

# The International Investment Position of the United States at Yearend 2004

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THE net international investment position of the United States was  $-\$2,484.2$  billion (preliminary) at yearend 2004, compared with  $-\$2,156.7$  billion (revised) at yearend 2003, with direct investment valued at current cost (table 1, chart 1). The value of foreign-owned assets in the United States continued to exceed the value of U.S.-owned assets abroad.

The  $-\$327.5$  billion change in the net investment position from yearend 2003 to yearend 2004 was largely due to substantial net foreign purchases of U.S. Treasury securities and U.S. corporate bonds. The impact of these net purchases was partly offset by appreciation of most foreign currencies against the U.S. dollar, which raised the dollar value of U.S.-owned as-

sets abroad, especially of U.S.-owned foreign stocks. In addition, increases in stock market prices raised the value of U.S. holdings of foreign stocks somewhat more than they raised the value of foreign holdings of U.S. stocks.

On an alternative valuation basis with direct investment valued at the current stock market value of owners' equity, the net investment position was  $-\$2,542.2$  billion (preliminary) at yearend 2004, compared with  $-\$2,372.4$  billion (revised) at yearend 2003. This article features estimates valued at the current cost of direct investment; however, estimates valued at the stock market value of direct investment are mentioned when the two valuations of direct investment differ substan-

## Current-Cost and Market-Value Methods of Valuing Direct Investment

Since 1991, in the series of annual articles on the international investment position of the United States, two measures of valuing direct investment positions—the current-cost method and the market-value method—have been discussed and presented as two alternatives to the historical-cost valuation. The current-cost method values the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value method values the owners' equity share of direct investment, using indexes of stock market prices. (For additional information, see J. Steven Landefeld and Ann M. Lawson, "Valuation of the U.S. Net International Investment Position," *SURVEY OF CURRENT BUSINESS* 71 (May 1991): 40–49.)

In this article, BEA emphasizes the current-cost method, because the estimates prepared using the current-cost method are comparable with BEA's current-cost estimates of the net stock of fixed assets and consumer durable goods and with the Federal Reserve Board's estimates of domestic net worth (the sum of tangible assets located in the United States, including plant and equipment, inventories, and land). Furthermore, BEA's calculation of direct investment income includes a current-cost adjustment to depreciation; this adjustment converts depreciation as reported on company financial statements to the preferred economic accounts measure,

which is based on the current cost, rather than on the historical cost, of assets.

The estimates of direct investment in the international investment position continue to be presented on both current-cost and market-value bases in order to highlight that different methods of valuing direct investment may be appropriate for different circumstances and that depending on the valuation method used, the resulting estimates may differ substantially. Virtually all of the categories in the international investment position accounts except direct investment positions can be directly estimated with reference to readily observable market prices. For example, the value of positions in portfolio investment securities, gold, loans, currencies, and bank deposits can be directly estimated based on face values or market prices of recent transactions. In contrast, direct investment positions typically involve illiquid ownership interests in companies that may possess many unique attributes—such as customer base, management, and ownership of intangible assets—whose values in the current period are difficult to determine, because there is no widely accepted standard for revaluing company financial statements at historical cost into prices of the current period.

For detailed data on direct investment at historical cost by country and industry, see "Direct Investment Positions for 2004: Country and Industry Detail" in this issue.

tially. The differences between the two methods are limited to the valuation of direct investment. All financial flows and all asset and liability positions except direct investment are identical under both of these valuation measures.

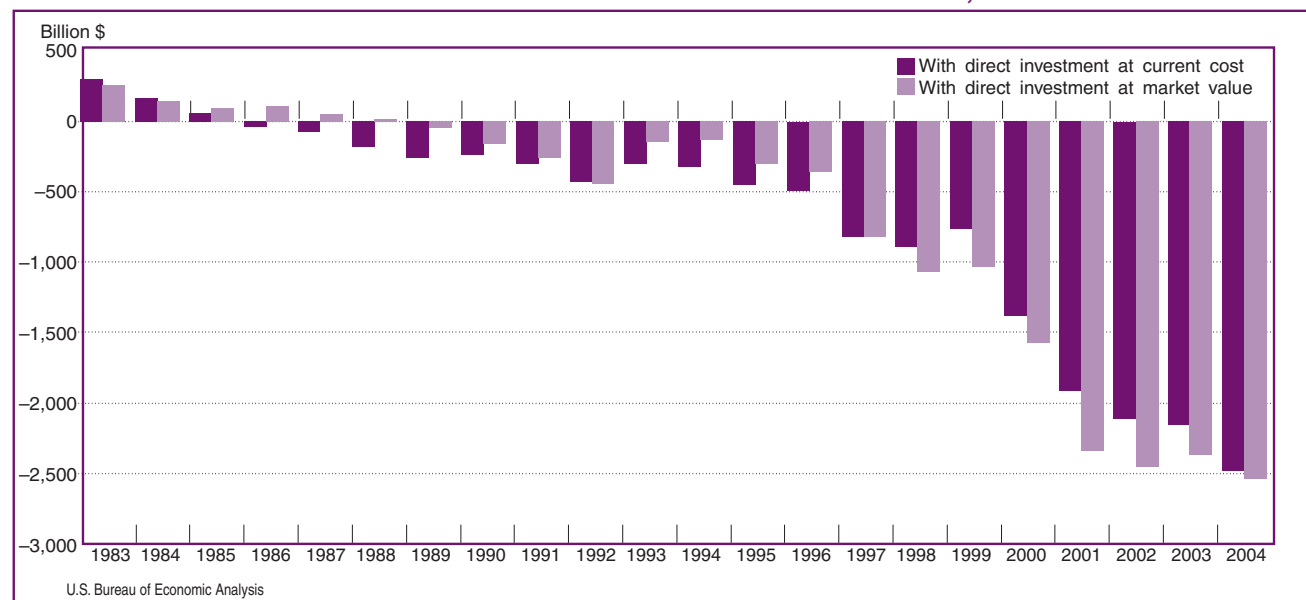
With direct investment valued at current cost, U.S.-owned assets abroad increased to \$9,052.8 billion at yearend 2004 from \$7,641.0 billion at yearend 2003 (table A).

**Table A. U.S. Net International Investment Position at Yearend**

[Billions of dollars]

	2002	2003	2004
<b>Net position:</b>			
At current cost .....	-2,107.3	-2,156.7	-2,484.2
At market value .....	-2,455.1	-2,372.4	-2,542.2
U.S.-owned assets abroad:			
At current cost .....	6,645.7	7,641.0	9,052.8
At market value .....	6,807.8	8,296.6	9,972.8
Foreign-owned assets in the United States:			
At current cost .....	8,752.9	9,797.7	11,537.0
At market value .....	9,263.0	10,669.0	12,515.0

**Chart 1. Net International Investment Position of the United States at Yearend, 1983–2004**



### Improvements in the Estimates

As is customary each July, the estimates of the U.S. international investment position incorporate newly available source data and methodological improvements that relate to the improvements incorporated in the annual revision of the U.S. international transactions accounts.

