



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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PRELIMINARY REPORT ON FOREIGN HOLDINGS OF U.S. SECURITIES AT END-JUNE 2006

Preliminary data from a survey of foreign portfolio holdings of U.S. securities at end-June 2006 are released today on the U.S. Treasury web site at (<http://www.treas.gov/tic/fpis.html>). A revised table on Major Foreign Holders of Treasury Securities, where estimates through end-January 2007 are based in part on survey data, is also released at (<http://www.treas.gov/tic/ticsec2.html>, on line 4). Final survey results, which will include additional detail as well as possible revisions to the preliminary data, will be reported on May 31, 2007. 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 next survey will be for end-June 2007, and preliminary data are expected to be released by February 29, 2008.

Complementary surveys measuring U.S. holdings of foreign securities are also carried out annually. Data from the most recent survey, reporting on securities held on year-end 2006, are currently being processed. Preliminary results are expected to be reported by September 30, 2007.

Overall Preliminary Results

The survey measured foreign holdings of U.S. securities as of June 30, 2006, to be \$7,779 billion, with \$2,431 billion held in U.S. equities, \$4,733 billion in U.S. long-term debt securities¹ (of which \$980 are holdings of asset-backed securities (ABS)² and \$3,753 are holdings of non-ABS securities), and \$615 billion held in U.S. short-term debt securities. The previous survey, conducted as of June 30, 2005, measured foreign holdings of \$2,144 billion in U.S. equities, \$4,118 billion in U.S. long-term debt securities, and \$602 billion in short-term U.S. debt securities (see Table 1).

1. Long-term debt securities have an *original* term-to-maturity of over one year.

2. Asset-backed securities are backed by pools of assets, such as pools of residential home mortgages or credit card receivables, which give the security owners claims against the cash flows generated by the underlying assets. Unlike most other debt securities, these securities generally repay both principal and interest on a regular basis, reducing the principal outstanding with each payment cycle.

Table 1. Foreign holdings of U.S. securities, by type of security, as of recent survey dates

(Billions of dollars)

<u>Type of Security</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Long-term Securities	6,262	7,164
Equity	2,144	2,431
Long-term debt	4,118	4,733
Asset-backed	717	980
Other	3,401	3,753
Short-term debt securities	602	615
Total	6,864	7,779
Of which: Official	1,938	2,301

Table 2. Foreign holdings of U.S. securities, by country and type of security, for the major investing countries into the U.S., as of June 30, 2006

(Billions of dollars)

	<u>Country or category</u>	<u>Total</u>	<u>Equities</u>	<u>Long-term debt</u>		<u>Short-term debt</u>
				<u>ABS</u>	<u>Other</u>	
1	Japan	1,106	195	121	706	85
2	China, mainland ¹	699	4	122	556	17
3	United Kingdom	640	300	106	218	16
4	Luxembourg	549	193	69	255	32
5	Cayman Islands	485	178	135	142	31
6	Canada	382	274	22	73	13
7	Belgium	331	21	42	263	4
8	Netherlands	280	158	55	58	9
9	Switzerland	262	145	32	76	9
10	Middle East oil-exporters ²	243	111	11	80	41
11	Ireland	232	69	36	62	65
12	Germany	211	73	37	86	16
13	Bermuda	206	60	43	83	20
14	France	164	95	14	42	14
15	Singapore	163	101	7	51	4
16	Taiwan	135	7	25	100	3
17	South Korea	124	1	4	106	13
18	Russia	111	*	*	42	68
19	Hong Kong	110	22	12	65	11
20	Australia	109	64	5	32	8
21	Mexico	98	15	2	60	21
22	Sweden	81	48	4	28	1
23	British Virgin Islands	78	46	1	24	6
24	Norway	75	43	12	16	4
25	Italy	53	29	4	18	2
	Country Unknown	214	*	1	212	1
	Rest of world	639	180	58	299	102
	Total	7,779	2,431	980	3,753	615
	Of which: Official	2,301	215	147	1,634	304

* Greater than zero but less than \$500 million.

1. Excludes Hong Kong, Macau, and Taiwan, which are reported separately.

2. Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.