



U.S. International Investment Position

First Quarter 2021, Annual Update, and Year 2020 (Revised)

By Erin Whitaker

This article presents the U.S. international investment position (IIP) statistics for the first quarter of 2021, the annual update of the IIP Accounts, and new detail for 2020. The new annual statistical detail for 2020 includes changes in position resulting from financial transactions and other changes in position such as price changes, exchange-rate changes, and changes in volume and valuation n.i.e. (not included elsewhere). With this year's annual update, the Bureau of Economic Analysis (BEA) has incorporated newly available and revised source data for 2017–2020.

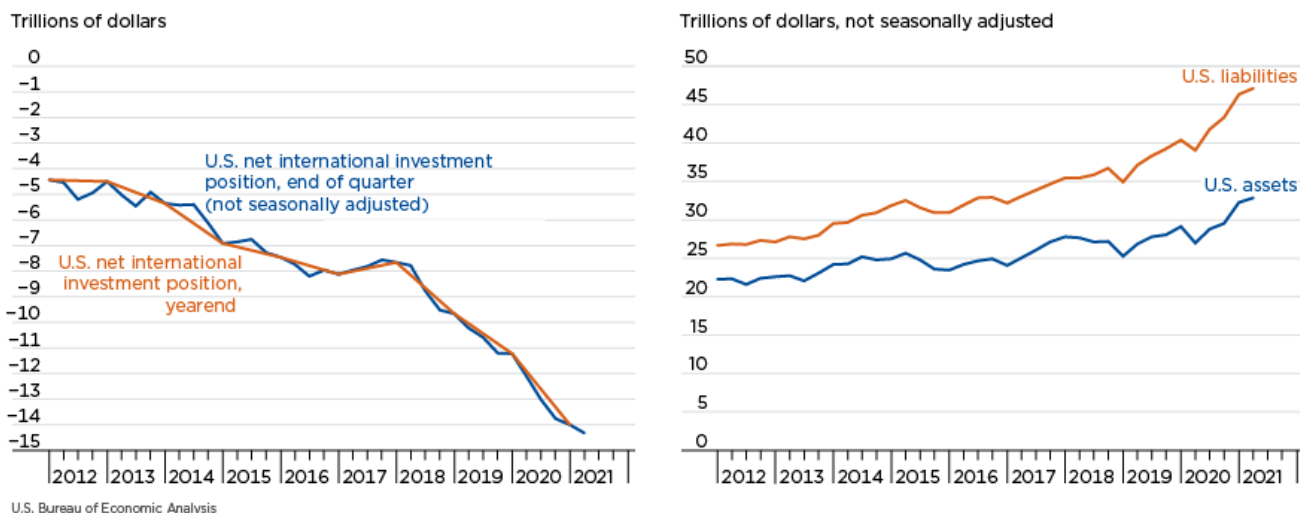
First Quarter

The U.S. net international investment position—the difference between U.S. residents' foreign financial assets and liabilities—was $-\$14.32$ trillion at the end of the first quarter of 2021 (chart 1). Assets totaled $\$32.81$ trillion and liabilities were $\$47.13$ trillion. At the end of the fourth quarter of 2020, the net investment position was $-\$14.01$ 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. A negative net investment position represents a U.S. net liability to the rest of the world.

The $-\$309.0$ billion change in the net investment position from the fourth quarter of 2020 to the first quarter of 2021 came from net financial transactions of $-\$154.4$ billion and net other changes in position, such as price and exchange-rate changes, of $-\$154.6$ billion (table A).

Chart 1. U.S. International Investment Position



Data Availability and Methodology

Detailed statistics for the U.S. international investment position are available in [tables 1.1–3.1](#) on the Bureau of Economic Analysis website. For information on data sources and estimation methods, see the recently updated and expanded *U.S. International Economic Accounts: Concepts and Methods* and “A Primer on the U.S. International Economic Accounts” in this issue of the *Survey of Current Business*.

Coronavirus (COVID-19) Impact on First-Quarter 2021 International Investment Position

The global pandemic and the economic recovery continued to impact the IIP in the first quarter of 2021. The economic effects of the COVID-19 pandemic cannot be quantified in the IIP statistics, because the impacts are generally embedded in source data and cannot be separately identified.

