

# News Release

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, WEDNESDAY, MARCH 31, 2021

BEA 21-15

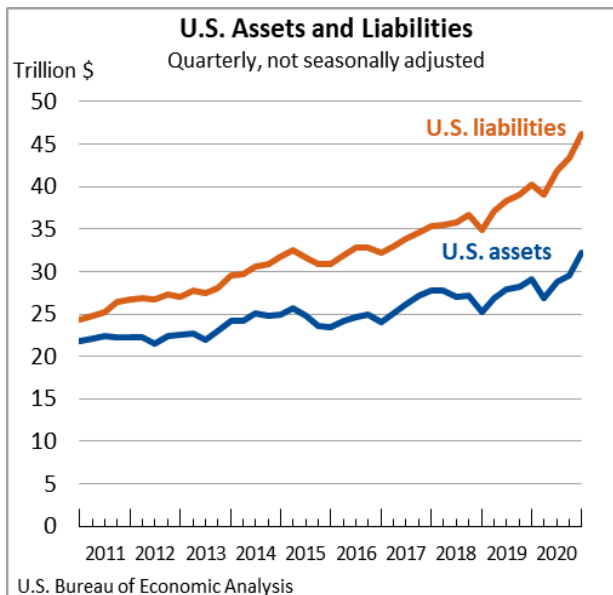
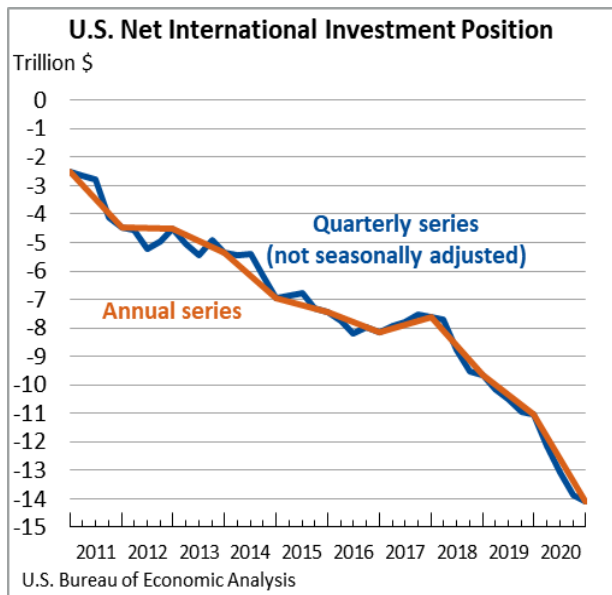
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## U.S. International Investment Position Fourth Quarter and Year 2020

### Fourth Quarter

The **U.S. net international investment position**, the difference between U.S. residents' foreign financial assets and liabilities, was  $-\$14.09$  trillion at the end of the fourth quarter of 2020, according to statistics released by the U.S. Bureau of Economic Analysis (BEA). Assets totaled  $\$32.16$  trillion and liabilities were  $\$46.25$  trillion.

At the end of the third quarter, the net investment position was  $-\$13.86$  trillion ([Table 1](#)).



The  $-\$227.5$  billion change in the net investment position from the third quarter to the fourth quarter came from net financial transactions of  $-\$287.1$  billion and net other changes in position, such as price and exchange rate changes, of  $\$59.6$  billion (Table A).

### COVID-19 Impact on Fourth Quarter 2020 International Investment Position

The global pandemic and the economic recovery continued to impact the IIP in the fourth quarter of 2020. 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

