

Annual Revision of the U.S. International Transactions Accounts

By Barbara H. Berman and Jeffrey R. Bogen

IN JUNE, the Bureau of Economic Analysis (BEA) released annual revisions of the U.S. international transactions accounts (ITAs) and the U.S. international investment position (IIP) accounts.¹ Through annual revisions, BEA introduces new definitions and classifications, newly available and revised source data, new and improved methodologies, and new and updated presentations. Together, these changes improve the accuracy and consistency of the statistics and address important new developments in the U.S. economy and in international economies.

In this annual revision, statistics on U.S. international transactions for 1999–2012 were revised to incorporate newly available and revised source data and several changes in classifications and improvements in estimation methodologies. Summary information on these revisions is presented in appendix A. Revised statistics on the detailed components of the ITAs are presented in the tables in “U.S. International Transactions: First Quarter of 2013” in this issue of the *SURVEY OF CURRENT BUSINESS*.

The largest revisions to the ITAs reflect the incorporation of newly available information from the following three Treasury International Capital (TIC) surveys conducted by the Federal Reserve Board and the U.S. Department of the Treasury: (1) the new Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents, (2) the Benchmark Survey of U.S. Ownership of Foreign Securities as of the end of December 2011, and (3) the Annual Survey of Foreign Portfolio Holdings of U.S. Securities as of the end of June 2012. As a result, all financial flows and related income receipts and payments for U.S. and foreign long-term securities were revised. The financial transactions data were revised because some transactions were not captured on previous TIC monthly surveys of transactions as indicated by the changes in holdings reported on the surveys. For U.S. securities, financial flows were revised for the third quarter of 2011 to the fourth quarter

of 2012 to account for the missing transactions. Income and dividends for U.S. securities were also revised for these quarters to reflect new position and yield data from the new surveys. For foreign securities, financial flows were revised for the first quarter of 2011 to the fourth quarter of 2012 to account for the missing transactions. Income and dividends for foreign securities were revised for the first quarter of 2010 to the fourth quarter of 2012 to reflect new position and yield data from the surveys.

Most of the changes introduced in this annual revision result from a multiyear effort to modernize and to enhance BEA’s international economic accounts to more closely align the accounts with international standards. BEA is on track to implement most of the new standards and to introduce changes in the presentation of the international accounts in June 2014.²

For this annual revision, changes in classifications related to the implementation of international standards include the following:

- The reclassification of certain military-related exports between services and goods for 2007 forward.
- The reclassification of certain military-related imports from services to goods for 1999 forward.
- The reclassification of certain transactions by the U.S. Department of State from services imports to income payments for 2003 forward.

Several international transactions series were revised as a result of new or improved estimation methods:

- Expenditures by border, seasonal, and other short-term workers were revised for 2003 forward.
- “U.S. government pensions and other transfers” and “private remittances and other transfers” were revised to introduce new estimates of cross-border fines and penalties for antitrust violations, bribery, and other illegal activities for 1999 forward.

1. For a discussion of the revisions to the IIP accounts, see Elena L. Nguyen, “The International Investment Position of the United States at the End of the First Quarter of 2013 and 2012” in this issue.

2. For the most recent update on BEA’s plans, see Kristy L. Howell and Kyle L. Westmoreland, “Modernizing and Enhancing BEA’s International Economic Accounts: A Progress Report and Plans for Implementation,” *SURVEY OF CURRENT BUSINESS* 93 (May 2013): 44–52.

Other significant changes introduced in this annual revision include the following:

- Imports of military goods were revised to eliminate a balance-of-payments adjustment that is no longer necessary for 1999 forward.
- Direct investment financial flows and related income receipts and payments for 2010–2012 were revised to incorporate new and revised source data from BEA's quarterly and annual surveys of foreign direct investment in the United States and U.S. direct investment abroad. The revisions to direct investment abroad and related income receipts for 2009–2012 also reflect the incorporation of newly available and revised source data from BEA's 2009 Benchmark Survey of U.S. Direct Investment Abroad.

Generally, this annual revision has not altered the overall picture of recent U.S. international transactions. The revisions reduced the current-account deficit for most years (table A). The largest revision was a downward revision of \$34.6 billion for 2012 which reversed a widening of the current-account deficit in the previously published statistics to a narrowing of the deficit (chart 1). Net capital-account transactions were revised upward \$0.5 billion for 2012 and were unre-

vised for 1999–2011. Net financial flows were revised downward \$8.7 billion for 2009, were revised upward

Chart 1. Current-Account Deficit, 1999–2012

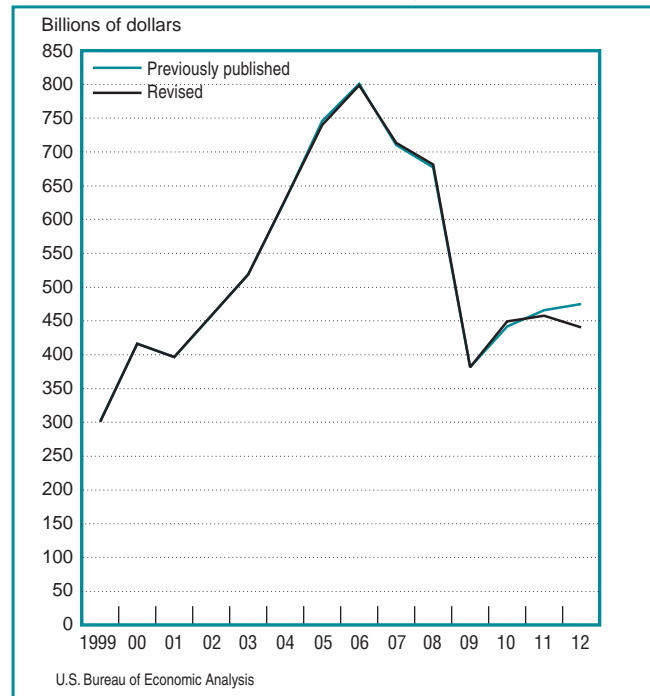


Table A. Revisions to Current-Account and Capital-Account Balances, Net Financial Flows, and the Statistical Discrepancy, 1999–2012

[Billions of dollars]

(Credits +, debits -) ¹	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Balance on current account (line 77):														
Revised	-300.8	-416.3	-396.7	-457.8	-518.7	-629.3	-739.8	-798.5	-713.4	-681.3	-381.6	-449.5	-457.7	-440.4
Previously published	-301.7	-416.3	-396.6	-457.2	-519.1	-628.5	-745.8	-800.6	-710.3	-677.1	-381.9	-442.0	-465.9	-475.0
Amount of revision	0.9	(*)	-0.1	-0.6	0.4	-0.8	6.0	2.1	-3.1	-4.2	0.3	-7.5	8.2	34.6
Balance on goods and services (line 74):														
Revised	-263.8	-377.3	-362.3	-418.2	-490.5	-604.9	-707.9	-752.4	-699.1	-702.3	-383.7	-499.4	-556.8	-534.7
Previously published	-263.2	-376.7	-361.8	-417.4	-491.0	-605.4	-708.6	-753.3	-696.7	-698.3	-379.2	-494.7	-559.9	-539.5
Amount of revision	-0.6	-0.6	-0.6	-0.7	0.4	0.5	0.7	0.9	-2.3	-4.0	-4.5	-4.6	3.0	4.9
Balance on goods (line 72):														
Revised	-337.4	-446.9	-422.5	-475.8	-542.3	-666.4	-784.1	-838.8	-822.7	-834.0	-510.6	-650.2	-744.1	-741.5
Previously published	-336.2	-445.8	-421.3	-474.5	-540.4	-663.5	-780.7	-835.7	-818.9	-830.1	-505.8	-645.1	-738.4	-735.3
Amount of revision	-1.2	-1.2	-1.2	-1.4	-1.9	-2.9	-3.4	-3.1	-3.9	-3.8	-4.8	-5.0	-5.7	-6.2
Balance on services (line 73):														
Revised	73.6	69.6	60.2	57.7	51.7	61.5	76.2	86.4	123.7	131.7	126.9	150.8	187.3	206.8
Previously published	73.0	69.0	59.5	57.1	49.4	58.2	72.1	82.4	122.2	131.8	126.6	150.4	178.5	195.8
Amount of revision	0.6	0.6	0.7	0.6	2.3	3.3	4.1	4.0	1.5	-0.1	0.3	0.4	8.8	11.0
Balance on income (line 75):														
Revised	11.9	19.2	29.7	25.2	42.8	64.1	67.6	43.3	100.6	146.1	123.6	177.7	232.6	223.9
Previously published	11.9	19.2	29.7	25.2	43.7	65.1	68.6	44.2	101.5	147.1	119.7	183.9	227.0	198.6
Amount of revision	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0	-0.8	-0.9	-0.9	3.9	-6.2	5.6	25.3
Unilateral current transfers, net (line 76):														
Revised	-49.0	-58.2	-64.1	-64.8	-70.9	-88.6	-99.5	-89.4	-114.9	-125.2	-121.6	-127.8	-133.5	-129.7
Previously published	-50.4	-58.8	-64.6	-65.0	-71.8	-88.2	-105.7	-91.5	-115.1	-125.9	-122.5	-131.1	-133.1	-134.1
Amount of revision	1.5	0.6	0.5	0.2	0.9	-0.3	6.2	2.1	0.1	0.7	0.9	3.3	-0.5	4.4
Capital-account transactions, net (line 39):														
Revised	-4.2	(*)	13.2	-0.1	-1.8	3.0	13.1	-1.8	0.4	6.0	-0.1	-0.2	-1.2	7.0
Previously published	-4.2	(*)	13.2	-0.1	-1.8	3.0	13.1	-1.8	0.4	6.0	-0.1	-0.2	-1.2	6.4
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Net financial flows (lines 40, 55, and 70):														
Revised	238.1	477.7	400.3	500.5	532.9	532.3	700.7	809.2	617.3	730.6	231.0	438.0	551.7	439.4
Previously published	238.1	477.7	400.3	500.5	532.9	532.3	700.7	809.2	617.3	730.6	239.7	382.9	556.3	399.7
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8.7	55.2	-4.6	39.6
Statistical discrepancy (line 71):														
Revised	66.8	-61.4	-16.8	-42.6	-12.4	93.9	26.0	-8.9	95.7	-55.2	150.8	11.6	-92.8	-5.9
Previously published	67.7	-61.4	-16.8	-43.1	-12.0	93.1	31.9	-6.7	92.7	-59.4	142.4	59.2	-89.2	68.8
Amount of revision	-0.9	(*)	0.1	0.6	-0.4	0.8	-6.0	-2.1	3.1	4.2	8.4	-47.7	-3.6	-74.7

