Office for National Statistics

Statistical bulletin

Balance of Payments: July to Sept 2016

Trade in goods and services, income, current and capital transfers, transactions in UK external assets and liabilities, and levels of identified assets and liabilities.

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1 . Main points

The UK's current account deficit was £25.5 billion in Quarter 3 (July to September) 2016, up from a revised deficit of £22.1 billion in Quarter 2 (April to June) 2016. The deficit in Quarter 3 2016 equated to 5.2% of gross domestic product (GDP) at current market prices, up from 4.6% in Quarter 2 2016.

The widening in the current account deficit was mainly due to a widening in the deficits on total trade and secondary income, partially offset by a narrowing in the primary income deficit.

The total trade deficit widened to £13.6 billion in Quarter 3 2016, from £7.3 billion in Quarter 2 2016. This was due to the trade in goods deficit widening by £8.5 billion, partially offset by a £2.2 billion widening in the trade in services surplus.

The primary income deficit narrowed to £5.0 billion in Quarter 3 2016, from £8.7 billion in Quarter 2 2016. The narrowing was mainly due to the balance on direct investment switching from a deficit of £0.8 billion in Quarter 2 2016 to a surplus of £3.6 billion in Quarter 3 2016.

The deficit on secondary income widened by £0.8 billion, from £6.1 billion in Quarter 2 2016 to £6.9 billion in Quarter 3 2016. This was due to payments increasing more than receipts.

The financial account recorded a net inflow of £22.6 billion during Quarter 3 2016.

The international investment position recorded UK net assets of £238.2 billion at the end of Quarter 3 2016.

2 . Review of how economic statistics are published

From January 2017 we are improving the way we publish economic statistics, with related data grouped together under new "theme" days. This will increase the coherence of our data releases and involve minor changes to the timing of certain publications. For more information see Changes to publication schedule for economic statistics.

3 . Summary

The balance of payments summarises the economic transactions of the UK with the rest of the world. These transactions can be broken down into 3 main accounts: the current account, the capital account and the financial account.

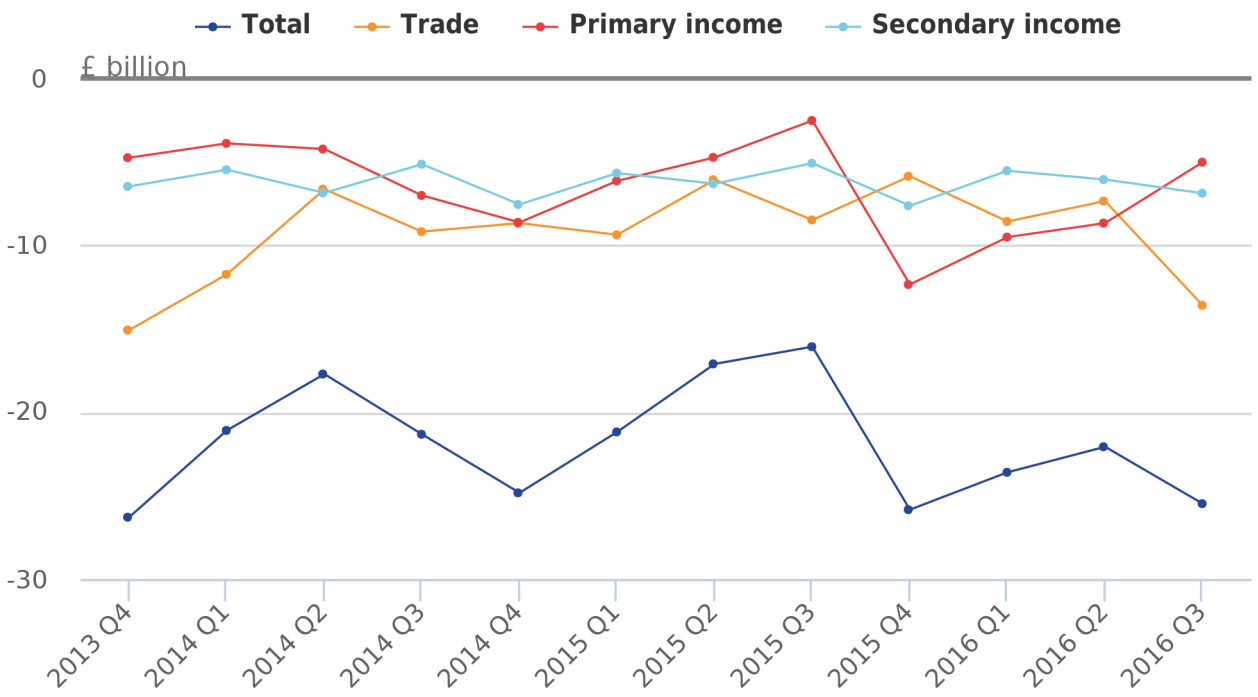
The current account comprises the trade in goods and services account, the primary income account and secondary income account. The difference in the monetary value of these accounts is known as the current account balance. A current account balance is in surplus if overall credits exceed debits, and in deficit if overall debits exceed credits.

The sum of the current and capital account balances are equal to the balance of the financial account. As the capital account is relatively small in comparison, the current account and financial account can be said to be counterparts.

The current account balance plus the capital account balance measures the extent to which the UK is a net lender (that is, in surplus) or net borrower (that is, in deficit). The UK has run a combined current and capital account deficit in every year since 1983, and every quarter since Quarter 3 1998.

Figure 1: UK current account balances (seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

Quarter 3 2016 overview

In Quarter 3 2016, the UK was a net borrower of £25.7 billion, up from £22.4 billion in Quarter 2 2016. This was due to the widening in the current account deficit of £3.4 billion.

The £6.2 billion widening in the total trade deficit was mainly due to a widening of £8.5 billion in the trade in goods deficit, as imports increased by £7.4 billion while exports decreased by £1.1 billion from Quarter 2 2016. Additionally there was a £2.2 billion widening in the trade in services surplus. The widening in the trade in services surplus was due to exports increasing by £1.2 billion and imports decreasing by £1.0 billion.

The £3.7 billion narrowing in the total primary income deficit from Quarter 2 2016 was mainly due to the balance on direct investment switching from a deficit of £0.8 billion in Quarter 2 2016 to a surplus of £3.6 billion in Quarter 3 2016. Partially offsetting the improvement in the direct investment balance in Quarter 3 2016 was a slight widening in the deficit on portfolio investment income of £0.8 billion. The other investment deficit narrowed £0.1 billion and stands at £2.3 billion.

The £0.8 billion widening in the secondary income deficit in Quarter 3 2016 to £6.9 billion was due to payments increasing more than receipts.

Notes for: Summary

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

4 . Movements in foreign exchange rates

How a sterling devaluation can impact the balance of payments and international investment position

Over the last year there has been a substantial depreciation in the sterling exchange rate, falling 15.2% between Quarter 3 2015 and Quarter 3 2016, and by 7.8% on the quarter. Currency fluctuations can affect the relative prices of traded goods, and may influence changes in the trade balance. For example, by assuming that UK firms import a good with a fixed foreign currency price, and keep the quantity of imports fixed, the price of imported goods would rise in sterling terms following the currency depreciation, leading to a rise in the nominal value of imports in sterling terms.

However, in practice the impact of a sterling change is likely to be much more complex. Some companies may hedge against currency movements in the short- to medium-term. In addition, evidence suggests that a high proportion of UK imports are traded in foreign currency, while some UK exports are traded in sterling, so there will not necessarily be a straightforward pass through from the changes in the value of sterling to the value of trade. Furthermore, there has been anecdotal evidence from some ONS respondents that the quantity of UK export orders were brought forward due to the lower sterling level.

In the longer run, a sustained depreciation in sterling may lead to a behavioural change, where a company reacts to the change in prices and either sells or purchases differently as a result. For example, if the prices of imported goods become persistently more expensive then a UK company may purchase from a domestic source instead and reduce reliance on imports. Similarly if a sterling devaluation leads to improved price competitiveness of UK exports, they may become more attractive to the rest of the world. This effect is likely to be more subtle and could take longer to feed through, as companies may find it difficult to make major changes to supply chains. Again in practice this effect is further complicated by other factors, such as the absolute level of UK export competitiveness, and non-price considerations such as consumer preferences and quality.

The devaluation of sterling can also have an impact on earnings from investment income. A direct arithmetic impact will be expected on earnings from investment abroad. For example, all else being equal, a $100 million profit from a US subsidiary will be worth more in sterling terms after a devaluation of sterling (since the investment income is paid in $US but UK's Balance of Payments is presented in sterling). Longer run behavioural impacts may also apply if different investments become cheaper or more expensive as a result of currency movements, particularly investment within portfolio and direct investment. Similar to trade, the behavioural impacts are mostly expected in the medium- to long-term, although there may also be some short-term behavioural impacts depending on the extent to which investors take short-term decisions.

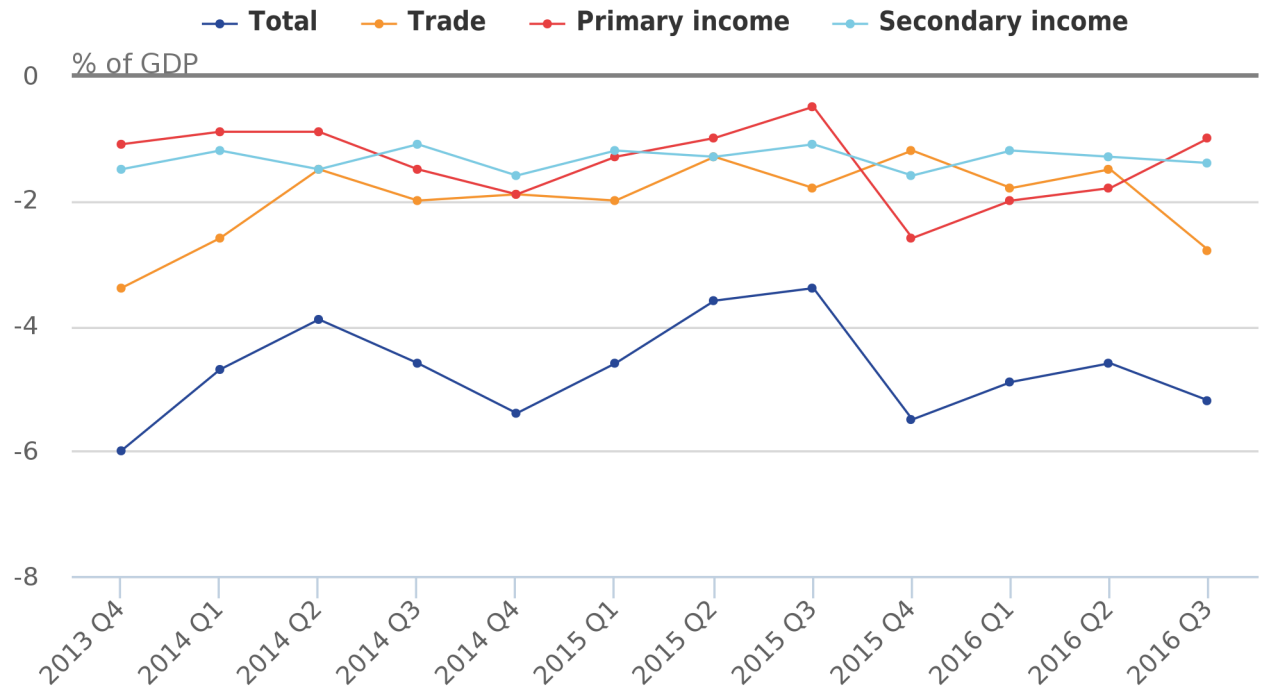
The devaluation of sterling will have a direct arithmetical impact on the level of investment presented within the international investment position (IIP). UK assets and liabilities are presented at market value where possible, and so revaluation impacts are continuous. All else being equal, a devaluation of sterling will increase the value of UK assets presented in the IIP, since the vast majority of UK assets are held in foreign currency and hence converted to sterling for presentation in the IIP. There also may be an impact on UK liabilities within the IIP, because some liabilities are also held in foreign currency. However, the proportion of liabilities held as foreign currency tends to be smaller.

The “International investment position” section within this release provides some more information on the revaluation impacts within the IIP. In the coming months, we will also explore the arithmetic and behavioural impact on the balance of payments and IIP and present findings when they become available.

5 . Current account balances as percentage of GDP

Figure 2: UK balances as percentage of GDP

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

The current account deficit equated to 5.2% of gross domestic product (GDP) at current market prices in Quarter 3 2016, compared with 4.6% in Quarter 2 2016. The deficit on trade in goods and services was equivalent to 2.8% of GDP in Quarter 3 2016, compared with 1.5% in Quarter 2 2016. The deficit on primary income equated to 1.0% of GDP in Quarter 3 2016, compared with a deficit equivalent to 1.8% in Quarter 2 2016. The deficit on secondary income equated to 1.4% of GDP in Quarter 3 2016, compared with a deficit equivalent to 1.3% in Quarter 2 2016.

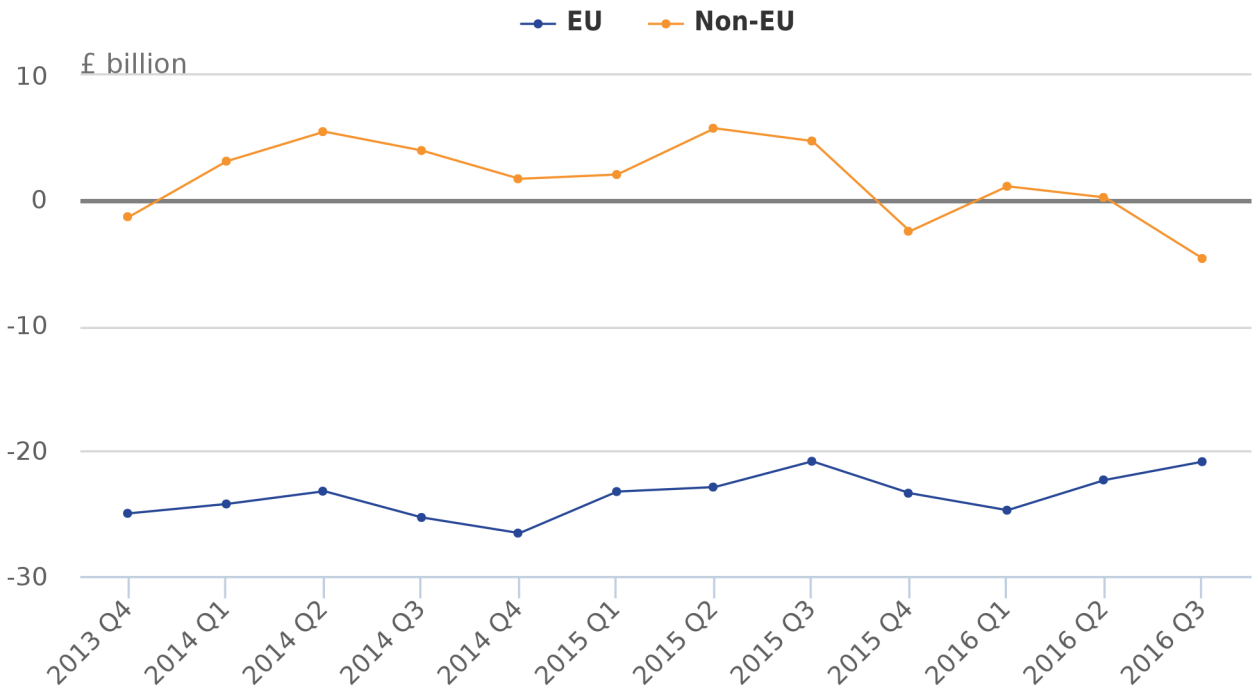
Notes for: Current account balances as percentage of GDP

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

6 . Current account with EU and non-EU countries (Table C)

Figure 3: UK current account balances with EU and non-EU countries (seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

A current account deficit of £20.9 billion was recorded with the EU in Quarter 3 2016, compared with a deficit of £22.3 billion in Quarter 2 2016. This was mainly due to the deficit on total trade narrowing from £14.6 billion in Quarter 2 2016 to £13.7 billion in Quarter 3 2016. Additionally, the deficit on primary income narrowed from £5.0 billion in Quarter 2 2016 to £3.6 billion in Quarter 3 2016. This was partially offset by a £0.9 billion widening in the deficit on secondary income.

The current account balance with non-EU countries switched from a surplus of £0.3 billion in Quarter 2 2016 to a deficit of £4.6 billion in Quarter 3 2016. This was mainly due to the total trade surplus narrowing from £7.3 billion in Quarter 2 2016 to a surplus of £0.1 billion in Quarter 3 2016. The deficit on secondary income narrowed slightly from £3.4 billion in Quarter 2 2016 to £3.3 billion in Quarter 3 2016. The deficit on primary income narrowed from £3.6 billion in Quarter 2 2016 to £1.4 billion in Quarter 3 2016.

