

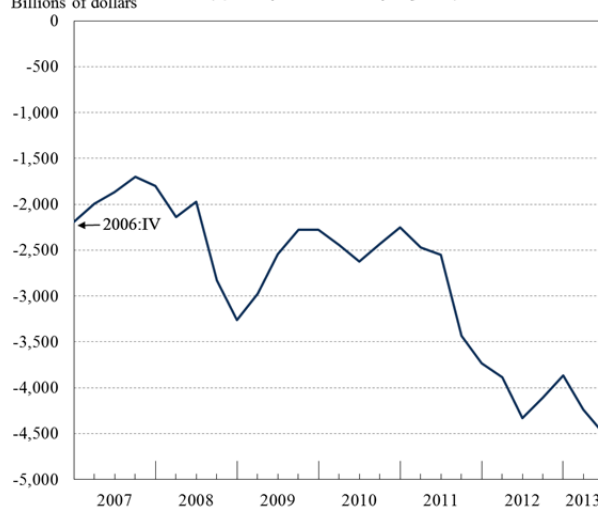
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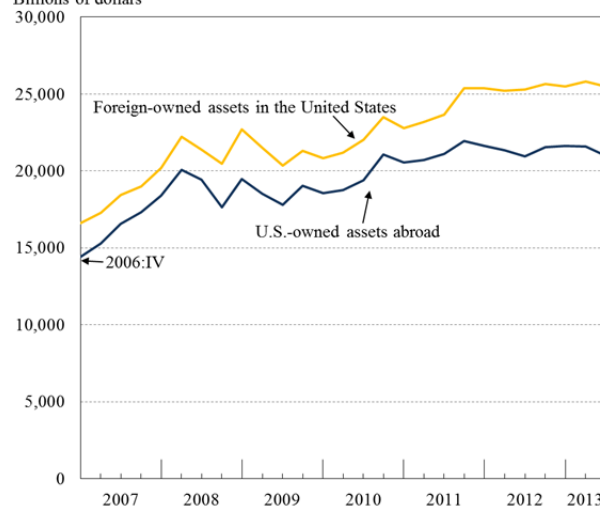
U.S. Net International Investment Position: End of Second Quarter 2013

The U.S. net international investment position at the end of the second quarter of 2013 was -\$4,504.1 billion (preliminary) as the value of foreign investments in the United States exceeded the value of U.S. investments abroad (table 1). At the end of the first quarter, the U.S. net international investment position was -\$4,236.6 billion (revised). The \$267.6 billion decrease in the net position reflected a \$605.8 billion decrease in the value of U.S.-owned assets abroad that exceeded a \$338.2 billion decrease in the value of foreign-owned assets in the United States. The net position decreased 6 percent in the second quarter, compared with a 10-percent decrease in the first quarter and an average quarterly decrease of 8 percent from the first quarter of 2011 through the first quarter of 2013.

U.S. Net International Investment Position, 2006:IV-2013:II
 (Quarterly, not seasonally adjusted)



Foreign-Owned Assets in the United States and U.S.-Owned Assets Abroad



U.S.-owned assets abroad were \$20,984.3 billion at the end of the second quarter compared with \$21,590.1 billion at the end of the first quarter. The \$605.8 billion decrease reflected a \$423.3 billion decrease in the value of financial derivatives and a \$182.5 billion decrease in the value of U.S.-owned assets abroad excluding financial derivatives.

U.S.-owned assets abroad excluding financial derivatives were \$18,159.2 billion at the end

NOTE: This news release is available on BEA's Web site <www.bea.gov> along with [Quarterly Highlights](#) related to this release, the latest detailed [statistics](#) for the U.S. international investment position, and a description of the [estimation methods](#) used to compile them. The second-quarter statistics for 2013 in this release are preliminary and will be revised on December 30, 2013.

of the second quarter compared with \$18,341.7 billion at the end of the first quarter. The \$182.5 billion decrease reflected a \$292.1 billion decrease resulting from valuation changes that was partly offset by a \$109.6 billion increase resulting from financial outflows.¹ Valuation changes were mostly attributable to decreases in gold prices that lowered the market value of U.S. government gold and decreases in foreign stock and bond prices that lowered the value of U.S. holdings of foreign securities.

