

U.S. International Investment Position

First Quarter 2022 and Annual Update

By Erin Whitaker

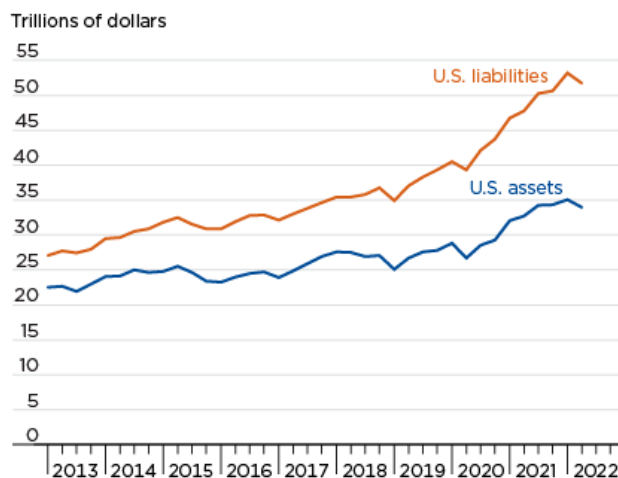
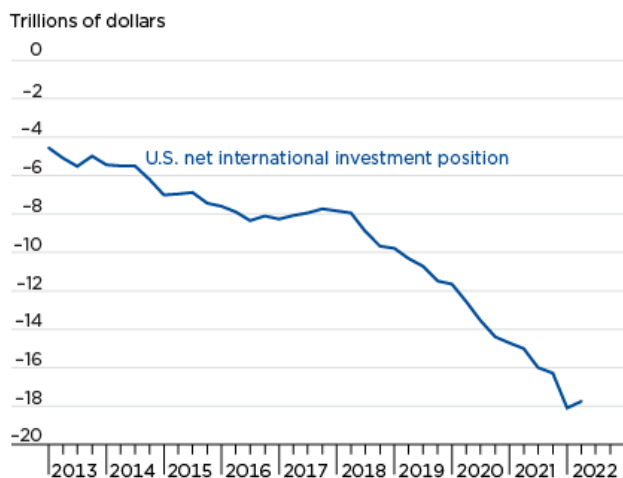
The U.S. net international investment position (IIP)—the difference between U.S. residents’ foreign financial assets and liabilities—was $-\$17.75$ trillion at the end of the first quarter of 2022 (chart 1). Assets totaled $\$34.00$ trillion, and liabilities were $\$51.75$ trillion. At the end of the fourth quarter, the net investment position was $-\$18.12$ trillion. The net investment positions and components of assets and liabilities are presented in table A.

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

The $\$375.8$ billion change in the net investment position from the fourth quarter of 2021 to the first quarter of 2022 came from net financial transactions of $-\$251.8$ billion and net other changes in position, such as price and exchange-rate changes, of $\$627.6$ billion. Net other changes mostly reflected decreases in U.S. stock and bond prices that exceeded decreases in foreign stock and bond prices, which lowered the value of U.S. liabilities more than U.S. assets (table A).

Chart 1. U.S. International Investment Position

End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

Data Availability and Methodology

Detailed statistics for the U.S. international investment position (IIP) are available in [tables 1.1–4.1](#) on the Bureau of Economic Analysis (BEA) website. For information on data sources and estimation methods, see the recently updated and expanded *U.S. International Economic Accounts: Concepts and Methods*.

With this annual update of the IIP Accounts, BEA has added IIP tables 2.2 and 4.1, which were introduced in the IIP release on December 30, 2021, to the existing standard IIP table presentation in BEA's [Interactive Data Application](#) and [Data Application Programming Interface](#). IIP table 2.2 features annual statistics on direct investment positions in foreign and U.S. special purpose entities. IIP table 4.1 features quarterly position statistics on U.S. debt positions by currency, sector, and maturity.

Coronavirus (COVID-19) Impact on First-Quarter 2022 International Investment Position

The global pandemic and the economic recovery continued to impact the IIP in the first quarter of 2022. 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]

