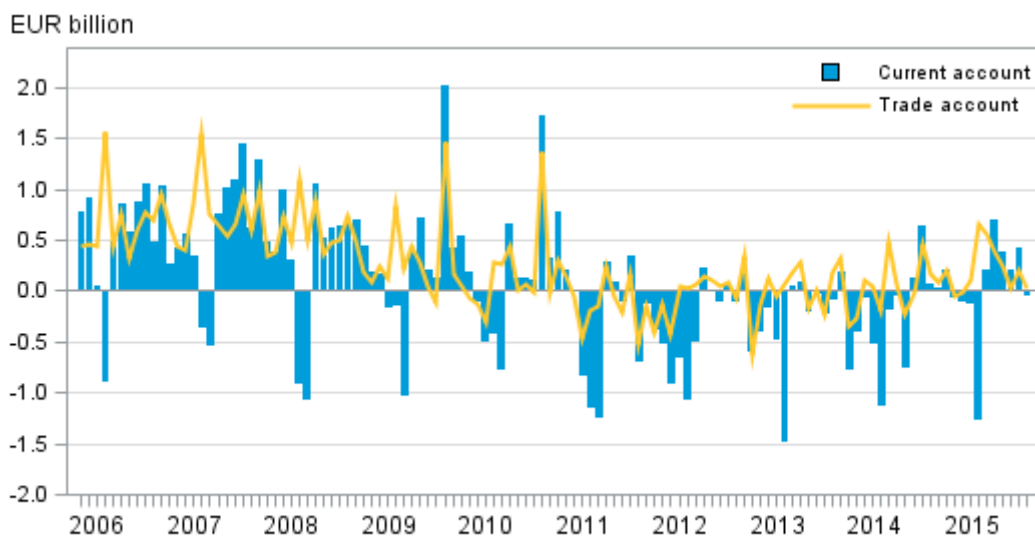


Balance of payments and international investment position

Current account showed a surplus in the third quarter, net international investment position decreased

The current account was in surplus in the third quarter of 2015, despite the decrease in exports. Financial assets and liabilities decreased. These data derive from Statistics Finland's balance of payments and international investment position statistics.

Finland's current account and trade account



Current account in the third quarter of 2015

The current account showed a surplus of EUR 1.0 billion in the third quarter of 2015 due to the surplus in trade in goods and the primary income account. Exports and imports of both goods and services decreased from the corresponding period last year. In both items imports declined more than exports.

The goods account in balance of payment terms was EUR 0.5 billion in surplus as exports of goods amounted to EUR 13.4 billion and imports to EUR 12.9 billion. As a whole, exports declined by 5.0 per cent and imports by 7.0 per cent compared with the corresponding period in 2014.

The service account was in balance in the third quarter of 2015. Exports of services amounted to EUR 5.2 billion, which was 6.1 per cent lower than in the year before. Exports decreased most in charges for the use of intellectual property n.i.e and in telecommunication, computer and information services. The most important items in service exports were telecommunication, computer and information services, other business services and travel. Imports of services decreased by 7.4 per cent and the total value of service imports amounted to EUR 5.3 billion. Imports decreased in particular in the item other business services.

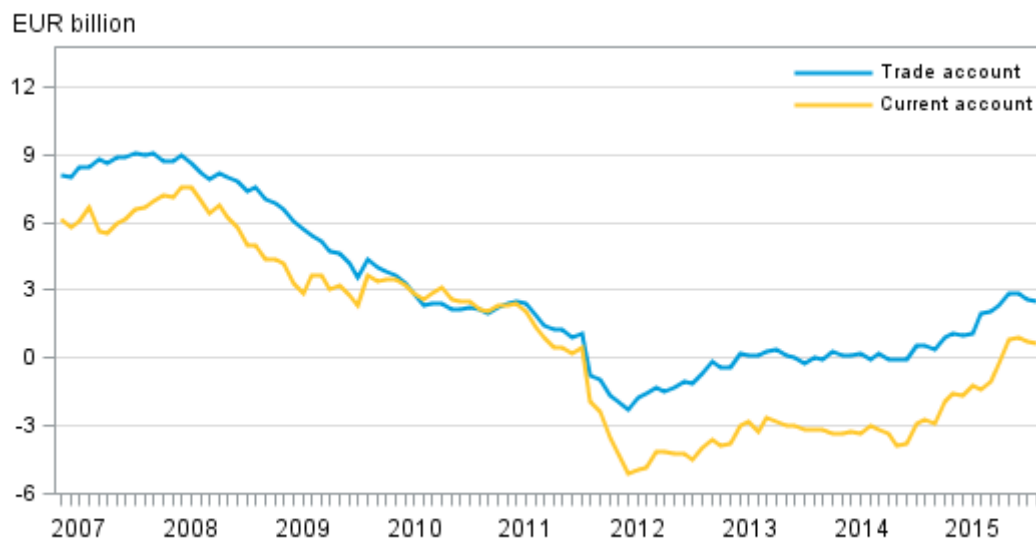
The primary income account was EUR 1.0 billion in surplus as a result of the surplus of investment income. Net investment income, covering e.g. interest payments and dividends, paid to Finnish residents from abroad amounted to EUR 0.9 billion and was mainly in the form of dividends. Investment income to Finnish residents amounted to EUR 3.5 billion, while those to foreign residents were EUR 2.7 billion. The secondary income account was EUR 0.4 billion in deficit.

