

A Look at the U.S. International Investment Position

Second Quarter of 2023

By Erin Whitaker | October 3, 2023

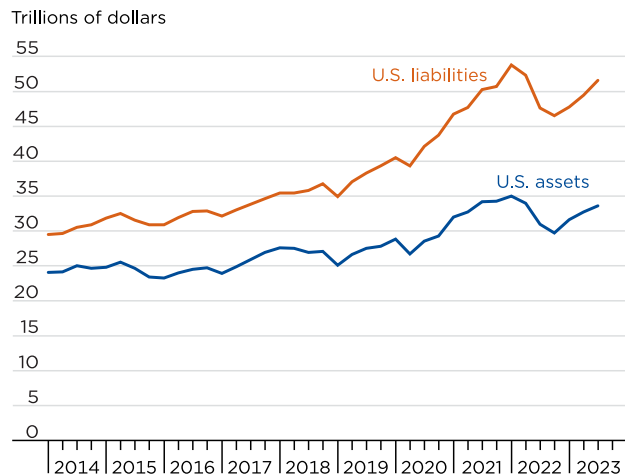
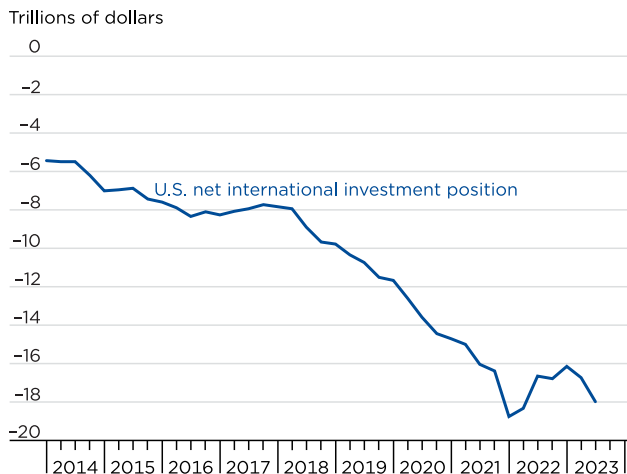
The U.S. net international investment position, the difference between U.S. residents' foreign financial assets and liabilities, was $-\$18.00$ trillion at the end of the second quarter of 2023 (chart 1). Assets totaled $\$33.58$ trillion, and liabilities were $\$51.58$ trillion. At the end of the first quarter, the net investment position was $-\$16.74$ 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 $-\$1.26$ trillion change in the net investment position from the first quarter to the second quarter came from net financial transactions of $-\$105.0$ billion and net other changes in position, such as price and exchange-rate changes, of $-\$1.16$ trillion. 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

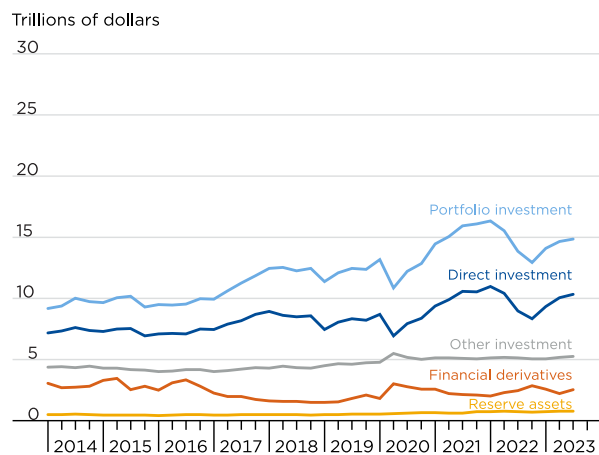
U.S. assets increased by \$866.6 billion to a total of \$33.58 trillion at the end of the second quarter. All major categories of assets increased except for U.S. reserve assets.

Direct investment assets increased by \$298.5 billion to \$10.30 trillion and portfolio investment assets increased by \$197.3 billion to \$14.83 trillion, driven mainly by foreign stock price increases that raised the market value of these assets. Financial derivatives increased by \$289.7 billion to \$2.48 trillion, driven by increases in single-currency interest rate contracts. Other investment assets increased by \$101.6 billion to \$5.23 trillion, driven by U.S. acquisitions of loans. These increases in assets were partly offset by a decrease in U.S. reserve assets that mostly reflected gold price decreases (chart 2).

