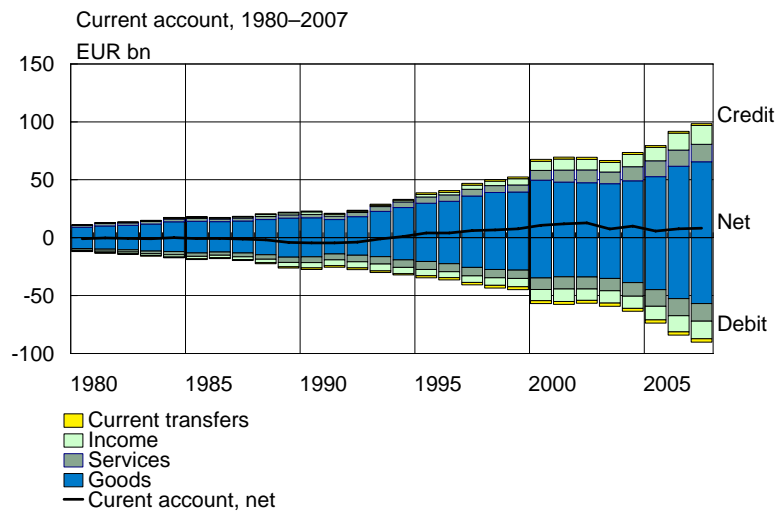


# Finland's Balance of Payments

## Preliminary Review • 2007



Bank of Finland

Financial Markets and Statistics

Statistics

14.3.2008

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### ISSN

ISSN 1797-2396

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For 2005, 2006 and 2007, the figures are preliminary.

# Overview of Finland's balance of payments and international investment position in 1998–2007

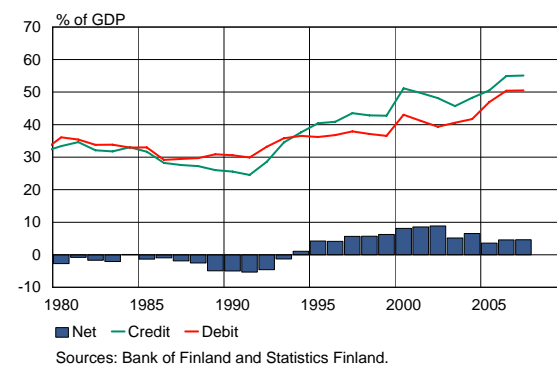
**Finland's current account<sup>1</sup> continues to show a clear surplus. The counterpart of the current account surplus in the financial account is composed of portfolio investment abroad by employment pension funds and other institutional investors.**

Finland's current account has posted a surplus since 1994. The highest figures were recorded in 2001 and 2002 when the current account surplus peaked at approximately 9% of GDP. In 2007 the surplus amounted to EUR 8.2 billion, representing 5% of GDP.

The surplus continues to stem from strong exports of goods. There has been a clear increase in the contribution of investment income accrued from investments abroad to total current account credits.

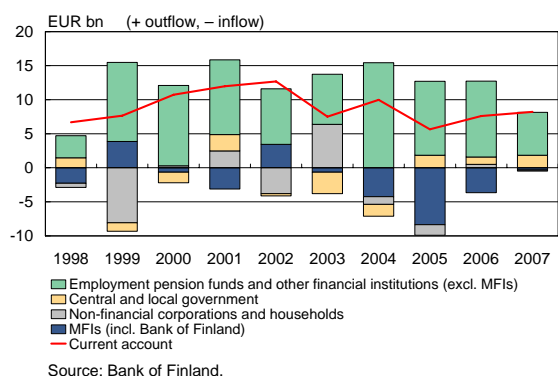
<sup>1</sup> Balance of payments concepts are elaborated on in the Balance of payment product description, available on the Bank of Finland's website at <http://www.bof.fi/en/tilastot/maksutase/kuvaus.htm>.

Chart 1. Current account credits and debits, 1980–2007



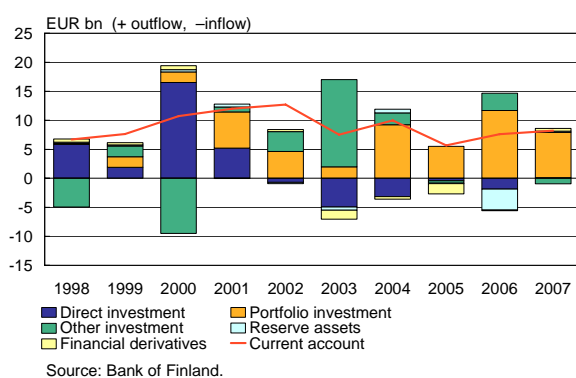
Over the past two years, all other sectors but monetary financial institutions (MFIs) (excl. the Bank of Finland) have invested capital abroad on net. The MFI-sector has acquired capital from abroad on net since 2003. The most significant investments have been made by employment pension funds, along with mutual funds and insurance companies, which comprise the majority of the other financial institutions sector, and which have also been net investors.

**Chart 2. Capital movements by sector, 1998–2007**



Portfolio investment has become the most significant capital flow item. In addition to direct investment, portfolio investment is also used in connection with large corporation acquisitions. The largest subitem of 'Other investment' comprises interbank deposits. These deposits fluctuated strongly each month.

**Chart 3. Capital movements by investment type, 1998–2007**



In addition to capital movements, Finland's assets and liabilities vis-à-vis the rest of the world, ie the net international investment position, is also affected by asset prices and exchange rate changes. In 2007, Finland's net international investment position (assets minus liabilities) recorded liabilities of about 26% of GDP. Finland's debt position was at a record high at almost 200% of GDP in 2000, when Finnish non-

financial corporations' equity liabilities peaked owing to rising share price.

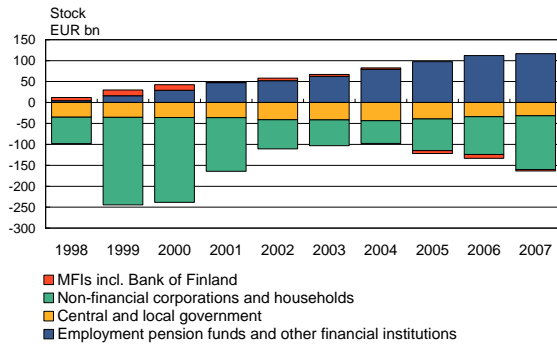
Excluding equity items from the net international investment position, Finland's external assets have exceeded external liabilities since 2003.

Non-financial corporations and the central government hold more in external liabilities than in external assets. Employment pension funds and other financial institutions have in turn more external assets than liabilities. Almost the entire stock of external assets held by employment pension funds and other financial institutions, EUR 117 billion at the end of 2007, has been accrued in the 2000s. Non-financial corporations' debt position is affected by share prices which, when rising, to a large extent increase the equity liabilities of foreign-owned corporations.

