

A Look at the U.S. International Investment Position

Third Quarter of 2022

By Erin Whitaker | January 11, 2023

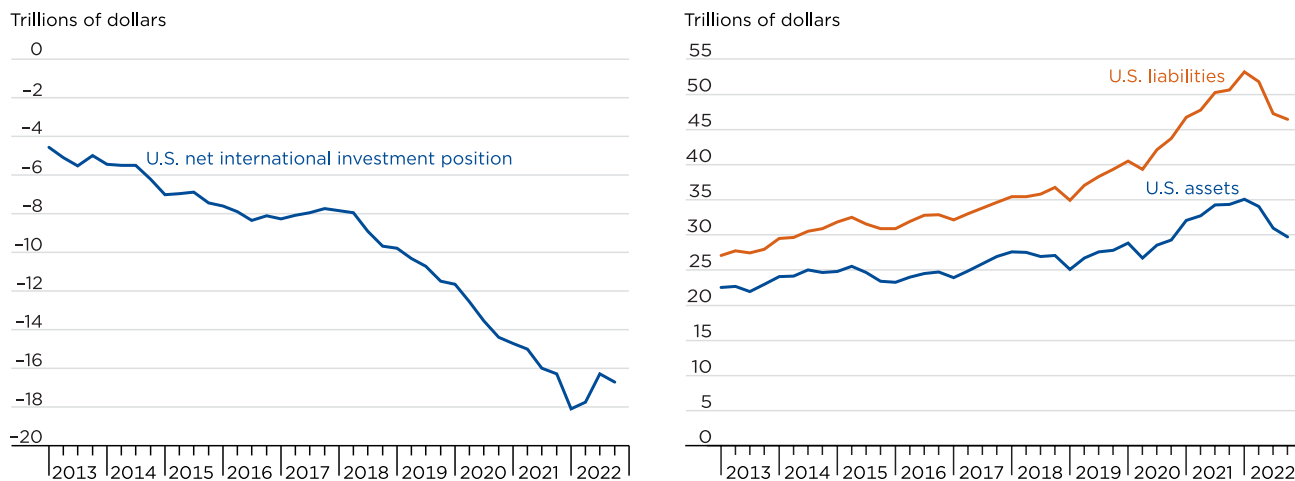
The U.S. net international investment position—the difference between U.S. residents’ foreign financial assets and liabilities—was $-\$16.71$ trillion at the end of the third quarter of 2022 (chart 1). Assets totaled $\$29.73$ trillion, and liabilities were $\$46.44$ trillion. At the end of the second quarter, the net investment position was $-\$16.29$ trillion (revised). The net investment position 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 $-\$425.0$ billion change in the net investment position from the second quarter to the third quarter came from net financial transactions of $-\$269.5$ billion and net other changes in position, such as price and exchange-rate changes, of $-\$155.4$ billion. Net other changes mostly reflected global stock price decreases and the depreciation of major foreign currencies against the U.S. dollar that lowered the value of U.S. assets more than U.S. liabilities, in dollar terms (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 are available in [tables 1.1–4.1](#) on the U.S. Bureau of Economic Analysis website. For information on data sources and estimation 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	End of quarter position, 2022:Q2	Change in position in 2022:Q3			End of quarter position, 2022:Q3
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-16,285.8	-425.0	-269.5	-155.4	-16,710.8
Net position excluding financial derivatives	-16,357.3	-471.9	-235.6	-236.4	-16,829.2
Financial derivatives other than reserves, net ²	71.4	47.0	-33.9	80.9	118.4
U.S. assets	30,994.3	-1,263.7	(²)	(²)	29,730.6
Assets excluding financial derivatives	28,588.7	-1,685.0	436.7	-2,121.7	26,903.7
Financial derivatives other than reserves	2,405.7	421.3	(²)	(²)	2,826.9
By functional category:					
Direct investment at market value	9,023.1	-639.3	82.5	-721.8	8,383.9
Equity	7,766.7	-624.0	103.9	-727.8	7,142.8
Debt instruments	1,256.4	-15.3	-21.4	6.1	1,241.1
Portfolio investment	13,778.6	-920.0	368.9	-1,288.9	12,858.6
Equity and investment fund shares	9,942.3	-817.7	232.2	-1,049.9	9,124.5
Debt securities	3,836.4	-102.3	136.7	-239.0	3,734.1