The calculation method for travel exports has changed from the third quarter of 2015 hence the figures for service exports are not comparable with previous quarters.

Current account in October 2015

In October, the current account was in balance, as the primary income account was in surplus while the service account and the secondary income account were in deficit. The 12-month moving total of the current account was EUR 0.6 billion in surplus.

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



Financial account and net international investment position

In the third quarter of 2015, net outflow from Finland amounted to EUR 1.6 billion as the financial account liabilities decreased more than the assets. Capital outflow took place mainly in the form of other investments (loans, deposits and trade credits), totalling EUR 2.1 billion, and inflow was mainly in the form of portfolio investments, EUR 0.9 billion.

At the end of September 2015, Finland had EUR 731.9 billion in foreign assets and EUR 731.1 billion in foreign liabilities. The net international investment position was still positive at the end of the third quarter, there were EUR 0.8 billion more assets than liabilities. Both foreign assets and liabilities have decreased in the past two quarters but both are still at a higher level compared to the end of the third quarter of 2014 when foreign assets amounted to EUR 710.0 billion and liabilities to EUR 709.8 billion. Price changes related to foreign assets and liabilities cut the net international investment position by EUR 6.0 billion in the third quarter. Adjustments in exchange rates and other valuation changes also weakened the net international investment position by EUR 4.1 billion.

When examining the international investment position at sector level, the foreign assets of money market funds and collective investment schemes, social security funds and households exceeded the liabilities. Non-financial corporations, monetary financial institutions (excluding the central bank), central government and local government had more foreign liabilities than assets.

Table 1. External assets and liabilities by investment type in 2015 Q3, EUR billion

	Opening position 30.09.2015	Financial transactions 2015 Q3	Price changes 2015 Q3	Changes in the exchange rates and valuation adjustments 2015 Q3	Closing position 30.9.2015
Financial account	9,3	1,6	-6,0	-4,1	0,8
Assets	753,1	-22,9	9,2	-7,5	731,9
Liabilities	743,8	-24,6	15,3	-3,4	731,1
Direct investment	12,0	1,4	-1,1	-4,5	9,8
Assets	131,6	2,2	-1,1	-2,9	129,8
Liabilities	119,6	0,8	0,0	-0,4	120,0
Portfolio investment	5,5	-0,9	-4,1	-1,3	-0,8
Assets	299,4	-2,8	-9,8	-1,8	285,0
Liabilities	293,8	-1,9	-5,7	-0,4	285,8
Other investment	-23,5	2,1	0,0	0,3	-21,1
Assets	206,1	-6,4	0,0	-1,3	198,4
Liabilities	229,6	-8,5	0,0	-1,6	219,5
Financial derivatives	5,8	-0,9	-0,8	-0,6	3,5
Reserve assets	9,5	0,0	-0,1	-0,1	9,3

Direct Investment

At the end of September 2015 direct investment assets on gross stood at EUR 129.8 billion and liabilities at EUR 120.0 billion. In the third quarter, direct investment assets, with price changes and changes in exchange rates and other valuation adjustments included decreased by EUR 1.8 billion and liabilities grew by EUR 0.4 billion. The most significant changes in the third quarter occurred in equity, where assets grew by EUR 3.0 billion and liabilities by EUR 1.1 billion.

