

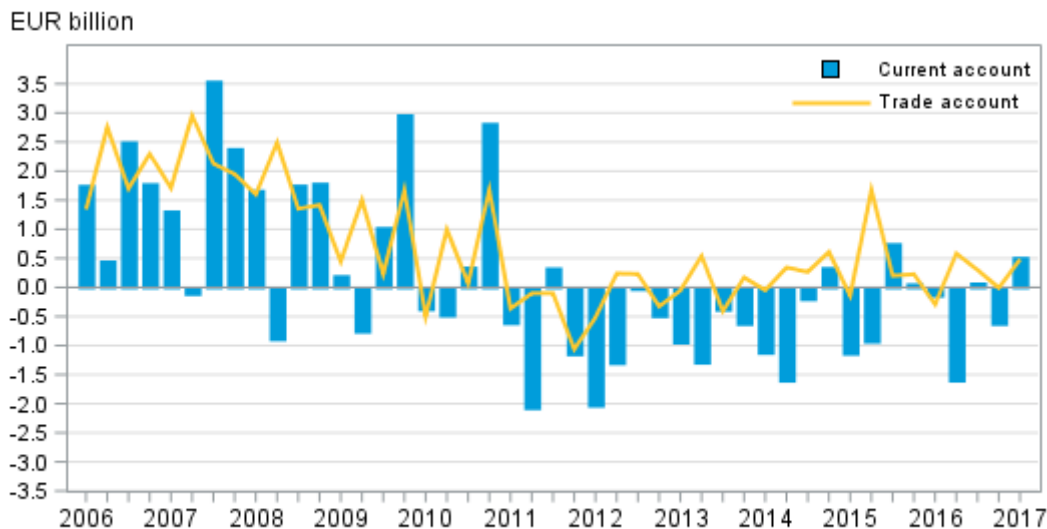
# Balance of payments and international investment position

2017, 1st quarter

## Current account in surplus in the first quarter, the value of exports increased clearly

The current account was in surplus in the first quarter of 2017. In balance of payments terms, goods exports grew by 20 per cent and service exports by four per cent. The net exports of goods and services turned to slight surplus as imports grew more slowly than exports. The surplus of investment income increased the current account surplus. Capital flowed to Finland on net. The data appear from Statistics Finland's statistics on balance of payments and international investment position.

### Current account and trade account



## Current account in the first quarter

The current account was EUR 0.5 billion in surplus in the first quarter of 2017. The surplus was particularly generated by the primary income account that was EUR 0.9 billion in surplus.

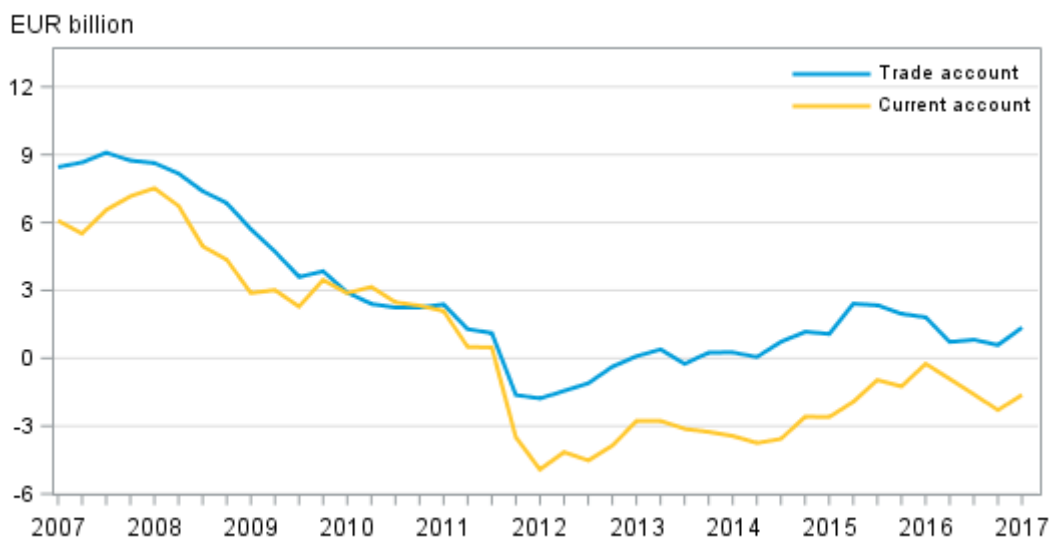
In balance of payments terms, the trade account turned EUR 0.5 billion into surplus, as exports of goods grew faster than imports of goods. In the corresponding quarter of the previous year, the trade account was EUR 0.3 billion in deficit. Exports of goods in balance of payments terms, EUR 14.5 billion, rose by 20 per cent in the first quarter from the corresponding period in the year before, and imports by 13 per cent. The high relative rise in goods exports from the year before is partly explained by the low starting level. In 2015 and 2016, the value of goods exports sank clearly.

