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## PRESS RELEASE

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### International investment position and balance of payments financial account in 2023

- **The net international investment position increased to €381 billion or 65% of GDP.**
- **In 2023, Belgium was a net borrower from the rest of the world, for an amount of €6.5 billion or 1.1% of GDP.**

#### *Amounts outstanding*

The net international investment position (NIIP) rose from €320 billion at the end of 2022 to €381 billion at the end of 2023. Net external borrowing (-€6.5 billion) and negative exchange rate effects (-€12.0 billion) were fully offset by strong positive price effects (€53.9 billion).

Net **portfolio investment** remained the main component of the positive NIIP, with a share that continued to rise under the impetus of strong positive price effects.

Higher market valuations for foreign direct investment also caused the value of net **direct investment** to rise compared with the end of 2022.

Driven by an increase in Belgian foreign investment, net **other investment** rose. Other flows had a limited positive influence.

#### *Transactions*

The balance of payments financial account ended the year in negative territory. Strong build-up was seen on both the assets (€63.5 billion) and liabilities (€70.0 billion) sides, mainly in the first quarter. Over 2023 as a whole, liabilities to non-residents exceeded claims on non-residents by €6.5, meaning Belgium was a net borrower from the rest of the world .

The **portfolio investment** balance was strongly negative (-€21.9 billion) as a result of purchases of Belgian OLOs by non-residents in the first and second quarters.

The **direct investment** balance turned negative for the first time since 2019 (-€8.8 billion). Both assets and liabilities were reduced due to the repayment of outstanding loans, among other factors.

On the other hand, the balance of **other investment** was strongly positive (€26.4 billion). Gross assets and liabilities increased owing to financial transactions in the banking sector, with a more pronounced increase on the assets side.

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

	2022		2023			
	Amounts outstanding		Transactions	Other flows	Outstanding amounts	
	€ billion	% GDP	€ billion	€ billion	€ billion	% GDP
<b>Net international investment position</b>	<b>319.6</b>	<b>57.7</b>	<b>-6.5</b>	<b>68.0</b>	<b>381.0</b>	<b>65.4</b>
Direct investment	151.2	27.3	-8.8	33.7	176.0	30.2
Portfolio investment	201.2	36.3	-21.9	31.1	210.4	36.1
Other investment	-71.6	-12.9	26.4	2.9	-42.4	-7.3
Reserve assets	38.8	7.0	-2.2	0.3	37.0	6.3
<b>External financial assets</b>	<b>2 326.8</b>	<b>420.0</b>	<b>63.5</b>	<b>73.7</b>	<b>2 464.1</b>	<b>423.0</b>
Direct investment	1 002.2	180.9	-27.1	30.8	1 005.8	172.6
Portfolio investment	792.5	143.0	21.3	55.8	869.7	149.3
Other investment	493.3	89.0	71.5	-13.2	551.7	94.7
Reserve assets	38.8	7.0	-2.2	0.3	37.0	6.3
<b>External financial liabilities</b>	<b>2 007.3</b>	<b>362.3</b>	<b>70.0</b>	<b>5.8</b>	<b>2 083.1</b>	<b>357.6</b>
Direct investment	851.0	153.6	-18.3	-2.9	829.8	142.4
Portfolio investment	591.3	106.7	43.2	24.7	659.3	113.2
Other investment	565.0	102.0	45.1	-16.0	594.1	102.0

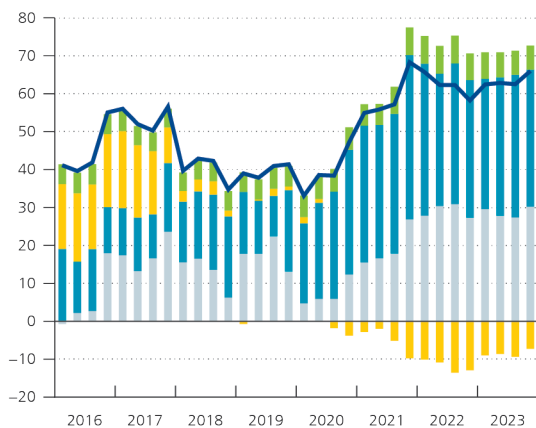
Source: NBB (BoP, IIP).

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, amounts outstanding)



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

Source: NBB (IIP).

