

Visual Essay

A Look at the U.S. International Investment Position

Second Quarter of 2024

By Erin Whitaker | October 10, 2024

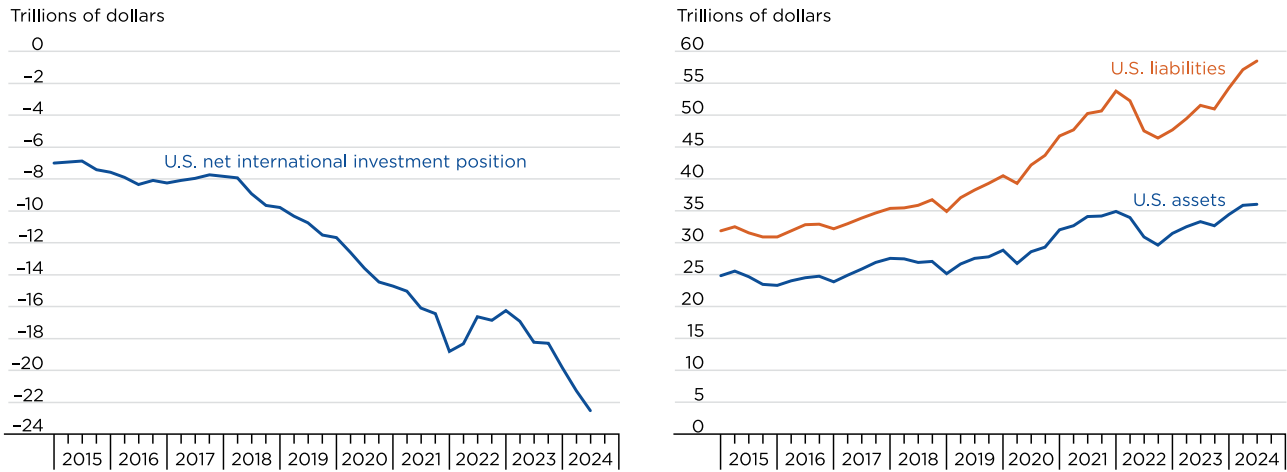
The U.S. Bureau of Economic Analysis (BEA) recently released statistics on the U.S. international investment position for the second quarter of 2024. The U.S. international investment position (IIP) is a statistical balance sheet that presents the dollar value of U.S. external financial assets and liabilities. The U.S. net IIP is the difference between U.S. residents' foreign financial assets and liabilities. A negative net investment position represents a U.S. net liability to the rest of the world.

The following charts present highlights of the U.S. IIP statistics for the second quarter. More detail can be found on the [U.S. international investment position product page](#) on BEA's website.

U.S. Net International Investment Position

Chart 1. U.S. International Investment Position

End of quarter, not seasonally adjusted



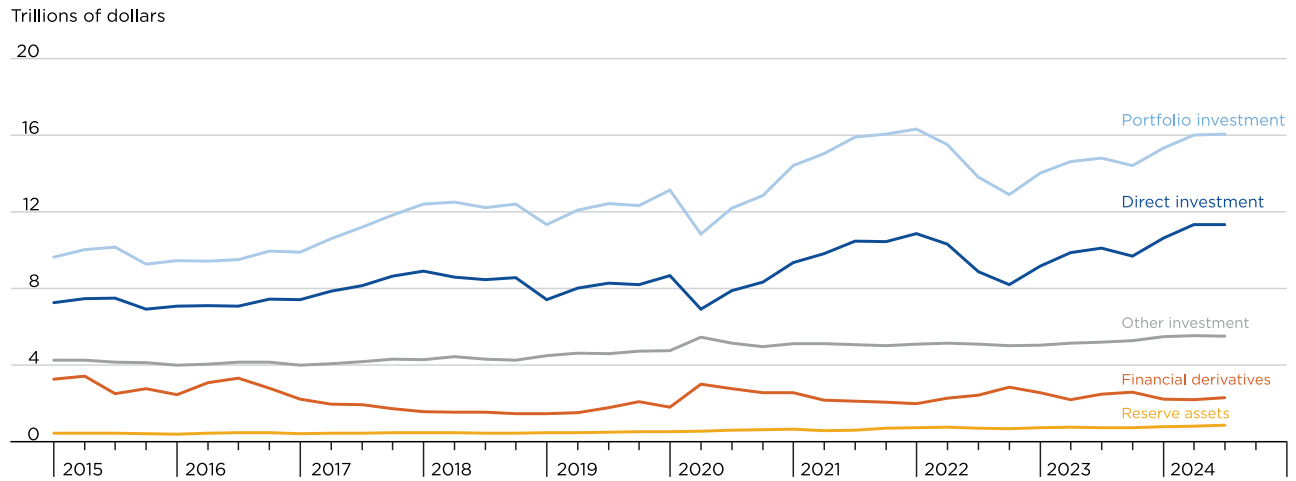
U.S. Bureau of Economic Analysis

- The U.S. net IIP decreased to -\$22.52 trillion at the end of the second quarter of 2024 from -\$21.29 trillion at the end of the first quarter.
- The \$1.23 trillion decrease in the net IIP reflected an increase in liabilities that exceeded an increase in assets.
- U.S. assets increased by \$173.2 billion to a total of \$36.00 trillion at the end of the second quarter, driven mainly by increases in financial derivatives.
- U.S. liabilities increased by \$1.40 trillion to a total of \$58.52 trillion at the end of the second quarter, driven mainly by U.S. stock price increases that raised the market value of portfolio investment and direct investment liabilities.

