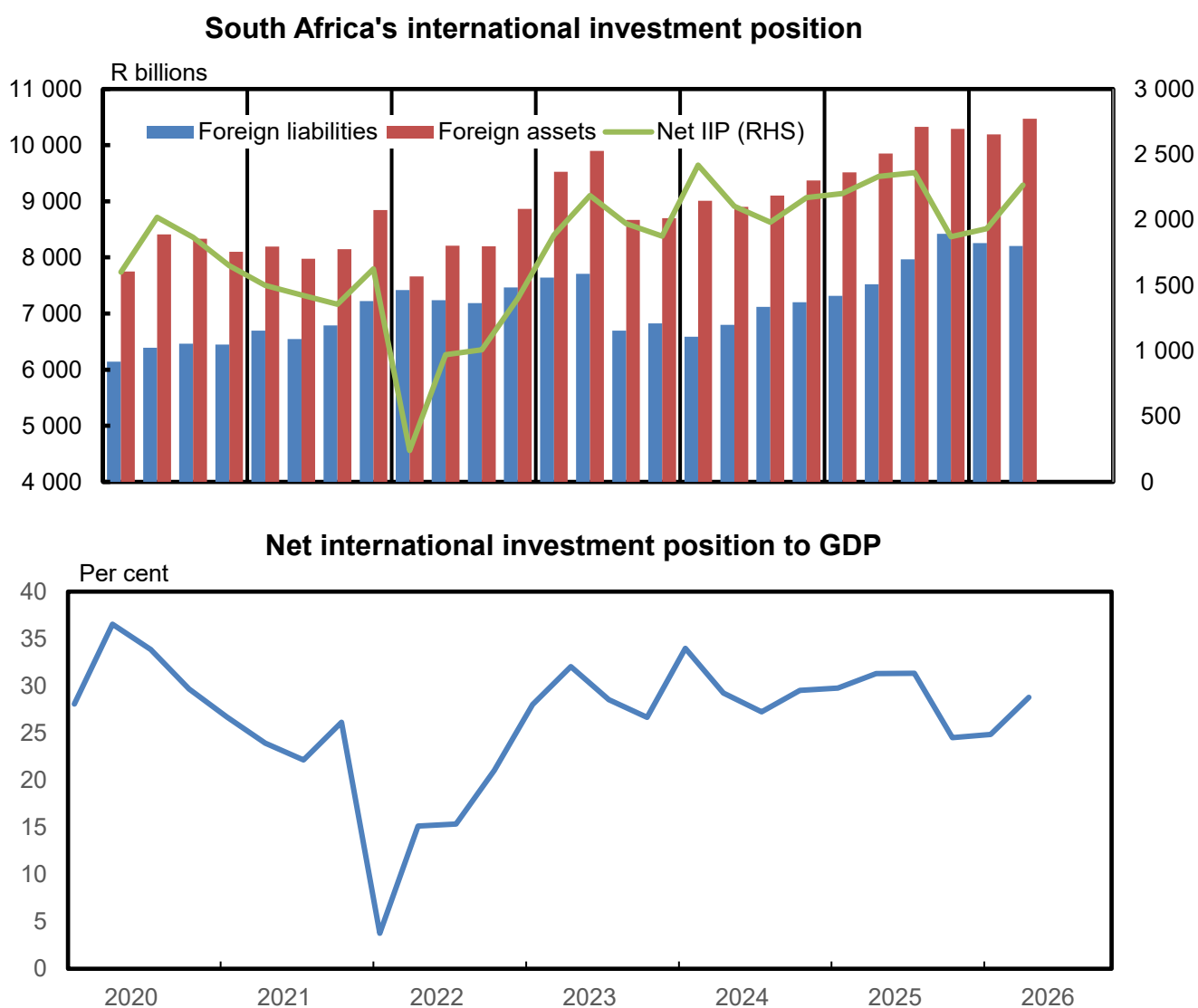


South Africa's international investment position

Net¹ international investment position

South Africa's positive net international investment position (IIP) increased notably from a revised R1 939 billion at the end of March 2026 to R2 272 billion at the end of June as the market value of foreign assets increased while foreign liabilities decreased. The increase in foreign assets can mainly be attributed to an increase in portfolio investment assets due to price valuation effects as major international share indices rose in the second quarter of 2026. Over the same period, the 3.9% increase in the nominal effective exchange value of the rand (NEER) reduced the rand value of both foreign assets and liabilities, with a larger effect on foreign assets.



