



EUROPEAN CENTRAL BANK

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PRESS RELEASE

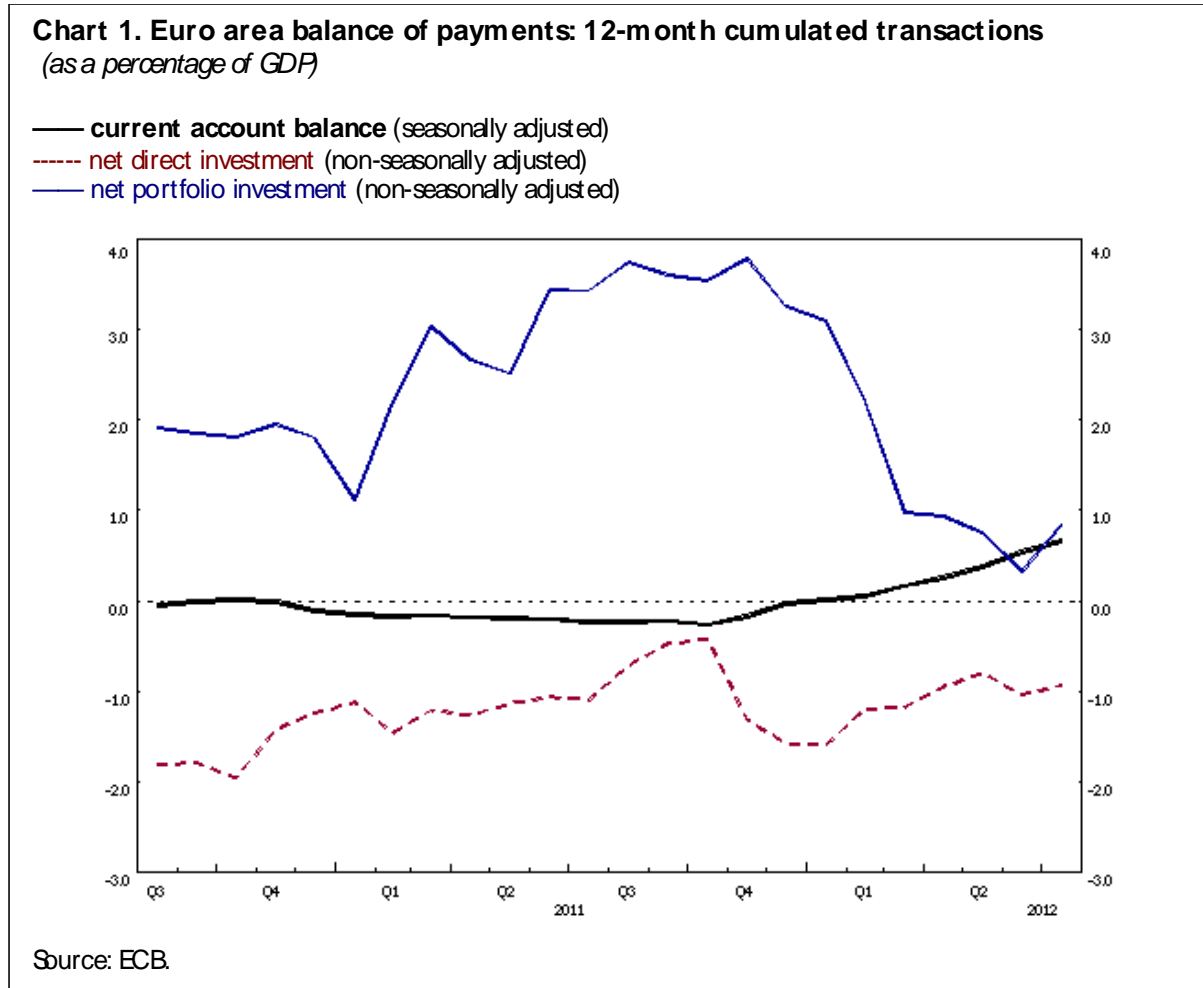
EURO AREA BALANCE OF PAYMENTS IN JULY 2012

In July 2012 the seasonally adjusted current account of the euro area recorded a surplus of €9.7 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €18 billion (non-seasonally adjusted).

Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of €9.7 billion in July 2012 (see Table 1). This reflected surpluses for *goods* (€7.5 billion), *services* (€6.2 billion) and *income* (€1.7 billion), which were partly offset by a deficit for *current transfers* (€5.8 billion).

