

International Investment Position Accounts

U.S. Department of Commerce



Bureau of Economic Analysis

The Bureau of Economic Analysis prepares and publishes estimates of the value of accumulated stocks of U.S.-owned assets abroad and of foreign-owned assets in the United States, as well as the value of the net international investment position of the United States (table 1). These estimates are produced annually and reflect values as of yearend. The estimates for transactions, which are presented in the international transactions accounts, and several types of valuation adjustments explain the year-to-year change in investment positions.

Assets are recorded in the international investment position accounts at current cost or at market value. Direct investment is recorded at current cost and at market value, and supplemental information is available at historical cost (or book value). Equity, long-term marketable debt securities, and gold are recorded at market value. For other types of assets, face value is generally presumed to represent market value.

Changes in the value of stocks of assets in the international investment position consist of two elements. The first is the change attributable to international financial transactions, which are recorded in the international transactions accounts. The second is the change attributable to valuation adjustments, including price changes, exchange rate changes, and other factors.

The international investment position accounts provide information on the composition of U.S.-owned assets abroad and of foreign-owned assets in the United States. This information facilitates analyses

of the economic effects of international lending and investment. For example, the economic effects of direct investment can be much different from the economic effects of portfolio investment. Within portfolio investment, the relative importance of foreign ownership of domestic stocks, bonds, bank loans, and deposits is often of interest to government policymakers, private individuals, and companies.

The value of U.S.-owned assets abroad includes the value of U.S. official reserve assets, of U.S. Government assets other than official reserve assets, and of U.S. private assets. U.S. private assets consist of the value of U.S. direct investment abroad, of U.S. holdings of foreign securities, and of U.S. claims on unaffiliated foreigners reported by U.S. banks and nonbanking concerns.

The value of foreign-owned assets in the United States includes the value of foreign official assets in the United States and of other foreign assets in the United States. Other foreign assets consist of the value of foreign direct investment in the United States, of foreign holdings of U.S. securities, of foreign holdings of U.S. currency, and of U.S. liabilities to unaffiliated foreigners reported by U.S. banks and nonbanking concerns.

For more information

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Table 1. International Investment Position of the United States at Yearend, 2000 and 2001

[Millions of dollars]

Line	Type of investment	Position, 2000 ^r	Changes in position in 2001 (decrease (-))				Position, 2001 ^p	
			Financial flows	Attributable to:				Total (a+b+c+d)
				Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
Net international investment position of the United States:								
1	With direct investment positions at current cost (line 3 less line 24).....	-1,350,791	-381,845	-116,510	-103,402	4,414	-597,343	-1,948,134
2	With direct investment positions at market value (line 4 less line 25).....	-1,583,153	-381,845	-215,482	-145,572	16,935	-725,964	-2,309,117
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15).....	6,191,934	370,962	-258,272	-124,662	16,177	4,205	6,196,139
4	With direct investment positions at market value (lines 5+10+16).....	7,350,862	370,962	-715,843	-163,854	20,816	-487,919	6,862,943
5	U.S. official reserve assets.....	128,400	4,911	536	-3,879	-7	1,561	129,961
6	Gold.....	71,799	.....	³ 536	.....	⁴ -7	529	72,328
7	Special drawing rights.....	10,539	630	.....	-386	.....	244	10,783
8	Reserve position in the International Monetary Fund.....	14,824	3,600	.....	-555	.....	3,045	17,869
9	Foreign currencies.....	31,238	681	.....	-2,938	.....	-2,257	28,981
10	U.S. Government assets, other than official reserve assets.....	85,164	486	.....	.....	.....	486	85,650
11	U.S. credits and other long-term assets ⁵	82,570	558	.....	.....	.....	558	83,128
12	Repayable in dollars.....	82,289	561	.....	.....	.....	561	82,850
13	Other ⁶	281	-3	.....	.....	.....	-3	278
14	U.S. foreign currency holdings and U.S. short-term assets.....	2,594	-72	.....	.....	.....	-72	2,522
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23).....	5,978,370	365,565	-258,808	-120,783	16,184	2,158	5,980,528
16	With direct investment at market value (lines 18+19+22+23).....	7,137,298	365,565	-716,379	-159,975	20,823	-489,966	6,647,332
Direct investment abroad:								
17	At current cost.....	1,515,279	127,840	19,533	-17,713	-21,817	107,843	1,623,122
18	At market value.....	2,674,207	127,840	-438,038	-56,905	-17,178	-384,281	2,289,926
19	Foreign securities.....	2,389,427	94,662	-278,341	-95,228	.....	-278,907	2,110,520
20	Bonds.....	557,019	-12,147	18,214	-11,237	.....	-11,237	545,782
21	Corporate stocks.....	1,832,408	106,809	-296,555	-77,924	.....	-267,670	1,564,738
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	821,564	14,358	.....	-5,811	.....	8,547	830,111
23	U.S. claims reported by U.S. banks, not included elsewhere.....	1,252,100	128,705	.....	-2,031	38,001	164,675	1,416,775
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33).....	7,542,725	752,807	-141,762	-21,260	11,763	601,548	8,144,273
25	With direct investment at market value (lines 26+34).....	8,934,015	752,807	-500,361	-18,282	3,881	238,045	9,172,060
26	Foreign official assets in the United States.....	1,008,890	5,225	1,623	.....	6,000	12,848	1,021,738
27	U.S. Government securities.....	749,904	31,666	11,274	.....	6,000	48,940	798,844
28	U.S. Treasury securities.....	625,161	10,745	8,796	.....	6,001	25,542	650,703
29	Other.....	124,743	20,921	2,478	.....	-1	23,398	148,141
30	Other U.S. Government liabilities ⁷	13,739	-1,882	.....	.....	.....	-1,882	11,857
31	U.S. liabilities reported by U.S. banks, not included elsewhere.....	153,403	-30,278	.....	.....	.....	-30,278	123,125
32	Other foreign official assets.....	91,844	5,719	-9,651	.....	.....	-9,932	87,912
Other foreign assets:								
33	With direct investment at current cost (lines 35+37+38+41+42+43).....	6,533,835	747,582	-143,385	-21,260	5,763	588,700	7,122,535
34	With direct investment at market value (lines 36+37+38+41+42+43).....	7,925,125	747,582	-501,984	-18,282	-2,119	225,197	8,150,322
Direct investment in the United States:								
35	At current cost.....	1,374,752	130,796	14,214	-2,978	-17,860	124,172	1,498,924
36	At market value.....	2,766,042	130,796	-344,385	.....	-25,742	-239,331	2,526,711
37	U.S. Treasury securities.....	400,966	-7,670	4,719	.....	-9,241	-12,192	388,774
38	U.S. securities other than U.S. Treasury securities.....	2,623,628	407,653	-162,318	-12,309	.....	233,026	2,856,654
39	Corporate and other bonds.....	1,075,988	288,200	40,741	-12,309	.....	316,632	1,392,620
40	Corporate stocks.....	1,547,640	119,453	-203,059	.....	.....	-83,606	1,464,034
41	U.S. currency.....	251,786	23,783	.....	.....	.....	23,783	275,569
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	729,340	82,353	.....	-2,140	-5,136	75,077	804,417
43	U.S. liabilities reported by U.S. banks, not included elsewhere.....	1,153,363	110,667	.....	-3,833	38,000	144,834	1,298,197

^p Preliminary.

^r Revised.

1. Represents gains or losses on foreign-currency-denominated assets due to their revaluation at current exchange rates.

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are

not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.