

Annual Revision of the U.S. International Accounts, 1995–2005

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AS is customary each June, the estimates of U.S. international transactions and of the U.S. international investment position have been revised to incorporate statistical, methodological, and presentational revisions. This year, the Bureau of Economic Analysis (BEA) has continued to address gaps in coverage. In large part, the gaps have arisen because of the dynamic nature of the international financial markets. Most revisions this year resulted from improved coverage of securities transactions, both for U.S. holdings of foreign securities and foreign holdings of U.S. securities. In addition, results of BEA's benchmark surveys of foreign direct investment in the United States for 2002 and of financial services for 2004 are incorporated. Finally, the geographic presentation of the accounts has been substantially expanded. Estimates of international transactions were revised for 1995–2005, and estimates of the international investment position were revised for 2002–2004.

This year, the major revisions were as follows:

- U.S. holdings and transactions in foreign stocks, bonds, short-term instruments, and related dividend and interest receipts were revised for 2003–2005 to incorporate results of the U.S. Treasury Department's annual survey of securities claims for December 2004.
- Foreign holdings and transactions in U.S. stocks, U.S. corporate bonds, U.S. Treasury bonds, U.S. agency bonds, U.S. short-term instruments, and related dividend and interest payments were revised for 2003–2005 to incorporate results from the U.S. Treasury Department's annual survey of securities liabilities for June 2005 and revisions to its benchmark survey of securities liabilities for June 2004.
- Foreign direct investment income, financial transactions, royalties and license fees, and "other" private services were revised to incorporate results from BEA's benchmark survey of foreign direct investment in the United States for 2002.
- "Other" private services were revised to incorporate results from BEA's benchmark survey of financial services transactions with unaffiliated foreigners for 2004.
- Beginning with estimates for 2005, the geographic detail of the accounts is presented in a substantially

expanded format.

The improved statistical coverage and measurement in the accounts, new methodologies, and new presentation are discussed in the remainder of this article. In addition to these major changes, revisions to the accounts resulted from the incorporation of regularly available data from BEA's annual and quarterly surveys, from the U.S. Treasury Department's and Federal Reserve System's quarterly and monthly surveys, and from other U.S. Government agencies and private sources. These revisions affected the estimates for 2003–2005.

For 2005, as a result of all the changes, the current-account deficit was decreased \$13.4 billion to \$791.5 billion (table 1). By account, \$2.0 billion was added to goods exports and \$3.1 billion was added to goods imports, resulting in a deficit that was \$1.1 billion higher than previously estimated. For services, \$1.0 billion was added to services exports, and \$7.0 billion was removed from services imports, resulting in a surplus that was \$8.0 billion higher than previously estimated. For income, \$6.0 billion was added to income receipts and \$3.8 billion was removed from income payments, resulting in a surplus that was \$9.7 billion higher than previously estimated. For net current unilateral transfers, \$3.2 billion in net transfers to foreign residents was added. Net financial account inflows (net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad) were revised down \$15.5 billion, to \$785.4 billion. Details on revisions to individual series are shown in table 2.

For 2004, as a result of all the changes, the net international investment position with direct investment at current cost was revised to $-\$2,360.8$ billion from $-\$2,484.2$ billion: U.S. assets abroad were revised to \$9,186.7 billion from \$9,052.8 billion, and foreign assets in the United States were revised to \$11,547.4 billion from \$11,537.0 billion. On an alternative valuation basis, the position with direct investment at market value was revised to $-\$2,448.7$ billion from $-\$2,542.2$ billion: U.S. assets abroad were revised to \$10,075.3 billion from \$9,972.8 billion, and foreign assets in the United States were revised to \$12,524.1 billion from \$12,515.0 billion. Details on revisions to individual series are shown in table 3.

Geographic presentation

Beginning with estimates for 2005, the presentation of the accounts has been greatly expanded to portray U.S. international transactions with foreigners in substantially greater geographic detail. A complete set of accounts is now presented for most countries that have substantial transactions in goods, services, income, or financial assets with the United States in table 11 of the standard presentation of the accounts. In addition, the presentation of U.S. trade in goods in table 2a of the standard presentation now includes additional countries.

Extensive geographic detail for some of the accounts—such as those for goods, for services, and for direct investment transactions—has been part of BEA's quarterly and annual presentations for some time, but the estimates have been presented in several locations, making it difficult to place the detailed information by account and by country or area in a broader context. Geographic detail of other accounts—such as for “other” income, unilateral transfers, and financial transactions—is introduced for the first time with this year's annual revision. The new presentation places in one location the entire set of accounts for many additional countries and areas.

Accounts for several countries previously presented only annually in table 12 are now presented quarterly and integrated with accounts of other countries and areas in an expanded table 11. New quarterly estimates are provided for Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Venezuela, and South Africa. Table 12, in which the previous annual accounts appeared, has been discontinued.

The previous table 11 included only combined estimates for all of the countries in Asia and Africa. The new presentation shows separate, newly developed estimates for Africa, for the Middle East, and for Asia and Pacific, making it possible to distinguish between the different types of cross-border activity and the comparative size of transactions among the three regions.

Additional countries in South and Central America have been added to the presentation: These are Argentina, Brazil, and Venezuela. Additional countries in the Asia and Pacific region include China, Hong Kong, India, the Republic of Korea, Singapore, and Taiwan.

The presentation for Europe, the region with the largest U.S. exports of goods and services and the second largest imports, has also been updated. The presentation now groups countries in Europe into those in the European Union (the European Union total was previously available) and those in the euro area (the individual euro area countries and the euro area total are newly available).

Within the European Union, which accounts for almost 90 percent of U.S. trade with Europe, there are separate estimates for the euro area, the United Kingdom, and for all other European Union countries combined. Within the euro area, which accounts for a substantial part of U.S. trade with the European Union, there are separate estimates for Belgium, France, Germany, Italy, Luxembourg, the Netherlands, and for all other euro area countries combined.

In addition to these changes in table 11, the geographic detail for table 2a (which contains estimates for goods exports and goods imports) has been expanded to include many additional countries in each major region: In Europe, Austria, Belgium, Finland, Greece, Ireland, Luxembourg, Norway, Portugal, Russia, Spain, Sweden, Switzerland, and Turkey are added to the major countries previously shown; in South and Central America, Argentina, Chile, and Colombia are added; in Asia and Pacific, India, Indonesia, Malaysia, the Philippines, and Thailand are added; in the Middle East, Israel and Saudi Arabia are added; and in Africa, Algeria, Nigeria, and South Africa are added.

The updated geographic presentation opens new avenues for bilateral and regional analysis and provides additional opportunities for analysis of macroeconomic developments among major trading blocs and regions. The new presentation is also flexible enough to permit expansion in the future as countries' international transactions with the United States grow. The new estimates will be published quarterly and revised both quarterly and annually. Because of space constraints, the SURVEY OF CURRENT BUSINESS will contain a slightly abbreviated list of countries and estimates for only the most recent year and most recent two quarters. The full set of countries and estimates for the complete time period are available in the interactive data tables on BEA's Web site.¹

Foreign securities

Positions. U.S. holdings of foreign securities (table 3, line 19) were revised up \$116.7 billion to \$3,553.4 billion for 2004 to incorporate the results of the December 2004 Treasury Department annual survey of securities claims and other updated source data. The annual survey results caused upward revisions to both bond and stock positions because the positions reported on the survey were higher than the previously published estimates. Information from the annual survey was also used to adjust the weights used to estimate price changes. The position for foreign bonds was revised up \$32.7 billion because of the annual survey and

1. The BEA Web site address for the interactive tables is <www.bea.gov/bea/international/bp_web>.

up \$43.6 billion because of updated source data. The position for foreign stocks was revised up \$38.6 billion because of the annual survey and up \$1.8 billion because of updated source data.

Transactions. Transactions in foreign securities (table 2, line 52) were revised for 2003–2005 to incorporate updated monthly transactions data from the Treasury International Capital (TIC) reporting system. In part, this resulted from concerted efforts that were made by the Federal Reserve and the Treasury Department to improve the reporting of TIC data.² Net U.S. purchases of foreign securities were revised down \$9.3 billion in 2003, up \$44.2 billion in 2004, and up \$24.9 billion in 2005.