This year, the estimates of U.S. holdings of foreign securities for 2002–2003 were revised to incorporate results from the U.S. Treasury Department’s Annual Survey of U.S. Portfolio Investment Abroad as of December 31, 2003. In addition, the estimates of U.S. holdings of foreign bonds for 1998–2001 were revised to incorporate revised data from the U.S. Treasury Department’s Benchmark Survey of U.S. Portfolio Investment Abroad as of December 31, 2001. The estimates of foreign holdings of U.S. securities for 2002–2003 were revised to incorporate results from the U.S. Treasury Department’s Benchmark Survey of Foreign Portfolio Investment in the United States as of June 30, 2004. The estimates of foreign holdings of U.S. corporate bonds and stocks for 2002–2003 also include the incorporation of results from the U.S. Treasury Department’s Annual Survey of Foreign Portfolio Investment in the United States as of June 30, 2003. The estimates of short-term U.S. Treasury liabilities and

other short-term debt instruments reported by U.S. banks for 2001–2003 were revised to incorporate results from the U.S. Treasury Department’s Benchmark Survey of Foreign Portfolio Investment in the United States as of June 30, 2004, as well as results from the annual surveys as of June 30, 2002 and June 30, 2003. The estimates of U.S. claims reported by U.S. banks for 1998–2003 were revised to incorporate new information on foreign commercial paper issued in the United States.

In addition to the above improvements, all estimates are revised as a result of the incorporation of newly available or revised quarterly source data. Revisions attributable to these updated source data are for 2001–2003. The net result of revisions from all sources raised the value of U.S.-owned assets abroad relative to the value of foreign-owned assets in the United States for recent years. The net international investment position at yearend 2003 was revised to –\$2,156.7 billion from –\$2,430.7 billion with direct investment at current cost and to –\$2,372.4 billion from –\$2,651.0 billion with direct investment at market value.

For additional information, see “Annual Revision of the U.S. International Accounts, 1991–2004” in this issue.

- Net financial transactions increased the value of U.S. investments abroad by \$855.5 billion in 2004 (table B), up sharply from \$328.4 billion in 2003. The increase was mostly accounted for by substantial increases in claims reported by U.S. banks and nonbanking concerns and in U.S. direct investment abroad.
- Valuation adjustments increased the value of U.S. investments abroad by \$556.3 billion (table B). Price appreciation of foreign stocks increased the value of U.S. holdings of foreign stocks, and exchange-rate appreciation of foreign currencies raised the dollar value of most U.S. investments abroad.

**Table B. Changes in U.S.-Owned Assets Abroad, 2004**  
[Billions of dollars]

	At current cost	At market value
<b>Total change</b> .....	<b>1,411.8</b>	<b>1,676.1</b>
<b>Financial flows</b> .....	<b>855.5</b>	<b>855.5</b>
<b>Valuation adjustments</b> .....	<b>556.3</b>	<b>820.6</b>
Price changes .....	227.4	430.7
Exchange-rate changes .....	228.6	308.2
Other valuation changes .....	100.3	81.7

With direct investment valued at current cost, foreign-owned assets in the United States increased to \$11,537.0 billion at yearend 2004 from \$9,797.7 billion at yearend 2003.

- Net financial transactions increased the value of foreign investments in the United States by \$1,440.1 billion in 2004 (table C), up from \$889.0 billion in 2003. The increase was mostly accounted for by substantial increases in net foreign purchases of U.S. securities and in liabilities reported by U.S. banks.

**Table C. Changes in Foreign-Owned Assets in the United States, 2004**  
[Billions of dollars]

	At current cost	At market value
<b>Total change</b> .....	<b>1,739.3</b>	<b>1,846.0</b>
<b>Financial flows</b> .....	<b>1,440.1</b>	<b>1,440.1</b>
<b>Valuation adjustments</b> .....	<b>299.2</b>	<b>405.9</b>
Price changes .....	170.2	284.2
Exchange-rate changes .....	37.9	36.0
Other valuation changes .....	91.2	85.8

- Valuation adjustments increased the value of foreign investments in the United States by \$299.2 billion (table C). Price appreciation of U.S. stocks increased the value of foreign holdings of U.S. stocks.

This article presents the major changes in U.S.-owned assets abroad and in foreign-owned assets in the United States in 2004. Tables 1 and 2 at the end of this article present estimates of the yearend positions by type of investment.

## Changes in U.S.-Owned Assets Abroad

### Bank and nonbank claims

U.S. claims on foreigners reported by U.S. banks and securities brokers increased a record \$414.7 billion, to \$2,174.0 billion, in 2004. The increase was mostly as a result of financial outflows of \$356.1 billion. U.S. banks' own claims denominated in dollars increased to \$1,658.1 billion from \$1,311.4 billion (table D). Most of the increase in claims reflected interoffice transfers of funds to meet increased demand abroad, probably related to a pickup in syndicated loans, mergers, and corporate debt refinancings. Claims on other foreigners, mostly securities brokers and dealers, also picked up as a result of increased foreign activities in the U.S. securities market; resale agreements with hedge funds in the Caribbean increased substantially.

**Table D. U.S. Claims Reported by U.S. Banks and U.S. Nonbanks at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total bank-reported claims</b> .....	<b>1,559.5</b>	<b>1,759.3</b>	<b>2,174.0</b>
Banks' claims for own accounts, denominated in dollars.....	1,185.4	1,311.4	1,658.1
On foreign banks .....	970.3	977.4	1,192.4
On foreign nonbanks, excluding foreign official institutions .....	162.9	276.1	388.4
On foreign official institutions .....	52.2	57.9	77.4
Banks' claims for customers accounts, denominated in dollars.....	266.4	344.9	360.6
Banks' claims, denominated in foreign currencies.....	107.6	103.0	155.2
<b>Total nonbank-reported claims</b> .....	<b>902.0</b>	<b>597.0</b>	<b>801.5</b>

U.S. banks' domestic customers' claims denominated in dollars increased to \$360.6 billion from \$344.9 billion. U.S. banks' claims payable in foreign currencies increased to \$155.2 billion from \$103.0 billion.

U.S. claims on foreigners reported by U.S. nonbanking concerns increased to \$801.5 billion from \$597.0 billion, reflecting a large increase in U.S. deposits, mostly in Caribbean banking centers (table D).

### Foreign securities

U.S. holdings of foreign securities increased \$482.9 billion, to \$3,436.7 billion, in 2004. The increase was mostly accounted for by valuation adjustments of foreign stocks.

U.S. holdings of foreign stocks increased \$440.6 billion, to \$2,520.1 billion, in 2004. Stock price appreciation of \$210.1 billion, exchange-rate appreciation of \$147.4 billion, and net U.S. purchases of \$83.2 billion all contributed to the increase in U.S. holdings. Foreign stock prices (based on Morgan Stanley broad market indexes) appreciated 11 percent in local currency, the second consecutive year of double-digit appreciation, following 3 years of price depreciation. In U.S. dollars, foreign stock prices appreciated 18 percent, outperforming U.S. stock prices, which appreciated 9 percent.

