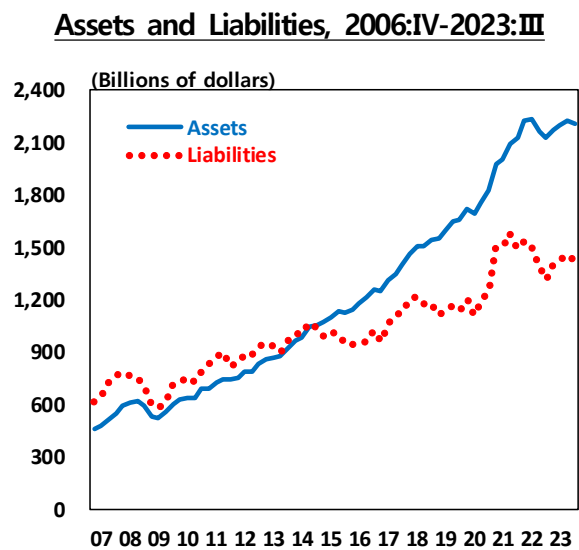
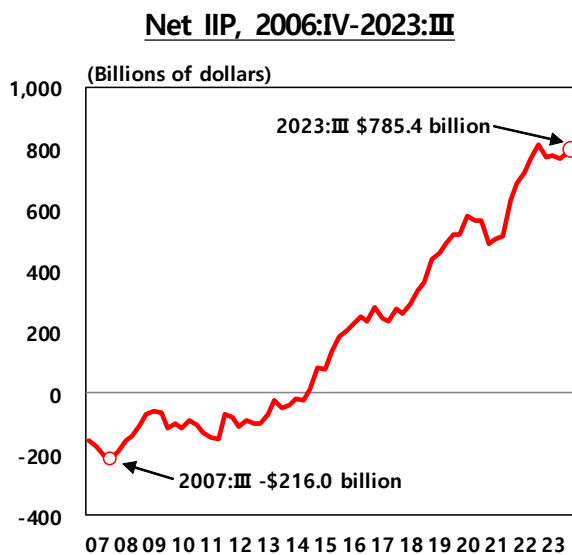


International Investment Position (IIP) in Q3 2023 (preliminary)

1. International Investment Position

- As of the end of the third quarter of 2023, Korea's net international investment position (net IIP) was \$785.4 billion (preliminary), up \$21.4 billion over the quarter (from the end of the second quarter of 2023).
- The outstanding amount of Korea's investment abroad was \$2,204.3 billion, down \$20.8 billion over the quarter.
- The outstanding amount of foreign investment in Korea was \$1,418.9 billion, down \$42.2 billion over the quarter.



2. External Assets in Debt Instruments and External Debt

□ As of the end of the third quarter of 2023, net external assets in debt instruments (external assets minus external debt) was \$352.7 billion, down \$1.1 billion over the quarter (from the end of the second quarter of 2023).

* External assets or external debt exclude equity and investment fund shares of direct investment, equity securities of portfolio investment, financial derivatives and other equity from IIP assets or liabilities.

□ The outstanding amount of Korea's external assets in debt instruments was \$1,002.0 billion, down \$16.9 billion over the quarter.

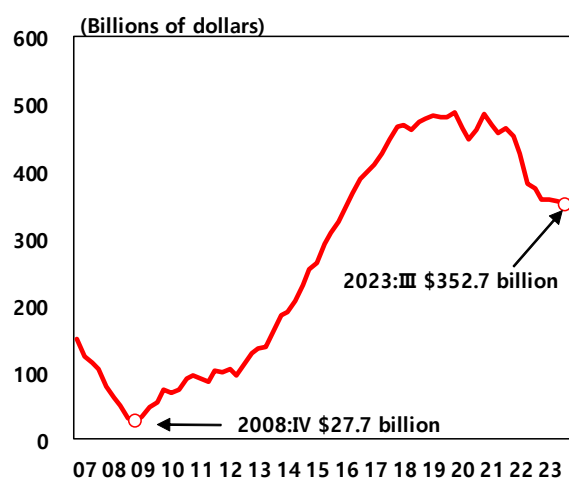
— Short-term external assets had decreased by \$15.3 billion, and long-term external assets had decreased by \$1.5 billion.

□ Korea's external debt was \$649.3 billion, down \$15.7 billion over the quarter.

