

# DANMARKS NATIONALBANK

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## DENMARK'S INTERNATIONAL INVESTMENT POSITION, 3RD QUARTER 2021

# Large increase in wealth in shares

Denmark's international investment position (IIP) was kr. 1,762 billion at the 3rd quarter of 2021, which is the same level as before the corona crisis. On the other hand, the value of both Denmark's investments abroad and foreign investments in Denmark has increased during 2020 and 2021.

IIP is how much Denmark has invested net abroad, i.e. Danish investments abroad less foreign investments in Denmark. A large proportion of investments are invested in shares, and the upturn in the stock markets has therefore significantly affected the value of Danish and foreign gross assets since before the corona.

### Major changes in the value of shares

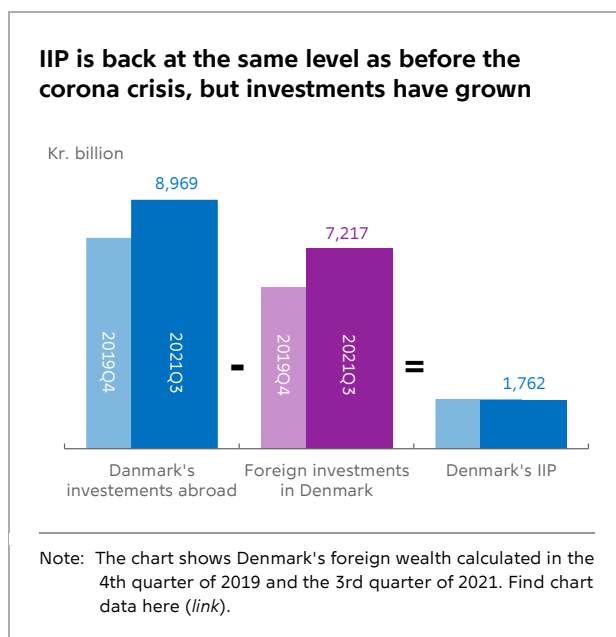
Especially the value of share investments has increased. Shares account for more than a third of both Danish investments abroad and foreign investments in Denmark. It is primarily the Danish insurance and pension sector that invests in foreign equities. At the end of the 3rd quarter, foreign countries owned almost 62 per cent of the Danish shares in C25, and the strong Danish stock market has contributed positively to the value of foreign investments in Denmark.

### Direct investment and bonds are also important

Danish companies' investments in foreign subsidiaries, so-called direct investments, account for about a quarter of both the total Danish investments abroad and the foreign investments in Denmark. Bond investments represent another large investment class. Danish bonds account for almost 28 per cent of foreign investments in Denmark. It is especially mortgage bonds that are owned abroad. Foreign investors own 26 per cent of Danish mortgage bonds.

### Denmark's IIP is the second largest in the EU

Denmark's IIP accounts for 76 per cent of GDP. Thus, in the 2nd quarter of 2021, Denmark had the second-largest foreign wealth in relation to GDP in the EU. A high IIP helps to strengthen a country's creditworthiness, which has been particularly important during the corona crisis. In the 3rd quarter of 2021, Denmark's investments abroad amounted to almost kr. 8,970 billion or almost four times GDP, which reflects that Denmark is a small open economy with large investments abroad.



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