

19 December 2012

PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN OCTOBER 2012

In October 2012 the seasonally adjusted current account of the euro area recorded a surplus of €3.9 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €34.5 billion (non-seasonally adjusted).

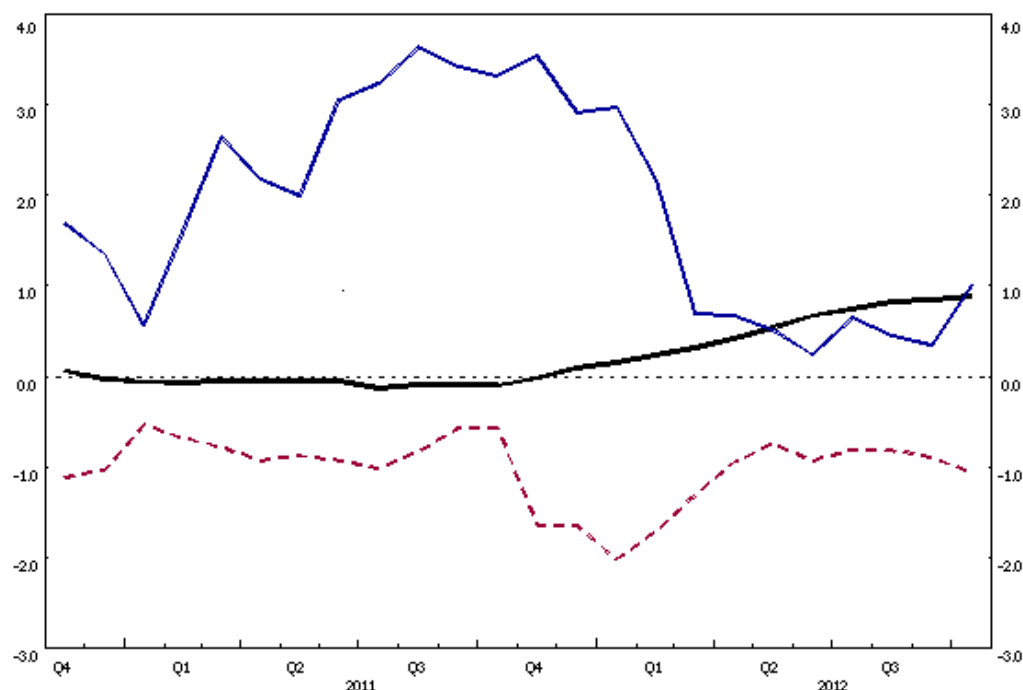
Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of €3.9 billion in October 2012 (see Table 1). This reflected surpluses for goods (€6.2 billion) and services (€7.1 billion), which were partly offset by a deficit for *current transfers* (€9.3 billion). The *income account* was close to balance.

The seasonally adjusted 12-month cumulated *current account* recorded a surplus of €84.3 billion in October 2012 (around 0.9% of euro area GDP – see Table 1 and Chart 1), compared with a deficit of €9.3 billion a year earlier (around 0.1% of euro area GDP). This resulted from a shift for goods from deficit (€7.7 billion) to surplus (€78.7 billion) and an increase in the surplus for services (from €63.3 billion to €84.8 billion). These changes were offset by a decrease in the surplus for *income* (from €40.7 billion to €31.7 billion) and an increase in the deficit for *current transfers* (from €105.7 billion to €110.9 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 €35 billion in October 2012, as a result of net inflows for *portfolio investment* (€48 billion) that were partly offset by net outflows for *direct investment* (€13 billion).

The net outflows for *direct investment* resulted mainly from net outflows in *equity capital and reinvested earnings* (€14 billion).

The net inflows for *portfolio investment* resulted from net inflows for both *debt instruments* (€26 billion) and *equity* (€21 billion). The developments recorded for debt instruments was partially due to net inflows for *money market instruments* (€15 billion), as reflected by net sales of foreign *money market instruments* by euro area residents (€8 billion) and net purchases of euro area *money market instruments* by non-residents (€7 billion). The net inflows for *bonds and notes* resulted almost entirely from net purchases of euro area *bonds and notes* by non-residents (€11 billion). The

developments for equity instruments were due primarily to net purchases of euro area equity by non-residents (€27 billion).

