

Taking Account...

BEA to launch quarterly investment position stats

This year, the Bureau of Economic Analysis (BEA) plans to begin releasing new quarterly U.S. international investment position (IIP) statistics on a regular basis. Currently, BEA releases only annual IIP statistics at the end of every June.

The IIP is a statistical balance sheet that shows the dollar value of U.S. external financial assets and liabilities at a specific point in time. The IIP statistics have appeared in the *SURVEY OF CURRENT BUSINESS* since 1954.

The net IIP is defined as the value of U.S.-owned assets abroad less the value of foreign-owned assets in the United States. The net IIP relative to the size of the U.S. economy is a measure of U.S. financial condition and creditworthiness. The net IIP plus total U.S. nonfinancial wealth is equal to U.S. national net worth.

The new quarterly IIP statistics will complement the annual statistics and provide additional information and insight about the value of U.S. assets abroad and foreign-owned assets in the United States. The new statistics will also bring BEA in line with new international statistical guidelines set forth by the International Monetary Fund (IMF).

The international requirement for quarterly IIP data followed from the Group of Twenty (G-20), which requested that the IMF Executive Board in-

crease the timeliness of detailed statistics on cross-border linkages in the wake of the 2008 financial crisis.

In March 2010, the IMF Executive Board prescribed quarterly IIP for members participating in its Special Data Dissemination Standard (SDDS) with a 4-year transition period. In March 2013, BEA will meet the SDDS requirement, a year before the end of the 4-year transition period.

The first quarterly release is scheduled for March 26, 2013. It will include quarterly IIP data from December 2005 to December 2012. Thereafter, the quarterly IIP statistics will be released every March, June, September, and December via BEA news releases.

Every June, the quarterly data will be part of a broader release that also details revised annual IIP statistics and changes in valuation as well as revised statistics for previous periods (annual and quarterly).

Short articles about the most recently released quarterly statistics, which will include data tables and additional information, will be published in the *SURVEY* every January, April, and October. Every July, BEA will continue to publish an article focused mainly on annual IIP statistics.

The upcoming quarterly IIP statistics will provide the same account components as the annual IIP statistics, which were last released in June 2012. In ad-

dition, the new quarterly IIP statistics will be fully consistent with BEA's widely followed international transactions accounts.

However, the quarterly IIP statistics will provide only position data, unlike the more detailed annual statistics, which also include financial flows and detailed valuation adjustment statistics.

The upcoming quarterly statistics will provide BEA international data users with several benefits:

- Higher frequency and more timely statistics about the composition and size of the IIP to shed light on market developments and major economic trends. This will have a wide range of likely benefits. For example, this will allow economists to more closely monitor the U.S. position as a net debtor and the relationship between the IIP and the U.S. current-account deficit, along with the vulnerability of the United States to external financial shocks.
- Enhanced monitoring of U.S. net external liabilities at current-dollar value and as a percentage of GDP, which can aid economic policymakers.
- Better comparability of data from the United States with data from other countries, including Australia, Canada, Germany, Japan, and the United Kingdom, all of which already produce quarterly IIP statistics.