

A Look at the U.S. International Investment Position

First Quarter of 2023 and Annual Update

By Erin Whitaker | July 11, 2023

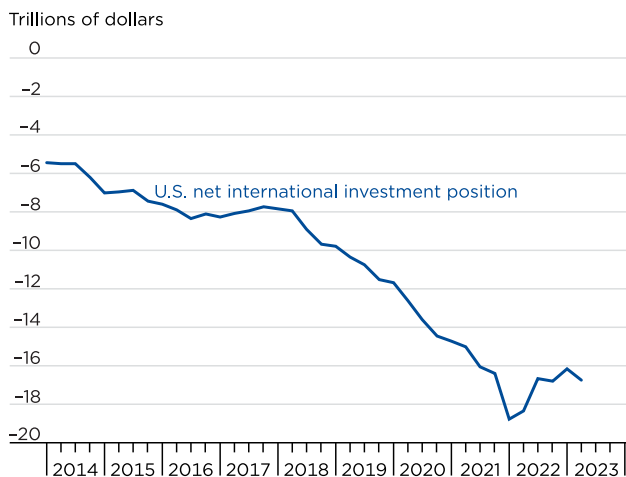
The U.S. net international investment position (IIP)—the difference between U.S. residents' foreign financial assets and liabilities—was $-\$16.75$ trillion at the end of the first quarter of 2023 (chart 1). Assets totaled $\$32.74$ trillion, and liabilities were $\$49.49$ trillion. At the end of the fourth quarter of 2022, the net investment position was $-\$16.17$ 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.

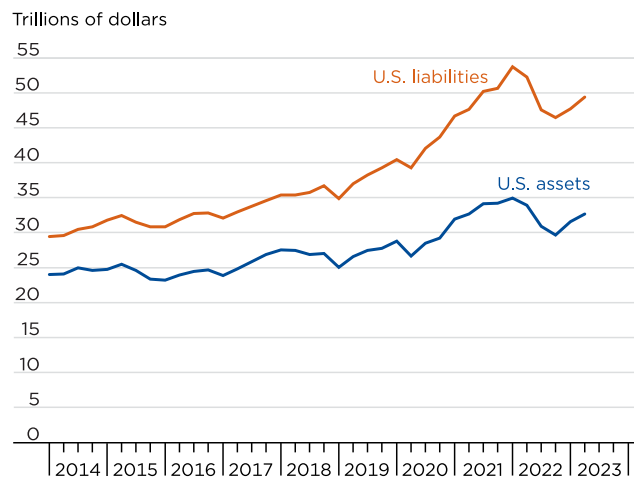
The $-\$577.9$ billion change in the net investment position from the fourth quarter to the first quarter came from net financial transactions of $-\$307.9$ billion and net other changes in position, such as price and exchange-rate changes, of $-\$270.1$ billion. Net other changes mostly reflected U.S. stock price increases that exceeded foreign stock price increases (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](#).

U.S. Assets

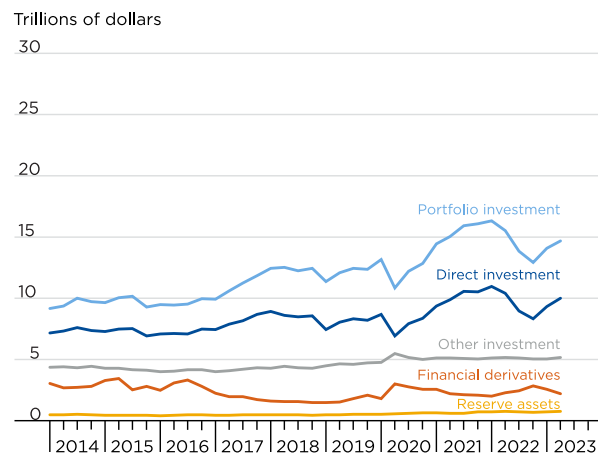
U.S. assets increased by \$1.11 trillion to a total of \$32.74 trillion at the end of the first quarter, mostly reflecting increases in direct investment and portfolio investment assets that were partly offset by a decrease in financial derivatives.

