

# News Release

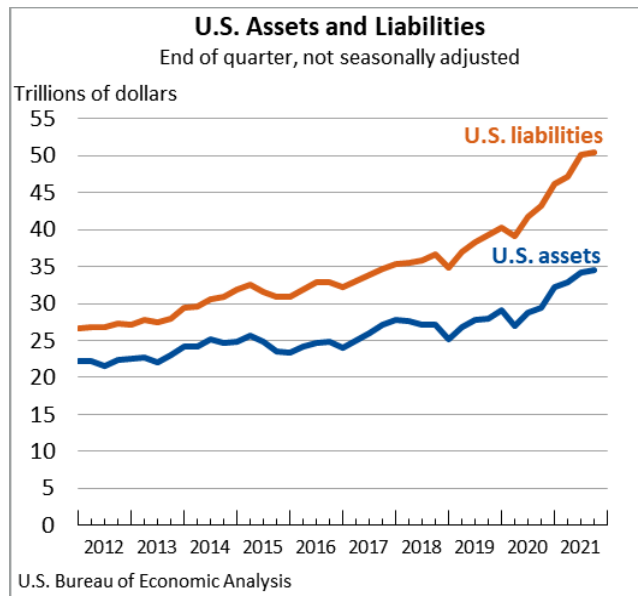
EMBARGOED UNTIL RELEASE AT 8:30 A.M. EST, Thursday, December 30, 2021

BEA 21-70

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## U.S. International Investment Position, Third Quarter 2021

The U.S. net international investment position (IIP), the difference between U.S. residents' foreign financial assets and liabilities, was  $-\$16.07$  trillion at the end of the third quarter of 2021, according to statistics released today by the U.S. Bureau of Economic Analysis (BEA). Assets totaled  $\$34.45$  trillion, and liabilities were  $\$50.53$  trillion. At the end of the second quarter, the net investment position was  $-\$15.91$  trillion. The net investment positions and components of assets and liabilities are presented in [table 1](#).



The  $-\$165.1$  billion change in the net investment position from the second quarter to the third quarter came from net financial transactions of  $-\$114.0$  billion and net other changes in position, such as price and exchange-rate changes, of  $-\$51.1$  billion that mostly reflected the depreciation of major foreign currencies against the U.S. dollar that lowered the value of U.S. assets in dollar terms (table A).

### COVID-19 Impact on Third-Quarter 2021 International Investment Position

In the third quarter of 2021, a new allocation of [special drawing rights](#), approved by the International Monetary Fund to mitigate the impact of the COVID-19 pandemic on the finances of developing countries, contributed to the increases in U.S. assets and liabilities. The full economic effects of the COVID-19 pandemic cannot be quantified in the IIP statistics because the impacts are generally embedded in source data and cannot be separately identified.

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

Billions of dollars, not seasonally adjusted

	End of quarter position, 2021 Q2	Change in position in 2021 Q3			End of quarter position, 2021 Q3
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-15,906.0</b>	<b>-165.1</b>	<b>-114.0</b>	<b>-51.1</b>	<b>-16,071.1</b>
Net position excluding financial derivatives	-15,943.9	-160.7	-106.0	-54.7	-16,104.5
Financial derivatives other than reserves, net	37.9	-4.4	-8.0	3.6	33.5
<b>U.S. assets</b>	<b>34,273.3</b>	<b>181.2</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>34,454.6</b>
Assets excluding financial derivatives	32,167.2	240.9	511.2	-270.3	32,408.1
Financial derivatives other than reserves	2,106.1	-59.7	( <sup>2</sup> )	( <sup>2</sup> )	2,046.5
<b>U.S. liabilities</b>	<b>50,179.3</b>	<b>346.3</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>50,525.6</b>
Liabilities excluding financial derivatives	48,111.1	401.6	617.2	-215.7	48,512.6
Financial derivatives other than reserves	2,068.3	-55.3	( <sup>2</sup> )	( <sup>2</sup> )	2,013.0

