,309	212,787
67	U.S. currency .....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	1,274	40,403	19,506	18,265	2,632	.....	19,920	34,856
69	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
70	Statistical discrepancy (sum of above items with sign reversed)	-141,072	-164,706	-50,024	-30,586	-42,775	-41,321	-158,510	-174,408
Memoranda:									
71	Balance on goods (lines 3 and 20)	-34,909	-52,857	-7,279	-12,251	-16,549	-16,778	-30,155	-46,132
72	Balance on services (lines 4 and 21)	21,401	17,506	5,656	2,132	3,207	6,511	20,348	16,778
73	Balance on goods and services (lines 2 and 19)	-13,508	-35,351	-1,623	-10,119	-13,342	-10,267	-9,807	-29,354
74	Balance on income (lines 12 and 29)	-17,504	-31,812	-5,266	-7,944	-8,872	-10,180	-19,564	-31,796
75	Unilateral current transfers, net (line 35)	-324	-73	-30	66	-85	-24	692	1,285
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-31,336	-67,236	-6,919	-17,547	-22,299	-20,471	-28,679	-59,865

See footnotes on page 192.

Table 10.—U.S. International
[Millions]

Line	(Credits +; debits -) ¹	Eastern Europe						Canada	
		1998	1999 ²	1999				1998	1999 ²
				I	II	III ³	IV ³		
Current account									
1	Exports of goods and services and income receipts	12,913	11,799	2,653	2,770	3,240	3,136	195,932	209,650
2	Exports of goods and services	11,160	9,404	2,156	2,273	2,568	2,407	176,523	187,734
3	Goods, balance of payments basis ²	7,365	5,331	1,213	1,304	1,461	1,353	156,810	166,474
4	Services ³	3,795	4,073	943	969	1,107	1,054	19,713	21,260
5	Transfers under U.S. military agency sales contracts ⁴	336	347	67	81	101	98	106	116
6	Travel	1,257	1,308	258	319	385	346	6,206	6,505
7	Passenger fares	159	170	40	44	41	45	1,477	1,529
8	Other transportation	279	361	65	105	97	94	2,329	2,489
9	Royalties and license fees ⁵	279	272	67	66	69	70	1,646	1,745
10	Other private services ⁵	1,439	1,574	439	344	400	391	7,864	8,795
11	U.S. Government miscellaneous services	46	41	7	10	14	10	85	81
12	Income receipts	1,753	2,395	497	497	672	729	19,409	21,916
13	Income receipts on U.S.-owned assets abroad	1,745	2,387	495	495	670	727	19,330	21,837
14	Direct investment receipts	-367	321	-45	13	155	198	8,104	10,801
15	Other private receipts	1,874	1,923	484	472	467	500	11,226	11,036
16	U.S. Government receipts	238	143	56	10	48	29		
17	Compensation of employees	8	8	2	2	2	2	79	79
18	Imports of goods and services and income payments	-15,366	-16,388	-3,294	-4,411	-4,293	-4,390	-199,595	-226,039
19	Imports of goods and services	-13,685	-14,693	-2,874	-3,998	-3,877	-3,944	-191,147	-216,923
20	Goods, balance of payments basis ²	-10,899	-11,687	-2,402	-3,096	-2,855	-3,334	-175,806	-200,922
21	Services ³	-2,786	-3,006	-472	-902	-1,022	-610	-15,341	-16,001
22	Direct defense expenditures	-167	-184	-50	-47	-42	-45	-68	-73
23	Travel	-1,296	-1,408	-151	-458	-560	-239	-5,719	-6,070
24	Passenger fares	-409	-439	-57	-141	-157	-84	-585	-679
25	Other transportation	-220	-250	-42	-71	-75	-62	-2,911	-3,209
26	Royalties and license fees ⁵	-9	-11	-1	-3	-3	-4	-425	-465
27	Other private services ⁵	-600	-638	-155	-163	-161	-159	-5,426	-5,275
28	U.S. Government miscellaneous services	-85	-76	-16	-19	-24	-17	-207	-230
29	Income payments	-1,681	-1,695	-420	-413	-416	-446	-8,448	-9,116
30	Income payments on foreign-owned assets in the United States	-1,616	-1,625	-401	-397	-401	-426	-8,146	-8,805
31	Direct investment payments	-8	-12	-2	-4	-5	-1	-3,010	-2,906
32	Other private payments	-502	-400	-97	-91	-96	-116	-4,261	-4,755
33	U.S. Government payments	-1,106	-1,213	-302	-302	-300	-309	-875	-1,144
34	Compensation of employees	-65	-70	-19	-16	-15	-20	-302	-311
35	Unilateral current transfers, net	-3,358	-3,412	-856	-871	-874	-811	-613	-643
36	U.S. Government grants ⁴	-1,895	-1,731	-424	-442	-456	-409		
37	U.S. Government pensions and other transfers	-40	-46	-12	-11	-13	-10	-477	-490
38	Private remittances and other transfers ⁶	-1,423	-1,635	-420	-418	-405	-392	-136	-153
Capital and financial account									
Capital account									
39	Capital account transactions, net	20	25	6	6	6	7	64	144
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-1,954	-1,574	-1,518	622	-602	-76	-29,227	-5,455
41	U.S. official reserve assets, net								
42	Gold ⁷								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies								
46	U.S. Government assets, other than official reserve assets, net	70	-299	-19	-57	-118	-105	(*)	
47	U.S. credits and other long-term assets	-470	-1,550	-164	-1,138	-139	-109		
48	Repayments on U.S. credits and other long-term assets ⁸	446	1,276	160	1,086	22	8		
49	U.S. foreign currency holdings and U.S. short-term assets, net	94	-25	-15	-5	-1	-4	(*)	
50	U.S. private assets, net	-2,024	-1,275	-1,499	679	-484	29	-29,227	-5,455
51	Direct investment	-1,368	-769	-258	-301	-98	-112	-10,260	-17,957
52	Foreign securities	-2,247	-316	-120	-118	-7	-71	-1,182	-5,388
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	166	49	72	11	-132		3,776	-1,524
54	U.S. claims reported by U.S. banks, not included elsewhere	1,425	-141	-1,193	1,087	-247	212	-21,561	19,414
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	-2,550	4,647	2,910	-2,632	222	4,147	13,827	36,128
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	510	1,952
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
60	Other U.S. Government liabilities ¹¹	186	438	59	141	112	126	-28	1
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	13,317	34,176
64	Direct investment	-236	707	-166	50	118	705	11,859	15,774
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
66	U.S. securities other than U.S. Treasury securities	473	-190	15	-140	-97	32	81	2,548
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-166	124	75	-122	171		-221	2,414
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18	3,568	18	2,927	18	3,284	(17)	(17)
70	Statistical discrepancy (sum of above items with sign reversed)	10,295	4,903	99	4,516	2,301	-2,013	19,612	-13,785
Memoranda:									
71	Balance on goods (lines 3 and 20)	-3,534	-6,356	-1,189	-1,792	-1,394	-1,981	-18,996	-34,448
72	Balance on services (lines 4 and 21)	1,009	1,067	471	67	85	444	4,372	5,259
73	Balance on goods and services (lines 2 and 19)	-2,525	-5,289	-718	-1,725	-1,309	-1,537	-14,624	-29,189
74	Balance on income (lines 12 and 29)	72	700	77	84	256	283	10,961	12,800
75	Unilateral current transfers, net (line 35)	-3,358	-3,412	-856	-871	-874	-811	-613	-643
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-5,811	-8,001	-1,497	-2,512	-1,927	-2,065	-4,276	-17,032