Price changes, a component of other changes in position, and financial transactions contributed to the overall increase 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 increased by \$2.13 trillion to a total of \$51.58 trillion at the end of the second quarter. All major categories of liabilities increased except for other investment liabilities.

Portfolio investment liabilities increased by \$994.1 billion to \$26.81 trillion and direct investment liabilities increased by \$980.4 billion to \$14.00 trillion, driven mainly by U.S. stock price increases that raised the market value of these liabilities. Financial derivatives increased by \$304.5 billion to \$2.46 trillion, driven by increases in single-currency interest rate contracts. These increases in liabilities were partly offset by a decrease in other investment liabilities that mostly reflected U.S. repayments of loans (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

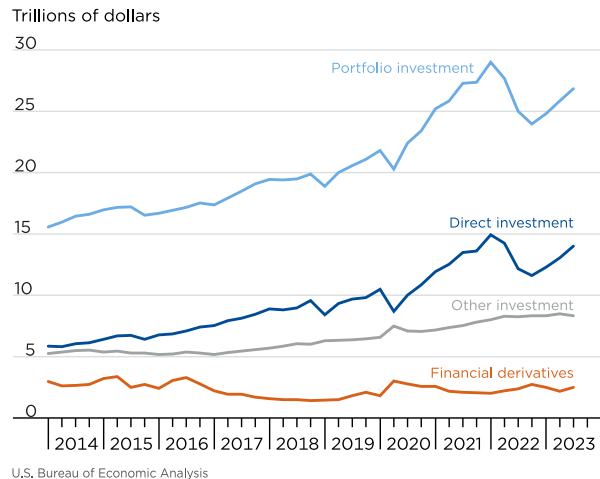


Table A. Quarterly Change in the U.S. Net International Investment Position

[Billions of dollars, not seasonally adjusted]

