



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS

(July 2014)

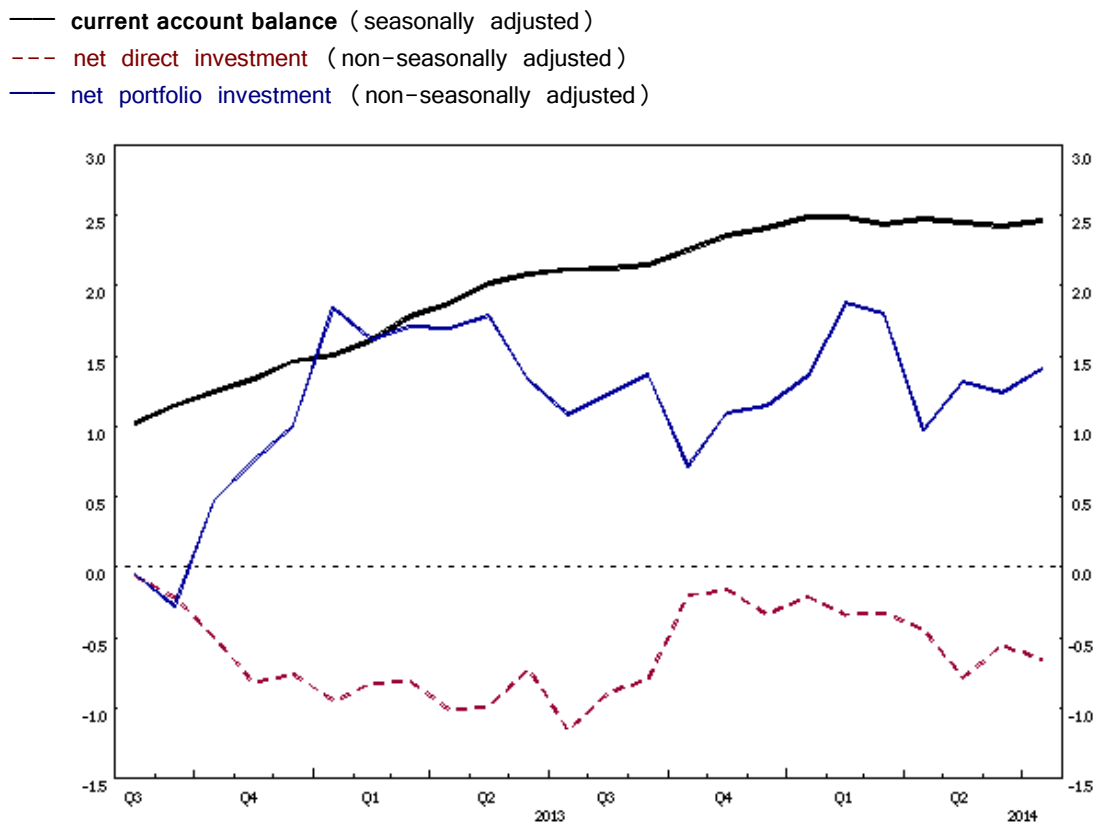
In July 2014 the seasonally adjusted current account of the euro area recorded a surplus of €18.7 billion. In the financial account, combined direct and portfolio investment recorded net outflows of €17 billion (non-seasonally adjusted).

Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of €18.7 billion in July 2014 (see Table 1). This reflected surpluses for *services* (€12.8 billion), *goods* (€10.7 billion) and *income* (€3.6 billion), which were partly offset by a deficit for *current transfers* (€8.5 billion).

The seasonally adjusted 12-month cumulated *current account* for the period ending in July 2014 recorded a surplus of €237.6 billion (2.5% of euro area GDP), compared with one of €201.3 billion (2.1% of euro area GDP) for the 12 months to July 2013 (see Table 1 and Chart 1). The increase in the 12-month cumulated *current account* surplus was due mainly to increases in the surpluses for *goods* (€179.4 billion, up from €145.9 billion) and *services* (€120.0 billion, up from €102.6 billion), which were partly offset by a decrease in the surplus for *income* (€54.7 billion, down from €69.7 billion); the deficit for *current transfers* remained broadly stable.

Chart 1. Euro area balance of payments: 12-month cumulated transactions
(as a percentage of GDP)



Source: ECB.

Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net outflows of €17 billion in July 2014 as a result of net outflows for both *portfolio investment* (€15 billion) and *direct investment* (€3 billion).

The net outflows for *direct investment* were a result of net outflows for *equity capital and reinvested earnings* (€4 billion), which were partly offset by net inflows for *other capital (mostly inter-company loans)* (€1 billion).

The net outflows for *portfolio investment* were almost entirely accounted for by net outflows for *debt instruments* (€15 billion), which were mainly driven by net purchases of foreign *debt securities* by euro area residents.

The *financial derivatives* account recorded net inflows of €4 billion.

Other investment recorded net outflows of €25 billion, which mainly reflected net outflows for *MFIs excluding the Eurosystem* (€17 billion) and for the *Eurosystem* (€14 billion), which were partly offset by net inflows for *other sectors* (€4 billion) and *general government* (€3 billion).

The [Eurosystem's stock of reserve assets](#) increased by €2 billion in July 2014 (from €583 billion to €585 billion), mainly on account of valuation effects (transactions contributed to a decrease of €1 billion in overall reserve assets).

In the 12 months to July 2014 *combined direct and portfolio investment* recorded cumulated net inflows of €73 billion, compared with net outflows of €7 billion in the 12 months to July 2013. This shift resulted from lower net outflows for *direct investment* (€63 billion, down from €111 billion) and higher net inflows for *portfolio investment* (€137 billion, up from €103 billion).

Data revisions

This press release incorporates regular revisions for June 2014. These revisions have not significantly altered the figures previously published for the current and capital accounts. In the financial account, the revisions mainly resulted in higher net portfolio investment inflows (€18 billion instead of €6 billion).

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 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 July 2014 will also be published

in the October 2014 issue of the ECB's Monthly Bulletin. 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 October 2014. In the fourth quarter of 2014 the ECB will start publishing 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](#).

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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		2013					2014						
	July 2013	July 2014	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
CURRENT ACCOUNT	201.3	237.6	16.5	18.1	21.5	24.1	21.2	21.0	17.2	17.4	21.6	21.8	18.6	18.7
<i>Memo: as a percentage of GDP</i>	<i>2.1</i>	<i>2.5</i>												
Credit	3,247.3	3,285.4	269.4	272.3	271.4	274.7	273.1	276.7	276.2	275.7	272.6	273.7	274.8	274.8
Debit	3,046.0	3,047.8	253.0	254.3	249.9	250.7	251.9	255.7	259.0	258.3	251.0	251.9	256.2	256.1
Goods	145.9	179.4	13.9	13.4	14.5	16.7	15.2	16.9	15.9	14.0	16.9	15.2	16.0	10.7
Credit (exports)	1,937.7	1,962.8	161.4	161.7	162.7	165.2	164.3	165.7	166.6	163.5	162.6	162.7	164.5	162.0
Debit (imports)	1,791.8	1,783.4	147.5	148.3	148.1	148.6	149.1	148.8	150.7	149.5	145.6	147.5	148.5	151.2
Services	102.6	120.0	8.1	10.7	10.3	10.7	10.3	10.1	8.2	7.5	10.0	12.8	8.6	12.8
Credit (exports)	648.9	684.8	54.2	57.3	56.2	56.8	57.0	58.3	57.4	57.7	56.5	57.9	55.9	59.5
Debit (imports)	546.3	564.8	46.2	46.7	45.9	46.1	46.8	48.2	49.2	50.2	46.5	45.1	47.2	46.7
Income	69.7	54.7	4.7	3.8	5.5	5.5	5.7	3.9	3.7	6.0	5.4	2.3	4.8	3.6
Credit	561.3	539.1	45.7	44.9	44.3	44.5	43.1	44.3	43.8	45.8	45.9	44.9	46.2	45.6
Debit	491.6	484.4	41.0	41.2	38.9	39.0	37.5	40.5	40.1	39.8	40.5	42.6	41.4	42.0
Current transfers	-116.9	-116.5	-10.2	-9.8	-8.8	-8.8	-9.9	-9.8	-10.7	-10.1	-10.7	-8.5	-10.8	-8.5
Credit	99.4	98.7	8.0	8.3	8.2	8.2	8.6	8.4	8.4	8.7	7.6	8.2	8.3	7.7
Debit	216.3	215.2	18.3	18.1	17.0	17.0	18.6	18.2	19.1	18.8	18.3	16.7	19.1	16.2

