

# U.S. International Investment Position

## Fourth Quarter and Year 2019

By Erin M. Whitaker

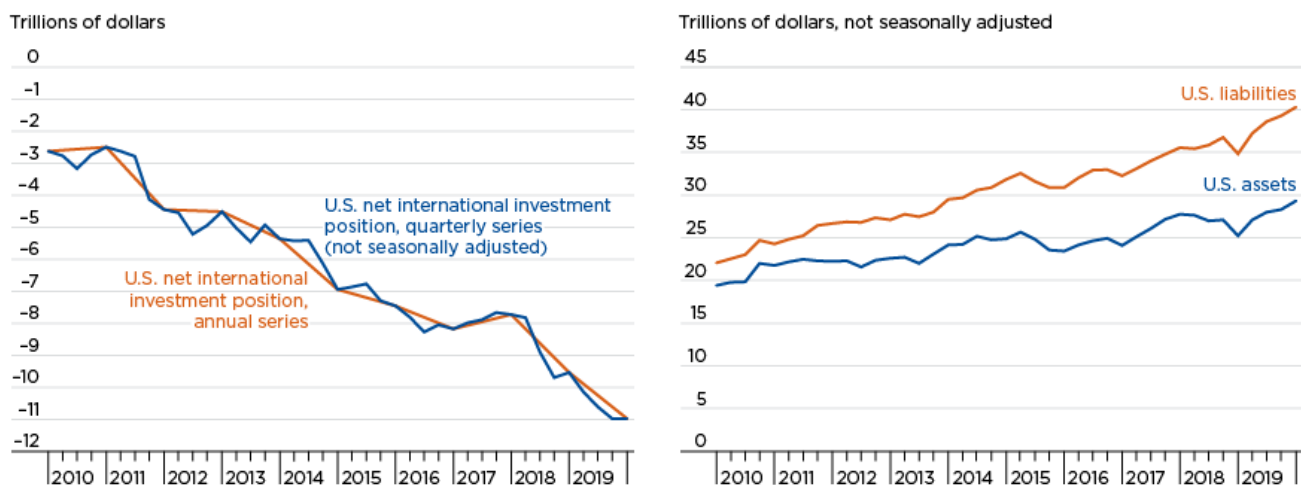
The U.S. net international investment position—the difference between U.S. residents’ foreign financial assets and liabilities—was  $-\$10.99$  trillion at the end of the fourth quarter of 2019 (chart 1). Assets totaled  $\$29.32$  trillion, and liabilities were  $\$40.31$  trillion. At the end of the third quarter, the net investment position was  $-\$10.98$  trillion.

The U.S. international investment position is a statistical balance sheet that presents the dollar value of U.S. external financial assets and liabilities at a specific point in time. A negative net investment position represents a U.S. net liability to the rest of the world.

The  $-\$14.1$  billion change in the net investment position from the third quarter to the fourth quarter came from net financial transactions of  $-\$91.2$  billion and net other changes in position, such as price and exchange rate changes, of  $\$77.1$  billion (table A).

The U.S. net international investment position was  $-\$10.99$  trillion at the end of 2019, compared to  $-\$9.55$  trillion at the end of 2018 (chart 1). The  $-\$1.44$  trillion change in the net investment position from the end of 2018 to the end of 2019 came from net financial transactions of  $-\$395.9$  billion and net other changes in position, such as price and exchange rate changes, of  $-\$1.04$  trillion (table C).

**Chart 1. U.S. International Investment Position**



## 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 the Bureau of Economic Analysis website. The links in the tables of this article are to the latest available statistics in the interactive tables. For the statistics, see “[International Transactions, International Services, and International Investment Position \(IIP\) Tables](#).” For the methods, see *U.S. International Economic Accounts: Concepts and Methods*.

