BALANCE OF PAYMENTS AND FINANCIAL MARKET

REPORT 2015

Statistiska centralbyrån Statistics Sweden

Balance of payments 2014

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2015

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Producer Statistics Sweden, Balance of Payments and Financial Markets
Box 24300
SE-115 81 Stockholm
+46 8 506 940 00

Enquiries Fredrik Öhrström, +46 8 506 941 12
fredrik.ohrstrom@scb.se
Jenny Pettersson Ekstedt, +46 8 506 94614
jenny.petterssonekstedt@scb.se

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Foreword

The balance of payments has been compiled and published by Statistics Sweden on behalf of the Swedish Riksbank since 2007.

The balance of payments is a compilation of Sweden's real and financial transactions with the rest of the world, and is divided into the current account, the capital account and the financial account.

This report covers the outcome for 2014.

Statistics Sweden, March 2015

Folke Carlsson

Ebba Hartzell

A word of thanks
We are indebted to our respondents – private individuals, enterprises, agencies and organisations – with whose cooperation Statistics Sweden is able to produce reliable and timely statistics that meet the society's demand for accurate information.

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Summary

The current account showed a surplus of SEK 245 billion in 2014. The surplus has thereby decreased compared to 2013 when it amounted to SEK 276 billion. The surplus in trade in goods and services fell from SEK 217 billion in 2013 to SEK 182 billion in 2014. The deficit in secondary income has increased and amounted to SEK 68 billion compared to a deficit of SEK 64 billion in 2013. Together this has contributed to a reduced surplus in the current account in 2014.

Net, SEK billion	2010	2011	2012	2013	2014
1 current account	211.6	251.6	244.2	275.8	244.9
2 capital account	-4.8	-8.2	-6.1	-9.4	-4.3
3 financial account	265.6	308.7	71.1	149.1	112.6

Source: Statistics Sweden

The capital account recorded a deficit of just over SEK 4 billion in 2014. The deficit has thereby decreased compared to the previous year when it amounted to just over SEK 9 billion.

Transactions in the financial account gave rise to a capital outflow of SEK 113 billion. Direct investment and portfolio investment transactions resulted in capital outflows of SEK 15 billion and SEK 161 billion respectively in 2014. Reserve assets also contributed SEK 1 billion to the capital outflow. Other investment and financial derivatives gave rise to capital inflows of SEK 43 billion and SEK 21 billion respectively.

Provisional data indicate net liabilities of SEK 156 billion in the international investment position at the end of 2014. Net liabilities have thereby decreased compared to the end of 2013 when they amounted to SEK 681 billion. Net liabilities in 2014 correspond to about 4 percent of GDP. The international investment position is also published with direct investment at market value and showed net assets of SEK 562 billion.

1 Current account

The current account showed a surplus of SEK 245 billion in 2014. The surplus has decreased compared to 2013 when it amounted to SEK 276 billion. The current account surplus corresponded to just over 6 percent of GDP in 2014.

Table 1.1
Current account with sub-items

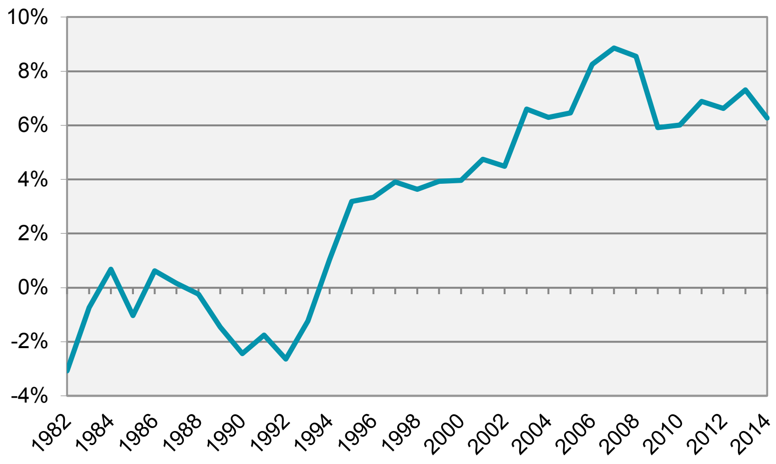
Net, SEK billion	2010	2011	2012	2013	2014
1 current account	211.6	251.6	244.2	275.8	244.9
1.1 trade in goods	137.5	130.9	135.9	137.1	118.3
1.2 trade in services	49.5	67.0	67.5	80.3	63.5
2 primary income	71.0	99.7	109.9	122.6	131.0
3 secondary income	-46.5	-46.0	-69.1	-64.1	-67.9

Source: Statistics Sweden

Footnote: Primary income and secondary income are new concepts in connection with the transition to BPM6 (Balance of Payments Manual 6). They are described in more detail under headings 1.3 and 1.4.

