International Investment Position (IIP) in Q3 2024 (preliminary)

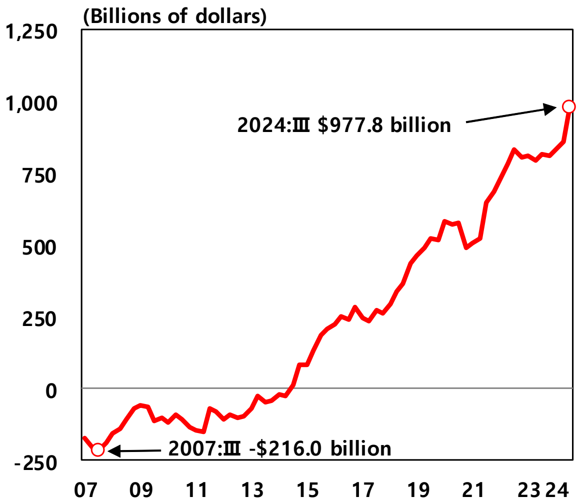
1. International Investment Position

☐ As of the end of the third quarter of 2024, Korea’s net international investment position (net IIP) was $977.8 billion (preliminary), up $119.4 billion over the quarter (from the end of the second quarter of 2024).

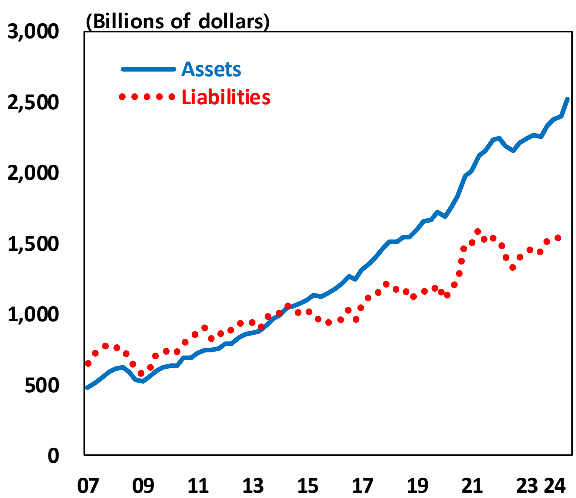
☐ The outstanding amount of Korea's investment abroad was $2,513.5 billion, up $118.3 billion over the quarter.

☐ The outstanding amount of foreign investment in Korea was $1,535.7 billion, down $1.1 billion over the quarter.

Net IIP, 2007:Ⅰ-2024:Ⅲ



Assets and Liabilities, 2007:Ⅰ-2024:Ⅲ



2. External Assets in Debt Instruments and External Debt

☐ As of the end of the third quarter of 2024, net external assets in debt instruments (external assets minus external debt) was $378.0 billion, down $3.4 billion over the quarter(from the end of the second quarter of 2024).

* 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 $1,080.7 billion, up $41.0 billion over the quarter.

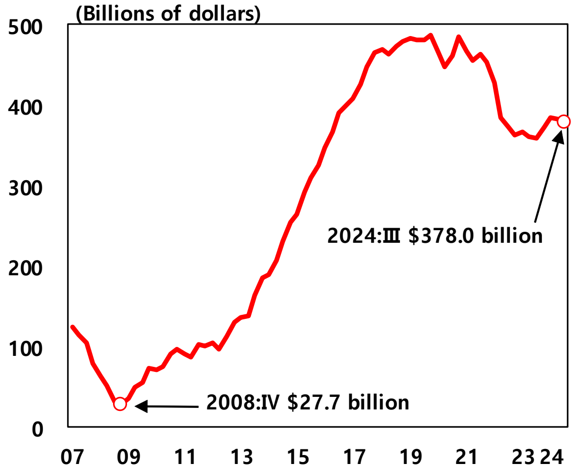
— Short-term external assets had increased by $20.6 billion, and long-term external assets had increased by $20.4 billion.

☐ Korea's external debt was $702.7 billion, up $44.4 billion over the quarter.

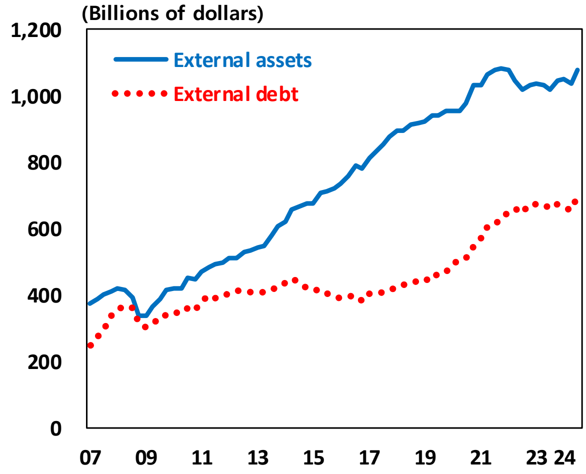
— Short-term external debt had increased by $16.8 billion, and long-term external debt had increased by $27.6 billion.

o The short-term external debt ratio (*vis-à-vis* reserve assets) was 37.8%.