(*) Less than 50,000,000 (+/-)

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital-account receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).

Debits, -: Imports of goods and services and income payments; unilateral current transfers from the United

States; capital-account payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

NOTE: Line numbers refer to table 1 in "U.S. International Transactions: First Quarter of 2013" in this issue of the SURVEY OF CURRENT BUSINESS.

\$55.2 billion for 2010, were revised downward \$4.6 billion for 2011, and were revised upward \$39.6 billion for 2012. Although the revisions to the financial flows for 2010 and 2012 were relatively large, the revised statistics do not change the direction of change in net financial inflows for the revised years (chart 2).

The combined revisions resulted in some notable revisions to the statistical discrepancy—the amount that balances the sum of the recorded credits and debits across all the accounts in the ITAs. The discrepancy was revised upward \$8.4 billion for 2009, was revised downward \$47.7 billion for 2010, and was revised upward \$3.6 billion for 2011. For 2012, the statistical discrepancy was revised downward to −\$5.9 billion from the previously published \$68.8 billion (table A).

The revisions to BEA’s preliminary estimates of quarterly statistics for 2012 were generally in line with the typical revision from 1999 to 2011 (table B). Except

for exports of goods and services and income receipts, the mean absolute revision for 2012 is less than the average for 1999–2011. The larger than usual revision to exports of goods and services and income receipts for 2012 is attributable to the revisions to exports of services and income receipts. The revision to exports of services was largely due to the incorporation of results from BEA’s 2011 Benchmark Survey of Transactions in Selected Services and Intellectual Property With Foreign Persons; the revision to income receipts was

Chart 2. Net Financial Inflows, 1999–2012

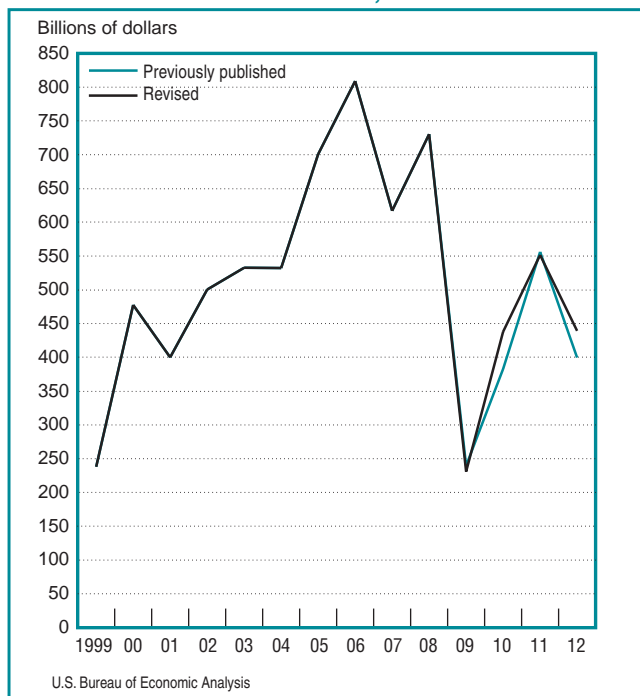


Table B. Mean Absolute Revisions to the Preliminary Quarterly Estimates of Major ITA Aggregates at the First Annual Revision, 1999–2012
[Percent]

	1999–2011	2012
Current account		
Exports of goods and services and income receipts.....	1.16	1.60
Imports of goods and services and income payments.....	0.85	0.64
Balances		
Current-account balance.....	0.158	0.052
Net financial flows.....	0.730	0.425

ITA International transactions accounts
 Note: The mean absolute revisions (MARs) to current-account aggregates are computed as the ratio of the amount of revision to the aggregate value. The MARs to the balances are calculated as the ratio of the amount of revision to GDP.

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The following BEA staff made significant contributions to the revision.

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largely due to improved source data from the Treasury International Capital surveys.³

The next section of this article discusses the changes in methodology, classification, and source data that were incorporated as part of this annual revision. The following section summarizes the impact of the revisions on the statistics in the current and financial accounts, including the statistical discrepancy.

3. For an analysis of long-term trends and patterns of revisions of the ITAs, see Daniel R. Yorgason and Sarah P. Scott, "An Analysis of Revisions to BEA's International Economic Accounts," SURVEY 92 (November 2012): 76–102.

Changes in Methodology, Classification, and Source Data

This section identifies the changes in methodology, classification, and the source data that were incorporated as part of this annual revision to improve the statistics on exports and imports of goods and services, income payments, and net unilateral current transfers (table C). It describes the accounts and the periods that were affected and the rationale for the changes. The changes reflect BEA's ongoing efforts to provide better statistical measures and to more closely align the U.S. ITAs with the classifications recommended by international guidelines.

Table C. Sources of Revisions for Selected Current-Account Transactions, 1999–2012

[Billions of dollars]