Notes for: Current account with EU and non-EU countries (Table C)

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

7 . Trade in goods (Table E) and services (Table F)

Figure 4: UK trade in goods and services balances (seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016

Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

Trade in goods covers transactions in general merchandise for which changes of ownership occur between UK residents and the rest of the world. General merchandise (with some exceptions) refers to moveable goods.

The trade in goods deficit in Quarter 3 2016 was £38.7 billion, compared with a deficit of £30.2 billion recorded in Quarter 2 2016. The widening in the deficit in Quarter 3 2016 was due to imports rising by £7.4 billion, compared with a fall in exports of £1.1 billion. The increase in imports was primarily due to a £2.5 billion rise in unspecified goods and a £2.2 billion rise in machinery and transport equipment; specifically aircraft of £1.2 billion. The fall in exports was mainly due to a £1.3 billion decrease in exports of aircraft.

Trade in services covers the provision of services by UK residents to non-residents and vice versa. It also covers transactions in goods which are not freighted out of the country in which transactions take place, for example, purchases for local use by foreign forces in the UK, or by UK forces abroad and purchases by tourists. Transactions in goods which are freighted into or out of the UK are included under trade in goods.

The trade in services surplus was £25.1 billion in Quarter 3 2016, an increase of £2.2 billion from Quarter 2 2016. Exports rose by £1.2 billion from Quarter 2 2016, to £60.9 billion, with imports falling by £1.0 billion from Quarter 2 2016, to £35.8 billion.

The rise in exports was mainly due to an increase in the export of most services but particularly insurance and pension services by £0.8 billion and financial services by £0.6 billion. Offsetting these were £0.3 billion decreases in the export of both travel services and other business services.

The fall in total imports of services was mainly due to a decrease in the import of other business services of £1.7 billion. This was partially offset by small increases in the import of most other services.

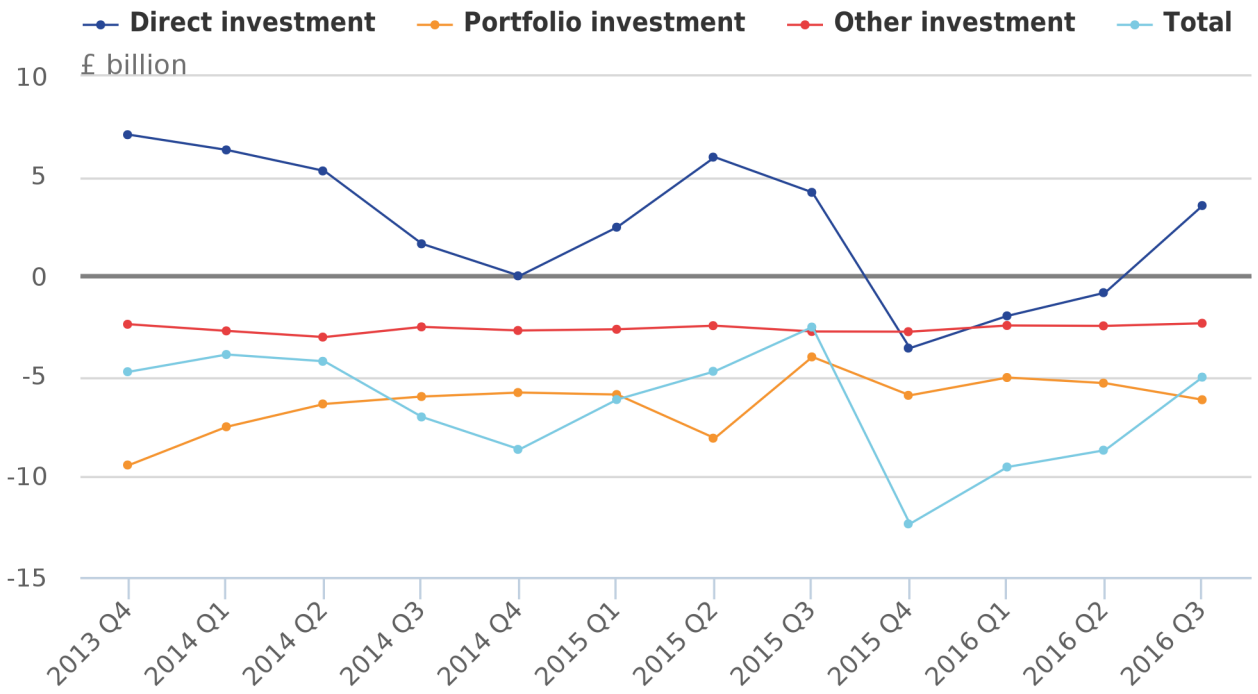
Notes for: Trade in goods (Table E) and services (Table F)

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

8 . Primary income account (Table G)

Figure 5: UK primary income account balances (seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

The primary income account is comprised of compensation of employees, investment income and other primary income.

Compensation of employees presents remuneration in return for the labour input into the production process contributed by an individual. In the international accounts, compensation of employees is recorded when the employer (the producing unit) and the employee are resident in different economies.

Investment income covers earnings (for example, profits, dividends and interest payments and receipts) arising from foreign investment in financial assets and liabilities. Credits are the earnings of UK residents from their investments abroad and other foreign assets. Debits are the earnings of foreign residents from their investments in the UK and other UK liabilities. The flow of investment in the financial account is recorded separately from earnings, although reinvested earnings of companies with foreign affiliates are a component of both. The total value of UK assets and liabilities held at any time is also recorded separately under the international investment position.

Other primary income covers earnings from rent and taxes, and subsidies on production and on the import of goods. Under the Balance of Payments Manual fifth edition, taxes and subsidies on production and on the import of goods were classified to secondary income (previously titled current transfers). The recording of rent was previously classified to other investment income.

The primary income deficit narrowed from £8.7 billion in Quarter 2 2016, to £5.0 billion in Quarter 3 2016.

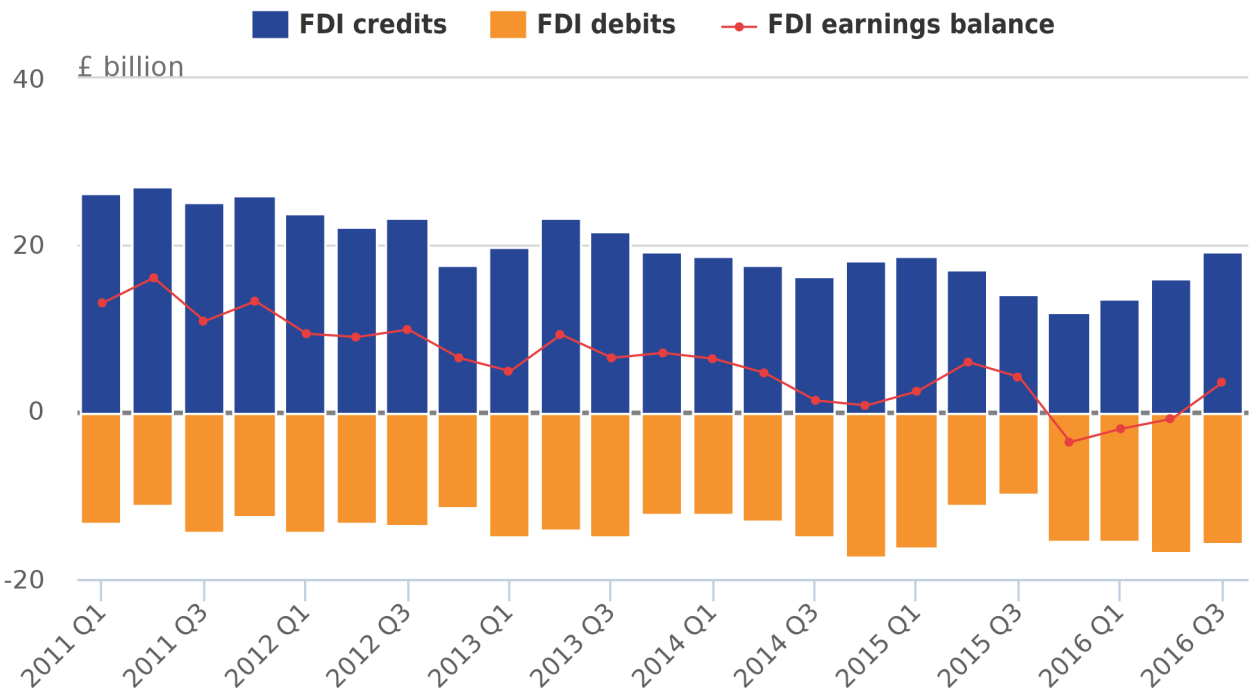
The balance on compensation of employees recorded a deficit of £100 million in Quarter 3 2016, a slight widening from a deficit of £95 million in Quarter 2 2016.

The balance on direct investment income switched from a deficit of £0.8 billion in Quarter 2 2016, to a surplus of £3.6 billion in Quarter 3 2016. The switch was due to receipts rising by £3.2 billion from Quarter 2 2016 to £19.2 billion in Quarter 3 2016, while payments fell by £1.1 billion from Quarter 2 2016 to £15.7 billion in Quarter 3 2016.

Net earnings on UK foreign direct investment (FDI) have followed a broadly downward trend between 2011 and 2015, falling from an average surplus of £13.4 billion per quarter in 2011 to a record deficit of £3.6 billion in Quarter 4 2015. This was driven by falls in credits, whilst debits increased slightly over the same period. The deficit in net FDI earnings have narrowed since the fourth quarter of 2015, before returning to surplus during the third quarter of 2016 reaching £3.6 billion.

Figure 6: Quarterly foreign direct investment earnings (seasonally adjusted)

Quarter 1 (Jan to Mar) 2011 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

Notes:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

The broadly downward trend shown in FDI credits between 2011 and 2015 was predominantly caused by falling returns – with the rate of return on FDI assets falling from 7.7% in 2011 to 4.5% in 2015 – whilst FDI assets remained relatively stable over this period. In contrast, FDI debits tended to increase over the same period. Initially, this was due to increased investment into the UK, with FDI liabilities rising up until 2014, before the value of debits fell in 2015.

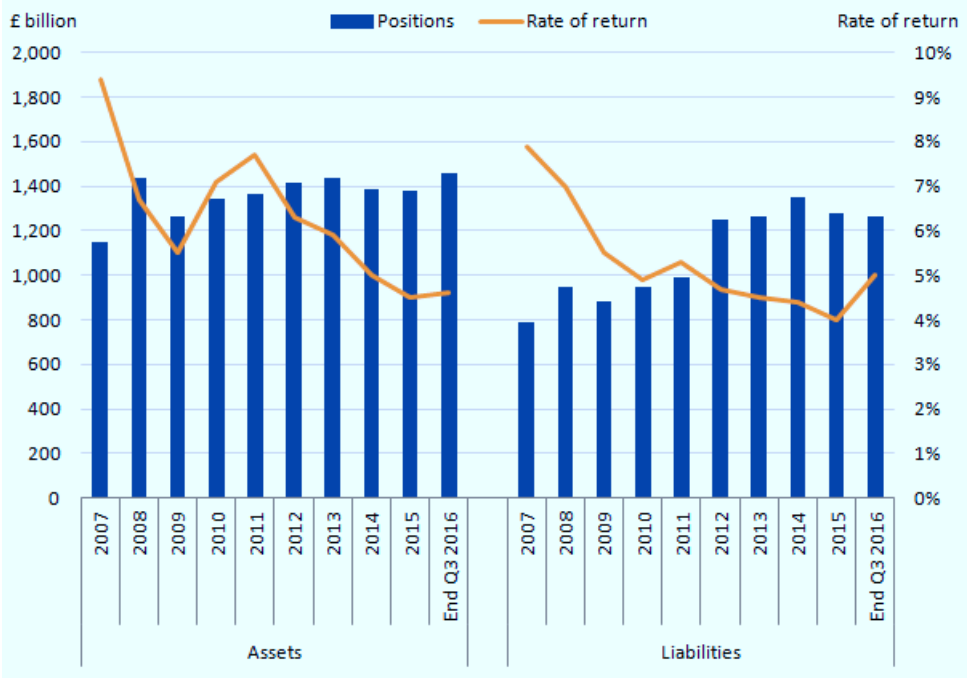
The narrowing of the FDI net earnings deficit during the first 3 quarters of 2016 was driven by increases in the value of credits over 3 consecutive quarters, increasing from £11.9 billion in Quarter 4 2015 to £19.2 billion in Quarter 3 2016. The increase reflects both an improvement in the rate of return in all 3 quarters, in addition to increases in assets in both Quarter 2 and Quarter 3 2016.

FDI debits remained constant in the first quarter of 2016, followed by an increase in the second quarter before experiencing a fall in the third quarter of 2016. The broad increase in FDI debits since Quarter 3 2015 appears mainly driven by changes in the rate of return.

The consistent increases in credits relative to debits between Quarter 4 2015 and Quarter 3 2016 explain the improvement seen in the balance of net FDI earnings. As outlined in a recent ONS paper, the recent depreciation in sterling may explain some of the recent strength seen in FDI assets and credits, as any foreign UK assets and earnings denominated in foreign currencies will increase in value when reported in sterling.

Figure 7: UK direct investment positions and rates of return (non-seasonally adjusted)

2007 to Quarter 3 (July to Sept) 2016



The portfolio investment income deficit widened by £0.8 billion between Quarter 2 2016 and Quarter 3 2016, to £6.2 billion. This was due to a slight widening in the deficits in both equity securities and debt securities.

The deficit on earnings from other investment narrowed slightly to £2.3 billion in Quarter 3 2016.

The deficit on other primary income was virtually unchanged at £0.3 billion in Quarter 3 2016.

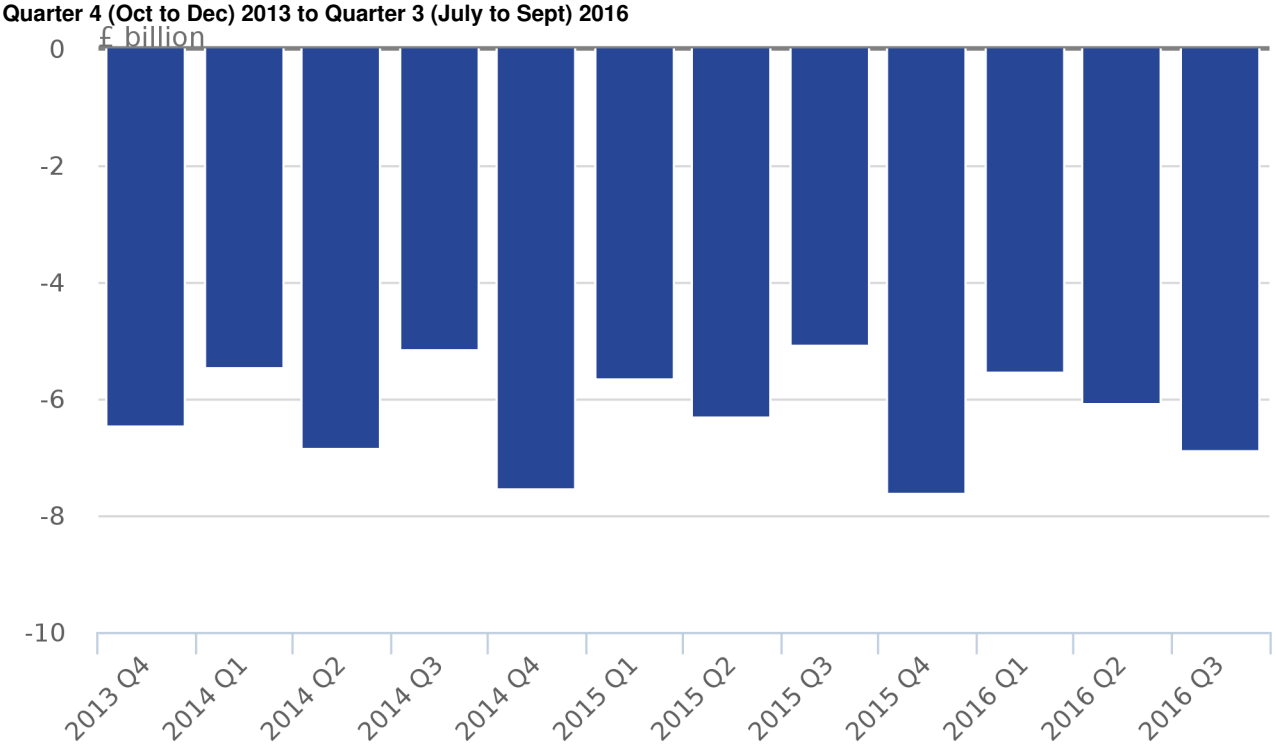
Notes for: Primary income account (Table G)

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

9 . Secondary income account (Table H)

Figure 8: UK secondary income balance (seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

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Secondary income represents the provision (or receipt) of an economic value by one party without directly receiving (or providing) a counterpart item of economic value. In plain terms, this is a transaction representing “something for nothing” or without a quid pro quo. Transfers can be in the form of money or of goods or services provided without the expectation of payment. General government transfers include receipts, contributions and subscriptions from or to European Union (EU) institutions and other international bodies, bilateral aid and military grants.