Direct investment assets increased by \$716.8 billion to \$9.99 trillion, and portfolio investment assets increased by \$583.1 billion to \$14.66 trillion, driven mainly by foreign stock price increases that raised the market value of these assets. Financial derivatives decreased by \$350.2 billion to \$2.19 trillion, driven by decreases in single-currency interest rate contracts and foreign exchange contracts (chart 2).

Price changes, a component of other changes in position, drove the overall increase 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 increased by \$1.69 trillion to a total of \$49.49 trillion at the end of the first quarter, mostly reflecting increases in portfolio investment and direct investment liabilities that were partly offset by a decrease in financial derivatives.

Portfolio investment liabilities increased by \$1.09 trillion to \$25.85 trillion, and direct investment liabilities increased by \$771.6 billion to \$13.03 trillion, driven mainly by U.S. stock price increases that raised the market value of these liabilities. Financial derivatives decreased by \$323.1 billion to \$2.15 trillion, driven by decreases in single-currency interest rate contracts and foreign exchange contracts (chart 3).

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

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

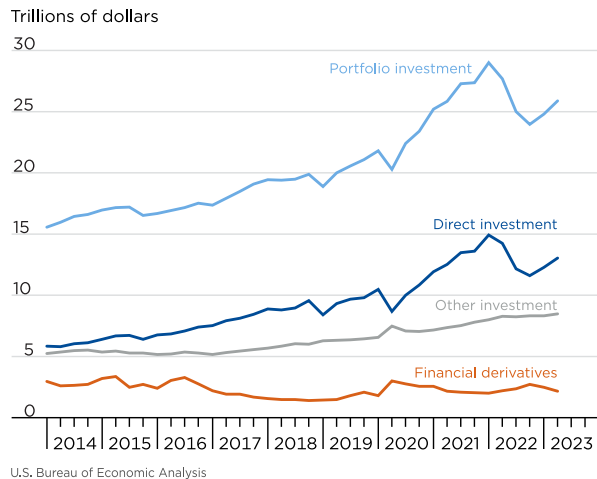


Table A. Quarterly Change in the U.S. Net International Investment Position

[Billions of dollars, not seasonally adjusted]

Type of investment	End of quarter position, 2022:Q4	Change in position in 2023:Q1			End of quarter position, 2023:Q1
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-16,172.3	-577.9	-307.9	-270.1	-16,750.2
Net position excluding financial derivatives	-16,241.8	-550.8	-306.1	-244.7	-16,792.6
Financial derivatives other than reserves, net ²	69.5	-27.1	-1.7	-25.4	42.4
U.S. assets	31,631.8	1,109.3	(²)	(²)	32,741.1
Assets excluding financial derivatives	29,088.5	1,459.5	-41.1	1,500.5	30,548.0
Financial derivatives other than reserves	2,543.3	-350.2	(²)	(²)	2,193.1
By functional category:					
Direct investment at market value	9,277.0	716.8	119.4	597.4	9,993.8
Equity	8,077.0	696.4	92.6	603.8	8,773.4
Debt instruments	1,200.0	20.4	26.9	-6.4	1,220.4
Portfolio investment	14,073.9	583.1	-263.3	846.4	14,657.1
Equity and investment fund shares	10,306.0	502.1	-275.0	777.1	10,808.1
Debt securities	3,768.0	81.0	11.7	69.4	3,849.0
Short term	488.0	-7.0	-7.2	0.2	481.0
Long term	3,280.0	88.0	18.9	69.1	3,368.1
Financial derivatives other than reserves	2,543.3	-350.2	(²)	(²)	2,193.1
Over-the-counter contracts	2,465.7	-337.8	(²)	(²)	2,127.9
Single-currency interest rate contracts	1,860.8	-223.1	(²)	(²)	1,637.7
Foreign exchange contracts	432.4	-111.3	(²)	(²)	321.0
Other contracts	172.5	-3.4	(²)	(²)	169.1
Exchange-traded contracts	77.7	-12.4	(²)	(²)	65.3
Other investment	5,030.6	113.0	102.0	10.9	5,143.6
Other equity	73.5	0.3	0.3	0.0	73.7
Currency and deposits	2,234.4	-48.2	-56.1	7.9	2,186.3
Loans	2,682.7	163.3	160.3	3.0	2,846.1
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	40.0	-2.5	-2.5	(*)	37.6
Reserve assets	706.9	46.6	0.8	45.8	753.5
Monetary gold	474.3	43.4	0.0	43.4	517.7
Special drawing rights	160.5	2.7	1.0	1.7	163.2
Reserve position in the International Monetary Fund	35.0	0.2	-0.2	0.4	35.1
Other reserve assets	37.1	0.3	(*)	0.3	37.4
U.S. liabilities	47,804.1	1,687.2	(²)	(²)	49,491.3
Liabilities excluding financial derivatives	45,330.3	2,010.3	265.1	1,745.2	47,340.6
Financial derivatives other than reserves	2,473.8	-323.1	(²)	(²)	2,150.7
By functional category:					
Direct investment at market value	12,262.7	771.6	118.4	653.2	13,034.3
Equity	10,477.3	782.5	114.1	668.5	11,259.8
Debt instruments	1,785.4	-11.0	4.3	-15.3	1,774.5
Portfolio investment	24,764.1	1,088.3	6.0	1,082.2	25,852.3
Equity and investment fund shares	12,054.2	734.9	-102.8	837.6	12,789.1
Debt securities	12,709.9	353.4	108.8	244.6	13,063.3
Short term	1,252.0	-7.4	-7.5	0.1	1,244.6
Long term	11,457.8	360.8	116.3	244.5	11,818.6
Financial derivatives other than reserves	2,473.8	-323.1	(²)	(²)	2,150.7
Over-the-counter contracts	2,402.2	-323.1	(²)	(²)	2,079.1
Single-currency interest rate contracts	1,791.0	-202.7	(²)	(²)	1,588.3
Foreign exchange contracts	442.5	-123.5	(²)	(²)	319.0
Other contracts	168.7	3.1	(²)	(²)	171.8
Exchange-traded contracts	71.6	(*)	(²)	(²)	71.6
Other investment	8,303.5	150.5	140.7	9.8	8,454.0
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	4,293.0	64.6	62.9	1.7	4,357.6
Loans	3,605.8	80.3	73.8	6.5	3,686.1
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	251.9	3.9	3.9	(*)	255.8
Special drawing rights allocations	152.9	1.7	0.0	1.7	154.5