(Credits +, debits -) ¹	Amount of revision														
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Exports of goods (line 3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	-0.2	-0.3	-0.1	-1.6	-2.9
Reclassification from goods to services.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	-0.2	-0.3	-0.2	-1.2	-0.5
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.4	-2.4
Exports of services (line 4)	0.0	0.0	0.0	0.0	0.4	0.6	0.8	1.0	-1.3	-2.2	-0.5	2.1	11.0	19.0	
Improvements in methodologies and changes in classifications.....	0.0	0.0	0.0	0.0	0.4	0.4	0.5	0.5	0.8	0.6	0.1	-0.3	0.2	-0.2	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.5	-2.1	-2.8	-0.6	2.4	10.8	19.2	
Transfers under U.S. military agency sales contracts (line 5).....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.3	0.2	0.9	0.5	
Reclassification of goods to services.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.3	0.2	1.2	0.5	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	-0.3	(*)	
Other private services (line 10).....	0.0	0.0	0.0	0.0	0.4	0.4	0.5	0.5	-2.3	-3.2	-1.6	0.7	9.5	16.6	
Improved method for measuring expenditures by border, seasonal, and other short-term workers in the United States.....	0.0	0.0	0.0	0.0	0.4	0.4	0.5	0.5	0.4	0.4	-0.2	-0.5	-1.0	-0.7	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.7	-3.6	-1.4	1.2	10.5	17.3	
U.S. government miscellaneous services (line 11).....	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.5	0.6	0.9	0.8	1.0	1.2	1.4	
Changes in definitions and classifications.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.5	0.6	0.9	0.8	1.0	1.2	1.4	
Imports of goods (line 20)	-1.2	-1.2	-1.2	-1.4	-1.9	-2.9	-3.4	-3.1	-3.5	-3.7	-4.5	-4.9	-4.2	-3.3	
Reclassification of services to goods.....	-0.6	-0.6	-0.7	-0.6	-1.1	-2.0	-2.5	-2.2	-2.1	-2.1	-2.1	-1.9	-1.7	-0.9	
Elimination of a balance of payments adjustment.....	-0.6	-0.6	-0.5	-0.8	-0.8	-0.9	-0.9	-1.2	-1.6	-2.0	-2.4	-2.4	-2.4	-2.4	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.4	0.0	-0.6	-0.1	(*)	
Imports of services (line 21)	0.6	0.6	0.7	0.6	1.9	2.7	3.3	3.0	2.9	2.1	0.8	-1.7	-2.2	-7.9	
Improvements in methodologies and changes in classifications.....	0.6	0.6	0.7	0.6	1.8	2.7	3.2	2.7	2.7	2.7	2.7	2.5	2.4	1.5	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	(*)	(*)	0.1	0.3	0.2	-0.6	-1.9	-4.2	-4.6	-9.4	
Direct defense expenditures (line 22).....	0.6	0.6	0.7	0.6	1.1	2.0	2.5	2.2	2.1	2.1	2.1	1.9	1.8	1.4	
Reclassification of services to goods.....	0.6	0.6	0.7	0.6	1.1	2.0	2.5	2.2	2.1	2.1	2.1	1.9	1.7	0.9	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.5	
Other private services (line 27).....	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.3	-0.4	-0.4	-1.3	-2.6	-5.8	-7.7	-10.5	
Improved method for measuring expenditures by U.S. residents employed temporarily abroad.....	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.6	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	-2.1	-5.2	-7.1	-9.9	
U.S. government miscellaneous services (line 28).....	0.0	0.0	0.0	0.0	0.9	1.0	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.3	
Reclassification of compensation paid to foreigners employed abroad by the U.S. Department of State.....	0.0	0.0	0.0	0.0	0.9	1.0	1.0	0.9	1.0	1.1	1.1	1.2	1.3	1.2	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	(*)	(*)	0.1	0.3	0.2	0.1	0.2	0.1	(*)	0.1	
Income payments (line 29)	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0	-0.9	-1.0	-1.1	-1.1	-8.0	-10.6	-9.0	
Reclassification of compensation paid to foreigners employed abroad by the U.S. Department of State.....	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0	-0.9	-1.0	-1.1	-1.1	-1.2	-1.3	-1.2	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.8	-9.3	-7.8	
Compensation of employees (line 34).....	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0	-0.9	-1.0	-1.1	-1.1	-1.2	-0.4	-1.0	
Reclassification of compensation paid to foreigners employed abroad by the U.S. Department of State.....	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0	-0.9	-1.0	-1.1	-1.1	-1.2	-0.4	-1.0	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(*)	0.9	0.2	
Unilateral current transfers, net (line 35)	1.5	0.6	0.5	0.2	0.9	-0.3	6.2	2.1	0.1	0.7	0.9	3.3	-0.5	4.4	
New estimation method for cross-border transfers of fines and penalties.....	1.5	0.6	0.5	0.2	0.9	-0.3	6.2	2.1	0.1	0.7	0.9	3.6	0.6	7.0	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-1.1	-2.6	
U.S. government pensions and other transfers (line 37).....	1.1	0.1	0.3	(*)	(*)	0.3	1.1	0.2	0.6	2.1	2.3	2.9	1.1	6.7	
New estimation method for cross-border transfers of fines and penalties.....	1.1	0.1	0.3	(*)	(*)	0.3	1.1	0.2	0.6	2.1	2.3	2.9	1.1	5.6	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	
Private remittances and other transfers (line 38).....	0.4	0.5	0.2	0.1	0.9	-0.6	5.2	1.9	-0.5	-1.4	-1.4	0.4	-1.6	-2.3	
New estimation method for cross-border transfers of fines and penalties.....	0.4	0.5	0.2	0.1	0.9	-0.6	5.2	1.9	-0.5	-1.4	-1.4	0.7	-0.5	1.4	
Newly available and revised source data.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-1.1	-3.7	

(*) Less than 50,000,000 (+/-)

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital-account receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).

Debits, -: Imports of goods and services and income payments; unilateral current transfers from the United States;

capital-account payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

NOTE. Line numbers refer to table 1 in "U.S. International Transactions: First Quarter of 2013" in this issue of the SURVEY OF CURRENT BUSINESS.

Reclassification of military goods. This year's annual revision continues efforts that were first implemented in the 2010 annual revision of the ITAs to better align BEA's statistics on trade in goods and services with its statistics on production and with international guidelines; military goods and services transactions are identified in the source data and reclassified as necessary.⁴

Beginning with statistics for 2007, exports of goods and services under the Foreign Military Sales program were separated using item-specific information included in the source data provided by the U.S. Department of Defense (DOD). As a result, goods that had previously been classified as services in "transactions under U.S. military agency sales contracts" were moved to the goods account in "exports, n.e.c." (not elsewhere classified), and certain services transactions that had previously been classified as goods were reclassified to the services account. Beginning with statistics for 1999, purchases of major equipment and nonpetroleum goods by U.S. military agencies, which had previously been classified as services imports in "direct defense expenditures," were reclassified to the goods account in "imports, n.e.c." These purchases include not only imports of items from foreign sources into the United States, but also items purchased abroad by U.S. military agencies for use by U.S. military personnel stationed abroad.

Beginning with statistics for 1999, a balance-of-payments adjustment that deducted certain imports of military-related goods from U.S. Census Bureau data in order to avoid double-counting with the import data reported to BEA by DOD has been eliminated.⁵ BEA determined that due to changes in source data coverage since the original methodology was implemented, the two data sources no longer overlap.

Expenditures by border, seasonal, and other short-term workers employed outside their countries of residence. Beginning with statistics for 2003, BEA has implemented an improved methodology for estimating expenditures by short-term foreign workers employed in the United States and U.S. residents employed temporarily abroad. These expenditures were previously estimated as a fixed percentage of compensation based on historical studies. Now, baseline expenditures for short-term seasonal workers and foreign professionals are derived from the U.S. Depart-

ment of Labor's Consumer Expenditure Survey. This survey provides detailed statistics on expenditures by income group that BEA uses to calculate average expenditures as a percentage of compensation for each income group. BEA uses the percentages for the compensation levels of seasonal agricultural and non-agricultural workers, border workers, and foreign professionals working less than 1 year in the United States to calculate baseline estimates for the expenditures of these workers. These baseline estimates were refined using information from the U.S. Department of Labor's National Agricultural Workers Survey, H-4 visa statistics from the U.S. Department of State, and other studies. The survey provides employment and migration profiles for seasonal farm workers that BEA uses in estimating expenditures by seasonal agricultural and nonagricultural workers. The H-4 visa statistics were used to adjust the baseline estimate for expenditures by foreign professionals (such as engineers, doctors, and computer programmers) who visit the United States to perform high-skilled work. Expenditures by U.S. residents employed abroad for less than 1 year are now estimated using the same expenditure share of compensation calculated for foreign professionals working in the United States. These improved estimation methodologies resulted in relatively small revisions to "other" private services exports and to "other" private services imports.

Newly available data for revenue and expenditures from the U.S. Department of State. Beginning with statistics for 2003, BEA incorporated newly available data for revenue and expenditures from the U.S. Department of State. The newly available revenue (receipts) data include visa and consular receipts collected abroad. The newly available data for expenditures (payments) are based on source data that cover the salaries of the U.S. civilian employees of the U.S. Department of State that are stationed abroad. Expenditures are an estimate of the portion of salaries that these personnel spent abroad. In addition, BEA introduced a new estimation methodology for expenditures on utilities, maintenance, and rent of U.S. diplomatic missions based on the newly available data. These newly available data resulted in relatively large revisions to "U.S. government miscellaneous services" receipts and relatively small revisions to "U.S. government miscellaneous services" payments.

BEA also received data on the compensation of foreign nationals employed at U.S. diplomatic missions abroad. The newly available source data allowed BEA to estimate the compensation paid to these foreign nationals and to reclassify these payments from "U.S. government miscellaneous services" (line 28) to

4. For details on the reclassification of military goods, see Helen Y. Bai and Mai-Chi Hoang, "Annual Revision of the U.S. International Transactions Accounts," *SURVEY* 90 (July 2010): 36–50.

5. The statistics on goods are based on Census Bureau data that are collected by the U.S. Customs and Border Protection and that are adjusted by BEA for coverage, timing, valuation, and classification to a balance-of-payments basis.

