

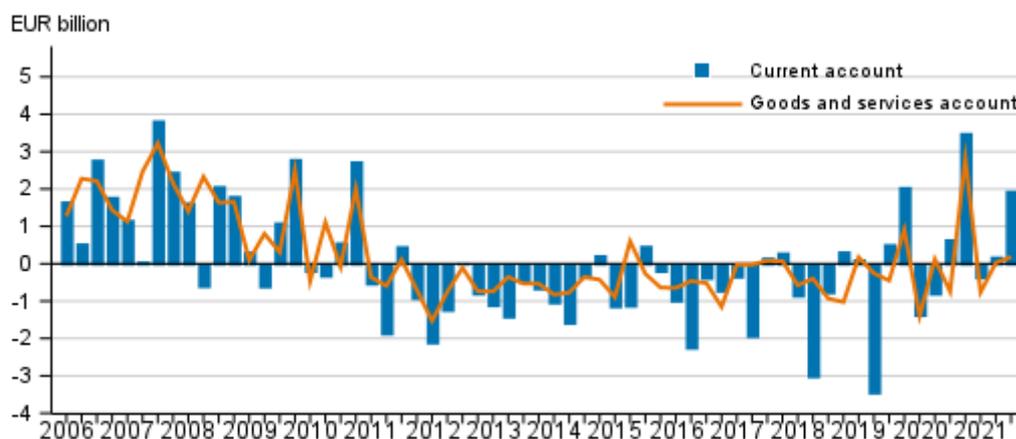
# Balance of payments and international investment position

2021, 3:rd quarter

## The current account was in surplus and the net international investment position strengthened in the third quarter of 2021

The current account was EUR 2.0 billion in surplus in the third quarter of 2021. The value of goods exports in balance of payments terms increased by 28 per cent year-on-year. On the other hand, the value of goods imports increased by 22 per cent. At the same time, the value of service exports increased by 19 per cent year-on-year, while the value of service imports rose by 15 per cent. The primary income account was in surplus. The net international investment position strengthened compared to the previous quarter. 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 third quarter of 2021 the current account was EUR 2.0 billion in surplus. The four-quarter moving total of the current account was EUR 5.3 billion in surplus. The balance of goods and services was EUR 0.2 billion in surplus. Of the sub-items of the current account the primary income account was EUR 2.4 billion in surplus and the secondary income account was EUR 0.6 billion in deficit.

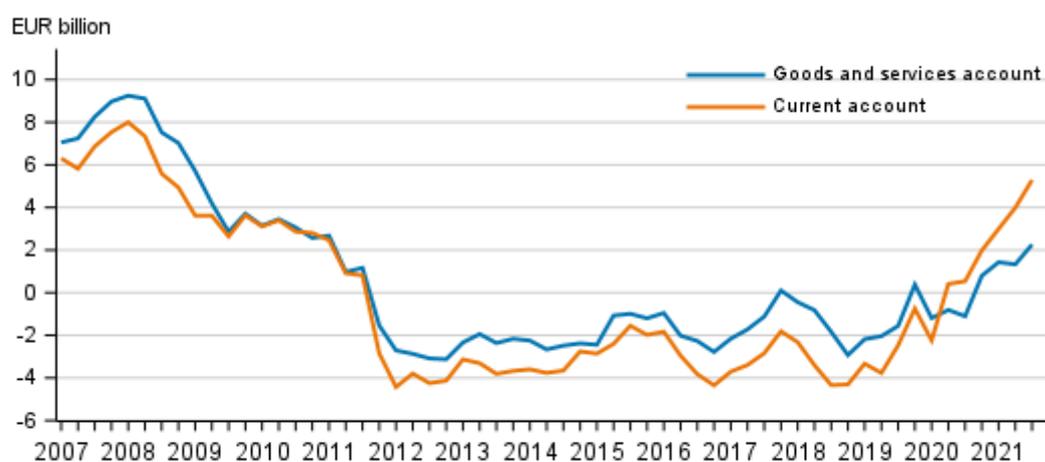
## Goods and services

The goods account in balance of payment terms was EUR 0.8 billion in surplus in the third quarter. In the corresponding quarter of the previous year, the trade account was in balance. The services account was EUR 0.6 billion in deficit in the third quarter of 2021.

