

# U.S. Net International Investment Position

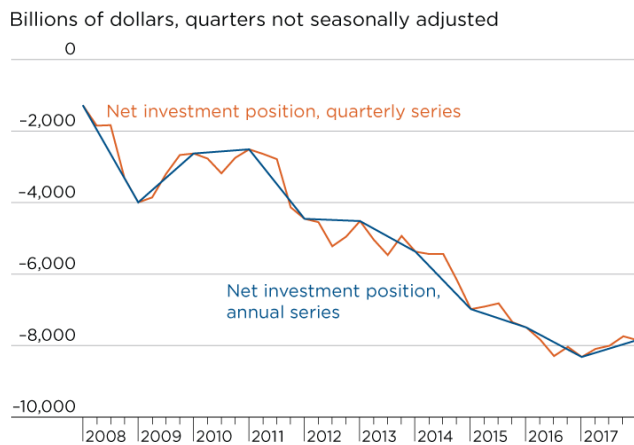
## Fourth Quarter and Year 2017

Prepared by Elena L. Nguyen and Douglas B. Weinberg

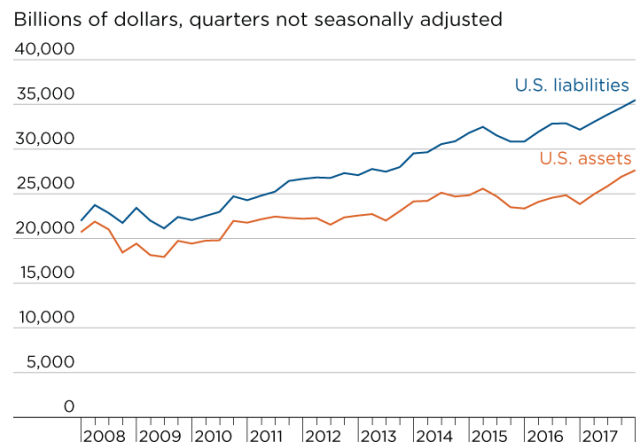
The U.S. net international investment position—the value of U.S. assets less the value of U.S. liabilities—decreased to  $-\$7,845.8$  billion (preliminary) at the end of the fourth quarter of 2017 from  $-\$7,739.7$  billion (revised) at the end of the third quarter (chart 1). The  $\$106.1$  billion decrease reflected a  $\$727.2$  billion increase in U.S. assets and an  $\$833.3$  billion increase in U.S. liabilities (table A). The negative net investment position represents a U.S. net liability to the rest of the world.

- The  $\$106.1$  billion decrease in the net investment position reflected net financial transactions of  $-\$52.4$  billion and net other changes in position, such as price and exchange-rate changes, of  $-\$53.8$  billion.
- The net investment position decreased 1.4 percent in the fourth quarter, compared with an increase of 3.3 percent in the third quarter. The net investment position decreased an average of 5.0 percent each quarter from the first quarter of 2011 through the second quarter of 2017.

**Chart 1. U.S. Net International Investment Position**



U.S. Bureau of Economic Analysis



**Table A. Quarterly Change in the U.S. Net International Investment Position**  
**[Billions of dollars, not seasonally adjusted]**

Type of investment	Position, 2017:III	Change in position in 2017:IV			Position, 2017:IV
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-7,739.7</b>	<b>-106.1</b>	<b>-52.4</b>	<b>-53.8</b>	<b>-7,845.8</b>
Net position excluding financial derivatives	-7,773.5	-100.6	-53.2	-47.5	-7,874.1
Financial derivatives other than reserves, net	33.8	-5.5	0.8	-6.3	28.3
<b>U.S. assets</b>	<b>26,905.6</b>	<b>727.2</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>27,632.8</b>
Assets excluding financial derivatives	25,200.5	809.8	151.0	658.8	26,010.4
Financial derivatives other than reserves	1,705.1	-82.6	( <sup>2</sup> )	( <sup>2</sup> )	1,622.5
<b>U.S. liabilities</b>	<b>34,645.3</b>	<b>833.3</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>35,478.6</b>
Liabilities excluding financial derivatives	32,974.0	910.5	204.2	706.3	33,884.4
Financial derivatives other than reserves	1,671.3	-77.1	( <sup>2</sup> )	( <sup>2</sup> )	1,594.2

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is only presented for annual statistics released in June each year.
2. Financial transactions and other changes in financial derivatives positions are available only 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 (IIP) accounts on BEA's Web site. The statistics on financial transactions are not seasonally adjusted and are presented in [table 1.2](#) of the international transactions accounts (ITA) on BEA's Web site.

