

23 January 2014

PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN NOVEMBER 2013 AND INTERNATIONAL INVESTMENT POSITION AT THE END OF THE THIRD QUARTER OF 2013

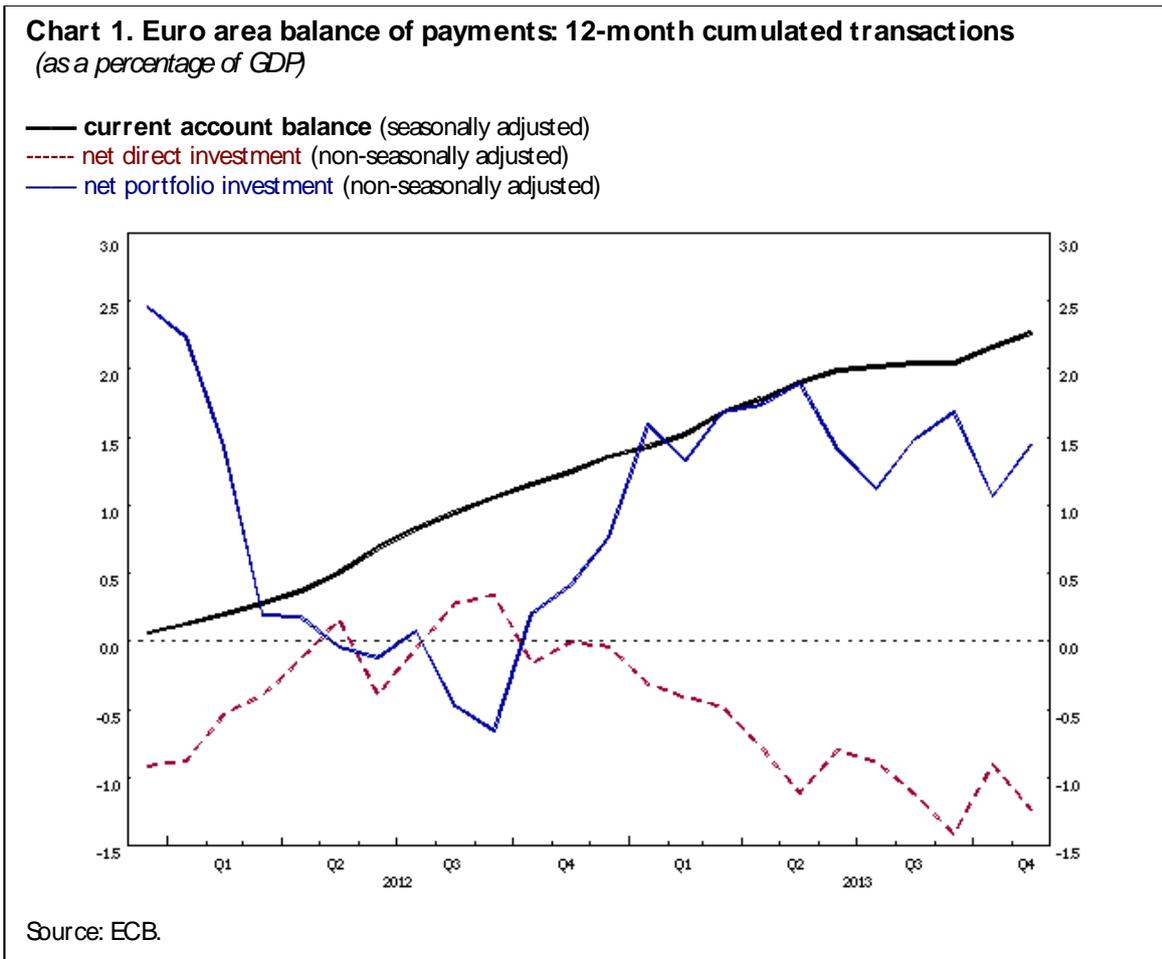
In November 2013 the seasonally adjusted current account of the euro area recorded a surplus of €23.5 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €41 billion (non-seasonally adjusted).