- At yearend 2004, U.S. holdings of European stocks increased to \$1,382.7 billion from \$1,135.3 billion (table E). The increase was mostly attributable to a 9-percent increase in European stock prices (in local currency), a 7-percent exchange-rate appreciation of the euro and the pound against the U.S. dollar, and exchange-rate appreciation of other European currencies against the dollar. In dollar terms, European stocks appreciated 18 percent, or twice the rate of U.S. stocks. Net U.S. purchases of European stocks increased to \$57.6 billion in 2004 from \$38.7 billion in 2003.

**Table E. U.S. Holdings of Foreign Stocks by Major Area and Country at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total holdings</b> .....	<b>1,374.7</b>	<b>2,079.4</b>	<b>2,520.1</b>
Europe.....	789.4	1,135.3	1,382.7
<i>Of which:</i> United Kingdom.....	289.5	426.2	540.3
France.....	94.3	130.8	156.1
Switzerland.....	75.6	117.9	136.3
Netherlands.....	88.1	115.8	134.2
Germany.....	66.5	103.2	122.6
Spain.....	29.9	43.8	53.0
Italy.....	28.2	39.0	47.4
Finland.....	34.3	35.2	40.8
Sweden.....	19.2	27.5	39.9
Canada.....	88.2	149.3	188.5
Latin America and Caribbean.....	191.6	260.4	302.8
<i>Of which:</i> Bermuda.....	88.6	107.5	124.1
Cayman Islands.....	32.9	45.3	53.8
Brazil.....	19.7	31.8	39.4
Mexico.....	22.0	28.5	31.7
Asia.....	258.7	454.4	575.3
<i>Of which:</i> Japan.....	148.1	255.5	333.3
Korea, Republic of.....	27.8	49.1	60.9
Hong Kong.....	22.0	36.2	39.5
Taiwan.....	8.5	27.0	35.5
Africa.....	9.6	18.7	22.5
<i>Of which:</i> South Africa.....	7.9	15.1	18.3
Other countries.....	37.2	61.3	48.3
<i>Of which:</i> Australia.....	34.6	56.5	42.5

- U.S. holdings of Japanese stocks increased to \$333.3 billion from \$255.5 billion, mostly as a result of a 10-percent increase in Japanese stock prices (in local currency) and a 4-percent exchange-rate appreciation of the Japanese yen against the dollar. Net U.S. purchases of Japanese stocks fell slightly to \$33.1 billion in 2004 from \$39.5 billion in 2003.
- U.S. holdings of Canadian stocks increased to \$188.5 billion from \$149.3 billion, mostly as a result of a 12-percent appreciation of Canadian stock prices (in local currency) and a 7-percent exchange-rate appreciation of the Canadian dollar against the U.S. dollar. Net U.S. purchases of Canadian stocks increased to \$13.4 billion from \$2.7 billion.

U.S. holdings of foreign bonds increased \$42.3 billion, to \$916.7 billion, in 2004. The increase resulted from exchange-rate appreciation of \$21.0 billion, net U.S. purchases of \$19.2 billion, and price appreciation of \$2.1 billion. Strong net U.S. purchases of bonds

from the United Kingdom more than offset net U.S. sales of Asian and Latin American bonds. At yearend 2004, U.S. holdings of European bonds (mostly of Western European countries) were \$506.9 billion, up from \$442.4 billion at yearend 2003 (table F). U.S. holdings of Canadian and Australian bonds increased slightly to \$143.6 billion and \$31.3 billion, respectively. In contrast, U.S. holdings of Japanese bonds decreased to \$25.1 billion from \$37.2 billion.

**Table F. U.S. Holdings of Foreign Bonds by Major Area and Country at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total holdings</b> .....	<b>705.2</b>	<b>874.4</b>	<b>916.7</b>
Europe.....	343.2	442.4	506.9
<i>Of which:</i> United Kingdom.....	110.9	148.3	213.3
Germany.....	60.6	71.4	72.6
Netherlands.....	42.5	58.0	59.7
France.....	34.4	43.0	45.8
Italy.....	17.0	25.0	24.5
Belgium and Luxembourg.....	16.1	20.2	17.2
Sweden.....	11.1	12.8	13.3
Canada.....	131.9	139.4	143.6
Latin America and Caribbean.....	119.7	165.0	167.8
<i>Of which:</i> Cayman Islands.....	47.2	75.7	80.1
Mexico.....	23.8	27.6	27.4
Asia.....	66.0	69.3	38.2
<i>Of which:</i> Japan.....	38.3	37.2	25.1
Africa.....	5.3	6.6	5.1
<i>Of which:</i> South Africa.....	2.5	2.7	2.9
Other countries.....	39.1	51.7	55.1
<i>Of which:</i> Australia.....	21.6	29.2	31.3

## U.S. direct investment abroad

U.S. direct investment abroad at current cost increased \$304.8 billion, to \$2,367.4 billion, in 2004, mostly as a result of net financial outflows (table G). At market value, U.S. direct investment abroad increased \$569.2 billion, to \$3,287.4 billion; the increase was attributable to net financial outflows, price appreciation in owners' equity resulting from an increase in foreign stock prices, and exchange-rate appreciation of most foreign currencies against the dollar (table H). Net financial outflows increased sharply to \$252.0 billion from \$140.6 billion, mostly as a result of a \$61.5 billion increase in net equity capital outflows that were dominated by a restructuring of a large Australian media company as a U.S. company in the fourth quarter of 2004. Reinvested earnings increased to \$176.5 billion from \$131.0 billion, reflecting a continued rise in earnings of affiliates overseas and an increase in the share of

**Table G. U.S. Direct Investment Abroad at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>U.S. direct investment abroad:</b>			
At current cost.....	1,860.4	2,062.6	2,367.4
At market value.....	2,022.6	2,718.2	3,287.4

earnings that were reinvested. Intercompany debt inflows slowed to \$5.2 billion from \$9.6 billion.

**Table H. U.S. Direct Investment Abroad, 2004**  
[Billions of dollars]

	At current cost	At market value
<b>Total position at yearend</b> .....	<b>2,367.4</b>	<b>3,287.4</b>
<b>Total change</b> .....	<b>304.8</b>	<b>569.2</b>
Financial outflows .....	252.0	252.0
Equity capital .....	80.7	80.7
Intercompany debt .....	-5.2	-5.2
Reinvested earnings .....	176.5	176.5
Price changes .....	10.2	213.5
Exchange-rate changes .....	36.8	116.4
Other valuation changes .....	5.8	-12.7

### U.S. official reserve assets and other U.S. Government assets

U.S. official reserve assets increased \$6.0 billion, to \$189.6 billion, in 2004, as a result of price appreciation in the market value of the U.S. gold stock and exchange-rate appreciation of other reserve assets. The U.S. reserve position at the International Monetary Fund (IMF) decreased \$3.0 billion because of net financial inflows; repayments of U.S. dollar funds to the IMF from Brazil, Turkey, Argentina, Indonesia, and Russia exceeded new U.S. dollar lending. Exchange-rate appreciation partly offset the financial inflows. U.S. official holdings of foreign currencies increased \$2.9 billion, reflecting exchange-rate appreciation of \$2.3 billion and financial outflows of \$0.6 billion. U.S. official holdings of special drawing rights increased \$1.0 billion as a result of exchange-rate appreciation and financial outflows.

