



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS

(December 2012 and preliminary results for 2012 as a whole)

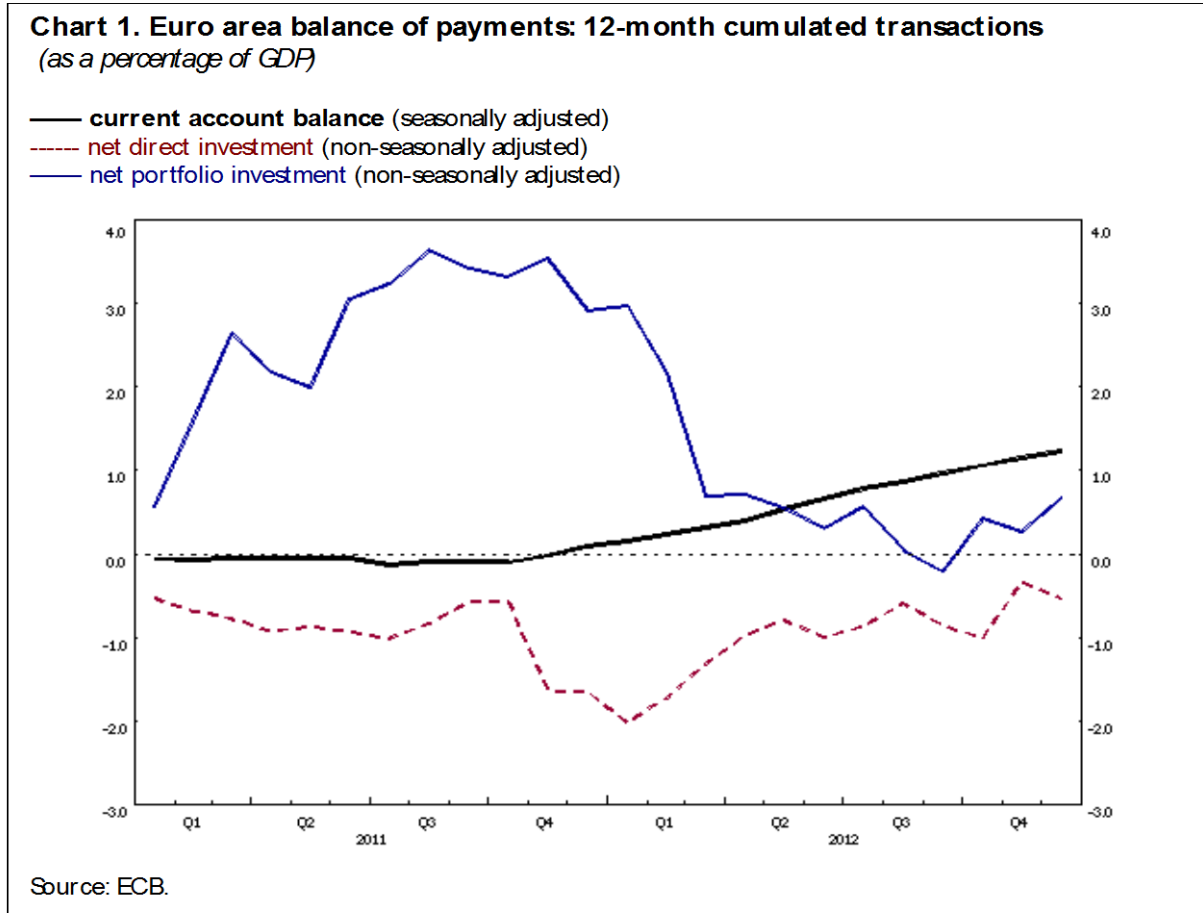
In December 2012 the seasonally adjusted current account of the euro area recorded a surplus of €13.9 billion. In the financial account, combined direct and portfolio investment recorded net outflows of €21 billion (non-seasonally adjusted).

In 2012 as a whole, the seasonally adjusted surplus for the euro area current account amounted to €116.1 billion (around 1.2% of GDP), compared with a surplus of €8.9 billion in 2011. Combined direct and portfolio investment recorded net inflows of €13 billion in 2012, compared with net inflows of €119 billion in 2011. This decrease was primarily the result of a switch from net sales to net purchases of foreign securities by euro area residents.

Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of €13.9 billion in December 2012 (see Table 1). This reflected surpluses for *goods* (€13.7 billion) and *services* (€7.9 billion), which were partly offset by a deficit for *current transfers* (€8.4 billion). The *income account* was close to balance.

