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U.S. Net International Investment Position: End of Second Quarter 2014

The U.S. net international investment position at the end of the second quarter of 2014 was -\$5,445.1 billion (preliminary) as the value of U.S. liabilities exceeded the value of U.S. assets (chart 1, table 1). At the end of the first quarter of 2014, the net position was -\$5,511.7 billion (revised). The \$66.6 billion increase in the net position reflected a \$913.2 billion increase in the value of U.S. assets and an \$846.7 billion increase in the value of U.S. liabilities.

The U.S. net international investment position increased 1.2 percent in the second quarter, compared with a decrease of 2.4 percent in the first quarter and an average quarterly decrease of 7.4 percent from the first quarter of 2011 through the fourth quarter of 2013. The net position was equal to 2.7 percent of the value of all U.S. financial assets at the end of the second quarter, down from 2.8 percent at the end of the first quarter.¹

Chart 1. U.S. Net International Investment Position, 2006:IV-2014:II
(Quarterly, not seasonally adjusted)

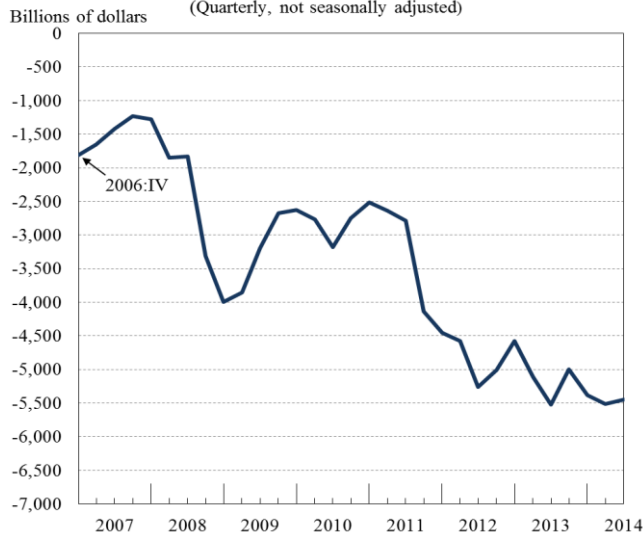
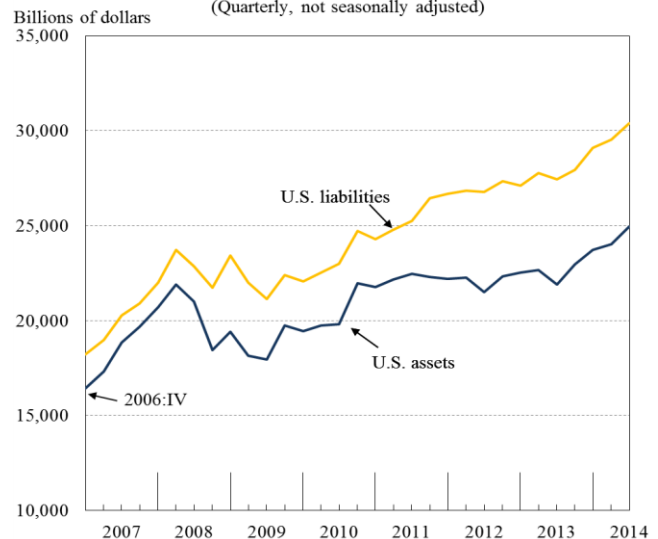


Chart 2. U.S. Assets and Liabilities, 2006:IV-2014:II
(Quarterly, not seasonally adjusted)



¹ Board of Governors of the Federal Reserve System (FRS), “Table L.5 Total Liabilities and Its Relation to Total Financial Assets,” in *Financial Accounts of the United States, Second Quarter 2014, Z.1*. Statistical Release (Washington, DC: FRS, September 18, 2014): 11. According to the September release, at the end of the second quarter, the value of all U.S. financial assets was \$198,250.1 billion. The value of U.S. assets abroad was \$24,933.3 billion, or 12.6 percent of all U.S. assets, up from 12.3 percent at the end of the first quarter and down from the 14.1 percent series peak at the end of the first quarter of 2008.

NOTE: This news release is available on BEA’s Web site <www.bea.gov> along with [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 in this release are preliminary and will be revised on December 30, 2014.

U.S. assets were \$24,933.3 billion at the end of the second quarter compared with \$24,020.1 billion at the end of the first quarter (chart 2). The \$913.2 billion increase reflected an \$882.2 billion increase in the value of assets excluding financial derivatives and a \$31.1 billion increase in the value of financial derivatives.

U.S. assets excluding financial derivatives were \$22,247.8 billion at the end of the second quarter compared with \$21,365.7 billion at the end of the first quarter. The \$882.2 billion increase reflected a \$241.7 billion increase resulting from financial transactions and a \$640.5 billion increase resulting from other changes in position.² Other changes in position were mostly attributable to an increase in foreign stock prices that raised the value of U.S. portfolio investment assets, and to an increase in the market value of equity in direct investment.

