



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## PRESS RELEASE

### EURO AREA BALANCE OF PAYMENTS IN NOVEMBER 2012 AND INTERNATIONAL INVESTMENT POSITION AT THE END OF THE THIRD QUARTER OF 2012

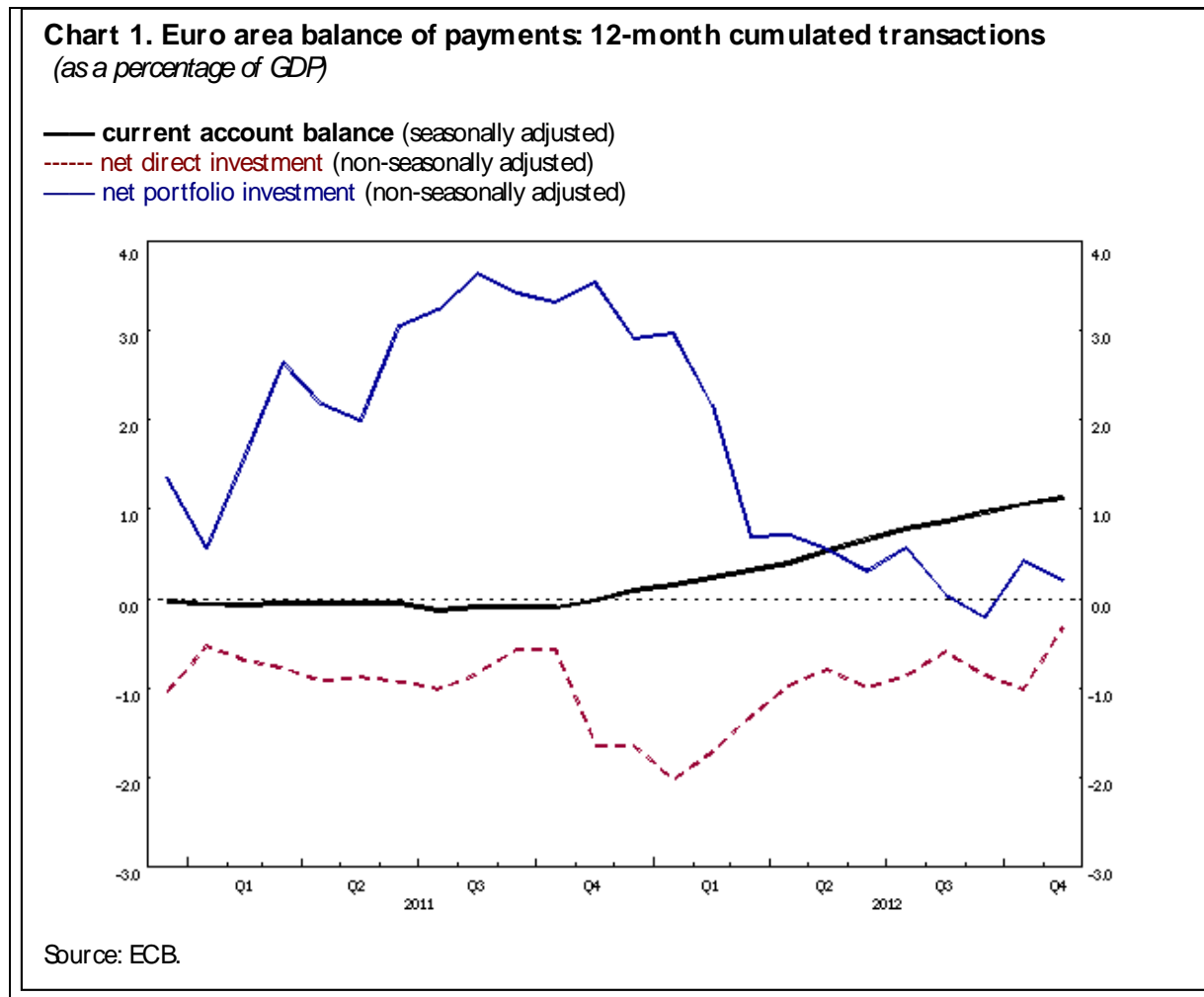
*In November 2012 the seasonally adjusted current account of the euro area recorded a surplus of €14.8 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €26 billion (non-seasonally adjusted).*