Income. Income on foreign securities (table 2, part of line 15) was revised for 2003–2005 to incorporate the results of the December 2004 annual survey of securities claims and other updated source data. The revisions to positions in foreign securities (described above) are carried through to the income estimates, which are estimated by applying market yields to positions estimates. Information from the annual survey was also used to adjust the weights for the market yields. Income on foreign securities was revised down \$0.1 billion for 2003 because of updated source data, up \$2.3 billion for 2004, and up \$5.9 billion for 2005 for both the annual survey results and updated source data.

U.S. corporate bonds and stocks

Positions. Foreign holdings of U.S. corporate bonds and stocks were revised for 2003 and 2004 to incorporate the results of two Treasury Department surveys of securities liabilities—the June 2004 revised benchmark survey and the June 2005 annual survey—and other updated source data. The revised June 2004 survey results showed positions in both bonds and stocks that were higher than last year’s preliminary results and that resulted in upward revisions to positions for yearend 2003. The June 2005 annual survey caused a downward revision to bonds and an upward revision to stocks for 2004. Liabilities surveys are conducted each June and BEA’s estimates of positions are for yearend. BEA estimates yearend positions using the June position data plus transactions data and estimates of valuation changes. Information from the surveys was also used to adjust the weights used to estimate price changes for bonds.

For 2003, foreign official holdings of corporate

bonds and stocks (table 3, line 32) were revised up \$1.4 billion because of the survey results; for 2004, holdings were revised up \$21.7 billion because of the survey results and down \$0.3 billion because of updated source data. For 2003, the private holdings of bonds (table 3, part of line 39) were revised up \$14.3 billion because of the survey results and down \$3.8 billion because of updated source data. For 2004, holdings are revised down \$13.5 billion because of the survey results and up \$3.9 billion because of updated source data. For 2003, private holdings of stocks (table 3, line 40) were revised up \$11.5 billion because of the survey results and down \$0.3 billion because of updated source data; for 2004, holdings were revised up \$32.0 billion because of the survey results and down \$0.1 billion because of updated source data.

Transactions. Transactions in U.S. corporate bonds and stocks were revised for 2003–2005 to incorporate updated monthly TIC transactions data. Net foreign official purchases of corporate bonds and stocks (table 2, line 62) were unrevised in 2003, revised up \$0.9 billion in 2004, and revised down \$0.1 billion in 2005. Net private foreign purchases of corporate bonds (table 2, part of line 66) were revised down \$1.2 billion for 2003, up \$11.6 billion for 2004, and down \$16.3 billion for 2005. Net private foreign purchases of corporate stocks (table 2, part of line 66) were revised down \$1.0 billion for 2003, down \$1.0 billion for 2004, and down \$2.8 billion for 2005.

Income. Income on U.S. corporate bonds and stocks (table 2, part of line 32) was revised for 2003–2005 to incorporate the results of the June 2004 revised benchmark survey, the June 2005 annual survey, and other updated source data. The revisions to the positions (described above) were carried through to the income estimates, which were estimated by applying market yields to positions estimates. Information from the surveys was also used to adjust the weights for the market yields for bonds. The weight of the nondollar bond yield was reduced, and the weight of the eurodollar bond yield was raised, leading to a slight increase in average yields for 2004–2005. Income on corporate bonds and stocks was revised up \$0.2 billion for 2003, up \$1.4 billion for 2004, and up \$0.4 billion for 2005.

U.S. Treasury and agency bonds

Positions. Foreign holdings of U.S. Treasury and agency bonds were revised for 2003 and 2004 to incorporate the results of two Treasury Department surveys of securities liabilities—the June 2004 revised benchmark survey and the June 2005 annual survey—and other updated source data. The revised June 2004

2. For more information on the improvements to the TIC data see: Carol C. Bertaut, William L. Grier, Ralph W. Tryon, “Understanding U.S. Cross-Border Securities Data,” *Federal Reserve Bulletin* (2006): A71; <www.federalreserve.gov/publ/bulletin/>.

survey results showed positions in both Treasury and agency bonds that were lower than last year's preliminary results, causing downward revisions to positions for yearend 2003. The June 2005 annual survey caused a downward revision to Treasury bonds and an upward revision to agency bonds for 2004. Liabilities surveys are conducted each June and BEA's estimates of positions are for yearend. BEA estimates yearend positions using the June position data plus transactions data and estimates of valuation changes.

Foreign official holdings of Treasury bonds (table 3, part of line 28) were revised down \$4.1 billion for 2003 and down \$19.3 billion for 2004 because of the survey results. Foreign official holdings of agency bonds (table 3, line 29) were revised down \$1.6 billion for 2003 and up \$19.0 billion for 2004, mostly because of the survey results. Private holdings of U.S. Treasury bonds (table 3, part of line 37) were revised down \$13.7 billion for 2003 and down \$71.5 billion for 2004 because of the survey results. Private holdings of U.S. agency bonds (table 3, part of line 39) were revised down \$4.0 billion because of the survey results and down \$3.0 billion because of updated source data for 2003; for 2004, holdings were revised down \$14.5 billion, mostly because of the survey results.

Transactions. Transactions in U.S. Treasury bonds and notes were revised for 2003–2005 to incorporate updated monthly TIC transactions data and a change to the quarterly adjustment to net purchases prompted by the survey results. Survey results indicate that net purchases reported by the TIC data are too high, likely due to underreporting of redemptions. BEA has increased its downward adjustment to private net foreign purchases of U.S. Treasury bonds and notes from \$2.0 billion each quarter to \$8.0 billion each quarter. Foreign official net purchases of Treasury bonds and notes (table 2, line 58) were revised down \$9.3 billion for 2004 and down \$12.3 billion for 2005. Foreign private net purchases (table 2, line 65) were revised down \$12.9 billion for 2003, down \$4.0 billion for 2004, and up \$2.7 billion for 2005.

Transactions in U.S. agency bonds were revised for 2003–2005 to incorporate updated monthly TIC transactions data. Foreign official net purchases of agency bonds (table 2, line 59) were unrevised for 2003, revised up \$3.2 billion for 2004, and down \$8.4 billion for 2005. Foreign private net purchases of agency bonds (table 2, part of line 66) were revised down \$3.4 billion for 2003, up \$1.1 billion for 2004, and up \$4.0 billion for 2005.

Income. Income on Treasury bonds was revised for 2003–2005 to incorporate the results of the June 2004 revised benchmark survey, the June 2005 annual survey, other updated source data, and a refinement to the

methodology. The revisions to the positions (described above) were carried through to the income estimates, reflecting the survey results and updated source data. Position estimates are a key input for estimating income. In addition, BEA is introducing new data to refine its estimation of income on Treasury bonds. Under BEA's methodology, interest paid on Treasury bonds to all holders is multiplied by an estimate of the percentage of bonds held by foreigners. In the calculation of this percentage, BEA uses information on the face value of Treasury debt from the Treasury Department's Monthly Statement of the Public Debt (MSPD) and adjusts it to a market value basis (which is the basis used by BEA in measuring U.S. assets and liabilities in the international investment position). Until now, BEA used annual ratios derived from annual Treasury liabilities surveys to adjust the MSPD data from face values to market values. The Federal Reserve Board has now provided quarterly ratios for the period from the June 2003 annual survey through the June 2005 annual survey. These more frequent ratios also include U.S. Treasury STRIPS, whereas the previous annual ratios included only interest bearing U.S. Treasury bonds and notes. The greater frequency and comprehensiveness of this component make the estimates of income on Treasury bonds more complete and more accurate. As a result of revisions from all sources, income on Treasury bonds (table 2, part of line 33) was revised up \$0.4 billion for 2003, down \$1.1 billion for 2004, and down \$3.1 billion for 2005.