U.S. liabilities were \$30,378.4 billion at the end of the second quarter compared with \$29,531.7 billion at the end of the first quarter (chart 2). The \$846.7 billion increase reflected a \$781.0 billion increase in the value of liabilities excluding financial derivatives and a \$65.6 billion increase in the value of financial derivatives.

U.S. liabilities excluding financial derivatives were \$27,728.2 billion at the end of the second quarter compared with \$26,947.2 billion at the end of the first quarter. The \$781.0 billion increase reflected a \$248.4 billion increase resulting from financial transactions and a \$532.7 billion increase resulting from other changes in position. Other changes in position were mostly attributable to an increase in U.S. stock prices that raised the value of foreign portfolio investment in the United States, and to an increase in the market value of equity in direct investment.

Revisions

The U.S. net international investment position at the end of the first quarter of 2014 was revised to -\$5,511.7 billion from a previously-published value of -\$5,539.3 billion. The \$27.7 billion upward revision to the net position reflected a \$418.6 billion upward revision to U.S. assets that exceeded a \$390.9 billion upward revision to U.S. liabilities.

U.S. assets at the end of the first quarter were revised to \$24,020.1 billion from \$23,601.5 billion, and U.S. liabilities were revised to \$29,531.7 billion from \$29,140.8 billion. These revisions reflect revised source data from the Treasury International Capital (TIC) reporting system and from BEA's quarterly surveys of direct investment.

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² For statistics on financial transactions, see the financial account in [table 1.2](#) of the U.S. International Transactions Accounts. Quarterly financial transactions discussed in this release are not seasonally adjusted. Detail on other changes in position such as price changes, exchange-rate changes, and other changes in volume and valuation are available only for annual statistics.

Release dates in 2014:

End of the Fourth Quarter and Year 2013.....March 26, 2014 (Wednesday)
End of the First Quarter of 2014, Year 2013, and Annual Revisions...June 30, 2014 (Monday)
End of the Second Quarter of 2014.....September 25, 2014 (Thursday)
End of the Third Quarter of 2014.....December 30, 2014 (Tuesday)

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

[Millions of dollars, not seasonally adjusted]

