Report on the Evolution of the Balance of Payments and International Investment Position – Third Quarter of 2024

Download (only in Spanish) Balance of payments statistics (only in Spanish) ¿Cómo encontrar las series sobre la Balanza de Pagos en el nuevo Portal de Esta… AUTHORS AND/OR EDITORS Office for Monetary Policy and Economic Information Technical and Economic Information Department
The quarterly report on the performance of Colombia's balance of payments and international investment position outlines the main results for the country's current account and financial account, as well as the evolution of their items.

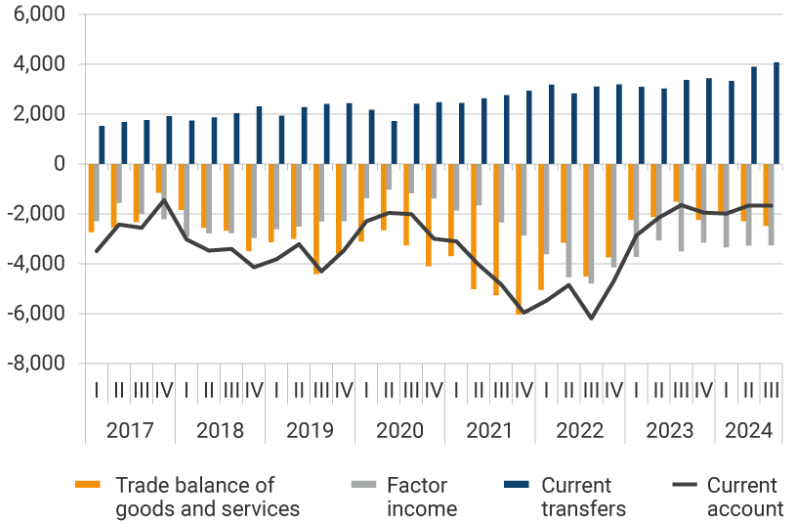
See the report (only in Spanish)

Publication Date: Monday, 9 of December 2024 1. Overall Results for the Balance of Payments
During the third quarter of 2024, Colombia’s current account of the balance of payments registered a deficit of USD 1,669 million (m), equivalent to 1.6% of the quarterly Gross Domestic Product (GDP). In turn, the financial account, including changes in reserve assets (USD 1,046 m), recorded net capital inflows of USD 981 m (0.9% of the quarterly GDP). Errors and omissions were estimated at USD 688 m.

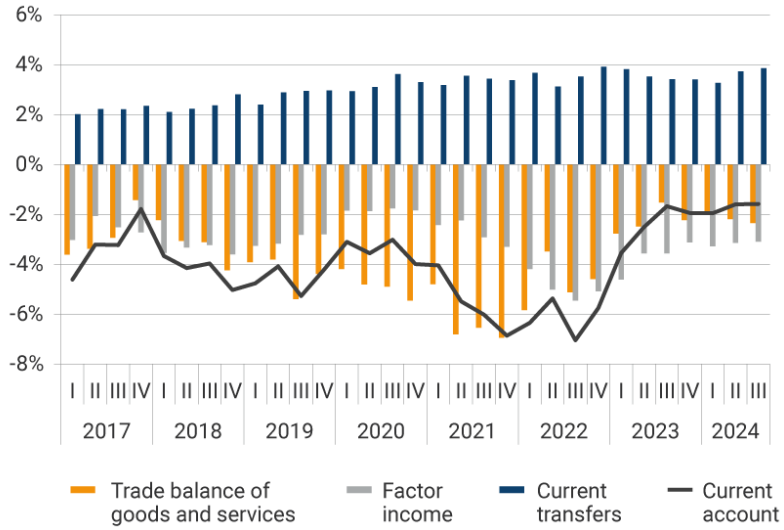
By components, the current account deficit (USD 1,669 m) in the third quarter of 2024 was due to net factor income outflows amounting to USD 3,262 m and deficit balances in foreign trade of goods of USD 2,357 m and services of USD 124 m. These results were partially offset by net income from current transfers of USD 4,073 m (Graph 1).

