



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## PRESS RELEASE

### EURO AREA BALANCE OF PAYMENTS IN AUGUST 2013 AND INTERNATIONAL INVESTMENT POSITION AT THE END OF THE SECOND QUARTER OF 2013

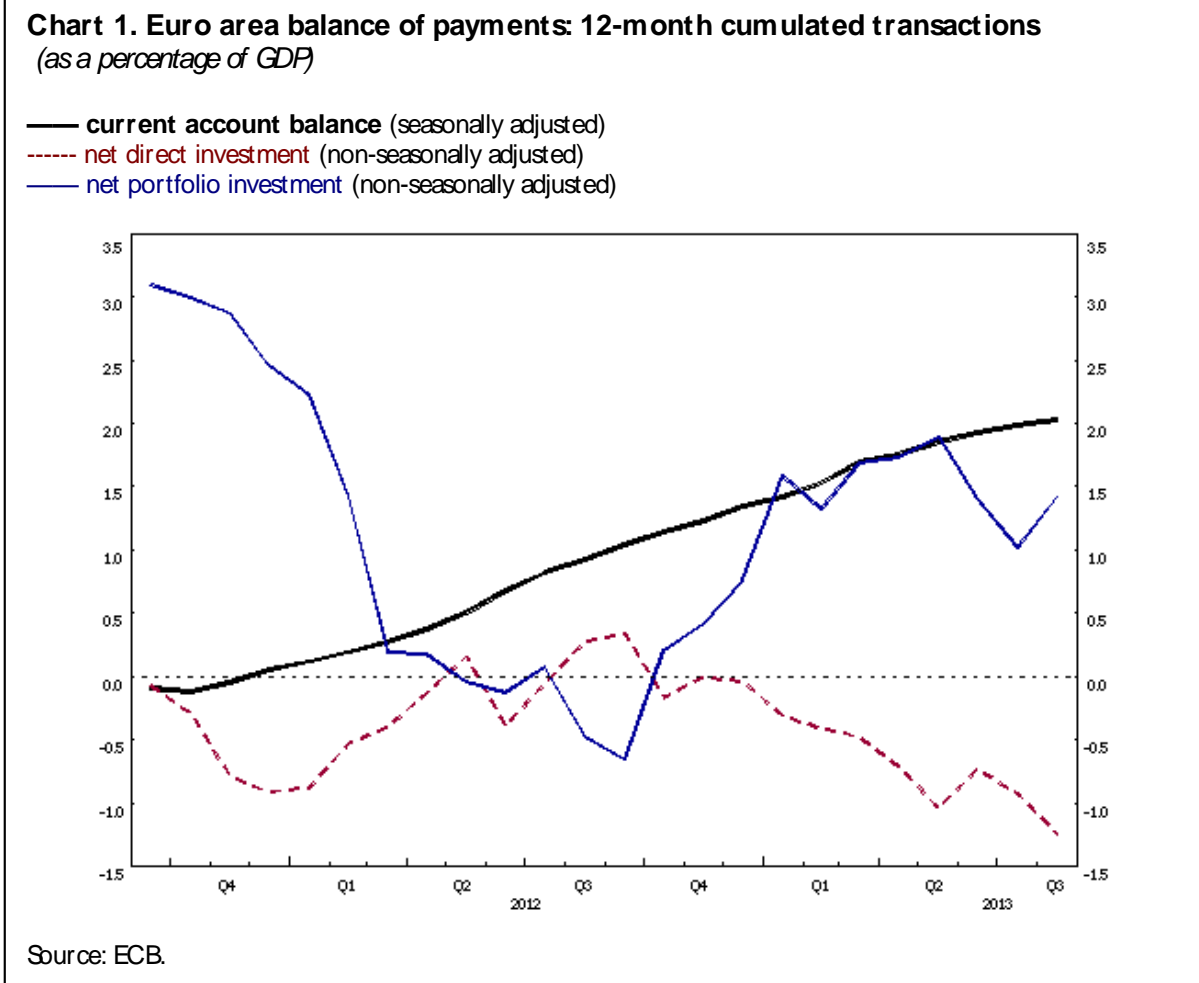
*In August 2013 the seasonally adjusted current account of the euro area recorded a surplus of €17.4 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €12 billion (non-seasonally adjusted).*

