U.S. Net International Investment Position

End of the Second Quarter of 2016

THE U.S. NET INTERNATIONAL INVESTMENT POSITION—the value of U.S. assets less the value of U.S. liabilities—decreased to –$8,042.8 billion (preliminary) at the end of the second quarter of 2016 from –$7,582.0 billion (revised) at the end of the first quarter (chart 1). The $460.8 billion decrease reflected a $404.1 billion increase in U.S. assets and an $864.9 billion increase in U.S. liabilities. The negative net investment position represents a U.S. net liability to the rest of the world.

- The net investment position decreased 6.1 percent in the second quarter, compared with a decrease of 4.1 percent in the first quarter and an average quarterly decrease of 6.1 percent from the first quarter of 2011 through the fourth quarter of 2015.
- The $460.8 billion decrease in the second quarter reflected other changes in position of –$432.3 billion and financial transactions of –$28.5 billion (table A).[1]

1. For the statistics on financial transactions, see the financial account in table 1.2 of the U.S. international transactions accounts. The quarterly financial transactions presented in this article are not seasonally adjusted. Detail on other changes in position—such as price changes, exchange-rate changes, and other changes in volume and valuation—is only presented for annual statistics released in June each year.

Chart 1. U.S. International Investment Position

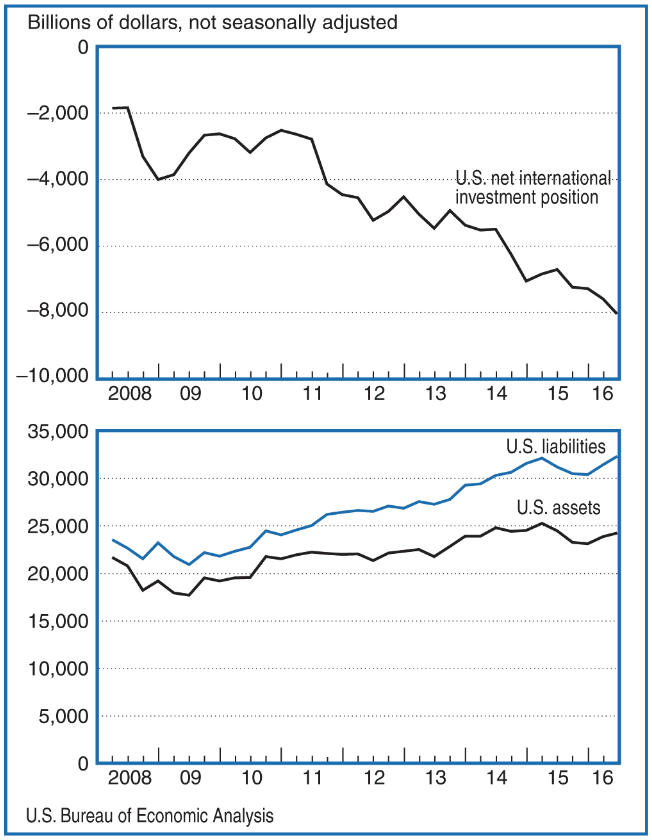


Table A. Change in the U.S. Net International Investment Position
[Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2016:I	Change in position in 2016:II			Position, 2016:II
		Total	Attributable to:		
			Financial transactions	Other changes in position	
U.S. net international investment position	**–7,582.0**	**–460.8**	**–28.5**	**–432.3**	**–8,042.8**
Net international investment position excluding financial derivatives	–7,621.0	–479.9	–54.1	–425.8	–8,100.9
Financial derivatives other than reserves, net	39.0	19.1	25.6	–6.5	58.1
U.S. assets	**24,061.8**	**404.1**	**(1)**	**(1)**	**24,465.9**
Assets excluding financial derivatives	21,079.5	162.7	299.3	–136.7	21,242.1
Financial derivatives other than reserves, gross positive fair value	2,982.3	241.4	(1)	(1)	3,223.7
U.S. liabilities	**31,643.8**	**864.9**	**(1)**	**(1)**	**32,508.7**
Liabilities excluding financial derivatives	28,700.4	642.6	353.5	289.1	29,343.0
Financial derivatives other than reserves, gross negative fair value	2,943.3	222.3	(1)	(1)	3,165.7

1. Financial transactions and other changes in financial derivatives positions are available only on a net basis; they are not separately available for gross positive fair values and gross negative fair values of financial derivatives.

Elena L. Nguyen prepared this article.

