

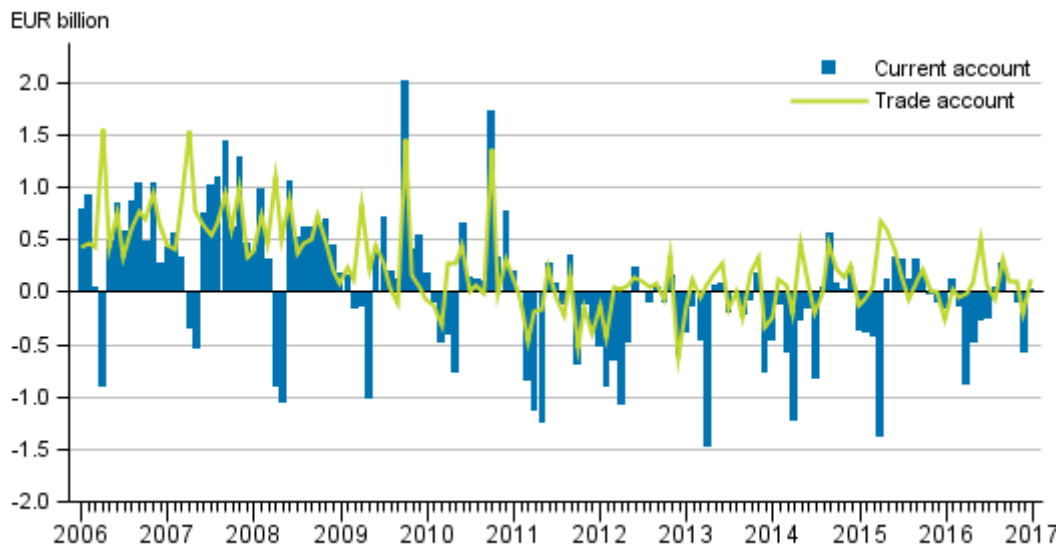
Balance of payments and international investment position

2016, 4th quarter and 2017, January

Current account in deficit in the fourth quarter, deficit in 2016 grew from the previous year

The current account showed a deficit in the last quarter of 2016 as net exports of goods and services fell clearly. Capital flowed abroad from Finland. According to Statistics Finland's preliminary data, the current account deficit for the whole of 2016 increased from the year before as the value of exports fell. The year 2016 was the sixth successive year when the current account was in deficit.

Current account and trade account



Current account in the fourth quarter and preliminary annual data

The current account showed a deficit of EUR 0.6 billion in the fourth quarter of 2016 and net exports of goods and services were EUR 0.8 billion in deficit.

In 2016, the current account was EUR 2.3 billion in deficit. The deficit grew from the previous year's EUR 1.2 billion. Net exports of goods and services fell clearly in 2016, as the deficit of the service account grew and the surplus of the goods account fell. The growth in the current account deficit both in the fourth quarter and in the whole of 2016 became less steep because the primary income account was in surplus.

Exports of goods in balance of payment terms rose by one per cent in the fourth quarter from the corresponding period in the year before. Imports of goods in balance of payment terms went up by two per cent. The trade account was in balance.

The surplus of the trade account for the whole of 2016, EUR 0.6 billion, fell clearly from the previous year, when the surplus amounted to EUR 2.0 billion. The value of goods exports went down by two per cent from one year back as the value of goods imports grew by one per cent.

The service account showed a deficit of EUR 0.8 billion in the last quarter. The value of service exports remained at the same level as in the corresponding quarter last year. The deficit of the service account for the whole year was EUR 2.7 billion, which is explained, for example, by the travel balance being EUR 2.2 billion in deficit. In 2016, service exports fell by two per cent from the previous year.

Import and export figures in balance of payments terms by service item and area can be found in the [statistics on international trade in goods and services](#). Decreases and increases made to the Finnish Customs figures are also broken down in the statistics on international trade in goods and services. In this way, we come to the goods trade in balance of payments terms. The balance of payments data have been calculated in accordance with the BPM6 manual (Balance of Payments and International Investment Position manual, Sixth Edition). The figures published by Finnish Customs follow the IMTS manual (International Merchandise Trade Statistics).