U.S. Government assets other than official reserve assets decreased \$1.2 billion, to \$83.6 billion, as repayments of loans exceeded new U.S. Government credits. Both new credits and repayments accelerated in 2004.

### Changes in Foreign-Owned Assets in the United States

#### Bank and nonbank liabilities

U.S. liabilities to private foreigners and international financial institutions reported by U.S. banks increased \$383.5 billion, to \$2,304.6 billion, in 2004. The increase was mostly due to record financial inflows of \$322.6 billion.

U.S. banks' own liabilities denominated in dollars

increased to \$1,823.1 billion from \$1,527.0 billion, mostly as a result of interoffice transfers of funds from affiliates overseas to meet increased funding demand associated with considerable international credit growth (table I). Dollar liabilities of U.S. securities brokers and dealers to foreign nonbanks increased substantially, reflecting an upswing in repurchase activity, including transactions with hedge funds in the Caribbean. U.S. banks' customers' liabilities denominated in dollars increased \$62.6 billion, to \$389.8 billion. U.S. banks' foreign currency liabilities increased \$24.9 billion, to \$91.8 billion.

**Table I. U.S. Liabilities Reported by U.S. Banks and U.S. Nonbanks at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total bank-reported liabilities</b> .....	<b>1,538.2</b>	<b>1,921.1</b>	<b>2,304.6</b>
Banks' liabilities for own accounts, denominated in dollars .....	1,269.4	1,527.0	1,823.1
To foreign banks .....	1,055.9	1,132.4	1,239.2
To foreign nonbanks, including international organizations .....	213.5	394.6	583.9
Banks' liabilities for customers' accounts, denominated in dollars ...	188.2	327.2	389.8
Banks' liabilities, denominated in foreign currencies .....	80.5	66.9	91.8
<b>Total nonbank-reported liabilities</b> .....	<b>892.6</b>	<b>454.3</b>	<b>581.3</b>

U.S. liabilities to foreigners reported by U.S. non-banking concerns increased to \$581.3 billion from \$454.3 billion, reflecting an increase in U.S. corporate borrowing, mostly from financial centers in Western Europe and in the Caribbean (table I).

#### Foreign official assets

Foreign official assets in the United States increased sharply to \$1,982.0 billion in 2004, from \$1,567.1 billion in 2003. The increase was mostly attributable to record financial inflows of \$394.7 billion. Price depreciation of \$7.3 billion reflected a decrease in prices of U.S. Treasury and agency bonds that more than offset an increase in prices of U.S. corporate bonds and stocks. Net foreign official purchases of U.S. Treasury securities increased to a record \$272.6 billion, amid intervention in the exchange market by several Asian monetary authorities in an attempt to slow the appreciation of their currencies against the U.S. dollar.

#### U.S. Treasury securities

Foreign holdings of U.S. Treasury securities, excluding foreign official holdings, increased \$96.5 billion, to

\$639.7 billion, in 2004. Sizable net foreign purchases of \$107.0 billion more than offset price depreciation of \$5.1 billion. Net foreign purchases remained strong despite the underperformance of U.S. Treasury bonds relative to major foreign government bonds except Japanese Government bonds in 2004. At yearend 2004, Japan remained by far the largest holder of Treasury securities, followed by China. Together, they accounted for nearly half of total foreign holdings (table J). (In table J, foreign private holdings and foreign official holdings are combined in order to avoid the disclosure of sensitive data on individual country holdings by foreign official agencies.)

**Table J. Foreign Official and Private Holdings of U.S. Treasury Securities by Selected Countries at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total holdings</b> .....	<b>1,285.5</b>	<b>1,533.6</b>	<b>1,900.2</b>
Japan .....	392.7	549.5	694.2
China .....	124.4	175.9	236.2
United Kingdom .....	63.6	44.1	76.5
Cayman Islands .....	15.4	16.8	72.8
Taiwan .....	40.8	56.4	68.1
Korea, Republic of .....	48.2	55.6	55.1
Germany .....	38.4	44.7	54.0
Hong Kong .....	45.0	46.9	45.2
OPEC Asia .....	26.5	26.4	42.5
Switzerland .....	39.1	42.7	42.4

### Other U.S. securities

Foreign holdings of U.S. securities other than U.S. Treasury securities, excluding foreign official holdings, increased \$579.7 billion, to \$3,987.8 billion, in 2004. The increase was attributable to net foreign purchases of \$369.8 billion, price appreciation of \$179.6 billion (mostly on U.S. stocks), and exchange-rate appreciation of \$24.2 billion on foreign-currency-denominated U.S. bonds.

Foreign holdings of U.S. corporate and agency bonds increased \$352.0 billion, to \$2,059.3 billion, in 2004, amid continued improvement in the credit quality of U.S. issuers and near-record low yields on U.S. Treasury bonds. The increase in foreign holdings was mostly accounted for by net foreign purchases of \$309.3 billion; net foreign purchases of U.S. corporate bonds were a record \$243.0 billion, up from the previous record of \$224.4 billion in 2003, and transactions in agency bonds shifted to net foreign purchases of \$66.3 billion from net foreign sales of \$33.4 billion. Foreign holdings of U.S. corporate and agency bonds are concentrated among several financial centers in the

United Kingdom, Belgium and Luxembourg, Japan, and the Caribbean (table K).

**Table K. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total holdings</b> .....	<b>1,531.0</b>	<b>1,707.2</b>	<b>2,059.3</b>
Europe .....	1,034.3	1,130.8	1,302.9
Of which: United Kingdom .....	566.4	489.8	517.1
Belgium and Luxembourg .....	301.0	414.3	487.0
Germany .....	31.4	44.6	66.6
Ireland .....	33.5	47.6	59.9
Netherlands .....	29.4	40.5	48.6
Switzerland .....	27.3	31.4	36.6
France .....	17.9	24.9	33.0
Canada .....	39.4	47.1	52.6
Latin America and Caribbean .....	202.0	279.8	374.8
Of which: Cayman Islands .....	97.7	144.4	201.6
Bermuda .....	59.1	78.6	94.5
Asia .....	240.3	234.3	309.4
Of which: Japan .....	167.2	159.8	215.6
Africa .....	1.4	1.6	1.8
Other countries .....	13.6	13.6	17.8

Foreign holdings of U.S. stocks increased \$227.6 billion, to \$1,928.5 billion, in 2004, as a result of price appreciation and net foreign purchases. U.S. stock prices appreciated 9 percent in 2004, much less than the 26-percent appreciation in 2003. Net foreign purchases in 2004 were boosted by stock swap transactions related to cross-border mergers and acquisitions and the restructuring of a large Australian media company as a U.S. company. Excluding these transactions, net foreign purchases were lower in 2004 than in 2003. At yearend 2004, the United Kingdom remained the largest holder of U.S. stocks at \$308.1 billion, followed by Canada, at \$221.2 billion, and Japan, at \$178.3 billion (table L).

