

The International Investment Position of the United States at Yearend 2011

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THE NET international investment position of the United States was $-\$4,030.3$ billion (preliminary) at yearend 2011, compared with $-\$2,473.6$ billion (revised) at yearend 2010 (chart 1, table 1). At yearend 2011, the value of foreign-owned assets in the United States exceeded the value of U.S.-owned assets abroad more than at yearend 2010. The $-\$1,556.7$ billion change in the U.S. net international investment position from yearend 2010 to yearend 2011 was mainly attributable to net price changes of $-\$802.1$ billion and net financial flows of $-\$556.3$ billion.

The impact of changes in U.S. and foreign asset prices of $-\$802.1$ billion accounted for over half of the $-\$1.6$ trillion change in the U.S. net international investment position. In 2011, increases in the prices of U.S. Treasury bonds and other U.S. debt raised the value of foreign investment in the United States, and declines in foreign stock prices lowered the value of U.S. investment abroad. U.S. stock prices were virtually unchanged.

Most of the rest of the change in the U.S. net international investment position reflected foreign acquisitions of U.S. assets (including over $\$400$ billion in U.S.

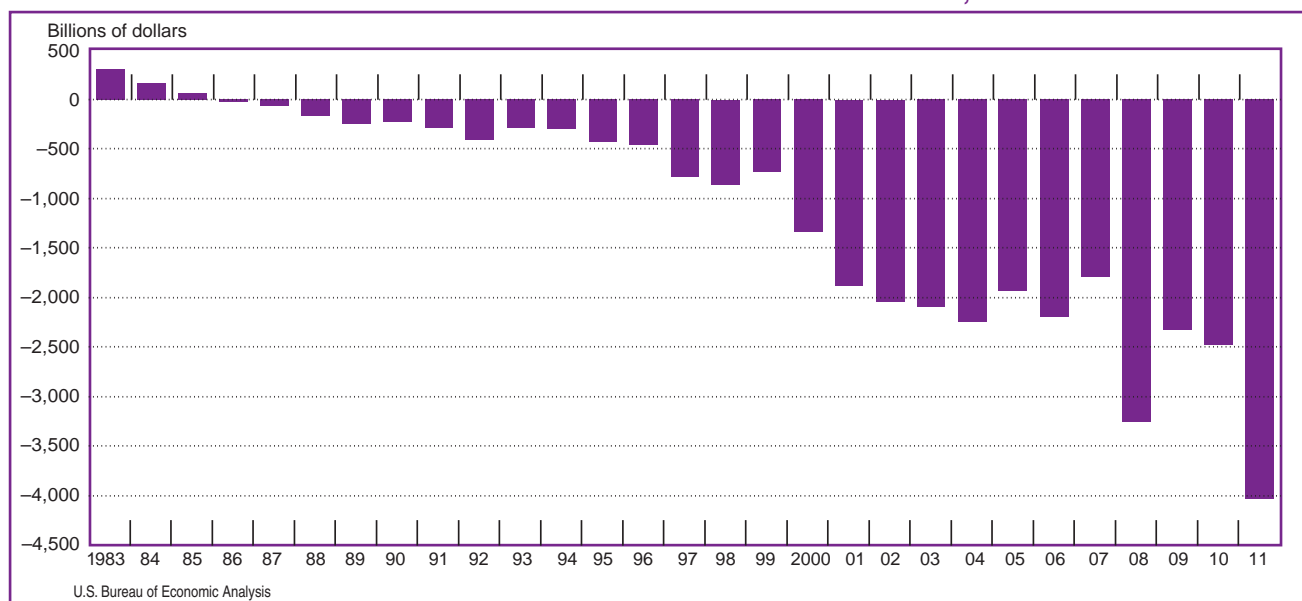
Treasury securities) that exceeded U.S. acquisitions of foreign assets. U.S. acquisitions of foreign assets were reduced by an unusual decline in U.S. claims on foreigners as reported by U.S. banks and securities brokers.

Exchange-rate changes led to a $-\$23.0$ billion change in the U.S. net international investment position, reflecting the depreciation of major foreign currencies against the U.S. dollar from yearend 2010 to yearend 2011, as indicated by a trade-weighted index.¹ The depreciation of foreign currencies lowered the dollar value of foreign-currency-denominated U.S.-owned assets abroad. It also lowered the dollar value of foreign-owned assets in the United States denominated in foreign currencies, but by a smaller amount, because most of these investments are denominated in dollars.

Other valuation changes led to a $-\$175.3$ billion

1. Federal Reserve Board (FRB), *Foreign Exchange Rates—H10* (weekly release of daily data), *Nominal Major Currencies Index*. The major currencies index is the weighted average of the foreign exchange value of the U.S. dollar against a subset of the broad index currencies that circulate widely outside the country of issue.

Chart 1. Net International Investment Position of the United States at Yearend, 1983–2011



change in the U.S. net international investment position. In 2011, these changes included more complete reporting of the Treasury International Capital position data, the incorporation of new reporters from the U.S. Treasury Department's annual survey of foreign portfolio holdings of U.S. securities as of June 2011, capital gains and losses from the sale of direct investment assets, and other adjustments to source data.

The U.S. net international investment position was equal to 2.6 percent of the value of all U.S. financial assets at the end of 2011, up from 1.6 percent in 2010 and up from the recent peak of 2.3 percent in 2008.²

Changes in the International Investment Position

In 2011, U.S.-owned assets abroad increased \$834.0 billion to \$21,132.4 billion, and foreign-owned assets in the United States increased \$2,390.6 billion to \$25,162.6 billion (table A). The increase in U.S.-owned assets reflected an increase in the value of financial derivatives that was partly offset by a decline in the value of all other assets. The increase in foreign-owned assets reflected increases in the value of financial derivatives and in all other foreign-owned assets.

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

[Billions of dollars]

	2009	2010	2011
Net position	-2,321.8	-2,473.6	-4,030.3
Financial derivatives, net	126.3	110.4	126.3
Net position, excluding financial derivatives	-2,448.1	-2,584.0	-4,156.5
U.S.-owned assets abroad	18,511.7	20,298.4	21,132.4
Financial derivatives (gross positive fair value)	3,489.8	3,652.3	4,704.7
U.S.-owned assets abroad, excluding financial derivatives	15,021.9	16,646.1	16,427.7
Foreign-owned assets in the United States	20,833.5	22,772.0	25,162.6
Financial derivatives (gross negative fair value)	3,363.4	3,541.9	4,578.4
Foreign-owned assets in the United States, excluding financial derivatives	17,470.0	19,230.1	20,584.2

U.S. holdings of financial derivatives held as assets (with gross positive fair value) increased \$1,052.4 billion; U.S. holdings of financial derivatives held as liabilities (with gross negative fair value) increased \$1,036.5 billion.³ These increases were mainly due to

2. Federal Reserve Board (FRB), "Table L.5. Total Liabilities and Its Relation to Total Financial Assets," in *Flow of Funds Accounts of the United States, Flows and Outstandings, First Quarter 2012, Release Z.1*. (Washington, DC: FRB, June 7, 2012): 66. According to this release, the value of all U.S. financial assets was \$156,861.7 billion at the end of 2011. U.S. assets abroad from the international investment position were \$21,132.4 billion, 13.5 percent of all U.S. assets, up from 13.2 percent in 2010, but down from the 13.8 percent series peak in 2008.

