

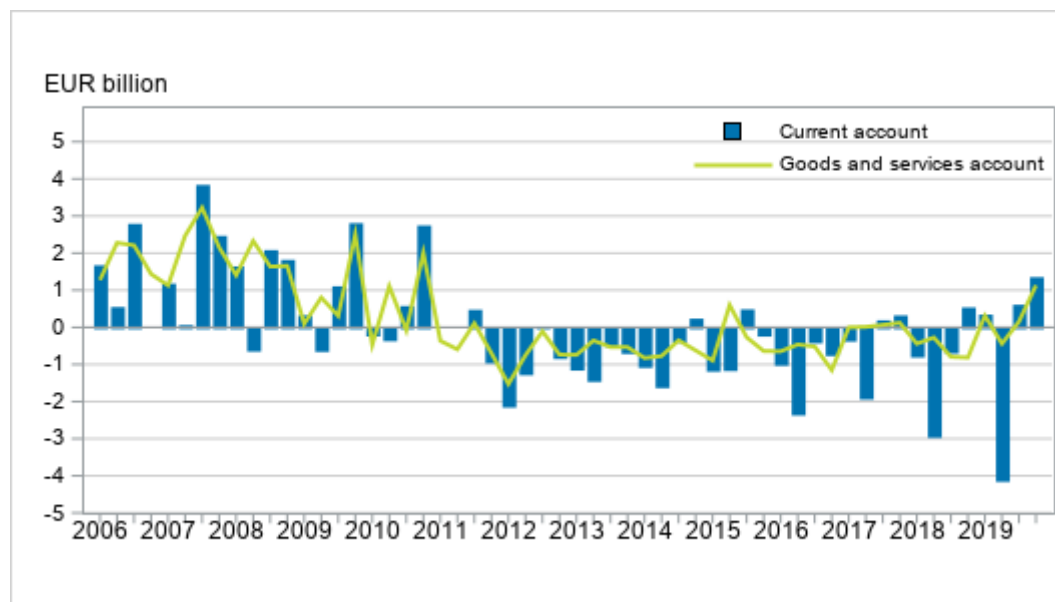
# Balance of payments and international investment position

2019, 4th quarter

## Current account in surplus in the fourth quarter, net international investment position strengthened

The current account was in surplus in the fourth quarter of 2019. In balance of payments terms, the value of goods exports grew by six per cent from the corresponding quarter of the year before. Service exports still grew strongly, but the service account turned again into deficit. The primary income account remained in surplus. 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 2019, the current account was EUR 1.4 billion in surplus. The balance of goods and services showed a surplus of EUR 1.1 billion. Of the sub-items of the current account, the primary income account was EUR 1.0 billion in surplus and the secondary income account EUR 0.8 billion in deficit.

## Goods and services

The trade account in balance of payments terms was EUR 1.5 billion in surplus in the fourth quarter of 2019. 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 0.4 billion in the fourth quarter of 2019.

Goods exports in balance of payments terms amounted to EUR 17.1 billion in the fourth quarter of 2019, which means that goods exports grew by six per cent from the corresponding quarter of 2018. Goods imports amounted to EUR 15.6 billion, so goods imports declined by five per cent from the fourth quarter in 2018. In the fourth quarter of 2019, service exports grew by 10 per cent and service imports by seven per cent compared to the corresponding quarter of the previous year. Service exports amounted to EUR 8.4 billion and service imports to EUR 8.8 billion.

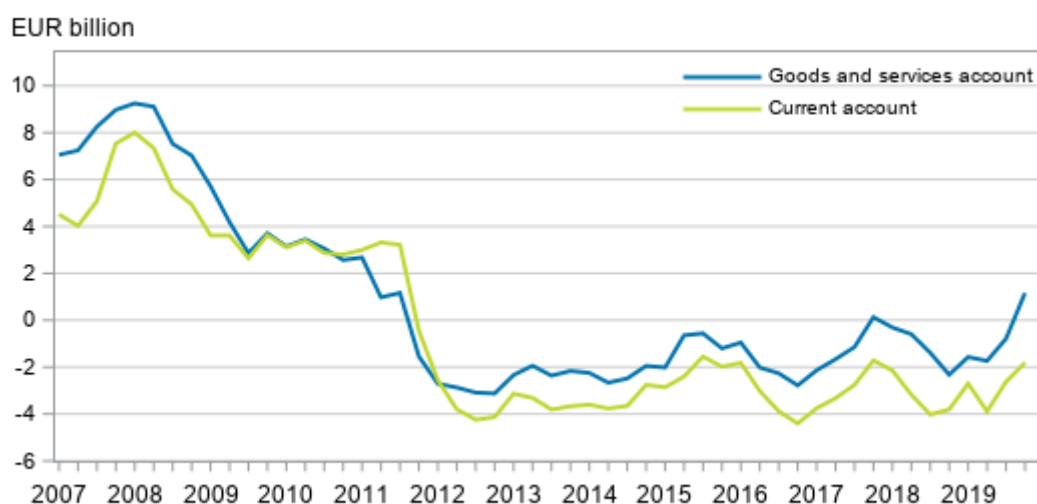
More detailed import and export figures in balance of payments terms by service item and area can be found in the [statistics on international trade in goods and services](#) starting from 2015. Decreases and increases made to the Finnish Customs figures, which result in goods trade in balance of payments terms, are also broken down in the statistics on international trade in goods and services.

