

Luxembourg, 29 September 2020

International investment position at the end of June 2020

Compared to the first quarter of 2020, Luxembourg's external financial assets increased by 251 billion euros to reach 10 969 billion euros at the end of the second quarter of 2020. External financial liabilities increased by 253 billion euros and reached 10 932 billion euros at the end of June 2020. These increases are explained by new acquisitions and by the rise in stock market prices in the second quarter of 2020. Luxembourg's net international investment position decreased by 2 billion euros and reached 36 billion euros at the end of June 2020, as the increases 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 44 billion to reach 694 billion euros at the end of June 2020. The net asset position in the other investments (deposits and traditional credits, trade credits, other receivables or payables) decreased by 48 billion euros and reached 418 billion euros. The structural net liability position in the portfolio investments was reduced by 74 billion euros and reached 1 092 billion euros at the end of June 2020.

The amount outstanding in direct investments assets reached down 4 835 billion euros at the end of June 2020, having undergone negative transactions (disinvestments of 24 billion euros) that were also supported by negative revaluation effects (73 billion euros). The amount outstanding in direct investments liabilities decreased by 53 billion euros reaching down 4 171 billion euros at the end of June 2020. Negative revaluation triggered the later decrease.

Portfolio investments were favorably impacted by the rise in stock prices in the second quarter of 2020. The amount outstanding in portfolio investments assets reached up 4 387 billion euros at the end of June 2020, after having increased by 460 billion euros which resulted from positive revaluation effects (281 billion euros), as well as from positive transactions (179 billion euros). The amount outstanding in portfolio investments liabilities reached up 5 479 billion euros at the end of June 2020, after having increased by 386 billion euros which resulted both from positive revaluation effects (277 billion) and from negative transactions (108 billion euros).

For other investments, the amount outstanding in assets reached down 1 566 billion euros at the end of June 2020, after having decreased by 94 billion euros which resulted from negative transactions, as well as negative changes in exchange rates. The amount outstanding in liabilities decreased also by 46 billion euros, down to 1 148 billion euros at the end of June 2020.

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

	Amounts outstanding at the end of 2020Q1	Transactions	Changes due to Exchange rates, Prices and Other changes in volume	Amounts outstanding at the end of 2020Q2
Net external position	38	1	-3	36
Gross external assets	10 717	89	162	10 969
Gross external liabilities	10 679	89	165	10 932
Net direct investments	738	-37	-6	694
Assets	4 962	-24	-73	4 865
Liabilities	4 224	14	-67	4 171
Net portfolio investments	-1 166	70	4	-1 092
Assets	3 927	179	281	4 387
Equity securities	1 748	22	223	1 993
Debt securities	2 179	157	58	2 394
Liabilities	5 094	108	277	5 479
Equity securities	3 968	133	289	4 390
Debt securities	1 126	-25	-11	1 090
Net financial derivatives	-1	18	-2	15
Net other investments	466	-50	2	418
Assets	1 660	-84	-11	1 566
Liabilities	1 194	-33	-13	1 148
Reserve assets	0.95	0.05	-0.01	1.00

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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