The deficit on secondary income widened from £6.1 billion in Quarter 2 2016 to £6.9 billion in Quarter 3 2016. This was due to payments increasing more than receipts.

It should be noted that the quarterly path of net contributions to EU institutions can be erratic due to the timing of payments.

Notes for: Secondary income account (Table H)

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

10 . Capital account (Table I)

The capital account comprises 2 components: capital transfers and the acquisition or disposal of non-produced, non-financial assets.

Under BPM6, there is no longer a requirement to record migrant transfers. The manual clarifies that the change in the residence does not involve a transaction between 2 entities but a change in status.

Capital transfers are those involving transfers of ownership of fixed assets, transfers of funds associated with the acquisition or disposal of fixed assets, and cancellation of liabilities by creditors without any counterparts being received in return. As with current transfers, they can be subdivided into general government transfers and other sectors transfers. The main sources of information are government departments (Department for International Development and HM Treasury) and the Bank of England. Compensation payments from the EU are also included here, for example, payments related to the destruction of animals to combat BSE and foot and mouth disease.

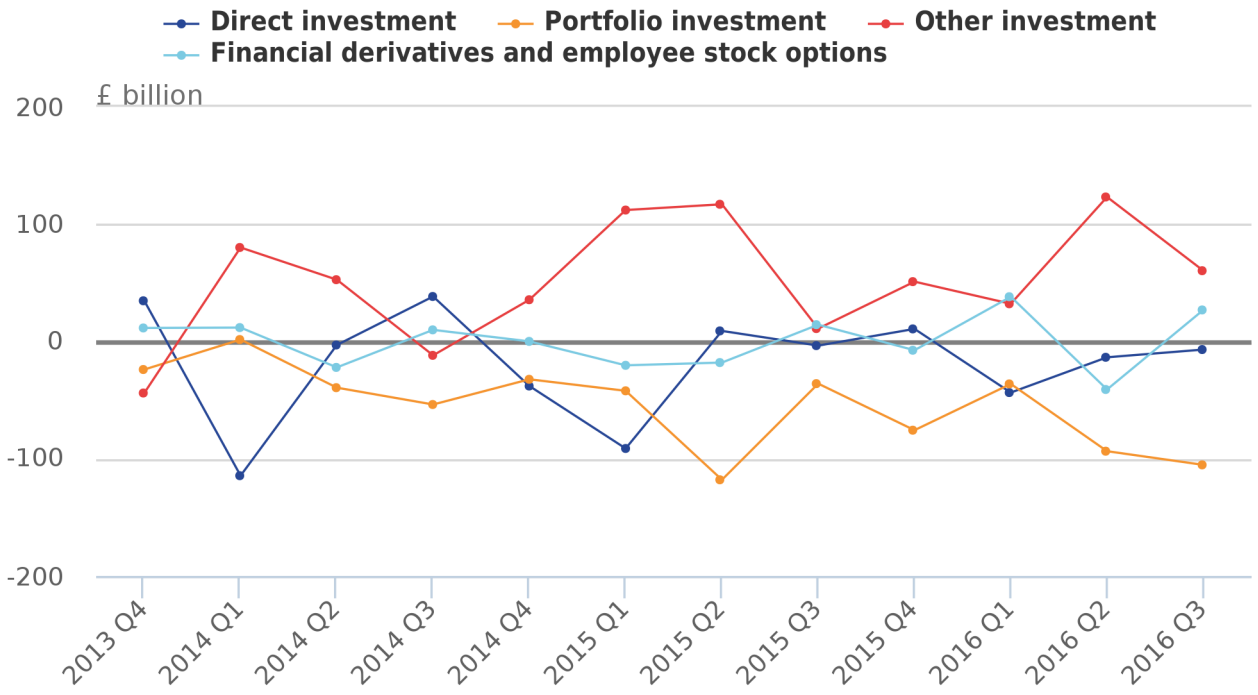
The sale or purchase of non-produced, non-financial assets covers intangibles such as patents, copyrights, franchises, leases and other transferable contracts, and goodwill. It also covers transactions involving tangible assets that may be used or needed for the production of goods and services but have not themselves been produced, such as land and sub-soil assets. The use of such assets is recorded under trade in services as royalties and license fees; only the outright purchase or sale of such assets is recorded in the capital account.

The capital account recorded a deficit of £0.2 billion in Quarter 3 (July to September) 2016, a slight narrowing from a deficit of £0.3 billion in Quarter 2 (April to June) 2016.

11 . Financial account (Table J)

Figure 9: UK financial account balances (not seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

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The financial account covers transactions that result in a change of ownership of financial assets and liabilities between UK residents and non-residents, for example, the acquisitions and disposals of foreign shares by UK residents.

The total financial account showed a net inflow (that is, more money flowing into the UK) of £22.6 billion in Quarter 3 2016, compared with a net inflow of £22.3 billion in Quarter 2 2016.

Direct investment recorded a net inflow (that is, more money flowing into the UK) of £7.0 billion in Quarter 3 2016, compared with a net inflow of £13.6 billion in Quarter 2 2016.

For further information on the impact of foreign direct investment acquisitions and disposals, please see background notes, understanding the data, part 2 interpreting the data.

Portfolio investment recorded a net inflow (that is, more money flowing into the UK) of £105.3 billion in Quarter 3 2016, an increase from a net inflow of £93.6 billion in Quarter 2 2016. The increased inflow in portfolio investment was due to non-residents' net investment of £57.0 billion in Quarter 3 2016. This was broken down into net investment in UK equities of £15.1 billion and UK debt securities of £41.9 billion. Additionally, UK residents recorded net disinvestment of £48.3 billion in Quarter 3 2016. This was broken down into net disinvestment of foreign equities of £11.8 billion and net disinvestment of foreign debt of £36.5 billion.

Financial derivatives and employee stock options showed net settlement receipts of £26.8 billion in Quarter 3 2016, following net settlement payments of £41.0 billion in Quarter 2 2016.

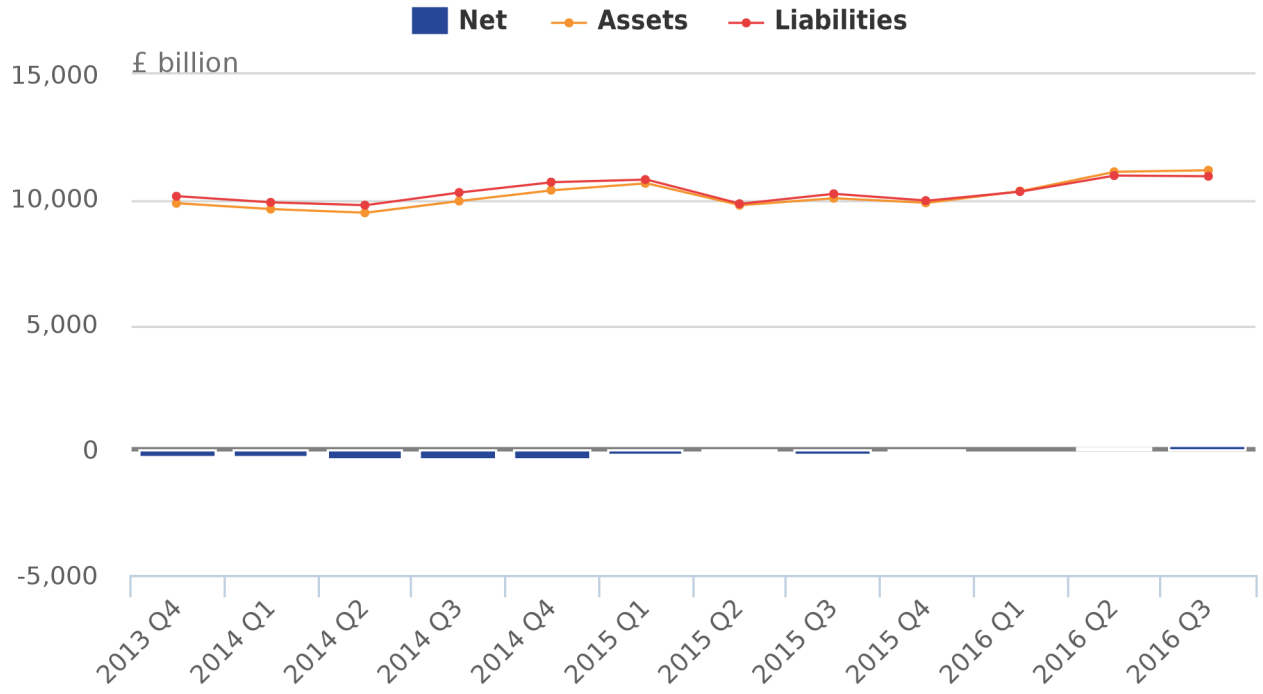
Other investment in Quarter 3 2016 recorded a net outflow (that is, more money flowing from the UK) of £60.3 billion, compared with a net outflow of £123.1 billion in Quarter 2 2016.

Reserve assets showed net investment of £2.6 billion in Quarter 3 2016, a slight decrease from net investment of £2.8 billion in Quarter 2 2016.

12 . International investment position (Table K)

Figure 10: UK net international investment position (not seasonally adjusted)

Quarter 4 (Oct to Dec) 2013 to Quarter 3 (July to Sept) 2016



Source: Office for National Statistics

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The international investment position brings together the available estimates of the levels of identified UK external assets (foreign assets owned by UK residents) and identified UK external liabilities (UK assets owned by foreign residents) at the end of each calendar period.

The international investment position showed net external assets (that is, assets exceed liabilities) of £238.2 billion at the end of Quarter 3 2016, compared with net external assets of £150.3 billion at the end of Quarter 2 2016.

UK external assets abroad increased by £60.5 billion from the end of Quarter 2 2016, to a level of £11,170.8 billion at the end of Quarter 3 2016. The increase in the stock of UK external assets in Quarter 3 2016 was due to an increase in the value of stock in all asset classes except financial derivatives. The value of UK portfolio investment assets increased in Quarter 3 2016 due to the combination of exchange rates movements and price changes in equities and bonds, partially offset by UK residents' continued net disinvestment of foreign equities (from Quarter 1 2015) and debt securities (from Quarter 4 2015).

UK external liabilities decreased by £27.4 billion in Quarter 3 2016, to a level of £10,932.6 billion. The decrease in UK external liabilities in Quarter 3 2016 was due to a decrease in UK liabilities in direct investment and financial derivatives, partially offset by increases in portfolio investment and other investment. While non-residents were generally net investors in the UK in Quarter 3 2016 they disinvested in other investment. With the exception of Quarter 2 2016, non-residents have recorded net disinvestment in other investment from Quarter 4 2014. This has been due to a combination of UK residents decreasing their loan liabilities and non-residents' withdrawal of deposits. Despite this net disinvestment however, UK liabilities in other investment are returning to the level seen in Quarter 4 2014 due to the exchange rate impact on the foreign currency loans and deposits.

Figure 11: Sterling exchange rates with major trading partners

Quarter 1 (Jan to Mar) 2012 to Quarter 3 (July to Sept) 2016

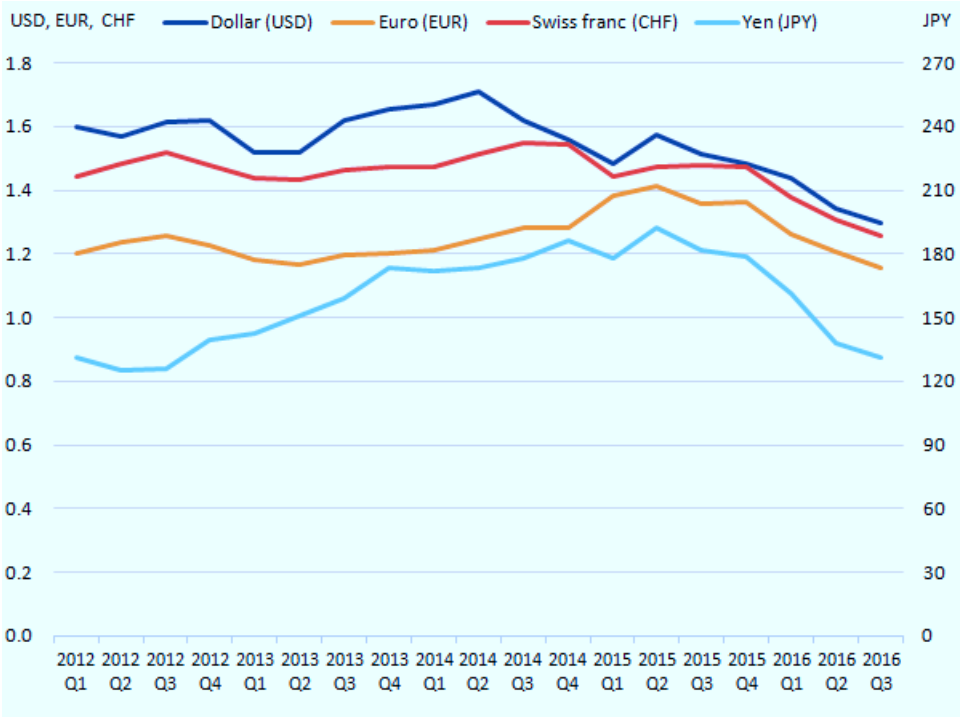

Figure 11 presents sterling exchange rates against the currencies of major trading partner countries at the close of markets at each quarter end. During Quarter 3 2016, sterling continued to depreciate and is almost 15% lower than a year ago compared with a basket of foreign currencies.

The stock of UK assets and liabilities with the rest of the world can be influenced by movements in exchange rates and price revaluations. Table 1 summarises which type of investment is impacted by these changes.

Most UK assets are held in foreign currency although a small portion of assets such as deposits and loans are held in sterling. Due to the UK's Balance of Payments being presented in sterling, some assets have increased in value due to the devaluation of sterling. An article summarising the impact of exchange rates on direct investment abroad was previously published. While direct investment and portfolio investment liabilities are valued in sterling, some elements of other investment liabilities are held by foreign investors in foreign currency, so have also increased in value as a result of the sterling devaluation over recent periods.

Table 1: Revaluation impacts on investments

	Assets		Liabilities	
	Exchange rate movements	Price revaluations	Exchange rate movements	Price revaluations
Direct Investment	Impact	Impact	No impact	Impact
Portfolio Investment				
Equities	Impact	Impact	No impact	Impact
Debt Securities	Impact	Impact	No impact	Impact
Other Investment				
Deposits	Impact	No impact	Impact	No impact
Loans	Impact	No impact	Impact	No impact

Source: Office for National Statistics

Note:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

Notes for: International investment position (Table K)

Throughout this release Quarter 1 refers to January to March, Quarter 2 refers to April to June, Quarter 3 refers to July to September, and Quarter 4 refers to October to December.

13 . Summary of revisions

Data in this release have been revised from Quarter 1 (Jan to Mar) 2015. Revisions tables are included in the balance of payments datasets (Tables R1, R2 and R3). Revisions are due to:

Trade in goods – Revisions from Quarter 1 (Jan to Mar) 2015 reflect the correction to the erratic series set out in the September 2016 Trade release, revised data from HM Revenue and Customs and other data suppliers, revised estimates of trading associated with VAT Missing Trader Intra-Community (MTIC) fraud and a seasonal adjustment review. Further information on trade is available in the UK Trade October 2016 statistical bulletin.

Trade in services – Revisions from Quarter 1 (Jan to Mar) 2015 are due to the introduction of annual 2015 benchmarks from the International Trade in Services survey, updated and late data to survey and administrative sources and a reassessment of seasonal factors.

Secondary income account – Revisions to the secondary income account are due to revised source data for transfers involving the UK government, the use of the latest data for various ONS surveys and a reassessment of seasonal factors.

Capital account – Revisions to the capital account are attributable to revised source data from HM Treasury and the ONS International Trade in Services (ITIS) survey.

Primary income, financial account and international investment position – Revisions from Quarter 1 (Jan to Mar) 2015 reflect the introduction of annual benchmarks from the 2015 Foreign Direct Investment (FDI) survey and the Financial Inquiries surveys, new and revised survey data, a reassessment of coverage adjustments to data from the Bank for International Settlements and a reassessment of seasonal factors. Revisions also reflect new estimates from the Bank for International Settlements.

Quarterly revisions to the current account balance as a percentage of GDP

Revisions to the current account balance as a percentage of GDP in this release may be due to revisions to the current account detailed in this section and/or changes to nominal GDP.

Table 2 provides revisions to the current account balance as a percentage of GDP annually for 2015 and quarterly between Quarter 1 2015 to Quarter 2 2016.

