

REPORT ON U.S. HOLDINGS OF FOREIGN SECURITIES AT END-YEAR 2003

The findings from an annual survey of U.S. portfolio holdings of foreign securities at year-end 2003 are released today and posted on the U.S. Treasury web site at (<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. The previous survey was for year-end 2001, and some revisions of that survey are reported in this release. Future surveys are scheduled to be carried out annually and the next report will present results from the survey for year-end 2004.

A complementary survey measuring foreign holdings of U.S. securities is also carried out annually. Data from the most recent such survey, which reports on securities held on June 30, 2004, are currently being processed. Preliminary results are expected to be reported by April 30, 2005.

Overall Results

The survey measured U.S. holdings of foreign securities at year-end 2003 of approximately \$3,152 billion, with \$2,079 billion held in foreign equities, \$874 billion in foreign long-term debt securities (original term-to-maturity in excess of one year), and \$199 billion in foreign short-term debt securities. The previous survey, conducted as of year-end 2001, measured U.S. holdings of approximately \$2,317 billion, with \$1,613 billion held in foreign equities, \$557 billion in foreign long-term debt securities (revised from \$502 billion), and \$147 billion in foreign short-term debt securities (see Table 1).

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. U.S. holdings of foreign securities, by type of security, as of survey dates¹
(Billions of dollars, except as noted)

<u>Type of Security</u>	<u>Dec. 31, 2001</u>	<u>Dec. 31, 2003</u>
Long-term Securities	2,170	2,954
equity	1,613	2,079
long-term debt	557	874
Short-term debt securities	147	199
Total	2,317	3,152

U.S. Portfolio Investment by Country

Table 2. 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, 2003

(Billions of dollars)

		<u>Total</u>	<u>Equities</u>	<u>Debt securities:</u>	
				<u>Long-term</u>	<u>Short-term</u>
1	United Kingdom	663	421	143	99
2	Japan	307	255	37	14
3	Canada	301	149	139	12
4	Germany	189	103	71	15
5	France	185	131	43	11
6	Netherlands	182	116	58	8
7	Cayman Islands	125	45	76	4
8	Switzerland	120	118	1	1
9	Bermuda	116	108	9	0
10	Australia	91	56	29	5
11	Italy	67	39	25	3
12	Mexico	56	29	28	0
13	South Korea	53	49	4	0
14	Spain	52	44	6	1
15	Brazil	50	32	18	0
16	Sweden	45	28	13	5
17	Finland	41	35	6	0
18	Hong Kong, S.A.R.	38	36	1	0
19	Ireland	33	22	8	3
20	Israel	29	16	12	0
21	Taiwan	27	27	0	0
22	Singapore	25	22	3	0
23	Netherlands Antilles	25	23	1	0
24	Luxembourg	23	6	15	2
25	Denmark	22	10	10	2
	Rest of world	287	159	116	12
Total value of investment		3,152	2,079	874	199

¹ The stock of foreign securities for December 31, 2003 reported in this survey does not, for a number of reasons, correspond to the stock of foreign securities on December 31, 2001 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 5 and the associated text of the final report on U.S. holdings of foreign securities at end-year 2003.