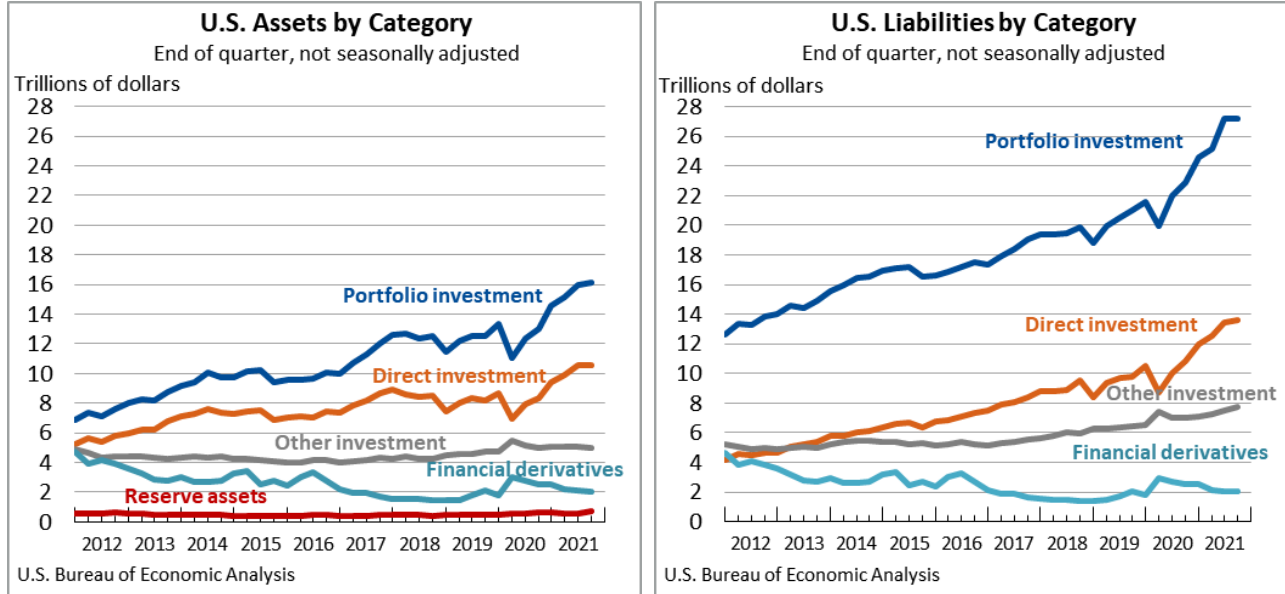
1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is presented for annual statistics released in March and revised in June each year.

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.

**U.S. assets** increased by \$181.2 billion to a total of \$34.45 trillion at the end of the third quarter, reflecting increases in portfolio investment and reserve assets. Portfolio investment assets increased by \$194.3 billion to \$16.16 trillion, driven by net U.S. purchases of foreign securities. Reserve assets increased by \$105.0 billion to \$695.1 billion, reflecting the allocation of \$112.8 billion in new special drawing rights (SDRs) in August 2021 to the United States as its share of the \$650 billion SDR allocation approved by the International Monetary Fund (IMF). The SDR is an international reserve asset created by the IMF to supplement its member countries' official reserves and can be exchanged between members for currencies such as the U.S. dollar, the euro, or the yen. The allocation in the third quarter was the largest in the history of the IMF.

**U.S. liabilities** increased by \$346.3 billion to a total of \$50.53 trillion at the end of the third quarter, mostly reflecting increases in other investment liabilities. Other investment liabilities increased by \$294.8 billion to \$7.77 trillion, reflecting increases in deposit liabilities and in SDR allocation liabilities that represent the U.S. long-term obligation to other IMF member countries holding SDRs. In an SDR allocation, the increase in U.S.

liabilities offsets the increase in U.S. assets, so the allocation has no impact on the net international investment position.



### Updates to Second Quarter 2021 International Investment Position Aggregates

Trillions of dollars, not seasonally adjusted

	Preliminary estimate	Revised estimate
<b>U.S. net international investment position</b>	<b>-15.42</b>	<b>-15.91</b>
U.S. assets	34.20	34.27
U.S. liabilities	49.62	50.18

### Releases of New Statistics

With this release of the U.S. IIP Accounts, BEA is introducing two new IIP tables—[tables 2.2 and 4.1](#). IIP table 2.2 features annual statistics on direct investment positions in U.S. resident special purpose entities (SPEs), which are U.S. legal entities with little or no employment or physical presence. The increased prevalence of SPEs heightens the need for separate statistics on their activities for analysis and for improved interpretability of macroeconomic statistics. IIP table 4.1 features quarter-end position statistics on U.S. debt positions by currency, sector, and maturity for U.S. assets and liabilities. These statistics will be valuable for assessing U.S. exposure to foreign currency risks and for helping to identify potential future financial crises. The new tables fulfill commitments to the [IMF Task Force on Special Purpose Entities](#) and the [G-20 Data Gaps Initiative](#) to release these statistics by yearend 2021. For more information, see “[New Statistics on U.S. Resident Special Purpose Entities in the International Investment Position Accounts](#)” and “[New Statistics on U.S. Debt Positions in the International Investment Position Accounts](#).”

