

Statistical bulletin

# Balance of Payments, UK: Quarter 4 (Oct to Dec) and annual 2014

A measure of cross-border transactions between the UK and rest of the world. Includes trade, income, capital transfers and foreign assets and liabilities.



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# 1 . Key points

- The United Kingdom's (UK) current account deficit was £25.3 billion in Quarter 4 2014, down from a revised deficit of £27.7 billion in Quarter 3 2014. The deficit in Quarter 4 2014 equated to 5.6% of GDP at current market prices, down from 6.1% in Quarter 3 2014
- The narrowing of the current account deficit was mainly due to a narrowing in the deficit on the trade account, partially offset by a widening in the deficit on the secondary income account
- The trade deficit narrowed to £6.0 billion in Quarter 4 2014, from £10.2 billion in Quarter 3 2014. This was mainly due to a narrowing in the trade in goods deficit, and an increase in the trade in services surplus
- The secondary income deficit widened to £7.6 billion in Quarter 4 2014, from £5.3 billion in Quarter 3 2014. This was due to the deficit in general government increasing by £2.3 billion in Quarter 4 2014
- The financial account recorded net inward investment of £27.3 billion during Quarter 4 2014
- The international investment position recorded UK net liabilities of £354.7 billion at the end of Quarter 4 2014
- In 2014, the UK's current account deficit was £97.9 billion, up from a deficit of £76.7 billion in 2013. The deficit in 2014 equated to 5.5% of GDP at current market prices. This was the largest annual deficit as a percentage of GDP at current market prices since annual records began in 1948

## 2 . 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 three main accounts: the current account, the capital account and the financial account.

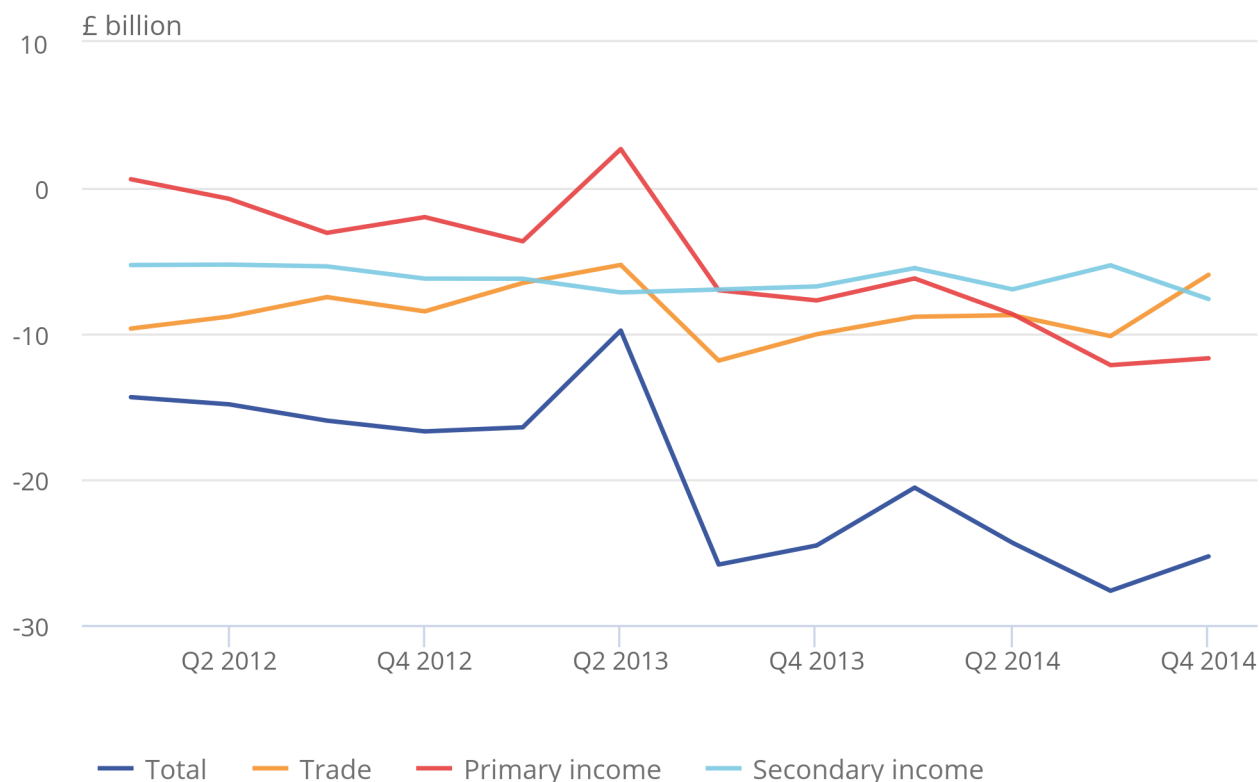
The current account comprises the trade in goods and services account, the primary income account and secondary income account. The difference in the monetary value of these accounts is known as the current account balance. A current account balance is in surplus if overall credits exceed debits, and 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: Current account balances (Seasonally adjusted)**

Figure 1: Current account balances (Seasonally adjusted)



Source: Office for National Statistics

## Quarter 4 2014 overview

In Quarter 4 2014, the UK was a net borrower of £25.1 billion, down from £27.9 billion in Quarter 3 2014. This was mainly due to the total trade deficit narrowing by £4.2 billion. Partially offsetting this was a widening in the deficit on secondary income of £2.3 billion.

The narrowing in the total trade deficit was due to a fall of £2.4 billion in the trade in goods deficit, and a rise of £1.9 billion in the trade in services surplus. The decrease in the trade in goods deficit was entirely due to exports increasing by £2.4 billion, while the increase in the trade in services surplus was mainly due to exports increasing by £1.7 billion in Quarter 4 2014.

The deficit on secondary income widened from £5.3 billion in Quarter 3 2014, to £7.6 billion in Quarter 4 2014. The widening was due to payments (debits) increasing by £2.8 billion, while receipts (credits) increased by only £0.4 billion

## Annual 2014 overview

In 2014, the UK was a net borrower of £97.3 billion, up from £75.9 billion in 2013. This was due to the primary income deficit widening from £15.8 billion in 2013, to £38.8 billion in 2014.

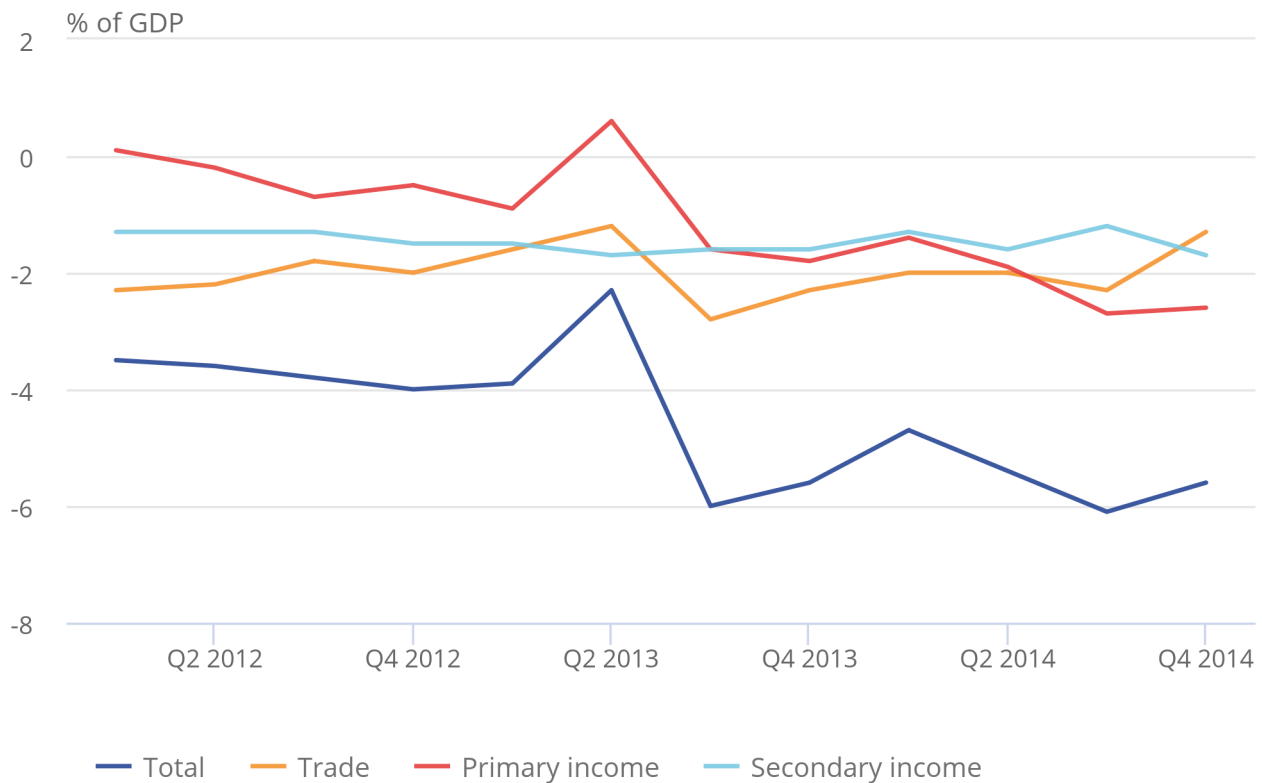
The widening in the primary income account deficit was mainly due to the surplus on the direct investment income account falling by £20.8 billion, from £25.3 billion in 2013, to £4.5 billion in 2014. This was due to UK earnings on direct investment abroad decreasing by £9.3 billion between 2013 and 2014, and foreign earnings on direct investment in the UK increasing by £11.4 billion between 2013 and 2014. Additionally, the deficit on portfolio investment has widened by £3.6 billion, from £27.9 billion in 2013, to £31.5 billion in 2014.

In 2014, the current account deficit equated to 5.5% of GDP at current market prices, compared with 4.5% in 2013. The deficit in trade in goods and services was equivalent to 1.9% of GDP in 2014, compared with 2.0% in 2013. The primary income deficit equated to 2.2% of GDP in 2014, compared with 0.9% in 2013, and the secondary income deficit equated to 1.4% of GDP in 2014, compared with 1.6% in 2013.

### 3 . Current account balances as percentage of GDP

Figure 2: Balances as percentage of GDP

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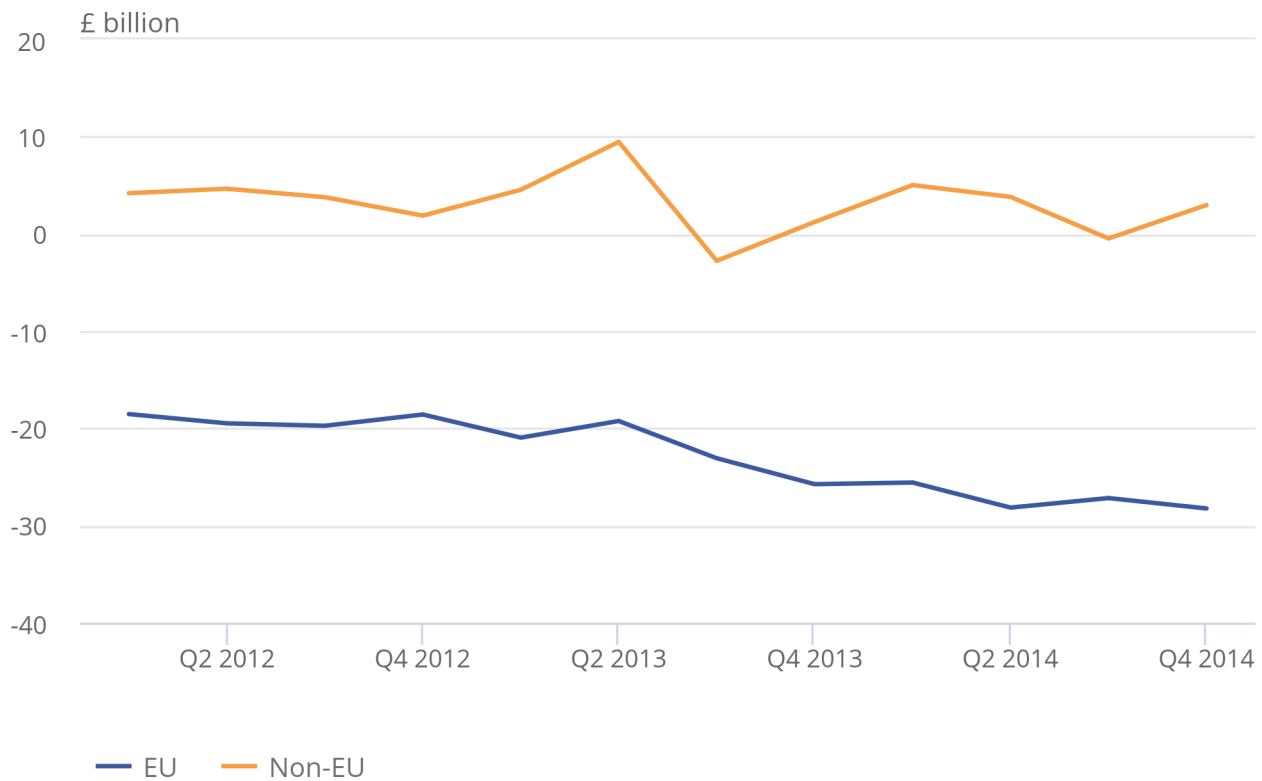
Source: Office for National Statistics

The current account deficit equated to 5.6% of GDP at current market prices in Quarter 4 2014, compared with 6.1% in Quarter 3 2014. The deficit on trade in goods and services was equivalent to 1.3% of GDP in Quarter 4 2014, compared with 2.3% in Quarter 3 2014. The deficit on primary income equated to 2.6% of GDP in Quarter 4 2014, compared with a deficit equivalent to 2.7% in Quarter 3 2014. The deficit on secondary income equated to 1.7% of GDP in Quarter 4 2014, compared with 1.2% in Quarter 3 2014.

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

Figure 3: EU/non-EU current account balance (Seasonally adjusted)

Figure 3: EU/non-EU current account balance (Seasonally adjusted)



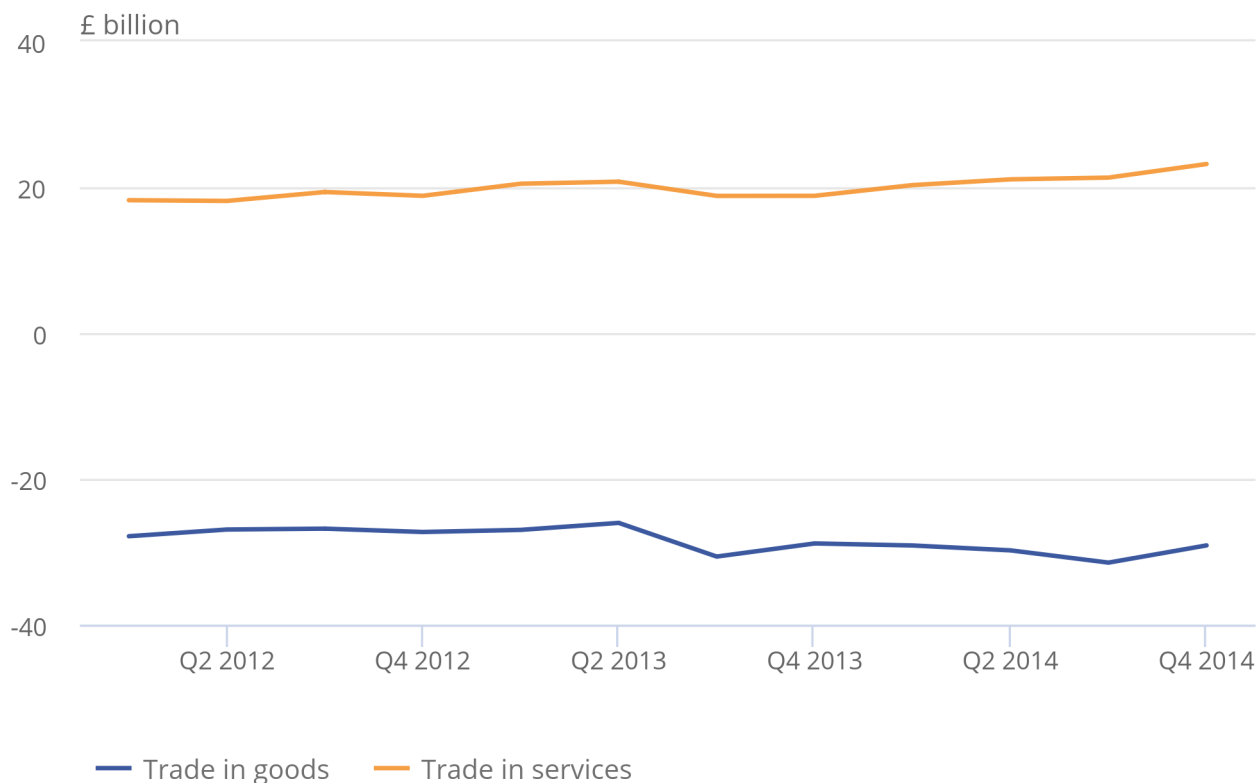
Source: Office for National Statistics

A deficit of £28.3 billion was recorded with the EU in Quarter 4 2014, compared with a deficit of £27.2 billion in Quarter 3 2014. This increase was mainly due to a widening in the deficit on the primary and secondary income balances, these were slightly offset by a narrowing in the deficit on the total trade balance. The current account with non-EU countries switched from a deficit in Quarter 3 2014 of £0.5 billion to a surplus of £3.0 billion in Quarter 4 2014. The switch was mainly due to the surplus on the trade balance increasing from £5.4 billion in Quarter 3 2014 to £9.5 billion in Quarter 4 2014. Slightly offsetting this was a widening in the deficit on the secondary income balance.