The *financial derivatives* account recorded net outflows of €1 billion.

Other investment recorded net outflows of €38 billion, reflecting net outflows for the Eurosystem (€17 billion), for MFIs excluding the Eurosystem (€12 billion) and for other sectors (€11 billion).

The [Eurosystem's stock of reserve assets](#) decreased by €18 billion in October 2012 (from €734 billion to €716 billion); this was mainly on account of a decrease in the market price of gold. Transactions in October 2012 contributed to an increase of €2 billion in the overall position.

In the 12-month period to October 2012, *combined direct and portfolio investment* recorded cumulated net outflows of €9 billion, compared with net inflows of €257 billion in the preceding 12-month period. This shift was largely the result of lower net inflows for *portfolio investment* (down from €311 billion to €93 billion), which in turn reflected a shift for *debt instruments* from net inflows (€235 billion) to net outflows (€61 billion).

Data revisions

This press release incorporates revisions to the data for September 2012. These revisions have not significantly altered the figures previously published for the *current, capital and financial accounts*.

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.

It should be noted that activities pertaining to the European Stability Mechanism (ESM) are recorded in the euro area aggregates as from this month. Further information on the ESM is available on a dedicated website <http://www.esm.europa.eu>.

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 October 2012 will also be published in the January 2013 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 combined euro area monthly balance of payments and quarterly international investment position will be published on 24 January 2013.

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>

Reproduction is permitted provided that the source is acknowledged.

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									
	Oct. 2011	Oct. 2012	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
CURRENT ACCOUNT	-9.3	84.3	7.3	6.4	6.0	6.5	9.1	7.7	9.9	10.4	3.7	10.9	2.4	3.9
<i>Memo: as a percentage of GDP</i>	<i>-0.1</i>	<i>0.9</i>												
Credit	2,924.5	3,120.4	256.5	256.6	255.9	255.3	258.4	260.6	263.0	264.8	255.8	268.6	266.3	258.4
Debit	2,933.8	3,036.1	249.3	250.1	249.9	248.8	249.3	252.8	253.1	254.5	252.1	257.7	263.9	254.5
Goods	-7.7	78.7	5.4	5.0	6.4	6.7	6.7	7.7	8.7	9.1	3.5	8.4	4.9	6.2
Credit (exports)	1,738.6	1,897.0	153.7	154.2	155.1	155.6	156.4	158.9	160.5	160.4	154.9	164.5	163.7	159.0
Debit (imports)	1,746.2	1,818.4	148.3	149.2	148.7	148.9	149.7	151.3	151.8	151.3	151.4	156.0	158.8	152.8
Services	63.3	84.8	6.4	6.7	5.9	7.0	8.9	7.3	7.1	7.5	5.9	8.1	6.9	7.1
Credit (exports)	570.0	608.3	49.1	49.9	48.7	49.9	50.3	50.9	51.4	52.5	50.1	53.1	51.3	51.2
Debit (imports)	506.7	523.5	42.8	43.2	42.8	42.8	41.4	43.6	44.3	45.0	44.2	45.0	44.3	44.1
Income	40.7	31.7	4.6	4.1	3.0	2.7	2.6	1.9	3.5	2.7	2.7	3.5	0.7	-0.1
Credit	522.5	518.5	45.4	44.5	44.0	42.1	43.3	42.3	43.2	43.8	42.5	43.0	43.6	40.8
Debit	481.8	486.8	40.9	40.4	41.0	39.4	40.7	40.4	39.7	41.1	39.8	39.4	43.0	41.0
Current transfers	-105.7	-110.9	-9.1	-9.3	-9.2	-9.9	-9.1	-9.2	-9.4	-8.9	-8.4	-9.2	-10.1	-9.3
Credit	93.4	96.6	8.3	8.0	8.2	7.8	8.4	8.4	7.9	8.2	8.3	8.0	7.8	7.4
Debit	199.1	207.4	17.4	17.3	17.4	17.6	17.5	17.5	17.3	17.0	16.6	17.2	17.8	16.6

