



Chronicling 100 Years of the U.S. Economy

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U.S. International Investment Position

Second Quarter 2021

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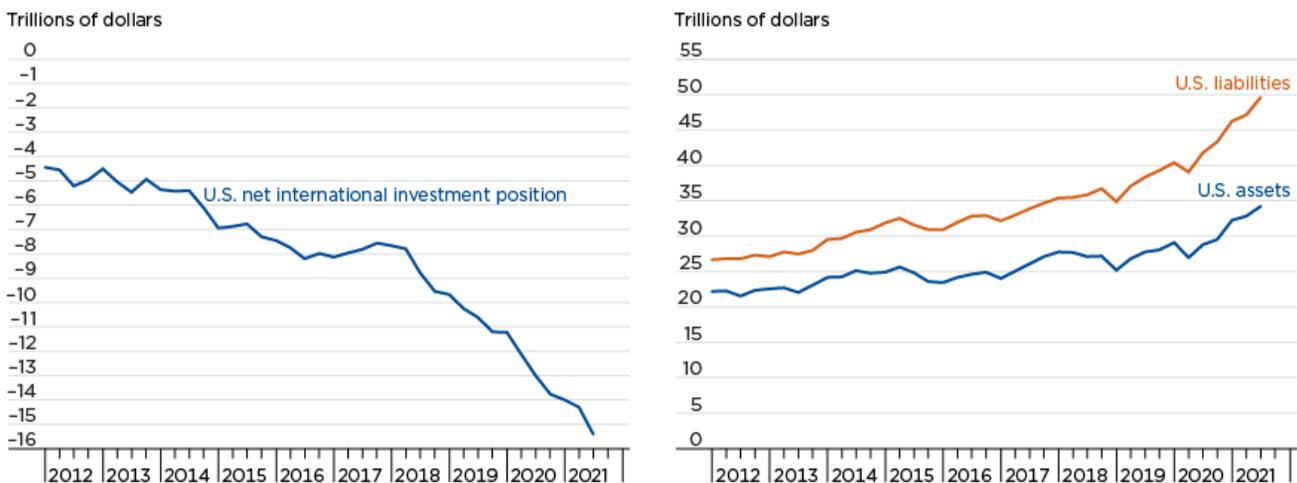
The U.S. net international investment position—the difference between U.S. residents' foreign financial assets and liabilities—was $-\$15.42$ trillion at the end of the second quarter of 2021 (chart 1). Assets totaled $\$34.20$ trillion, and liabilities were $\$49.62$ trillion. At the end of the first quarter, the net investment position was $-\$14.30$ trillion.

The U.S. international investment position is a statistical balance sheet that presents the dollar value of U.S. external financial assets and liabilities. A negative net investment position represents a U.S. net liability to the rest of the world.

The $-\$1.12$ trillion change in the net investment position from the first quarter to the second quarter came from net financial transactions of $-\$277.6$ billion and net other changes in position, such as price and exchange rate changes, of $-\$841.4$ billion that mostly reflected U.S. stock price increases that exceeded foreign stock price increases (table A).

Chart 1. U.S. International Investment Position

End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

Data Availability and Methodology

Detailed statistics for the U.S. international investment position are available in [tables 1.1–3.1](#) on the Bureau of Economic Analysis website. For information on data sources and estimation methods, see the recently updated and expanded [U.S. International Economic Accounts: Concepts and Methods](#).

Coronavirus (COVID-19) Impact on Second-Quarter 2021 International Investment Position

The global pandemic and the economic recovery continued to impact the international investment position (IIP) in the second quarter of 2021. The economic effects of the COVID-19 pandemic cannot be quantified in the IIP statistics, because the impacts are generally embedded in source data and cannot be separately identified.

