

17 August 2012

## PRESS RELEASE

### EURO AREA BALANCE OF PAYMENTS IN JUNE 2012

*In June 2012 the seasonally adjusted current account of the euro area recorded a surplus of €12.7 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €29 billion (non-seasonally adjusted).*

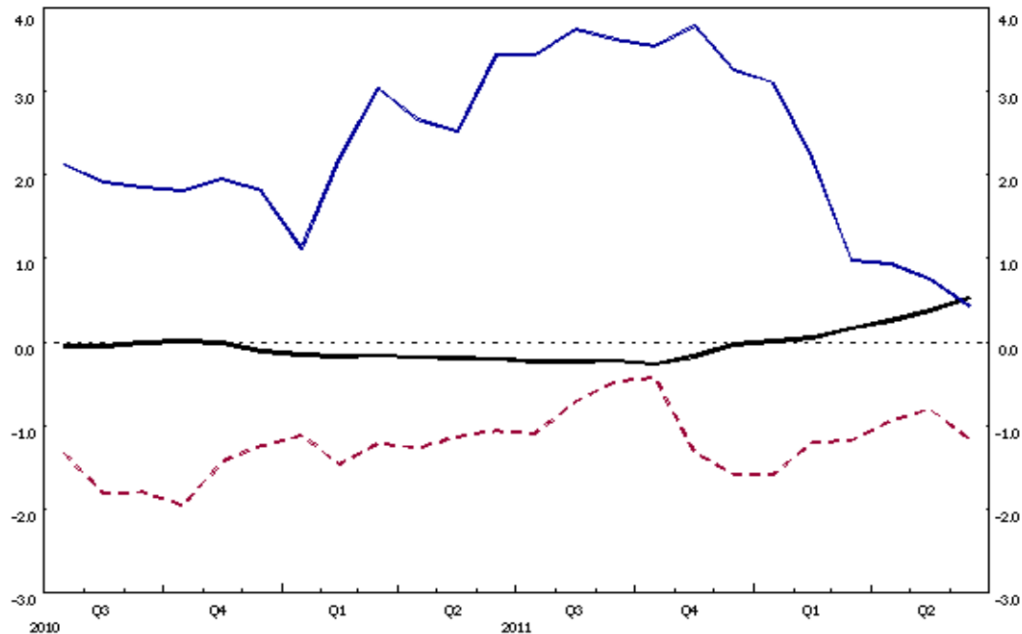
#### **Current account**

The seasonally adjusted *current account* of the euro area recorded a surplus of €12.7 billion in June 2012 (see Table 1). This reflected surpluses for *goods* (€12.8 billion), *services* (€5.2 billion) and *income* (€3.5 billion), which were partly offset by a deficit for *current transfers* (€8.8 billion).

The 12-month cumulated seasonally adjusted *current account* recorded a surplus of €49.9 billion in June 2012 (around 0.5% of euro area GDP – see Table 1 and Chart 1), compared with a deficit of €18.8 billion a year earlier (around 0.2% of euro area GDP). This change resulted from a shift for *goods* from deficit (€0.9 billion) to surplus (€48.3 billion) and increases in the surpluses for *services* (from €52.9 billion to €74.6 billion) and *income* (from €29.8 billion to €34.0 billion), which were partly counterbalanced by an increase in the deficit for *current transfers* (from €100.5 billion to €107.0 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 €29 billion in June 2012, as a result of net inflows for portfolio investment (€60 billion) that were partly offset by net outflows for *direct investment* (€31 billion).

The net outflows for *direct investment* resulted from net outflows both in *other capital* (mostly *inter-company loans*) (€19 billion) and in *equity capital and reinvested earnings* (€12 billion).

The net inflows for *portfolio investment* were accounted for by net inflows both for *equity* (€34 billion) and for *debt instruments* (€25 billion). The net inflows for *equity* resulted from net purchases of euro area *equities* by non-residents (€23 billion) and from net sales of foreign *equities* by euro area residents (€12 billion). The net inflows for *debt instruments* resulted mainly from net purchases of euro area *bonds and notes* (€31 billion) by non-residents.

