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SURPLUS IN BALANCE OF PAYMENTS AND SOME POLICY RECOMMENDATIONS FOR VIETNAM[1]

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Abstract. The balance of payments (BoP) is a critical macroeconomic indicator that helps understand the overall picture of a country's economic transactions with foreign ones. Vietnam's BoP has continuously been in surplus in recent years, even when heavily affected by the Covid-19 pandemic. Based on descriptive statistical methods, comparison, analysis and synthesis, this article has shown that the surplus in the current account of Vietnam was mainly due to the surplus in the trade balance. In addition, despite receiving large remittances, the amount of money that Vietnam had to pay to foreign investors was always much more excess than that Vietnam earns from investing abroad, causing the balance of income to run in deficit. Vietnam's financial account was also in surplus because she has received an enormous amount of foreign direct investments. The surplus in Vietnam's BoP has enhanced Vietnam's external position, but it has put pressure on the domestic currency to appreciate and warn of future macroeconomic uncertainties. Therefore, in the future, Vietnam needs to determine the priority in its policy whether to stabilise the exchange rate or have an independent monetary policy in the context of increasingly liberalised capital accounts.

Keywords*:* balance of payments, current account, financial account, Vietnam, surplus.

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Introduction

The BoP is a summary record of economic transactions between residents of one country and residents of another during a specified period. It could help policymakers do their job well because it reflects the overview of trade and investment in a given period.

Vietnam's BoP has continuously been in surplus in recent years, even when heavily affected by the Covid-19 pandemic. The BoP surplus accounted for 7.63% of GDP in 2020 and 4.67% in three quarters of 2021 [GSO 2022]. In particular, the surplus in Vietnam's BoP occurred in both the current account and the financial account balance, putting pressure on exchange rate stability and causing macroeconomic instability in Vietnam. Besides, the US Treasury determined that Vietnam was a currency manipulator in December 2020 [US Department of the Treasury 2022]. Although the US Treasury determined that there was insufficient evidence to make a finding that Vietnam manipulated its respective exchange rates in 2021, but the US continued enhanced engagements with Vietnam since she met the three criteria of currency manipulator under the 2015 Act [US Department of the Treasury 2022][3]. So what has made Vietnam's BoP continuously surplus in the past time? Was the surplus in Vietnam's BoP one of the reasons that the US accused Vietnam of currency manipulation? What should Vietnam do in the context of liberalisation of capital flows? This article will find answers to these questions.

Literature review

Research on the BoP situation of Vietnam has not received much attention from domestic and foreign scholars. Vietnam's BoP is often only briefly and generally mentioned in the macroeconomic reports of Vietnam's research organisations or economic research agencies. Therefore, there were only a few research works on overall Vietnam's BoP, such as To Trung Thanh [2013], Nguyen Thi Vu Ha [2017, 2018] and Nguyen Van Song [2020]. From a theoretical perspective, Nguyen Van Song analysed the status of BoP and the influence of some key factors on the BoP and the national income by using mathematical modelling. The results showed that BoP played an essential role in the national income and foreign currency reserves of one country. It was affected by many factors, namely, bank interest rates, prices of goods and services in the country, the elasticity of the export of goods to the price of domestic goods and services, and exchange rate. Using descriptive statistics, To Trung Thanh analysed the risks from BoP surplus and increasing foreign exchange reserve from the trilemma in Vietnam. First, the author showed Vietnam's dangers when intervening in the foreign exchange market without effective neutralising measures. Then, he has suggested several policies that Vietnam can apply until 2020, such as having an effective capital control mechanism to stabilise the exchange rate, increase foreign exchange reserves, and raise effective neutralisation measures. Also, using qualitative research methods, Nguyen Thi Vu Ha examined Vietnam's BoP fluctuations from Vietnam

[3] The three thresholds of US currency manipulation criteria under the 2015 Act:

1) A significant bilateral trade surplus with the United States is at least USD 20 bil. over 12 months (at least USD 15 bil. from December 2021);