*At the end of the second quarter of 2013 the international investment position of the euro area recorded net liabilities of €1.3 trillion vis-à-vis the rest of the world (close to 14% of euro area GDP). This represented an increase of €140 billion in comparison with the revised data for the first quarter of 2013.*

#### **Balance of payments in August 2013**

The seasonally adjusted *current account* of the euro area recorded a surplus of €17.4 billion in August 2013 (see Table 1). This reflected surpluses for *goods* (€14.7 billion), *services* (€7.7 billion) and *income* (€4.8 billion), which were partially offset by a deficit for *current transfers* (€9.7 billion).

The seasonally adjusted 12-month cumulated *current account* for the period ending in August 2013 recorded a surplus of €192.8 billion (2.0% of euro area GDP; see Table 1 and Chart 1), compared with a surplus of €88.2 billion (0.9% of euro area GDP) for the 12-month period up to August 2012. The increase in the surplus on the *current account* was due mainly to a higher surplus for *goods* (from €66.2 billion to €155.7 billion),



In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €12 billion in August 2013, as a result of net inflows in *portfolio investment* (€20 billion), which were partly offset by net outflows for *direct investment* (€8 billion).

The net outflows for *direct investment* resulted from net outflows for both *equity capital and reinvested earnings* (€5 billion) and *other capital (mostly inter-company loans)* (€3 billion).

The net inflows for *portfolio investment* were accounted for by net inflows in *equity* (€29 billion), which were partly offset by net outflows for *debt instruments* (€9 billion). The developments in *equity* resulted both from net purchases of euro area equities by non-euro area residents (€23 billion) and from net sales of foreign equities by euro area residents (€6 billion).

The *financial derivatives* account recorded net inflows of €7 billion.

*Other investment* recorded net outflows (€33 billion), reflecting predominantly net outflows for *MFIs excluding the Eurosystem* (€35 billion), which were partly offset by net inflows for *other sectors* (€3 billion).

The [Eurosystem's stock of reserve assets](#) was €613 billion at the end of August 2013, up from €589 billion at the end of July 2013, mainly on account of an increase in the market price of gold (with net transactions contributing €2 billion to the overall increase in reserve assets).

In the 12-month period to August 2013 *combined direct and portfolio investment* recorded cumulated net inflows of €18 billion, compared with net outflows of €18 billion in the 12-month period to August 2012. This was the result of a shift from net outflows (€45 billion) to net inflows (€135 billion) for *portfolio investment*, which were partly offset by a shift from net inflows (€27 billion) to net outflows (€118 billion) for *direct investment*.