It is mostly trade in goods and services that has contributed to the surplus in the current account, with a surplus of SEK 182 billion. Primary income has also contributed a significant surplus while secondary income has contributed a deficit. The surplus in goods and services has decreased while the surplus in primary income has increased. The deficit in secondary income has, on the other hand, increased slightly. Together this has contributed to a reduced surplus in the current account in 2014. Last year Sweden was one of the countries in Europe with the largest surplus in the current account.

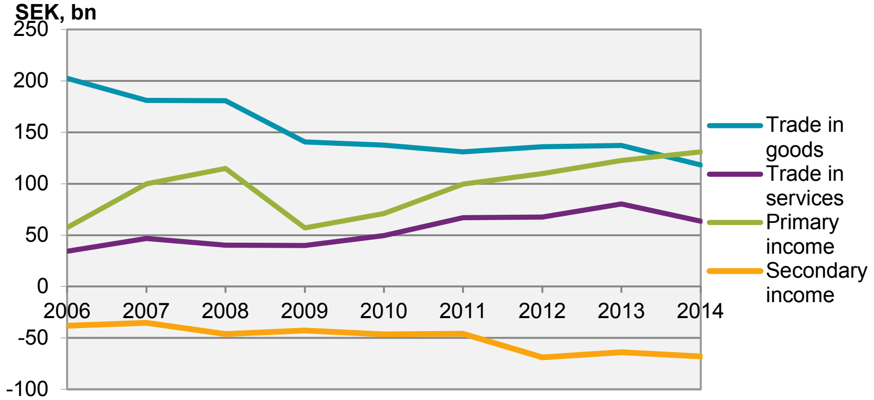
Figure 1.1
Current account, percent of GDP



Source: Statistics Sweden

At the end of the 1980s and the beginning of the 1990s, however, there was a considerable deficit in the current account. The current account then turned into a surplus, which increased substantially in the early- and mid-2000s, only to decrease again after the financial crisis in 2008.

Figure 1.2
Sub-items in the current account



Source: Statistics Sweden

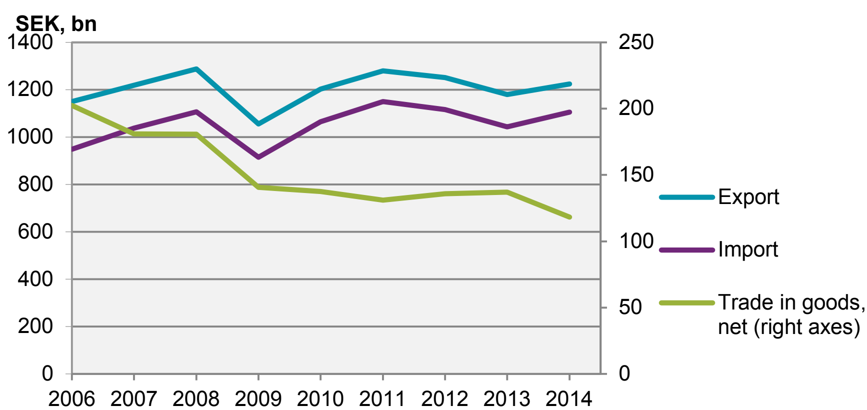
1.1 Trade in goods

Trade in goods showed a surplus of SEK 118 billion in 2004. The surplus fell compared to the previous year when it amounted to SEK 137 billion. Exports increased by 4 percent while imports increased by 6 percent. The trend in trade in goods has indicated a narrowing surplus for a long time and continued in the same direction during 2014. The surplus in trade in goods grew substantially during the second half of the 1990s and was at its highest level at the beginning of the 2000s. Since just before the financial crisis in 2008, however, it has been on a downward trend.

