

Press release

19 October 2023

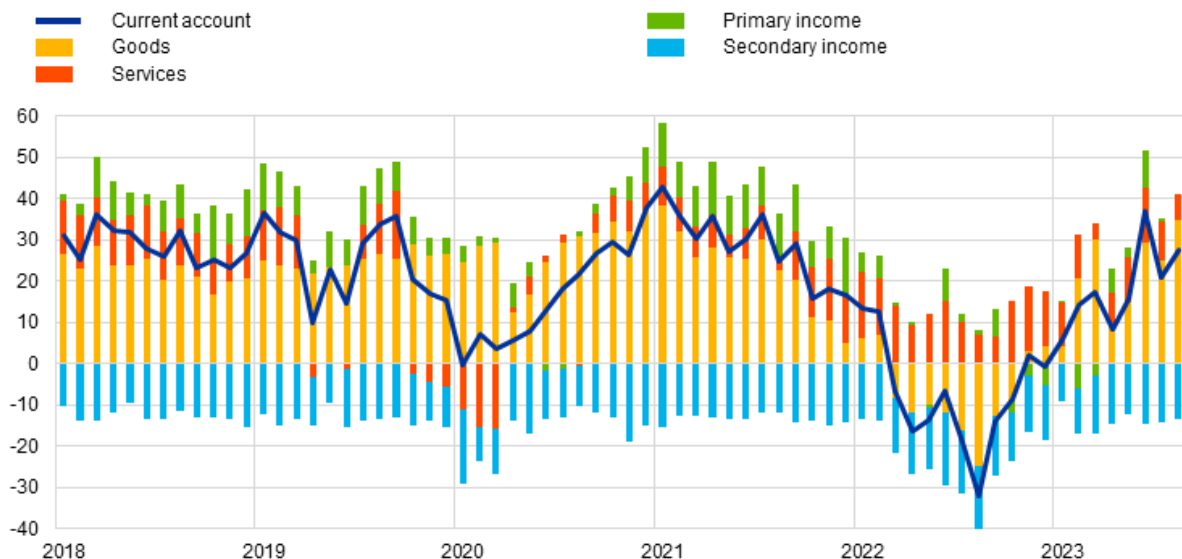
Euro area monthly balance of payments: August 2023

- [Current account](#) recorded €28 billion surplus in August 2023, up from €21 billion in previous month
- [Current account](#) surplus amounted to €126 billion (0.9% of euro area GDP) in 12 months to August 2023, up from €12 billion (0.1%) one year earlier
- In [financial account](#), euro area residents' net acquisitions of non-euro area portfolio investment securities totalled €307 billion and non-residents' net acquisitions of euro area portfolio investment securities totalled €489 billion in 12 months to August 2023

Chart 1

Euro area current account balance

(EUR billions unless otherwise indicated; working day and seasonally adjusted data)



Source: ECB.

European Central Bank

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The *current account* of the euro area recorded a surplus of €28 billion in August 2023, an increase of €7 billion from the previous month (Chart 1 and Table 1). Surpluses were recorded for *goods* (€35 billion) and *services* (€6 billion). These were partly offset by a deficit for *secondary income* (€13 billion). The *primary income* balance was close to zero.

Table 1

Current account of the euro area

(EUR billions unless otherwise indicated; transactions; working day and seasonally adjusted data)

		Cumulated figures for the 12-month period ending in				Aug 2022	Jul 2023	Aug 2023
		August 2022 % of GDP		August 2023 % of GDP				
Current account	Balance	12	0.1%	126	0.9%	-32	21	28
	Credit	5,109	39.0%	5,539	39.9%	460	443	471
	Debit	5,097	38.9%	5,413	39.0%	492	422	443
Goods	Balance	-23	-0.2%	155	1.1%	-25	25	35
	Credit (exports)	2,776	21.2%	2,971	21.4%	255	232	252
	Debit (imports)	2,800	21.4%	2,817	20.3%	280	208	217
Services	Balance	149	1.1%	124	0.9%	7	10	6
	Credit (exports)	1,219	9.3%	1,279	9.2%	107	103	106
	Debit (imports)	1,071	8.2%	1,156	8.3%	100	93	99
Primary income	Balance	61	0.5%	5	0.0%	1	1	0
	Credit	950	7.2%	1,119	8.1%	83	94	100
	Debit	888	6.8%	1,114	8.0%	81	93	100
Secondary income	Balance	-175	-1.3%	-157	-1.1%	-15	-14	-13
	Credit	163	1.2%	169	1.2%	15	14	14
	Debit	339	2.6%	326	2.4%	30	28	27

Source: ECB.

Note: Discrepancies between totals and their components may be due to rounding.

[Data for the current account of the euro area](#)

In the 12 months to August 2023, the *current account* recorded a surplus of €126 billion (0.9% of euro area GDP), compared with a surplus of €12 billion (0.1% of euro area GDP) one year earlier. The widening of the surplus was mainly driven by a switch from a deficit (€23 billion) to a surplus (€155 billion) for *goods*, and to a lesser extent, by a smaller deficit for *secondary income* (down from €175 billion to €157 billion). These developments were partly offset by smaller surpluses for *primary income* (down from €61 billion to €5 billion) and for *services* (down from €149 billion to €124 billion).

