

A Look at the U.S. International Investment Position

Third Quarter of 2023

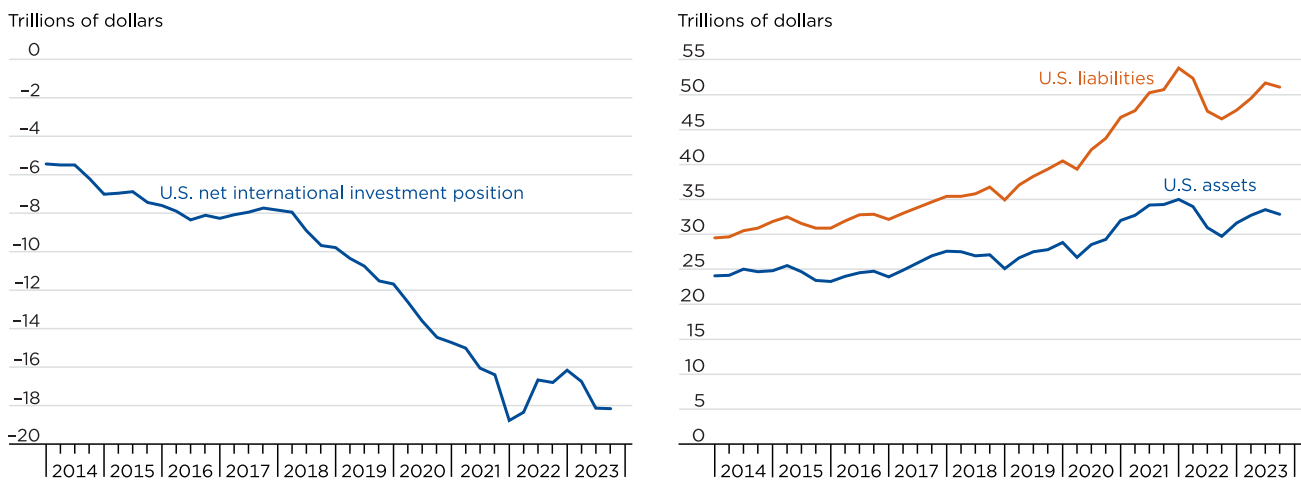
By Erin Whitaker | January 5, 2024

The U.S. net international investment position, the difference between U.S. residents' foreign financial assets and liabilities, was $-\$18.16$ trillion at the end of the third quarter of 2023 (chart 1). Assets totaled $\$32.91$ trillion, and liabilities were $\$51.07$ trillion. At the end of the second quarter, the net investment position was $-\$18.14$ trillion (revised). The net investment position and components of assets and liabilities are presented in table A.

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 $-\$15.5$ billion change in the net investment position from the second quarter to the third quarter came from net financial transactions of $-\$121.9$ billion and net other changes in position, such as price and exchange-rate changes, of $\$106.4$ billion (table A).

Chart 1. U.S. International Investment Position
End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

Data Availability and Methodology

Detailed statistics for the U.S. international investment position are available in [tables 1.1–4.1](#) on the U.S. Bureau of Economic Analysis website. For information on data sources and estimation methods, see [U.S. International Economic Accounts: Concepts and Methods](#).

U.S. Assets

U.S. assets decreased by \$606.6 billion to a total of \$32.91 trillion at the end of the third quarter, reflecting decreases in direct investment and portfolio investment assets that were partly offset by increases in other investment assets and financial derivatives.

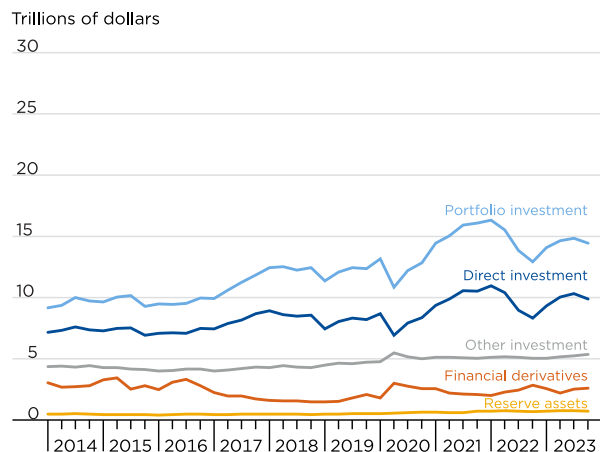
Direct investment assets decreased by \$449.1 billion to \$9.84 trillion and portfolio investment assets decreased by \$388.2 billion to \$14.42 trillion, driven mainly by foreign stock price decreases and the depreciation of foreign currencies against the U.S. dollar that lowered the market value of these assets in dollar terms (chart 2).