2) A material current account surplus is at least 2% of GDP over 12 months (at least 3% of GDP over 12 months or estimate Current account Gap at least 1% of GDP from December 2021);

3) Persistent, one-sided intervention in the foreign exchange market occurs when net purchases of foreign currency are conducted repeatedly, in at least 6 out of 12 months (8 out of 12 months from December 2021). These net purchases total at least 2% of an economy's gross domestic product (GDP) over 12 months.

joined the World Trade Organization (WTO) to 2017. The author has shown that integration greatly influences the partial balances in the BoP of Vietnam.

The research on the BoP situation is not very attractive, but the research on the specific balances of Vietnam's BoP has attracted much attention. These studies usually focus on analysing the current account (CA) relationship with other macroeconomic indicators in Vietnam. Using the VECM model, Nguyen Duc Trung and Le Hoang Anh [2021] found evidence that the CA and FDI positively impact economic growth in both the short and long run. Nguyen Thi Lien Hoa and Le Ngoc Toan [2016] investigated the relationship between savings, net foreign asset position and CA volatility in 44 developed and developing countries 1980– 2013, including Vietnam. Tran Thi Cam Tu [2018] studied the components of the BoP that affected the state budget balance in 10 developing countries in Asia. Using the general least squares regression, she found that the impact of the CA balance, FDI on the state budget balance is in the same direction.

Although Vietnam's BoP has run surpluses continuously in the last years, the research on this topic has not been given much attention. Besides, there have been some signals of macroeconomic instability lately. Vietnam has been labelled a currency manipulator by the US since December 2020 after being on the Monitoring List since December 2019. In addition, according to WTO commitments, the need to change the exchange rate mechanism to a floating arrangement has appeared when liberalising the CA and FA in 2018 [To Trung Thanh 2013]. Therefore, it is necessary to learn about the BoP surplus and its effects on other macroeconomic indicators. By collecting data from the State Bank of Vietnam (SBV) and Vietnam General Statistics Office (GSO) and databases of the World Bank (WB), IMF, Trademap, this article review the surplus in the BoP's component balances. After that, the article evaluates the relationship between the balances and other macroeconomic indicators of Vietnam. Last, the paper provides some policy implications for Vietnam in the coming time.

Results and discussion

Trade balance

Vietnam's trade balance has continuously been surplus from 2016 to 2020. In detail, Vietnam's balance of goods was always in surplus, and the balance of services was always in the opposite site – deficit. It implies that Vietnam has comparative advantages in supplying goods and disadvantages in providing services to non-residents. *The surplus in the goods balance* increased from USD 11.94 bil. in 2016 to nearly USD 30.59 bil. in 2020. It caused the goods balance percentage of GDP to increase from 5.82% in 2016 to 11.35% in 2020 [WDI & SBV 2022]. Due to the pandemic impact, the surplus in 2021 has decreased by more than 54% compared to last year [GSO 2022]. The surplus in the balance of goods significantly contributed to Vietnam's economic growth. It created jobs for domestic residents, especially when coping with the Covid19 pandemic. However, it also indicates the scale of excess supply of goods and services in the Vietnam economy. *Vietnam's services balance* always was in deficit but on a small scale since the value of import and export of services was much smaller than those of goods. The pandemic has seriously affected Vietnam's service exports, causing its value to drop more than five times from USD 19.92 bil. in 2019 to USD 3.64 bil. in 2021 [SBV & GSO 2022]. Thus, Vietnam's service balance deficit skyrocketed to USD 15.76 bil. in 2021, about 3.58 times larger than the deficit in 2016 2021 [Ibid.]. As a result, Vietnam's trade balance fell into a deficit after many years of persistent surplus.

The US was Vietnam's largest export partner with a goods balance surplus of USD 80.1 bil. in 2021, near six times Vietnam's goods balance surplus and accounting for nearly 22% of Vietnam's GDP this year [GSO 2022]. On the other hand, *China is Vietnam's largest import partner*, with trade deficits of USD 54 bil. [GSO 2022]. It is one of the reasons why the US continuously accused Vietnam of currency manipulation in 2021.

