

U.S. Net International Investment Position

Third Quarter of 2017

THE U.S. NET INTERNATIONAL INVESTMENT POSITION—the value of U.S. assets less the value of U.S. liabilities—increased to $-\$7,768.7$ billion (preliminary) at the end of the third quarter of 2017 from $-\$8,004.1$ billion (revised) at the end of the second quarter (chart 1). The $\$235.4$ billion increase reflected a $\$1,001.2$ billion increase in U.S. assets and a $\$765.8$ billion increase in U.S. liabilities (table A). The negative net investment position represents a U.S. net liability to the rest of the world.

- The $\$235.4$ billion increase in the net investment position reflected net financial transactions of $-\$87.4$ billion and net other changes in position, such as price and exchange-rate changes, of $\$322.8$ billion.
- The net investment position increased 2.9 percent in the third quarter, compared with an increase of 1.1 percent in the second quarter and with an average quarterly decrease of 5.3 percent from the first quarter of 2011 through the first quarter of 2017.

Chart 1. U.S. Net International Investment Position

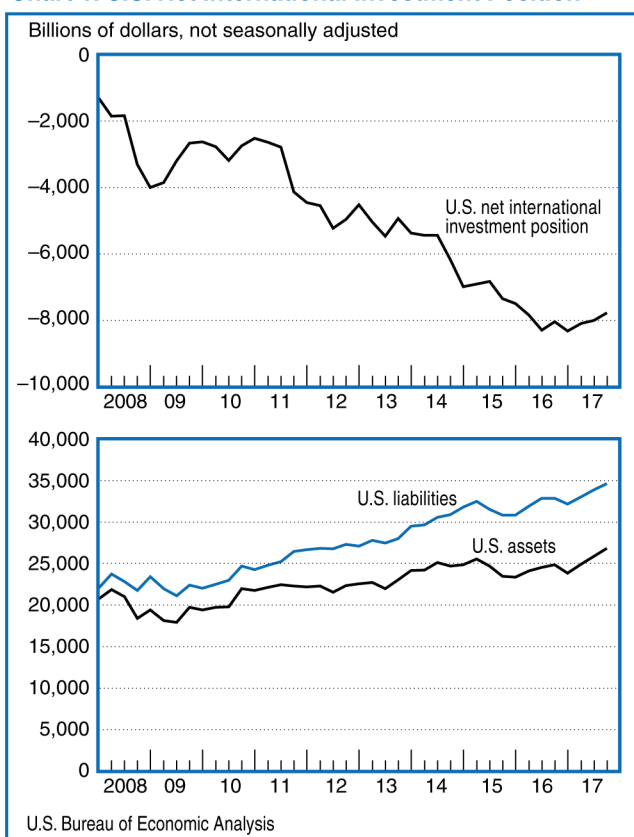


Table A. Change in the U.S. Net International Investment Position

[Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2017:II	Change in position in 2017:III			Position, 2017:III
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-8,004.1	235.4	-87.4	322.8	-7,768.7
Net international investment position excluding financial derivatives	-8,041.2	238.7	-106.0	344.7	-7,802.5
Financial derivatives other than reserves, net ²	37.1	-3.3	18.6	-21.9	33.8
U.S. assets	25,853.6	1,001.2	(²)	(²)	26,854.9
Assets excluding financial derivatives	23,922.3	1,227.5	358.2	869.2	25,149.7
Financial derivatives other than reserves	1,931.3	-226.2	(²)	(²)	1,705.1
U.S. liabilities	33,857.8	765.8	(²)	(²)	34,623.6
Liabilities excluding financial derivatives	31,963.5	988.8	464.2	524.6	32,952.3
Financial derivatives other than reserves	1,894.3	-223.0	(²)	(²)	1,671.3

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is only presented for annual statistics released in June each year.

2. Financial transactions and other changes in financial derivatives positions are available only 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 (IIP) accounts on BEA's Web site. The statistics on financial transactions are not seasonally adjusted and are presented in table 1.2 of the international transactions accounts (ITA) on BEA's Web site.

U.S. Assets

U.S. assets increased \$1,001.2 billion to \$26,854.9 billion at the end of the third quarter, mostly reflecting increases in portfolio investment and direct investment assets that were partly offset by a decrease in financial derivatives (table B and chart 2).

- Assets excluding financial derivatives increased \$1,227.5 billion to \$25,149.7 billion. The increase resulted from other changes in position of \$869.2 billion and financial transactions of \$358.2 billion. Other changes in position mostly reflected (1) foreign equity price increases that raised the equity value of portfolio investment and direct investment assets and (2) the appreciation of major foreign currencies against the U.S. dollar that raised the value of foreign-currency-denominated assets in dollar terms. Financial transactions mostly reflected net acquisition of portfolio investment assets.
- Financial derivatives decreased \$226.2 billion to \$1,705.1 billion, mostly in single-currency interest rate contracts.