Trade in goods with EU and non-EU countries shows slightly different patterns. Both exports and imports increased during 2014 but to differing extents which gave a reduced surplus in relation to non-EU countries while the trade deficit with EU countries decreased slightly.

Merchanting, which after the transition to the new manual is now a part of trade in goods, has contributed a significant surplus. Of the surplus in trade in goods in 2014, merchanting contributed SEK 80 billion and the item has shown an upward trend in recent years. Merchanting is the sales margin that arises when Swedish enterprises buy goods abroad and sell them to another country without importing them into Sweden.

Figure 1.3
Trade in goods



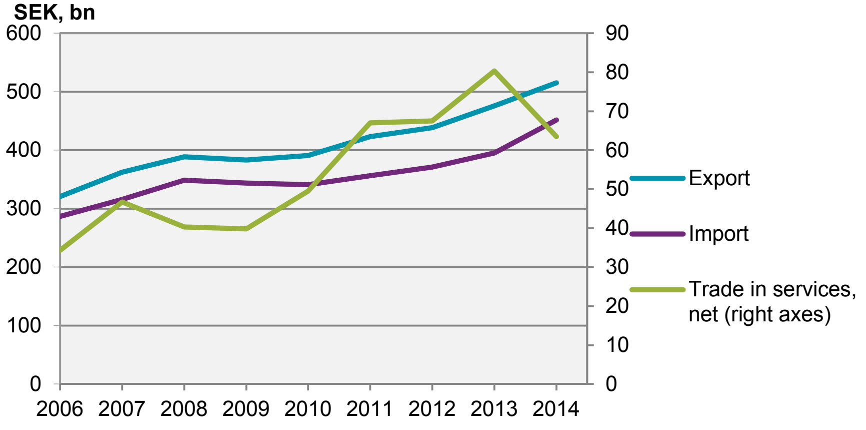
Source: Statistics Sweden

Exports and imports of goods have declined since the financial crisis. Both exports and imports rose up until 2008 but decreased dramatically in 2009 only to recover again in 2010 and 2011. They then gradually decreased in 2012 and 2013 but then began to increase again during 2014 even though they did not reach the levels of previous years. Imports of goods rose more than exports, which weakened the trade in goods figures for 2014.

1.2 Trade in services

Trade in services generated a surplus of SEK 64 billion in 2014. The surplus in trade in services has decreased compared to 2013 when it amounted to SEK 80 billion.

Figure 1.4
Trade in services



Source: Statistics Sweden

Exports of services amounted to SEK 516 billion and increased by 8 percent while imports amounted to SEK 452 and rose by 14 percent compared to 2013. The fact that imports have increased more than exports has weakened the trade in services figures for the first time after a long period of increasingly strong figures.

Among the different types of services, transport contributed a surplus of SEK 19 billion in 2014 while travel contributed a deficit of SEK 40 billion. The deficit in travel implies that expenses of Swedes when travelling abroad exceed those of foreign tourists travelling in Sweden. Telecommunication, computer and information services contributed a surplus of SEK 57 billion. Charges for the use of intellectual property also contributed a surplus of SEK 36 billion. The surplus in both these items has increased considerably seen over a longer period of time.

Sweden is a net importer of research and development services, and the item showed a deficit of SEK 30 billion in 2014. The deficit has grown compared to the year before when it amounted to SEK 20 billion, which depends on increased imports. Together with a reduced surplus in technical, trade-related and other business services, this has primarily contributed to weaker trade in services figures for 2014.

Exports of services to Norway amounted to SEK 71 billion in 2014 making Norway the largest counterpart country for Swedish exports of services. As regards imports of services, the United States was the largest counterpart country.