Table A. Quarterly Change in the U.S. Net International Investment Position

[Billions of dollars, not seasonally adjusted]

Type of investment	End of quarter position, 2020:Q4	Change in position in 2021:Q1			End of quarter position, 2021:Q1
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-14,011.2	-309.0	-154.4	-154.6	-14,320.3
Net position excluding financial derivatives	-14,004.6	-349.2	-152.1	-197.1	-14,353.8
Financial derivatives other than reserves, net ²	-6.6	40.2	-2.3	42.5	33.5
U.S. assets	32,256.3	555.5	(²)	(²)	32,811.8
Assets excluding financial derivatives	29,710.6	942.4	402.7	539.8	30,653.0
Financial derivatives other than reserves	2,545.7	-386.9	(²)	(²)	2,158.8
By functional category:					
Direct investment at market value	9,405.1	484.7	84.7	400.1	9,889.9
Equity	8,176.6	495.1	95.7	399.4	8,671.8
Debt instruments	1,228.5	-10.4	-11.0	0.6	1,218.1
Portfolio investment	14,605.6	528.3	304.7	223.6	15,133.9
Equity and investment fund shares	10,535.9	467.2	86.3	380.8	11,003.1
Debt securities	4,069.7	61.1	218.4	-157.2	4,130.8
Short term	720.4	33.9	38.8	-4.8	754.4
Long term	3,349.3	27.2	179.6	-152.4	3,376.5
Financial derivatives other than reserves	2,545.7	-386.9	(²)	(²)	2,158.8
Over-the-counter contracts	2,491.4	-392.9	(²)	(²)	2,098.4
Single-currency interest rate contracts	1,914.0	-389.2	(²)	(²)	1,524.8
Foreign exchange contracts	372.1	-14.3	(²)	(²)	357.9
Other contracts	205.3	10.5	(²)	(²)	215.8
Exchange-traded contracts	54.4	6.0	(²)	(²)	60.4
Other investment	5,072.6	-13.4	15.4	-28.8	5,059.2
Other equity	69.9	1.2	1.2	0.0	71.1
Currency and deposits	2,190.5	-29.1	-10.8	-18.3	2,161.4
Loans	2,766.7	10.7	21.1	-10.4	2,777.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	45.6	3.8	3.9	-0.1	49.3
Reserve assets	627.3	-57.2	-2.1	-55.1	570.1
Monetary gold	493.6	-51.4	0.0	-51.4	442.2
Special drawing rights	52.9	-0.8	(*)	-0.8	52.1
Reserve position in the International Monetary Fund	36.4	-2.7	-2.2	-0.6	33.7
Other reserve assets	44.4	-2.3	0.1	-2.3	42.1
U.S. liabilities	46,267.6	864.5	(²)	(²)	47,132.1
Liabilities excluding financial derivatives	43,715.2	1,291.6	554.7	736.9	45,006.8
Financial derivatives other than reserves	2,552.4	-427.1	(²)	(²)	2,125.3
By functional category:					
Direct investment at market value	11,977.9	593.7	64.3	529.4	12,571.6
Equity	10,262.0	609.2	67.8	541.4	10,871.2
Debt instruments	1,715.9	-15.5	-3.5	-12.0	1,700.4
Portfolio investment	24,628.4	552.2	326.5	225.7	25,180.6
Equity and investment fund shares	11,605.6	770.4	99.6	670.8	12,376.0
Debt securities	13,022.8	-218.2	226.9	-445.1	12,804.6
Short term	1,216.2	-45.0	-44.4	-0.5	1,171.2
Long term	11,806.6	-173.2	271.3	-444.5	11,633.4
Financial derivatives other than reserves	2,552.4	-427.1	(²)	(²)	2,125.3
Over-the-counter contracts	2,500.9	-432.1	(²)	(²)	2,068.7
Single-currency interest rate contracts	1,902.2	-402.2	(²)	(²)	1,500.0
Foreign exchange contracts	386.2	-45.8	(²)	(²)	340.4
Other contracts	212.4	15.9	(²)	(²)	228.3
Exchange-traded contracts	51.5	5.1	(²)	(²)	56.6
Other investment	7,108.9	145.7	163.9	-18.2	7,254.6
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	3,804.2	89.4	93.9	-4.5	3,893.6
Loans	3,037.7	52.3	65.0	-12.8	3,090.0
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	216.2	4.8	4.9	-0.1	221.0
Special drawing rights allocations	50.9	-0.8	0.0	-0.8	50.1