## 5 . Trade in goods (Table E) and services (Table F)

Figure 4: Trade in goods and services balances (Seasonally adjusted)

Figure 4: Trade in goods and services balances (Seasonally adjusted)



Source: Office for National Statistics

**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 4 2014 was £29.1 billion, compared with £31.5 billion in Quarter 3 2014. Exports rose by £2.4 billion, while imports were virtually unchanged from Quarter 3 2014.

The deficit on semi-manufactured goods and oil narrowed by £1.2 billion to £4.1 billion, and £1.1 billion to £2.5 billion respectively between Quarter 3 2014 and Quarter 4 2014. Additionally, the surplus on unspecified goods widened by £0.3 billion to £0.3 billion during the same period. These were slightly offset by the deficit on finished manufactured goods widening by £0.2 billion to £15.6 billion.

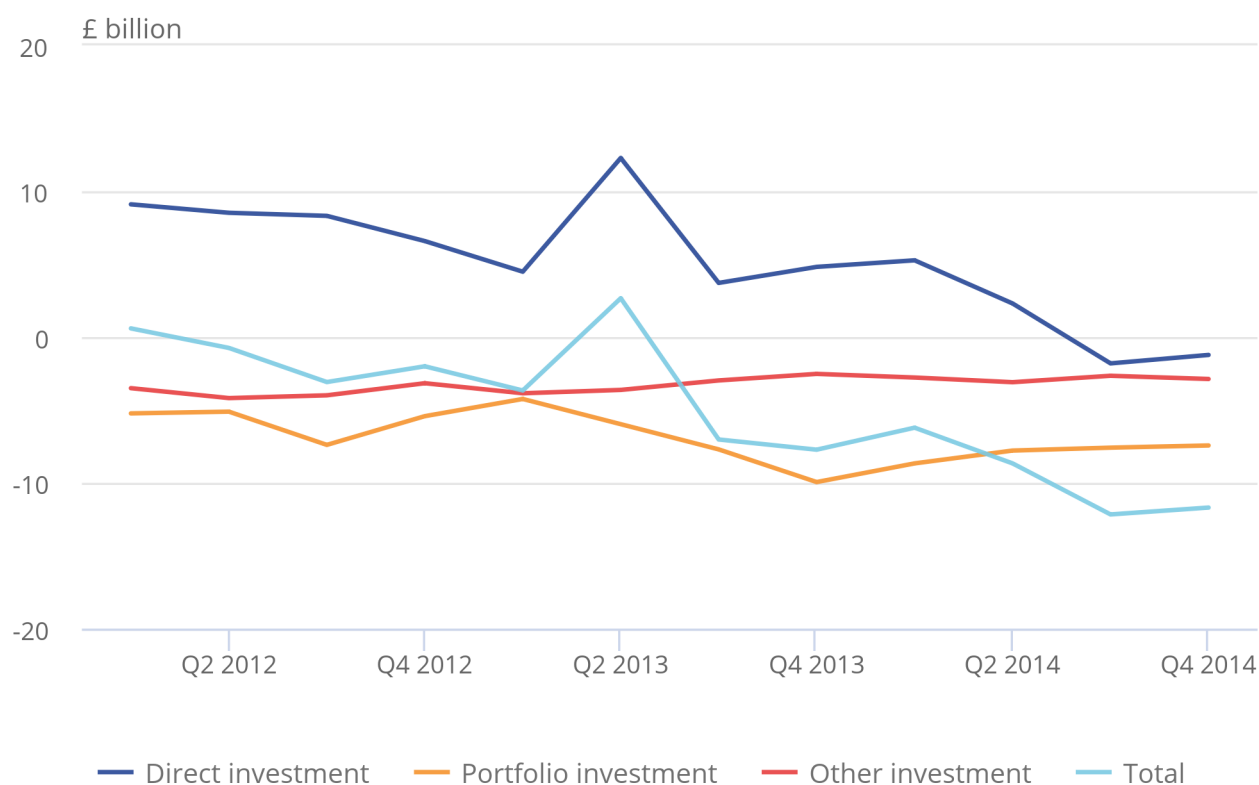
**Trade in services** covers the provision of services by UK residents to non-residents and vice versa. It also covers transactions in goods which are not freighted out of the country in which transactions take place, for example, purchases for local use by foreign forces in the UK or by UK forces abroad 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 £23.2 billion in Quarter 4 2014, an increase of £1.9 billion from Quarter 3 2014. Exports were £1.7 billion higher than Quarter 3 2014, at £54.9 billion, with increases of £1.4 billion and £0.5 billion in the insurance & pension fund services and financial services respectively. Imports decreased by £0.2 billion to £31.7 billion, mainly due to decreases in other business services and intellectual property services, of £0.5 billion and £0.2 billion respectively. Partially offsetting this was an increase in travel services of £0.4 billion.

## 6 . Primary income account (Table G)

**Figure 5: Primary income account balances (Seasonally adjusted)**

Figure 5: Primary income account balances (Seasonally adjusted)



Source: Office for National Statistics

The **primary income account** (previously titled 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 £12.2 billion in Quarter 3 2014, to £11.7 billion in Quarter 4 2014. In terms of functional categories, the decrease was mainly due to the deficit on direct investment narrowing from £1.8 billion in Quarter 3 2014, to £1.2 billion in Quarter 4 2014.

The deficit on **compensation of employees** widened in Quarter 4 2014 to £155 million from £119 million in Quarter 3 2014.

The deficit on **direct investment** income narrowed from £1.8 billion in Quarter 3 2014, to £1.2 billion in Quarter 4 2014. The narrowing was due to receipts rising more than payments. Receipts were £19.0 billion in Quarter 4 2014, £1.9 billion higher than in Quarter 3 2014. The increase was due to UK private non-financial corporations recording an increase in profits of £2.9 billion in Quarter 4 2014, to £14.7 billion. Partially offsetting this, UK other financial intermediaries and UK monetary financial institutions both recorded decreases in profits of £0.6 billion and £0.4 billion respectively in Quarter 4 2014. Payments increased by £1.3 billion in Quarter 4 2014 to £20.2 billion. The increase was due to foreign-owned UK private non-financial corporations recording an increase in profits from £13.8 billion in Quarter 3 2014 to profits of £16.4 billion in Quarter 4 2014. Partially offsetting this, foreign-owned UK other financial intermediaries and foreign-owned UK monetary financial institutions both recorded decreases in profits of £0.9 billion, and £0.6 billion respectively in Quarter 4 2014.

The **portfolio investment** income deficit narrowed slightly between Quarter 3 and Quarter 4 2014, with the deficit narrowing to £7.4 billion from £7.6 billion. This was due to a narrowing in the deficit of equity securities, partially offset by a widening in the debt securities deficit. UK earnings on portfolio investment abroad decreased by £0.1 billion, this was mainly due to a decrease of £0.4 billion in earnings on debt securities. This was partially offset by an increase of £0.3 billion in the earnings of equity securities. Foreign earnings on portfolio investment in the UK decreased by £0.3 billion, due to lower earnings on both UK equity securities and UK earnings in debt securities.

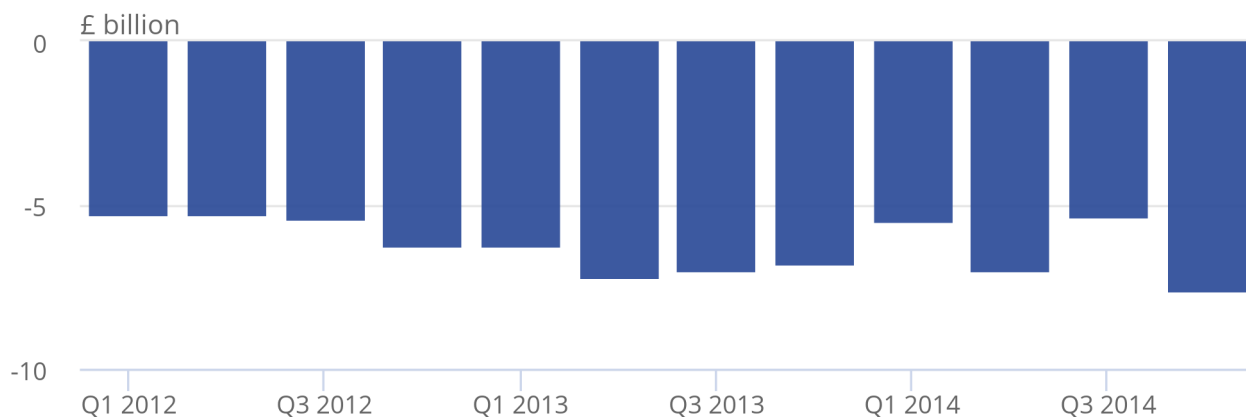
The deficit on earnings from **other investment** widened by £0.2 billion to £2.9 billion in Quarter 4 2014. Earnings from other investment abroad increased by £0.2 billion to £5.8 billion, while earnings on other investment in the UK increased by £0.5 billion to £8.7 billion.

The deficit on **other primary income** was £0.2 billion in Quarter 4 2014, virtually unchanged from Quarter 3 2014.

## 7 . Secondary income account (Table H)

Figure 6: Secondary income account balance (Seasonally adjusted)

Figure 6: Secondary income account balance (Seasonally adjusted)



Source: Office for National Statistics

**Secondary income** (previously titled current transfers) 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 by £2.3 billion to £7.6 billion in Quarter 4 2014. This was primarily due to an increase in payments exceeding an increase in receipts. The increase in payments includes £1.7 billion in net adjustments to the GNI and VAT based elements of the European Commission Budget. This £1.7 billion will not be paid by the UK Government until 2015 but has been recorded in Quarter 4 2014 in accordance with international statistical guidance on the appropriate accrual recording.

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

## 8 . Capital account (Table I)

The **capital account** comprises two 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 two 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.

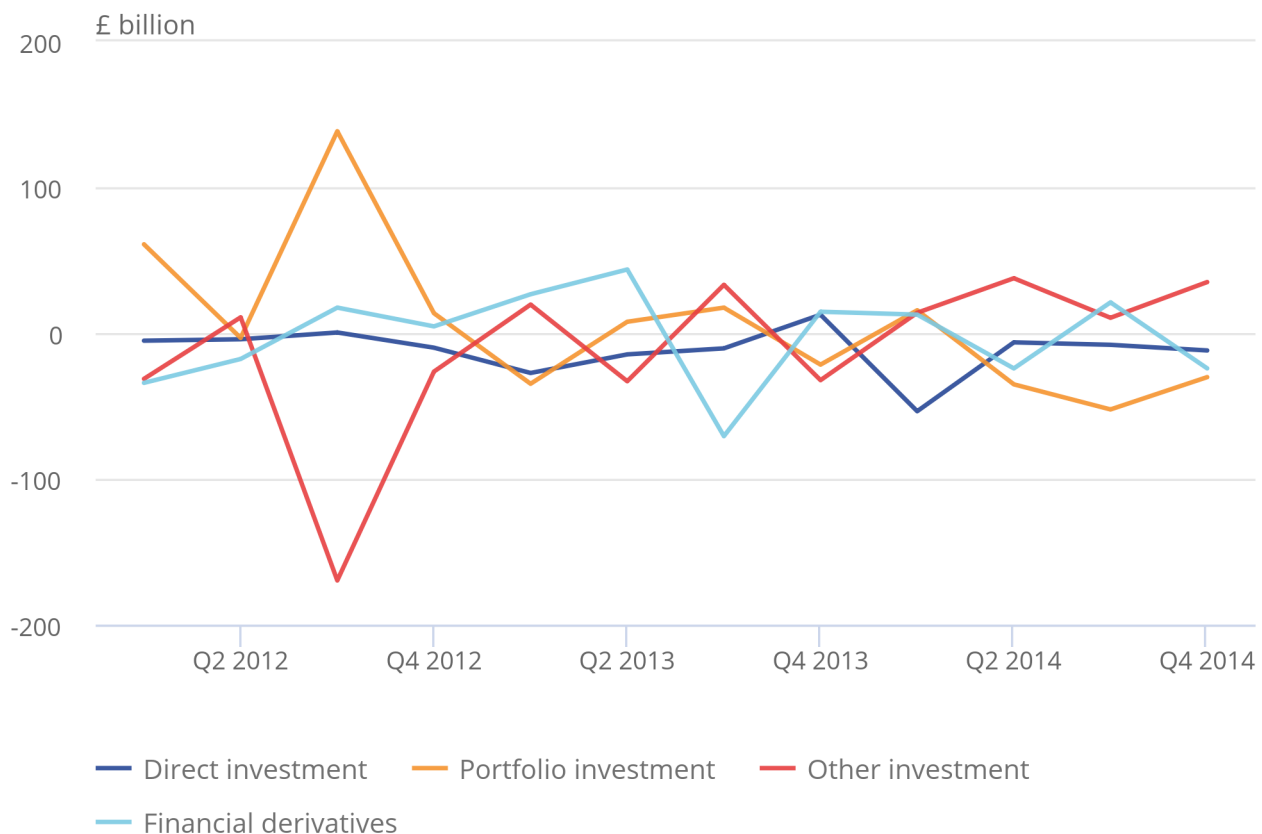
The **sale or purchase of non-produced, non-financial assets** covers intangibles such as patents, copyrights, franchises, leases and other transferable contracts, and goodwill. It also covers transactions involving tangible assets that may be used or needed for the production of goods and services but 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 surplus of £0.2 billion in Quarter 4 2014, a switch from a deficit of £0.2 billion in Quarter 3 2014.