Table 1.2
Trade in services, largest counterpart countries

Trade in services with the largest counterpart countries (SEK billion)			
Exports		**Imports**	
NO	70.5	US	57.2
US	59.2	GB	43.3
DE	41.5	DE	41.5
GB	38.2	DK	35.1
DK	34.3	NO	30.7
Total	**515.5**	**Total**	**452.0**

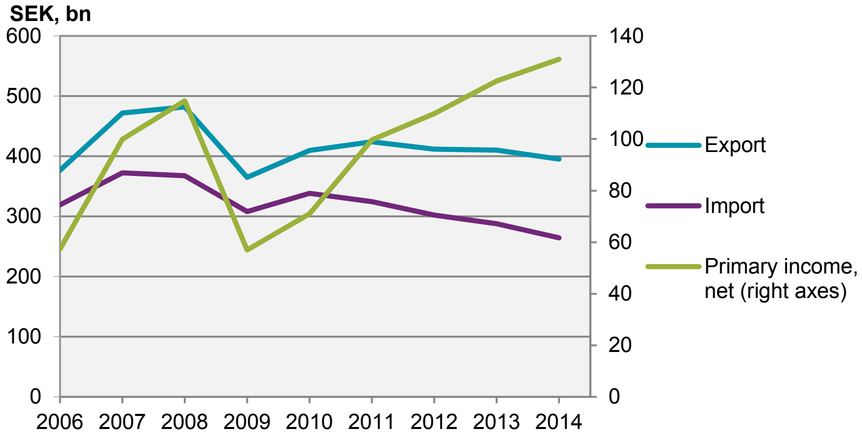
Source: Statistics Sweden

Seen over a longer period of time, both exports and imports of services have increased considerably, with the exception of the immediate aftermath of the financial crisis in 2008. Exports of services have risen from SEK 321 billion in 2006 to SEK 516 billion in 2014. Imports of services have also increased considerably, from SEK 287 billion in 2006 to SEK 452 billion in 2014. The fact that exports have increased more the imports has strengthened the trade in services figures and now contributes to a significant share of the current account surplus. Among the different types of services, the surplus has increased the most in computer services.

1.3 Primary income

Primary income, which refers mainly to investment income and compensation of employees, showed a surplus of SEK 131 billion in 2014. The surplus in primary income has increased compared to 2013 when it amounted to SEK 123 billion. Compensation of employees gave a surplus of SEK 20 billion while investment income gave a surplus of SEK 110 billion and other primary income gave a surplus of SEK 0.5 billion.

Figure 1.5
Primary income



Source: Statistics Sweden

The stronger investment income figures come mainly from income from portfolio investment which amounted to SEK 10 billion in 2014 compared to 2013 when the item showed a deficit of SEK 3 billion. Income has hence switched to positive after having been negative for a longer period of time.

Income from direct investment continue to make up a significant share of the investment income but have decreased from SEK 101 billion in 2013 to SEK 93 billion in 2014. Income from Swedish direct investment abroad amounted to SEK 223 billion, while income from foreign direct investment in Sweden totalled SEK 130 billion.

Other investment generated positive income of SEK 3 billion. Income has decreased on both the asset side and the liability side in recent years due to the low interest rates. At the same time, net assets within other investment abroad have increased which affects net income.

Primary income was negative for a long time but switched to positive at the beginning of the 2000s. The surplus has gradually increased since then and now constitutes a major share of the current account surplus. Even if the international investment position is currently negative, investment income is positive. The composition of the international investment position shows that the asset side mostly comprises shares and equity while the liability side mostly consists of debt securities. This is reflected in the fact that primary income has been positive for a long period while the foreign investment position has shown a net liability.

1.4 Secondary income

The deficit in secondary income amounted to SEK 68 billion in 2014. The deficit has increased compared to the previous year when it amounted to SEK 64 billion. The deficit in transfers to and from the EU increased. Development assistance to other countries also rose. Other secondary income was on a par with 2013.

Secondary income shows current transfers between Sweden and other countries. A current transfer is a transfer without receiving anything in return and affects disposable income.

2 Capital account

The capital account gave a deficit of just over SEK 4 billion in 2014. The deficit has thereby narrowed compared to the previous year when it amounted to just over SEK 9 billion.

3 International investment position and financial account

Provisional data indicate net liabilities of SEK 156 billion in the international investment position at the end of 2014. Net liabilities have thereby decreased compared to the end of 2013 when they amounted to SEK 681 billion. Net liabilities in 2014 correspond to about 4 percent of GDP.

