

The International Investment Position of the United States at Yearend 2006

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THE net international investment position of the United States was $-\$2,539.6$ billion (preliminary) at yearend 2006, compared with $-\$2,238.4$ billion (revised) at yearend 2005 (table 1, chart 1). At yearend 2006, the value of foreign-owned assets in the United States continued to exceed the value of U.S.-owned assets abroad. The net international investment position estimates include newly introduced comprehensive estimates of U.S. cross-border transactions and positions in financial derivatives. (For details on the newly introduced estimates, see “Annual Revision of the U.S. International Accounts, 1997–2006” in this issue.)

The $-\$301.3$ billion change in the U.S. net investment position from yearend 2005 to yearend 2006 was largely due to especially strong net foreign purchases of U.S. securities. The impact of these net purchases was partly offset by price appreciation of U.S.-held foreign stocks that surpassed by a large amount the price appreciation of foreign-held U.S. stocks, and by exchange-rate changes resulting from the appreciation of most major foreign currencies against the U.S. dollar, which raised the dollar value of U.S.-owned assets abroad.

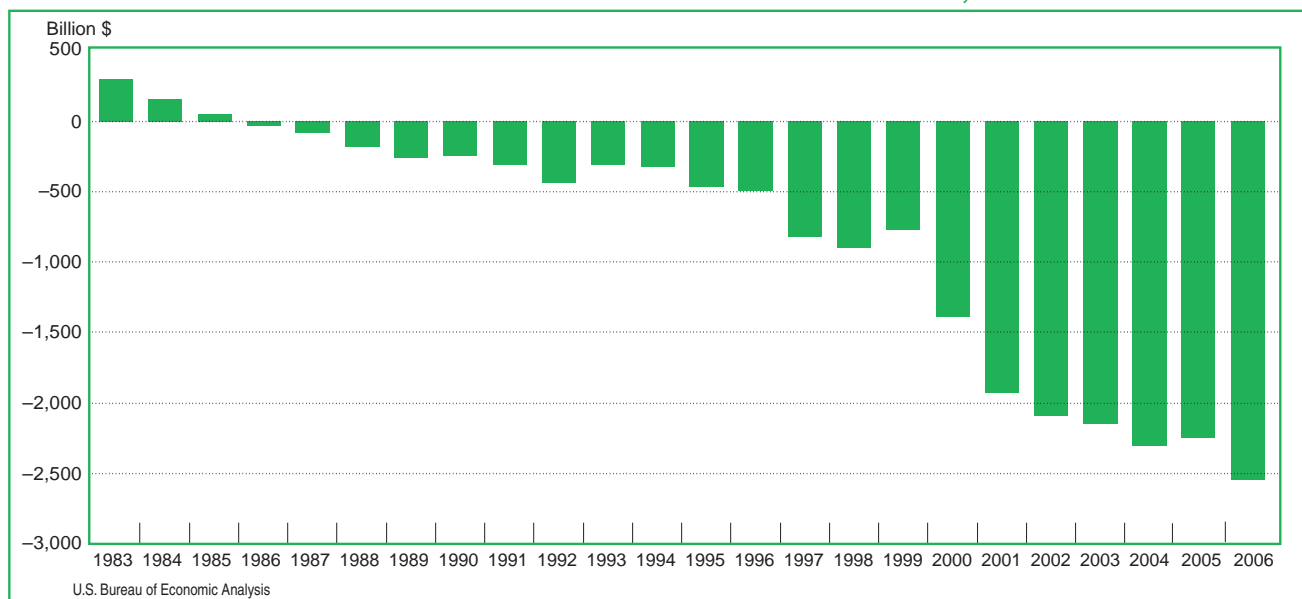
U.S.-owned assets abroad increased to $\$13,755.0$ billion at yearend 2006 from $\$11,576.3$ billion at yearend 2005 (table A).

Table A. U.S. Net International Investment Position at Yearend
[Billions of dollars]

	2004	2005	2006
Net position	-2,294.4	-2,238.4	-2,539.6
Financial derivatives, net.....		57.9	58.9
Net position, excluding financial derivatives.....	-2,294.4	-2,296.3	-2,598.6
U.S.-owned assets abroad	9,257.1	11,576.3	13,755.0
Financial derivatives, gross positive fair value.....		1,190.0	1,237.6
U.S.-owned assets abroad, excluding financial derivatives.....	9,257.1	10,386.3	12,517.4
Foreign-owned assets in the United States	11,551.5	13,814.7	16,294.6
Financial derivatives, gross negative fair value.....		1,132.1	1,178.6
Foreign-owned assets in the United States, excluding financial derivatives.....	11,551.5	12,682.6	15,116.0

- Financial transactions excluding financial derivatives increased the value of U.S. investments abroad by $\$1,055.2$ billion in 2006, up from $\$426.9$ billion in 2005 (table B). U.S. direct investment abroad rebounded strongly; increases in claims reported by U.S. banks and U.S. nonbanks accelerated; and net U.S. purchases of foreign securities were especially strong.

Chart 1. Net International Investment Position of the United States at Yearend, 1983–2006



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

[Billions of dollars]

	2005	2006
Total change	1,129.2	2,131.1
Financial flows	426.9	1,055.2
Valuation adjustments	702.3	1,075.9
Price changes.....	661.3	675.9
Exchange-rate changes.....	-268.2	268.6
Other valuation changes.....	309.3	131.4

- Valuation adjustments excluding financial derivatives increased the value of U.S. investments abroad by \$1,075.9 billion, largely as a result of price appreciation of foreign stocks (table B). In addition, exchange-rate appreciation of most major foreign currencies against the U.S. dollar from yearend 2005 to yearend 2006 further raised the value of U.S.-owned assets abroad, especially the value of U.S.-owned foreign stocks.

Foreign-owned assets in the United States increased to \$16,294.6 billion at yearend 2006 from \$13,814.7 billion at yearend 2005 (table A).