#### Data Availability and Methodology

Detailed statistics for the U.S. international investment position accompany this article in tables 1.1–3.1. The statistics and a description of the estimation methods used to compile them are also available on BEA's Web site.

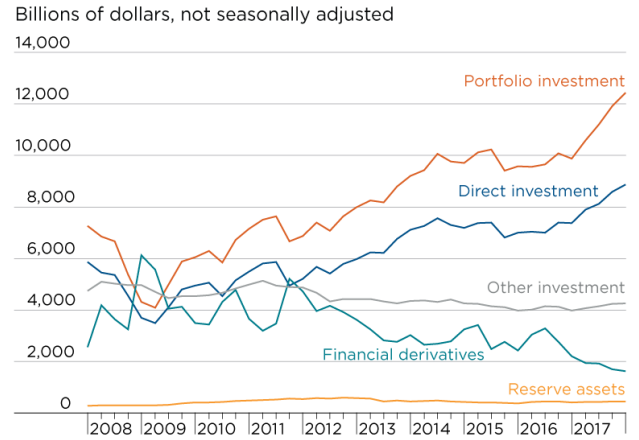
The links in the tables of this article are to the latest available statistics in the interactive tables. For the statistics, see "[International Data](#)." For the methods, see [U.S. International Economic Accounts: Concepts and Methods](#).

## Fourth Quarter—U.S. Assets

U.S. assets increased \$727.2 billion to \$27,632.8 billion at the end of the fourth quarter, mostly reflecting increases in portfolio investment and direct investment assets (table B, chart 2).

- Assets excluding financial derivatives increased \$809.8 billion to \$26,010.4 billion. The increase resulted from other changes in position of \$658.8 billion and financial transactions of \$151.0 billion. Other changes in position mostly reflected (1) foreign equity price increases that raised the value of portfolio investment and direct investment equity assets and (2) the appreciation of major foreign currencies against the U.S. dollar that raised the value of foreign-currency-denominated assets in dollar terms. Financial transactions mostly reflected net acquisition of portfolio investment debt securities and direct investment equity assets.
- Financial derivatives decreased \$82.6 billion to \$1,622.5 billion, mostly in single-currency interest rate contracts and foreign exchange contracts.

Chart 2. U.S. Assets



U.S. Bureau of Economic Analysis

**Table B. Quarterly Change in U.S. Assets**  
[Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2017:III	Change in position in 2017:IV			Position, 2017:IV
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. assets</b>	<b>26,905.6</b>	<b>727.2</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>27,632.8</b>
Assets excluding financial derivatives	25,200.5	809.8	151.0	658.8	26,010.4
Financial derivatives other than reserves	1,705.1	-82.6	( <sup>2</sup> )	( <sup>2</sup> )	1,622.5
<b>By functional category:</b>					
Direct investment at market value	8,595.4	268.0	79.9	188.1	8,863.4
Equity	7,346.7	276.5	88.1	188.3	7,623.2
Debt instruments	1,248.7	-8.5	-8.2	-0.3	1,240.2
Portfolio investment	11,905.5	537.7	83.3	454.3	12,443.2
Equity and investment fund shares	8,622.1	405.0	-33.9	438.9	9,027.0
Debt securities	3,283.4	132.7	117.2	15.5	3,416.1
Financial derivatives other than reserves	1,705.1	-82.6	( <sup>2</sup> )	( <sup>2</sup> )	1,622.5
Over-the-counter contracts	1,663.1	-81.1	( <sup>2</sup> )	( <sup>2</sup> )	1,582.0
Single-currency interest rate contracts	1,201.8	-51.3	( <sup>2</sup> )	( <sup>2</sup> )	1,150.5
Foreign exchange contracts	281.1	-19.7	( <sup>2</sup> )	( <sup>2</sup> )	261.3
Other contracts	180.2	-10.1	( <sup>2</sup> )	( <sup>2</sup> )	170.1
Exchange-traded contracts	42.1	-1.5	( <sup>2</sup> )	( <sup>2</sup> )	40.5
Other investment	4,243.0	11.1	-10.7	21.7	4,254.1
Currency and deposits	1,685.9	68.3	47.8	20.4	1,754.1
Loans	2,505.5	-57.1	-58.3	1.2	2,448.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	51.7	-0.1	-0.2	0.1	51.6
Reserve assets	456.6	-6.8	-1.5	-5.3	449.7
Monetary gold	343.9	-6.3	0.0	-6.3	337.6
Special drawing rights	51.4	0.4	(*)	0.4	51.9
Reserve position in the International Monetary Fund	19.0	-1.4	-1.5	0.1	17.6
Other reserve assets	42.2	0.4	(*)	0.4	42.6

**n.a.** Not available

**(\*)** Nonzero value that rounds to zero

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is only presented for annual statistics released in June each year.
2. Financial transactions and other changes in financial derivatives positions are available only on a net basis; they are not separately available for U.S. assets and U.S. liabilities.