**Table L. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Total holdings</b> .....	<b>1,248.1</b>	<b>1,700.9</b>	<b>1,928.5</b>
Europe .....	711.4	939.8	1,081.2
Of which: United Kingdom .....	199.5	246.1	308.1
Belgium and Luxembourg .....	103.1	140.0	159.7
Netherlands .....	96.4	124.2	136.9
Switzerland .....	96.6	121.5	129.0
Germany .....	60.9	76.1	80.2
France .....	36.4	57.0	64.5
Ireland .....	29.5	48.7	56.6
Sweden .....	30.6	43.0	50.0
Italy .....	26.3	33.6	35.4
Canada .....	148.9	204.3	221.2
Latin America and Caribbean .....	178.9	270.1	288.1
Of which: Cayman Islands .....	64.8	114.0	121.2
Bermuda .....	38.6	51.7	55.3
Netherlands Antilles .....	15.0	21.8	24.2
Asia .....	166.7	230.8	264.7
Of which: Japan .....	116.5	155.7	178.3
Africa .....	2.6	4.2	5.3
Other countries .....	39.6	51.7	68.0
Of which: Australia .....	34.8	45.0	60.2

### U.S. currency

U.S. currency held by foreigners increased \$14.8 billion, to \$332.7 billion, in 2004. Net U.S. currency shipments to foreigners slowed in 2004, partly reflecting a decline in demand for dollars as the use of euros expands.

### Foreign direct investment in the United States

Foreign direct investment in the United States at current cost increased \$123.0 billion, to \$1,708.9 billion, in 2004, mostly as a result of net financial inflows (table M). At market value, foreign direct investment in the United States increased \$229.7 billion, to \$2,686.9 billion, as a result of price appreciation in owners' equity (resulting from an increase in U.S. stock prices) and net financial inflows. Net financial inflows increased to \$106.8 billion from \$67.1 billion, mainly as a result of an increase in reinvested earnings to \$56.0 billion from \$11.8 billion (table N). Intercompany debt outflows decreased to \$17.8 billion from \$31.7 billion, as U.S. affiliates' payables shifted to net inflows. In contrast, net equity capital inflows decreased for the

fourth consecutive year, to \$68.7 billion, well below the record \$259.6 billion in 2000.

**Table M. Foreign Direct Investment in the United States at Yearend**  
[Billions of dollars]

	2002	2003	2004
<b>Foreign direct investment in the United States:</b>			
At current cost .....	1,517.4	1,585.9	1,708.9
At market value.....	2,027.4	2,457.2	2,686.9

**Table N. Foreign Direct Investment in the United States, 2004**  
[Billions of dollars]

	At current cost	At market value
<b>Total position at yearend.....</b>	<b>1,708.9</b>	<b>2,686.9</b>
<b>Total change.....</b>	<b>123.0</b>	<b>229.7</b>
Financial inflows .....	106.8	106.8
Equity capital .....	68.7	68.7
Intercompany debt.....	-17.8	-17.8
Reinvested earnings .....	56.0	56.0
Price changes.....	3.0	117.0
Exchange-rate changes.....	1.9	.....
Other valuation changes.....	11.2	5.8

*Tables 1 and 2 follow.*

Table 1. International Investment Position of the United States at Yearend, 2003 and 2004

[Millions of dollars]

Line	Type of investment	Position, 2003 <sup>r</sup>	Changes in position in 2004					Position, 2004 <sup>p</sup>
			Attributable to				Total (a+b+c+d)	
			Financial flows	Valuation adjustments				
				Price changes	Exchange-rate changes <sup>1</sup>	Other changes <sup>2</sup>		
(a)	(b)	(c)	(d)					
<b>Net international investment position of the United States:</b>								
1	With direct investment positions at current cost (line 3 less line 24) .....	-2,156,703	-584,597	57,253	190,726	9,102	-327,516	-2,484,219
2	With direct investment positions at market value (line 4 less line 25) .....	-2,372,370	-584,597	146,514	272,278	-4,070	-169,875	-2,542,245
<b>U.S.-owned assets abroad:</b>								
3	With direct investment positions at current cost (lines 5+10+15) .....	7,640,986	855,508	227,413	228,630	100,259	1,411,810	9,052,796
4	With direct investment positions at market value (lines 5+10+16) .....	8,296,638	855,508	430,698	308,239	81,700	1,676,145	9,972,783
5	U.S. official reserve assets .....	183,577	-2,805	5,061	3,738	20	6,014	189,591
6	Gold .....	108,866		<sup>3</sup> 5,061		<sup>4</sup> 20	5,081	113,947
7	Special drawing rights .....	12,638	398		592		990	13,628
8	Reserve position in the International Monetary Fund .....	22,535	-3,826		835		-2,991	19,544
9	Foreign currencies .....	39,538	623		2,311		2,934	42,472
10	U.S. Government assets, other than official reserve assets .....	84,772	-1,216				-1,216	83,556
11	U.S. credits and other long-term assets <sup>5</sup> .....	81,980	-1,177				-1,177	80,803
12	Repayable in dollars .....	81,706	-1,176				-1,176	80,530
13	Other <sup>6</sup> .....	274	-1				-1	273
14	U.S. foreign currency holdings and U.S. short-term assets .....	2,792	-39				-39	2,753
<b>U.S. private assets:</b>								
15	With direct investment at current cost (lines 17+19+22+23) .....	7,372,637	859,529	222,352	224,892	100,239	1,407,012	8,779,649
16	With direct investment at market value (lines 18+19+22+23) .....	8,028,289	859,529	425,637	304,501	81,680	1,671,347	9,699,636
<b>Direct investment abroad:</b>								
17	At current cost .....	2,062,551	252,012	10,195	36,787	5,841	304,835	2,367,386
18	At market value .....	2,718,203	252,012	213,480	116,396	-12,718	569,170	3,287,373
19	Foreign securities .....	2,953,778	102,383	212,157	168,400		482,940	3,436,718
20	Bonds .....	874,356	19,180	2,088	21,031		42,299	916,655
21	Corporate stocks .....	2,079,422	83,203	210,069	147,369		440,641	2,520,063
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	596,961	149,001		10,575	44,999	204,575	801,536
23	U.S. claims reported by U.S. banks, not included elsewhere .....	1,759,347	356,133		9,130	49,399	414,662	2,174,009
<b>Foreign-owned assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33) .....	9,797,689	1,440,105	170,160	37,904	91,157	1,739,326	11,537,015
25	With direct investment at market value (lines 26+34) .....	10,669,008	1,440,105	284,184	35,961	85,770	1,846,020	12,515,028
26	Foreign official assets in the United States .....	1,567,124	394,710	-7,342		27,500	414,868	1,981,992
27	U.S. Government securities .....	1,192,242	311,133	-19,456		15,658	307,335	1,499,577
28	U.S. Treasury securities .....	990,411	272,648	-16,010		13,453	270,091	1,260,502
29	Other .....	201,831	38,485	-3,446		2,205	37,244	239,075
30	Other U.S. Government liabilities <sup>7</sup> .....	16,627	488				488	17,115
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	201,054	70,329			88	70,417	271,471
32	Other foreign official assets .....	157,201	12,760	12,114		11,754	36,628	193,829
<b>Other foreign assets:</b>								
33	With direct investment at current cost (lines 35+37+38+41+42+43) .....	8,230,565	1,045,395	177,502	37,904	63,657	1,324,458	9,555,023
34	With direct investment at market value (lines 36+37+38+41+42+43) .....	9,101,884	1,045,395	291,526	35,961	58,270	1,431,152	10,533,036
<b>Direct investment in the United States:</b>								
35	At current cost .....	1,585,898	106,832	3,000	1,943	11,204	122,979	1,708,877
36	At market value .....	2,457,217	106,832	117,024		5,817	229,673	2,686,890
37	U.S. Treasury securities .....	543,209	106,958	-5,078		-5,373	96,507	639,716
38	U.S. securities other than U.S. Treasury securities .....	3,408,113	369,793	179,580	24,171	6,140	579,684	3,987,797
39	Corporate and other bonds .....	1,707,206	309,258	12,475	24,171	6,140	352,044	2,059,250
40	Corporate stocks .....	1,700,907	60,535	167,105			227,640	1,928,547
41	U.S. currency .....	317,908	14,827				14,827	332,735
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	454,317	124,358		5,848	-3,265	126,941	581,258
43	U.S. liabilities reported by U.S. banks, not included elsewhere .....	1,921,120	322,627		5,942	54,951	383,520	2,304,640