Direct investment assets exceed the liabilities, however, the net international investment position related to these investments has decreased further during 2015. At the end of 2014, assets exceeded liabilities by EUR 19.3 billion but at the end of September 2015, the difference was only EUR 9.8 billion.

Portfolio Investment

At the end of September 2015 portfolio investment assets stood at EUR 285.0 billion and liabilities at EUR 285.8 billion, portfolio related liabilities exceeding portfolio assets by 0.8 billion. At the end of the previous quarter, there were still more assets than liabilities and the effect on the net international investment position at that time was EUR 5.5 billion positive. During the third quarter capital flowed out from both portfolio assets and liabilities, the net effect was EUR -0.9 billion. In addition, price changes as well as adjustments in exchange rates and other valuation changes had a decreasing effect on portfolio investments.

At the end of September 2015, Finnish residents had EUR 139.5 billion assets in foreign equity and investment fund shares and EUR 89.3 billion in liabilities, and EUR 145.5 billion in assets in debt securities and EUR 196.4 billion in liabilities. In the third quarter, non-resident investors decreased investments in equity and investment fund shares in Finland by EUR 0.8 billion, while Finnish residents increased their investments in international equity and investment fund shares by EUR 1.7 billion. Assets from debt security investments went down by EUR 4.5 billion and liabilities by EUR 1.1 billion.

Of foreign assets related to equity that totalled EUR 45.1 billion, collective investment schemes (excl. money market funds) held EUR 25.0 billion and general government (mainly employment pension schemes) EUR 11.7 billion. Non-financial corporations and other financial intermediaries had most equity liabilities, EUR 56.7 billion and 14.8 billion, respectively. At the end of September, Finnish households had EUR 5.9 billion in foreign assets in equity and investment fund shares.

Foreign debt security assets and liabilities mainly consist of long-term debt securities. General government (incl. central government, local government and social security funds) had a total of EUR 38.1 billion in debt securities-related assets and EUR 97.4 billion in liabilities.

Financial Derivatives and Other Investments

At the end of the third quarter, Finnish residents' net assets from derivatives amounted to EUR 3.5 billion, which is EUR 2.3 billion less than at the end of June.

Other investment, i.e. loans, deposits and trade credits, assets and liabilities decreased compared with the previous quarter. The net investment position related to these investments improved by EUR 2.4 billion due to decrease in liabilities by EUR 10.1 billion while assets decreased by EUR 7.7 billion. At the end of September, assets from other investments amounted to EUR 198.4 billion and liabilities to EUR 219.5 billion

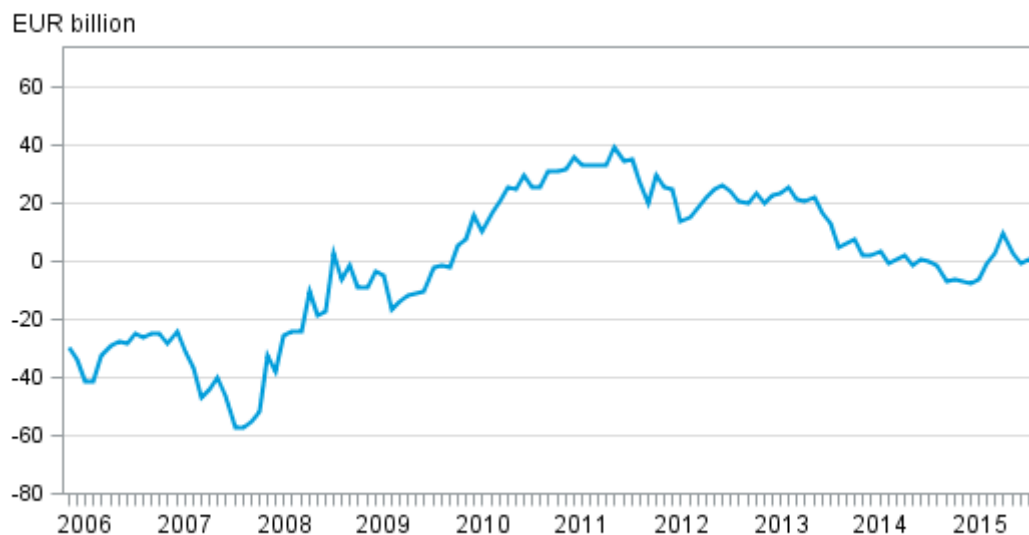
Financial Account and International Investment Position in October

In October, financial account showed a net outflow of EUR 0.4 billion. During the month, Finnish investors scaled down their international holdings by EUR 19.3 billion and non-resident investors decreased their investments in Finland by EUR 19.7 billion. The main source of capital inflow was other investments, EUR 2.9 billion. Outflow was highest in portfolio investments, EUR 3.4 billion.