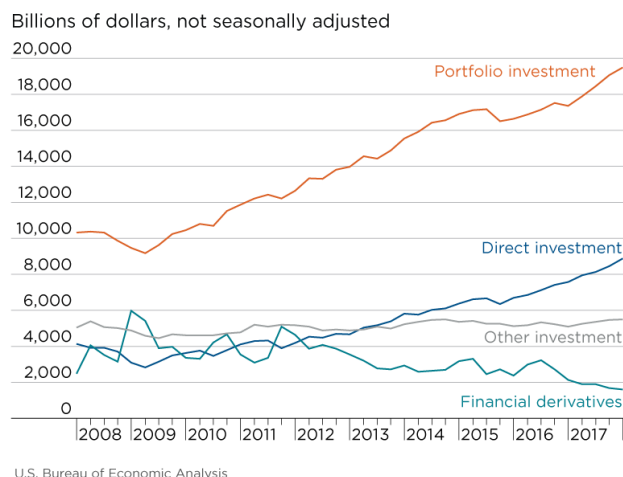
Note. The statistics on positions are presented in [IIP table 1.2](#) on BEA's Web site and the statistics on financial transactions are not seasonally adjusted and are presented in [ITA table 1.2](#).

## Fourth Quarter—U.S. Liabilities

U.S. liabilities increased \$833.3 billion to \$35,478.6 billion at the end of the fourth quarter, mostly reflecting increases in portfolio investment and direct investment liabilities (table C, chart 3).

- Liabilities excluding financial derivatives increased \$910.5 billion to \$33,884.4 billion. The increase resulted from other changes in position of \$706.3 billion and financial transactions of \$204.2 billion. Other changes in position mostly reflected U.S. equity price increases that raised the value of portfolio investment and direct investment equity liabilities. Financial transactions reflected net incurrence of liabilities in all major investment categories.
- Financial derivatives decreased \$77.1 billion to \$1,594.2 billion, mostly in single-currency interest rate contracts and foreign exchange contracts.

### Chart 3. U.S. Liabilities



### Table C. Quarterly Change in U.S. Liabilities [Billions of dollars, not seasonally adjusted]

Type of investment	Position, 2017:III	Change in position in 2017:IV			Position, 2017:IV
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. liabilities</b>	<b>34,645.3</b>	<b>833.3</b>	( <sup>2</sup> )	( <sup>2</sup> )	<b>35,478.6</b>
Liabilities excluding financial derivatives	32,974.0	910.5	204.2	706.3	33,884.4
Financial derivatives other than reserves	1,671.3	-77.1	( <sup>2</sup> )	( <sup>2</sup> )	1,594.2
<b>By functional category:</b>					
Direct investment at market value	8,454.1	417.3	49.8	367.5	8,871.4
Equity	6,629.8	425.7	58.0	367.6	7,055.5
Debt instruments	1,824.2	-8.4	-8.2	-0.1	1,815.9
Portfolio investment	19,057.9	446.2	84.9	361.4	19,504.2
Equity and investment fund shares	7,559.4	399.2	-5.7	404.9	7,958.6
Debt securities	11,498.5	47.0	90.6	-43.5	11,545.6
Financial derivatives other than reserves	1,671.3	-77.1	( <sup>2</sup> )	( <sup>2</sup> )	1,594.2
Over-the-counter contracts	1,630.0	-75.7	( <sup>2</sup> )	( <sup>2</sup> )	1,554.4
Single-currency interest rate contracts	1,166.6	-54.0	( <sup>2</sup> )	( <sup>2</sup> )	1,112.6
Foreign exchange contracts	281.7	-15.0	( <sup>2</sup> )	( <sup>2</sup> )	266.8
Other contracts	181.8	-6.7	( <sup>2</sup> )	( <sup>2</sup> )	175.1
Exchange-traded contracts	41.3	-1.4	( <sup>2</sup> )	( <sup>2</sup> )	39.9
Other investment	5,461.9	46.9	69.5	-22.6	5,508.9
Currency and deposits	3,120.2	77.3	77.1	0.3	3,197.5
Loans	2,100.5	-33.1	-9.8	-23.2	2,067.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	191.4	2.3	2.3	(*)	193.7
Special drawing rights allocations	49.9	0.4	0.0	0.4	50.3

n.a. Not available

(\*) Nonzero value that rounds to zero

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is only presented for annual statistics released in June each year.

