

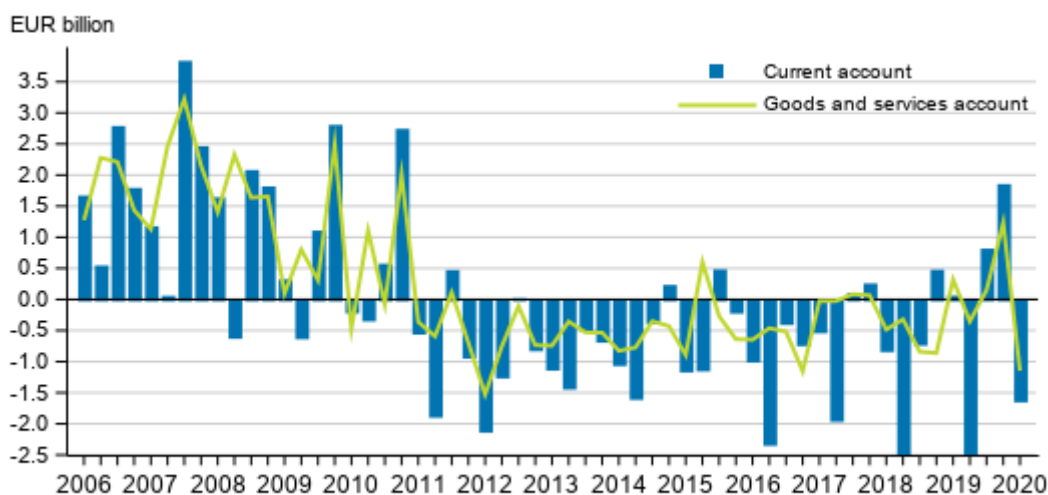
Balance of payments and international investment position

2020, 1st quarter

Current account showed a deficit in the first quarter, the net international investment position weakened

The current account was in deficit in the first quarter of 2020. In balance of payments terms, the value of goods exports fell by 12 per cent from the corresponding quarter of the year before. The fall in goods imports was more moderate. Service exports fell by 5 per cent from the respective quarter of the year before. The primary income account remained in surplus. The net international investment position weakened. 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 first quarter of 2020, the current account was EUR 1.6 billion in deficit. The balance of goods and services showed a deficit of EUR 1.2 billion. Of the sub-items of the current account, the primary income account was EUR 0.2 billion in surplus and the secondary income account EUR 0.7 billion in deficit.

Goods and services

The trade account in balance of payments terms was EUR 0.1 billion in deficit in the first quarter of 2020. In the corresponding quarter of the previous year, the trade account was EUR 1.2 billion in surplus. The service account showed a deficit of EUR 1.0 billion in the first quarter of 2020.

Goods exports in balance of payments terms amounted to EUR 14.3 billion in the first quarter of 2020, which means that goods exports declined by 12 per cent from the corresponding quarter of 2019. Goods imports amounted to EUR 14.4 billion, so goods imports declined by 5 per cent from the fourth quarter in 2019. In the first quarter of 2020, service exports declined by 5 per cent and service imports by 2 per cent compared to the corresponding quarter of the previous year. Service exports amounted to EUR 6.8 billion and service imports to EUR 7.8 billion.

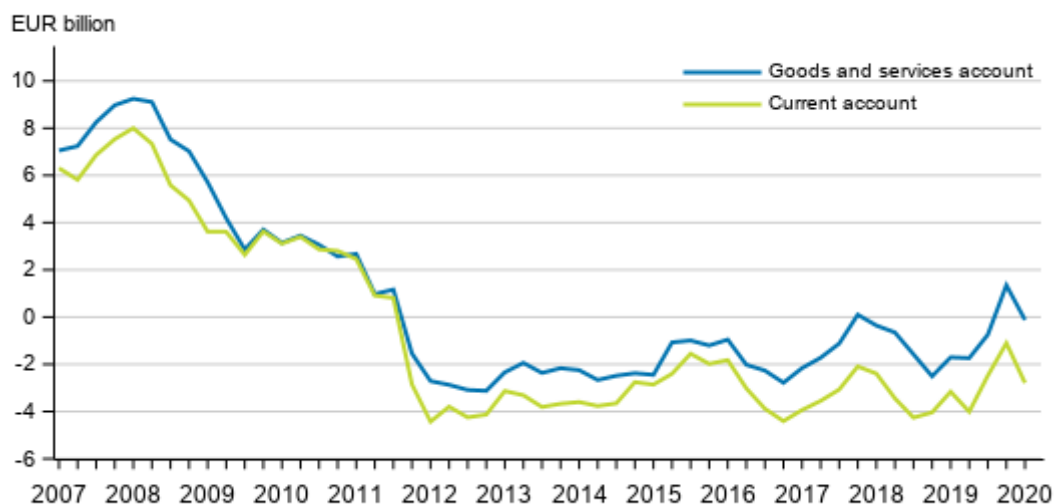
More detailed import and export figures in balance of payments terms by service item and area can be found in the [statistics on international trade in goods and services](#) starting from 2015. Decreases and increases made to the Finnish Customs figures, which result in goods trade in balance of payments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