Income on U.S. agency bonds (table 2, part of line 33) was revised for 2003–2005 to incorporate the results of the June 2004 revised benchmark survey, the June 2005 annual survey, and other updated source data. The revisions to the positions (described above) were carried through to the income estimates, which were estimated by applying market yields to positions estimates. Income on U.S. agency bonds was revised down slightly for 2003, down \$0.2 billion for 2004, and up \$0.5 billion for 2005.

Short-term financial instruments (claims)

Positions. U.S. holdings of short-term financial instruments (claims) held in custody by banks (table 3, part of line 23) were revised up \$14.0 billion for 2003 and up \$11.6 billion for 2004 to incorporate results of the December 2003 Treasury Department annual claims survey. The December 2003 annual claims survey revealed that Treasury Department's coverage of transactions and positions was incomplete; however, the results were not immediately incorporated into BEA's estimates because 2003 was only the first time that short-term instruments were reported on the survey. Since then, the Federal Reserve and the Treasury

have further expanded the coverage of the survey, and as a result, significant improvements in the TIC data have been realized, beginning with data for 2005. To account for less complete coverage before 2005, BEA increased its estimates for 2003 and 2004, making them more consistent with the December 2003 Treasury annual survey and improved TIC data for 2005.

Transactions. Transactions in short-term financial instruments (claims) held in custody by banks (table 2, part of line 54) were revised for 2003–2005 to incorporate results from the December 2003 Treasury Department annual claims survey and other updated source data. Increases in banks' claims in short-term instruments were revised up \$4.2 billion for 2003, down \$4.5 billion for 2004, and up \$5.3 billion for 2005.

Income. Income on short-term financial instruments (claims) held in custody by banks (table 2, part of line 15) were revised for 2003–2005 to incorporate results from the December 2003 Treasury Department annual claims survey and other updated source data. Interest receipts on banks' claims in short-term instruments were revised up \$0.1 billion for 2003, up \$0.2 billion for 2004, and up \$0.1 billion for 2005.

Short-term financial instruments (liabilities)

Positions. Foreign private holdings of U.S. Treasury bills (table 3, part of line 37) were revised down \$6.8 billion for 2004, and foreign private holdings of other U.S. short-term instruments (table 3, part of line 43) were revised up \$2.7 billion for 2004, to incorporate results of the June 2004 Treasury Department benchmark survey and the June 2005 Treasury Department annual survey.

Transactions. Foreign private transactions in U.S. Treasury bills and foreign private transactions in other short-term financial instruments (liabilities) held in custody by banks were revised for 2004, to incorporate results of the June 2004 Treasury Department benchmark survey and the June 2005 Treasury Department annual survey. Transactions in foreign private holdings of U.S. Treasury bills (table 2, part of line 65) were revised down \$2.6 billion for 2004 because of the surveys. Increases in banks' liabilities in other short-term financial instruments held in custody by banks (table 2, part of line 69) were revised up \$1.4 billion for 2004 and revised up \$1.4 billion for 2005 because of the surveys.

Income. Income payments on foreign private holdings of U.S. Treasury bills (table 2, part of line 33) and other short-term-financial instruments (liabilities) held in custody by banks (table 2, part of line 32) were revised for 2004–2005 to incorporate results of the June 2004 Treasury Department benchmark survey and the June 2005 Treasury Department annual survey.

Interest payments on foreign private holdings of U.S. Treasury bills were revised down slightly for 2004 and down \$0.2 billion for 2005 because of the surveys. Interest payments on other short-term financial instruments (liabilities) held in custody by banks (table 2, part of line 32) were revised up \$0.1 billion for 2004 and up \$0.1 billion for 2005 because of the surveys.

Foreign direct investment in the United States

Results of BEA's 2002 Benchmark Survey of Foreign Direct Investment in the United States were incorporated into the accounts. The 2002 benchmark survey covers the universe of U.S. affiliates of foreign direct investors. In nonbenchmark years, universe estimates of the direct investment position and related financial transactions and income flows are derived from data reported quarterly by a sample of foreign-owned U.S. businesses and from estimates for affiliates not in the sample. The estimates for affiliates not in the sample are derived by extrapolating data from the benchmark survey, using data from affiliates in the sample as the basis for extrapolation.

Direct investment financial transactions. Net financial transactions for foreign direct investment in the United States were revised for 2002–2005 to incorporate the results of BEA's 2002 Benchmark Survey of Foreign Direct Investment in the United States and to incorporate new or adjusted data from quarterly surveys for those years. The revisions also reflect revised estimates of depreciation, depletion, and expensed exploration and development costs that are used to adjust the reinvested earnings component of financial flows to a current-cost basis. Net financial inflows (increases in direct investment) were revised up \$3.5 billion for 2002, down \$3.1 billion for 2003, up \$26.3 billion for 2004, and down \$18.9 billion for 2005.

Direct investment income. Net payments of income by U.S. affiliates to their foreign parents were revised for 2002–2005 to incorporate the results of BEA's 2002 Benchmark Survey of Foreign Direct Investment in the United States and to incorporate new or adjusted data from quarterly surveys for those years. The revisions also reflect revised estimates of depreciation, depletion, and expensed exploration and development costs that are used to adjust the earnings component of direct investment income to a current-cost basis and related withholding tax adjustments. Net direct investment income payments were revised down \$2.6 billion for 2002, up \$2.5 billion for 2003, down \$2.8 billion for 2004, and down \$2.0 billion for 2005.

Royalties and license fees payments and receipts, affiliated. Payments and receipts of royalties and license fees between U.S. affiliates and their foreign parents were revised for 2002–2005 to incorporate the

results of BEA's 2002 Benchmark Survey of Foreign Direct Investment in the United States and to incorporate new or adjusted data from sample surveys for those years. U.S. affiliates' payments were virtually unrevised for 2002, revised down \$0.5 billion for 2003, down \$0.6 billion for 2004, and down \$0.5 billion for 2005. U.S. affiliates' receipts were virtually unrevised for 2002, revised down \$0.2 billion for 2003, down \$0.3 billion for 2004, and down \$1.4 billion for 2005.

Other private service payments and receipts, affiliated. Payments and receipts for other private services between U.S. affiliates and their foreign parents were revised for 2002–2005 to incorporate the results of BEA's 2002 Benchmark Survey of Foreign Direct Investment in the United States and to incorporate new or adjusted data from quarterly surveys for those years. U.S. affiliates' payments were revised down for all 4 years—\$2.2 billion for 2002, \$3.7 billion for 2003, \$5.3 billion for 2004, and \$1.0 billion for 2005. U.S. affiliates' receipts are revised down for all 4 years—\$2.4 billion for 2002, \$3.7 billion for 2003, \$4.6 billion for 2004, and \$0.6 billion for 2005. For both payments and receipts, the revisions reflect largely offsetting corrections to remove a duplication of transactions of U.S. affiliates that were reported on BEA surveys. The corrections extend back to 1997.

Financial services

This year's revision incorporates results of BEA's Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons for 2004. The benchmark survey is more comprehensive than BEA's quarterly surveys of financial services transactions, principally because of much lower reporting thresholds. The survey asks financial service providers to report explicit fees and brokerage commissions received and paid for equity trading; brokerage commissions for transactions in other financial instruments, including futures and derivatives; underwriting and private placement fees; financial management fees; credit-related fees excluding credit card fees; credit card fees; financial advisory and custody fees; securities lending fees; electronic funds transfer fees; and fees from all other financial services. Because of the small number of major reporters in some of these categories, BEA must combine several reporting categories when it presents the estimates. This year's revision also includes revised results from BEA's annual survey for 2003 and revised results from BEA's quarterly surveys for 2004 and 2005.