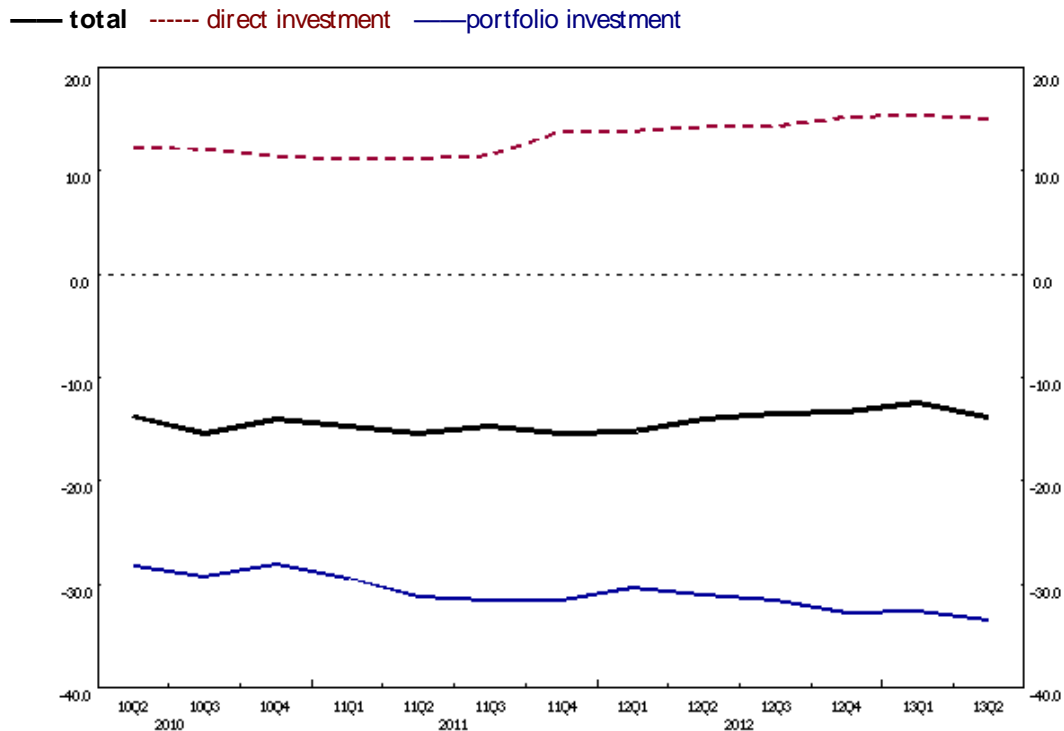
### **International investment position at the end of the second quarter of 2013**

At the end of the second quarter of 2013 the international investment position of the euro area recorded net liabilities of €1.3 trillion vis-à-vis the rest of the world (close to 14% of euro area GDP; see Chart 2). This represented an increase of €140 billion in comparison with the revised data for the first quarter of 2013 (see Table 3).

The increase in the net liability position was due mainly to a lower net asset position for *reserve assets* (down from €688 billion to €564 billion) and *direct investment* (down from €1,456 billion to €1,423 billion) and higher net liability positions for *portfolio investment* (up from €3,087 billion to €3,174 billion), which were only partly offset by a lower net liability position for *other investment* (down from €202 billion to €101 billion). The change in the net position for both *portfolio investment* and *other investment* reflected mainly transactions, while the changes in the net positions for *direct investment* and *reserve assets* were primarily driven by “other changes” (predominantly revaluations on account of exchange rate and asset price changes, and of changes in the gold price in the case of reserve assets).

At the end of the second quarter of 2013 the gross external debt of the euro area amounted to €12.1 trillion (approximately 127% of euro area GDP), which represented a decrease of €191 billion in comparison with the revised data for the first quarter of 2013.

**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 January to July 2013, and to the quarterly international investment position at the end of the first quarter of 2013.

The revisions to the balance of payments in August 2013 did not significantly change the previously published data. The *current account* surplus in the first quarter of 2013 was revised downwards (from €32.5 billion to €24.6 billion), mainly on account of revisions to *income* and *goods*. In the period from April to June 2013, there were offsetting revisions to *direct investment* and *other investment that had a moderate impact on the financial account*.

The revisions to the international investment position at the end of the first quarter of 2013 did not significantly change the net liability position of the euro area; however, there were some offsetting revisions to *portfolio investment* and *other investment*.