## 9 . Financial account (Table J)

Figure 7: Financial account balances (Not seasonally adjusted)

Figure 7: Financial account balances (Not seasonally adjusted)



Source: Office for National Statistics

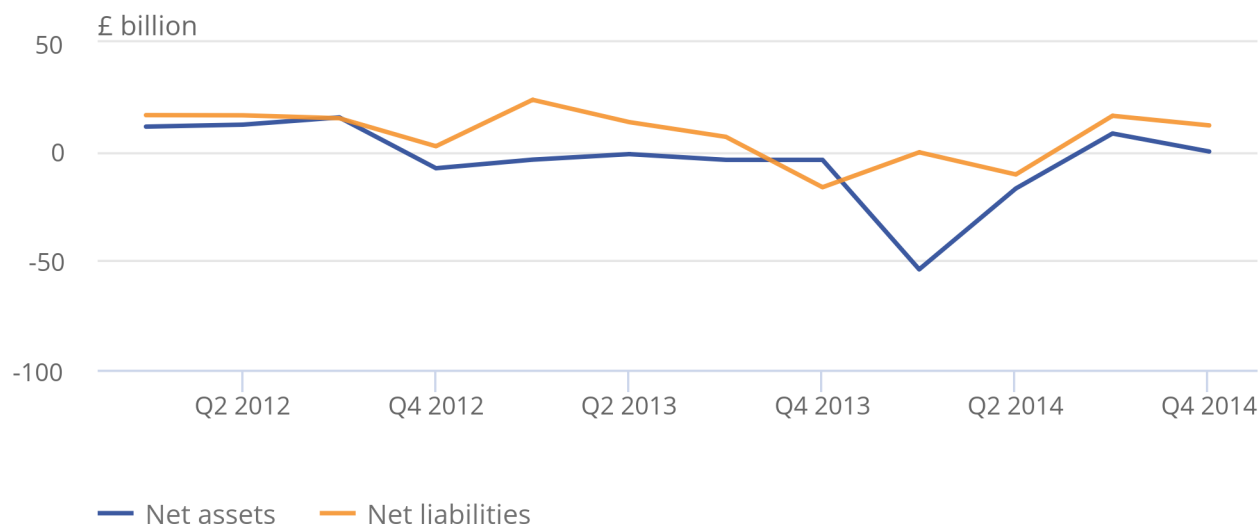
The **financial account** covers transactions that result in a change of ownership of financial assets and liabilities between UK residents and non-residents, for example, the acquisitions and disposals of foreign shares by UK residents.

The **financial account** showed a net inflow (that is, inward investment) of £27.3 billion in Quarter 4 2014, compared with a net inflow of £29.8 billion in Quarter 3 2014. UK investment abroad switched from net investment (outflow) of £93.8 billion in Quarter 3 2014 to net disinvestment (inflow) of £42.5 billion in Quarter 4 2014. Investment in the UK switched from net investment (inflow) of £123.6 billion in Quarter 3 2014 to net disinvestment (outflow) of £15.2 billion in Quarter 4 2014.

**Direct investment** recorded a net inflow (that is, inward investment) of £12.0 billion in Quarter 4 2014, compared with a net inflow of £8.1 billion in Quarter 3 2014. For further information on the impact of foreign direct investment acquisitions and disposals, please see background notes, section 3, part 2 interpreting the data.

**Figure 8: Financial account: Direct investment (Not seasonally adjusted)**

Figure 8: Financial account: Direct investment (Not seasonally adjusted)



Source: Office for National Statistics

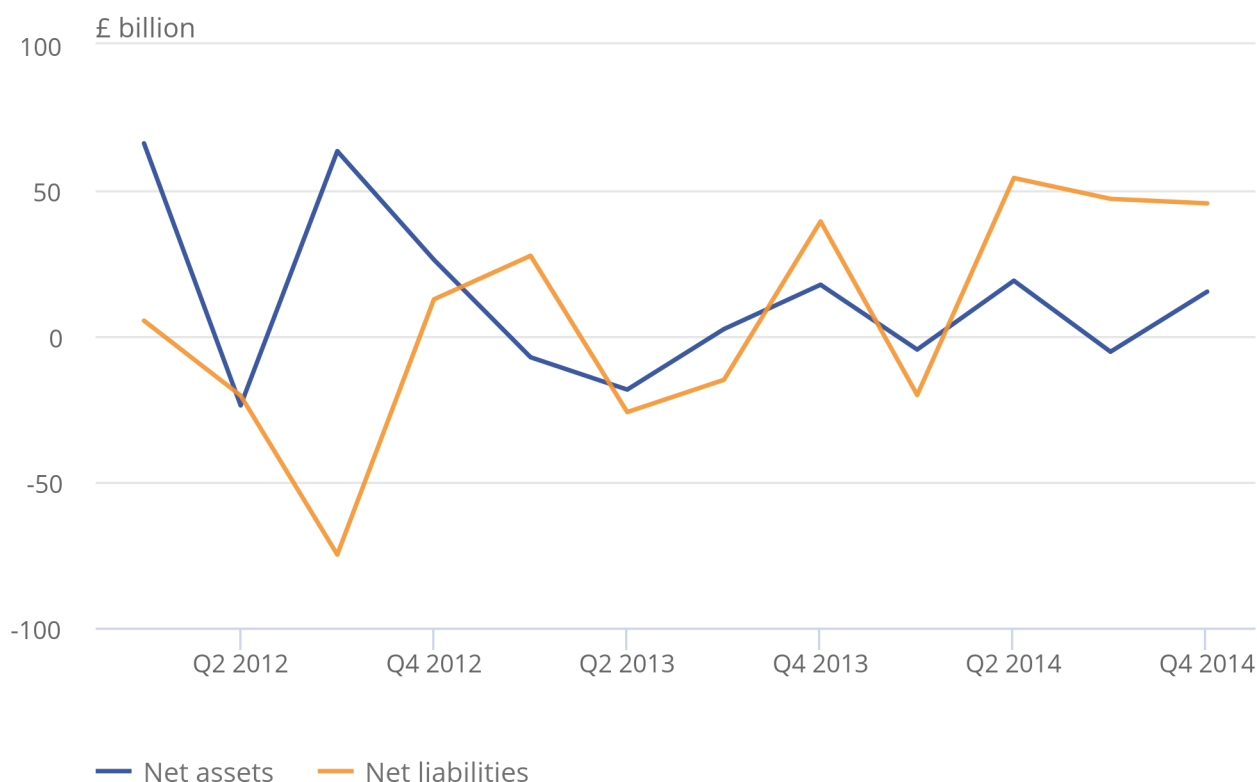
**Direct investment abroad** switched from net investment in Quarter 3 2014 of £8.2 billion to net disinvestment of £25 million in Quarter 4 2014. The switch was mainly due to investment in debt instruments switching from net investment of £1.1 billion in Quarter 3 2014 to net disinvestment of £11.3 billion in Quarter 4 2014. Additionally, there was a decrease in the reinvestment of earnings from net investment of £3.9 billion in Quarter 3 2014 to net investment of £3.0 billion in Quarter 4 2014. Partially offsetting these was an increase in net investment in equity capital from net investment of £3.2 billion in Quarter 3 2014 to net investment of £8.3 billion in Quarter 4 2014. On a sector basis, the switch to net disinvestment was mainly due to private non-financial corporations recording a decrease in net investment from £9.8 billion in Quarter 3 2014 to net investment of £0.7 billion in Quarter 4 2014. Additionally, other financial intermediaries decreased from net investment of £1.9 billion in Quarter 3 2014 to net investment of £0.1 billion in Quarter 4 2014. These were partially offset by monetary financial institutions decreasing net disinvestment from £3.3 billion in Quarter 3 2014 to net disinvestment of £1.0 billion in Quarter 4 2014.

**Direct investment in the UK** decreased from net investment of £16.3 billion in Quarter 3 2014 to net investment of £11.9 billion in Quarter 4 2014. The decrease was due to net investment in debt instruments falling by £6.9 billion, from £8.2 billion in Quarter 3 2014, to net investment of £1.2 billion in Quarter 4 2014. Partially offsetting this was an increase in net investment in reinvested earnings from net investment of £5.8 billion in Quarter 3 2014 to net investment of £7.9 billion in Quarter 4 2014. On a sector basis, the decrease in net investment was due to investment in UK private non-financial corporations decreasing from net investment of £13.6 billion in Quarter 3 2014 to net investment of £7.1 billion in Quarter 4 2014. Partially offsetting this was a switch in UK insurance companies from net disinvestment of £46 million in Quarter 3 2014 to net investment of £1.5 billion in Quarter 4 2014.

**Portfolio investment** recorded a net inflow of £30.3 billion in Quarter 4 2014, a decrease from a net inflow of £52.4 billion in Quarter 3 2014. The decrease was mainly due to disinvestment in debt securities decreasing from net disinvestment of £33.1 billion in Quarter 3 2014 to net disinvestment of £14.0 billion in Quarter 4 2014. Additionally, net disinvestment in equity and investment fund shares decreased from net disinvestment £19.3 billion in Quarter 3 2014 to net disinvestment of £16.3 billion in Quarter 4 2014.

**Figure 9: Financial account: Portfolio investment (Not seasonally adjusted)**

Figure 9: Financial account: Portfolio investment (Not seasonally adjusted)



Source: Office for National Statistics

**Portfolio investment abroad** showed net investment of £15.2 billion in Quarter 4 2014, a switch from net disinvestment of £5.4 billion in Quarter 3 2014. The switch was due to investment in debt securities increasing from net investment of £0.2 billion in Quarter 3 2014 to net investment of £10.8 billion in Quarter 4 2014. Additionally, investment in equity and investment fund shares switched from net disinvestment in Quarter 3 2014 of £5.6 billion to net investment of £4.4 billion in Quarter 4 2014. On a sector basis, monetary financial institutions switched from net disinvestment of £1.4 billion in Quarter 3 2014 to net investment of £13.7 billion in Quarter 4 2014. Additionally, there was a switch by insurance companies and pension funds, and private non-financial corporations from net disinvestment of £1.6 billion and £0.2 billion in Quarter 3 2014, to net investment of £1.9 billion and £2.4 billion in Quarter 4 2014 respectively. Slightly offsetting these was an increase in net disinvestment in other financial intermediaries from £1.8 billion in Quarter 3 2014, to net disinvestment of £3.2 billion in Quarter 4 2014.

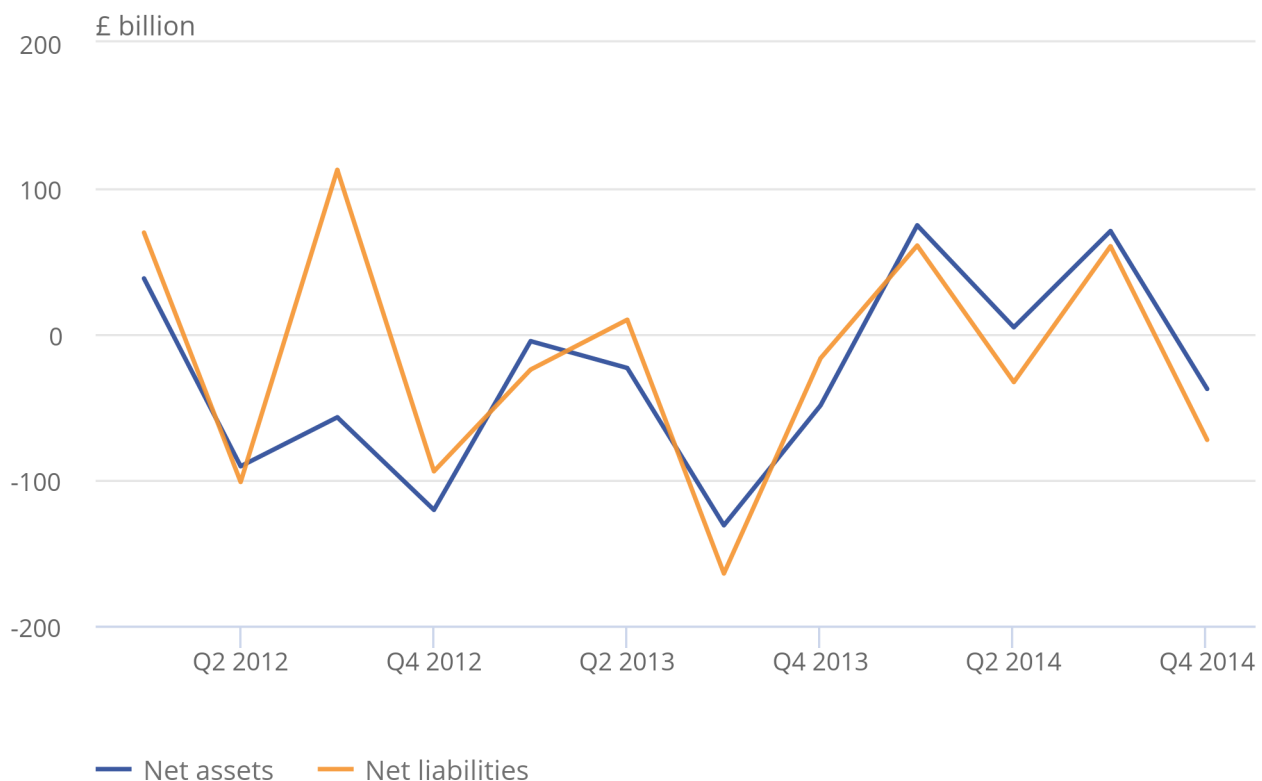
**Portfolio investment in the UK** showed net investment of £45.5 billion in Quarter 4 2014, a decrease from net investment of £47.0 billion in Quarter 3 2014. This was due to decreased net investment in debt securities from net investment of £33.3 billion in Quarter 3 2014 to net investment of £24.8 billion in Quarter 4 2014. Partially offsetting this was an increase in net investment in equity and investment fund shares from £13.7 billion in Quarter 3 2014 to net investment of £20.6 billion in Quarter 4 2014.

**Financial derivatives and employee stock options** showed net settlement payments of £24.2 billion in Quarter 4 2014, following net settlement receipts of £21.0 billion in Quarter 3 2014.

**Other investment** in Quarter 4 2014 recorded net investment of £34.9 billion, compared with net investment of £10.4 billion in Quarter 3 2014.

**Figure 10: Financial account: Other investment (Not seasonally adjusted)**

Figure 10: Financial account: Other investment (Not seasonally adjusted)



Source: Office for National Statistics

**Other investment abroad** showed a switch from net investment of £70.6 billion in Quarter 3 2014 to net disinvestment of £37.7 billion in Quarter 4 2014. The switch was mainly due to UK residents switching from making net deposits abroad of £54.7 billion in Quarter 3 2014 to making net withdrawals of deposits of £47.2 billion in Quarter 4 2014. This was mainly due to UK monetary financial institutions switching from making net deposits of £18.8 billion in Quarter 3 2014, to net withdrawals of £38.2 billion in Quarter 4 2014. Additionally, there was a decrease in the net advances of short-term loans by UK monetary financial institutions from £15.0 billion in Quarter 3 2014 to £8.6 billion in Quarter 4 2014.

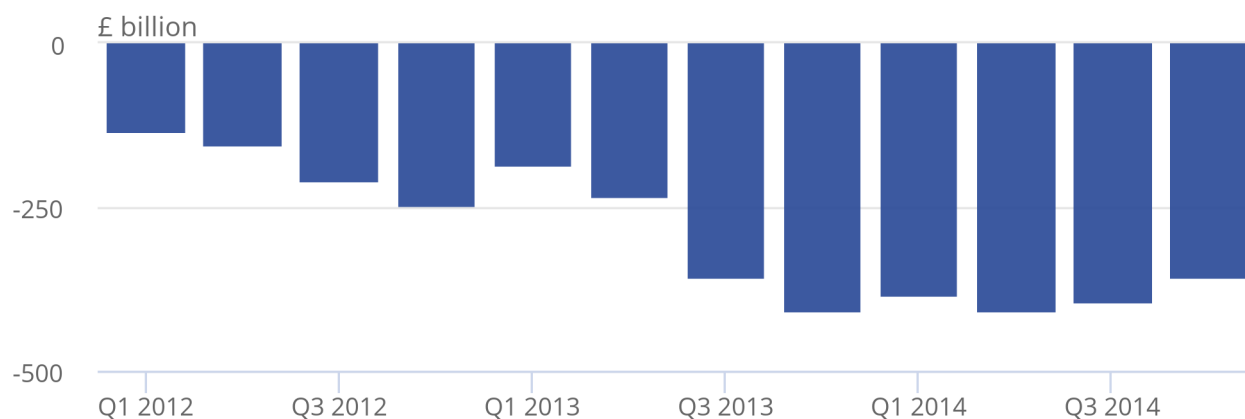
**Other investment in the UK** showed a switch from net investment of £60.2 billion in Quarter 3 2014 to net disinvestment of £72.6 billion in Quarter 4 2014. The switch was mainly due to investment in short-term loans switching from net advances of £46.0 billion in Quarter 3 2014 to net repayments of £56.1 billion in Quarter 4 2014. Additionally, there was a switch in non-resident deposits with UK monetary financial institutions from net deposits of £12.8 billion in Quarter 3 2014 to net withdrawals of £18.4 billion in Quarter 4 2014.