Short term	461.2	22.2	27.2	-5.1	483.4
Long term	3,375.2	-124.4	109.5	-234.0	3,250.7
Financial derivatives other than reserves	2,405.7	421.3	(²)	(²)	2,826.9
Over-the-counter contracts	2,301.7	412.4	(²)	(²)	2,714.2
Single-currency interest rate contracts	1,578.6	273.7	(²)	(²)	1,852.3
Foreign exchange contracts	457.5	160.9	(²)	(²)	618.4
Other contracts	265.6	-22.2	(²)	(²)	243.5
Exchange-traded contracts	103.9	8.8	(²)	(²)	112.8
Other investment	5,084.3	-79.3	-15.5	-63.8	5,005.0
Other equity	71.1	0.0	0.0	0.0	71.1
Currency and deposits	2,120.0	40.6	81.2	-40.6	2,160.6
Loans	2,852.3	-120.9	-97.8	-23.1	2,731.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	40.9	1.0	1.1	-0.1	41.9
Reserve assets	702.6	-46.4	0.8	-47.2	656.2
Monetary gold	475.1	-38.0	0.0	-38.0	437.2
Special drawing rights	158.2	-5.0	0.7	-5.7	153.2
Reserve position in the International Monetary Fund	33.1	-1.1	0.1	-1.2	32.0
Other reserve assets	36.2	-2.4	(*)	-2.3	33.9
U.S. liabilities	47,280.2	-838.7	(²)	(²)	46,441.4
Liabilities excluding financial derivatives	44,945.9	-1,213.0	672.3	-1,885.4	43,732.9
Financial derivatives other than reserves	2,334.2	374.3	(²)	(²)	2,708.5
By functional category:					
Direct investment at market value	12,068.8	-531.3	102.5	-633.8	11,537.5
Equity	10,319.7	-553.2	87.7	-640.9	9,766.4
Debt instruments	1,749.1	21.9	14.9	7.1	1,771.1
Portfolio investment	24,687.1	-742.3	463.2	-1,205.5	23,944.8
Equity and investment fund shares	11,871.5	-375.0	208.6	-583.6	11,496.5
Debt securities	12,815.6	-367.3	254.6	-621.9	12,448.3
Short term	1,161.5	41.7	42.4	-0.7	1,203.2
Long term	11,654.1	-409.0	212.2	-621.2	11,245.1
Financial derivatives other than reserves	2,334.2	374.3	(²)	(²)	2,708.5
Over-the-counter contracts	2,222.0	380.8	(²)	(²)	2,602.8
Single-currency interest rate contracts	1,528.4	255.0	(²)	(²)	1,783.4
Foreign exchange contracts	433.0	149.9	(²)	(²)	582.9
Other contracts	260.6	-24.1	(²)	(²)	236.5
Exchange-traded contracts	112.2	-6.5	(²)	(²)	105.8
Other investment	8,189.9	60.6	106.6	-46.1	8,250.5
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	4,273.7	17.8	29.5	-11.7	4,291.4
Loans	3,519.3	44.4	73.1	-28.7	3,563.7
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	244.5	3.9	4.0	-0.2	248.3
Special drawing rights allocations	152.5	-5.5	0.0	-5.5	147.0