“compensation of employees” (line 34), a category of income payments.⁶

New estimates for cross-border transfers of fines and penalties. Beginning with statistics for 1999, BEA has introduced newly developed estimates of the fines and penalties paid by foreign corporations to the U.S. government and U.S. purchasers and estimates of the fines and penalties paid by U.S. corporations to foreign governments. The fines and penalties paid by foreign corporations to the U.S. government (credits) are presented in line 37 and to U.S. private purchasers (credits) in line 38. Those paid by U.S. corporations to foreign governments (debits) are presented in line 38.

About 70 percent of the dollar value of these transfers is related to sanctions against international cartels for violations of U.S. and foreign antitrust laws. The remainder is sanctions primarily for illegal transactions conducted by, or through, banks and nonbank financial institutions, such as monetary transactions with prohibited countries, money laundering, wire transfer fraud, and manipulation of the Libor bank rate.

Detailed statistics are presented in the article “Fines and Penalties in the U.S. International Transactions

Accounts” in this issue.

Incorporation of new source data from the U.S. Department of the Treasury. BEA integrated new monthly data on cross-border holdings of U.S. and foreign long-term securities collected by the Treasury Department and the Federal Reserve Board on the Treasury International Capital (TIC) form Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (SLT). The collection of monthly data began with the SLT report as of January 31, 2012; quarterly data were also collected for the third and fourth quarters of 2011. The SLT surveys U.S. custodians, issuers of U.S. securities, and U.S. end-investors for cross-border holdings of U.S. and foreign equity and long-term debt securities by country. The new source data are incorporated into the financial accounts for 2012 forward. BEA uses the monthly SLT positions data to supplement the monthly transactions data from the TIC reporting system to improve coverage of long-term securities in financial account statistics.

Impact of the Revisions

Current-account highlights

Current-account statistics for 1999–2012 were revised (tables A and D). The current-account deficit for most years was revised downward. The revised statistics for

6. Line numbers refer to table 1 in “U.S. International Transactions: First Quarter of 2013” in this issue of the SURVEY.

Table D. Revisions to Selected Current-Account Transactions, 1999–2012

(Billions of dollars)

(Credits +, debits -) ¹	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Exports of goods and services and income receipts (line 1):														
Revised	1,262.4	1,425.3	1,300.2	1,263.6	1,346.3	1,579.5	1,825.6	2,145.5	2,486.8	2,654.4	2,184.8	2,522.5	2,873.7	2,986.9
Previously published	1,262.4	1,425.3	1,300.2	1,263.6	1,345.9	1,578.9	1,824.8	2,144.4	2,488.4	2,656.6	2,180.6	2,518.8	2,848.0	2,936.5
Amount of revision	0.0	0.0	0.0	0.0	0.4	0.6	0.8	1.0	-1.6	-2.2	4.2	3.8	25.7	50.4
Goods, balance of payments basis (line 3):														
Revised	698.2	784.8	731.2	697.4	729.8	822.0	911.7	1,039.4	1,163.6	1,307.3	1,069.5	1,288.8	1,495.9	1,561.2
Previously published	698.2	784.8	731.2	697.4	729.8	822.0	911.7	1,039.4	1,164.0	1,307.5	1,069.7	1,288.9	1,497.4	1,564.1
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	-0.2	-0.3	-0.1	-1.6	-2.9
Services (line 4):														
Revised	268.8	288.0	276.5	283.4	294.1	341.7	376.6	421.4	489.3	533.0	508.7	555.7	617.0	649.3
Previously published	268.8	288.0	276.5	283.4	293.7	341.2	375.8	420.4	490.6	535.2	509.2	553.6	606.0	630.4
Amount of revision	0.0	0.0	0.0	0.0	0.4	0.6	0.8	1.0	-1.3	-2.2	-0.5	2.1	11.0	19.0
Income receipts (line 12):														
Revised	295.4	352.5	292.4	282.7	322.4	415.8	537.3	684.7	834.0	814.1	606.6	678.1	760.8	776.4
Previously published	295.4	352.5	292.4	282.7	322.4	415.8	537.3	684.6	833.8	813.9	601.6	676.3	744.6	742.0
Amount of revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	5.0	1.8	16.2	34.3
Imports of goods and services and income payments (line 18):														
Revised	-1,514.3	-1,783.4	-1,632.8	-1,656.6	-1,794.1	-2,120.3	-2,465.9	-2,854.5	-3,085.3	-3,210.6	-2,444.9	-2,844.2	-3,197.8	-3,297.7
Previously published	-1,513.7	-1,782.8	-1,632.2	-1,655.8	-1,793.2	-2,119.2	-2,464.8	-2,853.5	-3,083.6	-3,207.8	-2,440.0	-2,829.6	-3,180.9	-3,277.4
Amount of revision	-0.6	-0.6	-0.6	-0.7	-0.9	-1.1	-1.1	-1.0	-1.6	-2.7	-4.9	-14.6	-17.0	-20.3
Goods, balance of payments basis (line 20):														
Revised	-1,035.6	-1,231.7	-1,153.7	-1,173.3	-1,272.1	-1,488.3	-1,695.8	-1,878.2	-1,986.3	-2,141.3	-1,580.0	-1,939.0	-2,240.0	-2,302.7
Previously published	-1,034.4	-1,230.6	-1,152.5	-1,171.9	-1,270.2	-1,485.5	-1,692.4	-1,875.1	-1,982.8	-2,137.6	-1,575.5	-1,934.0	-2,235.8	-2,299.4
Amount of revision	-1.2	-1.2	-1.2	-1.4	-1.9	-2.9	-3.4	-3.1	-3.5	-3.7	-4.5	-4.9	-4.2	-3.3
Services (line 21):														
Revised	-195.2	-218.4	-216.4	-225.8	-242.4	-280.3	-300.4	-335.0	-365.6	-401.3	-381.8	-404.9	-429.7	-442.5
Previously published	-195.8	-219.0	-217.0	-226.4	-244.3	-283.0	-303.6	-338.0	-368.4	-403.4	-382.6	-403.2	-427.4	-434.6
Amount of revision	0.6	0.6	0.7	0.6	1.9	2.7	3.3	3.0	2.9	2.1	0.8	-1.7	-2.2	-7.9
Income payments (line 29):														
Revised	-283.5	-333.3	-262.7	-257.5	-279.7	-351.7	-469.7	-641.3	-733.3	-667.9	-483.0	-500.4	-528.2	-552.4
Previously published	-283.5	-333.3	-262.7	-257.5	-278.7	-350.7	-468.7	-640.4	-732.3	-666.8	-481.9	-492.4	-517.6	-543.4
Amount of revision	0.0	0.0	0.0	0.0	-0.9	-1.0	-1.0	-0.9	-1.0	-1.1	-1.1	-8.0	-10.6	-9.0
Unilateral current transfers, net (line 35):														
Revised	-49.0	-58.2	-64.1	-64.8	-70.9	-88.6	-99.5	-89.4	-114.9	-125.2	-121.6	-127.8	-133.5	-129.7
Previously published	-50.4	-58.8	-64.6	-65.0	-71.8	-88.2	-105.7	-91.5	-115.1	-125.9	-122.5	-131.1	-133.1	-134.1
Amount of revision	1.5	0.6	0.5	0.2	0.9	-0.3	6.2	2.1	0.1	0.7	0.9	3.3	-0.5	4.4

(*) Less than 50,000,000 (+/-)

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital-account receipts; financial inflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

Debits, -: Imports of goods and services and income payments; unilateral current transfers from the United

States; capital-account payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

Note. Line numbers refer to table 1 in “U.S. International Transactions: First Quarter of 2013” in this issue of the SURVEY OF CURRENT BUSINESS.

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

In addition to the sources of revision noted above for the annual statistics, the quarterly statistics reflect revised seasonal adjustments for exports and imports of goods and services, receipts and payments of income, and net unilateral current transfers. The revisions to these statistics for most quarters did not affect the direction of the quarter-to-quarter changes in the current-account deficit (chart 3 and appendix A). However, the revised statistics for the second quarter of 2011 indicate that the deficit increased \$2.3 billion, but the previously published statistics indicated that the deficit decreased \$0.9 billion.

For 1999–2012, the revisions did not significantly affect the magnitude of the quarter-to-quarter changes in the current-account deficit. The largest revisions to the quarter-to-quarter change were for the first quarter of 2012 when the increase in the deficit was revised downward \$10.8 billion and for the fourth quarter of 2010 when the decrease in the deficit was revised upward \$6.4 billion.

Goods and services. The deficit on goods and services for 1999–2002 and for 2007–2010 was revised upward. The deficit for 2003–2006 and for 2011–2012 was revised downward. The revised statistics show the same trend as the previously published statistics.