Foreign-owned assets in the United States were \$25,488.4 billion at the end of the second quarter compared with \$25,826.6 billion at the end of the first quarter. The \$338.2 billion decrease reflected a \$442.6 billion decrease in the value of financial derivatives that was partly offset by a \$104.4 billion increase in the value of foreign-owned assets in the United States excluding financial derivatives.

Foreign-owned assets in the United States excluding financial derivatives were \$22,722.7 billion at the end of the second quarter compared with \$22,618.3 billion at the end of the first quarter. The \$104.4 billion increase reflected a \$179.3 billion increase resulting from financial inflows that was partly offset by a \$74.9 billion decrease resulting from valuation changes. Valuation changes were mostly attributable to decreases in U.S. bond prices that were partly offset by increases in U.S. stock prices.

Revisions

The U.S. net international investment position at the end of the first quarter of 2013 was revised to -\$4,236.6 billion from a previously-published value of -\$4,277.1 billion. The \$40.6 billion upward revision to the net position reflected a \$69.1 billion downward revision to foreign-owned assets in the United States that exceeded a \$28.5 billion downward revision to U.S.-owned assets abroad.

U.S.-owned assets abroad at the end of the first quarter were revised to \$21,590.1 billion from \$21,618.6 billion, and foreign-owned assets in the United States were revised to \$25,826.6 billion from \$25,895.7 billion. These revisions reflect revised source data from the Treasury International Capital (TIC) reporting system and from BEA's quarterly surveys of direct investment.

* * *

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

¹ For statistics on financial flows, see the financial account transactions in [table 1](#) of the U.S. International Transactions Accounts. Detailed valuation changes such as price, exchange-rate, and other changes are available only for annual statistics.

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.² The current-cost method values the U.S. and foreign parent 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.³

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Release dates in 2013:

End of the Fourth Quarter and Year 2012.....	March 26, 2013 (Tuesday)
End of the First Quarter of 2013, Year 2012, and Annual Revisions.....	June 25, 2013 (Tuesday)
End of the Second Quarter of 2013.....	September 24, 2013 (Tuesday)
End of the Third Quarter of 2013.....	December 30, 2013 (Monday)

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² 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 (see http://www.bea.gov/iTable/index_MNC.cfm).

³ 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.

Table 1. International Investment Position of the United States at the End of the Quarter¹
[Millions of dollars, not seasonally adjusted]