For balance in value of products, Articles of apparel and clothing accessories; Footwear, gaiters and the like; Machinery, electrical equipment and components were significant contributors to goods balance surplus in Vietnam. The excellent point is that the import of apparel and clothing and footwear was minimal, implying that Vietnam's localisation and advantages in producing these products are high. However, Vietnam is heavily dependent on imports of machinery, electrical equipment and components and this product were dominated by foreign enterprises. *Plastics and articles thereof; Mineral fuels, minerals and products of their distillation; bituminous substances* were the commodity groups with the most significant trade deficit in Vietnam in 2020, but these groups provide input materials for production in Vietnam [Trademap 2022].

Income balances

Vietnam's income balances were divided into two clear directions: the primary income balance always in deficit and the secondary income balance in surplus. The investment payments in Vietnam was much larger than the income received from Vietnam's investment abroad (about 13 times over the period). The payment value for foreign investment in Vietnam from 2016 to 2021Q3 was about USD 96.82 bil. Meanwhile, the income from the outward investment of Vietnam was only USD 7.39 bil. Vietnamese residents earned less on their investments abroad than foreigners made in Vietnam. Therefore, Vietnam's primary income balance was always in deficit, with a value of USD 89.43 bil. for the whole period [SBV 2022]. This deficit has caused Vietnam's CA surplus to drop considerably.

Contrary to the state of the primary income balance, the secondary income balance or net unilateral transfer of Vietnam was always in surplus. Vietnam received USD 63.3 bil. of current unilateral transfer, and the amount of unilateral transfer out of Vietnam was USD 10.91 bil. from 2016 to 2021Q3 (Ibid.). Consequently, remittances have become an essential resource for economic development in Vietnam. However, if this flow is not used correctly, it may cause a speculative bubble in Vietnam's property and real estate market, as happened in the past.

Current account balance (CA)

The trade balance and income balance fluctuations mentioned above have shaped CA fluctuations. After peaking in 2020, the CA balance plummeted in 2021 due to the impact of the pandemic (fig.1). The surplus in CA contributed a lot to economic growth and offset the gap between saving and domestic investment in Vietnam. When domestic saving was greater than domestic investment, CA was in surplus, and conversely, CA was in deficit (fig. 1). In reality, policymakers may prefer that domestic saving be devoted to higher levels of domestic investment and lower levels of foreign investment. The returns on domestic capital may be easier to tax than those on abroad assets. Moreover, an addition to the home capital stock may reduce domestic unemployment and lead to higher national income than an equal addition to foreign assets. Domestic investment by one firm may have beneficial technological spillover effects on other domestic producers that the investment firm does not capture [Krugman 2018: 269].

Excessive CA surpluses may also be inconvenient for political reasons. Countries with large surpluses can become targets for discriminatory import barriers imposed by trading partners with external deficits. For example, the trade war between the US and China from 2018 is partly due to China's trade surpluses with the US. Thus, surplus countries may try to keep their surpluses from becoming too large. Now, US Treasury is working with the Vietnamese authorities to develop a plan with specific actions to address the underlying causes of Vietnam's currency undervaluation and excessive external surpluses.