Transactions, by Area—Continued
of dollars]

Canada				Latin America and Other Western Hemisphere								Japan				Line
1999				1998	1999 ^p	1999				1998	1999 ^p	1999				
I	II	III ^r	IV ^p			I	II	III ^r	IV ^p			I	II	III ^r	IV ^p	
50,011	53,800	50,894	54,945	252,300	256,404	57,854	62,330	65,485	70,735	96,622	99,563	25,346	23,678	25,206	25,333	1
45,304	48,257	45,165	49,008	188,948	192,503	43,520	46,284	49,328	53,371	88,332	90,216	22,928	21,152	22,735	23,401	2
40,070	42,857	39,697	43,850	141,599	141,323	32,125	34,060	35,565	39,573	56,595	56,341	14,432	13,328	13,590	14,991	3
5,234	5,400	5,468	5,158	47,349	51,180	11,395	12,224	13,763	13,798	31,737	33,875	8,496	7,824	9,145	8,410	4
28	34	25	29	485	549	152	135	105	157	963	1,159	501	173	203	282	5
1,674	1,808	1,687	1,336	19,498	20,600	4,347	4,897	5,831	5,525	9,424	9,788	2,358	2,231	2,949	2,250	6
438	363	378	350	5,573	5,852	1,255	1,375	1,652	1,570	3,616	3,835	922	872	1,115	926	7
585	627	625	652	3,429	3,553	820	874	889	970	2,944	3,228	752	817	804	855	8
424	400	439	482	2,529	2,686	610	672	670	734	6,311	6,621	1,563	1,596	1,685	1,777	9
2,064	2,147	2,291	2,293	15,691	17,739	4,170	4,193	4,575	4,801	8,433	9,196	2,383	2,125	2,376	2,310	10
21	21	23	16	144	201	41	78	41	41	46	48	17	10	13	8	11
4,707	5,543	5,729	5,937	63,352	63,901	14,334	16,046	16,157	17,364	8,290	9,347	2,418	2,526	2,471	1,932	12
4,687	5,524	5,709	5,917	63,213	63,757	14,297	16,008	16,122	17,330	8,278	9,334	2,415	2,523	2,468	1,928	13
1,909	2,831	3,030	3,030	16,909	18,744	3,979	5,127	4,918	4,720	2,180	3,909	1,003	871	1,083	952	14
2,778	2,693	2,678	2,887	45,922	44,598	10,212	10,754	11,122	12,510	5,991	5,415	1,405	1,667	1,368	975	15
				382	415	106	127	82	100	107	10	7	-15	17	1	16
20	19	20	20	139	144	37	38	35	34	12	13	3	3	3	4	17
-52,743	-56,926	-56,278	-60,092	-233,950	-259,927	-58,343	-63,021	-67,956	-70,607	-171,780	-186,393	-42,970	-44,236	-47,497	-51,690	18
-50,640	-54,264	-54,709	-57,310	-178,109	-203,536	-45,878	-49,579	-53,496	-54,583	-137,047	-148,726	-35,150	-35,203	-37,897	-40,476	19
-47,684	-50,096	-49,447	-53,695	-145,730	-169,118	-37,327	-41,166	-44,672	-45,953	-121,850	-131,254	-31,098	-30,849	-33,464	-35,843	20
-2,956	-4,168	-5,262	-3,615	-32,379	-34,418	-8,551	-8,413	-8,824	-8,630	-15,197	-17,472	-4,052	-4,354	-4,433	-4,633	21
-14	-16	-23	-20	-372	-293	-94	-76	-64	-59	-1,323	-1,366	-328	-378	-330	-330	22
-875	-1,526	-2,637	-1,032	-15,932	-16,463	-4,028	-3,909	-4,305	-4,221	-2,761	-3,019	-790	-795	-691	-743	23
-125	-189	-240	-125	-2,910	-3,098	-856	-713	-791	-738	-824	-890	-200	-227	-225	-238	24
-727	-822	-825	-835	-2,356	-2,586	-605	-620	-643	-718	-4,229	-5,059	-1,065	-1,193	-1,382	-1,419	25
-114	-114	-118	-119	-245	-249	-67	-64	-58	-60	-2,315	-2,672	-627	-687	-661	-697	26
-1,055	-1,447	-1,355	-1,418	-10,070	-11,188	-2,781	-2,899	-2,824	-2,684	-3,619	-4,343	-1,008	-1,039	-1,111	-1,185	27
-46	-54	-64	-66	-494	-541	-120	-132	-139	-150	-126	-123	-34	-35	-33	-21	28
-2,103	-2,662	-1,569	-2,782	-55,841	-56,391	-12,465	-13,442	-14,460	-16,024	-34,733	-37,667	-7,820	-9,033	-9,600	-11,214	29
-2,024	-2,586	-1,494	-2,701	-49,942	-50,170	-11,087	-11,960	-12,765	-14,358	-31,661	-37,591	-7,797	-9,017	-9,586	-11,191	30
