



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## PRESS RELEASE

### EURO AREA BALANCE OF PAYMENTS IN JULY 2011

*In July 2011 the seasonally adjusted current account of the euro area recorded a deficit of €12.9 billion. In the financial account, combined direct and portfolio investment recorded net outflows of €16 billion (non-seasonally adjusted).*

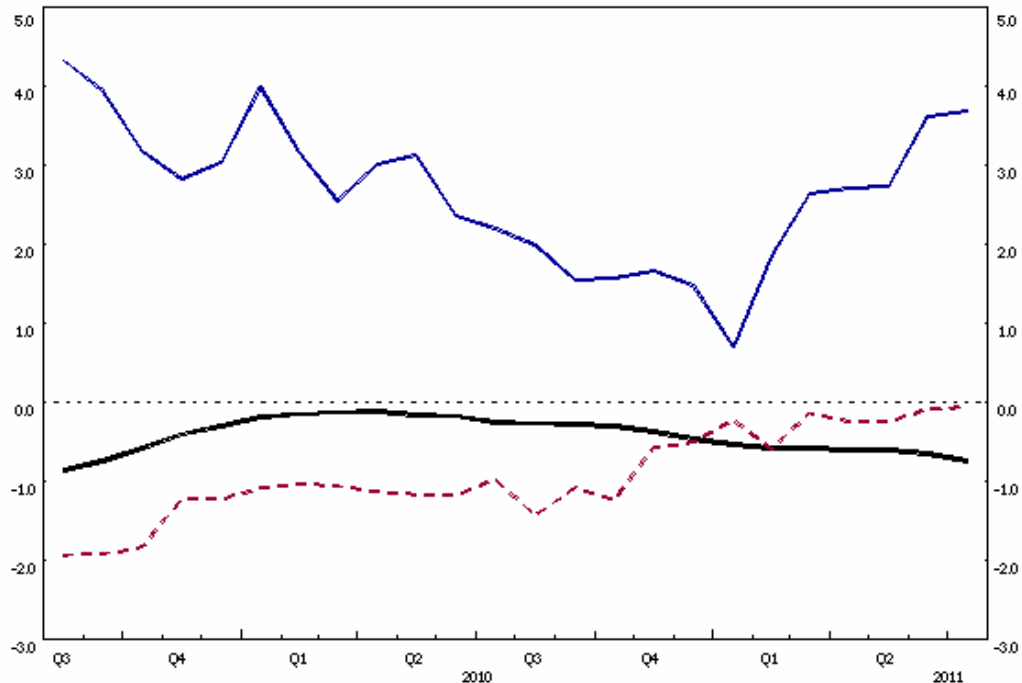
#### **Current account**

The seasonally adjusted *current account* of the euro area recorded a deficit of €12.9 billion in July 2011 (see Table 1). This reflected deficits for *current transfers* (€9.2 billion), *goods* and *income* (€3.5 billion in both of them), which were partly offset by a surplus for *services* (€3.3 billion).

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of €69.3 billion in July 2011 (around 0.7% of euro area GDP; see Table 1 and Chart 1), compared with a deficit of €22.2 billion a year earlier. The widening of the *current account* deficit resulted predominantly from a switch in the balance for *goods* from a surplus (€28.8 billion) to a deficit (€3.6 billion).

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

— **current account balance** (seasonally adjusted)  
 - - - **net direct investment** (non-seasonally adjusted)  
 — **net portfolio investment** (non-seasonally adjusted)



Source: ECB.

## Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net outflows of €16 billion in July 2011. This was due to net outflows for *portfolio investment* (€18 billion), which were partly offset by net inflows for *direct investment* (€2 billion).

The net inflows for *direct investment* resulted from net inflows in *equity capital and reinvested earnings* (€7 billion), which were partly offset by net outflows in *other capital (mostly inter-company loans)* (€5 billion).

*Portfolio investment* recorded net outflows in *debt instruments* (€23 billion), which were partly offset by net inflows for *equity* (€5 billion). The net outflows in *debt instruments* resulted mainly from net sales of euro area *bonds and notes* by non-residents (€29 billion).

The *financial derivatives* account recorded net outflows of €5 billion.

*Other investment* recorded net inflows of €25 billion, reflecting net inflows for the *Eurosystem* (€14 billion), *general government* (€12 billion) and *other sectors* (€3 billion), which were to a limited extent offset by net outflows for *MFIs excluding the Eurosystem* (€5 billion).

The [Eurosystem's stock of reserve assets](#) increased by €41 billion in July 2011 (from €581 billion to €622 billion), on account of valuation effects (with transactions contributing to an increase of €1 billion in overall *reserve assets*).

In the 12-month period to July 2011 *combined direct and portfolio investment* recorded cumulated net inflows of €338 billion, compared with net inflows of €111 billion in the preceding 12-month period. This increase was the result of higher net inflows for *portfolio investment* (€344 billion, up from €199 billion) and lower net outflows for *direct investment* (€6 billion, down from €89 billion). The higher net inflows for *portfolio investment* mainly reflected higher net inflows in *bonds and notes* (€181 billion, up from €39 billion).

