

The International Investment Position of the United States at Yearend 2001

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IN 2001, foreign-owned assets in the United States increased by a sizable amount while U.S.-owned assets abroad changed little, with direct investment valued at current cost (see the box “Current-Cost and Market-Value Methods of Valuing Direct Investment”). As a result, the net international investment position became more negative.

The net international investment position at current cost was $-\$1,948.1$ billion at yearend 2001, compared with $-\$1,350.8$ billion (revised) at yearend 2000 (table 1, chart 1). The previously published net international investment position for yearend 2000 was $-\$1,842.7$ billion; the revision reflects the incorporation of the U.S. Treasury Department’s once-every-5-year Bench-

mark Survey of Foreign Portfolio Investment in the United States (see the box “Improvements in the Estimates”). In 2001, financial inflows into U.S. assets exceeded financial outflows into foreign assets, declines in stock market prices had a greater impact on U.S. assets abroad than on foreign assets in the United States, and exchange-rate depreciation of foreign currencies lowered the value of U.S. assets abroad more than it lowered the value of foreign assets in the United States.

The net international investment position with direct investment valued on an alternative basis—at the current stock market value of owners’ equity—also became more negative; it was $-\$2,309.1$ billion at yearend 2001, compared with $-\$1,583.2$ billion (revised) at

Current-Cost and Market-Value Methods of Valuing Direct Investment

Since 1991, in the series of annual articles on the international investment position of the United States, two measures of valuing direct investment positions—the *current-cost* method and the *market-value* method—have been discussed and presented as two alternatives to the historical-cost valuation. The current-cost method values the U.S. and foreign parents’ shares 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. The market-value method values the owners’ equity share of direct investment using indexes of stock market prices. (For additional information, see J. Steven Landefeld and Ann M. Lawson, “Valuation of the U.S. Net International Investment Position,” *SURVEY OF CURRENT BUSINESS* 71 (May 1991): 40–49.)

In this article, BEA emphasizes the current-cost method, because the estimates prepared using the current-cost method are comparable with BEA’s current-cost estimates of total U.S. reproducible tangible wealth and with the Federal Reserve Board’s estimates of domestic net worth (the sum of tangible assets located in the United States, including plant and equipment, inventories, and land). Furthermore, BEA’s calculation of direct investment income includes a current-cost adjustment to depreciation; this adjustment converts depreciation as

reported on company financial statements to the preferred economic accounts measure, which is based on the current cost, rather than on the historical cost, of assets.

The estimates of direct investment in the international investment position continue to be presented on both current-cost and market-value bases in order to highlight that different methods of valuing direct investment may be appropriate for different circumstances and that depending on the valuation method used, the resulting estimates may differ substantially. All of the categories in the international investment position accounts except direct investment positions can be directly estimated with reference to readily observable market prices. For example, the value of positions in portfolio investment securities, gold, loans, currencies, and bank deposits can be directly estimated based on face values or market prices of recent transactions. In contrast, direct investment positions typically involve illiquid ownership interests in companies that may possess many unique attributes—such as customer base, management, and ownership of intangible assets—whose values in the current period are difficult to determine, because there is no widely accepted standard for revaluing company financial statements at historical cost into prices of the current period.

yearend 2000. Foreign-owned assets increased, though not as much as on the current-cost basis, while U.S.-owned assets decreased substantially, reflecting the greater impact of the declines in stock market prices on the market-value basis.

In the following discussion, the current-cost estimates of direct investment are featured, and the market-value estimates of direct investment are discussed only when there is a substantial difference between the two valuation measures. The differences between these

valuation measures are limited to differences in direct investment valuation adjustments, to differences in direct investment positions, and to differences in higher level aggregates that include these accounts. All financial flows and all asset and liability positions except direct investment are identical under both of these valuation measures.

With direct investment valued at current cost, U.S.-owned assets abroad increased slightly to \$6,196.1 billion at yearend 2001 from \$6,191.9 billion at yearend

Improvements in the Estimates

As is customary each July, the estimates of the U.S. international investment position incorporate newly available source data and methodological improvements that relate to the changes incorporated in the annual revision of the U.S. international transactions accounts.

This year, the estimates of foreign portfolio holdings of U.S. securities for 1995–2000 were revised to incorporate results from the U.S. Treasury Department’s Benchmark Survey of Foreign Portfolio Investment in the United States, which covered foreign ownership of U.S. securities with an original maturity of more than 1 year as of March 2000. As a result, the net international investment positions are less negative than previously indicated. For yearend 2000, the net position was revised from –\$1,842.7 billion to –\$1,350.8 billion with direct investment at current cost and from –\$2,187.4 billion to

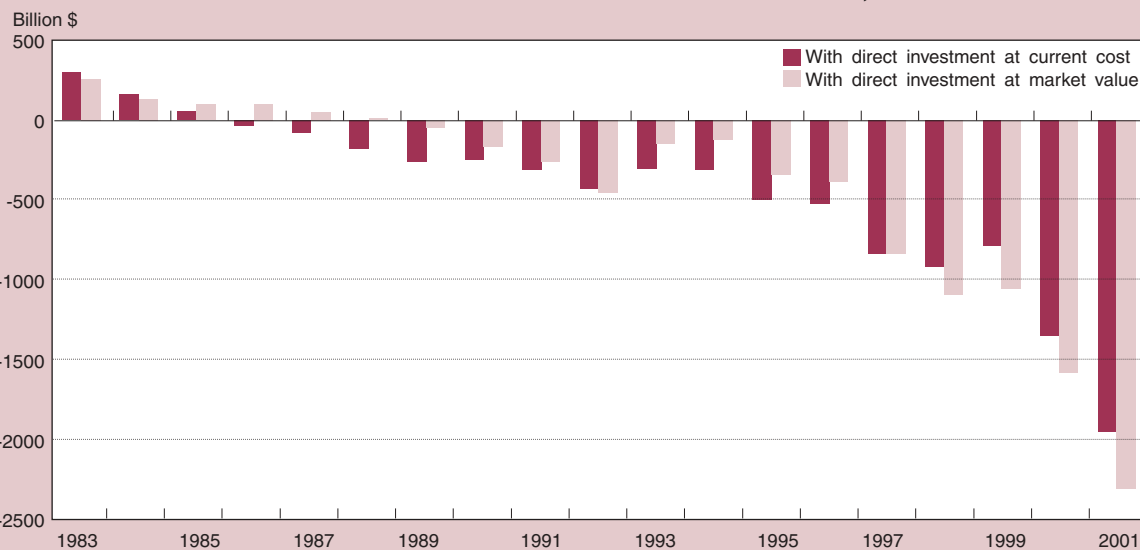
–\$1,583.2 billion with direct investment at market value.

The benchmark survey results were used by BEA to revise its estimates of the international investment position, as well as its estimates of financial inflows and associated flows of interest and dividend payments in BEA’s international transactions accounts. In addition, BEA has used information from the benchmark survey and other sources to develop and implement new estimation methodologies that will improve future estimates of positions and of financial and income flows.