**Chart 4. Finland's net international investment position (assets – liabilities), 1985–2007**



Chart 5. Finland's external assets and liabilities by sector, 1998–2007



Finnish financial markets continued to open up internationally in 1998–2007 (Table 1). In the period

from 1998 to 2007 external assets held by Finnish residents grew fivefold, and external liabilities also almost tripled. Assets have increased their share in portfolio investment, accounting currently for 45% of external assets. Portfolio investment is divided almost equally into equity securities and shares as well as debt securities.

The composition of external liabilities has not changed to the same extent. In 2007 approximately 60% of external liabilities consisted of portfolio investment, compared with 70% in 1988. Large corporate acquisitions are increasingly reflected in direct investment figures.

Table 1. Finland's external assets and liabilities by investment type in 1998 and 2007

End-year-stock	1998		2007	
	EUR m	%	EUR m	%
<b>Assets, gross</b>				
Direct investment abroad	25 205	34%	76 792	20%
Portfolio investment	14 421	20%	172 392	45%
Other investment	25 442	35%	84 148	22%
Financial derivatives	130	0%	41 638	11%
Reserve assets	8 384	11%	5 695	1%
<b>TOTAL</b>	<b>73 581</b>	<b>100%</b>	<b>380 665</b>	<b>100%</b>
<b>Liabilities, gross</b>				
Direct investment in Finland	14 103	9%	57 902	14%
Portfolio investment	112 385	70%	257 409	60%
Other investment	32 841	21%	72 010	17%
Financial derivatives	197	0%	40 056	9%
<b>TOTAL</b>	<b>159 526</b>	<b>100%</b>	<b>427 377</b>	<b>100%</b>

Source: Bank of Finland.

# 1 Current account

## 1.1 Current account developments

**The current account surplus for 2007 was EUR 8.2 billion. The surplus continues to stem from strong exports of goods.**

The majority of the current account surplus stemmed from continued strong exports of goods, increasing in value terms by 6% from 2006. The value of goods imports grew also by 8%.<sup>2</sup> Despite stronger growth in goods imports, the trade balance showed a surplus of EUR 8.7 billion.

Changes in current account balances have been strongly linked to changes in trade in goods, but a long-term analysis indicates that especially the contribution of goods exports to total current account credits has decreased slightly. From the 1980s until the end of the 1990s exports accounted for almost 80% of total current account credits; by 2007 their contribution had fallen to 67% (Charts 7 and 8). Imports of goods have shown a similar pattern over the long term.

<sup>2</sup> Data on trade in goods is based on the Board of Customs' foreign trade statistics.

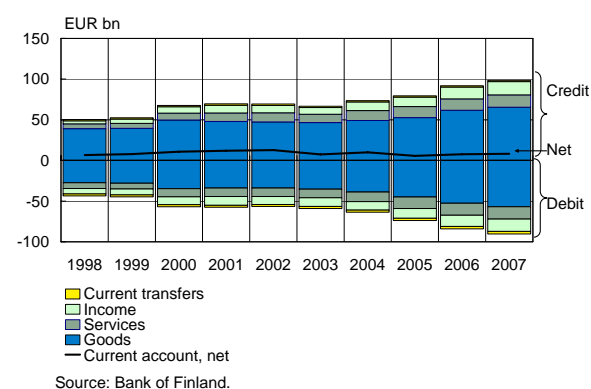
Table 2. Current account, 2003–2007

EUR m		2003	2004	2005	2006	2007
Current account	Net	7 511	9 969	5 661	7 607	8 222
Goods	Net	11 393	10 245	7 698	9 133	8 662
	Credit	46 586	49 125	52 661	61 697	65 576
	Debit	35 193	38 880	44 963	52 564	56 914
Services	Net	-598	490	-583	-877	-140
	Credit	10 149	12 212	13 666	13 945	15 049
	Debit	10 747	11 722	14 249	14 822	15 189
Income	Net	-2 305	142	-245	682	1 084
	Credit	8 292	10 560	11 580	14 589	16 316
	Debit	10 598	10 418	11 825	13 907	15 232
Current transfers	Net	-978	-908	-1 208	-1 331	-1 385
	Credit	1 691	1 598	1 569	1 554	1 544
	Debit	2 669	2 506	2 777	2 885	2 929

Source: Bank of Finland.

The relative share of services trade<sup>3</sup> in the current account has been comparatively stable for several decades, with services trade growth following goods trade growth. As in the previous years, the services balance showed a slight deficit for 2007.

Chart 6. Current account, 1998–2007



<sup>3</sup> Data on trade in services is based on statistics on transport, travel and export in other services compiled by Statistics Finland.



The contribution of income from abroad to total current account credits grew by 9 percentage points in 1998–2007. International ownership of corporations is reflected in increasing debit related to income transfers made from Finland. Income transfers comprise investment income such as interests and dividends, as well as compensation of employees.

Chart 7. Structure of current account, 1980–2007: credits

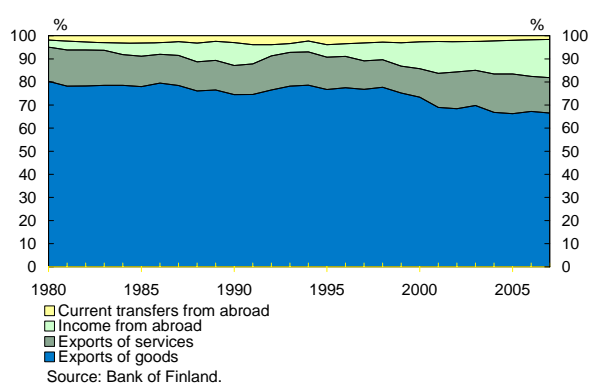
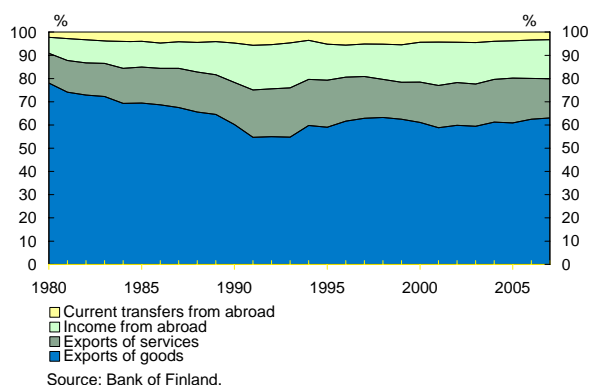


Chart 8. Structure of current account 1980–2007: debits



Structural changes in current transfers have been minimal. Current transfer debits have exceeded current transfer credits, and the deficit for 2007 amounted to EUR 1.4 billion. The general government sector recorded a current transfer deficit of EUR 2.2 billion, while other sectors posted a surplus of EUR 0.8 billion. A significant part of current transfers consists

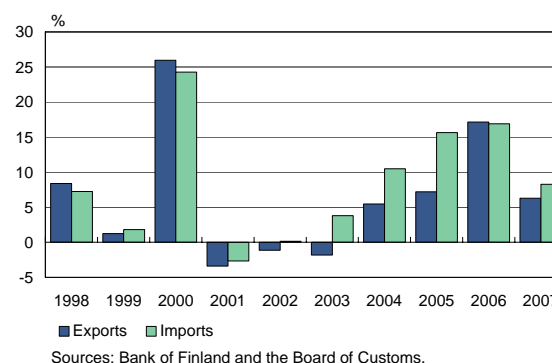
of payments between Finland and the EU.<sup>4</sup> Current transfers from abroad totalled EUR 1.5 billion in 2007 and from Finland EUR 2.9 billion.