At the end of the third 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 (around 13% of euro area GDP). This represented a decrease in liabilities of €34 billion in comparison with the revised data for the second quarter of 2013.

Balance of payments in November 2013

The seasonally adjusted *current account* of the euro area recorded a surplus of €23.5 billion in November 2013 (see Table 1). This reflected surpluses for *goods* (€18.6 billion), *services* (€9.5 billion) and *income* (€5.0 billion), which were partially offset by a deficit for *current transfers* (€9.5 billion).

The seasonally adjusted 12-month cumulated *current account* for the period ending in November 2013 recorded a surplus of €215.8 billion (2.3% of euro area GDP; see Table 1 and Chart 1), compared with €118.0 billion (1.2% of euro area GDP) for the 12-month period up to November 2012. The rise was mainly a result of increases in the surpluses for *goods* (from €91.4 billion to €172.6 billion) and, to a lesser extent, *services* (from €87.9 billion to €104.5 billion).



In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €41 billion in November 2013 as a result of net inflows for *portfolio investment* (€54 billion), which were partly offset by net outflows for *direct investment* (€13 billion).

The net outflows for *direct investment* resulted from net outflows for both *other capital* (mostly *inter-company loans*) (€10 billion) and *equity capital and reinvested earnings* (€2 billion).

The net inflows for *portfolio investment* were accounted for by net inflows for both *debt instruments* (€34 billion) and *equity* (€20 billion). The net inflows for *debt instruments* resulted mainly from net purchases of euro area securities by non-residents.

The *financial derivatives* account recorded net outflows of €5 billion.

Other investment recorded net outflows of €66 billion, reflecting net outflows for *MFIs excluding the Eurosystem* (€33 billion), for *other sectors* (€22 billion), for *general government* (€6 billion) and for *the Eurosystem* (€4 billion).

The [Eurosystem's stock of reserve assets](#) was €561 billion at the end of November 2013, down from €580 billion at the end of October, mainly on account of a decrease in the market price of gold. Net transactions (excluding valuation effects) were almost balanced.

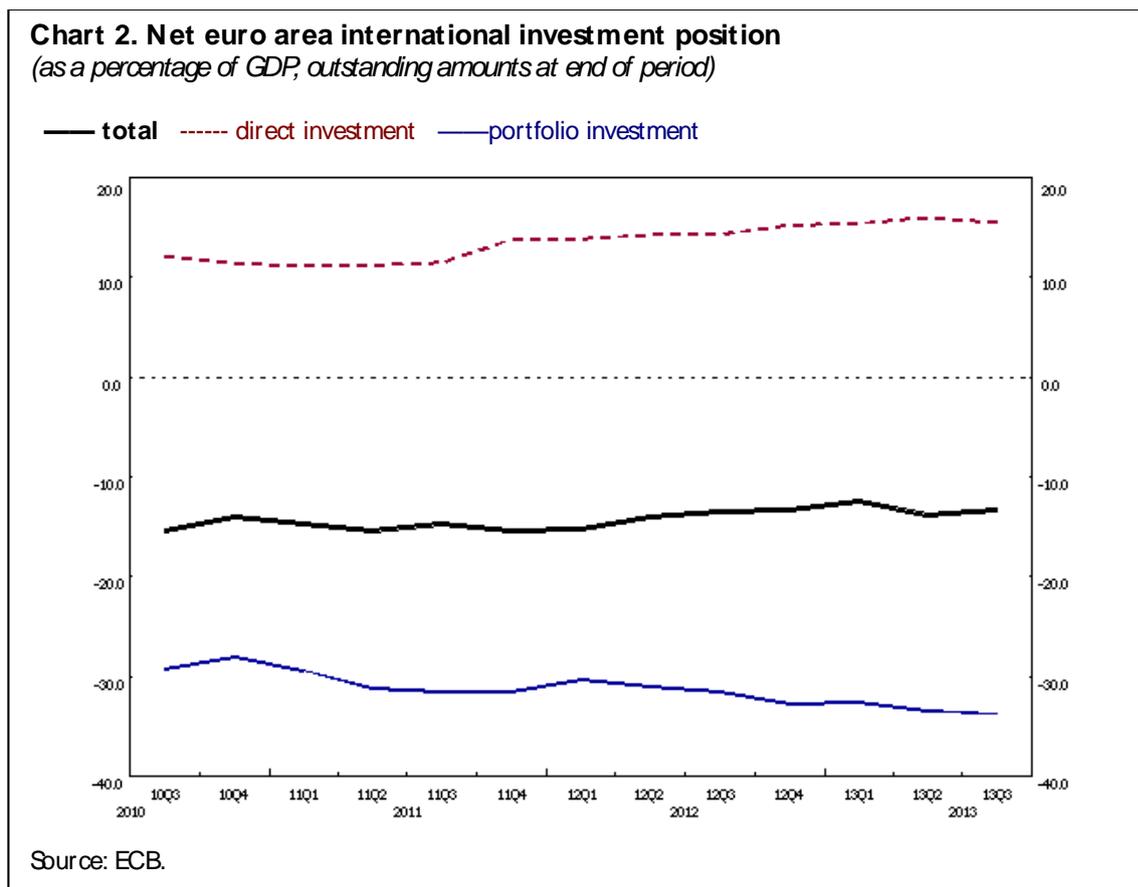
In the 12 months to November 2013 *combined direct and portfolio investment* recorded cumulated net inflows of €21 billion, compared with net inflows of €39 billion in the 12 months to November 2012. This decrease was the result of a shift for *direct investment* from being close to balance to recording net outflows (€118 billion) which were only partly offset by higher net inflows for *portfolio investment* (up from €40 billion to €139 billion).