Chart 2. U.S. Assets

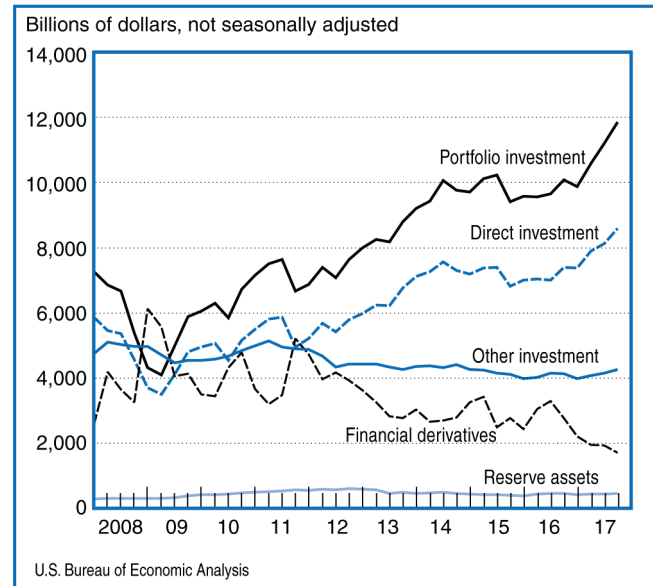


Table B. Quarterly Change in U.S. Assets

[Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2017:II	Change in position in 2017:III			Position, 2017:III
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. assets	25,853.6	1,001.2	(²)	(²)	26,854.9
Assets excluding financial derivatives	23,922.3	1,227.5	358.2	869.2	25,149.7
Financial derivatives other than reserves	1,931.3	-226.2	(²)	(²)	1,705.1
By functional category:					
Direct investment at market value.....	8,125.2	455.4	97.0	358.3	8,580.6
Equity	6,909.4	446.0	90.2	355.8	7,355.4
Debt securities	1,215.8	9.3	6.8	2.5	1,225.1
Portfolio investment	11,206.8	653.3	175.6	477.7	11,860.1
Equity and investment fund shares	8,068.2	513.0	66.1	446.8	8,581.2
Debt securities	3,138.6	140.4	109.5	30.8	3,278.9
Financial derivatives other than reserves	1,931.3	-226.2	(²)	(²)	1,705.1
Over-the-counter contracts.....	1,893.8	-230.7	(²)	(²)	1,663.1
Single-currency interest rate contracts.....	1,428.3	-226.5	(²)	(²)	1,201.8
Foreign exchange contracts.....	297.3	-16.2	(²)	(²)	281.1
Other contracts	168.2	12.0	(²)	(²)	180.2
Exchange-traded contracts	37.6	4.5	(²)	(²)	42.1
Other investment	4,154.6	97.9	85.6	12.3	4,252.5
Currency and deposits	1,626.6	66.7	60.3	6.3	1,693.3
Loans	2,477.8	29.9	24.2	5.7	2,507.7
Insurance technical reserves.....	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	50.2	1.3	1.1	0.2	51.6
Reserve assets.....	435.7	20.9	-0.1	20.9	456.6
Monetary gold	324.8	19.0	0.0	19.0	343.9
Special drawing rights	50.6	0.8	(*)	0.8	51.4
Reserve position in the International Monetary Fund	18.8	0.2	-0.1	0.3	19.0
Other reserve assets.....	41.4	0.8	(*)	0.8	42.2

n.a. Not available An asterisk (*) indicates a nonzero value that rounds to zero.

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2. Financial transactions and other changes in financial derivatives positions are available only 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 IIP table 1.2 on BEA's Web site, and the statistics on financial transactions are not seasonally adjusted and are presented in ITA table 1.2.

U.S. Liabilities

U.S. liabilities increased \$765.8 billion to \$34,623.6 billion at the end of the third quarter, mostly reflecting increases in portfolio investment and direct investment liabilities that were partly offset by a decrease in financial derivatives (table C and chart 3).

- Liabilities excluding financial derivatives increased \$988.8 billion to \$32,952.3 billion. The increase resulted from other changes in position of \$524.6 billion and financial transactions of \$464.2 billion. Other changes in position mostly reflected U.S. equity price increases that raised the equity value of portfolio investment and direct investment liabilities. Financial transactions mostly reflected net incurrence of portfolio investment liabilities.
- Financial derivatives decreased \$223.0 billion to \$1,671.3 billion, mostly in single-currency interest rate contracts.

