



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN SEPTEMBER 2011

In September 2011 the seasonally adjusted current account of the euro area was balanced. In the financial account, combined direct and portfolio investment recorded net inflows of €14 billion (non-seasonally adjusted).

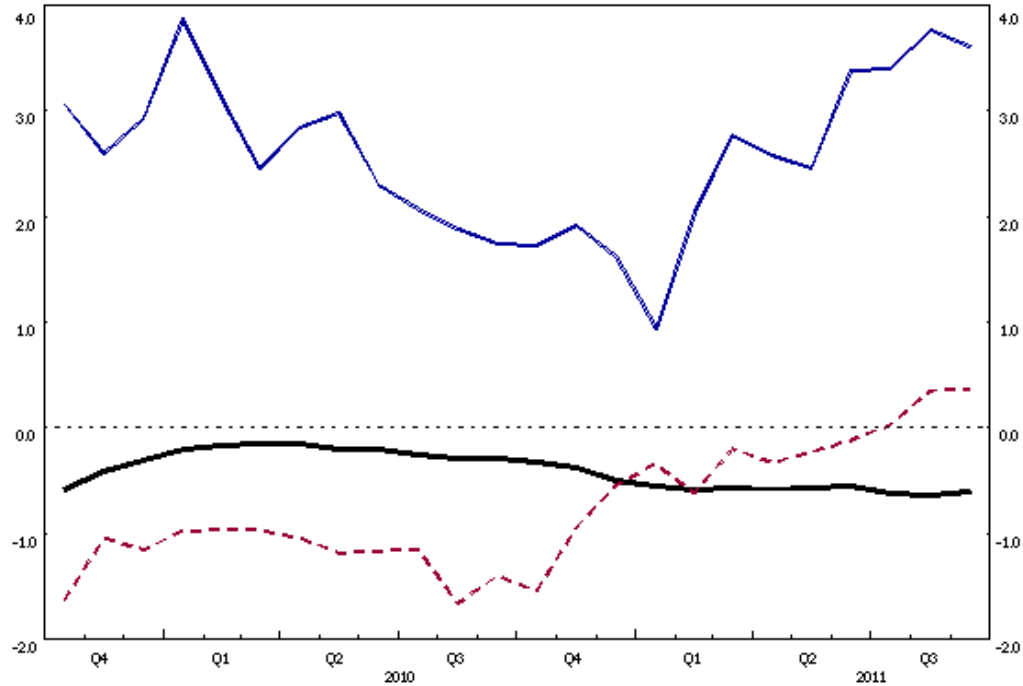
Current account

The seasonally adjusted *current account* of the euro area was balanced in September 2011 (see Table 1). This reflected surpluses for *services* (€5.0 billion), *goods* (€1.9 billion) and *income* (€0.9 billion), which were basically offset by a deficit for *current transfers* (€7.3 billion).

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of €56.5 billion in September 2011 (around 0.6% of euro area GDP; see Table 1 and Chart 1), compared with a deficit of €26.2 billion a year earlier. The widening of the *current account* deficit resulted predominantly from a shift in the balance for *goods* from a surplus (€22.1 billion) to a deficit (€9.7 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 inflows of €14 billion in September 2011. This was due to net inflows for *portfolio investment* (€21 billion), which were partly offset by net outflows for *direct investment* (€7 billion).

The net outflows for *direct investment* resulted mainly from net outflows in *other capital (mostly inter-company loans)* (€7 billion).

Portfolio investment recorded net inflows for *debt instruments* (€15 billion) and for *equity* (€6 billion). These net inflows resulted mainly from net sales of foreign *equity* by euro area residents (€12 billion) and net purchases of euro area *debt securities* by residents outside the euro area (€15 billion).

The *financial derivatives* account recorded net inflows of €2 billion.