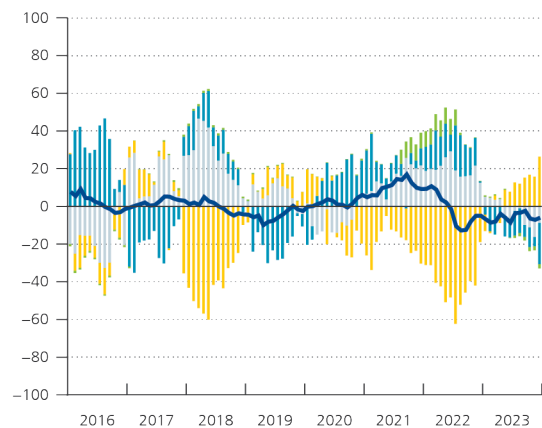
Note: Other investment includes financial derivatives.

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: Q4 2023.

## BALANCE OF PAYMENTS FINANCIAL ACCOUNT

(in € billion, transactions over 12 months)



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

Source: NBB (BoP).

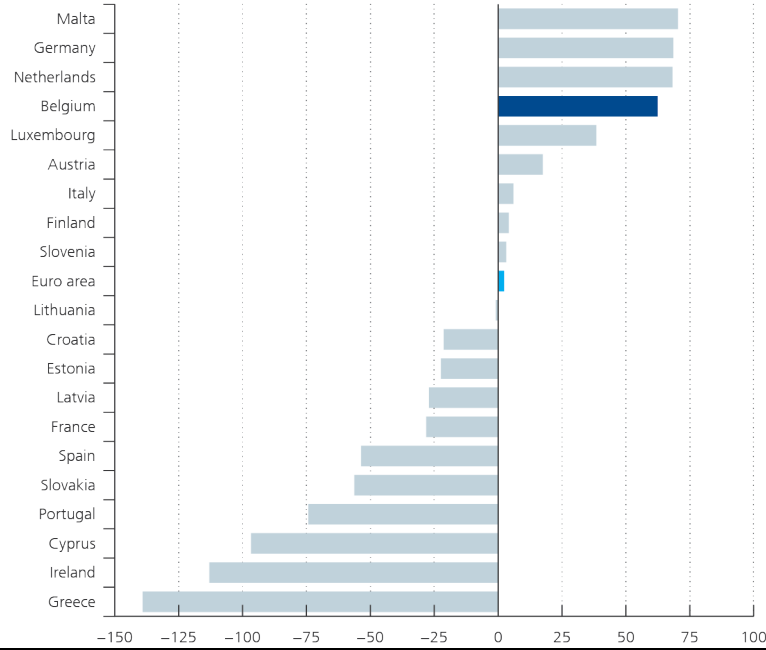
Note: Net other investment includes financial derivatives.

Last observation: Q4 2023.

**Net international investment position: international comparison**

Most euro area countries had a negative NIIP. At 62.4% of GDP in the third quarter of 2023, Belgium had the fourth-highest NIIP in the euro area.

**NET INTERNATIONAL INVESTMENT POSITION IN Q3 2023**  
(in % of GDP, amounts outstanding)



Sources: NBB (IIP), ECB, Eurostat.  
Note: The international comparison was limited to the third quarter as data for the fourth quarter for the euro area and certain member states were not yet available.

**External assets and liabilities**

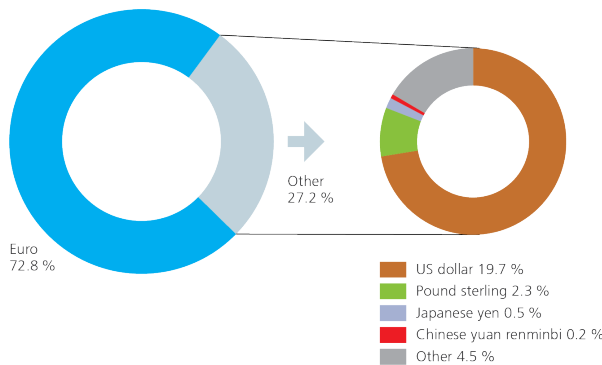
- **Breakdown by currency**

External assets and liabilities are denominated in different currencies. Significantly different currency exposures mean that exchange rate fluctuations can have a strong influence on the net international investment position.

Assets were mainly held in euros (72.8%), US dollars (19.7%) and British pounds (2.3%).