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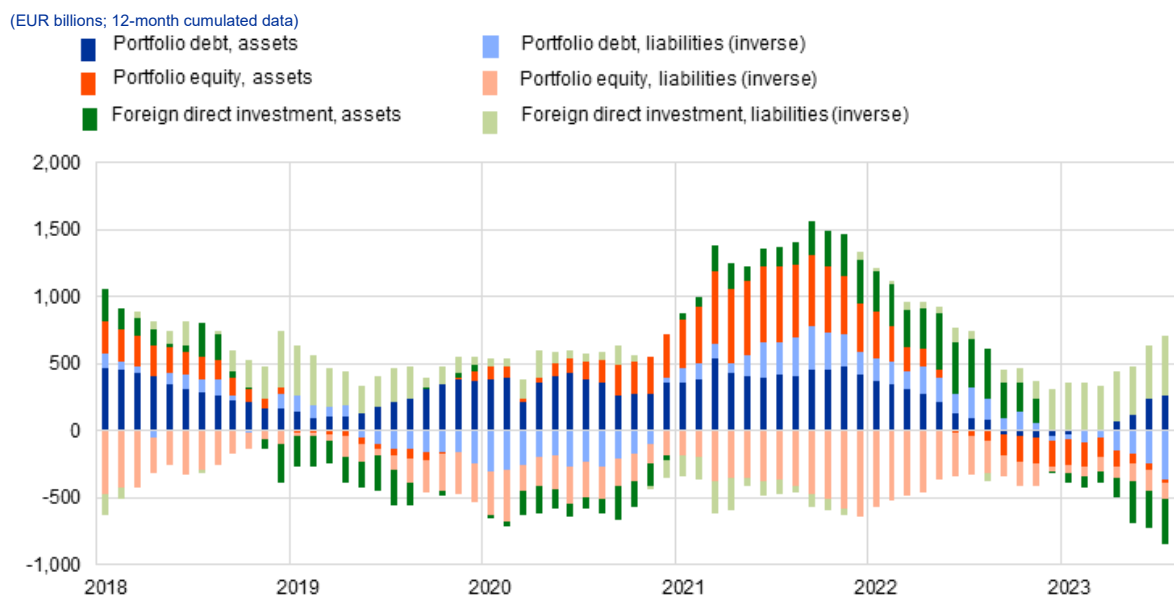
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Chart 2

Selected items of the euro area financial account



Source: ECB.

Notes: For assets, a positive (negative) number indicates net purchases (sales) of non-euro area instruments by euro area investors. For liabilities, a positive (negative) number indicates net sales (purchases) of euro area instruments by non-euro area investors.

In *direct investment*, euro area residents made net disinvestments of €368 billion in non-euro area assets in the 12 months to August 2023, following net investments of €376 billion one year earlier (Chart 2 and Table 2). Non-residents disinvested €516 billion in net terms from euro area assets in the 12 months to August 2023, following net investments of €65 billion one year earlier.

In *portfolio investment*, euro area residents' net sales of non-euro area *equity* decreased to €2 billion in the 12 months to August 2023, down from €78 billion one year earlier. Over the same period, net purchases of non-euro area *debt securities* by euro-area residents increased to €309 billion, up from €78 billion one year earlier. Non-residents' net purchases of euro area *equity* decreased to €156 billion in the 12 months to August 2023, down from €231 billion one year earlier. Over the same period, non-residents made net purchases of euro area *debt securities* amounting to €334 billion, following net sales of €162 billion one year earlier.

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Table 2

Financial account of the euro area

(EUR billions unless otherwise indicated; transactions; non-working day and non-seasonally adjusted data)

	Cumulated figures for the 12-month period ending in					
	August 2022			August 2023		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	129	997	868	193	-128	-321
Direct investment	312	376	65	149	-368	-516
Portfolio investment	-69	0	69	-183	307	489
Equity	-309	-78	231	-158	-2	156
Debt securities	240	78	-162	-25	309	334
Financial derivatives (net)	102	102		33	33	
Other investment	-225	509	735	196	-97	-294
Eurosysteem	-236	-7	229	295	-21	-317
Other MFIs	-128	211	339	-58	5	63
General government	-48	-1	48	5	2	-3
Other sectors	187	307	119	-46	-82	-37
Reserve assets	10	10		-2	-2	

Source: ECB.

Notes: Decreases in assets and liabilities are shown with a minus sign. Net financial derivatives are reported under assets. "MFIs" stands for monetary financial institutions. Discrepancies between totals and their components may be due to rounding.

[Data for the financial account of the euro area](#)

In *other investment*, euro area residents recorded net disposals of non-euro area assets amounting to €97 billion in the 12 months to August 2023 (following net acquisitions of €509 billion one year earlier), and they recorded net disposals of liabilities amounting to €294 billion (following net acquisitions of €735 billion one year earlier).

