



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS

(December 2009 and preliminary overall results for 2009)

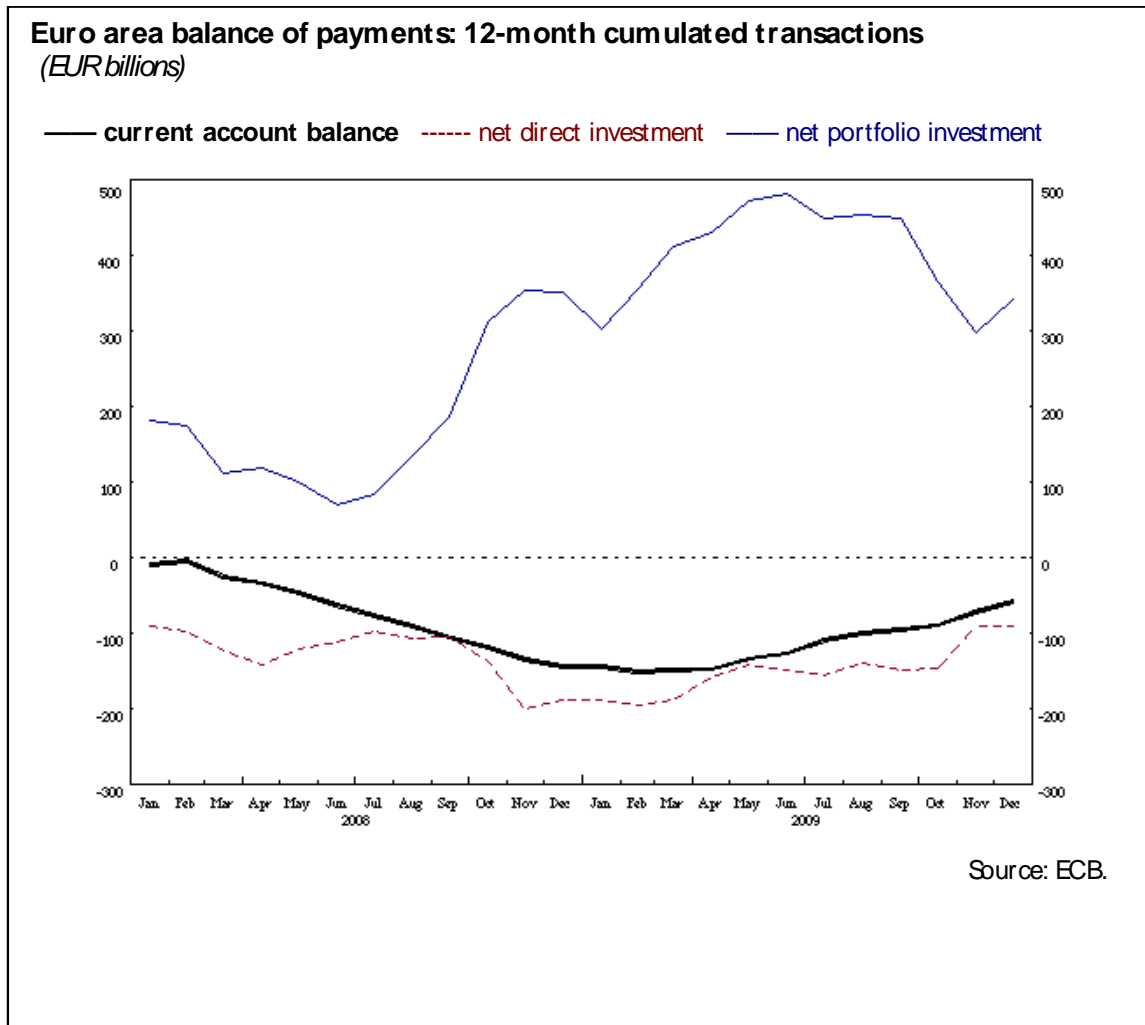
In December 2009 the working day and seasonally adjusted current account of the euro area recorded a surplus of EUR 1.9 billion. In the financial account, combined direct and portfolio investment recorded net inflows of EUR 44 billion (non-seasonally adjusted).

