UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

Social and Economic
Statistics Administration

BUREAU OF
ECONOMIC ANALYSIS

FOR RELEASE Thursday, August 29, 1974
Russell B. Scholl: 523-0603

BEA 74-61

RECORDED NET INTERNATIONAL INVESTMENT POSITION OF THE UNITED STATES INCREASES IN 1973

The recorded net international investment position of the United States increased $11.8 billion in 1973, the Bureau of Economic Analysis, an agency of the Commerce Department's Social and Economic Statistics Administration, announced today.

The change in the net investment position reflected the following factors (see table): (1) The current account surplus was $0.7 billion, and errors and omissions outflows totaled $2.8 billion, resulting in a net adverse balance of payments effect of $2.1 billion. (2) Net reinvested earnings (reinvested earnings of U.S. affiliates abroad minus reinvested earnings of foreign affiliates in the United States) accounted for a $7.2 billion increase. (3) Net valuation and other adjustments had a favorable effect of $6.7 billion, mostly because of a downward adjustment in the value of foreign-held U.S. stocks.

At yearend 1973, the net investment position was $63.0 billion, compared with $51.2 billion in 1972. U.S. international assets increased $25.5 billion; nonliquid assets rose $22.4 billion and liquid assets $3.2 billion. Total U.S. liabilities to foreigners increased $13.8 billion, mainly due to a $9.7 billion rise in liquid liabilities.

The liquidity structure of U.S. international assets and liabilities improved slightly. The ratio of U.S. official reserve assets to U.S. liabilities to foreign official agencies rose marginally to .22, and the ratio of all U.S. liquid assets abroad to all liquid liabilities rose to .24 from .23 in 1972.

Complete details on the international investment position of the United States in 1973 will be published in the August issue (Part II) of the Survey of Current Business, the monthly journal of the Bureau of Economic Analysis. The Survey is available from District Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of $34.45, including weekly supplements; single copy, $2.25.

-more-

The U.S. Net International Investment Position: Factors Accounting for Changes and Outstanding U.S. Assets and Liabilities at Yearend

(Millions of dollars)

		1971[r]	1972[r]	1973[p]
A.	Factors accounting for changes in the U.S. net international investment position:			
	Balance of payments factors:			
1.	Balance on current account (surplus (+))	-3,817	-9,807	667
2. Plus:	Allocations of SDR	717	710	--------
3. Plus:	Adjustment for errors and omissions (receipts (+))	-9,776	-1,790	-2,776
4.	Sum of lines 1,2, and 3 equals net recorded balance of payments capital flows (outflows (+))	-12,876	-10,887	-2,109
	Other factors:			
5. Plus:	Net reinvested earnings (increase (+))	2,659	4,219	7,179
6. Plus:	Net valuation and other adjustments	-1,318	223	6,710
7. Equals:	Changes in net international investment position of the United States	-11,535	-6,444	11,781
B.	Net international investment position of the United States at yearend [1]	57,668	51,224	63,005
C.	Outstanding U.S. assets and liabilities at yearend:			
1.	U.S. assets, abroad	180,790	200,596	226,132
2.	Nonliquid assets	164,659	181,813	204,177
3.	U.S. Government	34,165	36,135	38,835
4.	Private, long-term	115,867	128,975	143,459
5.	of which: Direct investments abroad	86,198	94,337	107,268
6.	Private, short-term nonliquid	14,627	16,703	21,883
7.	Liquid assets	16,131	18,783	21,955
8.	Private assets	3,964	5,632	7,577
9.	U.S. official reserve assets [1]	12,167	13,151	14,378
10.	U.S. liabilities to foreigners	123,122	149,372	163,127
11.	Nonliquid liabilities to other than foreign official agencies	55,275	66,454	70,497
12.	U.S. Government	1,548	1,786	2,910
13.	Private, long-term	49,792	60,177	62,193
14.	Private, short-term nonliquid, reported by U.S. nonbanking concerns	3,935	4,491	5,394
15.	Liquid liabilities to private foreigners	16,613	21,362	25,798
16.	Liquid, other readily marketable, and nonliquid liabilities to foreign official agencies	51,234	61,556	66,832

r Revised. p Preliminary. 1. Includes U.S. gold stock.