In contrast, other investment assets increased by \$143.9 billion to \$5.34 trillion, driven by increases in loans. Financial derivatives increased by \$100.7 billion to \$2.58 trillion, driven by increases in single-currency interest rate contracts and foreign exchange contracts.

Exchange-rate changes and price changes, components of other changes in position, drove the overall decrease in U.S. assets (table A).

Chart 2. U.S. Assets by Category

End of quarter, not seasonally adjusted



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U.S. Liabilities

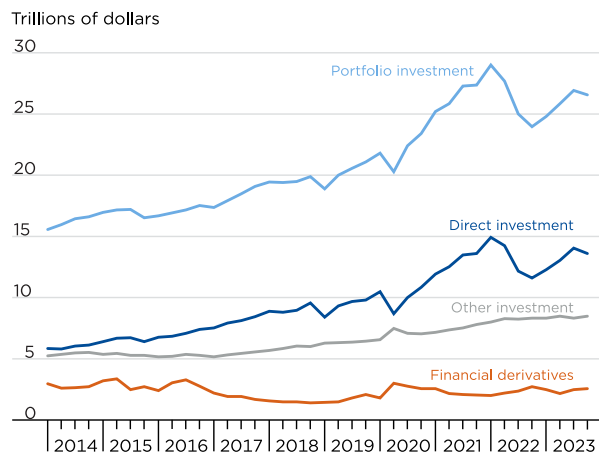
U.S. liabilities decreased by \$591.1 billion to a total of \$51.07 trillion at the end of the third quarter, reflecting decreases in direct investment and portfolio investment liabilities that were partly offset by increases in other investment liabilities and financial derivatives.

Direct investment liabilities decreased by \$436.6 billion to \$13.58 trillion and portfolio investment liabilities decreased by \$386.5 billion to \$26.52 trillion, driven mainly by U.S. stock price decreases that lowered the market value of these liabilities; U.S. bond price decreases also contributed to the decrease in portfolio investment liabilities (chart 3).

In contrast, other investment liabilities increased by \$166.9 billion to \$8.45 trillion, driven by increases in loans. Financial derivatives increased by \$65.0 billion to \$2.52 trillion, driven by increases in single-currency interest rate contracts and foreign exchange contracts.

Price changes, a component of other changes in position, drove the overall decrease in U.S. liabilities (table A).

Chart 3. U.S. Liabilities by Category
End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