U.S. Assets

Chart 2. U.S. Assets by Category

End of quarter, not seasonally adjusted

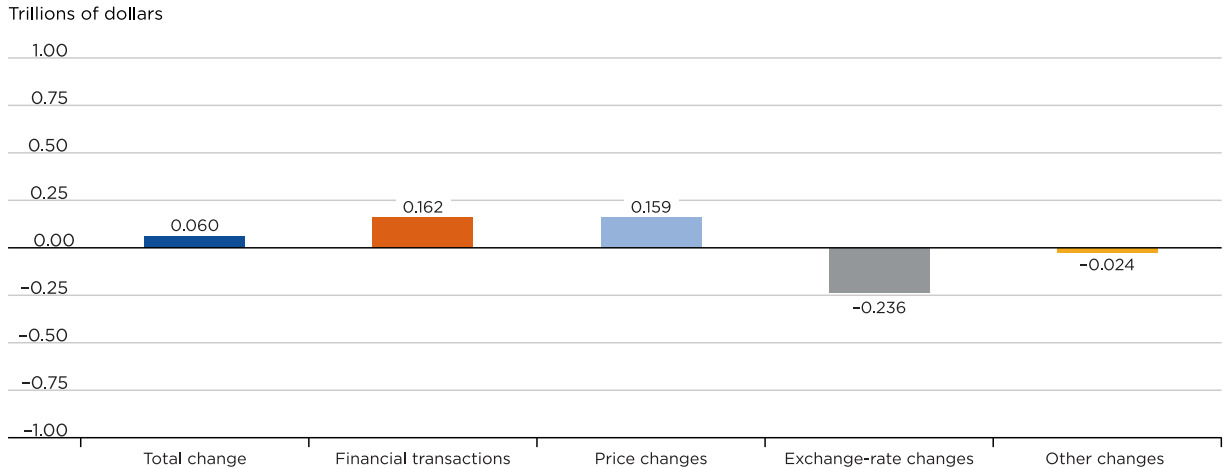


U.S. Bureau of Economic Analysis

- Financial derivatives increased by \$112.8 billion to \$2.28 trillion, mostly reflecting an increase in single-currency interest rate contracts.
- Portfolio investment assets and direct investment assets (the largest categories of assets) changed little in the second quarter, as financial transactions and price changes were mostly offset by exchange rate changes (chart 3).
- Portfolio investment assets increased by \$53.1 billion to \$16.05 trillion, and direct investment assets decreased by \$1.3 billion to \$11.32 trillion.