*At the end of the third quarter of 2012 the international investment position of the euro area recorded net liabilities of €1.2 trillion vis-à-vis the rest of the world (approximately 12.6% of euro area GDP). This represented a decrease of €24 billion in net liabilities in comparison with the revised data for the second quarter of 2012.*

#### **Balance of payments in November 2012**

The seasonally adjusted *current account* of the euro area recorded a surplus of €14.8 billion in November 2012 (see Table 1). This reflected surpluses for *goods* (€12.6 billion), *services* (€7.1 billion) and *income* (€2.6 billion), which were partly offset by a deficit for *current transfers* (€7.5 billion).

The seasonally adjusted 12-month cumulated *current account* recorded a surplus of €107.6 billion in November 2012 (1.1% of euro area GDP; see Table 1 and Chart 1), compared with a deficit of €1.8 billion a year earlier. This change resulted from a shift in *goods* from deficit (€2.5 billion) to surplus (€98.3 billion) and from an increase in the surplus for *services* (from €64.3 billion to €87.8 billion), which were partly counterbalanced by a decrease in the surplus for *income* (from €42.6 billion to €31.2 billion) and an increase in the deficit for *current transfers* (from €106.2 billion to €109.7 billion).



In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €26 billion in November 2012, as a result of net inflows in both *direct investment* (€14 billion) and *portfolio investment* (€12 billion).

The net inflows for *direct investment* resulted from net inflows in both *equity capital and reinvested earnings* (€9 billion) and *other capital (mostly inter-company loans)* (€5 billion). The net inflows for *portfolio investment* were accounted for mainly by net inflows for *equity* (€12 billion), resulting from net purchases of euro area equity securities by non-residents.

The *financial derivatives* account recorded net inflows of €10 billion.

*Other investment* recorded net outflows (€62 billion), reflecting mainly net outflows for both *MFIs excluding the Eurosystem* (€52 billion) and *other sectors* (€11 billion).

The [Eurosystem's stock of reserve assets](#) totalled €718 billion at the end of November 2012, up from €716 billion at the end of October 2012. Transactions in November 2012 contributed to an increase of €1 billion in the overall position.

In the 12-month period to November 2012, *combined direct and portfolio investment* recorded cumulated net outflows of €11 billion, compared with net inflows of €179 billion in the preceding 12-month period. This shift was mainly the result of lower net inflows for *portfolio investment* (down from €332 billion to €20 billion), which in turn reflected a shift for debt instruments from net inflows (€186 billion) to net outflows (€103 billion). During the same period, the cumulated net outflows for *direct investment* declined to €31 billion, compared with €154 in the preceding 12-month period.