Table A. Quarterly Change in the U.S. Net International Investment Position

[Billions of dollars, not seasonally adjusted]

| Type of investment | End of quarter position, 2021:Q1 | Change in position in 2021:Q2 | | | End of quarter position, 2021:Q2 |
|---|----------------------------------|-------------------------------|------------------------|--|----------------------------------|
| | | Total | Attributable to: | | |
| | | | Financial transactions | Other changes in position ¹ | |
| U.S. net international investment position | -14,300.5 | -1,119.1 | -277.6 | -841.4 | -15,419.6 |
| Net position excluding financial derivatives | -14,333.6 | -1,123.8 | -269.0 | -854.8 | -15,457.5 |
| Financial derivatives other than reserves, net ² | 33.1 | 4.8 | -8.6 | 13.4 | 37.9 |
| U.S. assets | 32,838.0 | 1,358.0 | (²) | (²) | 34,196.0 |
| Assets excluding financial derivatives | 30,679.1 | 1,410.8 | 259.3 | 1,151.4 | 32,089.8 |
| Financial derivatives other than reserves | 2,158.9 | -52.8 | (²) | (²) | 2,106.1 |
| By functional category: | | | | | |
| Direct investment at market value | 9,892.2 | 656.4 | 150.8 | 505.7 | 10,548.6 |
| Equity | 8,668.8 | 652.4 | 135.2 | 517.3 | 9,321.3 |
| Debt instruments | 1,223.4 | 4.0 | 15.6 | -11.6 | 1,227.4 |
| Portfolio investment | 15,146.8 | 755.8 | 134.8 | 621.0 | 15,902.6 |
| Equity and investment fund shares | 11,043.2 | 690.2 | 116.6 | 573.6 | 11,733.4 |
| Debt securities | 4,103.6 | 65.6 | 18.2 | 47.5 | 4,169.2 |
| Short term | 755.2 | 20.1 | 19.5 | 0.5 | 775.3 |
| Long term | 3,348.4 | 45.6 | -1.3 | 46.9 | 3,393.9 |
| Financial derivatives other than reserves | 2,158.9 | -52.8 | (²) | (²) | 2,106.1 |
| Over-the-counter contracts | 2,098.5 | -55.1 | (²) | (²) | 2,043.4 |
| Single-currency interest rate contracts | 1,524.9 | -19.7 | (²) | (²) | 1,505.2 |
| Foreign exchange contracts | 357.9 | -59.7 | (²) | (²) | 298.2 |
| Other contracts | 215.8 | 24.3 | (²) | (²) | 240.1 |
| Exchange-traded contracts | 60.4 | 2.4 | (²) | (²) | 62.7 |
| Other investment | 5,070.0 | -21.6 | -26.7 | 5.2 | 5,048.4 |
| Other equity | 71.1 | 0.0 | 0.0 | 0.0 | 71.1 |
| Currency and deposits | 2,170.2 | -74.1 | -77.3 | 3.3 | 2,096.1 |
| Loans | 2,779.4 | 55.4 | 53.6 | 1.9 | 2,834.8 |
| Insurance technical reserves | n.a. | n.a. | n.a. | n.a. | n.a. |
| Trade credit and advances | 49.3 | -2.9 | -3.0 | 0.1 | 46.4 |
| Reserve assets | 570.1 | 20.0 | 0.5 | 19.6 | 590.1 |
| Monetary gold | 442.2 | 18.9 | 0.0 | 18.9 | 461.1 |
| Special drawing rights | 52.1 | 0.3 | (*) | 0.3 | 52.4 |
| Reserve position in the International Monetary Fund | 33.7 | 0.7 | 0.4 | 0.2 | 34.3 |
| Other reserve assets | 42.1 | 0.2 | (*) | 0.1 | 42.3 |
| U.S. liabilities | 47,138.5 | 2,477.0 | (²) | (²) | 49,615.6 |
| Liabilities excluding financial derivatives | 45,012.7 | 2,534.6 | 528.3 | 2,006.2 | 47,547.3 |
| Financial derivatives other than reserves | 2,125.8 | -57.5 | (²) | (²) | 2,068.3 |
| By functional category: | | | | | |
| Direct investment at market value | 12,562.5 | 927.2 | 96.4 | 830.8 | 13,489.7 |
| Equity | 10,873.0 | 918.8 | 86.3 | 832.5 | 11,791.8 |

