



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## PRESS RELEASE

### EURO AREA BALANCE OF PAYMENTS IN MARCH 2011

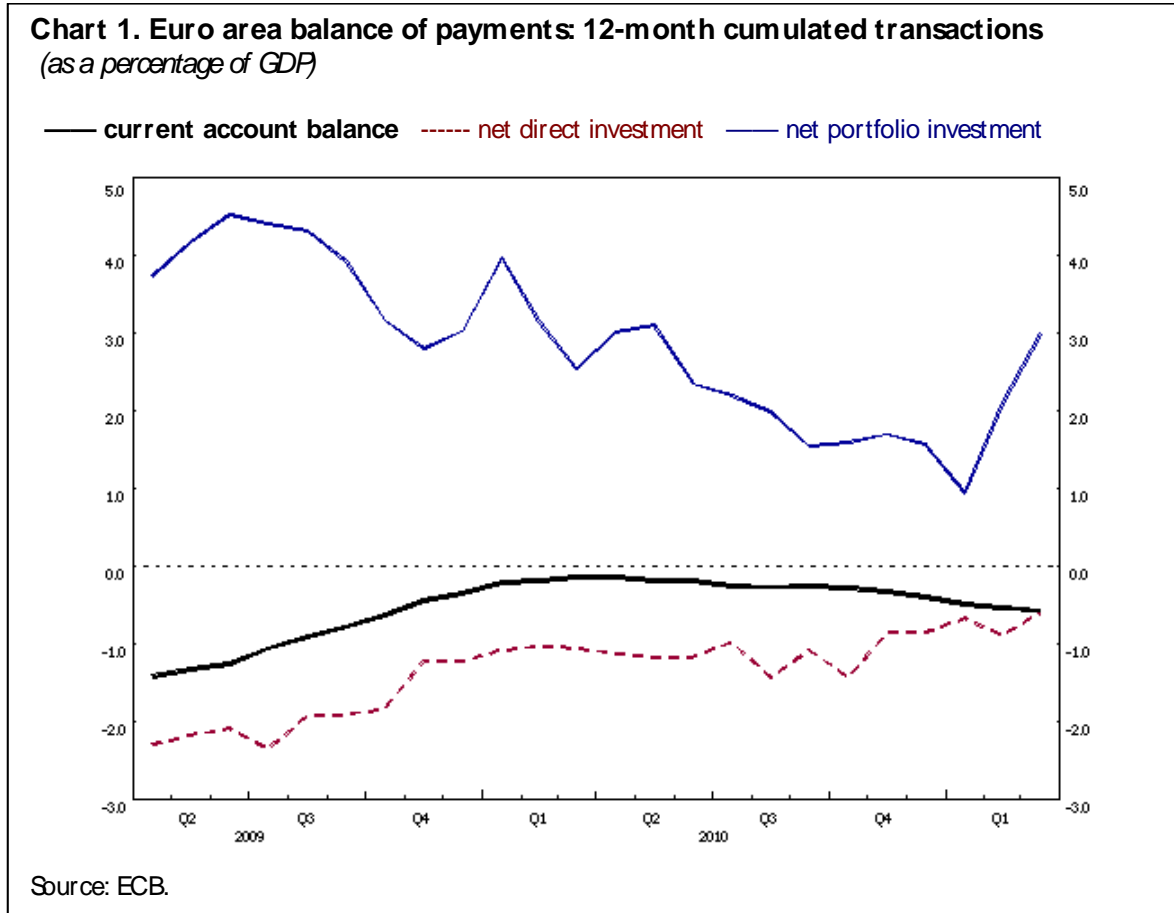
*In March 2011 the seasonally adjusted current account of the euro area recorded a deficit of EUR 4.7 billion. In the financial account, combined direct and portfolio investment recorded net inflows of EUR 70 billion (non-seasonally adjusted).*

#### **Current account**

The seasonally adjusted *current account* of the euro area recorded a deficit of EUR 4.7 billion in March 2011 (see Table 1). This reflected a deficit for *current transfers* (EUR 8.9 billion), which was partially offset by surpluses for *services* (EUR 3.8 billion) and *goods* (EUR 0.8 billion). The *income* account was close to balance.