Table 3.1
International investment position with sub-items

net (SEK billion)	2010	2011	2012	2013	2014
international investment position, total	-294.3	-374.8	-525.5	-681.3	-156.4
1 direct investment	182.7	208.2	102.7	194.5	452.0
2 portfolio investment	-904.4	-1363.4	-1448.6	-1987.0	-1888.7
3 financial derivatives	82.2	123.8	105.2	56.5	128.2
4 other investment	20.6	310.1	375.0	634.4	662.7
5 reserve assets	324.5	346.5	340.3	420.3	489.5

Source: Statistics Sweden

Net external liabilities have decreased at the same time as the current account showed a surplus of SEK 245 billion. The surplus in the current account was not quite offset by capital outflows in the financial account, which showed a capital outflow of SEK 113 billion. This gave rise to a significantly negative net errors and omissions item. Net errors and omissions occur when a surplus/deficit in the current account together with the capital account is not offset by equally large capital outflows in the financial account.

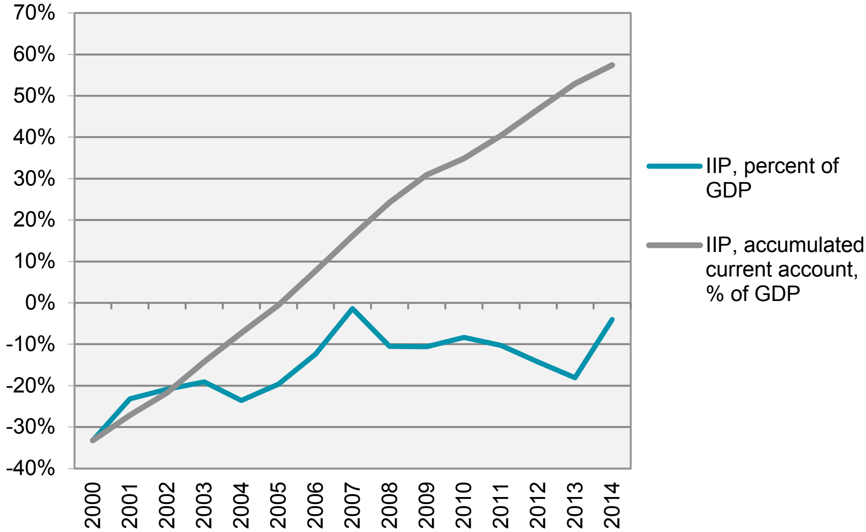
Table 3.2
Financial account with sub-items

net (SEK billion)	2010	2011	2012	2013	2014
financial account, total	256.6	308.7	71.1	149.1	112.6
1 direct investment	145.7	110,0	85.5	164.9	14.5
2 portfolio investment	-142.0	-172.9	-97.8	-288.3	161.4
3 financial derivatives	-29.7	19.6	-36.2	-63.7	-21.1
4 other investment	293.9	347.4	116.1	240.9	-43.2

Source: Statistics Sweden

The current account has been positive since the mid-1990s but it is primarily during the 2000s that it has shown a significant surplus. The figure below shows the actual international investment position as a percentage of GDP and how the position would have developed had it followed the current account exactly. The figure shows that net liabilities in the international investment position have decreased over time but that the position has not improved in line with the current account surplus. The international investment position is also published with direct investment at market value and showed net assets of SEK 562 billion.

Figure 3.1
International investment position



Source: Statistics Sweden

Changes in the international investment position arise from both transactions in the financial account and changes in share prices, interest rates and currency exchange rates. The relationship between the opening and closing balance is summarised in the figure below.

	Changes in the international investment position depending on				
Opening balance	Transactions	Price changes	Exchange rate changes	Other corrections	**Closing balance**

The balance sheet total in the international investment position has increased dramatically during the 2000s with a significant gross increase in external assets and liabilities. The composition of the international investment position shows that the asset side mostly comprises shares and equity while the liability side mostly consists of debt securities and loans, which is reflected in the earnings. In addition, much of the asset side is denominated in foreign currency while the liability side is mostly denominated in SEK. Taken together, this makes the net international investment position sensitive to changes in exchange rates, interest rates and share prices.

In 2014, stock market rates have risen while interest rates have fallen. At the same time, the krona has weakened significantly against the major currencies, which has helped to increase the value of assets denominated in foreign currencies. All in all, this has contributed to a reduction in net liabilities in the foreign investment position.