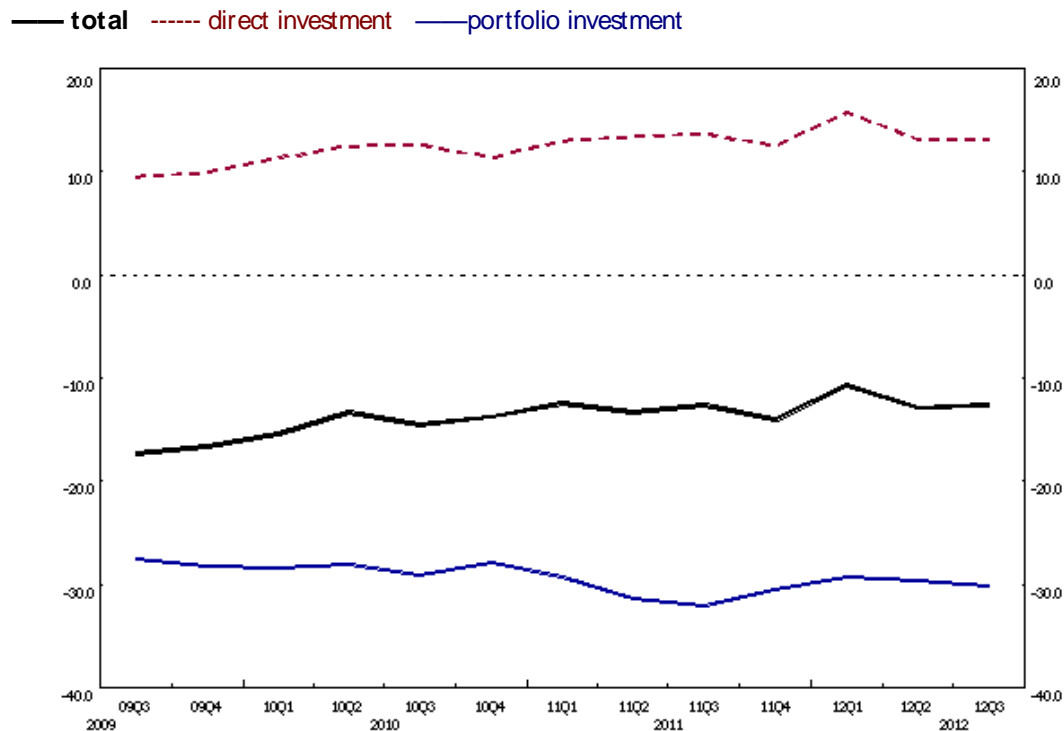
### **International investment position at the end of the third quarter of 2012**

At the end of the third quarter of 2012, the international investment position of the euro area recorded net liabilities of €1.2 trillion vis-à-vis the rest of the world (approximately 12.6% of euro area GDP; see Chart 2). This represented a decrease of €24 billion in net liabilities, in comparison with the revised data for the second quarter of 2012 (see Table 3).

The decrease in the net liability position was mainly the result of both a lower net liability position for *other investment* (down from € 333 billion to € 285 billion) and a higher *reserve assets* position (up from €702 billion to €734 billion), which were partly offset by a higher net liability position for *portfolio investment* (up from €2,800 billion to €2,856 billion). While the changes in the net position for *other investment* were driven by transactions and “other changes”, the changes in the net positions for *portfolio investment* and for *reserve assets* were primarily driven by “other changes” (predominantly revaluations on account of exchange rate and asset price changes, as well as changes in gold prices in the case of reserve assets).

At the end of the third quarter of 2012, the gross external debt of the euro area amounted to €11.8 trillion (approximately 125% of euro area GDP), which represented a decrease of €10 billion in relation to the revised data for the second quarter of 2012.

**Chart 2. Net euro area international investment position**  
(as a percentage of GDP, outstanding amounts at end of period)



Source: ECB.

### Data revisions

This press release incorporates revisions to the monthly balance of payments for the period from April 2012 to October 2012, and to the quarterly international investment position for the end of the second quarter of 2012.

The *current account* surplus in October 2012 was revised significantly upwards (from €3.9 billion to €8.0 billion), mainly on account of revisions in *goods*. The revision of the *financial account* was due mainly to revisions to the net outflows in *other investment* (up from €38 billion to €49 billion).

The revisions to the *current, capital and financial account* balances for the second quarter of 2012 were not significant. However, the *current account* surplus in the third quarter of 2012 (based on monthly data) was revised upwards to a notable degree (from €27.7 billion to €41.0 billion), mainly as a result of revisions in *goods*. The revisions to the *financial account* for the third quarter of 2012 affected primarily *portfolio investment*, which shifted from inflows (€49 billion) to outflows (€9 billion).

The revisions to the international investment position at the end of the second quarter of 2012 led to a higher liability position (up from €836 billion to €1.2 trillion), mainly on account of revisions to *direct investment* that were driven primarily by “other changes.”