International investment position at the end of the third quarter of 2013

At the end of the third 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 13% of euro area GDP; see Chart 2). This represented a decrease of €34 billion in comparison with the revised data for the second quarter of 2013 (see Table 3).

The decrease in the net liability position was due mainly to a lower net liability position for *other investment* (down from €155 billion to €81 billion) and a higher net position for *reserve assets* (up from €564 billion to €587 billion), which were partly offset by a lower net asset position for *direct investment* (down from €1,512 billion to €1,472 billion) and a higher net liability position for *portfolio investment* (up from €3,183 billion to €3,213 billion). The changes in the net positions for both *direct investment* and *other investment* were driven by transactions and “other changes” (revaluations on account of exchange rate and asset price changes, as well as other volume changes), while the changes in the net positions for *portfolio investment* and *reserve assets* were mainly a result of “other changes” (changes in the gold price in the case of reserve assets).

At the end of the third quarter of 2013 the gross external debt of the euro area amounted to €12.0 trillion (approximately 125% of euro area GDP), which represented a decrease of €244 billion in comparison with the revised data for the second quarter of 2013.



Data revisions

This press release incorporates revisions to the monthly balance of payments for the period from April 2013 to October 2013, and to the quarterly international investment position for the end of the second quarter of 2013.

The revisions to the balance of payments in October 2013 did not significantly change the previously published *current account* data. The revisions in the *financial account* in October 2013 were due mainly to revisions to net outflows in *other investment* (up from €23 billion to €32 billion) and to a shift from net outflows (€5 billion) to inflows (€2 billion) in *portfolio investment*.

The revisions to the balance of payments for the second quarter of 2013 were also not significant.

However, the current account surplus in the third quarter of 2013 (based on monthly data) was revised downwards (from €53.8 billion to €48.9 billion), mainly as a result of revisions in *goods* and *current transfers*. In the third quarter of 2013 there were offsetting revisions to *direct investment* and *portfolio investment* that had a moderate impact on the *financial account*.

The revisions to the international investment position at the end of the second quarter of 2013 did not significantly change the net liability position of the euro area; however, there were some offsetting revisions to *direct 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 can be downloaded from the [ECB’s Statistical Data Warehouse \(SDW\)](#). Data up to November 2013 will also be published in the February 2014 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 2014. The next press release including the quarterly international investment position will be published on 16 April 2014.

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.