## Primary income in the fourth quarter

A total of EUR 0.9 billion were paid in investment income on net to Finland in the last quarter of 2019, which is explained by investment income from direct investments and portfolio investment income. Primary data on investment income for the whole 2019 were EUR 1.0 billion in deficit, which is mainly due to growth in dividends from portfolio investments paid abroad from Finland. Data on investment income are preliminary and will become revised in connection with the following quarterly data.

The secondary income account was EUR 0.8 billion in deficit in the fourth quarter of 2019.

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



## Financial account and net international investment position

*Net international investment position strengthened from the previous quarter as a result of other investments*

In the last quarter of 2019, Finland had EUR 804.5 billion in foreign assets on gross and EUR 800.4 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 4.1 billion as there were more liabilities than assets. Both the stock of assets and liabilities went down, which was caused by the fall in investments and the stock of derivatives on both the asset and liability sides.

The net international investment position improved from the previous quarter when the net international investment position was EUR -3.8 billion. Financial transactions stood for EUR 1.6 billion and changes in prices and exchange rates and other changes in classifications for EUR 6.4 billion of the change in the net international investment position.

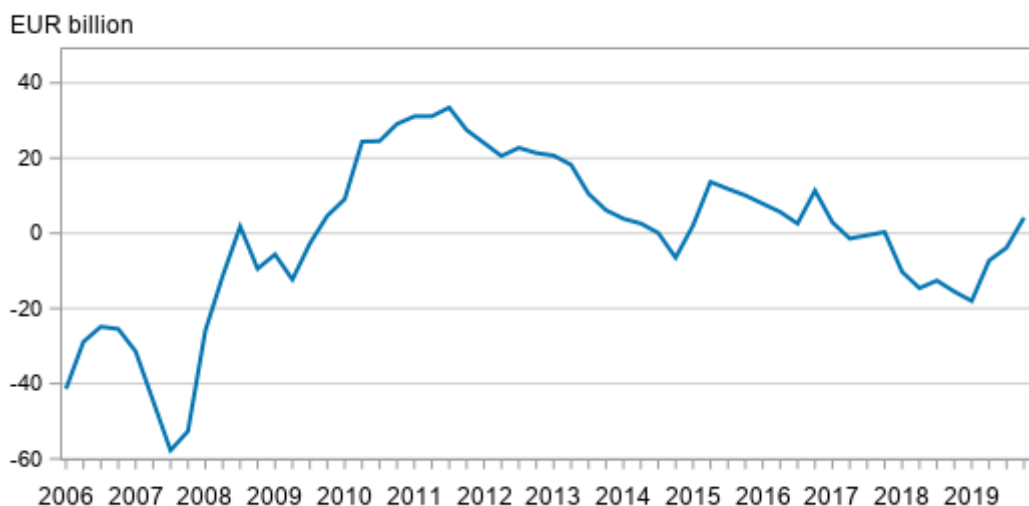
*Net assets from other investments improved*

Examined by type of investment, the most foreign assets were in the form of portfolio investments at the end of the last quarter of 2019. Portfolio investment assets amounted to EUR 344.2 billion, of which EUR 131.7 billion were in bonds and money market instruments and assets in equity and mutual fund shares amounted to EUR 212.5 billion. Assets from direct investments totalled EUR 163.8 billion and assets in the form of other investments amounted to EUR 225.4 billion. Assets from other investments fell from the previous quarter as cash assets decreased.

Foreign liabilities, totalling EUR 415.3 billion, were also most in the form of portfolio investments. Liabilities from direct investments were EUR 117.8 billion and liabilities from other investments EUR 205.9 billion. Other investment liabilities fell from the previous quarter.