n.a. Not available

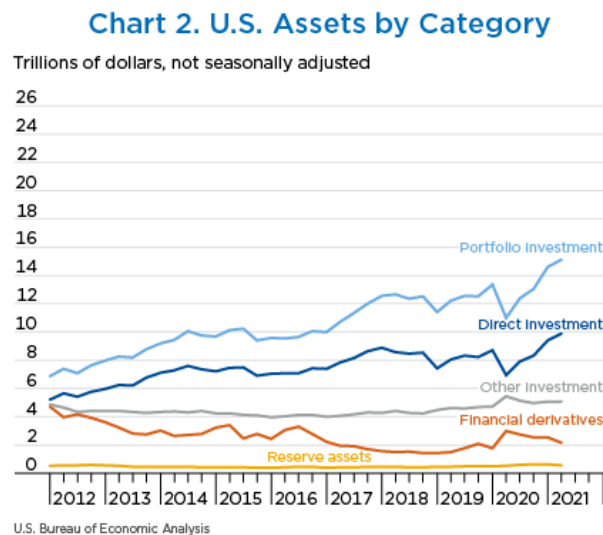
(*) Value between zero and +/- \$50 million

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is presented for annual statistics (see table C).
2. Financial transactions and other changes in financial derivatives positions are available 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 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 on BEA's website.

U.S. assets increased by \$555.5 billion to a total of \$32.81 trillion at the end of the first quarter, mainly reflecting increases in portfolio investment and direct investment assets that were partly offset by decreases in financial derivatives (chart 2). Portfolio investment assets increased by \$528.3 billion to \$15.13 trillion, driven mainly by foreign stock price increases and strong U.S. net purchases of foreign securities; these increases were partly offset by the depreciation of many major foreign currencies against the U.S. dollar and by foreign bond price decreases. Direct investment assets increased by \$484.7 billion to \$9.89 trillion, driven by foreign stock price increases that were partly offset by the depreciation of many major foreign currencies against the U.S. dollar. Financial derivatives decreased by \$386.9 billion to \$2.16 trillion, mostly reflecting decreases in single-currency interest-rate contracts.

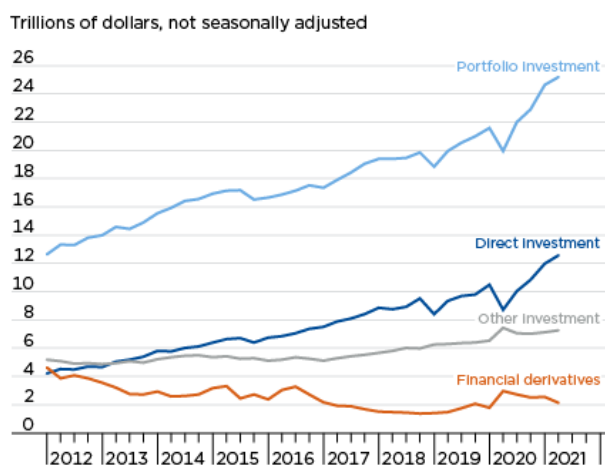
Both financial transactions and other changes in position contributed to the overall increase in U.S. assets (table A).



U.S. liabilities increased by \$864.5 billion to a total of \$47.13 trillion at the end of the first quarter, mainly reflecting increases in direct investment and portfolio investment liabilities that were partly offset by decreases in financial derivatives (chart 3). Direct investment liabilities increased by \$593.7 billion to \$12.57 trillion, driven by U.S. stock price increases. Portfolio investment liabilities increased by \$552.2 billion to \$25.18 trillion, driven by foreign net purchases of U.S. securities and U.S. stock price increases that were partly offset by U.S. bond price decreases. Financial derivatives decreased by \$427.1 billion to \$2.13 trillion, mostly reflecting decreases in single-currency interest-rate contracts.

