



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

December 17, 2004
EMBARGOED UNTIL 4:00 PM

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PRELIMINARY ANNUAL REPORT ON U.S. HOLDINGS OF FOREIGN SECURITIES

Preliminary data from an annual survey of U.S. portfolio holdings of foreign securities at year-end 2003 are released today and posted on the U.S. Treasury web site at (<http://www.treas.gov/tic/fpis.html>). Final survey results, which will include additional detail as well as revisions to the data, will be reported by March 31, 2005.

The survey was undertaken jointly by the U.S. Treasury, the Federal Reserve Bank of New York, and the Board of Governors of the Federal Reserve System. The most recent survey was for year-end 2001, and some revisions from that survey are reported in this release. Future surveys are scheduled to be carried out annually and the next survey will be for year-end 2004.

A complementary survey measuring foreign holdings of U.S. securities will also be carried out annually. Data from the most recent such survey, which reports on securities held on June 30, 2004, are currently being processed. Preliminary results are expected to be reported by April 30, 2005.

Overall Preliminary Results

The survey measured U.S. holdings of foreign securities at year-end 2003 of approximately \$3,153 billion, with \$2,080 billion held in foreign equities, \$874 billion in foreign long-term debt securities (original term-to-maturity in excess of one year), and \$199 billion in foreign short-term debt securities. The previous survey, conducted as of year-end 2001, measured U.S. holdings of approximately \$2,317 billion, with \$1,613 billion held in foreign equities, \$557 billion in foreign long-term debt securities (revised from \$502 billion), and \$147 billion in foreign short-term debt securities (see Table 1).

Table 1. U.S. holdings of foreign securities, by type of security, as of survey dates¹
(Billions of dollars, except as noted)

<u>Type of Security</u>	<u>Dec. 31, 2001</u>	<u>Dec. 31, 2003</u>
Long-term Securities	2,170	2,955
equity	1,613	2,080
long-term debt	557	874
Short-term debt securities	147	199
Total	2,317	3,153

U.S. Portfolio Investment by Country

Table 2. U.S. holdings of foreign securities, by country and type of security, for the countries attracting the most U.S. investment, as of December 31, 2003
(Billions of dollars)

	<u>Total</u>	<u>Equities</u>	<u>Debt securities:</u>	
			<u>Long-term</u>	<u>Short-term</u>
1 United Kingdom	663	421	143	99
2 Japan	307	255	37	14
3 Canada	301	149	139	12
4 Germany	189	103	71	15
5 France	185	131	43	11
6 Netherlands	182	116	58	8
7 Cayman Islands	125	45	76	4
8 Switzerland	120	118	1	1
9 Bermuda	116	108	9	0
10 Australia	91	56	29	5
11 Italy	67	39	25	3
12 Mexico	56	29	28	0
13 South Korea	53	49	4	0
14 Spain	52	44	6	1
15 Brazil	50	32	18	0
16 Sweden	45	28	13	5
17 Finland	41	35	6	0
18 Hong Kong, S.A.R.	38	36	1	0
19 Ireland	33	22	8	3
20 Israel	29	16	12	0
21 Taiwan	27	27	0	0
22 Singapore	25	22	3	0
23 Netherlands Antilles	25	23	1	0
24 Luxembourg	23	6	15	2
25 Denmark	22	10	10	2
Rest of world	288	160	116	12
Total value of investment	3,153	2,080	874	199

¹ The stock of foreign securities for December 31, 2003 reported in this survey may not, for a number of reasons, correspond to the stock of foreign securities on December 31, 2001 plus cumulative flows reported in Treasury's transactions reporting system. The final report on U.S. holdings of foreign securities as of end-year 2003 will contain an analysis of the relation between the stock and flow data.