Primary income in the first quarter

Property income paid to Finland on net amounted to EUR 0.1 billion in the first quarter of 2020, while property income paid abroad from Finland amounted to EUR 4.1 billion and property income paid to Finland from abroad to EUR 4.2 billion. The largest net amount of property income paid abroad from Finland was in the form of interests and dividends on portfolio investments, EUR 0.9 billion. In contrast, property income paid to Finland from abroad was highest in the form of direct investments, EUR 0.9 billion in the first quarter. Property income from direct investments is preliminary and will be revised with the annual data on direct investments.

The secondary income account was EUR 0.7 billion in deficit in the first quarter of 2020.

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



Financial account and net international investment position

Portfolio investments and other investments weakened the net international investment position

In the first quarter of 2020, Finland had EUR 836.7 billion in foreign assets on gross and EUR 836.8 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 -0.1 billion as there were more liabilities than assets. Both the stocks of assets and liabilities grew due to an increase in investment stocks in direct investments, other investments and derivatives. In contrast, the stocks of portfolio investments decreased on both the asset and liability side.

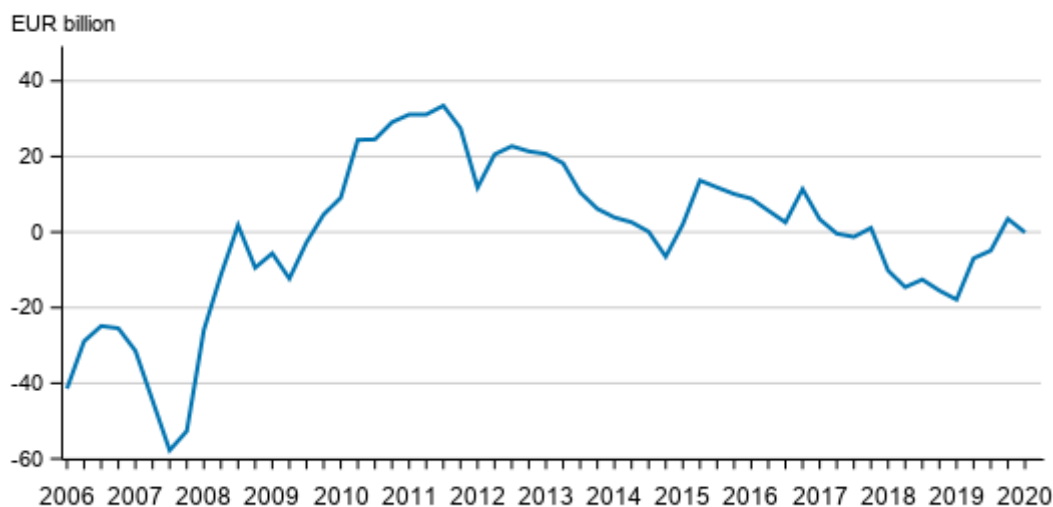
The net international investment position fell from the previous quarter when the net international investment position was EUR 3.5 billion. Financial transactions stood for EUR 2.9 billion of the fall in the net international investment position, while prices and exchange rates and other changes in classifications for EUR 0.7 billion.

Portfolio investment assets and liabilities decreased

Examined by type of investment, the most foreign assets were in the form of portfolio investments at the end of the first quarter of 2020. Portfolio investment assets decreased significantly from the previous quarter. At the end of the first quarter of 2020, there were EUR 313.7 billion in portfolio investment assets, while in the previous quarter there were EUR 344.1 billion in assets. The change in stocks is almost entirely explained by changes in the prices of portfolio investments. Portfolio investment assets in bonds and money market instruments amounted to EUR 128.8 billion and assets in equity and mutual fund shares to EUR 184.9 billion.

The share of portfolio investments is also highest in foreign liabilities. Portfolio investment liabilities amounted to EUR 385.6 billion at the end of the first quarter of 2020. Due to price changes, the stock of portfolio investment liabilities fell significantly from the previous quarter, when the stock of portfolio investment liabilities stood at EUR 415.4 billion. Portfolio investment liabilities were highest in the form of bonds and money market instruments, which stood at EUR 269.1 billion at the end of the first quarter.