## Accelerating Release of Annual IIP Statistics

BEA will accelerate the publication of the annual [IIP table 1.3](#) usually released in June each year to March each year. Table 1.3 provides details for the annual change in the IIP, such as financial transactions, price changes, exchange-rate changes, and other changes in volume and valuation. For the upcoming IIP release on March 29, 2022, BEA will include table 1.3 for 2021, which will also be available in BEA's [Interactive Data Application](#). The table will subsequently be updated as part of the annual update in June each year.

Next release: March 29, 2022, at 8:30 A.M. EDT  
U.S. International Investment Position, Fourth Quarter and Year 2021

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### U.S. International Investment Position Release Dates in 2022

Fourth Quarter and Year 2021	March 29
First Quarter 2022 and Annual Update	June 28
Second Quarter 2022	September 28
Third Quarter 2022	December 29

## Additional Information

### Resources

- Information on COVID-19 and recovery impacts is available on our [website](#).
- Stay informed about BEA developments by reading the [BEA Wire](#), signing up for BEA's [email subscription service](#), or following BEA on Twitter [@BEA\\_News](#).
- Historical time series for these estimates can be accessed in BEA's [Interactive Data Application](#).
- Access BEA data by registering for BEA's [Data Application Programming Interface](#).
- For more on BEA's statistics, see our monthly online journal, the [Survey of Current Business](#). More information on these international investment position statistics will be provided next month in the [Survey](#).
- For upcoming economic indicators, see BEA's [news release schedule](#).
- More information on the International Investment Position Accounts and a description of the estimation methods used to compile them is provided in [U.S. International Economic Accounts: Concepts and Methods](#).

### Definitions

The **international investment position (IIP)** is a statistical balance sheet that presents the dollar value of U.S. financial assets and liabilities with respect to foreign residents at a specific point in time. BEA presents IIP statistics at the end of a quarter or year (March, June, September, and December). For the March and June releases, BEA also presents statistics on changes in the yearend position that are disaggregated into financial transactions, price changes, exchange-rate changes, and changes in volume and valuation not included elsewhere (n.i.e.).

The **U.S. net international investment position** is defined as the value of U.S. assets less the value of U.S. liabilities.

**Financial transactions** are transactions between U.S. residents and nonresidents in financial assets and liabilities. They are also recorded in the financial account of the International Transactions Accounts (ITAs). See "Related statistics" below.

**Other changes in position** are changes in the value of U.S. assets or liabilities arising from any source besides a financial transaction. Other changes in position include price changes, exchange-rate changes, and changes in volume and valuation not included elsewhere (n.i.e.).

**Price changes** (only presented for annual statistics in the March and June news releases) are changes in the value of an asset or liability due to changes in the market price of a financial instrument.

**Exchange-rate changes** (only presented for annual statistics in the March and June news releases) are changes in the value of foreign-currency denominated assets and liabilities due to changes in the values of foreign currencies relative to the value of the U.S. dollar.

**Changes in volume and valuation n.i.e.** (only presented for annual statistics in the March and June news releases) reflect changes in position due to year-to-year shifts in the composition of reporting panels, the incorporation of more comprehensive annual and benchmark survey results, and revaluations (holding gains and losses) on assets and liabilities that are not explained by price changes or exchange-rate changes.

**Functional categories** are the primary classification system used in the IIP Accounts and in the financial account of the ITAs. The five functional categories are direct investment, portfolio investment, financial derivatives other than reserves, other investment, and reserve assets. While the functional categories are based on features that are relevant for understanding cross-border financial transactions and positions, they also take into account some aspects of the relationship between transactors and the economic motivation for the investment. Within the functional categories, the IIP Accounts are classified by type of financial instrument.