The value of goods exports in balance of payments terms increased by 28 per cent year-to-year and was EUR 18.1 billion at the same time as the value of goods imports in balance of payments terms increased by 22 per cent year-on-year to EUR 17.3 billion. The value of service exports increased by 19 per cent year-on-year and was EUR 6.7 billion. On the other hand, the value of service imports rose by 15 per cent year-on-year to 7.3 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.

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



## Primary income

A total of EUR 2.4 billion were paid in primary income on net to Finland in the third quarter of 2021. Primary income paid abroad from Finland was EUR 2,5 billion, while primary income paid from abroad to Finland was EUR 4,9 billion.

In the third quarter of 2021, investment income paid to Finland on net amounted to EUR 2.3 billion, while investment income paid to Finland from abroad amounted to EUR 4.6 billion and investment income paid abroad from Finland to EUR 2.3 billion. Investment income on net was paid from abroad to Finland in all

functional categories. Most investment income on net from abroad to Finland was paid in the form of direct investments, EUR 1.4 billion in the third quarter of 2021.

## Financial account and net international investment position

### *Gross liabilities bigger than gross assets*

At the end of the third quarter of 2021, Finland had EUR 916.3 billion in gross foreign assets and EUR 922.2 billion in gross foreign liabilities. The net international investment position, that is, the difference between gross assets and liabilities, was thus EUR -5.9 billion as there were more liabilities than assets. Gross liabilities grew from the second quarter mainly due to an increase in the stock of liabilities of other investments. Other investments also increased the stock of gross assets.

The net international investment position strengthened from the second quarter of 2021 when the net international investment position was EUR -7.5 billion. Financial transactions stood for EUR 2.2 billion of the change in the net international investment position, while prices, exchange rates and other changes in classifications stood for EUR -0.6 billion.

### **Finland's net international investment position quarterly**



### *Largest net liabilities in portfolio investments*

Examined by functional category, most foreign assets were in the form of portfolio investments at the end of the third quarter of 2021. Portfolio investment assets grew from the previous quarter. At the end of the third quarter of 2021, there were EUR 412.7 billion in portfolio investment assets, while in the previous quarter there were EUR 405.8 billion in assets. The change in stocks is explained by financial transactions and value changes in portfolio investments. Portfolio investments abroad increased by EUR 2.3 billion, while changes in prices, exchange rates and other classifications were EUR 4.6 billion. EUR 137.3 billion of the portfolio investment assets were in bonds and money market instruments, and EUR 275.4 billion in shares and mutual fund shares.

The share of portfolio investments is also highest in foreign liabilities. At the end of the third quarter of 2021, the liabilities stock of portfolio investments totalled EUR 468.6 billion. Portfolio investment liabilities increased from the previous quarter, when the stock of portfolio investment liabilities stood at EUR 463.5 billion.

When examining the net international investment position by functional category, it can be seen that the biggest net assets were in the form of direct investments, while the largest net liabilities were in the form of portfolio investments. At the end of the third quarter of 2021, the net assets of direct investments stood at EUR 32.9 billion. The net assets of direct investment decreased from the second quarter of 2021, when net assets amounted to EUR 36.1 billion. The net liabilities of portfolio investments amounted to EUR 55.9 billion, which is explained by the EUR 138.1 billion net liabilities of debt securities. Assets in shares and mutual fund shares of portfolio investments were EUR 82.3 billion higher than liabilities.

#### *Capital flowed abroad on net from Finland*

In the third quarter of 2021, net capital outflow from Finland abroad amounted to EUR 2.2 billion. Net capital outflow from Finland abroad was highest in the form of reserve assets, EUR 2.9 billion. In the form of other investments, net capital outflow from Finland abroad amounted to EUR 1.5 billion. Correspondingly, net capital inflow to Finland from abroad was highest in the form of direct investments, EUR 2.6 billion.

