



EUROPEAN CENTRAL BANK

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PRESS RELEASE

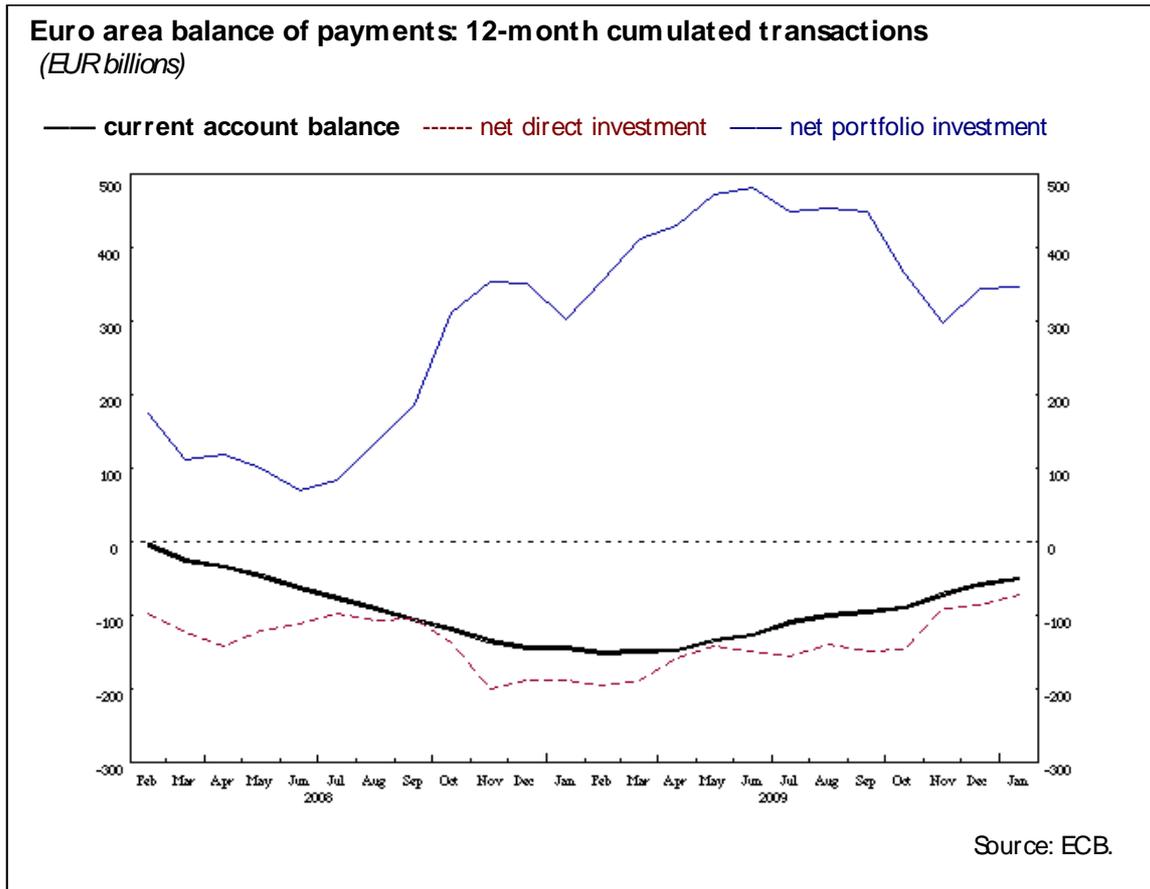
EURO AREA BALANCE OF PAYMENTS (JANUARY 2010)

In January 2010 the working day and seasonally adjusted current account of the euro area recorded a deficit of EUR 8.1 billion. In the financial account, combined direct and portfolio investment recorded net outflows of EUR 11 billion (non-seasonally adjusted).

Current account

The working day and seasonally adjusted *current account* of the euro area recorded a deficit of EUR 8.1 billion in January 2010 (corresponding to a deficit of EUR 16.7 billion in non-adjusted terms). This reflected deficits in *current transfers* (EUR 6.5 billion), *goods* (EUR 2.3 billion) and *income* (EUR 1.4 billion), which were only partly offset by a surplus in *services* (EUR 2.0 billion).

The 12-month cumulated, working day adjusted *current account* recorded a deficit of EUR 50.7 billion (around 0.6% of euro area GDP) in January 2010, compared with a deficit of EUR 144.4 billion a year earlier. This development was due to a shift in *goods* from a deficit (EUR 13.9 billion) to a surplus (EUR 38.1 billion), and decreases in the deficits in *income* (from EUR 71.9 billion to EUR 30.2 billion) and in *current transfers* (from EUR 97.1 billion to EUR 89.2 billion), which were partly counterbalanced by a decrease in the surplus in *services* (from EUR 38.5 billion to EUR 30.6 billion).



Financial account

In the non-seasonally adjusted financial account, *combined direct and portfolio investment* recorded net outflows in January 2010 (EUR 11 billion), as net outflows were recorded both in *direct investment* (EUR 7 billion) and in *portfolio investment* (EUR 4 billion).

The net outflows in *direct investment* resulted from net outflows in *other capital (mostly inter-company loans)* (EUR 5 billion) and in *equity capital and reinvested earnings* (EUR 2 billion).

Portfolio investment recorded net outflows in *debt instruments* (EUR 25 billion), mainly reflecting net purchases of foreign debt instruments by euro area residents, which were to a certain extent counterbalanced by net inflows in *equity* (EUR 21 billion). The latter were predominantly related to net purchases of euro area equity by non-residents.

Financial derivatives recorded net inflows of EUR 5 billion.

Other investment recorded net inflows of EUR 10 billion, reflecting net inflows for *other sectors* (EUR 7 billion), the *general government* (EUR 4 billion) and *MFIs excluding the Eurosystem* (EUR 2 billion), which were partly offset by net outflows for the *Eurosystem* (EUR 2 billion).

Reserve assets decreased by EUR 2 billion (excluding valuation effects). The [Eurosystem's stock of reserve assets](#) stood at EUR 469 billion at the end of January 2010.

In the 12-month period to January 2010, *combined direct and portfolio investment* recorded cumulated net inflows of EUR 275 billion, compared with net inflows of EUR 115 billion in the preceding 12-month period. This increase resulted from both lower net outflows in *direct investment* (down from EUR 188 billion to EUR 71 billion) and higher net inflows in *portfolio investment* (up from EUR 303 billion to EUR 346 billion). The developments in *direct investment* were mainly characterised by an increase of foreign investment in euro area companies. The increase in net inflows in *portfolio investment* was due to a shift from net outflows to net inflows in *equity* that was only partly counterbalanced by lower net inflows in *debt instruments*.

Data revisions

In addition to the balance of payments for January 2010, this press release incorporates revisions for December 2009. These revisions have resulted in higher net outflows in *other investment* (from EUR 51 billion to EUR 63 billion) and higher net inflows in *combined direct and portfolio investment* (from EUR 44 billion to EUR 50 billion).

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 the historical euro area balance of payments time series, can be downloaded from the [ECB's Statistical Data Warehouse \(SDW\)](#). Data up to January 2010 will also be published in the April 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 April 2010 (it will also contain details on the euro area balance of payments and international investment position for the fourth quarter of 2009).

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-working day and non-seasonally adjusted data

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