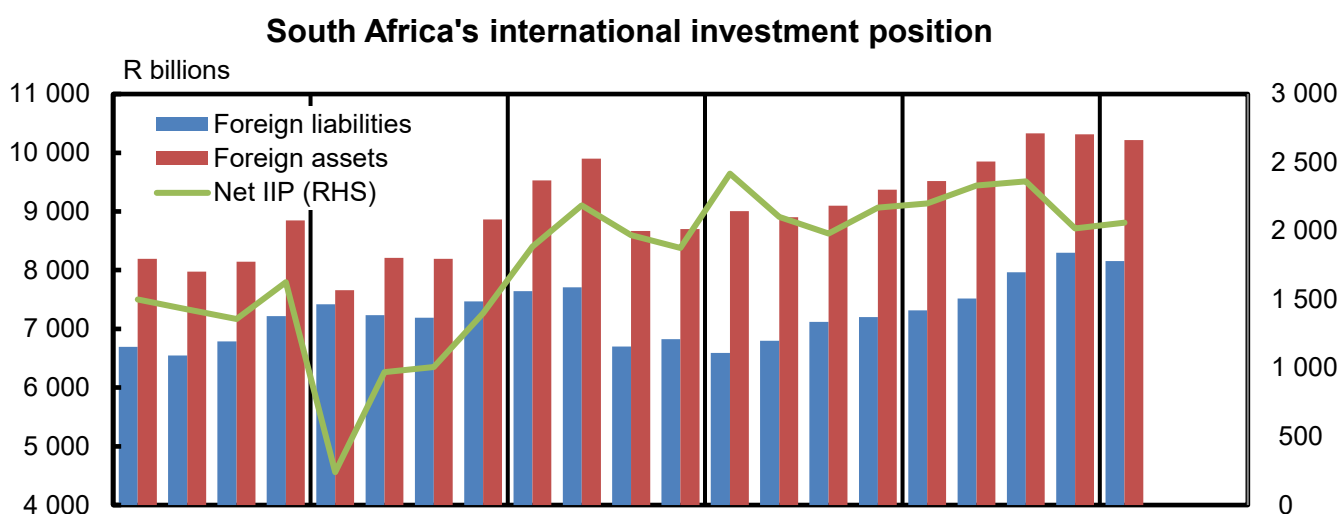


South Africa's international investment position

Net¹ international investment position

South Africa's positive net international investment position (IIP) increased from a revised R2 018 billion at the end of December 2025 to R2 060 billion at the end of March 2026 as the decrease in foreign liabilities exceeded that in foreign assets. The depreciation in the exchange value of the rand, as reflected by the 2.0% decrease in the nominal effective exchange rate (NEER) in the first quarter of 2026, 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) declined by 1.0% from a revised R10 314 billion at the end of December 2025 to R10 215 billion at the end of March 2026. All functional categories of foreign assets decreased in the first quarter of 2026, except for other investment and reserve assets. Direct and portfolio investment assets decreased mainly as a result of the valuation effects attributable to lower share prices of dual-listed companies with headquarters abroad. Other investment assets increased as the domestic private banking sector extended short-term loans to and increased deposits at non-resident banks. In addition, the private non-banking sector also extended short-term loans to non-residents. Reserve assets increased predominantly due to valuation effects resulting from the depreciation in the exchange rate of the rand as well as the increase in the gold price.

Composition of outward investment

R billions

	31 Mar 2025	30 June 2025	30 Sep 2025	31 Dec 2025	31 Mar 2026
Direct investment.....	2 967	3 129	3 228	3 083	2 868
Portfolio investment.....	4 397	4 595	4 865	4 937	4 922
Financial derivatives.....	104	119	134	146	142
Other investment.....	809	792	896	889	956
Reserve assets.....	1 239	1 216	1 205	1 260	1 328
Total.....	9 516	9 851	10 328	10 314	10 215
<i>Memo: US\$/Rand exchange rate</i>	18.2953	17.7758	17.2813	16.5980	17.0943

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) declined by 1.7% from a revised R8 296 billion at the end of December 2025 to R8 155 billion at the end of March 2026, mainly due to lower portfolio investment liabilities and financial derivatives which more than offset increases in direct and other investment liabilities. Portfolio investment liabilities declined mainly due to valuation effects resulting from the 1.5% decrease in the FTSE/JSE All-share Index in the first quarter 2026. Furthermore, the increase in domestic bonds yields in the first quarter of 2026 also led to a decline in the market value of non-resident rand-denominated bond holdings. Direct investment liabilities increased due to an increase in equity valuations and loan financing to domestic subsidiaries. The increase in other investment liabilities can mainly be attributed to non-residents granting short-term loans to the domestic banking sector and the private non-banking sector as well as an increase in non-resident deposits with domestic banks.

Composition of inward investment

R billions

	31 Mar 2025	30 June 2025	30 Sep 2025	31 Dec 2025	31 Mar 2026
Direct investment.....	2 136	2 107	2 093	2 169	2 197
Portfolio investment.....	3 682	3 936	4 270	4 529	4 311
Financial derivatives.....	93	114	135	150	137
Other investment.....	1 405	1 361	1 468	1 449	1 511
Total.....	7 316	7 519	7 966	8 296	8 155
<i>Memo: US\$/Rand exchange rate</i>	18.2953	17.7758	17.2813	16.5980	17.0943

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 liabilities decreased more than foreign assets. As a ratio of South Africa's annual gross domestic product (GDP),² foreign liabilities decreased from 108.6% at the end of December 2025 to 104.8% at the end of March 2026, while foreign assets decreased from 135.0% to 131.3% over the same period. This resulted in a marginal increase in the positive net IIP from 26.4% at the end of December 2025 to 26.5% of GDP at the end of March 2026.

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

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