**Direct investment** is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise resident in another economy. Ownership or control of 10 percent or more of the voting securities of an entity in another economy is the threshold for separating direct investment from other types of investment. Direct investment positions include positions in equity and debt instruments. BEA's IIP statistics feature the [market value](#) measure of direct investment positions, a measure that values owner's equity at current-period prices using indexes of stock market prices.

**Portfolio investment** consists of cross-border positions involving equity and investment fund shares and debt securities, excluding those included in direct investment or reserve assets. Debt securities are classified by original maturity (short term versus long term at the time of issue).

**Financial derivatives other than reserves** consist of cross-border positions arising from financial contracts that are linked to underlying financial instruments, commodities, or indicators. Positions in financial derivatives consist of contracts with positive and negative fair values. A contract with a positive fair value is a U.S. asset and 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 is a U.S. liability and 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 across all contracts with positive (negative) fair values. Fair values differ from notional values, which are the underlying amounts used to calculate payments on contracts. Gross positive and gross negative fair values for financial derivatives positions are available separately in table 1. However, transactions and other changes in financial derivatives positions are only available for the net position in financial derivatives. For other changes in position for financial derivatives, statistics are not separately available for price changes, exchange rate changes, and changes in volume and valuation n.i.e.

**Other investment** includes cross-border positions other than those included in direct investment, portfolio investment, financial derivatives, and reserve assets. Other investment positions consist of positions in other equity (equity not in the form of securities), currency and deposits, loans, insurance technical reserves, trade credit and advances, and, for liabilities, special drawing rights allocations.

**Reserve assets** are those external assets that are readily available to and controlled by U.S. monetary authorities for meeting balance-of-payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes such as maintaining confidence in the currency and the economy and serving as a basis for foreign borrowing. The major published components are monetary gold, International Monetary Fund (IMF) special drawing rights, reserve position in the IMF, and other reserve assets.

## Release and update schedule

Preliminary quarterly IIP Account statistics are released in March, June, September, and December, approximately 90 days after the end of the reference quarter. These statistics are updated the following quarter to incorporate new and revised source data. Quarterly statistics are open for revision for at least the prior 3 years in annual updates released in June. Preliminary annual statistics are released in March reflecting positions at the end of the fourth quarter of the previous year. These annual statistics are open for revision for at least the prior 3 years in subsequent annual updates.

## Related statistics

The IIP statistics comprise one part of a broader set of U.S. International Economic Accounts that, taken together, provide a comprehensive, integrated, and detailed picture of U.S. international economic activities.

The [ITA](#) statistics are released quarterly. Financial transactions reported in the financial account of the ITAs are one type of change in position recorded in the IIP. Financial transactions are transactions between U.S. residents and nonresidents for direct investment, portfolio investment, other investment, reserve assets, and financial derivatives.

Statistics on [direct investment and multinational enterprises \(MNEs\)](#) include annual statistics on the [activities of U.S. MNEs](#) and [U.S. affiliates of foreign MNEs, detailed annual and quarterly statistics on direct investment](#), and annual statistics on [new foreign direct investment in the United States](#).

Statistics on [international services](#) include detailed annual information on trade in services and on services supplied through the channel of direct investment by affiliates of MNEs.

[U.S. international trade in goods and services](#), released by BEA and the U.S. Census Bureau, provides monthly statistics on trade in goods and services.

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## List of News Release Table

Table 1. U.S. Net International Investment Position at the End of the Period

**Table 1. U.S. Net International Investment Position at the End of the Period**

[Billions of dollars, not seasonally adjusted]

