

News Release

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, FRIDAY, December 18, 2020

BEA 20-66

Technical: Rodolfo Telles Jr.

(301) 278-9195

Rodolfo.Telles@bea.gov

Media: Jeannine Aversa

(301) 278-9003

Jeannine.Aversa@bea.gov

U.S. International Transactions, Third Quarter 2020

Current Account Deficit Widens by 10.6 Percent in Third Quarter

Current Account Balance, Third Quarter

The **U.S. current account deficit**, which reflects the combined balances on trade in goods and services and income flows between U.S. residents and residents of other countries, widened by \$17.2 billion, or 10.6 percent, to \$178.5 billion in the third quarter of 2020, according to statistics released by the U.S. Bureau of Economic Analysis. The revised second quarter deficit was \$161.4 billion.

The third quarter deficit was 3.4 percent of current dollar gross domestic product, up from 3.3 percent in the second quarter.

The \$17.2 billion widening of the current account deficit in the third quarter mostly reflected an expanded deficit on goods that was partly offset by an expanded surplus on primary income.

Quarterly U.S. Current Account and Component Balances

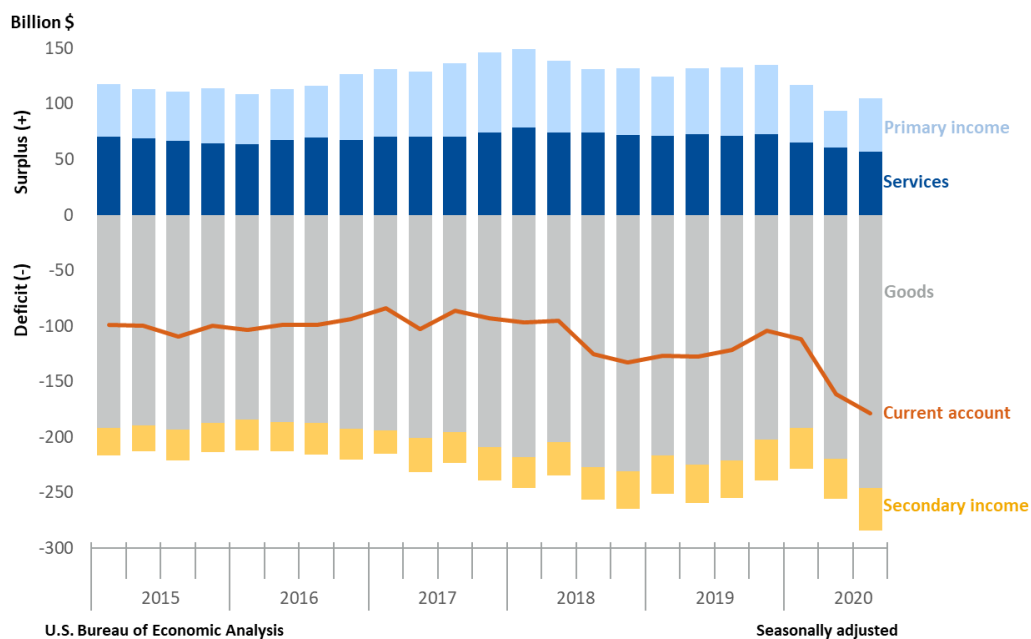


Table 1. U.S. International Transactions—Table Ends

[Millions of dollars]

