

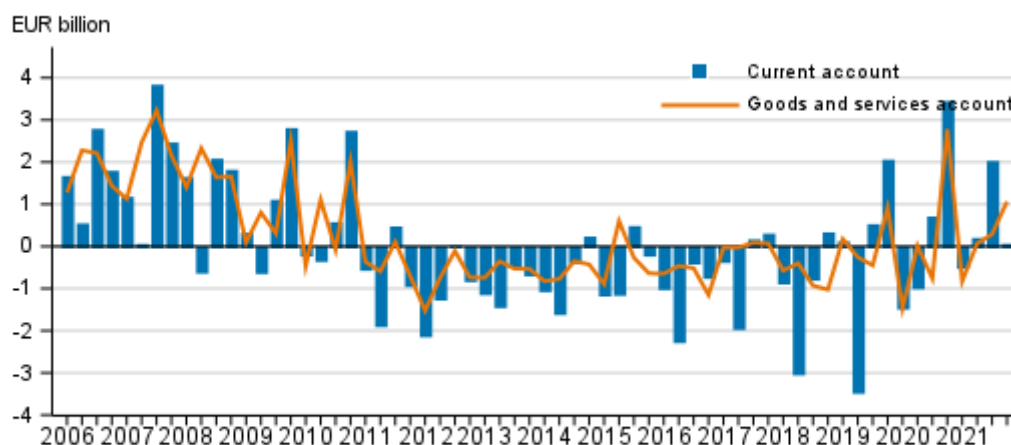
# Balance of payments and international investment position

2021, 4:th quarter

## Current account was in surplus and the net international investment position strengthened in the fourth quarter of 2021

The current account was EUR 0.1 billion in surplus in the fourth quarter of 2021. The value of goods exports in balance of payments terms grew by 24 per cent from twelve months back. In turn, goods imports grew by 37 per cent. At the same time, the value of service exports increased by 18 per cent year-on-year and the value of service imports rose by 24 per cent. The primary income account was in deficit. 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 fourth quarter of 2021, the current account was EUR 0.1 billion in surplus. The four-quarter moving total of the current account was EUR 1.8 billion in surplus. The balance of goods and services was EUR 1.1 billion in surplus. Of the sub-items of the current account, the primary income account was EUR 0.2 billion in deficit and the secondary income account was EUR 0.8 billion in deficit.

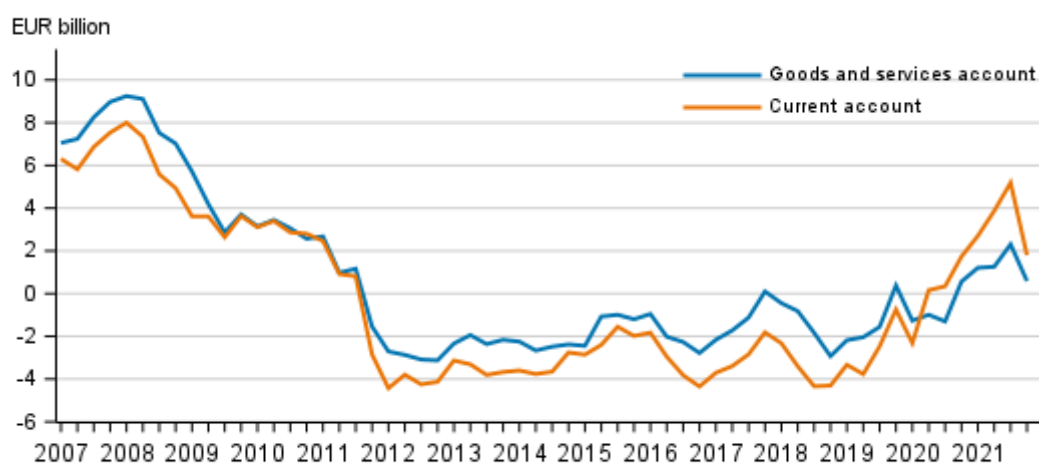
## Goods and services

The goods account in balance of payments terms was EUR 0.9 billion in surplus in the fourth quarter. In the corresponding quarter of the previous year, the goods account was EUR 2.2 billion in surplus. The services account showed a surplus of EUR 0.1 billion in the fourth quarter of 2021.