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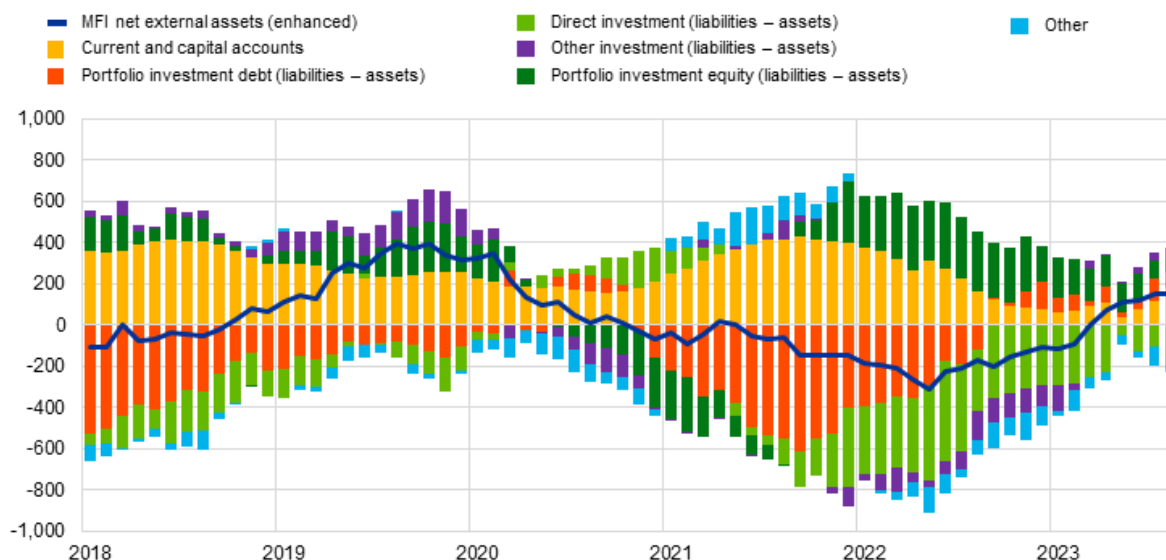
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Chart 3

Monetary presentation of the balance of payments

(EUR billions; 12-month cumulated data)



Source: ECB.

Notes: "MFI net external assets (enhanced)" incorporates an adjustment to the MFI net external assets (as reported in the consolidated MFI balance sheet items statistics) based on information on MFI long-term liabilities held by non-residents, available in b.o.p. statistics. B.o.p. transactions refer only to transactions of non-MFI residents of the euro area. Financial transactions are shown as liabilities net of assets. "Other" includes *financial derivatives* and statistical discrepancies.

The monetary presentation of the balance of payments (Chart 3) shows that the *net external assets (enhanced)* of euro area MFIs increased by €150 billion in the 12 months to August 2023. This increase was driven by the *current and capital accounts* surplus and euro area non-MFIs' net inflows in *portfolio investment debt*, *portfolio investment equity* and *other investment*. These developments were partly offset by euro area non-MFIs' net outflows in *direct investment* and *other flows*.

In August 2023 the Eurosystem's stock of *reserve assets* increased to €1,118.8 billion up from €1,109.7 billion in the previous month (Table 3). This increase was mostly driven by positive price changes (€4.5 billion) and positive exchange rate changes (€3.5 billion) and, to a lesser extent, by net acquisitions of assets (€1.3 billion).

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Table 3

Reserve assets of the euro area

(EUR billions; amounts outstanding at the end of the period, flows during the period; non-working day and non-seasonally adjusted data)

	July 2023	August 2023			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	1,109.7	1.3	3.5	4.5	1,118.8
Monetary gold	615.1	0.0	-	4.7	619.8
Special drawing rights	185.6	1.6	1.0	-	188.2
Reserve position in the IMF	35.8	0.0	0.1	-	35.9
Other reserve assets	273.2	-0.3	2.4	-0.2	274.9

Source: ECB.

Notes: "Other reserve assets" comprises currency and deposits, securities, financial derivatives (net) and other claims. Discrepancies between totals and their components may be due to rounding.

[Data for the reserve assets of the euro area](#)**Data revisions**

This press release incorporates revisions to the data for July 2023. These revisions did not significantly alter the figures previously published.

Next releases:

- Monthly balance of payments: 17 November 2023 (reference data up to September 2023)
- Quarterly balance of payments: 11 January 2024 (reference data up to the third quarter of 2023)¹

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Notes

- Current account data are always seasonally and working day-adjusted, unless otherwise indicated, whereas capital and financial account data are neither seasonally nor working day-adjusted.
- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.

1. On 27 October 2023 there will be a second release of the quarterly balance of payments and international investment position data (reference data up to the second quarter of 2023) with revisions to data for periods since at least the first quarter of 2013. This second release will not include a press or statistical release and is aimed at ensuring consistency between the balance of payments/international investment position and the euro area sector accounts.

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