

Luxembourg, 26 June 2020

International investment position at the end of March 2020

Compared to the last quarter of 2019, Luxembourg's external financial assets decreased by 518 billion euros to reach 10 486 billion euros at the end of the first quarter of 2020. External financial liabilities decreased by 514 billion euros and reached 10 457 billion euros at the end of March 2020. These declines are explained by large decline in stock prices following the COVID-19 pandemic outbreak in the first quarter of 2020. In addition, there were disinvestment operations, which continued to affect direct investment in the first quarter of 2020. Luxembourg's net international investment position decreased by 4 billion euros and reached 29 billion euros at the end of first quarter of 2020, as the decreases affected assets more than external financial liabilities.

In the various components of the net external position, the net asset position in direct investments decreased by 20 billion to reach 673 billion euros at the end of March 2020. The net asset position in the other investments (deposits and traditional credits, trade credits, other receivables or payables) increased by 63 billion euros and reached 458 billion euros. The structural net liability position in the portfolio investments increased by 32 billion euros and reached 1 107 billion euros at the end of March 2020.

The amount outstanding in direct investments assets reached down 4 736 billion euros at the end of March 2020, having undergone negative transactions (disinvestments of 95 billion euros) that were also supported by negative revaluation effects (50 billion euros). The amount outstanding in direct investments liabilities decreased by 126 billion euros reaching down 4 062 billion euros at the end of March 2020. Negative transactions (79 billion euros) and negative revaluation effects (47 billion euros) also triggered the later decrease.

Portfolio investments were heavily impacted by the decline in stock prices in the first quarter of 2020. The amount outstanding in portfolio investments assets reached down 3 919 billion euros at the end of March 2020, after having decreased by 589 billion euros which resulted from negative revaluation effects (420 billion euros), as well as from negative transactions (169 billion euros). The amount outstanding in portfolio investments liabilities reached down 5 026 billion euros at the end of March 2020, after having decreased by 557 billion euros which resulted both from negative revaluation effects (463 billion) and from negative transactions (93 billion euros).

For other investments, the amount outstanding in assets reached up 1 667 billion euros at the end of March 2020, after having increased by 199 billion euros which resulted from positive

transactions. The amount outstanding in liabilities increased also by 136 billion euros, up to 1 209 billion euros at the end of March 2020.

**Table : Luxembourg International Investment Position
(billion euros)**

	Amounts outstanding at the end of 2019Q4	Transactions	Changes due to Exchange rates, Prices and Other changes in volume	Amounts outstanding at the end of 2020Q1
Net external position	32	1	-5	29
Gross external assets	11 003	-64	-454	10 486
Gross external liabilities	10 971	-65	-449	10 457
Net direct investments	693	-16	-3	673
Assets	4 881	-95	-50	4 736
Liabilities	4 188	-79	-47	4 062
Net portfolio investments	-1 075	-75	43	-1 107
Assets	4 508	-169	-420	3 919
Equity securities	2 143	-58	-328	1 758
Debt securities	2 365	-111	-92	2 162
Liabilities	5 583	-93	-463	5 026
Equity securities	4 493	-68	-469	3 956
Debt securities	1 090	-25	6	1 070
Net financial derivatives	18	3	-18	3
Net other investments	395	89	-27	458
Assets	1 468	196	2	1 667
Liabilities	1 072	107	29	1 209
Reserve assets	0.94	-0.01	0.02	0.95

Source : BCL

Detailed statistical data is available on the BCL's website on the following page:

http://www.bcl.lu/en/statistics/series_statistiques_luxembourg/09_iip/index.html

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