

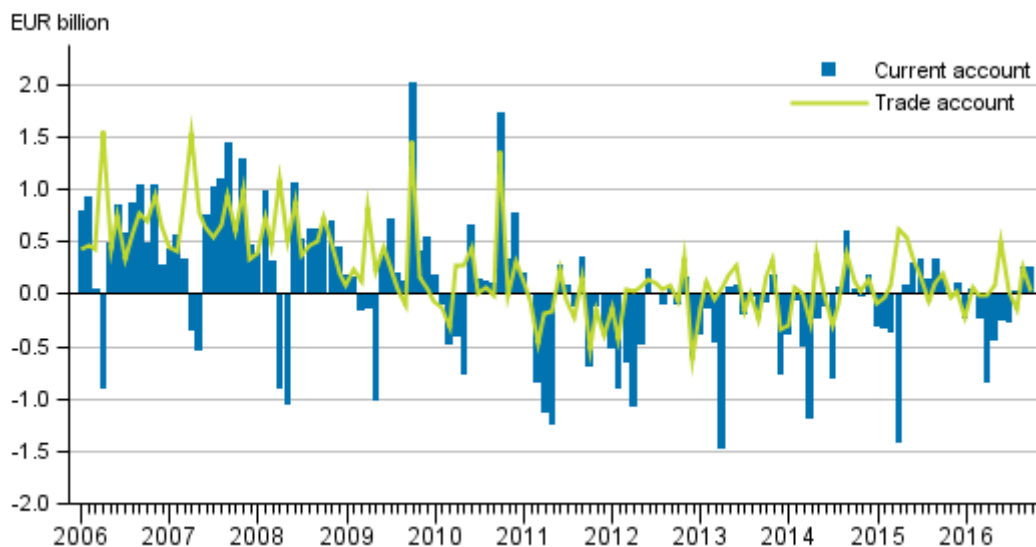
Balance of payments and international investment position

2016, 3rd quarter and October

Current account in balance in the third quarter, net capital inflow to Finland

The current account was in balance in the third quarter of 2016. The value of exports of goods and services decreased. In October, the decline continued as the value of exports of goods and services decreased by four per cent. In the third quarter of 2016, net capital inflow to Finland amounted to EUR 4.3 billion. The net international investment position was positive. 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 third quarter

The current account was in balance in the third quarter, while one year earlier, the current account showed a surplus of EUR 0.8 billion.

In balance of payment terms, the trade account was EUR 0.1 billion in surplus. The value of exports of goods in balance of payment terms declined by two per cent from the corresponding period one year ago and amounted to EUR 13.0 billion. The value of imports of goods in balance of payment terms declined by one per cent from the corresponding period one year ago to EUR 12.9 billion.

The service account showed a deficit of EUR 0.6 billion, whereas in the third quarter of 2015, the service account was in balance. The weakening of the service account was due to both the fall in service exports and the rise in service imports. As the value of service exports fell by five per cent to EUR 5.3 billion, service imports rose by four per cent from the third quarter of 2015.

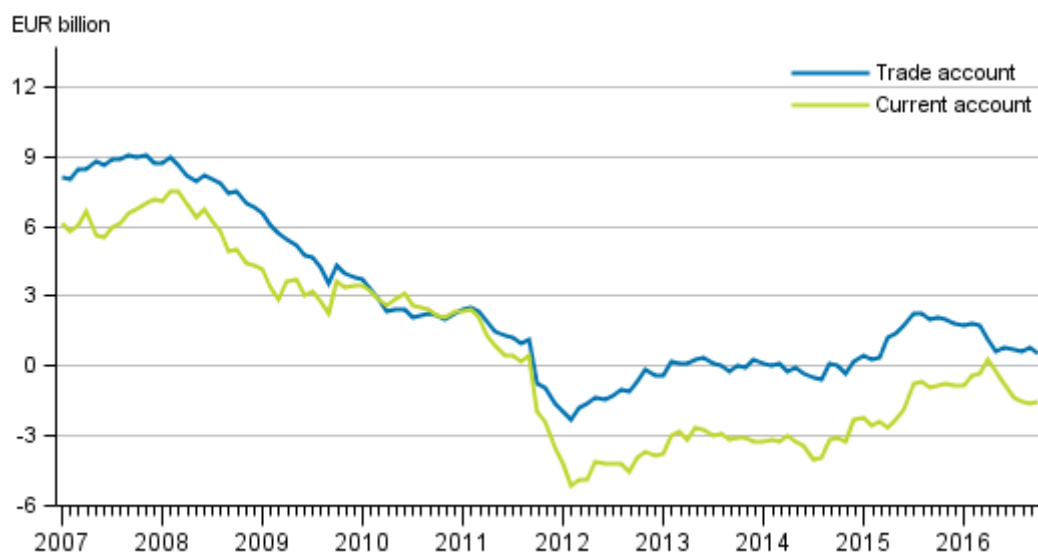
The primary income account was EUR 0.8 billion in surplus. The primary income account includes investment income like interests and dividends. The secondary income account was EUR 0.4 billion in deficit.