In addition to revised survey results, BEA conducted research into bid-ask spreads used to estimate dealer fees and commissions on U.S. and foreign bond transactions. Bond dealer earnings derive both from

bid-ask price spreads on securities as well as earnings from changes in the prices of securities that they hold in inventory (which BEA records as a capital gain or loss). Because their bid-ask price spreads are an undifferentiated component of their overall earnings that includes capital gain or loss income, it is often not possible for a company to separately identify the amount of their implicit commissions. Thus, unlike commissions on U.S. and foreign stocks for which commissions are usually explicit, commissions for trading in outstanding bonds are not separately identifiable and not easily reported on survey questionnaires. Therefore, BEA estimates bond commissions by applying average, market-based bid-ask spreads to cross-border transactions in bonds reported by the U.S. Treasury. BEA's research indicates that in recent years, these bid-ask spreads have fallen significantly, both in the United States and abroad. The decline is attributable to technological advances in executing trades in global bond markets, to heightened transparency of bond transactions cost data, and to increased efficiency and competition in global and U.S. bond markets. In recognition that bid-ask spreads in recent years have dropped below those included in previously published estimates, the estimates have been revised to incorporate updated, smaller spreads. The smaller bid-ask spreads were the principal reason for the lowering of bond commission receipts and payments for 2003–2005.

As a result of the new survey data and the change in methodology, financial services receipts from unaffiliated foreigners were revised down \$0.4 billion for 2003, were revised up \$3.3 billion for 2004, and were revised up \$2.3 billion for 2005. The small revision to 2003 resulted mostly from downward revisions to brokerage commissions received, largely as a result of lower bond commissions estimated by BEA, as well as from results of the benchmark survey of financial services for 2004 extended backward into 2003. The upward revisions to 2004 and 2005 resulted from the inclusion of new reporters, mostly newly formed hedge funds and private equity groups, which reported financial management fees for the first time on the 2004 benchmark survey. Estimates of transactions by these new reporters were carried forward into 2005. In addition, both the 2004 benchmark and 2005 quarterly surveys indicated financial advisory and underwriting fees that were significantly above preliminary survey reports.

Financial services payments to unaffiliated foreigners were revised down \$0.2 billion for 2003, were revised up \$0.3 billion for 2004, and were revised down \$0.1 billion for 2005. These relatively small revisions were the result of changes in foreign bond bid-ask spreads used in the estimation of foreign bond

commissions and small revisions to survey data across several reporting categories.

Insurance services

BEA's estimate of insurance services consists of three components: (1) Earned premiums less "normal" losses, where normal losses are inferred from the relationship between actual losses and premiums, averaged over several years, (2) auxiliary insurance services, such as agents' commissions, actuarial services, brokerage and agency services, and salvage administration services, and (3) premium supplements, representing income on funds held by insurance companies on which policyholders have a claim.³ With this annual revision, BEA is refining its method of calculating the shares of premiums attributable to insurance services and to normal losses.

In calculating "normal" losses, BEA previously had averaged past actual losses in relation to premiums separately for primary insurance and reinsurance. Separate averaging was done because the relationship between premiums and losses varies systematically by type of insurance, with losses generally being higher in relation to premiums for reinsurance than for primary insurance. Premiums over and above those required to cover normal losses were regarded as payments for the provision of insurance services. With this annual revision, BEA is treating "finite reinsurance" as a third category of services for which premium-related service charges are separately calculated. Finite reinsurance is a type of insurance in which the reinsurer's risk is substantially reduced by a number of possible contractual conditions, such as loss caps or rights to receive rebates of premiums if actual losses are lower than expected. Because the reinsurer's obligation for claims is known with a high degree of confidence to be within narrow bounds, the share of premiums attributable to the provision of services is assumed to be much lower for this type reinsurance than it is for either primary insurance or other types of reinsurance. In essence, finite reinsurance in some aspects may have more in common with financial intermediation that it does with ordinary insurance, with the original insurer freeing itself of liabilities to pay future losses by paying a premium, ostensibly reflecting the value of those losses, and usually a small additional sum for the (limited) risks assumed by the reinsurer. BEA's estimate of the amount that is not for payment of losses is included

3. For a detailed description of BEA's method for estimating insurance services, see Christopher L. Bach, "Annual Revision of the U.S. International Transactions Accounts, 1989–2003," *SURVEY OF CURRENT BUSINESS* 83 (July 2003): 35–37, and Christopher L. Bach, "Annual Revision of the U.S. International Transactions Accounts, 1992–2002," *SURVEY* 84 (July 2004): 60–62.

entirely in premium supplements, which represent the expected income earned on the technical reserves of insurance companies.⁴

BEA's surveys of insurance transactions currently do not distinguish between finite reinsurance and other types of reinsurance, so this methodological change has been implemented only on a case-by-case basis, when these transactions are large and come to BEA's attention. In such cases, BEA replaces the estimate for services that would have been generated under the previously described formula with a low, judgmental estimate for the value of these services.

Other private transfers

Many foreigners come to the United States to receive medical treatment. As services are provided and billed, foreigners make payments for the treatments received. For those few services that are billed but for which no payment is received, the charges are considered to be "written off" of the books of the billing entity. Previously, these transactions were considered as transfers (or gifts) to foreigners, or a provided service for which there was no return payment, and were included as a small component of "private remittances and other transfers" (table 2, line 38). However, beginning with this revision, they are now considered as a writeoff of bad debts. Such writeoffs should not be included in the transactions accounts and are now excluded from "other private transfers" for 1995–2005. Estimates for bad debts of foreign medical patients were not made prior to 1995 and those estimates remain unchanged. Other private transfers were revised down \$0.2 billion in 2005.

Immigrants' transfers

Estimates of the value of belongings and other assets and liabilities that immigrants own when they arrive in the United States were revised for 1996–2005. These transfers (receipts) represent the net worth of immigrants. BEA's estimates of net worth are based on the product of three variables: The number of individuals immigrating to the United States each year, the per capita gross domestic product (GDP) of their home countries (a proxy for income), and wealth-to-income ratios.

The total number of individuals immigrating to the United States in a given year is the sum of three components: Legal, new-arrival immigrants; legal, adjusted-status immigrants (that is, those who arrived in earlier years but who only recently disclosed their

4. Premium supplements represent the investment income of insurance companies on funds that are treated as belonging to policyholders. See Bach, "Annual Revision, 1992–2002."

intentions to permanently immigrate); and undocumented immigrants. BEA's estimates of legal, new-arrival immigrants were little changed. However, BEA's estimates of legal, adjusted-status immigrants and undocumented immigrants have been improved by the following: Updated source data, a new distribution of immigrants by year of arrival in the United States that allows for more accurate estimates of legal-adjusted status immigrants, and the estimation of undocumented immigration flows on a gross basis rather than a net basis. In addition, BEA's estimates of the per capita GDP of the immigrants' countries of origin and BEA's estimates of the wealth-to-income ratios have been updated with the most recently available source data.⁵

Legal, adjusted-status immigrants. Data on persons who initially arrive in the United States on a temporary basis—for example, as students or intracorporate transferees—but who later convert to a permanent immigration status are from the U.S. Citizenship and Immigration Service (USCIS). The USCIS counts adjusted-status immigrants as immigrants in the year in which they convert to a permanent immigration status, not in the year in which they arrive in the United States. However, BEA records the immigrants' transfers in the year in which the immigrants arrive in the United States, not in the year in which they adjust to a permanent immigration status. To do

5. For a discussion of BEA's immigrants' transfers methodology, see Christopher L. Bach, "U.S. International Transactions: Annual Revision of the International Transactions Accounts, 1992–2002," *SURVEY* 83 (July, 2003): 44.

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this, BEA estimates the number of temporary immigrants who will eventually adjust their status and then replaces its estimates with updated source data periodically. BEA replaced its estimates with updated USCIS source data (through 2002) on the calendar year of entry for immigrants who adjusted their status between 1996 and 2002. After 2002, the USCIS ceased publishing information on the calendar year of entry, so BEA developed a distribution based on past USCIS data to allocate the adjusted-status immigrants to their appropriate year of entry. BEA will continue to use this distribution to assign each future year's legal, adjusted-status immigrants to their calendar year of arrival in the United States. As a result of replacing BEA's estimates with USCIS source data and the new method of distribution, BEA's estimates of legal, adjusted-status immigrants by calendar year of entry are revised downward for most years in 1996–2005.