**Reserve assets** showed net investment of £4.2 billion in Quarter 4 2014, compared with net disinvestment of £0.7 billion in Quarter 3 2014.

## 10 . International investment position (Table K)

Figure 11: Net international investment position (Not seasonally adjusted)

Figure 11: Net international investment position (Not seasonally adjusted)



Source: Office for National Statistics

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 liabilities (that is, liabilities exceed assets) of £354.7 billion at the end of Quarter 4 2014, compared with net external liabilities of £392.7 billion at the end of Quarter 3 2014. UK external assets abroad increased by £453.4 billion from the end of Quarter 3 2014, to a level of £10,257.4 billion at the end of Quarter 4 2014. The increase in the stock of UK external assets in Quarter 4 2014 was mainly due to an increase in the stock of financial derivatives & employee stock options. UK external liabilities increased by £415.4 billion in Quarter 4 2014, to a level of £10,612.1 billion. The increase in UK external liabilities in Quarter 4 2014 was due to an increase in the stock of financial derivatives & employee stock options.

## 11 . Revisions since the last Balance of Payments Statistical Bulletin (Table R1, R2 and R3)

Data in this release have been revised from **Quarter 1 2014**. Revisions tables are included in the balance of payments reference tables (Tables R1, R2 and R3).

**Trade in goods** – Revisions from Quarter 1 2014 reflect revised data from HM Revenue & Customs and other data suppliers, revised estimates of trading associated with VAT Missing Trader Intra-Community (MTIC) fraud, revised survey data on trade prices and a reassessment of seasonal factors. [Further information on Trade is available in the UK Trade January 2015 statistical bulletin.](#)

**Trade in services** – Revisions from Quarter 1 2014 are due to updated survey information from the ONS International Trade in Services (ITIS) survey, with revisions also from the Bank of England and other 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 survey.

**Primary income, financial account and international investment position** – Revisions from Quarter 1 2014 reflect 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.

## 12. Background notes

### 1. What's new?

#### **This quarter**

In accordance with the National Accounts revision policy, the current revision period is open from Quarter 1 2014.

ONS has not been able to apply the 2013 annual benchmark data from the Foreign Direct Investment survey at this time, due to the revisions window only being open for 2014. ONS apologises for the inconvenience and aims to process the 2013 data as soon as possible.

The Quarter 4 2014 Balance of Payments dataset contains revised Trade in Services estimates compared with those published in the UK Trade bulletin on 12 March 2015. The minor revisions are due to late data returns and the balancing process applied during the compilation of the Gross Domestic Product (GDP) estimates. The Trade in Goods estimates are unchanged.

#### **Future revision period**

The next Balance of Payments release for Quarter 1 2015 has a proposed revision period open from Quarter 1 2014.

#### **Future format of the United Kingdom Balance of Payments – The Pink Book**

User consultation was sought on the content of the Pink Book chapter text and consensus was to maintain some form of value added descriptive commentary. Our recommendations are as follows:

- chapter 1 (Summary) – The commentary will cross cut the various chapters, focusing on interesting topics and key messages
- chapters 2 to 10 – The focus will be descriptive commentary based on the most recent time periods

### 2. Code of Practice for Official Statistics

National Statistics are produced to high professional standards set out in the [Code of Practice for Official Statistics](#). They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown Copyright 2015.

### 3. Understanding the data

#### 1. Short guide to Balance of Payments

A [brief introduction to the United Kingdom balance of payments \(92.1 Kb Pdf\)](#) 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, ONS 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 \(131 Kb Pdf\)](#) was published on 9 July 2003. A [report on further research into MTIC fraud \(137.3 Kb Pdf\)](#) 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 2010, ONS 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 United Kingdom Economic Accounts \(51.5 Kb Pdf\)](#) 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.

In order to comply with Regulation (EC) No 184/2005, ONS supply Eurostat and the European Central Bank with current account data for trade in services and investment income unadjusted for FISIM eg FISIM will not be included in trade in services but will remain in investment income. Additionally, a detailed geographical and product breakdown of trade in services is supplied to Eurostat to comply with the same regulation.

#### 3. Definition and explanation

A [glossary](#) of terms used in the UK balance of payments is available on the ONS website and includes new

terms used within BPM6.

#### 4. Special events

An [article outlining the ONS policy on special events](#) can be found on the ONS website.

#### 5. Use of the data

Balance of payments estimates are used by the Bank of England and the Treasury to inform decisions on monetary and fiscal policy. The Department for Business, Innovation and Skills also uses balance of payments estimates to identify international trade partners. International users include the Statistical Office for the European Union (Eurostat) and the International Monetary Fund (IMF). Eurostat uses UK figures to compile aggregate EU accounts and the IMF collate data as a means of ensuring financial stability and sustainability.

Government departments and others use balance of payments estimates for the following:

- in providing ministerial briefing on the headline Balance of Payments and Trade statistics pre-release
- feeding data into their own regular analyses of the macro economy, and also into more ad-hoc and in-depth analyses. For example, importance of trade with particular countries or groups of countries, importance of trade in different commodities, and or services, identifying comparative advantage, changes in import and export prices, economic contribution from trade and primary income, and looking at inward and outward investment. These analyses and briefings are aimed to inform ministers and decision makers of the current and historical situation, and provide evidence for the policy debate
- balance of payments data are also of interest to a wider range of user groups, including the media, researchers and other regional, national and international policymakers. Some users focus primarily on the developments in the current account and their financing, including the sustainability of the current account imbalances in the longer term and the need for policy adjustments. Others focus on an analytic presentation, classifying its standard components of balance of payments and their relationship to other components (for example trade and direct investment, and foreign direct investment and productivity). The balance of payments allows a sector breakdown of the financial account and their relationship to domestic sources of finance

Further details on use of the data can be found in the [results of the balance of payments user engagement survey \(81.8 Kb Pdf\)](#).

#### 4. Methods

More detailed [methodological notes for the UK balance of payments](#) are available on the ONS 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.

## 5. **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. Summary Quality Report

The [balance of payments Statistical Bulletin Summary Quality Report \(117.6 Kb Pdf\)](#) is available on the ONS website.

## 3. National Accounts revisions policy

The data in this statistical bulletin are subject to revisions following the ONS [National Accounts Revision policy](#).

Estimates for the most recent quarters are provisional and, as usual, are subject to revision in light of updated source information. ONS provides 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 key indicators. The table shows summary information on the size and direction of the revisions which have been made to the data covering a five 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 1 covers estimates first published in the balance of payments from June 2007 (Quarter 1 2007) to March 2012 (Quarter 4 2011).

**Table 1: Balance of Payments revisions analysis**

Current account (seasonally adjusted)

£ million			
	Value in latest period	Revisions between first publication and estimates three years later	
		Average over the last five years	Average over the last five years without regard to sign (average absolute revisions)
Credits (HBON)	170,913	5292*	5890*
Debits (HBOO)	196,215	2,982	4,373
Net (HBOP)	-25,302	2310*	2689*

Source: Office for National Statistics

[Spreadsheets giving revisions analysis \(real time databases\) of estimates from 1996 to date and the calculations behind the averages in the table \(1.43 Mb ZIP\)](#) are available on the ONS website.

An [article analysing balance of payments current account revisions \(340.2 Kb Pdf\)](#) was published in the May 2007 edition of Economic & Labour Market Review.

## 6. Publication policy

Details of the policy governing the release of new data are available from the 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 the ONS website.

Further balance of payments data is available online in the quarterly ONS publication [United Kingdom Economic Accounts \(UKEA\)](#).

## 7. Following ONS

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**Next Publication Date:** 30 June 2015

**Issuing Body:** Office for National Statistics

**Media contact Details:** Telephone: 0845 604 1858 (8.30am-6.00pm Weekdays)

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Email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

**Contact us:** Telephone: 0845 601 3034 Email: [info@ons.gsi.gov.uk](mailto:info@ons.gsi.gov.uk) Website: [www.ons.gov.uk](http://www.ons.gov.uk)

8. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs
- are well explained and readily accessible
- are produced according to sound methods
- are managed impartially and objectively in the public interest

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

## Summary of statistics for Q4 2014

billion

	Latest quarter	Record since	Record highest	Record lowest
<b>Current account (net)</b>				
Trade in goods	-£29.1	Largest deficit since 2014 Q3	£1.6 (1981 Q1)	-£31.5 (2014 Q3)
<b>Trade in services</b>	<b>£23.2</b>	<b>Largest surplus recorded</b>	<b>£23.2 (2014 Q4)</b>	<b>£0.0 (1965 Q3)</b>
Primary income	-£11.7	Largest deficit since 2014 Q3	£10.0 (2005 Q2)	-£12.2 (2014 Q3)
<b>Secondary income</b>	<b>-£7.6</b>	<b>Largest deficit recorded</b>	<b>£0.3 (1982 Q1)</b>	<b>-£7.6 (2014 Q4)</b>
Current balance	-£25.3	Largest deficit since 2014 Q3	£2.7 (1981 Q1)	-£27.7 (2014 Q3)
<b>Capital account (net)</b>				
Capital balance	£0.2	Largest surplus since 2014 Q2	£0.8 (2014 Q2)	-£1.2 (2006 Q2)
<b>Financial account (net)</b>				
Direct Investment	-£12.0	Largest net inflow since 2014 Q1	£98.8 (2000 Q1)	-£61.7 (2005 Q3)
Portfolio investment	-£30.3	Largest net inflow since 2014 Q3	£138.4 (2012 Q3)	-£123.3 (2008 Q4)
Financial derivatives	-£24.2	Largest net payments since 2014 Q2	£63.3 (2008 Q1)	-£70.8 (2013 Q3)
Other investment	£34.9	Largest net investment since 2014 Q2	£65.8 (2006 Q3)	-£169.7 (2012 Q3)
Reserve assets	£4.2	Largest net investment since 2009 Q3	£6.8 (2009 Q3)	-£2.6 (2001 Q1)
<b>International investment position (net)</b>				
Direct investment	-£50.4	Largest net liability since 2014 Q2	£431.3 (2008 Q4)	-£74.7 (2014 Q2)
Portfolio investment	-£111.2	Largest net liability position since 2014 Q3	£162.9 (1993 Q4)	-£590.4 (2010 Q3)
Financial derivatives	£22.1	Largest net asset position since 2014 Q3	£138.1 (2009 Q1)	-£37.6 (2007 Q1)
Other investment	-£282.9	Largest net liability position since 2014 Q3	£6.9 (1987 Q1)	-£419.4 (2002 Q2)
<b>Reserve assets</b>	<b>£67.7</b>	<b>Largest net asset position recorded</b>	<b>£67.7 (2014 Q4)</b>	<b>£1.1 (1970 Q3)</b>



# A Summary of balance of payments Balances (net transactions)

£ million

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Seasonally adjusted</b>												
<b>Current account</b>												
Trade in goods and services												
Trade in goods	BOKI	-112 599	-119 605	-27 299	-27 010	-26 046	-30 671	-28 872	-29 148	-29 817	-31 496	-29 144
Trade in services	IKBD	78 866	85 863	18 819	20 478	20 756	18 811	18 821	20 294	21 076	21 317	23 176
Total trade	IKBJ	-33 733	-33 742	-8 480	-6 532	-5 290	-11 860	-10 051	-8 854	-8 741	-10 179	-5 968
Primary income												
Compensation of employees	IJAJ	-325	-440	-68	-90	-71	-75	-89	-77	-89	-119	-155
Investment income	HBOM	-14 964	-37 747	-1 846	-3 470	2 840	-6 812	-7 522	-6 044	-8 429	-11 901	-11 373
Other primary income	MT5X	-471	-567	-97	-108	-106	-140	-117	-98	-149	-147	-173
Total primary income	HBOJ	-15 760	-38 754	-2 011	-3 668	2 663	-7 027	-7 728	-6 219	-8 667	-12 167	-11 701
Secondary income												
General government	FNSV	-23 077	-21 065	-5 196	-5 170	-6 204	-5 959	-5 744	-4 362	-6 058	-4 148	-6 497
Other sectors	FNTC	-4 085	-4 359	-1 035	-1 070	-971	-1 019	-1 025	-1 145	-908	-1 170	-1 136
Total secondary income	IKBP	-27 162	-25 424	-6 231	-6 240	-7 175	-6 978	-6 769	-5 507	-6 966	-5 318	-7 633
<b>Current balance</b>	HBOP	<b>-76 655</b>	<b>-97 920</b>	<b>-16 722</b>	<b>-16 440</b>	<b>-9 802</b>	<b>-25 865</b>	<b>-24 548</b>	<b>-20 580</b>	<b>-24 374</b>	<b>-27 664</b>	<b>-25 302</b>
<b>Capital balance</b>	FNVQ	<b>737</b>	<b>625</b>	<b>87</b>	<b>-17</b>	<b>427</b>	<b>133</b>	<b>194</b>	<b>-107</b>	<b>758</b>	<b>-219</b>	<b>193</b>
<b>Not seasonally adjusted</b>												
<b>Current account</b>												
Trade in goods and services												
Trade in goods	LQCT	-112 599	-119 605	-26 838	-27 186	-26 007	-31 267	-28 139	-28 725	-29 318	-33 179	-28 383
Trade in services	KTMS	78 866	85 863	20 439	20 668	21 115	16 726	20 357	19 491	22 704	18 956	24 712
Total trade	KTMY	-33 733	-33 742	-6 399	-6 518	-4 892	-14 541	-7 782	-9 234	-6 614	-14 223	-3 671
Primary income												
Compensation of employees	KTMP	-325	-440	-57	-117	-44	-88	-76	-101	-70	-124	-145
Investment income	HMBM	-14 964	-37 747	-1 778	-2 270	2 302	-8 580	-6 416	-4 452	-9 398	-14 828	-9 069
Other primary income	MT5W	-471	-567	-117	-81	-59	-199	-132	-67	-103	-203	-194
Total primary income	HMBP	-15 760	-38 754	-1 952	-2 468	2 199	-8 867	-6 624	-4 620	-9 571	-15 155	-9 408
Secondary income												
General government	FJUQ	-23 077	-21 065	-5 214	-7 146	-4 549	-5 180	-6 202	-5 904	-4 530	-3 445	-7 186
Other sectors	FJUR	-4 085	-4 359	-1 039	-1 059	-982	-1 014	-1 030	-1 137	-914	-1 168	-1 140
Total secondary income	KTNF	-27 162	-25 424	-6 253	-8 205	-5 531	-6 194	-7 232	-7 041	-5 444	-4 613	-8 326
<b>Current balance</b>	HBOG	<b>-76 655</b>	<b>-97 920</b>	<b>-14 604</b>	<b>-17 191</b>	<b>-8 224</b>	<b>-29 602</b>	<b>-21 638</b>	<b>-20 895</b>	<b>-21 629</b>	<b>-33 991</b>	<b>-21 405</b>
<b>Capital balance</b>	FKMJ	<b>737</b>	<b>625</b>	<b>61</b>	<b>-32</b>	<b>446</b>	<b>150</b>	<b>173</b>	<b>-112</b>	<b>781</b>	<b>-200</b>	<b>156</b>
<b>Financial account<sup>1</sup></b>												
Direct investment	-MU7M	-40 078	-80 143	-10 072	-27 417	-14 668	-10 539	12 546	-53 654	-6 416	-8 104	-11 969
Portfolio investment	-HHZD	-31 408	-102 363	13 569	-34 824	7 708	17 400	-21 692	15 578	-35 225	-52 439	-30 277
Financial derivatives (net)	-ZPNN	13 973	-14 890	4 552	26 589	43 559	-70 763	14 588	12 629	-24 287	21 013	-24 245
Other investment	-HHYR	-12 875	96 828	-26 471	19 505	-33 083	33 053	-32 350	13 878	37 573	10 443	34 934
Reserve assets	-LTCV	4 961	7 113	1 807	2 828	874	766	493	2 709	825	-665	4 244
<b>Net financial transactions</b>	-HBNT	<b>-65 427</b>	<b>-93 455</b>	<b>-16 615</b>	<b>-13 319</b>	<b>4 390</b>	<b>-30 083</b>	<b>-26 415</b>	<b>-8 860</b>	<b>-27 530</b>	<b>-29 752</b>	<b>-27 313</b>
<b>Net errors and omissions<sup>2</sup></b>	HHDH	<b>10 491</b>	<b>3 840</b>	<b>-2 072</b>	<b>3 904</b>	<b>12 168</b>	<b>-631</b>	<b>-4 950</b>	<b>12 147</b>	<b>-6 682</b>	<b>4 439</b>	<b>-6 064</b>