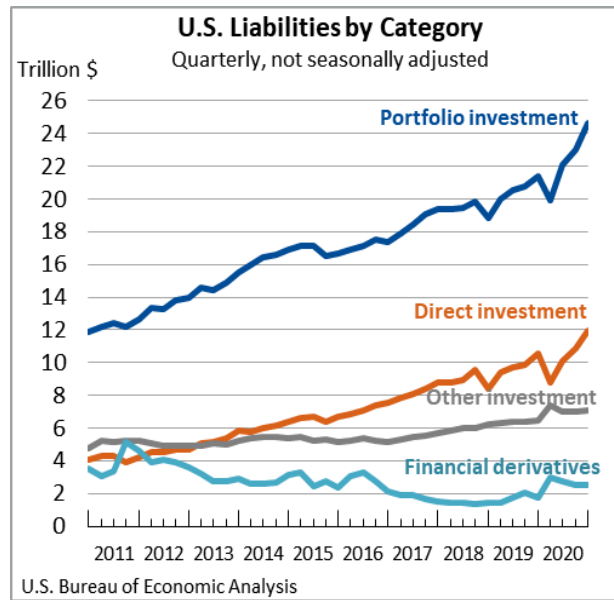
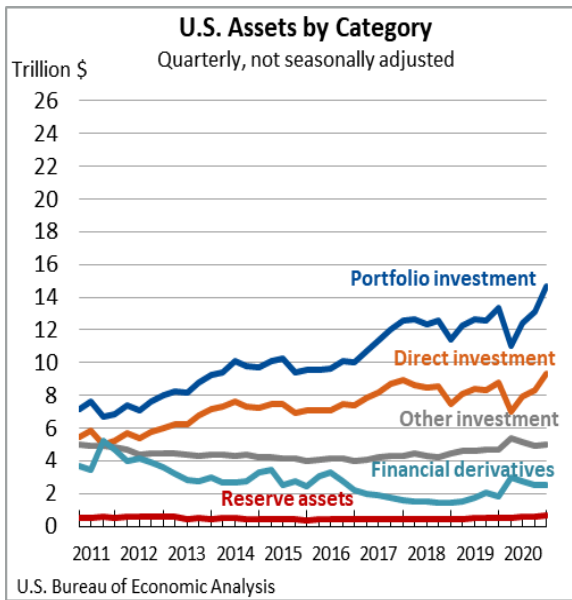
	Position, 2020 Q3	Change in position in 2020 Q4			Position, 2020 Q4
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-13,864.6</b>	<b>-227.5</b>	<b>-287.1</b>	<b>59.6</b>	<b>-14,092.1</b>
Net position excluding financial derivatives	-13,891.6	-193.9	-289.7	95.8	-14,085.5
Financial derivatives other than reserves, net	26.9	-33.6	2.6	-36.2	-6.6
<b>U.S. assets</b>	<b>29,516.5</b>	<b>2,639.5</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>32,156.0</b>
Assets excluding financial derivatives	26,971.3	2,638.9	121.4	2,517.5	29,610.3
Financial derivatives other than reserves	2,545.2	0.6	( <sup>2</sup> )	( <sup>2</sup> )	2,545.7
<b>U.S. liabilities</b>	<b>43,381.1</b>	<b>2,867.0</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>46,248.1</b>
Liabilities excluding financial derivatives	40,862.9	2,832.9	411.2	2,421.7	43,695.8
Financial derivatives other than reserves	2,518.2	34.1	( <sup>2</sup> )	( <sup>2</sup> )	2,552.4

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.

**U.S. assets** increased by \$2.64 trillion, to a total of \$32.16 trillion at the end of the fourth quarter, reflecting increases in all major categories of assets, particularly in portfolio investment and direct investment assets. Portfolio investment assets increased by \$1.59 trillion, to \$14.67 trillion, and direct investment assets increased by \$955.5 billion, to \$9.30 trillion, driven mainly by foreign stock price increases and, to a lesser extent, the appreciation of major foreign currencies against the U.S. dollar that raised the value of U.S. assets in dollar terms.

**U.S. liabilities** increased by \$2.87 trillion, to a total of \$46.25 trillion at the end of the fourth quarter, reflecting increases in all major categories of liabilities, particularly in portfolio investment and direct investment liabilities. Portfolio investment liabilities increased by \$1.64 trillion, to \$24.67 trillion, and direct investment liabilities increased by \$1.12 trillion, to \$11.97 trillion, driven mainly by U.S. stock price increases that raised the value of these liabilities.



### Updates to Third Quarter 2020 International Investment Position Aggregates

Trillions of dollars, not seasonally adjusted

	Preliminary estimate	Revised estimate
<b>U.S. net international investment position</b>	<b>-13.95</b>	<b>-13.86</b>
U.S. assets	29.41	29.52
U.S. liabilities	43.36	43.38

### Year 2020

The **U.S. net international investment position** was -\$14.09 trillion at the end of 2020 compared to -\$11.05 trillion at the end of 2019 ([Table 1](#)).

The -\$3.04 trillion change in the net investment position from the end of 2019 to the end of 2020 came from net financial transactions of -\$743.6 billion and net other changes in position, such as price and exchange rate changes, of -\$2.30 trillion (Table B).