## 1.2 Foreign trade in goods and services

Foreign trade in goods continued to grow in 2007. The value of exports grew by 6% year-on-year. However, this was significantly less than the increase of 17% recorded in 2006. The share of metal, machinery and transport industry products in the value of exports increased in 2007 by approximately 36%, making the largest contribution to total export growth.

The value of imports grew by 8% year-on-year, ie slightly faster than the value of exports. As with exports, growth in the value of imports clearly slowed from the growth rate of almost 17% observed in 2006. Raw materials and capital goods are the most important group of goods imports, accounting for about 40% of the total value of goods imports in 2007.

Chart 9. Annual change in value of goods trade, 1998–2007



<sup>4</sup> Further information on the compilation of current transfer statistics can be found in the Balance of payment product description, available on the Bank of Finland website at <http://www.bof.fi/en/tilastot/maksutase/kuvaus.htm>

Trade in goods recorded in balance of payments differs from foreign trade statistics compiled by the Board of Customs. In balance of payments (BOP), the value of goods imports is converted from c.i.f. values recorded in foreign trade statistics to f.o.b. values by transferring the share of freight and insurance from imports of goods to transportation costs.<sup>5</sup> Data on the value of fuel used by ships and airplanes is also included in the BOP foreign trade.

The BOP trade balance surplus was EUR 8.7 billion in 2007, which is equivalent to approximately 5% GDP. The trade surplus has fallen from the peak of 11% of GDP recorded in 2000. The contribution of goods exports to GDP has increased since 2003, reaching 37% in 2007. At the same time however, the contribution of goods imports to GDP has risen clearly faster, in line with the weakening trade balance.

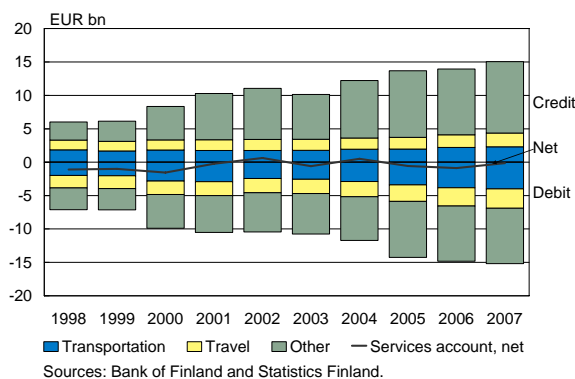
Chart 10. Contribution of trade in goods to GDP, 1998–2007



There was a deficit on services of EUR 0.1 billion in 2007, which was similar to the two previous years. Compared with 2006, the value of services exports and imports increased by 8% and 2% respectively.

<sup>5</sup> The share of foreign carriers and insurance purchasers is deducted from the Board of Customs' c.i.f. -based goods imports and entered in transportation and insurance costs. In 2007, 4.9% and 0.2% of goods exports was transferred to transportation and insurance costs respectively.

Chart 11. Current account in 1998–2007: breakdown of services exports and imports



The largest export item in 2007 was business services that include merchandising and other trade-related services, operational leasing services and intra-group services. Exports of business services have grown clearly for several years, accounting for over 54% of total services exports in 2007.

Transportation and travel services have recorded a deficit in the past 10 years. The BOP transportation services comprise sea, air and other transport and the related freight and insurance costs.<sup>6</sup> In 2007 the value of exports and imports of transportation services amounted to EUR 2.3 and EUR 4.0 billion respectively. The transportation services deficit increased by 3.5% year-on-year.

Travel from abroad has increased, which is reflected each year in growing exports of travel services. In 2007 travel services exports amounted to EUR 2.1 billion, increasing by 9% from the previous year. Travel from Finland also posted a strong growth, leading to the travel services deficit increasing slightly in 2007.

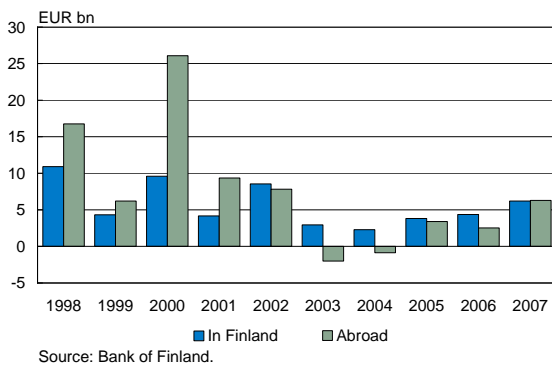
<sup>6</sup> See footnote 5.

## 2 Direct investment

### Foreign direct investment inflows and outflows were almost equal in 2007.

Foreign investors imported EUR 6.2 billion worth of capital into their Finnish subsidiaries and associates, and Finnish investors exported EUR 6.3 billion in their foreign subsidiaries and associates. Compared with the previous year, capital imported into Finland was up by EUR 1.8 billion and capital exported abroad by EUR 3.8 billion. However, investment flows were clearly below the level recorded in the early 2000s, when they were boosted by large international mergers and acquisitions.

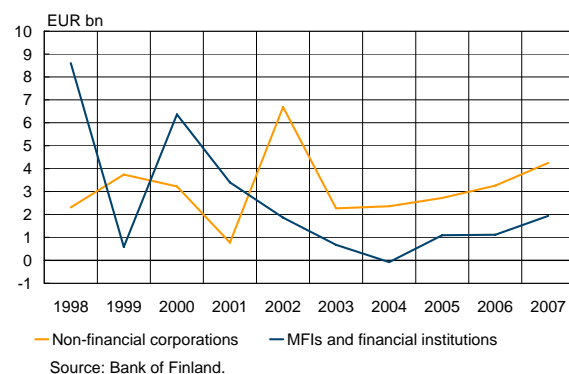
Chart 12. Direct investment, net capital flows 1998–2007



In 2007 the non-financial corporations sector attracted EUR 4.3 billion of investment in Finland, with the remaining EUR 1.9 billion being invested in the financial sector. Foreign investors were particularly interested in Finnish listed companies. Several listed

enterprises in the non-financial corporations and financial sector became foreign investors' subsidiaries. The year was also characterised by large foreign acquisitions in the financial sector. Nevertheless, the net capital inflow into the financial sector only amounted to EUR 1.9 billion, as financial sector companies under foreign ownership repatriated capital to their foreign owners. In 2007 approximately half of total capital investment in Finnish non-financial corporations sector originated from Finland. This was attributable to arrangements made by Finnish investors to transfer domestic investments into foreign subsidiaries, which was recorded in statistics as both direct investment outflows and inflows.