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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										
	Nov. 2012	Nov. 2013	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
CURRENT ACCOUNT	118.0	215.8	15.5	13.8	15.1	21.5	18.3	21.4	21.8	13.0	15.4	14.3	22.2	23.5
<i>Memo: as a percentage of GDP</i>	1.2	2.3												
Credit	3,170.7	3,199.5	267.3	263.4	263.1	267.4	268.4	267.3	269.9	263.0	265.5	268.9	265.6	269.6
Debit	3,052.7	2,983.7	251.8	249.5	248.0	245.9	250.1	245.9	248.1	250.1	250.1	254.6	243.4	246.1
Goods	91.4	172.6	11.8	11.7	11.6	17.5	17.0	17.3	13.3	10.2	13.5	13.5	16.6	18.6
Credit (exports)	1,914.5	1,937.8	161.2	161.0	159.9	162.5	163.3	162.3	160.4	156.7	159.6	161.8	162.9	166.2
Debit (imports)	1,823.2	1,765.2	149.4	149.3	148.3	144.9	146.3	145.0	147.0	146.5	146.2	148.3	146.3	147.6
Services	87.9	104.5	8.1	7.2	8.2	8.5	8.5	7.4	9.4	10.1	8.1	9.2	10.1	9.5
Credit (exports)	623.3	650.5	53.9	51.6	52.6	54.0	54.3	53.9	55.4	54.7	54.1	56.5	54.8	54.9
Debit (imports)	535.5	546.0	45.7	44.3	44.4	45.5	45.7	46.5	45.9	44.6	46.0	47.3	44.7	45.4
Income	47.6	56.9	4.8	4.6	5.1	5.1	2.4	6.4	8.4	4.3	3.9	2.1	4.9	5.0
Credit	535.1	513.9	43.9	42.2	42.3	42.5	42.9	43.1	45.6	44.1	43.5	42.2	40.3	41.3
Debit	487.5	457.0	39.1	37.6	37.3	37.4	40.5	36.7	37.1	39.8	39.6	40.1	35.5	36.3
Current transfers	-108.8	-118.3	-9.2	-9.7	-9.7	-9.6	-9.7	-9.7	-9.4	-11.6	-10.1	-10.5	-9.4	-9.5
Credit	97.8	97.2	8.3	8.6	8.3	8.4	8.0	8.0	8.6	7.5	8.2	8.4	7.5	7.3
Debit	206.6	215.5	17.5	18.3	18.0	18.0	17.7	17.8	18.0	19.2	18.3	18.9	17.0	16.8

