

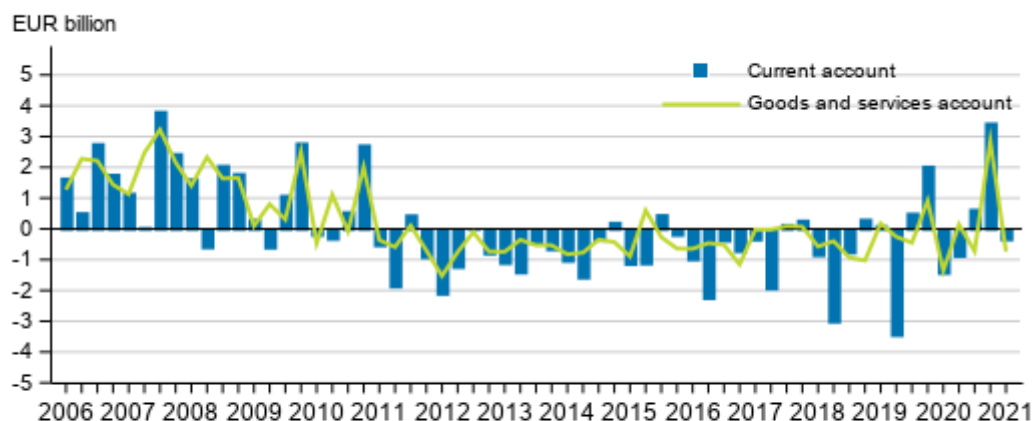
Balance of payments and international investment position

2021, 1st quarter

Current account in deficit in the first quarter, net international investment position strengthened

The current account was in deficit in the first quarter of 2021. The value of goods exports in balance of payments terms grew by 2 per cent from twelve months back. In turn, the value of goods imports decreased by 1 per cent. At the same time, the value of service exports decreased by 18 per cent year-on-year, as well as the value of service imports. The primary income account was in surplus. Compared to the previous quarter, the net international investment position strengthened. The data appear from Statistics Finland's statistics on balance of payments and international investment position.

Current account and goods and services account



Current account

In the first quarter of 2021, the current account was EUR 0.3 billion in deficit. The four-quarter moving total of the current account was EUR 2.9 billion in surplus. The balance of goods and services showed a deficit of EUR 0.7 billion. Of the sub-items of the current account, the primary income account was EUR 1.3 billion in surplus and the secondary income account was EUR 0.9 billion in deficit.

Goods and services

The goods account in balance of payments terms was EUR 0.3 billion in surplus in the first quarter. In the corresponding quarter of the previous year, the trade account was EUR 0.2 billion in deficit. The service account showed a deficit of EUR 1.0 billion in the first quarter of 2021.

The value of goods exports in balance of payment terms increased by two per cent year-on-year and was EUR 15.2 billion while the value of goods imports in balance of payment terms fell by one per cent year-on-year to EUR 14.9 billion. The value of service exports declined by 18 per cent year-on-year and totalled EUR 5.6 billion. The value of service imports, in turn, decreased by 18 per cent year-on-year to EUR 6.6 billion.

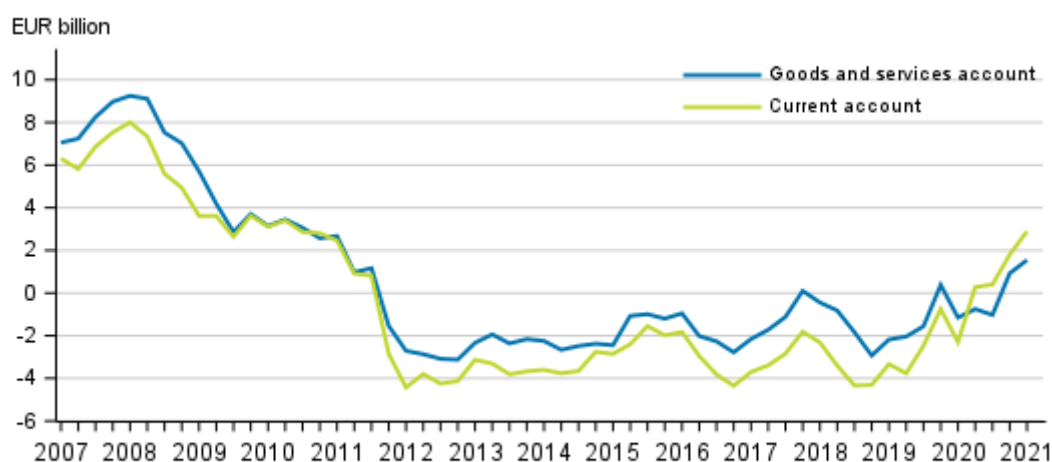
More detailed import and export figures in balance of payments terms by service item and area can be found in the [statistics on international trade in goods and services](#) starting from 2013. Decreases and increases made to the Finnish Customs figures, which result in goods trade in balance of payments terms, are also broken down in the statistics on international trade in goods and services.