**U.S. assets** increased by \$3.00 trillion, to a total of \$32.16 trillion, at the end of 2020, reflecting increases in all major categories of assets, particularly in portfolio investment, financial derivatives, and direct investment assets. Portfolio investment assets increased \$1.30 trillion, to \$14.67 trillion, and direct investment assets increased \$496.9 billion, to \$9.30 trillion, driven mainly by the appreciation of major foreign currencies against the U.S. dollar that raised the value of U.S. assets in dollar terms, and to a lesser extent, by financial transactions. Financial derivatives increased \$755.3 billion, to \$2.55 trillion, mostly reflecting increases in single-currency interest rate contracts.

**Table B. Annual Change in the U.S. Net International Investment Position**  
 Billions of dollars

	Position, 2019	Change in position in 2020			Position, 2020
		Total	Attributable to:		
			Financial transactions	Other changes in position <sup>1</sup>	
<b>U.S. net international investment position</b>	<b>-11,050.5</b>	<b>-3,041.6</b>	<b>-743.6</b>	<b>-2,298.0</b>	<b>-14,092.1</b>
Net position excluding financial derivatives	-11,070.7	-3,014.8	-740.3	-2,274.6	-14,085.5
Financial derivatives other than reserves, net	20.2	-26.8	-3.3	-23.5	-6.6
<b>U.S. assets</b>	<b>29,152.8</b>	<b>3,003.2</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>32,156.0</b>
Assets excluding financial derivatives	27,362.4	2,247.9	763.5	1,484.4	29,610.3
Financial derivatives other than reserves	1,790.4	755.3	( <sup>2</sup> )	( <sup>2</sup> )	2,545.7
<b>U.S. liabilities</b>	<b>40,203.3</b>	<b>6,044.8</b>	<b>(<sup>2</sup>)</b>	<b>(<sup>2</sup>)</b>	<b>46,248.1</b>
Liabilities excluding financial derivatives	38,433.0	5,262.7	1,503.7	3,759.0	43,695.8
Financial derivatives other than reserves	1,770.3	782.1	( <sup>2</sup> )	( <sup>2</sup> )	2,552.4

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.

**U.S. liabilities** increased by \$6.04 trillion, to a total of \$46.25 trillion, at the end of 2020, reflecting increases in all major categories of liabilities, particularly in portfolio investment, direct investment, and financial derivatives liabilities. Portfolio investment liabilities increased by \$3.28 trillion, to \$24.67 trillion, and direct investment liabilities increased by \$1.42 trillion, to \$11.97 trillion, driven mainly by U.S. stock price increases and, to a lesser extent, financial transactions. Financial derivatives increased \$782.1 billion, to \$2.55 trillion, mostly reflecting increases in single-currency interest rate contracts.

### Upcoming Update to the U.S. International Investment Position

The annual update of the U.S. international investment position will be released along with preliminary estimates for the first quarter of 2021 on June 30, 2021. A preview of the annual update will appear in the April 2021 issue of the [Survey of Current Business](#).

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Next release: June 30, 2021, at 8:30 A.M. EDT  
 U.S. International Investment Position, First Quarter 2021 and Annual Update

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## Additional Information

### Resources

- Stay informed about BEA developments by reading the BEA [blog](#), signing up for BEA's [email subscription service](#), or following BEA on Twitter [@BEA\\_News](#).
- Historical time series for these estimates can be accessed in BEA's [interactive data application](#).
- Access BEA data by registering for BEA's Data [application programming interface](#) (API).
- For more on BEA's statistics, see our monthly online journal, the [Survey of Current Business](#).
- BEA's [news release schedule](#).
- More information on these international investment position statistics will be provided next month in the [Survey of Current Business](#).
- More information on the international investment position accounts and a description of the estimation methods used to compile them is provided in [U.S. International Economic Accounts: Concepts and Methods](#).

### Definitions

The **international investment position (IIP)** is a statistical balance sheet that presents the dollar value of U.S. financial assets and liabilities with respect to foreign residents at a specific point in time. BEA presents IIP statistics at the end of a quarter or year (March, June, September, and December). For the June release, BEA also presents statistics on changes in the yearend position that are disaggregated into financial transactions, price changes, exchange rate changes, and changes in volume and valuation not included elsewhere (n.i.e.).

The **U.S. net international investment position** is defined as the value of U.S. assets less the value of U.S. liabilities.

**Financial transactions** are transactions between U.S. residents and nonresidents in financial assets and liabilities. They are also recorded in the financial account of the international transactions accounts (ITAs). See **Related Statistics** below.