Net external assets, 2007:Ⅰ-2024:Ⅲ



External Assets and Debt, 2007:Ⅰ-2024:Ⅲ



(Appendix 1)

International Investment Position

(billion dollars)

As of the end of	2023^{p}	2024^{p}			Changes during quarter
	4/4	1/4	2/4	3/4	
A. Assets (Korea's investment abroad)	2,331.7	2,372.5	2,395.2	2,513.5	118.3
1. Direct investment	724.7	722.0	732.0	762.2	30.2
(Equity & investment fund shares)	614.8	612.7	620.8	647.2	26.4
2. Portfolio investment	857.6	904.5	932.4	996.9	64.6
2.1. Equity securities	622.8	664.4	692.0	738.6	46.6
2.2. Debt securities	234.8	240.1	240.3	258.3	17.9
3. Financial derivatives	44.7	38.4	37.8	41.9	4.1
4. Other investment	284.5	288.3	280.8	292.4	11.6
5. Reserve assets	420.1	419.3	412.2	420.0	7.8
<External assets (in debt instruments)>	1,044.5	1,052.1	1,039.7	1,080.7	41.0
B. Liabilities (Foreign investment in Korea)	1,521.4	1,541.5	1,536.7	1,535.7	−1.1
1. Direct investment	289.2	280.3	275.0	294.0	19.0
(Equity & investment fund shares)	234.7	226.9	221.8	235.8	14.0
2. Portfolio investment	955.8	984.0	984.2	957.5	−26.7
2.1. Equity securities	565.5	598.9	607.8	554.5	−53.3
2.2. Debt securities	390.3	385.1	376.5	403.0	26.6
3. Financial derivatives	48.7	48.2	48.9	42.7	−6.2
4. Other investment	227.7	229.0	228.7	241.5	12.8
<External debt>	672.5	667.5	658.3	702.7	44.4
C. Net IIP (C=A-B)	810.3	831.0	858.5	977.8	119.4
<Net external assets>	372.0	384.6	381.5	378.0	−3.4

(Appendix 2)

External Assets in Debt Instruments and External Debt

(billion dollars, %, %p)

As of the end of		2023^p 4/4	2024^p 1/4	2024^p 2/4	2024^p 3/4	Changes during quarter
External assets (in debt instruments, A)		1,044.5	1,052.1	1,039.7	1,080.7	41.0
Sector	General government	48.8	51.8	51.5	58.5	7.0
	Central bank	421.1	420.2	413.1	420.1	6.9
	Deposit-taking corporations, except the central bank	226.7	230.4	221.0	231.3	10.4
	Other sectors	347.9	349.7	354.2	370.8	16.7
	- Other financial corporations	201.6	201.7	200.8	209.1	8.3
	- Nonfinancial corporations, households, and NPISHs	146.3	147.9	153.4	161.8	8.4
Maturity	Short-term	619.2	622.8	607.1	627.7	20.6
	Long-term	425.4	429.3	432.6	453.0	20.4
Type	Reserve assets	420.1	419.3	412.2	420.0	7.8
	Debt securities	234.8	240.1	240.3	258.3	17.9
	Loans	137.2	137.9	128.4	127.9	−0.4
	Currency & deposits	78.1	79.8	79.9	88.7	8.8
	Trade credits and advances	35.6	33.9	35.6	35.5	−0.1
	Direct investment : Intercompany lending	109.9	109.4	111.2	115.0	3.8
	Other assets in debt instruments	28.8	31.7	32.1	35.2	3.2
External debt (B)		672.5	667.5	658.3	702.7	44.4
Sector	General government	172.5	165.3	160.2	182.4	22.2
	Central bank	26.4	24.9	23.8	26.7	3.0
	Deposit-taking corporations, except the central bank	249.5	250.2	247.9	253.7	5.8
	Other sectors	224.2	227.1	226.4	239.8	13.4
	- Other financial corporations	53.6	58.0	57.8	63.7	5.9
	- Nonfinancial corporations, households, and NPISHs	170.6	169.1	168.6	176.2	7.5
Maturity	Short-term	140.7	141.0	142.0	158.7	16.8
	(Short-term external debt ratio)[1)]	33.5	33.6	34.4	37.8	3.4
	Long-term	531.9	526.5	516.3	544.0	27.6
Type	Debt securities	390.3	385.1	376.5	403.0	26.6
	Loans	142.0	143.3	144.4	151.1	6.6
	Currency & deposits	37.8	38.2	38.4	40.0	1.6
	Trade credits and advances	17.9	17.1	16.2	16.9	0.7
	Direct investment : Intercompany lending	54.5	53.3	53.2	58.2	5.0
	Other debt liabilities	30.0	30.5	29.6	33.5	4.0
Net external assets (A-B)		372.0	384.6	381.5	378.0	−3.4

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

(Appendix 3)

<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.