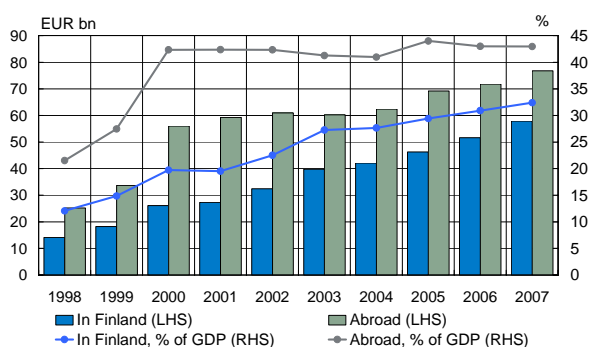
Chart 13. Foreign direct investment in Finland, net capital flows by sector 1998–2007



The Finnish non-financial corporations sector invested EUR 6.9 billion worth of capital abroad in the form of direct investment in 2007; other sectors repatriated capital totalling approximately EUR 0.6 billion, net. Some significant foreign acquisitions and divestment

took place in 2007. In addition, about a third of the corporation sector's capital investment abroad was related to arrangements in which domestic investment was transferred into foreign subsidiaries.

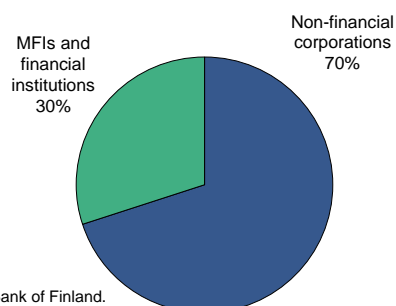
**Chart 14. Direct investment, stock 1998–2007**



Sources: Bank of Finland and Statistics Finland.

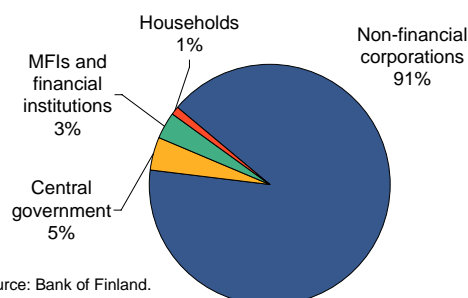
At end-2007, the value of the stock of inward and outward foreign direct investment totalled EUR 57.9 billion and EUR 76.8 billion respectively. There has been a comparatively stable increase in investment stock in Finland, from over 10% of GDP in the late 1990s to over 30% of GDP. In 2000 the value of the investment stock abroad grew substantially as a result of significant foreign mergers and acquisitions, to over 40% of GDP, and remained at the same level until 2007. However, this does not necessarily mean that the expansion of Finnish companies abroad has come to a halt. It is more likely to reflect the internalisation of Finnish groups' financial activities. Direct financing by Finnish parent companies to foreign subsidiaries has decreased, and financing is increasingly being handled by groups' foreign funding centres and other foreign group enterprises. On the other hand, Finnish companies have invested in recent years in Asia in particular, where investment costs are lower than in developed economies. This is reflected in small investment outflows.

**Chart 15. Stock of foreign direct investment in Finland, breakdown by sector, 31 Dec 2007: EUR 57.9 bn**



Source: Bank of Finland.

**Chart 16. Stock of Finnish direct investment abroad, breakdown by sector, 31 Dec 2007: EUR 76.8 bn**



Source: Bank of Finland.

The Finnish non-financial corporations sector has played a central role as both the target and originator of direct investment. At the end of 2007 the corporate sector accounted for 70% of the investment stock in Finland and over 90% of the investment stock abroad. As a result of integration within the Nordic region, the financial sector has accounted for about 30% of the investment stock in Finland from late 1990s.

Direct investment mainly consists of equity capital. At the end of 2007, equity capital accounted for approximately 80% of the stocks of inward as well as outward investment.

Finnish investors' income on direct investment abroad has exceeded foreign investor's income on direct investment in Finland ever since the late 1990s.

The current account direct investment income has therefore attributed to growth in the current account surplus. In 2007 the contribution of direct investment

income on current account was approximately EUR 2.8 billion.

## 3 Portfolio investment

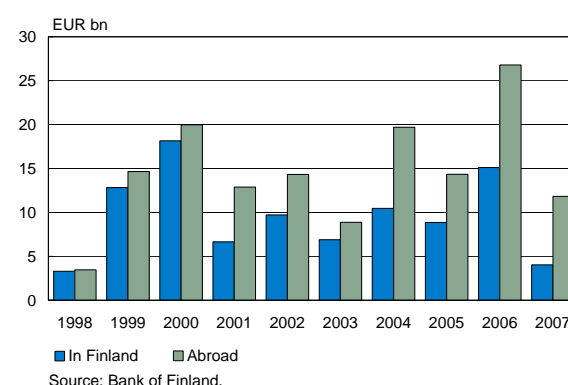
According to the Bank of Finland balance of payments statistics, portfolio investment showed an outflow of EUR 7.8 billion in 2007. Net portfolio investment inflows accounted for 27% and net outflows for 44% of total investment flows in 2006. Finnish investors' income on portfolio investment abroad totalled EUR 5.5 billion, whereas foreign investors' income on portfolio investment into Finland amounted to EUR 7.9 billion.

### 3.1 Finnish portfolio investment abroad

Finnish investors continued to increase their foreign portfolios in 2007. Portfolio investment outflow was EUR 11.8 billion, representing 44% of total portfolio investment flows in 2006 (Chart 17). Strongest growth was recorded in new investments in foreign mutual funds, amounting to EUR 7.0 billion, whereas foreign equity securities attracted EUR 3.1 billion. Total investment in shares and other equity was slightly smaller than in 2006 when net capital flows were record high. Investment in debt securities –

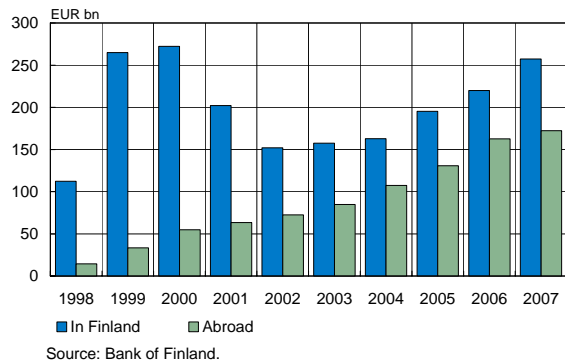
particularly bonds and notes – only amounted to a fraction of the previous year's level.

Chart 17. Portfolio investment, net capital flows 1998–2007



The stock of Finnish portfolio investment abroad increased to EUR 172.4 billion in 2007. This growth was particularly attributable to net capital flows, since all instruments recorded negative valuation changes. Finnish holdings of foreign portfolio assets have increased steadily since the mid-1990s (Chart 18).

