

# DANMARKS NATIONALBANK

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## DENMARK'S INTERNATIONAL INVESTMENT POSITION, 4TH QUARTER 2021

# Denmark's IIP reached new heights in 2021

Denmark's net international investment position (IIP) reached a record in the 4th quarter of 2021 with kr. 1,888 billion. The net IIP is the difference between Denmark's assets abroad and the foreign assets in Denmark, also called the liabilities. The value of both assets and liabilities increased significantly in 2021.

The net IIP is equivalent to the Danes' savings abroad and amounts to approximately kr. 322,000 per Dane. A large part of the assets abroad is owned through pension companies, investment funds and Danish enterprises. The investments are placed in many different asset types, countries and currencies. About 0.3 per cent of Denmark's foreign assets were invested in

Russia and Ukraine at the end of 2021.

### Large increase in Denmark's net IIP in 2021

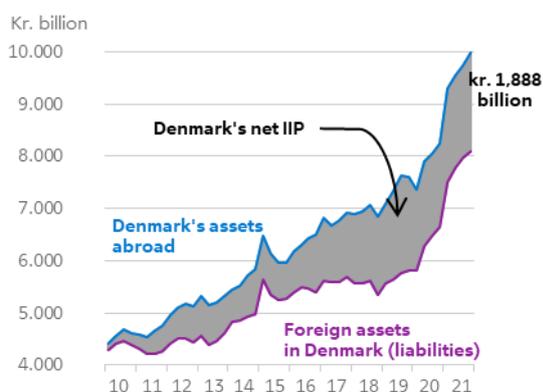
Denmark's net IIP grew by kr. 285 billion last year. In the 1st quarter alone, it grew by kr. 187 billion. This is the largest increase observed in one quarter. The large increase in 2021 is due to the combination of capital gains on foreign shares, exchange rate gains and a continued significant surplus on the current account of the balance of payments, ie. the surplus from Denmark's foreign trade.

Falling stock market prices in January and February 2022 have further increased Denmark's net IIP. This may seem paradoxical and is due to the price fall of foreign shares being smaller than the price fall of Danish shares. The value of Denmark's assets abroad has thus fallen less than the value of foreign assets in Denmark, ie. the liabilities.

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

Denmark's net IIP amounts to 76 per cent of GDP in the fourth quarter of 2021. The net IIP is the second-largest in the EU relative to GDP and is only surpassed by the Netherlands.<sup>1</sup> Outside the EU, the Danish net IIP is also surpassed by Switzerland's and Norway's net IIP. The net IIP creates wealth income for Denmark, for example in the form of interest income and dividends. Wealth income amounted to kr. 92 billion last year or 3.7 per cent of GDP.

### Denmark's net IIP grew to a record level of kr. 1,888 billion in 2021



Note: Since 2010, Denmark has consistently had a positive net IIP because Denmark's assets abroad have been larger than the foreign assets in Denmark. On the contrary, before 2010, Denmark had a foreign debt because foreign assets in Denmark were larger than Denmark's assets abroad. Find chart data here ([link](#)).

[CLICK HERE FOR FURTHER INFORMATION](#)

<sup>1</sup> Calculated as Denmark's net IIP in the 4th quarter of 2021 relative to GDP in 2021. For the other countries, the ratio is calculated as the net IIP in the 3rd quarter of 2021 relative to GDP in 2021.