According to the preliminary results for 2012 as a whole, the seasonally adjusted *current account* recorded a surplus of €116.1 billion (around 1.2% of euro area GDP – see Table 1 and Chart 1), compared with a surplus of €8.9 billion in 2011 (around 0.1% of euro area GDP). The major increase in the current account surplus resulted from increases in the surpluses for *goods* (from €5.1 billion to €107.4 billion) and *services* (from €67.0 billion to €89.2 billion), which were partly offset by a decrease in the surplus for *income* (from €43.6 billion to €28.2 billion). The deficit for current transfers remained broadly unchanged (standing at €108.7 billion, compared with 106.8 billion).



Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net outflows of €21 billion in December 2012, reflecting net outflows for both direct and portfolio investment (€9 billion and €12 billion respectively).

In direct investment, net inflows of €9 billion in *equity capital and reinvested earnings* were more than compensated for by net outflows of €18 billion in *other capital (mostly inter-company loans)*.

The net outflows for *portfolio investment* resulted from net outflows for both *equity* (€10 billion) and *bonds and notes* (€3 billion), which more than offset the modest net inflows for *money market instruments* (€1 billion). The rather subdued developments in portfolio investment were characterised by net purchases of both euro area securities by non-residents (€33 billion) and foreign securities by euro area residents (€46 billion).

The *financial derivatives* account recorded net inflows of €2 billion.

Other investment recorded net outflows of €29 billion, reflecting net outflows for *general government* (€14 billion) and *MFIs excluding the Eurosystem* (€25 billion), which were partly offset by net inflows for the *Eurosystem* (€7 billion) and *other sectors* (€2 billion).

The [Eurosystem's stock of reserve assets](#) decreased by €29 billion in December 2012 (from €718 billion to €689 billion), mainly on account of a decrease in the market price of gold and that of securities denominated in foreign currency, since net transactions (excluding valuation effects) were residual (€1 billion).

In 2012 as a whole, *combined direct and portfolio investment* recorded cumulated net inflows of €13 billion, compared with net inflows of €119 billion in 2011. This decrease was driven by lower net inflows for *portfolio investment* (decreasing from €274 billion to €64 billion), which in turn mainly reflected a switch from net sales (€52 billion) to net purchases (€190 billion) of foreign securities by euro area residents. This development in portfolio investment was partly offset by a decrease in the net outflows for *direct investment* (from €155 billion to €51 billion).

Data revisions

This press release incorporates revisions to the data for November 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.

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 December 2012 will also be published in the March 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 20 March 2013.