Recording of factoryless goods production in international trade has changed from 2014 onward, see changes in these statistics.

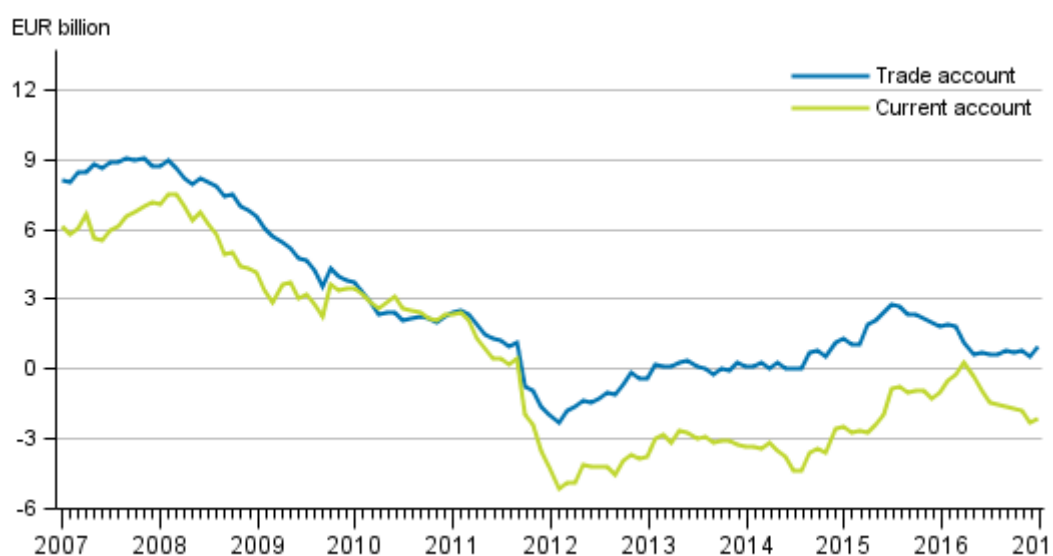
The primary income account was EUR 1.0 billion in surplus in the fourth quarter, which is explained by the surplus of investment income. The primary income account includes investment income like interests and dividends. According to preliminary data, the primary income account was EUR 1.7 billion in surplus in 2016, while in the previous year, the surplus amounted to EUR 1.2 billion.

The secondary income account was EUR 0.8 billion in deficit in the fourth quarter of 2016. In 2016, the secondary income account was EUR 2.0 billion in deficit.

Current account in January 2017

In January, the current account was almost in balance. The 12-month moving total of the current account was EUR 2.1 billion in deficit. Exports of goods in balance of payment terms rose by 28 per cent from twelve months back. The increase was mostly due to the exceptionally weak reference month. Goods imports rose by 16 per cent. Also the increase of imports was mostly due to the exceptionally weak reference month. The trade account in balance of payment terms was EUR 0,1 billion in surplus in January and reference month was EUR 0.3 billion in deficit. Of the sub-items, the primary income account was EUR 1.1 billion in surplus.

Finland's current account and trade account, 12 –month moving sum



Financial account and net international investment position

The net international investment position strengthened, capital flowed from Finland

In the last quarter of 2016, net capital outflow from Finland amounted to EUR 1.1 billion. Capital inflow to Finland was most in the form of portfolio investments, EUR 4.7 billion on net. Capital outflow from Finland was most in the form of other investments, EUR 5.7 billion on net.

At the end of 2016, Finland had EUR 693.7 billion in foreign assets and EUR 678.4 billion in foreign liabilities. Finland's net international investment position rose in the fourth quarter on account of changes in other investments and direct investments. In particular, assets and liabilities on other investments decreased significantly from the previous quarter. Price changes related to foreign assets and liabilities boosted the net investment position by EUR 3.8 billion. Securities' portfolio investments grew as a result of risen stock market prices. Changes in exchange rates and other valuation changes improved the net investment position by EUR 3.0 billion.

