

The International Investment Position of the United States at Yearend 2000

By Harlan W. King

Christopher A. Gohrband directed the preparation of several of the accounts, and Douglas B. Weinberg prepared the direct investment accounts at current cost.

HOLDINGS of foreign-owned assets in the United States increased strongly in 2000, as a result of record financial inflows that were only partly offset by negative valuation adjustments to the holdings. In contrast, holdings of U.S.-owned assets abroad increased by a relatively small amount in 2000; financial outflows were stronger than last year, but negative valuation adjustments significantly reduced the valuation of U.S. holdings. Consequently, the net international investment position of the United States became substantially more negative in 2000 after 3 years of relatively little change. The negative position reflects the amount by which the yearend value of foreign investments in the United States exceeds the yearend value of U.S. investments abroad.

With direct investment valued at the current cost of tangible assets, the negative net position increased to \$1,842.7 billion at yearend 2000 from \$1,099.8 billion at yearend 1999; with direct investment valued at the stock market value of owners' equity, it increased to \$2,187.4 billion at yearend 2000 from \$1,525.3 billion at yearend 1999 (table A, chart 1).¹

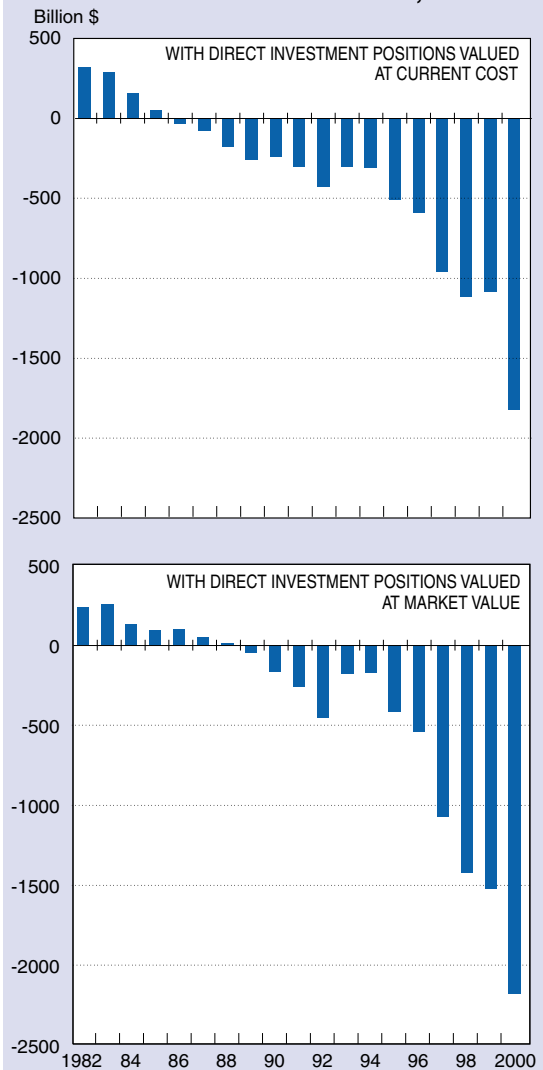
With direct investment valued at current cost, U.S.-owned assets abroad increased to \$6,167.2 billion at yearend 2000 from \$5,921.1 billion at yearend 1999. With direct investment valued at

market value, U.S.-owned assets abroad decreased to \$7,189.8 billion at yearend 2000 from \$7,206.3 billion at yearend 1999 (table A).

• Financial flows increased net U.S. investments abroad \$581.0 billion. Net U.S. purchases of foreign stocks were large, U.S. direct investment

CHART 1

Net International Investment Position of the United States at Yearend, 1982–2000



U.S. Bureau of Economic Analysis

1. The *current-cost* method values the U.S. and foreign parents' share of their affiliates' investment in plant and equipment using the current cost of capital equipment, in land using general price indexes, and in inventories using estimates of their replacement cost. The *market-value* method values the owners' equity share of direct investment using indexes of stock market prices. For additional information about the different measures of direct investment, 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.

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

[Billions of dollars]

	1998	1999	2000
Net position:			
At current cost	-1,128.7	-1,099.8	-1,842.7
At market value	-1,424.0	-1,525.3	-2,187.4
U.S.-owned assets abroad:			
At current cost	5,091.6	5,921.1	6,167.2
At market value	6,063.2	7,206.3	7,189.8
Foreign-owned assets in the United States:			
At current cost	6,220.3	7,020.9	8,009.9
At market value	7,487.2	8,731.7	9,377.2

abroad was strong, and U.S. bank and nonbank claims on foreigners increased sharply (table B).

- Negative valuation adjustments reduced the value of net U.S. investments abroad \$334.9 billion with direct investment on a current-cost basis and \$597.5 billion with direct investment on a market-value basis. The negative valuation adjustments on both bases reflected declines in foreign stock prices and declines in foreign-currency-denominated assets due to depreciation of most foreign currencies against the dollar (table B).

With direct investment valued at current cost, foreign-owned assets in the United States increased to \$8,009.9 billion at yearend 2000 from \$7,020.9 billion at yearend 1999. With direct investment valued at market value, foreign-owned assets increased to \$9,377.2 billion at yearend 2000 from \$8,731.7 billion at yearend 1999 (table A).

- Financial flows increased net foreign investments in the United States \$1,024.2 billion. Net foreign purchases of U.S. securities other than U.S. Treasury securities were a record, foreign direct investment in the United States was a near record, and U.S. liabilities reported by banks and by nonbanks increased sharply (table C).

- Negative valuation adjustments reduced the value of net foreign-owned assets in the United States \$35.2 billion with direct investment at current cost and \$378.6 billion with direct investment at market value. The substantial reduction on the market-value basis was due to the decline in U.S. stock prices (table C).

