



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## PRESS RELEASE

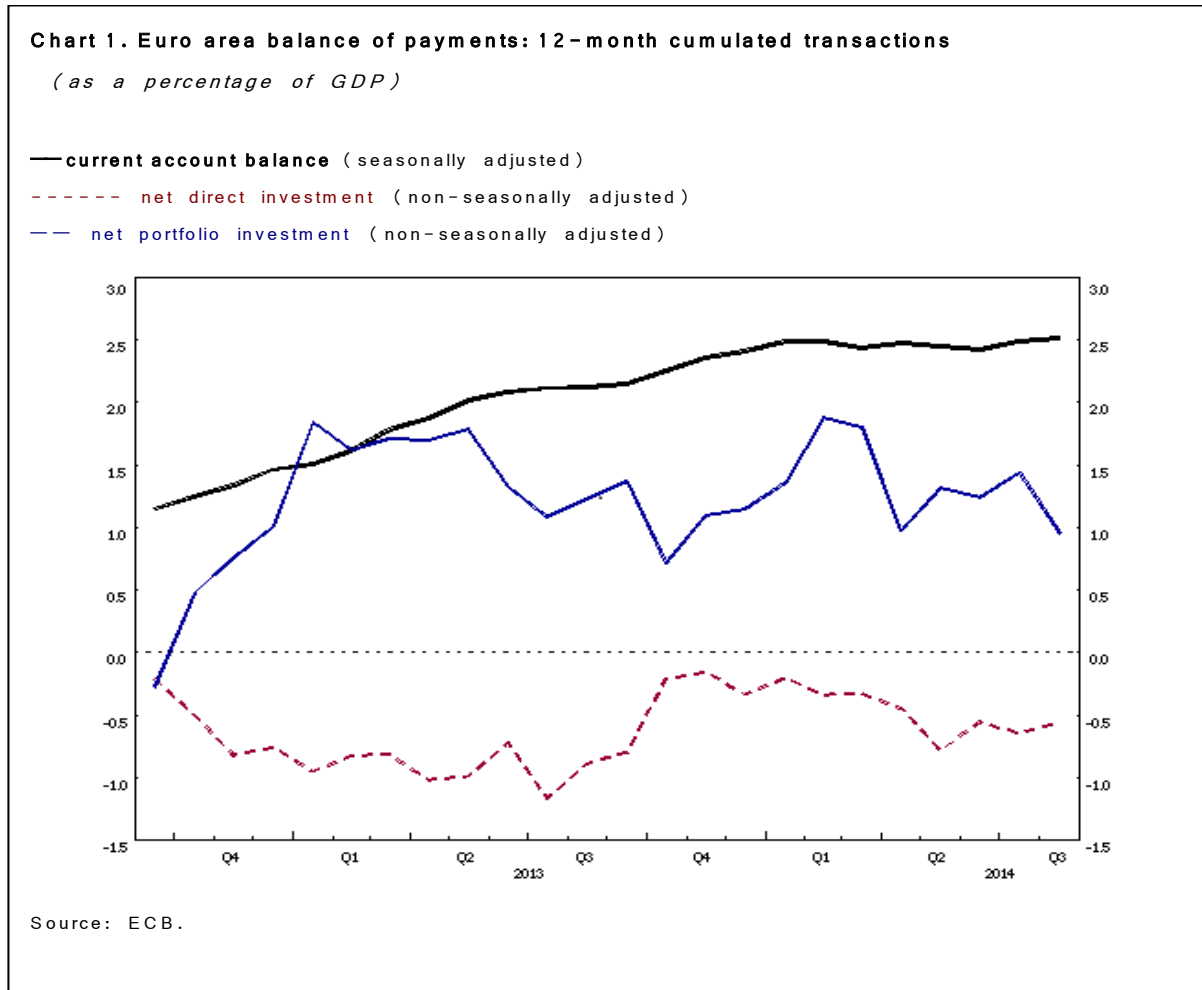
### EURO AREA BALANCE OF PAYMENTS (August 2014)

*In August 2014 the seasonally adjusted current account of the euro area recorded a surplus of €18.9 billion. In the financial account, combined direct and portfolio investment recorded net outflows of €19 billion (non-seasonally adjusted).*

#### **Current account**

The seasonally adjusted *current account* of the euro area recorded a surplus of €18.9 billion in August 2014 (see Table 1). This reflected surpluses for *goods* (€15.3 billion), *services* (€7.8 billion) and *income* (€4.2 billion), which were partly offset by a deficit for *current transfers* (€8.4 billion).