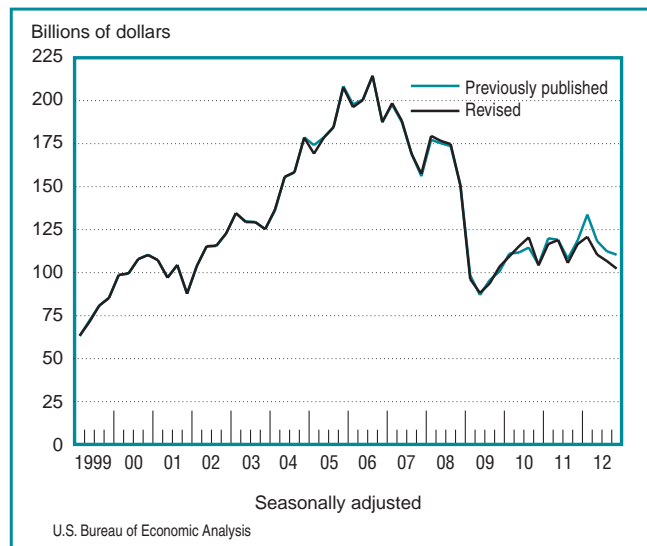
The deficit on goods for 1999–2012 was revised upward reflecting downward revisions to goods exports and upward revisions to goods imports. These revisions

largely reflect upward revisions to imports of goods that resulted from the reclassification of certain military-related transactions from services to goods and the elimination of a balance-of-payments adjustment previously used to deduct military-related imports from Census Bureau data. The revisions for 2007–2012 also reflect downward revisions to exports of goods that mostly resulted from the reclassification of services exported under the Foreign Military Sales program. The revisions to exports and imports of goods for 2010–2012 also reflect revised source data on goods from the Census Bureau (the Census Bureau recently changed its revision policy to correct and adjust goods data for the preceding 3 years instead of the prior year only).

The surplus on services for 1999–2007 and 2009–2012 was revised upward; the surplus for 2008 was revised downward. Services exports for 2003–2006 were revised upward, mostly reflecting the introduction of an improved estimation method for expenditures of short-term workers. Services exports for 2007–2009 were revised downward; these downward revisions were more than accounted for by downward revisions to “other” private services due to revised source data. Services exports were revised upward \$11.0 billion for 2011 and \$19.0 billion for 2012, the largest revisions for services exports; the revisions were due largely to the incorporation of results from BEA’s 2011 Benchmark Survey of Transactions in Selected Services and Intellectual Property With Foreign Persons and were concentrated in “other” private services. The revisions to services exports also reflected upward revisions for 2007–2012 due to the reclassification of goods and services exported under the Foreign Military Sales program and upward revisions for 2003–2012 due to newly available source data for expenditures abroad by the U.S. Department of State and its U.S. civilian employees stationed abroad. Services imports for 1999–2009 were revised downward as a result of the reclassifications in “direct defense expenditures” and in “U.S. government miscellaneous services.” Services imports for 2010–2012 were revised upward; revisions to “other” private services resulting from the incorporation of results from BEA’s 2011 benchmark survey of international services transactions more than offset downward revisions due to the reclassifications.

Income. The largest revision to the surplus on income was an upward revision of \$25.3 billion for 2012. The largest revisions to income receipts were upward revisions for 2011 (\$16.2 billion) and 2012 (\$34.3 billion), mainly reflecting upward revisions to “other” private receipts due to increased estimates of foreign securities holdings reported in the December 2011 U.S.

Chart 3. Quarterly Current-Account Deficit, 1999–2012



Treasury Department's Benchmark Survey of U.S. Ownership of Foreign Securities and the introduction of data from the new Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (SLT) survey. Revisions to income receipts also reflect newly available and revised data from BEA's quarterly and annual direct investment surveys, including the 2009 Benchmark Survey of U.S. Direct Investment Abroad.

The largest revisions to income payments were upward revisions for 2010 (\$8.0 billion), 2011 (\$10.6 billion), and 2012 (\$9.0 billion). The revisions for 2010 and 2011 were mostly due to direct investment payments. The 2012 revision was mostly due to the revision to "other" private payments that reflected newly available and revised source data, including the incorporation of data from the new SLT survey and the U.S. Treasury Department's June 2012 Annual Survey of Foreign Portfolio Holdings of U.S. Securities. Revisions to income payments for 2003–2012 also reflect the reclassification of compensation paid to foreigners employed abroad by the U.S. Department of State to compensation payments.

Transfers. Net outflows of unilateral current transfers for all years except 2004 and 2011 were revised downward; transfers for 2004 and 2011 were revised upward. Revisions for all years reflect the incorporation of new estimates for cross-border transfers of fines and penalties.

Financial-account highlights

Financial-account statistics for 2009–2012 were revised. Net financial flows, which include financial derivatives, were revised downward \$8.7 billion for 2009, upward \$55.2 billion for 2010, downward \$4.6 billion for 2011, and upward \$39.6 billion for 2012 (table A). Revisions to net financial inflows represent the combined revisions to transactions in U.S.-owned assets abroad, foreign-owned assets in the United States, and financial derivatives (table E). These revisions reflect the incorporation of newly available and revised source data from BEA's 2009 Benchmark Survey of U.S. Direct Investment Abroad, BEA's quarterly and annual surveys of direct investment, the new Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (SLT), the December 2011 Benchmark Survey of U.S. Ownership of Foreign Securities (SHC), and the June 2012 Annual Survey of Foreign Portfolio Holdings of U.S. Securities (SHLA).

The volatility in quarterly net financial flows reflects the volatility in global financial markets as well as the incomplete measurement of the financial-account flows. These flows can respond very quickly to changing conditions in financial markets, resulting in quarterly increases or decreases in financial-account

components. These quarterly changes can range from a few million dollars to hundreds of billions of dollars

Table E. Revisions to Selected Financial-Account Transactions, 2009–2012
[Billions of dollars]

(Credits +, debits -) ¹	2009	2010	2011	2012
U.S.-owned assets abroad, excluding financial derivatives (increase/financial outflow (-)) (line 40):				
Revised	-128.9	-910.0	-452.3	-97.5
Previously published	-119.5	-939.5	-483.7	17.9
Amount of revision	-9.3	29.5	31.3	-115.4
U.S. private assets abroad				
Direct investment (line 51):				
Revised	-310.4	-301.1	-409.0	-388.3
Previously published	-289.5	-327.9	-419.3	-351.4
Amount of revision	-20.9	26.8	10.3	-36.8
Foreign securities (line 52):				
Revised	-227.0	-139.1	-143.8	-144.8
Previously published	-227.0	-139.0	-146.8	-52.5
Amount of revision	0.0	-0.1	3.0	-92.3
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns (line 53):				
Revised	154.1	31.3	4.1	-25.7
Previously published	153.7	33.0	-11.6	-30.6
Amount of revision	0.4	-1.6	15.8	4.9
U.S. claims reported by U.S. banks, not included elsewhere (line 54):				
Revised	-234.7	-506.8	215.9	380.5
Previously published	-245.8	-511.3	213.6	371.9
Amount of revision	11.2	4.5	2.2	8.6
Foreign-owned assets in the United States, excluding financial derivatives (increase/financial inflow (+)) (line 55):				
Revised	315.1	1,333.9	969.0	543.9
Previously published	314.4	1,308.3	1,001.0	384.9
Amount of revision	0.7	25.6	-32.0	159.0
Foreign official assets in the United States				
U.S. Treasury securities (line 58):				
Revised	569.9	442.0	169.8	433.2
Previously published	569.9	442.0	171.2	354.8
Amount of revision	0.0	0.0	-1.4	78.4
Other U.S. government securities (line 59):				
Revised	-132.6	-88.7	-20.7	-118.5
Previously published	-132.6	-88.7	-12.4	-6.9
Amount of revision	0.0	0.0	-8.3	-111.6
Other foreign official assets (line 62):				
Revised	53.6	40.5	67.7	72.6
Previously published	53.6	40.5	14.0	16.2
Amount of revision	0.0	0.0	53.7	56.4
Other foreign assets in the United States				
Direct investment (line 64):				
Revised	150.4	205.9	230.2	166.4
Previously published	150.4	205.8	234.0	174.7
Amount of revision	0.0	(*)	-3.8	-8.3
U.S. Treasury securities (line 65):				
Revised	-15.5	298.3	188.0	156.4
Previously published	-15.5	297.8	240.9	123.6
Amount of revision	0.0	0.5	-52.8	32.8
U.S. securities other than U.S. Treasury securities (line 66):				
Revised	1.9	140.9	-54.5	196.9
Previously published	1.9	139.3	-56.4	76.7
Amount of revision	0.0	1.6	2.0	120.2
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns (line 68):				
Revised	9.5	68.0	6.1	-39.5
Previously published	9.0	63.0	6.6	-25.0
Amount of revision	0.6	5.0	-0.5	-14.6
U.S. liabilities reported by U.S. banks, not included elsewhere (line 69):				
Revised	-324.2	194.2	290.3	-387.4
Previously published	-324.3	175.9	309.2	-395.9
Amount of revision	0.1	18.3	-18.8	8.5
Financial derivatives, net (line 70):				
Revised	44.8	14.1	35.0	-7.1
Previously published	44.8	14.1	39.0	-3.1
Amount of revision	0.0	0.0	-4.0	-4.0

