Report on the Evolution of the Balance of Payments and International Investment Position - Fourth Quarter of 2024

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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.

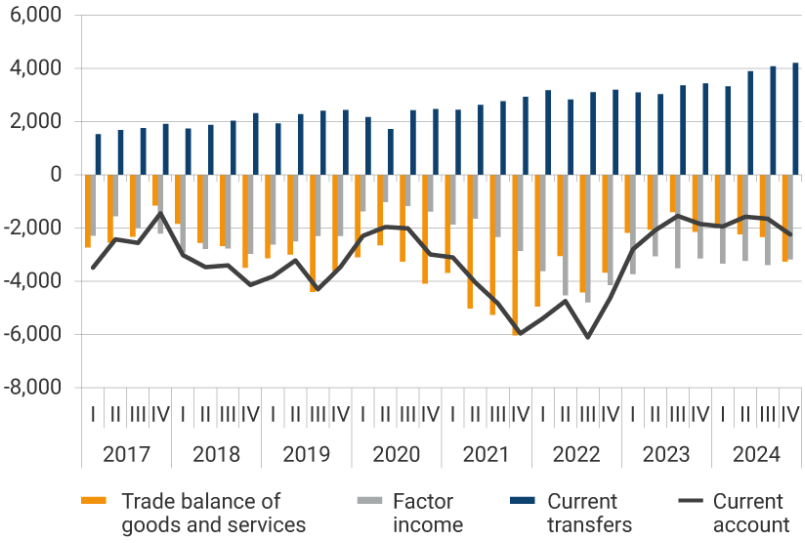
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Publication Date: Monday, 17 of March 2025 1. Overall Results for the Balance of Payments
During the fourth quarter of 2024, Colombia’s current account of the balance of payments registered a deficit of USD 2,240 million (m), equivalent to 2.1% of quarterly gross domestic product (GDP). In turn, the financial account, including the variation in reserve assets (USD 682 m), recorded net capital inflows of USD 1,784 m (1.7% of quarterly GDP). Errors and omissions were estimated at USD 457 m.

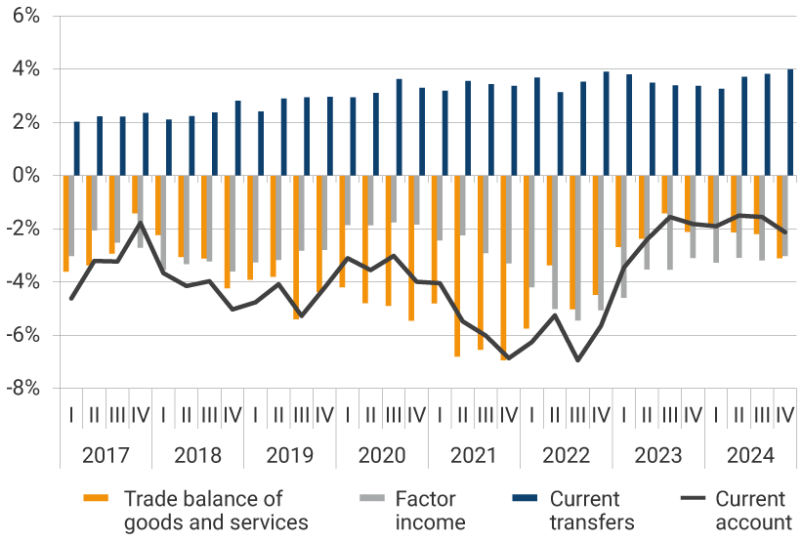
By components, the current account deficit (USD 2,240 m) in the fourth quarter of 2024 was due to net factor income outflows amounting to USD 3,184 m and deficit balances in foreign trade of goods of USD 2,772 m and services of USD 491 m. These results were partially offset by net income from current transfers (USD 4,206 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