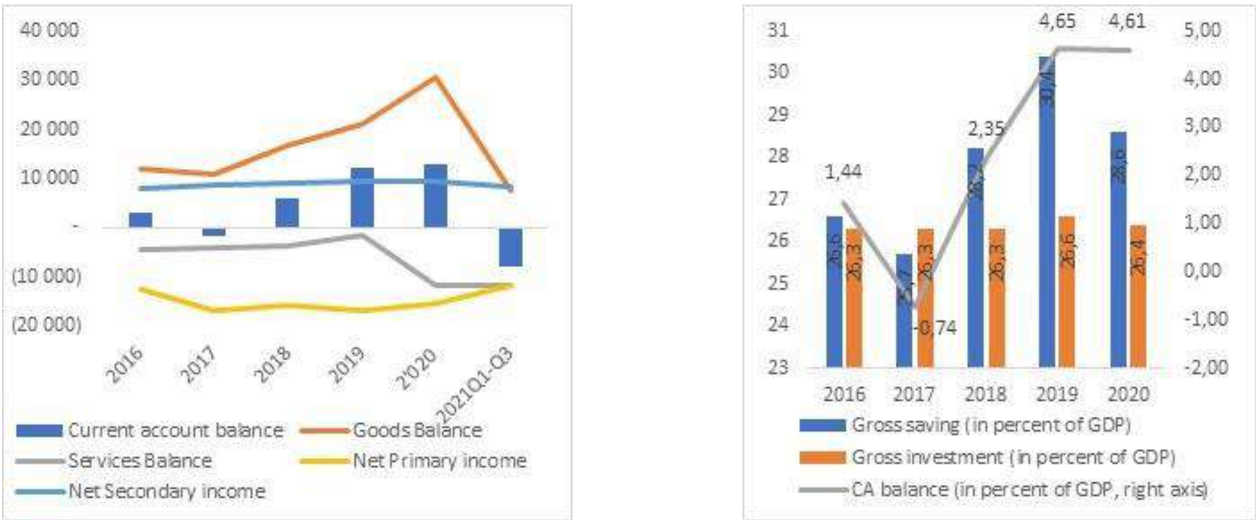

Fig. 1. Balances in CA (mil. USD) and Gross saving and investment (in per cent of GDP) in Vietnam in 2016-2021
Source: [IMF, SBV 2022]

Direct investment (DI) balance

Direct investment (DI) flows were the most stable among the international investment flows in Vietnam, and its balance always was in the surplus (see Annexe). Vietnam received more than USD 90 bil. of FDI from 2016 to 2021 [SBV and GSO 2022]. FDI has actively contributed to creating jobs and promoting exports in Vietnam. The FDI sector contributed more than 72.33% of Vietnam's GDP in 2020 and 73.6% of its exports in 2021 [GSO 2022]. During the pandemic's lockdown time, the DI inflow slightly declined but gained momentum afterwards. Therefore, most of the FDI enterprises operating in Vietnam were not affected by the pandemic in 2020 and only have slightly affected in 2021 [GSO 2021].

Vietnamese investors invested abroad with a total value of nearly USD 3.06 bil. in 730 outward FDI projects from 2016 to 2021Q3. Outward FDI projects mainly focused on mining and quarrying, agriculture, forestry and fishing, and information and communication. Viet Nam invested in 31 countries and territories and Vietnamese investors mainly invested in Australia, Laos, Germany, the US, Russia and Cambodia [GSO 2022].

FDI into Vietnam was nearly 30 times larger than Vietnam's FDI abroad. It is one of the reasons why the income received from investment in Vietnam was much smaller than the payment for the investment that Vietnam had to pay to non-residents.

Portfolio investment (PI) balance

The balance of PI had relatively large fluctuations in Vietnam. From 2016 to 2021Q3, Vietnam received USD 7.81 bil. in PI. However, this period witnessed the withdrawal of PI of Vietnamese residents but with small value. Moreover, there have been seven quarters out of 23 quarters from 2016Q1 to 2021Q3 while foreign investors withdrew capital from the Vietnamese stock market with a total value of up to USD 2.61 bil. (accounting for nearly 28% of the whole foreign PI to Vietnam). Especially in the first quarter of 2020, when the pandemic began to break out, raising concerns about the Vietnamese economy, foreign investors withdrew more than USD 1.33 bil. from Vietnam [SBV 2022]. However, the VN-Index in the first months of 2021 will continue its uptrend due to the confidence of domestic investors in the Vietnamese stock market.