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

*Other investment* recorded net outflows of €41 billion, reflecting net outflows for *MFIs* excluding the *Eurosystem* (€66 billion), other sectors (€11 billion) and general government (€3 billion), which were partly offset by net inflows for the *Eurosystem* (€39 billion).

The [Eurosystem's stock of reserve assets](#) increased by €5 billion in June 2012 (to €701 billion), mainly on account of net transactions.

In the 12-month period to June 2012 *combined direct and portfolio investment* recorded cumulated net outflows of €69 billion, compared with net inflows of €221 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 €41 billion), which in turn mainly reflected a shift for *debt instruments* from net inflows (€164 billion) to net outflows (€116 billion).

### **Data revisions**

This press release incorporates revisions to the data for May 2012. 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 June 2012 will also be published in the September 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 17 September 2012.

## **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<br>for the 12-month<br>period ending |           | 2011  |       |       |       |       |       |       | 2012  |       |       |       |       |  |
|-------------------------------------|--|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
|                                     | June 2011  | June 2012 | July  | Aug.  | Sep.  | Oct.  | Nov.  | Dec.  | Jan.  | Feb.  | Mar.  | Apr.  | May   | June  |  |
| CURRENT ACCOUNT                     | -18.8  | 49.9      | -1.7  | 0.6   | -0.0  | -2.5  | 4.7   | 3.6   | 2.6   | 1.6   | 12.6  | 5.5   | 10.3  | 12.7  |  |
| <i>Memo: as a percentage of GDP</i> | -0.2   | 0.5       |       |       |       |       |       |       |       |       |       |       |       |       |  |
| Credit                              | 2,806.7  | 3,046.0   | 242.9 | 245.6 | 246.7 | 249.1 | 254.5 | 253.3 | 255.2 | 256.1 | 261.3 | 255.6 | 265.8 | 259.8 |  |
| Debit                               | 2,825.5  | 2,996.1   | 244.6 | 245.1 | 246.7 | 251.6 | 249.8 | 249.8 | 252.6 | 254.5 | 248.7 | 250.1 | 255.5 | 247.1 |  |
| Goods                               | -0.9   | 48.3      | -0.0  | 0.9   | 0.3   | -2.6  | 2.7   | 2.5   | 4.4   | 2.3   | 10.0  | 6.9   | 8.2   | 12.8  |  |
| Credit (exports)                    | 1,682.9  | 1,847.9   | 146.4 | 148.7 | 148.6 | 147.5 | 152.1 | 152.6 | 155.0 | 156.6 | 159.5 | 159.1 | 162.1 | 159.6 |  |
| Debit (imports)                     | 1,683.9  | 1,799.5   | 146.4 | 147.8 | 148.4 | 150.2 | 149.4 | 150.1 | 150.5 | 154.3 | 149.5 | 152.2 | 153.9 | 146.9 |  |
| Services                            | 52.9   | 74.6      | 5.0   | 4.9   | 5.7   | 6.5   | 6.7   | 6.3   | 5.3   | 7.6   | 9.1   | 5.9   | 6.2   | 5.2   |  |
| Credit (exports)                    | 535.7  | 583.0     | 46.1  | 45.7  | 46.7  | 49.4  | 49.0  | 48.5  | 48.6  | 50.1  | 50.6  | 48.0  | 50.1  | 50.1  |  |
| Debit (imports)                     | 482.8  | 508.4     | 41.1  | 40.8  | 41.0  | 42.9  | 42.3  | 42.2  | 43.3  | 42.5  | 41.5  | 42.1  | 43.9  | 44.9  |  |
| Income                              | 29.8   | 34.0      | 2.1   | 3.0   | 2.4   | 2.4   | 4.3   | 3.9   | 1.9   | 1.2   | 2.4   | 1.8   | 5.1   | 3.5   |  |
| Credit                              | 497.3  | 519.9     | 42.7  | 43.2  | 43.4  | 44.2  | 45.2  | 44.3  | 43.6  | 41.6  | 42.9  | 40.5  | 45.8  | 42.4  |  |
| Debit                               | 467.5  | 485.9     | 40.7  | 40.2  | 41.0  | 41.8  | 40.9  | 40.4  | 41.7  | 40.4  | 40.5  | 38.7  | 40.7  | 38.9  |  |
| Current transfers                   | -100.5   | -107.0    | -8.8  | -8.3  | -8.5  | -8.8  | -8.9  | -9.1  | -9.0  | -9.6  | -8.9  | -9.1  | -9.2  | -8.8  |  |
| Credit                              | 90.8   | 95.2      | 7.7   | 8.0   | 8.0   | 8.0   | 8.2   | 7.9   | 8.1   | 7.7   | 8.3   | 8.0   | 7.8   | 7.6   |  |
| Debit                               | 191.3  | 202.2     | 16.5  | 16.3  | 16.5  | 16.8  | 17.1  | 17.0  | 17.1  | 17.3  | 17.2  | 17.1  | 17.0  | 16.4  |  |