- Financial transactions excluding financial derivatives increased the value of foreign investments in the United States by \$1,859.6 billion in 2006, up from \$1,204.2 billion in 2005 (table C). Both net foreign official purchases of U.S. securities and net foreign private purchases of U.S. securities other than Treasury securities were especially strong; increases in liabilities reported by U.S. banks and U.S. nonbanks accelerated; and foreign direct investment in the United States picked up.
- Valuation adjustments excluding financial derivatives increased the value of foreign investments in the United States by \$573.8 billion, largely as a result

of price appreciation of foreign-owned U.S. stocks (table C).

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

[Billions of dollars]

	2005	2006
Total change	1,131.1	2,433.4
Financial flows	1,204.2	1,859.6
Valuation adjustments	-73.1	573.8
Price changes.....	2.9	328.3
Exchange-rate changes.....	-51.9	48.0
Other valuation changes.....	-24.2	197.5

This year, new and comprehensive data are available for derivatives positions at yearend 2005 and 2006 and for derivatives transactions in 2006. Derivatives positions with a positive “fair value” to U.S. residents are recorded as part of U.S.-owned assets abroad, and derivatives positions with a negative “fair value” to U.S. residents are recorded as part of foreign-owned assets in the United States. Derivatives transactions are reported on a net basis and cannot be separated into transactions for positions with positive fair value and positions with negative fair value.

The fair value of a derivatives contract is the amount for which the contract could be exchanged between willing parties. A derivatives contract between a U.S. and a foreign resident with a positive fair value represents the amount that the foreign resident would have to pay to the U.S. resident if the contract was terminated. A contract with a negative fair value represents the amount that the U.S. resident would have to pay to the foreign resident if the contract was terminated.

U.S. holdings of financial derivatives with positive

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 changes that relate to the improvements incorporated in the annual revision of the U.S. international transactions accounts.

This year, BEA introduced newly available comprehensive data on U.S. cross-border transactions and positions in financial derivatives; the new data begin with the 2005 yearend position. U.S. holdings of foreign securities for 2005 were revised to incorporate results from the U.S. Treasury Department’s annual survey of securities claims for December 2005. Foreign holdings of U.S. Treasury securities, U.S. securities other than U.S. Treasury securities, and short-term instruments reported by U.S. banks were revised for 2004–2005 to incorporate results from the U.S. Treasury Department’s annual surveys of

securities liabilities for June 2005 (revised) and June 2006.

In addition, all estimates were revised as a result of newly available or revised quarterly source data, including data from BEA’s direct investment surveys. Revisions attributable to these updated source data were for 2003–2005. The net result of revisions from all sources raised the value of U.S. assets abroad relative to the value of foreign assets in the United States for 2004–2005. For 2003, the net result of revisions from all sources lowered the value of U.S. assets abroad relative to the value of foreign assets in the United States. The net international investment position at yearend 2005 was revised to -\$2,238.4 billion from -\$2,693.8 billion.

For additional information, see “Annual Revision of the U.S. International Accounts, 1997–2006” in this issue.

fair value increased \$47.5 billion to \$1,237.6 billion at yearend 2006, which represents 9 percent of the value of total U.S.-owned assets abroad (table 1). U.S. holdings of financial derivatives with negative fair value increased \$46.5 billion to \$1,178.6 billion, which represents 7 percent of the value of total foreign-owned assets in the United States.

The U.S. net investment position in financial derivatives increased \$1.0 billion to \$58.9 billion at yearend 2006. Net financial transactions of -\$28.8 billion (financial inflows) were more than offset by a valuation adjustment of \$29.8 billion (table 1). Data for the three types of valuation adjustments—price changes, exchange-rate changes, and “other” changes—are not separately available; therefore, the sum for all three types is recorded as “other” changes.

This article presents the major changes in U.S.-owned assets abroad and in foreign-owned assets in the United States in 2006. Tables 1 and 2 at the end of this article present estimates of the yearend positions by type of asset.

Changes in U.S.-Owned Assets Abroad

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

U.S. official reserve assets increased \$31.8 billion to \$219.9 billion in 2006. Increases in the value of gold, in foreign currencies, and in Special Drawing Rights more than offset a decrease in the U.S. reserve position at the International Monetary Fund (IMF). The market value of the U.S. official gold stock appreciated \$31.1 billion and accounted for nearly the total increase in U.S. official reserve assets, as the price of gold increased 23 percent in 2006, ending the year at \$632 per ounce after climbing as high as \$725 per ounce in mid-May. U.S. official holdings of foreign currencies and Special Drawing Rights both increased as a result of exchange-rate changes and small financial transactions. In contrast, the U.S. reserve position at the IMF decreased, mostly as a result of repayments of U.S. dollar funds to the IMF from Argentina, Indonesia, and Turkey.

U.S. Government assets other than official reserve assets decreased \$5.3 billion to \$72.2 billion, as repayments of loans exceeded new U.S. Government credits.

Bank and nonbank claims

U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$583.4 billion to \$3,089.0 billion in 2006. The increase was mostly accounted for by financial transactions of \$454.6 billion. U.S. banks' and securities brokers' own claims denominated in

dollars increased \$388.6 billion to \$2,244.2 billion (table D). Most of the increase in claims reflected inter-office transfers of funds in the form of deposit placements and loans to offices overseas, mostly in Europe and in Caribbean financial centers. Strong international demand for U.S. bank credit in 2006 was closely related to the increase in global merger and acquisition activity. Claims associated with resale agreements also rose strongly as U.S. securities brokers and dealers extended credit to international investment funds in Europe and in Caribbean financial centers, partly to support their acquisitions of U.S. corporate bonds.