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, 2023:Q2	Change in position in 2023:Q3			End of quarter position, 2023:Q3
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-18,144.7	-15.5	-121.9	106.4	-18,160.1
Net position excluding financial derivatives	-18,172.3	-51.1	-122.9	71.8	-18,223.4
Financial derivatives other than reserves, net ²	27.7	35.7	1.1	34.6	63.3
U.S. assets	33,511.9	-606.6	(²)	(²)	32,905.3
Assets excluding financial derivatives	31,029.1	-707.3	341.0	-1,048.3	30,321.8
Financial derivatives other than reserves	2,482.8	100.7	(²)	(²)	2,583.5
By functional category:					
Direct investment at market value	10,293.4	-449.1	119.3	-568.4	9,844.3
Equity	9,044.8	-468.1	101.3	-569.4	8,576.7
Debt instruments	1,248.6	19.0	18.0	1.0	1,267.6
Portfolio investment	14,804.6	-388.2	47.2	-435.3	14,416.5
Equity and investment fund shares	11,016.1	-312.8	29.0	-341.8	10,703.2
Debt securities	3,788.6	-75.3	18.2	-93.5	3,713.3
Short term	458.3	11.4	13.7	-2.3	469.7
Long term	3,330.3	-86.7	4.5	-91.3	3,243.5
Financial derivatives other than reserves	2,482.8	100.7	(²)	(²)	2,583.5
Over-the-counter contracts	2,418.0	102.4	(²)	(²)	2,520.4
Single-currency interest rate contracts	1,873.0	77.6	(²)	(²)	1,950.7
Foreign exchange contracts	374.4	34.1	(²)	(²)	408.5
Other contracts	170.6	-9.3	(²)	(²)	161.3
Exchange-traded contracts	64.8	-1.7	(²)	(²)	63.2
Other investment	5,198.1	143.9	174.2	-30.3	5,342.0
Other equity	75.3	0.0	0.0	0.0	75.3
Currency and deposits	2,139.5	6.6	24.2	-17.6	2,146.1
Loans	2,947.5	135.3	147.9	-12.7	3,082.8
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	35.8	2.0	2.1	-0.1	37.8
Reserve assets	732.9	-13.9	0.4	-14.3	719.0
Monetary gold	500.1	-10.9	0.0	-10.9	489.1
Special drawing rights	162.2	-0.1	1.7	-1.9	162.1
Reserve position in the International Monetary Fund	34.1	-1.8	-1.5	-0.4	32.3
Other reserve assets	36.5	-1.0	0.2	-1.2	35.5
U.S. liabilities	51,656.6	-591.1	(²)	(²)	51,065.4
Liabilities excluding financial derivatives	49,201.4	-656.2	464.0	-1,120.1	48,545.2
Financial derivatives other than reserves	2,455.2	65.0	(²)	(²)	2,520.2
By functional category:					
Direct investment at market value	14,012.1	-436.6	81.8	-518.3	13,575.5
Equity	12,186.9	-459.9	71.6	-531.5	11,727.0
Debt instruments	1,825.1	23.4	10.2	13.1	1,848.5
Portfolio investment	26,910.7	-386.5	193.1	-579.6	26,524.2
Equity and investment fund shares	13,697.2	-323.4	3.9	-327.3	13,373.8
Debt securities	13,213.5	-63.1	189.2	-252.3	13,150.5
Short term	1,255.8	88.3	88.6	-0.3	1,344.1
Long term	11,957.7	-151.3	100.6	-252.0	11,806.4
Financial derivatives other than reserves	2,455.2	65.0	(²)	(²)	2,520.2
Over-the-counter contracts	2,390.3	69.3	(²)	(²)	2,459.6
Single-currency interest rate contracts	1,842.1	61.8	(²)	(²)	1,903.9
Foreign exchange contracts	368.3	16.0	(²)	(²)	384.3
Other contracts	179.9	-8.5	(²)	(²)	171.4
Exchange-traded contracts	64.9	-4.3	(²)	(²)	60.6
Other investment	8,278.6	166.9	189.1	-22.2	8,445.5
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	4,318.8	22.3	27.3	-5.0	4,341.1
Loans	3,547.2	139.4	154.7	-15.4	3,686.5
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	259.8	7.0	7.1	-0.1	266.8
Special drawing rights allocations	152.8	-1.7	0.0	-1.7	151.0

n.a. Not available

0.0 Transactions or other changes are possible but are zero for a given period.

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 released in March and revised in June each year.
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 the U.S. Bureau of Economic Analysis (BEA) 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.

Updates to Statistics

The U.S. international investment position statistics for the second quarter of 2023 have been updated to incorporate newly available and revised source data (table B).

Table B. Updates to Second-Quarter 2023 International Investment Position Aggregates

[Billions of dollars, not seasonally adjusted]

	Preliminary estimate	Revised estimate
U.S. net international investment position	-17,997.7	-18,144.7
U.S. assets	33,578.2	33,511.9
Direct investment at market value	10,304.6	10,293.4
Portfolio investment	14,827.0	14,804.6
Financial derivatives other than reserves	2,482.8	2,482.8
Other investment	5,230.8	5,198.1
Reserve assets	732.9	732.9
U.S. liabilities	51,575.9	51,656.6
Direct investment at market value	14,001.8	14,012.1
Portfolio investment	26,814.5	26,910.7
Financial derivatives other than reserves	2,455.2	2,455.2
Other investment	8,304.4	8,278.6



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