In addition, estimates of U.S. direct investment positions on a market-value basis for 1993–2000 were revised to incorporate improved source data. For additional information. See “Annual Revision of the U.S. International Accounts, 1993–2001” in this issue.

CHART 1

Net International Investment Position of the United States at Yearend, 1983–2001



2000 (table A).

- Net financial outflows increased the value of U.S. investments abroad by \$371.0 billion in 2001, down 39 percent from a record \$606.5 billion in 2000 (table B). U.S. nonbanks' claims on foreigners, mostly deposits overseas, slowed substantially. U.S. direct investment abroad slowed as U.S. acquisitions of foreign companies fell. U.S. banks' claims on foreigners declined from last year's record but remained strong. U.S. investors shifted to net sellers of foreign bonds but continued as net purchasers of foreign stocks.
- Negative valuation adjustments reduced the value of U.S. investments abroad by \$366.8 billion. Price depreciation of foreign stocks diminished the value of U.S. holdings of foreign stocks. Exchange-rate depreciation, principally on U.S.-held foreign stocks and on U.S. direct investment abroad, reflected depreciation of most foreign currencies against the U.S. dollar from yearend 2000 to yearend 2001 (table B).
- With direct investment on a market-value basis, U.S.-owned assets decreased to \$6,862.9 billion from \$7,350.9 billion. Negative valuation adjustments reduced the value of U.S. investments abroad more on this basis (\$858.9 billion) than on a current-cost basis (\$366.8 billion), reflecting large declines in foreign stock market prices in 2001.

With direct investment valued at current cost, foreign-owned assets in the United States increased to \$8,144.3 billion at yearend 2001 from \$7,542.7 billion at yearend 2000 (table A).

Table A. U.S. Net International Investment Position at Yearend

[Billions of dollars]

| | 1999 | 2000 | 2001 |
|---|----------|----------|----------|
| Net position: | | | |
| At current cost..... | -784.1 | -1,350.8 | -1,948.1 |
| At market value..... | -1,053.6 | -1,583.2 | -2,309.1 |
| U.S.-owned assets abroad: | | | |
| At current cost..... | 5,959.0 | 6,191.9 | 6,196.1 |
| At market value..... | 7,387.0 | 7,350.9 | 6,862.9 |
| Foreign-owned assets in the United States: | | | |
| At current cost..... | 6,743.1 | 7,542.7 | 8,144.3 |
| At market value..... | 8,440.5 | 8,934.0 | 9,172.1 |

Table B. Changes in U.S.-Owned Assets Abroad, 2001

[Billions of dollars]

| | At current cost | At market value |
|------------------------------------|-----------------|-----------------|
| Total change | 4.2 | -487.9 |
| Financial flows | 371.0 | 371.0 |
| Valuation adjustments | -366.8 | -858.9 |
| Price changes | -258.3 | -715.8 |
| Exchange rate changes..... | -124.7 | -163.9 |
| Other valuation changes | 16.2 | 20.8 |

- Net financial inflows increased the value of foreign investments in the United States by \$752.8 billion in 2001, down 26 percent from a record \$1,016.0 billion in 2000. Foreign direct investment in the United States slowed substantially as a result of a large drop in foreign acquisitions of U.S. companies. Net foreign purchases of U.S. securities other than U.S. Treasury securities also slowed but included record net purchases of U.S. bonds. Inflows reported by U.S. nonbanks slowed significantly, but inflows reported by U.S. banks remained strong.
- Negative valuation adjustments reduced the value of foreign-owned assets in the United States by \$151.3 billion. Price depreciation of U.S. stocks reduced the value of foreign holdings of U.S. stocks.
- With direct investment on a market-value basis, foreign-owned assets in the United States increased to \$9,172.1 billion from \$8,934.0 billion. Negative valuation adjustments reduced the value of foreign investments in the United States more on this basis (\$514.8 billion) than on a current-cost basis (\$151.3 billion), reflecting large declines in U.S. stock market prices in 2001 (table C).

Table C. Changes in Foreign-Owned Assets in the United States, 2001

[Billions of dollars]

| | At current cost | At market value |
|------------------------------------|-----------------|-----------------|
| Total change | 601.5 | 238.0 |
| Financial flows | 752.8 | 752.8 |
| Valuation adjustments | -151.3 | -514.8 |
| Price changes | -141.8 | -500.4 |
| Exchange rate changes..... | -21.3 | -18.3 |
| Other valuation changes | 11.8 | 3.9 |

This article presents the major changes in U.S. assets abroad and in foreign assets in the United States in 2001. Tables 1 and 2 at the end of this article present detailed estimates of the yearend positions.

Changes in U.S.-Owned Assets Abroad

Bank and nonbank claims

U.S. claims on foreigners reported by U.S. banks increased \$164.7 billion, to \$1,416.8 billion, in 2001 (table D). The increase reflected high international demand for U.S. bank credit as deteriorating conditions in the international securities and commercial paper markets forced many borrowers to shift to bank credit. U.S. banks' own claims payable in dollars increased \$161.4 billion, to \$1,053.6 billion, largely as a result of banks funding their overseas offices. Asset growth at foreign-owned banks in the United States remained strong but slowed, reflecting slowdowns in syndicated lending and in overseas merger and acquisi-

Table D. U.S. Claims Reported by U.S. Banks and U.S. Nonbanks at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|--|----------------|----------------|----------------|
| Total bank-reported claims | 1,100.3 | 1,252.1 | 1,416.8 |
| Banks' own claims, payable in dollars | 793.1 | 892.2 | 1,053.6 |
| On own foreign offices | 529.7 | 623.1 | 747.8 |
| On unaffiliated foreign banks | 97.2 | 91.1 | 100.6 |
| On other foreigners | 166.2 | 178.0 | 205.2 |
| Banks' customers' claims, payable in dollars | 219.0 | 278.9 | 271.7 |
| Banks' claims payable in foreign currencies | 88.2 | 81.0 | 91.5 |
| Total nonbank-reported claims | 677.5 | 821.6 | 830.1 |

tion activity. U.S.-owned banks continued funding their offshore branches, primarily in Western Europe and the Caribbean. U.S. banks' claims on other foreigners increased, largely reflecting U.S. securities dealers' lending to international bond funds in the Caribbean and Western Europe, partly to finance increased foreign purchases of U.S. bonds.

U.S. banks' domestic customers' claims payable in dollars decreased \$7.2 billion, to \$271.7 billion, as U.S. investors reduced their holdings of foreign commercial paper as a result of falling short-term yields and heightened concerns about credit risk. U.S. banks' claims payable in foreign currencies increased \$10.5 billion, to \$91.5 billion, a significant rebound after 3 years of decline.

U.S. claims on foreigners reported by U.S. nonbanking concerns increased \$8.5 billion, to \$830.1 billion, largely reflecting a substantial slowdown in U.S. deposits in Western Europe and Caribbean banking centers (table D).