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

	2004	2005	2006
U.S. claims reported by U.S. banks and securities brokers	2,229.8	2,505.6	3,089.0
Claims for own accounts, denominated in dollars	1,656.7	1,855.6	2,244.2
U.S.-owned banks' claims	387.7	488.1	558.5
Foreign-owned banks' claims	812.4	917.7	1,106.0
Brokers' and dealers' claims	456.6	449.8	579.7
Claims for customers accounts, denominated in dollars	411.5	493.8	656.6
Claims, denominated in foreign currencies	161.6	156.2	188.2
U.S. claims reported by U.S. nonbanking concerns	737.6	734.0	848.5

U.S. banks' domestic customers' claims denominated in dollars increased \$162.8 billion to \$656.6 billion, reflecting an increase in holdings of short-term instruments, such as negotiable certificates of deposits, commercial paper, and money market instruments. U.S. banks' claims payable in foreign currencies increased \$32.0 billion to \$188.2 billion as a result of an upturn in deposits and of exchange-rate changes.

U.S. claims on foreigners reported by U.S. nonbanking concerns increased \$114.5 billion to \$848.5 billion, reflecting a step-up in U.S. deposits, mostly in Europe.

Foreign securities

U.S. holdings of foreign securities increased \$1,086.4 billion to \$5,432.3 billion in 2006. The increase reflected large price appreciation of foreign stocks, sizable exchange-rate changes, and strong net U.S. purchases of foreign securities.

U.S. holdings of foreign stocks increased \$933.8 billion to \$4,251.5 billion in 2006. The increase was attributable to stock price appreciation of \$610.8 billion, exchange-rate changes of \$184.5 billion, and net U.S. purchases of \$138.5 billion. In 2006, foreign stock prices (based on Morgan Stanley broad market indexes) appreciated 16 percent in local currency, the fourth consecutive year of double-digit appreciation. In U.S. dollars, foreign stock prices appreciated 24 percent, surpassing U.S. stock price appreciation of 13 percent. Net U.S. purchases of foreign stocks were

\$138.5 billion, slightly below the record \$142.6 billion in 2005. In 2006, U.S. investors increased net purchases of European stocks. In contrast, they curtailed net purchases of Japanese stocks and shifted to net sellers of stocks from Caribbean financial centers.

- At yearend 2006, U.S. holdings of European stocks increased \$455.4 billion to \$2,069.4 billion (table E). The increase was mostly attributable to strong increases in European stock prices and exchange-rate appreciation of the euro and the pound against the U.S. dollar. Net U.S. purchases of European stocks were \$91.0 billion, up from \$55.2 billion.

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

	2004	2005	2006
Total holdings	2,560.4	3,317.7	4,251.5
Europe.....	1,356.2	1,614.0	2,069.4
<i>Of which:</i> United Kingdom.....	461.8	544.5	734.2
France.....	164.6	205.1	268.0
Switzerland.....	138.2	191.9	236.9
Germany.....	123.7	158.0	196.1
Netherlands.....	136.5	132.8	158.8
Spain.....	63.0	63.5	77.7
Italy.....	57.5	63.9	77.1
Finland.....	33.9	44.4	55.4
Sweden.....	38.3	40.5	49.7
Canada.....	180.4	247.8	310.9
Caribbean financial centers.....	257.5	330.1	380.8
<i>Of which:</i> Bermuda.....	153.5	173.8	214.2
Cayman Islands.....	69.7	102.6	107.3
Latin America, excluding Caribbean financial centers.....	105.8	154.3	212.6
<i>Of which:</i> Brazil.....	43.1	68.6	98.1
Mexico.....	37.5	57.9	76.3
Asia.....	565.8	849.9	1,114.9
<i>Of which:</i> Japan.....	330.4	493.3	603.9
Korea, Republic of.....	66.6	110.3	146.1
Taiwan.....	34.6	57.1	80.2
Hong Kong.....	35.4	44.5	76.7
Africa.....	28.9	39.9	56.0
<i>Of which:</i> South Africa.....	21.6	31.6	44.5
Other countries.....	65.8	81.7	106.9
<i>Of which:</i> Australia.....	57.1	71.1	93.4

- U.S. holdings of Japanese stocks increased \$110.6 billion to \$603.9 billion, mostly as a result of price appreciation. Net U.S. purchases of Japanese stocks were only \$1.9 billion in 2006, down sharply from \$39.9 billion in 2005, and the yen depreciated slightly against the U.S. dollar.
- U.S. holdings of Asian stocks other than Japanese stocks increased \$154.4 billion to \$511.0 billion. The increase reflected strong appreciation in stock prices in the area, exchange-rate appreciation of the local currencies against the U.S. dollar, and net U.S. purchases.
- U.S. holdings of stocks from Caribbean financial centers increased \$50.7 billion to \$380.8 billion, reflecting price appreciation that more than offset net U.S. sales of \$21.5 billion.
- U.S. holdings of Canadian stocks increased \$63.1 billion to \$310.9 billion, mostly as a result of price appreciation. Net U.S. purchases of Canadian stocks

were \$7.6 billion, up from \$4.6 billion, and the Canadian dollar was unchanged against the U.S. dollar.

- U.S. holdings of Latin American stocks increased \$58.3 billion to \$212.6 billion, reflecting price appreciation, exchange-rate changes, and small net U.S. purchases.

U.S. holdings of foreign bonds increased \$152.6 billion to \$1,180.8 billion in 2006. The increase was mostly the result of record net U.S. purchases of \$150.9 billion, which were up sharply from \$54.5 billion in 2005. Valuation changes accounted for only \$1.7 billion of the total increase in the value of U.S. holdings, as adjustments to reflect depreciation of foreign bond prices and exchange-rate changes were largely offsetting. In 2006, U.S. investors sharply increased net purchases of European bonds. U.S. investors also purchased more Canadian bonds and bonds from Caribbean financial centers. In contrast, they curtailed net purchases of Latin American emerging market bonds and stepped up net sales of Asian bonds.

- At yearend 2006, U.S. holdings of European bonds increased \$149.3 billion to \$631.3 billion (table F). U.S. net purchases of European bonds were \$147.7 billion, up substantially from \$45.8 billion in 2005. Appreciation of the euro and the pound against the dollar more than offset bond price depreciation and somewhat raised the value of U.S. holdings.