Fig. 2. Portfolio investment balance (USD mil.) and the changes of Vn-Index in Vietnam in 2016Q1-2021Q1
Source: [SBV and State Securities Commission 2021]

Of course, the role of foreign investors in Vietnam's stock market cannot be denied. However, due to the flexibility of this flow, foreign investors' actions have significantly influenced the VN-Index in Vietnam in the recent period (fig. 2).

Other investment (OI) balance

The balance of OI in Vietnam from 2016 to 2021Q3 also has extreme fluctuations on the assets and liabilities sides. Vietnamese investors made OI abroad with a value of nearly USD 42.07 bil. Meanwhile, foreign investors have made OI in Vietnam with a value of more than USD 42.98 bil. (approximately 47.7% compared to FDI). Therefore, the balance of OI was in deficit, with a total value of more than 0.91 bil.$ in the whole period [SBV 2022]. It was the only item in which Vietnamese investors invested abroad nearly as much as foreign investors did in Vietnam.

Vietnamese investors made OI abroad mainly in the form of money and deposits. The banking sector accounted for about 32.83%, and the private sector accounted for 67.17% of money and deposits abroad [Ibid.]. Although accounting for a significant proportion, the flow of other private investments abroad in the form of money and deposits tended to decrease and not fluctuate as strongly as the capital inflow of the banking sector. In the banking sector, this sector's outward investment capital flows were very volatile, and there were periods when these flows came back to Vietnam. Due to the pandemic, OI flowed to foreign countries in the banking sector decreased sharply in 2020 and returned to Vietnam in 2021. Particularly in the three quarters of 2021, this capital flow has flowed back to Vietnam with a value of USD 2.6 bil. [Ibid.]. It demonstrates the increasing integration and connectivity of the Vietnamese banking system with international financial markets and therefore increasing sensitivity to global market fluctuations.

Foreign investors made OI in Vietnam mainly in loans (accounting for nearly 63.12% of the total value) and depositing money into the Vietnamese banking system (31.32%). From 2016 to 2021Q3, loans into Vietnam were mainly in medium and long-term capital, with a value of over USD 21.97 bil. Short-term flows were only about USD 5.15 bil. However, looking at each component, we see a relatively large fluctuation from 2016Q1 to 2021Q3 (fig. 3).

Specifically, for short-term loans, Vietnam borrowed from abroad more than USD 135.69 bil. from 2016Q1 to 2021Q3, which was 1.94 times larger than the disbursed medium and long-term loans and 1.6 times larger than the total disbursed FDI. However, the principal debt that Vietnam had to pay to foreign countries in the same period also reached nearly USD 130.54 bil. [Ibid.]. Therefore, if Vietnam borrows short-term money to pay the short-term debt, it will put significant pressure on the macroeconomic stability of the economy.

For long-term loans, the total disbursement from 2016Q1 to 2021Q3 was about 69.93 bil.$, of which disbursement was mainly to the private sector (accounting for 78%). The total repayment of long-term loan principal in the research period was nearly 47.95 bil.$, of which the government sector and the private sector accounted for about 19.33% and 80.67%, respectively [Ibid.]. However, the amount of scheduled amortisation was gradually increasing in Vietnam. Therefore, the long-term loan balance was often in surplus, causing the primary income balance in deficit.