-641	-1,239	-1,046	-1,494	-282	-1,718	-492	-492	-372	-572	-5,187	-5,891	65	-1,768	-1,566	-2,622	31
-1,176	-1,099	-2,192	-1,288	-37,044	-37,931	-8,503	-8,941	-9,619	-10,868	-9,516	-10,092	-2,859	-2,470	-2,645	-32	32
-207	-248	-322	-367	-11,404	-10,521	-2,302	-2,527	-2,774	-2,918	-19,958	-21,608	-5,003	-5,131	-5,550	-5,924	33
-79	-76	-75	-81	-5,899	-6,221	-1,378	-1,482	-1,695	-1,666	-72	-76	-23	-16	-14	-23	34
-174	-145	-169	-155	-12,492	-14,056	-3,379	-3,445	-3,575	-3,657	-196	-264	-101	-53	-75	-35	35
				-1,302	-1,668	-380	-421	-445	-422							36
-120	-121	-121	-128	-687	-688	-154	-156	-167	-211	-100	-101	-26	-25	-27	-23	37
-54	-24	-48	-27	-10,503	-11,700	-2,845	-2,868	-2,963	-3,024	-96	-163	-75	-28	-48	-12	38
28	36	40	40	246	-591	62	59	54	-766	24	24	6	6	6	6	39
2,889	4,023	-6,505	-5,862	-55,591	-73,154	11,682	-16,356	-35,986	-32,494	27,864	-27,690	-994	7,605	-14,691	-19,610	40
										1,218	-2,432	-2,000	-412	-30	10	41
																42
																43
										1,218	-2,432	-2,000	-412	-30	10	44
																45
				158	1,236	170	87	132	847	-10	20	12	30	-9	-13	46
				-1,313	-1,405	-602	-401	-233	-169							47
				1,474	2,653	765	497	362	1,029							48
				-3	-12	7	-9	3	-13	-10	20	12	30	-9	-13	49
2,889	4,023	-6,505	-5,862	-55,749	-74,390	11,512	-16,443	-36,118	-33,341	26,656	-25,278	994	7,987	-14,652	-19,607	50
-2,644	-6,860	-3,142	-5,311	-18,021	-22,681	-7,013	-9,663	-3,805	-2,200	-3,844	-3,903	-499	-730	-2,082	-592	51
-980	166	-4,572	-2	-14,495	-16,029	-731	-9,713	-11,013	5,428	-1,682	-43,487	-10,476	-5,357	-9,648	-18,006	52
-2,787	1,212	51		-12,166	-22,722	6,346	-8,553	-17,415	-3,100	-4,367	1,613	6,094	-955	-3,526		53
9,300	9,505	1,158	-549	-11,067	-12,958	12,910	11,486	-3,885	-33,469	36,549	20,499	5,875	15,029	604	-1,009	54
7,951	10,166	9,368	8,643	34,884	125,096	937	57,821	34,700	31,638	36,661	30,250	-21,605	4,855	28,296	18,704	55
2,904	-598	328	-682	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	56
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	57
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	58
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	59
8	12	-8	-42	-41	-13	-25	-23	20	-109	-830	-487	-52	-13	-278	60	
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	61	
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	62	
5,047	10,764	9,040	9,325	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	63
1,825	7,099	3,075	3,775	278	16,344	800	1,642	12,580	1,322	7,100	12,918	-2,889	4,827	5,387	5,593	64
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	65
2,241	-306	250	363	23,520	61,357	9,053	22,921	14,298	15,085	6,266	22,399	-1,636	3,508	12,272	8,255	66
572	413	1,429		14,967	-8,592	555	-10,399	-1,648	2,900	-5,205	-4,031	-1,168	-3,094	231		68
(17)	(17)	(17)	(17)	18	18	18	18	18	18	18	18	18	18	18	18	69
-7,962	-10,954	2,650	2,481	14,603	-33,772	-8,813	-37,388	7,278	5,151	10,805	84,510	40,318	8,145	8,755	27,292	70
-7,614	-7,239	-9,750	-9,845	-4,131	-27,795	-5,202	-7,106	-9,107	-6,380	-65,255	-74,913	-16,666	-17,521	-19,874	-20,852	71
2,278	1,232	206	1,543	14,970	16,762	2,844	3,811	4,939	5,168	16,540	16,403	4,444	3,470	4,712	3,777	72
-5,336																

