

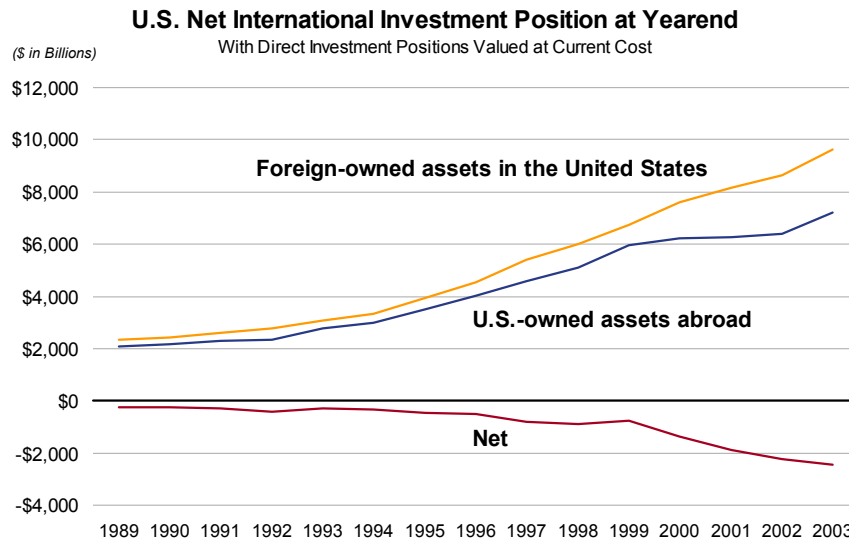


WEDNESDAY June 30, 2004

## VALUE OF FOREIGN INVESTMENTS IN THE U.S. RISES MORE THAN VALUE OF U.S. INVESTMENTS ABROAD IN 2003

*2003 Yearend U.S. Net International Investment Position*

The U.S. net international investment position at yearend 2003 was a negative \$2,430.7 billion (preliminary) with direct investment valued at current cost, as the value of foreign investments in the United States exceeded the value of U.S. investments abroad. At yearend 2002, the U.S. net international investment position was a negative \$2,233.0 billion (revised).



The net investment position became \$197.7 billion more negative from yearend 2002 to yearend 2003, mainly due to large net foreign purchases of U.S. securities (mostly of corporate bonds and U.S. Treasury securities). Partly offsetting this impact, appreciation of most foreign currencies against the U.S. dollar raised the dollar value of U.S.-owned assets abroad, especially of U.S.-held foreign stocks. Substantial increases in stock market prices raised the value of U.S. portfolio investment abroad somewhat more than it raised the value of foreign portfolio investment in the United States.

- In regard to transactions, foreign acquisitions of assets in the United States were \$829.2 billion in 2003, up from \$768.2 billion in 2002, and the second largest on record after \$1,046.9 billion in 2000.
- U.S. acquisitions of assets abroad were \$283.4 billion in 2003, up from \$198.0 billion in 2002, and down from a record \$569.8 billion in 2000.

---

BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on its Web site: <[www.bea.gov](http://www.bea.gov)>.

NOTE: Estimates in this release reflect data with direct investment positions valued at current cost. The current-cost method values the U.S. and foreign parents' share of their affiliates' investment in plant and equipment using the current cost of capital equipment, in land using general price indexes, and in inventories using estimates of their replacement cost.

Contact: Ralph Stewart 202-606-9690

Bureau of Economic Analysis  
U.S. Department of Commerce