n.a. Not available

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

0.0 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 U.S. 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.

Annual Update of the IIP Accounts

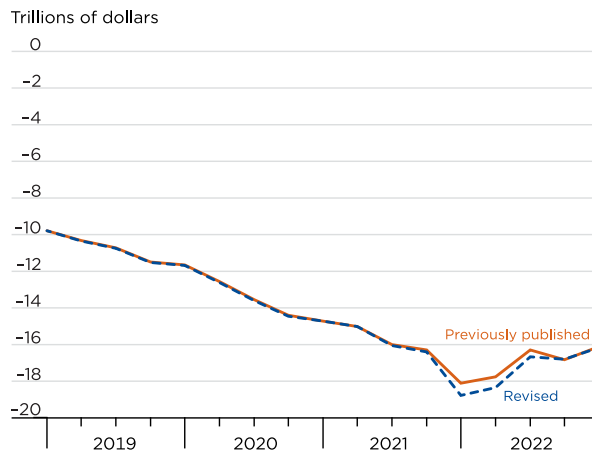
With this annual update of the IIP Accounts, the U.S. Bureau of Economic Analysis (BEA) has incorporated newly available and revised source data for 2019–2022 (table B). A revision to portfolio investment liabilities at the end of 2021, which also affects the net investment position, reflects a significant series break in the monthly “[Aggregate Holdings, Purchases and Sales, and Fair Value Changes of Long-Term Securities by U.S. and Foreign Residents](#)” (SLT) report for December 2021.

The revision to portfolio liabilities described above caused significant downward revisions to the net IIP in the fourth quarter of 2021 and the first and second quarters of 2022 (chart 4). The largest revision to the net IIP was a downward revision of \$658.9 billion at yearend 2021 (chart 4 and table B). The annual update has not altered the direction of change of the net IIP.

For more information about revisions to financial transactions that impacted the IIP, see the *Survey of Current Business* article “[Annual Update of the U.S. International Transactions Accounts](#).”