This article presents the major changes in U.S. assets abroad and in foreign assets in the United States, including direct investment valued at both current cost and at market value, in 2000. Tables 1

Table B.—Changes in U.S.-Owned Assets Abroad, 2000

[Billions of dollars]

	At current cost	At market value
Total change	246.1	-16.5
Financial flows	581.0	581.0
Valuation adjustments	-334.9	-597.5
Price changes	-162.4	-364.5
Exchange rate changes	-194.4	-264.9
Other valuation changes	21.9	31.9

Table C.—Changes in Foreign-Owned Assets in the United States, 2000

[Billions of dollars]

	At current cost	At market value
Total change	989.0	645.6
Financial flows	1,024.2	1,024.2
Valuation adjustments	-35.2	-378.6
Price changes	26.8	-322.3
Exchange rate changes	-33.0	-31.1
Other valuation changes	-29.1	-25.3

and 2 at the end of this article present detailed estimates of the yearend positions.

Changes in U.S.-Owned Assets Abroad

Bank and nonbank claims

U.S. claims on foreigners reported by U.S. banks increased \$176.3 billion, to \$1,276.7 billion, in 2000, as a result of strong lending to banks abroad, the need to supply funds to foreign bond markets, and large increases in placements of foreign commercial paper in the United States (table D).

U.S. banks' own claims on banks abroad payable in dollars increased \$118.8 billion, to \$911.9 billion. The increase in overseas lending by U.S. banks reflected strong demand for bank credit that resulted from significant merger and acquisition activity overseas, strong economic growth in many

Improvements in the Estimates

As is customary each July, the estimates of the U.S. international investment position incorporate newly available source data and methodological improvements that relate to the changes incorporated in the annual revision of the U.S. international transactions accounts. As a result, the negative net international investment position with direct investment at current cost for yearend 1999 has been revised from \$1,082.5 billion to \$1,099.8 billion, and the net position with direct investment at market value has been revised from \$1,473.7 billion to \$1,525.3 billion. The major sources of these revisions are the following.

- The estimates of the foreign direct investment position in the United States on both the current-cost basis and the market-value basis for 1997 forward have been revised to incorporate data collected in BEA's 1997

benchmark survey of foreign direct investment in the United States and revised quarterly survey results for 1998–2000.

- Foreign holdings of U.S. securities other than U.S. Treasury securities are revised for 1999–2000 as a result of a more complete accounting for large U.S. acquisitions of foreign companies, especially those acquisitions financed by exchanges of stocks.
- U.S. nonbank liabilities are revised for 1996–2000 as a result of the substitution of Bank for International Settlements data on nonbank liabilities to foreign banks for U.S.-source data.

For additional information, see "U.S. International Transactions, Revised Estimates for 1989–2000" in this issue.

Table D.—U.S. Claims Reported by U.S. Banks and U.S. Nonbanks at Yearend

[Billions of dollars]

	1998	1999	2000
Total bank-reported claims	1,020.8	1,100.4	1,276.7
Banks' own claims, payable in dollars	735.0	793.1	911.9
On own foreign offices	484.5	529.7	630.1
On unaffiliated foreign banks	106.2	97.1	99.6
On other foreigners	144.3	166.3	182.2
Banks' customer claims, payable in dollars	186.9	219.1	278.4
Banks' claims, payable in foreign currencies	98.9	88.2	86.6
Total nonbank-reported claims	588.3	667.7	825.3

industrialized countries, large foreign purchases of U.S. securities, and reductions in U.S. interest rates. The increase in interbank claims was primarily on banks' own foreign offices. Foreign-owned banks' claims on their offices in Western Europe, particularly in the United Kingdom and Switzerland, increased throughout the year, reflecting substantial credit demands at these offices. U.S.-owned banks' claims on their offices in Western Europe and the Caribbean increased mostly in the second half of the year when the U.S. economy and domestic credit growth slowed. Claims on other foreigners also increased, largely reflecting U.S. securities dealers' lending to international bond funds in the Caribbean and Western Europe.

U.S. banks' domestic customers' claims payable in dollars increased \$59.3 billion, to \$278.4 billion, reflecting strengthened customer demand for foreign short-term paper. Foreign commercial paper issues in the United States increased more than three times as much as in 1999. Increases were particularly large in the third and fourth quarters, when borrowing preferences shifted sharply to short-term financing as borrowing conditions deteriorated in bond markets both in the United States and abroad.

U.S. claims on foreigners reported by U.S. nonbanking concerns increased \$157.5 billion, to \$825.3 billion, as U.S. nonbanking concerns significantly increased their deposits in banks in Western Europe and in Caribbean banking centers, especially in the first and fourth quarters. The sharp acceleration in U.S. deposits abroad helped to finance the heightened foreign demand for credit among industrial countries and to fund circuitous lending back to U.S. borrowers (table D).

Foreign securities

U.S. holdings of foreign securities decreased \$197.9 billion, to \$2,406.5 billion, in 2000, reflecting a sharp decrease in the value of foreign stocks resulting from declines in foreign stock prices and from depreciation of most currencies against the

U.S. dollar. Holdings of foreign bonds were virtually unchanged.

U.S. holdings of foreign stocks decreased \$197.8 billion, to \$1,828.8 billion (table E). The decrease resulted from \$153.7 billion in price depreciation and \$143.9 billion in exchange-rate depreciation that were only partly offset by \$99.7 billion in net U.S. purchases. Continued exchanges of stock associated with acquisitions of U.S. companies by European and Canadian companies accounted for most of net U.S. purchases.

- U.S. holdings of Western European stocks decreased 4 percent. European stock prices declined 4 percent on average, and the euro depreciated 13 percent against the dollar between yearend 1999 and yearend 2000. Partly offsetting were \$57.1 billion in net U.S. purchases, mostly in exchanges of stock associated with foreign acquisitions of U.S. companies.