Other investment recorded net outflows of €14 billion, reflecting net outflows for *MFI*s excluding the Eurosystem (€26 billion) and *other sectors* (€17 billion), which were partly offset by net inflows for the Eurosystem (€12 billion) and the *general government* (€17 billion).

The [Eurosystem's stock of reserve assets](#) decreased from €656 billion to €647 billion in September 2011, mainly on account of valuation effects (with net transactions resulting in a decrease of €2 billion).

In the 12-month period to September 2011 *combined direct and portfolio investment* recorded cumulated net inflows of €369 billion, compared with net inflows of €31 billion in the preceding 12-month period. This increase was due to higher net inflows for *portfolio investment* (€335 billion, up from €158 billion) and a shift in *direct investment* from net outflows (€127 billion) to net inflows (€34 billion). The higher net inflows for *portfolio investment* mainly reflected higher net inflows in *bonds and notes* (€216 billion, up from €14 billion). The shift in *direct investment* mainly resulted from lower net outflows in *other capital (mostly inter-company loans)* (€9 billion, down from €210 billion).

Data revisions

This press release incorporates revisions to the data for August 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 September 2011 will also be published in the December 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 will be published on 19 December 2011.

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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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								
	Sep. 2010	Sep. 2011	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.
CURRENT ACCOUNT	-26.2	-56.5	-3.6	-6.1	-11.3	-3.5	-5.1	-1.6	-5.6	-4.3	-3.2	-6.8	-5.9	0.5
<i>Memo: as a percentage of GDP</i>	-0.3	-0.6												
Credit	2,514.6	2,809.8	224.6	227.0	224.7	233.7	235.6	238.0	236.7	238.4	237.1	235.7	238.8	239.6
Debit	2,540.8	2,866.4	228.3	233.1	236.0	237.2	240.7	239.6	242.3	242.7	240.2	242.5	244.7	239.1
Goods	22.1	-9.7	0.9	-1.8	-2.8	-0.8	-1.3	0.7	-5.2	1.3	-0.6	-1.1	-0.9	1.9
Credit (exports)	1,480.2	1,718.0	135.7	136.5	134.5	143.1	145.0	146.3	145.7	146.3	144.3	145.9	147.9	146.8
Debit (imports)	1,458.1	1,727.7	134.8	138.3	137.3	143.8	146.3	145.6	150.9	145.0	144.9	147.1	148.9	144.9
Services	46.6	50.8	3.2	5.0	3.1	5.0	3.9	4.0	4.1	4.5	5.7	3.6	3.7	5.0
Credit (exports)	505.8	531.7	43.2	45.4	43.8	45.1	44.2	44.3	43.8	44.1	44.9	43.7	44.1	45.2
Debit (imports)	459.2	481.0	40.0	40.5	40.7	40.1	40.3	40.3	39.7	39.6	39.1	40.1	40.3	40.3
Income	5.6	1.5	0.1	-1.0	-2.9	0.6	1.1	2.3	3.6	-1.6	0.4	-0.9	-1.2	0.9
Credit	439.2	467.9	37.8	37.4	38.8	38.0	38.7	40.0	39.4	40.6	40.5	38.4	38.7	39.5
Debit	433.6	466.4	37.7	38.4	41.8	37.3	37.6	37.6	35.8	42.2	40.1	39.3	39.9	38.6
Current transfers	-100.5	-99.1	-7.9	-8.3	-8.6	-8.4	-8.8	-8.6	-8.2	-8.5	-8.7	-8.3	-7.4	-7.3
Credit	89.3	92.2	7.9	7.6	7.5	7.6	7.7	7.4	7.8	7.4	7.4	7.6	8.1	8.1
Debit	189.8	191.4	15.8	15.9	16.2	16.0	16.5	16.1	15.9	16.0	16.1	16.0	15.6	15.4