Graph 1. Components of Colombia’s Current Account of the Balance of Payments

Figures in millions of US dollars



Figures as a percentage of GDP

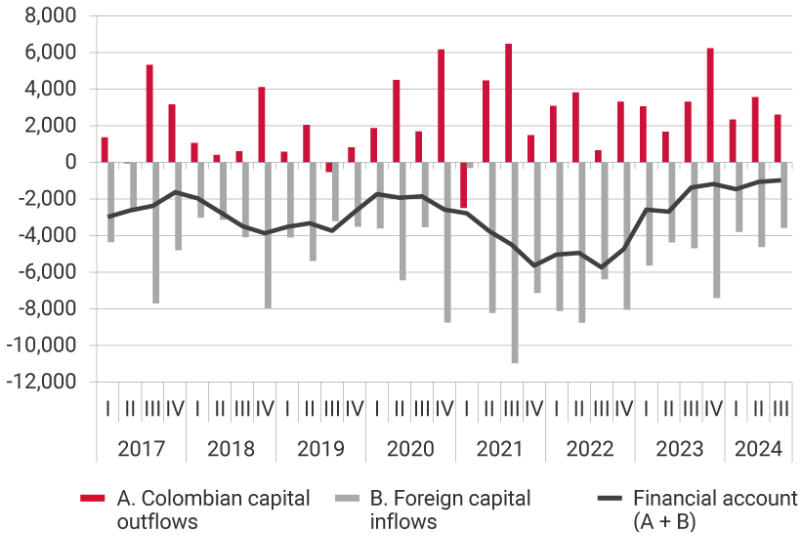


Source: *Banco de la República* (the Central Bank of Colombia)

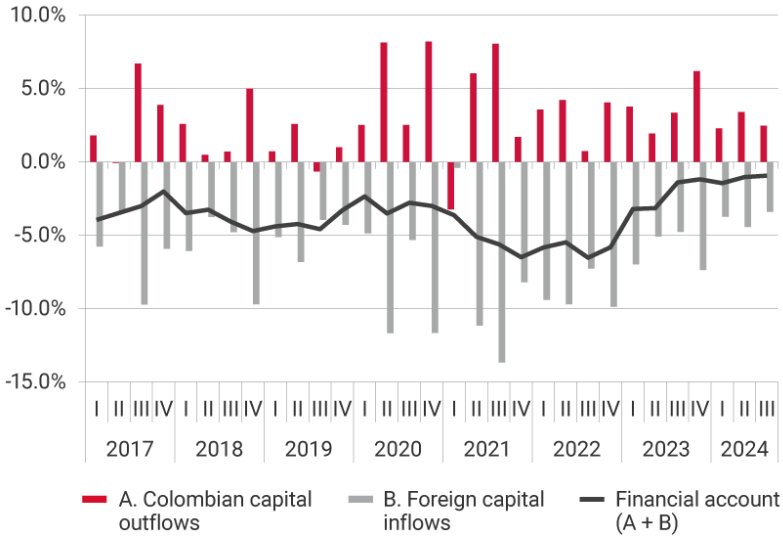
Regarding the financial account for the third quarter of 2024, net capital inflows are estimated at USD 981 m, corresponding to foreign capital inflows (USD 3,870 m), Colombian capital outflows (USD 1,561 m), payments from residents to non-residents for losses in financial derivatives transactions (USD 282 m), and the increase in foreign reserves due to balance of payments transactions (USD 1,046 m) (Graph 2).

Graph 2. Components of Colombia's Financial Account of the Balance of Payments

Figures in millions of US dollars



Figures as a percentage of GDP



Note: According to the Sixth Edition of the International Monetary Fund's Balance of Payments Manual, the financial account is presented with the same sign as the current account. For example, if the current account is in deficit, the financial account is negative, showing that the economy is resorting to external financing and/or liquidating its external assets to finance its excess current expenditure.
Source: *Banco de la República* (the Central Bank of Colombia)

2. Quarterly and Annual Evolution of the Current and Financial Accounts of Colombia's Balance of Paymentsa) Current Account
The estimated current account deficit for the third quarter of 2024 (USD 1,669 m, 1.6% of GDP) increased by USD 4 m compared to the immediately preceding quarter. This was mainly due to a larger deficit in the trade balance of goods, offset by a reduction in the deficit of the trade balance of services, an increase in net income from current transfers, and lower net factor income outflows (Graph 1).