Foreign securities

U.S. holdings of foreign securities decreased \$278.9 billion, to \$2,110.5 billion, in 2001. Net U.S. purchases of \$94.7 billion were more than offset by large negative valuation adjustments as a result of declines in foreign stock prices and of exchange-rate depreciation in most foreign currencies against the U.S. dollar.

U.S. holdings of foreign stocks decreased \$267.7 billion, to \$1,564.7 billion, in 2001. Net U.S. purchases of \$106.8 billion were more than offset by negative valuation adjustments of \$296.6 billion in stock-price depreciation and \$77.9 billion in exchange-rate depreciation. Exchanges of stocks associated with foreign acquisitions of U.S. companies decreased sharply and accounted for a smaller portion of total net outflows. In nonmerger-related transactions, net U.S. purchases of foreign stocks increased, mostly in the first half of the year before concerns heightened over declining stock prices, the September 11th events, and limited economic recovery abroad.

- U.S. holdings of Western European stocks decreased \$187.0 billion, to \$932.7 billion. The decrease was attributable to 18-percent price depreciation of

European stocks and to a 6-percent exchange-rate depreciation of the euro against the U.S. dollar and smaller depreciations of other Western European currencies against the dollar (table E). These negative valuation adjustments were partly offset by net U.S. purchases of \$51.5 billion. Exchanges of stock associated with Western European acquisitions of U.S. companies accounted for 52 percent of net U.S. purchases in 2001, down from 114 percent in 2000.

- U.S. holdings of Japanese stocks decreased \$38.7 billion, to \$143.5 billion, as Japanese stock prices declined 20 percent and the yen depreciated 15 percent against the U.S. dollar. These negative valuation adjustments were partly offset by net U.S. purchases of \$19.9 billion, mostly in the first half of the year.
- U.S. holdings of Canadian stocks decreased \$23.7 billion, to \$99.6 billion, reflecting 16-percent depreciation of Canadian stock prices, 6-percent exchange-rate depreciation of the Canadian dollar against the U.S. dollar, and reduced net U.S. purchases of Canadian stocks.
- U.S. holdings of other foreign stocks, mostly emerging market stocks, decreased \$18.3 billion, to \$388.9 billion. Increases from price appreciation of most emerging market stocks and from net U.S. purchases were more than offset by losses from exchange-rate depreciation. In 2001, the Morgan Stanley Capital International Emerging Markets stock index rose 5.1 percent in local currency terms, but it fell 4.9 percent in U.S. dollar terms.

U.S. holdings of foreign bonds decreased \$11.2 billion, to \$545.8 billion, in 2001. A sharp swing to net sales of \$12.1 billion and exchange-rate depreciation of \$17.3 billion were partly offset by bond-price

Table E. U.S. Holdings of Foreign Stocks by Major Area and Country at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|--------------------------------|----------------|----------------|----------------|
| Total holdings | 2,026.6 | 1,832.4 | 1,564.7 |
| Western Europe | 1,167.8 | 1,119.7 | 932.7 |
| Of which: United Kingdom | 374.8 | 365.7 | 335.0 |
| Finland | 58.4 | 51.4 | 39.4 |
| France | 183.2 | 183.3 | 140.4 |
| Germany | 117.6 | 94.7 | 91.0 |
| Ireland | 18.2 | 16.8 | 14.4 |
| Italy | 53.5 | 50.1 | 38.2 |
| Netherlands | 141.9 | 137.8 | 103.8 |
| Spain | 35.7 | 30.7 | 24.8 |
| Sweden | 74.8 | 65.9 | 53.0 |
| Switzerland | 64.3 | 75.5 | 57.2 |
| Canada | 100.7 | 123.3 | 99.6 |
| Japan | 273.7 | 182.2 | 143.5 |
| Latin America | 89.1 | 73.7 | 60.2 |
| Of which: Argentina | 11.3 | 9.7 | 8.1 |
| Brazil | 28.9 | 27.7 | 23.1 |
| Mexico | 30.2 | 25.1 | 20.0 |
| Other Western Hemisphere | 129.0 | 144.2 | 141.7 |
| Of which: Bermuda | 45.9 | 36.3 | 34.8 |
| Netherlands Antilles | 26.7 | 34.4 | 28.3 |
| Other countries | 266.3 | 189.3 | 187.0 |
| Of which: Australia | 39.2 | 35.1 | 37.9 |
| Hong Kong | 38.7 | 34.3 | 32.2 |
| Singapore | 16.3 | 8.6 | 4.0 |

appreciation of \$18.2 billion (table F). High returns on U.S. bonds relative to most other industrial countries' bonds and heightened uncertainty about the prospects for economic growth abroad encouraged a shift to dollar-denominated bonds. The depreciation of most foreign currencies against the U.S. dollar prompted continued U.S. selling of foreign-currency-denominated bonds. Net U.S. sales of foreign bonds occurred mainly in the third quarter, when investors further reduced their exposure in foreign markets.

U.S. direct investment abroad

U.S. direct investment abroad at current cost increased \$107.8 billion, to \$1,623.1 billion, in 2001; at market value, it decreased \$384.3 billion, to \$2,289.9 billion (table G). At current cost, net financial outflows were partly offset by negative valuation adjustments; at market value, net financial flows were more than offset by large negative valuation adjustments, mainly as a result of large price depreciation in most foreign stock markets (table H). Net outflows declined to \$127.8 billion, the lowest level since 1997, as U.S. acquisitions of foreign companies were reduced by the economic slowdowns in the United States and overseas. Net equity capital outflows decreased to \$49.8 billion; intercompany debt outflows shifted to inflows of \$1.7 billion; and reinvested earnings decreased to \$79.7 billion, reflecting a slowdown in overseas affiliates' earnings.

U.S. official reserve assets and other U.S. Government assets

U.S. official reserve assets increased \$1.6 billion, to \$130.0 billion, in 2001. The increase was more than accounted for by a \$3.0 billion increase in the U.S. reserve position at the International Monetary Fund (IMF), as large net U.S. dollar lending from the IMF's General Resources Account to Turkey, Argentina, and

Table F. U.S. Holdings of Foreign Bonds by Major Area and Country at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|---------------------------------------|--------------|--------------|--------------|
| Total holdings | 556.7 | 557.0 | 545.8 |
| Western Europe | 195.8 | 203.3 | 186.2 |
| <i>Of which:</i> United Kingdom | 61.0 | 67.8 | 62.1 |
| France | 12.7 | 13.6 | 15.4 |
| Germany | 43.9 | 49.2 | 51.3 |
| Italy | 12.6 | 11.5 | 11.7 |
| Netherlands | 12.4 | 16.8 | 17.8 |
| Sweden | 12.2 | 11.8 | 11.7 |
| Canada | 104.4 | 93.4 | 92.4 |
| Japan | 27.4 | 25.4 | 23.2 |
| Latin America | 104.6 | 115.6 | 121.1 |
| <i>Of which:</i> Argentina | 26.2 | 24.1 | 20.2 |
| Brazil | 19.6 | 20.2 | 22.9 |
| Mexico | 38.7 | 36.5 | 34.6 |
| Other Western Hemisphere | 26.3 | 26.0 | 28.1 |
| <i>Of which:</i> Cayman Islands | 14.0 | 9.3 | 11.8 |
| Other countries | 83.5 | 80.0 | 83.1 |
| <i>Of which:</i> Australia | 28.7 | 27.3 | 26.5 |
| Korea, Republic of | 12.5 | 10.7 | 8.8 |
| International organizations | 14.7 | 13.3 | 11.7 |