Line	Type of investment	2020				2021			Change: 2021Q2 to 2021Q3	Line
		Q1	Q2	Q3	Q4	Q1	Q2 <sup>r</sup>	Q3 <sup>p</sup>		
1	<b>U.S. net international investment position (line 4 less line 36)</b>	<b>-12,116.9</b>	<b>-12,995.8</b>	<b>-13,767.4</b>	<b>-14,011.2</b>	<b>-14,300.5</b>	<b>-15,906.0</b>	<b>-16,071.1</b>	<b>-165.1</b>	1
2	Net international investment position excluding financial derivatives (line 5 less line 37)	-12,151.0	-13,018.0	-13,794.3	-14,004.6	-14,333.6	-15,943.9	-16,104.5	-160.7	2
3	Financial derivatives other than reserves, net (line 6 less line 38)	34.0	22.2	26.9	-6.6	33.1	37.9	33.5	-4.4	3
4	<b>U.S. assets</b>	<b>26,939.7</b>	<b>28,787.7</b>	<b>29,517.7</b>	<b>32,256.3</b>	<b>32,838.0</b>	<b>34,273.3</b>	<b>34,454.6</b>	<b>181.2</b>	4
5	Assets excluding financial derivatives (sum of lines 7, 10, 21, and 27)	23,940.7	26,036.9	26,972.5	29,710.6	30,679.1	32,167.2	32,408.1	240.9	5
6	Financial derivatives other than reserves, gross positive fair value (line 15)	2,999.0	2,750.8	2,545.2	2,545.7	2,158.9	2,106.1	2,046.5	-59.7	6
	<b>By functional category:</b>									
7	Direct investment at market value	6,946.8	7,925.3	8,346.4	9,405.1	9,892.2	10,563.1	10,542.6	-20.5	7
8	Equity	5,713.6	6,747.3	7,130.4	8,176.6	8,668.8	9,316.8	9,280.3	-36.5	8
9	Debt instruments	1,233.2	1,178.1	1,216.0	1,228.5	1,223.4	1,246.3	1,262.3	16.0	9
10	Portfolio investment	11,013.4	12,382.3	13,045.4	14,605.6	15,146.8	15,969.7	16,164.0	194.3	10
11	Equity and investment fund shares	7,442.6	8,574.9	9,142.7	10,535.9	11,043.2	11,793.4	11,780.3	-13.1	11
12	Debt securities	3,570.8	3,807.4	3,902.8	4,069.7	4,103.6	4,176.3	4,383.7	207.4	12
13	Short term	642.7	664.1	686.4	720.4	755.2	754.4	773.7	19.3	13
14	Long term	2,928.1	3,143.3	3,216.4	3,349.3	3,348.4	3,421.9	3,610.0	188.1	14
15	Financial derivatives other than reserves, gross positive fair value	2,999.0	2,750.8	2,545.2	2,545.7	2,158.9	2,106.1	2,046.5	-59.7	15
16	Over-the-counter contracts	2,911.2	2,699.9	2,493.6	2,491.4	2,098.5	2,043.4	1,970.0	-73.4	16
17	Single-currency interest rate contracts	2,130.9	2,195.1	1,995.8	1,914.0	1,524.9	1,505.2	1,404.5	-100.6	17
18	Foreign exchange contracts	482.0	315.6	294.7	372.1	357.9	298.2	306.2	8.0	18
19	Other contracts	298.3	189.1	203.1	205.3	215.8	240.1	259.3	19.2	19
20	Exchange-traded contracts	87.8	50.9	51.6	54.4	60.4	62.7	76.5	13.8	20
21	Other investment	5,443.0	5,144.2	4,959.4	5,072.6	5,070.0	5,044.2	5,006.4	-37.9	21
22	Other equity	69.3	69.3	69.6	69.9	71.1	71.1	71.1	(*)	22
23	Currency and deposits	2,588.0	2,283.4	2,172.9	2,190.5	2,170.2	2,091.0	2,064.1	-26.9	23
24	Loans	2,737.0	2,748.1	2,675.2	2,766.7	2,779.4	2,835.8	2,825.9	-9.9	24
25	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25
26	Trade credit and advances	48.5	43.4	41.8	45.6	49.3	46.4	45.3	-1.1	26
27	Reserve assets	537.5	585.1	621.2	627.3	570.1	590.1	695.1	105.0	27
28	Monetary gold	420.7	462.4	493.4	493.6	442.2	461.1	455.7	-5.3	28
29	Special drawing rights	50.1	50.6	51.7	52.9	52.1	52.4	163.9	111.4	29
30	Reserve position in the International Monetary Fund	25.5	30.6	33.1	36.4	33.7	34.3	33.9	-0.4	30
31	Other reserve assets	41.1	41.5	42.9	44.4	42.1	42.3	41.6	-0.7	31