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Australia					
		1998	1999 ^a	1999			
				I	II	III ^b	IV ^b
Current account							
1	Exports of goods and services and income receipts	21,511	22,004	4,834	5,458	5,601	6,111
2	Exports of goods and services	16,688	16,856	3,734	4,102	4,358	4,662
3	Goods, balance of payments basis ²	11,775	11,523	2,543	2,758	2,951	3,271
4	Services ³	4,913	5,333	1,191	1,344	1,407	1,391
5	Transfers under U.S. military agency sales contracts ⁴	168	308	51	95	97	65
6	Travel	1,562	1,623	342	416	429	436
7	Passenger fares	548	583	123	154	163	143
8	Other transportation	320	349	81	86	91	91
9	Royalties and license fees ⁵	749	780	187	187	194	212
10	Other private services ⁵	1,560	1,682	406	405	431	440
11	U.S. Government miscellaneous services	6	8	1	1	2	4
12	Income receipts	4,823	5,148	1,100	1,356	1,243	1,449
13	Income receipts on U.S.-owned assets abroad	4,815	5,140	1,098	1,354	1,241	1,447
14	Direct investment receipts	1,897	2,288	365	585	566	772
15	Other private receipts	2,918	2,852	733	769	675	675
16	U.S. Government receipts						
17	Compensation of employees	8	8	2	2	2	2
18	Imports of goods and services and income payments	-10,121	-10,570	-2,259	-2,475	-2,858	-2,978
19	Imports of goods and services	-8,439	-8,668	-1,888	-2,176	-2,366	-2,238
20	Goods, balance of payments basis ²	-5,372	-5,282	-1,093	-1,372	-1,446	-1,371
21	Services ³	-3,067	-3,386	-795	-804	-920	-867
22	Direct defense expenditures	-41	-46	-18	-8	-10	-10
23	Travel	-1,231	-1,344	-301	-310	-417	-316
24	Passenger fares	-599	-647	-166	-141	-150	-190
25	Other transportation	-214	-197	-46	-47	-51	-53
26	Royalties and license fees ⁵	-38	-36	-7	-10	-9	-10
27	Other private services ⁵	-895	-1,072	-249	-277	-268	-278
28	U.S. Government miscellaneous services	-49	-44	-8	-11	-15	-10
29	Income payments	-1,682	-1,902	-371	-299	-492	-740
30	Income payments on foreign-owned assets in the United States	-1,674	-1,894	-369	-297	-490	-738
31	Direct investment payments	-673	-781	-153	-44	-172	-412
32	Other private payments	-643	-780	-145	-172	-235	-228
33	U.S. Government payments	-358	-333	-71	-81	-83	-98
34	Compensation of employees	-8	-8	-2	-2	-2	-2
35	Unilateral current transfers, net	-137	-152	-39	-36	-40	-37
36	U.S. Government grants ⁴						
37	U.S. Government pensions and other transfers	-38	-39	-10	-10	-10	-9
38	Private remittances and other transfers ⁶	-99	-113	-29	-26	-30	-28
Capital and financial account							
Capital account							
39	Capital account transactions, net	4	8	2	2	2	2
Financial account							
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-7,666	-4,000	-2,357	-4,709	5,061	-1,995
41	U.S. official reserve assets, net						
42	Gold ⁷						
43	Special drawing rights						
44	Reserve position in the International Monetary Fund						
45	Foreign currencies						
46	U.S. Government assets, other than official reserve assets, net	-2	-2	6	-6	-2	
47	U.S. credits and other long-term assets						
48	Repayments on U.S. credits and other long-term assets ⁸						
49	U.S. foreign currency holdings and U.S. short-term assets, net	-2	-2	6	-6	-2	
50	U.S. private assets, net	-7,664	-3,998	-2,363	-4,703	5,063	-1,995
51	Direct investment	-3,659	-4,736	-3,389	-265	-381	-701
52	Foreign securities	-1,337	-1,590	-82	-974	-114	-420
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-981	82	430	-43	-305	
54	U.S. claims reported by U.S. banks, not included elsewhere	-1,687	2,246	678	-3,421	5,863	-874
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	1,258	9,125	691	3,893	2,643	1,898
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	5	-61	8	-35	-42	8
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	2,035	-673	167	425	119	-1,384
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	838	1,944	42	157	1,153	592
67	U.S. currency						
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	1,497	3,446	-175	1,879	1,742	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁸ -3,117	¹⁸ 4,469	¹⁸ 649	¹⁸ 1,467	¹⁸ -329	¹⁸ 2,682
70	Statistical discrepancy (sum of above items with sign reversed)	-4,849	-16,415	-872	-2,133	-10,409	-3,001
Memoranda:							
71	Balance on goods (lines 3 and 20)	6,403	6,241	1,450	1,386	1,505	1,900
72	Balance on services (lines 4 and 21)	1,846	1,947	396	540	487	524
73	Balance on goods and services (lines 2 and 19)	8,249	8,188	1,846	1,926	1,992	2,424
74	Balance on income (lines 12 and 29)	3,141	3,246	729	1,057	751	709
75	Unilateral current transfers, net (line 35)	-137	-152	-39	-36	-40	-37
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	11,253	11,282	2,536	2,947	2,703	3,096