Table G. U.S. Direct Investment Abroad at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|---------------------------------------|---------|---------|---------|
| U.S. direct investment abroad: | | | |
| At current cost | 1,377.3 | 1,515.3 | 1,623.1 |
| At market value | 2,805.2 | 2,674.2 | 2,289.9 |

Table H. U.S. Direct Investment Abroad, 2001
[Billions of dollars]

| | At current cost | At market value |
|-------------------------------|-----------------|-----------------|
| Total position | 1,623.1 | 2,289.9 |
| Total change | 107.8 | -384.3 |
| Financial outflows | 127.8 | 127.8 |
| Equity capital | 49.8 | 49.8 |
| Intercompany debt | -1.7 | -1.7 |
| Reinvested earnings | 79.7 | 79.7 |
| Price changes | 19.5 | -438.0 |
| Exchange rate changes | -17.7 | -56.9 |
| Other valuation changes | -21.8 | -17.2 |

Brazil exceeded repayments from Russia and the Republic of Korea. Partly offsetting was a \$2.3 billion decrease in the value of foreign currency holdings that was more than accounted for by exchange-rate depreciation.

U.S. Government assets, other than official reserve assets, increased \$0.5 billion, to \$85.7 billion, as new U.S. Government credits to foreigners slightly exceeded repayments. Both new credits and repayments slowed in 2001.

Changes in Foreign-Owned Assets in the United States

Bank and nonbank liabilities

U.S. liabilities to private foreigners and international financial institutions reported by U.S. banks increased \$144.8 billion, to \$1,298.2 billion, in 2001, largely as a result of U.S. banks' borrowing from their own foreign offices abroad to fund their liquidity needs and lending overseas (table I).

U.S. banks' own liabilities payable in dollars increased \$118.4 billion, to \$1,090.8 billion, as U.S. banks borrowed from their own foreign offices abroad, especially in the fourth quarter. Some of banks' borrowing in the fourth quarter was due to increased

Table I. U.S. Liabilities Reported by U.S. Banks and U.S. Nonbanks at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|---|----------------|----------------|----------------|
| Total bank-reported liabilities | 1,067.2 | 1,153.4 | 1,298.2 |
| Banks' own liabilities, payable in dollars | 873.9 | 972.4 | 1090.8 |
| To own foreign offices | 609.2 | 678.8 | 787.4 |
| To unaffiliated foreign banks | 119.3 | 135.7 | 122.5 |
| To other foreigners | 145.4 | 157.9 | 180.9 |
| Banks' custody liabilities, payable in dollars | 104.8 | 104.8 | 118.9 |
| Banks' liabilities, payable in foreign currencies | 88.5 | 76.2 | 88.5 |
| Total nonbank-reported liabilities | 564.9 | 729.3 | 804.4 |

demand for liquidity in both domestic and international markets after the events of September 11th. U.S. banks' liabilities to other foreigners increased \$23.0 billion, to \$180.9 billion, as U.S. securities dealers stepped up their borrowing from Western Europe and the Caribbean to fund their activities in the U.S. securities markets. U.S. banks' custody liabilities payable in dollars increased \$14.1 billion, to \$118.9 billion. U.S. banks' foreign currency liabilities increased \$12.3 billion, to \$88.5 billion, mainly in the first half of the year, to finance an expansion in U.S. banks' foreign currency lending.

U.S. liabilities to foreigners reported by U.S. non-banking concerns increased \$75.1 billion, to \$804.4 billion, reflecting strong U.S. corporate borrowing from Western Europe and the Caribbean in the first quarter (table I).

U.S. Treasury securities

Foreign holdings of U.S. Treasury securities decreased \$12.2 billion, to \$388.8 billion, in 2001. Over the past 3 years, the relative attractiveness of higher yielding U.S. corporate and agency bonds and diminishing supplies of Treasury securities have led to sizable net foreign sales of Treasury bonds. However, net foreign sales slowed in 2001, partly because Treasury securities became more attractive after the disruptions in the world financial markets caused by the events of September 11th. (In table J, foreign private holdings and foreign official holdings are combined in order to avoid the disclosure of sensitive data on individual country holdings by foreign official agencies. These estimates incorporate results from the March 2000 U.S. Treasury Department's Benchmark Survey of Foreign Portfolio Investment in the United States.)

Table J. Foreign Official and Private Holdings of U.S. Treasury Securities by Selected Countries at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|--------------------------------|----------------|----------------|----------------|
| Total holdings | 1,080.4 | 1,026.1 | 1,039.5 |
| Japan | 301.0 | 325.6 | 331.3 |
| China | 63.1 | 62.3 | 81.8 |
| Germany | 58.9 | 50.7 | 50.3 |
| Hong Kong | 40.9 | 39.8 | 49.5 |
| Taiwan | 42.7 | 34.5 | 37.0 |
| Korea, Republic of | 23.0 | 29.7 | 33.3 |
| Middle East OPEC members | 18.4 | 19.8 | 22.0 |
| Singapore | 34.6 | 28.9 | 21.5 |
| France | 35.4 | 25.4 | 21.1 |
| Switzerland | 28.6 | 16.6 | 19.0 |

Other U.S. securities

Foreign holdings of U.S. securities other than U.S. Treasury securities increased \$233.0 billion, to \$2,856.7 billion, in 2001. Net foreign purchases of \$407.7 billion were partly offset by negative valuation adjustments of \$174.6 billion. Net foreign purchases of U.S. bonds rose to a record, while net foreign purchases of U.S.

stocks slowed substantially as a result of heightened concerns about slowing U.S. economic growth and sharply declining corporate earnings. (Estimates were revised to incorporate results from the March 2000 U.S. Treasury Department's Benchmark Survey of Foreign Portfolio Investment in the United States.)

Foreign holdings of U.S. corporate and U.S. agency bonds increased \$316.6 billion, to \$1,392.6 billion. The increase primarily resulted from record net foreign purchases of \$288.2 billion; purchases were spurred by high yields on these issues relative to U.S. Treasury bonds and by a record amount of highly rated U.S. corporate and agency bonds issued overseas. As of December 2001, the United Kingdom remained the largest holder of U.S. corporate and U.S. agency bonds with \$691.4 billion, or 50 percent of foreign holdings; the next largest were the Caribbean, with \$256.2 billion, and Japan, with \$120.6 billion (table K).