**Other changes in position** are changes in the value of U.S. assets or liabilities arising from any source besides a financial transaction. Other changes in position include price changes, exchange rate changes, and changes in volume and valuation not included elsewhere (n.i.e.).

**Price changes** (only presented for annual statistics in the June news release) are changes in the value of an asset or liability due to changes in the market price of a financial instrument.

**Exchange rate changes** (only presented for annual statistics in the June news release) are changes in the value of foreign-currency denominated assets and liabilities due to changes in the values of foreign currencies relative to the value of the U.S. dollar.

**Changes in volume and valuation n.i.e.** (only presented for annual statistics in the June news release) reflect changes in position due to year-to-year shifts in the composition of reporting panels, the incorporation of more comprehensive annual and benchmark survey results, and revaluations (holding gains and losses) on assets and liabilities that are not explained by price changes or exchange rate changes.

**Functional categories** are the primary classification system used in the IIP and in the financial account of the ITAs. The five functional categories are direct investment, portfolio investment, financial derivatives other than reserves, other investment, and reserve assets. While the functional categories are based on features that are relevant for understanding cross-border financial transactions and positions, they also take into account some aspects of the relationship between transactors and the economic motivation for the investment. Within the functional categories, the IIP accounts are classified by type of financial instrument.

**Direct investment** is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise resident in another economy. Ownership or control of 10 percent or more of the voting securities of an entity in another economy is the threshold for separating direct investment from other types of investment. Direct investment positions include positions in equity and debt instruments. BEA's IIP statistics feature the [market value](#) measure of direct investment positions, a measure that values owner's equity at current-period prices using indexes of stock market prices.

**Portfolio investment** consists of cross-border positions involving equity and investment fund shares and debt securities, excluding those included in direct investment or reserve assets. Debt securities are classified by original maturity (short term vs. long term at the time of issue).

**Financial derivatives other than reserves** consist of cross-border positions arising from financial contracts that are linked to underlying financial instruments, commodities, or indicators. Positions in financial derivatives consist of contracts with positive and negative fair values. A contract with a positive fair value is a U.S. asset and represents the amount that a foreign resident would have to pay to a U.S. counterparty if the contract were terminated or settled. A contract with a negative fair value is a U.S. liability and represents the amount that a U.S. resident would have to pay to a foreign counterparty if the contract were terminated or settled. The gross positive (negative) fair value is the sum across all contracts with positive (negative) fair values. Fair values differ from notional values, which are the underlying amounts used to calculate payments on contracts. Gross positive and gross negative fair values for financial derivatives positions are available separately in table 1. However, transactions and other changes in financial derivatives positions are only available for the net position in financial derivatives. For other changes in position for financial derivatives presented in the June news release, statistics are not separately available for price changes, exchange rate changes, and changes in volume and valuation n.i.e.

**Other investment** includes cross-border positions other than those included in direct investment, portfolio investment, financial derivatives, and reserve assets. Other investment positions consist of positions in other equity (equity not in the form of securities), currency and deposits, loans, insurance technical reserves, trade credit and advances, and, for liabilities, special drawing rights allocations.

**Reserve assets** are those external assets that are readily available to and controlled by U.S. monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes such as maintaining confidence in the currency and the economy and serving as a basis for foreign borrowing. The major published components are monetary gold, International Monetary Fund (IMF) special drawing rights (SDRs), reserve position in the IMF, and other reserve assets.

## Release and update schedule

Preliminary quarterly IIP account statistics are released in March, June, September, and December, approximately 90 days after the end of the reference quarter. These statistics are updated the following quarter to incorporate new and revised source data. Quarterly statistics are open for revision for at least the prior three years in annual updates released in June. Preliminary annual statistics are released in March reflecting positions at the end of the fourth quarter of the previous year. These annual statistics are open for revision for at least the prior three years in subsequent annual updates.

## Related statistics

The IIP statistics comprise one part of a broader set of U.S. international economic accounts that, taken together, provide a comprehensive, integrated and detailed picture of U.S. international economic activities.

The [international transactions accounts \(ITAs\)](#) are released quarterly. Financial transactions reported in the financial account of the ITAs are one type of change in position recorded in the IIP. Financial transactions are transactions between U.S. residents and nonresidents for direct investment, portfolio investment, other investment, reserve assets, and financial derivatives.

Statistics on [direct investment and multinational enterprises \(MNEs\)](#) include annual statistics on the [activities of U.S. MNEs](#) and [U.S. affiliates of foreign MNEs, detailed annual and quarterly statistics on direct investment](#), and annual statistics on [new foreign direct investment in the United States](#).