3. A derivatives contract with a positive fair value represents the amount that a foreign resident would have to pay to a U.S. counterparty if the contract were terminated or settled. A contract with a negative fair value represents the amount that a U.S. resident would have to pay to a foreign counterparty if the contract were terminated or settled. The gross positive (or negative) fair value is the sum of all contracts with positive (or negative) fair values. Fair values differ from notional values, which are the underlying amounts used to calculate payments on contracts.

increases in the value of single-currency interest-rate swap contracts. In 2011, declining yields on these swap contracts caused the fair values of existing swaps to rise significantly, accounting for most of the increases in total U.S. holdings of financial derivatives with gross positive and gross negative fair values. For detailed statistics on financial derivatives, see "International Transactions and Positions in Financial Derivatives" in this issue.

U.S.-owned assets abroad excluding financial derivatives

U.S.-owned assets abroad excluding financial derivatives decreased \$218.4 billion to \$16,427.7 billion in 2011, reflecting falling asset prices, depreciation of foreign currencies, and other valuation changes that exceeded U.S. acquisitions of foreign assets.

U.S. acquisitions of foreign assets raised the value of U.S.-owned assets abroad by \$483.7 billion (table B). In 2011, U.S. official reserve assets, U.S. government assets other than official reserve assets, and direct investment abroad increased, and U.S. purchases of foreign securities exceeded sales. These U.S. acquisitions were partly offset by decreases in claims of U.S. banks and securities brokers on foreign residents.

Table B. Changes in U.S.-Owned Assets Abroad, Excluding Financial Derivatives

[Billions of dollars]

	2010	2011
Total change	1,624.2	-218.4
Financial flows	939.5	483.7
Valuation adjustments	684.7	-702.0
Price changes	705.7	-519.5
Exchange-rate changes	-30.5	-28.9
Other valuation changes	9.6	-153.6

Valuation adjustments lowered the value of U.S.-owned assets abroad by \$702.0 billion. The decrease reflected -\$519.5 billion in price changes, mostly from price decreases of foreign stocks, -\$28.9 billion in exchange-rate changes, and -\$153.6 billion in other valuation changes as a result of more complete reporting of the Treasury International Capital position data, capital gains and losses from the sale of direct investment assets, and other adjustments to source data.

Foreign-owned assets in the United States excluding financial derivatives

Foreign-owned assets in the United States excluding financial derivatives increased \$1,354.1 billion to \$20,584.2 billion in 2011, mainly from foreign acquisitions of U.S. assets and increases in asset prices.

Foreign acquisitions of U.S. assets raised the value of foreign-owned assets in the United States by \$1,001.0

billion (table C). In 2011, foreign official assets in the United States, U.S. banks' and securities brokers' liabilities to foreign residents, and foreign direct investment in the United States increased, and foreign purchases of U.S. Treasury securities exceeded sales. These foreign acquisitions were partly offset by foreign sales of U.S. corporate and agency bonds that exceeded purchases.

Table C. Changes in Foreign-Owned Assets in the United States, Excluding Financial Derivatives

	[Billions of dollars]	
	2010	2011
Total change	1,760.1	1,354.1
Financial flows	1,308.3	1,001.0
Valuation adjustments	451.8	353.1
Price changes.....	604.6	282.5
Exchange-rate changes.....	-9.4	-5.9
Other valuation changes.....	-143.4	76.5

Valuation adjustments raised the value of foreign-owned assets in the United States by \$353.1 billion (table C). The increase reflected \$282.5 billion in price changes, mostly from price increases of U.S. Treasury bonds, -\$5.9 billion in exchange-rate changes, and \$76.5 billion in other valuation changes, mostly from the incorporation of new reporters from the U.S. Treasury Department's annual survey of foreign portfolio holdings of U.S. securities as of June 2011, capital gains and losses from the sale of direct investment assets, more complete reporting of the Treasury International Capital position data, and other adjustments to source data.

Changes in U.S.-owned assets by major component

Financial derivatives. U.S. holdings of financial derivatives held as assets (gross positive fair value) increased \$1,052.4 billion to \$4,704.7 billion (table D). Most of the increase was attributable to increases in holdings of over-the-counter, single-currency interest-rate contracts, mostly swap contracts. By area, most U.S. positions were with counterparties in Europe, predominantly in the United Kingdom.

U.S. official reserve assets and other U.S. government assets. U.S. official reserve assets increased \$47.4 billion to \$536.0 billion in 2011, mostly from increases in the market value of the official U.S. gold stock. The value of the U.S. gold stock increased \$32.8 billion to \$400.4 billion, reflecting a 9 percent increase in the market price of gold in 2011. The U.S. reserve position in the International Monetary Fund (IMF) increased \$17.6 billion, a record increase due to IMF drawings on U.S. currency. These increases were partly offset by declines in U.S. holdings of special drawing rights and

Table D. Gross Positive Fair Value of Financial Derivatives

	[Billions of dollars]						
	2010	2011	Changes				2010-2011
			2011				
			I	II	III	IV	
Financial derivatives	3,652.3	4,704.7	-467.0	272.2	1,734.6	-487.4	1,052.4
By type:							
Over-the-counter contracts.....	3,621.8	4,656.6	-470.0	274.9	1,702.7	-472.8	1,034.8
Single-currency interest-rate contracts.....	2,844.5	3,854.0	-437.7	286.2	1,444.2	-283.3	1,009.4
Foreign exchange contracts.....	330.3	314.9	-12.6	-4.3	111.8	-110.3	-15.4
Other.....	447.0	487.7	-19.8	-7.0	146.7	-79.2	40.7
Exchange-traded contracts.....	30.5	48.1	3.0	-2.7	31.9	-14.7	17.5
By area:							
Europe.....	3,334.8	4,364.0	-439.1	269.5	1,646.3	-447.6	1,029.2
Of which: United Kingdom.....	2,503.2	3,300.4	-335.0	199.5	1,276.2	-343.5	797.2
Canada.....	46.3	63.8	1.2	-1.1	21.2	-3.8	17.5
Caribbean financial centers.....	74.8	62.1	-12.1	-4.6	21.8	-17.8	-12.7
Of which: Cayman Islands.....	60.3	47.6	-12.1	-3.0	18.2	-15.8	-12.7
Latin America, excluding Caribbean financial centers.....	12.0	10.5	-1.3	-0.4	3.6	-3.3	-1.4
Asia.....	140.1	150.6	-12.6	6.2	30.8	-13.9	10.5
Of which: Japan.....	104.2	118.7	-7.7	7.7	21.6	-7.0	14.5
Africa.....	21.0	31.4	-1.5	1.0	8.0	2.9	10.4
Other.....	23.3	22.2	-1.7	1.6	2.9	-3.8	-1.1

foreign currencies. U.S. foreign currency reserves decreased as a result of the sale of yen reserves in coordination with intervention sales by other Group of Seven governments to stabilize the yen after Japan's earthquake disaster in March 2011.

U.S. government assets other than official reserve assets increased \$103.7 billion to \$178.9 billion, mainly as a result of increases in U.S. foreign currency holdings from central bank liquidity swaps between the U.S. Federal Reserve and foreign central banks.

Bank and nonbank claims. U.S. claims on foreigners reported by U.S. banks and securities brokers decreased \$251.8 billion to \$4,312.4 billion. The decrease was mainly attributable to financial flows of -\$213.6 billion that were mostly accounted for by decreases in claims of domestic customers.

Dollar-denominated claims reported by these banks and securities brokers for their own accounts decreased \$74.4 billion to \$3,173.7 billion (table E). The decrease was more than accounted for by a \$168.3 billion decrease in foreign-owned banks' claims, mostly in deposit withdrawals from affiliated offices in Western Europe. Decreases in claims of foreign-owned U.S. banks were partly offset by increases in claims of U.S. securities brokers and U.S.-owned banks.

