

The International Investment Position of the United States at the End of the First Quarter of 2013 and Year 2012

By Elena L. Nguyen

THIS ARTICLE presents the U.S. international investment position statistics for the first quarter of 2013 along with historical revisions and detailed annual statistics for 2012, including changes in positions resulting from annual financial flows and valuation changes such as price, exchange-rate, and other changes. Quarterly positions are revised for the first quarter of 2009 to the fourth quarter of 2012, and detailed annual statistics are revised for 2009–2012. Quarterly position statistics are available for the fourth quarter of 2005 to the first quarter of 2013.

The U.S. international investment position 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 U.S. net international investment position is defined as the value of U.S.-owned assets abroad less the value of foreign-owned assets in the United States. The value of U.S.-owned assets abroad fell below the value of foreign-owned assets in the United States starting in 1986; as a result, the net position has shifted from a positive value to a negative value. The net position reached $-\$3,730.6$ billion (re-

vised) at the end of 2011, $-\$3,863.9$ billion (revised) at the end of 2012, and $-\$4,277.1$ billion (preliminary) at the end of the first quarter of 2013 (chart 1, table 1).

The negative net international investment position represents a U.S. net liability to the rest of the world. As a net liability, the sign of the net investment position is reversed; the net liability position rises as the net international investment position declines. The U.S. net liability position relative to the size of the U.S. financial sector is a measure of U.S. financial condition and creditworthiness. At the end of 2011, the U.S. net liability position was 2.4 percent of the value of total U.S. financial assets as reported in the flow of funds accounts of the United States.¹ At the end of 2012, the U.S. net liability position was 2.3 percent of total U.S. financial assets; at the end of the first quarter of 2013, it increased to 2.5 percent.

1. Federal Reserve Board (FRB), "Table L.5. Total Liabilities and Its Relation to Total Financial Assets," in *Flow of Funds Accounts of the United States, Flows and Outstandings, First Quarter 2013, Release Z.1*. (Washington, DC: FRB, June 6, 2013): 11.

Chart 1. U.S. Net International Investment Position, 2006:IV–2013:I

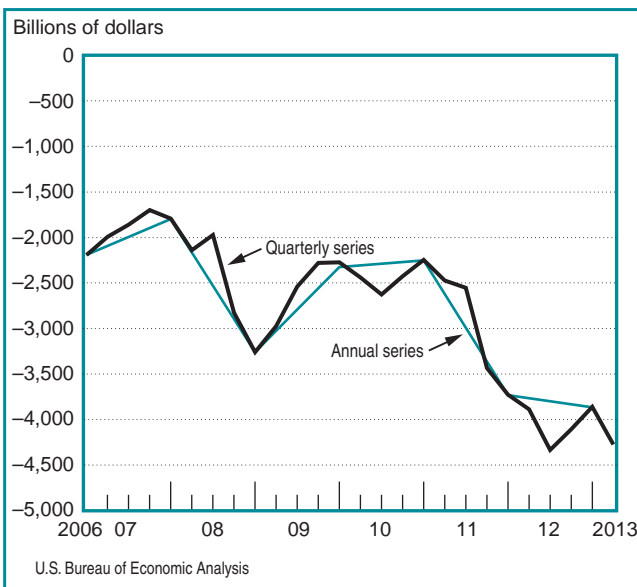
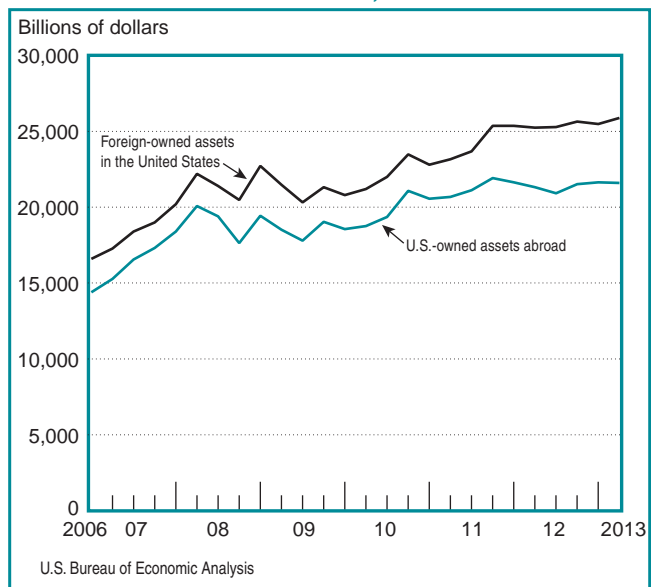


Chart 2. Foreign-Owned Assets in the United States and U.S.-Owned Assets Abroad, 2006:IV–2013:I



Highlights for the first quarter of 2013 include the following:

- The U.S. net international investment position declined \$413.2 billion (became more negative) as a result of a \$394.2 billion increase in the value of foreign-owned assets in the United States and a \$19.0 billion decrease in the value of U.S.-owned assets abroad.
- The largest increase in foreign-owned assets was a \$407.1 billion increase in foreign private investment in U.S. corporate stocks; the appreciation of U.S. stock prices more than accounted for the increase.

Highlights for the year 2012 include the following:

- The U.S. net international investment position declined \$133.3 billion (became more negative) as a result of a \$134.8 billion increase in the value of foreign-owned assets in the United States that was slightly offset by a \$1.5 billion increase in the value of U.S.-owned assets abroad.
- Increases in the value of U.S. assets abroad excluding financial derivatives and in the value of foreign-owned assets in the United States excluding financial derivatives were mostly offset by decreases in the value of financial derivatives contracts held as assets and as liabilities.
- Strong price appreciation of foreign stocks was the largest component of the increase in the value of U.S.-owned assets abroad excluding financial derivatives.
- Foreign net purchases of U.S. Treasury securities and price appreciation of U.S. stocks were the largest components of the increase in value of foreign-owned assets in the United States excluding financial derivatives.
- Relatively large decreases in claims and in liabilities reported by U.S. banks and securities brokers lowered both U.S.-owned assets abroad and foreign-owned assets in the United States.

First Quarter of 2013

The U.S. net international investment position at the end of the first quarter of 2013 was $-\$4,277.1$ billion (preliminary) as the value of foreign investments in the United States exceeded the value of U.S. investments abroad (table 1).² At the end of the fourth quarter of 2012, the U.S. net international investment position was $-\$3,863.9$ billion (revised). The \$413.2 billion decline in the net position was due to a \$394.2 billion increase in the value of foreign-owned assets in the United States and a \$19.0 billion decrease in the value of U.S.-owned assets abroad.

2. For comprehensive international investment position statistics, including annual statistics beginning with 1976 and quarterly statistics beginning with the fourth quarter of 2005, see "International Investment Position, 1976–2013" at www.bea.gov.

U.S.-owned assets abroad. U.S.-owned assets abroad were \$21,618.6 billion at the end of the first quarter, compared with \$21,637.6 billion at the end of the fourth quarter of 2012. The \$19.0 billion decrease reflected a decrease of \$373.9 billion in the value of financial derivatives that was mostly offset by an increase of \$354.8 billion in the value of U.S.-owned assets abroad excluding financial derivatives.

U.S.-owned assets abroad excluding financial derivatives were \$18,372.7 billion at the end of the first quarter, compared with \$18,017.9 billion at the end of the fourth quarter. The \$354.8 billion increase reflected \$218.8 billion in financial outflows and \$136.1 billion in valuation changes.³

Foreign-owned assets in the United States. Foreign-owned assets in the United States were \$25,895.7 billion at the end of the first quarter, compared with \$25,501.5 billion at the end of the fourth quarter of 2012. The \$394.2 billion increase reflected an increase of \$749.3 billion in the value of foreign-owned assets in the United States excluding financial derivatives that was partly offset by a decrease of \$355.1 billion in the value of financial derivatives.

Foreign-owned assets in the United States excluding financial derivatives were \$22,688.8 billion at the end of the first quarter, compared with \$21,939.5 billion at the end of the fourth quarter. The \$749.3 billion increase reflected \$295.5 billion in financial inflows and \$453.8 billion in valuation changes. The largest increase in foreign-owned assets was a \$407.1 billion increase in foreign private investment in U.S. corporate stocks; the appreciation of U.S. stock prices more than accounted for the increase.

Year 2012

The U.S. net international investment position was $-\$3,863.9$ billion (revised) at the end of 2012, compared with $-\$3,730.6$ billion (revised) at the end of 2011. The \$133.3 billion decline in the net position from the end of 2011 to the end of 2012 reflected a \$134.8 billion increase in the value of foreign-owned assets in the United States that was slightly offset by a \$1.5 billion increase in the value of U.S.-owned assets abroad (table 2).