Preliminary results, based on monthly data, for the first quarter of 2011 show a deficit of EUR 16.8 billion for the seasonally adjusted *current account*.

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of EUR 52.2 billion in March 2011 (around 0.6% of euro area GDP; see Table 1 and Chart 1), compared with a deficit of EUR 13.0 billion a year earlier. This increase resulted from a decrease in the surplus for *goods* (from EUR 47.4 billion to EUR 5.6 billion) and a switch in the *income* account from close to balance to a deficit (EUR 4.7 billion), which were partly offset by an increase in the surplus for *services* (from EUR 35.2 billion to EUR 42.5 billion). The deficit for *current transfers* remained stable.



## Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of EUR 70 billion in March 2011. This was due to net inflows for *portfolio investment* (EUR 77 billion), which were partly offset by net outflows for *direct investment* (EUR 7 billion).

The net outflows for *direct investment* resulted from net outflows both for *other capital (mostly inter-company loans)* and for *equity capital and reinvested earnings* (EUR 5 billion and EUR 1 billion respectively).

The net inflows for *portfolio investment* were accounted for by net inflows for both *debt instruments* (EUR 48 billion) and *equity* (EUR 29 billion). These net inflows resulted mainly from net purchases by foreign investors of both euro area *debt instruments* (EUR 39 billion) and euro area *equity* (EUR 30 billion).

The *financial derivatives* account recorded net inflows of EUR 1 billion.

*Other investment* recorded net outflows of EUR 63 billion, reflecting net outflows for *MFIs excluding the Eurosystem* (EUR 86 billion) and the *Eurosystem* (EUR 2 billion), which were partly offset by net inflows for *general government* (EUR 9 billion) and *other sectors* (EUR 17 billion).

The [Eurosystem's stock of reserve assets](#) decreased from EUR 578 billion to EUR 573 billion in March 2011, mainly on account of revaluation effects that were partly offset by net transactions (EUR 6 billion).

In the 12-month period to March 2011, *combined direct and portfolio investment* recorded cumulated net inflows of EUR 219 billion, compared with net inflows of EUR 133 billion in the preceding 12-month period. This increase was mainly the result of higher net inflows for *portfolio investment* (up from EUR 228 billion to EUR 275 billion) and lower net outflows for *direct investment* (down from EUR 95 billion to EUR 56 billion). The higher net inflows for *portfolio investment* mainly reflected lower net purchases by euro area investors of *equity* issued outside the euro area.