Transactions, by Area—Continued
of dollars]

Other countries in Asia and Africa						International organizations and unallocated ¹⁶						Line
1998	1999 ^p	1999				1998	1999 ^p	1999				
		I	II	III ^r	IV ^p			I	II	III ^r	IV ^p	
214,716	223,850	51,342	53,930	58,547	60,031	29,639	29,800	7,440	7,416	7,345	7,599	1
192,083	197,668	45,919	47,922	51,278	52,549	4,641	4,624	1,118	1,147	1,153	1,206	2
136,995	139,861	31,674	33,973	35,806	38,408	.....	.....	.....	.....	.....	.....	3
55,088	57,807	14,245	13,949	15,472	14,141	4,641	4,624	1,118	1,147	1,153	1,206	4
10,501	9,839	2,372	2,556	2,467	2,444	.....	.....	.....	.....	.....	.....	5
10,484	10,896	2,042	2,816	3,576	2,462	.....	.....	.....	.....	.....	.....	6
1,839	1,944	392	493	632	427	.....	.....	.....	.....	.....	.....	7
8,028	9,335	2,160	2,286	2,336	2,553	558	541	115	147	135	144	8
4,472	4,772	1,165	1,174	1,170	1,263	1,980	2,018	493	491	497	537	9
19,413	20,641	6,034	4,542	5,200	4,865	2,103	2,065	510	509	521	525	10
351	380	80	82	91	127	.....	.....	.....	.....	.....	.....	11
22,633	26,182	5,423	6,008	7,269	7,482	24,998	25,176	6,322	6,269	6,192	6,393	12
22,569	26,111	5,406	5,991	7,251	7,463	23,595	23,763	5,970	5,916	5,838	6,039	13
11,021	14,807	2,792	3,367	4,334	4,314	13,427	12,845	3,358	3,182	3,101	3,204	14
10,440	10,252	2,325	2,414	2,617	2,896	9,353	10,143	2,396	2,543	2,546	2,658	15
1,108	1,052	289	210	300	253	815	775	216	191	191	177	16
64	71	17	17	18	19	1,403	1,413	352	353	354	354	17
-326,895	-367,319	-79,349	-87,337	-100,112	-100,521	-11,401	-11,608	-2,781	-2,870	-2,946	-3,011	18
-298,020	-336,386	-71,961	-79,916	-92,317	-92,192	-2,702	-2,270	-564	-564	-569	-573	19
-263,505	-296,864	-62,733	-70,333	-81,941	-81,857	.....	.....	.....	.....	.....	.....	20
-34,515	-39,522	-9,228	-9,583	-10,376	-10,335	-2,702	-2,270	-564	-564	-569	-573	21
-4,090	-4,373	-1,064	-998	-1,142	-1,169	.....	.....	.....	.....	.....	.....	22
-10,349	-11,307	-2,805	-2,873	-2,954	-2,675	.....	.....	.....	.....	.....	.....	23
-4,501	-4,854	-1,223	-1,146	-1,215	-1,270	.....	.....	.....	.....	.....	.....	24
-7,997	-10,719	-2,230	-2,525	-2,933	-3,031	-1,384	-1,161	-285	-298	-298	-280	25
-284	-346	-74	-73	-100	-99	-986	-734	-185	-180	-176	-193	26
-6,502	-7,144	-1,642	-1,778	-1,826	-1,898	-330	-374	-93	-86	-95	-100	27
-792	-779	-190	-190	-206	-193	-2	-1	.....	.....	.....	.....	28
-28,875	-30,933	-7,388	-7,421	-7,795	-8,329	-8,699	-9,338	-2,217	-2,306	-2,377	-2,438	29
-28,419	-30,450	-7,243	-7,320	-7,709	-8,178	-8,699	-9,338	-2,217	-2,306	-2,377	-2,438	30
-17	-578	-159	-3	-208	-208	-5,426	-5,692	-1,365	-1,445	-1,403	-1,479	31
-10,277	-10,293	-2,381	-2,438	-2,582	-2,892	-3,253	-3,622	-848	-855	-965	-954	32
-18,125	-19,579	-4,703	-4,879	-4,919	-5,078	-20	-24	-4	-6	-9	-5	33
-456	-483	-145	-101	-86	-151	.....	.....	.....	.....	.....	.....	34
-16,744	-16,839	-3,414	-3,569	-3,716	-6,140	-10,211	-11,142	-2,427	-2,691	-2,684	-3,340	35