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

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Credits</b>												
Exports of goods and services												
Exports of goods	BOKG	306 765	292 867	75 618	75 880	79 549	76 592	74 744	73 804	72 974	71 850	74 239
Exports of services	IKBB	209 127	214 856	49 211	51 895	53 176	52 234	51 822	53 736	53 028	53 212	54 880
Total exports of goods and services	IKBH	515 892	507 723	124 829	127 775	132 725	128 826	126 566	127 540	126 002	125 062	129 119
Primary income												
Compensation of employees	IJAH	1 097	1 077	274	258	287	269	283	280	266	273	258
Investment income	HBOK	157 675	144 063	36 636	37 578	45 852	38 162	36 083	37 507	36 475	34 051	36 030
Other primary income	MT5T	2 455	2 393	604	604	617	617	617	617	592	592	592
Total primary income	HBOH	161 227	147 533	37 514	38 440	46 756	39 048	36 983	38 404	37 333	34 916	36 880
Secondary income												
Central government	FHDM	4 259	5 075	885	984	1 116	1 075	1 084	1 283	1 378	952	1 462
Other sectors	FHIB	15 037	14 590	3 015	3 521	4 019	3 752	3 745	3 624	3 997	3 517	3 452
Total secondary income	IKBN	19 296	19 665	3 900	4 505	5 135	4 827	4 829	4 907	5 375	4 469	4 914
<b>Total</b>	<b>HBON</b>	<b>696 415</b>	<b>674 921</b>	<b>166 243</b>	<b>170 720</b>	<b>184 616</b>	<b>172 701</b>	<b>168 378</b>	<b>170 851</b>	<b>168 710</b>	<b>164 447</b>	<b>170 913</b>
<b>Debits</b>												
Imports of goods and services												
Imports of goods	BOKH	419 364	412 472	102 917	102 890	105 595	107 263	103 616	102 952	102 791	103 346	103 383
Imports of services	IKBC	130 261	128 993	30 392	31 417	32 420	33 423	33 001	33 442	31 952	31 895	31 704
Total imports of goods and services	IKBI	549 625	541 465	133 309	134 307	138 015	140 686	136 617	136 394	134 743	135 241	135 087
Primary income												
Compensation of employees	IJAI	1 422	1 517	342	348	358	344	372	357	355	392	413
Investment income	HBOL	172 639	181 810	38 482	41 048	43 012	44 974	43 605	43 551	44 904	45 952	47 403
Other primary income	MT5V	2 926	2 960	701	712	723	757	734	715	741	739	765
Total primary income	HBOI	176 987	186 287	39 525	42 108	44 093	46 075	44 711	44 623	46 000	47 083	48 581
Secondary income												
Central government	FLUD	27 336	26 140	6 081	6 154	7 320	7 034	6 828	5 645	7 436	5 100	7 959
Other sectors	FLUZ	19 122	18 949	4 050	4 591	4 990	4 771	4 770	4 769	4 905	4 687	4 588
Total secondary income	IKBO	46 458	45 089	10 131	10 745	12 310	11 805	11 598	10 414	12 341	9 787	12 547
<b>Total</b>	<b>HBOO</b>	<b>773 070</b>	<b>772 841</b>	<b>182 965</b>	<b>187 160</b>	<b>194 418</b>	<b>198 566</b>	<b>192 926</b>	<b>191 431</b>	<b>193 084</b>	<b>192 111</b>	<b>196 215</b>
<b>Balances</b>												
Trade in goods and services												
Trade in goods	BOKI	-112 599	-119 605	-27 299	-27 010	-26 046	-30 671	-28 872	-29 148	-29 817	-31 496	-29 144
Trade in services	IKBD	78 866	85 863	18 819	20 478	20 756	18 811	18 821	20 294	21 076	21 317	23 176
Total trade in goods and services	IKBJ	-33 733	-33 742	-8 480	-6 532	-5 290	-11 860	-10 051	-8 854	-8 741	-10 179	-5 968
Primary income												
Compensation of employees	IJAJ	-325	-440	-68	-90	-71	-75	-89	-77	-89	-119	-155
Investment income	HBOM	-14 964	-37 747	-1 846	-3 470	2 840	-6 812	-7 522	-6 044	-8 429	-11 901	-11 373
Other primary income	MT5X	-471	-567	-97	-108	-106	-140	-117	-98	-149	-147	-173
Total primary income	HBOJ	-15 760	-38 754	-2 011	-3 668	2 663	-7 027	-7 728	-6 219	-8 667	-12 167	-11 701
Secondary income												
Central government	FNSV	-23 077	-21 065	-5 196	-5 170	-6 204	-5 959	-5 744	-4 362	-6 058	-4 148	-6 497
Other sectors	FNTC	-4 085	-4 359	-1 035	-1 070	-971	-1 019	-1 025	-1 145	-908	-1 170	-1 136
Total secondary income	IKBP	-27 162	-25 424	-6 231	-6 240	-7 175	-6 978	-6 769	-5 507	-6 966	-5 318	-7 633
<b>Current balance</b>	<b>HBOP</b>	<b>-76 655</b>	<b>-97 920</b>	<b>-16 722</b>	<b>-16 440</b>	<b>-9 802</b>	<b>-25 865</b>	<b>-24 548</b>	<b>-20 580</b>	<b>-24 374</b>	<b>-27 664</b>	<b>-25 302</b>
<b>Balances as a percentage of GDP<sup>1</sup></b>												
Trade in goods and services												
Trade in goods	D28J	-6.6	-6.7	-6.6	-6.4	-6.1	-7.1	-6.6	-6.6	-6.7	-7.0	-6.4
Trade in services	D28K	4.6	4.8	4.5	4.9	4.9	4.4	4.3	4.6	4.7	4.7	5.1
Total trade in goods and services	D28L	-2.0	-1.9	-2.0	-1.6	-1.2	-2.8	-2.3	-2.0	-2.0	-2.3	-1.3
Total primary income	D28M	-0.9	-2.2	-0.5	-0.9	0.6	-1.6	-1.8	-1.4	-1.9	-2.7	-2.6
Total secondary income	D28N	-1.6	-1.4	-1.5	-1.5	-1.7	-1.6	-1.6	-1.3	-1.6	-1.2	-1.7
Current balance as percentage of GDP	AA6H	-4.5	-5.5	-4.0	-3.9	-2.3	-6.0	-5.6	-4.7	-5.4	-6.1	-5.6

<sup>1</sup> 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

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Transactions with the European Union <sup>1,2,3</sup></b>												
<b>Credits</b>												
Exports of goods	L87S	154 579	147 926	38 081	38 531	38 662	40 301	37 085	37 132	37 709	36 459	36 626
Exports of services	L854	76 319	78 761	19 367	19 038	19 364	19 092	18 825	19 499	19 676	19 555	20 031
Total exports of goods and services	L84Y	230 898	226 687	57 448	57 569	58 026	59 393	55 910	56 631	57 385	56 014	56 657
Primary income	L872	62 755	52 523	12 108	14 145	17 411	15 830	15 369	15 653	11 054	12 552	13 264
Secondary income	L84S	7 715	8 281	1 404	1 786	2 019	1 970	1 940	2 137	2 301	1 709	2 134
<b>Total</b>	L873	301 368	287 491	70 960	73 500	77 456	77 193	73 219	74 421	70 740	70 275	72 055
<b>Debits</b>												
Imports of goods	L87U	223 712	224 904	52 661	54 608	54 960	56 945	57 199	56 302	56 068	55 966	56 568
Imports of services	L868	64 534	63 361	15 083	15 673	16 096	16 491	16 274	16 656	15 460	15 653	15 592
Total imports of goods and services	L864	288 246	288 265	67 744	70 281	71 056	73 436	73 473	72 958	71 528	71 619	72 160
Primary income	L874	81 432	89 137	17 399	18 636	20 133	21 346	21 317	22 007	22 008	21 967	23 155
Secondary income	L85W	20 770	19 302	4 410	5 549	5 531	5 498	4 192	5 050	5 376	3 876	5 000
<b>Total</b>	L875	390 448	396 704	89 553	94 466	96 720	100 280	98 982	100 015	98 912	97 462	100 315
<b>Balances</b>												
Trade in goods	L87Q	-69 133	-76 978	-14 580	-16 077	-16 298	-16 644	-20 114	-19 170	-18 359	-19 507	-19 942
Trade in services	L86M	11 785	15 400	4 284	3 365	3 268	2 601	2 551	2 843	4 216	3 902	4 439
Total trade in goods and services	L86I	-57 348	-61 578	-10 296	-12 712	-13 030	-14 043	-17 563	-16 327	-14 143	-15 605	-15 503
Primary income	L876	-18 677	-36 614	-5 291	-4 491	-2 722	-5 516	-5 948	-6 354	-10 954	-9 415	-9 891
Secondary income	L86E	-13 055	-11 021	-3 006	-3 763	-3 512	-3 528	-2 252	-2 913	-3 075	-2 167	-2 866
<b>Total</b>	L877	-89 080	-109 213	-18 593	-20 966	-19 264	-23 087	-25 763	-25 594	-28 172	-27 187	-28 260
<b>Transactions with non-EU countries <sup>4,5</sup></b>												
<b>Credits</b>												
Exports of goods	L87M	152 186	144 941	37 537	37 349	40 887	36 291	37 659	36 672	35 265	35 391	37 613
Exports of services	L855	132 808	136 095	29 844	32 857	33 812	33 142	32 997	34 237	33 352	33 657	34 849
Total exports of goods and services	L84Z	284 994	281 036	67 381	70 206	74 699	69 433	70 656	70 909	68 617	69 048	72 462
Primary income	L87D	98 472	95 010	25 406	24 295	29 345	23 218	21 614	22 751	26 279	22 364	23 616
Secondary income	L84T	11 581	11 384	2 496	2 719	3 116	2 857	2 889	2 770	3 074	2 760	2 780
<b>Total</b>	L87E	395 047	387 430	95 283	97 220	107 160	95 508	95 159	96 430	97 970	94 172	98 858
<b>Debits</b>												
Imports of goods	L87O	195 652	187 568	50 256	48 282	50 635	50 318	46 417	46 650	46 723	47 380	46 815
Imports of services	L869	65 727	65 632	15 309	15 744	16 324	16 932	16 727	16 786	16 492	16 242	16 112
Total imports of goods and services	L865	261 379	253 200	65 565	64 026	66 959	67 250	63 144	63 436	63 215	63 622	62 927
Primary income	L87F	95 555	97 150	22 126	23 472	23 960	24 729	23 394	22 616	23 992	25 116	25 426
Secondary income	L85X	25 688	25 787	5 721	5 196	6 779	6 307	7 406	5 364	6 965	5 911	7 547
<b>Total</b>	L87G	382 622	376 137	93 412	92 694	97 698	98 286	93 944	91 416	94 172	94 649	95 900
<b>Balances</b>												
Trade in goods	L87K	-43 466	-42 627	-12 719	-10 933	-9 748	-14 027	-8 758	-9 978	-11 458	-11 989	-9 202
Trade in services	L86N	67 081	70 463	14 535	17 113	17 488	16 210	16 270	17 451	16 860	17 415	18 737
Total trade in goods and services	L86J	23 615	27 836	1 816	6 180	7 740	2 183	7 512	7 473	5 402	5 426	9 535
Primary income	L87H	2 917	-2 140	3 280	823	5 385	-1 511	-1 780	135	2 287	-2 752	-1 810
Secondary income	L86F	-14 107	-14 403	-3 225	-2 477	-3 663	-3 450	-4 517	-2 594	-3 891	-3 151	-4 767
<b>Total</b>	L87I	12 425	11 293	1 871	4 526	9 462	-2 778	1 215	5 014	3 798	-477	2 958

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/ons/search/index.html?newquery=ukeya>

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).

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

Not seasonally adjusted

£ billion

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Investment abroad</b>												
International Investment Position												
Direct investment	N2V3	1 228.2	1 251.1	1 398.0	1 330.8	1 309.3	1 234.7	1 228.2	1 235.2	1 229.3	1 263.1	1 251.1
Portfolio investment	HHZZ	2 403.5	2 520.1	2 356.3	2 440.7	2 407.5	2 357.7	2 403.5	2 361.5	2 391.9	2 428.4	2 520.1
Financial derivatives	JX96	2 424.4	2 828.6	3 060.1	3 088.1	2 915.7	2 580.6	2 424.4	2 230.7	2 170.1	2 462.6	2 828.6
Other investment	HLXV	3 491.8	3 589.9	3 719.6	3 874.0	3 874.4	3 586.6	3 491.8	3 538.7	3 460.6	3 586.5	3 589.9
Reserve assets	LTEB	61.4	67.7	61.7	66.4	64.2	62.8	61.4	64.2	64.0	63.3	67.7
Total	HBQA	9 609.3	10 257.4	10 595.8	10 800.0	10 571.2	9 822.4	9 609.3	9 430.3	9 315.9	9 804.0	10 257.4
Financial Account transactions <sup>1</sup>												
Direct investment	-N2SV	-12.7	-62.8	-7.7	-3.8	-1.2	-3.8	-3.9	-54.0	-17.0	8.2	-
Portfolio investment	-HHZC	-5.7	24.1	26.2	-7.3	-18.4	2.4	17.6	-4.7	19.0	-5.4	15.2
Financial derivatives (net)	-ZPNN	14.0	-14.9	4.6	26.6	43.6	-70.8	14.6	12.6	-24.3	21.0	-24.2
Other investment	-XBMM	-208.4	112.1	-120.7	-4.9	-23.3	-131.2	-49.0	74.6	4.6	70.6	-37.7
Reserve assets	-LTCV	5.0	7.1	1.8	2.8	0.9	0.8	0.5	2.7	0.8	-0.7	4.2
Total	-HBNR	-207.9	65.7	-95.8	13.5	1.5	-202.7	-20.2	31.2	-16.8	93.8	-42.5
Investment income earnings												
Direct investment	N2QP	84.5	75.2	17.6	18.3	26.6	20.1	19.5	19.9	19.0	15.9	20.3
Portfolio investment	HLXK	47.0	44.8	11.3	10.9	13.7	11.5	10.9	10.1	12.9	11.1	10.7
Other investment	ATOP	25.5	23.4	7.1	6.6	6.8	6.2	5.8	5.7	6.3	5.6	5.8
Reserve assets	HHCB	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total	HMBN	157.7	144.1	36.2	36.0	47.3	38.0	36.3	35.9	38.4	32.8	37.0
<b>Investment in the UK</b>												
International Investment Position												
Direct investment	N2UG	1 261.7	1 301.6	1 204.4	1 192.1	1 261.2	1 239.4	1 261.7	1 277.2	1 304.0	1 311.2	1 301.6
Portfolio investment	HLXW	2 516.8	2 631.3	2 533.1	2 571.9	2 518.0	2 488.1	2 516.8	2 498.0	2 524.8	2 590.8	2 631.3
Financial derivatives	JX97	2 376.7	2 806.5	3 032.2	3 034.9	2 804.3	2 542.6	2 376.7	2 171.4	2 129.1	2 422.1	2 806.5
Other investment	HLXD	3 862.1	3 872.8	4 073.1	4 185.0	4 220.4	3 907.5	3 862.1	3 868.4	3 764.8	3 872.7	3 872.8
Total	HBQB	10 017.3	10 612.1	10 842.8	10 983.9	10 803.9	10 177.5	10 017.3	9 814.9	9 722.7	10 196.7	10 612.1
Financial Account transactions												
Direct investment	N2SA	27.4	17.3	2.4	23.7	13.4	6.7	-16.4	-0.4	-10.5	16.3	11.9
Portfolio investment	HHZF	25.7	126.5	12.6	27.5	-26.1	-15.0	39.3	-20.2	54.2	47.0	45.5
Other investment	XBMM	-195.5	15.3	-94.2	-24.4	9.8	-164.3	-16.6	60.7	-33.0	60.2	-72.6
Total	HBNS	-142.4	159.1	-79.2	26.8	-2.9	-172.6	6.2	40.1	10.7	123.6	-15.2
Investment income												
Direct investment	N2Q4	59.2	70.7	11.9	14.2	13.7	16.4	14.9	15.4	16.1	19.0	20.2
Portfolio investment	HLZC	74.9	76.3	16.0	13.8	20.3	21.1	19.7	16.6	21.9	20.5	17.4
Other investment	HLZN	38.5	34.9	10.1	10.3	10.9	9.1	8.1	8.4	9.8	8.2	8.4
Total	HMBQ	172.6	181.8	37.9	38.3	45.0	46.6	42.7	40.4	47.8	47.6	46.1
<b>Net investment</b>												
International Investment Position												
Direct investment	MU7O	-33.4	-50.4	193.6	138.8	48.1	-4.7	-33.4	-42.0	-74.7	-48.1	-50.4
Portfolio investment	CGNH	-113.2	-111.2	-176.7	-131.2	-110.4	-130.4	-113.2	-136.5	-132.9	-162.4	-111.2
Financial derivatives	JX98	47.7	22.1	27.9	53.2	111.4	38.0	47.7	59.3	41.0	40.6	22.1
Other investment	CGNG	-370.3	-282.9	-353.4	-311.0	-346.0	-320.9	-370.3	-329.6	-304.2	-286.1	-282.9
Reserve assets	LTEB	61.4	67.7	61.7	66.4	64.2	62.8	61.4	64.2	64.0	63.3	67.7
Net investment	HBQC	-407.9	-354.7	-247.0	-183.9	-232.8	-355.1	-407.9	-384.6	-406.7	-392.7	-354.7
Financial Accounts transactions <sup>1</sup>												
Direct investment	-MU7M	-40.1	-80.1	-10.1	-27.4	-14.7	-10.5	12.5	-53.7	-6.4	-8.1	-12.0
Portfolio investment	-HHZD	-31.4	-102.4	13.6	-34.8	7.7	17.4	-21.7	15.6	-35.2	-52.4	-30.3
Financial derivatives	-ZPNN	14.0	-14.9	4.6	26.6	43.6	-70.8	14.6	12.6	-24.3	21.0	-24.2
Other investment	-HHYR	-12.9	96.8	-26.5	19.5	-33.1	33.1	-32.3	13.9	37.6	10.4	34.9
Reserve assets	-LTCV	5.0	7.1	1.8	2.8	0.9	0.8	0.5	2.7	0.8	-0.7	4.2
Net transactions	-HBNT	-65.4	-93.5	-16.6	-13.3	4.4	-30.1	-26.4	-8.9	-27.5	-29.8	-27.3
Investment income earnings												
Direct investment	MU7E	25.3	4.5	5.8	4.1	12.9	3.8	4.6	4.5	3.0	-3.0	-
Portfolio investment	HLZX	-27.9	-31.5	-4.7	-2.8	-6.6	-9.6	-8.8	-6.5	-9.0	-9.4	-6.6
Other investment	CGNA	-13.0	-11.4	-3.0	-3.7	-4.1	-2.9	-2.3	-2.7	-3.5	-2.6	-2.6
Reserve assets	HHCB	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Net earnings	HMBM	-15.0	-37.7	-1.8	-2.3	2.3	-8.6	-6.4	-4.5	-9.4	-14.8	-9.1