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

	2004	2005	2006
Total holdings	993.0	1,028.2	1,180.8
Europe.....	478.2	482.0	631.3
<i>Of which:</i> United Kingdom.....	178.6	193.9	296.6
Belgium and Luxembourg.....	31.8	33.5	66.9
Netherlands.....	55.1	51.8	49.0
France.....	41.8	47.8	46.7
Germany.....	67.9	49.0	36.8
Ireland.....	13.8	16.9	31.7
Spain.....	5.1	5.7	21.3
Canada.....	151.9	157.5	169.0
Caribbean financial centers.....	129.3	137.1	142.8
<i>Of which:</i> Cayman Islands.....	114.4	118.4	117.7
Latin America, excluding Caribbean financial centers.....	83.8	87.0	95.0
<i>Of which:</i> Mexico.....	28.6	28.2	25.3
Brazil.....	19.9	21.7	23.7
Asia.....	78.9	84.9	60.9
<i>Of which:</i> Japan.....	36.4	35.1	31.0
Africa.....	6.3	6.4	5.9
<i>Of which:</i> South Africa.....	3.0	2.6	2.3
Other countries.....	64.6	73.3	75.9
<i>Of which:</i> Australia.....	40.4	48.6	50.8

- In addition, U.S. holdings of Canadian bonds increased \$11.5 billion to \$169.0 billion; U.S. holdings of bonds from Caribbean financial centers increased \$5.7 billion to \$142.8 billion; and U.S. holdings of Latin American emerging market bonds increased \$8.0 billion to \$95.0 billion.
- In contrast, U.S. holdings of Asian bonds decreased \$24.0 billion to \$60.9 billion, mostly as a result of

U.S. net sales of \$23.8 billion.

U.S. direct investment abroad

The stock of U.S. direct investment abroad increased \$320.4 billion to \$2,855.6 billion in 2006 (table G). Financial transactions increased U.S. direct investment abroad by \$235.4 billion, mostly as a result of reinvested earnings. In 2006, reinvested earnings were especially strong at \$220.1 billion, compared with -\$20.4 billion in 2005, reflecting a return to more normal dividend distribution patterns following the phasing out of provisions under the American Jobs Creation Act of 2004 that allowed U.S. parent companies to repatriate affiliate earnings during a specific period at lower tax rates.¹ U.S. parents' net equity capital investment in their foreign affiliates increased \$30.2 billion and more

1. This act, which was signed into law on October 22, 2004, allowed U.S. companies that received dividends from foreign subsidiaries during a specific period (calendar year 2004 or calendar year 2005, at taxpayer option, for calendar-year taxpayers) to be taxed at reduced rates. Most of these dividends were not paid until 2005, because the act was signed into law late in 2004 and many companies delayed distributions until regulatory guidance had been issued. One condition that had to be satisfied in order to realize the tax savings was the development of a domestic reinvestment plan for the dividends. Another condition was for the dividends to exceed the amount that had historically been paid. For more information on this act and its effects on BEA's international accounts, see FAQs on this topic on BEA's Web site at <www.bea.gov/bea/faq/international/FAQ.htm>.

than offset a \$15.0 billion decrease in net intercompany debt.

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

	2005	2006
Total position at yearend	2,535.2	2,855.6
Total change	71.6	320.4
Financial outflows	-7.7	235.4
Equity capital	43.4	30.2
Intercompany debt	-30.7	-15.0
Reinvested earnings	-20.4	220.1
Price changes	65.4	46.0
Exchange-rate changes	-30.1	39.2
Other valuation changes	43.9	-0.1

Changes in Foreign-Owned Assets in the United States

Foreign official assets

Foreign official assets in the United States increased \$463.9 billion to \$2,770.2 billion in 2006, mostly as a result of strong net purchases of U.S. securities. In 2006, foreign official net purchases of U.S. Treasury securities were \$189.2 billion, up from \$112.8 billion in 2005; net purchases of U.S. agency bonds nearly doubled to a record \$191.6 billion; and net purchases of U.S. corporate bonds and stocks increased to \$34.4 billion from \$20.1 billion. Price appreciation of U.S. corporate stocks raised the value of foreign official assets somewhat.

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

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.

Direct investment at current cost is BEA's featured measure of direct investment in current-period prices. 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. 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 invest-

ment, using indexes of stock market prices. BEA also publishes direct investment at historical cost, which values assets and liabilities at their book value. Country and industry detail can be shown only for direct investment at historical cost. (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 features the current-cost method, because the estimates prepared using this 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.

For detailed data on direct investment at historical cost by country and industry, see "Direct Investment Positions for 2006: Country and Industry Detail" in this issue.

Bank and nonbank liabilities

U.S. liabilities to private foreigners and international financial institutions reported by U.S. banks and securities brokers increased \$717.3 billion to \$3,319.0 billion in 2006. U.S. banks' and securities brokers' own liabilities denominated in dollars increased \$526.0 billion to \$2,621.4 billion, mostly as a result of interoffice transfers of funds from offices overseas, mainly in Caribbean financial centers (table H). Deposits accounted for most of the increase in banks' own liabilities, as short-term interest rates were higher in the United States than abroad. Liabilities associated with repurchase agreements also increased strongly as U.S. securities brokers borrowed short-term funds, in part to support increased activity in the U.S. securities market. U.S. banks' customers' liabilities denominated in dollars increased \$158.2 billion to \$558.7 billion, mostly in the form of loans, negotiable certificates of deposit, and other short-term instruments. U.S. banks' liabilities payable in foreign currencies increased \$33.1 billion to \$138.9 billion, mostly in deposits.

