

Technical Note

U.S. International Transactions First Quarter 2021 and Annual Update

June 23, 2021

This technical note provides background information about the estimation methods used to produce the estimates presented in the U.S. International Transactions Accounts news release. The complete set of estimates for the first quarter is available on BEA's website at www.bea.gov; a brief summary of "highlights" is also posted on the website.

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

All major categories of current account transactions increased in the first quarter of 2021, the third consecutive quarter of broad-based growth following notable COVID-19-related declines in the second quarter of 2020. Within services, travel remained below pre-pandemic levels in the first quarter because of continued restrictions on international travel.

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 first 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). Reported data were available for 75 percent of the reporters for the BE-125 and for 84 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.

Incorporation of Benchmark Surveys

BEA conducts benchmark surveys every 5 years to collect information from the entire population—or universe—of companies included in its survey statistics. With this annual update, BEA has incorporated results from 2 benchmark surveys. Direct investment positions, transactions in financial assets and liabilities, and related income receipts and payments for 2017–2020 were revised to incorporate the results of BEA's 2017 Benchmark Survey of Foreign Direct Investment in the United States, and insurance services exports and imports and insurance-related transfers in secondary income receipts and payments for 2013–2020 were revised to incorporate the results of BEA's 2018 Benchmark Survey of Insurance Transactions by U.S. Insurance Companies with Foreign Persons. Estimates for 2017–2020 income, transactions, and positions for U.S. affiliates that are not required to file the quarterly survey were previously based on the 2012 benchmark survey and were replaced with estimates based on reporting from the 2017 benchmark survey. Estimates for 2013–2020 insurance services exports and imports were previously based on the 2013 benchmark survey and were replaced with estimates that incorporate data from the 2018 benchmark survey.

Summary Results from the Annual Update

Today's release presents results from the annual update of the U.S. international transactions accounts. This year's update includes revised estimates for the first quarter of 2013 to the fourth quarter of 2020, which reflect the incorporation of newly available and revised source data and updated seasonal adjustments.

This annual update has not changed the overall trend in the current account balance. The annual current account deficit was revised by 2.5 percent or less (positive or negative) for 2013–2019. For 2020, the deficit was revised down 4.8 percent, reflecting a 13.1 percent downward revision to the secondary income deficit, a 4.9 percent upward revision to the services surplus, and a 3.8 percent upward revision to the primary income surplus.

An overview of the annual update is published in "[Preview of the 2021 Annual Update of the International Economic Accounts](#)" in the April 2021 issue of the *Survey of Current Business*. Additional details will be provided in an article in the July 2021 issue.