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1. Represents gains or losses on foreign-currency-denominated assets and liabilities due to their revaluation at current exchange rates.

2. Includes changes in coverage, capital gains and losses of direct investment affiliates, and other adjustments to the value of assets and liabilities.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in

international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.



Table 2. International Investment Position

[Millions]

Line	Type of Investment	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
<b>Net international investment position of the United States:</b>													
1	With direct investment positions at current cost (line 3 less line 24) .....	164,832	171,440	206,423	316,926	360,838	339,767	328,954	298,304	160,695	54,343	-36,209	-80,007
2	With direct investment positions at market value (line 4 less line 25) .....							235,947	257,393	134,088	96,886	100,782	50,529
<b>U.S.-owned assets abroad:</b>													
3	With direct investment at current cost (lines 5+10+15) .....	456,964	512,278	621,227	786,701	929,806	1,001,667	1,108,436	1,210,974	1,204,900	1,287,396	1,469,396	1,646,527
4	With direct investment at market value (lines 5+10+16) .....							961,015	1,129,673	1,127,132	1,302,712	1,594,652	1,758,711
5	U.S. official reserve assets .....	44,094	53,376	69,450	143,260	171,412	124,568	143,445	123,110	105,040	117,930	139,875	162,370
6	Gold <sup>1</sup> .....	36,944	45,781	62,471	135,476	155,816	105,644	120,635	100,484	81,202	85,834	102,428	127,648
7	Special drawing rights .....	2,395	2,629	1,558	2,724	2,610	4,096	5,250	5,025	5,641	7,293	8,395	10,283
8	Reserve position in the International Monetary Fund .....	4,434	4,946	1,047	1,253	2,852	5,054	7,348	11,312	11,541	11,947	11,730	11,349
9	Foreign currencies .....	321	20	4,374	3,807	10,134	9,774	10,212	6,289	6,656	12,856	17,322	13,090
10	U.S. Government assets, other than official reserve assets .....	44,978	48,567	53,187	58,851	65,573	70,893	76,903	81,664	86,945	89,792	91,850	90,681
11	U.S. credits and other long-term assets <sup>2</sup> .....	44,124	47,749	52,252	57,909	63,731	69,320	75,105	79,852	84,857	87,854	90,923	89,900
12	Repayable in dollars .....	41,309	45,154	49,817	54,616	60,731	66,591	72,635	77,618	82,819	85,978	89,271	88,344
13	Other <sup>3</sup> .....	2,815	2,595	2,435	3,293	3,000	2,729	2,470	2,234	2,038	1,876	1,652	1,556
14	U.S. foreign currency holdings and U.S. short-term assets .....	854	818	935	942	1,842	1,573	1,798	1,812	2,088	1,938	927	781
<b>U.S. private assets:</b>													
15	With direct investment at current cost (lines 17+19+22+23) .....	367,892	410,335	498,590	584,590	692,821	806,206	888,088	1,006,200	1,012,915	1,079,674	1,237,671	1,393,476
16	With direct investment at market value (lines 18+19+22+23) .....							740,667	924,899	935,147	1,094,990	1,362,927	1,505,660
<b>Direct investment abroad:</b>													
17	At current cost <sup>4</sup> .....	222,283	246,078	285,005	336,301	388,072	407,804	374,059	355,643	348,342	371,036	404,818	478,062
18	At market value <sup>4</sup> .....							226,638	274,342	270,574	386,352	530,074	590,246
19	Foreign securities <sup>5</sup> .....	44,157	49,439	53,384	56,769	62,454	62,142	74,046	84,723	88,804	119,403	158,123	188,589
20	Bonds <sup>5</sup> .....	34,704	39,329	42,148	41,966	43,524	45,675	56,604	58,569	62,810	75,020	85,724	93,889
21	Corporate stocks <sup>5</sup> .....	9,453	10,110	11,236	14,803	18,930	16,467	17,442	26,154	25,994	44,383	72,399	94,700
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns <sup>6</sup> .....	20,317	22,256	29,385	34,491	38,429	42,752	35,405	131,329	130,138	141,872	167,392	177,368
23	U.S. claims reported by U.S. banks, not included elsewhere <sup>7</sup> .....	81,135	92,562	130,816	157,029	203,866	293,508	404,578	434,505	445,631	447,363	507,338	549,457
<b>Foreign-owned assets in the United States:</b>													
24	With direct investment at current cost (lines 26+33) .....	292,132	340,838	414,804	469,775	568,968	661,900	779,482	912,670	1,044,205	1,233,053	1,505,605	1,726,534
25	With direct investment at market value (lines 26+34) .....							725,068	872,280	993,044	1,205,826	1,493,870	1,708,182
26	Foreign official assets in the United States .....	104,445	140,867	173,057	159,852	176,062	180,425	189,109	194,468	199,678	202,482	241,226	283,058
27	U.S. Government securities .....	72,572	105,386	128,511	106,640	118,189	125,130	132,587	136,997	144,665	145,063	178,916	220,548
28	U.S. Treasury securities <sup>8</sup> .....	70,555	101,092	123,991	101,748	111,336	117,004	124,929	129,716	138,168	138,438	173,310	213,713
29	Other <sup>8</sup> .....	2,017	4,294	4,520	4,892	6,853	8,126	7,658	7,271	6,497	6,625	5,606	6,835
30	Other U.S. Government liabilities <sup>9</sup> .....	8,860	10,260	12,749	12,749	13,367	13,029	13,639	14,231	14,959	15,803	17,993	15,667
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	17,231	18,004	23,327	30,540	30,381	26,737	24,989	25,534	26,090	26,734	27,920	31,838
32	Other foreign official assets <sup>8</sup> .....	5,782	7,217	8,470	9,923	14,125	15,529	17,894	17,716	13,964	14,882	16,397	15,005
<b>Other foreign assets:</b>													
33	With direct investment at current cost (lines 35+37+38+41+42+43) .....	187,687	199,971	241,747	309,923	392,906	481,475	590,373	718,202	844,527	1,030,571	1,264,379	1,443,476
34	With direct investment at market value (lines 36+37+38+41+42+43) .....							535,959	677,812	793,366	1,003,344	1,252,644	1,425,124
<b>Direct investment in the United States:</b>													
35	At current cost <sup>10</sup> .....	47,528	55,413	68,976	88,579	127,105	164,623	184,842	193,708	223,538	247,223	284,701	334,552
36	At market value <sup>10</sup> .....							130,428	153,318	172,377	219,996	272,966	316,200
37	U.S. Treasury securities <sup>8</sup> .....	7,028	7,562	8,910	14,210	16,113	18,505	25,758	33,846	62,121	87,954	96,078	82,588
38	U.S. securities other than U.S. Treasury securities <sup>8</sup> .....	54,913	51,235	53,554	58,587	74,114	75,085	92,988	113,811	128,477	207,868	309,803	341,732
39	Corporate and other bonds <sup>8</sup> .....	11,964	11,456	11,457	10,269	9,545	10,694	16,709	17,454	32,421	82,290	140,863	166,089
40	Corporate stocks <sup>8</sup> .....	42,949	39,779	42,097	48,318	64,569	64,391	76,279	96,357	96,056	125,578	168,940	175,643
41	U.S. currency .....	11,792	13,656	16,569	19,552	24,079	27,295	31,265	36,776	40,797	46,036	50,122	55,584
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns <sup>11</sup> .....	12,961	11,921	16,019	18,669	30,426	30,606	27,532	61,731	77,415	86,993	90,703	110,187
43	U.S. liabilities reported by U.S. banks, not included elsewhere <sup>12</sup> .....	53,465	60,184	77,719	110,326	121,069	165,361	227,988	278,330	312,179	354,497	432,972	518,833