The net international investment position was in balance at the end of October, as foreign assets amounted to EUR 733.4 billion and foreign liabilities to EUR 733.4 billion.

The data for November 2015 will be published on 15 January 2016.

Finland's international investment position monthly



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Appendix tables

Appendix table 1. Finland's current account, quarterly 2015, EUR million

		Year/quartal				
		2014/Q3	2014/Q4	2015/Q1	2015/Q2	2015/Q3
Credit	1. Current account	24 065	24 250	22 879	24 688	22 827
	1.1 Goods	14 112	14 436	13 358	14 404	13 404
	1.2 Services	5 577	5 592	5 225	5 183	5 237
	1.3 Primary income	4 078	3 964	3 993	4 807	3 909
	1.4 Secondary income	298	258	302	294	277
Debit	1. Current account	24 040	23 951	23 113	25 041	21 805
	1.1 Goods	13 892	13 962	13 301	12 799	12 917
	1.2 Services	5 683	6 137	5 502	5 765	5 262
	1.3 Primary income	3 738	2 934	3 423	5 615	2 927
	1.4 Secondary income	728	917	886	862	699

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 2015, EUR million

		Year/quartal				
		2014/Q3	2014/Q4	2015/Q1	2015/Q2	2015/Q3
Assets	S1 Total economy	-11 788	-32 482	-2 390	-9 656	-22 914
	S11 Non-financial corporations	-7 221	-6 998	-4 918	-3 419	-6 795
	S121 Central bank	-6 682	7 773	5 031	5 208	-841
	S122 Other monetary financial institutions	7 407	-16 107	7 855	-6 950	-10 408
	S123 Money market funds (MMF)	378	68	415	-23	-67
	S124 Collective investment schemes excl. money market funds	410	-1 073	1 070	1 465	-180
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	708	-206	256	850	806
	S128+S129 Insurance corporations and pension funds	-482	-1 303	2 014	-819	915
	S1311 Central government	-4 671	-9 219	-5 474	-1 334	-5 009
	S1313 Local government	1		-18	-4	29
	S1314 Social security funds	-1 655	-5 504	-8 496	-4 275	-1 594
	S14+S15 Households and non-profit institutions serving households	18	88	-124	-354	230
	Liabilities	S1 Total economy	-11 151	-34 987	1 231	-16 139
S11 Non-financial corporations		-5 369	-9 952	-454	-4 724	-10 405
S121 Central bank		88	67	47	734	-88
S122 Other monetary financial institutions		253	-14 635	12 826	-4 060	-7 298
S123 Money market funds (MMF)			-3	5	5	1
S124 Collective investment schemes excl. money market funds		-1 138	-671	472	-2	4
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		1 257	623	422	47	1 237
S128+S129 Insurance corporations and pension funds		41	67	-111	-280	-7
S1311 Central government		-3 665	-5 885	-5 072	-3 456	-3 641
S1313 Local government		115	236	-69	63	15
S1314 Social security funds		-2 733	-4 834	-6 836	-4 464	-4 375
S14+S15 Households and non-profit institutions serving households		-	-	-	-	-

		Year/quartal				
		2014/Q3	2014/Q4	2015/Q1	2015/Q2	2015/Q3
Net	S1 Total economy	-637	2 506	-3 621	6 483	1 643
	S11 Non-financial corporations	-1 852	2 954	-4 464	1 305	3 611
	S121 Central bank	-6 769	7 705	4 983	4 473	-753
	S122 Other monetary financial institutions	7 154	-1 472	-4 972	-2 890	-3 110
	S123 Money market funds (MMF)	378	71	410	-28	-68
	S124 Collective investment schemes excl. money market funds	1 548	-402	598	1 467	-184
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-549	-829	-166	803	-431
	S128+S129 Insurance corporations and pension funds	-523	-1 370	2 126	-538	921
	S1311 Central government	-1 006	-3 334	-402	2 122	-1 368
	S1313 Local government	-114	-236	51	-67	15
	S1314 Social security funds	1 078	-670	-1 660	190	2 780
	S14+S15 Households and non-profit institutions serving households	18	88	-124	-354	230