The service account showed a deficit of EUR 0.4 billion in the first quarter. Service exports, EUR 5.9 billion, grew by four per cent and service imports by five per cent.

The primary income account was EUR 0.9 billion in surplus in the first quarter, which is mainly explained by the surplus of investment income. The primary income account includes investment income like interests and dividends. The secondary income account was EUR 0.5 billion in deficit.

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](#). Additions and deductions made to the Finnish Customs figures, in order to derive the goods trade in balance of payments terms, are also specified in the statistics on international trade in goods and services.

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



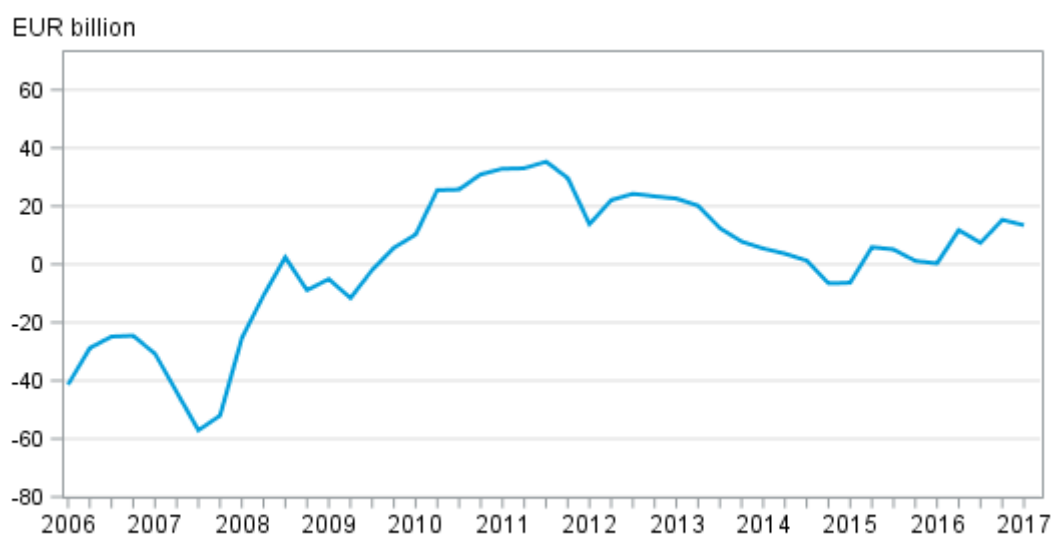
### International investment position fell, capital flowed into Finland

In the first quarter of 2017, net capital inflow to Finland from abroad amounted to EUR 6.1 billion. Capital flowed into Finland in all investment categories. Inward capital flow was mostly in the form of other investments, that is, for example, as extra-group loans, deposits and trade credits, EUR 2.7 billion on net. Finland's foreign assets and liabilities have fallen considerably during the quarter due to a significant enterprise reorganisation, but this is not reflected in financial transactions, that is, the financial account. In the balance of payments, changes in balance sheet items occurring in connection with mergers, between the merging enterprises, are recorded under other changes, not under financial transactions.