Chart 3. Changes in Assets Excluding Financial Derivatives

Not seasonally adjusted



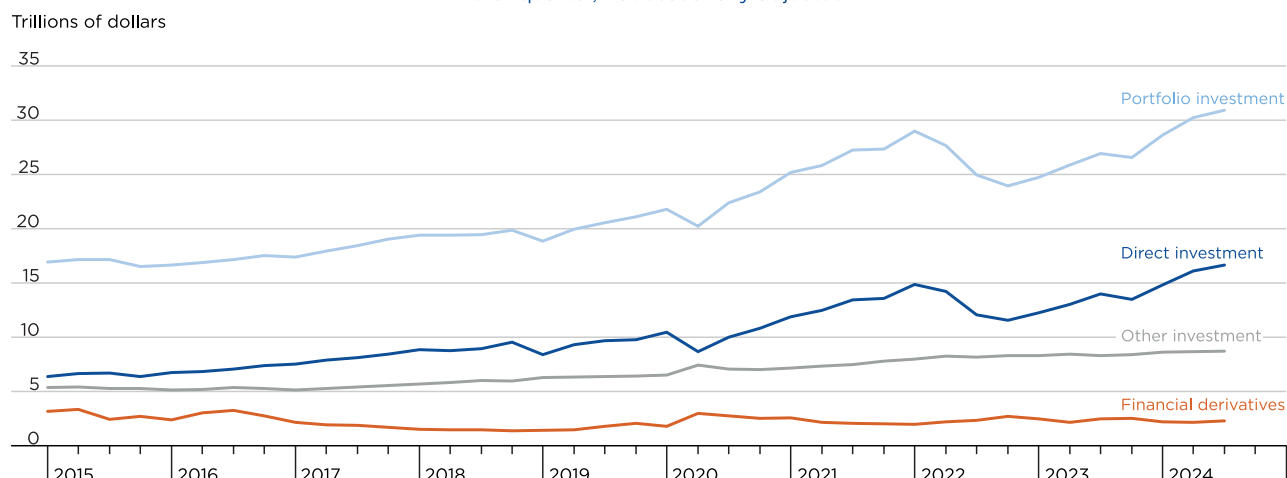
U.S. Bureau of Economic Analysis

- Financial transactions (mostly reflecting net U.S. purchases of foreign long-term debt securities and increases in direct investment equity assets) raised assets by \$161.8 billion.
- Price changes (mostly reflecting foreign stock price increases) raised the value of U.S. assets by \$159.0 billion.
- In contrast, exchange-rate changes lowered the value of assets by \$236.0 billion.
- Financial transactions and foreign stock price increases were mostly offset by foreign currency depreciation against the U.S. dollar that lowered the value of foreign-currency-denominated assets in dollar terms.

U.S. Liabilities

Chart 4. U.S. Liabilities by Category

End of quarter, not seasonally adjusted

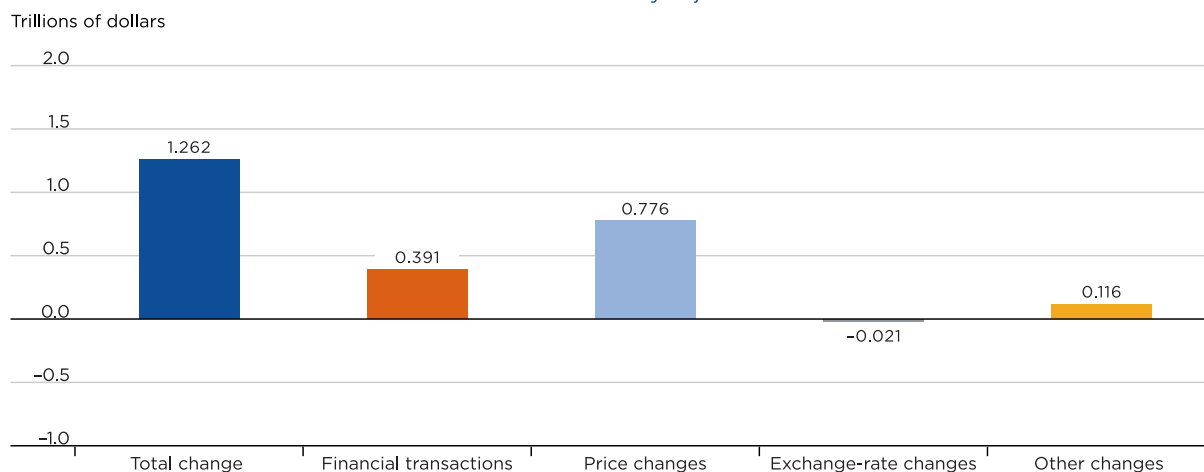


U.S. Bureau of Economic Analysis

- Portfolio investment liabilities increased by \$666.4 billion to \$30.89 trillion, and direct investment liabilities increased by \$568.2 billion to \$16.64 trillion.
- These increases were driven mainly by U.S. stock price increases that raised the market value of portfolio investment and direct investment liabilities by \$380.0 billion and \$475.3 billion, respectively.

Chart 5. Changes in Liabilities Excluding Financial Derivatives

Not seasonally adjusted



U.S. Bureau of Economic Analysis

- Price changes (mostly reflecting U.S. stock price increases) raised the value of U.S. liabilities by \$775.9 billion.
- Financial transactions (mostly reflecting foreign purchases of U.S. stocks and long-term debt securities) raised U.S. liabilities by \$391.1 billion.

Data Availability and Methods

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](#).

Key Terms

The **international investment position (IIP)** is a statistical balance sheet that presents the dollar value of U.S. financial assets and liabilities with respect to foreign residents at a specific point in time.

The **U.S. net IIP** is defined as the value of U.S. assets less the value of U.S. liabilities.

Financial transactions are transactions between U.S. residents and nonresidents in financial assets and liabilities. They are also recorded in the financial account of the International Transactions Accounts (ITAs).

Other changes in position are changes in the value of U.S. assets or liabilities arising from any source besides a financial transaction. Other changes in position include price changes, exchange-rate changes, and changes in volume and valuation n.i.e (not included elsewhere).

Price changes are changes in the value of an asset or liability due to changes in the market price of a financial instrument.

Exchange-rate changes are changes in the value of foreign-currency-denominated assets and liabilities due to changes in the values of foreign currencies relative to the value of the U.S. dollar.

Changes in volume and valuation n.i.e. reflect changes in position due to shifts in the composition of reporting panels, the incorporation of more comprehensive annual and benchmark survey results, and revaluations (holding gains and losses) on assets and liabilities that are not explained by price changes or exchange-rate changes.



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