Undocumented immigrants. Data on the annual number of undocumented immigrants for 1996–2005 are from the U.S. Citizenship and Immigration Service (1996–2000) and the Pew Hispanic Center (2001–2005). The latest report from the USCIS shows, for the first time, data on gross "entries" into, and "exits" from, the undocumented population of the United States. The USCIS data show that the number of people who "exit" the undocumented population each year (through emigration, death, deportation, or adjustment to legal status) is significant.

Previously, BEA calculated the difference between the USCIS's published estimates of the undocumented population in the United States at two points in time and assumed that the average annual change was a good proxy for the gross inflow of undocumented immigrants to the United States each year. The new USCIS and Pew Hispanic Center source data on the undocumented population allow BEA to measure the gross flow of undocumented immigrants rather than the net change in the undocumented population. This increased BEA's estimates of undocumented immigration for each year in 1996–2005. The upward revisions to the number of undocumented immigrants more than offset the downward revisions to the number of legal, adjusted-status immigrants.

Per capita GDP of the home countries. BEA updated the per capita GDP of each country of origin (used as a proxy for income), using the most recently available data from the United Nations Statistics Division's database.

Wealth-to-income ratios. BEA's estimates of wealth-to-income ratios are updated to incorporate recent data from the Census Bureau on household wealth and asset ownership in the United States for 1995, 1998, and 2000. Previously, BEA's estimates were

based on Census Bureau data for 1983, 1988, 1991, and 1993. The updated source data resulted in downward revisions to wealth-to-income ratios for 1996–2005.

The upward revision to the number of undocumented immigrants and the downward revision to the wealth-to-income ratios were largely offsetting; the revisions resulted in a larger number of immigrants with smaller per capita transfers. Because

most of the increase in the number of undocumented immigrants is attributable to Mexico, immigrants' transfers from Mexico were generally revised up, while immigrants' transfers from other countries and areas were generally revised down. Total U.S. receipts of immigrants' transfers were revised down \$0.1 billion in 2005, to \$0.8 billion. These estimates are included in the capital account (table 2, line 39).

Table 1. Revisions to U.S. International Transactions

[Millions of dollars; quarters seasonally adjusted]

	Exports of goods and services and income receipts			Imports of goods and services and income payments			Unilateral current transfers, net (inflows +, outflows -)			Balance on current account			Net financial flows (inflows +, outflows -)		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
1995	1,004,631	1,004,631		-1,080,124	-1,080,124		-38,177	-38,074	103	-113,670	-113,567	103	86,298	86,298	
1996	1,077,731	1,077,731		-1,159,478	-1,159,478		-43,147	-43,017	130	-124,894	-124,764	130	137,687	137,687	
1997	1,191,441	1,191,257	-184	-1,287,142	-1,286,597	545	-45,205	-45,062	143	-140,906	-140,402	504	221,334	221,334	
1998	1,195,314	1,194,993	-321	-1,356,058	-1,355,334	724	-53,320	-53,187	133	-214,064	-213,528	536	69,740	69,740	
1999	1,260,368	1,259,809	-559	-1,509,874	-1,509,207	667	-50,554	-50,428	126	-300,060	-299,826	234	236,148	236,148	
2000	1,422,402	1,421,515	-887	-1,779,620	-1,778,020	1,600	-58,781	-58,645	136	-415,999	-415,150	849	486,373	486,373	
2001	1,295,441	1,293,147	-2,294	-1,632,987	-1,630,811	2,176	-51,910	-51,295	615	-389,456	-388,959	497	400,243	400,243	
2002	1,248,068	1,245,373	-2,695	-1,659,233	-1,654,232	5,001	-64,046	-63,587	459	-475,211	-472,446	2,765	500,316	503,167	2,851
2003	1,332,397	1,319,158	-13,239	-1,780,907	-1,777,462	3,445	-71,169	-69,210	1,959	-519,679	-527,514	-7,835	560,646	538,345	-22,301
2004	1,530,975	1,526,855	-4,120	-2,118,119	-2,110,559	7,560	-80,930	-81,582	-652	-668,074	-665,286	2,788	584,596	582,419	-2,177
2005	1,740,897	1,749,892	8,995	-2,462,946	-2,455,328	7,618	-82,896	-86,072	-3,176	-804,945	-791,508	13,437	800,966	785,449	-15,517
1995: I	241,117	241,117		-263,108	-263,108		-9,467	-9,443	24	-31,458	-31,434	24	33,144	33,144	
1995: II	248,705	248,705		-271,587	-271,587		-9,156	-9,131	25	-32,038	-32,013	25	4,060	4,060	
1995: III	255,495	255,495		-272,929	-272,929		-9,570	-9,543	27	-27,004	-26,977	27	69,055	69,055	
1995: IV	259,310	259,310		-272,501	-272,501		-9,982	-9,956	26	-23,173	-23,147	26	-19,959	-19,959	
1996: I	263,221	263,221		-279,419	-279,419		-11,272	-11,242	30	-27,470	-27,440	30	4,824	4,824	
1996: II	266,995	266,995		-287,312	-287,312		-9,554	-9,523	31	-29,871	-29,840	31	33,282	33,282	
1996: III	266,854	266,854		-293,261	-293,261		-9,686	-9,651	35	-36,093	-36,058	35	52,529	52,529	
1996: IV	280,655	280,655		-299,487	-299,487		-12,636	-12,603	33	-31,468	-31,435	33	47,054	47,054	
1997: I	287,298	287,279	-19	-313,518	-313,370	148	-10,004	-9,967	37	-36,224	-36,058	166	20,276	20,276	
1997: II	299,738	299,679	-59	-318,324	-318,220	104	-10,303	-10,267	36	-28,889	-28,808	81	47,567	47,567	
1997: III	303,592	303,542	-50	-325,636	-325,472	164	-10,704	-10,666	38	-32,748	-32,596	152	47,836	47,836	
1997: IV	300,816	300,762	-54	-329,667	-329,536	131	-14,194	-14,160	34	-43,045	-42,934	111	105,651	105,651	
1998: I	302,233	302,195	-38	-333,940	-333,832	108	-12,088	-12,053	35	-43,795	-43,690	105	4,732	4,732	
1998: II	298,900	298,846	-54	-337,687	-337,534	153	-12,393	-12,361	32	-51,180	-51,049	131	16,427	16,427	
1998: III	293,199	293,115	-84	-338,677	-338,440	237	-13,175	-13,140	35	-58,653	-58,465	188	17,443	17,443	
1998: IV	300,980	300,835	-145	-345,756	-345,530	226	-15,662	-15,633	29	-60,438	-60,328	110	31,136	31,136	
1999: I	300,257	300,183	-74	-351,339	-351,199	140	-11,919	-11,885	34	-63,001	-62,901	100	24,660	24,660	
1999: II	307,426	307,288	-138	-366,892	-366,741	151	-12,291	-12,260	31	-71,757	-71,713	44	65,434	65,434	
1999: III	320,016	319,936	-80	-388,337	-388,190	147	-12,021	-11,987	34	-80,342	-80,241	101	33,368	33,368	
1999: IV	332,674	332,407	-267	-403,305	-403,076	229	-14,324	-14,295	29	-84,955	-84,964	-9	112,686	112,686	
2000: I	341,910	341,683	-227	-427,456	-427,173	283	-12,894	-12,859	35	-98,440	-98,349	91	41,092	41,092	
2000: II	355,482	355,307	-175	-441,277	-440,926	351	-13,402	-13,368	34	-99,197	-98,987	210	140,258	140,258	
2000: III	360,539	360,295	-244	-454,135	-453,693	442	-14,246	-14,208	38	-107,842	-107,606	236	161,338	161,338	
2000: IV	364,471	364,231	-240	-456,757	-456,232	525	-18,240	-18,212	28	-110,526	-110,213	313	143,685	143,685	
2001: I	350,876	350,489	-387	-443,202	-442,851	351	-15,268	-15,171	97	-107,594	-107,533	61	115,961	115,961	
2001: II	335,316	334,968	-348	-417,729	-417,089	640	-15,992	-15,802	190	-98,405	-97,923	482	121,164	121,164	
2001: III	311,942	311,110	-832	-401,689	-401,111	578	-3,114	-2,941	173	-92,861	-92,942	-81	55,794	55,794	
2001: IV	297,308	296,582	-726	-370,373	-369,764	609	-17,530	-17,374	156	-90,595	-90,556	39	107,325	107,325	
2002: I	301,512	300,892	-620	-393,183	-391,610	1,573	-18,420	-18,326	94	-110,091	-109,044	1,047	92,304	89,272	-3,032
2002: II	312,943	312,379	-564	-417,356	-416,841	515	-14,873	-14,764	109	-119,286	-119,226	60	90,489	91,584	1,095
2002: III	319,154	318,631	-523	-424,507	-423,115	1,392	-14,726	-14,599	127	-120,079	-119,083	996	162,492	162,677	185
2002: IV	314,463	313,475	-988	-424,184	-422,661	1,523	-16,027	-15,897	130	-125,748	-125,083	665	155,026	159,631	4,605
2003: I	318,950	316,991	-1,959	-437,867	-436,556	1,311	-17,743	-17,598	145	-136,660	-137,163	-503	148,962	159,784	10,822
2003: II	322,353	319,380	-2,973	-433,896	-433,578	318	-17,251	-16,905	346	-128,794	-131,103	-2,309	97,876	62,535	-35,341
2003: III	333,656	330,049	-3,607	-445,003	-444,630	373	-17,634	-16,961	673	-128,981	-131,542	-2,561	115,467	129,745	14,278
2003: IV	357,435	352,733	-4,702	-464,135	-462,697	1,438	-18,543	-17,747	796	-125,243	-127,711	-2,468	198,340	186,285	-12,055
2004: I	363,494	362,895	-599	-487,324	-486,179	1,145	-22,271	-22,554	-283	-146,101	-145,838	263	127,883	129,718	1,835
2004: II	376,564	375,770	-794	-522,684	-521,646	1,038	-20,515	-20,895	-380	-166,635	-166,771	-136	171,051	178,979	7,928
2004: III	385,874	384,648	-1,226	-537,085	-534,451	2,634	-15,771	-16,524	-753	-166,982	-166,327	655	116,703	115,604	-1,099
2004: IV	405,041	403,536	-1,505	-571,026	-568,283	2,743	-22,374	-21,609	765	-188,359	-186,356	2,003	168,958	158,122	-10,836
2005: I	413,076	415,277	2,201	-584,567	-579,764	4,803	-26,252	-27,237	-985	-197,743	-191,724	6,019	161,508	136,737	-24,771
2005: II	428,058	429,326	1,268	-602,326	-599,390	2,936	-22,633	-23,194	-561	-196,901	-193,258	3,643	150,663	149,803	-860
2005: III	441,821	442,935	1,114	-618,310	-616,886	1,424	-8,940	-9,464	-524	-185,429	-183,415	2,014	253,835	256,212	2,377
2005: IV	457,939	462,357	4,418	-657,746	-659,290	-1,544	-25,069	-26,176	-1,107	-224,876	-223,109	1,767	234,960	242,694	7,734