32	Currency and deposits	29.5	30.6	32.0	30.0	28.4	29.0	31.4	2.3	32
33	Securities	11.6	11.0	10.9	14.3	13.7	13.3	10.3	-3.0	33
34	Financial derivatives	.....	.....	.....	.....	.....	.....	.....	.....	34
35	Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35
36	<b>U.S. liabilities</b>	<b>39,056.6</b>	<b>41,783.5</b>	<b>43,285.1</b>	<b>46,267.6</b>	<b>47,138.5</b>	<b>50,179.3</b>	<b>50,525.6</b>	<b>346.3</b>	36
37	Liabilities excluding financial derivatives (sum of lines 39, 42, and 57)	36,091.6	39,054.9	40,766.9	43,715.2	45,012.7	48,111.1	48,512.6	401.6	37
38	Financial derivatives other than reserves, gross negative fair value (line 51)	2,965.0	2,728.6	2,518.2	2,552.4	2,125.8	2,068.3	2,013.0	-55.3	38
	<b>By functional category:</b>									
39	Direct investment at market value	8,717.6	10,035.5	10,843.1	11,977.9	12,562.5	13,473.2	13,571.6	98.4	39
40	Equity	7,006.1	8,408.9	9,145.6	10,262.0	10,873.0	11,794.8	11,863.1	68.3	40
41	Debt instruments	1,711.5	1,626.7	1,697.5	1,715.9	1,689.6	1,678.4	1,708.5	30.1	41
42	Portfolio investment	19,938.1	21,982.2	22,890.9	24,628.4	25,179.3	27,164.2	27,172.7	8.4	42
43	Equity and investment fund shares	7,658.2	9,168.9	10,047.2	11,605.6	12,374.7	13,579.1	13,664.7	85.6	43
44	Debt securities	12,279.9	12,813.3	12,843.7	13,022.8	12,804.6	13,585.1	13,508.0	-77.2	44
45	Short term	925.5	1,252.5	1,214.1	1,216.2	1,171.2	1,143.6	1,111.7	-31.8	45
46	Treasury bills and certificates	729.5	1,040.6	1,017.3	1,027.3	966.5	925.3	927.4	2.2	46
47	Other short-term securities	196.0	211.9	196.8	188.8	204.7	218.3	184.3	-34.0	47
48	Long term	11,354.3	11,560.8	11,629.7	11,806.6	11,633.4	12,441.6	12,396.2	-45.3	48
49	Treasury bonds and notes	6,220.0	6,005.9	6,051.9	6,043.4	6,061.9	6,572.0	6,621.6	49.7	49
50	Other long-term securities	5,134.3	5,554.9	5,577.8	5,763.2	5,571.5	5,869.6	5,774.6	-95.0	50
51	Financial derivatives other than reserves, gross negative fair value	2,965.0	2,728.6	2,518.2	2,552.4	2,125.8	2,068.3	2,013.0	-55.3	51
52	Over-the-counter contracts	2,877.9	2,678.6	2,471.6	2,500.9	2,069.3	2,005.5	1,937.5	-67.9	52
53	Single-currency interest rate contracts	2,131.8	2,171.6	1,976.5	1,902.2	1,500.5	1,480.0	1,388.3	-91.8	53
54	Foreign exchange contracts	470.4	318.1	290.3	386.2	340.5	281.4	287.2	5.8	54
55	Other contracts	275.6	188.9	204.7	212.4	228.3	244.0	262.0	18.0	55
56	Exchange-traded contracts	87.1	49.9	46.6	51.5	56.6	62.8	75.5	12.7	56
57	Other investment	7,435.9	7,037.2	7,032.9	7,108.9	7,270.8	7,473.6	7,768.4	294.8	57
58	Other equity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	58
59	Currency and deposits	3,975.3	3,735.0	3,735.8	3,804.2	3,893.6	3,960.8	4,135.8	175.0	59
60	Loans	3,205.8	3,045.4	3,037.4	3,037.7	3,106.2	3,238.4	3,245.8	7.3	60
61	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	61
62	Trade credit and advances	206.7	208.1	209.9	216.2	220.9	224.0	225.0	1.0	62
63	Special drawing rights allocations	48.2	48.6	49.7	50.9	50.1	50.4	161.8	111.5	63

p Preliminary r Revised n.a. Not available ..... Not applicable (\*) Value between zero and +/- \$50 million

Note: Details may not add to totals because of rounding. Source: U.S. Bureau of Economic Analysis