The decline in the U.S. net investment position was due to foreign acquisitions of U.S. assets (including \$589.5 billion in U.S. Treasury securities) that exceeded U.S. acquisitions of foreign assets. These net financial inflows were partly offset by net valuation changes such as price, exchange-rate, and "other"

3. For statistics on financial flows, see the financial account transactions in table 1 in the "U.S. International Transactions" article in this issue of the SURVEY OF CURRENT BUSINESS. Detailed valuation changes such as price, exchange-rate, and other changes are only available for the annual statistics.

changes.

In 2012, net financial flows of $-\$439.4$ billion reflected U.S. acquisitions of financial assets abroad excluding financial derivatives of $\$97.5$ billion less foreign acquisitions of financial assets in the United States excluding financial derivatives of $\$543.9$ billion plus net financial flows from financial derivatives of $\$7.1$ billion.

Price changes were $\$489.6$ billion, mostly reflecting price increases of foreign stocks and bonds that exceeded price increases of U.S. stocks and corporate bonds. Price increases of U.S. stocks and corporate bonds were partly offset by price decreases of U.S. Treasury securities.

Exchange-rate changes were $\$5.1$ billion as the changes raised the dollar value of U.S.-owned assets abroad more than they raised the dollar value of foreign-owned assets in the United States denominated in foreign currencies. The relatively small exchange-rate changes reflected the mixed performance of the U.S. dollar against major foreign currencies from yearend 2011 to yearend 2012.

Other changes were $-\$188.6$ billion, mostly reflecting the incorporation of data from the new monthly Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (SLT) survey from the Treasury International Capital reporting system (TIC). Other changes also included more complete TIC reporting of nonbanking and banking data, along with capital gains and losses from the sale of direct investment assets and other adjustments to source data. (See *Improvements to Source Data and Revisions to the Statistics* at the end of the article for more information on the new SLT report.)

Investment positions at the end of 2012

U.S.-owned assets abroad were $\$21,637.6$ billion at the end of 2012, compared with $\$21,636.2$ billion at the end of 2011 (table A). The $\$1.5$ billion increase reflected a $\$1,098.3$ billion increase in the value of U.S.-owned assets abroad excluding financial derivatives that was nearly offset by a $\$1,096.8$ billion decrease in

the value of financial derivatives.

Foreign-owned assets in the United States were $\$25,501.5$ billion at the end of 2012, compared with $\$25,366.7$ billion at the end of 2011. The $\$134.8$ billion increase reflected a $\$1,203.3$ billion increase in the value of foreign-owned assets in the United States excluding financial derivatives that was largely offset by a $\$1,068.6$ billion decrease in the value of financial derivatives.

U.S. holdings of financial derivatives held as assets (with gross positive fair value) decreased $\$1,096.8$ billion, and U.S. holdings of financial derivatives held as liabilities (with gross negative fair value) decreased $\$1,068.6$ billion.⁴ These decreases were mainly due to decreases in the value of single-currency, interest-rate swap contracts. Reduced interest-rate volatility in 2012, when swap rates declined through the end of 2012, led to lower U.S. holdings of derivatives. For more detailed statistics on financial derivatives, see “International Transactions and Positions in Financial Derivatives” in this issue of the SURVEY OF CURRENT BUSINESS.

U.S.-owned assets abroad excluding financial derivatives were $\$18,017.9$ billion at the end of 2012, compared with $\$16,919.6$ billion at the end of 2011. The $\$1,098.3$ billion increase was mainly due to higher foreign asset prices, especially of foreign stocks.

U.S. acquisitions of foreign assets raised the value of U.S.-owned assets abroad excluding financial derivatives by $\$97.5$ billion, compared with $\$452.3$ billion in 2011 (table B). In 2012, U.S. purchases of foreign securities exceeded sales, and U.S. official reserve assets, direct investment abroad, and claims of U.S. nonbanks on foreign residents increased. These financial outflows were partly offset by decreases in U.S. government assets other than official reserve assets and relatively large decreases ($\$380.5$ billion) in claims of

4. A derivatives contract with a positive fair value represents the amount that a foreign resident would have to pay to a U.S. counterparty if the contract were terminated or settled. A contract with a negative fair value represents the amount that a U.S. resident would have to pay to a foreign counterparty if the contract were terminated or settled. The gross positive (negative) fair value is the sum of all contracts with positive (negative) fair values. Fair values differ from notional values, which are the underlying amounts used to calculate payments on contracts.

Table A. U.S. Net International Investment Position at Yearend

[Billions of dollars]

	2011	2012	Change: 2011–2012
Net position	-3,730.6	-3,863.9	-133.3
Financial derivatives, net.....	86.0	57.8	-28.3
Net position, excluding financial derivatives.....	-3,816.6	-3,921.7	-105.0
U.S.-owned assets abroad	21,636.2	21,637.6	1.5
Financial derivatives (gross positive fair value).....	4,716.6	3,619.8	-1,096.8
U.S.-owned assets abroad, excluding financial derivatives.....	16,919.6	18,017.9	1,098.3
Foreign-owned assets in the United States	25,366.7	25,501.5	134.8
Financial derivatives (gross negative fair value).....	4,630.5	3,562.0	-1,068.6
Foreign-owned assets in the United States, excluding financial derivatives.....	20,736.2	21,939.5	1,203.3

Table B. Changes in U.S.-Owned Assets Abroad, Excluding Financial Derivatives

[Billions of dollars]

	2011	2012
Total change	16.9	1,098.3
Financial flows	452.3	97.5
Valuation adjustments	-435.4	1,000.8
Price changes.....	-563.1	990.9
Exchange-rate changes.....	-34.0	5.9
Other valuation changes.....	161.7	4.0

U.S. banks and securities brokers on foreign residents (table 2).

Valuation changes raised the value of U.S.-owned assets abroad by \$1,000.8 billion. The increase reflected \$990.9 billion in price changes, mostly from price increases of foreign stocks. Other valuation changes included \$5.9 billion in exchange-rate changes and \$4.0 billion in other changes that reflected more complete reporting of the TIC position data, along with capital gains and losses from the sale of direct investment assets, and other adjustments to source data.

Foreign-owned assets in the United States excluding financial derivatives were \$21,939.5 billion at the end of 2012, compared with \$20,736.2 billion at the end of 2011 (table A). The \$1,203.3 billion increase mostly reflected foreign acquisitions of U.S. assets and increases in U.S. asset prices.

Foreign acquisitions of U.S. assets raised the value of foreign-owned assets in the United States by \$543.9 billion, compared with \$969.0 billion in 2011 (table C). In 2012, foreign private purchases of U.S. securities including U.S. Treasury securities exceeded sales. Foreign official assets, direct investment in the United States, and foreign holdings of U.S. currency increased. These financial inflows were partly offset by relatively large decreases (\$387.4 billion) in liabilities of U.S. banks and securities brokers and decreases in liabilities of U.S. nonbanks to foreign residents (table 2).

Table C. Changes in Foreign-Owned Assets in the United States, Excluding Financial Derivatives

	[Billions of dollars]	
	2011	2012
Total change	1,472.8	1,203.3
Financial flows	969.0	543.9
Valuation adjustments	503.8	659.4
Price changes.....	212.0	501.3
Exchange-rate changes.....	-4.7	0.8
Other valuation changes.....	296.5	157.3

Valuation changes raised the value of foreign-owned assets in the United States by \$659.4 billion. The increase reflected \$501.3 billion in price changes, mostly from price increases of U.S. stocks, \$0.8 billion in exchange-rate changes, and \$157.3 billion in other valuation changes, mostly due to the incorporation of the new SLT survey data.

Changes in U.S.-owned assets by major component

U.S. official reserve assets and other U.S. government assets. U.S. official reserve assets increased \$35.3 billion to \$572.4 billion in 2012, mostly as a result of increases in the market value of gold held by the U.S. government. The value of U.S. government gold increased \$33.1 billion to \$433.4 billion, reflecting an 8

percent increase in the market price of gold in 2012. The U.S. reserve position in the International Monetary Fund (IMF) increased \$4.1 billion as a result of IMF drawings of U.S. dollars; U.S. holdings of special drawing rights were nearly unchanged. These increases were partly offset by declines in U.S. government foreign currency reserves due to exchange-rate changes.

U.S. government assets other than official reserve assets decreased \$85.3 billion to \$93.6 billion, mainly as a result of decreases in U.S. foreign currency holdings from central bank liquidity swaps between the U.S. Federal Reserve and foreign central banks.

Financial derivatives. U.S. holdings of financial derivatives held as assets (gross positive fair value) decreased \$1,096.8 billion to \$3,619.8 billion (table D). Most of the decrease was attributable to decreases in holdings of over-the-counter, single-currency, interest-rate swap contracts. By area, most U.S. positions were with counterparties in Europe, predominantly in the United Kingdom.