In 2009 as a whole, the working day-adjusted deficit on the euro area current account amounted to EUR 59.0 billion (about 0.7% of GDP), compared with a deficit of EUR 140.6 billion in 2008. Combined direct and portfolio investment recorded net inflows of EUR 251 billion in 2009, compared with net inflows of EUR 162 billion in 2008, mainly as a result of higher net direct investment in the euro area by non-resident investors.

Current account

The working day and seasonally adjusted *current account* of the euro area recorded a surplus of EUR 1.9 billion in December 2009 (corresponding to a surplus of EUR 9.4 billion in non-adjusted terms). This reflected surpluses in *services* (EUR 4.5 billion) and *goods* (EUR 4.4 billion), which were only partly offset by deficits in *current transfers* (EUR 5.2 billion) and *income* (EUR 1.7 billion).

According to the preliminary results for 2009 as a whole, the working day-adjusted *current account* recorded a deficit of EUR 59.0 billion (around 0.7% of euro area GDP), compared with a deficit of EUR 140.6 billion in 2008 (around 1.5% of euro area GDP). This development was due to a shift in *goods* from a deficit (EUR 9.5 billion) to a surplus (EUR 34.7 billion), and decreases in the deficits in *income* (from EUR 73.8 billion to EUR 32.9 billion) and in *current transfers* (from EUR 98.3 billion to EUR 91.3 billion), which were only partly counterbalanced by a decrease in the surplus in *services* (from EUR 41.0 billion to EUR 30.6 billion).



Financial account

In the non-seasonally adjusted financial account, *combined direct and portfolio investment* recorded net inflows in December 2009 (EUR 44 billion), as the net inflows recorded in *portfolio investment* (EUR 46 billion) significantly exceeded the net outflows in *direct investment* (EUR 2 billion).

The net outflows in *direct investment* resulted from net outflows in *other capital (mostly inter-company loans)* (EUR 8 billion), which were partly offset by net inflows in *equity capital and reinvested earnings* (EUR 6 billion).

The net inflows in *portfolio investment* were accounted for by net inflows in both *equity* (EUR 36 billion) and *debt instruments* (EUR 10 billion). The developments in *equity* were predominantly accounted for by net purchases of euro area securities by non-residents.

Financial derivatives recorded net inflows of EUR 3 billion.

Other investment recorded net outflows of EUR 51 billion, reflecting net outflows for *MFIs excluding the Eurosystem* (EUR 68 billion), the *general government* (EUR 14 billion), and the *Eurosystem* (EUR 11 billion), which were partly offset by net inflows for *other sectors* (EUR 42 billion).

Reserve assets increased by EUR 1 billion (excluding valuation effects). The [Eurosystem's stock of reserve assets](#) stood at EUR 462 billion at the end of December 2009.

In 2009 as a whole, *combined direct and portfolio investment* recorded cumulated net inflows of EUR 251 billion, compared with net inflows of EUR 162 billion in 2008. This increase was mainly the result of lower net outflows in *direct investment* (down from EUR 189 billion to EUR 91 billion), which were only partly offset by lower net inflows in *portfolio investment* (down from EUR 351 billion to EUR 342 billion). The developments in *direct investment* were characterised by an increase of foreign investment in euro area companies, as well as a net reduction of euro area investment in foreign affiliates.

Data revisions

In addition to the balance of payments for December 2009, this press release incorporates revisions for November 2009. These revisions have not significantly altered the previously published results.

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

*A complete set of updated euro area balance of payments 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 December 2009 will also be published in the March 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 18 March 2010.*

Annexes

Table 1: Current account of the euro area – working day and seasonally adjusted data

Table 2: Monthly balance of payments of the euro area – non-seasonally adjusted data