Chart 18. Portfolio investment, stock 1998–2007



The largest proportion of portfolio investment abroad comprises investment by Finnish institutional investors (Chart 19). Institutional investors' activity also explains the steady growth in Finnish holdings of foreign portfolio assets, as 40% of portfolio

investment stock is held by employment pension funds. Their foreign investment began to increase especially from 1999, with the introduction of the single currency, the euro.

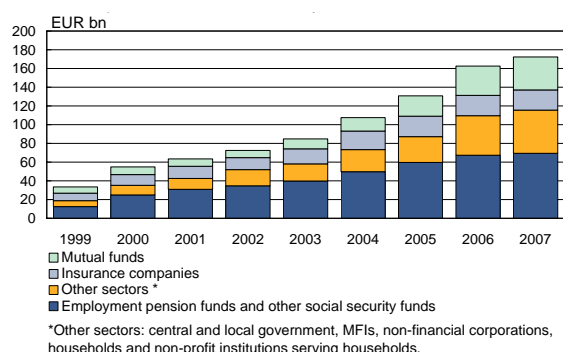
Insurance companies hold over 12% and mutual funds 21% of the total portfolio investment stock. The share of mutual funds has increased gradually owing to the ease in distributing investment assets abroad through mutual funds. The main focus of mutual fund and household portfolio investment abroad is on equities and mutual fund shares, whereas banks concentrate on debt securities. Employment pension funds and insurance companies distribute their foreign portfolio investment more evenly over debt securities as well as equities and mutual fund shares.

Table 3. Portfolio investment abroad and in Finland by investment type, 2007 (EUR m)

	Stock 31 Dec 2006	Net capital flow 2007	Changes in prices and other valuation items	Stock 31 Dec 2007	Dividends and interest
<b>Finnish portfolio investment abroad</b>					
Equity securities	38 185	3 112	-165	41 132	1 130
Mutual fund shares	34 905	6 959	-401	41 462	556
Bonds and notes	84 514	951	-1 115	84 350	3 685
Money market instruments	4 935	805	-293	5 447	181
<b>Total</b>	<b>162 538</b>	<b>11 826</b>	<b>-1 973</b>	<b>172 392</b>	<b>5 552</b>
<b>Foreign portfolio investment in Finland</b>					
Equity and mutual fund shares	117 648	3 917	34 308	155 873	3 691
Bonds and notes	83 548	2 596	-2 695	83 449	3 644
Money market instruments	18 713	-2 477	1 852	18 087	595
<b>Total</b>	<b>219 909</b>	<b>4 036</b>	<b>33 464</b>	<b>257 409</b>	<b>7 929</b>

Source: Bank of Finland.

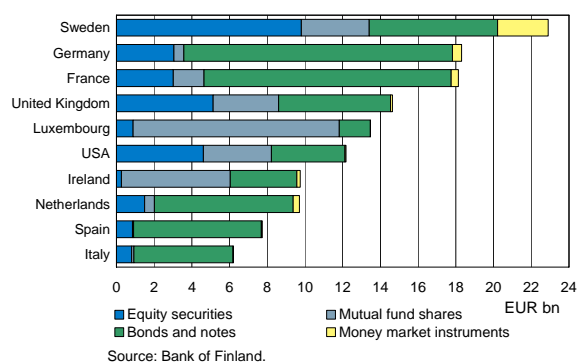
Chart 19. Finnish portfolio investment abroad by sector: stock 1999–2007



Source: Bank of Finland.

The country distribution of outward portfolio investment in debt securities is biased towards the euro area. In contrast, the stock of outward investment in equities and mutual fund shares has a more even global distribution. The major target countries for bond investment are Germany and France, whereas Sweden, the United Kingdom and the USA are the major target countries for equity investment (Chart 20). Investment in foreign mutual funds was clearly directed towards funds registered in Luxembourg, but funds registered in Ireland also attracted substantial investments.

Chart 20. Geographical breakdown of Finnish portfolio investment abroad: stock end-2007

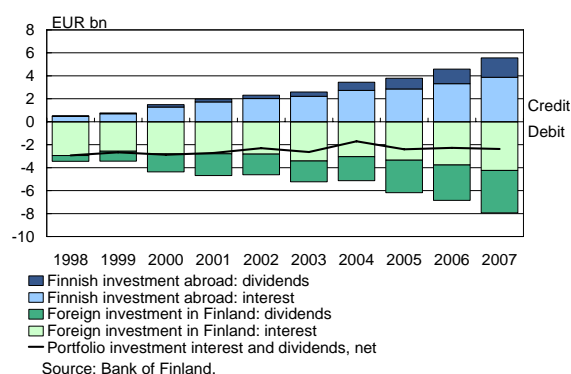


Source: Bank of Finland.

Dividend and interest income on outward portfolio investment totalled EUR 5.5 billion. Most of this income was generated on bond investment. Finnish

dividend and interest income on portfolio investment abroad has increased steadily from the mid-1990s, thereby following growth in foreign investment assets (Chart 21). However, Finnish investors had to bear an imputed loss of EUR 2.0 billion as a result of market price and exchange rate changes, equivalent to approximately 1% of total portfolio investment abroad (Table 3).

Chart 21. Interest and dividends on portfolio investment 1998–2007



Source: Bank of Finland.

### 3.2 Foreign portfolio investment in Finland

Although net portfolio investment in Finland only accounted for 27% of previous-year inflow, ie EUR 4.0 billion (Chart 17), net inflow of capital to the Finnish stock market and Finnish mutual fund shares did not decrease in 2007. Foreign holdings of portfolio assets increased to EUR 257.4 billion due to market price rises. Stock price changes are directly reflected as fluctuations in the stock of foreign holdings of Finnish portfolio assets (Chart 18). According to the Finnish Central Securities Depository, foreign investors own approximately half of Finnish non-financial corporations registered in the Finnish book-entry system.

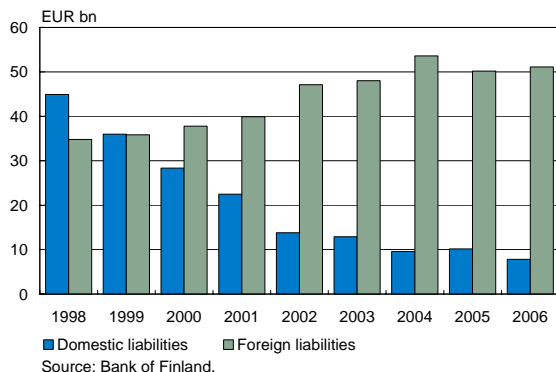
Sales of debt securities issued by Finnish monetary financial institutions (MFIs) to foreign investors were



virtually at zero on net in 2007, as opposed to considerable sales in previous years. At the same time, growth in the stock of foreign holdings of Finnish debt securities halted for the first time since the mid-1990s. Finnish MFIs' liabilities arising from debt securities issued abroad increased only slightly, whereas corresponding central government and non-financial corporations' liabilities decreased slightly.