-8,427	-7,529	-967	-1,423	-1,264	-3,875	-940	-1,231	-257	-374	-332	-268	36
-464	-484	-119	-121	-119	-125	-1,146	-1,164	-84	-84	-210	-746	37
-7,853	-8,826	-2,328	-2,025	-2,333	-2,140	-8,125	-8,747	-2,046	-2,233	-2,142	-2,326	38
111	119	25	32	29	33	.....	.....	.....	.....	.....	.....	39
-825	-7,942	-2,448	-2,172	-6,324	3,002	-20,057	-18,264	-3,935	-1,544	64	-12,849	40
.....	.....	.....	.....	.....	.....	-5,267	5,497	566	1,223	2,083	1,625	41
.....	.....	.....	.....	.....	.....	-149	12	563	-190	-185	-176	43
.....	.....	.....	.....	.....	.....	-5,118	5,485	3	1,413	2,268	1,801	44
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45
-136	-701	11	-218	-528	34	-1,161	-1,052	-267	-289	-248	-248	46
-1,454	-1,669	-209	-303	-778	-379	-1,161	-1,052	-267	-289	-248	-248	47
1,270	1,366	326	213	354	473	.....	.....	.....	.....	.....	.....	48
48	-398	-106	-128	-104	-60	.....	.....	.....	.....	.....	.....	49
-689	-7,241	-2,459	-1,954	-5,796	2,968	-13,629	-22,709	-4,234	-2,478	-1,771	-14,226	50
-10,742	-17,190	-6,725	-3,808	-5,352	-1,305	-11,768	-11,742	-3,193	-3,008	-2,667	-2,874	51
-5,959	3,330	-1,217	1,118	2,864	565	-597	1,306	49	-111	465	903	52
1,677	-1,882	-92	-1,034	-756	.....	3	-11,643	-7	22	.....	-11,658	53
14,335	8,501	5,575	1,770	-2,552	3,708	-1,267	-630	-1,083	619	431	-597	54
19,075	54,182	13,028	3,249	4,927	32,978	21,860	25,006	5,753	6,259	8,492	4,502	55
(18)	(18)	(18)	(18)	(18)	(18)	2	.....	.....	.....	.....	.....	56
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	57
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	58
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	59
-2,561	-1,796	-737	-215	-613	-231	2	.....	.....	.....	.....	.....	60
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	61
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	62
(18)	(18)	(18)	(18)	(18)	(18)	21,858	25,006	5,753	6,259	8,492	4,502	63
(18)	(18)	(18)	(18)	(18)	(18)	4,415	4,996	1,197	1,232	1,267	1,300	64
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	65
(18)	(18)	(18)	(18)	(18)	(18)	51	292	-148	-130	473	97	66
-1,493	14,772	3,119	3,532	2,564	5,557	.....	.....	.....	.....	.....	.....	67
-2,950	1,563	805	1,892	-1,134	.....	16,622	22,407	2,440	3,057	4,697	12,213	68
¹⁸ 26,047	¹⁸ 39,172	¹⁸ 9,889	¹⁸ 1,560	¹⁸ 3,500	¹⁸ 27,343	¹⁸ 554	¹⁸ 3,227	¹⁸ 2,246	¹⁸ 2,063	¹⁸ 2,003	¹⁸ -3,085	69
110,562	113,949	20,816	35,867	46,649	10,617	-9,830	-13,792	-4,050	-6,570	-10,271	7,099	70
-126,510	-157,003	-31,059	-36,360	-46,135	-43,449	.....	.....	.....	.....	.....	.....	71
20,573	18,285	5,017	4,366	5,096	3,806	1,939	2,354	554	583	584	633	72
-105,937	-138,718	-26,042	-31,994	-41,039	-39,643	1,939	2,354	554	583	584	633	73
-6,242	-4,751	-1,965	-1,413	-526	-847	16,299	15,838	4,105	3,963	3,815	3,955	74
-16,744	-16,839	-3,569	-3,716	-3,716	-3,716	-10,211	-11,142	-2,427	-2,691	-2,684	-3,340	75
-128,923	-160,308	-31,421	-36,976	-45,281	-46,630	8,027	7,050	2,232	1,855	1,715	1,248	76