Table D. Gross Positive Fair Value of Financial Derivatives

	[Billions of dollars]						
	2011	2012	Changes				2011-2012
			I	II	III	IV	
Financial derivatives	4,716.6	3,619.8	-766.3	205.6	-230.2	-305.8	-1,096.8
By type:							
Over-the-counter contracts.....	4,668.5	3,585.8	-764.6	204.5	-224.9	-297.8	-1,082.7
Single-currency interest-rate contracts.....	3,861.6	2,973.2	-654.4	213.8	-168.7	-279.0	-888.3
Foreign exchange contracts..	323.4	280.2	-41.6	-11.2	-5.8	15.4	-43.2
Other.....	483.5	332.3	-68.5	1.9	-50.4	-34.2	-151.2
Exchange-traded contracts.....	48.1	34.0	-1.8	1.1	-5.3	-8.1	-14.1
By area:							
Europe.....	4,368.2	3,306.0	-733.5	197.3	-236.9	-289.0	-1,062.2
Of which: United Kingdom....	3,326.8	2,477.6	-614.9	190.6	-201.0	-223.8	-849.2
Canada.....	64.0	53.5	-4.9	1.8	-1.2	-6.2	-10.5
Caribbean financial centers.....	62.1	44.2	-8.1	-0.7	-3.8	-5.4	-18.0
Of which: Cayman Islands....	47.6	31.2	-7.2	-1.8	-4.1	-3.4	-16.5
Latin America, excluding Caribbean financial centers..	10.5	9.1	0.7	-0.2	-0.4	-1.6	-1.5
Asia.....	158.0	149.5	-18.1	2.4	4.1	3.2	-8.5
Of which: Japan.....	125.9	99.5	-15.4	2.5	1.1	-14.7	-26.4
Africa.....	31.5	34.7	-0.8	1.5	6.7	-4.2	3.2
Other.....	22.3	22.8	-1.6	3.5	1.2	-2.6	0.6

Bank and nonbank claims. U.S. claims on foreigners reported by U.S. banks and securities brokers decreased \$408.0 billion to \$3,898.2 billion, mainly as a result of decreases in claims of U.S.-owned banks (table E).

Table E. U.S. Claims Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend

	[Billions of dollars]		
	2011	2012	Change: 2011-2012
U.S. claims reported by U.S. banks and securities brokers	4,306.2	3,898.2	-408.0
Claims for own accounts, denominated in dollars.....	3,177.4	2,816.8	-360.6
U.S.-owned banks' claims.....	1,174.8	777.3	-397.5
Foreign-owned banks' claims.....	1,176.4	1,157.2	-19.2
Brokers' and dealers' claims.....	826.2	882.3	56.1
Claims for customers' accounts, denominated in dollars.....	691.0	663.0	-28.0
Claims, denominated in foreign currencies.....	437.8	418.4	-19.4
U.S. claims reported by U.S. nonbanking concerns	793.0	844.8	51.8

Dollar-denominated claims reported by U.S. banks and securities brokers for their own accounts decreased \$360.6 billion to \$2,816.8 billion. The decrease was more than accounted for by a \$397.5 billion decrease in U.S.-owned bank claims, mostly due to decreases in deposits with affiliated banks in Western Europe. These decreases partly reflected a continuing response to changes to the deposit insurance assessment system that were approved by the Federal Deposit Insurance Corporation in February 2011 under the mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Foreign-owned U.S. bank claims also decreased, but by a much smaller amount. These decreases in U.S. bank claims were partly offset by increases in U.S. securities broker claims, mostly in the form of resale agreements.

Dollar-denominated claims reported by U.S. banks and securities brokers for domestic customers decreased \$28.0 billion to \$663.0 billion. The decrease reflected decreases in deposits and in holdings of negotiable certificates of deposit that were partly offset by increases in holdings of foreign commercial paper and in other claims, such as loans.

U.S. claims payable in foreign currencies decreased \$19.4 billion to \$418.4 billion.

U.S. claims on foreigners reported by U.S. nonbanking concerns—such as finance companies, insurance companies, exporters and importers, and industrial firms—increased \$51.8 billion to \$844.8 billion.

Foreign securities. U.S. holdings of foreign securities increased \$1,089.9 billion to \$7,531.2 billion, reflecting price increases of \$932.5 billion, mostly of foreign stocks, and net purchases of \$144.8 billion (table 2).

U.S. holdings of foreign stocks increased \$889.1 billion to \$5,390.5 billion, mostly as a result of price appreciation of \$793.0 billion in 2012, when many major foreign stock markets rallied following the declines in 2011. U.S. holdings of foreign stocks also increased as a result of net purchases of \$82.6 billion and other changes of \$20.0 billion that resulted from the incorporation of the new SLT survey data. Exchange-rate changes lowered the value of U.S. holdings of foreign stocks by \$6.4 billion, as major foreign currencies depreciated 0.1 percent against the U.S. dollar that was indicated by the trade-weighted index published by the Federal Reserve Board.⁵ In 2012, the performance of the U.S. dollar was mixed: many foreign currencies ap-

preciated against the dollar, but some depreciated sharply.

At yearend 2012, U.S. residents' largest foreign stock holdings were in European stocks, which were valued at \$2,413.2 billion and accounted for nearly half of total U.S. holdings of foreign stocks (table F). In 2012, the value of U.S. holdings of European stocks increased \$457.4 billion, or 23.4 percent. This increase was largely accounted for by \$412.9 billion in valuation changes, reflecting a 12 percent increase in European stock prices and a 2 percent appreciation of the euro against the U.S. dollar. Net U.S. purchases of European stocks were \$44.5 billion, up from \$6.8 billion in 2011.

The second-largest holdings were in Asian stocks, which were valued at \$1,200.7 billion and accounted for 22 percent of total holdings. In 2012, the value of U.S. holdings of Asian stocks increased \$210.6 billion, or 21 percent. This increase was largely accounted for by \$184.9 billion in valuation changes, reflecting strong price appreciation for many stock markets in the region, including a 19 percent increase for Japanese stocks, and the appreciation of many Asian currencies, excluding the yen, against the dollar. In 2012, the Japanese yen depreciated 13 percent against the dollar, reducing the returns for U.S. holders of Japanese stocks. Net purchases raised U.S. holdings of Asian stocks \$25.7 billion, a shift from small net sales in 2011.

The third-largest holdings of foreign stocks were in Caribbean financial centers, mostly in the Cayman Islands, and were valued at \$866.4 billion and accounted for 16 percent of total U.S. holdings.

**Table F. U.S. Holdings of Foreign Stocks
by Major Area and Country at Yearend**
[Billions of dollars]

	2011	2012	Change: 2011–2012
Total holdings	4,501.4	5,390.5	889.1
Europe	1,955.8	2,413.2	457.4
Of which:			
United Kingdom	691.6	822.1	130.5
Switzerland	277.7	332.6	54.9
France	209.2	256.9	47.7
Germany	174.2	228.8	54.6
Netherlands	119.5	161.0	41.5
Ireland	114.2	145.1	30.9
Belgium and Luxembourg	59.1	72.3	13.2
Sweden	53.9	66.8	12.9
Canada	358.5	390.7	32.2
Caribbean financial centers	735.4	866.4	131.0
Of which:			
Cayman Islands	487.9	588.3	100.4
Bermuda	135.1	151.0	15.9
Latin America, excluding Caribbean financial centers	252.0	271.1	19.1
Of which:			
Brazil	154.6	149.8	-4.8
Mexico	59.4	74.9	15.5
Asia	990.1	1,200.7	210.6
Of which:			
Japan	391.3	429.4	38.1
Korea, Republic of	116.7	141.1	24.4
China	74.7	131.0	56.3
Hong Kong	112.3	128.4	16.1
Taiwan	71.8	88.5	16.7
India	55.1	75.3	20.2
Africa	69.8	86.5	16.7
Of which: South Africa	58.6	70.7	12.1
Other countries	139.9	161.8	21.9
Of which: Australia	128.6	148.4	19.8

5. Federal Reserve Board Foreign Exchange Rates—H10 (weekly release of daily data), *Nominal Major Currencies Index* at www.federalreserve.gov. The major currencies index is the weighted average of the foreign exchange value of the U.S. dollar against a subset of the broad index currencies that circulate widely outside the country of issue.

U.S. holdings of foreign bonds increased \$200.8 billion to \$2,140.7 billion, reflecting \$62.2 billion in net purchases and \$139.5 billion in price appreciation that were partly offset by a \$1.0 billion decline in value caused by exchange-rate changes (table 2).