The seasonally adjusted 12-month cumulated *current account* for the period ending in August 2014 recorded a surplus of €242.9 billion (2.5% of euro area GDP), compared with €202.2 billion (2.1% of euro area GDP) for the 12 months to August 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* (€183.6 billion, up from €147.9 billion) and *services* (€120.1 billion, up from €102.6 billion), which were partly offset by a decrease in the surplus for *income* (€54.3 billion, down from €69.3 billion). The deficit for *current transfers* remained broadly stable.



## Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net outflows of €19 billion in August 2014, mainly as a result of net outflows for *portfolio investment* (€28 billion) which were partly offset by net inflows for *direct investment* (€9 billion).

The net inflows for *direct investment* were a result of net inflows for both *other capital* (mostly *inter-company loans*) (€5 billion) and for *equity capital and reinvested earnings* (€3 billion).

The net outflows for *portfolio investment* were accounted for almost entirely by net outflows for *debt instruments* (€49 billion), particularly for *bonds and notes* (€40 billion), which were partly offset by net inflows for *equity* (€21 billion).

The *financial derivatives* account recorded net outflows of €13 billion.

*Other investment* recorded net inflows of €17 billion, which mainly reflected net inflows for *other sectors* (€24 billion) and, to a lesser extent, for the *Eurosystem* (€6 billion), which were partly offset by net outflows for *MFIs excluding the Eurosystem* (€7 billion) and *general government* (€5 billion).

The [Eurosystem's stock of reserve assets](#) increased by €9 billion in August 2014 (from €585 billion to €594 billion), mainly on account of valuation effects (transactions contributed to an increase of €1 billion in overall reserve assets).

In the 12 months to August 2014 *combined direct and portfolio investment* recorded cumulated net inflows of €39 billion, compared with net inflows of €33 billion in the 12 months to August 2013. This change resulted from lower net outflows for *direct investment* (€53 billion, after €84 billion) and lower net inflows for *portfolio investment* (€92 billion, after €117 billion).

## **Data revisions**

This press release incorporates regular revisions for July 2014. These revisions have not significantly altered the figures previously published.

## **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.*

Detailed [methodological notes](#) are available on the ECB's website.

*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 \(SDW\)](#).