The bulk (about EUR 49 bn) of debt securities held by non-residents consists of debt securities issued by central government. Central government liabilities from debt securities have practically speaking become foreign liabilities since the introduction of the euro in 1999 (Chart 22). Central government borrowing is primarily based on the issuance of fixed-rate benchmark bonds.

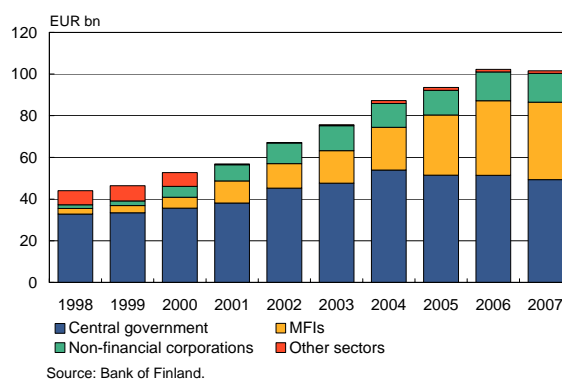
**Chart 22. Central government liabilities: debt securities stock 1998–2006**



MFI and non-financial corporation liabilities from debt securities issued abroad are approximately EUR 37 billion and EUR 14 billion respectively. Besides the central government, MFIs and non-financial corporations have also been able to sell debt securities to foreign investors to an increasing amount, as the

introduction of the euro has eliminated the interest rate risk and demand for euro-denominated debt securities has increased generally (Chart 23).

**Chart 23. Foreign liabilities by sector: bonds and money market instruments 1998–2007**



In 2007 foreign investors' dividend income from Finnish non-financial corporations and mutual funds amounted to EUR 3.7 billion. Interest drawn on Finnish bonds and money market instruments totalled EUR 3.6 billion and EUR 0.6 billion respectively. Non-financial corporations' outward dividend and interest payments have increased clearly in recent years, in line with growth in foreign holdings of Finnish portfolio assets (Chart 21). Foreign investors' Finnish share and equity portfolios generated an imputed gain of EUR 34.3 billion mainly on account of market price changes (Table 3). This was equivalent to 29% of foreign portfolio investment in Finnish equity and mutual fund shares. In 2007 Nokia's market value increased 65% and OMX Helsinki Index rose by about 20%.

## 4 Assets and liabilities of Finnish MFIs

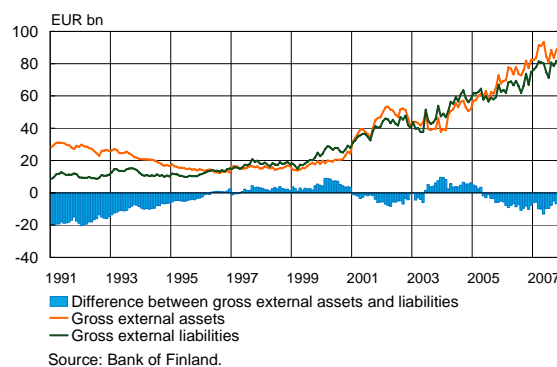
**Gross external liabilities of Finnish monetary financial institutions (MFIs) were slightly higher than gross external assets. The stock of debt securities issued by MFIs began to contract in the second half of 2007. Other investment abroad mainly comprised inter-MFI assets and liabilities.**

Finnish MFI external assets and liabilities have grown strongly in the past few years.<sup>7</sup> At end 2007, MFI gross external assets and liabilities amounted to EUR 82.3 billion and EUR 88.9 billion respectively. In the past two years gross liabilities have slightly exceeded gross assets, which is mainly the result of a strong growth in the stock of debt securities issued by Finnish MFIs abroad.

Robust growth in issuance abroad over the past years is attributable to the prolonged low level of interest rates and the need to finance the rapid growth in the Finnish residents' stock of lending. However, the stock of debt securities issued in 2007 began to contract. The stock totalled EUR 42.7 billion in August but decreased by EUR 2.3 billion to stand at EUR 40.4 billion in December. The fall was reflected

<sup>7</sup> Excluding equity items and financial derivatives.

Chart 24. Finnish MFI gross external assets and liabilities and their difference

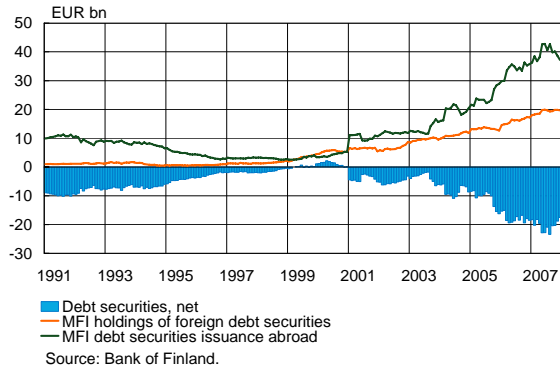


both in the issuance of long-term bonds and money market instruments of up to one year's maturity.

Bonds accounted for 71% of all issuances abroad in December 2007, with money market instruments making the remaining 29%. Finnish MFI investment in long-term bonds issued by foreign institutions has also increased slightly in the past two years, while investment in money market instruments of up to one year's maturity is, in turn, moderate. The stock of bonds grew from EUR 15.0 billion to EUR 17.4 billion in 2007, whereas the stock of money market instruments only amounted to EUR 2.3 billion at end 2007. MFI holdings of other foreign securities than debt securities is modest.<sup>8</sup>

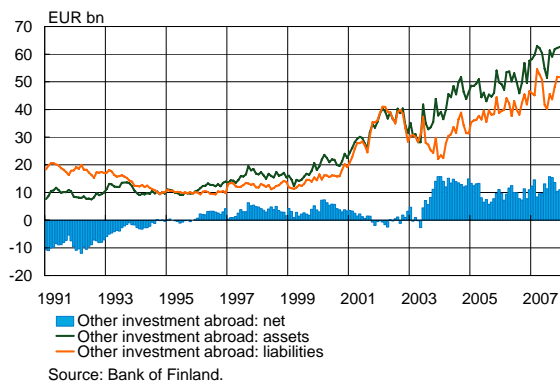
<sup>8</sup> Equity securities issued by foreign residents and foreign money market fund shares.

Chart 25. Debt securities issued by Finnish MFIs abroad and holdings of foreign debt securities



Finnish MFI assets relating to other investment abroad increased in 2007 from EUR 49.8 billion to EUR 62.7 billion. The corresponding liabilities grew from EUR 38.7 billion to EUR 51.7 billion.

Chart 26. Assets and liabilities of Finnish MFIs' other investments abroad and their difference



Other investment assets accounted for 76% of Finnish MFI total gross external assets at end 2007, whereas other investment liabilities only comprised 58% of total gross external liabilities. The smaller share of foreign liabilities is particularly attributable to strong growth in debt securities issuance in relation to other liabilities.