Table 2. Major Sources of Revisions, International Transactions Accounts, 1995–2005—Continues

[Millions of dollars]

(Credits +; debits -) ¹	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Current account											
Royalties and license fees receipts (line 9):											
Revised.....	30,289	32,470	33,228	35,626	39,670	43,233	40,696	44,508	46,988	52,512	57,410
Changes due to 2002 foreign direct investment benchmark survey.....								19	(²)	(²)	(²)
Revisions due to updated source data.....								(²)	-1,149	-131	-711
Previously published.....	30,289	32,470	33,228	35,626	39,670	43,233	40,696	44,489	48,137	52,643	58,121
Other private services receipts (line 10):											
Revised.....	65,048	73,340	83,929	91,774	103,934	107,904	113,857	122,207	130,561	144,654	158,223
Changes due to 2004 financial services benchmark survey and quarterly surveys.....									-382	3,288	2,283
Changes due to 2002 foreign direct investment benchmark survey.....								-2,355	(²)	(²)	(²)
Revisions due to updated source data.....			-184	-321	-559	-887	-2,242	-219	-5,117	-4,067	-786
Previously published.....	65,048	73,340	84,113	92,095	104,493	108,791	116,099	124,781	136,060	145,433	156,726
Other private income receipts (line 15):											
Revised.....	108,092	116,852	135,652	151,818	156,354	192,398	153,146	118,948	108,802	142,813	217,637
Amount of revision.....								-8	-66	2,389	3,591
Previously published.....	108,092	116,852	135,652	151,818	156,354	192,398	153,146	118,956	108,868	140,424	214,046
Interest on foreign bonds:											
Revised.....	24,622	28,197	31,108	35,498	37,459	37,943	31,995	30,424	28,848	36,784	44,206
Changes due to 2004 Treasury annual survey.....										1,416	2,792
Revisions due to updated source data.....									-54	668	2,389
Previously published.....	24,622	28,197	31,108	35,498	37,459	37,943	31,995	30,424	28,902	34,700	39,025
Dividends on foreign stocks:											
Revised.....	19,510	23,260	24,589	26,507	29,950	33,295	33,970	38,248	41,432	54,164	63,662
Changes due to 2004 Treasury annual survey.....										218	624
Revisions due to updated source data.....									-5	18	75
Previously published.....	19,510	23,260	24,589	26,507	29,950	33,295	33,970	38,248	41,437	53,928	62,963
Other:											
Revised.....	63,960	65,395	79,955	89,813	88,945	121,160	87,181	50,276	38,522	51,865	109,769
Changes to interest on short-term instruments due to 2003 Treasury annual survey.....									71	173	108
Revisions due to updated source data.....									-8	-78	-104
Previously published.....	63,960	65,395	79,955	89,813	88,945	121,160	87,181	50,284	38,529	51,796	112,058
Royalties and license fees payments (line 26):											
Revised.....	-6,919	-7,837	-9,161	-11,235	-13,107	-16,468	-16,538	-19,353	-19,033	-23,211	-24,501
Changes due to 2002 foreign direct investment benchmark survey.....								-18	(²)	(²)	(²)
Revisions due to updated source data.....								(²)	357	690	537
Previously published.....	-6,919	-7,837	-9,161	-11,235	-13,107	-16,468	-16,538	-19,335	-19,390	-23,901	-25,038
Other private services payments (line 27):											
Revised.....	-35,199	-39,679	-43,154	-47,591	-55,510	-60,520	-66,021	-72,604	-79,710	-90,390	-98,714
Changes due to 2004 financial services benchmark survey and quarterly surveys.....									-236	341	-131
Changes due to 2002 foreign direct investment benchmark survey.....								2,245	(²)	(²)	(²)
Revisions due to updated source data.....			545	724	667	1,600	2,176	441	6,267	4,935	6,471
Previously published.....	-35,199	-39,679	-43,699	-48,315	-56,177	-62,120	-68,197	-75,290	-85,741	-95,666	-105,054
Direct investment income payments (line 31):											
Revised.....	-30,318	-33,093	-42,950	-38,418	-53,437	-56,910	-12,783	-43,244	-73,961	-102,357	-116,953
Changes due to 2002 foreign direct investment benchmark survey.....								2,576	(²)	(²)	(²)
Revisions due to updated source data.....								(²)	-2,514	2,789	2,038
Previously published.....	-30,318	-33,093	-42,950	-38,418	-53,437	-56,910	-12,783	-45,820	-71,447	-105,146	-118,991
Other private income payments (line 32):											
Revised.....	-97,149	-97,800	-112,878	-127,988	-138,120	-180,918	-159,825	-130,177	-110,125	-147,569	-223,612
Amount of revision.....								-243	-20	-2,199	-444
Previously published.....	-97,149	-97,800	-112,878	-127,988	-138,120	-180,918	-159,825	-129,934	-110,105	-145,370	-223,168
Interest on U.S. corporate bonds:											
Revised.....	-21,404	-24,282	-28,169	-30,583	-40,239	-51,697	-55,114	-58,840	-52,048	-64,479	-81,004
Changes due to 2004 and 2005 Treasury surveys.....									-144	-858	672
Revisions due to updated source data.....									36	33	134
Previously published.....	-21,404	-24,282	-28,169	-30,583	-40,239	-51,697	-55,114	-58,840	-51,940	-63,654	-81,810
Dividends on U.S. corporate stocks:											
Revised.....	-12,031	-13,194	-13,976	-15,765	-17,058	-19,645	-21,129	-23,560	-25,661	-37,037	-38,074
Changes due to 2004 and 2005 Treasury surveys.....									-49	-601	-1,273
Revisions due to updated source data.....										1	57
Previously published.....	-12,031	-13,194	-13,976	-15,765	-17,058	-19,645	-21,129	-23,560	-25,612	-36,437	-36,858
Other:											
Revised.....	-63,714	-60,324	-70,733	-81,640	-80,823	-109,576	-83,582	-47,777	-32,416	-46,053	-104,534
Changes to interest on short-term instruments due to 2004 and 2005 Treasury surveys.....										-80	-114
Revisions due to updated source data.....									-243	137	80
Previously published.....	-63,714	-60,324	-70,733	-81,640	-80,823	-109,576	-83,582	-47,534	-32,553	-45,279	-104,500