- U.S. holdings of Japanese stocks decreased 34 percent. Large net sales of \$17.5 billion, 20-percent price depreciation, and 9-percent exchange-rate depreciation of the yen against the U.S. dollar accounted for the decrease. The reduced demand for Japanese stocks reflected unrealized economic reforms and an uneven economic recovery.

- U.S. holdings of Canadian stocks increased 22 percent, mostly because of strong net U.S. purchases and stock price appreciation of 8 percent. Exchange-rate depreciation of 3 percent was partly offsetting.

- U.S. holdings of other foreign stocks decreased substantially. Holdings of Asian emerging market stocks decreased sharply, reflecting an

Table E.—U.S. Holdings of Foreign Stocks by Major Areas at Yearend

[Billions of dollars]

	1998	1999	2000
Total holdings	1,476.2	2,026.6	1,828.8
Western Europe	960.5	1,167.8	1,117.6
Of which: United Kingdom	295.6	374.8	365.2
Finland	45.6	160.2	134.8
France	130.4	183.2	180.9
Germany	104.4	117.6	101.9
Ireland	19.5	18.2	16.1
Italy	59.1	53.5	48.1
Netherlands	115.4	141.9	136.5
Spain	37.7	35.7	28.1
Sweden	43.7	74.8	56.3
Switzerland	73.6	64.3	75.2
Canada	62.0	100.7	123.3
Japan	145.9	273.7	181.4
Latin America	54.0	89.1	73.5
Of which: Argentina	8.9	11.3	8.1
Brazil	17.4	28.9	25.0
Mexico	27.8	30.2	25.1
Other Western Hemisphere	77.8	129.0	144.2
Of which: Bermuda	37.2	45.9	42.6
Netherlands Antilles	24.8	26.7	34.4
Other countries	176.0	266.3	188.8
Of which: Australia	34.3	39.2	35.0
Hong Kong	27.0	38.7	34.9
Singapore	10.3	16.3	8.4

average price decline of 33 percent. Holdings of Latin American stocks decreased 18 percent.

U.S. holdings of foreign bonds were virtually unchanged, at \$577.7 billion (table F). Net U.S. purchases were \$25.2 billion; these purchases were offset by price depreciation of \$10.7 billion, as foreign bond prices fell, and exchange-rate depreciation of \$14.6 billion. The stability of the U.S. bond market relative to other world bond markets encouraged a step-up in new issues, especially by European corporations to finance merger and acquisition activity and by sovereign borrowers from Latin America and emerging market countries. However, price declines and depreciation of most foreign currencies against the U.S. dollar prompted U.S. investors to sell outstanding foreign-currency-denominated bonds.

U.S. direct investment abroad

U.S. direct investment abroad valued at current cost increased \$117.2 billion, to \$1,445.2 billion, in 2000; at market value, it decreased \$145.4 billion, to \$2,467.8 billion (table G). Net financial outflows—a near record \$152.4 billion—included numerous large acquisitions and were encouraged by favorable growth prospects in many countries, particularly in Europe (table H). Net equity capital outflows were \$49.9 billion, below last year's level but still strong; outflows were associated with strong U.S. acquisitions abroad. Reinvested earnings increased sharply to \$99.7 billion, partly as a result of growth in total overseas earnings. Intercompany debt outflows decreased sharply to \$2.8 billion. At current cost, the large financial outflows more than accounted for the increase in the position. At market value, the financial outflows were

Table F.—U.S. Holdings of Foreign Bonds by Major Areas at Yearend

	[Billions of dollars]		
	1998	1999	2000
Total holdings	576.7	577.7	577.7
Western Europe	205.9	205.8	223.4
Of which: United Kingdom	61.6	59.0	68.2
France	14.1	12.7	14.1
Germany	44.9	43.9	50.9
Italy	15.4	12.8	11.9
Netherlands	12.6	12.4	17.3
Sweden	13.3	12.2	11.9
Canada	110.8	97.9	91.4
Japan	29.8	24.5	24.9
Latin America	101.6	108.3	120.4
Of which: Argentina	28.2	26.2	24.4
Brazil	19.6	19.6	20.4
Mexico	31.7	38.7	34.3
Other Western Hemisphere	23.8	27.5	27.3
Of which: Cayman Islands	14.8	14.0	9.8
Other countries	87.8	90.2	67.9
Of which: Australia	30.6	27.5	27.5
Korea	14.0	12.5	11.1
International organizations	17.0	23.5	22.4

Table G.—U.S. Direct Investment Abroad at Yearend

	[Billions of dollars]		
	1998	1999	2000
U.S. direct investment abroad:			
At current cost	1,196.8	1,328.0	1,445.2
At market value	2,168.3	2,613.2	2,467.8

Table H.—U.S. Direct Investment Abroad, 2000

	[Billions of dollars]	
	At current cost	At market value
Total position	1,445.2	2,467.8
Total change	117.2	-145.4
Financial outflows	152.4	152.4
Equity capital	49.9	49.9
Intercompany debt	2.8	2.8
Reinvested earnings	99.7	99.7
Price changes	6.1	-196.0
Exchange rate changes	-22.0	-92.5
Other valuation changes	-19.3	-9.3

more than offset by a large decrease in U.S. owners' equity—reflecting the widespread decline in most foreign stock markets, especially in Europe where U.S. investment is large—and by depreciation in foreign-currency-denominated positions due to the decline of most foreign currencies against the U.S. dollar.

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

Government assets

U.S. official reserve assets decreased \$8.0 billion, to \$128.4 billion, in 2000, mostly reflecting a decline in the market value of the U.S. gold stock and a decrease in the value of foreign currency assets due to strong appreciation of the U.S. dollar against the yen and the euro. For financial flows, U.S. intervention purchases of euros in the third quarter and an increase in U.S. holdings of special drawing rights were largely offset by a decline in the U.S. reserve position at the International Monetary Fund. The U.S. reserve position decreased as a result of large U.S. dollar-denominated repayments by Brazil, Mexico, and Russia that exceeded dollar borrowings.