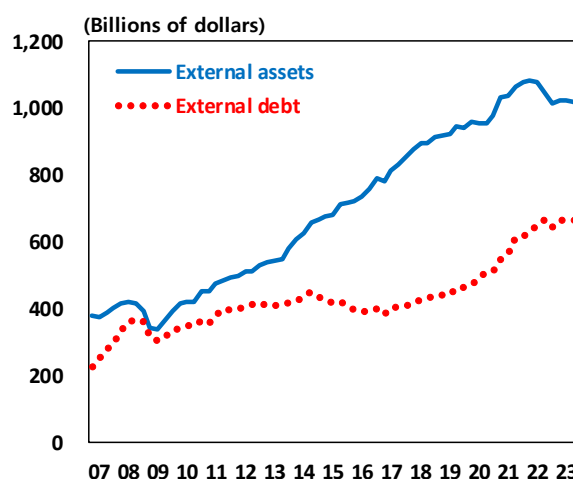
— Short-term external debt had decreased by \$20.3 billion, and long-term external debt had increased by \$4.6 billion.

o The short-term external debt ratio (*vis-à-vis* reserve assets) was 34.2%.

Net external assets, 2006:IV-2023:III



External Assets and Debt, 2006:IV-2023:III



(Appendix 1)

International Investment Position

(billion dollars)

As of the end of	2022 ^P	2023 ^P			Changes during quarter
	4/4	1/4	2/4	3/4	
A. Assets (Korea's investment abroad)	2,168.7	2,200.4	2,225.1	2,204.3	-20.8
1. Direct investment	647.6	663.7	658.1	657.0	-1.1
(Equity & investment fund shares)	559.1	574.7	569.1	566.7	-2.3
2. Portfolio investment	739.9	776.6	806.0	799.1	-6.9
2.1. Equity securities	519.4	553.2	581.9	576.3	-5.6
2.2. Debt securities	220.5	223.3	224.1	222.8	-1.3
3. Financial derivatives	64.1	46.7	50.5	54.5	4.0
4. Other investment	294.0	287.3	289.1	279.6	-9.5
5. Reserve assets	423.2	426.1	421.5	414.1	-7.3
<External assets (in debt instruments)>	1,021.7	1,021.2	1,018.9	1,002.0	-16.9
B. Liabilities (Foreign investment in Korea)	1,397.4	1,427.4	1,461.1	1,418.9	-42.2
1. Direct investment	272.3	270.5	269.6	267.7	-1.9
(Equity & investment fund shares)	219.7	216.7	217.5	217.1	-0.4
2. Portfolio investment	812.5	849.9	898.5	861.7	-36.7
2.1. Equity securities	445.4	490.5	519.2	486.2	-33.1
2.2. Debt securities	367.1	359.4	379.2	375.6	-3.6
3. Financial derivatives	67.0	55.1	59.3	66.3	7.0
4. Other investment	245.5	251.8	233.8	223.2	-10.6
<External debt>	665.2	665.0	665.1	649.3	-15.7
C. Net IIP (C=A-B)	771.3	773.0	764.0	785.4	21.4
<Net external assets>	356.5	356.2	353.8	352.7	-1.1

(Appendix 2)

External Assets in Debt Instruments and External Debt

(billion dollars, %, %p)