Table H. U.S. Liabilities Reported by U.S. Banks and Securities Brokers and U.S. Nonbanks at Yearend

	[Billions of dollars]		
	2004	2005	2006
U.S. liabilities reported by U.S. banks and securities brokers	2,399.2	2,601.7	3,319.0
Liabilities for own accounts, denominated in dollars	1,903.8	2,095.4	2,621.4
U.S.-owned banks' liabilities	686.8	723.0	851.2
Foreign-owned banks' liabilities	617.7	688.8	781.8
Brokers' and dealers' liabilities	599.3	683.6	988.4
Liabilities for customers' accounts, denominated in dollars	389.0	400.5	558.7
Liabilities, denominated in foreign currencies	106.4	105.8	138.9
U.S. liabilities reported by U.S. nonbanking concerns	508.3	557.8	740.4

U.S. liabilities to foreigners reported by U.S. nonbanking concerns increased \$182.6 billion to \$740.4 billion, reflecting an increase in loans, advances, and other U.S. corporate borrowing, mostly from Europe.

U.S. Treasury securities

Total foreign official and private holdings of U.S. Treasury securities increased \$130.6 billion to \$2,115.0 billion in 2006, mostly as a result of strong net purchases by foreign official agencies (table I). In contrast, transactions by private foreign investors shifted to net sales of \$35.9 billion in 2006 from net purchases of \$132.3 billion in 2005.

At yearend 2006, Japan and China were major holders of U.S. Treasury securities; together, they accounted for more than half of total foreign holdings. Chinese holdings of U.S. Treasury securities increased \$112.0 billion to \$439.1 billion in 2006, as China continued to

use dollars from its trade surplus to accumulate foreign reserves at a near-record pace. In contrast, Japanese holdings of U.S. Treasury securities decreased \$25.7 billion to \$633.4 billion. (In table I, foreign official and private holdings are combined in order to avoid the disclosure of sensitive data on individual country holdings by foreign official agencies.)

Table I. Foreign Official and Private Holdings of U.S. Treasury Securities by Selected Countries at Yearend

	[Billions of dollars]		
	2004	2005	2006
Total holdings	1,813.6	1,984.4	2,115.0
Japan	684.3	659.1	633.4
China	245.2	327.1	439.1
OPEC Asia	48.1	69.5	96.4
Belgium and Luxembourg	56.1	62.8	77.7
Korea, Republic of	56.7	67.2	67.6
Taiwan	66.3	66.4	60.3
Hong Kong	43.3	40.5	54.6
Brazil	15.8	28.9	52.5
Germany	41.7	44.2	43.7
United Kingdom	51.7	74.7	36.5

Other U.S. securities

Foreign private holdings of U.S. securities other than U.S. Treasury securities increased \$875.5 billion to \$5,228.5 billion in 2006. The increase was mostly attributable to especially strong net foreign purchases of U.S. bonds and large price appreciation of U.S. stocks.

Foreign holdings of U.S. bonds increased \$446.7 billion to \$2,689.8 billion, mostly as a result of especially strong net foreign purchases of U.S. corporate bonds. Exchange-rate appreciation on foreign-currency-denominated U.S. corporate bonds more than offset bond price depreciation and raised the value of foreign holdings somewhat. Net purchases of corporate bonds were \$412.3 billion, up from \$312.3 billion, as demand was encouraged by record corporate profits, healthy balance sheets, and near-record low default rates amid an environment of moderate inflation and growth in the United States. Net foreign purchases were also strengthened by higher yields on U.S. corporate bonds during a period of relatively low Treasury bond yields. Demand for U.S. corporate bonds during the year was met with ample supply, as issuance was encouraged by improved liquidity and tightened credit spreads that made new debt less expensive for corporate borrowers, especially for those with lower credit ratings. Net foreign purchases of U.S. agency bonds were \$36.9 billion, down from \$49.8 billion. Relatively low Treasury bond yields during the year and strong market fundamentals made higher yielding corporate bonds and stocks more attractive to many foreign investors.

At yearend 2006, investors in Europe accounted for

\$1,660.1 billion, or 62 percent, of total foreign holdings of U.S. corporate and agency bonds; most of the holdings were by investors in the United Kingdom and in Belgium and Luxembourg (table J). Outside of Europe, investment funds in Caribbean financial centers accounted for \$476.9 billion, or 18 percent, of total foreign holdings. Investors in Asia accounted for \$399.0 billion, or 15 percent, of total foreign holdings; most of the holdings were by investors in Japan.

Table J. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend

[Billions of dollars]

	2004	2005	2006
Total holdings	2,035.1	2,243.1	2,689.8
Europe.....	1,295.8	1,396.1	1,660.1
<i>Of which:</i> United Kingdom.....	463.7	482.8	634.8
Belgium and Luxembourg.....	517.3	542.7	571.5
Netherlands.....	60.8	83.1	98.2
Ireland.....	56.2	69.8	93.7
Switzerland.....	60.2	63.8	79.0
Germany.....	62.5	70.6	66.3
France.....	25.1	31.5	54.0
Canada.....	52.0	63.8	83.2
Caribbean financial centers.....	329.8	356.4	476.9
<i>Of which:</i> Cayman Islands.....	197.6	228.9	326.9
Bermuda.....	96.0	96.5	106.6
Latin America, excluding Caribbean financial centers.....	28.3	30.0	38.5
Asia.....	308.9	370.7	399.0
<i>Of which:</i> Japan.....	213.7	241.2	243.5
China.....	33.6	48.9	67.2
Africa.....	2.1	2.8	3.0
Other countries.....	18.2	23.3	29.1

Foreign holdings of U.S. stocks increased \$428.8 billion to \$2,538.7 billion, reflecting large price appreciation and strong net purchases. Price appreciation was \$296.4 billion, as the S&P 500 Index gained 14 percent, the Dow Jones Industrial Average gained 16 percent, and the NASDAQ Composite gained 10 percent for the year—all well above their annual gains in 2005 and 2004. Strong appreciation of U.S. stock prices was partly attributable to record corporate profits, robust merger and acquisition activity, and continued growth in dividend payouts and equity buybacks. In addition, the Federal Reserve held interest rates steady in the second half of the year after more than 2 years of tightening, boosting investors' confidence in U.S. stocks as long-term interest rates pulled back. Net foreign purchases of U.S. stocks in 2006 were the strongest since 2000 at \$142.8 billion, up from \$88.3 billion in 2005.