The external exposure of domestic sectors is reported in the sector-by-sector international investment position. It shows that monetary financial institutions and non-financial corporations account for a large share of external assets and liabilities. Both have significant net external liabilities. The monetary financial institutions have considerable borrowings from abroad in debt securities while they simultaneously deposit large amounts in accounts abroad within the other investment item. The social insurance sector and other financial institutions have significant net external assets. The non-financial enterprises have considerable direct investment abroad while other countries own significant amounts in non-financial corporations in Sweden, mostly in the form of direct investment but also in the form of portfolio investment. The Swedish state has net external liabilities, while the Riksbank has net assets in the form of reserve assets.

3.1 Direct investment

In total, direct investment transactions gave a capital outflow of SEK 15 billion in 2014. These transactions increased Swedish direct investment abroad by SEK 83 billion. Transactions increased foreign direct investment in Sweden by SEK 69 billion.

Transactions in Swedish direct investment abroad came mostly from profits reinvested in foreign companies. Reinvestment of earnings gave and investment of SEK 133 billion. Equity and loan transactions have instead contributed to a decrease of SEK 47 billion and just under SEK 3 billion respectively.

Within foreign direct investment in Sweden, transactions in equity and reinvestments of earnings have contributed to a rise of SEK 12 billion and SEK 73 billion respectively, while loans have made a negative contribution of SEK 16 billion.

The balances show that Swedish direct investment abroad amounted to SEK 2936 billion at the end of 2014 while foreign direct investment in Sweden totalled SEK 2484 billion. Taken together, this gives net assets within direct investment of SEK 452 billion for 2014. It is mostly this that has contributed to a reduction in net liabilities in the international investment position.

As a supplement, direct investment calculated at market value is presented. Direct investment at market value gives net assets of SEK 1170 billion for 2104. When reported in terms of direct investment at market value, the international investment position switches from negative to positive.

Most direct investment is to be found in the non-financial corporation sector. Monetary financial institutions also have significant direct investment.

3.2 Portfolio investment

Portfolio investment transactions gave a capital outflow of SEK 161 billion in 2014. The lion's share of these comes from Swedish investment in foreign portfolio investment. Net purchases of foreign debt securities amounted to SEK 135 billion during the year, mostly in the form of American and Finnish bonds. Purchases of foreign shares and mutual fund units also contributed SEK 83 billion to the capital outflow.

Via trade, other countries increased their investment in Swedish portfolio investments by SEK 57 billion. Other countries made net purchases of Swedish shares, mutual fund units and debt securities. Swedish shares and mutual fund units were purchased for SEK 13 billion net. Swedish debt securities were purchased for SEK 44 billion net. Investments in Swedish government-issued securities were of particular interest, both short-term and long-term securities, which were bought for SEK 160 billion net during the year. Foreign investors mostly bought Swedish debt securities denominated in SEK.

All in all, Sweden has net external liabilities in portfolio investment of SEK 1889 billion. Swedish portfolio investment abroad amounted to SEK 4423 billion at the end of 2014 and the value of foreign portfolio investment in Sweden totalled SEK 6312 billion. Both Swedish portfolio investment abroad and foreign portfolio investment in Sweden have increased compared to the end of 2013, Net liabilities in portfolio investment have increased dramatically in recent years, with increased net liabilities in debt securities generated by increased borrowings from abroad. The net liability to other countries decreased by SEK 98 billion in 2014. Holdings of Swedish debt securities by other countries have continued to increase as in previous years. The reduction in net liabilities is instead due to an increase in Swedish holdings of foreign shares and mutual fund units. During the year, holdings of foreign shares and mutual fund units have gone from SEK 2577 billion to SEK 3210 billion, with the largest increase being at other financial institutions, whose holdings amounted to SEK 1774 at the end of the year. The increase in shares and mutual funds is mostly due to a sharp upturn in the stock market along with a weakening krona.

3.3 Financial derivatives

Transactions in Financial derivatives gave rise to a capital inflow of SEK 21 billion in 2014. Transactions in financial derivatives consist primarily of swap contracts in interest rates and foreign exchange; the foremost holders are the major Swedish banks. Financial derivatives are mainly used to safeguard investment.

