

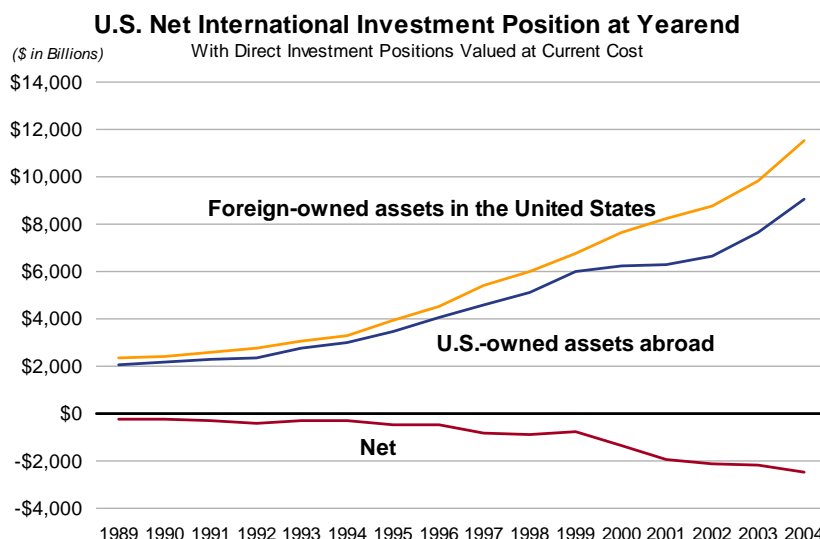


THURSDAY June 30, 2005

VALUE OF FOREIGN INVESTMENTS IN THE U.S. RISES MORE THAN VALUE OF U.S. INVESTMENTS ABROAD IN 2004

2004 Yearend U.S. Net International Investment Position

The U.S. net international investment position at yearend 2004 was $-\$2,484.2$ 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 2003, the U.S. net international investment position was $-\$2,156.7$ billion (revised).



The $-\$327.5$ billion change in the net investment position from yearend 2003 to yearend 2004 was largely due to substantial net foreign purchases of U.S. Treasury securities and U.S. corporate bonds.

The impact of these net purchases was partly offset by appreciation of most foreign currencies against the U.S. dollar, which raised the dollar value of U.S.-owned assets abroad, especially of U.S.-held foreign stocks.

In addition, increases in stock market prices raised the value of U.S. holdings of foreign stocks somewhat more than they raised the value of foreign holdings of U.S. stocks.

U.S.-owned assets abroad were $\$9,052.8$ billion at yearend 2004, compared with $\$7,641.0$ billion at yearend 2003.

Foreign-owned assets in the United States were $\$11,537.0$ billion at yearend 2004, compared with $\$9,797.7$ billion at yearend 2003.

BEA's data—including GDP, personal income, the balance of payments, direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on its Web site: 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.