Chart 3. U.S. Liabilities

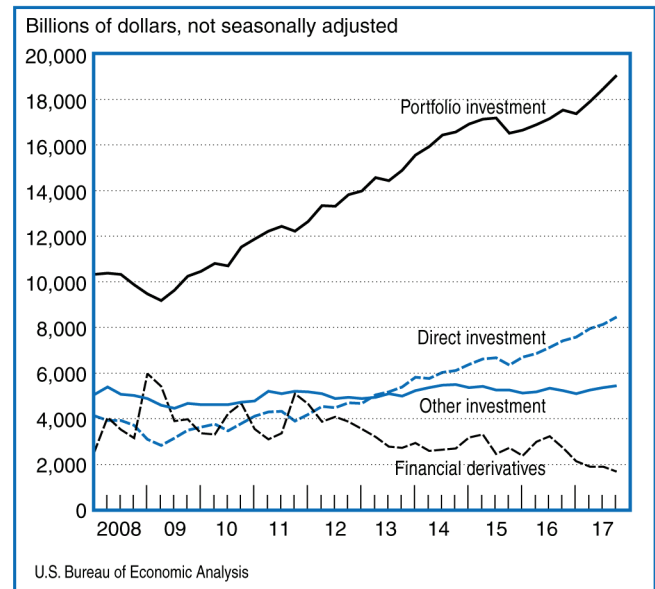


Table C. Quarterly Change in U.S. Liabilities

[Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2017:II	Change in position in 2017:III			Position, 2017:III
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. liabilities	33,857.8	765.8	(?)	(?)	34,623.6
Liabilities excluding financial derivatives	31,963.5	988.8	464.2	524.6	32,952.3
Financial derivatives other than reserves	1,894.3	-223.0	(?)	(?)	1,671.3
By functional category:					
Direct investment at market value	8,134.5	318.3	97.9	220.4	8,452.8
Equity	6,341.2	289.2	71.6	217.6	6,630.3
Debt securities	1,793.3	29.2	26.4	2.8	1,822.5
Portfolio investment	18,462.6	580.6	284.0	296.6	19,043.2
Equity and investment fund shares	7,199.1	356.2	76.6	279.5	7,555.3
Debt securities	11,263.5	224.4	207.4	17.0	11,488.0
Financial derivatives other than reserves	1,894.3	-223.0	(?)	(?)	1,671.3
Over-the-counter contracts	1,852.8	-222.7	(?)	(?)	1,630.0
Single-currency interest rate contracts	1,372.0	-205.4	(?)	(?)	1,166.6
Foreign exchange contracts	305.3	-23.6	(?)	(?)	281.7
Other contracts	175.5	6.3	(?)	(?)	181.8
Exchange-traded contracts	41.5	-0.2	(?)	(?)	41.3
Other investment	5,366.3	89.9	82.3	7.6	5,456.2
Currency and deposits	3,132.2	-15.5	-18.4	2.9	3,116.7
Loans	1,999.9	97.8	93.9	3.9	2,097.8
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	185.0	6.8	6.7	0.1	191.8
Special drawing rights allocations	49.1	0.8	0.0	0.8	49.9

n.a. Not available

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is only presented for annual statistics released in June each year.

2. Financial transactions and other changes in financial derivatives positions are available only 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 [IIP table 1.2](#) on BEA's Web site, and the statistics on financial transactions are not seasonally adjusted and are presented in [ITA table 1.2](#).

Data Availability, Methodology, and Updates

Data Availability and Methodology

Detailed statistics for the U.S. international investment position accompany this article in tables 1.1–3.1. The statistics and a description of the estimation methods used to compile them are also available on BEA's Web site.

The links in the tables of this article are to the latest available statistics in the interactive tables.

For the statistics, see ["International Data."](#) For the methods, see *U.S. International Economic Accounts: Concepts and Methods*.

Updates

The U.S. international investment position statistics for the second quarter of 2017 have been updated to incorporate newly available and revised source data.

Preliminary and Revised Second-Quarter 2017 Statistics

[Billions of dollars, not seasonally adjusted]

	Preliminary estimate	Revised estimate
U.S. net international investment position	-7,934.9	-8,004.1
U.S. assets	25,937.6	25,853.6
Direct investment at market value.....	8,202.0	8,125.2
Portfolio investment	11,210.6	11,206.8
Financial derivatives other than reserves	1,931.3	1,931.3
Other investment	4,157.9	4,154.6
Reserve assets.....	435.7	435.7
U.S. liabilities	33,872.5	33,857.8
Direct investment at market value.....	8,162.1	8,134.5
Portfolio investment	18,451.0	18,462.6
Financial derivatives other than reserves	1,894.3	1,894.3
Other investment	5,365.1	5,366.3