

News Release

EMBARGOED UNTIL RELEASE AT 8:30 a.m. EDT, Wednesday, September 27, 2023

BEA 23-42

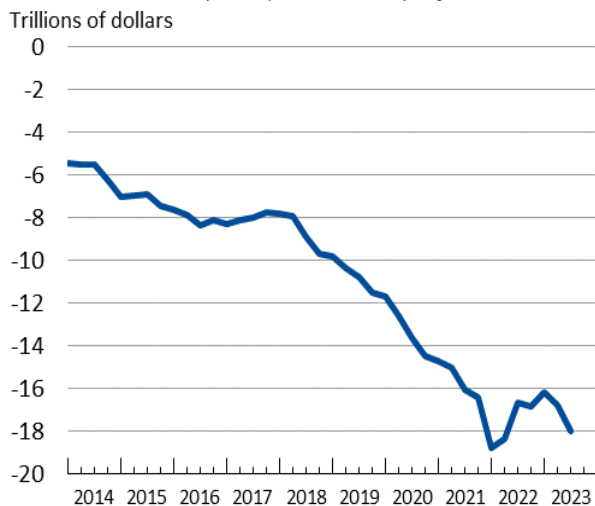
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U.S. International Investment Position, 2nd Quarter 2023

The U.S. net international investment position, the difference between U.S. residents' foreign financial assets and liabilities, was $-\$18.00$ trillion at the end of the second quarter of 2023, according to statistics released today by the U.S. Bureau of Economic Analysis (BEA). Assets totaled $\$33.58$ trillion, and liabilities were $\$51.58$ trillion. At the end of the first quarter, the net investment position was $-\$16.74$ trillion (revised). The net investment position and components of assets and liabilities are presented in [table 1](#).

Chart 1. U.S. Net International Investment Position

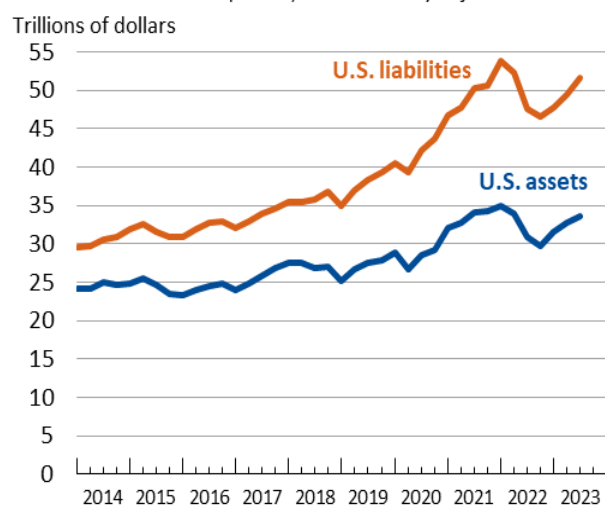
End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

Chart 2. U.S. Assets and Liabilities

End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

The $-\$1.26$ trillion change in the net investment position from the first quarter to the second quarter came from net financial transactions of $-\$105.0$ billion and net other changes in position, such as price and exchange-rate changes, of $-\$1.16$ trillion. Net other changes mostly reflected U.S. stock price increases that exceeded foreign stock price increases ([table A](#)).

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

	End of quarter position, 2023:Q1	Change in position in 2023:Q2			End of quarter position, 2023:Q2
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-16,736.0	-1,261.7	-105.0	-1,156.6	-17,997.7
Net position excluding financial derivatives	-16,778.4	-1,246.9	-100.3	-1,146.6	-18,025.3
Financial derivatives other than reserves, net	42.4	-14.7	-4.7	-10.0	27.7
U.S. assets	32,711.6	866.6	(²)	(²)	33,578.2
Assets excluding financial derivatives	30,518.5	576.9	245.9	331.0	31,095.3
Financial derivatives other than reserves	2,193.1	289.7	(²)	(²)	2,482.8
U.S. liabilities	49,447.6	2,128.3	(²)	(²)	51,575.9
Liabilities excluding financial derivatives	47,296.9	1,823.8	346.2	1,477.6	49,120.7
Financial derivatives other than reserves	2,150.7	304.5	(²)	(²)	2,455.2

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. Bureau of Economic Analysis