## **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 August 2013 will also be published in the November 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 November 2013. The next press release including the quarterly international investment position will be published on 23 January 2014. In addition, an annual press release on the international investment position including its geographical breakdown at the end of 2012 will be published on 29 October 2013.*

*The ECB will start publishing, at the end of 2014, the euro area balance of payments and international investment position statistics in accordance with its [Guideline ECB/2011/23](#), which adheres to the sixth edition of the IMF’s Balance of Payments and International Investment Position Manual (BPM6). More detailed information is available on a dedicated [webpage](#).*

### **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		2012				2013							
	Aug. 2012	Aug. 2013	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
<b>CURRENT ACCOUNT</b>	<b>88.2</b>	<b>192.8</b>	<b>13.5</b>	<b>11.1</b>	<b>13.0</b>	<b>13.7</b>	<b>13.8</b>	<b>15.1</b>	<b>21.5</b>	<b>17.3</b>	<b>19.9</b>	<b>21.0</b>	<b>15.5</b>	<b>17.4</b>
<i>Memo: as a percentage of GDP</i>	<i>0.9</i>	<i>2.0</i>												
Credit	3,142.2	3,185.6	268.8	265.4	266.6	265.8	263.4	263.1	267.4	267.4	265.9	268.2	260.0	263.7
Debit	3,054.0	2,992.8	255.3	254.3	253.7	252.0	249.5	248.0	245.9	250.0	246.0	247.2	244.5	246.3
<b>Goods</b>	<b>66.2</b>	<b>155.7</b>	<b>9.7</b>	<b>10.0</b>	<b>9.3</b>	<b>11.6</b>	<b>11.7</b>	<b>11.6</b>	<b>17.5</b>	<b>17.1</b>	<b>17.6</b>	<b>13.8</b>	<b>11.1</b>	<b>14.7</b>
Credit (exports)	1,885.6	1,931.2	162.8	161.1	161.6	161.0	161.0	159.9	162.5	163.1	162.3	160.5	155.2	160.3
Debit (imports)	1,819.3	1,775.5	153.0	151.0	152.3	149.4	149.3	148.3	144.9	146.1	144.8	146.7	144.1	145.6
<b>Services</b>	<b>87.5</b>	<b>95.9</b>	<b>6.6</b>	<b>7.4</b>	<b>7.5</b>	<b>8.2</b>	<b>7.2</b>	<b>8.2</b>	<b>8.5</b>	<b>8.4</b>	<b>7.0</b>	<b>9.7</b>	<b>9.3</b>	<b>7.7</b>
Credit (exports)	616.3	638.8	52.5	52.3	52.8	53.8	51.6	52.6	54.0	54.3	53.7	55.2	53.0	53.0
Debit (imports)	528.8	542.9	45.9	44.9	45.3	45.6	44.3	44.4	45.5	45.9	46.7	45.4	43.7	45.3
<b>Income</b>	<b>43.0</b>	<b>54.7</b>	<b>6.2</b>	<b>2.6</b>	<b>4.9</b>	<b>2.9</b>	<b>4.6</b>	<b>5.1</b>	<b>5.1</b>	<b>1.9</b>	<b>5.3</b>	<b>7.2</b>	<b>4.2</b>	<b>4.8</b>
Credit	543.0	515.4	45.3	43.7	43.8	42.5	42.2	42.3	42.5	42.0	41.9	44.0	42.8	42.5
Debit	499.9	460.8	39.1	41.1	39.0	39.7	37.6	37.3	37.4	40.1	36.5	36.8	38.5	37.6
<b>Current transfers</b>	<b>-108.5</b>	<b>-113.4</b>	<b>-9.0</b>	<b>-9.0</b>	<b>-8.7</b>	<b>-9.0</b>	<b>-9.7</b>	<b>-9.7</b>	<b>-9.6</b>	<b>-10.1</b>	<b>-10.0</b>	<b>-9.7</b>	<b>-9.1</b>	<b>-9.7</b>
Credit	97.4	100.2	8.2	8.3	8.4	8.4	8.6	8.3	8.4	7.9	8.0	8.6	9.1	8.1
Debit	205.9	213.6	17.2	17.3	17.1	17.4	18.3	18.0	18.0	18.0	18.0	18.2	18.2	17.8