### **Data revisions**

This press release incorporates revisions to the data for June 2011. These revisions have not significantly changed the previously published data.

### **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 not working day or 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 news releases for "Euro-indicators") 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 vis-à-vis residents of countries outside the euro area and the European Union respectively.*

*A complete set of updated euro area balance of payments statistics (including a quarterly geographical breakdown for the 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 July 2011 will also be published in the October 2011 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, including the quarterly international investment position, will be published on 19 October 2011.*

## **Annexes**

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

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## 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		2010					2011						
	July 2010	July 2011	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
<b>CURRENT ACCOUNT</b>	<b>-22.2</b>	<b>-69.3</b>	<b>-2.5</b>	<b>-2.2</b>	<b>-3.1</b>	<b>-6.8</b>	<b>-7.6</b>	<b>-4.8</b>	<b>-7.4</b>	<b>-3.7</b>	<b>-5.4</b>	<b>-5.6</b>	<b>-7.1</b>	<b>-12.9</b>
<i>Memo: as a percentage of GDP</i>	<i>-0.2</i>	<i>-0.7</i>												
Credit	2,434.0	2,750.7	220.4	219.6	223.9	225.7	223.5	232.5	232.8	235.1	235.2	237.0	232.8	232.2
Debit	2,456.3	2,820.0	222.9	221.8	227.0	232.5	231.1	237.3	240.3	238.8	240.6	242.6	239.9	245.2
<b>Goods</b>	<b>28.8</b>	<b>-3.6</b>	<b>1.8</b>	<b>5.3</b>	<b>2.1</b>	<b>-1.3</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-3.0</b>	<b>-1.3</b>	<b>-3.8</b>	<b>3.1</b>	<b>0.5</b>	<b>-3.5</b>
Credit (exports)	1,432.1	1,690.2	133.7	133.7	136.4	136.9	135.3	142.6	144.1	145.1	146.9	147.5	143.9	144.0
Debit (imports)	1,403.4	1,693.8	131.9	128.4	134.3	138.2	137.1	144.4	147.0	146.4	150.7	144.4	143.4	147.5
<b>Services</b>	<b>38.9</b>	<b>46.2</b>	<b>3.5</b>	<b>4.1</b>	<b>3.0</b>	<b>4.9</b>	<b>2.9</b>	<b>5.1</b>	<b>3.8</b>	<b>3.7</b>	<b>3.3</b>	<b>4.2</b>	<b>4.6</b>	<b>3.3</b>
Credit (exports)	494.4	527.9	43.0	43.6	43.1	45.2	43.5	45.5	44.2	44.4	43.6	44.3	43.9	43.7
Debit (imports)	455.4	481.8	39.5	39.6	40.1	40.4	40.7	40.4	40.3	40.7	40.3	40.1	39.3	40.4
<b>Income</b>	<b>6.3</b>	<b>-9.8</b>	<b>0.6</b>	<b>-3.1</b>	<b>-0.7</b>	<b>-2.4</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.3</b>	<b>2.3</b>	<b>2.8</b>	<b>-4.1</b>	<b>-1.6</b>	<b>-3.5</b>
Credit	418.3	443.3	36.3	34.6	36.3	36.0	37.0	36.6	36.8	38.1	36.9	38.8	38.7	37.2
Debit	412.0	453.2	35.7	37.7	37.0	38.4	37.4	36.7	36.6	35.8	34.0	42.9	40.3	40.7
<b>Current transfers</b>	<b>-96.2</b>	<b>-102.0</b>	<b>-8.4</b>	<b>-8.5</b>	<b>-7.5</b>	<b>-8.0</b>	<b>-8.3</b>	<b>-8.1</b>	<b>-8.6</b>	<b>-8.4</b>	<b>-7.7</b>	<b>-8.8</b>	<b>-10.6</b>	<b>-9.2</b>
Credit	89.2	89.3	7.4	7.6	8.0	7.6	7.6	7.8	7.8	7.5	7.8	6.5	6.3	7.3
Debit	185.5	191.3	15.8	16.1	15.5	15.6	15.9	15.8	16.3	15.9	15.5	15.3	16.9	16.5

Source: ECB.