## **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.*

*The European Stability Mechanism (ESM) is classified as part of the euro area. 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 November 2012 will also be published in the February 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 euro area monthly balance of payments will be published on 18 February 2013. The next press release including the quarterly international investment position will be published on 19 April 2013.*

### **Annexes**

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

Table 3: Quarterly international investment position 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										
	Nov. 2011	Nov. 2012	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
<b>CURRENT ACCOUNT</b>	<b>-1.8</b>	<b>107.6</b>	<b>6.4</b>	<b>6.0</b>	<b>6.5</b>	<b>9.1</b>	<b>7.2</b>	<b>9.8</b>	<b>9.6</b>	<b>9.9</b>	<b>10.9</b>	<b>9.4</b>	<b>8.0</b>	<b>14.8</b>
<i>Memo: as a percentage of GDP</i>	<i>-0.0</i>	<i>1.1</i>												
Credit	2,946.7	3,122.2	256.6	255.9	255.3	258.4	260.0	262.5	264.5	259.5	266.3	267.4	258.1	257.7
Debit	2,948.5	3,014.6	250.1	249.9	248.8	249.3	252.8	252.7	254.9	249.6	255.4	257.9	250.1	242.9
<b>Goods</b>	<b>-2.5</b>	<b>98.3</b>	<b>5.0</b>	<b>6.4</b>	<b>6.7</b>	<b>6.7</b>	<b>7.7</b>	<b>8.8</b>	<b>8.5</b>	<b>6.8</b>	<b>10.0</b>	<b>9.0</b>	<b>10.2</b>	<b>12.6</b>
Credit (exports)	1,754.0	1,904.7	154.2	155.1	155.6	156.4	159.0	160.8	160.5	156.5	164.5	162.9	158.8	160.3
Debit (imports)	1,756.4	1,806.4	149.2	148.7	148.9	149.7	151.4	152.0	152.0	149.7	154.6	153.9	148.7	147.6
<b>Services</b>	<b>64.3</b>	<b>87.8</b>	<b>6.7</b>	<b>5.9</b>	<b>7.0</b>	<b>8.9</b>	<b>7.5</b>	<b>7.5</b>	<b>7.7</b>	<b>6.9</b>	<b>8.1</b>	<b>7.2</b>	<b>7.4</b>	<b>7.1</b>
Credit (exports)	571.9	611.5	49.9	48.7	49.9	50.3	51.1	51.2	52.5	51.0	52.4	52.2	51.2	51.3
Debit (imports)	507.6	523.6	43.2	42.8	42.8	41.4	43.6	43.8	44.8	44.0	44.2	45.0	43.8	44.2
<b>Income</b>	<b>42.6</b>	<b>31.2</b>	<b>4.1</b>	<b>3.0</b>	<b>2.7</b>	<b>2.6</b>	<b>1.3</b>	<b>3.0</b>	<b>2.4</b>	<b>5.1</b>	<b>1.9</b>	<b>2.9</b>	<b>-0.3</b>	<b>2.6</b>
Credit	526.5	510.4	44.5	44.0	42.1	43.3	41.6	42.7	43.4	43.9	41.5	44.1	40.7	38.6
Debit	484.0	479.2	40.4	41.0	39.4	40.7	40.3	39.6	41.0	38.8	39.6	41.3	41.0	36.0
<b>Current transfers</b>	<b>-106.2</b>	<b>-109.7</b>	<b>-9.3</b>	<b>-9.2</b>	<b>-9.9</b>	<b>-9.1</b>	<b>-9.2</b>	<b>-9.5</b>	<b>-9.0</b>	<b>-8.9</b>	<b>-9.1</b>	<b>-9.6</b>	<b>-9.2</b>	<b>-7.5</b>
Credit	94.3	95.6	8.0	8.2	7.8	8.4	8.3	7.8	8.1	8.1	7.9	8.1	7.4	7.6
Debit	200.4	205.3	17.3	17.4	17.6	17.5	17.5	17.4	17.1	17.0	17.0	17.8	16.6	15.1