Chart 3. U.S. Assets by Category

End of quarter, not seasonally adjusted

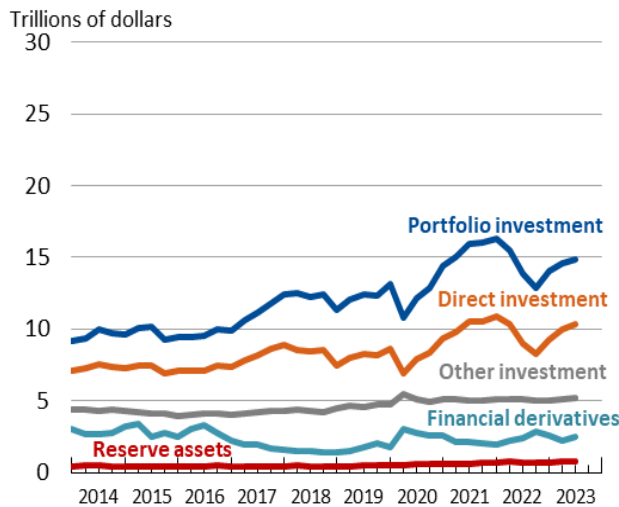
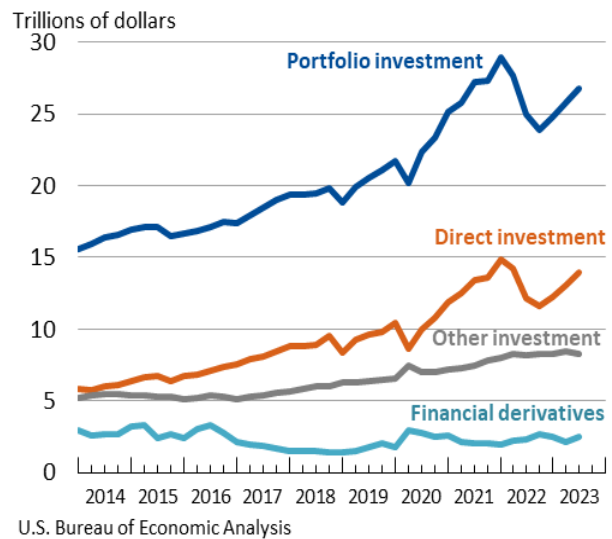


Chart 4. U.S. Liabilities by Category

End of quarter, not seasonally adjusted



U.S. assets increased by \$866.6 billion to a total of \$33.58 trillion at the end of the second quarter. All major categories of assets increased, except for U.S. reserve assets.

Direct investment assets increased by \$298.5 billion to \$10.30 trillion and portfolio investment assets increased by \$197.3 billion to \$14.83 trillion, driven mainly by foreign stock price increases that raised the market value of these assets. Financial derivatives increased by \$289.7 billion to \$2.48 trillion, driven by increases in single-currency interest rate contracts. Other investment assets increased by \$101.6 billion to

\$5.23 trillion, driven by U.S. acquisitions of loans. These increases in assets were partly offset by a decrease in U.S. reserve assets that mostly reflected gold price decreases.

U.S. liabilities increased by \$2.13 trillion to a total of \$51.58 trillion at the end of the second quarter. All major categories of liabilities increased, except for other investment liabilities.

Portfolio investment liabilities increased by \$994.1 billion to \$26.81 trillion and direct investment liabilities increased by \$980.4 billion to \$14.00 trillion, driven mainly by U.S. stock price increases that raised the market value of these liabilities. Financial derivatives increased by \$304.5 billion to \$2.46 trillion, driven by increases in single-currency interest rate contracts. These increases in liabilities were partly offset by a decrease in other investment liabilities that mostly reflected U.S. repayments of loans.

Table B. Updates to First-Quarter 2023 International Investment Position Aggregates
 [Trillions of dollars, not seasonally adjusted]

	Preliminary estimates	Revised estimates
U.S. net international investment position	-16.75	-16.74
U.S. assets	32.74	32.71
U.S. liabilities	49.49	49.45

U.S. Bureau of Economic Analysis

Newly Available Source Data on Portfolio Investment

With this release of the U.S. International Investment Position Accounts, BEA has incorporated newly available source data from the Treasury International Capital System “[Aggregate Holdings, Purchases and Sales, and Fair Value Changes of Long-Term Securities by U.S. and Foreign Residents](#)” (TIC SLT) form to more accurately measure portfolio investment transactions in equity and investment fund shares and in long-term debt securities. The new TIC SLT transactions data, beginning with the first quarter of 2023, have replaced BEA’s estimation method for these portfolio investment transactions statistics that were derived from positions data reported on the TIC SLT form. For more information on this method, which remains relevant for periods prior to 2023, see paragraph 17.15 of [U.S. International Economic Accounts: Concepts and Methods](#). For more information on the new source data, see the “[Technical Note](#)” included with the “[U.S. International Transactions](#)” news release on September 21. Portfolio investment position statistics presented in this release are not affected by the new treatment of transactions.