(*) Less than 50,000,000 (+/-)

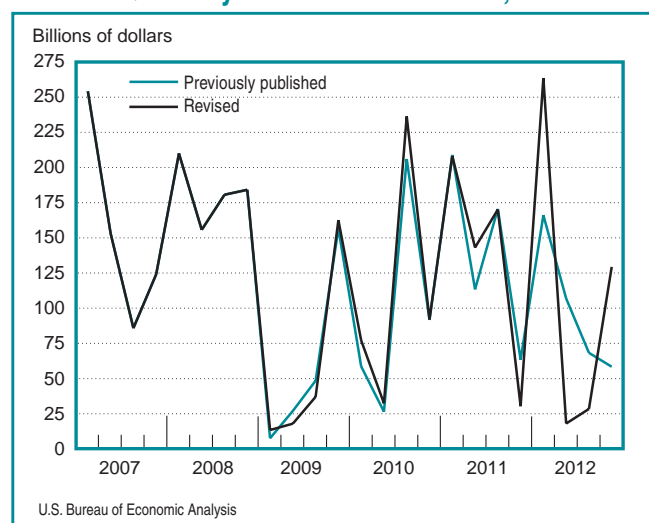
1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital-account receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).

Debits, -: Imports of goods and services and income payments; unilateral current transfers from the United States; capital-account payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

NOTE: Line numbers refer to table 1 in "U.S. International Transactions: First Quarter of 2013" in this issue of the SURVEY OF CURRENT BUSINESS.

and can change from an increase to a decrease from one quarter to the next (chart 4). Volatility in the net financial flows is also due to incomplete or imperfect measurement that may cause mismatches between components of flows that would be offsetting if the measurement was more complete or more accurate. Annual financial flows are less susceptible to this measurement-driven volatility.

Chart 4. Quarterly Net Financial Inflows, 2007–2012



U.S.-owned assets abroad

Transactions in U.S.-owned assets abroad excluding financial derivatives represent the net acquisition of foreign financial assets by U.S. residents, where increases are recorded as outflows. The upward revision of \$115.4 billion for 2012 was particularly noteworthy not only because of its size but also because it changed the annual transaction total to an outflow from the previously published inflow.

U.S. direct investment abroad. The revisions resulted from the incorporation of the results of BEA's 2009 Benchmark Survey of U.S. Direct Investment Abroad and newly available and revised source data from BEA's quarterly and annual surveys of direct investment. The upward revision for 2009 (\$20.9 billion) reflects upward revisions to both U.S. equity investment abroad and intercompany debt investment that were partly offset by a downward revision to reinvested earnings. The downward revision for 2010 (\$26.8 billion) reflects downward revisions to all three components: intercompany debt investment, reinvested earnings, and equity investment. The downward revision for 2011 (\$10.3 billion) largely reflects downward revisions to reinvested earnings and intercompany debt investment that were partly offset by an upward revision to equity investment. The upward revision for 2012 (\$36.8 billion) reflects upward revisions to both intercompany debt investment and reinvested earnings

that was partly offset by a downward revision to equity investment.

Foreign securities. Revisions to U.S. purchases of foreign securities reflect the incorporation of the SLT data, the SHC data, and other revised data from the TIC reporting system. The SHC and SLT surveys revealed that the change in U.S. holdings of foreign securities that is reflected in the international investment position (IIP) statistics was \$224.2 billion higher for 2011 and \$248.7 billion higher for 2012 than previously published statistics. Revisions to financial flows for foreign bonds and stocks resulted in the downward revision to foreign securities in 2011. Upward revisions to foreign bonds and stocks in 2012 resulted from adding previously unreported U.S. net purchases in the 2012 financial flows.

U.S. net purchases of foreign bonds were revised upward \$80.0 billion for 2011 and \$70.8 billion for 2012 as a result of adding previously unreported U.S. net purchases. U.S. net purchases of foreign stocks were revised downward \$83.0 billion for 2011 and upward \$21.6 billion for 2012. The downward revision for 2011 resulted from the incorporation of data from the SHC that revealed that the increase in U.S. holdings was mostly due to price appreciation and that net purchases were much lower than the previously published statistics. The upward revision for 2012 resulted from adding previously unreported U.S. net purchases.

Nonbank claims. The most significant revision in nonbank claims was for 2011 where nonbank claims were revised to a decrease of \$4.1 billion from the previously published increase of -\$11.6 billion. The revisions for 2009–2012 reflect updated data from the TIC reporting system and other sources and revised data on the intercompany debt claims of financial intermediaries from BEA's surveys of direct investment, particularly the 2009 benchmark survey.

Bank claims. The largest revision was for 2009, when the increase in claims was revised downward \$11.2 billion. Revisions were largely accounted for by updated data from the TIC reporting system. The revisions also partly reflect updated data from BEA's direct investment surveys, particularly the 2009 benchmark survey.

Foreign-owned assets in the United States

Transactions in foreign-owned assets in the United States excluding financial derivatives represent the net acquisition of U.S. financial assets by foreign residents where increases are recorded as inflows. The most significant revision was in 2012, when the increase in foreign-owned assets was revised upward \$159.0 billion.

Foreign direct investment in the United States. The revisions resulted from the incorporation of newly

available and revised source data from BEA's quarterly and annual surveys of direct investment. A small upward revision for 2010 reflects an upward revision to equity investment that was almost entirely offset by downward revisions to both intercompany debt investment and reinvested earnings. The downward revision for 2011 (\$3.8 billion) reflects downward revisions to reinvested earnings and intercompany debt investment that were partly offset by an increase in foreign equity investment in the United States. The downward revision for 2012 (\$8.3 billion) largely reflects a downward revision to intercompany debt investment that was partly offset by upward revisions to reinvested earnings and equity investment.

Official and private transactions in U.S. Treasury securities. Foreign official net purchases of U.S. Treasury securities were revised upward \$78.4 billion for 2012. Foreign private net sales were revised downward \$52.8 billion for 2011 and upward \$32.8 billion for 2012. These revisions were largely due to the incorporation of new data from the monthly SLT survey; revised data from the TIC reporting system also contributed to the revision. The SLT survey revealed that changes in foreign official and private holdings of long-term U.S. Treasury securities were \$56.5 billion lower for 2011 and \$111.9 billion higher for 2012 than in previously published IIP statistics; as a result, financial flows for 2011 were revised downward, and financial flows for 2012 were revised upward.

Official transactions in other U.S. government securities. Foreign official net sales of other U.S. government-sponsored agency securities, such as those issued by Fannie Mae and Freddie Mac, were revised upward \$8.3 billion for 2011 and \$111.6 billion for 2012 as a result of the incorporation of data from the new monthly SLT and revised monthly transactions data from the TIC reporting system. The SLT survey revealed that changes in foreign official holdings of agency securities declined more than in previously published IIP statistics; incorporating these data resulted in upward revisions to net sales in 2011 and 2012. The decline in foreign official holdings in the IIP accounts increased \$9.0 billion for yearend 2011 and \$111.3 billion for yearend 2012.

Other foreign official assets. Foreign official net purchases of other foreign official assets (U.S. corporate stocks and bonds) were revised upward \$53.7 billion for 2011 and \$56.4 billion for 2012 as a result of the incorporation of source data from the SLT and SHLA surveys and revised data from the TIC reporting system. The SLT and SHLA surveys revealed that changes in holdings of other foreign official assets in 2011 and 2012 were higher than in the previously published IIP statistics; incorporating these data re-

sulted in upward revisions to transactions for 2011 and 2012.

Private transactions in U.S. securities other than U.S. Treasury securities. Private foreign net purchases of U.S. securities other than U.S. Treasury securities (U.S. agency securities and U.S. corporate stocks and bonds) were revised upward \$1.6 billion for 2010. Private foreign net sales were revised downward \$2.0 billion for 2011. For 2012, net purchases were revised upward \$120.2 billion. These revisions resulted from the incorporation of updated source data from both the SLT and the SHLA surveys and from the monthly transactions data from the TIC reporting system.