In the last quarter of 2019, net assets improved from the previous quarter in other investments where net assets amounted to EUR 19.4 billion. The biggest net assets, EUR 46.0 billion, were in the form of direct investments in the last quarter of 2019. The biggest net liabilities, EUR -71.1 billion, were in portfolio investments. Net liabilities of portfolio investments are explained by net liabilities of EUR 135.2 billion in bonds and money market instruments. Assets in equity and mutual fund shares were EUR 64.1 billion larger than liabilities.

### Finland's net international investment position quarterly



### *Net capital outflow from Finland*

In the last quarter of 2019, net capital outflow amounted to EUR 1.6 billion. Net capital outflow in the form of other investments totalled EUR 4.6 billion and capital inflow most in the form of portfolio investments EUR 3.1 billion, when Finnish investors decreased their investments abroad and foreign investors increased their portfolio investments to Finland.

### *Social security funds had largest net assets*

When the net investment position is examined by investor sector, most foreign net assets, EUR 157.7 billion, were held by social security funds, of which employment pension schemes are the most important ones. EUR 122.4 billion of social security funds' net assets were in the form of equity and mutual fund shares and EUR 31.6 billion in the form of money market instruments and bonds. Net assets of social security funds improved from the previous quarter primarily as a result of price changes in assets of equity and mutual fund shares. Net assets were held most by monetary financial institutions, EUR 134.1 billion. The net investment position of monetary financial institutions improved from the third quarter of 2019 as a result of decreases in cash classified as other investments and net liabilities of deposits.

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# Appendix tables

**Appendix table 1. Current account, quarterly 2019, EUR million**

		Year/quarter				
		2018/Q4	2019/Q1	2019/Q2	2019/Q3	2019/Q4
Credit	1. Current account	29 121	28 180	28 744	28 447	30 353
	1.1 Goods	16 203	16 358	15 794	15 595	17 099
	1.2 Services	7 591	6 991	7 723	8 015	8 392
	1.3 Primary income	4 925	4 301	4 900	4 494	4 519
	1.4 Secondary income	402	530	326	343	343
Debit	1. Current account	28 585	27 838	32 855	27 840	29 002
	1.1 Goods	16 378	15 152	15 941	15 620	15 554
	1.2 Services	8 230	7 882	8 017	7 836	8 806
	1.3 Primary income	3 019	3 758	7 996	3 436	3 545
	1.4 Secondary income	958	1 046	900	947	1 096

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 2019, EUR million**

		Year/quarter				
		2018/Q4	2019/Q1	2019/Q2	2019/Q3	2019/Q4
Assets	S1 Total economy	-41 285	30 485	-25 021	-17 828	-70 393
	S11 Non-financial corporations	-10 088	-5 061	-10 910	-7 425	-11 188
	S121 Central bank	-22 511	30 221	-2 128	925	-12 440
	S122 Other monetary financial institutions	8 126	15 778	325	-954	-32 582
	S123 Money market funds (MMF)	4	-2 173	.	.	.
	S124 Collective investment schemes, excl. money market funds	-1 342	265	-268	1 124	-287
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-4 377	1 089	495	-630	832
	S128+S129 Insurance corporations and pension funds	-59	450	-82	-31	-303
	S1311 Central government	-4 121	-3 916	-4 432	-1 878	-6 133
	S1313 Local government	-3	-2	27	4	71
	S1314 Social security funds	-6 359	-6 380	-8 216	-9 072	-8 664
	S14+S15 Households and non-profit institutions serving households	-555	214	169	107	301
	Liabilities	S1 Total economy	-34 272	35 566	-27 820	-17 152
S11 Non-financial corporations		-10 782	-4 281	-12 516	-7 339	-10 957
S121 Central bank		685	-906	120	-219	251
S122 Other monetary financial institutions		-10 510	50 006	-7 228	5 153	-44 903
S123 Money market funds (MMF)		39	-8			
S124 Collective investment schemes, excl. money market funds		48	-1 442	-888	439	155
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		-1 553	5 026	271	-179	652
S128+S129 Insurance corporations and pension funds		-3	157	59	115	59
S1311 Central government		-3 226	-5 073	979	-4 080	-7 338
S1313 Local government		23	42	57	28	283
S1314 Social security funds		-9 015	-8 018	-8 797	-11 157	-10 221
S14+S15 Households and non-profit institutions serving households		20	63	123	88	20
Net		S1 Total economy	-7 013	-5 081	2 799	-677
	S11 Non-financial corporations	694	-779	1 606	-86	-231
	S121 Central bank	-23 197	31 127	-2 248	1 144	-12 690
	S122 Other monetary financial institutions	18 636	-34 228	7 553	-6 107	12 321
	S123 Money market funds (MMF)	-35	-2 164			
	S124 Collective investment schemes, excl. money market funds	-1 390	1 707	620	686	-442
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-2 824	-3 937	223	-451	180
	S128+S129 Insurance corporations and pension funds	-57	293	-141	-146	-362
	S1311 Central government	-895	1 156	-5 412	2 203	1 205
	S1313 Local government	-26	-43	-30	-24	-211
	S1314 Social security funds	2 656	1 638	581	2 085	1 557
	S14+S15 Households and non-profit institutions serving households	-575	151	46	20	281