Table E. U.S. Claims Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend

	[Billions of dollars]		
	2009	2010	2011
U.S. claims reported by U.S. banks and securities brokers	4,009.9	4,564.2	4,312.4
Claims for own accounts, denominated in dollars.....	2,807.6	3,248.1	3,173.7
U.S.-owned banks' claims.....	1,090.3	1,125.8	1,170.8
Foreign-owned banks' claims.....	1,363.0	1,345.0	1,176.7
Brokers' and dealers' claims.....	354.3	777.3	826.2
Claims for customers' accounts, denominated in dollars.....	819.6	893.2	722.8
Claims, denominated in foreign currencies.....	382.7	422.9	415.9
U.S. claims reported by U.S. nonbanking concerns	930.3	874.8	796.8

Dollar-denominated claims reported for their domestic customers decreased \$170.4 billion to \$722.8 billion, reflecting decreases in deposits and brokerage balances, loans, and holdings of foreign commercial paper and other short-term instruments.

U.S. claims payable in foreign currencies decreased \$7.0 billion to \$415.9 billion.

U.S. claims on foreigners reported by U.S. nonbanking concerns—such as finance companies, insurance companies, exporters and importers, and industrial firms—decreased \$77.9 billion to \$796.8 billion.

Foreign securities. U.S. holdings of foreign securities decreased \$414.4 billion to \$5,922.0 billion as a result of declines in foreign stock prices that more than offset U.S. net purchases of foreign securities. In 2011, prices of foreign stocks decreased sharply compared with prices of U.S. stocks, which were virtually unchanged.

U.S. holdings of foreign stocks decreased \$488.7 billion to \$4,158.2 billion, mostly due to price depreciation of \$569.2 billion, as many major foreign stock markets weakened considerably as a result of heightened concerns about the European sovereign debt crisis and its impact on global growth. Foreign stock prices decreased 15 percent in 2011.⁴ Exchange-rate changes lowered the value of U.S. holdings of foreign stocks by \$8.5 billion, as major foreign currencies depreciated less than 1 percent on a trade-weighted basis against the U.S. dollar. U.S. net purchases of foreign stocks raised U.S. holdings by \$89.0 billion, partly offsetting the impact of price and exchange-rate changes.

At yearend 2011, U.S. residents' largest foreign stock holdings were in European stocks, which were valued at \$1,914.6 billion and accounted for nearly half of total U.S. holdings of foreign stocks (table F). The second-largest holdings were in Asian stocks, which were valued at \$979.7 billion and accounted for 24 percent of total holdings.

U.S. holdings of foreign bonds increased \$74.3 billion to \$1,763.8 billion, reflecting \$57.8 billion in net purchases and \$17.4 billion in price appreciation that were partly offset by a \$0.9 billion decline in value caused by exchange-rate changes.

At yearend 2011, U.S. residents' largest foreign bond holdings were in European bonds, which were valued at \$822.3 billion and accounted for nearly half of total U.S. holdings of foreign bonds (table G). The second-largest holdings were in Canadian bonds, which were valued at \$288.8 billion and accounted for 16 percent of the total. The third-largest were holdings of foreign bonds in Caribbean financial centers, mostly in the

Table F. U.S. Holdings of Foreign Stocks by Major Area and Country at Yearend

	[Billions of dollars]		
	2009	2010	2011
Total holdings	3,995.3	4,646.9	4,158.2
Europe.....	1,961.9	2,113.4	1,914.6
<i>Of which:</i>			
United Kingdom.....	592.4	659.1	650.1
Switzerland.....	298.3	319.4	264.5
France.....	250.7	244.2	213.5
Germany.....	192.7	206.8	174.8
Ireland.....	79.2	101.4	114.4
Netherlands.....	108.8	120.5	110.6
Spain.....	87.4	65.5	56.7
Belgium and Luxembourg.....	59.8	61.5	56.2
Sweden.....	44.0	63.2	55.1
Canada.....	295.1	408.6	375.0
Caribbean financial centers.....	334.7	395.8	381.8
<i>Of which:</i>			
Cayman Islands.....	147.5	166.4	175.2
Bermuda.....	121.1	134.1	117.1
Latin America, excluding Caribbean financial centers.....	276.6	314.8	275.3
<i>Of which:</i>			
Brazil.....	180.3	193.9	181.3
Mexico.....	65.1	76.6	56.2
Asia.....	929.3	1,167.6	979.7
<i>Of which:</i>			
Japan.....	370.8	450.1	374.7
Korea, Republic of.....	87.9	122.4	113.0
Hong Kong.....	91.4	132.5	108.1
China.....	101.6	100.6	91.3
Taiwan.....	76.6	94.3	71.9
Africa.....	58.0	82.7	69.7
<i>Of which:</i> South Africa.....	49.5	70.3	59.5
Other countries.....	139.8	163.9	162.2
<i>Of which:</i> Australia.....	127.9	149.7	149.4

Table G. U.S. Holdings of Foreign Bonds by Major Area and Country at Yearend

	[Billions of dollars]		
	2009	2010	2011
Total holdings	1,570.3	1,689.5	1,763.8
Europe.....	741.4	767.6	822.3
<i>Of which:</i>			
United Kingdom.....	254.4	265.0	327.4
Belgium and Luxembourg.....	64.6	69.0	147.4
Netherlands.....	106.2	103.2	95.5
France.....	76.1	76.6	71.9
Ireland.....	25.8	27.4	53.8
Germany.....	76.0	70.6	29.2
Sweden.....	25.5	29.8	23.7
Canada.....	219.5	252.8	288.8
Caribbean financial centers.....	251.0	230.7	213.9
<i>Of which:</i>			
Cayman Islands.....	217.5	196.5	184.0
Bermuda.....	26.8	25.4	23.8
Latin America, excluding Caribbean financial centers.....	94.2	117.7	133.0
<i>Of which:</i>			
Mexico.....	22.6	32.1	50.3
Brazil.....	32.4	40.6	35.5
Asia.....	101.0	134.1	117.4
<i>Of which:</i>			
Japan.....	26.6	30.5	32.5
Korea, Republic of.....	16.3	24.9	18.7
Africa.....	9.3	12.7	13.2
Other countries.....	153.9	173.8	175.1
<i>Of which:</i> Australia.....	107.3	123.0	125.8

Cayman Islands, which were valued at \$213.9 billion and accounted for 12 percent of the total.

U.S. direct investment abroad. The stock of U.S. direct investment abroad at current cost increased \$374.7 billion to \$4,681.6 billion, mainly as a result of especially strong acquisitions that were mostly accounted for by reinvested earnings. U.S. acquisitions raised U.S. direct investment abroad by \$419.3 billion, including reinvested earnings of \$348.6 billion (table H). U.S. direct investors also increased their equity investment by \$52.4 billion and intercompany debt claims by \$18.3 billion.

4. Morgan Stanley Capital International All Country World Index Excluding the United States in local currencies.

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

	2010	2011
Total position at yearend	4,306.8	4,681.6
Total change	277.4	374.7
Financial outflows.....	327.9	419.3
Equity.....	41.1	52.4
Intercompany debt.....	-28.5	18.3
Reinvested earnings.....	315.3	348.6
Price changes.....	-8.2	-0.6
Exchange-rate changes.....	12.0	-16.7
Other valuation changes.....	-54.3	-27.3

Changes in foreign-owned assets by major component

Financial derivatives. U.S. holdings of financial derivatives held as liabilities (gross negative fair value) increased \$1,036.5 billion to \$4,578.4 billion (table I). Like U.S. holdings of financial derivatives held as assets, most of the increase was attributable to increases in over-the-counter, single-currency interest-rate contracts, mostly swap contracts. By area, most U.S. positions were with counterparties in Europe, predominantly in the United Kingdom.

