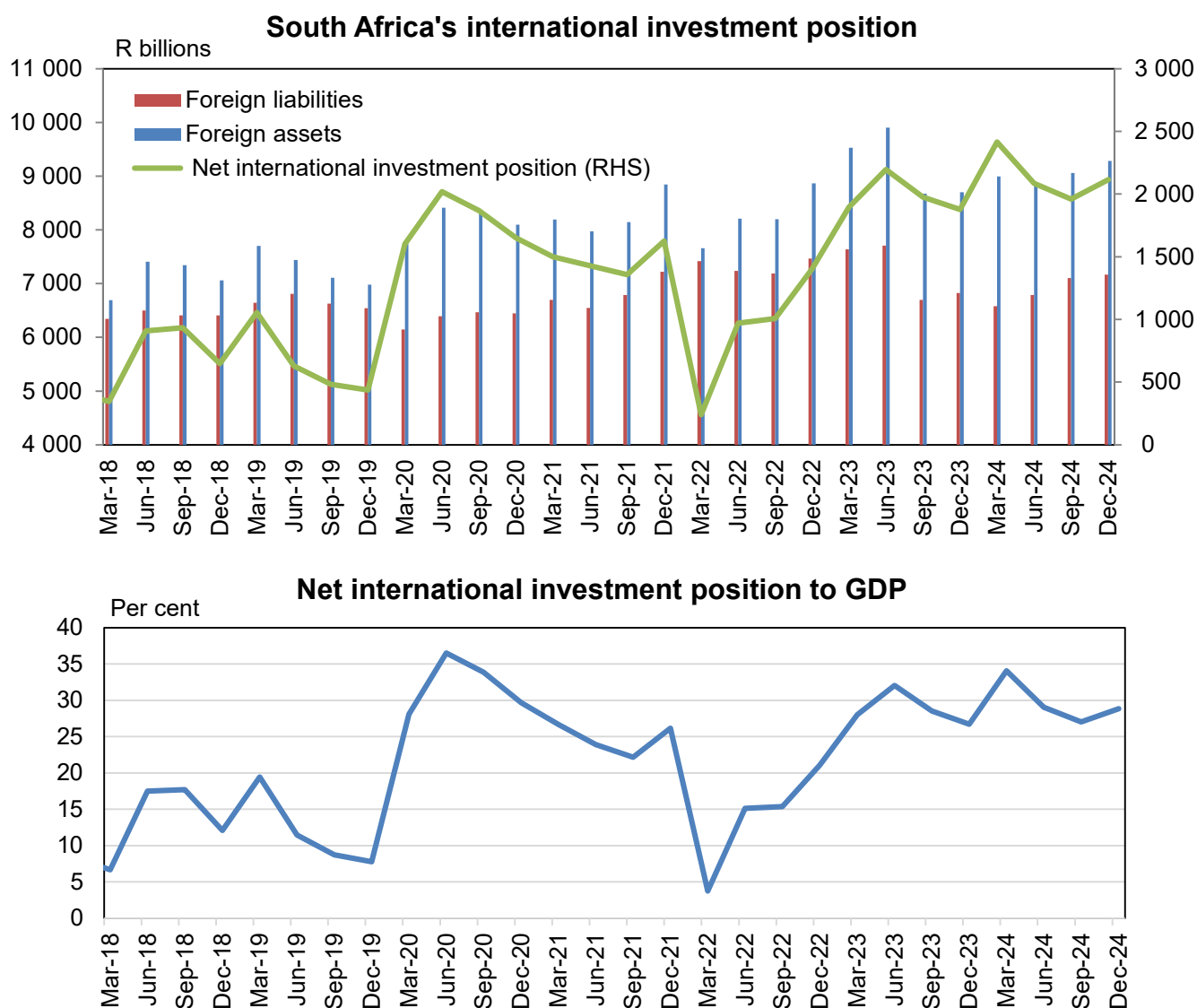


South Africa's international investment position

Net¹ international investment position

South Africa's positive net international investment position (IIP) increased from a revised R1 960 billion at the end of September 2024 to R2 117 billion at the end of December as foreign assets increased more than foreign liabilities. The depreciation in the exchange value of the rand, as reflected by the 3.5% decrease in the nominal effective exchange rate in the fourth quarter of 2024, had a larger impact on foreign assets than on foreign liabilities over this period.