The seasonally adjusted 12-month cumulated *current account* recorded a surplus of €62.9 billion in July 2012 (around 0.7% of euro area GDP – see Table 1 and Chart 1), compared with a deficit of €22.2 billion a year earlier (around 0.2% of euro area GDP). This change resulted from a shift for *goods* from deficit (€2.4 billion) to surplus (€55.8 billion) and increases in the surpluses for *services* (from €53.8 billion to €76.7 billion) and *income* (from €27.5 billion to €34.1 billion), which were partly counterbalanced by an increase in the deficit for *current transfers* (from €101.1 billion to €103.7 billion).



Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €18 billion in July 2012, as a result of net inflows for *portfolio investment* (€24 billion) that were partly offset by net outflows for *direct investment* (€7 billion).

The net outflows for *direct investment* resulted from net outflows both in *other capital (mostly inter-company loans)* (€4 billion) and in *equity capital and reinvested earnings* (€3 billion).

The net inflows for *portfolio investment* resulted from net inflows in *debt instruments* (€30 billion) that were partly counterbalanced by net outflows in *equity* (€5 billion). The developments for *debt instruments* resulted mainly from net purchases of euro area *money market instruments* by non-residents (€18 billion) and from net sales of foreign *money market instruments* by euro area residents (€9 billion).

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

Other investment recorded net outflows of €22 billion, reflecting mainly net outflows for *MFIs excluding the Eurosystem* (€47 billion), which were partly offset by net inflows for the *Eurosystem* (€23 billion).

The [Eurosystem's stock of reserve assets](#) increased by €24 billion in July 2012 (from €701 billion to €725 billion), mainly on account of an increase in the market price of gold. Transactions in July 2012 contributed to a decrease of €1 billion in the overall position.

In the 12-month period to July 2012 *combined direct and portfolio investment* recorded cumulated net outflows of €9 billion, compared with net inflows of €218 billion in the preceding 12-month period. This shift was largely the result of lower net inflows for *portfolio investment* (down from €320 billion to €79 billion), which in turn reflected a shift for *debt instruments* from net inflows (€179 billion) to net outflows (€62 billion).

Data revisions

This press release incorporates revisions to the data for June 2012. These revisions have not significantly altered the figures previously published for the *current* and *capital accounts*. The *financial account* was revised mainly on account of revisions to net outflows in *direct investment* (from €31 billion to €20 billion) and to net inflows in *portfolio investment* (from €60 billion to €49 billion).

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 2012 will also be published in the October 2012 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 October 2012, together with the quarterly international investment position.

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		2011					2012						
	July 2011	July 2012	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
CURRENT ACCOUNT	-22.2	62.9	0.6	-0.0	-2.5	4.7	3.6	2.6	1.6	12.6	5.5	10.3	14.3	9.7
<i>Memo: as a percentage of GDP</i>	<i>-0.2</i>	<i>0.7</i>												
Credit	2,823.8	3,061.5	245.6	246.7	249.1	254.5	253.3	255.2	256.1	261.3	255.6	265.8	261.5	256.7
Debit	2,846.0	2,998.5	245.1	246.7	251.6	249.8	249.8	252.6	254.5	248.7	250.1	255.5	247.2	247.1
Goods	-2.4	55.8	0.9	0.3	-2.6	2.7	2.5	4.4	2.3	10.0	6.9	8.2	12.7	7.5
Credit (exports)	1,696.9	1,857.2	148.7	148.6	147.5	152.1	152.6	155.0	156.6	159.5	159.1	162.1	160.0	155.4
Debit (imports)	1,699.2	1,801.4	147.8	148.4	150.2	149.4	150.1	150.5	154.3	149.5	152.2	153.9	147.3	147.9
Services	53.8	76.7	4.9	5.7	6.5	6.7	6.3	5.3	7.6	9.1	5.9	6.2	6.2	6.2
Credit (exports)	538.1	588.1	45.7	46.7	49.4	49.0	48.5	48.6	50.1	50.6	48.0	50.1	50.8	50.6
Debit (imports)	484.3	511.4	40.8	41.0	42.9	42.3	42.2	43.3	42.5	41.5	42.1	43.9	44.6	44.3
Income	27.5	34.1	3.0	2.4	2.4	4.3	3.9	1.9	1.2	2.4	1.8	5.1	3.9	1.7
Credit	498.2	519.8	43.2	43.4	44.2	45.2	44.3	43.6	41.6	42.9	40.5	45.8	42.8	42.3
Debit	470.7	485.8	40.2	41.0	41.8	40.9	40.4	41.7	40.4	40.5	38.7	40.7	38.9	40.6
Current transfers	-101.1	-103.7	-8.3	-8.5	-8.8	-8.9	-9.1	-9.0	-9.6	-8.9	-9.1	-9.2	-8.5	-5.8
Credit	90.7	96.3	8.0	8.0	8.0	8.2	7.9	8.1	7.7	8.3	8.0	7.8	7.9	8.5
Debit	191.7	199.9	16.3	16.5	16.8	17.1	17.0	17.1	17.3	17.2	17.1	17.0	16.4	14.3