Type of investment	End of quarter position, 2021:Q4	Change in position in 2022:Q1			End of quarter position, 2022:Q1
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-18,124.3	375.8	-251.8	627.6	-17,748.5
Net position excluding financial derivatives	-18,144.2	333.3	-257.6	590.9	-17,810.9
Financial derivatives other than reserves, net ²	19.9	42.5	5.8	36.8	62.4
U.S. assets	35,065.5	-1,066.3	(²)	(²)	33,999.2
Assets excluding financial derivatives	33,078.0	-1,337.3	367.8	-1,705.1	31,740.6
Financial derivatives other than reserves	1,987.5	271.0	(²)	(²)	2,258.5
By functional category:					
Direct investment at market value	10,970.6	-557.9	139.9	-697.8	10,412.7
Equity	9,749.7	-556.0	143.3	-699.3	9,193.7
Debt instruments	1,220.9	-1.9	-3.4	1.5	1,219.0
Portfolio investment	16,309.3	-817.4	203.1	-1,020.5	15,491.9
Equity and investment fund shares	12,022.1	-599.7	111.5	-711.1	11,422.4
Debt securities	4,287.2	-217.7	91.7	-309.4	4,069.5
Short term	568.5	-72.0	-70.3	-1.6	496.6
Long term	3,718.7	-145.7	162.0	-307.7	3,572.9
Financial derivatives other than reserves	1,987.5	271.0	(²)	(²)	2,258.5
Over-the-counter contracts	1,927.0	229.6	(²)	(²)	2,156.6
Single-currency interest rate contracts	1,355.1	100.7	(²)	(²)	1,455.8
Foreign exchange contracts	311.3	82.8	(²)	(²)	394.1
Other contracts	260.7	46.1	(²)	(²)	306.8
Exchange-traded contracts	60.4	41.4	(²)	(²)	101.9
Other investment	5,085.8	5.3	23.9	-18.6	5,091.0
Other equity	71.1	0.0	0.0	0.0	71.1
Currency and deposits	2,128.0	-10.6	1.3	-11.9	2,117.5
Loans	2,839.4	22.3	28.7	-6.4	2,861.7
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	47.3	-6.5	-6.2	-0.3	40.8
Reserve assets	712.3	32.7	0.9	31.7	745.0
Monetary gold	472.2	35.6	0.0	35.6	507.9
Special drawing rights	163.6	-0.5	1.5	-2.0	163.1
Reserve position in the International Monetary Fund	35.8	-1.0	-0.6	-0.4	34.8
Other reserve assets	40.6	-1.5	(*)	-1.5	39.2
U.S. liabilities	53,189.7	-1,442.1	(²)	(²)	51,747.6
Liabilities excluding financial derivatives	51,222.1	-1,670.6	625.4	-2,296.0	49,551.5
Financial derivatives other than reserves	1,967.6	228.5	(²)	(²)	2,196.1
By functional category:					
Direct investment at market value	14,813.0	-682.6	92.6	-775.2	14,130.4
Equity	13,102.4	-708.2	66.3	-774.5	12,394.2
Debt instruments	1,710.6	25.6	26.2	-0.7	1,736.2
Portfolio investment	28,480.1	-1,269.1	239.0	-1,508.1	27,211.0
Equity and investment fund shares	14,804.1	-872.1	-137.4	-734.6	13,932.0
Debt securities	13,676.0	-397.1	376.4	-773.5	13,279.0
Short term	1,190.7	76.7	77.0	-0.3	1,267.5
Long term	12,485.3	-473.8	299.4	-773.2	12,011.5
Financial derivatives other than reserves	1,967.6	228.5	(²)	(²)	2,196.1
Over-the-counter contracts	1,902.5	190.2	(²)	(²)	2,092.8
Single-currency interest rate contracts	1,337.2	78.3	(²)	(²)	1,415.6
Foreign exchange contracts	304.0	76.2	(²)	(²)	380.2
Other contracts	261.3	35.7	(²)	(²)	297.0
Exchange-traded contracts	65.1	38.3	(²)	(²)	103.3
Other investment	7,929.0	281.1	293.8	-12.7	8,210.1
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	4,129.0	132.8	135.5	-2.6	4,261.8
Loans	3,403.4	148.4	156.1	-7.6	3,551.9
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	235.8	1.8	2.3	-0.5	237.6
Special drawing rights allocations	160.8	-2.0	0.0	-2.0	158.8

n.a. Not available

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

0 Transactions or other changes are possible but are zero for a given period.

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.