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

Type of investment	Position, 2019:III	Change in position in 2019:IV			Position, 2019:IV
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-10,977.3</b>	<b>-14.1</b>	<b>-91.2</b>	<b>77.1</b>	<b>-10,991.4</b>
Net position excluding financial derivatives	-11,007.7	-3.8	-90.3	86.4	-11,011.5
Financial derivatives other than reserves, net <sup>2</sup>	30.4	-10.2	-0.9	-9.3	20.2
<b>U.S. assets</b>	<b>28,279.2</b>	<b>1,038.2</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>29,317.5</b>
Assets excluding financial derivatives	26,201.0	1,326.1	-24.5	1,350.6	27,527.1
Financial derivatives other than reserves	2,078.3	-287.9	( <sup>2</sup> )	( <sup>2</sup> )	1,790.4
<b>By functional category:</b>					
Direct investment at market value	8,366.2	471.5	9.7	461.9	8,837.7
Equity	7,077.6	486.7	14.5	472.2	7,564.3
Debt instruments	1,288.5	-15.2	-4.9	-10.3	1,273.4
Portfolio investment	12,635.6	874.6	18.9	855.7	13,510.3
Equity and investment fund shares	8,770.2	743.3	-97.2	840.6	9,513.5
Debt securities	3,865.4	131.3	116.2	15.1	3,996.7
Short term	757.9	65.0	63.5	1.5	822.9
Long term	3,107.5	66.3	52.7	13.6	3,173.8
Financial derivatives other than reserves	2,078.3	-287.9	( <sup>2</sup> )	( <sup>2</sup> )	1,790.4
Over-the-counter contracts	2,038.0	-282.7	( <sup>2</sup> )	( <sup>2</sup> )	1,755.3
Single-currency interest rate contracts	1,561.7	-264.2	( <sup>2</sup> )	( <sup>2</sup> )	1,297.5
Foreign exchange contracts	313.5	-25.4	( <sup>2</sup> )	( <sup>2</sup> )	288.1
Other contracts	162.8	6.9	( <sup>2</sup> )	( <sup>2</sup> )	169.7
Exchange-traded contracts	40.3	-5.2	( <sup>2</sup> )	( <sup>2</sup> )	35.1
Other investment	4,694.3	-29.6	-53.4	23.7	4,664.7
Currency and deposits	1,929.7	54.1	39.5	14.6	1,983.8
Loans	2,710.6	-83.1	-92.0	8.9	2,627.5
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	54.0	-0.7	-0.9	0.2	53.3
Reserve assets	504.9	9.6	0.2	9.3	514.4
Monetary gold	388.4	7.7	0.0	7.7	396.1
Special drawing rights	50.0	0.8	0.1	0.7	50.7

Type of investment	Position, 2019:III	Change in position in 2019:IV			Position, 2019:IV
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
Reserve position in the International Monetary Fund	25.6	0.5	0.2	0.4	26.2
Other reserve assets	40.8	0.6	(*)	0.6	41.4
<b>U.S. liabilities</b>	<b>39,256.5</b>	<b>1,052.3</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>40,308.8</b>
Liabilities excluding financial derivatives	37,208.7	1,329.9	65.7	1,264.2	38,538.6
Financial derivatives other than reserves	2,047.9	-277.6	( <sup>2</sup> )	( <sup>2</sup> )	1,770.3
<b>By functional category:</b>					
Direct investment at market value	9,940.5	641.3	37.4	603.9	10,581.8
Equity	8,140.6	694.2	71.5	622.7	8,834.8
Debt instruments	1,799.9	-52.9	-34.1	-18.8	1,747.0
Portfolio investment	20,865.9	614.4	-28.2	642.6	21,480.3
Equity and investment fund shares	8,622.7	646.7	-39.0	685.7	9,269.4
Debt securities	12,243.2	-32.3	10.8	-43.1	12,210.9
Short term	988.2	-48.0	-48.6	0.6	940.2
Long term	11,255.0	15.7	59.4	-43.7	11,270.8
Financial derivatives other than reserves	2,047.9	-277.6	( <sup>2</sup> )	( <sup>2</sup> )	1,770.3
Over-the-counter contracts	2,010.1	-272.1	( <sup>2</sup> )	( <sup>2</sup> )	1,738.0
Single-currency interest rate contracts	1,547.5	-271.3	( <sup>2</sup> )	( <sup>2</sup> )	1,276.3
Foreign exchange contracts	304.8	-8.7	( <sup>2</sup> )	( <sup>2</sup> )	296.1
Other contracts	157.7	7.9	( <sup>2</sup> )	( <sup>2</sup> )	165.7
Exchange-traded contracts	37.8	-5.6	( <sup>2</sup> )	( <sup>2</sup> )	32.2
Other investment	6,402.2	74.2	56.5	17.7	6,476.4
Currency and deposits	3,433.8	24.7	20.3	4.3	3,458.5
Loans	2,717.6	45.5	33.0	12.5	2,763.1
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	202.7	3.4	3.2	0.2	206.1
Special drawing rights allocations	48.1	0.7	0.0	0.7	48.8