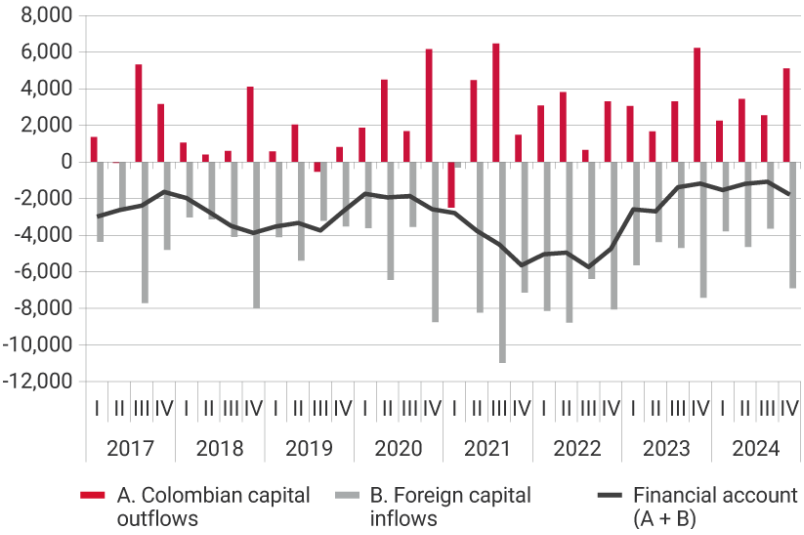


Source: *Banco de la República* (the Central Bank of Colombia)

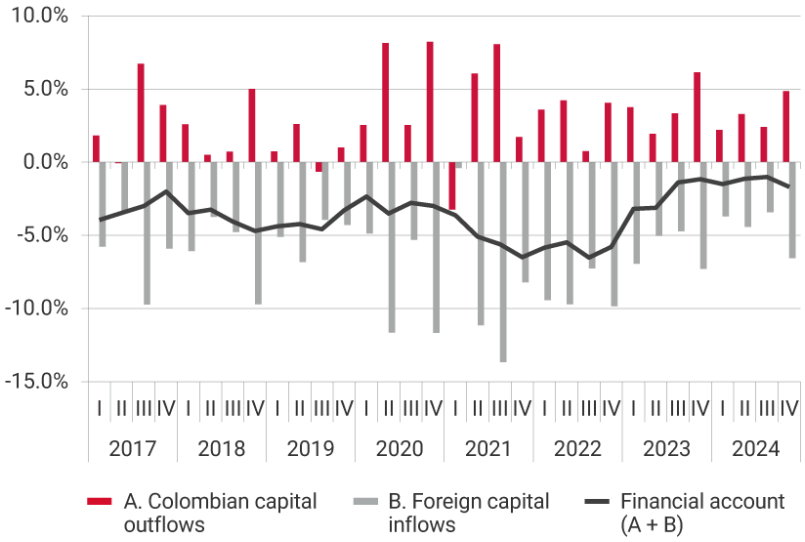
In the financial account for the fourth quarter of 2024, net capital inflows are estimated at USD 1,784 m, corresponding to foreign capital inflows (USD 7,048 m), Colombian capital outflows (USD 4,426 m), payments from residents to non-residents for losses in financial derivatives transactions (USD 157 m), and the increase in foreign reserves due to balance of payments transactions (USD 682 m) (Graph 2).

Graph 2. Components of the financial account of Colombia's 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 fourth quarter of 2024 (USD 2,240 m, 2.1% of GDP) increased by USD 586 m compared to the immediately preceding quarter. This was mainly due to a larger deficit in the trade balance of goods and services, partially offset by lower net factor income outflows and an increase in net income from current transfers (Graph 1).

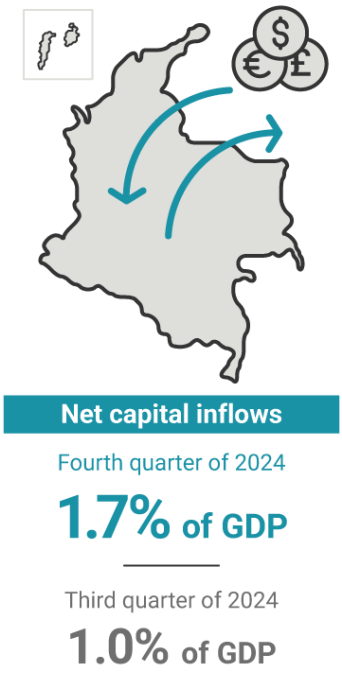
For 2024, the current account deficit (USD 7,412 m, 1.8% of GDP) is lower by USD 873 m compared to 2023, by the increase in net income from current transfers, lower net factor income ficit balance in foreign trade of services. This result was partially offset by a higher rade of goods.