Foreign official assets. Foreign official assets in the United States increased \$338.1 billion to \$5,250.8 billion, mostly as a result of net purchases and price ap-

Table I. Gross Negative Fair Value of Financial Derivatives
[Billions of dollars]

	2010	2011	Changes				2010-2011
			2011				
			I	II	III	IV	
Financial derivatives	3,541.9	4,578.4	-465.9	260.9	1,726.0	-484.5	1,036.5
By type:							
Over-the-counter contracts.....	3,512.3	4,529.1	-467.6	263.1	1,694.6	-473.4	1,016.8
Single-currency interest-rate contracts.....	2,787.5	3,793.2	-439.3	284.8	1,453.9	-293.8	1,005.7
Foreign exchange contracts.....	304.1	288.4	-13.0	-10.1	110.7	-103.2	-15.7
Other.....	420.7	447.5	-15.4	-11.6	130.1	-76.4	26.8
Exchange-traded contracts.....	29.6	49.3	1.7	-2.2	31.3	-11.2	19.7
By area:							
Europe.....	3,240.6	4,251.4	-431.6	247.1	1,624.3	-429.0	1,010.8
Of which: United Kingdom.....	2,468.7	3,269.0	-331.6	186.9	1,270.3	-325.3	800.3
Canada.....	45.3	62.3	-1.9	1.7	21.6	-4.4	17.0
Caribbean financial centers.....	63.9	51.5	-15.4	1.0	27.1	-25.0	-12.3
Of which: Cayman Islands.....	48.9	37.0	-12.7	0.3	16.5	-16.1	-11.9
Latin America, excluding Caribbean financial centers.....	9.3	8.2	1.2	-2.8	3.5	-3.0	-1.1
Asia.....	138.5	150.1	-15.4	11.2	30.8	-15.1	11.6
Of which: Japan.....	106.6	120.9	-9.9	11.6	20.6	-8.0	14.3
Africa.....	20.5	28.0	-1.1	0.9	8.5	-0.7	7.5
Other.....	23.9	26.9	-1.6	1.8	10.1	-7.3	3.1

preciation of U.S. Treasury securities. Foreign official holdings of U.S. Treasury securities increased \$288.3 billion to \$3,653.1 billion, reflecting net purchases of \$171.2 billion and price appreciation of \$117.1 billion. U.S. banks' and securities brokers' liabilities increased \$30.0 billion to \$209.6 billion, reflecting increases in securities repurchase agreements and deposits placed

Valuing Direct Investment Positions and Other Components of the U.S. International Investment Position

All of the categories in the international investment position accounts except direct investment positions can be directly estimated with reference to readily observable prices.

Investment positions for long-term portfolio securities are based on market values from annual surveys conducted by the Treasury International Capital (TIC) reporting system of the U.S. Department of the Treasury. Investment positions for financial derivatives are reported quarterly at fair market value through surveys conducted by the TIC reporting system. Investment positions for claims and liabilities reported by banks, securities brokers, and other nonbanks are based on monthly and quarterly surveys conducted by the TIC reporting system with supplementary data for U.S. nonbanks from foreign central banks. Quarterly positions published by the Bureau of Economic Analysis (BEA) reflect the contractual (face) values of these instruments as reported by financial institutions for their own accounts or for the accounts of their customers.

Investment positions for direct investment are based on BEA's quarterly and annual direct investment surveys. Investment positions for direct investment typically involve illiquid ownership interests in companies that may possess unique attributes, such as customer base, management, and ownership of intangible assets. The values of these attributes in the current period are diffi-

cult to determine, because shares in direct investment affiliates typically are not traded separately from those of their parent companies and because there is no widely accepted standard for revaluing company financial statements at historical cost into prices of the current period.

Direct investment at *current cost* is BEA's measure of direct investment in current-period prices. The current-cost method values the U.S. and foreign parents' shares of their affiliates' investment (1) in plant and equipment using the current cost of capital equipment, (2) in land using general price indexes, and (3) in inventories using estimates of their replacement cost. Direct investment at market value is an alternative measure of direct investment in current-period prices. 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.)

BEA also publishes direct investment at historical cost, which values assets and liabilities at their book value. Country and industry detail can be reported for direct investment only at historical cost.

For detailed statistics on direct investment at historical cost by country and industry, see "Direct Investment Positions for 2011: Country and Industry Detail" in this issue.

by foreign official agencies. Other foreign official assets increased \$15.1 billion to \$644.5 billion, mostly as a result of net purchases of U.S. corporate bonds and stocks.

Bank and nonbank liabilities. U.S. liabilities to private foreign residents and international financial institutions reported by U.S. banks and securities brokers increased \$313.4 billion to \$4,011.6 billion. The increase was mostly attributable to foreign acquisitions of \$309.2 billion that were more than accounted for by increases in liabilities of foreign-owned banks in the United States.

Dollar-denominated liabilities reported by these banks and securities brokers for their own accounts increased \$257.1 billion to \$3,412.5 billion (table J). Foreign-owned U.S. banks' liabilities increased \$311.6 billion to \$1,319.7 billion, mostly as a result of an increase in deposits at U.S. banks from banks in Western Europe and the Caribbean. U.S. securities brokers' liabilities increased \$52.9 billion to \$868.5 billion; an increase in repurchase agreements was partly offset by a reduction in loans from foreign banks. These increases in liabilities were partly offset by decreases in dollar-denominated liabilities of U.S.-owned banks and in customers' accounts. Liabilities of U.S.-owned banks decreased \$107.4 billion to \$1,224.3 billion as they reduced their loan liabilities to affiliated banks, mainly in the Caribbean. Liabilities reported by U.S. banks and securities brokers for their domestic customers decreased \$13.3 billion to \$359.8 billion.

Table J. U.S. Liabilities Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend
[Billions of dollars]

	2009	2010	2011
U.S. liabilities reported by U.S. banks and securities brokers	3,537.9	3,698.2	4,011.6
Liabilities for own accounts, denominated in dollars.....	2,899.1	3,155.4	3,412.5
U.S.-owned banks' liabilities.....	1,250.5	1,331.7	1,224.3
Foreign-owned banks' liabilities.....	971.3	1,008.1	1,319.7
Brokers' and dealers' liabilities.....	677.3	815.6	868.5
Liabilities for customers' accounts, denominated in dollars.....	416.0	373.1	359.8
Liabilities, denominated in foreign currencies.....	222.8	169.7	239.3
U.S. liabilities reported by U.S. nonbanking concerns.....	706.4	643.6	629.7

U.S. liabilities payable in foreign currencies increased \$69.6 billion to \$239.3 billion, reflecting an increase in deposits at U.S. banks. More than half of the increase in deposits was from the euro zone.

U.S. liabilities to foreign residents reported by U.S. nonbanking concerns—such as finance companies, insurance companies, exporters and importers, and industrial firms—decreased \$13.9 billion to \$629.7 billion.

U.S. Treasury securities. Total foreign official and private holdings of U.S. Treasury securities increased \$604.5 billion to \$5,071.1 billion (table K). The increase reflected \$412.1 billion in net purchases and

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

	2009	2010	2011
Total holdings.....	3,670.6	4,466.6	5,071.1
<i>Of which:</i>			
China.....	1,036.4	1,277.4	1,283.7
Japan.....	750.2	860.9	1,050.1
Belgium and Luxembourg.....	111.3	167.7	239.7
Brazil.....	169.5	181.7	222.7
OPEC Asia.....	166.1	173.2	201.5
United Kingdom.....	29.7	101.8	180.7
Russia.....	156.3	169.1	152.2
Taiwan.....	125.8	150.8	147.1
Switzerland.....	91.0	109.0	132.2
Cayman Islands.....	70.4	103.3	127.5

\$192.5 billion in price appreciation. In 2011, U.S. Treasury bond prices surpassed other U.S. bond prices as investors sought the safety of U.S. Treasury bonds in response to increased strains in the world credit market.