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

Chart 3. U.S. Liabilities by Category



U.S. Bureau of Economic Analysis

Annual Update—Key Changes and Results

The U.S. net international investment position statistics for 2017–2020 have been updated to incorporate newly available and revised source data. Key changes to the statistics are highlighted below, and the results are shown in table B.

- Revised statistics for direct investment positions incorporate the results of BEA's 2017 Benchmark Survey of Foreign Direct Investment in the United States.
- Revised statistics for portfolio investment positions incorporate the results of the U.S. Department of the Treasury's annual surveys "U.S. Ownership of Foreign Securities, including Selected Money Market Instruments" as of December 2019 and "Foreign-Residents' Holdings of U.S. Securities, including Selected Money Market Instruments" as of June 2020.
- Revised statistics for financial derivatives and other investment positions (other equity, currency and deposits, loans, insurance technical reserves, and trade credit and advances) reflect revised source data mainly from the U.S. Department of the Treasury's Treasury International Capital surveys.

For information about revisions to financial transactions that impacted the IIP, see ["Annual Update of the U.S. International Transactions Accounts"](#) in this issue of the *Survey of Current Business*.

Table B. Updates to the U.S. Net International Investment Position at Yearend, 2017–2020

[Billions of dollars]

Type of investment	2017			2018			2019			2020		
	Previously published	Revised	Amount of revision	Previously published	Revised	Amount of revision	Previously published	Revised	Amount of revision	Previously published	Revised	Amount of revision
U.S. net international investment position	-7,622.2	-7,673.0	-50.8	-9,674.4	-9,684.7	-10.2	-11,050.5	-11,231.4	-180.9	-14,092.1	-14,011.2	80.9
Net position excluding financial derivatives	-7,659.9	-7,710.6	-50.8	-9,716.5	-9,726.7	-10.2	-11,070.7	-11,251.6	-180.9	-14,085.5	-14,004.6	80.9
Financial derivatives other than reserves, net	37.6	37.6	0.0	42.0	42.0	0.0	20.2	20.2	0.0	-6.6	-6.6	0.0
U.S. assets	27,772.3	27,739.8	-32.5	25,233.8	25,217.9	-15.9	29,152.8	29,108.3	-44.5	32,156.0	32,256.3	100.3
Direct investment at market value	8,923.1	8,893.9	-29.1	7,443.9	7,417.4	-26.6	8,798.7	8,702.2	-96.4	9,295.6	9,405.1	109.6
Portfolio investment	12,571.5	12,571.5	0.0	11,433.6	11,433.6	0.0	13,375.9	13,366.2	-9.7	14,672.6	14,605.6	-67.0
Financial derivatives other than reserves	1,560.8	1,560.8	0.0	1,449.6	1,449.6	0.0	1,790.4	1,790.4	0.0	2,545.7	2,545.7	0.0
Other investment	4,267.3	4,263.9	-3.4	4,457.6	4,468.3	10.7	4,673.4	4,735.0	61.6	5,014.8	5,072.6	57.8
Reserve assets	449.7	449.7	0.0	449.1	449.1	0.0	514.4	514.4	0.0	627.3	627.3	0.0
U.S. liabilities	35,394.5	35,412.8	18.3	34,908.2	34,902.6	-5.6	40,203.3	40,339.7	136.4	46,248.1	46,267.6	19.5
Direct investment at market value	8,814.8	8,835.3	20.4	8,401.7	8,393.5	-8.2	10,547.1	10,486.0	-61.1	11,969.7	11,977.9	8.2
Portfolio investment	19,398.3	19,398.3	0.0	18,844.2	18,844.2	0.0	21,389.8	21,565.5	175.7	24,666.4	24,628.4	-38.0
Financial derivatives other than reserves	1,523.2	1,523.2	0.0	1,407.5	1,407.5	0.0	1,770.3	1,770.3	0.0	2,552.4	2,552.4	0.0
Other investment	5,658.3	5,656.1	-2.2	6,254.8	6,257.4	2.5	6,496.2	6,517.9	21.8	7,059.6	7,108.9	49.3

Year 2020 (Revised)

The U.S. net international investment position was -\$14.01 trillion at the end of 2020, compared with -\$11.23 trillion at the end of 2019 (table C). The -\$2.78 trillion change in the net investment position from the end of 2019 to the end of 2020 came from net financial transactions of -\$653.0 billion and net other changes in position, such as price and exchange rate changes, of -\$2.13 trillion (table C).

