

DANMARKS NATIONALBANK

28 JUNE 2019

DENMARK'S INTERNATIONAL INVESTMENT POSITION, 1ST QUARTER 2019

Denmark's international investment position reaches new high

Denmark's international investment position, IIP, increased in the first quarter of 2019 by kr. 66 billion and thereby reached a new height of kr. 1,469 billion. This corresponds to 65 per cent of GDP.

Positive contributions from balance of payments and exchange rates

It is no more than 10 years since Denmark had a negative IIP, i.e. a foreign debt. However, surpluses on the current account balance have driven the development from a negative to a positive IIP, i.e. from foreign debt to wealth. In the first quarter of 2019, the balance of payments contributed to a further

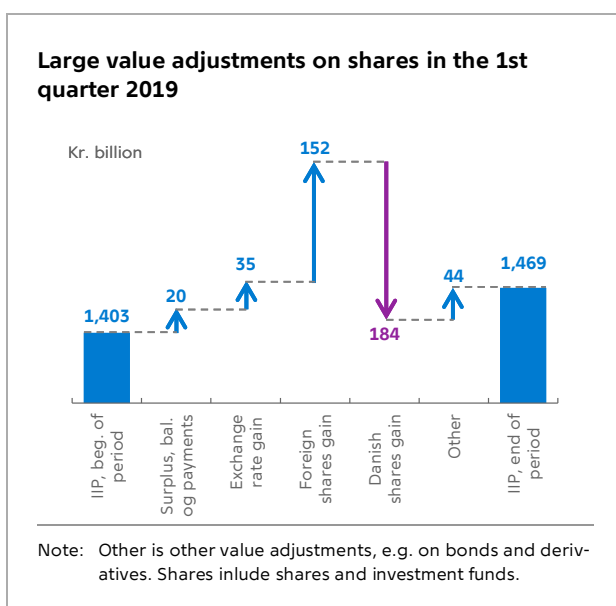
increase in the IIP worth kr. 20 billion. In addition, exchange rate adjustments contributed to an increase in the IIP of kr. 35 billion. The adjustments were mainly due to a strengthening of the dollar.

Stock prices rose, but pulled down the IIP

The IIP is calculated as the Danes' foreign assets (assets) of kr. 7,053 billion minus foreigners' holdings of Danish assets (liabilities) of kr. 5,584 billion.

Danes' holdings of foreign portfolio shares has increased significantly in recent years and amount to kr. 2,054 billion today or almost 30 per cent of the assets. Foreigners have also increased their portfolio of Danish shares, which today amount to kr. 1,392 billion corresponding to 25 per cent of the liabilities. Novo accounts for more than one third of foreigners' portfolio of Danish shares.

Large price increases in global equity markets helped both assets and liabilities to increase significantly in the 1st quarter 2019. Price increases on foreign equities resulted in an increase in assets of kr. 152 billion, while price increases on Danish equities led to an increase in liabilities by kr. 184 billion. The larger increase in liabilities is due to the fact that the Danish equity prices, including the Novo share, rose more than the foreign equity markets. Price changes on equities thus reduced overall IIP by kr. 33 billion. Other value adjustments, including those on bonds and derivatives, increased assets by kr. 44 billion.



[CLICK HER FOR FURTHER INFORMATION](#)