

# U.S. Net International Investment Position

## Third Quarter 2019

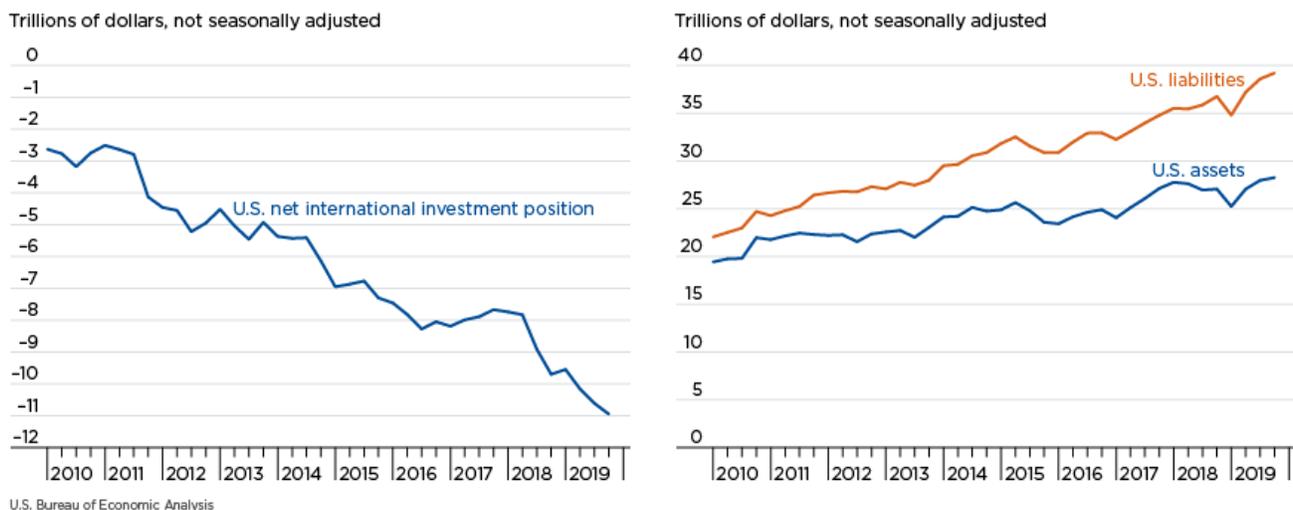
By Erin M. Whitaker

The U.S. net international investment position—the difference between U.S. residents' foreign financial assets and liabilities—was  $-\$10.95$  trillion at the end of the third quarter of 2019 (chart 1). Assets totaled  $\$28.26$  trillion and liabilities were  $\$39.21$  trillion. At the end of the second quarter, the net investment position was  $-\$10.61$  trillion.

The U.S. international investment position is a statistical balance sheet that presents the dollar value of U.S. external financial assets and liabilities at a specific point in time. A negative net investment position represents a U.S. net liability to the rest of the world.

The  $-\$338.1$  billion change in the net investment position from the second quarter to the third quarter came from net financial transactions of  $-\$39.8$  billion and net other changes in position, such as price and exchange rate changes, of  $-\$298.3$  billion (table A).

**Chart 1. U.S. International Investment Position**



## Data Availability and Methodology

Detailed statistics for the U.S. international investment position accompany this article in [tables 1.1–3.1](#). The statistics and a description of the estimation methods used to compile them are also available on the Bureau of Economic Analysis website. The links in the tables of this article are to the latest available statistics in the interactive tables. For the statistics, see “[International Transactions, International Services, and International Investment Position \(IIP\) Tables](#).” For the methods, see *U.S. International Economic Accounts: Concepts and Methods*.