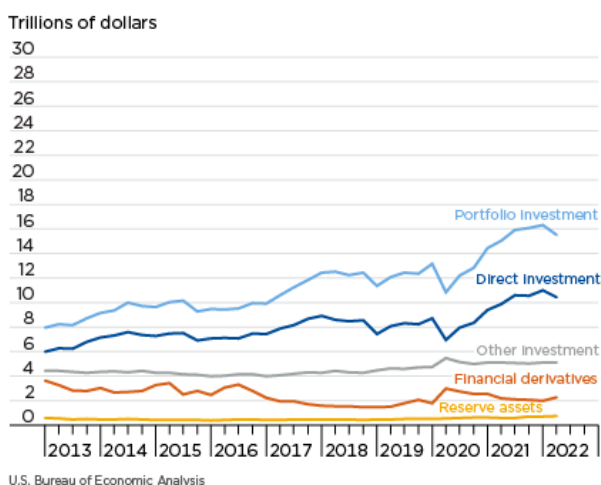
Note. The statistics on positions are presented in [table 1.2](#) of the International Investment Position Accounts on the Bureau of Economic Analysis (BEA) website. The statistics on financial transactions are not seasonally adjusted and are presented in [table 1.2](#) of the International Transactions Accounts on BEA's website.

U.S. Assets

U.S. assets decreased by \$1.07 trillion to a total of \$34.00 trillion at the end of the first quarter, mostly reflecting price decreases in portfolio investment and direct investment assets (chart 2). Portfolio investment assets decreased by \$817.4 billion to \$15.49 trillion, driven mainly by decreases in foreign stock and bond prices. Direct investment assets decreased by \$557.9 billion to \$10.41 trillion, driven mainly by decreases in foreign stock prices that lowered the market value of direct investment equity assets.

Price changes, a component of other changes in position, drove the overall decrease in U.S. assets (table A).

Chart 2. U.S. Assets by Category
End of quarter, not seasonally adjusted

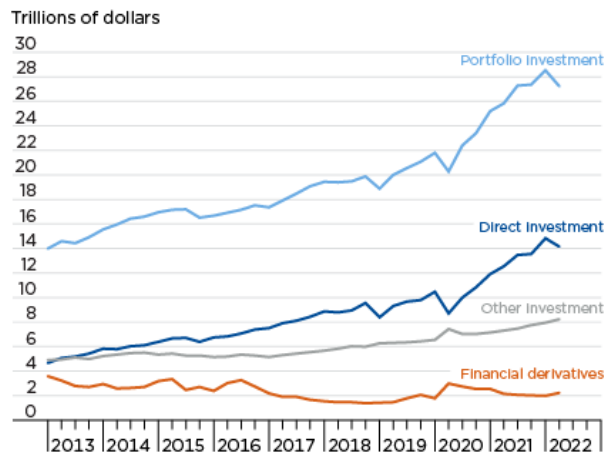


U.S. Liabilities

U.S. liabilities decreased by \$1.44 trillion to a total of \$51.75 trillion at the end of the first quarter, mostly reflecting price decreases in portfolio investment and direct investment liabilities (chart 3). Portfolio investment liabilities decreased by \$1.27 trillion to \$27.21 trillion, driven mainly by decreases in U.S. stock and bond prices. Direct investment liabilities decreased by \$682.6 billion to \$14.13 trillion, driven mainly by decreases in U.S. stock prices that lowered the market value of direct investment equity liabilities.

Price changes, a component of other changes in position, drove the overall decrease in U.S. liabilities (table A).

Chart 3. U.S. Liabilities by Category
End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

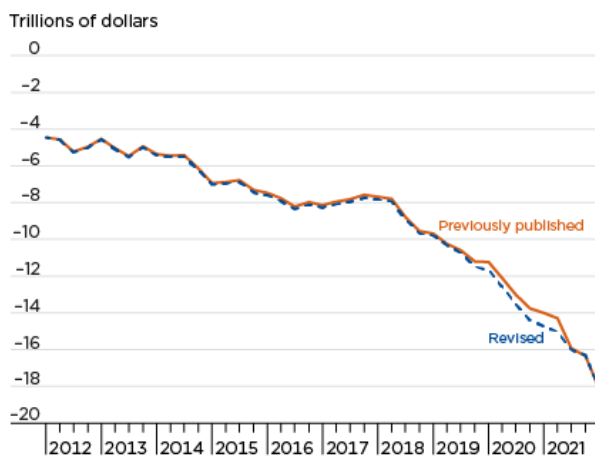
Annual Update of the IIP Accounts

With this annual update of the IIP Accounts, the Bureau of Economic Analysis (BEA) has incorporated newly available and revised source data for 2019–2021 (table B). In addition, there are two updates that are beyond the scope of updated source data:

1. The investment positions for short-term portfolio investment assets for 2012–2021 have been revised downward to incorporate improved methodology and source data for foreign commercial paper and other short-term securities assets.
2. The investment positions for long-term portfolio investment liabilities have been revised upward for 2019–2021 to address a large series break in the source data provided to BEA on holdings of long-term portfolio investment that resulted from unusually large data revisions by respondents on the monthly “[Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents](#)” (SLT) report for June 2021. For more information about the SLT revisions, see footnote 5 in the “Footnotes and Notices” section of “[Securities \(B\): Portfolio Holdings of U.S. and Foreign Securities](#).”