Table 2: Balance of Payments revisions to current account balance as a percentage of GDP, Quarter 3 (July to Sept) 2016

%

Period	Current account balance as a percentage of GDP previously published	Current account balance as a percentage of GDP latest estimate	Revisions to total current account balance as a percentage of GDP (percentage points)
2015	-5.4	-4.3	1.1
2015 Q1	-5.4	-4.6	0.8
2015 Q2	-4.7	-3.6	1.1
2015 Q3	-4.4	-3.4	1.0
2015 Q4	-7.0	-5.5	1.5
2016 Q1	-5.7	-4.9	0.8
2016 Q2	-5.9	-4.6	1.3

Source: Office for National Statistics

Note:

1. Q1 refers to Quarter 1 (Jan to Mar), Q2 refers to Quarter 2 (Apr to June), Q3 refers to Quarter 3 (July to Sept) and Q4 refers to Quarter 4 (Oct to Dec).

Figure 12: Revisions to current account balance as a percentage of GDP by type of revision

Quarter 1 (Jan to Mar) 2014 to Quarter 3 (July to Sept) 2016

Revisions to the current account balance during the open period have mainly been due to 3 main revisions.

The correction of non-monetary gold as detailed in the October 2016 trade release. Revisions from this correction mostly narrowed the current account deficit.

The reconciliation of the quarterly ONS FDI survey to the annual ONS FDI survey. On a net earnings basis, the revision to 2015 as a whole narrowed the current account deficit by £12 billion. Revisions to Quarter 1 2016 and Quarter 2 2016 were partly due to information from the quarterly survey being carried forward. “Methods”, section 3 “Applying annual benchmarking data” discusses the FDI benchmark process in more detail. In addition, the annual FDI publication on 2 December 2016 discussed improvements to the sample design of quarterly FDI, which aims to reduce the magnitude of revisions in future from the annual benchmark process.

The reconciliation of the quarterly ONS ITIS survey to the annual ONS ITIS survey (the annual benchmark process).

Revisions to data outside of the open period

The revision window for this release is Quarter 1 2015 to Quarter 2 2016. As part of the quarterly round consistent with annual Blue Book and Pink Book (published one month before these much larger publications), the revision window is normally much longer to allow updated or new information from data sources to be taken on, and to implement methodological improvements to ensure comparability across the time series. It is therefore normal that there are some revisions to data sources which feed into the national accounts and balance of payments which are in the public domain but outside of the current revisions window.

The annual Foreign Direct Investment (FDI) survey released on 2 December 2016 included 2014 and 2015 annual estimates using information from the annual FDI survey. The quarterly FDI survey has been reconciled to the annual FDI estimates as part of the FDI benchmark process (see “Methods”, section 3 “Applying annual benchmarking data” for more information on the benchmark process). The benchmarked quarterly FDI estimates for 2015 have been incorporated into the estimates for the balance of payments and international investment position in today's publication.

The benchmarked quarterly FDI revised estimates for 2014 will be incorporated into the balance of payments and international investment position within the Quarter 2 2017 release on 29 September 2017, the next available opportunity. The annual FDI release published on 2 December 2016 provided information on the FDI revisions to 2014 that will be included within the BoP Quarter 2 2017 release, most notably the revisions to the FDI earnings within the primary income account.

The revision to 2014 FDI earnings would suggest a narrowing of the current account deficit of approximately £7 billion, all else being equal (from £85 billion as currently published to approximately £78 billion). However, at the point when 2014 FDI numbers are incorporated into the national accounts and balance of payments, all components will be open for revision to both updated and new data sources, as well as some improved methodology. It is unknown at this stage whether these other revisions will offset or increase the FDI revision to the current account balance, so the best 2014 estimates for the balance of payments and international investment position remain the unrevised published estimates within this release (which are consistent with Blue Book and Pink Book 2016). It is recommended that users who are specifically interested in the time series of FDI between 2014 and 2015 refer to the annual FDI release.

14. Background notes

What’s new?

This quarter

In accordance with the National Accounts Revisions Policy, the current revision period is open from Quarter 1 (January to March) 2015.

The Quarter 3 (July to September) 2016 Balance of Payments dataset contains revised trade in services estimates compared with those published in the UK Trade bulletin on 9 December 2016. The minor revisions are due to methodological changes, late data returns and the balancing process applied during the compilation of the gross domestic product (GDP) estimates.

Future revision period

The next Balance of Payments release for Quarter 4 (October to December) 2016 will potentially contain revisions from Quarter 1 (January to March) 2016.

Code of Practice for Official Statistics

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Understanding the data

1. **Short guide to balance of payments**

   A brief introduction to the UK Balance of Payments provides an overview of the concepts and coverage of the UK Balance of Payments using the Balance of Payments Manual sixth edition.

2. **Interpreting the data**

   Foreign direct investment (FDI) acquisitions and disposals impact on numerous parts of the financial account and international investment position (IIP). A corporate deal between a UK company and a non-UK company would feature in the equity capital component of the financial account and IIP. Other

categories of the accounts would also be impacted depending on how any such deal was financed. In some cases equity securities would form the payment and impact on portfolio investment. In other cases cash would be used and impact on Other Investment, while some deals would use a combination of equity and cash. It should be noted that as elements of a corporate deal filter through the accounts the impacts would be smaller and potentially dwarfed by other transactions.

Following a review conducted by the Bank of England, we now presents estimates of income from foreign direct investment (FDI) for all sectors of the economy on a current operating performance basis from 1999. Prior to this, estimates for monetary financial institutions will be on an all inclusive basis which means that holding gains and losses are still included.

Import figures for trade in goods include adjustments to allow for the impact of trade associated with VAT MTIC fraud. The adjustments were introduced for the first time in the UK Trade May 2003 First Release published on 9 July 2003. The adjustments are added to the EU import estimates derived from Intrastat returns.

An article explaining MTIC fraud and the impact on the trade figures was published on 9 July 2003. A report on further research into MTIC fraud was published on 17 February 2005, which summarises the work carried out to review the estimates of the impact on the trade figures.

Changes to the pattern of trading associated with MTIC fraud can make it difficult to analyse trade by commodity group and by country, as changes in the impact of activity associated with this fraud affect both imports and exports. Originally, most carousel chains only involved EU member states. From 2004 in particular, some carousel chains included non-EU countries, for example, Dubai and Switzerland. However, the MTIC trade adjustments are added to the EU import estimates derived from Intrastat returns, as it is this part of the chain that is not generally recorded. In particular, adjustments affect trade in capital goods and intermediate goods - these categories include mobile phones and computer components, which are still the most widely affected goods.

Figures for total exports and imports less adjustments for trade associated with VAT MTIC fraud are given in the monthly UK Trade Statistical Bulletin.

From Quarter 1 (Jan to Mar) 2010, we have included financial derivatives business of UK securities dealers in both the UK's financial account (flows) and the international investment position (stocks). The inclusion of this data improves the sector coverage of financial derivatives which previously included only data on financial derivatives business of UK banks.

An article detailing the improvements to the coverage of derivatives within the UK Economic Accounts was published on 25 October 2011.

Figures for the most recent periods are provisional and subject to revision in light of: (a) late and corrected responses to surveys; (b) revisions to seasonal adjustment factors which are re-estimated annually; and (c) annual benchmarking of surveys.

3. **Definition and explanation**

   A glossary of terms used in the UK balance of payments is available on our website and includes new terms used within BPM6.

4. **Special events**

   An article outlining our policy on special events can be found on our website.

Methods

More detailed methodological notes for the UK Balance of Payments are available on our website.

1. **Composition of the data**

   Table C provides an EU/non-EU breakdown of the current account and is presented on an EU28 basis.

   International investment position statistics are based on recording direct investments at book values, and other assets and liabilities at estimated market values. These estimates are likely in some respects to be deficient in scope and coverage. Quarterly estimates tend to be less reliable because they are largely based on cumulated flows and not reported levels.

   In theory, every credit entry should be matched by a corresponding debit so that total current, capital and financial account credits should be equal to, and therefore offset by, total debits. In practice there is a discrepancy termed net errors and omissions. The net errors and omissions are shown on Table A.

2. **Seasonal adjustment**

   Current and capital accounts are seasonally adjusted. Financial account and international investment position data are not seasonally adjusted.

   When compiling the geographic breakdown of primary income, secondary income and trade in services, the EU countries are seasonally adjusted. The non-EU seasonally adjusted figure is calculated by subtracting the seasonally adjusted EU total from the seasonally adjusted world total. Both EU and non-EU data are seasonally adjusted for trade in goods; these are aggregated to form the world total.

3. **Applying annual benchmark data**

   Foreign direct investment (FDI) statistics are collated using a combination of data from the quarterly and annual surveys, both for outward and inward investment. The quarterly survey for outward and inward FDI has 680 and 970 sampled enterprise groups respectively, these increase to 2,100 and 3,500 enterprise groups on the annual survey. Quarterly data are used in the short-term to estimate FDI statistics and these data are updated each year through an annual benchmarking process.

   The larger annual sample size and responses - taken from audited annual accounts, rather than quarterly management accounts - can result in revisions. A range of methods are used to benchmark the various FDI variables and their constituent components. For earnings and flows, the difference is allocated evenly or proportionately according to the data from the quarterly FDI survey, across the quarters of the year being benchmarked. For the investment position, otherwise referred to as the stock of investment, Quarter 4 is constrained to the investment position data from the annual survey. The quarterly path for Quarter 1 to Quarter 3 is determined by data from the quarterly survey, so that the movements are maintained, but the values reflect the pre-determined values in Quarter 4.

Quality

1. **Basic quality information**

   Common pitfalls in interpreting series are the following:

   - expectations of accuracy and reliability in early estimates are often too high
   - revisions are an inevitable consequence of the trade off between timeliness and accuracy
   - early estimates are based on incomplete data

   Very few statistical revisions arise as a result of “errors” in the popular sense of the word. All estimates, by definition, are subject to statistical “error”, but in this context the word refers to the uncertainty inherent in any process or calculation that uses sampling, estimation or modelling. Most revisions reflect either the adoption of new statistical techniques, or the incorporation of new information which allows the statistical error of previous estimates to be reduced. Only rarely are there avoidable “errors” such as human or system failures, and such mistakes are made quite clear when they do occur.

2. **Quality and Methodology Information**

   The Balance of payments (BoP) QMI Quality and Methodology Information document is available on our website.

3. **National Accounts Revisions Policy**

   The data in this statistical bulletin are subject to revisions following our National Accounts Revisions Policy.

   Estimates for the most recent quarters are provisional and, as usual, are subject to revision in light of updated source information. We provide analysis of past revisions in the balance of payments and other statistical bulletins which present time series.

4. **Revision triangles**

   Revisions to data provide one indication of the reliability of main indicators. The table shows summary information on the size and direction of the revisions which have been made to the data covering a 5 year period. A statistical test has been applied to the average revision to find out if it is statistically significantly different from zero. An asterisk (*) shows that the test is significant.

   Table 3 covers estimates first published in the balance of payments from March 2009 (Quarter 4 (October to December) 2008) to December 2013 (Quarter 3 (July to September) 2013).

   Table 3: Balance of Payments revisions analysis

Current account (seasonally adjusted)			£ million
		Revisions between first publication and estimates three years later	
Value in latest period		Average over the last 5 years	Average over the last 5 years without regard to sign (average absolute revisions)
Credits (HBON)	179,136	6507*	6763*
Debits (HBOO)	204,630	5668*	6108*
Net (HBOP)	-25,494	839	2,140

Source: Office for National Statistics

Datasets giving revisions analysis (real time databases) of estimates from 1996 to date and the calculations behind the averages in the table are available on our website.

An article analysing balance of payments current account revisions was published in the May 2007 edition of Economic and Labour Market Review.

Publication policy

Details of the policy governing the release of new data are available from our Media Relations Office. Also available is a list of the organisations given pre-publication access to the contents of this bulletin.

Accessing data

The complete run of data in the tables of this statistical bulletin is available to view and download in electronic format through ONS Time Series Data. Users can download the complete bulletin in a choice of zipped formats, or view and then download their own sections of individual series. The Time Series Data can be accessed on our website.

Further balance of payments data is available online in our quarterly publication UK Economic Accounts (UKEA).

Balance of Payments, 2016 Q3

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K International investment position

R1 Summary of revisions since last Balance of Payments Statistical Bulletin

R2 Current account revisions since last Balance of Payments Statistical Bulletin

R3 Revisions to international investment since last Balance of Payments Statistical Bulletin

Source: Office for National Statistics © Crown Copyright 2016

Data supplier:
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Summary of statistics for Quarter 3 (July to Sept) 2016

billion

	Latest quarter	Record since	Record highest	Record lowest
Current account (net)				
Trade in goods	**-£38.7**	**Largest deficit recorded**	**£1.6 (1981 Q1)**	**-£38.7 (2016 Q3)**
Trade in services	**£25.1**	**Largest surplus recorded**	**£25.1 (2016 Q3)**	**£0.0 (1965 Q3)**
Primary income	-£5.0	Largest deficit since 2016 Q2	£10.9 (2005 Q2)	-£12.4 (2015 Q4)
Secondary income	-£6.9	Largest deficit since 2015 Q4	£0.3 (1982 Q1)	-£7.6 (2015 Q4)
Current balance	-£25.5	Largest deficit since 2015 Q4	£2.7 (1981 Q1)	-£26.3 (2013 Q4)
Capital account (net)				
Capital balance	-£0.2	Largest deficit since 2016 Q2	£0.5 (2007 Q4)	-£1.6 (2006 Q2)
Financial account (net)				
Direct Investment	-£7.0	Largest net inflow since 2016 Q2	£98.5 (2000 Q1)	-£114.5 (2014 Q1)
Portfolio investment	-£105.3	Largest net inflow since 2015 Q2	£135.9 (2012 Q3)	-£122.7 (2008 Q4)
Financial derivatives	£26.8	Largest net settlement receipts since 2016 Q1	£63.3 (2008 Q1)	-£72.2 (2013 Q3)
Other investment	£60.3	Largest net investment since 2016 Q2	£123.1 (2016 Q2)	-£171.3 (2012 Q3)
Reserve assets	£2.6	Largest net investment since 2016 Q2	£12.6 (2015 Q1)	-£2.6 (2001 Q1)
International investment position (net)				
Direct investment	£194.3	Largest net asset position since 2013 Q1	£494.2 (2008 Q4)	£15.4 (1990 Q3)
Portfolio investment	-£407.8	Largest net liability position since 2011 Q4	£162.9 (1993 Q4)	-£590.4 (2010 Q3)
Financial derivatives	£16.0	Largest net asset position since 2016 Q1	£138.1 (2009 Q1)	-£37.6 (2007 Q1)
Other investment	**£323.3**	**Largest net asset position recorded**	**£323.3 (2016 Q3)**	**-£424.9 (2002 Q2)**
Reserve assets	**£112.5**	**Largest net asset position recorded**	**£112.5 (2016 Q3)**	**£1.1 (1970 Q3)**

A Summary of balance of payments Balances (net transactions)