Chart 4. U.S. Net International Investment Position, Revisions

End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

Table B. Updates to the U.S. Net International Investment Position at Yearend, 2019-2022

[Billions of dollars]

Type of investment	2019			2020			2021			2022		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
U.S. net international investment position	-11,653.1	-11,666.4	-13.4	-14,707.4	-14,721.0	-13.6	-18,124.3	-18,783.2	-658.9	-16,117.1	-16,172.3	-55.2
Net position excluding financial derivatives	-11,673.2	-11,686.6	-13.4	-14,700.7	-14,714.3	-13.6	-18,144.2	-18,805.2	-661.0	-16,186.6	-16,241.8	-55.2
Financial derivatives other than reserves, net	20.2	20.2	0.0	-6.7	-6.7	0.0	19.9	22.1	2.2	69.5	69.5	0.0
U.S. assets	28,869.4	28,845.2	-24.2	32,041.6	32,023.2	-18.5	35,065.5	35,021.9	-43.5	31,680.1	31,631.8	-48.3
Direct investment at market value	8,692.2	8,668.8	-23.3	9,366.7	9,349.4	-17.3	10,970.6	10,925.5	-45.1	9,324.2	9,277.0	-47.2
Portfolio investment	13,124.2	13,124.2	0.0	14,399.3	14,399.3	0.0	16,309.3	16,313.9	4.7	14,068.7	14,073.9	5.2
Financial derivatives other than reserves	1,790.4	1,790.4	0.0	2,546.0	2,546.0	0.0	1,987.5	1,983.0	-4.5	2,543.3	2,543.3	0.0
Other investment	4,748.2	4,747.4	-0.9	5,102.4	5,101.2	-1.2	5,085.8	5,087.2	1.4	5,037.0	5,030.6	-6.4
Reserve assets	514.4	514.4	0.0	627.3	627.3	0.0	712.3	712.3	0.0	706.9	706.9	0.0
U.S. liabilities	40,522.4	40,511.6	-10.8	46,749.0	46,744.2	-4.9	53,189.7	53,805.1	615.4	47,797.2	47,804.1	6.9
Direct investment at market value	10,465.5	10,454.7	-10.8	11,897.4	11,875.6	-21.8	14,813.0	14,882.6	69.6	12,187.2	12,262.7	75.6
Portfolio investment	21,763.6	21,763.6	0.0	25,171.9	25,171.9	0.0	28,480.1	28,971.6	491.5	24,816.7	24,764.1	-52.6
Financial derivatives other than reserves	1,770.3	1,770.3	0.0	2,552.7	2,552.7	0.0	1,967.6	1,960.9	-6.7	2,473.8	2,473.8	0.0
Other investment	6,523.1	6,523.1	(*)	7,127.1	7,144.0	16.9	7,929.0	7,989.9	60.9	8,319.5	8,303.5	-16.0

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

Acknowledgments

Paul Farello, Associate Director for International Economics, supervised the preparation of this year's annual update of the IIP Accounts. Rebecca Pocase, Chief of the Financial Accounts Branch; Douglas Weinberg, Chief of the Banking and Other Investment Section; and Elena Nguyen, Chief of the Securities Investment Section, directed major parts of the revision.

The following BEA staff contributed significantly to the update:

- Direct investment: Douglas Weinberg, Jessica Hanson, Ricardo Limes, Leila Morrison, Richard Adkins, Iris Branscome, Hicham Hadni, Kenneth Harvey, Louis Luu, Dwayne Torney, Linda Wong, Ryan Smith, Jeanette Scott, Akeeia Griffin, Susan LaPorte, Jesse Magolon, and Gazala Merchant.
- Portfolio investment: Erin Whitaker, Nicholas Martinez, and Nathan Hansen.
- 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, Christopher Gregory, Neeta Kapoor, and Karen Minor.
- Statistical production and data dissemination: Benjamin Kavanaugh, Gentian Cala, Danielle Clavon, Walter Kampas, Paul Kilday, Marina Melnik, Ying Ni, Mitchell Shabani, Douglas Weinberg, and Shirley Zhou.
- Secretarial and program assistance: Kathleen Rawson.



Subscribe to the SCB

The *Survey of Current Business* is published by the U.S. Bureau of Economic Analysis. Guidelines for citing BEA information.

Survey of Current Business

bea.gov/scb
scb@bea.gov