Export and import figures in balance of payments terms by service item and area can be found in the [statistics on international trade in goods and services](#).

Current account in October

In October, the current account was EUR 0.3 billion in surplus. Of the sub-items of the current account, the primary income account was in surplus and the service account and the secondary income account were in deficit. In balance of payment terms, the goods account was in balance. The value of exports of goods in balance of payment terms decreased by six per cent from twelve months back. The value of imports of goods in balance of payment terms declined by two per cent from twelve months back.

Current account and trade account, 12 –month moving sum



Financial account and net international investment position

Capital flowed to Finland in the third quarter of 2016

In the third quarter of 2016, net capital inflow to Finland amounted to EUR 4.3 billion. Capital inflow was mainly in the form of other investments, EUR 8.7 billion. Other investments include external loans, deposits and trade credits, of which capital flowed to Finland particularly as loans.

At the end of September, Finland had EUR 739.3 billion in foreign assets and EUR 733.2 billion in foreign liabilities. Finland's net international investment position fell in the third quarter as a consequence of the decrease in other investment assets and the growth in liabilities. Price changes related to foreign assets and liabilities boosted the net investment position by EUR 0.3 billion. Securities' portfolio investments grew as a result of risen stock market prices. Changes in exchange rates and other valuation changes in turn lowered the net investment position by EUR 1.3 billion.

Examined by sector, the net international investment position of monetary financial institutions went down by EUR 5.0 billion due to the decrease in assets and that of non-financial corporations by 7.4 billion as a result of growing liabilities. The net investment position of employment pension schemes in turn grew by EUR 4.0 billion due to grown assets.

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

	Opening position 30.06.2016	Financial transactions 2016 Q3	Price changes 2016 Q3	Changes in the exchange rates and valuation adjustments 2016 Q3	Closing position 30.9.2016
Financial account	11.5	-4.3	0.3	-1.3	6.2
Assets	737.7	-19.1	22.9	-2.1	739.3
Liabilities	726.2	-14.8	22.6	-0.8	733.2
Direct investment	32.0	0.1	0.7	-0.1	32.8
Assets	141.8	1.5	1.1	-0.7	143.6
Liabilities	109.8	1.3	0.4	-0.7	110.9
Portfolio investment	-1.8	4.9	-0.8	-1.1	1.2
Assets	292.7	6.5	6.1	-0.8	304.5
Liabilities	294.5	1.6	7.0	0.2	303.3
Other investment	-32.8	-8.7	0.0	0.1	-41.4
Assets	186.1	-5.8	0.0	-0.5	179.7
Liabilities	218.8	2.8	0.0	-0.6	221.1
Financial derivatives	4.1	-0.8	0.4	-0.2	3.6
Reserve assets	10.0	0.1	0.0	-0.1	10.0

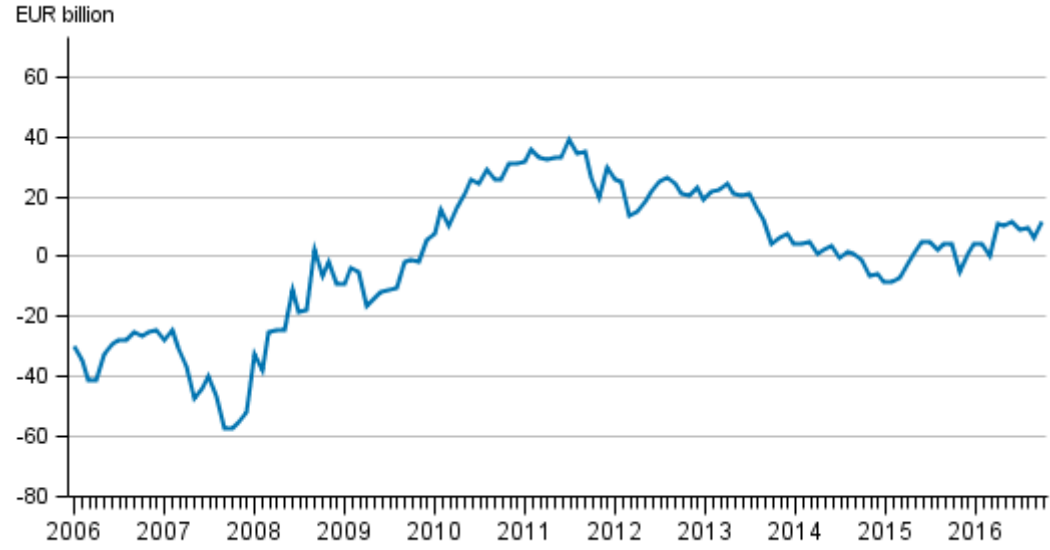
Financial account and international investment position in October