Examined by sector, the net international investment position of employment pension funds grew by EUR 5.2 billion as a result of grown foreign assets. The net international investment position of other financial corporations and the non-financial corporations sector also grew in October to December.

Table 1. External assets and liabilities by investment type, EUR billion

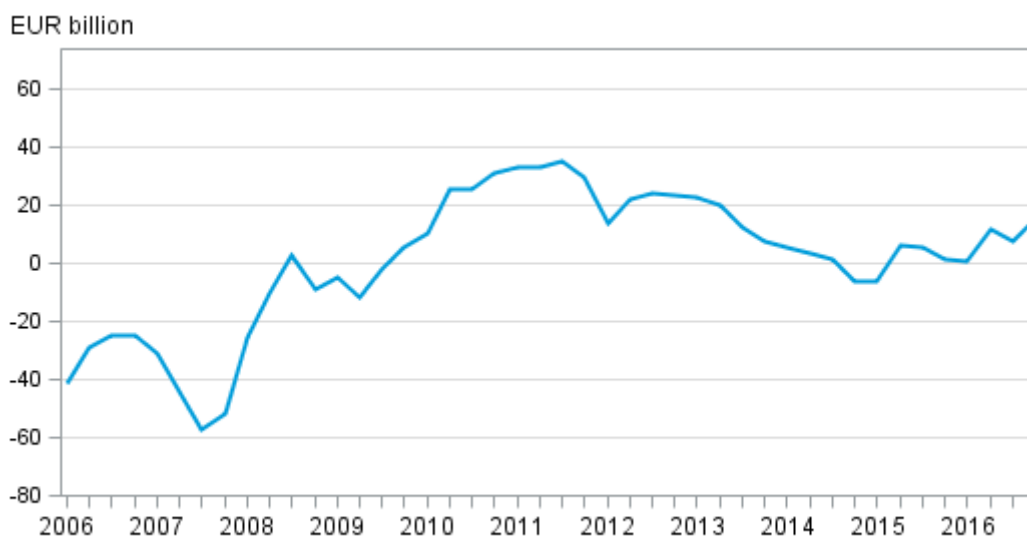
	Opening position 30.09.2016	Financial transactions 2016 Q4	Price changes 2016 Q4	Changes in the exchange rates and valuation adjustments 2016 Q4	Closing position 31.12.2016
Financial account	7.4	1.1	3.8	3.0	15.3
Assets	738.3	-65.6	14.7	6.2	693.7
Liabilities	730.9	-66.7	10.9	3.3	678.4
Direct investment	32.9	1.4	1.3	1.7	37.1
Assets	143.3	-0.2	1.3	1.4	145.8
Liabilities	110.4	-1.5	0.1	-0.2	108.7
Portfolio investment	2.4	-4.7	2.3	2.0	2.0
Assets	303.9	-1.4	2.0	3.4	307.8
Liabilities	301.5	3.3	-0.4	1.4	305.8
Other investment	-41.4	5.7	0.0	-0.8	-36.5
Assets	179.7	-39.2	0.0	1.3	141.7
Liabilities	221.1	-44.9	0.0	2.1	178.2
Financial derivatives	3.5	-1.2	0.5	0.0	2.8
Reserve assets	10.0	0.0	-0.2	0.2	9.9

Financial account and international investment position in January 2017

In January, the outward capital flow on net from Finland was EUR 11.8 billion. The financial account was affected by a company restructuring made in the financial sector in January. The outward capital flow was mostly in the form of portfolio investments, altogether EUR 8.6 billion.

The data for February will be published on 13 April 2017.