As of the end of		2022 ^P	2023 ^P			Changes during quarter
		4/4	1/4	2/4	3/4	
External assets (in debt instruments, A)		1,021.7	1,021.2	1,018.9	1,002.0	-16.9
Sector	General government	42.6	45.3	44.0	46.6	2.6
	Central bank	424.1	427.1	422.4	415.1	-7.3
	Deposit-taking corporations, except the central bank	233.7	227.3	232.2	222.5	-9.7
	Other sectors	321.3	321.5	320.3	317.9	-2.4
	- Other financial corporations	193.4	195.2	195.5	190.8	-4.7
	- Nonfinancial corporations, households, and NPISHs	127.9	126.2	124.8	127.1	2.3
Maturity	Short-term	629.9	625.3	625.4	610.0	-15.3
	Long-term	391.8	395.9	393.5	392.0	-1.5
Type	Reserve assets	423.2	426.1	421.5	414.1	-7.3
	Debt securities	220.5	223.3	224.1	222.8	-1.3
	Loans	143.3	141.8	139.4	134.7	-4.7
	Currency & deposits	78.5	73.2	81.0	77.8	-3.2
	Trade credits and advances	35.8	33.2	31.8	32.4	0.5
	Direct investment : Intercompany lending	88.5	89.0	89.0	90.2	1.2
	Other assets in debt instruments	31.9	34.6	32.0	30.0	-2.0
External debt (B)		665.2	665.0	665.1	649.3	-15.7
Sector	General government	157.3	154.5	167.3	165.1	-2.2
	Central bank	29.8	28.5	31.4	27.2	-4.2
	Deposit-taking corporations, except the central bank	275.7	276.8	262.4	250.5	-11.9
	Other sectors	202.4	205.2	203.9	206.6	2.7
	- Other financial corporations	48.4	48.3	48.9	50.1	1.2
	- Nonfinancial corporations, households, and NPISHs	154.0	156.9	155.0	156.5	1.5
Maturity	Short-term	166.5	173.7	161.9	141.6	-20.3
	(Short-term external debt ratio) ¹⁾	39.3	40.8	38.4	34.2	-4.2
	Long-term	498.8	491.3	503.2	507.7	4.6
Type	Debt securities	367.1	359.4	379.2	375.6	-3.6
	Loans	153.3	161.5	145.8	145.4	-0.5
	Currency & deposits	45.3	43.0	43.2	35.3	-7.9
	Trade credits and advances	16.3	15.9	14.2	12.6	-1.6
	Direct investment : Intercompany lending	52.6	53.7	52.1	50.6	-1.5
	Other debt liabilities	30.5	31.5	30.5	29.9	-0.6
Net external assets (A-B)		356.5	356.2	353.8	352.7	-1.1

Note: 1) Short-term external debt to reserve assets (%); changes during the quarter in %p.

<International Investment Position>

1. Definition

- The International Investment Position (IIP) is a statistical statement of the stock at a certain point in time of the value and composition of the financial assets (*e.g.* Korea's investment abroad) and liabilities (*e.g.* foreign investment in Korea) of an economy's residents *vis-à-vis* its nonresidents. Its coverage is identical to that of the Financial Account of the Balance of Payments, which is a set of flow statistics.
- External Assets in Debt Instruments and External Debt are the actual financial assets and liabilities of an economy's residents *vis-à-vis* nonresidents. These figures include debt securities, loans and trade credits, but exclude investments in equity capital, equity securities, financial derivatives, and other equity from the IIP.

2. Periodicity: quarterly

3. Method of Compilation

- The International Investment Position and External Assets and Debt are compiled by valuing the stocks of external financial assets and liabilities at the market prices prevailing at the end of the reporting period.
- Assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollars using the cross rates of major currencies against the U.S. dollar as of the end of the reporting period.

4. Composition

(1) International Investment Position

- **Direct investment** is the category of cross-border investment (equity, intercompany debts such as loans, *etc.*) made by a resident in one economy with the aim of controlling or exercising a significant degree of influence on the management of an enterprise that is resident in another economy. As a general rule, an investment whose investor acquires equity with an entitlement to at least 10% of the voting rights in the invested enterprise falls into this category.

- **Portfolio investment** includes money market instruments in addition to equity securities and debt securities in the form of government bonds, as well as corporate bonds but excludes financial transactions captured as 'direct investment' and 'reserve assets'.
- **Financial derivatives** represent the appraised balance arising from residents' external derivative transactions, the gains on which are classified as financial derivatives assets and the losses as financial derivatives liabilities.
- **Other investment** is a residual category that includes all financial transactions not contained within direct investment, portfolio investment, financial derivatives and reserve assets. It is subdivided into loans, trade credits and advances, currency & deposits, other accounts receivable/payable, other equity, and special drawing rights (SDR).
- **Reserve assets** are foreign reserves.

(2) External Assets in Debt Instruments and External Debt

- Sector classification: Classified into four categories in accordance with the transactors.
 - o General government: the central government, local governments and social security institutions.
 - o Central bank: Bank of Korea.
 - o Deposit-taking corporations, except the central bank : commercial banks, savings institutions, *etc.*
 - o Other Sectors: other financial corporations (securities companies, insurance companies, etc), enterprises, *etc.*
- Period classification: Financial products based on an original maturity of one year or less, are classified as short-term, and those with maturities exceeding one year as long-term.
- Type classification: Financial instruments are classified in accordance with characteristics into debt securities (government bonds, corporate bonds, *etc.*); loans; currency and deposits; trade credits and advances; intercompany lending; other assets in debt instruments & other debt liabilities; and reserve assets.