The SLT and SHLA surveys revealed that changes to private holdings of U.S. stocks were \$198.5 billion higher for 2011 and \$85.7 billion higher for 2012 than in the previously published IIP statistics; incorporating these data resulted in upward revisions to net purchases of \$48.5 billion for 2011 and \$83.1 billion for 2012. Revisions to the change in the IIP statistics and to net purchases or sales may differ somewhat, like they were for U.S. stocks for 2011, because changes in the IIP statistics reflect both revisions to transactions and changes in value mainly due to price changes.

The SLT and SHLA surveys revealed that changes to private holdings of U.S. corporate bonds were \$12.3 billion lower for 2011 and \$51.8 billion higher for 2012 than in the previously published IIP statistics; incorporating these data resulted in an upward revision to net sales of \$35.5 billion for 2011 and a downward revision to net sales of \$18.4 billion for 2012. The surveys also revealed that changes to private holdings of U.S. agency bonds were \$3.8 billion lower for 2011 and \$3.1 billion higher for 2012 than in the previously published IIP statistics; incorporating these data resulted in an upward revision to net sales of \$9.1 billion for 2011 and an upward revision to net purchases of \$18.7 billion for 2012.

Nonbank liabilities. Increases in nonbank liabilities were revised upward \$0.6 billion for 2009 and \$5.0 billion for 2010 and were revised downward \$0.5 billion for 2011, reflecting the incorporation of revised data from the TIC reporting system and BEA's quarterly and annual surveys of direct investment. Decreases in nonbank liabilities were revised upward \$14.6 billion for 2012, primarily as a result of the incorporation of revised data from the Bank for International Settlements.

Bank liabilities. Decreases in bank liabilities were revised downward \$0.1 billion for 2009, and increases in bank liabilities were revised upward \$18.3 billion for 2010 and were revised downward \$18.8 billion for 2011, mostly reflecting the incorporation of revised data from the TIC reporting system. For 2012,

decreases in bank liabilities were revised downward \$8.5 billion, reflecting the incorporation of revised data from BEA's quarterly and annual surveys of direct investment and the TIC reporting system.

Statistical discrepancy

The statistical discrepancy is defined as the amount that balances the sum of the recorded credits and debits across all of the accounts in the ITAs. In principle,

the combined deficit (or surplus) on the current and capital accounts should equal net financial inflows (or outflows) in the financial account. In practice, however, they differ because of incomplete source data, gaps in coverage, timing differences, or other errors and omissions.

For 2009, the statistical discrepancy was revised upward \$8.4 billion to \$150.8 billion, mainly as a result of a downward revision to net financial flows. For 2010,

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

[Millions of dollars, quarters seasonally adjusted]

(Credits +, debits -) ¹	Exports of goods and services and income receipts			Imports of goods and services and income payments			Unilateral current transfers, net (inflows +, outflows -)		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
1999.....	1,262,431	1,262,431	0	-1,513,659	-1,514,255	-596	-50,428	-48,954	1,474
2000.....	1,425,260	1,425,260	0	-1,782,832	-1,783,419	-587	-58,767	-58,159	608
2001.....	1,300,156	1,300,156	0	-1,632,198	-1,632,766	-568	-64,561	-64,086	475
2002.....	1,263,580	1,263,580	0	-1,655,837	-1,656,570	-733	-64,990	-64,810	180
2003.....	1,345,930	1,346,348	418	-1,793,223	-1,794,133	-910	-71,796	-70,873	923
2004.....	1,578,939	1,579,517	578	-2,119,214	-2,120,285	-1,071	-88,243	-88,559	-316
2005.....	1,824,780	1,825,596	816	-2,464,813	-2,465,880	-1,067	-105,741	-99,512	6,229
2006.....	2,144,443	2,145,469	1,026	-2,853,549	-2,854,530	-981	-91,515	-89,417	2,098
2007.....	2,488,394	2,486,810	-1,584	-3,083,637	-3,085,270	-1,633	-115,061	-114,929	132
2008.....	2,656,585	2,654,418	-2,167	-3,207,834	-3,210,575	-2,741	-125,885	-125,185	700
2009.....	2,180,553	2,184,786	4,233	-2,439,990	-2,444,863	-4,873	-122,459	-121,559	900
2010.....	2,518,767	2,522,520	3,753	-2,829,645	-2,844,240	-14,595	-131,074	-127,751	3,323
2011.....	2,847,988	2,873,654	25,666	-3,180,861	-3,197,844	-16,983	-133,053	-133,535	-482
2012.....	2,936,512	2,986,949	50,437	-3,277,420	-3,297,677	-20,257	-134,076	-129,688	4,388
1999: I.....	301,005	301,005	0	-352,302	-352,454	-152	-11,885	-11,892	-7
II.....	307,938	307,938	0	-367,809	-367,959	-150	-12,260	-11,352	908
III.....	320,396	320,396	0	-389,266	-389,381	-115	-11,987	-11,813	174
IV.....	333,095	333,095	0	-404,283	-404,462	-179	-14,295	-13,895	400
2000: I.....	342,570	342,570	0	-428,360	-428,500	-140	-12,843	-12,711	132
II.....	356,151	356,151	0	-442,215	-442,363	-148	-13,348	-13,367	-19
III.....	361,296	361,296	0	-454,812	-454,936	-124	-14,387	-14,194	193
IV.....	365,246	365,246	0	-457,448	-457,623	-175	-18,191	-17,889	302
2001: I.....	351,600	351,600	0	-443,696	-443,855	-159	-15,151	-15,075	76
II.....	335,986	335,986	0	-417,491	-417,632	-141	-15,782	-15,392	390
III.....	313,257	313,257	0	-401,351	-401,463	-112	-16,265	-16,316	-51
IV.....	299,313	299,313	0	-369,660	-369,816	-156	-17,356	-17,298	58
2002: I.....	304,361	304,361	0	-389,616	-389,740	-124	-18,540	-18,538	2
II.....	316,088	316,088	0	-416,300	-416,463	-163	-14,988	-14,988	0
III.....	323,800	323,800	0	-424,236	-424,466	-230	-15,089	-15,040	49
IV.....	319,332	319,332	0	-425,684	-425,899	-215	-16,374	-16,244	130
2003: I.....	323,717	323,916	199	-440,022	-440,291	-269	-18,252	-18,245	7
II.....	326,636	326,683	47	-438,819	-439,044	-225	-17,634	-17,080	554
III.....	337,118	337,199	81	-448,830	-449,031	-201	-17,676	-17,500	176
IV.....	358,454	358,545	91	-465,553	-465,768	-215	-18,234	-18,049	185
2004: I.....	377,095	377,320	225	-490,218	-490,501	-283	-22,941	-23,514	-573
II.....	388,727	388,822	95	-522,894	-523,205	-311	-21,367	-21,351	16
III.....	398,132	398,252	120	-535,296	-535,559	-263	-21,121	-21,106	15
IV.....	414,985	415,122	137	-570,807	-571,021	-214	-22,815	-22,588	227
2005: I.....	436,444	436,728	284	-581,819	-582,103	-284	-28,741	-28,842	4,899
II.....	449,101	449,234	133	-602,553	-602,838	-285	-25,175	-24,774	401
III.....	458,956	459,154	198	-618,933	-619,166	-233	-24,618	-24,505	113
IV.....	480,278	480,478	200	-661,508	-661,773	-265	-27,206	-26,390	816
2006: I.....	505,587	505,910	323	-682,915	-683,915	-1000	-20,516	-19,023	1,493
II.....	532,230	532,406	176	-709,192	-709,547	-355	-23,610	-23,192	418
III.....	542,555	542,826	271	-731,811	-732,007	-196	-25,141	-25,320	-179
IV.....	564,073	564,327	254	-729,632	-729,889	-257	-22,248	-21,882	366
2007: I.....	582,062	581,768	-294	-747,524	-747,883	-359	-32,211	-32,456	-245
II.....	610,791	610,537	-254	-771,861	-772,397	-536	-26,481	-26,448	33
III.....	638,132	637,850	-282	-779,067	-779,400	-333	-28,092	-27,496	596
IV.....	657,411	656,655	-756	-785,184	-785,588	-404	-28,279	-28,532	-253
2008: I.....	670,832	670,403	-429	-814,329	-815,067	-738	-33,735	-34,868	-1,133
II.....	692,907	692,207	-700	-836,822	-837,586	-764	-31,347	-31,204	143
III.....	691,564	690,696	-868	-833,469	-834,277	-808	-31,703	-31,207	496
IV.....	601,284	601,113	-171	-723,214	-723,645	-431	-29,103	-27,908	1,195
2009: I.....	525,222	527,063	1,841	-594,817	-595,820	-1,003	-28,905	-27,476	1,429
II.....	522,332	523,402	1,070	-578,983	-580,164	-1,181	-30,331	-31,439	-1,108
III.....	546,847	550,164	3,317	-609,608	-610,977	-1,369	-32,935	-32,943	-8
IV.....	586,153	584,157	-1,996	-656,583	-657,902	-1,319	-30,289	-29,704	585
2010: I.....	599,298	600,890	1,592	-675,611	-675,379	232	-34,681	-34,906	-225
II.....	617,954	618,315	361	-697,957	-703,234	-5,277	-31,710	-30,438	1,272
III.....	636,778	635,337	-1,441	-718,137	-723,784	-5,647	-33,216	-32,045	1,171
IV.....	664,736	667,977	3,241	-737,941	-741,842	-3,901	-31,466	-30,362	1,104
2011: I.....	689,593	692,037	2,444	-774,367	-773,337	1,030	-35,223	-35,343	-120
II.....	713,499	715,865	2,366	-798,839	-800,990	-2,151	-33,777	-33,788	-11
III.....	724,800	735,595	10,795	-801,143	-809,215	-8,072	-31,815	-32,005	-190
IV.....	720,095	730,158	10,063	-806,512	-814,311	-7,799	-32,240	-32,401	-161
2012: I.....	727,956	742,117	14,161	-829,021	-830,188	-1,167	-32,703	-32,771	-68
II.....	734,927	746,799	11,872	-820,500	-824,644	-4,144	-32,780	-32,668	112
III.....	733,290	744,602	11,312	-811,542	-819,001	-7,459	-34,194	-32,343	1,851
IV.....	740,340	753,430	13,090	-816,358	-823,844	-7,486	-34,398	-31,906	2,492