Statistics on [international services](#) include detailed annual information on trade in services and on services supplied through the channel of direct investment by affiliates of multinational enterprises.

[U.S. international trade in goods and services](#), released by BEA and the U.S. Census Bureau, provides monthly statistics on trade in goods and services.

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## List of News Release Tables

Table 1. U.S. Net International Investment Position at the End of the Period

**Table 1. U.S. Net International Investment Position at the End of the Period**  
 (Billions of dollars, not seasonally adjusted)

Line	Type of investment	2019	2020				Change:	Change:	Line
		Q4	Q1	Q2	Q3 <sup>r</sup>	Q4 <sup>p</sup>	2020Q3 to 2020Q4	2019Q4 to 2020Q4	
1	<b>U.S. net international investment position (line 4 less line 36)</b>	<b>-11,050.5</b>	<b>-12,163.3</b>	<b>-13,084.6</b>	<b>-13,864.6</b>	<b>-14,092.1</b>	<b>-227.5</b>	<b>-3,041.6</b>	1
2	Net international investment position excluding financial derivatives (line 5 less line 37)	-11,070.7	-12,197.0	-13,106.8	-13,891.6	-14,085.5	-193.9	-3,014.8	2
3	Financial derivatives other than reserves, net (line 6 less line 38)	20.2	33.7	22.2	26.9	-6.6	-33.6	-26.8	3
4	<b>U.S. assets</b>	<b>29,152.8</b>	<b>26,921.3</b>	<b>28,779.1</b>	<b>29,516.5</b>	<b>32,156.0</b>	<b>2,639.5</b>	<b>3,003.2</b>	4
5	Assets excluding financial derivatives (sum of lines 7, 10, 21, and 27)	27,362.4	23,925.2	26,028.3	26,971.3	29,610.3	2,638.9	2,247.9	5
6	Financial derivatives other than reserves, gross positive fair value (line 15)	1,790.4	2,996.1	2,750.8	2,545.2	2,545.7	0.6	755.3	6
	<b>By functional category:</b>								
7	Direct investment at market value	8,798.7	7,003.7	7,945.0	8,340.1	9,295.6	955.5	496.9	7
8	Equity	7,485.0	5,728.7	6,685.1	7,059.0	8,026.6	967.6	541.6	8
9	Debt instruments	1,313.6	1,275.0	1,259.9	1,281.1	1,268.9	-12.2	-44.7	9
10	Portfolio investment	13,375.9	11,001.2	12,388.4	13,080.4	14,672.6	1,592.2	1,296.7	10
11	Equity and investment fund shares	9,459.1	7,370.8	8,552.7	9,133.2	10,560.1	1,426.9	1,101.1	11
12	Debt securities	3,916.8	3,630.4	3,835.7	3,947.2	4,112.5	165.3	195.7	12
13	Short term	734.0	669.5	656.1	679.0	718.4	39.4	-15.6	13
14	Long term	3,182.8	2,960.9	3,179.6	3,268.2	3,394.0	125.8	211.3	14
15	Financial derivatives other than reserves, gross positive fair value	1,790.4	2,996.1	2,750.8	2,545.2	2,545.7	0.6	755.3	15
16	Over-the-counter contracts	1,755.3	2,908.3	2,699.9	2,493.6	2,491.4	-2.2	736.1	16
17	Single-currency interest rate contracts	1,297.5	2,128.7	2,195.1	1,995.8	1,914.0	-81.8	616.5	17
18	Foreign exchange contracts	288.1	481.3	315.6	294.7	372.1	77.4	84.0	18
19	Other contracts	169.7	298.2	189.1	203.1	205.3	2.2	35.6	19
20	Exchange-traded contracts	35.1	87.8	50.9	51.6	54.4	2.8	19.3	20
21	Other investment	4,673.4	5,382.8	5,109.8	4,929.6	5,014.8	85.2	341.4	21
22	Other equity	68.0	69.3	69.3	69.6	69.9	0.3	1.8	22
23	Currency and deposits	2,010.6	2,534.3	2,282.9	2,171.5	2,150.5	-21.0	139.9	23
24	Loans	2,541.4	2,730.6	2,709.0	2,646.7	2,748.9	102.2	207.5	24
25	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25
26	Trade credit and advances	53.3	48.6	48.6	41.8	45.5	3.7	-7.9	26