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						August 2011 (revised)			September 2011		
	September 2010			September 2011			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	-30.9	2,521.5	2,552.4	-59.3	2,817.8	2,877.1	-7.2	228.1	235.3	-2.5	244.9	247.4
Goods	23.4	1,486.4	1,463.0	-9.2	1,724.7	1,733.9	-4.5	139.9	144.4	2.2	153.7	151.6
Services	47.1	507.2	460.1	50.4	532.7	482.3	4.0	46.4	42.5	5.9	47.2	41.3
Income	3.9	438.7	434.9	0.0	468.5	468.5	1.1	35.9	34.7	-0.6	38.6	39.1
Current transfers	-105.2	89.1	194.4	-100.6	91.8	192.4	-7.8	5.9	13.7	-10.0	5.4	15.4
CAPITAL ACCOUNT	5.5	20.5	15.0	7.0	21.4	14.4	2.2	3.1	1.0	-0.0	0.9	1.0
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	20.0			58.0			6.8			2.8		
DIRECT INVESTMENT²⁾	-127.3	-289.4	162.1	34.3	-153.8	188.1	-0.3	6.0	-6.3	-7.2	-18.4	11.2
Equity capital and reinvested earnings	82.1	-180.4	263.4	42.9	-94.7	138.0	14.8	7.1	7.8	-0.5	-8.0	7.5
Other capital (mostly inter-company loans)	-210.3	-109.0	-101.3	-8.7	-59.1	50.1	-15.1	-1.1	-14.1	-6.7	-10.3	3.7
PORTFOLIO INVESTMENT	157.9	-120.0	277.9	335.1	-23.5	358.6	31.9	65.9	-34.0	20.7	11.6	9.0
Equity	54.0	-72.5	126.4	98.4	-8.1	106.5	19.1	38.9	-19.7	5.8	11.5	-5.7
Debt instruments	103.9	-47.6	151.5	236.7	-15.4	252.1	12.8	27.0	-14.2	14.9	0.2	14.7
Bonds and notes	13.6	-130.3	144.0	215.5	14.6	200.9	19.2	24.9	-5.6	17.9	20.6	-2.8
Money market instruments	90.2	82.8	7.5	21.2	-30.0	51.2	-6.4	2.2	-8.6	-3.0	-20.4	17.5
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	30.6	-409.4	440.0	369.4	-177.3	546.7	31.7	71.9	-40.2	13.5	-6.7	20.2
FINANCIAL DERIVATIVES (NET)	7.3			6.7			-0.7			1.9		
OTHER INVESTMENT	-9.1	-115.3	106.2	-313.3	-348.1	34.8	-27.4	-114.4	87.0	-14.1	-21.7	7.6
Eurosystem	-18.3	3.5	-21.7	52.6	-11.4	64.0	6.6	-0.5	7.1	11.9	3.3	8.6
General government	2.6	-11.9	14.5	86.9	-21.5	108.4	1.1	3.6	-2.5	16.6	-2.5	19.0
of which: currency and deposits	-1.2	-1.2		-1.4	-1.4		3.0	3.0		-3.1	-3.1	
MFIs (excluding the Eurosystem)	-21.6	-28.2	6.6	-358.1	-184.5	-173.7	-50.8	-103.8	53.0	-25.6	-4.2	-21.4
Long-term	48.4	26.0	22.4	15.0	-3.6	18.6	-4.5	-8.9	4.4	-3.7	2.6	-6.3
Short-term	-70.0	-54.2	-15.8	-373.1	-180.9	-192.2	-46.2	-94.8	48.6	-21.9	-6.8	-15.1
Other sectors	28.2	-78.6	106.8	-94.6	-130.6	36.0	15.6	-13.8	29.4	-17.0	-18.4	1.3
of which: currency and deposits	2.9	2.9		-59.7	-59.7		0.0	0.0		-10.9	-10.9	
RESERVE ASSETS	-8.7	-8.7		-4.8	-4.8		3.2	3.2		1.6	1.6	
Errors and omissions	5.3			-5.6			-1.8			-0.3		

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.