Finland's international investment position quarterly



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Appendix table 1. Finland's current account, quarterly 2016, EUR million

		Year/quartal				
		2015/Q4	2016/Q1	2016/Q2	2016/Q3	2016/Q4
Credit	1. Current account	23 749	22 069	23 574	22 702	24 059
	1.1 Goods	13 741	12 095	13 737	13 039	13 839
	1.2 Services	6 284	5 676	5 454	5 582	6 275
	1.3 Primary income	3 458	3 630	4 157	3 737	3 628
	1.4 Secondary income	265	668	227	344	317
Debit	1. Current account	23 680	22 211	25 177	22 618	24 687
	1.1 Goods	13 513	12 387	13 154	12 738	13 848
	1.2 Services	6 945	5 972	6 390	6 235	7 058
	1.3 Primary income	2 532	2 907	4 891	2 950	2 656
	1.4 Secondary income	689	945	743	694	1 125

1) The statistics become final more than two years after the end of the reference year.

Appendix table 2. External assets and liabilities by sector, quarterly 2016, EUR million

		Year/quartal				
		2015/Q4	2016/Q1	2016/Q2	2016/Q3	2016/Q4
Assets	S1 Total economy	-58 772	26 521	-35 944	-20 369	-65 586
	S11 Non-financial corporations	-6 965	5 673	-13 794	-6 785	-6 368
	S121 Central bank	-9 176	25 517	414	11 649	-34 519
	S122 Other monetary financial institutions	-31 985	4 605	-10 446	-18 018	-13 536
	S123 Money market funds (MMF)	-97	-150	57	13	52
	S124 Collective investment schemes excl. money market funds	990	-182	201	2 125	371
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	252	236	1 089	1 636	89
	S128+S129 Insurance corporations and pension funds	181	1 026	174	335	-390
	S1311 Central government	-8 692	-5 258	-11 108	-6 193	-5 527
	S1313 Local government	21	4	10	6	10
	S1314 Social security funds	-3 560	-5 046	-2 588	-5 388	-5 811
	S14+S15 Households and non-profit institutions serving households	258	97	48	252	44
	Liabilities	S1 Total economy	-53 866	31 554	-39 878	-15 210
S11 Non-financial corporations		-4 530	5 984	-17 990	-4 995	-9 088
S121 Central bank		89	230	-10	267	200
S122 Other monetary financial institutions		-39 605	34 989	-6 857	-906	-48 133
S123 Money market funds (MMF)		-11	36	-36	20	-13
S124 Collective investment schemes excl. money market funds		193	341	212	96	-318
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		474	329	505	-135	443
S128+S129 Insurance corporations and pension funds		56	46	-233	54	54
S1311 Central government		-6 342	-4 631	-10 015	-3 781	-1 383
S1313 Local government		143	-41	-8	-13	109
S1314 Social security funds		-4 332	-5 728	-5 445	-5 816	-8 556
S14+S15 Households and non-profit institutions serving households		-	-1	-	-	-

		Year/quartal				
		2015/Q4	2016/Q1	2016/Q2	2016/Q3	2016/Q4
Net	S1 Total economy	-4 906	-5 033	3 934	-5 159	1 100
	S11 Non-financial corporations	-2 435	-310	4 196	-1 789	2 721
	S121 Central bank	-9 265	25 287	424	11 382	-34 719
	S122 Other monetary financial institutions	7 621	-30 384	-3 589	-17 112	34 597
	S123 Money market funds (MMF)	-86	-186	93	-7	64
	S124 Collective investment schemes excl. money market funds	798	-524	-11	2 030	689
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-222	-92	584	1 771	-353
	S128+S129 Insurance corporations and pension funds	126	979	407	280	-444
	S1311 Central government	-2 350	-627	-1 093	-2 412	-4 145
	S1313 Local government	-122	45	18	18	-99
	S1314 Social security funds	773	681	2 857	428	2 745
	S14+S15 Households and non-profit institutions serving households	258	98	48	252	44

1) The statistics become final more than two years after the end of the reference year.