n.a. Not available

(\*) Value between zero and +/- \$50 million

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.

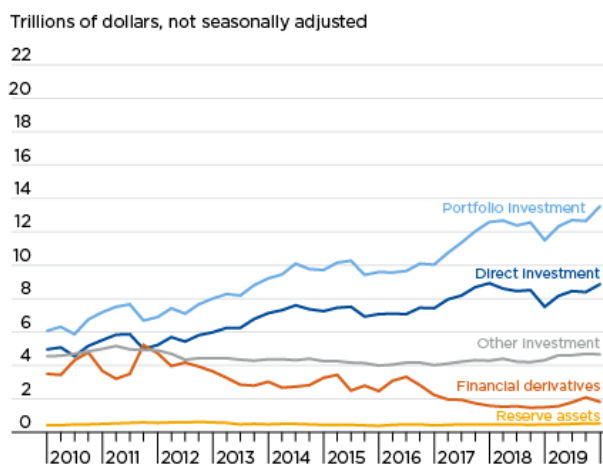
Note. The statistics on positions are presented in table 1.2 of the international investment position (IIP) accounts on BEA's website. The statistics on financial transactions are not seasonally adjusted and are presented in table 1.2 of the international transactions accounts (ITAs) on BEA's website.

## Fourth Quarter—U.S. Assets

**U.S. assets** increased by \$1.04 trillion to a total of \$29.32 trillion at the end of the fourth quarter, mostly reflecting increases in portfolio investment and direct investment assets (chart 2). Portfolio investment assets increased by \$874.6 billion to \$13.51 trillion, and direct investment assets increased by \$471.5 billion to \$8.84 trillion. These increases were driven mainly by foreign stock price increases and the appreciation of foreign currencies against the U.S. dollar that raised the value of these assets in dollar terms.

Other changes in position contributed to the overall increase in U.S. assets (table A).

**Chart 2. U.S. Assets**



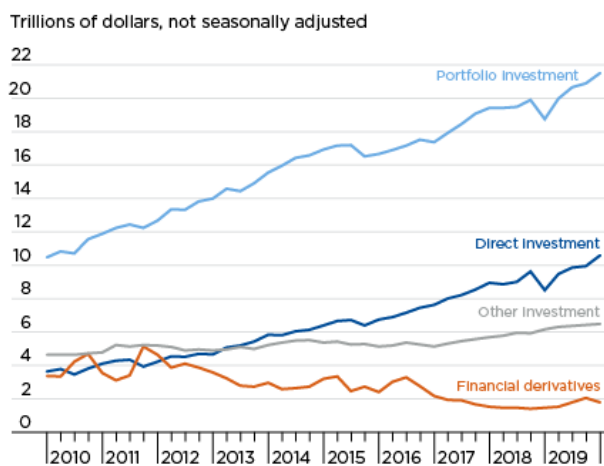
U.S. Bureau of Economic Analysis

## Fourth Quarter—U.S. Liabilities

**U.S. liabilities** increased by \$1.05 trillion to a total of \$40.31 trillion at the end of the fourth quarter, mostly reflecting increases in direct investment and portfolio investment liabilities (chart 3). Direct investment liabilities increased by \$641.3 billion to \$10.58 trillion, and portfolio investment liabilities increased by \$614.4 billion to \$21.48 trillion. These increases were driven mainly by U.S. stock price increases that raised the value of these liabilities.