At the end of 2014, financial derivatives showed net external assets of SEK 128 billion. The value of assets amounted to SEK 613 billion and exceeded the value of liabilities which amounted to SEK 485 billion. Positive market valued contracts with foreign counterparties are defined as assets, and negative market valued contracts are similarly defined as liabilities. Fluctuations in interest rates and exchange rates in recent years have led to higher balances in financial derivatives.

3.4 Other investment

Other investment transactions, which mainly consist of loans and deposits, gave a capital inflow of SEK 43 billion in 2014. Transactions increased Swedish assets in other investment abroad by SEK 16 billion. Transactions on the liability side in other investment gave rise to an increase of SEK 59 billion in 2014. There have been large transactions in other investment abroad for a longer period of time ever since Swedish investors began depositing large amounts in overseas accounts.

The balances in other investment showed net assets of SEK 663 billion at the end of 2014. The value of Swedish other investment abroad amounted to SEK 2884 billion while foreign-owned other investment in Sweden amounted to SEK 2221 billion. Seen over a longer period of time, other investment has switched from net liability to net asset. At the end of 2008, other investment had net liabilities abroad of SEK 533 billion, which has now turned into significant net assets.

The largest share of this other investment is made up of deposits. Other investment is dominated by monetary financial institutions. The changes in other investment reflect the changes in portfolio investment. At the same time as other investment has gone from net liability to net asset, net liabilities in debt securities within portfolio investment have increased.

3.5 Reserve assets

Reserve assets are the Riksbank’s reserves of gold, securities and other assets in foreign currencies. Their main purpose is to provide temporary liquidity assistance to insolvent banks, fulfil Sweden’s obligations vis-a-vis the International Monetary Fund (IMF) and, if necessary, intervene on the foreign exchange market. The reserve assets generated a capital outflow of just over SEK 1 billion in 2014.

At the end of 2014, the reserve assets amounted to SEK 490 billion. They have increased compared with the end of 2013 when they amounted to SEK 420 billion. A weaker krona in 2014 is the main reason for the increase in reserve assets. In recent years, the Riksbank has strengthened its reserve assets significantly, particularly in 2009 and 2013.

Facts about the statistics

The balance of payments has been produced and summarised by Statistics Sweden on behalf of the Swedish Riksbank since September 2007.

In a closed economy, the level of investment is determined by the total savings in the economy. This means that if savings decline for some reason, investments will also decline. In an open economy, the relationship between savings and investment is not as clear, as global financial markets enable international capital to flow easily between countries. The balance of payments contains information on these flows. Simply put, it is a summary of a country's real and financial transactions with the rest of the world. The main aggregates in the balance of payments are *the current account*, *the capital account*, and the *financial account*.

Derivation of the balance of payments

A country's gross domestic product, BNP_t, is the total value of the goods and services produced in the country during a certain year t. Production is used to either satisfy domestic demand in the form of household consumption, C_t, private investment, I_t, and public expenditure, G_t, or to be delivered abroad in the form of exports of goods and services, X_t. Domestic demand can also be satisfied by the import of goods and services, M_t. The "National Income Identity" shows that a country's production during an individual year is equal to the sum of domestic demand
($C_t + I_t + G_t$) and net sales of goods and services to the rest of the world ($X_t - M_t$):

$$BNP_t = C_t + I_t + G_t + X_t - M_t.^{1} \qquad (1)$$

[1] This relationship is called an identity because it must by definition be fulfilled in every individual time period.

By adding together the primary and secondary incomes, PI_t, SI_t, i.e. Swedish income earned abroad (Swedish employees' compensation abroad and earnings on Swedish capital abroad) minus foreign income earned in Sweden (foreign employees' compensation in Sweden and earnings on foreign capital in Sweden) and current transfers, it is possible to rewrite (1) in terms of gross national income, BNI_t:[2]

$$BNI_t = C_t + I_t + G_t + X_t - M_t + PI_t + SI_t \qquad (2)$$

Rewriting (2) gives:

$$BNI_t - C_t - G_t = S_t = I_t + X_t - M_t + PI_t + SI_t, \qquad (3)$$

where S_t refers to the total national savings in the economy. The national savings consist of the consolidated public sector savings, $T_t - G_t$, where T_t is tax income, and household savings, $BNI_t - T_t - C_t$.[3]

According to (3) the following applies:

$$S_t - I_t = X_t - M_t + PI_t + SI_t. \qquad (4)$$

The difference between S_t and I_t is often called net external investment and the difference between X_t and M_t is called balance of trade.
$X_t - M_t + F_t$ is the current account.
Equation (4) thus shows that there is a simple connection between net investment and the balance of trade. For a given net factor income, changes in the difference between S_t and I_t will always be followed by

[2] This income is often referred to as primary income. Net income consists of compensation of employees, investment income and current transfers.