Primary income

Primary income paid to Finland on net amounted to EUR 1.3 billion in the first quarter of 2021. Primary income paid from Finland to abroad amounted to EUR 3.9 billion, while primary income paid from abroad to Finland totalled EUR 5.2 billion.

In the first quarter of 2021, property income paid to Finland on net amounted to EUR 1.2 billion, while property income paid to Finland from abroad amounted to EUR 4.9 billion and property income paid abroad from Finland to EUR 3.7 billion. Most property income on net from abroad to Finland was paid in the form of direct investments, EUR 1.4 billion in the first quarter.

Finland's current account and goods and services account, 12-month moving sum



Financial account and net international investment position

Portfolio investments strengthened the net international investment position

In the first quarter of 2021, Finland had EUR 897.6 billion in foreign assets on gross and EUR 876.9 billion in foreign liabilities on gross. The net international investment position, that is, the difference between the stock of assets and liabilities, was thus EUR 20.7 billion as there were more assets than liabilities. Gross assets increased mainly due to the grown stocks of other investments and portfolio investments. Gross liabilities also increased due to the increased stocks of other investments.

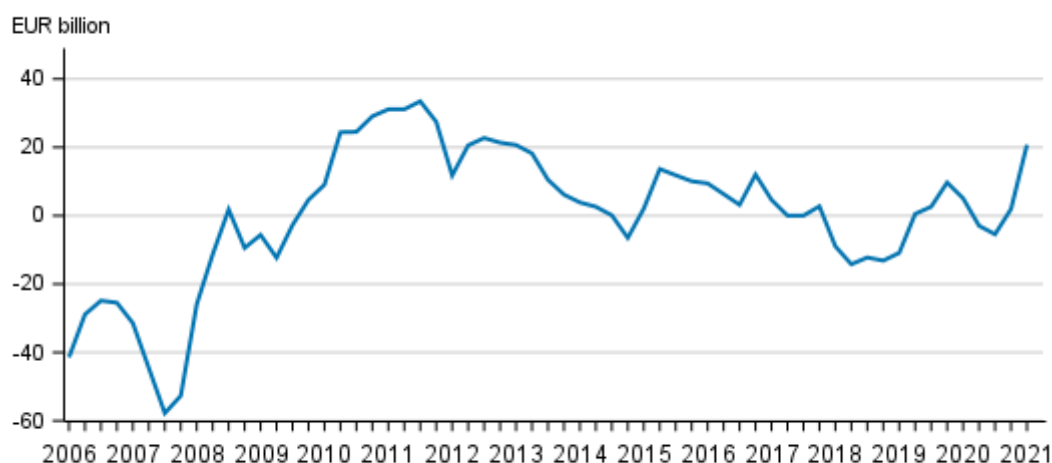
The net international investment position strengthened from the previous quarter when the net international investment position was EUR 1.9 billion. Financial transactions stood for EUR 2.7 billion of the rise in the net international investment position, while prices and exchange rates and other changes in classifications stood for EUR 23.0 billion.

Portfolio investment assets and liabilities grew

Examined by type of investment, there were most foreign assets in the form of portfolio investments at the end of the first quarter of 2021. Portfolio investment assets grew from the previous quarter. At the end of the first quarter of 2021, there were EUR 386.5 billion in portfolio investment assets, while in the previous quarter there were EUR 356.3 billion in assets. The change in stocks is almost entirely explained by changes in the prices of portfolio investments. Of portfolio investment assets, EUR 132.6 billion were in bonds and money market instruments and EUR 253.9 billion in equity and mutual fund shares.

The share of portfolio investments is also highest in foreign liabilities. Portfolio investment liabilities amounted to EUR 435.1 billion at the end of the first quarter of 2021. The stock of portfolio investment liabilities also grew from the previous quarter, when the stock of portfolio investment liabilities was EUR 433.9 billion. Portfolio investment liabilities were highest in the form of bonds and money market instruments, which stood at EUR 273.0 billion at the end of the fourth quarter.