2. Financial transactions and other changes in financial derivatives positions are available only 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 [IIP table 1.2](#) on BEA's Web site and the statistics on financial transactions are not seasonally adjusted and are presented in [ITA table 1.2](#).

## Update to Statistics

The U.S. international investment position statistics for the third quarter of 2017 have been updated to incorporate newly available and revised source data (table D).

**Table D. Updates to Third-Quarter 2017 International Investment Position  
Aggregates**  
[Billions of dollars, not seasonally adjusted]

	Preliminary estimate	Revised estimate
<b>U.S. net international investment position</b>	<b>-7,768.7</b>	<b>-7,739.7</b>
<b>U.S. assets</b>	<b>26,854.9</b>	<b>26,905.6</b>
Direct investment at market value	8,580.6	8,595.4
Portfolio investment	11,860.1	11,905.5
Financial derivatives other than reserves	1,705.1	1,705.1
Other investment	4,252.5	4,243.0
Reserve assets	456.6	456.6
<b>U.S. liabilities</b>	<b>34,623.6</b>	<b>34,645.3</b>
Direct investment at market value	8,452.8	8,454.1
Portfolio investment	19,043.2	19,057.9
Financial derivatives other than reserves	1,671.3	1,671.3
Other investment	5,456.2	5,461.9

### Preview of the 2018 Annual Update

The annual update of the U.S. net international investment position will be released along with preliminary estimates for the first quarter of 2018 on June 27, 2018. An article previewing the annual update will appear in the May 2018 issue of the *Survey of Current Business*.

## Year 2017—U.S. Net Investment Position and U.S. Assets

The U.S. net international investment position increased to -\$7,845.8 billion (preliminary) at the end of 2017 from -\$8,318.4 billion at the end of 2016 (table E). The \$472.6 billion increase reflected a \$3,783.4 billion increase in U.S. assets and a \$3,310.8 billion increase in U.S. liabilities.

U.S. assets increased \$3,783.4 billion to \$27,632.8 billion at the end of 2017, mostly reflecting increases in portfolio investment and direct investment assets that were partly offset by a decrease in financial derivatives (table E).

- Assets excluding financial derivatives increased \$4,369.9 billion to \$26,010.4 billion. The increase resulted from other changes in position of \$3,157.5 billion and financial transactions of \$1,212.4 billion. Other changes in position mostly reflected (1) foreign equity price increases that raised the value of portfolio investment and direct investment equity assets and (2) the appreciation of major foreign currencies against the U.S. dollar that raised the value of foreign-currency-denominated assets in dollar terms. Financial transactions reflected net acquisition of assets in all major investment categories except reserve assets.
- Financial derivatives decreased \$586.5 billion to \$1,622.5 billion, mostly in single-currency interest rate contracts and foreign exchange contracts.

**Table E. Annual Change in the U.S. Net International Investment Position and in U.S. Assets**  
[Billions of dollars]

Type of investment	Yearend position, 2016	Change in position in 2017			Yearend position, 2017
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-8,318.4</b>	<b>472.6</b>	<b>-349.2</b>	<b>821.8</b>	<b>-7,845.8</b>
Net position excluding financial derivatives	-8,379.7	505.6	-375.6	881.2	-7,874.1
Financial derivatives other than reserves, net	61.3	-33.0	26.4	-59.4	28.3
<b>U.S. assets</b>	<b>23,849.4</b>	<b>3,783.4</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>27,632.8</b>
Assets excluding financial derivatives	21,640.5	4,369.9	1,212.4	3,157.5	26,010.4
Financial derivatives other than reserves	2,209.0	-586.5	( <sup>2</sup> )	( <sup>2</sup> )	1,622.5
<b>By functional category:</b>					
Direct investment at market value	7,375.0	1,488.3	424.4	1,063.9	8,863.4
Equity	6,172.3	1,450.8	374.9	1,075.9	7,623.2
Debt instruments	1,202.7	37.5	49.5	-12.0	1,240.2
Portfolio investment	9,879.2	2,563.9	589.5	1,974.4	12,443.2
Equity and investment fund shares	6,997.0	2,030.0	193.8	1,836.2	9,027.0
Debt securities	2,882.2	533.9	395.7	138.1	3,416.1
Financial derivatives other than reserves	2,209.0	-586.5	( <sup>2</sup> )	( <sup>2</sup> )	1,622.5
Over-the-counter contracts	2,166.9	-585.0	( <sup>2</sup> )	( <sup>2</sup> )	1,582.0
Single-currency interest rate contracts	1,622.2	-471.7	( <sup>2</sup> )	( <sup>2</sup> )	1,150.5
Foreign exchange contracts	386.7	-125.3	( <sup>2</sup> )	( <sup>2</sup> )	261.3
Other contracts	158.0	12.1	( <sup>2</sup> )	( <sup>2</sup> )	170.1
Exchange-traded contracts	42.1	-1.5	( <sup>2</sup> )	( <sup>2</sup> )	40.5
Other investment	3,978.9	275.2	200.1	75.0	4,254.1
Currency and deposits	1,559.8	194.3	148.7	45.6	1,754.1
Loans	2,373.7	74.7	46.9	27.8	2,448.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	45.4	6.2	4.4	1.7	51.6
Reserve assets	407.2	42.5	-1.7	44.2	449.7
Monetary gold	301.1	36.5	0.0	36.5	337.6
Special drawing rights	48.9	3.0	0.1	2.9	51.9
Reserve position in the International Monetary Fund	18.4	-0.8	-1.8	1.1	17.6
Other reserve assets	38.9	3.7	(*)	3.7	42.6