The revisions to portfolio investment assets and liabilities described above caused downward revisions to the net IIP in every quarter from 2012 to 2021 except for the third quarter of 2021, when updated source data caused a small upward revision (chart 4).

Chart 4. U.S. Net International Investment Position, Revisions
End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

The annual update has not altered the direction of change of the net IIP. The combination of downward revisions to portfolio asset positions and upward revisions to portfolio liabilities from the third quarter of 2019 to the first quarter of 2021 caused the largest downward revisions to the net IIP. The largest downward revision at yearend was a downward revision of \$696.2 billion at yearend 2020 (chart 4 and table B).

Table B. Updates to the U.S. Net International Investment Position at Yearend, 2012–2021

[Billions of dollars]

Type of investment	2012			2013			2014			2015			2016			2017			2018			2019			2020			2021		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
U.S. net international investment position	-4,517.1	-4,569.5	-52.4	-5,367.6	-5,443.6	-76.0	-6,944.2	-7,021.2	-77.0	-7,460.2	-7,590.5	-130.3	-8,129.3	-8,258.4	-129.1	-7,673.0	-7,830.7	-157.7	-9,684.7	-9,795.8	-111.1	-11,231.4	-11,653.1	-421.6	-14,011.2	-14,707.4	-696.2	-18,101.2	-18,124.3	-23.1
Net position excluding financial derivatives	-4,574.9	-4,627.3	-52.4	-5,445.1	-5,521.1	-76.0	-7,029.7	-7,106.7	-77.0	-7,514.7	-7,644.9	-130.3	-8,187.5	-8,316.6	-129.1	-7,710.6	-7,868.4	-157.7	-9,726.7	-9,837.9	-111.1	-11,251.6	-11,673.2	-421.6	-14,004.6	-14,700.7	-696.1	-18,120.7	-18,144.2	-23.4
Financial derivatives other than reserves, net	57.8	57.8	0.0	77.6	77.6	0.0	85.5	85.5	0.0	54.5	54.5	0.0	58.2	58.2	0.0	37.6	37.6	0.0	42.0	42.0	0.0	20.2	20.2	0.0	-6.6	-6.7	-0.1	19.6	19.9	0.3
U.S. assets	22,563.1	22,510.6	-52.4	24,145.9	24,069.8	-76.0	24,884.2	24,807.1	-77.0	23,432.0	23,301.7	-130.3	24,031.5	23,902.4	-129.1	27,739.8	27,582.1	-157.7	25,217.9	25,106.8	-111.1	29,108.3	28,869.4	-238.9	32,256.3	32,041.6	-214.7	35,210.7	35,065.5	-145.3
Direct investment at market value	5,969.5	5,969.5	0.0	7,120.7	7,120.7	0.0	7,242.1	7,242.1	0.0	7,057.1	7,057.1	0.0	7,403.2	7,403.2	0.0	8,893.9	8,893.9	0.0	7,417.4	7,417.4	0.0	8,702.2	8,692.2	-10.1	9,405.1	9,366.7	-38.4	11,034.5	10,970.6	-63.9
Portfolio investment	7,984.0	7,931.5	-52.4	9,206.1	9,130.1	-76.0	9,704.2	9,627.2	-77.0	9,570.2	9,439.9	-130.3	10,011.4	9,882.3	-129.1	12,571.5	12,413.7	-157.7	11,433.6	11,322.5	-111.1	13,366.2	13,124.2	-242.1	14,605.6	14,399.3	-206.4	16,422.9	16,309.3	-113.7
Financial derivatives other than reserves	3,619.8	3,619.8	0.0	3,017.1	3,017.1	0.0	3,252.3	3,252.3	0.0	2,443.4	2,443.4	0.0	2,220.5	2,220.5	0.0	1,560.8	1,560.8	0.0	1,449.6	1,449.6	0.0	1,790.4	1,790.4	0.0	2,545.7	2,546.0	0.2	1,988.0	1,987.5	-0.5
Other investment	4,417.5	4,417.5	0.0	4,353.6	4,353.6	0.0	4,251.2	4,251.2	0.0	3,977.8	3,977.8	0.0	3,990.7	3,990.7	0.0	4,263.9	4,263.9	0.0	4,468.3	4,468.3	0.0	4,735.0	4,748.2	13.3	5,072.6	5,102.4	29.8	5,053.0	5,085.8	32.8
Reserve assets	572.4	572.4	0.0	448.3	448.3	0.0	434.3	434.3	0.0	383.6	383.6	0.0	405.8	405.8	0.0	449.7	449.7	0.0	449.1	449.1	0.0	514.4	514.4	0.0	627.3	627.3	0.0	712.3	712.3	0.0
U.S. liabilities	27,080.2	27,080.2	0.0	29,513.4	29,513.4	0.0	31,828.3	31,828.3	0.0	30,892.2	30,892.2	0.0	32,160.8	32,160.8	0.0	35,412.8	35,412.8	0.0	34,902.6	34,902.6	0.0	40,339.7	40,522.4	182.7	46,267.6	46,749.0	481.5	53,311.9	53,189.7	-122.1
Direct investment at market value	4,662.4	4,662.4	0.0	5,814.9	5,814.9	0.0	6,378.9	6,378.9	0.0	6,729.2	6,729.2	0.0	7,510.5	7,510.5	0.0	8,835.3	8,835.3	0.0	8,393.5	8,393.5	0.0	10,486.0	10,465.5	-20.5	11,977.9	11,897.4	-80.5	14,839.9	14,813.0	-26.9
Portfolio investment	13,978.9	13,978.9	0.0	15,541.3	15,541.3	0.0	16,921.8	16,921.8	0.0	16,645.8	16,645.8	0.0	17,360.0	17,360.0	0.0	19,398.3	19,398.3	0.0	18,844.2	18,844.2	0.0	21,565.5	21,763.6	198.1	24,628.4	25,171.9	543.5	28,586.7	28,480.1	-106.6
Financial derivatives other than reserves	3,562.0	3,562.0	0.0	2,939.5	2,939.5	0.0	3,166.8	3,166.8	0.0	2,388.9	2,388.9	0.0	2,162.3	2,162.3	0.0	1,523.2	1,523.2	0.0	1,407.5	1,407.5	0.0	1,770.3	1,770.3	0.0	2,552.4	2,552.7	0.3	1,968.4	1,967.6	-0.8
Other investment	4,876.9	4,876.9	0.0	5,217.7	5,217.7	0.0	5,360.8	5,360.8	0.0	5,128.3	5,128.3	0.0	5,128.0	5,128.0	0.0	5,656.1	5,656.1	0.0	6,257.4	6,257.4	0.0	6,517.9	6,523.1	5.1	7,108.9	7,127.1	18.2	7,916.9	7,929.0	12.2