Finland's net international investment position quarterly



When examining the net international investment position by type of investment, it can be seen that the biggest net assets were in direct investments, while the largest net liabilities were in the form of portfolio investments. At the end of the first quarter of 2021, net assets in direct investments were EUR 53.6 billion and net liabilities in portfolio investments EUR 48.6 billion. The large net liability of portfolio investments

is explained by the net liabilities of EUR 140.3 billion in bonds and money market instruments. Assets in equity and mutual fund shares were EUR 91.7 billion larger than liabilities.

Net capital inflow to Finland from abroad

In the first quarter of 2021, net capital inflow to Finland from abroad amounted to EUR 4.2 billion. Net capital inflow to Finland was mainly in the form of other investments, totalling EUR 8.1 billion. Net capital outflow from Finland abroad in the form of direct investments amounted to EUR 2.5 billion. Correspondingly, net capital inflow was mostly in the form of portfolio investments, EUR 5.3 billion.

Social security funds had largest net assets

When the net investment position is examined by investor sector, most foreign net assets, EUR 171.7 billion, were held by social security funds, of which employment pension schemes are the most important ones. EUR 142.1 billion of social security funds' net assets were in the form of equity and mutual fund shares and EUR 25.9 billion in the form of money market instruments and bonds. The net assets of social security funds grew from the previous quarter primarily as a result of price changes in assets of equity and mutual fund shares. Net liabilities were held most by other monetary financial institutions, EUR 157.9 billion. The net investment position of monetary financial institutions weakened from the last quarter of 2020 due to the increase in the net liability of other investments.

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Appendix table 1. Current account, quarterly 2021, EUR million

		Year/quarter				
		2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021/Q1
Credit	1. Current account	27 151	25 303	25 143	29 892	26 541
	1.1 Goods	14 834	13 976	14 140	16 760	15 184
	1.2 Services	6 761	5 649	5 635	7 748	5 552
	1.3 Primary income	4 985	5 327	4 990	5 011	5 236
	1.4 Secondary income	571	350	378	373	569
Debit	1. Current account	28 583	26 181	24 488	26 435	26 883
	1.1 Goods	14 987	13 040	14 159	14 500	14 911
	1.2 Services	7 966	6 443	6 342	7 145	6 559
	1.3 Primary income	4 431	5 503	3 161	3 486	3 917
	1.4 Secondary income	1 199	1 195	826	1 304	1 495

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 2021, EUR million

		Year/quarter				
		2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021/Q1
Assets	S1 Total economy	4 353	-40 145	-26 776	-55 603	25 264
	S11 Non-financial corporations	-7 813	-7 956	-8 991	-12 909	-8 884
	S121 Central bank	5 852	11 472	-4 775	-15 734	28 732
	S122 Other monetary financial institutions	38 166	-26 860	-4 940	-21 772	9 655
	S123 Money market funds (MMF)	.	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	-1 590	1 311	1 328	1 970	3 223
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-23	224	305	1 684	117
	S128+S129 Insurance corporations and pension funds	-166	671	227	865	562
	S1311 Central government	-8 153	-3 545	-2 308	-4 399	-5 855
	S1313 Local government	6	28	-63	45	-43
	S1314 Social security funds	-22 146	-15 774	-7 891	-6 085	-2 869
	S14+S15 Households and non-profit institutions serving households	219	284	333	730	627
	Liabilities	S1 Total economy	6 860	-38 378	-25 954	-57 197	29 476
S11 Non-financial corporations		-6 600	-6 397	-6 587	-12 405	-8 922
S121 Central bank		391	830	524	1 585	200
S122 Other monetary financial institutions		29 086	-18 447	-4 282	-34 917	44 203
S123 Money market funds (MMF)		1	1			
S124 Collective investment schemes, excl. money market funds		-283	-10	441	1 013	1 892
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		467	-360	1 275	-1 201	470
S128+S129 Insurance corporations and pension funds		273	105	80	35	119
S1311 Central government		2 601	-573	-9 637	-3 107	-3 654
S1313 Local government		247	249	-11	36	-32
S1314 Social security funds		-19 697	-13 559	-7 843	-8 113	-4 829
S14+S15 Households and non-profit institutions serving households		373	-216	86	-124	27
Net		S1 Total economy	-2 507	-1 767	-822	1 594	-4 212
	S11 Non-financial corporations	-1 213	-1 559	-2 404	-504	38
	S121 Central bank	5 461	10 643	-5 299	-17 319	28 531
	S122 Other monetary financial institutions	9 080	-8 413	-659	13 145	-34 549
	S123 Money market funds (MMF)	-1	-1			
	S124 Collective investment schemes, excl. money market funds	-1 307	1 321	887	958	1 331
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-490	584	-970	2 885	-353
	S128+S129 Insurance corporations and pension funds	-439	567	147	831	443
	S1311 Central government	-10 754	-2 972	7 328	-1 292	-2 201
	S1313 Local government	-240	-221	-52	8	-11
	S1314 Social security funds	-2 449	-2 215	-48	2 028	1 959
	S14+S15 Households and non-profit institutions serving households	-154	500	247	854	600