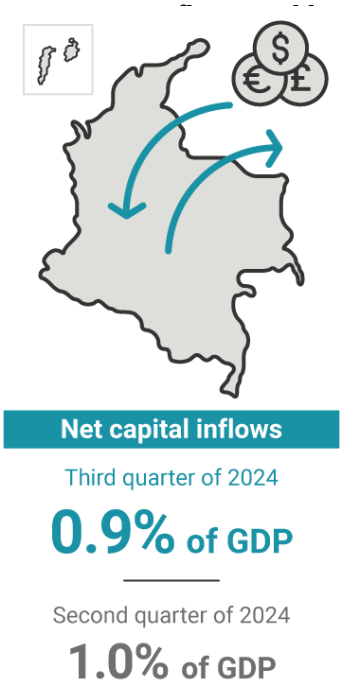
For the January-September period of 2024, the current account deficit (USD 5,325 m, 1.7% of GDP) is lower by the same period of 2023, which is mainly explained by the increase in net income reduction of the deficit in the trade balance of services, and lower net factor income re partially offset by the widening in the goods trade deficit.



b) Financial Account

Net capital inflows of USD 981 m (0.9% of GDP) recorded during the third quarter of 2024 in the financial account decreased by USD 89 m compared to the immediately preceding quarter. This result is mainly explained by foreign portfolio divestments, decreased assets abroad, and greater accumulation of reserve assets, partially offset by higher net disbursements of loans and other external credits, and higher foreign direct investment inflows.

During the first nine months of 2024, compared to the same period in 2023, the financial account (USD 3,519 m, 1.1% of GDP) showed lower net inflows of USD 3,146 m, mainly explained by lower net foreign direct ...gher net outflows for Colombian direct investment abroad, as well as greater ...sets. These flows were partially offset by decreased assets abroad and higher foreign ...ties.

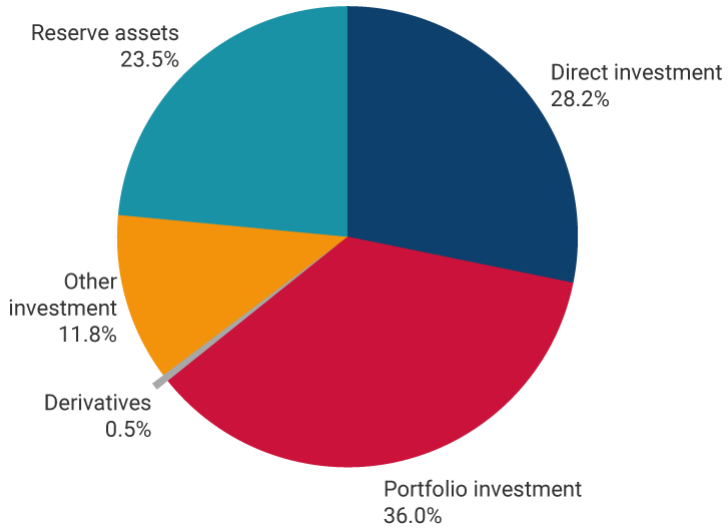


3. International Investment Position (IIP)

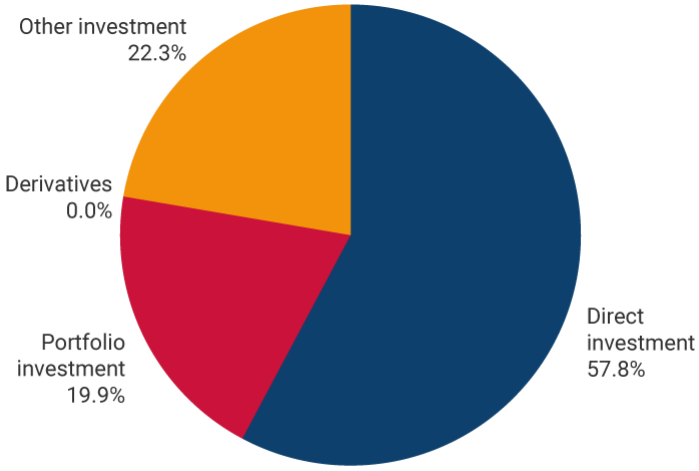
At the end of September 2024, Colombia recorded a negative net international investment position of USD 185,016 m (44.9% of annual GDP), resulting from assets of USD 270,851 m (65.7% of annual GDP) and liabilities of USD 455,866 m (110.5% of annual GDP). Of the total asset balance, 36% corresponds to portfolio investment, 28.2% to Colombian direct investment abroad, 23.5% to reserve assets, and the remaining 12.3% to other assets such as loans, other foreign credits, deposits abroad, and financial derivatives. Liabilities are broken down into 57.8% foreign direct investment, 22.3% other liabilities (where external loans stand out), and 19.9% portfolio investment.

Graph 3. International Investment Position as of September 2024 (USD 185,016 m, 44.9% of GDP 1)

Assets
USD 270,851 m



Liabilities
USD 455,866 m



1 The GDP figure in US dollars corresponds to the sum of the last four quarters.

Fuente: https://www.banrep.gov.co/en/publications-research/report-balance-payments/third-quarter-2024