For more information about revisions to financial transactions that impacted the IIP, see “Annual Update of the U.S. International Transactions Accounts” in this issue of the *Survey of Current Business*. The *U.S. International Economic Accounts: Concepts and Methods* has also been updated to reflect changes implemented with this annual update.

Notice of Updated Tables for the International Investment Position

BEA has added the two IIP tables 2.2 and 4.1, which were introduced in the IIP release on December 30, 2021, to the existing standard IIP table presentation in BEA's [Interactive Data Application](#) and [Data Application Programming Interface](#).

Table 2.2, which was introduced with statistics on U.S. special purpose entities (SPEs), has been expanded to include foreign SPEs for 2019–2021. Table 2.2 features annual statistics on direct investment positions in foreign and U.S. SPEs, which are legal entities with little or no employment or physical presence.

Table 4.1 has been updated to include new statistics for the first quarter of 2022 and revised statistics for the first quarter of 2020 to the fourth quarter of 2021. Table 4.1 features quarter-end position statistics on U.S. debt positions by currency, sector, and maturity for U.S. assets and liabilities.

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The following BEA staff contributed significantly to the update:

- Direct investment: Douglas Weinberg, Jessica Hanson, Ricardo Limes, Leila Morrison, Iris Branscome, Hicham Hadni, Kenneth Harvey, Louis Luu, Mariam Tekle-Haimanot, Dwayne Torney, Linda Wong, Ryan Smith, Jeanette Scott, Akeia Griffin, Susan LaPorte, Jesse Magolon, and Gazala Merchant.
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- Financial derivatives: Erin Whitaker.
- Other investment: Nathan Hansen and Tait Militana.
- Reserve assets: Tait Militana.
- Computer systems and operations for direct investment: Alice Ramey, Paula Brown, Byron Burt, Neeta Kapoor, Karen Minor, and Christopher Morski.
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