Next release: December 28, 2023, at 8:30 a.m. EST
 U.S. International Investment Position, 3rd Quarter 2023

Additional Information

Resources

- Stay informed about BEA developments by reading [The BEA Wire](#), signing up for BEA's [email subscription service](#), or following [@BEA_News](#) on X, formerly known as Twitter.
- 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 BEA's online journal, the [Survey of Current Business](#).
- 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 IIP** 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 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 owners' 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 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.

News release table

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

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[Billions of dollars, not seasonally adjusted]

Line	Type of investment	2022				2023		Change: 2023:Q1 to 2023:Q2	Line
		Q1	Q2	Q3	Q4	Q1 ^r	Q2 ^p		
1	U.S. net international investment position (line 4 less line 36)	-18,341.2	-16,660.7	-16,813.1	-16,172.3	-16,736.0	-17,997.7	-1,261.7	1
2	Net international investment position excluding financial derivatives (line 5 less line 37)	-18,406.2	-16,732.1	-16,931.5	-16,241.8	-16,778.4	-18,025.3	-1,246.9	2
3	Financial derivatives other than reserves, net (line 6 less line 38)	64.9	71.4	118.4	69.5	42.4	27.7	-14.7	3
4	U.S. assets	34,012.9	30,970.4	29,698.4	31,631.8	32,711.6	33,578.2	866.6	4
5	Assets excluding financial derivatives (sum of lines 7, 10, 21, and 27)	31,758.0	28,564.8	26,871.5	29,088.5	30,518.5	31,095.3	576.9	5
6	Financial derivatives other than reserves, gross positive fair value (line 15)	2,254.8	2,405.7	2,826.9	2,543.3	2,193.1	2,482.8	289.7	6
	By functional category:								
7	Direct investment at market value	10,372.1	8,953.3	8,301.5	9,277.0	10,006.1	10,304.6	298.5	7
8	Equity	9,157.4	7,722.0	7,097.1	8,077.0	8,773.0	9,058.4	285.4	8
9	Debt instruments	1,214.8	1,231.4	1,204.4	1,200.0	1,233.1	1,246.3	13.2	9
10	Portfolio investment	15,513.9	13,823.6	12,904.9	14,073.9	14,629.7	14,827.0	197.3	10
11	Equity and investment fund shares	11,465.3	9,997.7	9,192.4	10,306.0	10,796.8	11,031.7	234.9	11
12	Debt securities	4,048.7	3,825.9	3,712.5	3,768.0	3,832.9	3,795.3	-37.6	12
13	Short term	501.5	463.9	487.2	488.0	478.8	458.0	-20.8	13
14	Long term	3,547.2	3,361.9	3,225.3	3,280.0	3,354.1	3,337.3	-16.8	14
15	Financial derivatives other than reserves, gross positive fair value	2,254.8	2,405.7	2,826.9	2,543.3	2,193.1	2,482.8	289.7	15
16	Over-the-counter contracts	2,153.0	2,301.7	2,714.2	2,465.7	2,127.9	2,418.0	290.1	16
17	Single-currency interest rate contracts	1,452.7	1,578.6	1,855.2	1,860.8	1,637.7	1,873.0	235.3	17
18	Foreign exchange contracts	394.1	457.5	615.5	432.4	321.0	374.4	53.4	18
19	Other contracts	306.2	265.6	243.5	172.5	169.1	170.6	1.4	19
20	Exchange-traded contracts	101.9	103.9	112.8	77.7	65.3	64.8	-0.4	20
21	Other investment	5,127.0	5,085.2	5,009.0	5,030.6	5,129.2	5,230.8	101.6	21
22	Other equity	71.4	73.0	73.3	73.5	73.7	75.3	1.6	22
23	Currency and deposits	2,150.1	2,120.0	2,156.2	2,234.4	2,170.1	2,173.7	3.7	23
24	Loans	2,864.7	2,851.4	2,737.7	2,682.7	2,847.8	2,946.0	98.1	24
25	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25