**Table A. Quarterly Change in the U.S. Net International Investment Position**  
[Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2019:II	Change in position in 2019:III			Position, 2019:III
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-10,610.8</b>	<b>-338.1</b>	<b>-39.8</b>	<b>-298.3</b>	<b>-10,948.9</b>
Net position excluding financial derivatives	-10,626.5	-352.7	-33.3	-319.4	-10,979.3
Financial derivatives other than reserves, net <sup>2</sup>	15.8	14.6	-6.5	21.1	30.4
<b>U.S. assets</b>	<b>27,974.8</b>	<b>286.8</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>28,261.6</b>
Assets excluding financial derivatives	26,202.6	-19.3	135.7	-154.9	26,183.4
Financial derivatives other than reserves	1,772.2	306.1	( <sup>2</sup> )	( <sup>2</sup> )	2,078.3
<b>By functional category:</b>					
Direct investment at market value	8,439.4	-71.3	45.5	-116.7	8,368.1
Equity	7,141.7	-61.7	55.5	-117.1	7,080.1
Debt instruments	1,297.7	-9.6	-10.0	0.4	1,288.1
Portfolio investment	12,679.6	-34.1	18.5	-52.6	12,645.5
Equity and investment fund shares	8,936.5	-154.1	-61.1	-93.0	8,782.4
Debt securities	3,743.0	120.0	79.6	40.4	3,863.0
Short term	695.2	42.0	43.6	-1.6	737.2
Long term	3,047.9	78.0	36.0	42.0	3,125.9
Financial derivatives other than reserves	1,772.2	306.1	( <sup>2</sup> )	( <sup>2</sup> )	2,078.3
Over-the-counter contracts	1,733.5	304.5	( <sup>2</sup> )	( <sup>2</sup> )	2,038.0
Single-currency interest rate contracts	1,291.9	269.8	( <sup>2</sup> )	( <sup>2</sup> )	1,561.7
Foreign exchange contracts	281.0	32.5	( <sup>2</sup> )	( <sup>2</sup> )	313.5
Other contracts	160.6	2.2	( <sup>2</sup> )	( <sup>2</sup> )	162.8
Exchange-traded contracts	38.7	1.6	( <sup>2</sup> )	( <sup>2</sup> )	40.3
Other investment	4,598.0	66.9	69.9	-2.9	4,664.9
Currency and deposits	1,904.0	-1.1	-6.5	5.4	1,902.9
Loans	2,644.3	63.6	71.8	-8.2	2,707.9
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	49.7	4.4	4.5	-0.2	54.0
Reserve assets	485.6	19.2	1.9	17.3	504.9
Monetary gold	368.5	20.0	0.0	20.0	388.4
Special drawing rights	50.9	-0.9	0.1	-1.0	50.0
Reserve position in the International Monetary Fund	24.4	1.3	1.8	-0.5	25.6
Other reserve assets	41.9	-1.1	0.1	-1.1	40.8
<b>U.S. liabilities</b>	<b>38,585.6</b>	<b>624.9</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>39,210.5</b>
Liabilities excluding financial derivatives	36,829.2	333.5	169.0	164.5	37,162.6

Type of investment	Position, 2019:II	Change in position in 2019:III			Position, 2019:III
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
Financial derivatives other than reserves	1,756.4	291.5	( <sup>2</sup> )	( <sup>2</sup> )	2,047.9
<b>By functional category:</b>					
Direct investment at market value	9,831.1	88.1	41.7	46.4	9,919.2
Equity	8,047.3	87.5	45.3	42.1	8,134.8
Debt instruments	1,783.8	0.6	-3.6	4.3	1,784.4
Portfolio investment	20,645.1	223.1	86.5	136.7	20,868.3
Equity and investment fund shares	8,656.5	-24.3	-64.8	40.5	8,632.2
Debt securities	11,988.6	247.5	151.3	96.2	12,236.1
Short term	926.7	61.8	62.3	-0.5	988.5
Long term	11,061.9	185.7	89.0	96.7	11,247.6
Financial derivatives other than reserves	1,756.4	291.5	( <sup>2</sup> )	( <sup>2</sup> )	2,047.9
Over-the-counter contracts	1,718.6	291.4	( <sup>2</sup> )	( <sup>2</sup> )	2,010.1
Single-currency interest rate contracts	1,278.3	269.2	( <sup>2</sup> )	( <sup>2</sup> )	1,547.5
Foreign exchange contracts	284.8	20.1	( <sup>2</sup> )	( <sup>2</sup> )	304.8
Other contracts	155.5	2.2	( <sup>2</sup> )	( <sup>2</sup> )	157.7
Exchange-traded contracts	37.8	(*)	( <sup>2</sup> )	( <sup>2</sup> )	37.8
Other investment	6,353.0	22.2	40.8	-18.6	6,375.2
Currency and deposits	3,333.6	87.8	93.1	-5.4	3,421.4
Loans	2,766.1	-63.5	-51.4	-12.1	2,702.6
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	204.1	-1.1	-0.9	-0.2	203.0
Special drawing rights allocations	49.1	-1.0	0.0	-1.0	48.1

n.a. Not available

(\*) Value between zero and +/- \$50 million

1. Disaggregation of other changes in position into price changes, exchange rate changes, and other changes in volume and valuation is only presented for annual statistics released in June each year.
2. Financial transactions and other changes in financial derivatives positions are available only on a net basis; they are not separately available for U.S. assets and U.S. liabilities.