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						July 2013 (revised)			August 2013		
	August 2012			August 2013								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
<b>CURRENT ACCOUNT</b>	<b>85.0</b>	<b>3,150.2</b>	<b>3,065.3</b>	<b>189.6</b>	<b>3,178.8</b>	<b>2,989.2</b>	<b>26.1</b>	<b>276.9</b>	<b>250.7</b>	<b>12.0</b>	<b>247.2</b>	<b>235.2</b>
Goods	65.8	1,893.9	1,828.1	155.7	1,924.3	1,768.6	19.7	168.1	148.4	8.3	147.5	139.3
Services	87.6	617.6	530.1	95.7	638.0	542.3	11.4	58.5	47.1	7.5	54.3	46.8
Income	44.2	542.6	498.4	57.8	517.2	459.4	4.5	42.5	38.0	7.6	40.4	32.8
Current transfers	-112.6	96.1	208.7	-119.5	99.3	218.9	-9.5	7.8	17.3	-11.4	4.9	16.3
<b>CAPITAL ACCOUNT</b>	<b>3.1</b>	<b>27.6</b>	<b>24.5</b>	<b>18.7</b>	<b>31.9</b>	<b>13.3</b>	<b>2.3</b>	<b>3.1</b>	<b>0.8</b>	<b>1.4</b>	<b>2.1</b>	<b>0.7</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>-57.4</b>			<b>-246.4</b>			<b>-29.6</b>			<b>-15.5</b>		
<b>DIRECT INVESTMENT<sup>2)</sup></b>	<b>26.6</b>	<b>-429.5</b>	<b>456.2</b>	<b>-117.9</b>	<b>-262.7</b>	<b>144.8</b>	<b>-2.9</b>	<b>-9.3</b>	<b>6.4</b>	<b>-7.8</b>	<b>-22.7</b>	<b>14.9</b>
Equity capital and reinvested earnings	-14.6	-329.8	315.3	35.5	-109.7	145.2	10.7	-3.5	14.3	-5.1	-11.6	6.5
Other capital (mostly inter-company loans)	41.2	-99.7	140.9	-153.4	-153.0	-0.4	-13.6	-5.8	-7.9	-2.7	-11.1	8.4
<b>PORTFOLIO INVESTMENT</b>	<b>-44.8</b>	<b>-7.2</b>	<b>-37.6</b>	<b>135.4</b>	<b>-254.1</b>	<b>389.5</b>	<b>-41.5</b>	<b>-26.7</b>	<b>-14.8</b>	<b>20.1</b>	<b>6.5</b>	<b>13.6</b>
Equity	83.4	62.5	20.9	126.9	-149.8	276.7	-2.9	-11.3	8.4	28.8	5.7	23.1
Debt instruments	-128.2	-69.7	-58.5	8.5	-104.3	112.9	-38.6	-15.4	-23.2	-8.7	0.8	-9.5
Bonds and notes	-22.9	-33.6	10.7	-47.3	-105.8	58.5	-53.5	-14.3	-39.3	-10.7	3.1	-13.9
Money market instruments	-105.2	-36.1	-69.1	55.8	1.5	54.3	15.0	-1.1	16.1	2.1	-2.3	4.4
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>-18.1</b>	<b>-436.7</b>	<b>418.6</b>	<b>17.5</b>	<b>-516.8</b>	<b>534.3</b>	<b>-44.4</b>	<b>-36.0</b>	<b>-8.4</b>	<b>12.3</b>	<b>-16.2</b>	<b>28.5</b>
<b>FINANCIAL DERIVATIVES (NET)</b>	<b>-34.7</b>			<b>38.4</b>			<b>-0.7</b>			<b>6.9</b>		
<b>OTHER INVESTMENT</b>	<b>12.6</b>	<b>-8.6</b>	<b>21.2</b>	<b>-297.6</b>	<b>192.6</b>	<b>-490.2</b>	<b>15.1</b>	<b>36.0</b>	<b>-20.8</b>	<b>-32.8</b>	<b>6.4</b>	<b>-39.2</b>
Eurosystem	141.0	13.4	127.5	-58.0	9.4	-67.4	-8.6	-3.4	-5.2	0.1	2.3	-2.2
General government	25.3	-16.9	42.3	-2.4	8.5	-10.9	6.1	5.2	0.9	-0.7	-0.5	-0.1
of which: currency and deposits	-16.9	-16.9		8.6	8.6		2.7	2.7		-0.9	-0.9	
MFIs (excluding the Eurosystem)	-111.4	129.0	-240.4	-236.3	146.6	-382.9	9.5	34.1	-24.6	-35.2	-8.8	-26.4
Long-term	-34.4	15.3	-49.8	40.7	105.3	-64.6	-3.4	22.2	-25.5	4.8	9.8	-5.0
Short-term	-76.9	113.7	-190.6	-277.0	41.3	-318.3	12.9	11.9	0.9	-40.0	-18.6	-21.4
Other sectors	-42.3	-134.2	91.8	-0.9	28.1	-29.0	8.1	0.1	8.0	3.0	13.4	-10.4
of which: currency and deposits	-45.9	-45.9		-21.4	-21.4		-0.4	-0.4		-4.2	-4.2	
<b>RESERVE ASSETS</b>	<b>-17.2</b>	<b>-17.2</b>		<b>-4.7</b>	<b>-4.7</b>		<b>0.3</b>	<b>0.3</b>		<b>-2.0</b>	<b>-2.0</b>	
Errors and omissions	-30.7			38.1			1.2			2.2		