Foreign holdings of U.S. stocks decreased \$83.6 billion, to \$1,464.0 billion. Net foreign purchases of \$119.5 billion—down sharply from \$192.4 billion in 2000—were more than offset by stock-price depreciation of \$203.1 billion. Slowing U.S. economic growth and sharp declines in corporate earnings led to the first back-to-back annual losses in the U.S. stock market since 1974. The S&P 500 stock index dropped 13 percent in 2001 after a 10-percent drop in 2000. As of December 2001, foreign holdings of U.S. stocks were largest in Western Europe, which held \$969.5 billion, or 66 percent of foreign holdings (table L). The United

Table K. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|--------------------------------|--------------|----------------|----------------|
| Total holdings | 825.2 | 1,076.0 | 1,392.6 |
| Western Europe | 568.4 | 712.5 | 912.0 |
| Of which: United Kingdom | 401.7 | 517.1 | 691.4 |
| France | 9.9 | 11.2 | 15.8 |
| Germany | 39.2 | 42.7 | 51.8 |
| Italy | 2.7 | 4.0 | 2.2 |
| Netherlands | 19.6 | 20.5 | 19.7 |
| Canada | 14.4 | 24.0 | 25.1 |
| Japan | 66.0 | 99.7 | 120.6 |
| Latin America | 10.1 | 18.7 | 24.7 |
| Other Western Hemisphere | 130.9 | 172.7 | 231.5 |
| Other countries | 35.4 | 48.4 | 78.7 |

Table L. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend
[Billions of dollars]

| | 1999 | 2000 | 2001 |
|--------------------------------|----------------|----------------|----------------|
| Total holdings | 1,526.1 | 1,547.6 | 1,464.0 |
| Western Europe | 948.7 | 1016.2 | 969.5 |
| Of which: United Kingdom | 356.8 | 381.0 | 368.9 |
| France | 46.3 | 46.9 | 46.0 |
| Germany | 91.1 | 111.0 | 104.9 |
| Italy | 28.3 | 39.8 | 36.6 |
| Netherlands | 103.3 | 97.4 | 95.6 |
| Canada | 164.5 | 156.6 | 147.9 |
| Japan | 143.3 | 134.4 | 123.4 |
| Latin America | 29.0 | 28.7 | 32.3 |
| Other Western Hemisphere | 159.0 | 125.1 | 102.4 |
| Other countries | 81.6 | 86.6 | 88.5 |

Kingdom, Canada, and Japan remained the three largest foreign holders of U.S. stocks.

U.S. currency

U.S. currency held by foreigners increased \$23.8 billion, to \$275.6 billion, in 2001. Currency shipments were mostly to Argentina in response to economic crisis and fears of devaluation.

Foreign direct investment in the United States

Foreign direct investment in the United States at current cost increased \$124.2 billion, to \$1,498.9 billion, in 2001; at market value, it decreased \$239.3 billion, to \$2,526.7 billion (table M). At current cost, net financial inflows more than accounted for the increase in the position. At market value, net financial inflows were more than offset by substantial price depreciation in owners' equity that resulted from the decline in U.S. stock market prices. Net financial inflows decreased sharply to \$130.8 billion, the lowest level since 1997, as slow economic growth abroad and price depreciation in stock markets worldwide deterred investment and contributed to a substantial reduction in foreign acquisitions of U.S. companies. Net equity capital inflows slowed to \$107.7 billion; net intercompany debt inflows slowed to \$42.8 billion; and reinvested earnings shifted to a negative \$19.7 billion (table N).

Table M. Foreign Direct Investment in the United States at Yearend

[Billions of dollars]

| | 1999 | 2000 | 2001 |
|--|---------|---------|---------|
| Foreign direct investment in the United States: | | | |
| At current cost..... | 1,100.8 | 1,374.8 | 1,498.9 |
| At market value..... | 2,798.2 | 2,766.0 | 2,526.7 |

Table N. Foreign Direct Investment in the United States, 2001

[Billions of dollars]

| | At current cost | At market value |
|-------------------------------|-----------------|-----------------|
| Total position | 1,498.9 | 2,526.7 |
| Total change | 124.2 | -239.3 |
| Financial inflows | 130.8 | 130.8 |
| Equity capital | 107.7 | 107.7 |
| Intercompany debt | 42.8 | 42.8 |
| Reinvested earnings | -19.7 | -19.7 |
| Price changes | 14.2 | -344.4 |
| Exchange rate changes | -3.0 | ..... |
| Other valuation changes | -17.9 | -25.7 |

Foreign official assets

Foreign official assets increased \$12.8 billion, to \$1,021.7 billion, in 2001. Net foreign purchases of U.S. securities were nearly offset by large net foreign withdrawals at U.S. banks. Price appreciation of bond holdings was nearly offset by price depreciation of stock holdings.

Tables 1 and 2 follow.

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 (-)) | | | | Total (a+b+c+d) | Position, 2001 ^p |
|--|--|--------------------------------|--|-----------------------|--|-------------------------------|--------------------|--------------------------------|
| | | | Attributable to: | | | | | |
| | | | Financial flows | 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 | -17,304 | ..... | -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 | ..... | ..... | -3,932 | 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 institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. 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.

Table 2. International Investment Position
 [Millions]