At yearend 2011, China remained the largest foreign investor in U.S. Treasury securities with holdings valued at \$1,283.7 billion, an increase of \$6.3 billion from yearend 2010. Japan was the second-largest investor with holdings valued at \$1,050.1 billion, an increase of \$189.2 billion from yearend 2010. Together, China and Japan accounted for nearly half of total foreign holdings of U.S. Treasury securities. Other large holders of U.S. Treasury securities at yearend 2011 included Belgium and Luxembourg, whose combined holdings increased \$72.0 billion to \$239.7 billion, the United Kingdom, whose holdings increased \$78.9 billion to \$180.7 billion, and Brazil, whose holdings increased \$41.0 billion to \$222.7 billion.

Other U.S. securities. Foreign private holdings of U.S. securities other than U.S. Treasury securities increased \$34.2 billion to \$5,968.2 billion, reflecting price appreciation, mostly from price increases of U.S. bonds, and other valuation changes resulting from the incorporation of newly available data from the U.S. Treasury Department's annual survey of foreign portfolio holdings of U.S. securities as of June 2011. These increases were partly offset by net sales and very small exchange-rate changes.

Foreign holdings of U.S. corporate and agency bonds decreased \$5.7 billion to \$2,910.0 billion, reflecting \$68.8 billion in net sales that more than offset \$53.3 billion in price appreciation. In 2011, foreign sales of U.S. corporate and agency bonds exceeded purchases in every quarter as uncertainties related to the European sovereign debt crisis and global economic growth caused substantial strains in the world credit market, especially in the second half of the year.

At yearend 2011, investors from Europe, mostly from Western Europe, accounted for \$1,763.6 billion or 61 percent of total foreign holdings of U.S. corporate and agency bonds (table L). Outside of Europe,

investment funds in the Caribbean financial centers accounted for \$556.5 billion, or 19 percent of total foreign holdings, and investors from Asia, mostly from Japan, accounted for \$423.8 billion or 15 percent of the total.

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

	2009	2010	2011
Total holdings	2,825.6	2,915.7	2,910.0
Europe.....	1,782.5	1,814.9	1,763.6
<i>Of which:</i>			
Belgium and Luxembourg.....	705.7	686.8	665.5
United Kingdom.....	546.4	575.0	543.7
Ireland.....	154.5	154.9	150.2
Switzerland.....	113.4	127.6	134.9
Germany.....	85.5	86.8	89.1
Netherlands.....	73.7	67.9	66.2
France.....	49.0	59.7	62.1
Canada.....	70.1	86.0	88.7
Caribbean financial centers.....	516.8	534.6	556.5
<i>Of which:</i>			
Cayman Islands.....	354.1	360.5	377.3
Bermuda.....	124.1	135.4	136.9
Latin America, excluding Caribbean financial centers.....	26.7	27.9	34.0
<i>Of which: Mexico</i>	4.5	4.9	10.5
Asia.....	377.9	405.8	423.8
<i>Of which:</i>			
Japan.....	261.2	274.7	304.3
Taiwan.....	43.5	56.1	62.1
Hong Kong.....	24.6	30.9	15.8
Africa.....	2.7	2.5	2.5
Other countries.....	48.9	44.0	40.9
<i>Of which: Australia</i>	25.7	24.4	23.9

Foreign holdings of U.S. stocks increased \$40.0 billion to \$3,058.2 billion, reflecting small net purchases and price changes. In 2011, the \$12.4 billion in net purchases of U.S. stocks was the lowest since 1996, and the value of the U.S. stock market as measured by the Standard and Poor's 500 U.S. stock index was virtually unchanged, compared with a 13 percent increase in 2010. In the first half of 2011, the U.S. stock market rallied in response to healthy corporate earnings and modest, but positive, economic growth. However, the market took a plunge in the third quarter as the European sovereign debt crisis intensified and raised fears of systemic risk and a double-dip recession. The market subsequently recovered in the fourth quarter to end the year flat.

At yearend 2011, investors from Europe, mostly from Western Europe, accounted for \$1,533.0 billion or 50 percent of total foreign holdings of U.S. stocks (table M). Outside of Europe, investment funds in the Caribbean financial centers accounted for \$532.9 billion or 17 percent of total holdings. Investors from Asia, mostly from Japan, accounted for \$416.8 billion or 14 percent of the total, and investors from Canada accounted for \$392.6 billion or 13 percent of the total.

U.S. currency. U.S. currency held by foreigners increased \$55.0 billion to \$397.1 billion. In 2011, net U.S. currency shipments to foreigners increased to a record level as demand for dollars surged, possibly due to heightened concerns about the European sovereign

Table M. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend

[Billions of dollars]

	2009	2010	2011
Total holdings	2,494.3	3,018.3	3,058.2
Europe.....	1,281.1	1,561.6	1,533.0
<i>Of which:</i>			
United Kingdom.....	372.0	441.2	430.2
Belgium and Luxembourg.....	197.6	263.8	293.1
Switzerland.....	166.0	207.8	208.4
Netherlands.....	159.5	169.0	155.0
France.....	116.1	152.3	111.7
Ireland.....	78.3	97.7	100.3
Germany.....	57.2	71.2	77.2
Sweden.....	46.0	58.8	55.9
Canada.....	306.0	371.7	392.6
Caribbean financial centers.....	424.2	507.5	532.9
<i>Of which: Cayman Islands</i>	299.2	355.9	380.8
Latin America, excluding Caribbean financial centers.....	54.5	66.7	68.7
<i>Of which: Mexico</i>	14.5	21.5	23.4
Asia.....	336.4	400.6	416.8
<i>Of which: Japan</i>	231.2	281.5	292.3
Africa.....	5.9	6.9	8.0
Other countries.....	86.2	103.3	106.2
<i>Of which: Australia</i>	77.5	95.3	99.5

debt crisis and strained international financial conditions.

Foreign direct investment in the United States.

The stock of foreign direct investment in the United States at current cost increased \$311.1 billion to \$2,908.8 billion, mainly due to foreign acquisitions of \$234.0 billion that were mostly accounted for by equity investment and reinvested earnings. In 2011, intercompany debt and reinvested earnings increased, but equity investment decreased as compared with 2010 (table N).

Table N. Foreign Direct Investment in the United States

[Billions of dollars]

	2010	2011
Total position at yearend	2,597.7	2,908.8
Total change	199.5	311.1
Financial inflows.....	205.8	234.0
Equity.....	131.6	93.2
Intercompany debt.....	6.7	53.4
Reinvested earnings.....	67.5	87.4
Price changes.....	-1.1	19.6
Exchange-rate changes.....	-0.6	-0.5
Other valuation changes.....	-4.6	57.9

Revisions to the Statistics

The U.S. international investment position statistics for 2009 and 2010 presented in this article have been revised to incorporate newly available source data that are also incorporated into the annual revision of the U.S. international transactions accounts. The revisions reflected newly available data from the U.S. Treasury Department's annual survey of foreign portfolio holdings of U.S. securities—Foreign-Residents' Holdings of U.S. Securities as of June 2011 and from its annual survey of U.S. portfolio holdings of foreign securities—U.S. Ownership of Foreign Securities as of December 2010. The revisions also reflected other newly available and revised data from the Treasury International Capital reporting system and from

BEA's quarterly and annual surveys of direct investment.

The revisions for 2009 and 2010 did not significantly affect the trend in the U.S. net investment position for these years. The U.S. net international investment position was revised from -\$2,396.4 billion to -\$2,321.8 billion for 2009, and from -\$2,471.0 billion to -\$2,473.6 billion for 2010 (table O). U.S.-owned assets abroad were revised up \$24.6 billion for 2009 and down \$16.9 billion for 2010. Foreign-owned assets in the United States were revised down \$50.0 billion for 2009 and down \$14.3 billion for 2010.