U.S. Government assets, other than reserve assets, increased \$0.9 billion, to \$85.2 billion. The increase reflected net new credits extended through U.S. Government international lending programs.

Changes in Foreign-Owned Assets in the United States

Bank and nonbank liabilities

U.S. liabilities reported by U.S. banks increased \$72.6 billion, to \$1,139.8 billion, in 2000, representing heightened U.S. and international demand

for bank credit. The strong growth in outstanding U.S. dollar liabilities was attributable to bank financing for U.S. domestic commercial and industrial loan expansion, mostly in the first half of the year, to considerable international lending, and to an upturn in foreign deposits in the United States (table I).

U.S. banks' own liabilities payable in dollars increased \$78.1 billion, to \$952.0 billion. Most of the increase was to the interbank market. Banks in the United States financed an expansion of domestic assets in the first half of the year through substantial intercompany borrowing, and they borrowed heavily from offices in the Caribbean to meet the surge in credit demand associated with acquisitions and consolidations. In addition, foreigners accelerated their time deposit placements in U.S.-owned banks to capture relatively higher short-term yields, particularly in the second and fourth quarters. Liabilities to other foreigners increased \$17.5 billion, mostly as a result of a resurgence in positions of U.S. securities dealers with private foreigners in Western Europe and the Caribbean.

U.S. liabilities to foreigners reported by U.S. nonbanking concerns increased \$167.2 billion, to \$722.7 billion. U.S. borrowing, particularly from financial institutions in Western Europe and the Caribbean, was large, especially in the first quarter (table I).

Table I.—U.S. Liabilities Reported by U.S. Banks and U.S. Nonbanks at Yearend

[Billions of dollars]

	1998	1999	2000
Total bank-reported liabilities	1,014.0	1,067.2	1,139.8
Banks' own liabilities, payable in dollars	804.7	873.9	952.0
To own foreign offices	562.9	609.2	650.5
To unaffiliated foreign banks	113.2	119.3	138.6
To other foreigners	128.6	145.4	162.9
Banks' custody liabilities, payable in dollars			
Banks' liabilities, payable in foreign			
currencies	108.2	104.8	111.7
Total nonbank-reported liabilities	485.7	555.6	722.7

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

[Billions of dollars]

	1998	1999	2000
Total holdings	1,318.8	1,238.9	1,222.0
Japan	292.6	320.9	347.7
United Kingdom	279.2	238.8	214.6
Germany	100.2	96.1	91.6
China	48.7	51.3	49.9
Hong Kong	46.0	45.8	45.6
Middle East OPEC members	28.4	28.6	32.9
Korea, Republic of	18.4	25.3	32.2
Belgium & Luxembourg	32.8	27.9	29.7
British West Indies	39.6	28.2	25.7
Singapore	45.0	30.5	24.4

U.S. Treasury securities

Foreign holdings of U.S. Treasury securities decreased \$21.0 billion, to \$639.7 billion, in 2000. The decrease was attributable to \$52.8 billion in net sales that were only partly offset by \$31.8 billion in price appreciation resulting from lower bond interest rates. The popularity of U.S. Government bonds to foreign portfolio investors was curtailed by their steep interest rate decline, the relative attractiveness of higher yielding U.S. agency and high-grade corporate bonds, and concerns over diminishing supplies of Treasury securities. (Foreign private holdings and foreign official holdings are combined in table J in order to avoid disclosure of sensitive data on individual country holdings by foreign official agencies.)

Other U.S. securities

Foreign holdings of U.S. securities, other than U.S. Treasury securities, increased \$442.0 billion, to \$2,964.0 billion, in 2000. Record net foreign purchases of U.S. securities were partly offset by substantial stock-price depreciation and exchange-rate depreciation on foreign-currency-denominated U.S. corporate bonds.

Foreign holdings of U.S. corporate and U.S. agency bonds increased \$312.3 billion, to \$1,374.3 billion (table K). Record net foreign purchases of \$292.9 billion and price appreciation of \$43.6 billion substantially exceeded exchange-rate depreciation of \$24.2 billion. Foreign investors were attracted by the higher yields on U.S. corporate and agency bonds than on foreign bonds and on U.S. Treasury bonds, by the strength of the dollar, and by sizable new issues of U.S. agency bonds, many of which replaced purchases of U.S. Treasury bonds.

Table K.—Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Areas at Yearend

[Billions of dollars]

	1998	1999	2000
Total holdings	902.2	1,061.9	1,374.3
Western Europe	588.1	673.1	850.0
Of which: United Kingdom	470.0	536.1	684.5
France	14.6	15.1	17.4
Germany	19.7	24.7	28.2
Italy	3.2	3.5	4.8
Netherlands	16.3	17.2	18.5
Canada	23.3	25.6	37.0
Japan	108.7	120.4	162.9
Latin America	19.9	26.2	37.4
Other Western Hemisphere	105.2	145.9	193.1
Other countries	57.0	70.7	93.9

Table L.—Foreign Private Holdings of U.S. Corporate Stocks by Major Areas at Yearend

[Billions of dollars]

	1998	1999	2000
Total holdings	1,110.3	1,460.1	1,589.7
Western Europe	686.3	926.5	1,064.8
Of which: United Kingdom	302.4	408.6	461.9
France	35.4	49.1	58.5
Germany	51.5	71.3	85.0
Italy	15.1	21.0	25.0
Netherlands	74.9	103.9	123.8
Canada	108.1	142.5	144.8
Japan	81.6	103.8	102.0
Latin America	21.5	27.7	30.1
Other Western Hemisphere	114.2	140.3	115.1
Other countries	98.6	119.3	132.9

Foreign holdings of U.S. corporate stocks increased \$129.6 billion, to \$1,589.7 billion (table L).