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						June 2014 (revised)			July 2014		
	July 2013			July 2014								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	200.4	3,244.4	3,044.1	233.6	3,273.5	3,039.8	24.8	282.4	257.5	32.3	290.0	257.7
Goods	145.2	1,934.8	1,789.6	176.4	1,951.9	1,775.5	18.7	164.2	145.5	21.0	174.0	152.9
Services	103.0	648.9	545.9	120.4	683.5	563.1	11.3	59.1	47.8	15.5	65.6	50.1
Income	71.6	561.6	490.0	53.8	539.1	485.3	6.4	51.9	45.6	3.7	45.2	41.5
Current transfers	-119.5	99.1	218.6	-117.0	98.9	215.9	-11.5	7.1	18.7	-7.9	5.3	13.2
CAPITAL ACCOUNT	21.7	36.2	14.5	20.0	31.4	11.4	1.4	2.4	1.0	0.4	1.1	0.7
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-273.3			-253.8			-28.3			-37.8		
DIRECT INVESTMENT²⁾	-110.7	-317.2	206.5	-63.2	-260.1	196.9	7.9	-1.5	9.4	-2.8	-4.3	1.6
Equity capital and reinvested earnings	3.4	-178.2	182.0	-91.8	-301.4	209.8	0.2	-7.7	7.9	-3.8	-9.7	5.9
Other capital (mostly inter-company loans)	-114.5	-139.0	24.5	28.2	41.2	-12.9	7.6	6.1	1.5	1.0	5.3	-4.3
PORTFOLIO INVESTMENT	103.4	-295.2	398.6	136.5	-342.0	478.4	18.4	-38.5	56.8	-14.5	-24.3	9.8
Equity	109.7	-166.0	275.6	151.0	-159.8	310.8	63.0	-4.7	67.7	0.5	-9.7	10.3
Debt instruments	-6.3	-129.3	123.0	-14.6	-182.2	167.6	-44.6	-33.8	-10.8	-15.0	-14.5	-0.5
Bonds and notes	-31.5	-132.9	101.4	81.2	-129.6	210.7	-51.0	-31.0	-20.0	-7.8	-8.4	0.5
Money market instruments	25.3	3.7	21.6	-95.7	-52.6	-43.1	6.4	-2.8	9.2	-7.2	-6.2	-1.0
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	-7.4	-612.4	605.1	73.2	-602.1	675.3	26.2	-40.0	66.2	-17.3	-28.6	11.3
FINANCIAL DERIVATIVES (NET)	33.3			25.6			3.6			3.7		
OTHER INVESTMENT	-294.5	232.6	-527.1	-347.0	-224.6	-122.4	-58.6	52.6	-111.3	-24.8	-62.9	38.1
Eurosystem	-59.4	7.6	-67.0	-71.6	12.7	-84.3	-17.5	2.1	-19.5	-14.4	-1.0	-13.4
General government	-3.8	8.6	-12.4	-6.6	-7.3	0.8	2.9	-0.5	3.4	2.5	0.5	1.9
of which: currency and deposits	10.4	10.4		-11.1	-11.1		-1.0	-1.0		0.3	0.3	
MFIs (excluding the Eurosystem)	-214.8	176.8	-391.6	-314.2	-202.3	-111.9	-51.0	36.3	-87.3	-17.2	-61.3	44.0
Long-term	23.7	90.4	-66.7	13.8	62.1	-48.3	6.0	10.3	-4.3	-3.1	4.8	-7.9
Short-term	-238.5	86.4	-324.9	-328.0	-264.4	-63.6	-57.0	26.0	-83.0	-14.1	-66.1	51.9
Other sectors	-16.5	39.6	-56.0	45.4	-27.6	73.0	7.0	14.8	-7.8	4.3	-1.2	5.5
of which: currency and deposits	57.1	57.1		-63.7	-63.7		2.4	2.4		-8.1	-8.1	
RESERVE ASSETS	-4.9	-4.9		-5.6	-5.6		0.5	0.5		0.6	0.6	
Errors and omissions	51.2			0.2			2.1			5.1		

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.