



EUROPEAN CENTRAL BANK

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## PRESS RELEASE

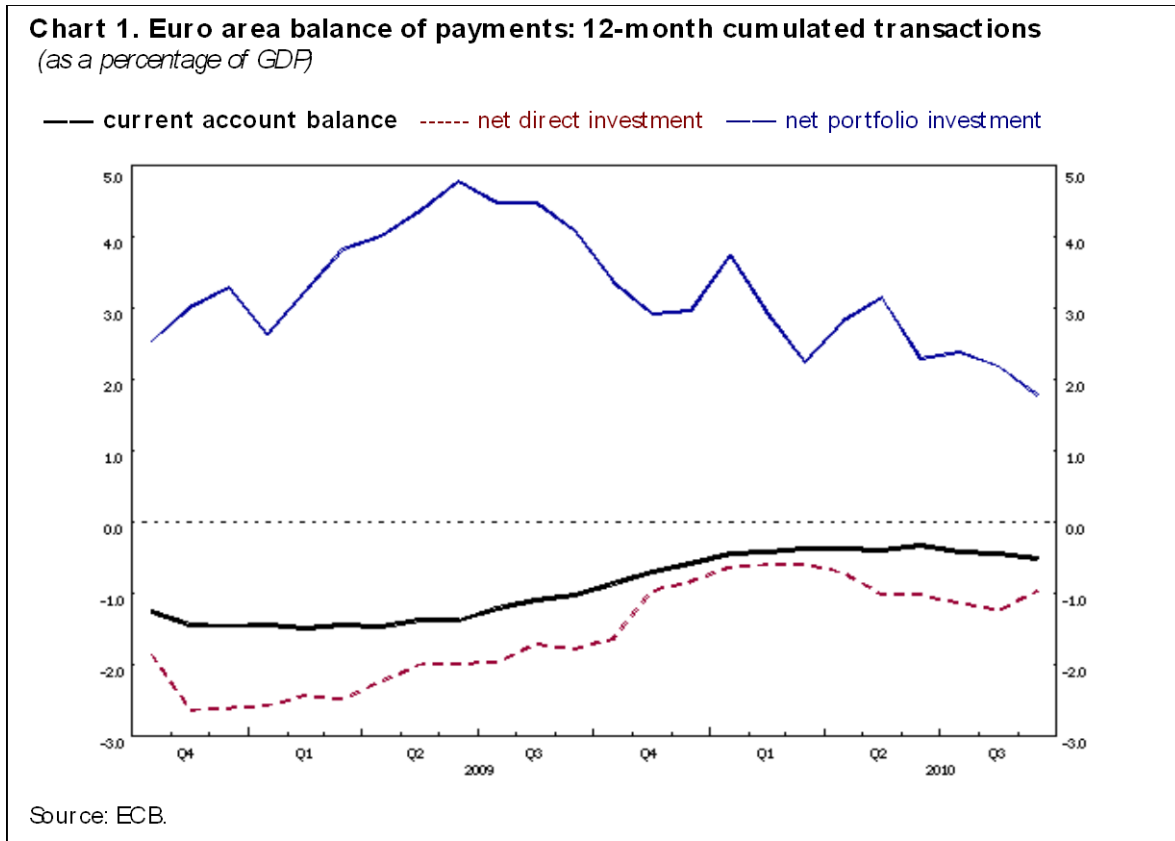
### EURO AREA BALANCE OF PAYMENTS IN SEPTEMBER 2010

*In September 2010 the seasonally adjusted current account of the euro area recorded a deficit of EUR 13.1 billion. In the financial account, combined direct and portfolio investment recorded net inflows of EUR 7 billion (non-seasonally adjusted).*

#### **Current account**

The seasonally adjusted *current account* of the euro area recorded a deficit of EUR 13.1 billion in September 2010 (see Table 1). This reflected deficits in *current transfers* (EUR 11.3 billion) and *income* (EUR 5.5 billion), which were partly offset by surpluses in *goods* (EUR 1.8 billion) and *services* (EUR 1.8 billion).

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of EUR 46.3 billion in September 2010 (around 0.5% of euro area GDP – see Chart 1), compared with a deficit of EUR 91.0 billion a year earlier. The reduction in the current account deficit was due predominantly to a decrease in the *income* deficit (from EUR 40.4 billion to EUR 12.6 billion) and to an increase in the *goods* surplus (from EUR 15.0 billion to EUR 33.4 billion).



## Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of EUR 7 billion in September 2010, as a result of net inflows in *portfolio investment* (EUR 17 billion) that were partly offset by net outflows in *direct investment* (EUR 10 billion).

The net outflows in *direct investment* were predominantly accounted for by net outflows in *equity capital and reinvested earnings* (EUR 12 billion).

*Portfolio investment* recorded net inflows in *debt instruments* (EUR 27 billion) and net outflows in *equity* (EUR 11 billion). The net inflows in *debt instruments* resulted mainly from net purchases of euro area *bonds and notes* by non-residents (EUR 27 billion).

The *financial derivatives* account recorded net outflows of EUR 2 billion.

*Other investment* recorded net inflows of EUR 8 billion, mainly reflecting net inflows by *general government* (EUR 5 billion) and by *other sectors* (EUR 2 billion).

The [Eurosystem's stock of reserve assets](#) decreased from EUR 573 billion to EUR 552 billion in September 2010, mainly on account of valuation effects (transactions were balanced).

In the 12-month period to September 2010, *combined direct and portfolio investment* recorded cumulated net inflows of EUR 73 billion, compared with net inflows of EUR 207 billion in the preceding 12-month period. This decrease was the result of lower net inflows in *portfolio investment* (down from EUR 367 billion to EUR 160 billion), which were only partly offset by lower net outflows in *direct investment* (down from EUR 160 billion to EUR 87 billion). The decrease in net inflows in *portfolio investment* was mainly due to lower net inflows in *money market instruments* (down from EUR 204 billion to EUR 77 billion).

### **Data revisions**

This press release incorporates revisions to the data for August 2010. These revisions have not significantly altered the figures previously published.

The seasonally adjusted series have been revised since January 1999, owing to the annual update of the seasonal adjustment factors.

### **Additional information on the euro area balance of payments and international investment position**

*In this press release, the seasonally adjusted current account refers to working day and seasonally adjusted data. Data for the financial account are non-working day and non-seasonally adjusted.*

*In line with the agreed allocation of responsibilities, the European Central Bank compiles and disseminates monthly and quarterly balance of payments statistics for the euro area, whereas the European Commission (Eurostat; see "Euro-indicators" new releases) focuses on quarterly and annual aggregates for the European Union. These data comply with international standards, particularly those set out in the IMF's Balance of Payments Manual (fifth edition). The aggregates for the euro area and the European Union are compiled consistently on the basis of transactions and positions with residents of countries outside the euro area and the European Union respectively.*

*A complete set of updated euro area balance of payments (including a quarterly geographical breakdown by main counterparts) and international investment position statistics is available in the "Statistics" section of the ECB's website under the headings ["Data services"/"Latest monetary, financial markets and balance of payments"](#)*

[statistics](#)". These data, as well as historical euro area balance of payments time series, can be downloaded from the [ECB's Statistical Data Warehouse \(SDW\)](#). Data up to September 2010 will also be published in the December 2010 issues of the ECB's Monthly Bulletin and Statistics Pocket Book. Detailed [methodological notes](#) are available on the ECB's website. The [next press release](#) on the euro area monthly balance of payments will be published on 20 December 2010.

## **Annexes**

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

**European Central Bank**

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

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