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.



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

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

	Q4 2012	Q1 2013 (revised)				Q2 2013				
	End-of-period outstanding amounts	Transactions <sup>1)</sup>		Other changes	End-of-period outstanding amounts	Transactions <sup>1)</sup>		Other changes	End-of-period outstanding amounts	
			as % of previous end-period outstanding amounts				as % of previous end-period outstanding amounts			as % of GDP
<b>Financial account balance/ Net international investment position</b>	<b>-1,262.9</b>	<b>25.1</b>	<b>-</b>	<b>64.8</b>	<b>-1,173.0</b>	<b>56.3</b>	<b>-</b>	<b>-196.6</b>	<b>-1,313.3</b>	<b>-13.8</b>
<b>Direct investment</b>	<b>1,436.7</b>	<b>24.0</b>	<b>-</b>	<b>-4.6</b>	<b>1,456.1</b>	<b>48.7</b>	<b>-</b>	<b>-81.8</b>	<b>1,423.0</b>	<b>14.9</b>
Abroad	5,881.3	56.7	1.0	19.5	5,957.5	63.1	1.1	-60.9	5,959.8	62.6
Equity/reinvested earnings	4,374.3	44.3	1.0	5.8	4,424.3	4.8	0.1	-26.3	4,402.8	46.2
Other capital	1,507.0	12.5	0.8	13.7	1,533.2	58.4	3.8	-34.5	1,557.0	16.4
In the euro area	4,444.6	32.7	0.7	24.1	4,501.4	14.4	0.3	20.9	4,536.8	47.7
Equity/reinvested earnings	3,124.5	56.9	1.8	4.6	3,186.0	-29.5	-0.9	29.2	3,185.7	33.5
Other capital	1,320.2	-24.1	-1.8	19.4	1,315.5	43.9	3.3	-8.3	1,351.1	14.2
<b>Portfolio investment</b>	<b>-3,110.5</b>	<b>-16.5</b>	<b>-</b>	<b>40.5</b>	<b>-3,086.6</b>	<b>-67.1</b>	<b>-</b>	<b>-20.3</b>	<b>-3,174.0</b>	<b>-33.3</b>
Assets	5,265.0	104.5	2.0	165.6	5,535.1	21.0	0.4	-190.3	5,365.8	56.4
Equity securities	1,947.3	62.7	3.2	135.0	2,145.1	12.7	0.6	-91.2	2,066.6	21.7
Debt securities	3,317.7	41.8	1.3	30.6	3,390.0	8.3	0.2	-99.1	3,299.3	34.7
Bonds and notes	2,852.0	34.4	1.2	29.4	2,915.7	9.2	0.3	-96.1	2,828.9	29.7
Money market instruments	465.7	7.4	1.6	1.2	474.3	-0.9	-0.2	-3.0	470.4	4.9
Liabilities	8,375.5	121.0	1.4	125.2	8,621.7	88.1	1.0	-170.0	8,539.8	89.7