| Line | Type of investment | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|------|--|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| 1 | Net international investment position of the United States: | | | | | | | | | | |
| 2 | With direct investment positions at current cost (line 3 less line 24) | 164,832 | 171,440 | 206,423 | 316,926 | 360,838 | 339,767 | 328,954 | 298,304 | 160,695 | 54,343 |
| 3 | With direct investment positions at market value (line 4 less line 25) | | | | | | | 235,947 | 257,393 | 134,088 | 96,886 |
| 4 | U.S.-owned assets abroad: | | | | | | | | | | |
| 5 | With direct investment at current cost (lines 5+10+15) | 456,964 | 512,278 | 621,227 | 786,701 | 929,806 | 1,001,667 | 1,108,436 | 1,210,974 | 1,204,900 | 1,287,396 |
| 6 | With direct investment at market value (lines 5+10+16) | | | | | | | 961,015 | 1,129,673 | 1,127,132 | 1,302,712 |
| 7 | U.S. official reserve assets | 44,094 | 53,376 | 69,450 | 143,260 | 171,412 | 124,568 | 143,445 | 123,110 | 105,040 | 117,930 |
| 8 | Gold ¹ | 36,944 | 45,781 | 62,471 | 135,476 | 155,816 | 105,644 | 120,635 | 100,484 | 81,202 | 85,834 |
| 9 | Special drawing rights | 2,395 | 2,629 | 1,558 | 2,724 | 2,610 | 4,096 | 5,250 | 5,025 | 5,641 | 7,293 |
| 10 | Reserve position in the International Monetary Fund | 4,434 | 4,946 | 1,047 | 1,253 | 2,852 | 5,054 | 7,348 | 11,312 | 11,541 | 11,947 |
| 11 | Foreign currencies | 321 | 20 | 4,374 | 3,807 | 10,134 | 9,774 | 10,212 | 6,289 | 6,656 | 12,856 |
| 12 | U.S. Government assets, other than official reserve assets | 44,978 | 48,567 | 53,187 | 58,851 | 65,573 | 70,893 | 76,903 | 81,664 | 86,945 | 89,792 |
| 13 | U.S. credits and other long-term assets ² | 44,124 | 47,749 | 52,252 | 57,909 | 63,731 | 69,320 | 75,105 | 79,852 | 84,857 | 87,854 |
| 14 | Repayable in dollars | 41,309 | 45,154 | 49,817 | 54,616 | 60,731 | 66,591 | 72,635 | 77,618 | 82,819 | 85,978 |
| 15 | Other ³ | 2,815 | 2,595 | 2,435 | 3,293 | 3,000 | 2,729 | 2,470 | 2,234 | 2,038 | 1,876 |
| 16 | U.S. foreign currency holdings and U.S. short-term assets | 854 | 818 | 935 | 942 | 1,842 | 1,573 | 1,798 | 1,812 | 2,088 | 1,938 |
| 17 | U.S. private assets: | | | | | | | | | | |
| 18 | With direct investment at current cost (lines 17+19+22+23) | 367,892 | 410,335 | 498,590 | 584,590 | 692,821 | 806,206 | 888,088 | 1,006,200 | 1,012,915 | 1,079,674 |
| 19 | With direct investment at market value (lines 18+19+22+23) | | | | | | | 740,667 | 924,899 | 935,147 | 1,094,990 |
| 20 | Direct investment abroad: | | | | | | | | | | |
| 21 | At current cost ⁴ | 222,283 | 246,078 | 285,005 | 336,301 | 388,072 | 407,804 | 374,059 | 355,643 | 348,342 | 371,036 |
| 22 | At market value ⁴ | | | | | | | 226,638 | 274,342 | 270,574 | 386,352 |
| 23 | Foreign securities ⁵ | 44,157 | 49,439 | 53,384 | 56,769 | 62,454 | 62,142 | 74,046 | 84,723 | 88,804 | 119,403 |
| 24 | Bonds ⁵ | 34,704 | 39,329 | 42,148 | 41,966 | 43,524 | 45,675 | 56,604 | 58,569 | 62,810 | 75,020 |
| 25 | Corporate stocks ⁵ | 9,453 | 10,110 | 11,236 | 14,803 | 18,930 | 16,467 | 17,442 | 26,154 | 25,994 | 44,383 |
| 26 | U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns ⁶ | 20,317 | 22,256 | 29,385 | 34,491 | 38,429 | 42,752 | 35,405 | 131,329 | 130,138 | 141,872 |
| 27 | U.S. claims reported by U.S. banks, not included elsewhere ⁷ | 81,135 | 92,562 | 130,816 | 157,029 | 203,866 | 293,508 | 404,578 | 434,505 | 445,631 | 447,363 |
| 28 | Foreign-owned assets in the United States: | | | | | | | | | | |
| 29 | With direct investment at current cost (lines 26+33) | 292,132 | 340,838 | 414,804 | 469,775 | 568,968 | 661,900 | 779,482 | 912,670 | 1,044,205 | 1,233,053 |
| 30 | With direct investment at market value (lines 26+34) | | | | | | | 725,068 | 872,280 | 993,044 | 1,205,826 |
| 31 | Foreign official assets in the United States | 104,445 | 140,867 | 173,057 | 159,852 | 176,062 | 180,425 | 189,109 | 194,468 | 199,678 | 202,482 |
| 32 | U.S. Government securities | 72,572 | 105,386 | 128,511 | 106,640 | 118,189 | 125,130 | 132,587 | 136,987 | 144,665 | 145,063 |
| 33 | U.S. Treasury securities ⁸ | 70,555 | 101,092 | 123,991 | 101,748 | 111,336 | 117,004 | 124,929 | 129,716 | 138,168 | 138,438 |
| 34 | Other ⁹ | 2,017 | 4,294 | 4,520 | 4,892 | 6,853 | 8,126 | 7,658 | 7,271 | 6,497 | 6,625 |
| 35 | Other U.S. Government liabilities ⁹ | 8,860 | 10,260 | 12,749 | 12,749 | 13,367 | 13,029 | 13,639 | 14,231 | 14,959 | 15,803 |
| 36 | U.S. liabilities reported by U.S. banks, not included elsewhere | 17,231 | 18,004 | 23,327 | 30,540 | 30,381 | 26,737 | 24,989 | 25,534 | 26,090 | 26,734 |
| 37 | Other foreign official assets ⁹ | 5,782 | 7,217 | 8,470 | 9,923 | 14,125 | 15,529 | 17,894 | 17,716 | 13,964 | 14,882 |
| 38 | Other foreign assets in the United States: | | | | | | | | | | |
| 39 | With direct investment at current cost (lines 35+37+38+41+42+43) | 187,687 | 199,971 | 241,747 | 309,923 | 392,906 | 481,475 | 590,373 | 718,202 | 844,527 | 1,030,571 |
| 40 | With direct investment at market value (lines 36+37+38+41+42+43) | | | | | | | 535,959 | 677,812 | 793,366 | 1,003,344 |
| 41 | Direct investment in the United States: | | | | | | | | | | |
| 42 | At current cost ¹⁰ | 47,528 | 55,413 | 68,976 | 88,579 | 127,105 | 164,623 | 184,842 | 193,708 | 223,538 | 247,223 |
| 43 | At market value ¹⁰ | | | | | | | 130,428 | 153,318 | 172,377 | 219,996 |
| 44 | U.S. Treasury securities ⁸ | 7,028 | 7,562 | 8,910 | 14,210 | 16,113 | 18,505 | 25,758 | 33,846 | 62,121 | 87,954 |
| 45 | U.S. securities other than U.S. Treasury securities ⁸ | 54,913 | 51,235 | 53,554 | 58,587 | 74,114 | 75,085 | 92,988 | 113,811 | 128,477 | 207,868 |
| 46 | Corporate and other bonds ⁹ | 11,964 | 11,456 | 11,457 | 10,269 | 9,545 | 10,694 | 16,709 | 17,454 | 32,421 | 82,290 |
| 47 | Corporate stocks ⁹ | 42,949 | 39,779 | 42,097 | 48,318 | 64,569 | 64,391 | 76,279 | 96,357 | 96,056 | 125,578 |
| 48 | U.S. currency | 11,792 | 13,656 | 16,569 | 19,552 | 24,079 | 27,295 | 31,265 | 36,776 | 40,797 | 46,036 |
| 49 | U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ¹¹ | 12,961 | 11,921 | 16,019 | 18,669 | 30,426 | 30,606 | 27,532 | 61,731 | 77,415 | 86,993 |
| 50 | U.S. liabilities reported by U.S. banks, not included elsewhere | 53,465 | 60,184 | 77,719 | 110,326 | 121,069 | 165,361 | 227,988 | 278,330 | 312,179 | 354,497 |

^p Preliminary.