Appendix table 3. International investment position by sector, quarterly 2016, EUR million

		Year/quartal				
		2015/Q4	2016/Q1	2016/Q2	2016/Q3	2016/Q4
Assets	S1 Total economy	700 522	752 991	737 971	738 313	693 682
	S11 Non-financial corporations	136 737	149 542	142 405	142 046	144 171
	S121 Central bank	45 908	71 167	72 186	83 781	49 124
	S122 Other monetary financial institutions	241 994	256 691	245 930	225 070	204 392
	S123 Money market funds (MMF)	2 553	2 397	2 451	2 459	2 509
	S124 Collective investment schemes excl. money market funds	67 462	65 950	66 854	70 668	72 856
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	24 467	24 614	25 200	27 666	29 226
	S128+S129 Insurance corporations and pension funds	26 391	27 750	28 111	28 770	28 624
	S1311 Central government	18 454	20 787	16 346	15 832	14 887
	S1313 Local government	525	526	536	548	562
	S1314 Social security funds	125 326	121 527	126 091	128 771	133 730
	S14+S15 Households and non-profit institutions serving households	10 706	12 041	11 863	12 702	13 601
	Liabilities	S1 Total economy	699 390	752 668	726 211	730 934
S11 Non-financial corporations		193 483	198 310	186 609	193 363	192 168
S121 Central bank		11 538	11 639	11 921	12 242	12 346
S122 Other monetary financial institutions		322 231	365 365	358 548	353 998	299 340
S123 Money market funds (MMF)		36	72	36	56	43
S124 Collective investment schemes excl. money market funds		18 833	18 791	19 137	20 510	21 069
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		37 217	36 837	36 731	37 554	38 876
S128+S129 Insurance corporations and pension funds		934	1 012	792	852	919
S1311 Central government		108 868	113 226	104 931	105 195	106 569
S1313 Local government		3 017	2 976	2 968	2 955	3 064
S1314 Social security funds		3 234	3 357	3 484	3 156	2 929
S14+S15 Households and non-profit institutions serving households		-	1 084	1 055	1 055	1 055
Net		S1 Total economy	1 132	324	11 760	7 379
	S11 Non-financial corporations	-56 746	-48 767	-44 204	-51 318	-47 996
	S121 Central bank	34 370	59 527	60 265	71 539	36 777
	S122 Other monetary financial institutions	-80 237	-108 673	-112 618	-128 928	-94 948
	S123 Money market funds (MMF)	2 517	2 325	2 415	2 403	2 466
	S124 Collective investment schemes excl. money market funds	48 629	47 159	47 717	50 159	51 787
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-12 750	-12 223	-11 531	-9 888	-9 650
	S128+S129 Insurance corporations and pension funds	25 457	26 738	27 319	27 919	27 706
	S1311 Central government	-90 414	-92 440	-88 586	-89 363	-91 682
	S1313 Local government	-2 491	-2 450	-2 432	-2 407	-2 502
	S1314 Social security funds	122 092	118 170	122 607	125 615	130 802
	S14+S15 Households and non-profit institutions serving households	10 706	10 957	10 808	11 647	12 546

1) The statistics become final more than two years after the end of the reference year.

Appendix table 4. Balance of payments 2017, EUR million

	Year 2016	12 month moving sum	2016/12	2017/01
1. Current account	-2 290	-2 132	-562	22
1.1 Goods	582	967	-209	130
1.2 Services	-2 669	-2 767	-267	-179
1.3 Primary income	1 747	1 619	183	163
1.4 Secondary income	-1 951	-1 951	-269	-92
2. Capital account	175	175	15	15
3. Financial account	-5 159	7 690	6 067	11 827
3.1 Direct investment	20 539	12 008	1 049	1 302
3.2 Portfolio investment	-6 555	14 929	524	8 603
3.3 Other investment	-18 582	-22 580	5 161	-351
3.4 Financial derivatives	-1 098	2 531	-688	2 277
3.5 Reserve assets	538	801	21	-4
4. Errors and omissions	-3 044	9 646	6 615	11 790

- 1) The statistics become final more than two years after the end of the reference year
- 2) Figures in the table are net flows during period
- 3) Financial account = Assets less liabilities

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Source: Balance of payments and international investment position, Statistics Finland