At yearend 2012, U.S. residents' largest foreign bond holdings were in European bonds, which were valued at \$970.4 billion and accounted for nearly half of total U.S. holdings of foreign bonds (table G). The second-largest holdings were in Canadian bonds, which were valued at \$377.1 billion and accounted for 18 percent

Table G. U.S. Holdings of Foreign Bonds by Major Area and Country at Yearend
[Billions of dollars]

	2011	2012	Change: 2011–2012
Total holdings	1,939.9	2,140.7	200.8
Europe.....	844.2	970.4	126.2
Of which:			
United Kingdom.....	281.8	281.3	-0.5
Netherlands.....	109.2	128.7	19.5
France.....	82.9	96.1	13.2
Belgium and Luxembourg.....	66.0	74.7	8.7
Germany.....	78.3	72.5	-5.8
Italy.....	20.8	54.4	33.6
Ireland.....	34.9	46.7	11.8
Canada.....	327.2	377.1	49.9
Caribbean financial centers.....	257.0	210.8	-46.2
Of which:			
Cayman Islands.....	218.1	165.5	-52.6
Bermuda.....	25.4	28.4	3.0
Latin America, excluding Caribbean financial centers.....	139.3	195.2	55.9
Of which:			
Mexico.....	45.5	70.2	24.7
Brazil.....	41.2	59.4	18.2
Asia.....	157.0	168.7	11.7
Of which:			
Japan.....	41.0	45.7	4.7
Korea, Republic of.....	27.6	31.3	3.7
Africa.....	17.6	21.9	4.3
Other countries.....	197.7	196.6	-1.1
Of which: Australia.....	139.1	140.6	1.5

of the total. The third-largest were holdings of foreign bonds in Caribbean financial centers, mostly in the Cayman Islands, and were valued at \$210.8 billion and accounted for 10 percent of the total.

U.S. direct investment abroad. The stock of U.S. direct investment abroad at current cost increased \$414.6 billion to \$5,077.8 billion, mostly as a result of a \$389.2 billion increase in the equity position (table H). The increase in the U.S. equity position was mostly accounted for by reinvested earnings. The intercompany debt position increased \$25.4 billion. (For additional information on direct investment at current cost, see the box “Valuing the Components of the U.S. International Investment Position.”)

Table H. U.S. Direct Investment Abroad at Current Cost
[Billions of dollars]

	2011	2012	Change: 2011–2012
Total position at yearend	4,663.1	5,077.8	414.6
Equity.....	4,462.6	4,851.8	389.2
Intercompany debt.....	200.6	225.9	25.4

Changes in foreign-owned assets by major component

Financial derivatives. U.S. holdings of financial derivatives held as liabilities (gross negative fair value) decreased \$1,068.6 billion to \$3,562.0 billion (table I). Like U.S. holdings of financial derivatives held as assets, most of the decrease was attributable to decreases in over-the-counter, single-currency, interest-rate swap contracts. By area, most U.S. positions were

Valuing the Components of the U.S. International Investment Position

Investment positions for long-term portfolio securities are based on market values from monthly, annual, and benchmark surveys conducted by the Treasury International Capital (TIC) reporting system of the U.S. Department of the Treasury. Investment positions for financial derivatives are based on fair market values from quarterly surveys conducted by the TIC reporting system. Investment positions for claims and liabilities reported by banks, securities brokers, and other nonbanks are based on contractual (face) values of instruments as reported by financial institutions for both their own accounts and the accounts of their customers on the monthly and quarterly surveys conducted by the TIC reporting system with supplementary data for U.S. nonbanks from foreign central banks.

Investment positions for direct investment are valued at current-period prices based on a revaluation of book values. Book values are reported by U.S. multinational companies on surveys conducted by BEA. Direct investment at current cost is BEA's featured measure of direct

investment at current-period prices.¹ The current-cost method values the U.S. and foreign parents' shares of their affiliates' investment in (1) plant and equipment using the current cost of capital equipment, (2) land using general price indexes, and (3) inventories using estimates of their replacement cost.²

For detailed statistics on direct investment at historical cost by country and industry, see “Direct Investment Positions for 2012: Country and Industry Detail” in this issue of the SURVEY OF CURRENT BUSINESS.

1. BEA publishes direct investment at *market value* as an alternative current-period price measure with owners' equity revalued using indexes of stock market prices. BEA also publishes direct investment at historical cost with owners' equity at the book value reported on BEA's surveys. Country and industry detail for direct investment are available only on a historical-cost basis; these statistics are available in interactive tables at www.bea.gov under “International.”

2. For additional information on the current-cost and market-value methods, see J. Steven Landefeld and Ann M. Lawson, “Valuation of the U.S. Net International Investment Position,” SURVEY OF CURRENT BUSINESS 71 (May 1991): 40–49.

with counterparties in Europe, predominantly in the United Kingdom.

Table I. Gross Negative Fair Value of Financial Derivatives

[Billions of dollars]

	2011	2012	Changes				2011–2012
			2012				
			I	II	III	IV	
Financial derivatives	4,630.5	3,562.0	-756.6	214.3	-215.1	-311.1	-1,068.6
By type:							
Over-the-counter contracts	4,581.3	3,527.7	-755.7	214.9	-208.8	-304.0	-1,053.6
Single-currency interest-rate contracts	3,799.7	2,912.1	-659.0	219.5	-168.4	-279.8	-887.6
Foreign exchange contracts	330.1	295.2	-31.8	-9.0	5.0	0.9	-35.0
Other	451.4	320.4	-65.0	4.4	-45.4	-25.0	-131.0
Exchange-traded contracts	49.3	34.3	-9.9	-0.6	-6.3	-7.2	-15.0
By area:							
Europe	4,291.3	3,251.6	-721.9	194.5	-216.2	-296.1	-1,039.7
Of which: United Kingdom	3,322.9	2,469.8	-618.0	188.5	-191.0	-232.6	-853.1
Canada	66.1	53.4	-7.4	6.2	-7.0	-4.6	-12.7
Caribbean financial centers	51.3	45.5	-2.6	4.1	-2.9	-4.3	-5.7
Of which: Cayman Islands	37.0	32.7	-2.0	2.9	-2.7	-2.6	-4.3
Latin America, excluding Caribbean financial centers	8.2	7.7	0.6	0.1	0.4	-1.6	-0.5
Asia	158.4	147.4	-19.9	4.8	2.4	1.8	-11.0
Of which: Japan	129.1	96.0	-18.5	5.1	0.0	-19.7	-33.1
Africa	28.2	32.1	-2.6	2.0	7.4	-2.8	3.9
Other	27.1	24.3	-2.6	2.5	0.8	-3.5	-2.8

Foreign official assets. Foreign official assets in the United States increased \$436.1 billion to \$5,692.4 billion, mostly as a result of net purchases of U.S. Treasury securities of \$433.2 billion (table 2). Other foreign official assets, comprised of corporate bonds and stocks, increased \$138.4 billion to \$832.9 billion, reflecting net purchases of \$72.6 billion and price appreciation of \$65.8 billion. These increases were partly offset by a decline in holdings of “other” U.S. government securities, which are agency bonds issued by government sponsored enterprises like Fannie Mae and Freddie Mac.⁶ Holdings of agency bonds decreased \$120.6 billion to \$494.7 billion mostly as a result of net sales.

Bank and nonbank liabilities. U.S. liabilities to private foreign residents and international financial institutions reported by U.S. banks and securities brokers decreased \$401.1 billion to \$3,633.4 billion (table J).

6. With the release of the U.S. international investment position in June 2014, securities issued by U.S. government sponsored enterprises (GSEs) will be classified as liabilities of financial institutions other than deposit-taking institutions that are outside the government sector; associated interest payments will also be classified in that sector. This reclassification will bring the treatment of GSEs in BEA's international and national accounts into alignment.

Table J. U.S. Liabilities Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend

[Billions of dollars]

	2011	2012	Change: 2011–2012
U.S. liabilities reported by U.S. banks and securities brokers	4,034.5	3,633.4	-401.1
Liabilities for own accounts, denominated in dollars	3,427.8	3,009.7	-418.1
U.S.-owned banks' liabilities	1,246.2	928.5	-317.7
Foreign-owned banks' liabilities	1,313.2	1,198.8	-114.4
Brokers' and dealers' liabilities	868.4	882.4	14.0
Liabilities for customers' accounts, denominated in dollars	349.0	398.8	49.8
Liabilities, denominated in foreign currencies	257.7	224.9	-32.8
U.S. liabilities reported by U.S. nonbanking concerns	630.9	656.5	25.6

Dollar-denominated liabilities reported by U.S. banks and securities brokers for their own accounts decreased \$418.1 billion to \$3,009.7 billion. U.S.-owned banks accounted for \$317.7 billion of the decrease, reflecting a substantial decrease in deposits from affiliated banks in Western Europe and the Caribbean in the first half of the year. The decrease partly reflected a continuing response to changes in the deposit insurance assessment system. Foreign-owned U.S. bank liabilities decreased \$114.4 billion, mostly as a result of decreases in deposits from affiliated banks in Europe and a reduction in loans from affiliated banks in the Caribbean and Europe. These decreases were partly offset by a \$14.0 billion increase in U.S. securities broker liabilities, reflecting an increase in loans from foreign banks.