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						October 2012 (revised)			November 2012		
	November 2011			November 2012								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
<b>CURRENT ACCOUNT</b>	<b>-0.2</b>	<b>2,954.1</b>	<b>2,954.3</b>	<b>106.2</b>	<b>3,134.6</b>	<b>3,028.4</b>	<b>11.6</b>	<b>270.9</b>	<b>259.3</b>	<b>19.8</b>	<b>262.3</b>	<b>242.5</b>
Goods	1.4	1,760.6	1,759.2	99.8	1,915.5	1,815.7	12.5	173.6	161.1	16.3	167.7	151.4
Services	64.1	572.9	508.8	87.9	613.3	525.4	6.9	52.9	46.0	5.6	49.5	43.9
Income	40.8	526.4	485.6	31.1	511.2	480.1	2.0	38.2	36.2	4.0	36.4	32.4
Current transfers	-106.4	94.2	200.7	-112.6	94.6	207.2	-9.8	6.2	15.9	-6.1	8.6	14.7
<b>CAPITAL ACCOUNT</b>	<b>12.0</b>	<b>24.7</b>	<b>12.7</b>	<b>11.7</b>	<b>26.9</b>	<b>15.2</b>	<b>1.8</b>	<b>3.2</b>	<b>1.4</b>	<b>1.6</b>	<b>2.7</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>-40.2</b>			<b>-131.6</b>			<b>-12.0</b>			<b>-26.1</b>		
<b>DIRECT INVESTMENT<sup>2)</sup></b>	<b>-153.8</b>	<b>-422.0</b>	<b>268.2</b>	<b>-31.1</b>	<b>-255.0</b>	<b>224.0</b>	<b>-10.6</b>	<b>-20.7</b>	<b>10.1</b>	<b>14.1</b>	<b>6.2</b>	<b>7.9</b>
Equity capital and reinvested earnings	-51.6	-347.5	296.0	-23.3	-216.1	192.9	-12.3	-21.5	9.2	9.4	2.3	7.0
Other capital (mostly inter-company loans)	-102.2	-74.5	-27.8	-7.8	-38.9	31.1	1.8	0.8	1.0	4.7	3.9	0.9
<b>PORTFOLIO INVESTMENT</b>	<b>332.3</b>	<b>95.1</b>	<b>237.2</b>	<b>20.1</b>	<b>-163.6</b>	<b>183.7</b>	<b>45.8</b>	<b>0.2</b>	<b>45.6</b>	<b>12.1</b>	<b>-36.7</b>	<b>48.8</b>
Equity	146.1	54.8	91.4	123.4	0.0	123.4	21.9	-6.5	28.4	11.9	0.1	11.8
Debt instruments	186.2	40.3	145.9	-103.3	-163.6	60.3	24.0	6.8	17.2	0.2	-36.8	37.0
Bonds and notes	242.4	26.9	215.6	0.5	-107.8	108.2	9.9	-1.5	11.4	23.9	-17.5	41.4
Money market instruments	-56.2	13.5	-69.7	-103.8	-55.8	-48.0	14.1	8.3	5.8	-23.6	-19.2	-4.4
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>178.5</b>	<b>-326.9</b>	<b>505.5</b>	<b>-11.0</b>	<b>-418.6</b>	<b>407.6</b>	<b>35.3</b>	<b>-20.5</b>	<b>55.7</b>	<b>26.2</b>	<b>-30.5</b>	<b>56.7</b>
<b>FINANCIAL DERIVATIVES (NET)</b>	<b>6.4</b>			<b>-7.3</b>			<b>4.0</b>			<b>10.2</b>		
<b>OTHER INVESTMENT</b>	<b>-218.8</b>	<b>-160.4</b>	<b>-58.4</b>	<b>-93.2</b>	<b>-57.4</b>	<b>-35.8</b>	<b>-48.7</b>	<b>-24.7</b>	<b>-24.0</b>	<b>-61.5</b>	<b>9.3</b>	<b>-70.8</b>
Eurosystem	43.6	-5.7	49.3	104.4	-6.2	110.6	-17.1	-4.8	-12.4	4.1	2.1	1.9
General government	85.6	-4.6	90.2	20.8	-2.0	22.8	-5.3	-8.4	3.1	-2.8	-6.0	3.3
of which: currency and deposits	-13.4	-13.4		3.4	3.4		1.0	1.0		-4.2	-4.2	
MFIs (excluding the Eurosystem)	-291.1	-11.9	-279.2	-189.6	60.4	-250.0	-16.7	-10.2	-6.6	-51.5	19.1	-70.6
Long-term	-11.2	16.8	-28.0	-13.4	6.2	-19.6	10.1	16.1	-6.0	1.8	3.2	-1.4
Short-term	-279.9	-28.7	-251.2	-176.2	54.2	-230.4	-26.8	-26.3	-0.5	-53.3	15.9	-69.2
Other sectors	-56.9	-138.2	81.3	-28.9	-109.7	80.8	-9.6	-1.3	-8.2	-11.2	-5.9	-5.3
of which: currency and deposits	-60.4	-60.4		-50.1	-50.1		-7.7	-7.7		-2.9	-2.9	
<b>RESERVE ASSETS</b>	<b>-6.3</b>	<b>-6.3</b>		<b>-20.1</b>	<b>-20.1</b>		<b>-2.4</b>	<b>-2.4</b>		<b>-1.0</b>	<b>-1.0</b>	
Errors and omissions	28.4			13.7			-1.5			4.7		