At yearend 2006, investors in Europe accounted for \$1,401.0 billion, or 55 percent, of total foreign holdings of U.S. stocks (table K). Outside of Europe, investment funds in Caribbean financial centers accounted for \$388.8 billion, or 15 percent, of total foreign holdings; Canadian investors accounted for \$311.0 billion, or 12 percent, of total holdings; and Japanese investors accounted for \$214.8 billion, or 8 percent, of total holdings.

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

[Billions of dollars]

	2004	2005	2006
Total holdings	1,960.4	2,109.9	2,538.7
Europe.....	1,098.7	1,162.4	1,401.0
<i>Of which:</i> United Kingdom.....	292.4	291.4	390.3
Belgium and Luxembourg.....	162.6	191.9	241.3
Netherlands.....	156.5	163.1	173.7
Switzerland.....	134.4	139.8	159.2
France.....	67.4	82.9	118.8
Germany.....	81.9	80.2	77.3
Ireland.....	56.6	63.4	74.3
Sweden.....	49.9	47.7	50.3
Denmark.....	23.1	26.4	32.7
Italy.....	34.2	30.2	30.5
Canada.....	220.2	253.6	311.0
Caribbean financial centers.....	281.7	317.2	388.8
<i>Of which:</i> Cayman Islands.....	139.5	164.8	217.0
Bermuda.....	56.7	59.9	68.8
Netherlands Antilles.....	23.3	25.8	29.2
Latin America, excluding Caribbean financial centers..	31.8	33.9	40.0
Asia.....	256.1	268.4	310.1
<i>Of which:</i> Japan.....	179.4	187.6	214.8
Africa.....	4.9	4.7	5.1
Other countries.....	67.0	69.7	82.7
<i>Of which:</i> Australia.....	59.3	61.2	72.3

U.S. currency

U.S. currency held by foreigners increased \$12.6 billion to \$364.3 billion in 2006. Net U.S. currency shipments to foreigners decreased in 2006 to the lowest level since 2000, as conditions in countries that had been using dollars as a result of economic and political instability have recently improved, giving residents greater confidence in bank deposits and local currencies.

Foreign direct investment in the United States

The stock of foreign direct investment in the United States increased \$231.2 billion to \$2,099.4 billion in 2006 (table L). Financial transactions increased foreign direct investment in the United States by \$180.6 billion, up from an increase of \$109.0 billion in 2005. Foreign parent companies' net equity capital investment in their U.S. affiliates increased \$98.0 billion, up from an increase of \$56.6 billion; reinvested earnings increased \$70.6 billion, up from an increase of \$47.7 billion; and net intercompany debt increased \$12.0 billion, up from an increase of \$4.7 billion.

Table L. Foreign Direct Investment in the United States

[Billions of dollars]

	2005	2006
Total position at yearend	1,868.2	2,099.4
Total change	126.0	231.2
Financial inflows.....	109.0	180.6
Equity capital.....	56.6	98.0
Intercompany debt.....	4.7	12.0
Reinvested earnings.....	47.7	70.6
Price changes.....	47.6	32.5
Exchange-rate changes.....	-1.9	3.9
Other valuation changes.....	-28.7	14.2

Tables 1 and 2 follow.

Table 1. International Investment Position of the United States at Yearend, 2005 and 2006

(Millions of dollars)

