

Balance of payments in the first quarter of 2012 and the external position

The Central Bank of Iceland has published on its website the preliminary statistics for the balance of payments in the first quarter of 2012, and for the external position at the end of the quarter.¹

The current account balance was negative by 43.1 b.kr. in the first quarter, as opposed to 46.7 b.kr. in the preceding quarter. The goods account showed a surplus of 18.5 b.kr., and the services account was negative by 5.1 b.kr. The balance on income, however, was negative by 56.5 b.kr.

As before, the deficit in the balance on income during the quarter can be attributed largely to financial institutions in winding-up proceedings. Expenditures due to these institutions totalled 34.4 b.kr., while revenues were 4.1 b.kr. Therefore, the balance on income excluding deposit institutions in winding-up proceedings was negative by 26.2 b.kr., and the current account balance was negative in the amount of 12.7 b.kr.

External assets totalled 4,729 b.kr. at the end of the quarter, while external liabilities totalled 13,896 b.kr. Thus the net external position was negative by 9,167 b.kr., and net liabilities declined by 40 b.kr. quarter-on-quarter. Excluding the financial institutions undergoing winding-up proceedings, assets totalled 2,897 b.kr. and liabilities 3,681 b.kr., yielding a net balance of -784 b.kr.

¹ See the Statistics pages on <http://www.sedlabanki.is>

Table 1. Quarterly balance of payments in billions of krónur, at the price levels of the relevant period

	<u>2011, I</u>	<u>2011, II</u>	<u>2011, III</u>	<u>2011, IV</u>	<u>2012, I</u>
Current account	-39.7	-34.4	10.0	-46.7	-43.1
Exports of goods and services	202.3	237.9	278.2	234.3	220.6
Imports of goods and services	-177.2	-202.0	-217.2	-223.1	-207.2
Income and transfer, net	-64.7	-70.2	-51.0	-57.9	-56.5
Capital and financial account	-25.4	-45.8	62.1	18.7	75.6
Financial account excl. reserves	47.4	6.3	158.2	128.9	-45.9
Foreign assets, net	-10.6	3.0	52.1	340.7	88.2
Foreign liabilities, net	58.1	3.4	106.1	-211.8	-134.2
Reserve assets	-72.8	-52.1	-96.1	-110.1	121.6
Net errors and omissions	65.1	80.2	-72.1	28.0	-32.5
<i>Memorandum items:</i>					
CA without DMBs undergoing winding-up proceedings	-15.5	-13.3	36.1	-22.9	-12.7

Table 2. International investment position at the end of the quarter in billions of krónur, at the price levels of the relevant period

	<u>2011, I</u>	<u>2011, II</u>	<u>2011, III</u>	<u>2011, IV</u>	<u>2012, I</u>
Total assets	4,459	4,577	4,554	4,449	4,729
Direct investment abroad	1,424	1,417	1,368	1,387	1,433
Portfolio assets	871	997	1,031	963	993
Other investment, net	1,400	1,336	1,244	1,052	1,326
Reserves	764	828	912	1,047	977
Total liabilities	14,375	14,237	13,829	13,656	13,896
Direct investment in Iceland	1,449	1,498	1,496	1,539	1,681
Portfolio liabilities	3,169	3,104	2,826	2,517	2,248
Other investment, liabilities	9,758	9,635	9,507	9,600	9,966
International investment position	-9,917	-9,659	-9,275	-9,207	-9,167
<i>Memorandum items:</i>					
IIP excl. DMBs undergoing winding up proceedings	-949	-931	-940	-861	-784

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