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.

**Table 3: Quarterly international investment position of the euro area**

(EUR billions, unless otherwise indicated; outstanding amounts at end of period, transactions during period)

	Q1 2012	Q2 2012 (revised)				Q3 2012				
	End-of-period outstanding amounts	Transactions <sup>1)</sup>			End-of-period outstanding amounts	Transactions <sup>1)</sup>			End-of-period outstanding amounts	
			as % of previous end-period outstanding amounts	Other changes			as % of previous end-period outstanding amounts	Other changes		as % of GDP
<b>Financial account balance/ Net international investment position</b>	<b>-1,012.0</b>	<b>20.4</b>	<b>-</b>	<b>-227.4</b>	<b>-1,218.9</b>	<b>55.0</b>	<b>-</b>	<b>-31.0</b>	<b>-1,194.9</b>	<b>-12.6</b>
<b>Direct investment</b>	<b>1,481.5</b>	<b>16.3</b>	<b>-</b>	<b>-256.3</b>	<b>1,241.6</b>	<b>25.7</b>	<b>-</b>	<b>-34.5</b>	<b>1,232.8</b>	<b>13.0</b>
Abroad	5,626.2	65.7	1.2	142.9	5,834.8	61.3	1.0	-16.5	5,879.6	62.0
Equity/reinvested earnings	4,297.5	50.6	1.2	85.3	4,433.5	42.6	1.0	-8.6	4,467.4	47.1
Other capital	1,328.8	15.0	1.1	57.6	1,401.4	18.7	1.3	-7.8	1,412.2	14.9
In the euro area	4,144.7	49.4	1.2	399.1	4,593.2	35.6	0.8	18.0	4,646.8	49.0
Equity/reinvested earnings	3,376.5	43.9	1.3	-34.6	3,385.8	31.0	0.9	-9.2	3,407.6	36.0
Other capital	768.2	5.5	0.7	433.7	1,207.4	4.6	0.4	27.3	1,239.2	13.1
<b>Portfolio investment</b>	<b>-2,763.7</b>	<b>-94.2</b>	<b>-</b>	<b>58.1</b>	<b>-2,799.7</b>	<b>9.3</b>	<b>-</b>	<b>-65.2</b>	<b>-2,855.7</b>	<b>-30.1</b>
Assets	5,044.6	-58.9	-1.2	57.1	5,042.8	41.3	0.8	109.9	5,194.0	54.8
Equity securities	1,844.0	-25.9	-1.4	-12.5	1,805.6	5.6	0.3	67.9	1,879.1	19.8
Debt securities	3,200.6	-33.0	-1.0	69.6	3,237.2	35.7	1.1	42.0	3,314.9	35.0
Bonds and notes	2,688.8	-7.1	-0.3	59.0	2,740.7	35.3	1.3	45.6	2,821.6	29.8
Money market instruments	511.8	-25.9	-5.1	10.6	496.5	0.4	0.1	-3.6	493.3	5.2
Liabilities	7,808.3	35.3	0.5	-1.0	7,842.6	32.1	0.4	175.1	8,049.7	84.9