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 2015, EUR million

		Year/quartal				
		2014/Q3	2014/Q4	2015/Q1	2015/Q2	2015/Q3
Assets	S1 Total economy	709 977	719 062	798 646	753 126	731 933
	S11 Non-financial corporations	118 587	121 035	127 656	131 511	129 303
	S121 Central bank	37 150	45 139	51 141	55 900	54 800
	S122 Other monetary financial institutions	290 029	291 461	334 274	285 758	278 712
	S123 Money market funds (MMF)	2 287	2 351	2 765	2 732	2 657
	S124 Collective investment schemes excl. money market funds	61 796	62 403	68 673	67 995	64 061
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	21 570	20 907	23 437	23 931	24 512
	S128+S129 Insurance corporations and pension funds	25 428	24 458	27 716	25 983	26 320
	S1311 Central government	21 216	18 742	20 529	21 822	17 812
	S1313 Local government	435	436	482	427	447
	S1314 Social security funds	119 155	119 744	128 217	124 101	121 668
	S14+S15 Households and non-profit institutions serving households	12 325	12 387	13 756	12 966	11 642
	Liabilities	S1 Total economy	709 842	725 174	805 087	743 802
S11 Non-financial corporations		176 056	182 661	202 602	194 714	186 070
S121 Central bank		10 469	10 607	10 748	11 437	11 216
S122 Other monetary financial institutions		359 540	363 007	412 761	367 727	364 039
S123 Money market funds (MMF)		40	37	42	46	47
S124 Collective investment schemes excl. money market funds		17 540	17 260	19 223	18 857	17 704
S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders		29 787	31 014	35 351	33 169	35 546
S128+S129 Insurance corporations and pension funds		1 119	1 284	1 250	983	987
S1311 Central government		107 915	111 771	114 932	110 107	108 644
S1313 Local government		2 555	2 791	2 602	2 665	2 680
S1314 Social security funds		3 807	3 728	4 589	3 108	3 208
S14+S15 Households and non-profit institutions serving households		1 014	1 014	988	988	988
Net		S1 Total economy	135	-6 112	-6 441	9 324
	S11 Non-financial corporations	-57 469	-61 626	-74 947	-63 204	-56 766
	S121 Central bank	26 681	34 531	40 393	44 462	43 584
	S122 Other monetary financial institutions	-69 510	-71 546	-78 487	-81 969	-85 327
	S123 Money market funds (MMF)	2 247	2 314	2 724	2 686	2 610
	S124 Collective investment schemes excl. money market funds	44 255	45 143	49 450	49 139	46 357
	S125+S126+S127 Other financial intermediaries financial auxiliaries and captive financial institutions and money lenders	-8 217	-10 107	-11 914	-9 238	-11 034
	S128+S129 Insurance corporations and pension funds	24 309	23 174	26 466	25 000	25 334
	S1311 Central government	-86 699	-93 029	-94 403	-88 285	-90 833
	S1313 Local government	-2 121	-2 355	-2 120	-2 238	-2 233
	S1314 Social security funds	115 348	116 017	123 628	120 992	118 460
	S14+S15 Households and non-profit institutions serving households	11 311	11 372	12 768	11 979	10 654

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

Appendix table 4. Finland's balance of payments 2015, EUR million

	Year 2014	12 month moving sum	2015/09	2015/10
1. Current account	-1 932	639	425	-25
1.1 Goods	900	2 479	210	32
1.2 Services	-1 825	-1 374	-17	-143
1.3 Primary income	1 398	1 766	372	306
1.4 Secondary income	-2 406	-2 233	-141	-220
2. Capital account	188	224	17	24
3. Financial account	-7 401	6 800	5 107	443
3.1 Direct investment	-13 465	-13 545	1 084	42
3.2 Portfolio investment	4 619	6 844	-5 526	3 386
3.3 Other investment	2 340	19 492	9 744	-2 892
3.4 Financial derivatives	-687	-6 110	-346	-94
3.5 Reserve assets	-207	119	151	1
4. Errors and omissions	-5 656	5 937	4 666	443

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