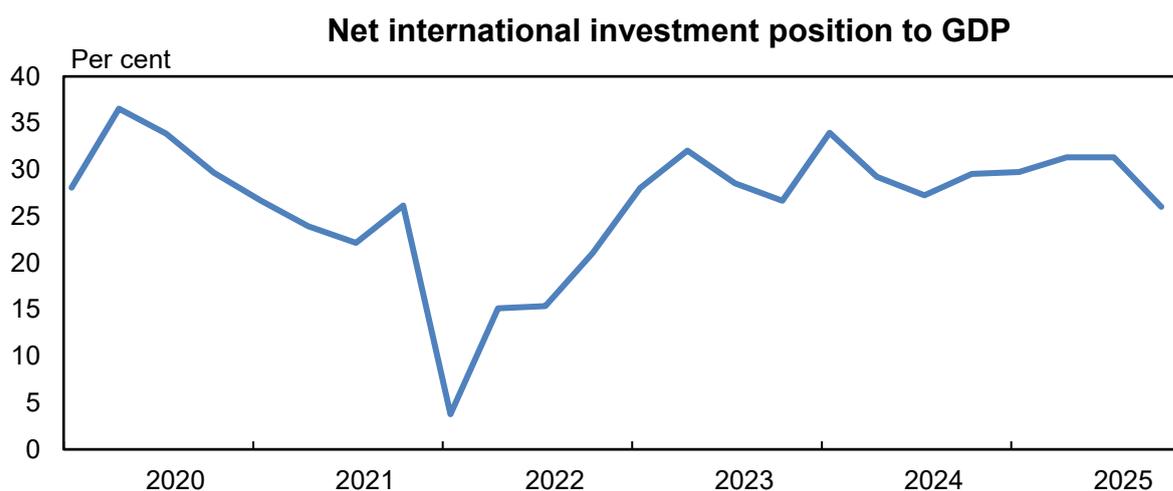
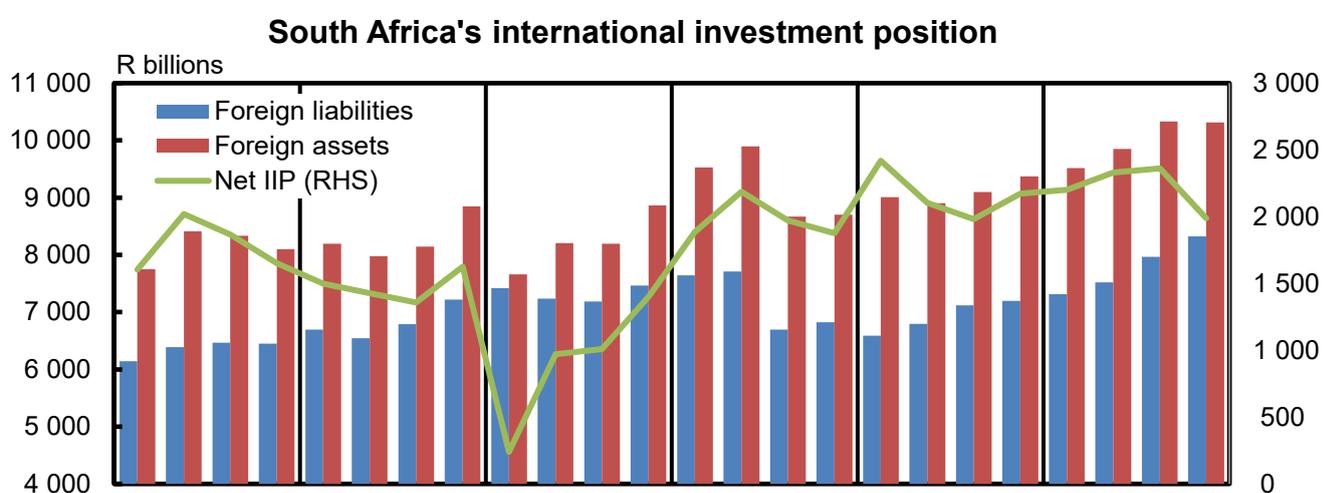


## South Africa's international investment position

### Net<sup>1</sup> international investment position

South Africa's positive net international investment position (IIP) declined from a revised R2 362 billion at the end of September 2025 to R1 988 billion at the end of December as foreign assets declined slightly while foreign liabilities increased. The increase in foreign liabilities can mainly be attributed to price valuation effects, resulting from a 7.3% increase in the FTSE/JSE All-Share Index (Alsi) during the fourth quarter of 2025. The appreciation in the exchange value of the rand, as reflected by the 3.7% increase in the nominal effective exchange rate (NEER) in the fourth quarter of 2025, had a larger negative impact on foreign assets than on foreign liabilities over this period.