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

When the net investment position is examined by investor sector, most foreign net assets, EUR 182.4 billion, were held by social security funds, of which employment pension schemes are the most important ones. EUR 152.6 billion of social security funds' net assets were in the form of shares and mutual fund shares and EUR 27.1 billion in the form of debt securities. Net liabilities were held most by other monetary financial institutions, EUR 188.7 billion. The net investment position of other monetary financial institutions weakened from the second quarter of 2021 mainly due to increased net liability of portfolio investments.

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# Appendix tables

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

		Year/quarter				
		2020/Q3	2020/Q4	2021/Q1	2021/Q2	2021/Q3
Credit	1. Current account	24 894	29 654	26 212	28 702	30 070
	1.1 Goods	14 138	16 755	15 295	16 855	18 096
	1.2 Services	5 631	7 743	5 575	6 192	6 706
	1.3 Primary income	4 754	4 790	4 773	5 320	4 903
	1.4 Secondary income	371	366	568	335	366
Debit	1. Current account	24 235	26 152	26 577	28 508	28 113
	1.1 Goods	14 166	14 531	15 064	16 076	17 317
	1.2 Services	6 347	7 154	6 569	6 946	7 302
	1.3 Primary income	2 855	3 174	3 439	4 489	2 538
	1.4 Secondary income	867	1 293	1 505	998	957

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/Q3	2020/Q4	2021/Q1	2021/Q2	2021/Q3
Assets	S1 Total economy	-26 425	-55 772	25 500	-22 724	-3 600
	S11 Non-financial corporations	-8 740	-13 132	-8 919	-13 264	-6 697
	S121 Central bank	-4 775	-15 734	28 732	4 392	13 577
	S122 Other monetary financial institutions	-4 939	-21 770	9 980	2 584	375
	S123 Money market funds (MMF)	.	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	1 386	1 970	3 272	3 038	1 923
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	258	1 650	12	449	-30
	S128+S129 Insurance corporations and pension funds	278	916	567	-99	132
	S1311 Central government	-2 302	-4 392	-5 859	-1 119	-2 894
	S1313 Local government	-63	45	-43	34	77
	S1314 Social security funds	-7 861	-6 056	-2 893	-19 118	-10 487
	S14+S15 Households and non-profit institutions serving households	333	730	652	379	423
	Liabilities	S1 Total economy	-26 251	-56 759	26 277	-23 761
S11 Non-financial corporations		-6 980	-12 727	-8 840	-10 865	-4 285
S121 Central bank		524	1 585	200	448	3 731
S122 Other monetary financial institutions		-4 268	-34 904	44 371	9 832	14 109
S123 Money market funds (MMF)					-2	
S124 Collective investment schemes, excl. money market funds		474	1 171	1 892	931	841
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		1 319	-2 005	487	-176	-187
S128+S129 Insurance corporations and pension funds		74	29	114	90	88
S1311 Central government		-9 639	-2 134	-7 150	-3 872	-8 428
S1313 Local government			48	-32	-46	94
S1314 Social security funds		-7 843	-7 699	-4 796	-20 161	-11 747
S14+S15 Households and non-profit institutions serving households		86	-124	28	59	-1
Net		S1 Total economy	-173	987	-776	1 036
	S11 Non-financial corporations	-1 761	-405	-79	-2 399	-2 412
	S121 Central bank	-5 299	-17 319	28 531	3 943	9 846
	S122 Other monetary financial institutions	-670	13 133	-34 391	-7 248	-13 734
	S123 Money market funds (MMF)				2	
	S124 Collective investment schemes, excl. money market funds	912	799	1 380	2 107	1 082
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-1 061	3 656	-475	625	157
	S128+S129 Insurance corporations and pension funds	203	886	453	-189	44
	S1311 Central government	7 337	-2 258	1 291	2 753	5 534
	S1313 Local government	-63	-3	-11	80	-17
	S1314 Social security funds	-18	1 643	1 902	1 043	1 261
	S14+S15 Households and non-profit institutions serving households	247	854	623	320	423