U.S.-owned assets abroad were revised up for 2009, mainly as a result of an upward revision to U.S. claims

reported by U.S. nonbanking concerns that was partly offset by a downward revision to U.S direct investment abroad. The downward revision for 2010 was mostly due to a downward revision to U.S. direct investment abroad and was partly offset by an upward revision to U.S. holdings of foreign securities.

Foreign-owned assets in the United States were revised down for 2009, mainly as a result of a downward revision to direct investment. The downward revision for 2010 was mostly due to downward revisions to U.S. liabilities reported by U.S. nonbanking concerns and foreign direct investment in the United States that was partly offset by an upward revision to foreign holdings of U.S. securities.

Table O. Revisions to the International Investment Position of the United States at Yearend, 2009–2010

[Billions of dollars]

Line	Type of investment	2009			2010		
		Revised	Previously published	Amount of revision	Revised	Previously published	Amount of revision
1	Net international investment position of the United States (lines 2+3)	-2,321,770	-2,396,426	74,656	-2,473,599	-2,470,989	-2,610
2	Financial derivatives, net (line 5 less line 25).....	126,335	134,749	-8,414	110,382	110,421	-39
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-2,448,105	-2,531,175	83,070	-2,583,981	-2,581,410	-2,571
4	U.S.-owned assets abroad (lines 5+6)	18,511,691	18,487,042	24,649	20,298,413	20,315,359	-16,946
5	Financial derivatives (gross positive fair value).....	3,489,779	3,500,786	-11,007	3,652,313	3,652,909	-596
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	15,021,912	14,986,256	35,656	16,646,100	16,662,450	-16,350
7	U.S. official reserve assets.....	403,804	403,804	0	488,673	488,673	0
8	Gold.....	284,380	284,380	0	367,537	367,537	0
9	Special drawing rights.....	57,814	57,814	0	56,824	56,824	0
10	Reserve position in the International Monetary Fund.....	11,385	11,385	0	12,492	12,492	0
11	Foreign currencies.....	50,225	50,225	0	51,820	51,820	0
12	U.S. government assets, other than official reserve assets.....	82,774	82,774	0	75,235	75,235	0
13	U.S. credits and other long-term assets.....	71,830	71,830	0	74,399	74,399	0
14	Repayable in dollars.....	71,557	71,557	0	74,126	74,126	0
15	Other.....	273	273	0	273	273	0
16	U.S. foreign currency holdings and U.S. short-term assets.....	10,944	10,944	0	836	836	0
17	U.S. private assets.....	14,535,334	14,499,678	35,656	16,082,192	16,098,542	-16,350
18	Direct investment at current cost.....	4,029,457	4,067,501	-38,044	4,306,843	4,429,426	-122,583
19	Foreign securities.....	5,565,636	5,565,636	0	6,336,370	6,222,864	113,506
20	Bonds.....	1,570,341	1,570,341	0	1,689,462	1,737,271	-47,809
21	Corporate stocks.....	3,995,295	3,995,295	0	4,646,908	4,485,593	161,315
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	930,337	861,914	68,423	874,762	873,667	1,095
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	4,009,904	4,004,627	5,277	4,564,217	4,572,585	-8,368
24	Foreign-owned assets in the United States (lines 25+26)	20,833,461	20,883,468	-50,007	22,772,012	22,786,348	-14,336
25	Financial derivatives (gross negative fair value).....	3,363,444	3,366,037	-2,593	3,541,931	3,542,488	-557
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	17,470,017	17,517,431	-47,414	19,230,081	19,243,860	-13,779
27	Foreign official assets in the United States.....	4,402,809	4,402,762	47	4,912,727	4,863,623	49,104
28	U.S. government securities.....	3,588,575	3,588,574	1	3,993,275	3,957,204	36,071
29	U.S. Treasury securities.....	2,879,612	2,879,611	1	3,364,758	3,320,694	44,064
30	Other.....	708,963	708,963	0	628,517	636,510	-7,993
31	Other U.S. government liabilities.....	99,119	99,095	24	110,464	110,243	221
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	187,507	187,482	25	179,540	178,107	1,433
33	Other foreign official assets.....	527,608	527,611	-3	629,448	618,069	11,379
34	Other foreign assets.....	13,067,208	13,114,669	-47,461	14,317,354	14,380,237	-62,883
35	Direct investment at current cost.....	2,398,208	2,441,705	-43,497	2,597,707	2,658,932	-61,225
36	U.S. Treasury securities.....	790,985	791,765	-780	1,101,828	1,064,594	37,234
37	U.S. securities other than U.S. Treasury securities.....	5,319,948	5,319,867	81	5,933,958	5,860,903	73,865
38	Corporate and other bonds.....	2,825,638	2,825,591	47	2,915,698	2,868,460	47,238
39	Corporate stocks.....	2,494,310	2,494,276	34	3,018,260	2,991,633	26,627
40	U.S. currency.....	313,771	313,771	0	342,090	342,090	0
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	706,387	707,401	-1,014	643,618	747,795	-104,177
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	3,537,909	3,540,160	-2,251	3,698,153	3,706,733	-8,580
Memoranda:							
43	Direct investment abroad at market value.....	4,287,203	4,330,914	-43,711	4,766,730	4,843,325	-76,595
44	Direct investment in the United States at market value.....	2,995,459	3,026,781	-31,322	3,397,411	3,451,405	-53,994

Tables 1 and 2 follow.

Table 1. International Investment Position of the United States at Yearend, 2010 and 2011

[Millions of dollars]