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 2.7% from a revised R10 196 billion at the end of March 2026 to R10 476 billion at the end of June. Portfolio investment was the only functional category of foreign assets to increase in the second quarter of 2026, more than offsetting declines in all other categories. The increase in portfolio investment assets was largely driven by an 18.2% increase in the US Standard & Poor's (S&P) 500 Index and, to a lesser extent, higher valuations of dual-listed companies. Direct investment assets declined mainly because of a lower market valuation of a large foreign investment held by a South African company, which was augmented by the reduction of its shareholding in the subsidiary. Other investment assets decreased marginally as the domestic private banking and non-banking sectors recorded repayments of short-term loans by non-residents, partly offset by increased deposits at non-resident banks. The decline in reserve assets was attributable to the redemption of a US\$1.25 billion international bond by national government and the exchange rate as well as gold valuation effects.

Composition of outward investment

R billions

	30 Jun 2025	31 Sep 2025	30 Dec 2025	30 Mar 2026	30 Jun 2026
Direct investment.....	3 129	3 228	3 056	2 843	2 805
Portfolio investment.....	4 595	4 865	4 944	4 933	5 390
Financial derivatives.....	119	134	146	142	124
Other investment.....	792	896	885	950	944
Reserve assets.....	1 216	1 205	1 260	1 328	1 213
Total.....	9 851	10 328	10 291	10 196	10 476
<i>Memo: US\$/Rand exchange rate</i>	17.7758	17.2813	16.5980	17.0943	16.4072

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) decreased by 0.6% from a revised R8 257 billion at the end of March 2026 to R8 204 billion at the end of June. Foreign liabilities declined across all functional categories except direct investment. Portfolio investment liabilities decreased during the second quarter of 2026, largely owing to valuation losses arising from a 3.3% decline in the FTSE/JSE All-Share Index and the redemption of a US\$1.25 billion international bond by national government. These decreases were partly offset by non-residents' net purchases of domestic debt securities and valuation gains associated with movements in South African bond yields. The decrease in other investment liabilities resulted mainly from non-residents' withdrawal of deposits from the domestic private banking sector. Direct investment liabilities

increased primarily due to a domestic company in the telecommunications sector receiving loan funding from a non-resident parent company.

Composition of inward investment

R billions

	30 Jun 2025	31 Sep 2025	30 Dec 2025	30 Mar 2026	30 Jun 2026
Direct investment.....	2 107	2 093	2 171	2 190	2 254
Portfolio investment.....	3 936	4 270	4 648	4 419	4 385
Financial derivatives.....	114	135	150	137	114
Other investment.....	1 361	1 468	1 449	1 511	1 450
Total.....	7 519	7 966	8 418	8 257	8 204
<i>Memo: US\$/Rand exchange rate</i>	17.7758	17.2813	16.5980	17.0943	16.4072

Source: SARB

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

Concluding comments

South Africa's positive net IIP increased markedly as the market value of foreign assets increased while foreign liabilities decreased. As a ratio of South Africa's annual gross domestic product (GDP),² foreign assets increased from 130.9% at the end of March 2026 to 133.0% at the end of June 2026, while foreign liabilities decreased from 106.0% to 104.2% over the same period. Consequently, the positive net IIP increased from 24.8% at the end of March 2026 to 28.8% at the end June 2026.

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

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