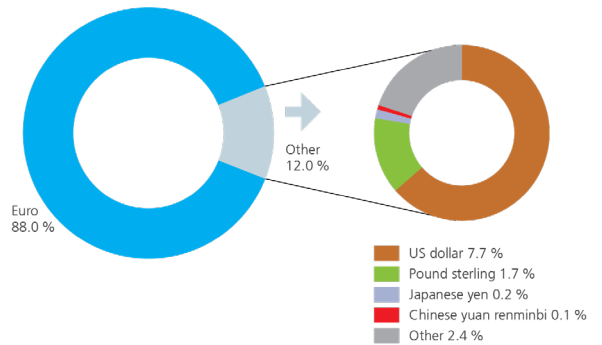
Liabilities were contracted almost entirely in euros (88.0%). The use of the US dollar (7.7%) and the British pound (1.7%) was more limited.

**EXTERNAL ASSETS: AMOUNTS OUTSTANDING**  
(in %, share of total in Q4 2023)



Source: NBB (IIP).

**EXTERNAL LIABILITIES: AMOUNTS OUTSTANDING**  
(in %, share of total in Q4 2023)



Source: NBB (IIP).

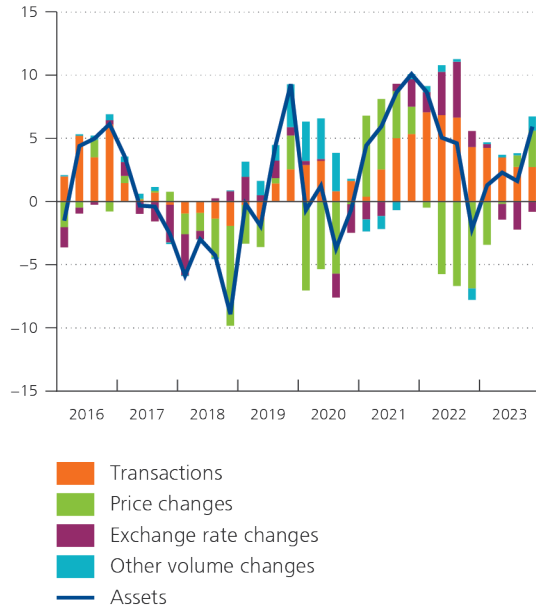
- **Development of the NIIP**

Both assets and liabilities increased noticeably in 2023.

In the case of assets, the 5.9% increase was attributable to both transactions and price changes. Exchange rate changes (-0.8 percentage points) were fully offset by greater investment by Belgians abroad (2.7 percentage points) and price changes (2.9 percentage points).

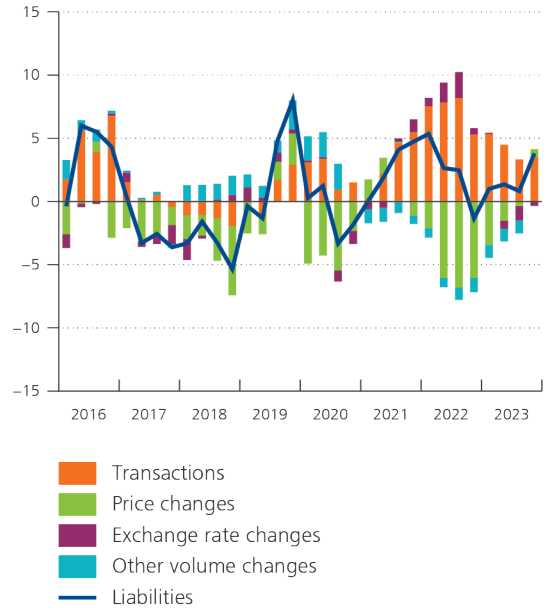
Increasing by 3.8%, liabilities rose less than assets. Greater investment by non-residents in Belgium (3.5 percentage points) and price changes (0.7 percentage points) contributed positively, versus negative exchange rate effects (-0.3 percentage points).

**EXTERNAL ASSETS: AMOUNTS OUTSTANDING**  
(year-on-year growth in %; contribution to growth in percentage points)



Source: NBB (BoP, IIP).  
Note: Other volume changes include reclassifications and data improvements.  
Valuation effects are the result of price and exchange rate changes.  
Last observation: Q4 2023.

**EXTERNAL LIABILITIES: AMOUNTS OUTSTANDING**  
(year-on-year growth in %; contribution to growth in percentage points)



Source: NBB (BoP, IIP).  
Note: Other volume changes include reclassifications and data improvements.  
Valuation effects are the result of price and exchange rate changes.  
Last observation: Q4 2023.

### **Notes on methodology**

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: this category includes 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.