

### **Market Value: The Featured Measure of Direct Investment Positions in the International Investment Position**

Investment positions for direct investment are valued at current-period prices based on a revaluation of book values reported on BEA's direct investment surveys. Direct investment at market value became BEA's featured measure of direct investment at current-period prices with the June 2014 comprehensive restructuring of the international economic accounts.<sup>1</sup> The market-value measure values owners' equity at current-period prices using indexes of stock market prices.<sup>2</sup>

Direct investment positions at market value are presented on an asset/liability basis according to whether the positions are assets or liabilities. Assets include U.S. parent and U.S. affiliate claims, and liabilities include U.S. affiliate and U.S. parent liabilities.

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1. BEA also publishes direct investment at current cost and at historical cost. Direct investment at current cost is an alternative current-price measure that values the U.S. and foreign parent shares of their affiliates' investment in (1) plant and equipment using the current cost of capital equipment, (2) land using general price indexes, and (3) inventories using estimates of their replacement cost (table 2.1).

Direct investment at historical cost, including country and industry detail, is discussed in "Direct Investment Positions for 2015: Country and Industry Detail" in this issue of the SURVEY OF CURRENT BUSINESS.

2. For additional information on the market-value and current-cost methods, see "Valuation of the U.S. Net International Investment Position," SURVEY 71 (May 1991): 40–49.