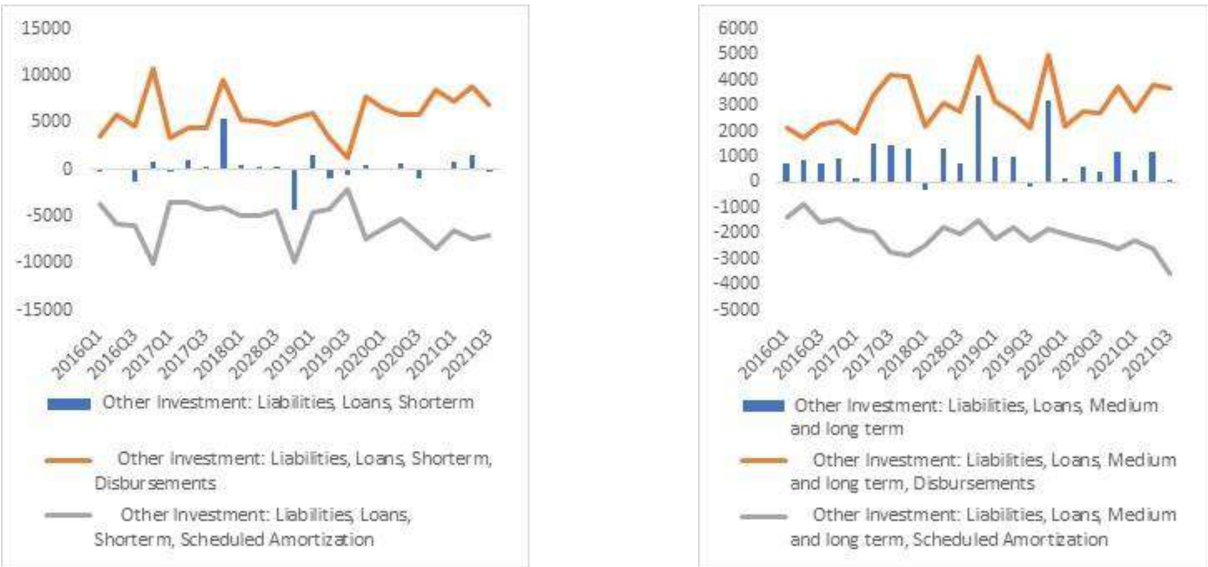

Fig. 3. Shorter and long-term Loans (USD mil.) in Vietnam in 2016Q1-2021Q3
Source: [SBV 2022]

Financial account balance (FA)

The FA records transactions related to investment, borrowing and lending of Vietnam with foreign non-residents. Vietnam's FA balance continuously ran into surplus with the value of USD 90.34 bil. from 2016 to 2021Q3, three times higher than the surplus in the CA. It shows the Vietnamese attractiveness to international capital flows in recent years, especially FDI. However, global money flows into Vietnam were still volatile, so the surplus in the financial balance was unstable, ranging from USD 8.2 bil. to nearly 24 bil. per year. In Vietnam, DI flows tend to be the most stable among the three investment flows and OI flows were the least stable.

Because the FA measures the difference between acquisitions of assets from foreigners and the buildup of liabilities to them, it creates a foreigner’s claim to our residents in the future when FA runs a surplus. Therefore, a surplus in FA can create risks when foreign capital flows reverse or decline suddenly. In Vietnam, the surplus in FA mainly came from DI, so when foreign economic conditions are less favourable, or Vietnam's economic environment is unstable (e.g. stopping production when dealing with the Covid19 pandemic), this capital flow could fluctuate enormously. Moreover, it will strongly affect Vietnam's goods exports (as analysed above, Vietnam's goods exports depend significantly on the FDI sector).

Official reserve balance

The official reserve balance records transactions that the Central Bank intervene in the foreign exchange market. This balance deficit implies that the central bank has bought foreign currency and increased the country's foreign exchange reserves. In Vietnam, two main accounts were in surplus. First, it put tremendous pressure on the exchange rate and forced the SBV to intervene in the foreign exchange market. Then, from 2016 to 2021Q3, the SBV bought more than 79 bil.$, accounting for over two-thirds of the total surplus in Vietnam's current and financial balance. The SBV had strongly intervened in the foreign exchange market to stabilise the exchange rate. During periods of excess foreign currency, the SBV continuously bought. In periods of shortage, it sold, for example, 2018Q4 (when both the CA and the FA of Vietnam were in deficit), the SBV sold more than USD 1.9 bil. in reserves. The SBV also sold more than USD 1.26 bil. of reserves to finance the CA deficit in 2016Q4

[SBV 2022]. It is also one of the reasons that the US accuses Vietnam of manipulating its currency in recent years.