<sup>1</sup> 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

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Exports</b>												
Food, beverages and tobacco	BOPL	20 248	18 943	4 760	4 937	5 059	5 314	4 938	4 656	4 840	4 665	4 782
Basic materials	BOPM	7 646	6 997	2 090	2 035	1 985	1 790	1 836	1 771	1 663	1 787	1 776
Oil	ELBL	39 292	33 432	8 790	10 526	9 614	10 009	9 143	9 343	8 904	7 848	7 337
Other fuels	BOQI	3 586	3 136	791	810	1 050	963	763	703	913	872	648
Semi-manufactured goods	BOPO	80 809	76 722	21 499	20 149	21 175	19 817	19 668	19 022	18 647	19 026	20 027
Finished manufactured goods	BOPP	146 667	147 550	35 261	35 625	37 555	36 589	36 898	36 508	36 716	36 367	37 959
Unspecified goods	BOQL	8 517	6 087	2 427	1 798	3 111	2 110	1 498	1 801	1 291	1 285	1 710
<b>Total</b>	<b>BOKG</b>	<b>306 765</b>	<b>292 867</b>	<b>75 618</b>	<b>75 880</b>	<b>79 549</b>	<b>76 592</b>	<b>74 744</b>	<b>73 804</b>	<b>72 974</b>	<b>71 850</b>	<b>74 239</b>
<b>Imports</b>												
Food, beverages and tobacco	BQAR	38 893	38 575	9 343	9 555	9 753	9 840	9 745	9 578	9 653	9 598	9 746
Basic materials	BQAS	12 477	11 745	2 672	3 101	3 181	3 066	3 129	3 069	2 917	2 886	2 873
Oil	ENXO	49 300	43 075	13 568	11 911	12 955	12 848	11 586	10 897	10 932	11 451	9 795
Other fuels	BPBI	12 401	8 714	2 895	3 336	3 598	2 790	2 677	2 490	2 223	2 109	1 892
Semi-manufactured goods	BQAU	97 676	96 267	25 844	25 651	24 201	24 180	23 644	23 486	24 348	24 303	24 130
Finished manufactured goods	BQAV	203 716	209 317	47 176	48 446	50 452	52 922	51 896	52 221	51 830	51 743	53 523
Unspecified goods	BQAW	4 901	4 779	1 419	890	1 455	1 617	939	1 211	888	1 256	1 424
<b>Total</b>	<b>BOKH</b>	<b>419 364</b>	<b>412 472</b>	<b>102 917</b>	<b>102 890</b>	<b>105 595</b>	<b>107 263</b>	<b>103 616</b>	<b>102 952</b>	<b>102 791</b>	<b>103 346</b>	<b>103 383</b>
<b>Balances</b>												
Food, beverages and tobacco	ELBE	-18 645	-19 632	-4 583	-4 618	-4 694	-4 526	-4 807	-4 922	-4 813	-4 933	-4 964
Basic materials	ELBF	-4 831	-4 748	-582	-1 066	-1 196	-1 276	-1 293	-1 298	-1 254	-1 099	-1 097
Oil	ENXQ	-10 008	-9 643	-4 778	-1 385	-3 341	-2 839	-2 443	-1 554	-2 028	-3 603	-2 458
Other fuels	ENIW	-8 815	-5 578	-2 104	-2 526	-2 548	-1 827	-1 914	-1 787	-1 310	-1 237	-1 244
Semi-manufactured goods	ELBH	-16 867	-19 545	-4 345	-5 502	-3 026	-4 363	-3 976	-4 464	-5 701	-5 277	-4 103
Finished manufactured goods	ELBI	-57 049	-61 767	-11 915	-12 821	-12 897	-16 333	-14 998	-15 713	-15 114	-15 376	-15 564
Unspecified goods	BQKX	3 616	1 308	1 008	908	1 656	493	559	590	403	29	286
<b>Total</b>	<b>BOKI</b>	<b>-112 599</b>	<b>-119 605</b>	<b>-27 299</b>	<b>-27 010</b>	<b>-26 046</b>	<b>-30 671</b>	<b>-28 872</b>	<b>-29 148</b>	<b>-29 817</b>	<b>-31 496</b>	<b>-29 144</b>

# F Trade in services

Seasonally adjusted

£ million

		2013	2014	2012	2013	2013	2013	2013	2014	2014	2014	2014
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Exports</b>												
Manufacturing and maintenance services	MTN7	3 921	3 016	242	1 215	1 004	930	772	890	759	748	619
Transport	FKOA	23 121	23 851	5 798	5 553	5 841	5 804	5 923	5 868	5 913	6 019	6 051
Travel	FAPQ	26 244	27 507	5 811	6 612	6 579	6 467	6 586	6 702	6 933	6 965	6 907
Construction	FDSG	2 249	1 790	282	613	580	591	465	407	467	510	406
Insurance and pension services	FDTF	22 039	21 100	5 257	4 398	6 569	5 611	5 461	4 922	4 870	4 946	6 362
Financial	FDYI	47 705	47 517	10 962	12 294	12 074	11 228	12 109	10 810	11 735	12 235	12 737
Intellectual property	FEBA	10 942	12 158	2 750	2 884	2 758	2 730	2 570	2 695	2 928	3 260	3 275
Telecommunication, computer and information services	FDYQ	15 196	14 933	3 864	3 710	3 888	3 963	3 635	3 909	3 712	3 586	3 726
Other business	FEHH	50 909	58 073	12 889	12 901	12 166	13 128	12 714	16 187	14 365	13 808	13 713
Personal, cultural and recreational services	FGXJ	4 236	2 328	813	1 156	1 114	1 124	842	785	640	517	386
Government	FGZA	2 565	2 583	543	559	603	658	745	561	706	618	698
<b>Total</b>	<b>IKBB</b>	<b>209 127</b>	<b>214 856</b>	<b>49 211</b>	<b>51 895</b>	<b>53 176</b>	<b>52 234</b>	<b>51 822</b>	<b>53 736</b>	<b>53 028</b>	<b>53 212</b>	<b>54 880</b>
<b>Imports</b>												
Manufacturing and maintenance services	MTN6	1 224	1 162	74	460	278	313	173	356	272	320	214
Transport	FHME	23 792	24 614	5 300	5 528	5 928	6 125	6 211	6 199	6 071	6 099	6 245
Travel	APQL	33 741	35 026	8 060	7 841	8 607	8 634	8 659	8 949	8 501	8 603	8 973
Construction	FIOU	1 456	1 246	374	443	316	327	370	333	254	279	380
Insurance and pension services	FIPT	1 121	1 194	394	279	282	284	276	291	296	299	308
Financial	FITY	9 386	9 570	2 206	2 242	2 141	2 232	2 771	2 310	2 374	2 422	2 464
Intellectual property	FIVX	6 736	6 572	1 615	1 650	1 720	1 870	1 496	1 660	1 788	1 660	1 464
Telecommunication, computer and information services	FIUG	8 992	8 792	2 317	2 226	2 185	2 287	2 294	2 211	2 153	2 222	2 206
Other business	FIWF	36 256	33 787	8 498	8 820	9 066	9 453	8 917	9 448	8 613	8 107	7 619
Personal, cultural and recreational services	FLQJ	3 519	3 233	591	909	894	878	838	815	799	812	807
Government	FLSA	4 038	3 797	963	1 019	1 003	1 020	996	870	831	1 072	1 024
<b>Total</b>	<b>IKBC</b>	<b>130 261</b>	<b>128 993</b>	<b>30 392</b>	<b>31 417</b>	<b>32 420</b>	<b>33 423</b>	<b>33 001</b>	<b>33 442</b>	<b>31 952</b>	<b>31 895</b>	<b>31 704</b>
<b>Balances</b>												
Manufacturing and maintenance services	MTN8	2 697	1 854	168	755	726	617	599	534	487	428	405
Transport	FLYS	-671	-763	498	25	-87	-321	-288	-331	-158	-80	-194
Travel	FNGY	-7 497	-7 519	-2 249	-1 229	-2 028	-2 167	-2 073	-2 247	-1 568	-1 638	-2 066
Construction	FNJM	793	544	-92	170	264	264	95	74	213	231	26
Insurance and pension services	FNKF	20 918	19 906	4 863	4 119	6 287	5 327	5 185	4 631	4 574	4 647	6 054
Financial	FNLQ	38 319	37 947	8 756	10 052	9 933	8 996	9 338	8 500	9 361	9 813	10 273
Intellectual property	FNMR	4 206	5 586	1 135	1 234	1 038	860	1 074	1 035	1 140	1 600	1 811
Telecommunication, computer and information services	FNLY	6 204	6 141	1 547	1 484	1 703	1 676	1 341	1 698	1 559	1 364	1 520
Other business	FNMZ	14 653	24 286	4 391	4 081	3 100	3 675	3 797	6 739	5 752	5 701	6 094
Personal, cultural and recreational services	FNRB	717	-905	222	247	220	246	4	-30	-159	-295	-421
Government	FNRU	-1 473	-1 214	-420	-460	-400	-362	-251	-309	-125	-454	-326
<b>Total</b>	<b>IKBD</b>	<b>78 866</b>	<b>85 863</b>	<b>18 819</b>	<b>20 478</b>	<b>20 756</b>	<b>18 811</b>	<b>18 821</b>	<b>20 294</b>	<b>21 076</b>	<b>21 317</b>	<b>23 176</b>

# G Primary income

Seasonally adjusted

£ million

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Credits</b>												
Compensation of employees	IJAH	1 097	1 077	274	258	287	269	283	280	266	273	258
Investment income												
Earnings on direct investment abroad	MTX2	84 516	75 181	17 763	18 978	26 385	20 198	18 955	20 636	18 376	17 153	19 016
Earnings on portfolio investment abroad												
Earnings on equity securities	CGDT	20 647	22 402	5 223	5 019	5 100	5 211	5 317	5 580	5 242	5 648	5 932
Earnings on debt securities	CGDU	26 384	22 394	6 377	6 783	7 384	6 348	5 869	5 388	6 381	5 518	5 107
Total portfolio investment	CGDV	47 031	44 796	11 600	11 802	12 484	11 559	11 186	10 968	11 623	11 166	11 039
Earnings on other investment abroad	CGDW	25 479	23 440	7 098	6 633	6 818	6 241	5 787	5 749	6 319	5 571	5 801
Earnings on reserve assets	HHCC	649	646	175	165	165	164	155	154	157	161	174
Total investment income	HBOK	157 675	144 063	36 636	37 578	45 852	38 162	36 083	37 507	36 475	34 051	36 030
Other primary income	MT5T	2 455	2 393	604	604	617	617	617	617	592	592	592
<b>Total</b>	<b>HBOH</b>	<b>161 227</b>	<b>147 533</b>	<b>37 514</b>	<b>38 440</b>	<b>46 756</b>	<b>39 048</b>	<b>36 983</b>	<b>38 404</b>	<b>37 333</b>	<b>34 916</b>	<b>36 880</b>
<b>Debits</b>												
Compensation of employees	IJAI	1 422	1 517	342	348	358	344	372	357	355	392	413
Investment income												
Foreign earnings on direct investment in the UK	MTU7	59 237	70 661	11 187	14 501	14 105	16 487	14 144	15 377	16 075	18 965	20 244
Foreign earnings on portfolio investment in the UK												
Earnings on equity securities	HGOT	33 197	30 448	6 477	6 554	8 249	8 628	9 766	8 222	7 919	7 224	7 083
Earnings on debt securities	CGDX	41 726	45 837	10 551	9 501	10 213	10 638	11 374	11 419	11 492	11 534	11 392
Total portfolio investment	CGDZ	74 923	76 285	17 028	16 055	18 462	19 266	21 140	19 641	19 411	18 758	18 475
Earnings on other investment in the UK	CGEB	38 479	34 864	10 267	10 492	10 445	9 221	8 321	8 533	9 418	8 229	8 684
Total investment income	HBOL	172 639	181 810	38 482	41 048	43 012	44 974	43 605	43 551	44 904	45 952	47 403
Other primary income	MT5V	2 926	2 960	701	712	723	757	734	715	741	739	765
<b>Total</b>	<b>HBOI</b>	<b>176 987</b>	<b>186 287</b>	<b>39 525</b>	<b>42 108</b>	<b>44 093</b>	<b>46 075</b>	<b>44 711</b>	<b>44 623</b>	<b>46 000</b>	<b>47 083</b>	<b>48 581</b>
<b>Balances</b>												
Compensation of employees	IJAJ	-325	-440	-68	-90	-71	-75	-89	-77	-89	-119	-155
Investment income												
Direct investment	MU7F	25 279	4 520	6 576	4 477	12 280	3 711	4 811	5 259	2 301	-1 812	-1 228
Portfolio investment												
Earnings on equity securities	CGEC	-12 550	-8 046	-1 254	-1 535	-3 149	-3 417	-4 449	-2 642	-2 677	-1 576	-1 151
Earnings on debt securities	CGED	-15 342	-23 443	-4 174	-2 718	-2 829	-4 290	-5 505	-6 031	-5 111	-6 016	-6 285
Total portfolio investment	CGEE	-27 892	-31 489	-5 428	-4 253	-5 978	-7 707	-9 954	-8 673	-7 788	-7 592	-7 436
Other investment	CGFF	-13 000	-11 424	-3 169	-3 859	-3 627	-2 980	-2 534	-2 784	-3 099	-2 658	-2 883
Reserve assets	HHCC	649	646	175	165	165	164	155	154	157	161	174
Total investment income	HBOM	-14 964	-37 747	-1 846	-3 470	2 840	-6 812	-7 522	-6 044	-8 429	-11 901	-11 373
Other primary income	MT5X	-471	-567	-97	-108	-106	-140	-117	-98	-149	-147	-173
<b>Total</b>	<b>HBOJ</b>	<b>-15 760</b>	<b>-38 754</b>	<b>-2 011</b>	<b>-3 668</b>	<b>2 663</b>	<b>-7 027</b>	<b>-7 728</b>	<b>-6 219</b>	<b>-8 667</b>	<b>-12 167</b>	<b>-11 701</b>