Line	Type of investment	2012				2013		Change: 2013:I - 2013:II
		I	II	III	IV	I ^r	II ^p	
1	Net international investment position of the United States (lines 2+3)	-3,886,446	-4,332,158	-4,109,198	-3,863,892	-4,236,559	-4,504,121	-267,562
2	Financial derivatives, net (line 5 less line 25).....	76,286	67,589	52,493	57,776	40,025	59,352	19,327
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-3,962,732	-4,399,747	-4,161,691	-3,921,668	-4,276,584	-4,563,473	-286,889
4	U.S.-owned assets abroad (lines 5+6)	21,349,048	20,948,183	21,551,595	21,637,618	21,590,055	20,984,263	-605,792
5	Financial derivatives (gross positive fair value).....	3,950,239	4,155,820	3,925,606	3,619,761	3,248,377	2,825,067	-423,310
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	17,398,809	16,792,363	17,625,989	18,017,857	18,341,678	18,159,196	-182,482
7	U.S. official reserve assets.....	572,578	556,620	606,277	572,368	553,058	446,207	-106,851
8	Gold ²	434,742	418,006	464,422	433,434	417,941	311,707	-106,234
9	Special drawing rights.....	55,460	54,341	55,232	55,050	53,704	53,881	177
10	Reserve position in the International Monetary Fund.....	31,436	33,930	35,248	34,161	34,039	33,860	-179
11	Foreign currencies.....	50,940	50,343	51,375	49,723	47,374	46,759	-615
12	U.S. government assets, other than official reserve assets.....	127,814	111,164	95,958	93,570	94,016	90,116	-3,900
13	U.S. credits and other long-term assets ³	80,642	82,500	82,691	84,029	85,433	87,846	2,413
14	Repayable in dollars.....	80,369	82,227	82,418	83,756	85,160	87,573	2,413
15	Other ⁴	273	273	273	273	273	273	0
16	U.S. foreign currency holdings and U.S. short-term assets ⁵	47,172	28,664	13,267	9,541	8,583	2,270	-6,313
17	U.S. private assets.....	16,698,417	16,124,579	16,923,754	17,351,919	17,694,604	17,622,873	-71,731
18	Direct investment at current cost.....	4,759,096	4,826,428	4,983,377	5,077,750	5,123,775	5,200,421	76,646
19	Foreign securities.....	6,999,263	6,662,323	7,159,326	7,531,223	7,823,264	7,710,167	-113,097
20	Bonds.....	1,960,498	1,946,486	2,052,037	2,140,685	2,174,582	2,088,771	-85,811
21	Corporate stocks.....	5,038,765	4,715,837	5,107,289	5,390,538	5,648,682	5,621,396	-27,286
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	869,251	845,301	845,865	844,752	906,061	999,115	93,054
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	4,070,807	3,790,527	3,935,186	3,898,194	3,841,504	3,713,170	-128,334
24	Foreign-owned assets in the United States (lines 25+26)	25,235,494	25,280,341	25,660,793	25,501,510	25,826,614	25,488,384	-338,230
25	Financial derivatives (gross negative fair value).....	3,873,953	4,088,231	3,873,113	3,561,985	3,208,352	2,765,715	-442,637
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	21,361,541	21,192,110	21,787,680	21,939,525	22,618,262	22,722,669	104,407
27	Foreign official assets in the United States.....	5,428,122	5,496,057	5,640,245	5,692,448	5,814,441	5,740,705	-73,736
28	U.S. government securities.....	4,316,906	4,400,470	4,487,789	4,526,896	4,561,428	4,460,227	-101,201
29	U.S. Treasury securities.....	3,722,551	3,857,872	3,958,112	4,032,204	4,090,723	4,009,164	-81,559
30	Other.....	594,355	542,598	529,677	494,692	470,705	451,063	-19,642
31	Other U.S. government liabilities ⁶	123,406	125,065	127,657	128,279	128,554	131,965	3,411
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	191,515	191,921	198,987	204,401	224,462	215,161	-9,301
33	Other foreign official assets.....	796,295	778,601	825,812	832,872	899,997	933,352	33,355
34	Other foreign assets.....	15,933,419	15,696,053	16,147,435	16,247,077	16,803,821	16,981,964	178,143
35	Direct investment at current cost.....	2,913,781	2,976,814	3,029,271	3,057,326	3,074,647	3,110,911	36,264
36	U.S. Treasury securities.....	1,425,087	1,455,648	1,517,253	1,541,569	1,631,056	1,591,438	-39,618
37	U.S. securities other than U.S. Treasury securities.....	6,608,954	6,491,227	6,794,000	6,904,050	7,296,277	7,296,994	717
38	Corporate and other bonds.....	2,927,923	2,887,851	3,008,379	3,061,963	3,056,573	2,969,464	-87,109
39	Corporate stocks.....	3,681,031	3,603,376	3,785,621	3,842,087	4,239,704	4,327,530	87,826
40	U.S. currency.....	415,143	422,259	438,415	454,227	459,184	468,670	9,486
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	683,453	680,186	678,508	656,522	632,919	651,864	18,945
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	3,887,001	3,669,919	3,689,988	3,633,383	3,709,738	3,862,087	152,349
Memoranda:								
43	Direct investment abroad at market value.....	4,975,809	4,679,267	5,058,812	5,249,539	5,500,811	5,429,676	-71,135
44	Direct investment in the United States at market value.....	3,855,543	3,764,768	3,961,992	3,923,969	4,251,181	4,342,813	91,632
45	Direct investment abroad at historical cost.....	4,169,123	4,224,965	4,370,424	4,453,307	4,499,331	4,575,978	76,647
46	Direct investment in the United States at historical cost.....	2,529,479	2,585,115	2,630,175	2,650,832	2,668,153	2,704,417	36,264

p Preliminary
r Revised

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