U.S. assets increased by \$3.15 trillion to a total of \$32.26 trillion at the end of 2020, reflecting increases in all major categories of assets, particularly in portfolio investment, financial derivatives, and direct investment assets. Portfolio investment assets increased by \$1.24 trillion to \$14.61 trillion and direct investment assets increased by \$702.9 billion to \$9.41 trillion, driven mainly by the appreciation of major foreign currencies against the U.S. dollar that raised the value of U.S. assets in dollar terms and, to a lesser extent, by financial transactions. Financial derivatives increased by \$755.3 billion to \$2.55 trillion, mostly reflecting increases in single-currency interest-rate contracts.

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

U.S. liabilities increased by \$5.93 trillion to a total of \$46.27 trillion at the end of 2020, reflecting increases in all major categories of liabilities, particularly in portfolio investment, direct investment, and financial derivatives liabilities. Portfolio investment liabilities increased by \$3.06 trillion to \$24.63 trillion and direct investment liabilities increased by \$1.49 trillion to \$11.98 trillion, driven mainly by U.S. stock price increases and, to a lesser extent, by financial transactions. Financial derivatives increased by \$782.1 billion to \$2.55 trillion, mostly reflecting increases in single-currency interest-rate contracts.

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

Table C. Annual Change in the U.S. Net International Investment Position

[Billions of dollars]