See the footnotes and note at the end of the table.

Table 2. Major Sources of Revisions, International Transactions Accounts, 1995–2005—Continues

[Millions of dollars]

(Credits +; debits -) ¹	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Government income payments (line 33):											
Revised.....	-55,623	-66,618	-81,701	-84,154	-80,525	-84,517	-82,426	-76,642	-73,871	-88,474	-113,559
Amount of revision.....									-403	1,265	2,507
Previously published.....	-55,623	-66,618	-81,701	-84,154	-80,525	-84,517	-82,426	-76,642	-73,468	-89,739	-116,066
Interest on U.S. Treasury bonds and notes:											
Revised.....	-36,832	-45,300	-58,382	-62,817	-58,155	-53,929	-53,155	-51,636	-52,473	-60,957	-69,632
Changes due to 2004 and 2005 Treasury surveys.....									280	1,969	5,149
Changes due to new data from the Federal Reserve Board.....									-746	-839	-2,589
Revisions due to updated source data.....									75	-2	492
Previously published.....	-36,832	-45,300	-58,382	-62,817	-58,155	-53,929	-53,155	-51,636	-52,082	-62,085	-72,684
Interest on U.S. Treasury bills:											
Revised.....	-10,168	-11,363	-11,189	-9,144	-8,453	-10,252	-7,760	-4,519	-3,332	-3,614	-7,717
Changes due to 2004 and 2005 Treasury surveys.....										39	201
Revisions due to updated source data.....									-55	-88	-247
Previously published.....	-10,168	-11,363	-11,189	-9,144	-8,453	-10,252	-7,760	-4,519	-3,277	-3,565	-7,671
Interest on U.S. agency bonds:											
Revised.....	-8,623	-9,955	-12,130	-12,193	-13,917	-20,336	-21,511	-20,487	-18,066	-23,903	-36,210
Changes due to 2004 and 2005 Treasury surveys.....									52	209	-367
Revisions due to updated source data.....									-9	-23	-132
Previously published.....	-8,623	-9,955	-12,130	-12,193	-13,917	-20,336	-21,511	-20,487	-18,109	-24,089	-35,711
Private remittances and other transfers (line 38):											
Revised.....	-23,433	-23,150	-28,399	-35,612	-32,248	-37,226	-33,980	-41,365	-42,035	-52,001	-48,407
Changes due to medical patient transfers.....	103	130	143	133	126	136	130	127	137	145	175
Revisions due to updated source data.....									332	1,822	-797
Previously published.....	-23,536	-23,280	-28,542	-35,745	-32,374	-37,362	-34,595	-41,824	-43,994	-51,349	-46,222
Capital account											
Capital account transactions, net (line 39):											
Revised.....	-927	-735	-1,027	-766	-4,939	-1,010	-1,270	-1,470	-3,321	-2,261	-4,351
Changes due to immigrants' transfers.....									-107	-82	-82
Revisions due to updated source data.....										-531	1,378
Previously published.....	-927	-631	-1,014	-702	-4,888	-929	-1,223	-1,363	-3,214	-1,648	-5,647
Financial account											
U.S. private assets:											
Foreign securities (line 52):											
Revised.....	-122,394	-149,315	-116,852	-130,204	-122,236	-127,908	-90,644	-48,568	-146,722	-146,549	-180,125
Amount of revision.....									9,342	-44,166	-24,881
Previously published.....	-122,394	-149,315	-116,852	-130,204	-122,236	-127,908	-90,644	-48,568	-156,064	-102,383	-155,244
Foreign bonds:											
Revised.....	-56,885	-66,609	-59,566	-28,842	-7,925	-21,194	18,475	-31,614	-28,719	-61,793	-37,991
Revisions due to updated source data.....									13,160	-42,613	-19,405
Previously published.....	-56,885	-66,609	-59,566	-28,842	-7,925	-21,194	18,475	-31,614	-41,879	-19,180	-18,586
Foreign stocks:											
Revised.....	-65,509	-82,706	-57,286	-101,362	-114,311	-106,714	-109,119	-16,954	-118,003	-84,756	-142,134
Revisions due to updated source data.....									-3,818	-1,553	-5,476
Previously published.....	-65,509	-82,706	-57,286	-101,362	-114,311	-106,714	-109,119	-16,954	-114,185	-83,203	-136,658
U.S. claims reported by U.S. banks, n.i.e (line 54):											
Revised.....	-75,108	-91,555	-141,118	-35,572	-70,685	-133,382	-135,706	-38,260	-13,014	-361,623	-213,018
Changes to short-term instruments due to 2003 Treasury annual survey.....									-4,171	4,531	-5,324
Revisions due to updated source data.....									731	-10,021	10,464
Previously published.....	-75,108	-91,555	-141,118	-35,572	-70,685	-133,382	-135,706	-38,260	-9,574	-356,133	-218,158
Foreign official assets in the United States:											
U.S. Treasury securities (line 58):											
Revised.....	68,977	115,671	-6,690	-9,921	12,177	-5,199	33,700	60,466	184,931	263,338	71,749
Changes to bonds and notes due to 2004 and 2005 Treasury surveys.....										-10,144	-10,144
Revisions due to updated source data.....										834	-2,153
Previously published.....	68,977	115,671	-6,690	-9,921	12,177	-5,199	33,700	60,466	184,931	272,648	84,046
Other (line 59):											
Revised.....	3,735	5,008	4,529	6,332	20,350	40,909	20,920	30,505	39,943	41,662	84,701
Revisions due to updated source data.....										3,177	-8,432
Previously published.....	3,735	5,008	4,529	6,332	20,350	40,909	20,920	30,505	39,943	38,485	93,133
Other foreign official assets (line 62):											
Revised.....	3,265	1,323	-208	-3,487	915	3,127	5,726	3,616	5,275	13,703	19,258
Revisions due to updated source data.....										943	-101
Previously published.....	3,265	1,323	-208	-3,487	915	3,127	5,726	3,616	5,275	12,760	19,359

See the footnotes and note at the end of the table.