U.S. liabilities for customer accounts increased \$49.8 billion, and U.S. liabilities payable in foreign currencies decreased \$32.8 billion.

U.S. liabilities to foreign residents reported by U.S. nonbanking concerns—such as finance companies, insurance companies, exporters and importers, and industrial firms—increased \$25.6 billion to \$656.5 billion.

U.S. Treasury securities. Total foreign official and private holdings of U.S. Treasury securities increased \$566.9 billion to \$5,573.8 billion (table K). The increase reflected \$589.5 billion in net purchases that were partly offset by \$22.6 billion in price depreciation. At yearend 2012, total foreign holdings of U.S. Treasury securities accounted for 34 percent of the total U.S. Treasury securities outstanding.⁷

Table K. Foreign Official and Private Holdings of U.S. Treasury Securities by Selected Countries at Yearend

[Billions of dollars]

	2011	2012	Change: 2011–2012
Total holdings	5,006.9	5,573.8	566.9
Of which:			
China	1,151.9	1,220.4	68.5
Japan	1,058.1	1,111.2	53.1
Belgium and Luxembourg	282.8	293.8	11.0
Brazil	226.9	253.3	26.4
OPEC Asia	212.2	222.6	10.4
Taiwan	177.3	195.4	18.1
Switzerland	142.4	195.4	53.0
Russia	149.5	161.5	12.0
Hong Kong	121.7	141.9	20.2
Cayman Islands	122.3	140.1	17.8

At yearend 2012, China remained the largest foreign investor in U.S. Treasury securities with holdings valued at \$1,220.4 billion, an increase of \$68.5 billion from yearend 2011. Japan was the second-largest investor with holdings valued at \$1,111.2 billion, an increase of \$53.1 billion. Together, China and Japan

7. See “Monthly Statement of the Public Debt of the United States” at www.treasurydirect.gov. The total U.S. Treasury securities outstanding as of December 31, 2012, were \$16,432.7 billion.

accounted for 42 percent of total foreign holdings of U.S. Treasury securities. Other large holders of U.S. Treasury securities included Belgium and Luxembourg, whose combined holdings increased \$11.0 billion to \$293.8 billion; Brazil, whose holdings increased \$26.4 billion to \$253.3 billion; and members of OPEC in Asia (Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab of Emirates), whose combined holdings increased \$10.4 billion to \$222.6 billion.

Other U.S. securities. Foreign private holdings of U.S. securities other than U.S. Treasury securities increased \$752.5 billion to \$6,904.1 billion, reflecting price appreciation of \$439.9 billion, net purchases of \$196.9 billion, and other changes of \$116.6 billion (table 2). These increases were partly offset by very small exchange-rate changes. The \$116.6 billion in other changes reflected the incorporation of new reporting from U.S. hedge funds on the new monthly SLT survey.

Foreign holdings of U.S. corporate and other (agency) bonds increased \$167.4 billion to \$3,062.0 billion, reflecting price appreciation of \$125.8 billion and net purchases of \$23.6 billion.

At yearend 2012, investors from Europe, mostly from Western Europe, accounted for \$1,814.1 billion or 59 percent of total foreign holdings of U.S. corporate and agency bonds (table L). Outside of Europe, investment funds in the Caribbean financial centers accounted for \$587.2 billion, or 19 percent of total foreign holdings, and investors from Asia, mostly from Japan, accounted for \$478.6 billion or 16 percent of the total.

Table L. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend

	[Billions of dollars]		
	2011	2012	Change: 2011–2012
Total holdings	2,894.6	3,062.0	167.4
Europe	1,759.0	1,814.1	55.1
<i>Of which:</i>			
Belgium and Luxembourg.....	670.6	713.6	43.0
United Kingdom.....	532.8	491.5	-41.3
Ireland.....	159.6	195.6	36.0
Switzerland.....	129.5	118.4	-11.1
Germany.....	83.9	86.8	2.9
Netherlands.....	68.6	78.9	10.3
France.....	54.9	56.7	1.8
Canada.....	96.8	116.7	19.9
Caribbean financial centers.....	552.7	587.2	34.5
<i>Of which:</i>			
Cayman Islands.....	373.9	405.8	31.9
Bermuda.....	141.4	141.5	0.1
Latin America, excluding Caribbean financial centers.....	25.8	25.2	-0.6
<i>Of which: Mexico</i>	5.1	4.9	-0.2
Asia.....	417.5	478.6	61.1
<i>Of which:</i>			
Japan.....	297.2	337.3	40.1
Taiwan.....	65.9	81.0	15.1
Hong Kong.....	18.6	16.7	-1.9
Africa.....	2.5	2.2	-0.3
Other countries.....	40.4	37.9	-2.5
<i>Of which: Australia</i>	23.1	23.4	0.3

Foreign holdings of U.S. stocks increased \$585.1 billion to \$3,842.1 billion, reflecting price appreciation of \$314.1 billion, net purchases of \$173.3 billion, and other changes of \$97.7 billion that resulted from the

inclusion of new reporting from U.S. hedge funds (table 2). In 2012, net purchases were the largest since 2007. U.S. stock prices increased 13 percent, as indicated by the Standard and Poor's 500 U.S. index.

At yearend 2012, investors from Europe, mostly from Western Europe, accounted for \$1,803.5 billion or nearly half of total foreign holdings of U.S. stocks (table M). Outside of Europe, investment funds in the Caribbean financial centers accounted for \$774.9 billion or 20 percent of total holdings. Investors from Asia, mostly from Japan, accounted for \$526.8 billion or 14 percent of the total, and investors from Canada accounted for \$515.5 billion or 13 percent of the total.

Table M. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend

	[Billions of dollars]		
	2011	2012	Change: 2011–2012
Total holdings	3,256.9	3,842.1	585.1
Europe	1,552.1	1,803.5	251.4
<i>Of which:</i>			
United Kingdom.....	471.7	552.3	80.6
Belgium and Luxembourg.....	294.3	339.5	45.2
Switzerland.....	197.3	238.7	41.4
Netherlands.....	139.7	157.9	18.2
France.....	114.2	134.0	19.8
Ireland.....	99.7	110.6	10.9
Germany.....	76.6	85.2	8.6
Sweden.....	58.2	71.6	13.4
Canada.....	404.9	515.5	110.6
Caribbean financial centers.....	666.7	774.9	108.2
<i>Of which: Cayman Islands</i>	487.7	568.1	80.4
Latin America, excluding Caribbean financial centers.....	62.9	87.7	24.8
<i>Of which: Mexico</i>	19.2	29.4	10.2
Asia.....	453.3	526.8	73.5
<i>Of which: Japan</i>	295.0	319.8	24.8
Africa.....	6.0	8.2	2.2
Other countries.....	111.2	125.4	14.2
<i>Of which: Australia</i>	104.1	117.9	13.8

U.S. currency. U.S. currency held by foreigners increased \$57.1 billion to \$454.2 billion. The increase was a new record of net currency shipments to foreigners in 2012 following the previous record shipments in 2011. The strong demand for dollars was likely due to lingering uncertainty surrounding the European sovereign debt crisis and fragile international financial conditions.

Foreign direct investment in the United States. The stock of foreign direct investment in the United States at current cost increased \$177.8 billion to \$3,057.3 billion. The increase reflected a \$178.7 billion increase in the equity position that was slightly offset by a small decrease in the intercompany debt position (table N). The increase in the U.S. equity position was mostly accounted for by reinvested earnings.

Table N. Foreign Direct Investment in the United States at Current Cost

	[Billions of dollars]		
	2011	2012	Change: 2011–2012
Total position at yearend	2,879.5	3,057.3	177.8
Equity.....	2338.9	2517.6	178.7
Intercompany debt.....	540.6	539.7	-0.9

Improvements to the Source Data and Revisions to the Statistics

Improvements to the source data

The statistics of the U.S. international investment position presented in this article have been revised for the first quarter of 2009 to the fourth quarter of 2012. The revisions reflect newly available data from three Treasury International Capital (TIC) surveys conducted by the Federal Reserve Board and the U.S. Department of the Treasury: (1) the new Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents (SLT), (2) the Benchmark Survey of U.S. Ownership of Foreign Securities (SHC) as of the end of December 2011, and (3) the Annual Survey of Foreign Portfolio Holdings of U.S. Securities (SHLA) as of the end of June 2012. The SLT is a new monthly report that surveys U.S. custodians, issuers of U.S. securities, and U.S. end-investors to obtain cross-border holdings of U.S. and foreign equity and long-term debt securities by country. These surveys include new information from investment funds, mainly hedge funds, that was not reported on the TIC surveys before 2011.