Record net purchases of \$192.7 billion were partly offset by \$63.1 billion in price depreciation. The strength of the U.S. dollar and favorable prospects for the U.S. economy prompted record foreign investments and outweighed the negative influences of increased market volatility and declining stock prices that began after the first quarter. The Nasdaq index, which is heavily weighted with technology-related stocks, lost 39.3 percent in 2000 after gaining 85.6 percent in 1999. The Standard & Poor's 500 index lost 10.1 percent after a rise of 19.5 percent.

U.S. currency

U.S. currency held by foreigners increased \$1.1 billion, to \$251.8 billion, in 2000. Supplies of U.S. currency shipped at yearend 1999 as precautions against Y2K problems were sufficient to meet demands for much of 2000.

Foreign direct investment in the United States

Foreign direct investment in the United States valued at current cost increased \$275.1 billion, to \$1,369.5 billion, in 2000; at market value, it decreased \$68.4 billion, to \$2,736.9 billion (table M). Net financial inflows were a near record \$287.7 billion (table N). Net equity capital inflows slowed slightly to \$216.7 billion, but remained very strong

Table M.—Foreign Direct Investment in the United States at Yearend

[Billions of dollars]

	1998	1999	2000
Foreign direct investment in the United States:			
At current cost	912.2	1,094.4	1,369.5
At market value	2,179.0	2,805.2	2,736.9

Table N.—Foreign Direct Investment in the United States, 2000

[Billions of dollars]

	At current cost	At market value
Total position	1,369.5	2,736.9
Total change	275.1	-68.4
Financial inflows	287.7	287.7
Equity capital	216.7	216.7
Intercompany debt	47.3	47.3
Reinvested earnings	23.7	23.7
Price changes	0.1	-349.0
Exchange rate changes	-1.9	0.0
Other valuation changes	-10.8	-7.1

as a result of numerous acquisitions during the year, especially by Western European firms. Reinvested earnings increased slightly to \$23.7 billion. Net intercompany debt inflows decreased to \$47.3 billion. At current cost, net financial inflows were partly offset by small negative valuation adjustments, mainly to reconcile market values with the smaller book values of acquisitions. At market value, net financial inflows were more than offset by substantial price depreciation in foreign owners' equity, resulting from the decline in U.S. stock prices.

Foreign official assets

Foreign official assets increased \$52.1 billion, to \$922.4 billion, in 2000, reflecting \$37.6 billion in capital inflows and \$14.4 billion in price appreciation. Most of the capital inflows were the result of intervention purchases of U.S. dollars by a few industrial countries. Assets of OPEC members and other developing countries also increased a small amount. The price appreciation of assets was the result of a 6-percent increase in the price of U.S. Treasury bonds.

Tables 1 and 2 follow.



Table 1.—International Investment Position of the United States at Yearend, 1999 and 2000

[Millions of dollars]

Line	Type of investment	Position, 1999 ^r	Changes in position in 2000 (decrease (-))					Position, 2000 ^p
			Attributable to:				Total (a+b+c+d)	
			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:							
2	With direct investment positions at current cost (line 3 less line 24)	-1,099,786	-443,266	-189,189	-161,397	50,975	-742,877	-1,842,663
3	With direct investment positions at market value (line 4 less line 25)	-1,525,347	-443,266	-42,232	-233,846	57,247	-662,097	-2,187,444
	U.S.-owned assets abroad:							
4	With direct investment positions at current cost (lines 5+10+15)	5,921,099	580,952	-162,350	-194,351	21,862	246,113	6,167,212
5	With direct investment positions at market value (lines 5+10+16) ...	7,206,320	580,952	-364,486	-264,903	31,909	-16,528	7,189,792
6	U.S. official reserve assets	136,418	290	-4,134	-4,157	-17	-8,018	128,400
7	Gold	75,950	.....	³ -4,134	.....	⁴ -17	-4,151	71,799
8	Special drawing rights	10,336	722	.....	-519	.....	203	10,539
9	Reserve position in the International Monetary Fund	17,950	-2,308	.....	-818	.....	-3,126	14,824
10	Foreign currencies	32,182	1,876	.....	-2,820	.....	-944	31,238
11	U.S. Government assets, other than official reserve assets	84,227	944	.....	.....	.....	944	85,171
12	U.S. credits and other long-term assets ⁵	81,657	920	.....	.....	.....	920	82,577
13	Repayable in dollars	81,367	929	.....	.....	.....	929	82,296
14	Other ⁶	290	-9	.....	.....	.....	-9	281
15	U.S. foreign currency holdings and U.S. short-term assets	2,570	24	.....	.....	.....	24	2,594
16	U.S. private assets:							
17	With direct investment at current cost (lines 17+19+22+23)	5,700,454	579,718	-158,216	-190,194	21,879	253,187	5,953,641
18	With direct investment at market value (lines 18+19+22+23)	6,985,675	579,718	-360,352	-260,746	31,926	-9,454	6,976,221
19	Direct investment abroad:							
20	At current cost	1,327,954	152,437	6,128	-21,975	-19,367	117,223	1,445,177
21	At market value	2,613,175	152,437	-196,008	-92,527	-9,320	-145,418	2,467,757
22	Foreign securities	2,604,383	124,935	-164,344	-158,470	.....	-197,879	2,406,504
23	Bonds	577,745	25,200	-10,672	-14,579	.....	-51	577,694
24	Corporate stocks	2,026,638	99,735	-153,672	-143,891	.....	-197,828	1,828,810
25	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	667,732	163,846	.....	-6,327	.....	157,519	825,251
26	U.S. claims reported by U.S. banks, not included elsewhere	1,100,385	138,500	.....	-3,422	41,246	176,324	1,276,709
27	Foreign-owned assets in the United States:							
28	With direct investment at current cost (lines 26+33)	7,020,885	1,024,218	26,839	-32,954	-29,113	988,990	8,009,875
29	With direct investment at market value (lines 26+34)	8,731,667	1,024,218	-322,254	-31,057	-25,338	645,569	9,377,236
30	Foreign official assets in the United States	870,364	37,619	14,446	.....	.....	52,065	922,429
31	U.S. Government securities	628,907	30,676	17,314	.....	.....	47,990	676,897
32	U.S. Treasury securities	578,225	-10,233	14,352	.....	.....	4,119	582,344
33	Other	50,682	40,909	2,962	.....	.....	43,871	94,553
34	Other U.S. Government liabilities ⁷	15,486	-1,987	.....	.....	.....	-1,987	13,499
35	U.S. liabilities reported by U.S. banks, not included elsewhere	138,847	5,803	.....	.....	.....	5,803	144,650
36	Other foreign official assets	87,124	3,127	-2,868	.....	.....	259	87,383
37	Other foreign assets:							
38	With direct investment at current cost (lines 35+37+38+41+42+43) ...	6,150,521	986,599	12,393	-32,954	-29,113	936,925	7,087,446
39	With direct investment at market value (lines 36+37+38+41+42+43)	7,861,303	986,599	-336,700	-31,057	-25,338	593,504	8,454,807
40	Direct investment in the United States:							
41	At current cost	1,094,439	287,655	102	-1,897	-10,794	275,066	1,369,505
42	At market value	2,805,221	287,655	-348,991	.....	-7,019	-68,355	2,736,866
43	U.S. Treasury securities	660,693	-52,792	31,783	.....	.....	-21,009	639,684
44	U.S. securities other than U.S. Treasury securities	2,522,009	485,644	-19,492	-24,188	.....	441,964	2,963,973
45	Corporate and other bonds	1,061,924	292,904	43,619	-24,188	.....	312,335	1,374,259
46	Corporate stocks	1,460,085	192,740	-63,111	.....	.....	129,629	1,589,714
47	U.S. currency	250,657	1,129	.....	.....	.....	1,129	251,786
48	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	555,566	177,010	.....	-1,519	-8,319	167,172	722,738
49	U.S. liabilities reported by U.S. banks, not included elsewhere	1,067,157	87,953	.....	-5,350	-10,000	72,603	1,139,760