Table 2. Major Sources of Revisions, International Transactions Accounts, 1995–2005

[Millions of dollars]

(Credits +; debits -) ¹	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Other foreign assets in the United States:											
Foreign direct investment in the United States (line 64):											
Revised.....	57,776	86,502	105,603	179,045	289,444	321,274	167,021	84,372	63,961	133,162	109,754
Changes due to 2002 foreign direct investment benchmark survey.....								3,531	(²)	(²)	(²)
Revisions due to updated source data.....								(³)	-3,130	26,330	-18,876
Previously published.....	57,776	86,502	105,603	179,045	289,444	321,274	167,021	80,841	67,091	106,832	128,630
U.S. Treasury securities (line 65):											
Revised.....	91,544	147,022	130,435	28,581	-44,497	-69,983	-14,378	100,403	91,455	102,940	199,491
Changes to bonds and notes due to 2004 and 2005 Treasury surveys.....										-1,856	-13,856
Changes to bills due to 2004 and 2005 Treasury surveys.....										-2,596	
Revisions due to updated source data.....									-12,925	434	16,553
Previously published.....	91,544	147,022	130,435	28,581	-44,497	-69,983	-14,378	100,403	104,380	106,958	196,794
U.S. securities other than U.S. Treasury securities (line 66):											
Revised.....	77,249	103,272	161,409	156,315	298,834	459,889	393,885	283,299	220,705	381,493	474,140
Amount of revision.....									-5,601	11,700	-15,063
Previously published.....	77,249	103,272	161,409	156,315	298,834	459,889	393,885	283,299	226,306	369,793	489,203
U.S. corporate bonds:											
Revised.....	49,883	70,251	66,865	105,948	142,821	166,403	191,616	145,415	223,215	254,564	316,005
Revisions due to updated source data.....									-1,234	11,593	-16,349
Previously published.....	49,883	70,251	66,865	105,948	142,821	166,403	191,616	145,415	224,449	242,971	332,354
U.S. agency bonds:											
Revised.....	13,889	21,765	25,784	4,720	43,096	100,994	82,769	81,832	-36,801	67,380	72,352
Revisions due to updated source data.....									-3,378	1,093	4,044
Previously published.....	13,889	21,765	25,784	4,720	43,096	100,994	82,769	81,832	-33,423	66,287	68,308
U.S. corporate stocks:											
Revised.....	13,477	11,256	68,760	45,647	112,917	192,492	119,500	56,052	34,291	59,549	85,783
Revisions due to updated source data.....									-989	-986	-2,758
Previously published.....	13,477	11,256	68,760	45,647	112,917	192,492	119,500	56,052	35,280	60,535	88,541
U.S. liabilities reported by U.S. banks, n.i.e. (line 69):											
Revised.....	30,176	16,478	149,026	39,769	54,232	116,971	118,379	96,410	97,207	336,740	179,849
Changes to short-term instruments due to 2004 and 2005 Treasury surveys.....										1,420	1,420
Revisions due to updated source data.....									532	12,693	2,687
Previously published.....	30,176	16,478	149,026	39,769	54,232	116,971	118,379	96,410	96,675	322,627	175,742

n.i.e. Not included elsewhere.

1. Credits +: An increase in U.S. receipts and U.S. liabilities, or a decrease in U.S. payments and U.S. claims. Debits -: An increase in U.S. payments and U.S. claims, or a decrease in U.S. receipts and U.S. liabilities.

2. Revisions due to benchmark surveys are not separately identifiable for this period.

3. Revisions due to updated source data other than the benchmark survey are not separately identifiable for this period.

NOTE: Line numbers refer to table 1 of the article on U.S. international transactions in this issue of the SURVEY.

Table 3. Major Sources of Revisions, International Investment Position at Yearend, 2002–2005

[Millions of dollars]

	2002	2003	2004	2005
U.S. private assets:				
Foreign securities (line 19):				
Revised	2,079,891	2,953,778	3,553,387	4,073,997
Amount of revision			116,669	(³)
Previously published	2,079,891	2,953,778	3,436,718	(²)
Foreign bonds (line 20):				
Revised	705,226	874,356	992,969	987,543
Changes due to 2004 Treasury annual survey			32,740	(³)
Revisions due to updated source data			43,574	(³)
Previously published	705,226	874,356	916,655	(²)
Foreign stocks (line 21):				
Revised	1,374,665	2,079,422	2,560,418	3,086,454
Changes due to 2004 Treasury annual survey			38,594	(³)
Revisions due to updated source data			1,761	(³)
Previously published	1,374,665	2,079,422	2,520,063	(²)
U.S. claims reported by U.S. banks, n.i.e (line 23):				
Revised	1,559,457	1,772,899	2,227,859	2,430,659
Changes to short-term instruments due to 2003 Treasury annual survey		13,969	11,553	(³)
Revisions due to updated source data		-417	42,297	(³)
Previously published	1,559,457	1,759,347	2,174,009	(²)
Foreign official assets in the United States:				
U.S. Government securities (line 27):				
Revised	970,359	1,186,500	1,499,293	1,649,397
Amount of revision		-5,742	-284	(³)
Previously published	970,359	1,192,242	1,499,577	(²)
U.S. Treasury securities (line 28):				
Revised	811,995	986,301	1,241,250	1,288,881
Changes to bonds and notes due to 2004 and 2005 Treasury surveys		-4,110	-19,252	(³)
Previously published	811,995	990,411	1,260,502	(²)
Other (line 29):				
Revised	158,364	200,199	258,043	360,516
Changes due to 2004 and 2005 Treasury surveys		-1,600	18,557	(³)
Revisions due to updated source data		-32	411	(³)
Previously published	158,364	201,831	239,075	(²)
Other foreign official assets (line 32):				
Revised	107,598	158,589	215,239	256,064
Changes due to 2004 and 2005 Treasury surveys		1,388	21,668	(³)
Revisions due to updated source data			-258	(³)
Previously published	107,598	157,201	193,829	(²)
Other foreign assets in the United States:				
Foreign direct investment in the United States (lines 35 and 36):				
Revised:				
At current cost	1,499,952	1,576,983	1,727,062	1,874,263
At market value	2,021,817	2,454,877	2,703,697	2,797,165
Changes due to 2002 foreign direct investment benchmark survey:				
At current cost	-17,451	(¹)	(¹)	(³)
At market value	-5,603	(¹)	(¹)	(³)
Revisions due to updated source data:				
At current cost	(²)	-8,915	18,185	(³)
At market value	(²)	-2,340	16,807	(³)
Previously published:				
At current cost	1,517,403	1,585,898	1,708,877	(³)
At market value	2,027,420	2,457,217	2,686,890	(²)
U.S. Treasury securities (line 37):				
Revised	473,503	527,223	562,288	704,875
Changes to bonds and notes due to 2004 and 2005 Treasury surveys		-13,659	-71,484	(³)
Changes to bills due to 2004 and 2005 Treasury surveys			-6,803	(³)
Revisions due to updated source data		-2,327	859	(³)
Previously published	473,503	543,209	639,716	(²)
U.S. securities other than U.S. Treasury securities (line 38):				
Revised	2,779,067	3,422,856	3,995,506	4,390,682
Amount of revision		14,743	7,709	(³)
Previously published	2,779,067	3,408,113	3,987,797	(²)
U.S. corporate bonds (part of line 39):				
Revised	1,126,381	1,333,509	1,584,304	1,770,690
Changes due to 2004 and 2005 Treasury surveys		14,306	-13,463	(³)
Revisions due to updated source data		-3,761	3,856	(³)
Previously published	1,126,381	1,322,964	1,593,911	(²)
U.S. agency bonds (part of line 39):				
Revised	404,601	377,278	450,845	504,507
Changes due to 2004 and 2005 Treasury surveys		-3,978	-14,115	(³)
Revisions due to updated source data		-2,986	-379	(³)
Previously published	404,601	384,242	465,339	(²)
U.S. corporate stocks (line 40):				
Revised	1,248,085	1,712,069	1,960,357	2,115,485
Changes due to 2004 and 2005 Treasury surveys		11,476	31,959	(³)
Revisions due to updated source data		-314	-149	(³)
Previously published	1,248,085	1,700,907	1,928,547	(²)
U.S. liabilities reported by U.S. banks, n.i.e (line 43):				
Revised	1,538,154	1,921,426	2,420,780	2,600,632
Changes to short-term instruments due to 2004 and 2005 Treasury surveys			2,697	(³)
Revisions due to updated source data		306	113,443	(³)
Previously published	1,538,154	1,921,120	2,304,640	(²)

n.i.e. Not included elsewhere.

1. Revisions due to the benchmark survey are not separately identifiable for this period.

2. Revisions due to updated source data other than the benchmark survey are not separately identifiable for this period.

3. Estimates were not previously published.

NOTE: Line numbers refer to table 1 of the article on the U.S. international investment position in this issue of the SURVEY.