Line	Type of investment	Position, 2005 ^f	Changes in position in 2006				Total (a+b+c+d)	Position, 2006 ^p	
			Attributable to			Total			
			Financial flows	Valuation adjustments					
				Price changes	Exchange-rate changes ¹				Other changes ²
		(a)	(b)	(c)	(d)				
1	Net international investment position of the United States (lines 2+3)	-2,238,359	-833,183	347,585	220,653	-36,325	-301,270	-2,539,629	
2	Financial derivatives, net (line 5 less line 25) ³	57,915	-28,762	(⁴)	(⁴)	429,782	1,020	58,935	
3	Net international investment position excluding financial derivatives (line 6 less line 26)	-2,296,274	-804,421	347,585	220,653	-66,107	-302,290	-2,598,564	
4	U.S.-owned assets abroad (lines 5+6)	11,576,336	(⁴)	(⁴)	(⁴)	(⁴)	2,178,654	13,754,990	
5	Financial derivatives, gross positive fair value.....	1,190,029	(⁴)	(⁴)	(⁴)	(⁴)	47,535	1,237,564	
6	U.S.-owned assets abroad excluding financial derivatives (lines 7+12+17).....	10,386,307	1,055,176	675,909	268,603	131,431	2,131,119	12,517,426	
7	U.S. official reserve assets.....	188,043	-2,374	31,123	3,092	-31	31,810	219,853	
8	Gold.....	134,175	0	⁵ 31,123	.....	⁶ -31	31,092	165,267
9	Special drawing rights.....	8,210	223	.....	437	0	660	8,870
10	Reserve position in the International Monetary Fund.....	8,036	-3,331	.....	335	0	-2,996	5,040
11	Foreign currencies.....	37,622	734	.....	2,320	0	3,054	40,676
12	U.S. Government assets, other than official reserve assets.....	77,523	-5,346	.....	.....	12	-5,334	72,189
13	U.S. credits and other long-term assets ⁷	76,960	-5,337	.....	.....	12	-5,325	71,635
14	Repayable in dollars.....	76,687	-5,337	.....	.....	12	-5,325	71,362
15	Other ⁸	273	0	.....	.....	0	0	273
16	U.S. foreign currency holdings and U.S. short-term assets.....	563	-9	.....	.....	.....	-9	554
17	U.S. private assets.....	10,120,741	1,062,896	644,786	265,511	131,450	2,104,643	12,225,384	
18	Direct investment at current cost.....	2,535,188	235,358	46,009	39,188	-124	320,431	2,855,619	
19	Foreign securities.....	4,345,884	289,422	598,777	198,181	0	1,086,380	5,432,264	
20	Bonds.....	1,028,179	150,884	-12,032	13,727	0	152,579	1,180,758	
21	Corporate stocks.....	3,317,705	138,538	610,809	184,454	0	933,801	4,251,506	
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	734,034	83,531	.....	13,075	17,824	114,430	848,464
23	U.S. claims reported by U.S. banks, not included elsewhere.....	2,505,635	454,585	.....	15,067	113,750	583,402	3,089,037
24	Foreign-owned assets in the United States (lines 25+26)	13,814,695	(⁴)	(⁴)	(⁴)	(⁴)	2,479,924	16,294,619	
25	Financial derivatives, gross negative fair value.....	1,132,114	(⁴)	(⁴)	(⁴)	(⁴)	46,515	1,178,629	
26	Foreign-owned assets in the United States excluding financial derivatives (lines 27+34).....	12,682,581	1,859,597	328,324	47,950	197,538	2,433,409	15,115,990	
27	Foreign official assets in the United States.....	2,306,292	440,264	20,840	.....	2,769	463,873	2,770,165
28	U.S. Government securities.....	1,725,193	380,734	-8,563	.....	7,332	379,503	2,104,696
29	U.S. Treasury securities.....	1,340,598	189,181	-8,600	.....	-411	180,170	1,520,768
30	Other.....	384,595	191,553	37	.....	7,743	199,333	583,928
31	Other U.S. Government liabilities ⁹	15,866	3,133	.....	.....	0	3,133	18,999
32	U.S. liabilities reported by U.S. banks, not included elsewhere.....	296,647	22,040	.....	.....	-22,000	40	296,687
33	Other foreign official assets.....	268,586	34,357	29,403	.....	17,437	81,197	349,783
34	Other foreign assets.....	10,376,289	1,419,333	307,484	47,950	194,769	1,969,536	12,345,825	
35	Direct investment at current cost.....	1,868,245	180,580	32,495	3,916	14,190	231,181	2,099,426	
36	U.S. Treasury securities.....	643,793	-35,931	.....	.....	-4,386	-49,550	594,243
37	U.S. securities other than U.S. Treasury securities.....	4,352,998	591,951	284,222	25,419	-26,054	875,538	5,228,536	
38	Corporate and other bonds.....	2,243,135	449,194	-12,143	25,419	-15,789	446,681	2,689,816	
39	Corporate stocks.....	2,109,863	142,757	296,365	.....	-10,265	428,857	2,538,720
40	U.S. currency.....	351,706	12,571	.....	.....	0	12,571	364,277
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	557,840	235,769	.....	9,605	-62,849	182,525	740,365
42	U.S. liabilities reported by U.S. banks, not included elsewhere.....	2,601,707	434,393	.....	9,010	273,868	717,271	3,318,978
Memoranda:									
43	Direct investment abroad at market value.....	3,570,252	235,358	393,709	179,732	-1,221	807,578	4,377,830	
44	Direct investment in the United States at market value.....	2,806,029	180,580	226,483	9,387	416,450	3,222,479	

p Preliminary

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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. 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, and 24, 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). Price changes result from changes in the value of derivatives contracts due to changes in the value of their underlying assets or reference rates, which may arise from movements in interest rates, stock prices, commodity prices, or other variables. Exchange-rate changes result from the

revaluation of foreign-currency-denominated derivatives contracts at current exchange rates. "Other changes" can result when data on investment positions that had accumulated in prior periods are covered by a new or more complete survey.