Equity securities	3,239.1	-1.0	-0.0	-16.2	3,221.9	19.8	0.6	133.0	3,374.7	35.6
Debt securities	4,569.2	36.2	0.8	15.2	4,620.6	12.3	0.3	42.1	4,675.0	49.3
Bonds and notes	4,110.8	28.6	0.7	11.9	4,151.2	47.9	1.2	43.3	4,242.4	44.8
Money market instruments	458.4	7.7	1.7	3.3	469.4	-35.7	-7.6	-1.2	432.6	4.6
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>-1,282.1</b>	<b>-77.9</b>	<b>-</b>	<b>-198.1</b>	<b>-1,558.1</b>	<b>34.9</b>	<b>-</b>	<b>-99.7</b>	<b>-1,622.9</b>	<b>-17.1</b>
<b>Financial derivatives</b>	<b>-24.1</b>	<b>9.1</b>	<b>-</b>	<b>-13.9</b>	<b>-28.9</b>	<b>0.6</b>	<b>-</b>	<b>7.9</b>	<b>-20.5</b>	<b>-0.2</b>
<b>Other investment</b>	<b>-376.9</b>	<b>80.3</b>	<b>-</b>	<b>-36.6</b>	<b>-333.3</b>	<b>19.4</b>	<b>-</b>	<b>28.6</b>	<b>-285.3</b>	<b>-3.0</b>
Assets	4,847.3	51.5	1.1	34.1	4,932.9	-18.5	-0.4	-32.9	4,881.5	51.5
Eurosystem	36.7	-2.4	-6.6	0.8	35.0	6.2	17.6	-3.9	37.3	0.4
General government	152.2	6.6	4.3	1.7	160.5	-9.2	-5.7	-1.0	150.3	1.6
MFIs excluding Eurosystem	3,046.9	1.3	0.0	97.5	3,145.7	-40.8	-1.3	-24.2	3,080.7	32.5
Other sectors	1,611.5	46.1	2.9	-65.8	1,591.7	25.3	1.6	-3.9	1,613.2	17.0
Liabilities	5,224.3	-28.8	-0.6	70.7	5,266.2	-37.9	-0.7	-61.5	5,166.8	54.5
Eurosystem	334.2	73.4	22.0	5.8	413.4	21.0	5.1	-2.4	432.0	4.6
General government	230.3	7.3	3.2	0.8	238.4	-4.4	-1.8	-2.4	231.7	2.4
MFIs excluding Eurosystem	3,365.1	-116.0	-3.4	67.7	3,316.8	-89.1	-2.7	-21.2	3,206.5	33.8
Other sectors	1,294.6	6.5	0.5	-3.6	1,297.5	34.6	2.7	-35.5	1,296.6	13.7
<b>Reserve assets</b>	<b>671.2</b>	<b>9.0</b>	<b>1.3</b>	<b>21.3</b>	<b>701.5</b>	<b>0.1</b>	<b>0.0</b>	<b>32.2</b>	<b>733.8</b>	<b>7.7</b>
<b>MEMO ITEM: GROSS EXTERNAL DEBT</b>	<b>11,097.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,808.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,797.9</b>	<b>124.5</b>

Source: ECB.

( 1 ) In this table, contrary to the balance of payments sign convention, a positive (negative) number indicates an increase (decrease) of euro area assets.