^r Revised.

¹ U.S. official gold stock is valued at market price.

² Also includes paid-in capital subscriptions to international institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

³ 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.

⁴ A break in series in 1994 reflects the reclassification of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation from the direct investment accounts to the nonbank investment accounts. Estimates for 1976 forward are linked to the 1977, 1982, 1989, and 1994 benchmark surveys of U.S. direct investment abroad.

⁵ Estimates include results of the 1994 and 1997 Benchmark Surveys of U.S. Ownership of Foreign Long-term Securities conducted by the U.S. Department of the Treasury.

of the United States at Yearend, 1976-2001

of dollars]

| 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 ^r | 1994 ^r | 1995 ^r | 1996 ^r | 1997 ^r | 1998 ^r | 1999 ^r | 2000 ^r | 2001 ^p | Line |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------|
| -36,209 | -80,007 | -178,470 | -259,506 | -245,347 | -309,259 | -431,198 | -306,956 | -311,882 | -495,966 | -521,545 | -833,158 | -918,319 | -784,094 | -1,350,791 | -1,948,134 | 1 |
| 100,782 | 50,529 | 10,466 | -46,987 | -164,495 | -260,819 | -452,305 | -144,268 | -123,736 | -343,340 | -386,514 | -835,208 | -1,094,156 | -1,053,554 | -1,583,153 | -2,309,117 | 2 |
| 1,469,396 | 1,646,527 | 1,829,665 | 2,070,868 | 2,178,978 | 2,286,456 | 2,331,696 | 2,753,648 | 2,998,633 | 3,451,983 | 4,012,746 | 4,567,906 | 5,091,058 | 5,959,014 | 6,191,934 | 6,196,139 | 3 |
| 1,594,652 | 1,758,711 | 2,008,365 | 2,350,235 | 2,294,085 | 2,470,629 | 2,466,496 | 3,091,421 | 3,326,650 | 3,930,269 | 4,631,276 | 5,379,128 | 6,174,452 | 7,386,970 | 7,350,862 | 6,862,943 | 4 |
| 139,875 | 162,370 | 144,179 | 168,714 | 174,664 | 159,223 | 147,435 | 164,945 | 163,394 | 176,061 | 160,739 | 134,836 | 146,006 | 136,418 | 128,400 | 129,961 | 5 |
| 102,428 | 127,648 | 107,434 | 105,164 | 102,406 | 92,561 | 87,168 | 102,556 | 100,110 | 101,279 | 96,698 | 75,929 | 75,291 | 75,950 | 71,799 | 72,328 | 6 |
| 8,395 | 10,283 | 9,637 | 9,951 | 10,989 | 11,240 | 8,503 | 9,039 | 10,039 | 11,037 | 10,312 | 10,027 | 10,603 | 10,336 | 10,539 | 10,783 | 7 |
| 11,730 | 11,349 | 9,745 | 9,048 | 9,076 | 9,488 | 11,759 | 11,818 | 12,030 | 14,649 | 15,435 | 18,071 | 24,111 | 17,950 | 14,824 | 17,869 | 8 |
| 17,322 | 13,090 | 17,363 | 44,551 | 52,193 | 45,934 | 40,005 | 41,532 | 41,215 | 49,096 | 38,294 | 30,809 | 36,001 | 32,182 | 31,238 | 28,981 | 9 |
| 91,850 | 90,681 | 87,892 | 86,643 | 84,344 | 81,422 | 83,022 | 83,382 | 83,908 | 85,064 | 86,123 | 86,198 | 86,768 | 84,224 | 85,164 | 85,650 | 10 |
| 90,923 | 89,900 | 87,163 | 86,057 | 83,716 | 79,776 | 81,352 | 81,435 | 81,884 | 82,802 | 83,999 | 84,850 | 84,570 | 81,654 | 82,570 | 83,128 | 11 |
| 89,271 | 88,344 | 85,768 | 84,734 | 82,602 | 78,814 | 80,498 | 80,660 | 81,389 | 82,358 | 83,606 | 83,780 | 84,528 | 81,364 | 82,289 | 82,850 | 12 |
| 1,652 | 1,556 | 1,395 | 1,323 | 1,114 | 962 | 854 | 775 | 495 | 444 | 393 | 350 | 322 | 290 | 281 | 278 | 13 |
| 927 | 781 | 729 | 586 | 628 | 1,646 | 1,670 | 1,947 | 2,024 | 2,262 | 2,124 | 2,068 | 1,918 | 2,570 | 2,594 | 2,522 | 14 |
| 1,237,671 | 1,393,476 | 1,597,594 | 1,815,511 | 1,919,970 | 2,045,811 | 2,101,239 | 2,505,321 | 2,751,331 | 3,190,858 | 3,765,884 | 4,346,872 | 4,858,284 | 5,738,372 | 5,978,370 | 5,980,528 | 15 |
| 1,362,927 | 1,505,660 | 1,776,294 | 2,094,878 | 2,035,077 | 2,229,984 | 2,236,039 | 2,843,094 | 3,079,348 | 3,669,144 | 4,384,414 | 5,158,094 | 5,941,678 | 7,166,328 | 7,137,298 | 6,647,332 | 16 |
| 404,818 | 478,062 | 513,761 | 553,093 | 616,655 | 643,364 | 663,830 | 723,526 | 786,565 | 885,506 | 989,810 | 1,068,063 | 1,196,207 | 1,377,263 | 1,515,279 | 1,623,122 | 17 |
| 530,074 | 590,246 | 692,461 | 832,460 | 731,762 | 827,537 | 798,630 | 1,061,299 | 1,114,582 | 1,363,792 | 1,608,340 | 1,879,285 | 2,279,601 | 2,805,219 | 2,674,207 | 2,289,926 | 18 |
| 158,123 | 188,589 | 232,849 | 314,294 | 342,313 | 455,750 | 515,083 | 853,528 | 948,668 | 1,169,636 | 1,467,985 | 1,751,183 | 2,052,929 | 2,583,326 | 2,389,427 | 2,110,520 | 19 |
| 85,724 | 93,889 | 104,187 | 116,949 | 144,717 | 176,774 | 200,817 | 309,666 | 321,208 | 392,827 | 465,057 | 543,396 | 576,745 | 556,688 | 557,019 | 545,782 | 20 |
| 72,399 | 94,700 | 128,662 | 197,345 | 197,596 | 278,976 | 314,266 | 543,862 | 627,460 | 776,809 | 1,002,928 | 1,207,787 | 1,476,184 | 2,026,638 | 1,832,408 | 1,564,738 | 21 |
| 167,392 | 177,368 | 197,757 | 234,307 | 265,315 | 256,295 | 254,303 | 242,022 | 322,980 | 367,567 | 450,578 | 545,524 | 588,322 | 677,498 | 821,564 | 830,111 | 22 |
| 507,338 | 549,457 | 653,227 | 713,817 | 695,687 | 690,402 | 668,023 | 686,245 | 693,118 | 768,149 | 857,511 | 982,102 | 1,020,826 | 1,100,285 | 1,252,100 | 1,416,775 | 23 |
