

2023-06-30

## PRESS RELEASE

---

Links: [Infographic](#) [NBB.Stat](#) [General information](#)

---

### International investment position and balance of payments financial account (first quarter of 2023)

- The net international investment position increased to **€299 billion** or **54% of GDP**
- Belgium is once again a net borrower with the rest of the world

#### *Outstanding amounts*

The net international investment position (NIIP) increased to €299.4 billion in the first quarter of 2023, up from €296.2 billion in the previous quarter.

Net **portfolio investment** remained the main component of the positive NIIP. Despite a strong increase in the market valuation of Belgian foreign investment, net portfolio investment fell. This was due to large purchases of Belgian linear bonds (OLO) by non-residents, combined with the negative impact of exchange rate effects on Belgian foreign investment.

Net **direct investment** held steady despite the aforementioned adverse exchange rate effects, thanks to the higher market valuation of foreign direct investment.

Net **other investment** climbed back to -€79.3 billion after having dropped last quarter to its lowest level since the end of 2008. A more significant increase was recorded for gross assets due to interbank claims. Gross liabilities rose as well following a slight decline in the previous quarter. This rise was driven by an increase in interbank liabilities, partly as a result of the economic sanctions imposed on Russia. Owing to the suspension of disbursements to Russian commercial banks and the Russian central bank, liquidity arising from matured term accounts, coupon payments and dividend payments remains outstanding as interbank debt. Through the National Bank, this liquidity is deposited (overnight) with the European Central Bank.

#### *Transactions*

The build-up of external assets (€61.3 billion) and liabilities (€67.5 billion) was more dynamic than in the previous quarter. The financial account balance stood at -€6.1 billion in the first quarter of 2023.

The balance of **direct investment transactions** was positive (€0.5 billion) with higher transactions on both the assets and liabilities sides balancing each other out.

The balance of **portfolio investment** was strongly negative (-€15.5 billion) due to purchases of Belgian linear bonds (OLO) by non-residents.

This was offset by a positive balance of **other investment** (€8.4 billion), mainly through the deposit of liquidity, via the National Bank, with the European Central Bank.

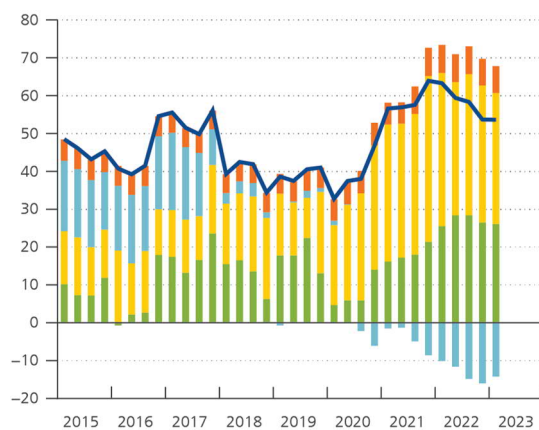
**INTERNATIONAL INVESTMENT POSITION: OUTSTANDING AMOUNTS, TRANSACTIONS AND OTHER FLOWS**

	Fourth quarter of 2022		First quarter of 2023			
	Outstanding amounts		Transactions	Other flows	Outstanding amounts	
	€ billion	% GDP	€ billion	€ billion	€ billion	% GDP
<b>Net international investment position</b>	<b>296.2</b>	<b>53.9</b>	<b>-6.1</b>	<b>9.3</b>	<b>299.4</b>	<b>53.6</b>
Direct investment	146.1	26.6	0.5	-0.8	145.9	26.1
Portfolio investment	199.8	36.4	-15.5	9.2	193.5	34.6
Other investment	-88.5	-16.1	8.4	0.7	-79.3	-14.2
Reserve assets	38.8	7.1	0.4	0.2	39.4	7.1
<b>External financial assets</b>	<b>2 313.0</b>	<b>421.0</b>	<b>61.3</b>	<b>12.4</b>	<b>2 386.8</b>	<b>427.4</b>
Direct investment	998.0	181.6	10.6	-1.9	1 006.7	180.3
Portfolio investment	792.1	144.2	4.1	20.7	816.9	146.3
Other investment	484.2	88.1	46.3	-6.7	523.8	93.8
Reserve assets	38.8	7.1	0.4	0.2	39.4	7.1
<b>External financial liabilities</b>	<b>2 016.8</b>	<b>367.0</b>	<b>67.5</b>	<b>3.1</b>	<b>2 087.4</b>	<b>373.8</b>
Direct investment	851.8	155.0	10.0	-1.1	860.8	154.1
Portfolio investment	592.3	107.8	19.6	11.5	623.4	111.6
Other investment	572.6	104.2	37.9	-7.4	603.2	108.0

Source: NBB (BoP, IIP).

Note: Other investment includes financial derivatives.

Other flows consist of price changes, exchange rate changes and other volume changes (such as reclassification to another functional category).

**NET INTERNATIONAL INVESTMENT POSITION**  
(in % GDP, outstanding amounts)


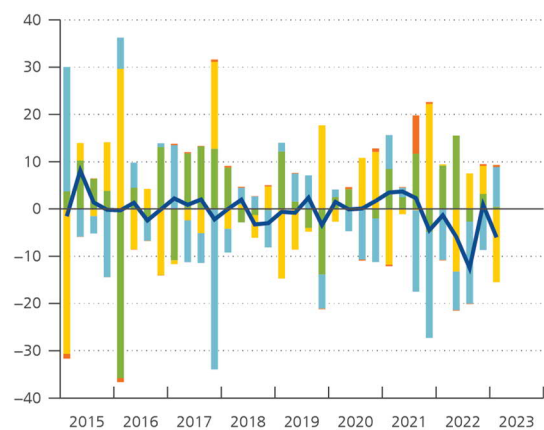
■ Net direct investment  
■ Net portfolio investment  
■ Net other investment  
■ Reserve assets  
— Net international investment position

Source: NBB (IIP).

Note: Other investment includes financial derivatives.

Amounts expressed as a percentage of GDP were calculated as the ratio of NIIP to total nominal GDP over the last four quarters.

Last observation: 2023 Q1.

**BALANCE OF PAYMENTS FINANCIAL ACCOUNT**  
(in € billion, transactions)


■ Net direct investment  
■ Net portfolio investment  
■ Net other investment  
■ Reserve assets  
— Financial account balance

Source: NBB (BoP).

Note: Net other investment includes financial derivatives.

Last observation: 2023 Q1.

### **Methodological note**

The international investment position indicates a country's **outstanding foreign financial assets and liabilities (stocks)** at a given point in time. The balance of payments financial account reveals how these assets and liabilities were formed and thus provides an overview of financial **transactions** with foreign countries over a specified period.

Both are divided into five functional categories of assets and liabilities:

1. Direct investment: these include investments of 10% or more in the equity capital of companies and lending/borrowing between related companies as well as real estate investments;
2. Portfolio investment: this category includes, on the assets side, securities held by residents (shares, bonds, units of investment funds, commercial paper, etc.) that are issued by non-residents and, conversely, on the liabilities side, securities held by non-residents issued by residents;
3. Financial derivatives: these are financial products linked to the value of an underlying asset; for purposes of this press release, financial derivatives are included in the "other investment" category;
4. Other investment: this category includes everything not included in the other four categories, such as loans, deposits and accounts receivable and payable;
5. Reserve assets: these include monetary gold, claims on the IMF, bonds and foreign currencies; this category exists on the assets side only.