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1. U.S. official gold stock is valued at market price.

2. Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

3. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

4. A break in series in 1994 reflects the reclassification from the direct investment accounts to the nonbank investment accounts of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation. Estimates for 1976 forward are linked to the 1977, 1982, 1989, 1994,

and 1999 benchmark surveys of U.S. direct investment abroad.

5. Estimates include results of the 1994, 1997, and 2001 Benchmark Surveys of U.S. Portfolio Holdings of Foreign Securities, and the results of the 2003 Annual Survey of U.S. Holdings of Foreign Securities, conducted by the U.S. Department of the Treasury.

6. A break in series in 1983 reflects the introduction of counterparty data from the United Kingdom and from the Bank for International Settlements (BIS) for several European countries, Caribbean banking centers, and Asian banking centers. Additional coverage from BIS data was introduced in 1986, 1989, 1993, and 1994. In 1994, intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation are reclassified from the direct investment accounts to the nonbank investment accounts. A break in series in 2003 reflects the reclassification of assets reported by U.S. securities brokers from nonbank-reported assets to bank-reported assets, and a reduction in counterparty balances to eliminate double counting.

## of the United States at Yearend, 1976–2004

of dollars]

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998 <sup>1</sup>	1999 <sup>2</sup>	2000 <sup>3</sup>	2001 <sup>4</sup>	2002 <sup>5</sup>	2003 <sup>6</sup>	2004 <sup>7</sup>	Line
-178,470	-259,506	-245,347	-309,259	-431,198	-306,956	-323,397	-458,462	-495,055	-820,682	-895,358	-766,237	-1,381,196	-1,919,430	-2,107,267	-2,156,703	-2,484,219	1
10,466	-46,987	-164,495	-260,819	-452,305	-144,268	-135,251	-305,836	-360,024	-822,732	-1,070,769	-1,037,437	-1,581,007	-2,339,448	-2,455,114	-2,372,370	-2,542,245	2
1,829,665	2,070,868	2,178,978	2,286,456	2,331,696	2,753,648	2,987,118	3,486,272	4,032,307	4,567,906	5,095,546	5,974,394	6,238,785	6,308,681	6,645,679	7,640,986	9,052,796	3
2,008,365	2,350,235	2,294,085	2,470,629	2,466,496	3,091,421	3,315,135	3,964,558	4,650,837	5,379,128	6,179,126	7,399,678	7,401,192	6,930,484	6,807,849	8,296,638	9,972,783	4
144,179	168,714	174,664	159,223	147,435	164,945	163,394	176,061	160,739	134,836	146,006	136,418	128,400	129,961	158,602	183,577	189,591	5
107,434	105,164	102,406	92,561	87,168	102,556	100,110	101,279	96,698	75,929	75,291	75,950	71,799	72,328	90,806	108,866	113,947	6
9,637	9,951	10,989	11,240	8,503	9,039	10,039	11,037	10,312	10,027	10,603	10,336	10,539	10,783	12,166	12,638	13,628	7
9,745	9,048	9,076	9,488	11,759	11,818	12,030	14,649	15,435	18,071	24,111	17,950	14,824	17,869	21,979	22,535	19,544	8
17,363	44,551	52,193	45,934	40,005	41,532	41,215	49,096	38,294	30,809	36,001	32,182	31,238	28,981	33,651	39,538	42,472	9
87,892	86,643	84,344	81,422	83,022	83,382	83,908	85,064	86,123	86,198	86,768	84,227	85,168	85,654	85,309	84,772	83,556	10
87,163	86,057	83,716	79,776	81,352	81,435	81,884	82,802	83,999	84,130	84,850	81,657	82,574	83,132	82,682	81,980	80,803	11
85,768	84,734	82,602	78,814	80,498	80,660	81,389	82,358	83,606	83,780	84,528	81,367	82,293	82,854	82,406	81,706	80,530	12
1,395	1,323	1,114	962	854	775	495	444	393	350	322	290	281	278	276	274	273	13
729	586	628	1,646	1,670	1,947	2,024	2,262	2,124	2,068	1,918	2,570	2,594	2,522	2,627	2,792	2,753	14
1,597,594	1,815,511	1,919,970	2,045,811	2,101,239	2,505,321	2,739,816	3,225,147	3,785,445	4,346,872	4,862,772	5,753,749	6,025,217	6,093,066	6,401,768	7,372,637	8,779,649	15
1,776,294	2,094,878	2,035,077	2,229,984	2,236,039	2,843,094	3,067,833	3,703,433	4,403,975	5,158,094	5,946,352	7,179,033	7,187,624	6,714,869	6,563,938	8,028,289	9,699,636	16
513,761	553,093	616,655	643,364	663,830	723,526	786,565	885,506	989,810	1,068,063	1,196,021	1,414,355	1,531,607	1,693,131	1,860,418	2,062,551	2,367,386	17
692,461	832,460	731,762	827,537	798,630	1,061,299	1,114,582	1,363,792	1,608,340	1,879,285	2,279,601	2,839,639	2,694,014	2,314,934	2,022,588	2,718,203	3,287,373	18
232,849	314,294	342,313	455,750	515,083	853,528	937,153	1,203,925	1,487,546	1,751,183	2,069,383	2,551,949	2,425,534	2,169,735	2,079,891	2,953,778	3,436,718	19
104,187	116,949	144,717	176,774	200,817	309,666	310,391	413,310	481,411	543,396	594,400	548,233	572,692	557,062	705,226	874,356	916,655	20
128,662	197,345	197,596	278,976	314,266	543,862	626,762	790,615	1,006,135	1,207,787	1,474,983	2,003,716	1,852,842	1,612,673	1,374,665	2,079,422	2,520,063	21
197,757	234,307	265,315	256,295	254,303	242,022	322,980	367,567	450,578	545,524	588,322	704,517	836,559	839,303	902,002	596,961	801,536	22
