



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN JANUARY 2012

In January 2012 the seasonally adjusted current account of the euro area recorded a surplus of €4.5 billion. In the financial account, combined direct and portfolio investment recorded net outflows of €53 billion (non-seasonally adjusted).

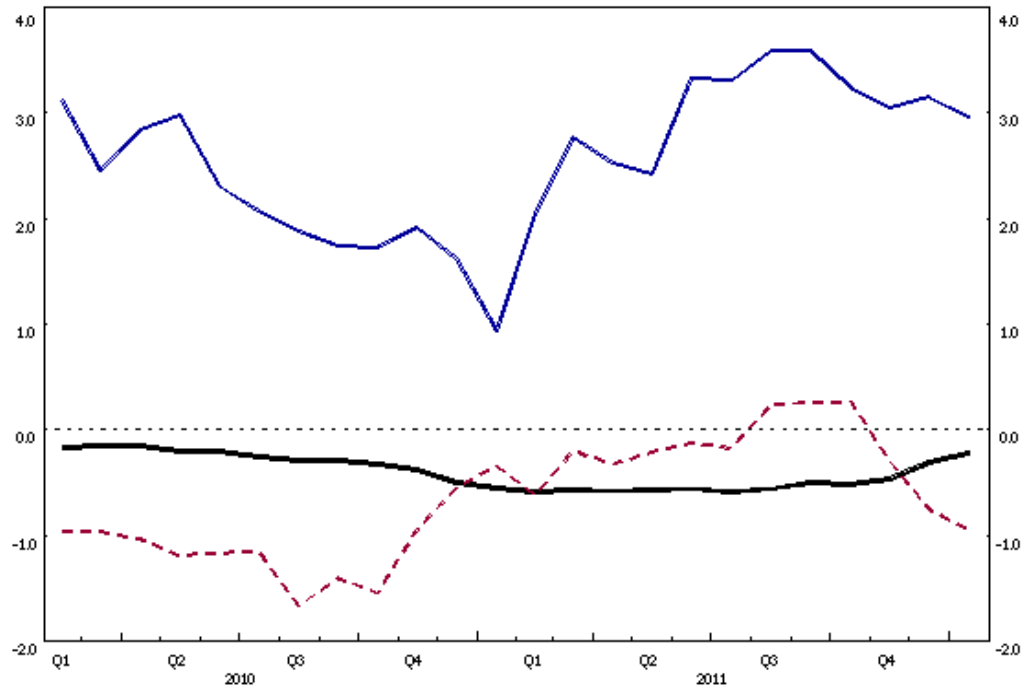
Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of €4.5 billion in January 2012 (see Table 1). This reflected surpluses for *goods* (€4.9 billion), *services* (€3.9 billion) and *income* (€3.0 billion), which were partially offset by a deficit for *current transfers* (€7.3 billion).

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of €21.2 billion in January 2012 (around 0.2% of euro area GDP – see Table 1 and Chart 1), compared with a deficit of €50.6 billion a year earlier (around 0.6% of euro area GDP). The reduction of the current account deficit resulted from increases in the surpluses for *income* (from €1.2 billion to €13.7 billion), *services* (from €47.5 billion to €59.0 billion) and *goods* (from €5.4 billion to €8.7 billion), and from a decrease in the deficit for current transfers (from €104.7 billion to €102.6 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 €53 billion in January 2012, as a result of net outflows both for portfolio investment (€47 billion) and for direct investment (€6 billion).

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

The net outflows for *portfolio investment* were mainly accounted for by net outflows for *debt instruments* (€52 billion), which were partly offset by net inflows for *equity* (€5 billion). The net outflows for *debt instruments* resulted mainly from net sales of euro area *bonds and notes* by non-residents (€34 billion), and from net purchases of foreign *bonds and notes* by euro area residents (€20 billion).

The *financial derivatives* account recorded net outflows of €3 billion.

Other investment recorded net inflows of €70 billion, reflecting net inflows for *MFIs excluding the Eurosystem* (€101 billion) and *general government* (€8 billion), which were partly offset by net outflows for the *Eurosystem* (€38 billion) and *other sectors* (€2 billion).

The [Eurosystem's stock of reserve assets](#) increased by €35 billion in January 2012 (from €667 billion to €702 billion), mainly on account of an increase in the market price of gold (with net transactions contributing €1 billion to the overall increase in reserve assets).

In the 12-month period to January 2012, *combined direct and portfolio investment* recorded cumulated net inflows of €189 billion, compared with net inflows of €55 billion in the preceding 12-month period. This increase was largely the result of higher net inflows for *portfolio investment* (increasing from €86 billion to €278 billion), which in turn reflected mainly a switch from net purchases (€164 billion) to net sales (€77 billion) of foreign securities by euro area residents.

Data revisions

This press release incorporates revisions to the data for December 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 January 2012 will also be published in the April 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 18 April 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