27	Reserve assets	514.4	537.5	585.1	621.2	627.3	6.1	112.9	27
28	Monetary gold	396.1	420.7	462.4	493.4	493.6	0.2	97.5	28
29	Special drawing rights	50.7	50.1	50.6	51.7	52.9	1.2	2.2	29
30	Reserve position in the International Monetary Fund	26.2	25.5	30.6	33.1	36.4	3.2	10.2	30
31	Other reserve assets	41.4	41.1	41.5	42.9	44.4	1.4	3.0	31
32	Currency and deposits	29.3	29.5	30.6	32.0	30.0	-2.0	0.8	32
33	Securities	12.1	11.6	11.0	10.9	14.3	3.4	2.2	33
34	Financial derivatives	.....	.....	.....	.....	.....	.....	.....	34
35	Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35
36	<b>U.S. liabilities</b>	<b>40,203.3</b>	<b>39,084.5</b>	<b>41,863.7</b>	<b>43,381.1</b>	<b>46,248.1</b>	<b>2,867.0</b>	<b>6,044.8</b>	36
37	Liabilities excluding financial derivatives (sum of lines 39, 42, and 57)	38,433.0	36,122.1	39,135.1	40,862.9	43,695.8	2,832.9	5,262.7	37
38	Financial derivatives other than reserves, gross negative fair value (line 51)	1,770.3	2,962.4	2,728.6	2,518.2	2,552.4	34.1	782.1	38
	<b>By functional category:</b>								
39	Direct investment at market value	10,547.1	8,762.1	10,090.1	10,847.4	11,969.7	1,122.3	1,422.6	39
40	Equity	8,764.2	6,999.0	8,401.3	9,132.3	10,267.0	1,134.7	1,502.8	40
41	Debt instruments	1,782.9	1,763.1	1,688.8	1,715.1	1,702.7	-12.4	-80.2	41
42	Portfolio investment	21,389.8	19,933.7	22,046.8	23,024.0	24,666.4	1,642.5	3,276.7	42
43	Equity and investment fund shares	9,220.2	7,649.0	9,212.1	10,143.9	11,679.0	1,535.1	2,458.8	43
44	Debt securities	12,169.6	12,284.7	12,834.8	12,880.1	12,987.4	107.3	817.8	44
45	Short term	937.3	936.0	1,280.0	1,233.0	1,221.4	-11.6	284.1	45
46	Treasury bills and certificates	706.2	729.5	1,040.9	1,017.3	1,027.3	10.0	321.1	46
47	Other short-term securities	231.1	206.5	239.2	215.7	194.1	-21.6	-37.0	47
48	Long term	11,232.3	11,348.7	11,554.7	11,647.0	11,766.0	119.0	533.7	48
49	Treasury bonds and notes	5,984.6	6,220.0	6,005.7	6,054.0	6,046.5	-7.4	62.0	49
50	Other long-term securities	5,247.7	5,128.7	5,549.0	5,593.0	5,719.4	126.4	471.8	50
51	Financial derivatives other than reserves, gross negative fair value	1,770.3	2,962.4	2,728.6	2,518.2	2,552.4	34.1	782.1	51
52	Over-the-counter contracts	1,738.0	2,875.3	2,678.6	2,471.6	2,500.9	29.3	762.9	52
53	Single-currency interest rate contracts	1,276.3	2,129.5	2,171.6	1,976.5	1,902.2	-74.3	626.0	53
54	Foreign exchange contracts	296.1	470.2	318.1	290.3	386.2	95.9	90.1	54
55	Other contracts	165.7	275.6	188.9	204.7	212.4	7.7	46.8	55
56	Exchange-traded contracts	32.2	87.1	49.9	46.6	51.5	4.8	19.3	56
57	Other investment	6,496.2	7,426.3	6,998.2	6,991.5	7,059.6	68.1	563.5	57
58	Other equity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	58
59	Currency and deposits	3,458.8	3,959.4	3,728.6	3,729.3	3,797.3	67.9	338.5	59
60	Loans	2,782.5	3,212.1	3,011.0	3,002.6	2,995.8	-6.8	213.3	60
61	Insurance technical reserves	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	61
62	Trade credit and advances	206.1	206.7	210.1	209.9	215.7	5.8	9.6	62
63	Special drawing rights allocations	48.8	48.2	48.6	49.7	50.9	1.2	2.0	63

p Preliminary r Revised n.a. Not available ..... Not applicable

Note: Details may not add to totals because of rounding. Source: U.S. Bureau of Economic Analysis