Line		2018	2019	Change: 2018 to 2019	Seasonally adjusted					Change: 2020Q2 to 2020Q3	Line
					2019		2020				
					Q3	Q4	Q1	Q2 ^r	Q3 ^p		
Financial account											
67	Net U.S. acquisition of financial assets excluding financial derivatives (net increase in assets / financial outflow (+))	358,971	440,751	81,780	142,221	55,067	830,858	-257,865	-73,048	184,817	67
68	Direct investment assets	-151,298	188,469	339,767	25,574	59,180	-9,065	42,253	71,063	28,810	68
69	Equity	-218,115	173,537	391,652	45,886	55,296	15,620	50,946	57,243	6,297	69
70	Debt instruments	66,817	14,932	-51,885	-20,312	3,884	-24,685	-8,693	13,820	22,513	70
71	Portfolio investment assets	335,263	46,570	-288,693	20,460	21,806	115,814	-947	142,166	143,113	71
72	Equity and investment fund shares	171,300	-191,306	-362,606	-56,839	-99,715	279,965	-67,540	92,676	160,216	72
73	Debt securities	163,963	237,876	73,913	77,299	121,521	-164,151	66,593	49,490	-17,103	73
74	Short term	14,298	167,565	153,267	61,443	66,150	-73,206	21,807	20,320	-1,487	74
75	Long term	149,665	70,311	-79,354	15,856	55,371	-90,945	44,786	29,170	-15,616	75
76	Other investment assets	170,017	201,053	31,036	94,305	-26,128	724,354	-304,131	-288,098	16,033	76
77	Other equity	1,329	1,367	38	18	0	1,298	10	215	205	77
78	Currency and deposits	106,078	132,600	26,522	16,306	66,347	539,992	-312,539	-203,623	108,916	78
79	Loans	61,431	66,116	4,685	73,336	-91,595	187,829	8,485	-84,461	-92,946	79
80	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80
81	Trade credit and advances	1,179	970	-209	4,645	-879	-4,765	-87	-229	-142	81
82	Reserve assets	4,989	4,659	-330	1,882	210	-245	4,960	1,820	-3,140	82
83	Monetary gold	0	0	0	0	0	0	0	0	0	83
84	Special drawing rights	156	237	81	63	57	49	20	5	-15	84
85	Reserve position in the International Monetary Fund	4,824	4,271	-553	1,754	155	-327	4,902	1,785	-3,117	85
86	Other reserve assets	10	150	140	64	-2	33	38	29	-9	86
87	Currency and deposits	(*)	-12	-12	-1	-11	-16	-17	-22	-5	87
88	Securities	10	162	152	65	9	49	56	52	-4	88
89	Financial derivatives	0	0	0	0	0	0	0	0	0	89
90	Other claims	0	0	0	0	0	0	0	0	0	90
91	Net U.S. incurrence of liabilities excluding financial derivatives (net increase in liabilities / financial inflow (+))	758,291	797,960	39,669	238,964	83,479	952,306	-63,989	172,022	236,011	91
92	Direct investment liabilities	261,480	351,629	90,149	78,119	56,506	52,201	-651	70,530	71,181	92
93	Equity	344,269	290,311	-53,958	53,158	78,529	44,718	29,459	37,739	8,280	93
94	Debt instruments	-82,789	61,318	144,107	24,961	-22,023	7,482	-30,110	32,792	62,902	94
95	Portfolio investment liabilities	303,075	179,980	-123,095	105,660	-53,160	-20,547	342,240	147,526	-194,714	95
96	Equity and investment fund shares	156,916	-244,069	-400,985	-42,481	-72,736	263,713	64,646	146,408	81,762	96
97	Debt securities	146,159	424,049	277,890	148,141	19,576	-284,261	277,595	1,118	-276,477	97
98	Short term	30,462	-43,158	-73,620	60,400	-48,444	-10,748	343,807	-47,475	-391,282	98
99	Long term	115,697	467,207	351,510	87,741	68,020	-273,513	-66,212	48,592	114,804	99
100	Other investment liabilities	193,736	266,350	72,614	55,185	80,133	920,653	-405,578	-46,034	359,544	100
101	Other equity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	101
102	Currency and deposits	12,825	204,101	191,276	93,726	20,654	507,786	-241,674	-4,078	237,596	102
103	Loans	164,968	52,402	-112,566	-37,372	56,253	409,408	-167,278	-44,387	122,891	103
104	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	104
105	Trade credit and advances	15,943	9,847	-6,096	-1,169	3,226	3,459	3,374	2,431	-943	105
106	Special drawing rights allocations	0	0	0	0	0	0	0	0	0	106
107	Financial derivatives other than reserves, net transactions³	-20,404	-38,340	-17,936	-6,382	-933	-21,611	-12,744	23,999	36,743	107
Statistical discrepancy											
108	Statistical discrepancy⁴	34,165	90,921	56,756	19,303	76,998	-28,572	-44,204	-41,880	2,324	108
Balances											
109	Balance on current account (line 1 less line 34)⁵	-449,693	-480,226	-30,533	-121,594	-104,324	-111,516	-161,362	-178,513	-17,151	109
110	Balance on goods and services (line 2 less line 35)	-579,937	-576,865	3,072	-149,658	-129,759	-126,476	-158,687	-188,408	-29,721	110
111	Balance on goods (line 3 less line 36)	-880,301	-864,331	15,970	-221,129	-202,497	-191,748	-219,545	-245,565	-26,020	111
112	Balance on services (line 13 less line 45)	300,364	287,466	-12,898	71,471	72,738	65,272	60,858	57,158	-3,700	112
113	Balance on primary income (line 26 less line 58)	251,174	236,344	-14,830	61,621	61,958	52,036	33,234	48,108	14,874	113
114	Balance on secondary income (line 33 less line 64)	-120,931	-139,705	-18,774	-33,556	-36,524	-37,075	-35,909	-38,213	-2,304	114
115	Balance on capital account (line 65 less line 66)⁵	-4,196	-6,244	-2,048	-835	-2,019	-2,971	-1,054	-678	376	115
116	Net lending (+) or net borrowing (-) from current- and capital-account transactions (line 109 plus line 115)⁶	-453,890	-486,470	-32,580	-122,429	-106,344	-114,487	-162,416	-179,191	-16,775	116
117	Net lending (+) or net borrowing (-) from financial-account transactions (line 67 less line 91 plus line 107)⁶	-419,724	-395,549	24,175	-103,125	-29,345	-143,059	-206,620	-221,071	-14,451	117

p Preliminary r Revised n.i.e. Not included elsewhere 0 Transactions are possible but are zero for a given period. (*) Transactions are between zero and +/- \$500,000. n.a. Transactions are possible, but data are not available.

1. All travel purposes include 1) business travel, including expenditures by border, seasonal, and other short-term workers and 2) personal travel, including health-related and education-related travel.

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

3. Transactions for financial derivatives are only available as a net value equal to transactions for assets less transactions for liabilities. A positive value represents net U.S. cash payments arising from derivatives contracts, and a negative value represents net U.S. cash receipts.

4. The statistical discrepancy, which can be calculated as line 117 less line 116, is the difference between total debits and total credits recorded in the current, capital, and financial accounts. In the current and capital accounts, credits and debits are labeled in the table. In the financial account, an acquisition of an asset or a repayment of a liability is a debit, and an incurrence of a liability or a disposal of an asset is a credit.

5. Current- and capital-account statistics in the international transactions accounts differ slightly from statistics in the national income and product accounts (NIPAs) because of adjustments made to convert the international transactions statistics to national economic accounting concepts. A reconciliation between annual statistics in the two sets of accounts appears in [NIPA table 4.3B](#).

6. Net lending means that U.S. residents are net suppliers of funds to foreign residents, and net borrowing means the opposite. Net lending or net borrowing can be computed from current- and capital-account transactions or from financial-account transactions. The two amounts differ by the statistical discrepancy.

Notes: Details may not add to totals because of rounding. See international transactions accounts table 1.3 at apps.bea.gov/iTable/index_ita.cfm for geographic detail.

Source: U.S. Bureau of Economic Analysis