Source: SARB

<sup>1</sup> Net calculated as foreign assets minus foreign liabilities.

## Foreign assets

The market value of South Africa's foreign assets (outward investment) declined by 0.1% from a revised R10 328 billion at the end of September 2025 to R10 314 billion at the end of December, as direct investment and other investment assets declined, while portfolio investment, financial derivatives and reserve assets increased. Direct investment assets decreased mainly as a result of the decrease in the share price of a foreign subsidiary of a domestic parent company and a further sale of shares by the domestic parent company. Other investment assets decreased marginally as the domestic private non-banking sector received short-term loan and trade finance repayments from non-residents, which more than offset the increase in loans and deposits at non-resident banks by the domestic banking sector. Portfolio investment assets increased as the value of dual listed companies with primary listing abroad increased and foreign share market indices advanced for the third consecutive quarter – the Standard & Poor's (S&P) 500 Index increased by 2.3% in the fourth quarter of 2025. These factors outweighed valuation effects of the appreciation in the exchange value of the rand. Reserve assets increased mainly as a result of the foreign currency proceeds from the issuance of two international bonds by national government to the value of US\$3.5 billion, which was augmented by the increase in the gold price.

## Composition of outward investment

R billions

	31 Dec 2024	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Direct investment.....	2 879	2 967	3 129	3 228	3 083
Portfolio investment.....	4 298	4 397	4 595	4 865	4 937
Financial derivatives.....	117	104	119	134	146
Other investment.....	850	809	792	896	888
Reserve assets.....	1 227	1 239	1 216	1 205	1 260
Total.....	9 371	9 516	9 851	10 328	10 314
<i>Memo: US\$/Rand exchange rate</i>	18.7115	18.2953	17.7758	17.2813	16.5980

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 4.5% from a revised R7 966 billion at the end of September 2025 to R8 325 billion at the end of December as all functional categories increased except other investment. Direct and portfolio investment liabilities increased mainly due to valuation effects, resulting from an increase in the FTSE/JSE All-share Index of 7.3% in the fourth quarter of 2025. Direct investment liabilities increased on the back of inward direct investment transactions during the fourth

quarter of 2025. The increase in portfolio investment liabilities further reflected national government issuance of two international bonds amounting to US\$3.5 billion in the fourth quarter of 2025, which was partly offset by the redemption of a domestic bond by national government. The decrease in other investment liabilities is mainly attributable to repayments of short-term loans by the domestic private non-banking sector to non-residents, though partly countered by an increase in short-term loans of the domestic banking sector.

### Composition of inward investment

R billions

	31 Dec 2024	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Direct investment.....	2 165	2 136	2 107	2 093	2 198
Portfolio investment.....	3 569	3 682	3 936	4 270	4 529
Financial derivatives.....	108	93	114	135	150
Other investment.....	1 358	1 405	1 361	1 468	1 449
Total.....	7 199	7 316	7 519	7 966	8 325
<i>Memo: US\$/Rand exchange rate</i>	18.7115	18.2953	17.7758	17.2813	16.5980

Source: SARB

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

### Concluding comments

South Africa's positive net IIP decreased as the market value of foreign assets decreased slightly while foreign liabilities increased. As a ratio of South Africa's annual gross domestic product (GDP),<sup>2</sup> foreign assets decreased from 137.0% at the end of September 2025 to 135.0% at the end of December, while foreign liabilities increased from 105.7% to 108.9% over the same period. This resulted in a decrease in the positive net IIP from 31.3% at the end of September 2025 to 26.0% of GDP at the end of December.

South Africa's IIP as at end March 2026 will be released on the Bank's website at the end of June 2026.

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<sup>2</sup> Annual GDP is calculated as the sum of the most recent four quarters of nominal GDP.