| Type of investment | End of quarter position, 2021:Q1 | Change in position in 2021:Q2 | | | End of quarter position, 2021:Q2 |
|---|----------------------------------|-------------------------------|------------------------|--|----------------------------------|
| | | Total | Attributable to: | | |
| | | | Financial transactions | Other changes in position ¹ | |
| Debt instruments | 1,689.6 | 8.3 | 10.1 | -1.7 | 1,697.9 |
| Portfolio investment | 25,179.3 | 1,408.7 | 236.6 | 1,172.1 | 26,588.0 |
| Equity and investment fund shares | 12,374.7 | 997.4 | -15.7 | 1,013.1 | 13,372.1 |
| Debt securities | 12,804.6 | 411.3 | 252.3 | 159.0 | 13,215.9 |
| Short term | 1,171.2 | -27.7 | -27.8 | 0.1 | 1,143.6 |
| Long term | 11,633.4 | 439.0 | 280.0 | 158.9 | 12,072.4 |
| Financial derivatives other than reserves | 2,125.8 | -57.5 | (²) | (²) | 2,068.3 |
| Over-the-counter contracts | 2,069.3 | -63.8 | (²) | (²) | 2,005.5 |
| Single-currency interest rate contracts | 1,500.5 | -20.5 | (²) | (²) | 1,480.0 |
| Foreign exchange contracts | 340.5 | -59.0 | (²) | (²) | 281.4 |
| Other contracts | 228.3 | 15.8 | (²) | (²) | 244.0 |
| Exchange-traded contracts | 56.6 | 6.3 | (²) | (²) | 62.8 |
| Other investment | 7,270.8 | 198.7 | 195.4 | 3.3 | 7,469.5 |
| Other equity | n.a. | n.a. | n.a. | n.a. | n.a. |
| Currency and deposits | 3,893.6 | 65.6 | 65.1 | 0.5 | 3,959.2 |
| Loans | 3,106.2 | 129.8 | 127.3 | 2.5 | 3,236.0 |
| Insurance technical reserves | n.a. | n.a. | n.a. | n.a. | n.a. |
| Trade credit and advances | 220.9 | 3.0 | 3.0 | (*) | 224.0 |
| Special drawing rights allocations | 50.1 | 0.3 | 0.0 | 0.3 | 50.4 |

n.a. Not available

(*) Value between zero and +/- \$50 million

1. Disaggregation of other changes in position into price changes, exchange-rate changes, and other changes in volume and valuation is presented for annual statistics released in June each year.
2. Financial transactions and other changes in financial derivatives positions are available on a net basis; they are not separately available for U.S. assets and U.S. liabilities.

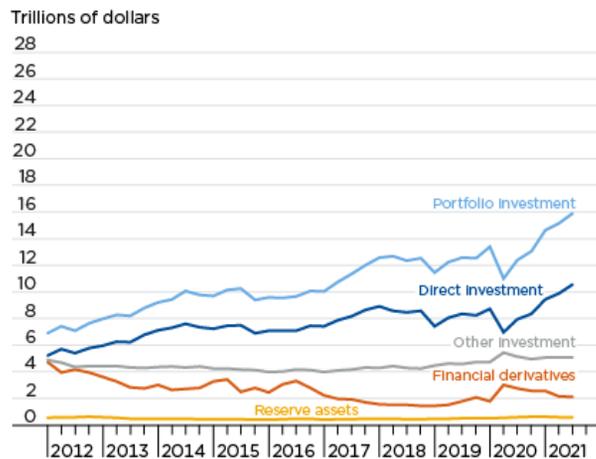
Note. The statistics on positions are presented in [table 1.2](#) of the International Investment Position Accounts on BEA's website. The statistics on financial transactions are not seasonally adjusted and are presented in [table 1.2](#) of the International Transactions Accounts on BEA's website.

U.S. Assets

U.S. assets increased by \$1.36 trillion, to a total of \$34.20 trillion at the end of the second quarter, mostly reflecting increases in portfolio investment and direct investment assets (chart 2). Portfolio investment assets increased by \$755.8 billion, to \$15.90 trillion, and direct investment assets increased by \$656.4 billion, to \$10.55 trillion, driven mainly by increases in foreign stock prices that raised the value of these assets.

Both financial transactions and other changes in position contributed to the overall increase in U.S. assets (table A).