### **Changeover to the BPM6**

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)* on 30 October 2014. More specifically, on 30 October 2014, the ECB will publish the press release for the euro area quarterly balance of payments and international investment position, using reference data up to the second calendar quarter of 2014. The [next press release](#) on the euro area monthly balance of payments, using reference data up to September 2014, will be published on 19 November 2014. Data up to August 2014, which is based on the BPM6 methodology, will also be published in the November 2014 issue of the ECB's *Monthly Bulletin*. 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							
	Aug. 2013	Aug. 2014	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
<b>CURRENT ACCOUNT</b>	<b>202.2</b>	<b>242.9</b>	<b>18.1</b>	<b>21.5</b>	<b>24.1</b>	<b>21.2</b>	<b>21.0</b>	<b>17.2</b>	<b>17.4</b>	<b>21.6</b>	<b>21.8</b>	<b>18.6</b>	<b>21.6</b>	<b>18.9</b>
<i>Memo: as a percentage of GDP</i>	<i>2.1</i>	<i>2.5</i>												
Credit	3,242.5	3,298.4	272.3	271.4	274.7	273.1	276.7	276.2	275.7	272.6	273.7	274.8	276.0	281.2
Debit	3,040.3	3,055.5	254.3	249.9	250.7	251.9	255.7	259.0	258.3	251.0	251.9	256.2	254.5	262.3
<b>Goods</b>	<b>147.9</b>	<b>183.6</b>	<b>13.4</b>	<b>14.5</b>	<b>16.7</b>	<b>15.2</b>	<b>16.9</b>	<b>15.9</b>	<b>14.0</b>	<b>16.9</b>	<b>15.2</b>	<b>16.0</b>	<b>13.5</b>	<b>15.3</b>
Credit (exports)	1,933.1	1,965.7	161.7	162.7	165.2	164.3	165.7	166.6	163.5	162.6	162.7	164.5	162.8	163.4
Debit (imports)	1,785.2	1,782.0	148.3	148.1	148.6	149.1	148.8	150.7	149.5	145.6	147.5	148.5	149.3	148.0
<b>Services</b>	<b>102.6</b>	<b>120.1</b>	<b>10.7</b>	<b>10.3</b>	<b>10.7</b>	<b>10.3</b>	<b>10.1</b>	<b>8.2</b>	<b>7.5</b>	<b>10.0</b>	<b>12.8</b>	<b>8.6</b>	<b>13.3</b>	<b>7.8</b>
Credit (exports)	649.7	688.5	57.3	56.2	56.8	57.0	58.3	57.4	57.7	56.5	57.9	55.9	59.8	57.6
Debit (imports)	547.2	568.4	46.7	45.9	46.1	46.8	48.2	49.2	50.2	46.5	45.1	47.2	46.6	49.9
<b>Income</b>	<b>69.3</b>	<b>54.3</b>	<b>3.8</b>	<b>5.5</b>	<b>5.5</b>	<b>5.7</b>	<b>3.9</b>	<b>3.7</b>	<b>6.0</b>	<b>5.4</b>	<b>2.3</b>	<b>4.8</b>	<b>3.7</b>	<b>4.2</b>
Credit	560.4	545.6	44.9	44.3	44.5	43.1	44.3	43.8	45.8	45.9	44.9	46.2	45.7	52.2
Debit	491.0	491.4	41.2	38.9	39.0	37.5	40.5	40.1	39.8	40.5	42.6	41.4	42.0	48.0
<b>Current transfers</b>	<b>-117.6</b>	<b>-115.1</b>	<b>-9.8</b>	<b>-8.8</b>	<b>-8.8</b>	<b>-9.9</b>	<b>-9.8</b>	<b>-10.7</b>	<b>-10.1</b>	<b>-10.7</b>	<b>-8.5</b>	<b>-10.8</b>	<b>-8.9</b>	<b>-8.4</b>
Credit	99.3	98.6	8.3	8.2	8.2	8.6	8.4	8.4	8.7	7.6	8.2	8.3	7.7	8.0
Debit	216.9	213.7	18.1	17.0	17.0	18.6	18.2	19.1	18.8	18.3	16.7	19.1	16.5	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 the 12-month period ending						July 2014 (revised)			August 2014		
	August 2013			August 2014								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