Both financial transactions and other changes in position contributed to the overall increase in U.S. liabilities (table A).

**Chart 3. U.S. Liabilities**



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## Updates to Statistics

The U.S. international investment position statistics for the third quarter of 2019 have been updated to incorporate newly available and revised source data (table B).

**Table B. Updates to Third Quarter 2019 International Investment Position Aggregates**  
[Billions of dollars, not seasonally adjusted]

	Preliminary estimate	Revised estimate
<b>U.S. net international investment position</b>	<b>-10,948.9</b>	<b>-10,977.3</b>
<b>U.S. assets</b>	<b>28,261.6</b>	<b>28,279.2</b>
Direct investment at market value	8,368.1	8,366.2
Portfolio investment	12,645.5	12,635.6
Financial derivatives other than reserves	2,078.3	2,078.3
Other investment	4,664.9	4,694.3
Reserve assets	504.9	504.9
<b>U.S. liabilities</b>	<b>39,210.5</b>	<b>39,256.5</b>
Direct investment at market value	9,919.2	9,940.5
Portfolio investment	20,868.3	20,865.9
Financial derivatives other than reserves	2,047.9	2,047.9
Other investment	6,375.2	6,402.2

## Year 2019

The **U.S. net international investment position** was -\$10.99 trillion at the end of 2019, compared to -\$9.55 trillion at the end of 2018 (table C).

**U.S. assets** increased by \$4.08 trillion to a total of \$29.32 trillion at the end of 2019, reflecting increases in all major categories of assets, particularly in portfolio investment and direct investment assets (chart 2). Portfolio investment assets increased by \$2.02 trillion to \$13.51 trillion, and direct investment assets increased by \$1.33 trillion to \$8.84 trillion. These increases were driven mainly by foreign stock price increases that raised the value of these assets.

Both financial transactions and other changes in position contributed to the overall increase in U.S. assets (table C).

**U.S. liabilities** increased by \$5.51 trillion to a total of \$40.31 trillion at the end of 2019, reflecting increases in all major categories of liabilities, particularly in portfolio investment and direct investment liabilities (chart 3). Portfolio investment liabilities increased by \$2.76 trillion to \$21.48 trillion, and direct investment liabilities increased by \$2.10 trillion to \$10.58 trillion. These increases were driven mainly by U.S. stock price increases that raised the value of these liabilities.

Both financial transactions and other changes in position contributed to the overall increase in U.S. liabilities (table C).

**Table C. Annual Change in the U.S. Net International Investment Position**

[Billions of dollars]