Finland's net international investment position quarterly



Net capital inflow to Finland from abroad

In the first quarter of 2020, net capital inflow to Finland from abroad amounted to EUR 2.9 billion. Net capital inflow to Finland was mainly in the form of other investments, EUR 5.0 billion. In portfolio investments, net capital outflow from Finland to abroad amounted to EUR 2.3 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 and other investments, while the largest net liabilities were in the form of portfolio investments. At the end of the first quarter of 2020, net assets decreased most in other investments, where net assets amounted to EUR 11.1 billion. The net assets of direct investments amounted to EUR 50.2 billion. The net liability of portfolio investments amounted to EUR 71.9 billion. Net liabilities of portfolio investments are explained by net liabilities of EUR 140.3 billion in bonds and money market instruments. Assets in equity and mutual fund shares were EUR 68.5 billion larger than liabilities.

Social security funds had largest net assets

When the net investment position is examined by investor sector, most foreign net assets, EUR 139.7 billion, were held by social security funds, of which employment pension schemes are the most important ones. EUR 109.6 billion of social security funds' net assets were in the form of equity and mutual fund shares and EUR 26.9 billion in the form of money market instruments and bonds. Net assets of social security funds weakened from the previous quarter primarily as a result of price changes in assets of equity and mutual fund shares. Net liabilities were held most by other monetary financial institutions, EUR 122.8 billion. The net investment position of monetary financial institutions improved from the last quarter of 2019. The increase in the net international investment position of other monetary financial institutions was due to decrease in net liabilities of bonds and money market instruments.

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Appendix table 1. Current account, quarterly 2020, EUR million

		Year/quarter				
		2019/Q1	2019/Q2	2019/Q3	2019/Q4	2020/Q1
Credit	1. Current account	28 381	29 053	28 639	30 579	26 116
	1.1 Goods	16 317	15 774	15 589	17 142	14 303
	1.2 Services	7 105	7 920	8 115	8 516	6 761
	1.3 Primary income	4 421	5 032	4 590	4 571	4 527
	1.4 Secondary income	538	327	344	348	524
Debit	1. Current account	28 319	32 890	27 822	28 723	27 740
	1.1 Goods	15 156	15 966	15 638	15 493	14 402
	1.2 Services	7 945	8 082	7 917	8 933	7 808
	1.3 Primary income	3 767	7 975	3 354	3 521	4 321
	1.4 Secondary income	1 450	867	913	776	1 208

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 2020, EUR million

		Year/quarter				
		2019/Q1	2019/Q2	2019/Q3	2019/Q4	2020/Q1
Assets	S1 Total economy	30 696	-25 690	-17 588	-70 822	7 849
	S11 Non-financial corporations	-4 984	-11 727	-7 318	-11 717	-7 259
	S121 Central bank	30 221	-2 128	925	-12 440	5 860
	S122 Other monetary financial institutions	15 912	459	-820	-32 449	31 692
	S123 Money market funds (MMF)	-2 173
	S124 Collective investment schemes, excl. money market funds	265	-268	1 124	-287	-1 599
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	1 089	495	-629	832	181
	S128+S129 Insurance corporations and pension funds	450	-82	-31	-303	-225
	S1311 Central government	-3 916	-4 419	-1 878	-6 133	-8 148
	S1313 Local government	-2	27	4	71	7
	S1314 Social security funds	-6 380	-8 216	-9 073	-8 661	-12 802
	S14+S15 Households and non-profit institutions serving households	214	169	107	264	142
	Liabilities	S1 Total economy	35 204	-27 992	-15 767	-72 124
S11 Non-financial corporations		-4 565	-12 764	-7 514	-11 282	-7 088
S121 Central bank		-906	120	-220	251	378
S122 Other monetary financial institutions		50 006	-7 228	5 152	-44 945	25 391
S123 Money market funds (MMF)		-8				1
S124 Collective investment schemes, excl. money market funds		-1 442	-888	439	155	-211
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		4 996	548	1 412	805	491
S128+S129 Insurance corporations and pension funds		110	-143	85	29	86
S1311 Central government		-5 073	979	-4 080	-7 338	2 642
S1313 Local government		42	57	28	283	247
S1314 Social security funds		-8 018	-8 797	-11 157	-10 122	-11 473
S14+S15 Households and non-profit institutions serving households		63	123	88	40	264
Net		S1 Total economy	-4 508	2 302	-1 821	1 302
	S11 Non-financial corporations	-419	1 037	195	-435	-171
	S121 Central bank	31 127	-2 248	1 145	-12 690	5 482
	S122 Other monetary financial institutions	-34 094	7 687	-5 973	12 496	6 301
	S123 Money market funds (MMF)	-2 164				-1
	S124 Collective investment schemes, excl. money market funds	1 707	620	686	-442	-1 388
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-3 907	-53	-2 041	27	-310
	S128+S129 Insurance corporations and pension funds	341	61	-116	-332	-311
	S1311 Central government	1 156	-5 399	2 203	1 205	-10 791
	S1313 Local government	-43	-30	-24	-211	-240
	S1314 Social security funds	1 638	581	2 084	1 461	-1 328
	S14+S15 Households and non-profit institutions serving households	151	46	20	223	-121