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<br>the 12-month period ending |                |                    |                |                |                    | May 2012<br>(revised) |               |                    | June 2012      |               |                    |
|--|---|----------------|--------------------|----------------|----------------|--------------------|-----------------------|---------------|--------------------|----------------|---------------|--------------------|
|  | June 2011   |                |                    | June 2012      |                |                    |                       |               |                    |                |               |                    |
|  |   |                |                    |                |                |                    |                       |               |                    |                |               |                    |
|  | Net   | Credit         | Debit              | Net            | Credit         | Debit              | Net                   | Credit        | Debit              | Net            | Credit        | Debit              |
| <b>CURRENT ACCOUNT</b>                                     | <b>-23.0</b>  | <b>2,818.9</b> | <b>2,842.0</b>     | <b>45.3</b>    | <b>3,047.3</b> | <b>3,002.0</b>     | <b>-3.2</b>           | <b>266.7</b>  | <b>270.0</b>       | <b>15.7</b>    | <b>270.2</b>  | <b>254.5</b>       |
| Goods  | -0.3  | 1,693.9        | 1,694.2            | 47.9           | 1,850.1        | 1,802.2            | 5.5                   | 161.5         | 156.0              | 14.2           | 164.7         | 150.4              |
| Services   | 52.4  | 536.8          | 484.4              | 74.0           | 582.6          | 508.6              | 7.2                   | 49.8          | 42.6               | 6.9            | 52.7          | 45.7               |
| Income   | 27.8  | 498.1          | 470.3              | 34.9           | 520.1          | 485.3              | -8.0                  | 48.5          | 56.4               | 2.3            | 46.9          | 44.6               |
| Current transfers  | -102.9  | 90.1           | 193.0              | -111.5         | 94.5           | 206.0              | -8.0                  | 7.0           | 15.0               | -7.7           | 6.0           | 13.7               |
| <b>CAPITAL ACCOUNT</b>                                     | <b>5.7</b>  | <b>20.8</b>    | <b>15.1</b>        | <b>11.8</b>    | <b>27.1</b>    | <b>15.3</b>        | <b>1.5</b>            | <b>2.4</b>    | <b>0.9</b>         | <b>0.4</b>     | <b>1.5</b>    | <b>1.1</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>-1.5</b>   |                |                    | <b>-52.9</b>   |                |                    | <b>-0.2</b>           |               |                    | <b>-17.5</b>   |               |                    |
| <b>DIRECT INVESTMENT<sup>2)</sup></b>                      | <b>-98.9</b>  | <b>-290.2</b>  | <b>191.3</b>       | <b>-109.7</b>  | <b>-312.8</b>  | <b>203.2</b>       | <b>9.9</b>            | <b>-6.7</b>   | <b>16.7</b>        | <b>-30.6</b>   | <b>-39.9</b>  | <b>9.3</b>         |
| Equity capital and reinvested earnings                     | -65.9   | -233.2         | 168.0              | -30.2          | -246.5         | 216.3              | 8.3                   | -7.8          | 16.1               | -11.5          | -24.8         | 13.4               |
| Other capital (mostly inter-company loans)                 | -33.3   | -57.0          | 23.3               | -79.5          | -66.3          | -13.2              | 1.7                   | 1.1           | 0.6                | -19.2          | -15.1         | -4.1               |
| <b>PORTFOLIO INVESTMENT</b>                                | <b>319.5</b>  | <b>-151.5</b>  | <b>471.0</b>       | <b>41.0</b>    | <b>8.4</b>     | <b>32.6</b>        | <b>26.7</b>           | <b>-5.6</b>   | <b>32.3</b>        | <b>59.7</b>    | <b>28.8</b>   | <b>30.8</b>        |
| Equity   | 155.9   | -65.0          | 220.8              | 156.8          | 82.2           | 74.7               | 6.0                   | 6.1           | -0.2               | 34.2           | 11.5          | 22.8               |