## Table 2: Monthly balance of payments of the euro area

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

	Cumulated figures for the 12-month period ending						June 2011 (revised)			July 2011		
	July 2010			July 2011								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
<b>CURRENT ACCOUNT</b>	<b>-23.2</b>	<b>2,438.1</b>	<b>2,461.3</b>	<b>-71.8</b>	<b>2,757.6</b>	<b>2,829.4</b>	<b>-3.1</b>	<b>239.5</b>	<b>242.6</b>	<b>-3.2</b>	<b>236.0</b>	<b>239.2</b>
Goods	30.3	1,436.1	1,405.8	-3.4	1,695.5	1,698.9	0.9	145.6	144.7	3.3	147.8	144.4
Services	39.2	494.7	455.5	45.7	528.4	482.7	6.2	46.1	39.9	5.2	47.2	41.9
Income	5.3	418.5	413.2	-11.5	443.9	455.4	-2.4	42.2	44.6	-1.4	35.8	37.2
Current transfers	-98.0	88.8	186.8	-102.6	89.7	192.3	-7.8	5.6	13.3	-10.3	5.3	15.6
<b>CAPITAL ACCOUNT</b>	<b>7.3</b>	<b>21.5</b>	<b>14.3</b>	<b>5.4</b>	<b>20.4</b>	<b>15.0</b>	<b>0.4</b>	<b>1.3</b>	<b>1.0</b>	<b>0.5</b>	<b>1.4</b>	<b>1.0</b>
	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>
<b>FINANCIAL ACCOUNT<sup>1)</sup></b>	<b>31.2</b>			<b>47.8</b>			<b>6.2</b>			<b>3.5</b>		
<b>DIRECT INVESTMENT<sup>2)</sup></b>	<b>-88.7</b>	<b>-254.2</b>	<b>165.5</b>	<b>-5.6</b>	<b>-116.8</b>	<b>111.2</b>	<b>5.9</b>	<b>6.7</b>	<b>-0.7</b>	<b>2.4</b>	<b>-10.7</b>	<b>13.1</b>
Equity capital and reinvested earnings	66.9	-162.0	229.9	-13.5	-89.7	76.8	-4.8	-5.2	0.4	7.3	-9.7	17.0
Other capital (mostly inter-company loans)	-156.6	-92.2	-64.4	7.7	-27.1	34.4	10.8	11.9	-1.1	-4.9	-1.0	-3.9
<b>PORTFOLIO INVESTMENT</b>	<b>199.3</b>	<b>-133.3</b>	<b>332.6</b>	<b>343.5</b>	<b>-78.5</b>	<b>422.0</b>	<b>83.5</b>	<b>21.8</b>	<b>61.7</b>	<b>-18.4</b>	<b>5.9</b>	<b>-24.3</b>
Equity	28.8	-80.4	109.2	84.0	-67.9	151.9	11.0	7.7	3.3	5.0	-1.7	6.7
Debt instruments	170.5	-52.9	223.4	259.5	-10.6	270.1	72.4	14.0	58.4	-23.4	7.6	-31.0
Bonds and notes	39.2	-124.4	163.6	180.5	-23.0	203.6	61.9	2.4	59.6	-23.0	6.2	-29.2
Money market instruments	131.4	71.6	59.8	79.0	12.5	66.5	10.5	11.6	-1.1	-0.4	1.3	-1.7
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>110.6</b>	<b>-387.5</b>	<b>498.1</b>	<b>337.9</b>	<b>-195.3</b>	<b>533.2</b>	<b>89.4</b>	<b>28.4</b>	<b>61.0</b>	<b>-16.0</b>	<b>-4.8</b>	<b>-11.2</b>
<b>FINANCIAL DERIVATIVES (NET)</b>	<b>1.3</b>			<b>2.2</b>			<b>3.0</b>			<b>-4.6</b>		
<b>OTHER INVESTMENT</b>	<b>-77.8</b>	<b>6.0</b>	<b>-83.9</b>	<b>-281.2</b>	<b>-251.0</b>	<b>-30.3</b>	<b>-87.7</b>	<b>86.7</b>	<b>-174.5</b>	<b>25.0</b>	<b>15.5</b>	<b>9.5</b>
Eurosystem	-43.5	7.4	-51.0	33.4	-13.9	47.3	0.7	-0.6	1.3	14.3	0.1	14.2
General government	-2.9	-13.2	10.3	78.6	-20.3	98.9	2.0	-1.2	3.2	12.3	5.3	6.9
of which: currency and deposits	-2.3	-2.3		0.0	0.0		-2.5	-2.5		1.7	1.7	
MFIs (excluding the Eurosystem)	-17.2	52.6	-69.8	-303.7	-138.9	-164.7	-78.8	91.9	-170.7	-4.9	19.5	-24.3
Long-term	63.9	44.6	19.3	53.6	5.5	48.1	-7.7	-2.6	-5.1	2.8	-1.9	4.7
Short-term	-81.1	8.0	-89.1	-357.3	-144.5	-212.8	-71.1	94.5	-165.6	-7.7	21.3	-29.0
Other sectors	-14.2	-40.7	26.6	-89.6	-77.8	-11.8	-11.7	-3.4	-8.3	3.3	-9.4	12.7
of which: currency and deposits	9.4	9.4		-11.0	-11.0		-0.1	-0.1		-5.6	-5.6	
<b>RESERVE ASSETS</b>	<b>-2.8</b>	<b>-2.8</b>		<b>-11.0</b>	<b>-11.0</b>		<b>1.5</b>	<b>1.5</b>		<b>-0.9</b>	<b>-0.9</b>	
Errors and omissions	-15.3			18.5			-3.5			-0.8		

Source: ECB.

1) Financial account: inflows (+); outflows (-). Reserve assets: increase (-); decrease (+).

2) Direct investment: assets refer to direct investment abroad and liabilities to direct investment in the euro area.