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 2020, EUR million

		Year/quarter				
		2019/Q1	2019/Q2	2019/Q3	2019/Q4	2020/Q1
Assets	S1 Total economy	818 081	824 690	855 304	804 316	836 740
	S11 Non-financial corporations	143 825	142 296	145 704	144 228	150 495
	S121 Central bank	97 084	95 217	96 781	84 047	89 602
	S122 Other monetary financial institutions	247 611	253 184	267 568	226 727	280 125
	S123 Money market funds (MMF)
	S124 Collective investment schemes, excl. money market funds	83 719	84 447	87 804	89 875	77 211
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	34 386	35 933	35 611	36 971	37 189
	S128+S129 Insurance corporations and pension funds	31 218	31 536	31 833	31 622	29 276
	S1311 Central government	13 947	13 717	14 365	14 018	13 993
	S1313 Local government	711	732	760	849	750
	S1314 Social security funds	151 224	153 052	160 011	160 257	144 449
	S14+S15 Households and non-profit institutions serving households	14 356	14 577	14 866	15 722	13 650
	Liabilities	S1 Total economy	835 945	831 633	860 208	800 821
S11 Non-financial corporations		234 094	228 785	236 090	234 690	221 316
S121 Central bank		12 689	12 790	12 606	12 849	13 252
S122 Other monetary financial institutions		400 579	395 805	415 350	360 919	402 936
S123 Money market funds (MMF)		1	1	1	1	2
S124 Collective investment schemes, excl. money market funds		26 210	25 724	26 571	27 857	24 607
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders		55 432	56 800	57 040	58 341	54 884
S128+S129 Insurance corporations and pension funds		2 502	2 576	2 700	2 727	2 806
S1311 Central government		92 170	96 970	96 208	93 498	104 679
S1313 Local government		4 141	4 196	4 229	4 511	4 762
S1314 Social security funds		5 802	5 527	6 852	2 849	4 739
S14+S15 Households and non-profit institutions serving households		2 323	2 458	2 560	2 581	2 844
Net		S1 Total economy	-17 864	-6 943	-4 904	3 494
	S11 Non-financial corporations	-90 270	-86 490	-90 385	-90 462	-70 821
	S121 Central bank	84 395	82 426	84 175	71 198	76 350
	S122 Other monetary financial institutions	-152 968	-142 620	-147 782	-134 191	-122 811
	S123 Money market funds (MMF)	-1	-1	-1	-1	-2
	S124 Collective investment schemes, excl. money market funds	57 509	58 722	61 233	62 018	52 604
	S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-21 046	-20 868	-21 429	-21 370	-17 694
	S128+S129 Insurance corporations and pension funds	28 716	28 960	29 133	28 896	26 470
	S1311 Central government	-78 223	-83 253	-81 843	-79 480	-90 685
	S1313 Local government	-3 430	-3 463	-3 469	-3 662	-4 012
	S1314 Social security funds	145 422	147 525	153 159	157 408	139 710
	S14+S15 Households and non-profit institutions serving households	12 033	12 119	12 306	13 141	10 806

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	2020/03	2020/04
1. Current account	-1 103	1 431	-1 173	-295
1.1. Goods	2 569	2 010	155	341
1.2. Services	-1 221	-1 262	-458	15
1.3. Primary income	-3	2 937	-583	-375
1.4. Secondary income	-2 448	-2 254	-287	-276
2. Capital account	187	186	16	15
3. Financial account	-2 725	1 391	-4 231	-2 263
3.1. Direct investment	-4 315	973	-1 444	552
3.2. Portfolio investment	-24 527	-6 538	2 050	-7 313
3.3. Other investment	25 128	8 590	-4 605	5 805
3.4. Financial derivatives	463	-1 427	1	-1 374
3.5. Reserve assets	527	-207	-234	67
4. Errors and omissions	-1 809	-226	-3 074	-1 983

- 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