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. 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	1988
1	Net international investment position of the United States (lines 2+3)	164,832	171,440	206,423	316,926	360,838	339,767	328,954	298,304	160,695	54,343	-36,209	-80,007	-178,470
2	Financial derivatives, net (line 5 less line 25) ¹													
3	Net international investment position excluding financial derivatives (line 6 less line 26)	164,832	171,440	206,423	316,926	360,838	339,767	328,954	298,304	160,695	54,343	-36,209	-80,007	-178,470
4	U.S.-owned assets abroad (lines 5+6)	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	1,829,665
5	Financial derivatives, gross positive fair value ¹													
6	U.S.-owned assets abroad excluding financial derivatives (lines 7+12+17)	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	1,829,665
7	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	144,179
8	Gold ²	36,944	45,781	62,471	135,476	155,816	105,644	120,635	100,484	81,202	85,834	102,428	127,648	107,434
9	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	9,637
10	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	9,745
11	Foreign currencies	321	20	4,374	3,807	10,134	9,774	10,212	6,289	6,656	12,856	17,322	13,090	17,363
12	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	87,892
13	U.S. credits and other long-term assets ³	44,124	47,749	52,252	57,909	63,731	69,320	75,105	79,852	84,857	87,854	90,923	89,900	87,163
14	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	85,768
15	Other ⁴	2,815	2,595	2,435	3,293	3,000	2,729	2,470	2,234	2,038	1,876	1,652	1,556	1,395
16	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	729
17	U.S. private assets	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	1,597,594
18	Direct investment at current cost ⁵	222,283	246,078	285,005	336,301	388,072	407,804	374,059	355,643	348,342	371,036	404,818	478,062	513,776
19	Foreign securities ⁶	44,157	49,439	53,384	56,769	62,454	62,142	74,046	84,723	88,804	119,403	158,123	188,589	232,849
20	Bonds ⁶	34,704	39,329	42,148	41,966	43,524	45,675	56,604	58,569	62,810	75,020	85,724	93,889	104,187
21	Corporate stocks ⁶	9,453	10,110	11,236	14,803	18,930	16,467	17,442	26,154	25,994	44,383	72,399	94,700	128,662
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns ⁷	20,317	22,256	29,385	34,491	38,429	42,752	35,405	131,329	130,138	141,872	167,392	177,368	197,757
23	U.S. claims reported by U.S. banks, not included elsewhere ⁸	81,135	92,562	130,816	157,029	203,866	293,508	404,578	434,505	445,631	447,363	507,338	549,457	653,227
24	Foreign-owned assets in the United States (lines 25+26)	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	2,008,135
25	Financial derivatives, gross negative fair value ¹													
26	Foreign-owned assets in the United States excluding financial derivatives (lines 27+34)	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	2,008,135
27	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	322,036
28	U.S. Government securities	72,572	105,386	128,511	106,640	118,189	125,130	132,587	136,987	144,665	145,063	178,916	220,548	260,934
29	U.S. Treasury securities ⁹	70,555	101,092	123,991	101,748	111,336	117,004	124,929	129,716	138,168	138,438	173,310	213,713	252,962
30	Other ⁹	2,017	4,294	4,520	4,892	6,853	8,126	7,658	7,271	6,497	6,625	5,606	6,835	7,972
31	Other U.S. Government liabilities ¹⁰	8,860	10,260	12,749	12,749	13,367	13,029	13,639	14,231	14,959	15,803	17,993	15,667	15,200
32	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	31,520
33	Other foreign official assets ⁹	5,782	7,217	8,470	9,923	14,125	15,529	17,894	17,716	13,964	14,882	16,397	15,005	14,382
34	Other foreign assets	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	1,686,099
35	Direct investment at current cost ¹¹	47,528	55,413	68,976	88,579	127,105	164,623	184,842	193,708	223,538	247,223	284,701	334,552	401,766
36	U.S. Treasury securities ⁹	7,028	7,562	8,910	14,210	16,113	18,505	25,758	33,846	62,121	87,954	96,078	82,588	100,877
37	U.S. securities other than U.S. Treasury securities ⁹	54,913	51,235	53,554	58,587	74,114	75,085	92,988	113,811	128,477	207,868	309,803	341,732	392,292
38	Corporate and other bonds ⁹	11,964	11,456	11,457	10,269	9,545	10,694	16,709	17,454	32,421	82,290	140,863	166,089	191,314
39	Corporate stocks ⁹	42,949	39,779	42,097	48,318	64,569	64,391	76,279	96,357	96,056	125,578	168,940	175,643	200,978
40	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	61,261
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ¹²	12,961	11,921	16,019	18,669	30,426	30,606	27,532	61,731	77,415	86,993	90,703	110,187	144,548
42	U.S. liabilities reported by U.S. banks, not included elsewhere ¹³	53,465	60,184	77,719	110,326	121,069	165,361	227,988	278,330	312,179	354,497	432,972	518,833	585,355
43	Memoranda:													
43	Direct investment abroad at market value ⁵							226,638	274,342	270,574	386,352	530,074	590,246	692,461
44	Direct investment in the United States at market value ¹¹							130,428	153,318	172,377	219,996	272,966	316,200	391,530

p Preliminary

r Revised

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. 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.

6. 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, 2004, and 2005 Annual Surveys of U.S. Holdings of Foreign Securities, conducted by the U.S. Department of the Treasury.

7. 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.

the United States at Yearend, 1976–2006

of dollars]

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ¹	2004 ¹	2005 ¹	2006 ²	Line
-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	-2,088,008	-2,140,361	-2,294,394	-2,238,359	-2,539,629	1
																57,915	58,935	2
-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	-2,088,008	-2,140,361	-2,294,394	-2,296,274	-2,598,564	3
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	6,652,248	7,643,494	9,257,096	11,576,336	13,754,990	4
																1,190,029	1,237,560	5
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	6,652,248	7,643,494	9,257,096	10,386,307	12,517,426	6
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	188,043	219,853	7
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	134,175	165,267	8
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	8,210	8,870	9
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	8,036	5,040	10
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	37,622	40,676	11
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	83,062	77,523	72,189	12
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	80,308	76,960	71,635	13
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	80,035	76,887	71,362	14
1,323	1,114	962	854	775	495	444	393	350	322	290	281	278	276	274	273	273	273	15
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	2,754	563	554	16
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	6,408,337	7,375,145	8,984,443	10,120,741	12,225,384	17
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	1,867,043	2,054,464	2,463,608	2,535,188	2,855,619	18
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	3,553,387	4,345,884	5,432,264	19
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	992,969	1,028,179	1,180,758	20
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	2,560,418	3,317,705	4,251,506	21
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	901,946	594,004	737,638	734,034	848,464	22
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	1,772,899	2,229,810	2,505,635	3,089,037	23
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	8,740,256	9,783,855	11,551,490	13,814,695	16,294,619	24
																1,132,114	1,178,629	25
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	8,740,256	9,783,855	11,551,490	12,682,581	15,115,990	26
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	1,562,564	2,011,899	2,306,292	2,770,165	27
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	1,186,500	1,509,986	1,725,193	2,104,696	28
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	986,301	1,251,943	1,340,598	1,520,768	29
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	200,199	258,043	384,595	583,928	30
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	16,421	16,287	15,866	18,999	31
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	270,387	296,647	296,687	32
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	158,589	215,239	268,586	349,783	33
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	7,489,279	8,221,291	9,539,591	10,376,289	12,345,825	34
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	1,499,952	1,580,994	1,742,246	1,868,245	2,099,426	35
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	527,223	561,610	643,793	594,243	36
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	3,422,856	3,995,506	4,352,998	5,228,536	37
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	1,710,787	2,035,149	2,243,135	2,689,816	38
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	1,712,069	1,960,357	2,109,863	2,538,720	39
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	332,737	351,706	364,277	40
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	897,335	450,884	508,296	557,840	740,365	41
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	1,921,426	2,399,196	2,601,707	3,318,978	42
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	2,729,126	3,336,421	3,570,252	4,377,830	43
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	2,021,817	2,454,877	2,717,383	2,806,029	3,222,479	44

8. 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.

9. 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, 2003, 2005, and 2006 Annual Surveys of Foreign Holdings of U.S. Securities, conducted by the U.S. Department of the Treasury.

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

11. 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, and 2002 benchmark surveys of foreign direct investment in the United States.

12. 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.

13. 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.