## Data revisions

This press release incorporates revisions to the data for February 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 new 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 March 2011 will also be published in the June 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 20 June 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		
	Mar. 2010	Mar. 2011	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
<b>CURRENT ACCOUNT</b>	<b>-13.0</b>	<b>-52.2</b>	<b>-3.2</b>	<b>-4.8</b>	<b>-3.1</b>	<b>-3.0</b>	<b>-3.1</b>	<b>-2.1</b>	<b>-2.4</b>	<b>-5.6</b>	<b>-8.0</b>	<b>-5.6</b>	<b>-6.5</b>	<b>-4.7</b>	
<i>Memo: as a percentage of GDP</i>	<i>-0.1</i>	<i>-0.6</i>													
Credit	2,324.8	2,669.4	208.8	216.8	217.7	219.5	218.8	218.7	222.6	224.8	222.2	231.6	233.2	234.7	
Debit	2,337.8	2,721.6	212.0	221.7	220.8	222.5	222.0	220.8	225.0	230.4	230.1	237.2	239.7	239.4	
<b>Goods</b>	<b>47.4</b>	<b>5.6</b>	<b>0.7</b>	<b>0.8</b>	<b>1.8</b>	<b>0.1</b>	<b>0.7</b>	<b>4.5</b>	<b>2.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.8</b>	<b>-1.9</b>	<b>0.8</b>	
Credit (exports)	1,341.6	1,629.0	124.9	131.2	132.0	131.0	132.1	132.5	135.9	137.0	136.0	143.5	146.9	146.2	
Debit (imports)	1,294.2	1,623.4	124.2	130.4	130.2	130.9	131.4	128.0	133.8	138.0	137.0	145.3	148.8	145.4	
<b>Services</b>	<b>35.2</b>	<b>42.5</b>	<b>3.3</b>	<b>2.9</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>	<b>4.0</b>	<b>2.9</b>	<b>4.9</b>	<b>2.6</b>	<b>4.2</b>	<b>3.6</b>	<b>3.8</b>	
Credit (exports)	477.4	521.1	42.2	42.9	43.7	43.2	42.9	43.6	42.9	45.1	42.9	44.8	42.9	44.1	
Debit (imports)	442.2	478.6	38.9	39.9	40.3	39.7	39.5	39.5	40.0	40.2	40.3	40.6	39.4	40.3	
<b>Income</b>	<b>0.2</b>	<b>-4.7</b>	<b>1.6</b>	<b>-0.7</b>	<b>0.1</b>	<b>1.2</b>	<b>0.8</b>	<b>-2.6</b>	<b>-0.4</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-0.6</b>	<b>-0.1</b>	<b>-0.3</b>	
Credit	415.5	427.1	35.3	35.1	35.4	37.2	36.1	34.7	35.4	34.8	35.4	35.1	35.4	37.3	
Debit	415.3	431.9	33.6	35.8	35.3	36.0	35.3	37.3	35.8	36.8	37.1	35.7	35.5	37.7	
<b>Current transfers</b>	<b>-95.7</b>	<b>-95.6</b>	<b>-8.8</b>	<b>-7.9</b>	<b>-8.4</b>	<b>-7.8</b>	<b>-8.0</b>	<b>-8.0</b>	<b>-6.9</b>	<b>-7.6</b>	<b>-7.8</b>	<b>-7.4</b>	<b>-8.0</b>	<b>-8.9</b>	
Credit	90.4	92.2	6.4	7.7	6.6	8.1	7.7	8.0	8.5	7.9	8.0	8.3	8.0	7.1	
Debit	186.1	187.7	15.2	15.5	15.0	15.9	15.7	16.0	15.4	15.5	15.8	15.6	16.0	16.0	