FOOTNOTES TO U.S. INTERNATIONAL TRANSACTIONS TABLES 1-10

General notes for all tables: *P* Preliminary. *R* Revised. *Less than \$500,000 (\pm)

D Suppressed to avoid disclosure of data of individual companies.

Table 1:

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).
2. Debits, - : Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).
3. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2.
4. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.
5. Includes transfers of goods and services under U.S. military grant programs.
6. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.
7. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.
8. At the present time, all U.S. Treasury-owned gold is held in the United States.
9. Includes sales of foreign obligations to foreigners.
10. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.
11. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.
12. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4.
13. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.
14. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 in appendix A in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables in the issue of the SURVEY.

Additional footnotes for historical data in July issues of the SURVEY:

14. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.
15. For 1978-83, includes foreign currency-denominated notes sold to private residents abroad.
16. Break in series. See Technical Notes in the June 1989, June 1990, June 1992, June 1993, June 1995, and July 1996-99 issues of the SURVEY.

Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974-81, when they represent transactions values, f.a.s. foreign port of exportation (see June issues of the SURVEY for historical data).

From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" month data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY).

Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see Technical Notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975-80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.

2. Adjustments in lines A5 and A13, B12, B48, and B84 reflect the Census Bureau's reconciliation of discrepancies between the goods statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 5 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 22 (direct defense expenditures).

4. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June issues of the SURVEY for historical data).

5. Coverage adjustments for special situations in which shipments were omitted from Census data; the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair; and the adjustment of software imports to market value. Also includes addition of understatement of inland freight in f.a.s. values of U.S. imports of goods from Canada in 1974-81; deduction of imports from the Panama Canal Zone before October 1, 1979; and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June issues of the SURVEY for historical data).

