



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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CONTACT Ann Marie Hauser, (202) 622-2960

REPORT ON U.S. PORTFOLIO HOLDINGS OF FOREIGN SECURITIES AT END-YEAR 2006

The findings from an annual survey of U.S. portfolio holdings of foreign securities at end-year 2006 are released today and posted on the U.S. Treasury web site (www.treas.gov/tic/fpis.html).

A complementary survey measuring foreign portfolio holdings of U.S. securities is also carried out annually. Preliminary results from the most recent such survey, covering securities held as of June 30, 2007, are expected to be reported by February 29, 2008.

These surveys are undertaken jointly by the U.S. Treasury, the Federal Reserve Bank of New York, and the Board of Governors of the Federal Reserve System.

Overall Results

The survey measured the value of U.S. holdings of foreign securities at year-end 2006 of approximately \$5,991 billion, with \$4,329 billion held in foreign equities, \$1,294 billion in foreign long-term debt securities (original term-to-maturity in excess of one year), and \$368 billion in foreign short-term debt securities. The previous survey measured U.S. holdings at year-end 2005 of approximately \$4,609 billion, with \$3,318 billion held in foreign equities, \$1,028 billion in foreign long-term debt securities, and \$263 billion in foreign short-term debt securities (see Table 1).

U.S. portfolio holdings of foreign securities by country at the end of 2006 were by far the largest for the United Kingdom (\$1,076 billion), followed by Japan (\$596 billion) and Canada (\$478 billion) (see Table 2).

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. Value of U.S. holdings of foreign securities, by type of security, at end-2005 and end-2006¹ (Billions of dollars)

<u>Type of Security</u>	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>
Long-term Securities	4,346	5,623
Equity	3,318	4,329
long-term debt	1,028	1,294
Short-term debt securities	263	368
Total	4,609	5,991

U.S. Portfolio Investment by Country

Table 2. Value of 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, 2006
(Billions of dollars, except as noted)

		<u>Total</u>	<u>Equities</u>	<u>Debt securities:</u>	
				<u>Long-term</u>	<u>Short-term</u>
1	United Kingdom	1,076	674	245	156
2	Japan	596	544	46	7
3	Canada	478	298	162	18
4	France	401	307	63	32
5	Cayman Islands	376	161	178	37
6	Germany	292	220	62	10
7	Switzerland	264	263	1	*
8	Netherlands	234	161	68	5
9	Bermuda	208	192	14	3
10	Australia	173	102	62	10
11	Korea, South	124	114	10	*
12	Ireland	121	48	38	34
13	Spain	111	86	24	1
14	Brazil	110	92	18	*
15	Mexico	108	85	24	*
16	Italy	106	93	12	1
17	Sweden	102	59	24	19
18	Hong Kong	88	86	2	*
19	China, mainland ²	75	74	1	*
20	Taiwan	74	74	*	0
21	Luxembourg	60	16	37	7
22	Finland	60	56	4	*
23	Netherlands Antilles	58	56	2	*
24	Singapore	53	44	9	*
25	Norway	51	32	15	4
	Rest of world	592	393	174	24
	Total value of investment	5,991	4,329	1,294	368

¹ The stock of foreign securities for December 31, 2006, reported in this survey does not, for a number of reasons, correspond to the stock of foreign securities on December 31, 2005, 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 4 and the associated text of the final report on U.S. holdings of foreign securities at end-year 2006.

² Excludes Hong Kong and Macau, which are reported separately.

* Greater than zero and less than \$500 million. Note: items may not add to total due to rounding.