In October, the inward capital flow on net to Finland was EUR 1.1 billion. The main source of inward capital flow was other investments, EUR 2.6 billion.

Finland's net investment position was EUR 11.8 billion positive at the end of October, as foreign assets amounted to EUR 731.3 billion and foreign liabilities to EUR 719.6 billion.

The data for November will be published on 13 January 2017.

International investment position monthly



Contents

Tables

Appendix tables

Appendix table 1. Current account, quarterly 2016, EUR million.....	6
Appendix table 2. External assets and liabilities by sector, quarterly 2016, EUR million.....	7
Appendix table 3. International investment position by sector, quarterly 2016, EUR million.....	8
Appendix table 4. Balance of payments 2016, EUR million.....	9

Appendix tables

Appendix table 1. Current account, quarterly 2016, EUR million

		Year/quartal				
		2015/Q3	2015/Q4	2016/Q1	2016/Q2	2016/Q3
Credit	1. Current account	22 594	23 881	21 794	23 777	22 366
	1.1 Goods	13 237	13 937	12 283	13 987	13 009
	1.2 Services	5 557	6 106	5 586	5 344	5 275
	1.3 Primary income	3 540	3 572	3 630	4 157	3 738
	1.4 Secondary income	259	265	296	289	344
Debit	1. Current account	21 777	23 588	22 197	25 269	22 342
	1.1 Goods	13 032	13 758	12 444	13 391	12 863
	1.2 Services	5 626	6 597	5 901	6 255	5 826
	1.3 Primary income	2 573	2 545	2 907	4 891	2 952
	1.4 Secondary income	545	689	945	731	701

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/Q3	2015/Q4	2016/Q1	2016/Q2	2016/Q3
Assets	S1 Total economy	-21 969	-58 677	26 518	-36 102	-19 137
	S11 Non-financial corporations	-6 324	-6 852	5 673	-13 940	-6 474
	S121 Central bank	-850	-9 176	25 517	414	11 649
	S122 Other monetary financial institutions	-10 129	-31 985	4 605	-10 446	-18 018
	S123 Money market funds (MMF)	-67	-97	-150	57	13
	S124 Collective investment schemes excl. money market funds	-200	990	-182	201	2 125
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	896	232	233	1 077	1 552
	S128+S129 Insurance corporations and pension funds	934	181	1 026	174	335
	S1311 Central government	-5 021	-8 694	-5 258	-11 108	-6 193
	S1313 Local government	43	21	4	10	6
	S1314 Social security funds	-1 494	-3 560	-5 046	-2 588	-4 382
	S14+S15 Households and non-profit institutions serving households	242	262	97	48	252
	Liabilities	S1 Total economy	-23 172	-53 766	31 554	-39 878
S11 Non-financial corporations		-10 302	-4 430	5 984	-17 990	-4 574
S121 Central bank		-97	89	230	-10	267
S122 Other monetary financial institutions		-6 451	-39 606	34 989	-6 857	-906
S123 Money market funds (MMF)		1	-11	36	-36	20
S124 Collective investment schemes excl. money market funds		4	193	341	212	96
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		1 608	474	329	505	-135
S128+S129 Insurance corporations and pension funds		-9	56	46	-233	54
S1311 Central government		-3 641	-6 342	-4 631	-10 015	-3 781
S1313 Local government		91	143	-41	-8	-13
S1314 Social security funds		-4 375	-4 332	-5 728	-5 445	-5 816
S14+S15 Households and non-profit institutions serving households		-	-	-1	-	-
Net		S1 Total economy	1 203	-4 912	-5 036	3 776
	S11 Non-financial corporations	3 978	-2 422	-310	4 050	-1 900
	S121 Central bank	-752	-9 265	25 287	424	11 382
	S122 Other monetary financial institutions	-3 678	7 621	-30 384	-3 589	-17 112
	S123 Money market funds (MMF)	-68	-86	-186	93	-7
	S124 Collective investment schemes excl. money market funds	-204	798	-524	-11	2 030
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-712	-242	-95	572	1 687
	S128+S129 Insurance corporations and pension funds	943	125	979	407	280
	S1311 Central government	-1 380	-2 352	-627	-1 093	-2 412
	S1313 Local government	-48	-122	45	18	18
	S1314 Social security funds	2 881	773	681	2 857	1 434
	S14+S15 Households and non-profit institutions serving households	242	262	98	48	252