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 2019, EUR million**

		Year/quarter				
		2018/Q4	2019/Q1	2019/Q2	2019/Q3	2019/Q4
Assets	S1 Total economy	745 923	818 094	824 445	854 930	804 513
	S11 Non-financial corporations	141 555	143 955	142 192	145 474	144 498
	S121 Central bank	66 305	97 084	95 217	96 781	84 047
	S122 Other monetary financial institutions	228 405	247 531	253 102	267 484	226 646
	S123 Money market funds (MMF)	2 129	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	77 050	83 719	84 447	87 804	89 875
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	32 163	34 300	35 932	35 610	36 975
	S128+S129 Insurance corporations and pension funds	29 860	31 290	31 536	31 833	31 622
	S1311 Central government	12 080	13 924	13 659	14 306	13 959
	S1313 Local government	688	711	732	760	849
	S1314 Social security funds	142 327	151 224	153 052	160 011	160 283
	S14+S15 Households and non-profit institutions serving households	13 361	14 356	14 577	14 866	15 759
	Liabilities	S1 Total economy	761 436	836 118	831 708	858 764
S11 Non-financial corporations		221 754	234 249	228 843	236 008	235 209
S121 Central bank		13 570	12 690	12 791	12 607	12 849
S122 Other monetary financial institutions		346 487	400 579	395 805	415 370	360 743
S123 Money market funds (MMF)		68	1	1	1	1
S124 Collective investment schemes, excl. money market funds		25 955	26 210	25 724	26 571	27 857
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		49 151	55 432	56 799	55 629	57 614
S128+S129 Insurance corporations and pension funds		2 310	2 520	2 595	2 719	2 746
S1311 Central government		90 347	92 170	96 970	96 218	93 531
S1313 Local government		4 042	4 141	4 196	4 229	4 511
S1314 Social security funds		5 492	5 802	5 527	6 852	2 749
S14+S15 Households and non-profit institutions serving households		2 260	2 323	2 458	2 560	2 560
Net		S1 Total economy	-15 513	-18 024	-7 263	-3 834
	S11 Non-financial corporations	-80 199	-90 294	-86 652	-90 534	-90 710
	S121 Central bank	52 735	84 394	82 426	84 174	71 198
	S122 Other monetary financial institutions	-118 082	-153 048	-142 703	-147 886	-134 096
	S123 Money market funds (MMF)	2 062	-1	-1	-1	-1
	S124 Collective investment schemes, excl. money market funds	51 094	57 509	58 722	61 233	62 018
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-16 988	-21 133	-20 866	-20 019	-20 639
	S128+S129 Insurance corporations and pension funds	27 550	28 770	28 941	29 114	28 876
	S1311 Central government	-78 267	-78 246	-83 311	-81 911	-79 571
	S1313 Local government	-3 354	-3 430	-3 463	-3 469	-3 662
	S1314 Social security funds	136 836	145 422	147 525	153 159	157 534
	S14+S15 Households and non-profit institutions serving households	11 101	12 033	12 119	12 306	13 198

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 2019	12 month moving sum	2020/01
1. Current account	-1 811	-2 706	-215
1.1. Goods	2 579	1 725	-39
1.2. Services	-1 421	-1 448	-379
1.3. Primary income	-522	-437	479
1.4. Secondary income	-2 447	-2 546	-277
2. Capital account	176	177	16
3. Financial account	-1 350	-976	-781
3.1. Direct investment	-3 217	-909	289
3.2. Portfolio investment	-24 572	-23 911	-863
3.3. Other investment	25 446	23 194	100
3.4. Financial derivatives	466	176	-165
3.5. Reserve assets	527	474	-142
4. Errors and omissions	284	1 553	-582

- 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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