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AUTHORS AND/OR EDITORS

[Office for Monetary Policy and Economic Information](#) [Technical and Economic Information Department](#)
[Financial Accounts Section](#)

Below is a summary of the financial accounts by institutional sector and by financial instrument. For further details, please refer to the [Technical Bulletin \(Only in Spanish\)](#).

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Saving-Investment Flows for the fourth quarter of 2023

1. By institutional sector

According to the financial accounts calculated by Banco de la República (the Central Bank of Colombia), in the fourth quarter of 2023, the current account deficit of the Colombian economy reached 1.6% of quarterly GDP, compared to 6.2% in the same period of 2022. This is mainly explained by the deficits of the General Government (17.9%) and financial corporations (0.8%).

Graph 1. Current Account Deficit of the Colombian Economy and Savings and Investment Balances by Institutional Sector, Q4 2022 – Q4 2023

Source: *Banco de la República* (the Central Bank of Colombia) - Financial Accounts.

Compared to the third quarter of 2022, financing needs decreased by 4.6 pp. This was mainly explained by the higher net financing capacities of non-financial corporations (3.5 pp), Households (3.1 pp) and financial corporations (0.3 pp). These changes were partially offset by the increase in the General Government's net financing needs (2.3 pp).

Graph 2. Explanation of the Change in the Colombian Economy's Savings-Investment Balance by Institutional Sector, Q4 2022 - Q4 2023

Source: *Banco de la República* (the Central Bank of Colombia) - Financial Accounts.

2. By financial instrument / net external financing

The negative quarterly saving-investment balance of the Colombian economy was covered by net external financing flows equivalent to 1.6% of quarterly GDP. Net inflows of financial resources from the rest of the world were channeled mainly through foreign direct investment and other equity investments (F5) of 1.8% and through loans (F4) from the rest of the world of 1.7%. This was offset by a net increase in foreign deposits (F2) of 2.6% of quarterly GDP.

Graph 3. Net External Financing of Colombia's Saving-Investment Balance by Financial Instrument, Q4 2022 - Q4 2023

Source: *Banco de la República* (the Central Bank of Colombia) - Financial Accounts.

Compared to the fourth quarter of 2022, the decrease in external financing flows of 4.6 pp was mainly explained by the decrease in external acquisition of loans (F4) by 4.2 pp and lower net external issuance of equity investments (F5) by 3.9 pp. This was partially offset by an increase in external financing through accounts payable (F8) by 2.0 pp. and by the lower accumulation of deposits abroad (F2) by 1.1 pp.

Graph 4. Explanation of the change in the Colombian economy's financing needs by financial instrument, Q4 2022 - Q4 2023

Source: *Banco de la República* (the Central Bank of Colombia) - Financial Accounts.

Financial Account Balances for the fourth quarter of 2023

1. Net financial position by institutional sector

At the end of the fourth quarter of 2023, the Colombian economy recorded a net debtor position with the rest of the world equivalent to -56.0% of annual GDP. This is explained by the net debtor position of Non-Financial Corporations (-82.7%) and the General Government (-35.8%). This was partially offset by the net creditor positions of households (51.8%) and financial corporations (10.4%).

Compared to the fourth quarter of 2022, there was a 4.4 pp increase in the external debtor position of the economy, explained by the reduction in the net creditor positions of households (5.4 pp) and financial corporations (5.3 pp). These changes were partially offset by the decrease in the net debtor positions of non-financial corporations (3.4 pp) and the General Government (3.0 pp).

Graph 5. Colombia's Net Financial Position by institutional sector, Q4 2022 – Q4 2023 (percentage of annual nominal GDP*)

 **Source:** *Banco de la República* (the Central Bank of Colombia) - Financial Accounts.

2. Net external position by financial instrument

At the end of the fourth quarter of 2023, the net debtor position of the Colombian economy with the rest of the world equivalent to -56.0% was mainly represented by equity (F5) of -42.7% and Loans (F4) of -20.8% of annual GDP. This was partially offset by Colombians' foreign holdings of cash and deposits (F2) of 5.3% and foreign reserves in monetary gold and SDRs (F1) of 1.0%.

Compared to the fourth quarter of 2022, the increase in the economy's net debtor position by 4.4 pp was mainly due to higher net external issuance of equity (F5) by -8.7 pp. This variation was offset by a lower level of debt through loans (F4) by 5.7 pp.

Graph 6. Net External Financial Position of the Colombian Economy by financial instrument, Q4 2022 – Q4 2023 (percentage of annual nominal GDP*)

 **Source:** *Banco de la República* (the Central Bank of Colombia) - Financial Accounts.