6. For 1988-89, correction for the understatement of crude petroleum imports from Canada.

7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 3 and 20. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memorandum are defined as follows: *Industrial countries:* Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC:* Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995.); *Other countries:* Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

8. Includes the former German Democratic Republic (East Germany) beginning in fourth quarter of 1990. In earlier periods, the German Democratic Republic was included in Eastern Europe.

9. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."

10. The "Euro area," which formed in January 1999, includes Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

Table 3:

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.
2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.
3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film rentals.

Table 4: 1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods and services purchased through military sales contracts—first authorized (for Israel) under Public Law 93-199, section 4, and

subsequently authorized (for many recipients) under similar legislation—are included in line A4. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A4 items, part of these military expenditures is applied in lines A43 and A46 to reduce short-term assets previously recorded in lines A41 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A4 expenditures finances future deliveries under military sales contracts for the recipient countries and is applied directly to lines A42 and C9. A third part of line A4, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A37. A fourth part of line A4, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A48.

2. Transactions under military sales contracts are those in which the Department of Defense sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. Purchases by foreigners directly from commercial suppliers are not included as transactions under military sales contracts. The entries for the several categories of transactions related to military sales contracts in this and other tables are partly estimated from incomplete data.

3. The identification of transactions involving direct dollar outflows from the United States is made in reports by each operating agency.

4. Line A38 includes foreign currency collected as interest and line A43 includes foreign currency collected as principal, as recorded in lines A16 and A17, respectively.

5. Includes (a) advance payments to the Department of Defense (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the contraentry for the part of line C10 that was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.

6. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.

7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.

Table 5:

1. Beginning with 1991, payments and receipts of interest related to interest rate and foreign currency swaps between affiliates and parents are netted and are shown as either net payments or net receipts. Receipts and payments of other types of interest are shown on a gross basis.

2. Petroleum includes, and manufacturing and "other" industries exclude, the exploration, development, and production of crude oil and gas, and the transportation, refining, and marketing of petroleum products, exclusive of petrochemicals. "Other" industries includes wholesale trade; banking; finance (except banking), insurance, and real estate; services; and other industries—agriculture, forestry, and fishing; mining; construction; transportation, communication, and public utilities; and retail trade.

3. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany debt, and other equity contributions.

4. Sales (total and partial), liquidations, returns of capital contributions, and other dispositions of equity holdings.

Table 6:

1. Primarily provincial, regional, and municipal.
2. Largely transactions by International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).

3. Estimate for scheduled redemptions and identifiable early retirements. Includes estimates based on Canadian statistics for redemptions of Canadian issues held in the United States. Unidentified and nonscheduled retirements appear in line A30.

Table 7:

1. Estimates of transactions other than those with U.S. banks' Caribbean branches and with financial intermediaries (F.I.s) are not available. Preliminary estimates of transactions with F.I.s, by area, are commingled in "other" to avoid disclosure of individual companies' area data.

2. Deposits (line A5) include other financial claims (line A7) for some countries due to the commingling of these categories in foreign source data.

3. Primarily mortgages, loans, and bills and notes drawn on foreigners.

4. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

5. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

6. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

Table 8:

1. Includes central governments and their agencies and corporations; state, provincial, and local governments and their agencies and corporations; and international and regional organizations.

2. U.S.-owned banks are mainly U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. U.S. brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.

3. Commercial paper issued in the U.S. market by foreign incorporated entities; excludes commercial paper issued through foreign direct investment affiliates in the United States.

4. Negotiable and readily transferable instruments other than commercial paper, payable in dollars; consists largely of negotiable certificates of deposit.

5. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

6. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

7. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

8. Includes Eastern Europe and international and regional organizations.

Table 9:

1. Negotiable certificates of deposit issued by banks in the United States are included in banks' custody liabilities and are separately identified in memorandum line 8. Nonnegotiable certificates of deposit are included in time deposits.

2. Includes borrowing under Federal funds or repurchase arrangements, deferred credits, and liabilities other than deposits.

3. Mainly negotiable and readily transferable instruments, excluding U.S. Treasury securities.

4. Mainly International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), and the Trust Fund of the International Monetary Fund.

5. U.S.-owned banks are mainly U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. U.S. brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.

6. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

7. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

8. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

9. Includes Eastern Europe and international and regional organizations.

Table 10: For footnotes 1-13, see table 1.

14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.

15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; before 1996, small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.

17. Details are not shown separately; see totals in lines 56 and 63.

18. Details are not shown separately; are included in line 69.