Type of investment	Position, 2018	Change in position in 2019			Position, 2019
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-9,554.7</b>	<b>-1,436.7</b>	<b>-395.9</b>	<b>-1,040.8</b>	<b>-10,991.4</b>
Net position excluding financial derivatives	-9,592.4	-1,419.1	-357.5	-1,061.6	-11,011.5
Financial derivatives other than reserves, net <sup>2</sup>	37.7	-17.5	-38.4	20.8	20.2
<b>U.S. assets</b>	<b>25,241.5</b>	<b>4,076.0</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>29,317.5</b>
Assets excluding financial derivatives	23,749.2	3,777.9	426.9	3,350.9	27,527.1
Financial derivatives other than reserves	1,492.3	298.1	( <sup>2</sup> )	( <sup>2</sup> )	1,790.4
<b>By functional category:</b>					
Direct investment at market value	7,503.9	1,333.8	197.7	1,136.1	8,837.7
Equity	6,183.9	1,380.4	207.0	1,173.4	7,564.3
Debt instruments	1,320.0	-46.6	-9.4	-37.3	1,273.4
Portfolio investment	11,491.4	2,018.9	35.9	1,983.0	13,510.3
Equity and investment fund shares	7,996.5	1,517.1	-251.0	1,768.0	9,513.5
Debt securities	3,494.9	501.8	286.8	215.0	3,996.7
Short term	655.1	167.8	167.5	0.3	822.9
Long term	2,839.9	334.0	119.3	214.6	3,173.8
Financial derivatives other than reserves	1,492.3	298.1	( <sup>2</sup> )	( <sup>2</sup> )	1,790.4
Over-the-counter contracts	1,433.8	321.5	( <sup>2</sup> )	( <sup>2</sup> )	1,755.3
Single-currency interest rate contracts	954.3	343.2	( <sup>2</sup> )	( <sup>2</sup> )	1,297.5
Foreign exchange contracts	303.5	-15.4	( <sup>2</sup> )	( <sup>2</sup> )	288.1
Other contracts	175.9	-6.3	( <sup>2</sup> )	( <sup>2</sup> )	169.7
Exchange-traded contracts	58.4	-23.4	( <sup>2</sup> )	( <sup>2</sup> )	35.1
Other investment	4,304.8	359.9	188.7	171.2	4,664.7
Currency and deposits	1,826.2	157.6	106.2	51.4	1,983.8
Loans	2,426.2	201.3	81.4	119.9	2,627.5
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	52.4	1.0	1.1	-0.1	53.3
Reserve assets	449.1	65.3	4.7	60.7	514.4
Monetary gold	334.5	61.6	0.0	61.6	396.1
Special drawing rights	50.8	-0.1	0.2	-0.3	50.7
Reserve position in the International Monetary Fund	22.0	4.1	4.3	-0.1	26.2
Other reserve assets	41.8	-0.4	0.2	-0.5	41.4
<b>U.S. liabilities</b>	<b>34,796.2</b>	<b>5,512.6</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>40,308.8</b>
Liabilities excluding financial derivatives	33,341.6	5,197.0	784.4	4,412.5	38,538.6
Financial derivatives other than reserves	1,454.6	315.7	( <sup>2</sup> )	( <sup>2</sup> )	1,770.3
<b>By functional category:</b>					
Direct investment at market value	8,483.3	2,098.5	310.8	1,787.7	10,581.8
Equity	6,797.3	2,037.5	282.4	1,755.1	8,834.8
Debt instruments	1,686.1	61.0	28.4	32.6	1,747.0
Portfolio investment	18,715.8	2,764.5	231.6	2,532.9	21,480.3
Equity and investment fund shares	7,420.2	1,849.2	-226.8	2,076.0	9,269.4
Debt securities	11,295.6	915.3	458.4	456.9	12,210.9
Short term	981.9	-41.7	-44.8	3.1	940.2

Type of investment	Position, 2018	Change in position in 2019			Position, 2019
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
Long term	10,313.7	957.1	503.2	453.9	11,270.8
Financial derivatives other than reserves	1,454.6	315.7	( <sup>2</sup> )	( <sup>2</sup> )	1,770.3
Over-the-counter contracts	1,394.6	343.5	( <sup>2</sup> )	( <sup>2</sup> )	1,738.0
Single-currency interest rate contracts	922.0	354.3	( <sup>2</sup> )	( <sup>2</sup> )	1,276.3
Foreign exchange contracts	298.9	-2.8	( <sup>2</sup> )	( <sup>2</sup> )	296.1
Other contracts	173.6	-8.0	( <sup>2</sup> )	( <sup>2</sup> )	165.7
Exchange-traded contracts	60.0	-27.8	( <sup>2</sup> )	( <sup>2</sup> )	32.2
Other investment	6,142.4	334.0	242.0	92.0	6,476.4
Currency and deposits	3,255.4	203.1	196.4	6.7	3,458.5
Loans	2,639.1	123.9	35.7	88.3	2,763.1
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	198.8	7.3	10.0	-2.7	206.1
Special drawing rights allocations	49.1	-0.3	0.0	-0.3	48.8

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 table 1.2 of the international investment position (IIP) accounts on BEA's website. The statistics on financial transactions are presented in table 1.2 of the international transactions accounts (ITAs) on BEA's website.

### Upcoming Update to the U.S. Net International Investment Position

The annual update of the U.S. international investment position will be released along with preliminary estimates for the first quarter of 2020 on June 30, 2020. See "[Preview of the 2020 Annual Update of the International Economic Accounts](#)" in this issue.