653,227	713,817	695,687	690,402	668,023	686,245	693,118	768,149	857,511	982,102	1,009,046	1,082,928	1,231,517	1,390,897	1,559,457	1,759,347	2,174,009	23
2,008,135	2,330,374	2,424,325	2,595,715	2,762,894	3,060,604	3,310,515	3,944,734	4,527,362	5,388,588	5,990,904	6,740,631	7,619,981	8,228,111	8,752,946	9,797,689	11,537,015	24
1,997,899	2,397,222	2,458,580	2,731,448	2,918,801	3,235,689	3,450,386	4,270,394	5,010,861	6,201,860	7,249,895	8,437,115	8,982,199	9,269,932	9,262,963	10,669,008	12,515,028	25
322,036	341,746	373,293	398,538	437,263	509,422	535,227	682,873	820,823	873,716	896,174	951,088	1,030,708	1,109,072	1,250,977	1,567,124	1,981,992	26
260,934	263,612	291,228	311,199	329,317	381,687	407,152	507,460	631,088	648,188	669,768	693,781	756,155	847,005	970,359	1,192,242	1,499,577	27
252,962	257,201	285,911	305,994	322,600	373,050	396,887	489,952	606,427	615,076	622,921	617,680	639,796	720,149	811,995	990,411	1,260,502	28
7,972	6,411	5,317	5,205	6,717	8,637	10,265	17,508	24,661	33,112	46,847	76,101	116,359	126,856	158,364	201,831	239,075	29
15,200	15,374	17,243	18,610	20,801	22,113	23,678	23,573	22,592	21,712	18,386	21,141	19,316	17,007	17,144	16,627	17,115	30
31,520	36,495	39,880	38,396	54,967	69,721	73,386	107,394	113,098	135,384	125,883	138,847	153,403	134,655	155,876	201,054	271,471	31
14,382	26,265	24,942	30,333	32,178	35,901	31,011	44,446	54,045	68,432	82,137	97,319	101,834	110,405	107,598	157,201	193,829	32
1,686,099	1,988,628	2,051,032	2,197,177	2,325,631	2,551,182	2,775,288	3,261,861	3,706,539	4,514,872	5,094,730	5,789,543	6,589,273	7,119,039	7,501,969	8,230,565	9,555,023	33
1,675,863	2,055,476	2,085,287	2,332,910	2,481,538	2,726,267	2,915,159	3,587,521	4,190,038	5,328,144	6,353,721	7,486,027	7,951,491	8,160,860	8,011,986	9,101,884	10,533,036	34
401,766	467,886	505,346	533,404	540,270	593,313	617,982	680,066	745,619	824,136	920,044	1,101,709	1,421,017	1,518,473	1,517,403	1,585,898	1,708,877	35
391,530	534,734	539,601	669,137	696,177	768,398	757,853	1,005,726	1,229,118	1,637,408	2,179,035	2,798,193	2,783,235	2,560,294	2,027,420	2,457,217	2,686,890	36
100,877	166,541	152,452	170,295	197,739	221,501	235,684	326,995	433,903	538,137	543,323	440,685	381,630	375,059	473,503	543,209	639,716	37
392,292	482,864	460,644	546,008	599,447	696,449	739,695	969,849	1,165,113	1,512,725	1,903,443	2,351,291	2,623,014	2,821,372	2,779,067	3,408,113	3,987,797	38
191,314	231,673	238,903	274,136	299,287	355,822	368,077	459,080	539,308	618,837	724,619	825,175	1,068,566	1,343,071	1,530,982	1,707,206	2,059,250	39
200,978	251,191	221,741	271,872	300,160	340,627	371,618	510,769	625,805	893,888	1,178,824	1,526,116	1,554,448	1,478,301	1,248,085	1,700,907	1,928,547	40
61,261	67,118	85,933	101,317	114,804	133,734	157,185	169,484	186,846	211,628	228,250	250,657	255,972	279,755	301,268	317,908	332,735	41
144,548	167,093	213,406	208,908	220,666	229,038	239,817	300,424	346,810	459,407	485,675	578,046	738,904	798,314	892,574	454,317	581,258	42
585,355	637,126	633,251	637,245	652,705	677,147	784,925	815,043	828,248	968,839	1,013,995	1,067,155	1,168,736	1,326,066	1,538,154	1,921,120	2,304,640	43

7. A break in series in 1988 reflects the introduction of data on holdings of foreign commercial paper. A break in series in 2003 reflects the reclassification of assets reported by U.S. securities brokers from nonbank-reported assets to bank-reported assets.

8. Estimates include results of the 1978, 1984, 1989, 1994, 2000, and 2004 Benchmark Surveys of Foreign Portfolio Investment in the United States, and the results of the 2002 and 2003 Annual Surveys of Foreign Holdings of U.S. Securities, conducted by the U.S. Department of the Treasury.

9. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

10. A break in series in 1994 reflects the reclassification from the direct investment accounts to the nonbank investment accounts of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation. Estimates for 1976 forward are linked to the 1980, 1987, 1992, and

1997 benchmark surveys of foreign direct investment in the United States.

11. A break in series in 1983 reflects the introduction of counterparty data from the United Kingdom. A break in series in 1994 reflects the reclassification of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation from the direct investment accounts to the nonbank investment accounts. A break in series in 1996 reflects the introduction of counterparty data from the Bank of International Settlements (BIS) for several European countries. A break in series in 2003 reflects the reclassification of liabilities reported by U.S. securities brokers from nonbank-reported liabilities to bank-reported liabilities, and a reduction in counterparty balances to eliminate double counting.

12. A break in series in 2003 reflects the reclassification of liabilities reported by U.S. securities brokers from nonbank-reported liabilities to bank-reported liabilities.