Vietnam's total reserves by the end of 2020 reached nearly USD 94 bil., equivalent to about 4.5 months of imports and almost 35% of GDP and 70% of the total national debt in 2020 [WDI 2021]. In 2021Q3, Vietnam accumulated about USD 106 bil. of reserves. It is a reserve level that can ensure safety for Vietnamese importers and help Vietnam avoid economic shocks. However, the SBV needs to be tactful when using this tool because it can cause trade tensions for Vietnam. In addition, when the central bank purchases foreign currency without neutralisation, the domestic money supply will increase and cause inflation in the economy. Therefore, SBV had continuously performed open market operations to reduce the money supply and inflation pressure. As a result, the total value of offering SBV bills from 2016-2019 made by SVB was 3.73 million bil. Vietnam dong (approximate USD 162 bil.). Especially in 2019, when the current and financial account surplus peaked, SBV sold its bills with nearly 1.52 tril. dong (approximate USD 64.8 mil.) [SBV Annual Report 2016, 2017, 2018, 2019, 2020].

Due to such an intervention, the IMF assessment indicated that the Vietnamese dong was 7.8% undervalued on a real effective basis in 2019, broadly with its evaluation of dong undervaluation in recent years. On net, the dong depreciated 4.3% and 4.7% over 2020 on a nominal effective basis and real effective basis, respectively [US Department of the Treasury 2021].

Official settlements balance

According to the double-entry principle, the BoP is always in equilibrium. However, people still refer to a country's BoP surplus or deficit. It refers to the Official settlements balance (OSB) or the nation's overall balance surplus and deficit. During the last years, Vietnam's overall balance has always been in surplus with a value of more than USD 79 bil., which means that the receipts of the Vietnamese economy were more extensive than its payments in its external transactions, excluding reserve asset transactions. As a result, based on 2019 data, Vietnam's external position was significantly more potent than warranted by fundamentals and desirable policies, reflecting a less productive domestic economy relative to the export sector, constraints on private sector investment [Ibid.].

It is worth noting that the error and omissions in the BoP of Vietnam are pretty significant. For example, in 2016-2021Q3, the total value was close to USD -35.67 bil., equivalent to 45.13% of the overall balance. Unrecognised or omitted value flows to Vietnam during the whole period were nearly USD 6.5 bil., and unknown value flows out of the country were close to USD 40 bil. (6 times larger than the inflow) from 2016 to 2020. In addition, the number of reliable transaction reports related to money laundering that SBV received also increased from 1300 reports in 2016 to 2000 reports in 2019 [SBV 2021]. It is a big formula for the economic policymakers of Vietnam.

Conclusions and policy recommendations

There are some conclusions and policy recommendations after studying the surplus in the BoP of Vietnam in the last several years, namely:

First, the surplus in CA in Vietnam was mainly due to a massive glut in the trade balance. Thus, it shows Vietnam's comparative advantage in supplying goods. However, Vietnam's exports were primarily from the FDI sector, so any fluctuations in the DI balance would significantly affect Vietnam's exports. In terms of income balances, although Vietnam receives an abundance of remittances, Vietnam had to pay foreign investors is always much more significant than the amount that Vietnam earned from investment abroad. Further, it created pressure on VND revaluation, causing SBV to intervene to stabilise the exchange rate. On the one hand, this intervention creates pressures on money supply and inflation; on the other hand, it causes trade tensions with partner countries. Therefore, in the future, Vietnam needs to determine the priority in its policy whether to stabilise the exchange rate or have an independent monetary policy in the context of increasingly liberalised capital accounts.