| Debt instruments   | 163.6   | -86.6          | 250.2              | -115.8         | -73.7          | -42.1              | 20.7                  | -11.8         | 32.5               | 25.4           | 17.4          | 8.0                |
| Bonds and notes  | 123.4   | -89.3          | 212.7              | -0.3           | -28.2          | 27.9               | 13.7                  | -13.1         | 26.7               | 30.8           | -0.2          | 31.1               |
| Money market instruments                                   | 40.2  | 2.8            | 37.5               | -115.5         | -45.5          | -69.9              | 7.0                   | 1.3           | 5.7                | -5.4           | 17.6          | -23.0              |
| <b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b> | <b>220.6</b>  | <b>-441.8</b>  | <b>662.3</b>       | <b>-68.6</b>   | <b>-304.4</b>  | <b>235.8</b>       | <b>36.6</b>           | <b>-12.4</b>  | <b>49.0</b>        | <b>29.0</b>    | <b>-11.0</b>  | <b>40.1</b>        |
| <b>FINANCIAL DERIVATIVES (NET)</b>                         | <b>19.6</b>   |                |                    | <b>-35.5</b>   |                |                    | <b>-6.2</b>           |               |                    | <b>-1.4</b>    |               |                    |
| <b>OTHER INVESTMENT</b>                                    | <b>-227.6</b>                                       | <b>-221.5</b>  | <b>-6.1</b>        | <b>64.8</b>    | <b>-77.8</b>   | <b>142.6</b>       | <b>-29.1</b>          | <b>-85.2</b>  | <b>56.1</b>        | <b>-40.6</b>   | <b>47.6</b>   | <b>-88.2</b>       |
| Eurosystem   | 15.8  | -15.8          | 31.6               | 138.4          | 18.0           | 120.4              | 42.2                  | 1.7           | 40.5               | 39.2           | 6.6           | 32.7               |
| General government   | 68.9  | -23.3          | 92.2               | 40.5           | -6.9           | 47.3               | -2.2                  | -5.0          | 2.9                | -2.8           | -0.8          | -1.9               |
| of which: currency and deposits                            | -0.6  | -0.6           |                    | -11.5          | -11.5          |                    | -3.8                  | -3.8          |                    | -1.0           | -1.0          |                    |
| MFIs (excluding the Eurosystem)                            | -271.7  | -82.8          | -188.9             | -93.3          | 47.8           | -141.1             | -48.4                 | -49.8         | 1.4                | -66.2          | 61.5          | -127.7             |
| Long-term  | 65.8  | 38.8           | 26.9               | -34.3          | 7.1            | -41.4              | 9.9                   | 4.7           | 5.1                | -9.3           | 7.7           | -17.0              |
| Short-term   | -337.4  | -121.6         | -215.8             | -59.0          | 40.7           | -99.7              | -58.3                 | -54.6         | -3.8               | -56.9          | 53.8          | -110.7             |
| Other sectors  | -40.5   | -99.6          | 59.0               | -20.8          | -136.7         | 116.0              | -20.7                 | -32.0         | 11.4               | -10.9          | -19.7         | 8.7                |
| of which: currency and deposits                            | -74.1   | -74.1          |                    | -64.2          | -64.2          |                    | -26.7                 | -26.7         |                    | -16.0          | -16.0         |                    |
| <b>RESERVE ASSETS</b>                                      | <b>-14.0</b>  | <b>-14.0</b>   |                    | <b>-13.6</b>   | <b>-13.6</b>   |                    | <b>-1.5</b>           | <b>-1.5</b>   |                    | <b>-4.5</b>    | <b>-4.5</b>   |                    |
| Errors and omissions                                       | 18.8  |                |                    | -4.2           |                |                    | 1.9                   |               |                    | 1.4            |               |                    |

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.