The value of goods exports in balance of payments terms increased by 24 per cent year-on-year and was EUR 20.6 billion at the same time as the value of goods imports in balance of payments terms grew by 37 per cent year-on-year to EUR 19.7 billion. The value of service exports grew by 18 per cent year-on-year and was EUR 9.2 billion. The value of service imports, in turn, rose by 24 per cent from the year before to EUR 9.0 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.

### Current account and goods and services account, 12-month moving sum



## Primary income

A total of EUR 0.2 billion were paid in primary income on net from Finland abroad in the fourth quarter of 2021. Primary income paid from Finland abroad amounted to EUR 5.1 billion, while primary income paid from abroad to Finland totalled EUR 5.0 billion. The majority of primary income was in the form of property income.

In the fourth quarter of 2021, investment income paid abroad from Finland on net amounted to EUR 0.2 billion, while investment income paid abroad from Finland amounted to EUR 4.9 billion and investment income paid from abroad to Finland to EUR 4.6 billion.

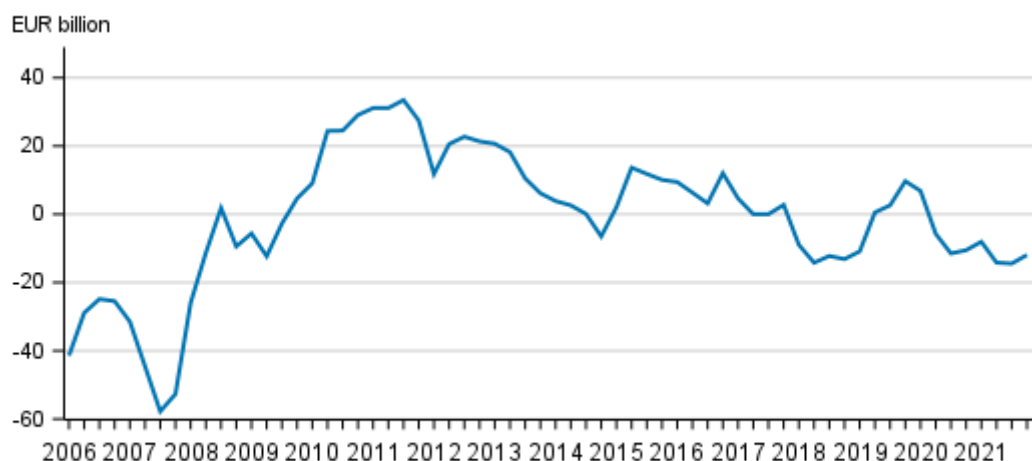
## Financial account and net international investment position

### *Gross liabilities bigger than gross assets*

In the last quarter of 2021, Finland had EUR 842.4 billion in foreign assets on gross and EUR 854.3 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 -11.9 billion as there were more liabilities than assets. During the last quarter of 2021, gross assets decreased mainly as a result of fallen stocks of other investments. Gross liabilities also diminished due to the fallen stocks of other investments.

The net international investment position strengthened from the previous quarter when the net international investment position was EUR -14.4 billion. Financial transactions stood for EUR -1.5 billion of the risen net international investment position, while valuation changes and other changes in the stock stood for EUR 4.0 billion.

### **Net international investment position by quarter**



### *Largest net liabilities in portfolio investments*

Examined by type of investment, there were most foreign assets on gross in the form of portfolio investments at the end of the last quarter of 2021. Portfolio investment assets grew from the previous quarter. At the end of the last quarter of 2021, there were EUR 416.8 billion in portfolio investment assets, while gross assets amounted to EUR 413.8 billion in the previous quarter. EUR 133.5 billion of the portfolio investment assets were in debt securities, and EUR 283.3 billion in shares and mutual fund shares.

The share of portfolio investments is also biggest in foreign liabilities on gross. At the end of the last quarter of 2021, portfolio investment liabilities totalled EUR 470.9 billion. The stock of portfolio investment liabilities on gross fell from the previous quarter, when the stock was EUR 479.8 billion. At the end of the fourth quarter, portfolio investment liabilities were mainly in the form of debt securities, EUR 253.5 billion.