<b>CURRENT ACCOUNT</b>	<b>199.9</b>	<b>3,234.3</b>	<b>3,034.4</b>	<b>239.1</b>	<b>3,280.7</b>	<b>3,041.6</b>	<b>32.8</b>	<b>291.4</b>	<b>258.5</b>	<b>15.1</b>	<b>257.4</b>	<b>242.3</b>
Goods	146.3	1,925.8	1,779.4	177.5	1,950.1	1,772.7	21.1	174.9	153.8	7.8	144.5	136.7
Services	103.0	649.1	546.1	120.6	686.7	566.1	16.0	65.9	49.9	7.8	58.7	50.8
Income	71.0	560.6	489.6	53.7	545.3	491.6	3.7	45.2	41.5	6.8	49.4	42.6
Current transfers	-120.4	98.8	219.2	-112.6	98.6	211.2	-7.9	5.3	13.2	-7.3	4.8	12.1
<b>CAPITAL ACCOUNT</b>	<b>21.6</b>	<b>35.3</b>	<b>13.7</b>	<b>17.8</b>	<b>30.6</b>	<b>12.8</b>	<b>-1.2</b>	<b>1.1</b>	<b>2.3</b>	<b>0.9</b>	<b>1.5</b>	<b>0.6</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>-259.2</b>			<b>-251.1</b>			<b>-25.9</b>			<b>-16.1</b>		
<b>DIRECT INVESTMENT<sup>2)</sup></b>	<b>-84.4</b>	<b>-264.9</b>	<b>180.5</b>	<b>-53.4</b>	<b>-241.7</b>	<b>188.3</b>	<b>-1.9</b>	<b>-3.4</b>	<b>1.5</b>	<b>8.6</b>	<b>-11.6</b>	<b>20.2</b>
Equity capital and reinvested earnings	21.5	-132.3	154.3	-84.4	-293.0	208.7	-2.6	-10.1	7.5	3.4	-9.3	12.7
Other capital (mostly inter-company loans)	-106.3	-132.6	26.2	30.7	51.3	-20.5	0.7	6.7	-5.9	5.2	-2.3	7.5
<b>PORTFOLIO INVESTMENT</b>	<b>117.2</b>	<b>-273.4</b>	<b>390.6</b>	<b>92.0</b>	<b>-380.1</b>	<b>472.1</b>	<b>-12.4</b>	<b>-24.1</b>	<b>11.8</b>	<b>-27.8</b>	<b>-36.0</b>	<b>8.2</b>
Equity	95.0	-164.1	259.1	157.2	-167.5	324.7	3.7	-9.8	13.5	21.3	-7.4	28.7
Debt instruments	22.2	-109.3	131.6	-65.2	-212.6	147.4	-16.1	-14.4	-1.7	-49.1	-28.7	-20.4
Bonds and notes	-44.3	-115.2	71.0	45.4	-148.0	193.5	-8.4	-7.8	-0.6	-40.0	-17.2	-22.9
Money market instruments	66.5	5.9	60.6	-110.6	-64.6	-46.0	-7.6	-6.6	-1.0	-9.1	-11.5	2.4
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>32.8</b>	<b>-538.3</b>	<b>571.1</b>	<b>38.6</b>	<b>-621.8</b>	<b>660.4</b>	<b>-14.2</b>	<b>-27.5</b>	<b>13.3</b>	<b>-19.2</b>	<b>-47.6</b>	<b>28.4</b>
<b>FINANCIAL DERIVATIVES (NET)</b>	<b>34.6</b>			<b>4.9</b>			<b>2.7</b>			<b>-13.1</b>		
<b>OTHER INVESTMENT</b>	<b>-321.7</b>	<b>182.6</b>	<b>-504.3</b>	<b>-289.8</b>	<b>-185.3</b>	<b>-104.4</b>	<b>-15.0</b>	<b>-53.4</b>	<b>38.4</b>	<b>17.4</b>	<b>30.7</b>	<b>-13.3</b>
Eurosystem	-58.2	9.2	-67.4	-66.8	10.1	-76.9	-14.4	-1.0	-13.4	5.9	-0.4	6.3
General government	-5.7	4.0	-9.7	-9.5	-8.3	-1.2	2.5	0.5	1.9	-5.0	-3.7	-1.3
of which: currency and deposits	8.4	8.4		-14.3	-14.3		0.3	0.3		-4.2	-4.2	
MFIs (excluding the Eurosystem)	-238.1	137.3	-375.4	-286.8	-180.6	-106.2	-17.2	-61.3	44.0	-7.4	12.1	-19.5
Long-term	30.9	94.5	-63.6	-5.1	47.8	-52.9	-3.1	4.8	-7.9	-12.3	-3.0	-9.3
Short-term	-269.0	42.8	-311.9	-281.7	-228.4	-53.2	-14.1	-66.1	51.9	4.9	15.1	-10.2
Other sectors	-19.7	32.0	-51.7	73.3	-6.6	79.9	14.2	8.3	5.9	23.8	22.7	1.1
of which: currency and deposits	46.3	46.3		-41.4	-41.4		3.4	3.4		9.3	9.3	
<b>RESERVE ASSETS</b>	<b>-4.9</b>	<b>-4.9</b>		<b>-4.9</b>	<b>-4.9</b>		<b>0.6</b>	<b>0.6</b>		<b>-1.2</b>	<b>-1.2</b>	
Errors and omissions	37.7			-5.8			-5.8			0.1		

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.