Line	Type of investment	2013				2014		Change: 2014:I to 2014:II
		I	II	III	IV	I ^r	II ^p	
1	U.S. net international investment position (line 4 less line 35)	-5,110,866	-5,523,614	-4,994,895	-5,382,996	-5,511,678	-5,445,100	66,578
2	Net international investment position excluding financial derivatives (line 5 less line 36).....	-5,150,891	-5,582,966	-5,042,858	-5,456,542	-5,581,501	-5,480,397	101,104
3	Financial derivatives other than reserves, net (line 6 less line 37).....	40,025	59,352	47,963	73,546	69,823	35,297	-34,526
4	U.S. assets	22,650,385	21,904,000	22,954,418	23,709,843	24,020,053	24,933,302	913,249
5	Assets excluding financial derivatives (sum of lines 7, 10, 21, and 26).....	19,402,008	19,078,933	20,193,002	20,890,008	21,365,676	22,247,826	882,150
6	Financial derivatives other than reserves, gross positive fair value (line 15).....	3,248,377	2,825,067	2,761,416	2,819,835	2,654,377	2,685,476	31,099
	By functional category:							
7	Direct investment at market value.....	6,185,179	6,146,656	6,690,152	7,080,058	7,117,452	7,442,041	324,589
8	Equity.....	5,237,927	5,162,185	5,699,007	6,070,002	6,135,437	6,430,591	295,154
9	Debt instruments.....	947,252	984,471	991,145	1,010,056	982,015	1,011,450	29,435
10	Portfolio investment.....	8,230,586	8,146,302	8,721,240	9,183,060	9,387,778	9,974,355	586,577
11	Equity and investment fund shares.....	5,524,329	5,508,752	6,037,266	6,444,232	6,593,895	7,021,547	427,652
12	Debt securities.....	2,706,257	2,637,550	2,683,974	2,738,828	2,793,883	2,952,808	158,925
13	Short term.....	431,424	451,835	458,953	446,710	437,064	479,090	42,026
14	Long term.....	2,274,833	2,185,715	2,225,021	2,292,118	2,356,820	2,473,718	116,898
15	Financial derivatives other than reserves, gross positive fair value.....	3,248,377	2,825,067	2,761,416	2,819,835	2,654,377	2,685,476	31,099
16	Over-the-counter contracts.....	3,212,569	2,778,730	2,718,224	2,783,047	2,618,573	2,651,088	32,515
17	Single-currency interest rate contracts.....	2,616,516	2,205,507	2,171,063	2,207,692	2,074,456	2,169,785	95,329
18	Foreign exchange contracts.....	276,419	268,643	258,064	291,934	271,566	229,304	-42,262
19	Other contracts.....	319,634	304,580	289,097	283,421	272,551	251,999	-20,552
20	Exchange-traded contracts.....	35,808	46,337	43,192	36,788	35,804	34,388	-1,416
21	Other investment.....	4,433,184	4,339,768	4,298,183	4,178,557	4,389,562	4,353,565	-35,997
22	Currency and deposits.....	2,056,381	2,021,105	1,977,487	1,972,149	1,949,267	1,936,919	-12,348
23	Loans.....	2,321,889	2,259,549	2,276,647	2,161,123	2,401,733	2,376,741	-24,992
24	Insurance technical reserves.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25	Trade credit and advances.....	54,915	59,115	44,049	45,286	38,562	39,905	1,343
26	Reserve assets.....	553,058	446,207	483,426	448,333	470,884	477,865	6,981
27	Monetary gold.....	417,941	311,707	346,878	314,975	337,791	343,871	6,080
28	Special drawing rights.....	53,704	53,881	54,966	55,184	55,394	55,411	17
29	Reserve position in the International Monetary Fund.....	34,039	33,860	33,462	30,750	29,820	30,535	715
30	Other reserve assets.....	47,374	46,759	48,120	47,424	47,879	48,048	169
31	Currency and deposits.....	23,039	21,351	21,575	20,889	20,930	24,777	3,847
32	Securities.....	22,152	21,570	22,078	21,436	21,727	21,866	139
33	Financial derivatives.....
34	Other claims.....	2,183	3,838	4,467	5,099	5,222	1,405	-3,817
35	U.S. liabilities	27,761,250	27,427,614	27,949,313	29,092,840	29,531,731	30,378,403	846,672
36	Liabilities excluding financial derivatives (sum of lines 38, 41, and 56).....	24,552,898	24,661,899	25,235,860	26,346,551	26,947,177	27,728,224	781,047
37	Financial derivatives other than reserves, gross negative fair value (line 50).....	3,208,352	2,765,715	2,713,453	2,746,289	2,584,554	2,650,179	65,625
	By functional category:							
38	Direct investment at market value.....	5,018,930	5,131,714	5,342,443	5,790,551	5,688,887	5,950,358	261,471
39	Equity.....	3,753,276	3,845,433	4,041,326	4,461,978	4,387,205	4,621,344	234,139
40	Debt instruments.....	1,265,654	1,286,281	1,301,117	1,328,573	1,301,682	1,329,014	27,332
41	Portfolio investment.....	14,569,596	14,432,860	14,882,136	15,503,192	15,904,348	16,321,218	416,870
42	Equity and investment fund shares.....	5,000,428	5,076,621	5,376,543	5,821,487	5,993,925	6,252,184	258,259
43	Debt securities.....	9,569,168	9,356,239	9,505,593	9,681,705	9,910,423	10,069,034	158,611
44	Short term.....	914,503	882,452	829,577	892,655	904,771	877,559	-27,212
45	Treasury bills and certificates.....	720,235	675,367	645,114	686,036	689,327	626,830	-62,497
46	Other short-term securities.....	194,268	207,085	184,463	206,619	215,444	250,729	35,285
47	Long term.....	8,654,665	8,473,787	8,676,016	8,789,050	9,005,652	9,191,475	185,823
48	Treasury bonds and notes.....	5,001,076	4,919,659	5,009,541	5,108,856	5,262,471	5,388,238	125,767
49	Other long-term securities.....	3,653,589	3,554,128	3,666,475	3,680,194	3,743,181	3,803,237	60,056
50	Financial derivatives other than reserves, gross negative fair value.....	3,208,352	2,765,715	2,713,453	2,746,289	2,584,554	2,650,179	65,625
51	Over-the-counter contracts.....	3,173,044	2,717,685	2,667,187	2,709,746	2,551,372	2,616,558	65,186
52	Single-currency interest rate contracts.....	2,563,709	2,152,279	2,114,023	2,142,859	2,013,740	2,110,019	96,279
53	Foreign exchange contracts.....	300,138	272,150	270,744	290,790	270,895	255,903	-14,992
54	Other contracts.....	309,197	293,256	282,420	276,097	266,737	250,636	-16,101
55	Exchange-traded contracts.....	35,308	48,030	46,266	36,543	33,182	33,621	439
56	Other investment.....	4,964,372	5,097,325	5,011,281	5,052,808	5,353,942	5,456,648	102,706
57	Currency and deposits.....	2,598,915	2,702,344	2,677,595	2,758,129	2,681,963	2,757,956	75,993
58	Loans.....	2,168,736	2,193,088	2,138,770	2,095,860	2,457,106	2,480,729	23,623
59	Insurance technical reserves.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
60	Trade credit and advances.....	143,776	148,780	140,739	144,433	160,288	163,369	3,081
61	Special drawing rights allocations.....	52,945	53,113	54,177	54,386	54,585	54,594	9

p Preliminary r Revised n.a. Not available

..... Not applicable

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