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/Q3	2015/Q4	2016/Q1	2016/Q2	2016/Q3
Assets	S1 Total economy	736 215	701 761	753 025	737 720	739 323
	S11 Non-financial corporations	132 988	136 224	149 542	142 383	142 395
	S121 Central bank	54 928	45 908	71 167	72 186	83 781
	S122 Other monetary financial institutions	279 281	241 994	256 691	245 930	225 070
	S123 Money market funds (MMF)	2 657	2 553	2 397	2 451	2 459
	S124 Collective investment schemes excl. money market funds	63 885	67 462	65 950	66 854	70 668
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	24 175	24 262	24 648	24 970	27 342
	S128+S129 Insurance corporations and pension funds	25 772	26 391	27 750	28 111	28 770
	S1311 Central government	18 290	18 431	20 787	16 346	15 832
	S1313 Local government	553	525	526	536	548
	S1314 Social security funds	121 650	125 326	121 527	126 091	129 755
	S14+S15 Households and non-profit institutions serving households	12 035	12 685	12 041	11 863	12 702
	Liabilities	S1 Total economy	732 117	700 468	752 668	726 191
S11 Non-financial corporations		184 706	193 497	198 310	186 590	194 009
S121 Central bank		11 344	11 538	11 639	11 921	12 242
S122 Other monetary financial institutions		365 862	322 231	365 365	358 548	353 998
S123 Money market funds (MMF)		47	36	72	36	56
S124 Collective investment schemes excl. money market funds		17 704	18 833	18 791	19 137	20 510
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		36 609	37 226	36 837	36 730	37 554
S128+S129 Insurance corporations and pension funds		869	934	1 012	792	852
S1311 Central government		107 767	108 868	113 226	104 931	106 786
S1313 Local government		2 946	3 017	2 976	2 968	2 955
S1314 Social security funds		3 208	3 234	3 357	3 484	3 156
S14+S15 Households and non-profit institutions serving households		1 055	1 055	1 084	1 055	1 055
Net		S1 Total economy	4 098	1 293	358	11 529
	S11 Non-financial corporations	-51 718	-57 274	-48 767	-44 206	-51 614
	S121 Central bank	43 584	34 370	59 527	60 265	71 539
	S122 Other monetary financial institutions	-86 580	-80 237	-108 673	-112 618	-128 928
	S123 Money market funds (MMF)	2 610	2 517	2 325	2 415	2 403
	S124 Collective investment schemes excl. money market funds	46 181	48 629	47 159	47 717	50 159
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-12 434	-12 963	-12 189	-11 760	-10 212
	S128+S129 Insurance corporations and pension funds	24 903	25 457	26 738	27 319	27 919
	S1311 Central government	-89 477	-90 437	-92 440	-88 586	-90 954
	S1313 Local government	-2 393	-2 491	-2 450	-2 432	-2 407
	S1314 Social security funds	118 442	122 092	118 170	122 607	126 599
	S14+S15 Households and non-profit institutions serving households	10 980	11 630	10 957	10 808	11 647

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

Appendix table 4. Balance of payments 2016, EUR million

	Year 2015	12 month moving sum	2016/09	2016/10
1. Current account	-870	-1 498	261	261
1.1 Goods	1 865	584	263	18
1.2 Services	-1 608	-2 213	-193	-113
1.3 Primary income	1 194	2 002	310	496
1.4 Secondary income	-2 321	-1 871	-119	-141
2. Capital account	160	95	15	13
3. Financial account	-2 024	-11 596	91	-1 059
3.1 Direct investment	-15 764	15 939	729	487
3.2 Portfolio investment	-2 805	-8 251	3 862	1 799
3.3 Other investment	21 810	-19 743	-3 784	-2 558
3.4 Financial derivatives	-5 047	140	-856	-791
3.5 Reserve assets	-219	320	140	3
4. Errors and omissions	-1 314	-10 193	-184	-1 332

- 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

Inquiries

Tapio Kuusisto 029 551 3318

Saana Ranta-Ruona 029 551 3375

Director in charge:

Ville Vertanen

www.stat.fi

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