^p Preliminary.^r Revised.

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

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

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

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These de-

monizations/monetizations are not included in international transactions financial flows.

5. 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.

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

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

Table 2.—International Investment Position

[Millions]

Line	Type of investment	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
1	Net international investment position of the United States:										
2	With direct investment positions at current cost (line 3 less line 24)	164,832	171,440	206,423	316,926	360,838	339,767	328,954	298,304	160,695	54,343
	With direct investment positions at market value (line 4 less line 25)							235,947	257,393	134,088	96,886
3	U.S.-owned assets abroad:										
4	With direct investment at current cost (lines 5+10+15)	456,964	512,278	621,227	786,701	929,806	1,001,667	1,108,436	1,210,974	1,204,900	1,287,396
	With direct investment at market value (lines 5+10+16)							961,015	1,129,673	1,127,132	1,302,712
5	U.S. official reserve assets	44,094	53,376	69,450	143,260	171,412	124,568	143,445	123,110	105,040	117,930
6	Gold ¹	36,944	45,781	62,471	135,476	155,816	105,644	120,635	100,484	81,202	85,834
7	Special drawing rights	2,395	2,629	1,558	2,724	2,610	4,096	5,250	5,025	5,641	7,293
8	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
9	Foreign currencies	321	20	4,374	3,807	10,134	9,774	10,212	6,289	6,656	12,856
10	U.S. Government assets, other than official reserve assets	44,978	48,567	53,187	58,951	65,573	70,893	76,903	81,664	86,945	89,792
11	U.S. credits and other long-term assets ²	44,124	47,749	52,252	57,909	63,731	69,320	75,105	79,852	84,857	87,854
12	Repayable in dollars	41,309	45,154	49,817	54,616	60,731	66,591	72,635	77,618	82,819	85,978
13	Other ³	2,815	2,595	2,435	3,293	3,000	2,729	2,470	2,234	2,038	1,876
14	U.S. foreign currency holdings and U.S. short-term assets	854	818	935	942	1,842	1,573	1,796	1,812	2,088	1,938
15	U.S. private assets:										
16	With direct investment at current cost (lines 17+19+22+23)	367,892	410,335	498,590	584,590	692,821	806,206	888,088	1,006,200	1,012,915	1,079,674
	With direct investment at market value (lines 18+19+22+23)							740,667	924,899	935,147	1,094,990
	Direct investment abroad:										
17	At current cost ⁴	222,283	246,078	285,005	336,301	388,072	407,804	374,059	355,643	348,342	371,036
18	At market value ⁴							226,638	274,342	270,574	386,352
19	Foreign securities ⁵	44,157	49,439	53,384	56,769	62,454	62,142	74,046	84,723	88,804	119,403
20	Bonds ⁵	34,704	39,329	42,148	41,966	43,524	45,675	56,604	58,569	62,810	75,020
21	Corporate stocks ⁵	9,453	10,110	11,236	14,803	18,930	16,467	17,442	26,154	25,994	44,383
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns ⁶	20,317	22,256	29,385	34,491	38,429	42,752	35,405	131,329	130,138	141,872
23	U.S. claims reported by U.S. banks, not included elsewhere ⁷	81,135	92,562	130,816	157,029	203,866	293,508	404,578	434,505	445,631	447,363
24	Foreign-owned assets in the United States:										
25	With direct investment at current cost (lines 26+33)	292,132	340,838	414,804	469,775	568,968	661,900	779,482	912,670	1,044,205	1,233,053
	With direct investment at market value (lines 26+34)							725,068	872,280	993,044	1,205,826
26	Foreign official assets in the United States	104,445	140,867	173,057	159,852	176,062	180,425	189,109	194,468	199,678	202,482
27	U.S. Government securities	72,572	105,386	128,511	106,840	118,189	125,130	132,587	136,987	144,665	145,063
28	U.S. Treasury securities ⁸	70,555	101,092	123,991	101,748	111,336	117,004	124,929	129,716	138,168	138,438
29	Other ⁸	2,017	4,294	4,520	4,892	6,853	8,126	7,658	7,271	6,497	6,625
30	Other U.S. Government liabilities ⁹	8,860	10,260	12,749	12,749	13,367	13,029	13,639	14,231	14,959	15,803
31	U.S. liabilities reported by U.S. banks, not included elsewhere	17,231	18,004	23,327	30,540	30,381	26,737	24,989	25,534	26,090	26,734
32	Other foreign official assets ⁸	5,782	7,217	8,470	9,923	14,125	15,529	17,894	17,716	13,964	14,882
33	Other foreign assets in the United States:										
34	With direct investment at current cost (lines 35+37+38+41+42+43)	187,687	199,971	241,747	309,923	392,906	481,475	590,373	718,202	844,527	1,030,571
	With direct investment at market value (lines 36+37+38+41+42+43)							535,959	677,812	793,366	1,003,344
35	Direct investment in the United States:										
36	At current cost ¹⁰	47,528	55,413	68,976	88,579	127,105	164,623	184,842	193,708	223,538	247,223
37	At market value ¹⁰							130,428	153,318	172,377	219,996
38	U.S. Treasury securities ⁸	7,028	7,562	8,910	14,210	16,113	18,505	25,758	33,846	62,121	87,954
39	U.S. securities other than U.S. Treasury securities ⁸	54,913	51,235	53,554	58,587	74,114	75,085	92,988	113,811	128,477	207,868
40	Corporate and other bonds ⁸	11,964	11,456	11,457	10,269	9,545	10,694	16,709	17,454	32,421	82,290
41	Corporate stocks ⁸	42,949	39,779	42,097	48,318	64,569	64,391	76,279	96,357	96,056	125,578
42	U.S. currency	11,792	13,656	16,569	19,552	24,079	27,295	31,265	36,776	40,797	46,036
43	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ¹¹	12,961	11,921	16,019	18,669	30,426	30,606	27,532	61,731	77,415	86,993
44	U.S. liabilities reported by U.S. banks, not included elsewhere	53,465	60,184	77,719	110,326	121,069	165,361	227,988	278,300	312,179	354,497