b) Financial Account

Net capital inflows of USD 1,784 m (1.7% of GDP) recorded in the financial account during the fourth quarter of 2024 increased by USD 708 m compared to the immediately preceding quarter. This result is explained by higher external financing through debt securities and foreign direct investment, which were partially offset by higher deposit formations.

During 2024 (USD 5,581 m, 1.3% of GDP), compared to 2023, the financial account showed lower net inflows d is mainly explained by lower external financing from foreign direct investment and tflows to form assets from direct investment abroad. This was partially offset by lower ents abroad and higher foreign loan portfolio investment in Colombia.

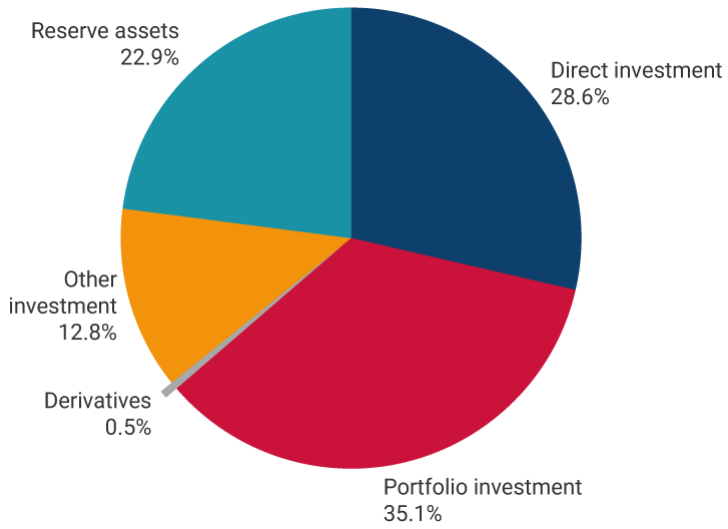


3. International Investment Position (IIP)

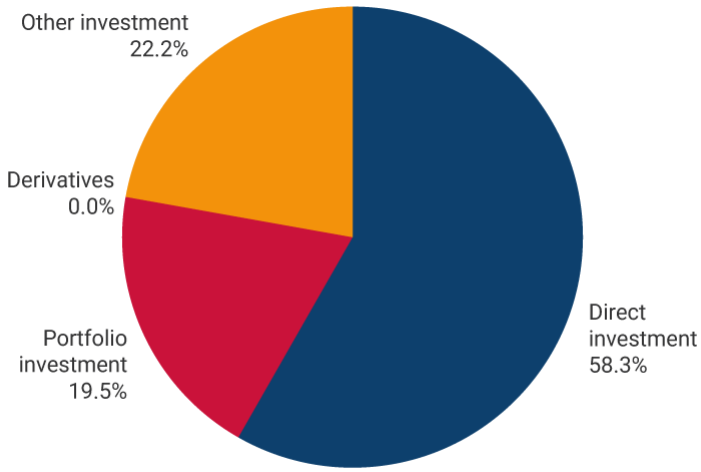
At the end of December 2024, Colombia recorded a negative net international investment position of USD 186,635 m (44.6% of annual GDP), resulting from assets of USD 272,424 m (65% of annual GDP) and liabilities of USD 459,059 m (109.6% of annual GDP). Of the total asset balance, 35.1% corresponds to loan portfolio investment, 28.6% to Colombian direct investment abroad, 22.9% to reserve assets, and the remaining 13.4% to other assets, including loans, other foreign credits, deposits abroad, and financial derivatives. Liabilities are broken down into 58.3% foreign direct investment, 22.2% other liabilities (where external loans stand out), and 19.5% loan portfolio investment.

International Investment Position as of December 2024 (USD 186,635 m, 44.6% of GDP 1)

Assets
USD 272,424 m



Liabilities
USD 459,0596 m



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

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