U.S. Assets

Table B. U.S. Assets

[Billions of dollars, not seasonally adjusted]

Type of investment	2015 III	2015 IV	2016 I[r]	2016 II[p]	Change 2016:I to 2016:II
U.S. assets	**23,477.9**	**23,340.8**	**24,061.8**	**24,465.9**	**404.1**
Assets excluding financial derivatives	20,759.2	20,945.4	21,079.5	21,242.1	162.7
Financial derivatives other than reserves	2,718.7	2,395.4	2,982.3	3,223.7	241.4
By functional category:					
Direct investment at market value	6,785.0	6,978.3	6,993.1	6,963.6	–29.4
Equity	5,640.5	5,811.1	5,837.9	5,805.3	–32.6
Debt instruments	1,144.6	1,167.2	1,155.1	1,158.4	3.2
Portfolio investment	9,461.3	9,606.2	9,607.1	9,666.4	59.3
Equity and investment fund shares	6,605.6	6,828.2	6,738.8	6,770.4	31.6
Debt securities	2,855.8	2,777.9	2,868.3	2,896.0	27.7
Short term	507.1	486.2	534.6	512.1	–22.5
Long term	2,348.6	2,291.7	2,333.7	2,383.9	50.2
Financial derivatives other than reserves	2,718.7	2,395.4	2,982.3	3,223.7	241.4
Over-the-counter contracts	2,661.3	2,346.7	2,929.1	3,158.2	229.0
Single-currency interest rate contracts	2,083.8	1,807.4	2,366.3	2,562.4	196.1
Foreign exchange contracts	364.0	342.3	378.4	422.4	44.0
Other contracts	213.6	197.1	184.4	173.3	–11.1
Exchange-traded contracts	57.4	48.6	53.2	65.6	12.4
Other investment	4,112.5	3,977.3	4,047.3	4,157.7	110.4
Currency and deposits	1,684.8	1,628.6	1,710.7	1,721.1	10.4
Loans	2,382.0	2,304.0	2,288.6	2,390.9	102.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	45.7	44.7	48.0	45.7	–2.3
Reserve assets	400.4	383.6	432.0	454.4	22.4
Monetary gold	291.3	277.2	323.5	345.4	21.9
Special drawing rights	50.3	49.7	50.5	50.2	–0.4
Reserve position in the International Monetary Fund	18.9	17.6	16.7	16.7	0.1
Other reserve assets	39.8	39.1	41.3	42.1	0.8
Currency and deposits	17.9	17.6	19.3	20.9	1.6
Securities	21.9	21.6	22.1	21.2	–0.8
Financial derivatives	......	......	......	......	......
Other claims	0.0	0.0	0.0	0.0	0.0

p Preliminary r Revised n.a. Not available ...... Not applicable

Note. The statistics are presented in IIP **table 1.2** on BEA's Web site.

U.S. assets increased $404.1 billion to $24,465.9 billion at the end of the second quarter, reflecting increases in both financial derivatives and assets excluding financial derivatives.

- Financial derivatives increased $241.4 billion to $3,223.7 billion, mostly in single-currency interest rate contracts (chart 2, table B).
- Assets excluding financial derivatives increased $162.7 billion to $21,242.1 billion, reflecting increases in other investment, portfolio investment, and reserve assets that were partly offset by a decrease in direct investment. Increases resulting from financial transactions were partly offset by depreciation of major foreign currencies against the U.S. dollar that lowered the value of U.S. assets in dollar terms.

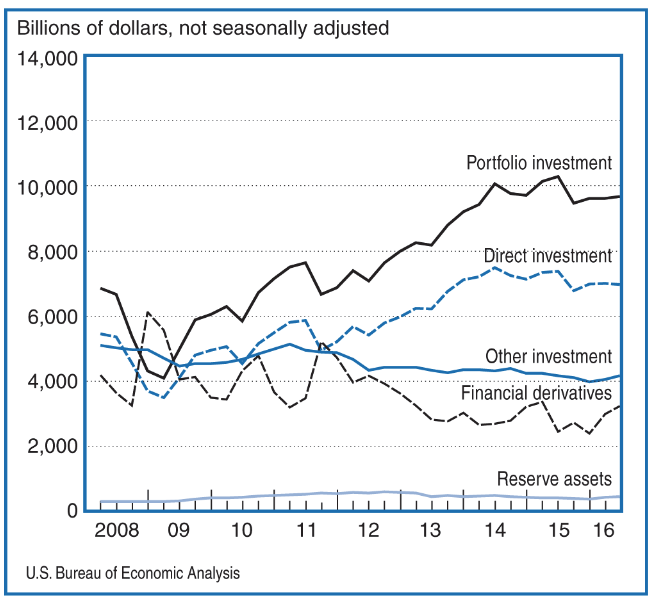
Data Availability and Methodology

Detailed statistics for the U.S. international investment position (IIP) are available in BEA's **interactive tables.**