Type of investment	End of quarter position, 2023:Q1	Change in position in 2023:Q2			End of quarter position, 2023:Q2
		Total	Attributable to:		
			Financial transactions	Other changes in position ¹	
U.S. net international investment position	-16,736.0	-1,261.7	-105.0	-1,156.6	-17,997.7
Net position excluding financial derivatives	-16,778.4	-1,246.9	-100.3	-1,146.6	-18,025.3
Financial derivatives other than reserves, net ²	42.4	-14.7	-4.7	-10.0	27.7
U.S. assets	32,711.6	866.6	(²)	(²)	33,578.2
Assets excluding financial derivatives	30,518.5	576.9	245.9	331.0	31,095.3
Financial derivatives other than reserves	2,193.1	289.7	(²)	(²)	2,482.8
By functional category:					
Direct investment at market value	10,006.1	298.5	96.1	202.4	10,304.6
Equity	8,773.0	285.4	89.2	196.2	9,058.4
Debt instruments	1,233.1	13.2	6.9	6.3	1,246.3
Portfolio investment	14,629.7	197.3	40.3	157.0	14,827.0
Equity and investment fund shares	10,796.8	234.9	27.1	207.7	11,031.7
Debt securities	3,832.9	-37.6	13.2	-50.7	3,795.3
Short term	478.8	-20.8	-19.0	-1.8	458.0
Long term	3,354.1	-16.8	32.2	-48.9	3,337.3
Financial derivatives other than reserves	2,193.1	289.7	(²)	(²)	2,482.8
Over-the-counter contracts	2,127.9	290.1	(²)	(²)	2,418.0
Single-currency interest rate contracts	1,637.7	235.3	(²)	(²)	1,873.0
Foreign exchange contracts	321.0	53.4	(²)	(²)	374.4
Other contracts	169.1	1.4	(²)	(²)	170.6
Exchange-traded contracts	65.3	-0.4	(²)	(²)	64.8
Other investment	5,129.2	101.6	109.2	-7.6	5,230.8
Other equity	73.7	1.6	1.6	0.0	75.3
Currency and deposits	2,170.1	3.7	5.9	-2.3	2,173.7
Loans	2,847.8	98.1	103.4	-5.3	2,946.0
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	37.6	-1.7	-1.7	(*)	35.8
Reserve assets	753.5	-20.6	0.3	-20.9	732.9
Monetary gold	517.7	-17.6	0.0	-17.6	500.1
Special drawing rights	163.2	-1.0	0.8	-1.8	162.2
Reserve position in the International Monetary Fund	35.1	-1.0	-0.6	-0.4	34.1
Other reserve assets	37.4	-0.9	0.1	-1.0	36.5
U.S. liabilities	49,447.6	2,128.3	(²)	(²)	51,575.9
Liabilities excluding financial derivatives	47,296.9	1,823.8	346.2	1,477.6	49,120.7
Financial derivatives other than reserves	2,150.7	304.5	(²)	(²)	2,455.2
By functional category:					
Direct investment at market value	13,021.4	980.4	104.2	876.2	14,001.8
Equity	11,258.7	934.1	76.5	857.6	12,192.8
Debt instruments	1,762.7	46.2	27.6	18.6	1,808.9
Portfolio investment	25,820.5	994.1	387.1	606.9	26,814.5
Equity and investment fund shares	12,772.8	907.5	75.3	832.2	13,680.3
Debt securities	13,047.7	86.5	311.8	-225.3	13,134.2
Short term	1,244.6	-23.5	-24.3	0.9	1,221.2
Long term	11,803.1	110.0	336.2	-226.2	11,913.0
Financial derivatives other than reserves	2,150.7	304.5	(²)	(²)	2,455.2
Over-the-counter contracts	2,079.1	311.2	(²)	(²)	2,390.3
Single-currency interest rate contracts	1,588.3	253.8	(²)	(²)	1,842.1
Foreign exchange contracts	319.0	49.3	(²)	(²)	368.3
Other contracts	171.8	8.1	(²)	(²)	179.9
Exchange-traded contracts	71.6	-6.7	(²)	(²)	64.9
Other investment	8,455.0	-150.6	-145.2	-5.5	8,304.4
Other equity	n.a.	n.a.	n.a.	n.a.	n.a.
Currency and deposits	4,357.7	-39.9	-38.9	-1.0	4,317.8
Loans	3,687.0	-113.1	-111.4	-1.7	3,574.0
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	255.8	4.1	5.1	-1.0	259.9
Special drawing rights allocations	154.5	-1.7	0.0	-1.7	152.8

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.

- 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 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.

Updates to Statistics

The U.S. international investment position statistics for the first quarter of 2023 have been updated to incorporate newly available and revised source data (table B).

Table B. Updates to First-Quarter 2023 International Investment Position Aggregates

[Billions of dollars, not seasonally adjusted]

Type of investment	Preliminary estimate	Revised estimate
U.S. net international investment position	-16,750.2	-16,736.0
U.S. assets	32,741.1	32,711.6
Direct investment at market value	9,993.8	10,006.1
Portfolio investment	14,657.1	14,629.7
Financial derivatives other than reserves	2,193.1	2,193.1
Other investment	5,143.6	5,129.2
Reserve assets	753.5	753.5
U.S. liabilities	49,491.3	49,447.6
Direct investment at market value	13,034.3	13,021.4
Portfolio investment	25,852.3	25,820.5
Financial derivatives other than reserves	2,150.7	2,150.7
Other investment	8,454.0	8,455.0

Newly Available Source Data on Portfolio Investment

The U.S. Bureau of Economic Analysis (BEA) has incorporated newly available source data from the Treasury International Capital System “[Aggregate Holdings, Purchases and Sales, and Fair Value Changes of Long-Term Securities by U.S. and Foreign Residents](#)” (TIC SLT) form to more accurately measure portfolio investment transactions in equity and investment fund shares and in long-term debt securities. The new TIC SLT transactions data, beginning with the first quarter of 2023, have replaced BEA's estimation method for these portfolio investment transactions statistics that were derived from positions data reported on the TIC SLT form. For more information on this method, which remains relevant for periods prior to 2023, see paragraph 17.15 of *U.S. International Economic Accounts: Concepts and Methods*. For more information on the new source data, see the “[Technical Note](#)” included with the [U.S. international transactions news release](#) on September 21. Portfolio investment position statistics presented in this article are not affected by the new treatment of transactions.



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