

Luxembourg, 29 March 2019

International investment position at the end of December 2018

Compared to the third quarter of 2018, Luxembourg's external financial assets decreased by 489 billion euros to reach 10 589 billion euros at the end of the last quarter of 2018. External financial liabilities also decreased by 494 billion euros and reached 10 561 billion euros at the end of December 2018. These declines are explained both by disinvestment operations and by the turmoil observed on the financial markets at the end of the year 2018. Luxembourg's net international investment position increased however by 5 billion euros and reached 27 billion euros at the end of last quarter of 2018, as the decreases affected liabilities more than external financial assets.

In the various components of the net external position, the net asset position in direct investments decreased by 8 billion to reach 679 billion euros at the end of December 2018. The net asset position in the other investments (deposits and traditional credits, trade credits, other receivables or payables) increased by 12 billion euros and reached 391 billion euros. The structural net liability position in the portfolio investments increased slightly by 3 billion euros and reached 1 052 billion euros at the end of December 2018.

The amount outstanding in direct investments assets reached down 5 148 billion euros at the end of December 2018, having undergone large negative transactions (disinvestments of 257 billion euros). The amount outstanding in direct investments liabilities decreased by 245 billion euros reaching down 4 469 billion euros at the end of December 2018. Negative transactions also triggered the later decrease.

Portfolio investments were heavily impacted by the decline in stock prices in the last quarter of 2018. The amount outstanding in portfolio investments assets reached down 3 834 billion euros at the end of December 2018, after having decreased by 248 billion euros which resulted from negative revaluation effects (194 billion euros), as well as from negative transactions (54 billion euros). The amount outstanding in portfolio investments liabilities reached down 4 886 billion euros at the end of December 2018, after having decreased by 245 billion euros which resulted both from negative revaluation effects (219 billion) and from negative transactions (26 billion euros).

For other investments, the amount outstanding in assets reached down 1 389 billion euros at the end of December 2018, after having decreased by 8 billion euros which resulted from negative revaluation effects that were partially compensated by positive transactions. The

amount outstanding in liabilities also decreased by 20 billion euros, down to 998 billion euros at the end of December 2018. The later decrease was explained by negative transactions.

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

	Amounts outstanding at the end of 2018Q3	Transactions	Changes due to Exchange rates, Prices and Other changes in volume	Amounts outstanding at the end of 2018Q4
Net external position	22.2	0.1	5.1	27.4
Gross external assets	11 078	-289	-200	10 589
Gross external liabilities	11 055	-289	-205	10 561
Net direct investments	688	-16	8	679
Assets	5 401	-257	4	5 148
Liabilities	4 713	-241	-3	4 469
Net portfolio investments	-1 049	-28	25	-1 052
Assets	4 082	-54	-194	3 834
Equity securities	1 985	-34	-186	1 764
Debt securities	2 098	-20	-8	2 070
Liabilities	5 131	-26	-219	4 886
Equity securities	4 003	16	-219	3 800
Debt securities	1 128	-42	0	1 086
Net financial derivatives	3.5	10.2	-5.7	8.1
Net other investments	379	34	-22	391
Assets	1 398	12	-20	1 389
Liabilities	1 019	-22	2	998
Reserve assets	0.79	0.02	0.01	0.82

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

International Relations and Communications Department

Communications Section
Tel.: (+352) 4774-4265 or 4599
Email: press@bcl.lu
www.bcl.lu