The majority of other investment abroad consists either of money market investments and deposits made in the wholesale money market or intra-group items of international groups. In these transactions the counterpart of an MFI resident in Finland is often a bank resident abroad. For this reason other investment mainly consists of short-term assets and liabilities, which makes the item highly volatile.

Table 4. Finnish MFI international investment position at year-end

EUR m	2006		2007	
	Assets	Liabilities	Assets	Liabilities
International investment position	100 085	123 612	120 093	141 435
Direct investment	324	14 231	239	12 523
Portfolio investment	17 807	38 649	20 127	40 367
Bonds and notes	14 988	24 111	17 357	26 298
Money market instruments	2 245	11 642	2 299	10 891
Other*	573	2 897	471	3 177
Other investment	57 608	46 627	62 671	51 659
Financial derivatives	24 346	24 106	37 056	36 886

Source: Bank of Finland.

\* Incl. equity securities, mutual fund shares and securities depository.

## Appendix 1. Charts

Chart 27. Finnish trade in goods, 1998–2007

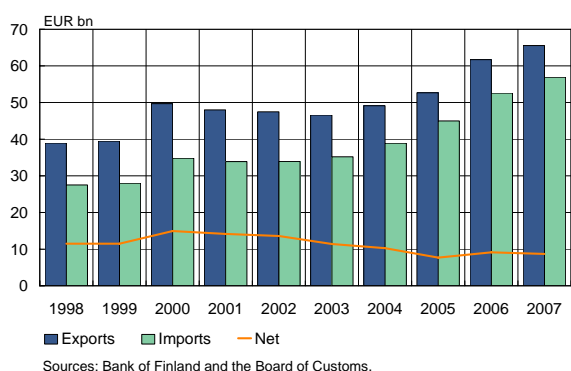


Chart 30. Transportation expenditure, 1998–2007

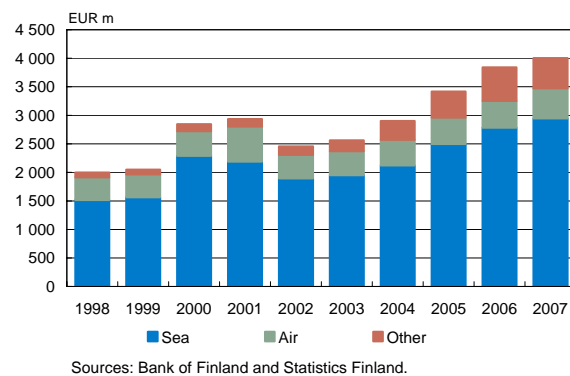


Chart 28. Percentage share of 10 most important export countries in total goods exports value, 2000 and 2007

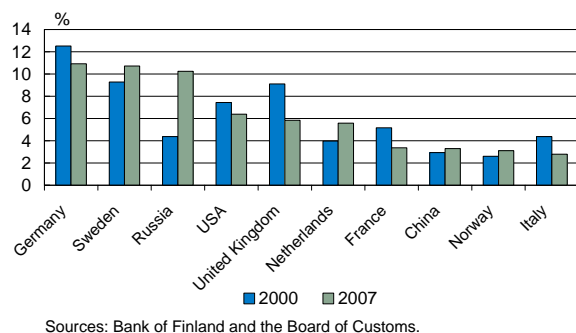


Chart 31. Income from travel to Finland, 2003–2007

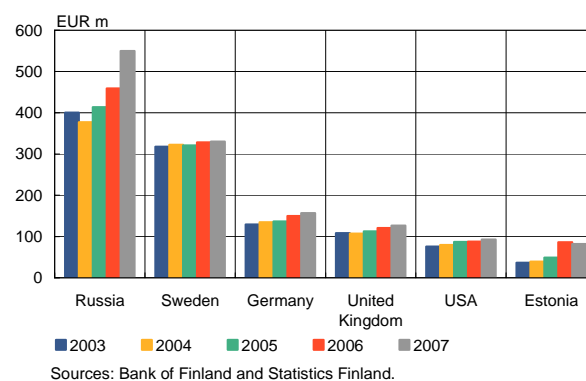


Chart 29. Transportation income, 1998–2007

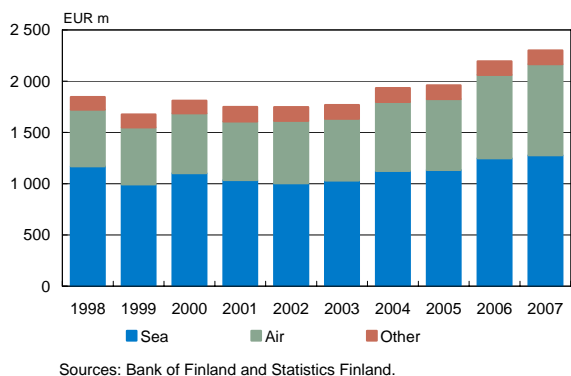
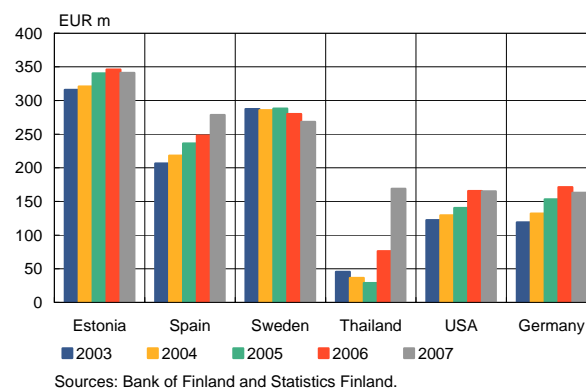
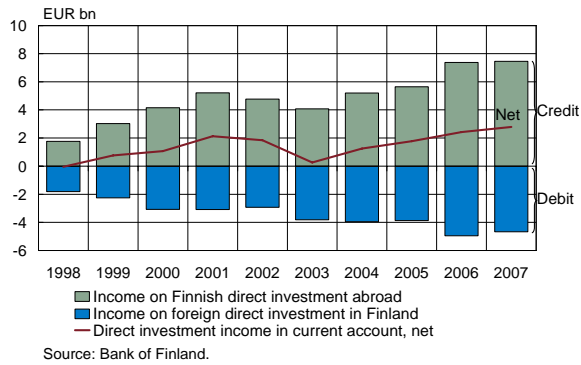