Type of investment	Yearend position, 2019	Change in position in 2020						Yearend position, 2020
		Total	Financial transactions	Attributable to:				
				Total	Price changes	Exchange-rate changes ¹	Changes in volume and valuation n.i.e. ²	
U.S. net international investment position	-11,231.4	-2,779.8	-653.0	-2,126.8	(⁴)	(⁴)	(⁴)	-14,011.2
Net position excluding financial derivatives	-11,251.6	-2,753.0	-647.2	-2,105.8	-3,169.0	1,010.1	53.1	-14,004.6
Financial derivatives other than reserves, net ³	20.2	-26.8	-5.8	-21.0	(⁴)	(⁴)	(⁴)	-6.6
U.S. assets	29,108.3	3,148.1	(³)	(³)	(³)	(³)	(³)	32,256.3
Assets excluding financial derivatives	27,317.9	2,392.8	809.3	1,583.4	345.4	1,097.7	140.3	29,710.6
Financial derivatives other than reserves	1,790.4	755.3	(³)	(³)	(³)	(³)	(³)	2,545.7
By functional category:								
Direct investment at market value	8,702.2	702.9	311.7	391.2	-20.0	411.7	-0.5	9,405.1
Equity	7,449.1	727.5	330.9	396.6	-20.0	411.7	4.9	8,176.6
Debt instruments	1,253.1	-24.6	-19.2	-5.4	.....	.....	-5.4	1,228.5
Portfolio investment	13,366.2	1,239.4	220.0	1,019.3	267.9	626.6	124.9	14,605.6
Equity and investment fund shares	9,478.0	1,057.9	241.8	816.1	132.5	575.7	107.8	10,535.9
Debt securities	3,888.2	181.5	-21.8	203.2	135.4	50.8	17.0	4,069.7
Short term	765.0	-44.6	-53.8	9.2	.....	5.9	3.3	720.4
Long term	3,123.2	226.1	32.0	194.1	135.4	45.0	13.7	3,349.3
Financial derivatives other than reserves	1,790.4	755.3	(³)	(³)	(³)	(³)	(³)	2,545.7
Over-the-counter contracts	1,755.3	736.1	(³)	(³)	(³)	(³)	(³)	2,491.4
Single-currency interest rate contracts	1,297.5	616.5	(³)	(³)	(³)	(³)	(³)	1,914.0
Foreign exchange contracts	288.1	84.0	(³)	(³)	(³)	(³)	(³)	372.1
Other contracts	169.7	35.6	(³)	(³)	(³)	(³)	(³)	205.3
Exchange-traded contracts	35.1	19.3	(³)	(³)	(³)	(³)	(³)	54.4
Other investment	4,735.0	337.6	268.6	69.0	0.0	53.1	15.9	5,072.6
Other equity	68.0	1.8	1.8	0.0	0.0	.....	0.0	69.9
Currency and deposits	2,061.0	129.5	92.9	36.6	.....	36.6	0.0	2,190.5
Loans	2,552.4	214.2	182.2	32.0	.....	16.1	15.9	2,766.7
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	53.5	-8.0	-8.3	0.3	.....	0.3	0.0	45.6
Reserve assets	514.4	112.9	9.0	103.9	97.5	6.4	0.0	627.3
Monetary gold	396.1	97.5	0.0	97.5	97.5	.....	0.0	493.6
Special drawing rights	50.7	2.2	0.1	2.1	.....	2.1	0.0	52.9
Reserve position in the International Monetary Fund	26.2	10.2	8.8	1.4	.....	1.4	0.0	36.4
Other reserve assets	41.4	3.0	0.1	2.9	0.0	2.9	0.0	44.4
U.S. liabilities	40,339.7	5,927.9	(³)	(³)	(³)	(³)	(³)	46,267.6
Liabilities excluding financial derivatives	38,569.4	5,145.8	1,456.5	3,689.3	3,514.5	87.7	87.1	43,715.2
Financial derivatives other than reserves	1,770.3	782.1	(³)	(³)	(³)	(³)	(³)	2,552.4
By functional category:								
Direct investment at market value	10,486.0	1,491.8	211.3	1,280.5	1,314.1	.....	-33.6	11,977.9
Equity	8,774.6	1,487.4	198.3	1,289.1	1,314.1	.....	-25.0	10,262.0
Debt instruments	1,711.5	4.4	13.0	-8.6	.....	.....	-8.6	1,715.9
Portfolio investment	21,565.5	3,063.0	710.2	2,352.8	2,200.3	50.2	102.3	24,628.4
Equity and investment fund shares	9,220.4	2,385.3	648.4	1,736.9	1,641.3	.....	95.6	11,605.6
Debt securities	12,345.1	677.7	61.8	615.9	559.0	50.2	6.7	13,022.8
Short term	945.1	271.1	272.5	-1.3	.....	-1.3	0.0	1,216.2
Long term	11,400.0	406.6	-210.7	617.3	559.0	51.5	6.7	11,806.6
Financial derivatives other than reserves	1,770.3	782.1	(³)	(³)	(³)	(³)	(³)	2,552.4
Over-the-counter contracts	1,738.0	762.9	(³)	(³)	(³)	(³)	(³)	2,500.9
Single-currency interest rate contracts	1,276.3	626.0	(³)	(³)	(³)	(³)	(³)	1,902.2
Foreign exchange contracts	296.1	90.1	(³)	(³)	(³)	(³)	(³)	386.2
Other contracts	165.7	46.8	(³)	(³)	(³)	(³)	(³)	212.4
Exchange-traded contracts	32.2	19.3	(³)	(³)	(³)	(³)	(³)	51.5
Other investment	6,517.9	591.0	535.1	55.9	.....	37.5	18.4	7,108.9
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	3,467.8	336.5	323.6	12.9	.....	7.5	5.4	3,804.2
Loans	2,795.1	242.6	198.9	43.7	.....	27.8	16.0	3,037.7
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	206.3	9.9	12.6	-2.7	.....	0.3	-3.0	216.2
Special drawing rights allocations	48.8	2.0	0.0	2.0	.....	2.0	0.0	50.9

n.a. Not available

..... Not applicable

1. Represents gains or losses on foreign-currency-denominated assets and liabilities due to their revaluation at current exchange rates.
2. Changes in volume and valuation n.i.e. (not included elsewhere) includes changes due to year-to-year shifts in the composition of reporting panels and to the incorporation of more comprehensive survey results. Also includes capital gains and losses of direct investment affiliates and changes in positions that cannot be allocated to financial transactions, price changes, or exchange-rate changes.
3. Financial transactions and other changes in financial derivatives positions are available on a net basis; they are not separately available for U.S. assets and U.S. liabilities.
4. Data are not separately available for price changes, exchange-rate changes, and changes in volume and valuation n.i.e.

Note. The statistics are presented in [table 1.3](#) of the International Investment Position Accounts on BEA's website.

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