Capital inflow to Finland as direct investment amounted to EUR 1.8 billion. Finland's assets from direct investments increased in the first quarter on net by EUR 8.8 billion, and liabilities from direct investments increased on net by EUR 10.6 billion. The financial transactions of both assets and liabilities were mainly directed to intra-group loans. The liabilities of direct investments fell, however, because other changes in value were EUR -14.1 billion in the first quarter.

At the end of March 2017, Finland had EUR 637.4 billion in foreign assets and EUR 624.0 billion in foreign liabilities. The net international investment position was thus positive at the end of the quarter as there were EUR 13.4 billion more assets than liabilities. The net investment position contracted slightly compared with the end of the previous quarter, when the net international investment position was EUR 15.3 billion. Both foreign assets and liabilities contracted in the first quarter.

### Finland's international investment position quarterly



At the end of the first quarter of 2017, international direct investment assets on gross stood at EUR 151.2 billion and the corresponding liabilities at EUR 101.8 billion. The net international investment position of direct investments was thus positive at the end of the quarter as there were EUR 49.4 billion more assets than liabilities.

Direct data collections for the financial account were renewed in this publication and it has an impact on the figures for the first quarter of 2017. The monthly inquiry on foreign financial assets and liabilities (BOPM) has been discontinued and it has been replaced by the quarterly inquiry on financial assets and liabilities (BOPQ). The annual inquiry on financial assets and liabilities (BOPA) has also been renewed. The effects of the renewal of the annual inquiry are visible in the next publication.

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# Appendix tables

**Appendix table 1. Finland's current account, quarterly 2017, EUR million**

		Year/quarter				
		2016/Q1	2016/Q2	2016/Q3	2016/Q4	2017/Q1
Credit	1. Current account	22 069	23 574	22 702	24 059	24 579
	1.1 Goods	12 095	13 737	13 039	13 839	14 461
	1.2 Services	5 676	5 454	5 582	6 275	5 900
	1.3 Primary income	3 630	4 157	3 737	3 628	3 920
	1.4 Secondary income	668	227	344	317	298
Debit	1. Current account	22 211	25 177	22 618	24 687	24 055
	1.1 Goods	12 387	13 154	12 738	13 848	13 978
	1.2 Services	5 972	6 390	6 235	7 058	6 284
	1.3 Primary income	2 907	4 891	2 950	2 656	3 007
	1.4 Secondary income	945	743	694	1 125	786

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 2017, EUR million**

		Year/quarter				
		2016/Q1	2016/Q2	2016/Q3	2016/Q4	2017/Q1
Assets	S1 Total economy	26 521	-35 944	-20 369	-65 586	24 609
	S11 Non-financial corporations	5 673	-13 794	-6 785	-6 368	426
	S121 Central bank	25 517	414	11 649	-34 519	42 940
	S122 Other monetary financial institutions	4 605	-10 446	-18 018	-13 536	-10 624
	S123 Money market funds (MMF)	-150	57	13	52	38
	S124 Collective investment schemes excl. money market funds	-182	201	2 125	371	1 830
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	236	1 089	1 636	89	662
	S128+S129 Insurance corporations and pension funds	1 026	174	335	-390	991
	S1311 Central government	-5 258	-11 108	-6 193	-5 527	-4 382
	S1313 Local government	4	10	6	10	41
	S1314 Social security funds	-5 046	-2 588	-5 388	-5 811	-7 171
	S14+S15 Households and non-profit institutions serving households	97	48	252	44	-141
	Liabilities	S1 Total economy	31 554	-39 878	-15 210	-66 686
S11 Non-financial corporations		5 984	-17 990	-4 995	-9 088	3 836
S121 Central bank		230	-10	267	200	82
S122 Other monetary financial institutions		34 989	-6 857	-906	-48 133	31 309
S123 Money market funds (MMF)		36	-36	20	-13	-4
S124 Collective investment schemes excl. money market funds		341	212	96	-318	1 898
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		329	505	-135	443	409
S128+S129 Insurance corporations and pension funds		46	-233	54	54	78
S1311 Central government		-4 631	-10 015	-3 781	-1 383	2 012
S1313 Local government		-41	-8	-13	109	48
S1314 Social security funds		-5 728	-5 445	-5 816	-8 556	-8 969
S14+S15 Households and non-profit institutions serving households		-1		-	-	-
Net		S1 Total economy	-5 033	3 934	-5 159	1 100
	S11 Non-financial corporations	-310	4 196	-1 789	2 721	-3 409
	S121 Central bank	25 287	424	11 382	-34 719	42 858
	S122 Other monetary financial institutions	-30 384	-3 589	-17 112	34 597	-41 933
	S123 Money market funds (MMF)	-186	93	-7	64	42
	S124 Collective investment schemes excl. money market funds	-524	-11	2 030	689	-69
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-92	584	1 771	-353	253
	S128+S129 Insurance corporations and pension funds	979	407	280	-444	913
	S1311 Central government	-627	-1 093	-2 412	-4 145	-6 395
	S1313 Local government	45	18	18	-99	-7
	S1314 Social security funds	681	2 857	428	2 745	1 798
	S14+S15 Households and non-profit institutions serving households	98	48	252	44	-141