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	BOKI	−122 575	−119 720	−31 165	−33 058	−34 457	−27 330	−28 808	−29 125	−32 181	−30 206	−38 692
Trade in services	IKBD	86 352	89 932	21 988	24 391	25 085	21 255	20 330	23 262	23 610	22 860	25 097
Total trade	IKBJ	−36 223	−29 788	−9 177	−8 667	−9 372	−6 075	−8 478	−5 863	−8 571	−7 346	−13 595
Primary income												
Compensation of employees	IJAJ	−470	−89	−139	−166	−56	−69	85	−49	5	−95	−100
Investment income	HBOM	−22 642	−24 531	−6 700	−8 262	−5 862	−4 351	−2 312	−12 006	−9 183	−8 325	−4 640
Other primary income	MT5X	−654	−1 126	−175	−205	−227	−307	−294	−298	−329	−250	−278
Total primary income	HBOJ	−23 766	−25 746	−7 014	−8 633	−6 145	−4 727	−2 521	−12 353	−9 507	−8 670	−5 018
Secondary income												
General government	FNSV	−20 844	−20 412	−4 055	−6 467	−4 589	−5 159	−4 159	−6 505	−4 399	−4 846	−5 826
Other sectors	FNTC	−4 165	−4 287	−1 082	−1 078	−1 083	−1 154	−924	−1 126	−1 135	−1 217	−1 055
Total secondary income	IKBP	−25 009	−24 699	−5 137	−7 545	−5 672	−6 313	−5 083	−7 631	−5 534	−6 063	−6 881
Current balance	HBOP	**−84 998**	**−80 233**	**−21 328**	**−24 845**	**−21 189**	**−17 115**	**−16 082**	**−25 847**	**−23 612**	**−22 079**	**−25 494**
Capital balance	FNVQ	**−415**	**−1 112**	**−352**	**−281**	**81**	**−305**	**−284**	**−604**	**484**	**−287**	**−180**
Not seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	LQCT	−122 575	−119 720	−32 520	−33 169	−34 748	−25 467	−30 259	−29 246	−32 249	−28 441	−40 336
Trade in services	KTMS	86 352	89 932	19 827	25 999	25 196	21 539	16 791	26 406	24 016	22 816	24 864
Total trade	KTMY	−36 223	−29 788	−12 693	−7 170	−9 552	−3 928	−13 468	−2 840	−8 233	−5 625	−15 472
Primary income												
Compensation of employees	KTMP	−470	−89	−143	−153	−92	−57	116	−56	−32	−88	−72
Investment income	HMBM	−22 642	−24 531	−8 532	−7 031	−3 065	−5 730	−3 881	−11 855	−6 719	−8 625	−6 448
Other primary income	MT5W	−654	−1 126	−232	−223	−210	−252	−353	−311	−313	−192	−342
Total primary income	HMBP	−23 766	−25 746	−8 907	−7 407	−3 367	−6 039	−4 118	−12 222	−7 064	−8 905	−6 862
Secondary income												
General government	FJUQ	−20 844	−20 412	−3 350	−7 160	−5 744	−4 076	−3 650	−6 942	−5 700	−3 981	−5 010
Other sectors	FJUR	−4 165	−4 287	−1 081	−1 082	−1 069	−1 161	−937	−1 120	−1 121	−1 222	−1 068
Total secondary income	KTNF	−25 009	−24 699	−4 431	−8 242	−6 813	−5 237	−4 587	−8 062	−6 821	−5 203	−6 078
Current balance	HBOG	**−84 998**	**−80 233**	**−26 031**	**−22 819**	**−19 732**	**−15 204**	**−22 173**	**−23 124**	**−22 118**	**−19 733**	**−28 412**
Capital balance	FKMJ	**−415**	**−1 112**	**−333**	**−318**	**72**	**−279**	**−264**	**−641**	**477**	**−262**	**−158**
Financial account[1]												
Direct investment	-MU7M	−117 367	−75 365	38 296	−38 068	−91 331	8 927	−3 599	10 638	−43 648	−13 556	−6 977
Portfolio investment	-HHZD	−124 067	−271 974	−53 825	−32 342	−42 161	−118 031	−36 039	−75 743	−36 283	−93 646	−105 307
Financial derivatives (net)	-ZPNN	−589	−31 776	9 826	−2	−20 419	−18 064	14 243	−7 536	38 093	−41 018	26 815
Other investment	-HHYR	156 321	290 856	−11 900	35 523	112 020	116 945	10 942	50 949	32 075	123 149	60 285
Reserve assets	-LTCV	7 113	21 079	−665	4 244	12 638	1 101	5 260	2 080	2 328	2 791	2 596
Net financial transactions	-HBNT	−78 589	−67 180	−18 268	−30 645	−29 253	−9 122	−9 193	−19 612	−7 435	−22 280	−22 588
Net errors and omissions[2]	HHDH	6 824	14 165	8 096	−7 508	−9 593	6 361	13 244	4 153	14 206	−2 285	5 982

1 **When downloading data from the Pink Book dataset users should reverse the sign of series that have an identifier that is prefixed with a minus sign.**

2 This series represents net errors and omissions in the balance of payments accounts. It is the converse of the current and capital balances (HBOG and FKMJ) and net financial account transactions (HBNT) and is required to balance these three accounts, not seasonally adjusted.

B Current account
Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Credits												
Exports of goods and services												
Exports of goods	BOKG	292 894	287 584	72 324	73 998	71 727	74 309	70 627	70 921	70 248	75 568	74 466
Exports of services	IKBB	218 760	229 862	54 374	56 296	59 215	55 628	55 533	59 486	59 516	59 736	60 941
Total exports of goods and services	IKBH	511 654	517 446	126 698	130 294	130 942	129 937	126 160	130 407	129 764	135 304	135 407
Primary income												
Compensation of employees	IJAH	1 080	1 295	277	260	299	309	441	246	300	315	322
Investment income	HBOK	139 005	130 470	32 916	34 349	35 280	34 648	32 032	28 510	31 823	34 249	37 774
Other primary income	MT5T	2 306	1 961	563	563	563	466	466	466	466	562	562
Total primary income	HBOH	142 391	133 726	33 756	35 172	36 142	35 423	32 939	29 222	32 589	35 126	38 658
Secondary income												
Central government	FHDM	5 086	5 472	967	1 455	1 509	1 323	892	1 748	978	908	1 428
Other sectors	FHIB	14 161	14 417	3 458	3 231	3 619	3 459	3 780	3 559	3 669	3 686	3 643
Total secondary income	IKBN	19 247	19 889	4 425	4 686	5 128	4 782	4 672	5 307	4 647	4 594	5 071
Total	HBON	**673 292**	**671 061**	**164 879**	**170 152**	**172 212**	**170 142**	**163 771**	**164 936**	**167 000**	**175 024**	**179 136**
Debits												
Imports of goods and services												
Imports of goods	BOKH	415 469	407 304	103 489	107 056	106 184	101 639	99 435	100 046	102 429	105 774	113 158
Imports of services	IKBC	132 408	139 930	32 386	31 905	34 130	34 373	35 203	36 224	35 906	36 876	35 844
Total imports of goods and services	IKBI	547 877	547 234	135 875	138 961	140 314	136 012	134 638	136 270	138 335	142 650	149 002
Primary income												
Compensation of employees	IJAI	1 550	1 384	416	426	355	378	356	295	295	410	422
Investment income	HBOL	161 647	155 001	39 616	42 611	41 142	38 999	34 344	40 516	41 006	42 574	42 414
Other primary income	MT5V	2 960	3 087	738	768	790	773	760	764	795	812	840
Total primary income	HBOI	166 157	159 472	40 770	43 805	42 287	40 150	35 460	41 575	42 096	43 796	43 676
Secondary income												
Central government	FLUD	25 930	25 884	5 022	7 922	6 098	6 482	5 051	8 253	5 377	5 754	7 254
Other sectors	FLUZ	18 326	18 704	4 540	4 309	4 702	4 613	4 704	4 685	4 804	4 903	4 698
Total secondary income	IKBO	44 256	44 588	9 562	12 231	10 800	11 095	9 755	12 938	10 181	10 657	11 952
Total	HBOO	**758 290**	**751 294**	**186 207**	**194 997**	**193 401**	**187 257**	**179 853**	**190 783**	**190 612**	**197 103**	**204 630**
Balances												
Trade in goods and services												
Trade in goods	BOKI	–122 575	–119 720	–31 165	–33 058	–34 457	–27 330	–28 808	–29 125	–32 181	–30 206	–38 692
Trade in services	IKBD	86 352	89 932	21 988	24 391	25 085	21 255	20 330	23 262	23 610	22 860	25 097
Total trade in goods and services	IKBJ	–36 223	–29 788	–9 177	–8 667	–9 372	–6 075	–8 478	–5 863	–8 571	–7 346	–13 595
Primary income												
Compensation of employees	IJAJ	–470	–89	–139	–166	–56	–69	85	–49	5	–95	–100
Investment income	HBOM	–22 642	–24 531	–6 700	–8 262	–5 862	–4 351	–2 312	–12 006	–9 183	–8 325	–4 640
Other primary income	MT5X	–654	–1 126	–175	–205	–227	–307	–294	–298	–329	–250	–278
Total primary income	HBOJ	–23 766	–25 746	–7 014	–8 633	–6 145	–4 727	–2 521	–12 353	–9 507	–8 670	–5 018
Secondary income												
Central government	FNSV	–20 844	–20 412	–4 055	–6 467	–4 589	–5 159	–4 159	–6 505	–4 399	–4 846	–5 826
Other sectors	FNTC	–4 165	–4 287	–1 082	–1 078	–1 083	–1 154	–924	–1 126	–1 135	–1 217	–1 055
Total secondary income	IKBP	–25 009	–24 699	–5 137	–7 545	–5 672	–6 313	–5 083	–7 631	–5 534	–6 063	–6 881
Current balance	HBOP	**–84 998**	**–80 233**	**–21 328**	**–24 845**	**–21 189**	**–17 115**	**–16 082**	**–25 847**	**–23 612**	**–22 079**	**–25 494**
Balances as a percentage of GDP[1]												
Trade in goods and services												
Trade in goods	D28J	*–6.7*	*–6.4*	*–6.8*	*–7.2*	*–7.4*	*–5.8*	*–6.1*	*–6.2*	*–6.7*	*–6.2*	*–7.9*
Trade in services	D28K	*4.7*	*4.8*	*4.8*	*5.3*	*5.4*	*4.5*	*4.3*	*4.9*	*4.9*	*4.7*	*5.1*
Total trade in goods and services	D28L	*–2.0*	*–1.6*	*–2.0*	*–1.9*	*–2.0*	*–1.3*	*–1.8*	*–1.2*	*–1.8*	*–1.5*	*–2.8*
Total primary income	D28M	*–1.3*	*–1.4*	*–1.5*	*–1.9*	*–1.3*	*–1.0*	*–0.5*	*–2.6*	*–2.0*	*–1.8*	*–1.0*
Total secondary income	D28N	*–1.4*	*–1.3*	*–1.1*	*–1.6*	*–1.2*	*–1.3*	*–1.1*	*–1.6*	*–1.2*	*–1.3*	*–1.4*
Current balance as percentage of GDP	AA6H	*–4.7*	*–4.3*	*–4.6*	*–5.4*	*–4.6*	*–3.6*	*–3.4*	*–5.5*	*–4.9*	*–4.6*	*–5.2*

1 Using series YBHA: GDP at current market prices

C Current account: Transactions with the European Union (EU) and with non-EU countries

Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Transactions with the European Union [1,2,3]												
Credits												
Exports of goods	L87S	145 472	133 957	35 728	35 418	33 509	34 320	33 423	32 705	33 403	36 291	37 250
Exports of services	L854	84 439	96 074	21 269	21 717	24 251	23 051	23 593	25 179	25 125	25 648	26 560
Total exports of goods and services	L84Y	229 911	230 031	56 997	57 135	57 760	57 371	57 016	57 884	58 528	61 939	63 810
Primary income	L872	47 955	51 991	11 305	12 563	13 496	13 010	12 805	12 680	13 210	14 397	16 964
Secondary income	L84S	8 330	9 017	1 903	2 009	2 424	2 131	2 013	2 449	1 818	1 834	2 297
Total	L873	286 196	291 039	70 205	71 707	73 680	72 512	71 834	73 013	73 556	78 170	83 071
Debits												
Imports of goods	L87U	224 734	222 912	56 044	56 935	56 605	55 794	54 832	55 681	57 284	58 785	60 825
Imports of services	L868	63 323	67 709	15 595	15 060	16 599	16 582	17 377	17 151	17 217	17 794	16 675
Total imports of goods and services	L864	288 057	290 621	71 639	71 995	73 204	72 376	72 209	72 832	74 501	76 579	77 500
Primary income	L874	76 972	70 535	19 376	20 530	18 429	17 731	16 585	17 790	18 991	19 431	20 581
Secondary income	L85W	20 555	20 282	4 516	5 765	5 311	5 305	3 881	5 785	4 815	4 489	5 856
Total	L875	385 584	381 438	95 531	98 290	96 944	95 412	92 675	96 407	98 307	100 499	103 937
Balances												
Trade in goods	L87Q	–79 262	–88 955	–20 316	–21 517	–23 096	–21 474	–21 409	–22 976	–23 881	–22 494	–23 575
Trade in services	L86M	21 116	28 365	5 674	6 657	7 652	6 469	6 216	8 028	7 908	7 854	9 885
Total trade in goods and services	L86I	–58 146	–60 590	–14 642	–14 860	–15 444	–15 005	–15 193	–14 948	–15 973	–14 640	–13 690
Primary income	L876	–29 017	–18 544	–8 071	–7 967	–4 933	–4 721	–3 780	–5 110	–5 781	–5 034	–3 617
Secondary income	L86E	–12 225	–11 265	–2 613	–3 756	–2 887	–3 174	–1 868	–3 336	–2 997	–2 655	–3 559
Total	L877	–99 388	–90 399	–25 326	–26 583	–23 264	–22 900	–20 841	–23 394	–24 751	–22 329	–20 866
Transactions with non-EU countries [4,5]												
Credits												
Exports of goods	L87M	147 422	153 627	36 596	38 580	38 218	39 989	37 204	38 216	36 845	39 277	37 216
Exports of services	L855	134 321	133 788	33 105	34 579	34 964	32 577	31 940	34 307	34 391	34 088	34 381
Total exports of goods and services	L84Z	281 743	287 415	69 701	73 159	73 182	72 566	69 144	72 523	71 236	73 365	71 597
Primary income	L87D	94 436	81 735	22 451	22 609	22 646	22 413	20 134	16 542	19 379	20 729	21 694
Secondary income	L84T	10 917	10 872	2 522	2 677	2 704	2 651	2 659	2 858	2 829	2 760	2 774
Total	L87E	387 096	380 022	94 674	98 445	98 532	97 630	91 937	91 923	93 444	96 854	96 065
Debits												
Imports of goods	L87O	190 735	184 392	47 445	50 121	49 579	45 845	44 603	44 365	45 145	46 989	52 333
Imports of services	L869	69 085	72 221	16 791	16 845	17 531	17 791	17 826	19 073	18 689	19 082	19 169
Total imports of goods and services	L865	259 820	256 613	64 236	66 966	67 110	63 636	62 429	63 438	63 834	66 071	71 502
Primary income	L87F	89 185	88 937	21 394	23 275	23 858	22 419	18 875	23 785	23 105	24 365	23 095
Secondary income	L85X	23 701	24 306	5 046	6 466	5 489	5 790	5 874	7 153	5 366	6 168	6 096
Total	L87G	372 706	369 856	90 676	96 707	96 457	91 845	87 178	94 376	92 305	96 604	100 693
Balances												
Trade in goods	L87K	–43 313	–30 765	–10 849	–11 541	–11 361	–5 856	–7 399	–6 149	–8 300	–7 712	–15 117
Trade in services	L86N	65 236	61 567	16 314	17 734	17 433	14 786	14 114	15 234	15 702	15 006	15 212
Total trade in goods and services	L86J	21 923	30 802	5 465	6 193	6 072	8 930	6 715	9 085	7 402	7 294	95
Primary income	L87H	5 251	–7 202	1 057	–666	–1 212	–6	1 259	–7 243	–3 726	–3 636	–1 401
Secondary income	L86F	–12 784	–13 434	–2 524	–3 789	–2 785	–3 139	–3 215	–4 295	–2 537	–3 408	–3 322
Total	L87I	14 390	10 166	3 998	1 738	2 075	5 785	4 759	–2 453	1 139	250	–4 628

1 EU presented on an EU28 basis.
2 Includes transactions with European Union institutions.
3 A quarterly breakdown of the UK's current account with the Euro area (as a whole) is published in table B6 of United Kingdom Economic Accounts (UKEA) at http://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/d
4 Includes transactions with international organisations other than European Union institutions.
5 A quarterly geographic breakdown of the UK's current account with the USA, Japan, Canada, Switzerland, Brazil, China, Hong Kong, India and Russia is also available and is published in table B6B of UKEA (see note 3).