n.a. Not available

(\*) Nonzero value that rounds to zero

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Note. The statistics on positions are presented in [IIP table 1.2](#) on BEA's Web site and the statistics on financial transactions are presented in [ITA table 1.2](#).

## Year 2017—U.S. Liabilities

U.S. liabilities increased \$3,310.8 billion to \$35,478.6 billion at the end of 2017, mostly reflecting increases in portfolio investment and direct investment liabilities that were partly offset by a decrease in financial derivatives (table F).

- Liabilities excluding financial derivatives increased \$3,864.3 billion to \$33,884.4 billion. The increase resulted from other changes in position of \$2,276.4 billion and financial transactions of \$1,587.9 billion. Other changes in position mostly reflected U.S. equity price increases that raised the value of portfolio investment and direct investment equity liabilities. Financial transactions reflected net incurrence of liabilities in all major investment categories.
- Financial derivatives decreased \$553.5 billion to \$1,594.2 billion, mostly in single-currency interest rate contracts and foreign exchange contracts.

**Table F. Annual Change in U.S. Liabilities**  
[Billions of dollars]

Type of investment	Yearend position, 2016	Change in position in 2017			Yearend position, 2017
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. liabilities</b>	<b>32,167.8</b>	<b>3,310.8</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>35,478.6</b>
Liabilities excluding financial derivatives	30,020.1	3,864.3	1,587.9	2,276.4	33,884.4
Financial derivatives other than reserves	2,147.7	-553.5	( <sup>2</sup> )	( <sup>2</sup> )	1,594.2
<b>By functional category:</b>					
Direct investment at market value	7,569.3	1,302.1	348.7	953.5	8,871.4
Equity	5,783.5	1,272.0	293.7	978.3	7,055.5
Debt instruments	1,785.8	30.1	55.0	-24.9	1,815.9
Portfolio investment	17,352.3	2,151.9	837.1	1,314.8	19,504.2
Equity and investment fund shares	6,564.0	1,394.7	166.8	1,227.8	7,958.6
Debt securities	10,788.4	757.2	670.2	87.0	11,545.6
Financial derivatives other than reserves	2,147.7	-553.5	( <sup>2</sup> )	( <sup>2</sup> )	1,594.2
Over-the-counter contracts	2,104.6	-550.2	( <sup>2</sup> )	( <sup>2</sup> )	1,554.4
Single-currency interest rate contracts	1,568.1	-455.6	( <sup>2</sup> )	( <sup>2</sup> )	1,112.6
Foreign exchange contracts	366.8	-100.1	( <sup>2</sup> )	( <sup>2</sup> )	266.8
Other contracts	169.6	5.4	( <sup>2</sup> )	( <sup>2</sup> )	175.1
Exchange-traded contracts	43.1	-3.3	( <sup>2</sup> )	( <sup>2</sup> )	39.9
Other investment	5,098.6	410.3	402.2	8.1	5,508.9
Currency and deposits	2,949.8	247.7	236.5	11.2	3,197.5
Loans	1,925.8	141.6	147.6	-6.0	2,067.4
Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.
Trade credit and advances	175.5	18.2	18.1	0.1	193.7
Special drawing rights allocations	47.5	2.8	0.0	2.8	50.3

n.a. Not available

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