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/Q3	2020/Q4	2021/Q1	2021/Q2	2021/Q3
Assets	S1 Total economy	837 947	815 886	878 634	887 326	916 274
	S11 Non-financial corporations	155 555	147 330	147 659	145 336	149 668
	S121 Central bank	96 629	80 925	109 653	114 060	127 738
	S122 Other monetary financial institutions	243 424	222 550	226 853	225 364	226 446
	S123 Money market funds (MMF)	.	.	.	.	.
	S124 Collective investment schemes, excl. money market funds	89 373	96 835	104 718	110 767	113 479
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	35 355	35 501	35 962	36 545	36 789
	S128+S129 Insurance corporations and pension funds	31 647	33 393	34 515	34 986	35 303
	S1311 Central government	14 625	13 771	13 461	13 586	12 912
	S1313 Local government	783	931	865	926	1 009
	S1314 Social security funds	153 573	165 785	184 308	184 070	190 928
	S14+S15 Households and non-profit institutions serving households	16 984	18 866	20 640	21 685	22 001
	Liabilities	S1 Total economy	848 097	828 409	883 298	894 845
S11 Non-financial corporations		250 828	259 271	260 616	270 707	273 961
S121 Central bank		14 554	16 117	16 347	16 784	20 511
S122 Other monetary financial institutions		373 772	341 288	385 465	394 268	415 143
S123 Money market funds (MMF)		3	3	3	2	2
S124 Collective investment schemes, excl. money market funds		29 222	32 480	36 077	38 391	39 673
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		60 662	57 903	59 356	59 390	60 514
S128+S129 Insurance corporations and pension funds		3 448	3 479	3 649	3 754	3 837
S1311 Central government		102 939	104 165	100 997	97 652	92 172
S1313 Local government		4 992	5 036	4 953	4 907	5 000
S1314 Social security funds		4 857	5 970	13 109	6 206	8 571
S14+S15 Households and non-profit institutions serving households		2 820	2 697	2 725	2 784	2 783
Net		S1 Total economy	-10 151	-12 523	-4 664	-7 519
	S11 Non-financial corporations	-95 273	-111 941	-112 957	-125 371	-124 293
	S121 Central bank	82 075	64 808	93 306	97 276	107 227
	S122 Other monetary financial institutions	-130 348	-118 738	-158 612	-168 903	-188 697
	S123 Money market funds (MMF)	-3	-3	-3	-2	-2
	S124 Collective investment schemes, excl. money market funds	60 151	64 355	68 640	72 376	73 806
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-25 308	-22 402	-23 394	-22 846	-23 725
	S128+S129 Insurance corporations and pension funds	28 199	29 914	30 866	31 232	31 466
	S1311 Central government	-88 314	-90 394	-87 536	-84 066	-79 260
	S1313 Local government	-4 209	-4 105	-4 088	-3 981	-3 991
	S1314 Social security funds	148 716	159 815	171 199	177 864	182 357
	S14+S15 Households and non-profit institutions serving households	14 164	16 169	17 915	18 901	19 218

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	2021/09	2021/10
1. Current account	1 984	2 501	1 089	-1 945
1.1. Goods	2 934	3 646	725	100
1.2. Services	-2 139	-2 290	-203	-323
1.3. Primary income	4 033	4 201	774	-1 498
1.4. Secondary income	-2 843	-3 057	-207	-224
2. Capital account	214	212	17	17
3. Financial account	-821	-108	-847	-5 234
3.1. Direct investment	6 382	-6 090	-1 175	-312
3.2. Portfolio investment	-809	17 498	-1 704	3 796
3.3. Other investment	-5 725	-14 579	2 147	-8 058
3.4. Financial derivatives	-1 548	79	-278	-637
3.5. Reserve assets	880	2 985	162	-23
4. Errors and omissions	-3 019	-2 822	-1 954	-3 306

- 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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