Chart 32. Expenditure on travel abroad, 2003–2007

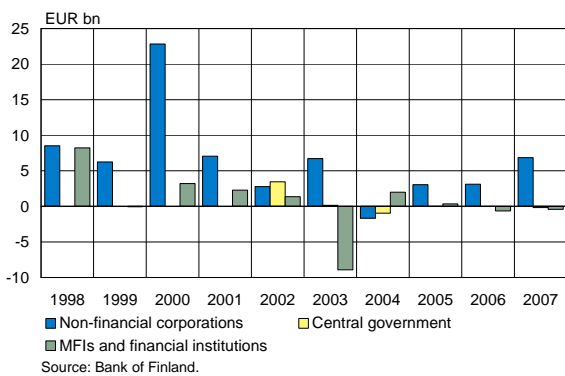


# FINLAND'S BALANCE OF PAYMENTS

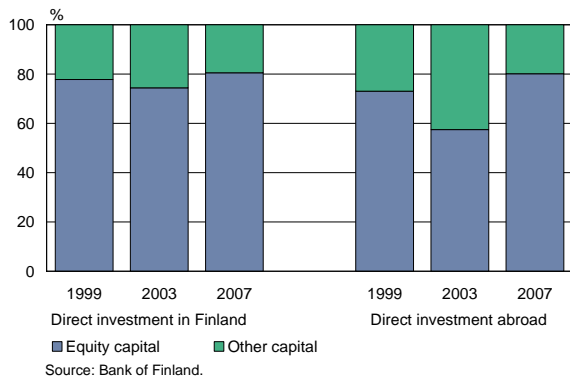
**Chart 33. Direct investment income in current account, 1998–2007**



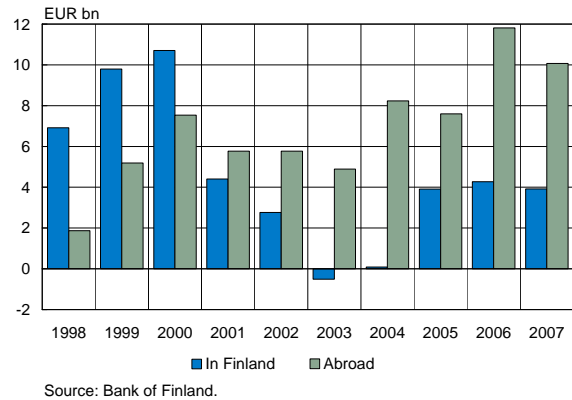
**Chart 34. Finnish direct investment abroad, net capital flows by sector, 1998–2007**



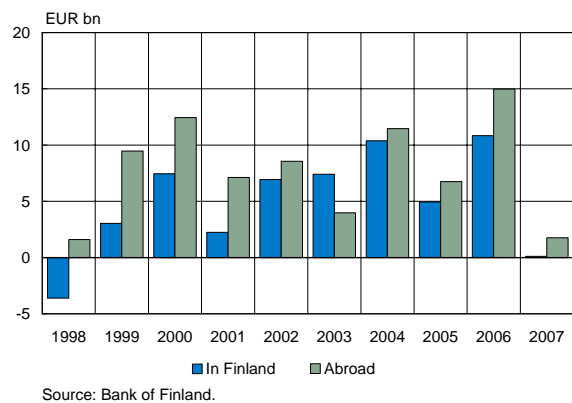
**Chart 35. Direct investment, stock by type of capital 1999, 2003 and 2007**



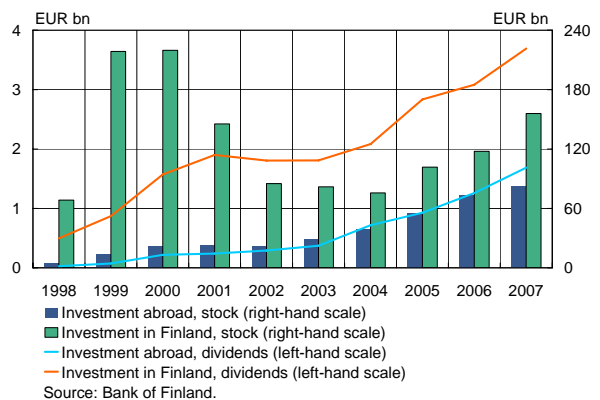
**Chart 36. Portfolio investment, shares and other equity, net capital flows 1998–2007**



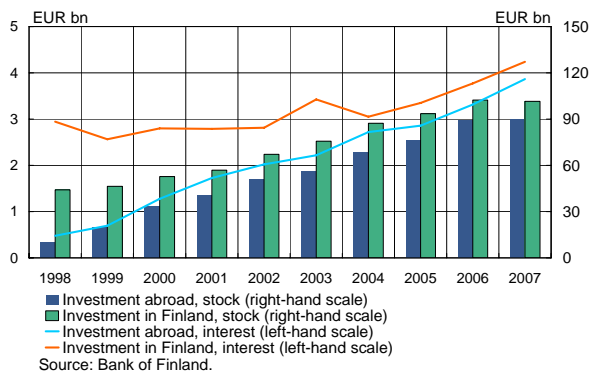
**Chart 37. Portfolio investment, debt securities, net capital flows 1998–2007**



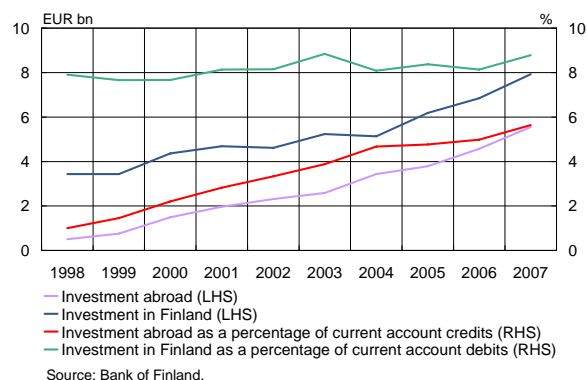
**Chart 38. Portfolio investment, shares and other equity, stock and dividends 1998–2007**



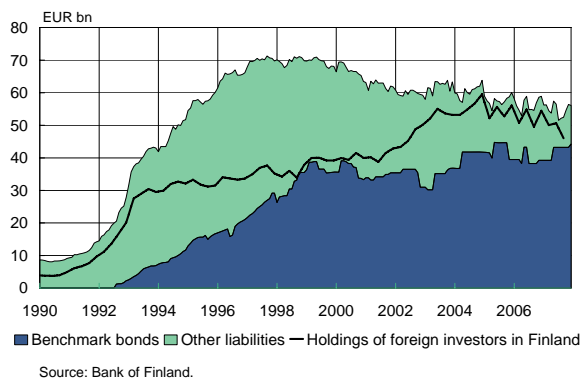
**Chart 39. Portfolio investment, debt securities, stock and interest 1998–2007**



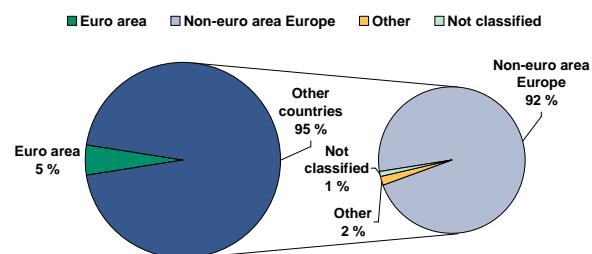
**Chart 40. Portfolio investment income 1998–2007**



**Chart 41. Structure of central government debt, 1990–2007**



**Chart 42. Other investment assets of Finnish MFIs by country group, end-2007**



**Chart 43. Other investment liabilities of Finnish MFIs by country group, end-2007**