n.a. Not available

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

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

- 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.
- 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.

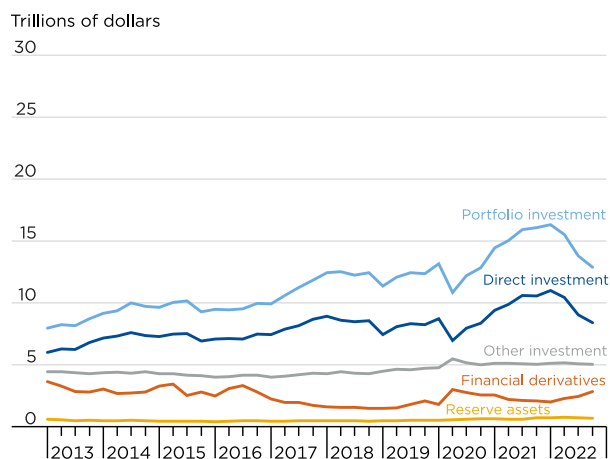
U.S. Assets

U.S. assets decreased by \$1.26 trillion to a total of \$29.73 trillion at the end of the third quarter, reflecting decreases in portfolio investment and direct investment assets that were partly offset by increases in financial derivatives (chart 2). Portfolio investment assets decreased by \$920.0 billion to \$12.86 trillion, and direct investment assets decreased by \$639.3 billion to \$8.38 trillion, driven mainly by foreign stock price decreases and by depreciation of major currencies against the U.S. dollar that lowered the market value of these assets in dollar terms. Financial derivatives increased by \$421.3 billion to \$2.83 trillion, driven by increases in single-currency interest rate contracts and in foreign exchange contracts.

Price changes and exchange-rate changes, components 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. Bureau of Economic Analysis

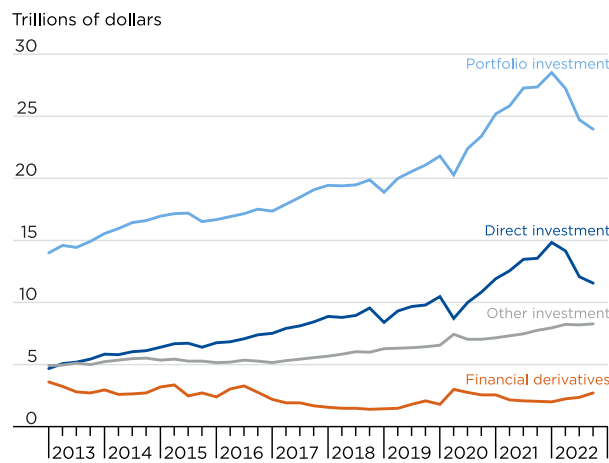
U.S. Liabilities

U.S. liabilities decreased by \$838.7 billion to a total of \$46.44 trillion at the end of the third quarter, reflecting decreases in portfolio investment and direct investment liabilities that were partly offset by increases in financial derivatives (chart 3). Portfolio investment liabilities decreased by \$742.3 billion to \$23.94 trillion, driven mainly by U.S. stock and bond price decreases. Direct investment liabilities decreased by \$531.3 billion to \$11.54 trillion, driven mainly by U.S. stock price decreases that lowered the market value of these liabilities. Financial derivatives increased by \$374.3 billion to \$2.71 trillion, driven by increases in single-currency interest rate contracts and in foreign exchange contracts.

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

Updates to Statistics

The U.S. international investment position statistics for the second quarter of 2022 have been updated to incorporate newly available and revised source data (table B).

Table B. Updates to Second-Quarter 2022 International Investment Position Aggregates

[Billions of dollars, not seasonally adjusted]

	Preliminary estimate	Revised estimate
U.S. net international investment position	-16,309.3	-16,285.8
U.S. assets	30,976.9	30,994.3
Direct investment at market value	9,037.7	9,023.1
Portfolio investment	13,771.7	13,778.6
Financial derivatives other than reserves	2,405.7	2,405.7
Other investment	5,059.2	5,084.3
Reserve assets	702.6	702.6
U.S. liabilities	47,286.2	47,280.2
Direct investment at market value	12,081.8	12,068.8
Portfolio investment	24,682.3	24,687.1
Financial derivatives other than reserves	2,334.2	2,334.2
Other investment	8,187.8	8,189.9



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