The Bureau of Economic Analysis (BEA) has incorporated these new data beginning with position statistics for the end of 2011. Because the SLT survey provides monthly data through March 2013, it is no longer necessary for BEA to project these positions from the annual TIC surveys of positions. Data from the new SLT survey have improved BEA's position statistics and related financial flow and income statistics for long-term securities.

For foreign securities, the quarters of 2010 and 2011 were revised to reflect the accumulation of new holdings reported on the SLT and the SHC surveys at the end of 2011. For U.S. securities, the third and fourth quarters of 2011 were revised to reflect the accumulation of new holdings reported on the SLT survey at the end of 2011 and on the SHLA survey at the end of June 2012; position estimates for 2010 and the first and second quarters of 2011 reflect holdings of U.S. securities reported on the SHLA survey at the end of June 2011.

Revisions to the U.S. international investment position statistics also reflect other newly available and revised data from the TIC reporting system and from BEA's surveys of direct investment including the 2009 Benchmark Survey of U.S. Direct Investment Abroad.

Revisions to the statistics

The U.S. net international investment position was revised upward, becoming less negative for each year in 2009–2012. The upward revisions averaged 1.6 percent

for 2009, 3.8 percent for 2010, 9.1 percent for 2011, and 9.6 percent for 2012, reflecting upward revisions to U.S. assets abroad that exceeded upward revisions to foreign-owned assets in the United States. Revisions were largest in the third and the fourth quarters of 2012 (chart 3).

On a yearend basis, the U.S. net international investment position was revised upward \$46.6 billion for yearend 2009, \$223.3 billion for yearend 2010, \$299.7 billion for yearend 2011, and \$552.4 billion for yearend 2012 (table O). The revisions for 2009–2012 did not significantly affect the trend in the U.S. net investment position for these years.

U.S.-owned assets abroad at yearend 2009 were revised upward \$46.8 billion, mostly as a result of the incorporation of BEA's 2009 Benchmark Survey of U.S. Direct Investment Abroad. U.S.-owned assets abroad were revised upward \$256.6 billion for yearend 2010, \$503.8 billion for yearend 2011, and \$877.5 billion for yearend 2012, mostly reflecting revisions to U.S. holdings of foreign securities as a result of the incorporation of the new SLT survey data.

Foreign-owned assets in the United States at yearend 2009 were virtually unrevised. They were revised upward \$33.3 billion for yearend 2010, mostly as a result of revisions to foreign direct investment in the United States. They were revised upward \$204.1 billion for yearend 2011 and \$325.2 billion for yearend 2012, mostly reflecting revisions to foreign holdings of U.S. securities as a result of the incorporation of the new SLT survey data.

Chart 3. Revisions to the U.S. Net International Investment Position

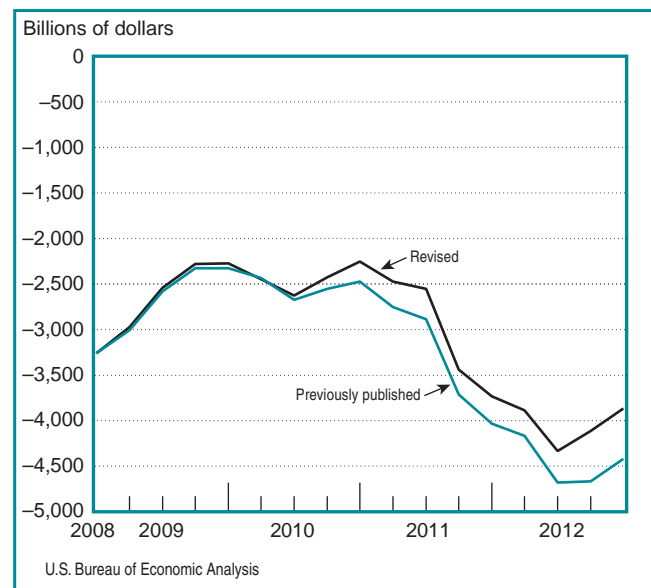


Table O. Revisions to the International Investment Position of the United States at Yearend, 2009–2012

[Billions of dollars]

Line	Type of investment	2009			2010			2011			2012		
		Revised	Previously published	Amount of revision	Revised	Previously published	Amount of revision	Revised	Previously published	Amount of revision	Revised	Previously published	Amount of revision
1	Net international investment position of the United States (lines 2+3)	-2,275.2	-2,321.8	46.6	-2,250.3	-2,473.6	223.3	-3,730.6	-4,030.3	299.7	-3,863.9	-4,416.2	552.4
2	Financial derivatives, net (line 5 less line 25).....	126.3	126.3	0.0	110.4	110.4	0.0	86.0	126.3	-40.2	57.8	57.8	0.0
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-2,401.5	-2,448.1	46.6	-2,360.7	-2,584.0	223.3	-3,816.6	-4,156.5	339.9	-3,921.7	-4,474.0	552.4
4	U.S.-owned assets abroad (lines 5+6)	18,558.5	18,511.7	46.8	20,555.0	20,298.4	256.6	21,636.2	21,132.4	503.8	21,637.6	20,760.1	877.5
5	Financial derivatives (gross positive fair value).....	3,489.8	3,489.8	0.0	3,652.3	3,652.3	0.0	4,716.6	4,704.7	11.9	3,619.8	3,619.8	0.0
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	15,068.8	15,021.9	46.8	16,902.7	16,646.1	256.6	16,919.6	16,427.7	491.9	18,017.9	17,140.3	877.5
7	U.S. official reserve assets.....	403.8	403.8	0.0	488.7	488.7	0.0	537.0	536.0	1.0	572.4	570.6	1.7
8	Gold.....	284.4	284.4	0.0	367.5	367.5	0.0	400.4	400.4	0.0	433.4	431.7	1.7
9	Special drawing rights.....	57.8	57.8	0.0	56.8	56.8	0.0	55.0	55.0	0.0	55.1	55.1	0.0
10	Reserve position in the International Monetary Fund.....	11.4	11.4	0.0	12.5	12.5	0.0	30.1	30.1	0.0	34.2	34.2	0.0
11	Foreign currencies.....	50.2	50.2	0.0	51.8	51.8	0.0	51.6	50.6	1.0	49.7	49.7	0.0
12	U.S. government assets, other than official reserve assets.....	82.8	82.8	0.0	75.2	75.2	0.0	178.9	178.9	0.0	93.6	93.8	-0.2
13	U.S. credits and other long-term assets.....	71.8	71.8	0.0	74.4	74.4	0.0	78.4	78.4	0.0	84.0	84.2	-0.2
14	Repayable in dollars.....	71.6	71.6	0.0	74.1	74.1	0.0	78.1	78.1	0.0	83.8	84.0	-0.2
15	Other.....	0.3	0.3	0.0	0.3	0.3	0.0	0.3	0.3	0.0	0.3	0.3	0.0
16	U.S. foreign currency holdings and U.S. short-term assets.....	10.9	10.9	0.0	0.8	0.8	0.0	100.5	100.5	0.0	9.5	9.5	0.0
17	U.S. private assets.....	14,582.2	14,535.3	46.8	16,338.8	16,082.2	256.6	16,203.6	15,712.8	490.9	17,351.9	16,475.9	876.0
18	Direct investment at current cost.....	4,077.4	4,029.5	47.9	4,273.6	4,306.8	-33.3	4,663.1	4,681.6	-18.4	5,077.8	4,944.4	133.3
19	Foreign securities.....	5,565.6	5,565.6	0.0	6,631.6	6,336.4	295.2	6,441.4	5,922.0	519.3	7,531.2	6,763.2	768.1
20	Bonds.....	1,570.3	1,570.3	0.0	1,731.3	1,689.5	41.9	1,939.9	1,763.8	176.2	2,140.7	1,843.6	297.1
21	Corporate stocks.....	3,995.3	3,995.3	0.0	4,900.2	4,646.9	253.3	4,501.4	4,158.2	343.2	5,390.5	4,919.5	471.0
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	930.0	930.3	-0.3	879.6	874.8	4.8	793.0	796.8	-3.9	844.8	870.1	-25.4
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	4,009.1	4,009.9	-0.8	4,554.1	4,564.2	-10.1	4,306.2	4,312.4	-6.2	3,898.2	3,898.2	0.0
24	Foreign-owned assets in the United States (lines 25+26)	20,833.7	20,833.5	0.3	22,805.3	22,772.0	33.3	25,366.7	25,162.6	204.1	25,501.5	25,176.3	325.2
25	Financial derivatives (gross negative fair value).....	3,363.4	3,363.4	0.0	3,541.9	3,541.9	0.0	4,630.5	4,578.4	52.1	3,562.0	3,562.0	0.0
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	17,470.3	17,470.0	0.3	19,263.4	19,230.1	33.3	20,736.2	20,584.2	152.0	21,939.5	21,614.4	325.2
27	Foreign official assets in the United States.....	4,402.8	4,402.8	0.0	4,912.8	4,912.7	0.1	5,256.4	5,250.8	5.6	5,692.4	5,681.3	11.2
28	U.S. government securities.....	3,588.6	3,588.6	0.0	3,993.3	3,993.3	0.0	4,235.9	4,277.3	-41.5	4,526.9	4,600.9	-74.0
29	U.S. Treasury securities.....	2,879.6	2,879.6	0.0	3,364.8	3,364.8	0.0	3,620.6	3,653.1	-32.5	4,032.2	3,985.8	46.4
30	Other.....	709.0	709.0	0.0	628.5	628.5	0.0	615.3	624.3	-9.0	494.7	615.0	-120.3
31	Other U.S. government liabilities.....	99.1	99.1	0.0	110.6	110.5	0.1	120.0	119.4	0.6	128.3	127.3	1.0
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	187.5	187.5	0.0	179.5	179.5	0.0	206.0	209.6	-3.6	204.4	214.5	-10.1
33	Other foreign official assets.....	527.6	527.6	0.0	629.4	629.4	0.0	694.5	644.5	50.0	832.9	738.6	94.3
34	Other foreign assets.....	13,067.5	13,067.2	0.3	14,350.5	14,317.4	33.2	15,479.8	15,333.4	146.4	16,247.1	15,933.1	314.0
35	Direct investment at current cost.....	2,398.2	2,398.2	0.0	2,623.6	2,597.7	25.9	2,879.5	2,908.8	-29.3	3,057.3	3,070.4	-13.1
36	U.S. Treasury securities.....	791.0	791.0	0.0	1,094.1	1,101.8	-7.8	1,386.3	1,418.1	-31.8	1,541.6	1,540.2	1.4
37	U.S. securities other than U.S. Treasury securities.....	5,319.9	5,319.9	0.0	5,934.9	5,934.0	0.9	6,151.6	5,968.2	183.4	6,904.1	6,580.0	324.0
38	Corporate and other bonds.....	2,825.6	2,825.6	0.0	2,916.4	2,915.7	0.7	2,894.6	2,910.0	-15.4	3,062.0	3,022.4	39.6
39	Corporate stocks.....	2,494.3	2,494.3	0.0	3,018.5	3,018.3	0.2	3,256.9	3,058.2	198.7	3,842.1	3,557.6	284.5
40	U.S. currency.....	313.8	313.8	0.0	342.1	342.1	0.0	397.1	397.1	0.0	454.2	454.2	0.0
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	706.7	706.4	0.3	648.8	643.6	5.2	630.9	629.7	1.2	656.5	662.1	-5.5
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	3,537.9	3,537.9	0.0	3,707.1	3,698.2	8.9	4,034.5	4,011.6	22.9	3,633.4	3,626.2	7.2
	Memoranda:												
43	Direct investment abroad at market value.....	4,322.1	4,287.2	34.9	4,809.6	4,766.7	42.9	4,513.9	4,500.0	13.9	5,249.5	5,191.1	58.4
44	Direct investment in the United States at market value.....	2,995.5	2,995.5	0.0	3,422.3	3,397.4	24.9	3,510.4	3,509.4	1.0	3,924.0	3,932.0	-8.0
45	Direct investment abroad at historical cost.....	3,565.0	3,518.7	46.4	3,741.9	3,790.9	-49.0	4,084.7	4,155.6	-70.9	4,453.3	4,418.4	34.9
46	Direct investment in the United States at historical cost.....	2,069.4	2,069.4	0.0	2,280.0	2,264.4	15.7	2,502.6	2,547.8	-45.2	2,650.8	2,709.4	-58.6

