



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN MARCH 2010

In March 2010 the seasonally adjusted current account of the euro area recorded a surplus of EUR 1.7 billion. In the financial account, combined direct and portfolio investment recorded net outflows of EUR 38 billion (non-seasonally adjusted).

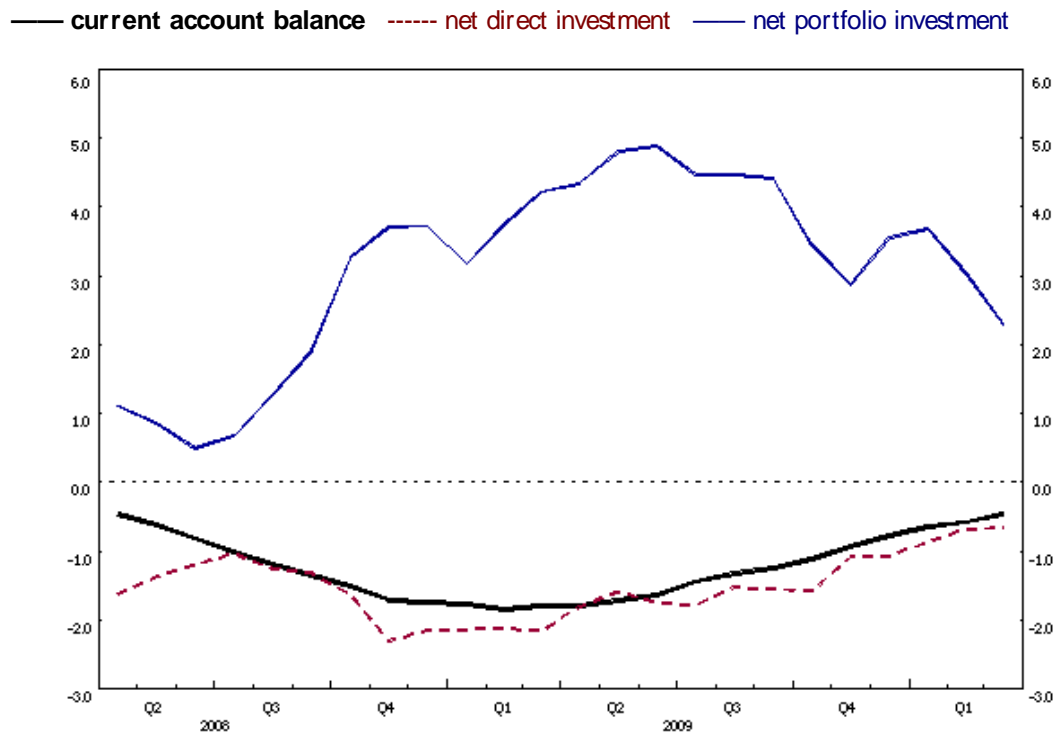
Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of EUR 1.7 billion in March 2010 (see Table 1). This reflected surpluses in *services* (EUR 4.0 billion) and *goods* (EUR 3.8 billion), which were partly counterbalanced by deficits in *current transfers* (EUR 5.1 billion) and in *income* (EUR 0.9 billion).

Preliminary results, based on monthly data, for the first quarter of 2010 show a deficit of EUR 4.5 billion in the seasonally adjusted *current account*.

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of EUR 41.7 billion in March 2010 (around 0.5% of euro area GDP – see Chart 1), compared with a deficit of EUR 164.0 billion a year earlier. The reduction in the current account deficit was mainly due to a shift in *goods* from deficit (EUR 23.2 billion) to surplus (EUR 50.5 billion) and to decreases in the deficits in *income* (from EUR 77.5 billion to EUR 41.1 billion) and in *current transfers* (from EUR 98.6 billion to EUR 85.7 billion). Conversely, the surplus in *services* slightly decreased (from EUR 35.2 billion to EUR 34.6 billion).

Chart 1. Euro area balance of payments: 12-month cumulated transactions
(as a percentage of GDP)



Source: ECB.

Financial account

In the financial account (see Table 2), combined direct and portfolio investment recorded net outflows of EUR 38 billion in March 2010, as a result of net outflows in direct investment (EUR 25 billion) and in portfolio investment (EUR 12 billion).

The net outflows in direct investment resulted from net outflows both in equity capital and reinvested earnings (EUR 9 billion) and in other capital (mostly inter-company loans) (EUR 16 billion).

The net outflows in portfolio investment were accounted for by net outflows both in bonds and notes (EUR 7 billion) and in equity (EUR 5 billion), where net purchases of foreign equity and debt securities by euro area residents (EUR 30 billion) exceeded the net purchases of euro area equity and debt securities by non-residents (EUR 18 billion).

The financial derivatives account was balanced.

Other investment recorded net inflows of EUR 41 billion, reflecting net inflows in *other sectors* (EUR 30 billion), *MFIs excluding the Eurosystem* (EUR 11 billion) and *general government* (EUR 2 billion). The *Eurosystem* recorded net outflows of EUR 2 billion.

The [Eurosystem's stock of reserve assets](#) was EUR 499 billion at the end of March 2010. Transactions (excluding valuation effects) in March 2010 accounted for an increase of EUR 3 billion.

In the 12-month period to March 2010, *combined direct and portfolio investment* recorded cumulated net inflows of EUR 147 billion, compared with net inflows of EUR 189 billion in the preceding 12-month period. This decrease was mainly the result of lower net inflows in *portfolio investment* (down from EUR 387 billion to EUR 206 billion), which were partly offset by lower net outflows in *direct investment* (down from EUR 198 billion to EUR 59 billion).

Data revisions

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

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 March 2010 will also be published in the June 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 22 June 2010.

Annexes

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

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