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 last quarter of 2021, net assets in direct investments amounted to EUR 36.6 billion and net liabilities in portfolio investments to EUR 54.1 billion. The large net liability of portfolio

investments is explained by the net liabilities of EUR 120.0 billion in debt securities. Assets in shares and mutual fund shares were EUR 65.9 billion bigger than liabilities.

When the net investment position is examined by investor sector, employment pension schemes had the most foreign net assets, EUR 191.5 billion. The net assets of employment pension schemes grew from the previous quarter, when net assets amounted to EUR 183.5 billion. The difference between the stocks is mainly explained by valuation changes. Net liabilities were held most by non-financial corporations, EUR 136.2 billion. The net investment position of non-financial corporations weakened from the third quarter of 2021 due to the growing net liability of portfolio investments.

#### *Net capital inflow to Finland from abroad*

In the last quarter of 2021, net capital inflow to Finland from abroad amounted to EUR 1.5 billion. Net capital inflow to Finland was mainly in the form of other investments, totalling EUR 13.1 billion. Net capital outflow from Finland was mostly in the form of portfolio investments, EUR 7.3 billion.

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# Appendix tables

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

		Year/quarter				
		2020/Q4	2021/Q1	2021/Q2	2021/Q3	2021/Q4
Credit	1. Current account	29 543	26 031	28 643	30 152	35 187
	1.1 Goods	16 637	15 150	16 745	18 117	20 615
	1.2 Services	7 774	5 632	6 261	6 797	9 156
	1.3 Primary income	4 790	4 788	5 332	4 915	4 969
	1.4 Secondary income	342	461	305	323	447
Debit	1. Current account	26 095	26 518	28 443	28 123	35 127
	1.1 Goods	14 388	14 923	15 936	17 150	19 693
	1.2 Services	7 245	6 685	7 004	7 476	9 016
	1.3 Primary income	3 174	3 472	4 528	2 583	5 145
	1.4 Secondary income	1 287	1 437	976	915	1 273

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/Q4	2021/Q1	2021/Q2	2021/Q3	2021/Q4
Assets	S1 Total economy	-55 772	24 966	-23 030	-3 123	-124 754
	S11 Non-financial corporations	-13 132	-8 828	-13 109	-6 770	-12 306
	S121 Central bank	-15 734	28 732	4 392	13 577	-62 329
	S122 Other monetary financial institutions	-21 770	9 371	2 584	747	-30 389
	S123 Money market funds (MMF)	.	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	1 970	3 272	3 038	1 923	49
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	1 650	.	280	-63	1 274
	S128+S129 Insurance corporations and pension funds	916	537	-130	115	320
	S1311 Central government	-4 392	-5 859	-1 398	-2 944	-2 932
	S1313 Local government	45	-43	34	77	11
	S1314 Social security funds	-6 056	-2 893	-19 118	-10 227	-19 050
	S14+S15 Households and non-profit institutions serving households	730	671	398	442	598
	Liabilities	S1 Total economy	-56 752	27 949	-24 391	-5 733
S11 Non-financial corporations		-12 727	-10 127	-12 681	-4 232	-13 640
S121 Central bank		1 585	200	448	3 731	2 548
S122 Other monetary financial institutions		-34 904	44 318	9 831	14 044	-84 442
S123 Money market funds (MMF)		.	.	-2	.	-1
S124 Collective investment schemes, excl. money market funds		1 171	1 892	931	841	204
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		-2 005	.	.	-126	117
S128+S129 Insurance corporations and pension funds		29	114	90	88	123
S1311 Central government		-2 127	-7 147	-4 014	-8 425	-8 712
S1313 Local government		48	-32	-46	94	74
S1314 Social security funds		-7 699	-4 796	-20 161	-11 747	-19 557
S14+S15 Households and non-profit institutions serving households		-124	28	59	-1	.
Net		S1 Total economy	980	-2 983	1 361	2 610
	S11 Non-financial corporations	-405	1 299	-428	-2 538	1 335
	S121 Central bank	-17 319	28 531	3 943	9 846	-64 877
	S122 Other monetary financial institutions	13 133	-34 947	-7 247	-13 297	54 053
	S123 Money market funds (MMF)	.	.	2	.	1
	S124 Collective investment schemes, excl. money market funds	799	1 380	2 107	1 082	-156
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	3 656	-3 490	.	63	1 157
	S128+S129 Insurance corporations and pension funds	886	423	-221	27	197
	S1311 Central government	-2 265	1 288	2 615	5 481	5 781
	S1313 Local government	-3	-11	80	-17	-63
	S1314 Social security funds	1 643	1 902	1 043	1 520	507
	S14+S15 Households and non-profit institutions serving households	854	642	339	442	598