Tables 1 and 2 follow.

Table 1. International Investment Position of the United States at the End of the Quarter ¹

[Millions of dollars]

Line	Type of investment	2012					2013	Change:	Change:
		IV ^r	I ^r	II ^r	III ^r	IV ^r	I ^p	2012:IV- 2013:I	2011:IV- 2012:IV
1	Net international investment position of the United States (lines 2+3)	-3,730,590	-3,886,446	-4,332,158	-4,109,198	-3,863,892	-4,277,128	-413,236	-133,302
2	Financial derivatives, net (line 5 less line 25).....	86,039	76,286	67,589	52,493	57,776	38,986	-18,790	-28,263
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-3,816,629	-3,962,732	-4,399,747	-4,161,691	-3,921,668	-4,316,114	-394,446	-105,039
4	U.S.-owned assets abroad (lines 5+6)	21,636,152	21,349,048	20,948,183	21,551,595	21,637,618	21,618,571	-19,047	1,466
5	Financial derivatives (gross positive fair value).....	4,716,578	3,950,239	4,155,820	3,925,606	3,619,761	3,245,866	-373,895	-1,096,817
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	16,919,574	17,398,809	16,792,363	17,625,989	18,017,857	18,372,705	354,848	1,098,283
7	U.S. official reserve assets.....	537,037	572,578	556,620	606,277	572,368	553,058	-19,310	35,331
8	Gold ²	400,355	434,742	418,006	464,422	433,434	417,941	-15,493	33,079
9	Special drawing rights.....	54,956	55,460	54,341	55,232	55,050	53,704	-1,346	94
10	Reserve position in the International Monetary Fund.....	30,080	31,436	33,930	35,248	34,161	34,039	-122	4,081
11	Foreign currencies.....	51,646	50,940	50,343	51,375	49,723	47,374	-2,349	-1,923
12	U.S. government assets, other than official reserve assets.....	178,901	127,814	111,164	95,958	93,570	92,744	-826	-85,331
13	U.S. credits and other long-term assets ³	78,373	80,642	82,500	82,691	84,029	84,099	70	5,656
14	Repayable in dollars.....	78,100	80,369	82,227	82,418	83,756	83,826	70	5,656
15	Other ⁴	273	273	273	273	273	273	0	0
16	U.S. foreign currency holdings and U.S. short-term assets ⁵	100,528	47,172	28,664	13,267	9,541	8,645	-896	-90,987
17	U.S. private assets.....	16,203,636	16,698,417	16,124,579	16,923,754	17,351,919	17,726,903	374,984	1,148,283
18	Direct investment at current cost.....	4,663,142	4,759,096	4,826,428	4,983,377	5,077,750	5,160,096	82,346	414,608
19	Foreign securities.....	6,441,350	6,999,263	6,662,323	7,159,326	7,531,223	7,824,667	293,444	1,089,873
20	Bonds.....	1,939,912	1,960,498	1,946,486	2,052,037	2,140,685	2,174,111	33,426	200,773
21	Corporate stocks.....	4,501,438	5,038,765	4,715,837	5,107,289	5,390,538	5,650,556	260,018	889,100
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	792,953	869,251	845,301	845,865	844,752	900,300	55,548	51,799
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	4,306,191	4,070,807	3,790,527	3,935,186	3,898,194	3,841,840	-56,354	-407,997
24	Foreign-owned assets in the United States (lines 25+26)	25,366,742	25,235,494	25,280,341	25,660,793	25,501,510	25,895,699	394,189	134,768
25	Financial derivatives (gross negative fair value).....	4,630,539	3,873,953	4,088,231	3,873,113	3,561,985	3,206,880	-355,105	-1,068,554
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	20,736,203	21,361,541	21,192,110	21,787,680	21,939,525	22,688,819	749,294	1,203,322
27	Foreign official assets in the United States.....	5,256,358	5,428,122	5,496,057	5,640,245	5,692,448	5,823,304	130,856	436,090
28	U.S. government securities.....	4,235,886	4,316,906	4,400,470	4,487,789	4,526,896	4,561,428	34,532	291,010
29	U.S. Treasury securities.....	3,620,580	3,722,551	3,857,872	3,958,112	4,032,204	4,090,723	58,519	411,624
30	Other.....	615,306	594,355	542,598	529,677	494,692	470,705	-23,987	-120,614
31	Other U.S. government liabilities ⁶	119,980	123,406	125,065	127,657	128,279	128,052	-227	8,299
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	205,973	191,515	191,921	198,987	204,401	224,462	20,061	-1,572
33	Other foreign official assets.....	694,519	796,295	778,601	825,812	832,872	909,362	76,490	138,353
34	Other foreign assets.....	15,479,845	15,933,419	15,696,053	16,147,435	16,247,077	16,865,515	618,438	767,232
35	Direct investment at current cost.....	2,879,531	2,913,781	2,976,814	3,029,271	3,057,326	3,085,679	28,353	177,795
36	U.S. Treasury securities.....	1,386,274	1,425,087	1,455,648	1,517,253	1,541,569	1,649,654	108,085	155,295
37	U.S. securities other than U.S. Treasury securities.....	6,151,552	6,608,954	6,491,227	6,794,000	6,904,050	7,307,973	403,923	752,498
38	Corporate and other bonds.....	2,894,604	2,927,923	2,887,851	3,008,379	3,061,963	3,058,746	-3,217	167,359
39	Corporate stocks.....	3,256,948	3,681,031	3,603,376	3,785,621	3,842,087	4,249,227	407,140	585,139
40	U.S. currency.....	397,086	415,143	422,259	438,415	454,227	459,184	4,957	57,141
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	630,925	683,453	680,186	678,508	656,522	633,734	-22,788	25,597
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	4,034,477	3,887,001	3,669,919	3,689,988	3,633,383	3,729,291	95,908	-401,094
Memoranda:									
43	Direct investment abroad at market value.....	4,513,863	4,975,809	4,679,267	5,058,812	5,249,539	5,518,091	268,552	735,676
44	Direct investment in the United States at market value.....	3,510,395	3,855,543	3,764,768	3,961,992	3,923,969	4,261,069	337,100	413,574
45	Direct investment abroad at historical cost.....	4,084,659	4,169,123	4,224,965	4,370,424	4,453,307	4,535,653	82,346	368,648
46	Direct investment in the United States at historical cost.....	2,502,628	2,529,479	2,585,115	2,630,175	2,650,832	2,679,185	28,353	148,204