Chart 2. U.S. Assets by Category
End of quarter, not seasonally adjusted



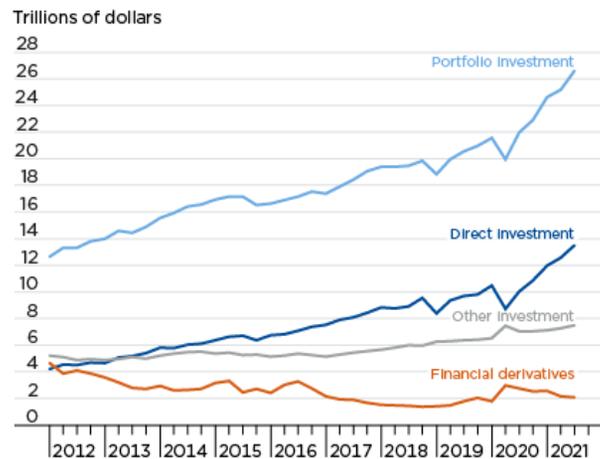
U.S. Bureau of Economic Analysis

U.S. Liabilities

U.S. liabilities increased by \$2.48 trillion, to a total of \$49.62 trillion at the end of the second quarter, mostly reflecting increases in portfolio investment and direct investment liabilities (chart 3). Portfolio investment liabilities increased by \$1.41 trillion, to \$26.59 trillion, and direct investment liabilities increased by \$927.2 billion, to \$13.49 trillion, driven mainly by increases in U.S. stock prices that raised the value of these liabilities.

Both financial transactions and other changes in position contributed to the overall increase in U.S. liabilities (table A).

Chart 3. U.S. Liabilities by Category
End of quarter, not seasonally adjusted



U.S. Bureau of Economic Analysis

Updates to Statistics

The U.S. international investment position statistics for the first quarter of 2021 have been updated to incorporate newly available and revised source data (table B).

Table B. Updates to First-Quarter 2021 International Investment Position Aggregates

[Billions of dollars, not seasonally adjusted]

| | Preliminary estimate | Revised estimate |
|---|----------------------|------------------|
| U.S. net international investment position | -14,320.3 | -14,300.5 |
| U.S. assets | 32,811.8 | 32,838.0 |
| Direct investment at market value | 9,889.9 | 9,892.2 |
| Portfolio investment | 15,133.9 | 15,146.8 |
| Financial derivatives other than reserves | 2,158.8 | 2,158.9 |
| Other investment | 5,059.2 | 5,070.0 |
| Reserve assets | 570.1 | 570.1 |
| U.S. liabilities | 47,132.1 | 47,138.5 |
| Direct investment at market value | 12,571.6 | 12,562.5 |
| Portfolio investment | 25,180.6 | 25,179.3 |
| Financial derivatives other than reserves | 2,125.3 | 2,125.8 |
| Other investment | 7,254.6 | 7,270.8 |

Upcoming Releases of New Statistics

With the releases of the U.S. International Transactions Accounts (ITAs) on December 21, 2021, and the International Investment Position (IIP) Accounts on December 30, 2021, the Bureau of Economic Analysis (BEA) will introduce two new ITA tables (ITA tables 4.6 and 6.3) and two new IIP tables (IIP tables 2.2 and 4.1), respectively. These new tables will be released in December to fulfill commitments to the [G20 Data Gaps Initiative](#) and the [International Monetary Fund's Taskforce on Special Purpose Entities](#) for the release of certain new statistics by yearend 2021.

ITA table 4.6 will present primary income on foreign direct investment in U.S. resident special purpose entities (SPEs), which are U.S. legal entities with little or no employment or physical presence, and ITA table 6.3 will present financial transactions for direct investment in U.S. resident SPEs. IIP table 2.2 will present direct investment positions in U.S. resident SPEs, and IIP table 4.1 will present U.S. debt positions by currency, sector, and maturity for U.S. assets and liabilities.

In December, these tables will be released as supplemental Excel files to the respective releases. The SPE-related tables—ITA tables 4.6 and 6.3 and IIP table 2.2—will feature annual statistics for 2020, while IIP table 4.1 will feature quarter-end position statistics for the first quarter of 2020 through the third quarter of 2021. In March 2022, these tables will be updated and published as addenda to the current tables in BEA's [interactive data application](#). In June 2022, the statistics will be updated and incorporated into the standard presentations of the ITAs and the IIP Accounts in the interactive data application and in BEA's [data application programming interface](#). [ITA table templates](#) and [IIP table templates](#) are provided on BEA's website to prepare users for the upcoming changes. More information will be available in a preview article of BEA's annual update of the International Economic Accounts in the April 2022 issue of the [Survey of Current Business](#).