Equity securities	3,475.4	57.4	1.7	89.6	3,622.4	81.5	2.2	-94.0	3,609.9	37.9
Debt securities	4,900.1	63.6	1.3	35.6	4,999.3	6.6	0.1	-76.0	4,930.0	51.8
Bonds and notes	4,438.9	27.3	0.6	31.9	4,498.1	7.4	0.2	-69.0	4,436.4	46.6
Money market instruments	461.2	36.3	7.9	3.7	501.2	-0.7	-0.1	-7.0	493.6	5.2
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>-1,673.8</b>	<b>7.5</b>	<b>-</b>	<b>35.9</b>	<b>-1,630.5</b>	<b>-18.4</b>	<b>-</b>	<b>-102.1</b>	<b>-1,751.0</b>	<b>-18.4</b>
<b>Financial derivatives</b>	<b>-17.6</b>	<b>-8.4</b>	<b>-</b>	<b>-2.1</b>	<b>-28.0</b>	<b>-2.4</b>	<b>-</b>	<b>5.1</b>	<b>-25.3</b>	<b>-0.3</b>
<b>Other investment</b>	<b>-260.9</b>	<b>26.0</b>	<b>-</b>	<b>32.5</b>	<b>-202.3</b>	<b>75.9</b>	<b>-</b>	<b>25.0</b>	<b>-101.3</b>	<b>-1.1</b>
Assets	4,818.4	49.6	1.0	64.5	4,932.6	-55.2	-1.1	-7.3	4,870.2	51.2
Eurosystem	40.1	-6.8	-16.9	-0.3	33.1	-10.9	-33.0	-4.3	17.9	0.2
General government	167.9	-10.7	-6.3	-2.2	155.0	-4.7	-3.0	0.3	150.6	1.6
MFIs excluding Eurosystem	2,923.8	11.9	0.4	18.8	2,954.5	12.3	0.4	-28.0	2,938.7	30.9
Other sectors	1,686.6	55.1	3.3	48.2	1,790.0	-51.8	-2.9	24.8	1,763.0	18.5
Liabilities	5,079.3	23.5	0.5	32.0	5,134.9	-131.1	-2.6	-32.3	4,971.5	52.2
Eurosystem	428.9	-32.2	-7.5	1.9	398.6	-21.4	-5.4	-4.0	373.3	3.9
General government	227.5	-0.8	-0.3	-2.4	224.3	-1.0	-0.5	-0.9	222.4	2.3
MFIs excluding Eurosystem	2,963.8	-0.4	-0.0	13.6	2,976.9	-93.6	-3.1	-32.1	2,851.2	29.9
Other sectors	1,459.2	57.0	3.9	18.9	1,535.0	-15.1	-1.0	4.7	1,524.6	16.0
<b>Reserve assets</b>	<b>689.4</b>	<b>-0.0</b>	<b>-0.0</b>	<b>-1.5</b>	<b>687.8</b>	<b>1.1</b>	<b>0.2</b>	<b>-124.6</b>	<b>564.3</b>	<b>5.9</b>
<b>MEMO ITEM: GROSS EXTERNAL DEBT</b>	<b>12,091.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,254.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,063.1</b>	<b>126.7</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.