

Luxembourg, 5 January 2021

International investment position at the end of September 2020

Compared to the second quarter of 2020, Luxembourg's external financial assets decreased by 282 billion euros to reach 10 728 billion euros at the end of the third quarter of 2020. External financial liabilities decreased by 290 billion euros and reached 10 696 billion euros at the end of September 2020. These decreases are partially explained by negative changes in exchange rates. Luxembourg's net international investment position increased by 7 billion euros and reached 33 billion euros at the end of September 2020, 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 14 billion to reach 705 billion euros at the end of September 2020. The net asset position in the other investments (deposits and traditional credits, trade credits, other receivables or payables) decreased by 169 billion euros and reached 234 billion euros. The structural net liability position in the portfolio investments was reduced by 196 billion euros and reached 917 billion euros at the end of September 2020.

The amount outstanding in direct investments assets reached down 4 701 billion euros at the end of September 2020, having undergone negative transactions (disinvestments of 13 billion euros) that were also supported by large negative revaluation effects (175 billion euros). The amount outstanding in direct investments liabilities decreased by 173 billion euros reaching down 3 996 billion euros at the end of September 2020. Large negative revaluations as well as negative transactions also triggered the later decrease.

The amount outstanding in portfolio investments assets reached up 4 553 billion euros at the end of September 2020, after having increased by 104 billion euros which resulted from positive revaluation effects (35 billion euros), as well as from positive transactions (69 billion euros). The amount outstanding in portfolio investments liabilities reached down 5 430 billion euros at the end of September 2020, after having decreased by 92 billion euros which resulted from reclassification that was partially compensated by positive transactions.

For other investments, the amount outstanding in assets reached down 1 355 billion euros at the end of September 2020, after having decreased by 209 billion euros which resulted from negative transactions, as well as negative changes in exchange rates. The amount outstanding in liabilities decreased also by 40 billion euros, down to 1 122 billion euros at the end of September 2020.

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

	Amounts outstanding at the end of 2020Q2	Transactions	Changes due to Exchange rates, Prices and Other changes in volume	Amounts outstanding at the end of 2020Q3
Net external position	25.3	0.2	7.2	32.7
Gross external assets	11.011	27	-310	10.728
Gross external liabilities	10.986	27	-317	10.696
Net direct investments	720	22	-37	705
Assets	4.889	-13	-175	4.701
Liabilities	4.169	-35	-138	3.996
Net portfolio investments	-1.114	-7	204	-917
Assets	4.408	69	35	4.513
Equity securities	1.999	32	59	2.091
Debt securities	2.409	37	-24	2.422
Liabilities	5.522	77	-169	5.430
Equity securities	4.408	70	35	4.513
Debt securities	1.114	6	-204	916
Net financial derivatives	16	-2	-4	10
Net other investments	402	-13	-156	234
Assets	1.564	-27	-182	1.355
Liabilities	1.162	-14	-26	1.122
Reserve assets	0.99	0.00	-0.02	0.97

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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