

Technical Note

U.S. International Transactions, Fourth Quarter and Year 2020

March 23, 2021

This technical note provides information about the impacts of the coronavirus (COVID-19) pandemic on the international transactions statistics and estimation methods for the fourth quarter of 2020. The news release, statistics, and other materials are available on BEA's website at www.bea.gov.

COVID-19 Impact on Fourth Quarter U.S. International Transactions

Nearly all major categories of current account transactions increased in the fourth quarter, the second consecutive quarter of broad-based growth following notable COVID-19-related declines in the second quarter. Earlier in the year, many businesses were operating at limited capacity or ceased operations completely and the United States and other countries issued travel advisories or restrictions that led to rapid declines in the numbers of foreign travelers to the United States and U.S. travelers abroad. Travel remained below pre-pandemic levels in the fourth quarter.

In the financial account, following a record level of net shipments of U.S. currency abroad in the third quarter, net shipments of U.S. currency remained elevated in the fourth quarter to meet the demand for U.S. currency by foreign residents.

The full economic effects of the COVID-19 pandemic cannot be quantified in the statistics because the impacts are generally embedded in source data and cannot be separately identified.

Impact on Estimation Methods

For international transactions categories based on source data that are lagged, including services categories based on BEA's quarterly surveys of financial, insurance, and other selected services and intellectual property transactions, BEA generally estimates the current quarter using related indicator series and historical trends. To more accurately measure the fourth quarter transactions given the impact of COVID-19, BEA incorporated early reporting on the Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE-125) and the Quarterly Survey of Financial Services Transactions Between U.S. Financial Services Providers and Foreign Persons (BE-185). Due to the fourth quarter survey response deadline falling after the release of revised third quarter data, early response rates were low. Reported data were available for 50 percent of the reporters for the BE-125 and for 40 percent of the reporters for the BE-185; BEA used its standard methods to estimate companies that had not yet reported.

More complete source data will be incorporated following the schedule described under "Release and update cycle" in the Additional Information section of each international transactions news release.