p Preliminary

r Revised

1. The statistics for each quarter are the values as of the last day of the quarter; the first quarter ends on March 31; the second quarter ends on June 30; the third quarter ends on September 30; and the fourth quarter ends on December 31 of the year.

2. U.S. official gold stock is valued at market price.

3. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

4. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

5. Includes foreign-currency-denominated assets obtained through temporary reciprocal arrangements between the Federal Reserve System and foreign central banks. These assets are included in the investment position at the dollar value established at the time they were received, reflecting the valuation of these assets in the Federal Reserve System's balance sheet. Changes in exchange rates do not affect this valuation.

6. Includes U.S. government liabilities associated with military sales contracts and U.S. government reserve-related liabilities from allocations of special drawing rights (SDRs).

Source: Bureau of Economic Analysis

Table 2. International Investment Position of the United States at Yearend, 2011 and 2012

[Millions of dollars]

Line	Type of investment	Position, 2011 ^r	Changes in position in 2012					Position, 2012 ^r
			Attributable to:				Total (a+b+c+d)	
			Valuation adjustments					
			Financial flows (a)	Price changes (b)	Exchange-rate changes ¹ (c)	Other changes ² (d)		
1	Net international investment position of the United States (lines 2+3)	-3,730,590	-439,351	489,566	5,100	-188,618	-133,302	-3,863,892
2	Financial derivatives, net (line 5 less line 25) ³	86,039	7,064	(⁴)	(⁴)	⁴ -35,327	-28,263	57,776
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-3,816,629	-446,415	489,566	5,100	-153,291	-105,039	-3,921,668
4	U.S.-owned assets abroad (lines 5+6)	21,636,152	(⁵)	(⁵)	(⁵)	(⁵)	1,466	21,637,618
5	Financial derivatives (gross positive fair value).....	4,716,578	(⁵)	(⁵)	(⁵)	(⁵)	-1,096,817	3,619,761
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	16,919,574	97,469	990,880	5,909	4,024	1,098,283	18,017,857
7	U.S. official reserve assets.....	537,037	4,460	33,079	-2,208	0	35,331	572,368
8	Gold.....	400,355	0	⁵ 33,079	.....	⁶ 0	33,079	433,434
9	Special drawing rights.....	54,956	37	.....	57	0	94	55,050
10	Reserve position in the International Monetary Fund.....	30,080	4,032	.....	49	0	4,081	34,161
11	Foreign currencies.....	51,646	391	.....	-2,314	0	-1,923	49,723
12	U.S. government assets, other than official reserve assets.....	178,901	-85,331	.....	(⁷)	0	-85,331	93,570
13	U.S. credits and other long-term assets ⁷	78,373	5,656	.....	(⁷)	0	5,656	84,029
14	Repayable in dollars.....	78,100	5,656	.....	.....	0	5,656	83,756
15	Other ⁸	273	0	.....	(⁷)	0	0	273
16	U.S. foreign currency holdings and U.S. short-term assets ⁹	100,528	-90,987	.....	(⁷)	.....	-90,987	9,541
17	U.S. private assets.....	16,203,636	178,341	957,801	8,117	4,024	1,148,283	17,351,919
18	Direct investment at current cost.....	4,663,142	388,293	25,339	16,234	-15,258	414,608	5,077,750
19	Foreign securities.....	6,441,350	144,823	932,462	-7,412	20,000	1,089,873	7,531,223
20	Bonds.....	1,939,912	62,243	139,503	-973	0	200,773	2,140,685
21	Corporate stocks.....	4,501,438	82,580	792,959	-6,439	20,000	889,100	5,390,538
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	792,953	25,723	.....	3,194	22,882	51,799	844,752
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	4,306,191	-380,498	.....	-3,899	-23,600	-407,997	3,898,194
24	Foreign-owned assets in the United States (lines 25+26)	25,366,742	(⁹)	(⁹)	(⁹)	(⁹)	134,768	25,501,510
25	Financial derivatives (gross negative fair value).....	4,630,539	(⁹)	(⁹)	(⁹)	(⁹)	-1,068,554	3,561,985
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	20,736,203	543,884	501,314	809	157,315	1,203,322	21,939,525
27	Foreign official assets in the United States.....	5,256,358	393,922	42,110	58	0	436,090	5,692,448
28	U.S. government securities.....	4,235,886	314,660	-23,650	.....	0	291,010	4,526,896
29	U.S. Treasury securities.....	3,620,580	433,155	-21,531	.....	0	411,624	4,032,204
30	Other.....	615,306	-118,495	.....	-2,119	0	-120,614	494,692
31	Other U.S. government liabilities ¹⁰	119,980	8,241	.....	58	0	8,299	128,279
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	205,973	-1,572	.....	.....	0	-1,572	204,401
33	Other foreign official assets.....	694,519	72,593	65,760	.....	0	138,353	832,872
34	Other foreign assets.....	15,479,845	149,962	459,204	751	157,315	767,232	16,247,077
35	Direct investment at current cost.....	2,879,531	166,411	20,385	606	-9,607	177,795	3,057,326
36	U.S. Treasury securities.....	1,386,274	156,385	-1,090	0	0	155,295	1,541,569
37	U.S. securities other than U.S. Treasury securities.....	6,151,552	196,908	439,909	-897	116,578	752,498	6,904,050
38	Corporate and other bonds.....	2,894,604	23,584	125,774	-897	18,898	167,359	3,061,963
39	Corporate stocks.....	3,256,948	173,324	314,135	.....	97,680	585,139	3,842,087
40	U.S. currency.....	397,086	57,141	.....	.....	0	57,141	454,227
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	630,925	-39,505	.....	3,158	61,944	25,597	656,522
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	4,034,477	-387,378	.....	-2,116	-11,600	-401,094	3,633,383
Memoranda:								
43	Direct investment abroad at market value.....	4,513,863	388,293	301,652	48,194	-2,463	735,676	5,249,539
44	Direct investment in the United States at market value.....	3,510,395	166,411	260,399	.....	-13,236	413,574	3,923,969

^r Revised^s Less than \$500,000 (+/-)

..... Not applicable

1. Represents gains or losses on foreign-currency-denominated assets and liabilities due to their revaluation at current exchange rates.

2. Includes changes due to year-to-year shifts in the composition of reporting panels, primarily for bank and nonbank estimates, 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 flows, price changes, or exchange-rate changes.

3. Financial flows and valuation adjustments for financial derivatives are available only on a net basis, which is shown on line 2; they are not separately available for gross positive fair values and gross negative fair values of financial derivatives. Consequently, columns (a) through (d) on lines 4, 5, 24, and 25 are not available.

4. Data are not separately available for the three types of valuation adjustments; therefore, the sum of all three types is shown in column (d).

5. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

6. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions financial flows.

7. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

8. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, over the period of the contract, or by delivery of materials or transfer of services.

9. Includes foreign-currency-denominated assets obtained through temporary reciprocal currency arrangements between the Federal Reserve System and foreign central banks. These assets are included in the investment position at the dollar value established at the time they were received, reflecting the valuation of these assets in the Federal Reserve System's balance sheet. Changes in exchange rates do not affect this valuation.

10. Includes U.S. government liabilities associated with military sales contracts and U.S. government reserve-related liabilities from allocations of special drawing rights (SDRs).

Source: Bureau of Economic Analysis