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						February 2011 (revised)			March 2011		
	March 2010			March 2011								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
<b>CURRENT ACCOUNT</b>	<b>-16.6</b>	<b>2,326.9</b>	<b>2,343.5</b>	<b>-52.2</b>	<b>2,680.0</b>	<b>2,732.2</b>	<b>-8.9</b>	<b>220.4</b>	<b>229.3</b>	<b>-3.8</b>	<b>245.7</b>	<b>249</b>
Goods	48.3	1,344.0	1,295.7	6.7	1,638.1	1,631.4	-0.6	137.7	138.4	2.4	158.7	156
Services	35.0	477.2	442.2	42.1	522.3	480.2	2.3	37.4	35.1	1.6	42.3	40
Income	-1.6	415.6	417.2	-4.5	427.1	431.7	2.9	32.9	30.0	1.8	39.3	37
Current transfers	-98.3	90.1	188.4	-96.4	92.4	188.8	-13.5	12.4	25.9	-9.5	5.3	14
<b>CAPITAL ACCOUNT</b>	<b>7.0</b>	<b>21.1</b>	<b>14.2</b>	<b>7.7</b>	<b>21.8</b>	<b>14.1</b>	<b>2.2</b>	<b>3.0</b>	<b>0.8</b>	<b>-0.0</b>	<b>0.9</b>	<b>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>-14.6</b>			<b>46.6</b>			<b>7.4</b>			<b>2.6</b>		
<b>DIRECT INVESTMENT<sup>2)</sup></b>	<b>-94.8</b>	<b>-272.5</b>	<b>177.7</b>	<b>-55.6</b>	<b>-172.5</b>	<b>116.9</b>	<b>-22.0</b>	<b>-8.7</b>	<b>-13.4</b>	<b>-6.6</b>	<b>-18.6</b>	<b>12</b>
Equity capital and reinvested earnings	41.2	-206.4	248.9	8.1	-77.5	86.2	1.1	-1.8	3.0	-1.4	-7.5	6
Other capital (mostly inter-company loans)	-136.8	-66.0	-71.2	-64.1	-94.9	30.7	-23.1	-6.8	-16.3	-5.2	-11.1	5
<b>PORTFOLIO INVESTMENT</b>	<b>227.9</b>	<b>-189.5</b>	<b>417.4</b>	<b>274.5</b>	<b>-105.6</b>	<b>380.2</b>	<b>97.3</b>	<b>1.9</b>	<b>95.4</b>	<b>77.0</b>	<b>8.4</b>	<b>68</b>
Equity	58.9	-118.5	177.4	166.6	-44.5	211.1	32.2	-4.7	36.9	29.1	-0.7	29
Debt instruments	168.9	-71.0	240.0	107.9	-61.1	169.1	65.1	6.5	58.6	47.9	9.1	38
Bonds and notes	24.9	-109.3	134.1	44.6	-81.7	126.3	28.1	-2.7	30.9	41.1	12.5	28
Money market instruments	144.1	38.3	105.8	63.3	20.6	42.7	37.0	9.3	27.7	6.8	-3.4	10
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>133.1</b>	<b>-462.0</b>	<b>595.1</b>	<b>219.0</b>	<b>-278.1</b>	<b>497.1</b>	<b>75.3</b>	<b>-6.8</b>	<b>82.1</b>	<b>70.4</b>	<b>-10.2</b>	<b>80</b>
<b>FINANCIAL DERIVATIVES (NET)</b>	<b>27.8</b>			<b>1.3</b>			<b>-2.3</b>			<b>1.1</b>		
<b>OTHER INVESTMENT</b>	<b>-169.8</b>	<b>235.1</b>	<b>-404.9</b>	<b>-157.0</b>	<b>-85.5</b>	<b>-71.6</b>	<b>-66.6</b>	<b>-31.0</b>	<b>-35.6</b>	<b>-62.5</b>	<b>60.1</b>	<b>-122</b>
Eurosystem	-154.3	0.5	-154.8	17.0	-6.8	23.7	1.6	-3.0	4.6	-2.1	0.0	-2
General government	-0.8	1.8	-2.6	49.5	-38.9	88.4	7.0	-0.3	7.2	8.9	1.2	7
of which: currency and deposits	11.5	11.5		-5.5	-5.5		-2.0	-2.0		0.8	0.8	
MFI (excluding the Eurosystem)	-11.7	124.4	-136.1	-199.6	-15.2	-184.4	-58.5	-41.4	-17.1	-86.3	38.3	-124
Long-term	2.5	23.7	-21.2	72.4	25.9	46.5	0.9	-8.7	9.6	6.4	5.7	0
Short-term	-14.2	100.7	-114.9	-272.0	-41.1	-230.9	-59.5	-32.7	-26.7	-92.7	32.6	-125
Other sectors	-3.1	108.4	-111.5	-23.9	-24.6	0.7	-16.7	13.7	-30.4	17.0	20.6	-3
of which: currency and deposits	59.0	59.0		-24.6	-24.6		5.7	5.7		9.7	9.7	
<b>RESERVE ASSETS</b>	<b>-5.7</b>	<b>-5.7</b>		<b>-16.6</b>	<b>-16.6</b>		<b>1.0</b>	<b>1.0</b>		<b>-6.4</b>	<b>-6.4</b>	
Errors and omissions	24.3			-2.2			-0.7			1.2		

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.