# H Secondary income

Seasonally adjusted

£ million

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Credits</b>												
General government												
Receipts from EU Institutions:												
Abatement	FKKM	3 675	4 416	754	846	989	927	913	1 143	1 234	761	1 278
Other EU receipts	GTTA	81	68	57	3	2	25	51	9	4	55	—
Other receipts	CGDN	503	591	74	135	125	123	120	131	140	136	184
Total general government	FHDM	4 259	5 075	885	984	1 116	1 075	1 084	1 283	1 378	952	1 462
Other sectors												
Receipts from EU Institutions:												
Social fund	H5U3	247	221	44	4	103	62	78	6	213	—	2
ECSC Grant	FHHS	—	—	—	—	—	—	—	—	—	—	—
Other receipts	CGDO	14 790	14 369	2 971	3 517	3 916	3 690	3 667	3 618	3 784	3 517	3 450
Total other sectors	FHIB	15 037	14 590	3 015	3 521	4 019	3 752	3 745	3 624	3 997	3 517	3 452
<b>Total</b>	IKBN	<b>19 296</b>	<b>19 665</b>	<b>3 900</b>	<b>4 505</b>	<b>5 135</b>	<b>4 827</b>	<b>4 829</b>	<b>4 907</b>	<b>5 375</b>	<b>4 469</b>	<b>4 914</b>
<b>Debits</b>												
General government												
Payments to EU institutions												
GNI: own resource	MUV7	15 875	14 472	3 640	4 156	4 782	4 315	2 622	3 887	4 462	2 684	3 439
GNI adjustments	MUV8	591	1 678	—98	1	—	—	590	—	—	—	1 678
Other	FLMT	—15	—3	—39	20	—	—	—35	—	—	—	—3
Other payments	CGDP	10 885	9 993	2 578	1 977	2 538	2 719	3 651	1 758	2 974	2 416	2 845
Total general government	FLUD	27 336	26 140	6 081	6 154	7 320	7 034	6 828	5 645	7 436	5 100	7 959
Other sectors												
Payments to EU institutions	CGDR	—	—	—	—	—	—	—	—	—	—	—
Other payments	CGDS	19 122	18 949	4 050	4 591	4 990	4 771	4 770	4 769	4 905	4 687	4 588
Total other sectors	FLUZ	19 122	18 949	4 050	4 591	4 990	4 771	4 770	4 769	4 905	4 687	4 588
<b>Total</b>	IKBO	<b>46 458</b>	<b>45 089</b>	<b>10 131</b>	<b>10 745</b>	<b>12 310</b>	<b>11 805</b>	<b>11 598</b>	<b>10 414</b>	<b>12 341</b>	<b>9 787</b>	<b>12 547</b>
<b>Balances</b>												
General government	FNSV	—23 077	—21 065	—5 196	—5 170	—6 204	—5 959	—5 744	—4 362	—6 058	—4 148	—6 497
Other sectors	FNTC	—4 085	—4 359	—1 035	—1 070	—971	—1 019	—1 025	—1 145	—908	—1 170	—1 136
<b>Total</b>	IKBP	<b>—27 162</b>	<b>—25 424</b>	<b>—6 231</b>	<b>—6 240</b>	<b>—7 175</b>	<b>—6 978</b>	<b>—6 769</b>	<b>—5 507</b>	<b>—6 966</b>	<b>—5 318</b>	<b>—7 633</b>
Of which: EU institutions <sup>1</sup>	GTTB	—12 448	—11 442	—2 648	—3 324	—3 688	—3 301	—2 135	—2 729	—3 011	—1 868	—3 834

<sup>1</sup> For a complete picture of UK official transactions with institutions of the EU, the balance of other primary income -£567 million, a credit of £741 million for export of services (UK charges for collection duties) and a capital account credit of approximately £1169 million should be included giving a 2014 balance of approximately £10,099 million.



## Capital account

Seasonally adjusted

£ million

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Credits</b>												
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	297	828	48	49	73	122	53	27	769	20	12
Agricultural fund for regional development	FHJF	620	341	87	75	237	153	155	94	137	110	–
Other capital transfers	EBGO	–	–	–	–	–	–	–	–	–	–	–
Total EU institutions	GTTY	917	1 169	135	124	310	275	208	121	906	130	12
Total other sectors	FHJB	917	1 169	135	124	310	275	208	121	906	130	12
Total capital transfers	FHIT	917	1 169	135	124	310	275	208	121	906	130	12
Disposal of non-produced, non-financial assets	FHJL	1 388	888	344	292	353	346	397	100	106	238	444
<b>Total</b>	FHLD	<b>2 305</b>	<b>2 057</b>	<b>479</b>	<b>416</b>	<b>663</b>	<b>621</b>	<b>605</b>	<b>221</b>	<b>1 012</b>	<b>368</b>	<b>456</b>
<b>Debits</b>												
Capital transfers												
Central government												
Debt forgiveness	FLWD	186	82	10	93	–	–	93	82	–	–	–
Other capital transfers (project grants)	FLWH	203	355	58	55	74	56	18	86	60	72	137
Total central government	FLWB	389	437	68	148	74	56	111	168	60	72	137
Other sectors												
Debt forgiveness												
Monetary financial institutions	FLWL	–	–	–	–	–	–	–	–	–	–	–
Public corporations	HMLY	10	40	–	–	–	10	–	40	–	–	–
Total debt forgiveness	JCWM	10	40	–	–	–	10	–	40	–	–	–
Other capital transfers	FLWQ	–	–	–	–	–	–	–	–	–	–	–
Total other sectors	FLWI	10	40	–	–	–	10	–	40	–	–	–
Total capital transfers	FLWA	399	477	68	148	74	66	111	208	60	72	137
Acquisitions of non-produced, non-financial assets	FLWT	1 169	955	324	285	162	422	300	120	194	515	126
<b>Total</b>	FLYL	<b>1 568</b>	<b>1 432</b>	<b>392</b>	<b>433</b>	<b>236</b>	<b>488</b>	<b>411</b>	<b>328</b>	<b>254</b>	<b>587</b>	<b>263</b>
<b>Balances</b>												
Capital transfers												
Central government												
Debt forgiveness	FNTM	–186	–82	–10	–93	–	–	–93	–82	–	–	–
Other capital transfers	FNTN	–203	–355	–58	–55	–74	–56	–18	–86	–60	–72	–137
Total central government	FNTL	–389	–437	–68	–148	–74	–56	–111	–168	–60	–72	–137
Other sectors												
Debt forgiveness	FNTQ	–10	–40	–	–	–	–10	–	–40	–	–	–
Other capital transfers	FNTR	917	1 169	135	124	310	275	208	121	906	130	12
Total other sectors	FNTO	907	1 129	135	124	310	265	208	81	906	130	12
Total capital transfers	FNTK	518	692	67	–24	236	209	97	–87	846	58	–125
Non-produced, non-financial assets	FNTS	219	–67	20	7	191	–76	97	–20	–88	–277	318
<b>Total</b>	FNVQ	<b>737</b>	<b>625</b>	<b>87</b>	<b>–17</b>	<b>427</b>	<b>133</b>	<b>194</b>	<b>–107</b>	<b>758</b>	<b>–219</b>	<b>193</b>

# Financial account<sup>1,2</sup>

Not seasonally adjusted

£ million

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>UK investment abroad</b>												
(Net acquisition of financial assets)												
Direct investment abroad												
Equity capital other than reinvestment of earnings	-HJYM	-19 206	-63 634	3 142	-6 369	-7 456	-365	-5 016	-76 161	1 058	3 186	8 283
Reinvestment of earnings	-HDNY	8 440	402	-7 237	3 197	12 109	3 431	-10 297	7 280	-13 778	3 920	2 980
Debt instruments	-N2RN	-1 934	418	-3 591	-588	-5 886	-6 915	11 455	14 836	-4 245	1 115	-11 288
Total direct investment abroad	-N2SV	-12 700	-62 814	-7 686	-3 760	-1 233	-3 849	-3 858	-54 045	-16 965	8 221	-25
Portfolio investment abroad												
Equity and investment fund shares	-HBVI	-22 783	-12 971	10 455	-16 041	-7 630	-3 631	4 519	-8 009	-3 753	-5 595	4 386
Debt securities	-XBMW	17 073	37 104	15 696	8 752	-10 754	5 999	13 076	3 356	22 726	198	10 824
Total portfolio investment abroad	-HHZC	-5 710	24 133	26 151	-7 289	-18 384	2 368	17 595	-4 653	18 973	-5 397	15 210
Financial derivatives & employee stock options	-ZPNN	13 973	-14 890	4 552	26 589	43 559	-70 763	14 588	12 629	-24 287	21 013	-24 245
Other investment abroad	-XBMM	-208 401	112 144	-120 655	-4 911	-23 300	-131 206	-48 984	74 551	4 613	70 633	-37 653
Reserve assets	-LTCV	4 961	7 113	1 807	2 828	874	766	493	2 709	825	-665	4 244
<b>Total</b>	-HBNR	<b>-207 877</b>	<b>65 686</b>	<b>-95 831</b>	<b>13 457</b>	<b>1 516</b>	<b>-202 684</b>	<b>-20 166</b>	<b>31 191</b>	<b>-16 841</b>	<b>93 805</b>	<b>-42 469</b>
<b>Investment in the UK</b>												
(Net incurrence of liabilities)												
Direct investment in the UK												
Equity capital other than reinvestment of earnings	HJYR	23 880	12 275	2 958	5 773	4 279	4 796	9 032	6 007	1 087	2 342	2 839
Reinvestment of earnings	CYFV	9 120	11 814	-4 710	1 231	1 734	5 619	536	4 114	-5 997	5 819	7 878
Debt instruments	N2R7	-5 622	-6 760	4 138	16 653	7 422	-3 725	-25 972	-10 512	-5 639	8 164	1 227
Total direct investment in the UK	N2SA	27 378	17 329	2 386	23 657	13 435	6 690	-16 404	-391	-10 549	16 325	11 944
Portfolio investment in the UK												
Equity and investment fund shares	XBLW	31 875	30 432	-2 041	2 393	7 137	13 209	9 136	-27 408	23 454	13 743	20 643
Debt securities	XBLX	-6 177	96 064	14 623	25 142	-33 229	-28 241	30 151	7 177	30 744	33 299	24 844
Total portfolio investment in the UK	HHZF	25 698	126 496	12 582	27 535	-26 092	-15 032	39 287	-20 231	54 198	47 042	45 487
Other investment in the UK	XBMM	-195 526	15 316	-94 184	-24 416	9 783	-164 259	-16 634	60 673	-32 960	60 190	-72 587
<b>Total</b>	HBNS	<b>-142 450</b>	<b>159 141</b>	<b>-79 216</b>	<b>26 776</b>	<b>-2 874</b>	<b>-172 601</b>	<b>6 249</b>	<b>40 051</b>	<b>10 689</b>	<b>123 557</b>	<b>-15 156</b>
<b>Net transactions</b>												
(net assets /less net liabilities)												
Direct investment												
Equity capital other than reinvestment of earnings	-HBWN	-43 086	-75 909	184	-12 142	-11 735	-5 161	-14 048	-82 168	-29	844	5 444
Reinvestment of earnings	-HBWT	-680	-11 412	-2 527	1 966	10 375	-2 188	-10 833	3 166	-7 781	-1 899	-4 898
Debt instruments	-MU7L	3 688	7 178	-7 729	-17 241	-13 308	-3 190	37 427	25 348	1 394	-7 049	-12 515
Total net direct investment	-MU7M	-40 078	-80 143	-10 072	-27 417	-14 668	-10 539	12 546	-53 654	-6 416	-8 104	-11 969
Portfolio investment												
Equity and investment fund shares	-HBWV	-54 658	-43 403	12 496	-18 434	-14 767	-16 840	-4 617	19 399	-27 207	-19 338	-16 257
Debt securities	-HBWX	23 250	-58 960	1 073	-16 390	22 475	34 240	-17 075	-3 821	-8 018	-33 101	-14 020
Total net portfolio investment	-HHZD	-31 408	-102 363	13 569	-34 824	7 708	17 400	-21 692	15 578	-35 225	-52 439	-30 277
Financial derivatives & employee stock options	-ZPNN	13 973	-14 890	4 552	26 589	43 559	-70 763	14 588	12 629	-24 287	21 013	-24 245
Other investment	-HHYR	-12 875	96 828	-26 471	19 505	-33 083	33 053	-32 350	13 878	37 573	10 443	34 934
Reserve assets	-LTCV	4 961	7 113	1 807	2 828	874	766	493	2 709	825	-665	4 244
<b>Total</b>	-HBNT	<b>-65 427</b>	<b>-93 455</b>	<b>-16 615</b>	<b>-13 319</b>	<b>4 390</b>	<b>-30 083</b>	<b>-26 415</b>	<b>-8 860</b>	<b>-27 530</b>	<b>-29 752</b>	<b>-27 313</b>

