



## **U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS**

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### **REPORT ON U.S. PORTFOLIO HOLDINGS OF FOREIGN SECURITIES AT END-YEAR 2005**

The findings from an annual survey of U.S. portfolio holdings of foreign securities at year-end 2005 are released today and posted on the U.S. Treasury web site ([www.treas.gov/tic/fpis.html](http://www.treas.gov/tic/fpis.html)).

The survey was undertaken jointly by the U.S. Treasury, the Federal Reserve Bank of New York, and the Board of Governors of the Federal Reserve System. Future surveys are scheduled to be carried out annually. The next report will present results from the survey for year-end 2006.

A complementary survey measuring foreign portfolio holdings of U.S. securities is also carried out annually. Preliminary results from the most recent such survey, covering securities held as of June 30, 2006, are expected to be reported by March 30, 2007.

#### Overall Results

The survey measured the value of U.S. holdings of foreign securities at year-end 2005 of approximately \$4,609 billion, with \$3,318 billion held in foreign equities, \$1,028 billion in foreign long-term debt securities (original term-to-maturity in excess of one year), and \$263 billion in foreign short-term debt securities. The previous survey measured U.S. holdings at year-end 2004 of approximately \$3,787 billion, with \$2,560 billion held in foreign equities, \$993 billion in foreign long-term debt securities, and \$233 billion in foreign short-term debt securities (see Table 1).

U.S. holdings by country at the end of 2005 were by far the largest for the United Kingdom (\$815 billion), followed by Japan (\$531 billion) and Canada (\$419 billion) (see Table 2).

The surveys are part of an internationally-coordinated effort under the auspices of the International Monetary Fund (IMF) to improve the measurement of portfolio asset holdings.

**Table 1. Value of U.S. holdings of foreign securities, by type of security, at end-2004 and end-2005<sup>1</sup>** (Billions of dollars)

<u>Type of Security</u>	<u>Dec. 31, 2004</u>	<u>Dec. 31, 2005</u>
Long-term Securities	3,553	4,346
equity	2,560	3,318
long-term debt	993	1,028
Short-term debt securities	233	263
Total	3,787	4,609

U.S. Portfolio Investment by Country

**Table 2. Value of U.S. holdings of foreign securities, by country and type of security, for the countries attracting the most U.S. investment, as of December 31, 2005**  
(Billions of dollars, except as noted)

	<u>Total</u>	<u>Equities</u>	<u>Debt securities:</u>	
			<u>Long-term</u>	<u>Short-term</u>
1 United Kingdom	815	538	185	92
2 Japan	531	493	35	2
3 Canada	419	248	158	14
4 France	274	205	48	21
5 Cayman Islands	249	103	118	28
6 Germany	217	158	49	10
7 Switzerland	196	192	2	2
8 Netherlands	192	133	52	7
9 Bermuda	187	174	11	2
10 Australia	128	71	49	9
11 South Korea	119	110	8	0
12 Brazil	90	69	22	0
13 Mexico	86	58	28	0
14 Italy	79	64	12	3
15 Ireland	75	33	17	25
16 Sweden	75	41	16	18
17 Spain	70	64	6	1
18 Taiwan	58	57	1	*
19 Finland	49	44	4	0
20 Netherlands Antilles	47	45	2	*
21 Luxembourg	46	11	29	6
22 Hong Kong, SAR	46	44	2	0
23 Israel	44	29	15	0
24 Singapore	36	29	7	0
25 Norway	36	22	9	5
Rest of world	445	283	143	19
Total value of investment	4,609	3,318	1,028	263

\* Greater than zero and less than \$500 million. Note: items may not add to total due to rounding.

<sup>1</sup> The stock of foreign securities for December 31, 2005, reported in this survey does not, for a number of reasons, correspond to the stock of foreign securities on December 31, 2004, plus cumulative flows reported in Treasury's transactions reporting system. An analysis of the relation between the stock and flow data is available in Table 4 and the associated text of the final report on U.S. holdings of foreign securities at end-year 2005.