[3] This means then that national savings are identical to the sum of public sector savings and household savings.

corresponding changes in the difference between X_t and M_t. Equation (4) also shows that it is not possible in the short term to reduce a balance of trade deficit without at the same time increasing national savings or reducing domestic investment.[4] It is also interesting to note that equation (4) means that if household savings are as large as domestic investment, public sector savings will develop roughly in line with net exports over time.[5]

In the same way as national savings can be divided up into consolidated public sector savings and household savings, domestic investment can be divided up into public sector investment and private investment. This division indicates that if public sector investment exceeds its savings, and if this is not completely counterbalanced by a savings surplus in the private sector, it must by definition be matched by a deficit in the current account. A growing deficit in the current account can thus be a sign that central government expenditure is greater than income.

By combining the national income identity (1) with the national budget restriction, it is possible to derive the balance of payments. According to the budget restriction, the country's total expenditure in each time period is limited by the income in the same period and the country's possibilities to borrow:

$$BNP_t + r_t A_t = C_t + I_t + G_t + (A_{t+1} - A_t). \tag{6}$$

where A_t is the net external assets during period t and $r_t A_t$ is the interest income on these assets. The net assets in turn consist of the capital account and the financial account. It is simple to obtain the balance of payments from (1) and (6):

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[4] Net factor income is assumed to be constant in the short term.

[5] This relationship means in actual fact that the public sector budget balance will covary with the balance of trade during certain periods of time.

$$X_t - M_t + PI_t + SI_t = -(A_t - A_{t+1})\,. \qquad (7)$$

The left side of the balance of payments (7) is, as mentioned earlier, the current account, which consists of the sum of the trade in goods and primary and secondary incomes. The term $(A_t - A_{t+1})$ on the right side shows how the net external assets change over time. Please note that if Swedes make net purchases of foreign assets, the capital account and the financial account will show a net deficit, i.e. $A_t - A_{t+1} < 0$.
Equation (7) thus means that the sum of the current account, the capital account and the financial account is always identical to zero.[6]

The connection with the international investment position

As the financial account measures external net lending, a change in the current account will - by definition - always be matched by a similar change in the net external claims. A surplus in the current account is thus matched by an increase in external net claims - private or public sector. The surplus can also be reflected in an increase in reserve assets, as these reserve transactions are included in the financial account. A deficit on the current account instead means that the net acquisitions abroad must be paid either by divesting external assets or by increasing external liabilities.

This means that if, for instance, Sweden were to buy more assets abroad than are sold abroad (this is the same as saying that the net total of the financial account is less than zero), Sweden must at the same time sell more goods and services abroad than it buys from abroad. Put simply, the total outflow of payments from a country must correspond to the total inflow of payments.

[6] Measurement errors, such as periodisation errors, can arise because there are a number of sources for measuring the items in the balance of payments. Thus, a residual in the form of an errors and omissions item has been included.

The international investment position shows a country's total net debt and is reported in the form of stock data on all the domestic sector's external assets and liabilities. The net total of assets and liabilities is thus a measure of a country's wealth relative to other countries. Stock data are reported at market value and can be divided up exactly like the financial account, into direct investment, portfolio investment, financial derivatives, other investment, and reserve assets.[7]

The relationship between the international investment position and the balance of payments is illustrated below. Changes in the net external position are due to transactions that have been implemented and registered in the financial account and to changes in exchange rates and asset prices. In addition, the stocks can be affected by, for instance, write-downs of claims (an example of other corrections in the graph). If the current account shows a deficit or surplus over a longer period of time, this entails a build-up of either a net liability or a net asset.

[7] Book value is used instead of the market value in certain cases because the base for calculating market value is insufficient.

All official statistics can be found at: **www.scb.se**
Statistics service, phone +46 8 506 948 01