

DANMARKS NATIONALBANK

6 JULY 2018

DENMARK'S INTERNATIONAL INVESTMENT POSITION, 1ST QUARTER 2018

Denmark's international investment position at kr. 1,239 billion

Denmark's international investment position, IIP, was kr. 1,239 billion at the end of the 1st quarter of 2018. This corresponds to 57 per cent of GDP. The IIP is the value of Danish foreign assets worth kr. 6,713 billion less the value of Danes' external liabilities of kr. 5,474 billion.

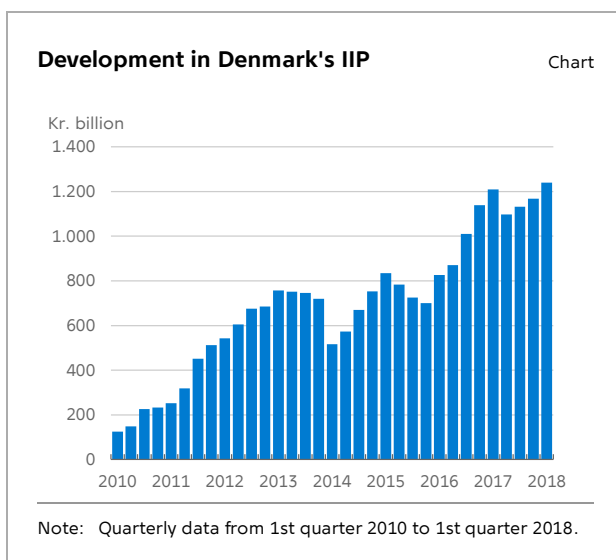
The balance of payment surplus, the price development in financial instruments, and market swings in the foreign exchange rates had all together only a limited impact on the IIP in the 1st quarter.

The balance of payment surplus at kr. 15 billion boosted the IIP. The price development on financial instruments seen in isolation also added to the IIP

with kr. 9 billion. In particular, the development in share prices had an impact. A decrease in foreign and domestic share prices reduced the value of assets and liabilities vis-à-vis foreign countries. The reduction in liabilities was larger than the one in assets and seen in isolation the IIP rose by kr. 21 billion due to the fall in share prices. As regards the liabilities the reduction was inter alia driven by a price fall in Novo Nordisk shares where the foreign owner share is around 70 per cent.

On the other hand, changes in the foreign exchange rates reduced the IIP by kr. 28 billion. Seen in isolation, a depreciation of the dollar reduced the IIP by kr. 27 billion. The depreciation of the dollar reduced the value of both assets and liabilities. However, Danes have larger dollar assets than liabilities and accordingly the effect was most significant on assets.

In the 1st quarter, the IIP was adjusted upward due to new and improved data for the Danish investment funds. The new data inter alia makes it possible to identify a larger part of the domestic owners of unit certificates. This led to an upward adjustment in the domestic owner share of certificates while the foreign owner share was adjusted downward. Accordingly, the Danish liabilities abroad were reduced, thus increasing the IIP.



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