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 2012 (revised)			July 2012		
	July 2011			July 2012								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	-28.0	2,830.2	2,858.2	59.6	3,070.4	3,010.8	17.4	271.9	254.6	15.9	266.9	251.0
Goods	-2.9	1,702.5	1,705.4	56.2	1,865.8	1,809.6	14.2	165.0	150.8	12.5	164.1	151.6
Services	53.4	538.6	485.2	76.4	589.2	512.8	8.0	53.4	45.4	8.5	55.8	47.3
Income	25.4	499.1	473.7	35.0	520.2	485.2	2.7	47.4	44.7	2.4	41.0	38.6
Current transfers	-103.9	90.0	193.9	-108.0	95.2	203.2	-7.5	6.1	13.6	-7.4	6.0	13.4
CAPITAL ACCOUNT	4.2	19.8	15.6	12.2	26.8	14.6	0.4	1.5	1.1	0.2	1.0	0.8
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-7.0			-47.4			-12.2			-6.0		
DIRECT INVESTMENT²⁾	-101.7	-293.8	192.1	-88.0	-278.7	190.7	-19.7	-29.2	9.5	-6.7	-6.0	-0.6
Equity capital and reinvested earnings	-68.5	-240.5	172.5	-19.5	-226.0	206.5	-0.8	-14.2	13.5	-2.9	-14.7	11.8
Other capital (mostly inter-company loans)	-33.4	-53.4	19.5	-68.5	-52.7	-15.9	-18.9	-15.0	-4.0	-3.7	8.7	-12.4
PORTFOLIO INVESTMENT	319.8	-135.2	455.0	78.8	21.5	57.3	49.2	28.9	20.3	24.3	13.9	10.4
Equity	140.7	-70.0	210.7	140.8	82.4	58.4	22.2	11.5	10.7	-5.1	3.6	-8.7
Debt instruments	179.1	-65.2	244.3	-62.0	-60.9	-1.1	26.9	17.4	9.5	29.5	10.3	19.2
Bonds and notes	165.0	-59.7	224.7	27.4	-20.6	48.0	31.2	-0.3	31.5	3.0	1.6	1.4
Money market instruments	14.1	-5.6	19.6	-89.3	-40.2	-49.1	-4.3	17.6	-22.0	26.5	8.7	17.7
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	218.1	-429.1	647.1	-9.2	-257.2	248.0	29.5	-0.3	29.8	17.6	7.8	9.8
FINANCIAL DERIVATIVES (NET)	19.6			-38.7			-1.9			-2.4		
OTHER INVESTMENT	-232.6	-240.5	7.9	12.5	-130.5	143.0	-35.3	53.1	-88.4	-21.7	-38.6	17.0
Eurosystem	33.3	-14.1	47.4	146.8	13.0	133.8	39.2	6.6	32.7	22.6	-5.1	27.7
General government	78.0	-20.4	98.3	30.4	-11.6	42.0	-2.7	-0.7	-2.0	1.5	0.1	1.4
of which: currency and deposits	-0.6	-0.6		-14.8	-14.8		-1.0	-1.0		-1.6	-1.6	
MFIs (excluding the Eurosystem)	-273.3	-99.0	-174.3	-148.6	0.3	-149.0	-66.2	61.5	-127.7	-47.1	-20.0	-27.1
Long-term	45.9	3.7	42.2	-40.2	11.5	-51.6	-9.3	7.7	-17.0	1.5	3.7	-2.1
Short-term	-319.2	-102.7	-216.5	-108.4	-11.1	-97.3	-56.9	53.8	-110.7	-48.6	-23.7	-24.9
Other sectors	-70.4	-107.0	36.6	-16.1	-132.3	116.2	-5.6	-14.3	8.6	1.3	-13.6	14.9
of which: currency and deposits	-75.6	-75.6		-70.2	-70.2		-10.5	-10.5		-13.7	-13.7	
RESERVE ASSETS	-12.1	-12.1		-11.9	-11.9		-4.5	-4.5		0.5	0.5	
Errors and omissions	30.7			-24.4			-5.6			-10.2		

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.