Line	Type of investment	Position, 2010 ^a	Changes in position in 2011				Total (a+b+c+d)	Position, 2011 ^p
			Attributable to:					
			Financial flows (a)	Valuation adjustments				
				Price changes (b)	Exchange-rate changes ¹ (c)	Other changes ² (d)		
1	Net international investment position of the United States (lines 2+3)	-2,473,599	-556,347	-802,087	-22,959	-175,258	-1,556,651	-4,030,250
2	Financial derivatives, net (line 5 less line 25) ³	110,382	-39,010	(⁴)	(⁴)	⁴ 54,880	15,870	126,252
3	Net international investment position, excluding financial derivatives (line 6 less line 26).....	-2,583,981	-517,337	-802,087	-22,959	-230,138	-1,572,521	-4,156,502
4	U.S.-owned assets abroad (lines 5+6)	20,298,413	(⁵)	(⁵)	(⁵)	(⁵)	833,957	21,132,370
5	Financial derivatives (gross positive fair value).....	3,652,313	(⁵)	(⁵)	(⁵)	(⁵)	1,052,353	4,704,666
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17).....	16,646,100	483,653	-519,543	-28,867	-153,639	-218,396	16,427,704
7	U.S. official reserve assets.....	488,673	15,877	32,818	-1,332	0	47,363	536,036
8	Gold.....	367,537	0	⁵ 32,818	0	⁶ 0	32,818	400,355
9	Special drawing rights.....	56,824	-1,752	0	-116	0	-1,868	54,956
10	Reserve position in the International Monetary Fund.....	12,492	18,079	0	-491	0	17,588	30,080
11	Foreign currencies.....	51,820	-450	0	-725	0	-1,175	50,645
12	U.S. government assets, other than official reserve assets.....	75,235	103,666	0	(⁷)	0	103,666	178,901
13	U.S. credits and other long-term assets ⁷	74,399	3,974	0	(⁷)	0	3,974	78,373
14	Repayable in dollars.....	74,126	3,974	0	0	0	3,974	78,100
15	Other ⁸	273	0	0	(⁷)	0	0	273
16	U.S. foreign currency holdings and U.S. short-term assets ⁹	836	99,692	0	(⁷)	0	99,692	100,528
17	U.S. private assets.....	16,082,192	364,110	-552,361	-27,535	-153,639	-369,425	15,712,767
18	Direct investment at current cost.....	4,306,843	419,332	-611	-16,685	-27,310	374,726	4,681,569
19	Foreign securities.....	6,336,370	146,797	-551,750	-9,416	0	-414,369	5,922,001
20	Bonds.....	1,689,462	57,752	17,436	-896	0	74,292	1,763,754
21	Corporate stocks.....	4,646,908	89,045	-569,186	-8,520	0	-488,661	4,158,247
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	874,762	11,608	0	-5,813	-83,730	-77,935	796,827
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere.....	4,564,217	-213,627	0	4,379	-42,599	-251,847	4,312,370
24	Foreign-owned assets in the United States (lines 25+26)	22,772,012	(³)	(³)	(³)	(³)	2,390,608	25,162,620
25	Financial derivatives (gross negative fair value).....	3,541,931	(³)	(³)	(³)	(³)	1,036,483	4,578,414
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34).....	19,230,081	1,000,990	282,544	-5,908	76,499	1,354,125	20,584,206
27	Foreign official assets in the United States.....	4,912,727	211,826	126,407	-168	0	338,065	5,250,792
28	U.S. government securities.....	3,993,275	158,735	125,338	0	0	284,073	4,277,348
29	U.S. Treasury securities.....	3,364,758	171,179	117,128	0	0	288,307	3,653,065
30	Other.....	628,517	-12,444	8,210	0	0	-4,234	624,283
31	Other U.S. government liabilities ¹⁰	110,464	9,063	0	-168	0	8,895	119,359
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	179,540	30,010	0	0	0	30,010	209,550
33	Other foreign official assets.....	629,448	14,018	1,069	0	0	15,087	644,535
34	Other foreign assets.....	14,317,354	789,164	156,137	-5,740	76,499	1,016,060	15,333,414
35	Direct investment at current cost.....	2,597,707	233,988	19,637	-453	57,912	311,084	2,908,791
36	U.S. Treasury securities.....	1,101,828	240,878	75,344	0	0	316,222	1,418,050
37	U.S. securities other than U.S. Treasury securities.....	5,933,958	-56,442	61,156	-1,595	31,100	34,219	5,968,177
38	Corporate and other bonds.....	2,915,698	-68,840	53,299	-1,595	11,400	-5,736	2,909,962
39	Corporate stocks.....	3,018,260	12,398	7,857	0	19,700	39,955	3,058,215
40	U.S. currency.....	342,090	54,996	0	0	0	54,996	397,086
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	643,618	6,567	0	-3,141	-17,316	-13,890	629,728
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere.....	3,698,153	309,177	0	-551	4,803	313,429	4,011,582
Memoranda:								
43	Direct investment abroad at market value.....	4,766,730	419,332	-645,025	-34,521	-6,554	-266,768	4,499,962
44	Direct investment in the United States at market value.....	3,397,411	233,988	-142,835	0	20,795	111,948	3,509,359

p Preliminary

r Revised

^a Less than \$500,000 (+/-)

..... Not applicable

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

2. Includes changes due to year-to-year shifts in the composition of reporting panels, primarily for bank and nonbank estimates, and to the incorporation of more comprehensive survey results. Also includes capital gains and losses of direct investment affiliates and changes in positions that cannot be allocated to financial flows, price changes, or exchange-rate changes.

3. Financial flows and valuation adjustments for financial derivatives are available only on a net basis, which is shown on line 2; they are not separately available for gross positive fair values and gross negative fair values of financial derivatives. Consequently, columns (a) through (d) on lines 4, 5, 24, and 25 are not available.

4. Data are not separately available for the three types of valuation adjustments; therefore, the sum of all three types is shown in column (d).

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

6. 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.

7. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

8. 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.

9. Includes foreign-currency-denominated assets obtained through temporary reciprocal currency arrangements between the Federal Reserve System and foreign central banks. These assets are included in the investment position at the dollar value established at the time they were received, reflecting the valuation of these assets in the Federal Reserve System's balance sheet. The movement of exchange rates does not affect this valuation.

10. Includes U.S. government liabilities associated with military sales contracts and U.S. government reserve-related liabilities from allocations of special drawing rights (SDRs).

Table 2. International Investment Position of the United States at Yearend, 1998–2011

[Millions of dollars]