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/Q4	2021/Q1	2021/Q2	2021/Q3	2021/Q4
Assets	S1 Total economy	816 233	880 688	889 084	918 041	842 378
	S11 Non-financial corporations	147 330	148 575	146 357	150 498	151 355
	S121 Central bank	80 925	109 653	114 060	127 738	65 673
	S122 Other monetary financial institutions	222 550	226 853	225 364	226 458	199 564
	S123 Money market funds (MMF)	.	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	96 835	104 718	110 767	113 479	117 564
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	35 501	35 964	36 411	36 622	38 563
	S128+S129 Insurance corporations and pension funds	33 393	35 071	35 551	35 869	36 688
	S1311 Central government	14 118	14 007	13 838	13 122	13 416
	S1313 Local government	931	865	926	1 009	1 053
	S1314 Social security funds	165 785	184 308	184 070	191 187	194 844
	S14+S15 Households and non-profit institutions serving households	18 866	20 675	21 738	22 059	23 660
	Liabilities	S1 Total economy	826 760	888 750	903 264	932 486
S11 Non-financial corporations		257 545	263 689	275 096	279 632	287 519
S121 Central bank		16 117	16 347	16 784	20 511	23 075
S122 Other monetary financial institutions		341 308	385 417	394 358	415 617	334 011
S123 Money market funds (MMF)		3	3	2	2	
S124 Collective investment schemes, excl. money market funds		32 480	36 080	38 394	39 673	41 387
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		57 903	61 711	63 269	64 628	65 480
S128+S129 Insurance corporations and pension funds		3 479	3 649	3 754	3 837	3 965
S1311 Central government		104 222	101 065	97 710	92 233	86 771
S1313 Local government		5 036	4 953	4 907	5 000	5 124
S1314 Social security funds		5 970	13 109	6 206	8 571	4 184
S14+S15 Households and non-profit institutions serving households		2 697	2 725	2 784	2 783	2 783
Net		S1 Total economy	-10 527	-8 062	-14 180	-14 446
	S11 Non-financial corporations	-110 215	-115 114	-128 739	-129 134	-136 164
	S121 Central bank	64 808	93 306	97 276	107 227	42 597
	S122 Other monetary financial institutions	-118 758	-158 564	-168 993	-189 159	-134 448
	S123 Money market funds (MMF)	-3	-3	-2	-2	
	S124 Collective investment schemes, excl. money market funds	64 355	68 638	72 373	73 806	76 176
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-22 402	-25 747	-26 857	-28 006	-26 917
	S128+S129 Insurance corporations and pension funds	29 914	31 421	31 797	32 032	32 723
	S1311 Central government	-90 104	-87 059	-83 872	-79 111	-73 355
	S1313 Local government	-4 105	-4 088	-3 981	-3 991	-4 071
	S1314 Social security funds	159 815	171 199	177 864	182 616	190 660
	S14+S15 Households and non-profit institutions serving households	16 169	17 949	18 954	19 275	20 877

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 2021	12 month moving sum	2022/01
1. Current account	1 802	1 783	84
1.1. Goods	2 926	2 780	-136
1.2. Services	-2 335	-2 309	-241
1.3. Primary income	4 275	4 349	795
1.4. Secondary income	-3 064	-3 037	-334
2. Capital account	180	181	16
3. Financial account	-478	-227	-1 838
3.1. Direct investment	-4 483	-3 246	-240
3.2. Portfolio investment	20 260	20 476	3 126
3.3. Other investment	-21 201	-21 972	-4 174
3.4. Financial derivatives	1 905	1 355	-545
3.5. Reserve assets	3 040	3 159	-5
4. Errors and omissions	-2 460	-2 191	-1 939

- 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