| 1,505,605 | 1,726,534 | 2,008,135 | 2,330,374 | 2,424,325 | 2,595,715 | 2,762,894 | 3,060,604 | 3,310,515 | 3,947,949 | 4,534,291 | 5,401,064 | 6,009,377 | 6,743,108 | 7,542,725 | 8,144,273 | 24 |
| 1,493,870 | 1,708,182 | 1,997,899 | 2,397,222 | 2,458,580 | 2,731,448 | 2,918,801 | 3,235,689 | 3,450,386 | 4,273,609 | 5,017,790 | 6,214,336 | 7,268,608 | 8,440,524 | 8,934,015 | 9,172,060 | 25 |
| 241,226 | 283,058 | 322,036 | 341,746 | 373,293 | 398,538 | 437,263 | 509,422 | 535,227 | 682,873 | 820,823 | 873,716 | 896,174 | 945,594 | 1,008,890 | 1,021,738 | 26 |
| 178,916 | 220,548 | 260,934 | 263,612 | 291,228 | 311,199 | 329,317 | 381,687 | 407,152 | 507,460 | 631,088 | 648,188 | 669,768 | 693,781 | 749,904 | 798,844 | 27 |
| 173,310 | 213,713 | 252,962 | 257,201 | 285,911 | 305,994 | 322,600 | 373,050 | 396,887 | 489,952 | 606,427 | 615,076 | 622,921 | 617,680 | 625,161 | 650,703 | 28 |
| 5,606 | 6,835 | 7,972 | 6,411 | 5,317 | 5,205 | 6,717 | 8,637 | 10,265 | 17,508 | 24,661 | 33,112 | 46,847 | 76,101 | 124,743 | 148,141 | 29 |
| 17,993 | 15,667 | 15,200 | 15,374 | 17,243 | 18,610 | 20,801 | 22,113 | 23,678 | 23,573 | 22,592 | 21,712 | 18,386 | 15,647 | 13,739 | 11,857 | 30 |
| 27,920 | 31,838 | 31,520 | 36,495 | 39,880 | 38,396 | 54,967 | 69,721 | 73,386 | 107,394 | 113,098 | 135,384 | 125,883 | 138,847 | 153,403 | 123,125 | 31 |
| 16,397 | 15,005 | 14,382 | 26,265 | 24,942 | 30,333 | 32,178 | 35,901 | 31,011 | 44,446 | 54,045 | 68,432 | 82,137 | 97,319 | 91,844 | 87,912 | 32 |
| 1,264,379 | 1,443,476 | 1,686,099 | 1,988,628 | 2,051,032 | 2,197,177 | 2,325,631 | 2,551,182 | 2,775,288 | 3,265,076 | 3,713,468 | 4,527,348 | 5,113,203 | 5,797,514 | 6,533,835 | 7,122,535 | 33 |
| 1,252,644 | 1,425,124 | 1,675,863 | 2,055,476 | 2,085,287 | 2,332,910 | 2,481,538 | 2,726,267 | 2,915,159 | 3,590,736 | 4,196,967 | 5,340,620 | 6,372,434 | 7,494,930 | 7,925,125 | 8,150,322 | 34 |
| 284,701 | 334,552 | 401,766 | 467,886 | 505,346 | 533,404 | 540,270 | 593,313 | 617,982 | 680,066 | 745,619 | 824,136 | 919,804 | 1,100,777 | 1,374,752 | 1,498,924 | 35 |
| 272,966 | 316,200 | 391,530 | 534,734 | 539,601 | 669,137 | 696,177 | 768,398 | 757,853 | 1,005,726 | 1,229,118 | 1,637,408 | 2,179,035 | 2,798,193 | 2,766,042 | 2,526,711 | 36 |
| 96,078 | 82,588 | 100,877 | 166,541 | 152,452 | 170,295 | 197,739 | 221,501 | 235,684 | 330,210 | 440,832 | 550,613 | 562,036 | 462,761 | 400,966 | 388,774 | 37 |
| 309,803 | 341,732 | 392,292 | 482,864 | 460,644 | 546,008 | 599,447 | 696,449 | 739,695 | 969,849 | 1,165,113 | 1,512,725 | 1,903,443 | 2,351,291 | 2,623,628 | 2,856,654 | 38 |
| 140,863 | 166,089 | 191,314 | 231,673 | 238,903 | 274,136 | 299,287 | 355,822 | 368,077 | 459,080 | 539,308 | 618,837 | 724,619 | 825,175 | 1,075,988 | 1,392,620 | 39 |
| 168,940 | 175,643 | 200,978 | 251,191 | 221,741 | 271,872 | 300,160 | 340,627 | 371,618 | 510,769 | 625,805 | 893,888 | 1,178,824 | 1,526,116 | 1,547,640 | 1,464,034 | 40 |
| 50,122 | 55,584 | 61,261 | 67,118 | 85,933 | 101,317 | 114,804 | 133,734 | 157,185 | 169,484 | 186,846 | 211,628 | 228,250 | 250,657 | 251,786 | 275,569 | 41 |
| 90,703 | 110,187 | 144,548 | 167,093 | 213,406 | 208,908 | 220,666 | 229,038 | 239,817 | 300,424 | 346,810 | 459,407 | 485,675 | 564,873 | 729,340 | 804,417 | 42 |
| 432,972 | 518,833 | 585,355 | 637,126 | 633,251 | 637,245 | 652,705 | 677,147 | 784,925 | 815,043 | 828,248 | 968,839 | 1,013,995 | 1,067,155 | 1,153,363 | 1,298,197 | 43 |

6. A break in series in 1983 reflects the introduction of data from the United Kingdom and from the Bank for International Settlements (BIS) for several European countries, Caribbean banking centers, and Asian banking centers. Additional coverage from BIS data was introduced in 1986, 1989, 1993, and 1994. In 1994, intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation are reclassified from the direct investment accounts to the nonbank investment accounts.

7. A break in series in 1988 reflects the introduction of data on holdings of foreign commercial paper.

8. Estimates include results of 1978, 1984, 1989, 1994, and 2000 Benchmark Surveys of Foreign Portfolio Investment in the United States conducted by the U.S. Department of the Treasury.

9. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with

through foreign official agencies.

10. Estimates for 1976 forward are linked to the 1980, 1987, 1992, and 1997 benchmark surveys of foreign direct investment in the United States.

11. A break in series in 1983 reflects the introduction of data from the United Kingdom. A break in series in 1994 reflects the reclassification of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation from the direct investment accounts to the nonbank investment accounts. A break in series in 1996 reflects the introduction of data from the Bank for International Settlements (BIS) for several European countries.