Line	Type of Investment	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ^r	2010 ^r	2011 ^p
1	Net international investment position of the United States (lines 2+3)	-858,363	-731,068	-1,337,014	-1,875,032	-2,044,631	-2,093,794	-2,253,026	-1,932,149	-2,191,653	-1,796,005	-3,260,158	-2,321,770	-2,473,599	-4,030,250
2	Financial derivatives, net (line 5 less line 25) ¹								57,915	59,836	71,472	159,635	126,335	110,382	126,252
3	Net international investment position, excluding financial derivatives (line 6 less line 26)	-858,363	-731,068	-1,337,014	-1,875,032	-2,044,631	-2,093,794	-2,253,026	-1,990,064	-2,251,489	-1,867,477	-3,419,793	-2,448,105	-2,583,981	-4,156,502
4	U.S.-owned assets abroad (lines 5+6)	5,095,546	5,974,394	6,238,785	6,308,681	6,649,079	7,638,086	9,340,634	11,961,552	14,428,137	18,399,676	19,464,717	18,511,691	20,298,413	21,132,370
5	Financial derivatives (gross positive fair value) ¹								1,190,029	1,238,995	2,559,332	6,127,450	3,489,779	3,652,313	4,704,666
6	U.S.-owned assets abroad, excluding financial derivatives (lines 7+12+17)	5,095,546	5,974,394	6,238,785	6,308,681	6,649,079	7,638,086	9,340,634	10,771,523	13,189,142	15,840,344	13,337,267	15,021,912	16,646,100	16,427,704
7	U.S. official reserve assets	146,006	136,418	128,400	129,961	158,602	183,577	189,591	188,043	219,853	277,211	293,732	403,804	488,673	536,036
8	Gold ²	75,291	75,950	71,799	72,328	90,806	108,866	113,947	134,175	165,267	218,025	227,439	284,380	367,537	400,355
9	Special drawing rights	10,603	10,336	10,539	10,783	12,166	12,638	13,628	8,210	8,870	9,476	9,340	57,814	56,824	54,956
10	Reserve position in the International Monetary Fund	24,111	17,950	14,824	17,869	21,979	22,535	19,544	8,036	5,040	4,244	7,683	11,385	12,492	30,080
11	Foreign currencies	36,001	32,182	31,238	28,981	33,651	39,538	42,472	37,622	40,676	45,466	49,270	50,225	51,820	50,645
12	U.S. government assets, other than official reserve assets	86,768	84,227	85,168	85,654	85,309	84,772	83,062	77,523	72,189	94,471	624,099	82,774	75,235	178,901
13	U.S. credits and other long-term assets ³	84,850	81,657	82,574	83,132	82,682	81,980	80,308	76,960	71,635	70,015	69,877	71,830	74,399	78,373
14	Repayable in dollars	84,528	81,367	82,293	82,854	82,406	81,706	80,035	76,687	71,362	69,742	69,604	71,557	74,126	78,100
15	Other ⁴	322	290	281	278	276	274	273	273	273	273	273	273	273	273
16	U.S. foreign currency holdings and U.S. short-term assets ⁵	1,918	2,570	2,594	2,522	2,627	2,792	2,754	563	554	24,456	554,222	10,944	836	100,528
17	U.S. private assets	4,862,772	5,753,749	6,025,217	6,093,066	6,405,168	7,369,737	9,067,981	10,505,957	12,897,100	15,468,662	12,419,436	14,535,334	16,082,192	15,712,767
18	Direct investment at current cost ⁶	1,196,021	1,414,355	1,531,607	1,693,131	1,867,043	2,054,464	2,498,494	2,651,721	2,948,172	3,553,095	3,748,512	4,029,457	4,306,843	4,681,569
19	Foreign securities ⁷	2,069,383	2,551,949	2,425,534	2,169,735	2,076,722	2,948,370	3,545,396	4,329,259	5,604,475	6,835,079	3,985,712	5,565,636	6,336,370	5,922,001
20	Bonds ⁷	594,400	548,233	572,692	557,662	702,742	868,948	984,978	1,011,554	1,275,515	1,587,089	1,237,284	1,570,341	1,689,462	1,763,754
21	Corporate stocks ⁷	1,474,983	2,003,716	1,852,842	1,612,673	1,373,980	2,079,422	2,560,418	3,317,705	4,328,960	5,247,990	2,748,428	3,995,295	4,646,908	4,158,247
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns ⁸	588,322	704,517	836,559	839,303	901,946	594,004	793,556	1,018,462	1,184,073	1,233,341	930,909	930,337	874,762	796,827
23	U.S. claims reported by U.S. banks and securities brokers, not included elsewhere ⁹	1,009,046	1,082,928	1,231,517	1,390,897	1,559,457	1,772,899	2,230,535	2,506,515	3,160,380	3,847,147	3,754,303	4,009,904	4,564,217	4,312,370
24	Foreign-owned assets in the United States (lines 25+26)	5,953,909	6,705,462	7,575,799	8,183,713	8,693,710	9,731,880	11,593,660	13,893,701	16,619,790	20,195,681	22,724,875	20,833,461	22,772,012	25,162,620
25	Financial derivatives (gross negative fair value) ¹								1,132,114	1,179,159	2,487,860	5,967,815	3,363,444	3,541,931	4,578,414
26	Foreign-owned assets in the United States, excluding financial derivatives (lines 27+34)	5,953,909	6,705,462	7,575,799	8,183,713	8,693,710	9,731,880	11,593,660	12,761,587	15,440,631	17,707,821	16,757,060	17,470,017	19,230,081	20,584,206
27	Foreign official assets in the United States	903,073	957,813	1,037,092	1,115,229	1,257,638	1,569,845	2,019,508	2,313,295	2,832,999	3,411,831	3,943,862	4,402,809	4,912,727	5,250,792
28	U.S. government securities	669,768	693,781	756,155	847,005	970,359	1,186,500	1,509,986	1,725,193	2,167,112	2,540,062	3,264,139	3,588,575	3,993,275	4,277,348
29	U.S. Treasury securities ¹⁰	622,921	617,680	639,796	720,149	811,995	986,301	1,251,943	1,340,598	1,558,317	1,736,687	2,400,516	2,879,612	3,364,758	3,653,065
30	Other ¹⁰	46,847	76,101	116,359	126,856	158,364	200,199	258,043	384,595	608,795	803,375	863,623	708,963	628,517	624,283
31	Other U.S. government liabilities ¹¹	25,285	27,866	25,700	23,164	23,805	23,702	23,896	22,869	26,053	31,860	40,694	99,119	110,464	119,359
32	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere	125,883	138,847	153,403	134,655	155,876	201,584	270,387	296,647	297,012	406,031	256,355	187,507	179,540	209,550
33	Other foreign official assets ¹⁰	82,137	97,319	101,834	110,605	107,598	158,059	215,239	268,586	342,822	433,878	382,674	527,608	629,448	644,535
34	Other foreign assets	5,050,836	5,747,649	6,538,707	7,068,484	7,436,072	8,162,035	9,574,152	10,448,292	12,607,632	14,295,990	12,813,198	13,067,208	14,317,354	15,333,414
35	Direct investment at current cost ¹²	920,044	1,101,709	1,421,017	1,518,473	1,499,952	1,580,994	1,742,716	1,905,979	2,154,062	2,345,923	2,397,396	2,398,208	2,597,707	2,908,791
36	U.S. Treasury securities ¹⁰	543,323	440,685	381,630	375,059	473,503	527,223	561,610	643,793	567,861	639,755	852,458	790,985	1,101,828	1,418,050
37	U.S. securities other than U.S. Treasury securities ¹⁰	1,903,443	2,351,291	2,623,014	2,821,372	2,779,067	3,422,856	3,995,506	4,352,998	5,372,339	6,190,018	4,620,661	5,319,948	5,933,958	5,968,177
38	Corporate and other bonds ¹⁰	724,619	825,175	1,068,566	1,343,071	1,530,982	1,710,787	2,035,149	2,243,135	2,824,871	3,289,070	2,770,606	2,825,638	2,915,698	2,909,962
39	Corporate stocks ¹⁰	1,178,824	1,526,116	1,554,448	1,478,301	1,248,085	1,712,069	1,960,357	2,109,863	2,547,468	2,900,948	1,850,555	2,494,310	3,018,260	3,058,215
40	U.S. currency	184,356	208,763	205,406	229,200	248,061	258,652	271,953	280,400	282,627	271,952	301,139	313,771	342,090	397,086
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ¹³	485,675	578,046	738,904	798,314	897,335	450,884	600,161	658,177	799,471	863,140	740,553	706,387	643,618	629,728
42	U.S. liabilities reported by U.S. banks and securities brokers, not included elsewhere ¹⁴	1,013,995	1,067,155	1,168,736	1,326,066	1,538,154	1,921,426	2,402,206	2,606,945	3,431,272	3,985,202	3,900,991	3,537,909	3,698,153	4,011,582
43	Memoranda:														
43	Direct investment abroad at market value ⁶	2,279,601	2,839,639	2,694,014	2,314,934	2,022,588	2,729,126	3,362,796	3,637,996	4,470,343	5,274,991	3,102,418	4,287,203	4,766,730	4,499,962
44	Direct investment in the United States at market value ¹²	2,179,035	2,798,193	2,783,235	2,560,294	2,021,817	2,454,877	2,717,383	2,817,970	3,293,053	3,551,307	2,486,446	2,995,459	3,397,411	3,509,359

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1. A break in series in 2005 reflects the introduction of U.S. Department of the Treasury data on financial derivatives.

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

3. 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.

4. 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.

5. Beginning in 2007, includes foreign-currency-denominated assets obtained through temporary reciprocal currency arrangements between the Federal Reserve System and foreign central banks.

6. 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, 1999, and 2004 benchmark surveys of U.S. direct investment abroad.

7. Estimates include results of the 1994, 1997, 2001, and 2006 Benchmark Surveys of U.S. Portfolio Holdings of Foreign Securities, and the results of the 2003–2005 and 2007–2010 Annual Surveys of U.S. Holdings of Foreign Securities, conducted by the U.S. Department of the Treasury.

8. 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.

reported assets, and a reduction in counterparty balances to eliminate double counting. A break in series in 2005 reflects the addition of previously unreported claims of U.S. financial intermediaries on their foreign parents associated with the issuance of asset-backed commercial paper in the United States.

9. 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.

10. Estimates include results of the 1978, 1984, 1989, 1994, 2000, 2004, and 2009 Benchmark Surveys of Foreign Portfolio Investment in the United States, and the results of the 2002–2003, 2005–2008, and 2010–2011 Annual Surveys of Foreign Holdings of U.S. Securities, conducted by the U.S. Department of the Treasury.

11. Includes U.S. government liabilities associated with military sales contracts and U.S. government reserve-related liabilities from allocations of special drawing rights (SDRs).

12. 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, 1997, 2002, and 2007 benchmark surveys of foreign direct investment in the United States.

13. 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.

14. 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.