See the footnotes at the end of the table.

the discrepancy was revised downward \$47.7 billion to \$11.6 billion mostly as a result of an upward revision to net financial flows. For 2011, the discrepancy was revised upward \$3.6 billion to a negative \$92.8 billion as a result of downward revisions to net financial flows

and the current-account deficit. For 2012, the statistical discrepancy changed from a positive \$68.8 billion to a negative \$5.9 billion as a result of an upward revision to net financial flows and a downward revision to the current-account deficit.

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

(Millions of dollars, quarters seasonally adjusted)

(Credits +, debits -) ¹	Balance on current account			Capital-account transactions, net (inflows +, outflows -)			Net financial flows (inflows +, outflows -)		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
1999	-301,656	-300,778	878	-4,176	-4,176	0	238,148	238,148	0
2000	-416,338	-416,317	21	-1	-1	0	477,701	477,701	0
2001	-396,603	-396,697	-94	13,198	13,198	0	400,254	400,254	0
2002	-457,248	-457,800	-552	-141	-141	0	500,515	500,515	0
2003	-519,089	-518,657	432	-1,821	-1,821	0	532,879	532,879	0
2004	-628,519	-629,327	-808	3,049	3,049	0	532,331	532,331	0
2005	-745,774	-739,796	5,978	13,116	13,116	0	700,716	700,716	0
2006	-800,621	-798,478	2,143	-1,788	-1,788	0	809,150	809,150	0
2007	-710,303	-713,389	-3,086	384	384	0	617,260	617,260	0
2008	-677,135	-681,343	-4,208	6,010	6,010	0	730,568	730,568	0
2009	-381,896	-381,636	260	-140	-140	0	239,671	231,019	-8,652
2010	-441,951	-449,471	-7,520	-157	-157	0	382,871	438,044	55,173
2011	-465,926	-457,725	8,201	-1,212	-1,212	0	556,347	551,708	-4,639
2012	-474,983	-440,416	34,567	6,436	6,956	520	399,746	439,351	39,605
1999: I	-63,182	-63,341	-159	-7	-7	0	23,694	23,694	0
II	-72,131	-71,373	758	-1	-1	0	64,785	64,785	0
III	-80,857	-80,799	58	-3	-3	0	32,570	32,570	0
IV	-85,483	-85,261	222	-4,165	-4,165	0	117,099	117,099	0
2000: I	-98,633	-98,641	-8	(*)	(*)	0	35,176	35,176	0
II	-99,412	-99,578	-166	2	2	0	139,263	139,263	0
III	-107,903	-107,835	68	-10	-10	0	160,217	160,217	0
IV	-110,394	-110,266	128	6	6	0	143,045	143,045	0
2001: I	-107,247	-107,331	-84	(*)	(*)	0	114,573	114,573	0
II	-97,287	-97,038	249	4	4	0	120,165	120,165	0
III	-104,359	-104,521	-162	13,188	13,188	0	57,084	57,084	0
IV	-87,703	-87,801	-98	6	6	0	108,433	108,433	0
2002: I	-103,794	-103,916	-122	7	7	0	88,384	88,384	0
II	-115,200	-115,363	-163	-2	-2	0	91,613	91,613	0
III	-115,524	-115,706	-182	-69	-69	0	161,227	161,227	0
IV	-122,727	-122,812	-85	-77	-77	0	159,288	159,288	0
2003: I	-134,558	-134,619	-61	-82	-82	0	158,593	158,593	0
II	-129,817	-129,440	377	-1,252	-1,252	0	60,305	60,305	0
III	-129,388	-129,332	56	-492	-492	0	128,422	128,422	0
IV	-125,334	-125,272	62	5	5	0	185,563	185,563	0
2004: I	-136,065	-136,695	-630	-56	-56	0	105,507	105,507	0
II	-155,534	-155,734	-200	(*)	(*)	0	161,128	161,128	0
III	-158,286	-158,413	-127	3,173	3,173	0	104,685	104,685	0
IV	-178,636	-178,487	149	-68	-68	0	161,012	161,012	0
2005: I	-174,116	-169,216	4,900	-2,160	-2,160	0	105,007	105,007	0
II	-178,627	-178,377	250	-83	-83	0	82,483	82,483	0
III	-184,595	-184,517	78	15,362	15,362	0	221,043	221,043	0
IV	-208,435	-207,685	750	-3	-3	0	292,183	292,183	0
2006: I	-197,845	-196,200	1,645	-1,220	-1,220	0	159,592	159,592	0
II	-200,572	-200,333	239	-487	-487	0	197,789	197,789	0
III	-214,397	-214,501	-104	-2	-2	0	245,186	245,186	0
IV	-187,807	-187,444	363	-79	-79	0	206,583	206,583	0
2007: I	-197,673	-198,571	-898	0	0	0	254,181	254,181	0
II	-187,551	-188,308	-757	443	443	0	153,165	153,165	0
III	-169,028	-169,046	-18	-57	-57	0	85,857	85,857	0
IV	-156,052	-157,465	-1,413	-2	-2	0	124,056	124,056	0
2008: I	-177,232	-179,532	-2,300	-8	-8	0	209,946	209,946	0
II	-175,262	-176,583	-1,321	-18	-18	0	155,766	155,766	0
III	-173,608	-174,788	-1,180	6,043	6,043	0	180,675	180,675	0
IV	-151,032	-150,440	592	-7	-7	0	184,179	184,179	0
2009: I	-98,500	-96,233	2,267	-20	-20	0	7,591	13,454	5,863
II	-86,982	-88,201	-1,219	-29	-29	0	26,945	17,947	-8,998
III	-95,697	-93,756	1,941	-36	-36	0	48,445	37,031	-11,414
IV	-100,719	-103,449	-2,730	-56	-56	0	156,691	162,588	5,897
2010: I	-110,994	-109,395	1,599	-3	-3	0	58,654	77,131	18,477
II	-111,713	-115,357	-3,644	-2	-2	0	26,491	32,459	5,968
III	-114,574	-120,492	-5,918	-146	-146	0	206,099	236,348	30,249
IV	-104,671	-104,228	443	-7	-7	0	91,627	92,106	479
2011: I	-119,997	-116,643	3,354	-29	-29	0	208,955	208,146	-809
II	-119,117	-118,903	214	-829	-829	0	113,391	143,110	29,719
III	-108,158	-105,626	2,532	-300	-300	0	170,552	170,122	-430
IV	-118,656	-116,554	2,102	-55	-55	0	63,449	30,330	-33,119
2012: I	-133,768	-120,842	12,926	-1	-1	0	166,106	263,561	97,455
II	-118,353	-110,513	7,840	-291	-241	50	106,881	18,013	-88,868
III	-112,446	-106,742	5,704	-470	-470	0	68,315	28,387	-39,928
IV	-110,416	-102,320	8,096	7,198	7,668	470	58,443	129,390	70,947

(*) Less than 500,000 (+/-)

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital-account receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims). Debits, -: Imports of goods and services and income payments;

unilateral current transfers to foreigners; capital-account payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).
NOTE: Details may not add to totals because of rounding.