^p Preliminary.^r Revised.

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

2. 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.

3. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a

third country's currency, or by delivery of materials or transfer of services.

4. A break in series in 1994 reflects the reclassification 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. Estimates for 1976 forward are linked to the 1977, 1982, 1989, and 1994 benchmark surveys of U.S. direct investment abroad.

5. Estimates include results of the 1994 and 1997 Benchmark Surveys of U.S. Ownership of Foreign Long-term Securities conducted by the U.S. Department of the Treasury.

of the United States at Yearend, 1976-2000

of dollars]

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996 ^r	1997 ^r	1998 ^r	1999 ^r	2000 ^r	Line
-36,209	-80,007	-178,470	-259,506	-245,347	-309,259	-431,198	-306,956	-311,872	-514,637	-595,168	-972,605	-1,128,699	-1,099,786	-1,842,663	1
100,782	50,529	10,466	-46,987	-164,495	-260,819	-452,305	-178,020	-170,505	-418,648	-542,234	-1,076,134	-1,423,988	-1,525,347	-2,187,444	2
1,469,396	1,646,527	1,829,665	2,070,868	2,178,978	2,286,456	2,331,696	2,753,648	2,998,633	3,451,983	4,012,746	4,567,279	5,091,616	5,921,099	6,167,212	3
1,594,652	1,758,711	2,008,365	2,350,235	2,294,085	2,470,629	2,466,496	3,057,669	3,279,871	3,873,632	4,549,179	5,278,032	6,063,175	7,206,320	7,189,792	4
139,875	162,370	144,179	168,714	174,664	159,223	147,435	164,945	163,394	176,061	160,739	134,836	146,006	136,418	128,400	5
102,428	127,648	107,434	105,164	102,406	92,561	87,168	102,556	100,110	101,279	96,698	75,929	75,291	75,950	71,799	6
8,395	10,283	9,637	9,951	10,989	11,240	8,503	9,039	10,039	11,037	10,312	10,027	10,603	10,336	10,539	7
11,730	11,349	9,745	9,048	9,076	9,488	11,759	11,818	12,030	14,649	15,435	18,071	24,111	17,950	14,824	8
17,322	13,090	17,363	44,551	52,193	45,934	40,005	41,532	41,215	49,096	38,294	30,809	36,001	32,182	31,238	9
91,850	90,681	87,892	86,643	84,344	81,422	83,022	83,382	83,908	85,064	86,123	86,198	86,768	84,227	85,171	10
90,923	89,900	87,163	86,057	83,716	79,776	81,352	81,435	81,884	82,802	83,999	84,130	84,850	81,657	82,577	11
89,271	88,344	85,768	84,734	82,602	78,814	80,498	80,660	81,389	82,358	83,606	83,780	84,528	81,367	82,296	12
1,652	1,556	1,395	1,323	1,114	962	854	775	495	444	393	350	322	290	281	13
927	781	729	586	628	1,646	1,670	1,947	2,024	2,262	2,124	2,068	1,918	2,570	2,594	14
1,237,671	1,393,476	1,597,594	1,815,511	1,919,970	2,045,811	2,101,239	2,505,321	2,751,331	3,190,858	3,765,884	4,346,245	4,858,842	5,700,454	5,953,641	15
1,362,927	1,505,660	1,776,294	2,094,878	2,035,077	2,229,984	2,236,039	2,809,342	3,032,569	3,612,507	4,302,317	5,056,998	5,830,401	6,985,675	6,976,221	16
404,818	478,062	513,761	553,093	616,655	643,364	663,830	723,526	786,565	885,506	989,810	1,067,436	1,196,765	1,327,954	1,445,177	17
530,074	590,246	692,461	832,460	731,762	827,537	798,630	1,027,547	1,067,803	1,307,155	1,526,243	1,778,189	2,168,324	2,613,175	2,467,757	18
158,123	188,589	232,849	314,294	342,313	455,750	515,083	853,528	948,668	1,169,836	1,467,985	1,751,183	2,052,929	2,604,383	2,406,504	19
85,724	93,889	104,187	116,949	144,717	176,774	200,817	309,666	321,208	392,827	465,057	543,396	576,745	577,745	577,694	20
72,399	94,700	128,662	197,345	197,596	278,976	314,266	543,862	627,460	776,809	1,002,928	1,207,787	1,476,184	2,026,638	1,828,810	21
167,392	177,368	197,757	234,307	265,315	256,295	254,303	242,022	322,980	367,567	450,578	545,524	588,322	667,732	825,251	22