Second, the surplus in FA in Vietnam was mainly DI. When foreign economic conditions are less favourable or Vietnam's economic environment is unstable, this capital flow can fluctuate enormously. The surplus in Vietnam's FA was not sustainable because besides DI, other investment flows into and out of Vietnam fluctuated very strongly. Specifically, loans fluctuated wildly in both the short-term and long term. Although the surplus in the balance of long-term loans could partly offset the short-term deficit, total short-term loans were nearly twice larger than long-term. It would make it challenging to manage foreign capital flows in Vietnam and may create risks of capital flow reversal in Vietnam. Currently, the management of capital transactions is carried out to facilitate the attraction of foreign investment capital flows into Vietnam while strictly and prudently managing outward investment capital flows. According to P. Krugman [2018: 270], China and Taiwan, which maintained capital controls and had current account surpluses over the pre-crisis period, were greatly unscathed in the crisis. However, according to WTO commitments, Vietnam needed to liberalise the FA in 2018. Therefore, capital controls will have to be removed in the future.

Third, the surplus in Vietnam's BoP has enhanced Vietnam's external position. However, it may reflect the degree of inefficiency of the domestic economic sector in supplying export goods or constraints in the domestic private investment sector. Accumulation of excess foreign exchange reserves can put upward pressure on inflation and lead to a credit boom in the future. In addition, the cost of neutralisation in Vietnam is relatively high [To Trung Thanh 2013], so continuing to intervene and neutralise the impact on money supply and inflation is unlikely to last forever. Therefore, it is now urgent to support and improve private investment and gradually move towards a floating exchange rate mechanism with a roadmap in the future.

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Annex: Vietnam's balance of payment from 2016 to 2021Q3 (mil. USD)

Vietnams balance of payment	2016	2017	2018	2019	2020	2021 (Q1-Q3)
A. Current account balance	**2960**	**-1651**	**5769**	**12168**	**12949**	**- 7840**
Goods: Exports f.o.b	176484	215119	243697	264189	282629	240632
Goods: Imports f.o.b	164540	204273	227158	242968	252040	233213
Goods balance	***11944***	***10846***	***16539***	***21221***	***30589***	***7419***
Services: Exports	12505	13070	14775	19920	6512	2658
Services: Imports	16908	17100	18585	21421	18241	14345
Services balance	***-4403***	***-4030***	***-3810***	***-1501***	***11729***	***- 11687***
Investment incomes (Primary income): Receipts	635	745	1615	2237	1428	729
Investment income (Primary income): Payments	13201	17738	17433	19032	16795	12617
Primary income balance	***-12566***	***-16993***	***-15818***	***-16795***	***15367***	***- 11888***
Transfers (Secondary income): Receipts	9125	10031	10870	11609	11427	10240
Transfers (Secondary income): Payments	1140	1503	2012	2366	1971	1924
Secondary income balance	***7985***	***8528***	***8857***	***9243***	***9456***	***8316***
B. Capital account balance	**0**	**0**	**0**	**0**	**-**	**-**
C. Financial account balance	**10697**	**20028**	**8466**	**18971**	**8313**	**23864**
Direct investment: Assets	-1000	-480	-598	-450	- 380	- 148
Direct investment: Liabilities	12600	14100	15500	16120	15800	10550
Direct investment balance	***11600***	***13620***	***14902***	***15670***	***15420***	***10402***
Portfolio investment: Assets	**180**	**0**	**0**	**3**	**4**	**7**
Portfolio investment: Liabilities	**48**	**2069**	**3021**	**2995**	- 1048	535
Portfolio investment balance	***228***	***2069***	***3021***	***2998***	***- 1044***	***542***
Other investment: Assets	-5322	-9603	-11143	-7789	- 8746	538
Other investment: Liabilities	4191	13942	1686	8092	2683	12382
Other investment balance	***-1131***	***4339***	***-9457***	***303***	***- 6063***	***12920***
D. Net errors and omissions	**-5265**	**-5833**	**-8204**	**-7885**	**- 4631**	**- 3849**
E. Overall balance	**8390**	**12544**	**6031**	**23254**	**16632**	**12175**
F. Reserve and related items	**-8390**	**-12544**	**-6031**	**-23254**	**16632**	**- 12175**

Source: [SBV 2022]