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		2011											2012
	Jan. 2011	Jan. 2012	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
CURRENT ACCOUNT	-50.6	-21.2	-5.1	-1.6	-5.6	-4.1	-3.6	-3.4	-2.2	3.9	-6.6	-0.9	3.4	4.5
<i>Memo: as a percentage of GDP</i>	<i>-0.6</i>	<i>-0.2</i>												
Credit	2,636.9	2,900.5	235.6	238.0	237.0	239.0	237.5	241.5	242.0	244.0	241.2	244.9	247.2	252.6
Debit	2,687.5	2,921.7	240.7	239.6	242.6	243.1	241.1	244.9	244.2	240.1	247.8	245.8	243.8	248.1
Goods	5.4	8.7	-1.3	0.7	-5.3	1.1	-0.6	-0.7	-0.6	3.3	-4.0	5.2	6.2	4.9
Credit (exports)	1,577.8	1,778.6	145.0	146.3	145.7	146.5	144.8	146.4	148.8	148.2	147.0	152.7	152.6	154.4
Debit (imports)	1,572.4	1,769.9	146.3	145.6	151.1	145.4	145.4	147.1	149.4	145.0	151.0	147.6	146.4	149.5
Services	47.5	59.0	3.9	4.0	4.3	4.8	5.7	5.4	5.1	7.0	5.3	4.7	5.0	3.9
Credit (exports)	521.6	541.3	44.2	44.3	44.0	44.3	45.2	45.9	45.3	46.8	46.4	45.1	45.9	44.0
Debit (imports)	474.0	482.3	40.3	40.3	39.7	39.5	39.5	40.5	40.2	39.8	41.1	40.4	40.9	40.1
Income	1.2	13.7	1.1	2.3	3.9	-1.2	0.2	1.0	1.3	1.2	-0.9	0.6	1.3	3.0
Credit	451.6	489.7	38.7	40.0	39.8	41.0	40.4	41.3	40.1	40.7	39.1	41.8	41.8	45.1
Debit	450.4	475.9	37.6	37.6	35.8	42.3	40.1	40.3	38.8	39.6	40.0	41.2	40.5	42.1
Current transfers	-104.7	-102.6	-8.8	-8.6	-8.5	-8.7	-8.9	-9.0	-8.0	-7.5	-7.0	-11.3	-9.0	-7.3
Credit	85.9	91.0	7.7	7.4	7.5	7.2	7.2	7.9	7.9	8.2	8.7	5.3	7.0	9.1
Debit	190.6	193.6	16.5	16.1	16.0	15.9	16.1	16.9	15.8	15.7	15.7	16.6	16.0	16.3

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						December 2011 (revised)			January 2012		
	January 2011			January 2012								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	-48.6	2,647.4	2,696.0	-21.8	2,908.0	2,929.8	18.3	266.3	248.0	-12.3	234.5	246.7
Goods	6.9	1,586.8	1,579.9	9.7	1,785.6	1,775.9	9.5	151.7	142.2	-10.1	142.3	152.4
Services	47.3	523.2	475.9	59.3	542.8	483.6	6.1	50.0	43.9	1.6	41.0	39.4
Income	0.8	451.3	450.5	12.6	489.5	476.9	4.7	49.7	45.0	3.5	41.6	38.0
Current transfers	-103.6	86.1	189.7	-103.4	90.1	193.4	-2.1	14.9	16.9	-7.3	9.6	16.9
CAPITAL ACCOUNT	4.4	20.0	15.5	9.6	23.1	13.5	1.4	3.9	2.5	0.1	1.0	0.9
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	46.4			9.2			-22.2			12.6		
DIRECT INVESTMENT²⁾	-31.3	-190.5	159.2	-89.1	-232.3	143.2	-0.1	-20.8	20.7	-6.2	-23.6	17.3
Equity capital and reinvested earnings	103.8	-77.7	182.2	-33.8	-193.9	160.0	-5.5	-15.8	10.3	-3.1	-26.7	23.6
Other capital (mostly inter-company loans)	-135.5	-112.8	-23.0	-55.3	-38.4	-16.8	5.4	-5.0	10.5	-3.1	3.2	-6.2
PORTFOLIO INVESTMENT	86.0	-163.9	249.9	278.0	76.7	201.3	4.6	-3.1	7.7	-46.9	-28.7	-18.2
Equity	81.6	-63.4	145.0	86.9	57.9	29.0	17.4	6.1	11.4	5.0	-3.7	8.7
Debt instruments	4.4	-100.5	104.9	191.2	18.8	172.3	-12.9	-9.2	-3.7	-51.9	-25.0	-26.9
Bonds and notes	-7.7	-115.6	107.9	175.8	12.0	163.8	20.2	3.0	17.2	-54.2	-20.0	-34.2
Money market instruments	12.1	15.1	-3.0	15.3	6.9	8.5	-33.1	-12.2	-20.9	2.3	-5.0	7.3
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	54.7	-354.4	409.1	188.9	-155.6	344.5	4.5	-23.9	28.4	-53.1	-52.3	-0.9
FINANCIAL DERIVATIVES (NET)	13.5			-25.6			-7.1			-3.2		
OTHER INVESTMENT	-3.9	-188.5	184.6	-149.6	-97.5	-52.2	-14.2	73.0	-87.2	69.5	-10.3	79.8
Eurosystem	20.1	-2.8	22.8	96.2	2.1	94.1	102.5	1.9	100.6	-37.6	-1.8	-35.8
General government	38.2	-38.4	76.6	54.2	-7.1	61.3	1.8	-0.4	2.1	7.8	1.5	6.3
of which: currency and deposits	-3.7	-3.7		-14.2	-14.2		1.5	1.5		-0.5	-0.5	
MFIs (excluding the Eurosystem)	-18.3	-8.9	-9.4	-263.2	22.1	-285.2	-135.8	51.0	-186.8	101.0	-5.3	106.3
Long-term	50.5	32.1	18.5	-14.6	0.2	-14.8	-16.3	-9.0	-7.2	18.6	1.6	17.0
Short-term	-68.8	-41.0	-27.8	-248.6	21.8	-270.4	-119.5	60.0	-179.5	82.4	-6.9	89.3
Other sectors	-43.9	-138.4	94.6	-36.9	-114.5	77.7	17.3	20.4	-3.1	-1.8	-4.8	3.1
of which: currency and deposits	-52.9	-52.9		-34.6	-34.6		17.6	17.6		2.8	2.8	
RESERVE ASSETS	-17.8	-17.8		-4.6	-4.6		-5.4	-5.4		-0.5	-0.5	
Errors and omissions	-2.2			3.0			2.5			-0.5		

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.