Source: SARB

¹ Net calculated as foreign assets minus foreign liabilities.

Foreign assets

The market value of South Africa's foreign assets (outward investment) increased by 2.5% from a revised R9 060 billion at the end of September 2024 to R9 284 billion at the end of December. All functional categories of foreign assets increased in the fourth quarter of 2024, except for financial derivatives and other investment assets. Direct investment assets increased slightly as the valuation effects associated with the depreciation of the rand, were slightly dampened by further reduction in shareholding in a non-resident subsidiary by a domestic company. Portfolio investment assets increased as the private non-banking and banking sectors acquired foreign equity and debt securities respectively and this increase was further amplified by the depreciation in the exchange rate of the rand. Reserve assets increased, mainly from the proceeds of the national government's issuance of two international bonds totalling US\$3.5 billion as well as the valuation effects of the decline in the exchange value of the rand. Other investment assets decreased as the domestic private banking and non-banking sectors received loan repayments from non-residents, which more than offset the increase in deposits at non-resident banks by the domestic banking sector.

Composition of outward investment

R billions

	31 Dec 2023	31 Mar 2024	30 Jun 2024	30 Sep 2024	31 Dec 2024
Direct investment.....	2 791	2 824	2 766	2 750	2 770
Portfolio investment.....	3 883	4 045	4 116	4 223	4 313
Financial derivatives.....	115	114	108	135	117
Other investment.....	755	826	753	859	856
Reserve assets.....	1 158	1 186	1 130	1 093	1 227
Total.....	8 701	8 995	8 874	9 060	9 284
<i>Memo: US\$/Rand exchange rate</i>	18.5826	18.9926	18.2138	17.1136	18.7115

Source: SARB

Components may not add up to totals due to rounding off.

Foreign liabilities

The market value of South Africa's foreign liabilities (inward investment) increased by 0.9% from a revised R7 100 billion at the end of September 2024 to R7 167 billion at the end of December, as portfolio and other investment liabilities increased, while direct investment liabilities and financial derivatives declined. Portfolio investment liabilities increased moderately as the national government issued two international bonds amounting to US\$3.5 billion in the fourth quarter of 2024, which was only partially countered by a 2.8% decrease in the FTSE/JSE All-Share Index in the fourth quarter of 2024. The increase in other investment liabilities is mainly attributable to non-residents granting long-term loans to domestic public corporations, while national government's fifth instalment of eight

quarterly repayments of XDR381 million on an IMF loan partly countered this increase. Direct investment declined mainly due to valuation effects following the decrease in the FTSE/JSE All-Share Index in the fourth quarter of 2024.

Composition of inward investment

R billions

	31 Dec 2023	31 Mar 2024	30 Jun 2024	30 Sep 2024	31 Dec 2024
Direct investment.....	2 062	2 031	2 131	2 136	2 119
Portfolio investment.....	3 399	3 092	3 258	3 531	3 582
Financial derivatives.....	97	92	94	122	108
Other investment.....	1 266	1 365	1 305	1 312	1 358
Total.....	6 824	6 580	6 788	7 100	7 167
<i>Memo: US\$/Rand exchange rate</i>	18.5826	18.9926	18.2138	17.1136	18.7115

Source: SARB

Components may not add up to totals due to rounding off.

Concluding comments

South Africa's positive net IIP increased as the market value of foreign assets increased more than foreign liabilities. As a ratio of South Africa's annual gross domestic product (GDP),² foreign assets increased from 124.9% at the end of September 2024 to 126.5% at the end of December, while foreign liabilities decreased from 97.9% to 97.7% over the same period. This resulted in an increase in the positive net IIP from 27.0% at the end of September 2024 to 28.9% of GDP at the end of December.

South Africa's IIP as at end March 2025 will be released on the Bank's website at the end of June 2025.

² Annual GDP is calculated as the sum of the most recent four quarters' of nominal GDP.