507,338	549,457	653,227	713,817	695,687	690,402	668,023	686,245	693,118	768,149	857,511	982,102	1,020,826	1,100,385	1,276,709	23
1,505,605	1,726,534	2,008,135	2,330,374	2,424,325	2,595,715	2,762,894	3,060,604	3,310,505	3,966,620	4,607,914	5,539,884	6,220,315	7,020,885	8,009,875	24
1,493,870	1,708,182	1,997,899	2,397,222	2,458,580	2,731,448	2,918,801	3,235,689	3,450,376	4,292,280	5,091,413	6,354,166	7,487,163	8,731,667	9,377,236	25
241,226	283,058	322,036	341,746	373,293	398,538	437,263	509,422	535,217	671,710	798,368	835,962	838,041	870,364	922,429	26
178,916	220,548	260,934	263,612	291,228	311,199	329,317	381,687	407,152	497,776	610,469	614,530	620,285	628,907	676,897	27
173,310	213,713	252,962	257,201	285,911	305,984	322,600	373,050	396,887	482,773	590,704	589,792	589,023	578,225	582,344	28
5,606	6,835	7,972	6,411	5,317	5,205	6,717	8,637	10,265	15,003	19,765	24,738	31,282	50,682	94,553	29
17,993	15,667	15,200	15,374	17,243	18,610	20,801	22,113	23,678	25,592	27,112	28,592	29,340	18,340	13,499	30
27,920	31,838	31,520	36,495	39,880	38,396	54,967	69,721	73,386	107,394	113,098	135,384	125,883	138,847	144,650	31
16,397	15,005	14,382	26,265	24,942	30,333	32,178	35,901	31,001	42,967	52,209	64,336	73,533	87,124	87,383	32
1,264,379	1,443,476	1,686,099	1,988,628	2,051,032	2,197,177	2,325,631	2,551,182	2,775,288	3,294,910	3,809,546	4,703,922	5,382,274	6,150,521	7,087,446	33
1,252,644	1,425,124	1,675,863	2,055,476	2,085,287	2,332,910	2,481,538	2,726,267	2,915,159	3,620,570	4,293,045	5,518,204	6,649,122	7,861,303	8,454,807	34
284,701	334,552	401,766	467,896	505,346	533,404	540,270	593,313	617,982	680,066	745,619	823,126	912,187	1,094,439	1,369,505	35
272,966	316,200	391,530	534,734	539,601	669,137	696,177	768,398	757,853	1,005,726	1,229,118	1,637,408	2,179,035	2,805,221	2,736,866	36
96,078	82,588	100,877	166,541	152,452	170,295	197,739	221,501	235,684	358,537	502,562	662,228	729,738	660,693	639,684	37
309,803	341,732	392,292	482,864	460,644	546,008	599,447	696,449	739,695	971,356	1,199,461	1,578,694	2,012,429	2,522,009	2,963,973	38
140,863	166,089	191,314	231,673	238,903	274,136	299,287	355,822	368,077	481,214	588,044	715,196	902,153	1,061,924	1,374,259	39
168,940	175,643	200,978	251,191	221,741	271,872	300,160	340,627	371,618	490,142	611,417	863,498	1,110,276	1,460,085	1,589,714	40
50,122	55,584	61,261	67,118	85,933	101,317	114,804	133,734	157,185	169,848	186,846	211,628	228,250	250,657	251,786	41
90,703	110,187	144,548	167,093	213,406	208,908	220,666	229,038	239,817	300,424	346,810	459,407	485,675	555,566	722,738	42
432,972	518,833	585,355	637,126	633,251	637,245	652,705	677,147	784,925	815,043	828,248	968,839	1,013,995	1,067,157	1,139,760	43

6. A break in series in 1983 reflects the introduction of 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.

7. A break in series in 1988 reflects the introduction of data on holdings of foreign commercial paper.

8. Estimates include results of 1978, 1984, 1989, and 1994 Benchmark Surveys of Foreign Portfolio Investment in the United States conducted by the U.S. Department of the Treasury.

9. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged

with or through foreign official agencies.

10. Estimates for 1976 forward are linked to the 1980, 1987, 1992, and 1997 benchmark surveys of foreign direct investment in the United States.

11. A break in series in 1983 reflects the introduction of 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 data from the Bank for International Settlements (BIS) for several European countries.