Information on the valuation of U.S. assets and liabilities and a description of the estimation methods are available in **"International Investment Position Accounts."**

Information on resources, definitions, release and update schedule, and related statistics is also available in the **"Additional Information"** section of the **IIP news release.**

Chart 2. U.S. Assets



U.S. Liabilities

Table C. U.S. Liabilities

[Billions of dollars, not seasonally adjusted]

Type of investment	2015 III	2015 IV	2016 I r	2016 II p	Change 2016:I to 2016:II
U.S. liabilities	**30,717.6**	**30,621.4**	**31,643.8**	**32,508.7**	**864.9**
Liabilities excluding financial derivatives	28,055.7	28,283.3	28,700.4	29,343.0	642.6
Financial derivatives other than reserves	2,661.9	2,338.1	2,943.3	3,165.7	222.3
By functional category:					
Direct investment at market value	6,260.3	6,543.8	6,664.8	6,910.3	245.6
Equity	4,681.6	4,979.3	5,070.0	5,258.6	188.7
Debt instruments	1,578.6	1,564.5	1,594.8	1,651.7	56.9
Portfolio investment	16,546.4	16,677.0	16,916.9	17,149.5	232.6
Equity and investment fund shares	6,099.4	6,218.9	6,136.6	6,166.8	30.3
Debt securities	10,447.0	10,458.1	10,780.3	10,982.7	202.4
Short term	889.5	955.2	945.4	916.3	–29.1
Treasury bills and certificates	667.1	724.7	724.9	682.2	–42.7
Other short-term securities	222.4	230.5	220.5	234.1	13.6
Long term	9,557.5	9,503.0	9,834.9	10,066.4	231.5
Treasury bonds and notes	5,439.2	5,423.4	5,562.1	5,598.8	36.7
Other long-term securities	4,118.3	4,079.6	4,272.8	4,467.6	194.8
Financial derivatives other than reserves	2,661.9	2,338.1	2,943.3	3,165.7	222.3
Over-the-counter contracts	2,601.6	2,291.1	2,887.8	3,103.9	216.1
Single-currency interest rate contracts	2,029.2	1,755.4	2,304.2	2,493.7	189.6
Foreign exchange contracts	364.0	344.0	397.0	428.6	31.6
Other contracts	208.4	191.7	186.7	181.6	–5.0
Exchange-traded contracts	60.3	47.0	55.5	61.7	6.2
Other investment	5,249.1	5,062.5	5,118.8	5,283.2	164.4
Currency and deposits	2,892.9	2,914.3	2,877.9	2,969.1	91.2
Loans	2,130.4	1,923.6	2,010.7	2,078.1	67.3
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	176.3	175.6	180.4	186.6	6.2
Special drawing rights allocations	49.6	48.9	49.8	49.4	–0.4

p Preliminary r Revised n.a. Not available
NOTE. The statistics are presented in IIP table 1.2 on BEA's Web site.

U.S. liabilities increased $864.9 billion to $32,508.7 billion at the end of the second quarter, reflecting increases in both financial derivatives and liabilities excluding financial derivatives.

- Liabilities excluding financial derivatives increased $642.6 billion to $29,343.0 billion, reflecting increases in all major categories of liabilities (chart 3, table C). Increases resulting from financial transactions and increases in U.S. bond and equity prices contributed to the increase in liabilities.
- Financial derivatives increased $222.3 billion to $3,165.7 billion, mostly in single-currency interest rate contracts.

Updates to the Statistics

The preliminary statistics for the U.S. international investment position for the first quarter of 2016 have been updated to incorporate new and revised source data.

Preliminary and Revised First-Quarter 2016 Statistics

[Billions of dollars, not seasonally adjusted]

	Preliminary	Revised
U.S. net international investment position	**–7,525.6**	**–7,582.0**
U.S. assets	**24,082.9**	**24,061.8**
Direct investment at market value	7,012.4	6,993.1
Portfolio investment	9,622.7	9,607.1
Financial derivatives	2,981.8	2,982.3
Other investment	4,034.1	4,047.3
Reserve assets	432.0	432.0
U.S. liabilities	**31,608.5**	**31,643.8**
Direct investment at market value	6,637.6	6,664.8
Portfolio investment	16,907.3	16,916.9
Financial derivatives	2,942.6	2,943.3
Other investment	5,121.0	5,118.8

Chart 3. U.S. Liabilities