D Summary of international investment position, financial account and investment income

Not seasonally adjusted

£ billion

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Investment abroad												
International Investment Position												
Direct investment	N2V3	1 383.9	1 376.7	1 409.2	1 383.9	1 397.4	1 446.4	1 430.2	1 376.7	1 341.0	1 424.1	1 455.5
Portfolio investment	HHZZ	2 546.9	2 568.1	2 454.1	2 546.9	2 649.5	2 509.2	2 440.3	2 568.1	2 598.5	2 694.7	2 811.8
Financial derivatives	JX96	2 828.6	2 430.8	2 462.6	2 828.6	2 957.5	2 384.5	2 647.7	2 430.8	2 728.7	2 963.9	2 720.1
Other investment	HLXV	3 547.3	3 407.4	3 552.3	3 547.3	3 565.1	3 357.0	3 449.9	3 407.4	3 577.6	3 921.5	4 070.9
Reserve assets	LTEB	67.7	87.5	63.3	67.7	80.1	77.3	85.3	87.5	95.9	106.1	112.5
Total	HBQA	**10 374.4**	**9 870.6**	**9 941.5**	**10 374.4**	**10 649.5**	**9 774.4**	**10 053.3**	**9 870.6**	**10 341.8**	**11 110.3**	**11 170.8**
Financial Account transactions[1]												
Direct investment	-N2SV	–73.1	–37.0	30.7	–24.1	–50.3	7.9	2.4	3.0	2.9	15.4	18.3
Portfolio investment	-HHZC	7.2	–30.0	–9.5	10.8	20.6	–53.4	–1.0	3.8	–50.0	–42.6	–48.3
Financial derivatives (net)	-ZPNN	–0.6	–31.8	9.8	–	–20.4	–18.1	14.2	–7.5	38.1	–41.0	26.8
Other investment	-XBMM	110.8	–96.4	70.2	–35.6	26.7	–69.9	–8.8	–44.4	4.7	136.1	37.5
Reserve assets	-LTCV	7.1	21.1	–0.7	4.2	12.6	1.1	5.3	2.1	2.3	2.8	2.6
Total	-HBNR	**51.5**	**–174.1**	**100.6**	**–44.6**	**–10.7**	**–132.4**	**12.1**	**–43.0**	**–2.0**	**70.7**	**36.9**
Investment income earnings												
Direct investment	N2QP	71.2	61.8	15.7	18.6	18.7	17.7	13.4	11.9	12.9	16.8	18.9
Portfolio investment	HLYX	44.3	47.4	11.0	10.6	10.8	13.1	12.8	10.7	11.9	13.0	12.0
Other investment	AIOP	22.9	20.5	5.5	5.5	5.1	5.3	4.9	5.1	5.7	6.0	6.3
Reserve assets	HHCB	0.6	0.8	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Total	HMBN	**139.0**	**130.5**	**32.4**	**34.9**	**34.8**	**36.3**	**31.4**	**28.0**	**30.7**	**36.1**	**37.4**
Investment in the UK												
International Investment Position												
Direct investment	N2UG	1 349.7	1 275.5	1 363.5	1 349.7	1 270.5	1 262.5	1 330.1	1 275.5	1 244.6	1 268.9	1 261.1
Portfolio investment	HLXW	2 715.7	2 853.8	2 670.3	2 715.7	2 859.2	2 774.9	2 773.4	2 853.8	2 870.0	3 043.1	3 219.6
Financial derivatives	JX97	2 806.5	2 441.7	2 422.1	2 806.5	2 961.1	2 401.4	2 652.2	2 441.7	2 704.1	2 979.2	2 704.2
Other investment	HLYD	3 823.9	3 386.0	3 824.8	3 823.9	3 707.2	3 393.7	3 474.8	3 386.0	3 503.2	3 668.9	3 747.6
Total	HBQB	**10 695.8**	**9 957.0**	**10 280.7**	**10 695.8**	**10 798.1**	**9 832.4**	**10 230.6**	**9 957.0**	**10 322.0**	**10 960.0**	**10 932.6**
Financial Account transactions												
Direct investment	N2SA	44.3	38.3	–7.6	14.0	41.0	–1.0	6.0	–7.6	46.5	29.0	25.3
Portfolio investment	HHZF	131.3	242.0	44.3	43.2	62.8	64.6	35.0	79.6	–13.7	51.0	57.0
Other investment	XBMN	–45.5	–387.2	82.1	–71.1	–85.3	–186.9	–19.7	–95.3	–27.3	13.0	–22.8
Total	HBNS	**130.0**	**–106.9**	**118.8**	**–14.0**	**18.5**	**–123.3**	**21.3**	**–23.4**	**5.4**	**92.9**	**59.5**
Investment income												
Direct investment	N2Q4	57.9	52.7	14.1	18.4	16.3	10.6	9.0	16.7	15.5	16.2	15.0
Portfolio investment	HLZC	69.9	71.3	18.8	15.5	13.9	23.3	18.6	15.4	13.8	19.7	20.2
Other investment	HLZN	33.9	31.0	8.0	7.9	7.6	8.2	7.6	7.6	8.1	8.9	8.7
Total	HMBO	**161.6**	**155.0**	**40.9**	**41.9**	**37.9**	**42.1**	**35.3**	**39.8**	**37.4**	**44.8**	**43.9**
Net investment												
International Investment Position												
Direct investment	MU7O	34.2	101.1	45.6	34.2	126.9	184.0	100.1	101.1	96.4	155.3	194.3
Portfolio investment	CGNH	–168.7	–285.7	–216.3	–168.7	–209.8	–265.6	–333.1	–285.7	–271.5	–348.4	–407.8
Financial derivatives	JX98	22.1	–10.9	40.6	22.1	–3.6	–16.9	–4.6	–10.9	24.6	–15.3	16.0
Other investment	CGNG	–276.6	21.5	–272.5	–276.6	–142.1	–36.7	–25.0	21.5	74.5	252.7	323.3
Reserve assets	LTEB	67.7	87.5	63.3	67.7	80.1	77.3	85.3	87.5	95.9	106.1	112.5
Net investment	HBQC	**–321.3**	**–86.4**	**–339.2**	**–321.3**	**–148.5**	**–58.0**	**–177.2**	**–86.4**	**19.9**	**150.3**	**238.2**
Financial Accounts transactions[1]												
Direct investment	-MU7M	–117.4	–75.4	38.3	–38.1	–91.3	8.9	–3.6	10.6	–43.6	–13.6	–7.0
Portfolio investment	-HHZD	–124.1	–272.0	–53.8	–32.3	–42.2	–118.0	–36.0	–75.7	–36.3	–93.6	–105.3
Financial derivatives	-ZPNN	–0.6	–31.8	9.8	–	–20.4	–18.1	14.2	–7.5	38.1	–41.0	26.8
Other investment	-HHYR	156.3	290.9	–11.9	35.5	112.0	116.9	10.9	50.9	32.1	123.1	60.3
Reserve assets	-LTCV	7.1	21.1	–0.7	4.2	12.6	1.1	5.3	2.1	2.3	2.8	2.6
Net transactions	-HBNT	–78.6	–67.2	–18.3	–30.6	–29.3	–9.1	–9.2	–19.6	–7.4	–22.3	–22.6
Investment income earnings												
Direct investment	MU7E	13.3	9.1	1.5	0.2	2.4	7.1	4.4	–4.8	–2.6	0.6	3.9
Portfolio investment	HLZX	–25.6	–23.9	–7.8	–4.9	–3.1	–10.2	–5.9	–4.8	–2.0	–6.7	–8.3
Other investment	CGNA	–10.9	–10.6	–2.4	–2.5	–2.6	–2.8	–2.7	–2.5	–2.4	–2.9	–2.3
Reserve assets	HHCB	0.6	0.8	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Net earnings	HMBM	**–22.6**	**–24.5**	**–8.5**	**–7.0**	**–3.1**	**–5.7**	**–3.9**	**–11.9**	**–6.7**	**–8.6**	**–6.4**

1 **When downloading data from the Pink Book dataset users should reverse the sign of series that have an identifier that is prefixed with a minus sign.**

E Trade in goods
Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Exports												
Food, beverages and tobacco	BOPL	18 649	18 172	4 615	4 723	4 633	4 672	4 425	4 442	4 710	5 052	5 082
Basic materials	BOPM	6 960	6 086	1 802	1 728	1 632	1 537	1 468	1 449	1 464	1 577	1 592
Oil	ELBL	32 902	21 048	7 649	6 752	5 084	6 139	5 068	4 757	4 251	5 334	4 976
Other fuels	BOQI	3 215	3 102	878	658	587	813	947	755	369	506	916
Semi-manufactured goods	BOPO	75 602	79 000	18 842	19 703	20 159	20 920	19 569	18 352	19 256	19 649	19 501
Finished manufactured goods	BOPP	146 395	149 919	36 277	37 588	37 855	37 962	36 872	37 230	38 057	41 043	40 959
Unspecified goods	BOQL	9 171	10 257	2 261	2 846	1 777	2 266	2 278	3 936	2 141	2 407	1 440
Total	BOKG	**292 894**	**287 584**	**72 324**	**73 998**	**71 727**	**74 309**	**70 627**	**70 921**	**70 248**	**75 568**	**74 466**
Imports												
Food, beverages and tobacco	BQAR	38 483	38 508	9 564	9 680	9 748	9 542	9 654	9 564	9 768	10 098	10 372
Basic materials	BQAS	11 719	10 683	2 896	2 857	2 792	2 773	2 570	2 548	2 644	2 693	2 765
Oil	ENXO	42 862	28 961	11 498	9 731	7 523	8 139	6 841	6 458	5 243	5 998	7 133
Other fuels	BPBI	10 109	8 945	2 424	2 629	2 598	2 110	2 462	1 775	1 670	1 677	1 663
Semi-manufactured goods	BQAU	95 401	94 665	23 956	24 139	24 341	23 962	22 959	23 403	23 580	24 740	25 983
Finished manufactured goods	BQAV	209 598	218 601	52 141	53 889	55 313	54 161	53 935	55 192	57 420	59 066	61 237
Unspecified goods	BQAW	7 297	6 941	1 010	4 131	3 869	952	1 014	1 106	2 104	1 502	4 005
Total	BOKH	**415 469**	**407 304**	**103 489**	**107 056**	**106 184**	**101 639**	**99 435**	**100 046**	**102 429**	**105 774**	**113 158**
Balances												
Food, beverages and tobacco	ELBE	–19 834	–20 336	–4 949	–4 957	–5 115	–4 870	–5 229	–5 122	–5 058	–5 046	–5 290
Basic materials	ELBF	–4 759	–4 597	–1 094	–1 129	–1 160	–1 236	–1 102	–1 099	–1 180	–1 116	–1 173
Oil	ENXQ	–9 960	–7 913	–3 849	–2 979	–2 439	–2 000	–1 773	–1 701	–992	–664	–2 157
Other fuels	ENIW	–6 894	–5 843	–1 546	–1 971	–2 011	–1 297	–1 515	–1 020	–1 301	–1 171	–747
Semi-manufactured goods	ELBH	–19 799	–15 665	–5 114	–4 436	–4 182	–3 042	–3 390	–5 051	–4 324	–5 091	–6 482
Finished manufactured goods	ELBI	–63 203	–68 682	–15 864	–16 301	–17 458	–16 199	–17 063	–17 962	–19 363	–18 023	–20 278
Unspecified goods	BQKX	1 874	3 316	1 251	–1 285	–2 092	1 314	1 264	2 830	37	905	–2 565
Total	BOKI	**–122 575**	**–119 720**	**–31 165**	**–33 058**	**–34 457**	**–27 330**	**–28 808**	**–29 125**	**–32 181**	**–30 206**	**–38 692**

F Trade in services
Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Exports												
Manufacturing and maintenance services	MTN7	4 115	4 280	1 041	865	1 231	1 089	1 038	922	1 258	862	943
Transport	FKOA	24 599	25 643	6 170	6 131	6 503	6 406	6 387	6 347	6 485	6 513	6 791
Travel	FAPO	28 283	29 757	7 197	7 088	6 991	7 863	7 146	7 757	7 269	7 315	7 013
Construction	FDSG	2 732	1 595	812	595	364	421	439	371	287	276	309
Insurance and pension services	FDTF	19 080	14 814	4 409	5 604	3 917	3 828	3 393	3 676	4 122	4 258	5 008
Financial	FDYI	46 221	53 651	11 544	12 257	14 001	12 921	12 842	13 887	13 182	13 484	14 089
Intellectual property	FEBA	12 048	12 676	3 308	3 163	3 023	3 123	3 241	3 289	2 902	3 052	3 059
Telecommunication, computer and information services	FDYQ	16 342	17 835	3 811	4 173	4 313	4 355	4 571	4 596	4 820	4 901	4 967
Other business	FEHH	60 814	64 222	14 983	15 358	17 451	14 298	15 044	17 429	17 426	17 134	16 872
Personal, cultural and recreational services	FGXJ	2 059	2 801	516	405	768	698	756	579	1 150	1 204	1 245
Government	FGZA	2 467	2 588	583	657	653	626	676	633	615	737	645
Total	IKBB	**218 760**	**229 862**	**54 374**	**56 296**	**59 215**	**55 628**	**55 533**	**59 486**	**59 516**	**59 736**	**60 941**
Imports												
Manufacturing and maintenance services	MTN6	1 021	1 517	283	208	464	352	363	338	502	307	304
Transport	FHME	18 404	21 631	5 247	4 292	5 449	5 270	5 509	5 403	5 397	5 627	5 657
Travel	APQL	38 045	41 408	13 245	7 670	9 841	10 169	10 659	10 739	11 158	11 486	11 660
Construction	FIOU	1 964	1 206	449	583	390	333	247	236	208	207	217
Insurance and pension services	FIPT	2 269	194	587	585	54	46	48	46	31	50	40
Financial	FITY	11 989	9 870	2 883	3 029	2 455	2 357	2 468	2 590	2 648	2 796	3 135
Intellectual property	FIVX	6 318	8 468	1 504	1 298	1 902	2 164	2 142	2 260	2 055	1 970	2 157
Telecommunication, computer and information services	FIUG	9 830	10 251	2 497	2 405	2 486	2 536	2 621	2 608	2 423	2 652	2 575
Other business	FIWF	34 481	39 278	3 596	9 691	9 530	9 596	9 729	10 423	9 897	10 140	8 482
Personal, cultural and recreational services	FLQJ	3 664	3 373	901	914	863	820	838	852	871	866	874
Government	FLSA	4 423	2 734	1 194	1 230	696	730	579	729	716	775	743
Total	IKBC	**132 408**	**139 930**	**32 386**	**31 905**	**34 130**	**34 373**	**35 203**	**36 224**	**35 906**	**36 876**	**35 844**
Balances												
Manufacturing and maintenance services	MTN8	3 094	2 763	758	657	767	737	675	584	756	555	639
Transport	FLYS	6 195	4 012	923	1 839	1 054	1 136	878	944	1 088	886	1 134
Travel	FNGY	–9 762	–11 651	–6 048	–582	–2 850	–2 306	–3 513	–2 982	–3 889	–4 171	–4 647
Construction	FNJM	768	389	363	12	–26	88	192	135	79	69	92
Insurance and pension services	FNKF	16 811	14 620	3 822	5 019	3 863	3 782	3 345	3 630	4 091	4 208	4 968
Financial	FNLQ	34 232	43 781	8 661	9 228	11 546	10 564	10 374	11 297	10 534	10 688	10 954
Intellectual property	FNMR	5 730	4 208	1 804	1 865	1 121	959	1 099	1 029	847	1 082	902
Telecommunication, computer and information services	FNLY	6 512	7 584	1 314	1 768	1 827	1 819	1 950	1 988	2 397	2 249	2 392
Other business	FNMZ	26 333	24 944	11 387	5 667	7 921	4 702	5 315	7 006	7 529	6 994	8 390
Personal, cultural and recreational services	FNRB	–1 605	–572	–385	–509	–95	–122	–82	–273	279	338	371
Government	FNRU	–1 956	–146	–611	–573	–43	–104	97	–96	–101	–38	–98
Total	IKBD	**86 352**	**89 932**	**21 988**	**24 391**	**25 085**	**21 255**	**20 330**	**23 262**	**23 610**	**22 860**	**25 097**

G Primary income
Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Credits												
Compensation of employees	IJAH	1 080	1 295	277	260	299	309	441	246	300	315	322
Investment income												
Earnings on direct investment abroad	MTX2	71 164	61 775	16 163	17 783	18 692	17 090	14 067	11 926	13 563	16 031	19 236
Earnings on portfolio investment abroad												
Earnings on equity securities	CGDT	22 239	23 662	5 610	5 902	5 664	5 599	6 642	5 757	6 309	6 186	6 379
Earnings on debt securities	CGDU	22 039	23 707	5 453	5 029	5 674	6 415	6 166	5 452	6 037	5 758	5 552
Total portfolio investment	CGDV	44 278	47 369	11 063	10 931	11 338	12 014	12 808	11 209	12 346	11 944	11 931
Earnings on other investment abroad	CGDW	22 917	20 478	5 529	5 461	5 067	5 346	4 932	5 133	5 656	6 014	6 322
Earnings on reserve assets	HHCC	646	848	161	174	183	198	225	242	258	260	285
Total investment income	HBOK	139 005	130 470	32 916	34 349	35 280	34 648	32 032	28 510	31 823	34 249	37 774
Other primary income	MT5T	2 306	1 961	563	563	563	466	466	466	466	562	562
Total	HBOH	**142 391**	**133 726**	**33 756**	**35 172**	**36 142**	**35 423**	**32 939**	**29 222**	**32 589**	**35 126**	**38 658**
Debits												
Compensation of employees	IJAI	1 550	1 384	416	426	355	378	356	295	295	410	422
Investment income												
Foreign earnings on direct investment in the UK	MTU7	57 873	52 699	14 523	17 739	16 219	11 121	9 860	15 499	15 525	16 830	15 683
Foreign earnings on portfolio investment in the UK												
Earnings on equity securities	HGOT	29 877	33 490	7 097	6 929	7 670	10 333	7 456	8 031	8 038	7 877	8 299
Earnings on debt securities	CGDX	40 045	37 774	9 957	9 793	9 560	9 751	9 357	9 106	9 347	9 388	9 785
Total portfolio investment	CGDZ	69 922	71 264	17 054	16 722	17 230	20 084	16 813	17 137	17 385	17 265	18 084
Earnings on other investment in the UK	CGEB	33 852	31 038	8 039	8 150	7 693	7 794	7 671	7 880	8 096	8 479	8 647
Total investment income	HBOL	161 647	155 001	39 616	42 611	41 142	38 999	34 344	40 516	41 006	42 574	42 414
Other primary income	MT5V	2 960	3 087	738	768	790	773	760	764	795	812	840
Total	HBOI	**166 157**	**159 472**	**40 770**	**43 805**	**42 287**	**40 150**	**35 460**	**41 575**	**42 096**	**43 796**	**43 676**
Balances												
Compensation of employees	IJAJ	–470	–89	–139	–166	–56	–69	85	–49	5	–95	–100
Investment income												
Direct investment	MU7F	13 291	9 076	1 640	44	2 473	5 969	4 207	–3 573	–1 962	–799	3 553
Portfolio investment												
Earnings on equity securities	CGEC	–7 638	–9 828	–1 487	–1 027	–2 006	–4 734	–814	–2 274	–1 729	–1 691	–1 920
Earnings on debt securities	CGED	–18 006	–14 067	–4 504	–4 764	–3 886	–3 336	–3 191	–3 654	–3 310	–3 630	–4 233
Total portfolio investment	CGEE	–25 644	–23 895	–5 991	–5 791	–5 892	–8 070	–4 005	–5 928	–5 039	–5 321	–6 153
Other investment	CGFF	–10 935	–10 560	–2 510	–2 689	–2 626	–2 448	–2 739	–2 747	–2 440	–2 465	–2 325
Reserve assets	HHCC	646	848	161	174	183	198	225	242	258	260	285
Total investment income	HBOM	–22 642	–24 531	–6 700	–8 262	–5 862	–4 351	–2 312	–12 006	–9 183	–8 325	–4 640
Other primary income	MT5X	–654	–1 126	–175	–205	–227	–307	–294	–298	–329	–250	–278
Total	HBOJ	**–23 766**	**–25 746**	**–7 014**	**–8 633**	**–6 145**	**–4 727**	**–2 521**	**–12 353**	**–9 507**	**–8 670**	**–5 018**