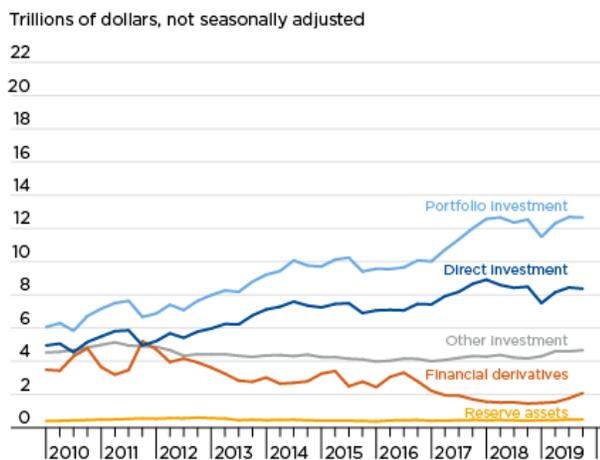
Note. The statistics on positions are presented in table 1.2 of the international investment position (IIP) accounts on BEA's website. The statistics on financial transactions are not seasonally adjusted and are presented in table 1.2 of the international transactions accounts (ITAs) on BEA's website.

## U.S. Assets

**U.S. assets** increased by \$286.8 billion, to a total of \$28.26 trillion, at the end of the third quarter, driven by increases in financial derivatives other than reserves (chart 2). Financial derivatives increased by \$306.1 billion, to \$2.08 trillion, mostly reflecting increases in single-currency interest rate contracts.

Financial transactions contributed to the overall increase in U.S. assets (table A).

**Chart 2. U.S. Assets**



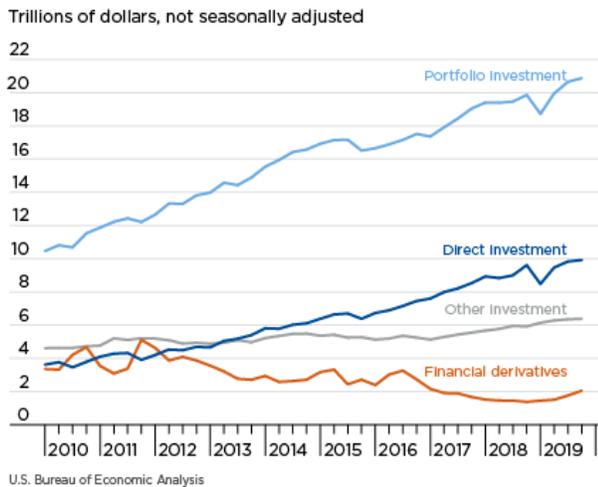
U.S. Bureau of Economic Analysis

## U.S. Liabilities

**U.S. liabilities** increased by \$624.9 billion, to a total of \$39.21 trillion, at the end of the third quarter, reflecting increases in all major categories of liabilities, particularly in financial derivatives other than reserves and in portfolio investment liabilities (chart 3). Financial derivatives increased by \$291.5 billion, to \$2.05 trillion, mostly reflecting increases in single-currency interest rate contracts. Portfolio investment liabilities increased by \$223.1 billion, to \$20.87 trillion, driven by net foreign purchases of U.S. debt securities and by U.S. bond price increases.

Both financial transactions and other changes in position contributed to the overall increase in U.S. liabilities (table A).

**Chart 3. U.S. Liabilities**



## Updates to Statistics

The U.S. net international investment position statistics for the second quarter of 2019 have been updated to incorporate newly available and revised source data (table B).

**Table B. Updates to Second Quarter 2019 International Investment Position Aggregates**  
[Billions of dollars, not seasonally adjusted]

	Preliminary estimate	Revised estimate
<b>U.S. net international investment position</b>	<b>-10,555.4</b>	<b>-10,610.8</b>
<b>U.S. assets</b>	<b>28,009.2</b>	<b>27,974.8</b>
Direct investment at market value	8,386.0	8,439.4
Portfolio investment	12,678.1	12,679.6
Financial derivatives other than reserves	1,771.7	1,772.2
Other investment	4,687.8	4,598.0
Reserve assets	485.6	485.6
<b>U.S. liabilities</b>	<b>38,564.6</b>	<b>38,585.6</b>
Direct investment at market value	9,799.6	9,831.1
Portfolio investment	20,620.0	20,645.1
Financial derivatives other than reserves	1,755.9	1,756.4
Other investment	6,389.2	6,353.0