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 for the 12-month period ending		2012											
	Dec. 2011	Dec. 2012	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CURRENT ACCOUNT	8.9	116.1	6.0	6.5	9.1	7.2	9.8	9.6	9.9	10.9	9.4	8.0	15.9	13.9
<i>Memo: as a percentage of GDP</i>	<i>0.1</i>	<i>1.2</i>												
Credit	2,971.1	3,130.0	255.9	255.3	258.4	260.0	262.5	264.5	259.5	266.3	267.4	258.1	259.1	263.0
Debit	2,962.2	3,013.9	249.9	248.8	249.3	252.8	252.7	254.9	249.6	255.4	257.9	250.1	243.2	249.2
Goods	5.1	107.4	6.4	6.7	6.7	7.7	8.8	8.5	6.8	10.0	9.0	10.2	13.0	13.7
Credit (exports)	1,772.5	1,913.2	155.1	155.6	156.4	159.0	160.8	160.5	156.5	164.5	162.9	158.8	160.6	162.4
Debit (imports)	1,767.4	1,805.8	148.7	148.9	149.7	151.4	152.0	152.0	149.7	154.6	153.9	148.7	147.6	148.7
Services	67.0	89.2	5.9	7.0	8.9	7.5	7.5	7.7	6.9	8.1	7.2	7.4	7.2	7.9
Credit (exports)	575.9	614.7	48.7	49.9	50.3	51.1	51.2	52.5	51.0	52.4	52.2	51.2	52.0	52.4
Debit (imports)	508.9	525.4	42.8	42.8	41.4	43.6	43.8	44.8	44.0	44.2	45.0	43.8	44.7	44.5
Income	43.6	28.2	3.0	2.7	2.6	1.3	3.0	2.4	5.1	1.9	2.9	-0.3	3.1	0.6
Credit	528.2	506.6	44.0	42.1	43.3	41.6	42.7	43.4	43.9	41.5	44.1	40.7	39.0	40.3
Debit	484.6	478.4	41.0	39.4	40.7	40.3	39.6	41.0	38.8	39.6	41.3	41.0	35.9	39.6
Current transfers	-106.8	-108.7	-9.2	-9.9	-9.1	-9.2	-9.5	-9.0	-8.9	-9.1	-9.6	-9.2	-7.5	-8.4
Credit	94.6	95.5	8.2	7.8	8.4	8.3	7.8	8.1	8.1	7.9	8.1	7.4	7.5	7.9
Debit	201.3	204.3	17.4	17.6	17.5	17.5	17.4	17.1	17.0	17.0	17.8	16.6	15.0	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						November 2012 (revised)			December 2012		
	December 2011			December 2012								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	12.5	2,975.0	2,962.5	110.8	3,128.2	3,017.4	20.8	263.6	242.8	27.0	268.2	241.1
Goods	9.2	1,775.5	1,766.2	104.2	1,912.2	1,807.9	16.7	168.0	151.3	13.0	148.5	135.4
Services	67.2	576.6	509.4	89.6	615.2	525.6	5.7	50.2	44.5	9.4	55.6	46.2
Income	43.0	528.4	485.4	28.2	506.5	478.2	4.5	36.8	32.4	5.8	48.0	42.2
Current transfers	-106.9	94.5	201.4	-111.2	94.4	205.6	-6.0	8.6	14.7	-1.2	16.1	17.3
CAPITAL ACCOUNT	11.5	25.0	13.5	11.2	25.5	14.3	1.6	2.7	1.1	1.2	3.1	2.0
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-45.3			-153.5			-22.7			-47.0		
DIRECT INVESTMENT²⁾	-154.8	-408.0	253.1	-50.9	-212.7	161.8	13.7	6.1	7.7	-8.6	4.5	-13.1
Equity capital and reinvested earnings	-68.8	-352.1	283.3	-15.9	-172.9	156.9	9.1	2.3	6.8	8.9	6.7	2.2
Other capital (mostly inter-company loans)	-86.0	-55.8	-30.2	-35.0	-39.8	4.8	4.6	3.8	0.8	-17.5	-2.2	-15.3
PORTFOLIO INVESTMENT	274.0	51.9	222.1	64.1	-190.0	254.1	16.5	-36.7	53.2	-12.1	-45.6	33.4
Equity	170.7	71.0	99.7	82.4	-46.8	129.2	13.0	0.1	12.8	-10.1	-39.5	29.4
Debt instruments	103.3	-19.1	122.4	-18.3	-143.3	125.0	3.6	-36.9	40.4	-2.0	-6.0	4.0
Bonds and notes	177.7	11.5	166.2	28.0	-112.4	140.4	26.5	-17.6	44.1	-3.0	-6.2	3.2
Money market instruments	-74.5	-30.6	-43.8	-46.3	-30.8	-15.4	-22.9	-19.3	-3.6	0.9	0.2	0.8
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	119.2	-356.1	475.2	13.2	-402.7	415.9	30.3	-30.6	60.9	-20.7	-41.1	20.3
FINANCIAL DERIVATIVES (NET)	-4.9			0.0			10.5			1.9		
OTHER INVESTMENT	-149.5	-164.2	14.7	-152.8	-8.1	-144.7	-62.4	8.7	-71.1	-28.9	131.5	-160.4
Eurosystem	137.3	2.7	134.6	12.0	-10.7	22.7	4.1	2.1	1.9	7.2	-3.1	10.3
General government	72.9	-1.2	74.1	0.8	-4.0	4.9	-3.4	-6.6	3.3	-13.6	-1.8	-11.8
of which: currency and deposits	-10.3	-10.3		1.5	1.5		-4.2	-4.2		-0.5	-0.5	
MFIs (excluding the Eurosystem)	-338.6	-49.7	-288.9	-105.0	117.5	-222.5	-51.6	19.1	-70.6	-24.8	102.5	-127.3
Long-term	-17.2	-27.9	10.7	14.3	33.8	-19.5	1.8	3.2	-1.4	12.3	11.6	0.7
Short-term	-321.4	-21.8	-299.7	-119.3	83.7	-203.0	-53.3	15.9	-69.2	-37.1	90.9	-128.0
Other sectors	-21.0	-116.0	94.9	-60.6	-110.8	50.3	-11.5	-5.9	-5.6	2.4	33.9	-31.6
of which: currency and deposits	-49.3	-49.3		-54.6	-54.6		-3.0	-3.0		14.7	14.7	
RESERVE ASSETS	-10.2	-10.2		-13.9	-13.9		-1.0	-1.0		0.7	0.7	
Errors and omissions	21.4			31.5			0.2			18.8		

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.