H Secondary income

Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Credits												
General government												
Receipts from EU Institutions:												
Abatement	FKKM	4 416	4 913	761	1 278	1 345	1 192	727	1 649	852	763	1 271
Other EU receipts	GTTA	126	69	64	36	24	7	44	–6	14	5	15
Other receipts	CGDN	544	490	142	141	140	124	121	105	112	140	142
Total general government	FHDM	5 086	5 472	967	1 455	1 509	1 323	892	1 748	978	908	1 428
Other sectors												
Receipts from EU Institutions:												
Social fund	H5U3	236	553	35	–5	103	24	294	132	89	25	185
ECSC Grant	FHHS	–	–	–	–	–	–	–	–	–	–	–
Other receipts	CGDO	13 925	13 864	3 423	3 236	3 516	3 435	3 486	3 427	3 580	3 661	3 458
Total other sectors	FHIB	14 161	14 417	3 458	3 231	3 619	3 459	3 780	3 559	3 669	3 686	3 643
Total	IKBN	**19 247**	**19 889**	**4 425**	**4 686**	**5 128**	**4 782**	**4 672**	**5 307**	**4 647**	**4 594**	**5 071**
Debits												
General government												
Payments to EU institutions												
GNI: own resource	MUV7	14 472	15 651	2 685	3 439	3 954	4 248	2 231	5 218	3 623	3 052	4 660
GNI adjustments	MUV8	1 678	854	–	1 678	248	–	66	540	–469	–	–
Other	FLMT	–3	1	–	–3	–	1	–	–	–	–	–
Other payments	CGDP	9 783	9 378	2 337	2 808	1 896	2 233	2 754	2 495	2 223	2 702	2 594
Total general government	FLUD	25 930	25 884	5 022	7 922	6 098	6 482	5 051	8 253	5 377	5 754	7 254
Other sectors												
Payments to EU institutions	CGDR	–	–	–	–	–	–	–	–	–	–	–
Other payments	CGDS	18 326	18 704	4 540	4 309	4 702	4 613	4 704	4 685	4 804	4 903	4 698
Total other sectors	FLUZ	18 326	18 704	4 540	4 309	4 702	4 613	4 704	4 685	4 804	4 903	4 698
Total	IKBO	**44 256**	**44 588**	**9 562**	**12 231**	**10 800**	**11 095**	**9 755**	**12 938**	**10 181**	**10 657**	**11 952**
Balances												
General government	FNSV	–20 844	–20 412	–4 055	–6 467	–4 589	–5 159	–4 159	–6 505	–4 399	–4 846	–5 826
Other sectors	FNTC	–4 165	–4 287	–1 082	–1 078	–1 083	–1 154	–924	–1 126	–1 135	–1 217	–1 055
Total	IKBP	**–25 009**	**–24 699**	**–5 137**	**–7 545**	**–5 672**	**–6 313**	**–5 083**	**–7 631**	**–5 534**	**–6 063**	**–6 881**
Of which: EU institutions[1]	GTTB	–11 369	–10 971	–1 825	–3 805	–2 730	–3 026	–1 232	–3 983	–2 199	–2 259	–3 189

1 For a complete picture of UK official transactions with institutions of the EU, the balance of other primary income -£1,126 million, a credit of £772 million for export of services (UK charges for collection of duties) and a capital account credit of approximately £915 million should be included giving a 2015 balance of approximately -£10,410 million.

Capital account

Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
Credits												
Capital transfers												
Central government												
Debt forgiveness	FHIV	–	–	–	–	–	–	–	–	–	–	–
Other capital transfers	FHJA	–	–	–	–	–	–	–	–	–	–	–
Total central government	FHIU	–	–	–	–	–	–	–	–	–	–	–
Other sectors												
Debt forgiveness	FHJD	–	–	–	–	–	–	–	–	–	–	–
EU Institutions:												
Regional development fund	GTTX	1 054	454	20	322	279	31	50	94	122	45	50
Agricultural fund for regional development	FHJF	567	461	110	141	60	253	128	20	217	253	128
Other capital transfers	EBGO	–	–	–	–	–	–	–	–	–	–	–
Total EU institutions	GTTY	1 621	915	130	463	339	284	178	114	339	298	178
Total other sectors	FHJB	1 621	915	130	463	339	284	178	114	339	298	178
Total capital transfers	FHIT	1 621	915	130	463	339	284	178	114	339	298	178
Disposal of non-produced, non-financial assets	FHJL	585	618	157	291	42	71	148	357	297	269	450
Total	FHLD	**2 206**	**1 533**	**287**	**754**	**381**	**355**	**326**	**471**	**636**	**567**	**628**
Debits												
Capital transfers												
Central government												
Debt forgiveness	FLWD	82	92	–	–	12	80	–	–	12	–	–
Other capital transfers (project grants)	FLWH	1 614	1 725	153	901	168	429	193	935	34	742	265
Total central government	FLWB	1 696	1 817	153	901	180	509	193	935	46	742	265
Other sectors												
Debt forgiveness												
Monetary financial institutions	FLWL	–	–	–	–	–	–	–	–	–	–	–
Public corporations	HMLY	40	1	–	–	1	–	–	–	–	–	–
Total debt forgiveness	JCWM	40	1	–	–	1	–	–	–	–	–	–
Other capital transfers	FLWQ	–	–	–	–	–	–	–	–	–	–	–
Total other sectors	FLWI	40	1	–	–	1	–	–	–	–	–	–
Total capital transfers	FLWA	1 736	1 818	153	901	181	509	193	935	46	742	265
Acquisitions of non-produced, non-financial assets	FLWT	885	827	486	134	119	151	417	140	106	112	543
Total	FLYL	**2 621**	**2 645**	**639**	**1 035**	**300**	**660**	**610**	**1 075**	**152**	**854**	**808**
Balances												
Capital transfers												
Central government												
Debt forgiveness	FNTM	–82	–92	–	–	–12	–80	–	–	–12	–	–
Other capital transfers	FNTN	–1 614	–1 725	–153	–901	–168	–429	–193	–935	–34	–742	–265
Total central government	FNTL	–1 696	–1 817	–153	–901	–180	–509	–193	–935	–46	–742	–265
Other sectors												
Debt forgiveness	FNTQ	–40	–1	–	–	–1	–	–	–	–	–	–
Other capital transfers	FNTR	1 621	915	130	463	339	284	178	114	339	298	178
Total other sectors	FNTO	1 581	914	130	463	338	284	178	114	339	298	178
Total capital transfers	FNTK	–115	–903	–23	–438	158	–225	–15	–821	293	–444	–87
Non-produced, non-financial assets	FNTS	–300	–209	–329	157	–77	–80	–269	217	191	157	–93
Total	FNVQ	**–415**	**–1 112**	**–352**	**–281**	**81**	**–305**	**–284**	**–604**	**484**	**–287**	**–180**

J Financial account[1,2]

Not seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
UK investment abroad												
(Net acquisition of financial assets)												
Direct investment abroad												
Equity capital other than reinvestment of earnings	-HJYM	–72 261	–13 181	1 450	7 337	–2 828	–883	–7 079	–2 391	1 794	–462	–49
Reinvestment of earnings	-HDNY	–15 901	505	945	–6 339	–51	–1 227	1 995	–212	–5 074	–1 550	9 139
Debt instruments	-N2RN	15 079	–24 347	28 290	–25 093	–47 411	10 001	7 468	5 595	6 134	17 450	9 225
Total direct investment abroad	-N2SV	–73 083	–37 023	30 685	–24 095	–50 290	7 891	2 384	2 992	2 854	15 438	18 315
Portfolio investment abroad												
Equity and investment fund shares	-HBVI	–23 423	–28 314	–7 817	319	–8 063	–19 807	–15 020	14 576	–35 217	–6 628	–11 781
Debt securities	-XBMW	30 607	–1 692	–1 663	10 493	28 681	–33 598	13 981	–10 756	–14 811	–36 017	–36 528
Total portfolio investment abroad	-HHZC	7 184	–30 006	–9 480	10 812	20 618	–53 405	–1 039	3 820	–50 028	–42 645	–48 309
Financial derivatives & employee stock options	-ZPNN	–589	–31 776	9 826	–2	–20 419	–18 064	14 243	–7 536	38 093	–41 018	26 815
Other investment abroad	-XBMM	110 833	–96 373	70 194	–35 557	26 707	–69 935	–8 786	–44 359	4 740	136 103	37 489
Reserve assets	-LTCV	7 113	21 079	–665	4 244	12 638	1 101	5 260	2 080	2 328	2 791	2 596
Total	-HBNR	**51 458**	**–174 099**	**100 560**	**–44 598**	**–10 746**	**–132 412**	**12 062**	**–43 003**	**–2 013**	**70 669**	**36 906**
Investment in the UK												
(Net incurrance of liabilities)												
Direct investment in the UK												
Equity capital other than reinvestment of earnings	HJYR	17 812	25 282	2 574	6 144	3 580	6 856	9 651	5 195	46 017	19 838	3 258
Reinvestment of earnings	CYFV	9 976	7 354	6 573	4 429	7 347	987	–575	–405	2 765	6 190	6 572
Debt instruments	N2R7	16 496	5 706	–16 758	3 400	30 114	–8 879	–3 093	–12 436	–2 280	2 966	15 462
Total direct investment in the UK	N2SA	44 284	38 342	–7 611	13 973	41 041	–1 036	5 983	–7 646	46 502	28 994	25 292
Portfolio investment in the UK												
Equity and investment fund shares	XBLW	17 804	76 195	11 320	17 632	20 881	33 579	5 230	16 505	–34 157	–2 772	15 093
Debt securities	XBLX	113 447	165 773	33 025	25 522	41 898	31 047	29 770	63 058	20 412	53 773	41 905
Total portfolio investment in the UK	HHZF	131 251	241 968	44 345	43 154	62 779	64 626	35 000	79 563	–13 745	51 001	56 998
Other investment in the UK	XBMN	–45 488	–387 229	82 094	–71 080	–85 313	–186 880	–19 728	–95 308	–27 335	12 954	–22 796
Total	HBNS	**130 047**	**–106 919**	**118 828**	**–13 953**	**18 507**	**–123 290**	**21 255**	**–23 391**	**5 422**	**92 949**	**59 494**
Net transactions												
(net assets *less* net liabilities)												
Direct investment												
Equity capital other than reinvestment of earnings	-HBWN	–90 073	–38 463	–1 124	1 193	–6 408	–7 739	–16 730	–7 586	–44 223	–20 300	–3 307
Reinvestment of earnings	-HBWT	–25 877	–6 849	–5 628	–10 768	–7 398	–2 214	2 570	193	–7 839	–7 740	2 567
Debt instruments	-MU7L	–1 417	–30 053	45 048	–28 493	–77 525	18 880	10 561	18 031	8 414	14 484	–6 237
Total net direct investment	-MU7M	–117 367	–75 365	38 296	–38 068	–91 331	8 927	–3 599	10 638	–43 648	–13 556	–6 977
Portfolio investment												
Equity and investment fund shares	-HBWV	–41 227	–104 509	–19 137	–17 313	–28 944	–53 386	–20 250	–1 929	–1 060	–3 856	–26 874
Debt securities	-HBWX	–82 840	–167 465	–34 688	–15 029	–13 217	–64 645	–15 789	–73 814	–35 223	–89 790	–78 433
Total net portfolio investment	-HHZD	–124 067	–271 974	–53 825	–32 342	–42 161	–118 031	–36 039	–75 743	–36 283	–93 646	–105 307
Financial derivatives & employee stock options	-ZPNN	–589	–31 776	9 826	–2	–20 419	–18 064	14 243	–7 536	38 093	–41 018	26 815
Other investment	-HHYR	156 321	290 856	–11 900	35 523	112 020	116 945	10 942	50 949	32 075	123 149	60 285
Reserve assets	-LTCV	7 113	21 079	–665	4 244	12 638	1 101	5 260	2 080	2 328	2 791	2 596
Total	-HBNT	–78 589	–67 180	–18 268	–30 645	–29 253	–9 122	–9 193	–19 612	–7 435	–22 280	–22 588

1 **When downloading data from the Pink Book dataset users should reverse the sign of series that have an identifier that is prefixed with a minus sign.**

2 Further detail of the quarterly financial account is published in tables B8 to B13 of United Kingdom Economic Accounts at http://www.ons.gov.uk/ons/search/index.html?newquery=ukea

K International investment position[1]

Balance sheets valued at end of period: Not seasonally adjusted

£ billion

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3
UK Assets												
Direct investment abroad												
Equity and investment fund shares	CGMO	1 076.7	1 120.5	1 076.7	1 076.7	1 164.0	1 203.3	1 179.9	1 120.5	1 092.7	1 160.8	1 191.6
Debt instruments	N2TT	307.2	256.1	332.5	307.2	233.4	243.1	250.3	256.1	248.4	263.3	263.9
Total direct investment abroad	N2V3	1 383.9	1 376.7	1 409.2	1 383.9	1 397.4	1 446.4	1 430.2	1 376.7	1 341.0	1 424.1	1 455.5
Portfolio investment abroad												
Equity and investment fund shares	HEPX	1 154.5	1 164.0	1 106.7	1 154.5	1 203.5	1 158.4	1 043.1	1 164.0	1 154.6	1 200.2	1 305.3
Debt securities	HHZX	1 392.4	1 404.1	1 347.3	1 392.4	1 446.0	1 350.8	1 397.2	1 404.1	1 443.9	1 494.5	1 506.5
Total portfolio investment abroad	HHZZ	2 546.9	2 568.1	2 454.1	2 546.9	2 649.5	2 509.2	2 440.3	2 568.1	2 598.5	2 694.7	2 811.8
Financial derivatives & employee stock options	JX96	2 828.6	2 430.8	2 462.6	2 828.6	2 957.5	2 384.5	2 647.7	2 430.8	2 728.7	2 963.9	2 720.1
Other investment abroad	HLXV	3 547.3	3 407.4	3 552.3	3 547.3	3 565.1	3 357.0	3 449.9	3 407.4	3 577.6	3 921.5	4 070.9
Reserve assets	LTEB	67.7	87.5	63.3	67.7	80.1	77.3	85.3	87.5	95.9	106.1	112.5
Total	HBQA	**10 374.4**	**9 870.6**	**9 941.5**	**10 374.4**	**10 649.5**	**9 774.4**	**10 053.3**	**9 870.6**	**10 341.8**	**11 110.3**	**11 170.8**
UK Liabilities												
Direct investment in the UK												
Equity and investment fund shares	HBUY	880.9	829.1	891.2	880.9	804.6	804.1	874.1	829.1	853.0	848.4	829.6
Debt instruments	N2TD	468.8	446.4	472.4	468.8	466.0	458.3	456.0	446.4	391.6	420.5	431.5
Total direct investment in the UK	N2UG	1 349.7	1 275.5	1 363.5	1 349.7	1 270.5	1 262.5	1 330.1	1 275.5	1 244.6	1 268.9	1 261.1
Portfolio investment in the UK												
Equity and investment fund shares	HLXX	1 075.7	1 160.0	1 053.5	1 075.7	1 153.4	1 161.0	1 103.1	1 160.0	1 143.4	1 175.0	1 220.0
Debt securities	HLXY	1 640.0	1 693.8	1 616.8	1 640.0	1 705.8	1 613.8	1 670.3	1 693.8	1 726.6	1 868.0	1 999.6
Total portfolio investment in the UK	HLXW	2 715.7	2 853.8	2 670.3	2 715.7	2 859.2	2 774.9	2 773.4	2 853.8	2 870.0	3 043.1	3 219.6
Financial derivatives & employee stock options	JX97	2 806.5	2 441.7	2 422.1	2 806.5	2 961.1	2 401.4	2 652.2	2 441.7	2 704.1	2 979.2	2 704.2
Other investment in the UK	HLYD	3 823.9	3 386.0	3 824.8	3 823.9	3 707.2	3 393.7	3 474.8	3 386.0	3 503.2	3 668.9	3 747.6
Total	HBQB	**10 695.8**	**9 957.0**	**10 280.7**	**10 695.8**	**10 798.1**	**9 832.4**	**10 230.6**	**9 957.0**	**10 322.0**	**10 960.0**	**10 932.6**
Net International Investment Position												
Direct investment												
Equity and investment fund shares	HBSH	195.8	291.4	185.5	195.8	359.5	399.2	305.8	291.4	239.6	312.4	362.0
Debt instruments	MU7N	−161.6	−190.3	−139.9	−161.6	−232.6	−215.2	−205.7	−190.3	−143.2	−157.2	−167.6
Total net direct investment	MU7O	34.2	101.1	45.6	34.2	126.9	184.0	100.1	101.1	96.4	155.3	194.3
Portfolio investment												
Equity and investment fund shares	CGNE	78.8	4.0	53.2	78.8	50.0	−2.6	−60.0	4.0	11.2	25.2	85.3
Debt securities	CGNF	−247.6	−289.7	−269.5	−247.6	−259.8	−263.0	−273.1	−289.7	−282.7	−373.6	−493.1
Total net portfolio investment	CGNH	−168.7	−285.7	−216.3	−168.7	−209.8	−265.6	−333.1	−285.7	−271.5	−348.4	−407.8
Financial derivatives & employee stock options	JX98	22.1	−10.9	40.6	22.1	−3.6	−16.9	−4.6	−10.9	24.6	−15.3	16.0
Other investment	CGNG	−276.6	21.5	−272.5	−276.6	−142.1	−36.7	−25.0	21.5	74.5	252.7	323.3
Reserve assets	LTEB	67.7	87.5	63.3	67.7	80.1	77.3	85.3	87.5	95.9	106.1	112.5
Total	HBQC	**−321.3**	**−86.4**	**−339.2**	**−321.3**	**−148.5**	**−58.0**	**−177.2**	**−86.4**	**19.9**	**150.3**	**238.2**