26	Trade credit and advances	40.8	40.9	41.8	40.0	37.6	35.8	-1.7	26
27	Reserve assets	745.0	702.6	656.2	706.9	753.5	732.9	-20.6	27
28	Monetary gold	507.9	475.1	437.2	474.3	517.7	500.1	-17.6	28
29	Special drawing rights	163.1	158.2	153.2	160.5	163.2	162.2	-1.0	29
30	Reserve position in the International Monetary Fund	34.8	33.1	32.0	35.0	35.1	34.1	-1.0	30
31	Other reserve assets	39.2	36.2	33.9	37.1	37.4	36.5	-0.9	31
32	Currency and deposits	28.3	26.1	25.6	28.3	28.7	28.1	-0.6	32
33	Securities	10.9	10.1	8.2	8.8	8.7	8.5	-0.3	33
34	Financial derivatives	34
35	Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35
36	U.S. liabilities	52,354.1	47,631.1	46,511.6	47,804.1	49,447.6	51,575.9	2,128.3	36
37	Liabilities excluding financial derivatives (sum of lines 39, 42, and 57)	50,164.2	45,296.9	43,803.0	45,330.3	47,296.9	49,120.7	1,823.8	37
38	Financial derivatives other than reserves, gross negative fair value (line 51)	2,189.9	2,334.2	2,708.5	2,473.8	2,150.7	2,455.2	304.5	38
	By functional category:								
39	Direct investment at market value	14,233.8	12,131.5	11,570.4	12,262.7	13,021.4	14,001.8	980.4	39
40	Equity	12,454.3	10,367.9	9,780.2	10,477.3	11,258.7	12,192.8	934.1	40
41	Debt instruments	1,779.5	1,763.6	1,790.2	1,785.4	1,762.7	1,808.9	46.2	41
42	Portfolio investment	27,671.6	24,958.4	23,938.5	24,764.1	25,820.5	26,814.5	994.1	42
43	Equity and investment fund shares	14,347.3	12,186.0	11,532.9	12,054.2	12,772.8	13,680.3	907.5	43
44	Debt securities	13,324.3	12,772.4	12,405.7	12,709.9	13,047.7	13,134.2	86.5	44
45	Short term	1,270.2	1,134.2	1,207.5	1,252.0	1,244.6	1,221.2	-23.5	45
46	Treasury bills and certificates	1,008.4	895.4	919.6	950.0	962.6	921.4	-41.2	46
47	Other short-term securities	261.8	238.8	287.9	302.0	282.0	299.8	17.8	47
48	Long term	12,054.2	11,638.2	11,198.2	11,457.8	11,803.1	11,913.0	110.0	48
49	Treasury bonds and notes	6,596.0	6,521.5	6,331.9	6,368.5	6,595.5	6,641.5	46.0	49
50	Other long-term securities	5,458.2	5,116.7	4,866.3	5,089.3	5,207.5	5,271.5	64.0	50
51	Financial derivatives other than reserves, gross negative fair value	2,189.9	2,334.2	2,708.5	2,473.8	2,150.7	2,455.2	304.5	51
52	Over-the-counter contracts	2,086.6	2,222.0	2,602.8	2,402.2	2,079.1	2,390.3	311.2	52
53	Single-currency interest rate contracts	1,409.4	1,528.4	1,788.2	1,791.0	1,588.3	1,842.1	253.8	53
54	Foreign exchange contracts	380.2	433.0	578.1	442.5	319.0	368.3	49.3	54
55	Other contracts	297.0	260.6	236.5	168.7	171.8	179.9	8.1	55
56	Exchange-traded contracts	103.3	112.2	105.8	71.6	71.6	64.9	-6.7	56
57	Other investment	8,258.7	8,207.0	8,294.1	8,303.5	8,455.0	8,304.4	-150.6	57
58	Other equity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	58
59	Currency and deposits	4,278.4	4,273.7	4,291.5	4,293.0	4,357.7	4,317.8	-39.9	59
60	Loans	3,583.9	3,536.3	3,607.4	3,605.8	3,687.0	3,574.0	-113.1	60
61	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	61
62	Trade credit and advances	237.6	244.5	248.2	251.9	255.8	259.9	4.1	62
63	Special drawing rights allocations	158.8	152.5	147.0	152.9	154.5	152.8	-1.7	63

p Preliminary n.a. Not available Not applicable 0.0 Positions are possible but are zero for a given period.

Note. Details may not add to totals because of rounding.

U.S. Bureau of Economic Analysis