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						September 2012 (revised)			October 2012		
	October 2011			October 2012								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	-8.2	2,931.1	2,939.2	79.4	3,130.3	3,050.9	5.0	260.3	255.2	7.2	271.2	264.0
Goods	-4.7	1,744.6	1,749.2	76.8	1,906.0	1,829.2	6.5	159.2	152.7	8.2	173.8	165.6
Services	63.2	571.0	507.8	84.8	610.0	525.2	8.7	52.6	43.9	6.7	53.0	46.3
Income	38.8	522.6	483.8	31.6	518.8	487.2	1.2	43.1	41.8	2.2	38.3	36.2
Current transfers	-105.5	92.9	198.4	-113.8	95.5	209.3	-11.4	5.4	16.7	-9.8	6.1	15.9
CAPITAL ACCOUNT	10.1	22.7	12.6	11.9	27.5	15.7	1.4	2.3	0.9	1.8	3.2	1.3
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-8.6			-94.4			-6.6			-6.6		
DIRECT INVESTMENT²⁾	-54.1	-370.8	316.7	-101.1	-299.9	198.8	-15.9	-19.9	3.9	-13.0	-18.2	5.2
Equity capital and reinvested earnings	7.5	-295.4	303.3	-78.9	-271.1	192.1	-3.1	-4.3	1.2	-14.0	-17.6	3.6
Other capital (mostly inter-company loans)	-61.8	-75.4	13.4	-22.1	-28.8	6.7	-12.9	-15.6	2.7	1.0	-0.7	1.7
PORTFOLIO INVESTMENT	311.1	66.8	244.3	92.6	-83.3	175.9	13.9	-25.1	39.0	47.5	2.4	45.0
Equity	76.6	21.3	55.3	153.9	18.4	135.5	4.6	-8.9	13.5	21.1	-6.1	27.2
Debt instruments	234.5	45.5	189.0	-61.4	-101.8	40.4	9.3	-16.2	25.5	26.3	8.5	17.8
Bonds and notes	267.0	26.7	240.3	58.9	-57.1	116.0	40.7	-6.1	46.8	11.0	0.1	10.9
Money market instruments	-32.5	18.8	-51.3	-120.3	-44.7	-75.6	-31.4	-10.1	-21.3	15.3	8.4	6.9
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	257.0	-304.1	561.0	-8.5	-383.2	374.7	-2.1	-45.0	43.0	34.5	-15.8	50.3
FINANCIAL DERIVATIVES (NET)	13.0			-30.9			-2.6			-0.6		
OTHER INVESTMENT	-272.5	-277.5	5.0	-35.7	-6.7	-29.0	-2.9	21.0	-23.9	-38.0	-20.3	-17.8
Eurosystem	45.0	-11.2	56.3	102.3	-5.0	107.2	-7.8	-1.5	-6.3	-17.1	-4.8	-12.4
General government	108.2	1.6	106.6	17.1	-0.9	18.0	2.8	6.7	-3.9	2.0	-1.3	3.3
of which: currency and deposits	-10.2	-10.2		1.2	1.2		5.8	5.8		1.0	1.0	
MFIs (excluding the Eurosystem)	-322.0	-91.5	-230.4	-136.7	85.4	-222.1	8.4	36.1	-27.8	-11.7	-10.5	-1.2
Long-term	3.8	-1.9	5.7	-11.1	15.9	-27.0	-5.8	0.3	-6.1	10.1	16.1	-6.0
Short-term	-325.8	-89.6	-236.2	-125.6	69.5	-195.1	14.2	35.8	-21.6	-21.8	-26.6	4.8
Other sectors	-103.8	-176.3	72.5	-18.4	-86.3	67.9	-6.2	-20.3	14.0	-11.2	-3.7	-7.5
of which: currency and deposits	-67.2	-67.2		-57.7	-57.7		-13.6	-13.6		-7.8	-7.8	
RESERVE ASSETS	-6.1	-6.1		-19.2	-19.2		1.0	1.0		-2.4	-2.4	
Errors and omissions	6.7			3.1			0.2			-2.5		

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.