1 Further detail of the quarterly international investment position is published in tables B14 to B19 of United Kingdom Economic Accounts at http://www.ons.gov.uk/ons/search/index.html?newquery=ukea

R1 Summary of revisions since last Balance of Payments Statistical Bulletin
Balances (net transactions)

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Seasonally adjusted											
Current account											
Trade in goods and services											
Trade in goods	BOKI	–	6 717	–	–	–374	956	1 906	4 229	671	4 452
Trade in services	IKBD	–	2 169	–	–	940	1 152	–408	485	733	893
Total trade	IKBJ	–	8 886	–	–	566	2 108	1 498	4 714	1 404	5 345
Primary income											
Compensation of employees	IJAJ	–	–	–	–	–8	–10	25	–7	–10	–12
Investment income	HBOM	–	11 133	–	–	3 200	2 781	2 528	2 624	2 036	1 322
Other primary income	MT5X	–	–	–	–	8	–5	–	–3	8	–6
Total primary income	HBOJ	–	11 133	–	–	3 200	2 766	2 553	2 614	2 034	1 304
Secondary income											
General government	FNSV	–	13	–	–	32	–31	368	–356	–51	–36
Other sectors	FNTC	–	–98	–	–	–15	6	–11	–78	–	–8
Total secondary income	IKBP	–	–85	–	–	17	–25	357	–434	–51	–44
Current balance	HBOP	–	**19 934**	–	–	**3 783**	**4 849**	**4 408**	**6 894**	**3 387**	**6 605**
Capital balance	FNVQ	–	**–61**	–	–	**2**	**18**	**7**	**–88**	**–39**	**6**
Not seasonally adjusted											
Current account											
Trade in goods and services											
Trade in goods	LQCT	–	6 717	–	–	–482	940	1 874	4 385	509	4 460
Trade in services	KTMS	–	2 169	–	–	1 169	380	–760	1 380	672	638
Total trade	KTMY	–	8 886	–	–	687	1 320	1 114	5 765	1 181	5 098
Primary income											
Compensation of employees	KTMP	–	–	–	–	–	–	–	–	–	–
Investment income	HMBM	–	11 133	–	–	4 230	2 804	2 352	1 747	2 386	1 164
Other primary income	MT5W	–	–	–	–	–	–	–	–	–	–
Total primary income	HMBP	–	11 133	–	–	4 230	2 804	2 352	1 747	2 386	1 164
Secondary income											
General government	FJUQ	–	13	–	–	7	–1	3	4	–91	2
Other sectors	FJUR	–	–98	–	–	–16	–	–1	–81	–2	–16
Total secondary income	KTNF	–	–85	–	–	–9	–1	2	–77	–93	–14
Current balance	HBOG	–	**19 934**	–	–	**4 908**	**4 123**	**3 468**	**7 435**	**3 474**	**6 248**
Capital balance	FKMJ	–	**–61**	–	–	**3**	**2**	**11**	**–77**	**–36**	**–14**
Financial account[1]											
Direct investment	-MU7M	–	–145	–	–	–16 430	–16 064	16 317	16 032	27 114	–11 580
Portfolio investment	-HHZD	–	–6 607	–	–	–18	–1 465	–1 119	–4 005	–1 115	11 432
Financial derivatives (net)	-ZPNN	–	7	–	–	–	–	–	7	2 835	–24 055
Other investment	-HHYR	–	39 036	–	–	23 803	15 143	–10 251	10 341	–5 810	16 450
Reserve assets	-LTCV	–	–	–	–	–	–	–	–	–	–
Net financial transactions	-HBNT	–	32 291	–	–	7 355	–2 386	4 947	22 375	23 024	–7 753
Net errors and omissions[2]	HHDH	–	12 418	–	–	2 444	–6 511	1 468	15 017	19 586	–13 987

1 **When downloading data from the Pink Book dataset users should reverse the sign of series that have an identifier that is prefixed with a minus sign.**

2 This series represents net errors and omissions in the balance of payments accounts. It is the converse of the current and capital balances (HBOG and FKMJ) and net financial account transactions (HBNT) and is required to balance these three accounts, not seasonally adjusted.

R2 Current account revisions since last Balance of Payments Statistical Bulletin

Seasonally adjusted

£ million

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Credits											
Exports of goods and services											
Exports of goods	BOKG	–	4 302	–	–	342	555	1 165	2 240	–887	1 855
Exports of services	IKBB	–	4 377	–	–	1 078	1 692	520	1 087	953	1 698
Total exports of goods and services	IKBH	–	8 679	–	–	1 420	2 247	1 685	3 327	66	3 553
Primary income											
Compensation of employees	IJAH	–	–	–	–	–8	–10	25	–7	–10	–12
Investment income	HBOK	–	–5 861	–	–	–1 777	–1 320	–1 741	–1 023	577	980
Other primary income	MT5T	–	–	–	–	–	–	–	–	–	–
Total primary income	HBOH	–	–5 861	–	–	–1 785	–1 330	–1 716	–1 030	567	968
Secondary income											
Central government	FHDM	–	14	–	–	18	19	–58	35	7	16
Other sectors	FHIB	–	898	–	–	180	219	246	253	–8	–68
Total secondary income	IKBN	–	912	–	–	198	238	188	288	–1	–52
Total	HBON	–	**3 730**	–	–	**–167**	**1 155**	**157**	**2 585**	**632**	**4 469**
Debits											
Imports of goods and services											
Imports of goods	BOKH	–	–2 415	–	–	716	–401	–741	–1 989	–1 558	–2 597
Imports of services	IKBC	–	2 208	–	–	138	540	928	602	220	805
Total imports of goods and services	IKBI	–	–207	–	–	854	139	187	–1 387	–1 338	–1 792
Primary income											
Compensation of employees	IJAI	–	–	–	–	–	–	–	–	–	–
Investment income	HBOL	–	–16 994	–	–	–4 977	–4 101	–4 269	–3 647	–1 459	–342
Other primary income	MT5V	–	–	–	–	–8	5	–	3	–8	6
Total primary income	HBOI	–	–16 994	–	–	–4 985	–4 096	–4 269	–3 644	–1 467	–336
Secondary income											
Central government	FLUD	–	1	–	–	–14	50	–426	391	58	52
Other sectors	FLUZ	–	996	–	–	195	213	257	331	–8	–60
Total secondary income	IKBO	–	997	–	–	181	263	–169	722	50	–8
Total	HBOO	–	**–16 204**	–	–	**–3 950**	**–3 694**	**–4 251**	**–4 309**	**–2 755**	**–2 136**
Balances											
Trade in goods and services											
Trade in goods	BOKI	–	6 717	–	–	–374	956	1 906	4 229	671	4 452
Trade in services	IKBD	–	2 169	–	–	940	1 152	–408	485	733	893
Total trade in goods and services	IKBJ	–	8 886	–	–	566	2 108	1 498	4 714	1 404	5 345
Primary income											
Compensation of employees	IJAJ	–	–	–	–	–8	–10	25	–7	–10	–12
Investment income	HBOM	–	11 133	–	–	3 200	2 781	2 528	2 624	2 036	1 322
Other primary income	MT5X	–	–	–	–	8	–5	–	–3	8	–6
Total primary income	HBOJ	–	11 133	–	–	3 200	2 766	2 553	2 614	2 034	1 304
Secondary income											
Central government	FNSV	–	13	–	–	32	–31	368	–356	–51	–36
Other sectors	FNTC	–	–98	–	–	–15	6	–11	–78	–	–8
Total secondary income	IKBP	–	–85	–	–	17	–25	357	–434	–51	–44
Current balance	HBOP	–	**19 934**	–	–	**3 783**	**4 849**	**4 408**	**6 894**	**3 387**	**6 605**
Balances as a percentage of GDP[1]											
Trade in goods and services											
Trade in goods	D28J	–	*0.4*	–	–	–	*0.2*	*0.5*	*0.9*	*0.2*	*1.0*
Trade in services	D28K	–	*0.1*	–	–	*0.2*	*0.2*	*–0.1*	*0.1*	*0.1*	*0.2*
Total trade in goods and services	D28L	–	*0.5*	–	–	*0.1*	*0.4*	*0.3*	*1.0*	*0.3*	*1.1*
Total primary income	D28M	–	*0.6*	–	–	*0.7*	*0.6*	*0.6*	*0.6*	*0.4*	*0.3*
Total secondary income	D28N	–	–	–	–	–	–	*0.1*	*–0.1*	–	*–0.1*
Current balance as percentage of GDP	AA6H	–	*1.1*	–	–	*0.8*	*1.1*	*1.0*	*1.5*	*0.8*	*1.3*

1 Using series YBHA: GDP at current market prices

R3 Revisions to international investment since last Balance of Payments Statistical Bulletin

Not seasonally adjusted

£ billion

		2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Investment abroad											
International Investment Position											
Direct investment	N2V3	–	–20.0	–	–	33.8	24.1	7.6	–20.0	–8.5	9.4
Portfolio investment	HHZZ	–	18.2	–	–	3.6	8.7	7.4	18.2	18.7	16.8
Financial derivatives	JX96	–	–	–	–	–	–	–	–	–	–8.8
Other investment	HLXV	–	5.9	–	–	12.8	11.4	8.2	5.9	20.3	72.9
Reserve assets	LTEB	–	–	–	–	–	–	–	–	–	–
Total	HBQA	–	**4.1**	–	–	**50.2**	**44.2**	**23.2**	**4.1**	**30.6**	**90.3**
Financial Account transactions[1]											
Direct investment	-N2SV	–	5.0	–	–	–15.0	14.9	6.0	–0.9	14.6	5.2
Portfolio investment	-HHZC	–	–5.6	–	–	–1.9	0.3	–2.4	–1.6	–0.8	–0.3
Financial derivatives (net)	-ZPNN	–	–	–	–	–	–	–	–	2.8	–24.1
Other investment	-XBMM	–	10.8	–	–	–1.5	1.6	0.9	9.7	–	42.8
Reserve assets	-LTCV	–	–	–	–	–	–	–	–	–	–
Total	-HBNR	–	**10.2**	–	–	**–18.4**	**16.8**	**4.5**	**7.2**	**16.7**	**23.7**
Investment income earnings											
Direct investment	N2QP	–	–4.7	–	–	–0.5	–1.2	–1.4	–1.6	0.6	0.4
Portfolio investment	HLYX	–	–1.1	–	–	–0.3	–0.3	–0.4	–0.1	0.1	0.2
Other investment	AIOP	–	–	–	–	–	–	–	–	–	–
Reserve assets	HHCB	–	–	–	–	–	–	–	–	–	–
Total	HMBN	–	**–5.9**	–	–	**–0.9**	**–1.5**	**–1.8**	**–1.7**	**0.7**	**0.6**
Investment in the UK											
International Investment Position											
Direct investment	N2UG	–	–114.3	–	–	–83.6	–68.1	–19.5	–114.3	–27.8	–18.7
Portfolio investment	HLXW	–	–17.9	–	–	–13.3	–11.0	–17.8	–17.9	–14.5	–4.9
Financial derivatives	JX97	–	–	–	–	–	–	–	–	–	–8.8
Other investment	HLYD	–	–46.5	–	–	–40.4	–50.7	–43.6	–46.5	–44.3	–84.6
Total	HBQB	–	**–178.7**	–	–	**–137.3**	**–129.7**	**–80.9**	**–178.7**	**–86.6**	**–117.0**
Financial Account transactions											
Direct investment	N2SA	–	5.1	–	–	1.4	31.0	–10.3	–16.9	–12.5	16.8
Portfolio investment	HHZF	–	1.0	–	–	–1.9	1.8	–1.3	2.4	0.4	–11.7
Other investment	XBMN	–	–28.3	–	–	–25.3	–13.5	11.2	–0.6	5.8	26.4
Total	HBNS	–	**–22.1**	–	–	**–25.8**	**19.2**	**–0.4**	**–15.1**	**–6.3**	**31.5**
Investment income											
Direct investment	N2Q4	–	–16.7	–	–	–5.1	–4.3	–4.1	–3.3	–1.4	–0.6
Portfolio investment	HLZC	–	0.1	–	–	–	0.1	–	–	–	0.2
Other investment	HLZN	–	–0.4	–	–	–0.1	–0.1	–0.1	–0.1	–0.2	–0.2
Total	HMBO	–	**–17.0**	–	–	**–5.1**	**–4.3**	**–4.2**	**–3.4**	**–1.6**	**–0.6**
Net investment											
International Investment Position											
Direct investment	MU7O	–	94.3	–	–	117.4	92.2	27.1	94.3	19.3	28.1
Portfolio investment	CGNH	–	36.1	–	–	16.9	19.7	25.2	36.1	33.2	21.7
Financial derivatives	JX98	–	–	–	–	–	–	–	–	–	–0.1
Other investment	CGNG	–	52.4	–	–	53.2	62.1	51.7	52.4	64.7	157.6
Reserve assets	LTEB	–	–	–	–	–	–	–	–	–	–
Net investment	HBQC	–	**182.8**	–	–	**187.5**	**173.9**	**104.1**	**182.8**	**117.2**	**207.3**
Financial Accounts transactions[1]											
Direct investment	-MU7M	–	–0.1	–	–	–16.4	–16.1	16.3	16.0	27.1	–11.6
Portfolio investment	-HHZD	–	–6.6	–	–	–	–1.5	–1.1	–4.0	–1.1	11.4
Financial derivatives	-ZPNN	–	–	–	–	–	–	–	–	2.8	–24.1
Other investment	-HHYR	–	39.0	–	–	23.8	15.1	–10.3	10.3	–5.8	16.5
Reserve assets	-LTCV	–	–	–	–	–	–	–	–	–	–
Net transactions	-HBNT	–	32.3	–	–	7.4	–2.4	4.9	22.4	23.0	–7.8
Investment income earnings											
Direct investment	MU7E	–	12.0	–	–	4.5	3.1	2.7	1.7	2.0	1.0
Portfolio investment	HLZX	–	–1.2	–	–	–0.3	–0.4	–0.4	–0.1	0.1	0.1
Other investment	CGNA	–	0.4	–	–	0.1	0.1	0.1	0.1	0.2	0.1
Reserve assets	HHCB	–	–	–	–	–	–	–	–	–	–
Net earnings	HMBM	–	**11.1**	–	–	**4.2**	**2.8**	**2.4**	**1.7**	**2.4**	**1.2**

1 **When downloading data from the Pink Book dataset users should reverse the sign of series that have an identifier that is prefixed with a minus sign.**