

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

BUREAU OF
ECONOMIC ANALYSIS

FOR RELEASE 10:00 A.M. Thursday, August 26, 1976
Russell B. Scholl: 523-0603

BEA 76-63

NET INTERNATIONAL INVESTMENT POSITION OF THE
UNITED STATES INCREASES IN 1975

The net international investment position of the United States increased \$16.2 billion in 1975, the Bureau of Economic Analysis, an agency of the Commerce Department, announced today.

Factors accounting for the increase were net capital outflows of \$16.3 billion recorded in the U.S. balance of payments and reinvested earnings of U.S. affiliates abroad, less those of foreign affiliates in the United States, of \$6.3 billion; partly offsetting were net valuation adjustments that increased foreign assets in the United States by \$6.4 billion, mainly from price appreciation of foreign-held U.S. stocks.

At yearend 1975, the net international investment position of the United States was \$93.6 billion, compared with \$77.4 billion in 1974. U.S. assets abroad increased \$39.3 billion, about the same as in 1974. There were significant changes in the composition of the increase; U.S. bank lending to foreigners increased much less than in 1974, but net U.S. purchases of foreign bonds tripled, as favorable financial market conditions in the United States encouraged foreigners to place a record volume of bonds here. Foreign assets in the United States increased \$23.1 billion, slightly less than in 1974. Net capital inflows were reduced sharply, but there was a large upward valuation adjustment of foreign-owned U.S. stocks.

The Bureau of Economic Analysis recently completed a benchmark survey of foreign direct investment in the United States, and the Treasury Department completed a survey of foreign portfolio investment in the United States. Revised 1975 universe estimates, linked to these 1974 benchmark surveys, will be completed by the Bureau of Economic Analysis next year, and will supersede estimates in this release.

Details on the international investment position of the United States in 1975 will be published in the August issue of the Survey of Current Business, the monthly publication 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 \$48.30 including weekly supplements; single copy, \$3.00.

TABLE FOLLOWS:

The U.S. Net International Investment Position: Summary of Changes and Outstanding
U.S. Assets Abroad and Foreign Assets in the United States at Yearend

(Millions of dollars)

	1973 ^r	1974 ^r	1975 ^p
A. Summary of changes in the U.S. net international investment position:			
1. Change in net international investment position..	12,230	15,527	16,157
2. Balance of payments capital flows, net.....	-2,085	858	16,252
3. Reinvested earnings, net.....	7,133	6,196	6,303
4. Valuation and other adjustments, net.....	7,182	8,473	-6,397
B. Net international investment position of the United States at yearend ¹.....			
	61,877	77,405	93,563
C. Outstanding U.S. assets abroad and foreign assets in the United States at yearend:			
1. U.S. assets abroad.....	225,167	264,819	304,110
2. U.S. official reserve assets ¹	14,378	15,883	16,226
3. Other U.S. Government assets.....	38,836	38,352	41,808
4. U.S. private assets.....	171,953	210,584	246,076
5. Direct investment.....	103,675	118,819	133,168
6. Foreign securities.....	27,792	28,563	35,159
7. Other claims reported by U.S. concerns....	40,486	63,202	77,749
8. Foreign assets in the United States.....	163,290	187,414	210,547
9. Foreign official assets.....	69,636	80,298	86,995
10. Other foreign assets in the United States...	93,654	107,116	123,552
11. Direct investment.....	18,284	22,421	26,740
12. U.S. securities other than Treasury securities.....	36,772	27,817	36,548
13. U.S. Treasury securities.....	958	1,655	4,303
14. Other liabilities reported by U.S. concerns.....	37,640	55,223	55,961

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