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 2017, EUR million**

		Year/quarter				
		2016/Q1	2016/Q2	2016/Q3	2016/Q4	2017/Q1
Assets	S1 Total economy	752 991	737 971	738 313	693 682	637 415
	S11 Non-financial corporations	149 542	142 405	142 046	144 171	146 513
	S121 Central bank	71 167	72 186	83 781	49 124	91 852
	S122 Other monetary financial institutions	256 691	245 930	225 070	204 392	89 867
	S123 Money market funds (MMF)	2 397	2 451	2 459	2 509	2 539
	S124 Collective investment schemes excl. money market funds	65 950	66 854	70 668	72 856	76 977
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	24 614	25 200	27 666	29 226	31 546
	S128+S129 Insurance corporations and pension funds	27 750	28 111	28 770	28 624	31 993
	S1311 Central government	20 787	16 346	15 832	14 887	14 948
	S1313 Local government	526	536	548	562	502
	S1314 Social security funds	121 527	126 091	128 771	133 730	135 708
	S14+S15 Households and non-profit institutions serving households	12 041	11 863	12 702	13 601	14 969
	Liabilities	S1 Total economy	752 668	726 211	730 934	678 377
S11 Non-financial corporations		198 310	186 609	193 363	192 168	202 778
S121 Central bank		11 639	11 921	12 242	12 346	12 217
S122 Other monetary financial institutions		365 365	358 548	353 998	299 340	233 968
S123 Money market funds (MMF)		72	36	56	43	39
S124 Collective investment schemes excl. money market funds		18 791	19 137	20 510	21 069	24 484
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		36 837	36 731	37 554	38 876	40 486
S128+S129 Insurance corporations and pension funds		1 012	792	852	919	1 310
S1311 Central government		113 226	104 931	105 195	106 569	101 551
S1313 Local government		2 976	2 968	2 955	3 064	3 203
S1314 Social security funds		3 357	3 484	3 156	2 929	3 951
S14+S15 Households and non-profit institutions serving households		1 084	1 055	1 055	1 055	-
Net		S1 Total economy	324	11 760	7 379	15 305
	S11 Non-financial corporations	-48 767	-44 204	-51 318	-47 996	-56 265
	S121 Central bank	59 527	60 265	71 539	36 777	79 635
	S122 Other monetary financial institutions	-108 673	-112 618	-128 928	-94 948	-144 101
	S123 Money market funds (MMF)	2 325	2 415	2 403	2 466	2 500
	S124 Collective investment schemes excl. money market funds	47 159	47 717	50 159	51 787	52 493
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-12 223	-11 531	-9 888	-9 650	-8 940
	S128+S129 Insurance corporations and pension funds	26 738	27 319	27 919	27 706	30 684
	S1311 Central government	-92 440	-88 586	-89 363	-91 682	-86 603
	S1313 Local government	-2 450	-2 432	-2 407	-2 502	-2 700
	S1314 Social security funds	118 170	122 607	125 615	130 802	131 758
	S14+S15 Households and non-profit institutions serving households	10 957	10 808	11 647	12 546	14 969

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

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