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=ukeya>

# K International investment position<sup>1</sup>

Balance sheets valued at end of period: Not seasonally adjusted

£ billion

		2013	2014	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
<b>UK Assets</b>												
Direct investment abroad												
Equity and investment fund shares	CGMO	976.1	950.6	1 157.7	1 055.9	1 034.7	1 002.8	976.1	946.1	937.4	954.0	950.6
Debt instruments	N2TT	252.1	300.5	240.4	274.9	274.6	231.9	252.1	289.2	291.9	309.1	300.5
Total direct investment abroad	N2V3	1 228.2	1 251.1	1 398.0	1 330.8	1 309.3	1 234.7	1 228.2	1 235.2	1 229.3	1 263.1	1 251.1
Portfolio investment abroad												
Equity and investment fund shares	HEPX	1 072.9	1 132.0	994.3	1 026.0	1 009.0	1 018.9	1 072.9	1 047.2	1 081.5	1 083.4	1 132.0
Debt securities	HHZX	1 330.6	1 388.1	1 362.1	1 414.7	1 398.5	1 338.8	1 330.6	1 314.3	1 310.4	1 345.0	1 388.1
Total portfolio investment abroad	HHZZ	2 403.5	2 520.1	2 356.3	2 440.7	2 407.5	2 357.7	2 403.5	2 361.5	2 391.9	2 428.4	2 520.1
Financial derivatives & employee stock options	JX96	2 424.4	2 828.6	3 060.1	3 088.1	2 915.7	2 580.6	2 424.4	2 230.7	2 170.1	2 462.6	2 828.6
Other investment abroad	HLXV	3 491.8	3 589.9	3 719.6	3 874.0	3 874.4	3 586.6	3 491.8	3 538.7	3 460.6	3 586.5	3 589.9
Reserve assets	LTEB	61.4	67.7	61.7	66.4	64.2	62.8	61.4	64.2	64.0	63.3	67.7
<b>Total</b>	HBQA	<b>9 609.3</b>	<b>10 257.4</b>	<b>10 595.8</b>	<b>10 800.0</b>	<b>10 571.2</b>	<b>9 822.4</b>	<b>9 609.3</b>	<b>9 430.3</b>	<b>9 315.9</b>	<b>9 804.0</b>	<b>10 257.4</b>
<b>UK Liabilities</b>												
Direct investment in the UK												
Equity and investment fund shares	HBUY	904.9	919.9	771.6	788.3	830.2	842.9	904.9	868.9	887.9	912.8	919.9
Debt instruments	N2TD	356.8	381.7	432.9	403.8	431.0	396.5	356.8	408.3	416.1	398.3	381.7
Total direct investment in the UK	N2UG	1 261.7	1 301.6	1 204.4	1 192.1	1 261.2	1 239.4	1 261.7	1 277.2	1 304.0	1 311.2	1 301.6
Portfolio investment in the UK												
Equity and investment fund shares	HLXX	1 019.3	1 020.8	873.3	914.1	899.6	990.6	1 019.3	979.2	984.6	1 005.6	1 020.8
Debt securities	HLXY	1 497.5	1 610.5	1 659.8	1 657.9	1 618.3	1 497.6	1 497.5	1 518.9	1 540.2	1 585.2	1 610.5
Total portfolio investment in the UK	HLXW	2 516.8	2 631.3	2 533.1	2 571.9	2 518.0	2 488.1	2 516.8	2 498.0	2 524.8	2 590.8	2 631.3
Financial derivatives & employee stock options	JX97	2 376.7	2 806.5	3 032.2	3 034.9	2 804.3	2 542.6	2 376.7	2 171.4	2 129.1	2 422.1	2 806.5
Other investment in the UK	HLXD	3 862.1	3 872.8	4 073.1	4 185.0	4 220.4	3 907.5	3 862.1	3 868.4	3 764.8	3 872.7	3 872.8
<b>Total</b>	HBQB	<b>10 017.3</b>	<b>10 612.1</b>	<b>10 842.8</b>	<b>10 983.9</b>	<b>10 803.9</b>	<b>10 177.5</b>	<b>10 017.3</b>	<b>9 814.9</b>	<b>9 722.7</b>	<b>10 196.7</b>	<b>10 612.1</b>
<b>Net International Investment Position</b>												
Direct investment												
Equity and investment fund shares	HBSH	71.2	30.7	386.1	267.7	204.5	159.9	71.2	77.1	49.5	41.1	30.7
Debt instruments	MU7N	-104.7	-81.1	-192.5	-128.9	-156.4	-164.6	-104.7	-119.1	-124.2	-89.2	-81.1
Total net direct investment	MU7O	-33.4	-50.4	193.6	138.8	48.1	-4.7	-33.4	-42.0	-74.7	-48.1	-50.4
Portfolio investment												
Equity and investment fund shares	CGNE	53.6	111.2	121.0	112.0	109.4	28.4	53.6	68.1	96.9	77.8	111.2
Debt securities	CGNF	-166.9	-222.4	-297.8	-243.2	-219.8	-158.8	-166.9	-204.6	-229.8	-240.2	-222.4
Total net portfolio investment	CGNH	-113.2	-111.2	-176.7	-131.2	-110.4	-130.4	-113.2	-136.5	-132.9	-162.4	-111.2
Financial derivatives & employee stock options	JX98	47.7	22.1	27.9	53.2	111.4	38.0	47.7	59.3	41.0	40.6	22.1
Other investment	CGNG	-370.3	-282.9	-353.4	-311.0	-346.0	-320.9	-370.3	-329.6	-304.2	-286.1	-282.9
Reserve assets	LTEB	61.4	67.7	61.7	66.4	64.2	62.8	61.4	64.2	64.0	63.3	67.7
<b>Total</b>	HBQC	<b>-407.9</b>	<b>-354.7</b>	<b>-247.0</b>	<b>-183.9</b>	<b>-232.8</b>	<b>-355.1</b>	<b>-407.9</b>	<b>-384.6</b>	<b>-406.7</b>	<b>-392.7</b>	<b>-354.7</b>

<sup>1</sup> 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=ukeya>

# R1 Summary of revisions since last Balance of Payments Statistical Bulletin

## Balances (net transactions)

£ million

		2012	2013	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3
<b>Seasonally adjusted</b>												
<b>Current account</b>												
Trade in goods and services												
Trade in goods	BOKI	–	–	–	–	–	–	–	–	161	291	404
Trade in services	IKBD	–	–	–	–	–	–	–	–	1 251	184	–1 539
Total trade	IKBJ	–	–	–	–	–	–	–	–	1 412	475	–1 135
Primary income												
Compensation of employees	IJAJ	–	–	–	–	–	–	–	–	7	–34	–8
Investment income	HBOM	–	–	–	–	–	–	–	–	136	–442	459
Other primary income	MT5X	–	–	–	–	–	–	–	–	–1	–19	–25
Total primary income	HBOJ	–	–	–	–	–	–	–	–	142	–495	426
Secondary income												
General government	FNSV	–	–	–	–	–	–	–	–	366	136	110
Other sectors	FNTC	–	–	–	–	–	–	–	–	–1	–187	–57
Total secondary income	IKBP	–	–	–	–	–	–	–	–	365	–51	53
<b>Current balance</b>	HBOP	–	–	–	–	–	–	–	–	<b>1 919</b>	<b>–71</b>	<b>–656</b>
<b>Capital balance</b>	FNVQ	–	–	–	–	–	–	–	–	<b>–11</b>	<b>–4</b>	<b>152</b>
<b>Not seasonally adjusted</b>												
<b>Current account</b>												
Trade in goods and services												
Trade in goods	LQCT	–	–	–	–	–	–	–	–	30	–63	–151
Trade in services	KTMS	–	–	–	–	–	–	–	–	–124	1 001	–2 426
Total trade	KTMJ	–	–	–	–	–	–	–	–	–94	938	–2 577
Primary income												
Compensation of employees	KTMP	–	–	–	–	–	–	–	–	13	–32	–2
Investment income	HMBM	–	–	–	–	–	–	–	–	–648	–999	–281
Other primary income	MT5W	–	–	–	–	–	–	–	–	–	–21	–21
Total primary income	HMBP	–	–	–	–	–	–	–	–	–635	–1 052	–304
Secondary income												
General government	FJUQ	–	–	–	–	–	–	–	–	–	12	60
Other sectors	FJUR	–	–	–	–	–	–	–	–	–4	–186	–59
Total secondary income	KTNF	–	–	–	–	–	–	–	–	–4	–174	1
<b>Current balance</b>	HBOG	–	–	–	–	–	–	–	–	<b>–733</b>	<b>–288</b>	<b>–2 880</b>
<b>Capital balance</b>	FKMJ	–	–	–	–	–	–	–	–	–	–	<b>158</b>
<b>Financial account<sup>1</sup></b>												
Direct investment	–MU7M	–	–	–	–	–	–	–	–	1 951	17 806	–16 848
Portfolio investment	–HHZD	–	–	–	–	–	–	–	–	15 209	–22 254	–262
Financial derivatives (net)	–ZPNN	–	–	–	–	–	–	–	–	–69	–90	17 441
Other investment	–HHYR	–	–	–	–	–	–	–	–	–15 201	–452	–2 658
Reserve assets	–LTCV	–	–	–	–	–	–	–	–	–	–	–
<b>Net financial transactions</b>	–HBNT	–	–	–	–	–	–	–	–	<b>1 890</b>	<b>–4 990</b>	<b>–2 327</b>
<b>Net errors and omissions<sup>2</sup></b>	HHDH	–	–	–	–	–	–	–	–	<b>2 623</b>	<b>–4 702</b>	<b>395</b>

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

		2012	2013	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3
<b>Credits</b>												
Exports of goods and services												
Exports of goods	BOKG	–	–	–	–	–	–	–	–	430	400	463
Exports of services	IKBB	–	–	–	–	–	–	–	–	2 214	2 010	734
Total exports of goods and services	IKBH	–	–	–	–	–	–	–	–	2 644	2 410	1 197
Primary income												
Compensation of employees	IJAH	–	–	–	–	–	–	–	–	6	3	–
Investment income	HBOK	–	–	–	–	–	–	–	–	–643	143	46
Other primary income	MT5T	–	–	–	–	–	–	–	–	–	–21	–21
Total primary income	HBOH	–	–	–	–	–	–	–	–	–637	125	25
Secondary income												
Central government	FHDM	–	–	–	–	–	–	–	–	39	38	64
Other sectors	FHIB	–	–	–	–	–	–	–	–	–2	–16	–11
Total secondary income	IKBN	–	–	–	–	–	–	–	–	37	22	53
<b>Total</b>	<b>HBON</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 044</b>	<b>2 557</b>	<b>1 275</b>
<b>Debits</b>												
Imports of goods and services												
Imports of goods	BOKH	–	–	–	–	–	–	–	–	269	109	59
Imports of services	IKBC	–	–	–	–	–	–	–	–	963	1 826	2 273
Total imports of goods and services	IKBI	–	–	–	–	–	–	–	–	1 232	1 935	2 332
Primary income												
Compensation of employees	IJAI	–	–	–	–	–	–	–	–	–1	37	8
Investment income	HBOL	–	–	–	–	–	–	–	–	–779	585	–413
Other primary income	MT5V	–	–	–	–	–	–	–	–	1	–2	4
Total primary income	HBOI	–	–	–	–	–	–	–	–	–779	620	–401
Secondary income												
Central government	FLUD	–	–	–	–	–	–	–	–	–327	–98	–46
Other sectors	FLUZ	–	–	–	–	–	–	–	–	–1	171	46
Total secondary income	IKBO	–	–	–	–	–	–	–	–	–328	73	–
<b>Total</b>	<b>HB00</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>125</b>	<b>2 628</b>	<b>1 931</b>
<b>Balances</b>												
Trade in goods and services												
Trade in goods	BOKI	–	–	–	–	–	–	–	–	161	291	404
Trade in services	IKBD	–	–	–	–	–	–	–	–	1 251	184	–1 539
Total trade in goods and services	IKBJ	–	–	–	–	–	–	–	–	1 412	475	–1 135
Primary income												
Compensation of employees	IJAJ	–	–	–	–	–	–	–	–	7	–34	–8
Investment income	HBOM	–	–	–	–	–	–	–	–	136	–442	459
Other primary income	MT5X	–	–	–	–	–	–	–	–	–1	–19	–25
Total primary income	HBOJ	–	–	–	–	–	–	–	–	142	–495	426
Secondary income												
Central government	FNSV	–	–	–	–	–	–	–	–	366	136	110
Other sectors	FNTC	–	–	–	–	–	–	–	–	–1	–187	–57
Total secondary income	IKBP	–	–	–	–	–	–	–	–	365	–51	53
<b>Current balance</b>	<b>HBOP</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 919</b>	<b>–71</b>	<b>–656</b>
<b>Balances as a percentage of GDP<sup>1</sup></b>												
Trade in goods and services												
Trade in goods	D28J	–	–	–	–	–	–	–	–	0.1	0.1	0.1
Trade in services	D28K	–	–	–	–	–	–	–	–	0.3	–	–0.4
Total trade in goods and services	D28L	–	–	–	–	–	–	–	–	0.3	0.1	–0.3
Total primary income	D28M	–	–	–	–	–	–	–	–	–	–0.1	0.1
Total secondary income	D28N	–	–	–	–	–	–	–	–	–	–	–
Current balance as percentage of GDP	AA6H	–	–	–	–	–	–	–	–	0.4	0.1	–0.1

<sup>1</sup> Using series YBHA: GDP at current market prices

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

Not seasonally adjusted

£ billion

		2012	2013	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3
<b>Investment abroad</b>												
International Investment Position												
Direct investment	N2V3	–	–	–	–	–	–	–	–	16.4	43.4	73.0
Portfolio investment	HHZZ	–	–	–	–	–	–	–	–	–0.5	–1.2	–1.5
Financial derivatives	JX96	–	–	–	–	–	–	–	–	–	–	–
Other investment	HLXV	–	–	–	–	–	–	–	–	–4.4	–2.5	26.4
Reserve assets	LTEB	–	–	–	–	–	–	–	–	–	–	–
Total	HBQA	–	–	–	–	–	–	–	–	11.4	39.7	97.9
Financial Account transactions <sup>1</sup>												
Direct investment	-N2SV	–	–	–	–	–	–	–	–	4.4	3.9	–6.3
Portfolio investment	-HHZC	–	–	–	–	–	–	–	–	–0.2	–0.3	–0.1
Financial derivatives (net)	-ZPNN	–	–	–	–	–	–	–	–	–0.1	–0.1	17.4
Other investment	-XBMM	–	–	–	–	–	–	–	–	–0.2	–0.4	12.3
Reserve assets	-LTCV	–	–	–	–	–	–	–	–	–	–	–
Total	-HBNR	–	–	–	–	–	–	–	–	4.0	3.1	23.3
Investment income earnings												
Direct investment	N2QP	–	–	–	–	–	–	–	–	–1.0	0.2	–0.4
Portfolio investment	HLZX	–	–	–	–	–	–	–	–	0.1	0.1	0.1
Other investment	AIOF	–	–	–	–	–	–	–	–	–	–	–0.2
Reserve assets	HHCB	–	–	–	–	–	–	–	–	–	–	–
Total	HMBN	–	–	–	–	–	–	–	–	–0.9	0.3	–0.6
<b>Investment in the UK</b>												
International Investment Position												
Direct investment	N2UG	–	–	–	–	–	–	–	–	–32.0	26.8	5.1
Portfolio investment	HLXW	–	–	–	–	–	–	–	–	–8.7	–8.3	–8.8
Financial derivatives	JX97	–	–	–	–	–	–	–	–	–	–	–
Other investment	HLXD	–	–	–	–	–	–	–	–	12.8	15.5	43.6
Total	HBQB	–	–	–	–	–	–	–	–	–27.9	34.0	39.9
Financial Account transactions												
Direct investment	N2SA	–	–	–	–	–	–	–	–	2.5	–13.9	10.5
Portfolio investment	HHZF	–	–	–	–	–	–	–	–	–15.4	21.9	0.2
Other investment	XBMM	–	–	–	–	–	–	–	–	15.0	–	15.0
Total	HBNS	–	–	–	–	–	–	–	–	2.1	8.1	25.7
Investment income												
Direct investment	N2Q4	–	–	–	–	–	–	–	–	–0.1	1.4	0.1
Portfolio investment	HLZC	–	–	–	–	–	–	–	–	–	–0.1	–0.1
Other investment	HLZN	–	–	–	–	–	–	–	–	–0.1	–	–0.3
Total	HMBO	–	–	–	–	–	–	–	–	–0.3	1.3	–0.3
<b>Net investment</b>												
International Investment Position												
Direct investment	MU7O	–	–	–	–	–	–	–	–	48.4	16.5	67.9
Portfolio investment	CGNH	–	–	–	–	–	–	–	–	8.2	7.1	7.4
Financial derivatives	JX98	–	–	–	–	–	–	–	–	–	–	–
Other investment	CGNG	–	–	–	–	–	–	–	–	–17.2	–17.9	–17.2
Reserve assets	LTEB	–	–	–	–	–	–	–	–	–	–	–
Net investment	HBQC	–	–	–	–	–	–	–	–	39.3	5.7	58.0
Financial Accounts transactions <sup>1</sup>												
Direct investment	-MU7M	–	–	–	–	–	–	–	–	2.0	17.8	–16.8
Portfolio investment	-HHZD	–	–	–	–	–	–	–	–	15.2	–22.3	–0.3
Financial derivatives	-ZPNN	–	–	–	–	–	–	–	–	–0.1	–0.1	17.4
Other investment	-HHYR	–	–	–	–	–	–	–	–	–15.2	–0.5	–2.7
Reserve assets	-LTCV	–	–	–	–	–	–	–	–	–	–	–
Net transactions	-HBNT	–	–	–	–	–	–	–	–	1.9	–5.0	–2.3
Investment income earnings												
Direct investment	MU7E	–	–	–	–	–	–	–	–	–0.9	–1.2	–0.5
Portfolio investment	HLZX	–	–	–	–	–	–	–	–	0.1	0.2	0.2
Other investment	CGNA	–	–	–	–	–	–	–	–	0.1	–	0.1
Reserve assets	HHCB	–	–	–	–	–	–	–	–	–	–	–
Net earnings	HMBM	–	–	–	–	–	–	–	–	–0.6	–1.0	–0.3

<sup>1</sup> 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.