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 2021, EUR million

		Year/quarter				
		2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021/Q1
Assets	S1 Total economy	851 508	848 775	847 567	832 833	897 591
	S11 Non-financial corporations	166 841	165 575	166 896	164 106	165 916
	S121 Central bank	89 736	101 549	96 629	80 925	109 653
	S122 Other monetary financial institutions	279 252	247 947	241 462	221 934	226 460
	S123 Money market funds (MMF)	.	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	77 313	85 934	89 275	96 835	104 691
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	34 424	34 252	35 829	36 154	36 657
	S128+S129 Insurance corporations and pension funds	29 055	30 813	31 410	33 013	34 130
	S1311 Central government	14 042	14 121	14 605	14 180	13 917
	S1313 Local government	750	828	783	874	865
	S1314 Social security funds	145 840	151 754	153 694	165 946	184 619
	S14+S15 Households and non-profit institutions serving households	14 256	16 003	16 984	18 865	20 683
	Liabilities	S1 Total economy	846 429	851 731	853 009	830 895	876 864
S11 Non-financial corporations		229 972	246 163	255 466	261 178	256 883
S121 Central bank		13 252	14 061	14 554	16 117	16 347
S122 Other monetary financial institutions		401 031	380 401	373 965	341 295	384 351
S123 Money market funds (MMF)		2	3	3	3	3
S124 Collective investment schemes, excl. money market funds		24 963	27 736	29 215	32 480	36 077
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		56 493	57 244	60 456	58 402	57 743
S128+S129 Insurance corporations and pension funds		3 531	3 679	3 770	3 796	3 970
S1311 Central government		104 767	109 406	102 944	104 375	101 029
S1313 Local government		4 727	4 967	4 958	4 994	4 805
S1314 Social security funds		4 739	5 335	4 857	5 556	12 945
S14+S15 Households and non-profit institutions serving households		2 950	2 734	2 820	2 697	2 710
Net		S1 Total economy	5 079	-2 956	-5 443	1 938	20 727
	S11 Non-financial corporations	-63 131	-80 588	-88 571	-97 072	-90 968
	S121 Central bank	76 484	87 488	82 075	64 808	93 306
	S122 Other monetary financial institutions	-121 780	-132 454	-132 503	-119 361	-157 891
	S123 Money market funds (MMF)	-2	-3	-3	-3	-3
	S124 Collective investment schemes, excl. money market funds	52 349	58 197	60 060	64 355	68 614
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-22 069	-22 993	-24 627	-22 248	-21 087
	S128+S129 Insurance corporations and pension funds	25 523	27 133	27 641	29 217	30 160
	S1311 Central government	-90 725	-95 285	-88 339	-90 196	-87 112
	S1313 Local government	-3 977	-4 139	-4 175	-4 120	-3 939
	S1314 Social security funds	141 101	146 419	148 837	160 390	171 674
	S14+S15 Households and non-profit institutions serving households	11 306	13 269	14 164	16 168	17 973

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

Appendix table 4. Balance of payments, EUR million

	Year 2020	12 month moving sum	2021/03	2021/04
1. Current account	1 801	2 506	-679	-644
1.1. Goods	3 024	3 011	135	128
1.2. Services	-2 103	-1 747	-471	-157
1.3. Primary income	3 732	4 354	-78	-361
1.4. Secondary income	-2 852	-3 112	-265	-254
2. Capital account	197	197	17	16
3. Financial account	-3 503	-841	-2 126	2 716
3.1. Direct investment	3 536	1 601	-1 029	299
3.2. Portfolio investment	-711	12 388	-1 438	3 563
3.3. Other investment	-5 660	-16 653	124	-1 218
3.4. Financial derivatives	-1 548	1 710	191	88
3.5. Reserve assets	880	113	25	-15
4. Errors and omissions	-5 501	-3 544	-1 464	3 344

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