

## Balance of payments in the first half of 2006 and the external position

The Central Bank of Iceland has today published on its website statistics for the balance of payments in the first half of 2006 and the external position at the end of June.<sup>1</sup>

The deficit on the current account was 65.4 b.kr. in Q2/2006. Over the first half of the year, the current deficit amounted to 123.6 b.kr. compared to 62.3 b.kr. the year before. There was a deficit on all current accounts: goods, services, income and current transfer.

Net financial inflow measured 193.2 b.kr. during the first half of 2006. Total external liabilities increased by 576 b.kr., while foreign investments abroad amounted to 389 b.kr. Those investments were divided into direct investment, portfolio investment and other investments such as deposits, loans, etc. Reserves decreased by 7.7 b.kr. during the first six month of the year to 76.8 b.kr. at the end of June.

### *Balance of payments in b.kr.*

	<i>April - June</i>		<i>January - June</i>	
	<i>2005</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>
<b>Current Account</b>	<b>-32.4</b>	<b>-65.4</b>	<b>-62.3</b>	<b>-123.6</b>
Exports of goods and services	88.0	96.1	160.6	169.3
Imports of goods and services	-115.2	-146.8	-209.8	-266.6
Income and current transfer, net	-5.2	-14.6	-13.2	-26.3
<b>Capital and Financial Account</b>	<b>-17.6</b>	<b>122.9</b>	<b>100.5</b>	<b>193.2</b>
Financial account excl. reserves	-16.9	112.0	98.0	186.5
External assets, net	-463.1	-81.8	-573.6	-389.3
External debt, net	446.2	193.9	671.7	575.8
Reserve assets (- increase)	-0.2	11.4	3.4	7.7
<i>Net errors and omissions</i>	50.0	-57.5	-38.2	-69.6

Iceland's international investment position was negative by 1,297 b.kr. at the end of June 2006, equivalent to 107% of estimated GDP for the year. Foreign assets amounted to 3,446 b.kr. and foreign liabilities to 4,743 b.kr. The gross external debt position was equivalent to 346% of GDP at the end of June.

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

In future, data on the balance of payments and external position will be published only on the Statistics page of the Central Bank of Iceland website in accordance with the advance release calendar. They will no longer be published in a separate press release.

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