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						October 2013 (revised)			November 2013		
	November 2012			November 2013								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	117.2	3,182.3	3,065.1	211.0	3,191.2	2,980.2	26.6	277.1	250.5	27.4	265.7	238.4
Goods	92.0	1,925.3	1,833.3	170.5	1,929.6	1,759.1	19.2	176.1	156.9	18.8	166.7	147.9
Services	87.8	624.8	537.0	105.0	650.0	544.9	9.9	56.7	46.7	7.7	51.8	44.1
Income	46.9	535.7	488.8	57.7	514.9	457.2	6.2	38.2	32.0	6.4	38.8	32.4
Current transfers	-109.5	96.5	206.0	-122.2	96.8	219.0	-8.7	6.2	14.9	-5.5	8.4	13.9
CAPITAL ACCOUNT	5.0	29.7	24.7	17.5	29.1	11.6	2.3	2.8	0.6	1.7	2.3	0.5
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-120.6			-237.6			-27.5			-29.3		
DIRECT INVESTMENT²⁾	-0.3	-363.9	363.6	-117.8	-216.1	98.2	-1.7	-21.8	20.1	-12.6	-19.5	6.9
Equity capital and reinvested earnings	50.6	-201.6	252.2	-54.2	-151.9	97.7	-2.5	-21.5	19.0	-2.4	-8.7	6.3
Other capital (mostly inter-company loans)	-50.9	-162.3	111.4	-63.6	-64.2	0.6	0.8	-0.3	1.1	-10.2	-10.8	0.6
PORTFOLIO INVESTMENT	39.6	-153.3	192.9	138.8	-254.5	393.3	2.1	-6.7	8.8	53.5	-12.5	66.0
Equity	132.9	-6.4	139.2	68.4	-172.0	240.4	4.9	-9.5	14.4	19.5	-0.2	19.7
Debt instruments	-93.2	-146.9	53.7	70.4	-82.5	152.9	-2.8	2.9	-5.6	34.0	-12.3	46.3
Bonds and notes	-10.9	-112.8	101.9	-5.1	-82.8	77.7	12.9	-0.6	13.4	39.6	-8.3	47.9
Money market instruments	-82.3	-34.2	-48.2	75.5	0.3	75.2	-15.6	3.4	-19.1	-5.7	-4.0	-1.6
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	39.3	-517.2	556.5	21.0	-470.6	491.6	0.4	-28.5	28.9	40.9	-32.0	72.9
FINANCIAL DERIVATIVES (NET)	-9.1			20.9			2.8			-4.7		
OTHER INVESTMENT	-130.7	-65.8	-64.9	-277.2	160.5	-437.8	-31.6	-63.8	32.2	-65.7	-29.3	-36.4
Eurosystem	112.9	-0.7	113.6	-54.6	18.1	-72.7	-5.0	4.6	-9.6	-4.1	5.2	-9.3
General government	19.2	-2.9	22.1	-5.7	7.4	-13.1	-5.5	-1.8	-3.7	-6.2	-5.5	-0.6
of which: currency and deposits	3.0	3.0		-0.2	-0.2		-2.1	-2.1		-4.0	-4.0	
MFIs (excluding the Eurosystem)	-201.0	53.8	-254.7	-231.9	79.1	-311.0	-23.8	-76.7	52.8	-33.4	-5.6	-27.8
Long-term	-16.7	1.4	-18.0	23.7	89.8	-66.1	-2.6	3.3	-5.9	-10.0	-6.5	-3.6
Short-term	-184.3	52.4	-236.7	-255.6	-10.7	-244.9	-21.2	-80.0	58.8	-23.4	0.8	-24.2
Other sectors	-61.8	-115.9	54.1	14.9	55.9	-40.9	2.8	10.1	-7.3	-22.0	-23.3	1.3
of which: currency and deposits	-44.0	-44.0		1.3	1.3		10.0	10.0		-22.4	-22.4	
RESERVE ASSETS	-20.1	-20.1		-2.2	-2.2		0.9	0.9		0.2	0.2	
Errors and omissions	-1.6			9.2			-1.3			0.2		

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)

	Q1 2013	Q2 2013 (revised)				Q3 2013				
	End-of-period outstanding amounts	Transactions ¹⁾		Other changes	End-of-period outstanding amounts	Transactions ¹⁾		Other changes	End-of-period outstanding amounts	
			as % of previous end-period outstanding amounts				as % of previous end-period outstanding amounts			as % of GDP
Financial account balance/ Net international investment position	-1,173.0	58.8	-	-194.1	-1,308.3	58.3	-	-24.8	-1,274.8	-13.4
Direct investment	1,456.1	55.6	-	0.8	1,512.5	27.8	-	-67.9	1,472.4	15.4
Abroad	5,957.5	62.0	1.0	126.2	6,145.7	31.8	0.5	-108.3	6,069.2	63.6
Equity/reinvested earnings	4,424.3	4.1	0.1	104.1	4,532.6	44.3	1.0	-90.5	4,486.3	47.0
Other capital	1,533.2	57.9	3.8	22.1	1,613.2	-12.4	-0.8	-17.8	1,582.9	16.6
In the euro area	4,501.4	6.4	0.1	125.4	4,633.2	4.0	0.1	-40.4	4,596.8	48.2
Equity/reinvested earnings	3,186.0	-38.6	-1.2	67.6	3,215.0	10.4	0.3	-27.1	3,198.3	33.5
Other capital	1,315.5	44.9	3.4	57.8	1,418.2	-6.3	-0.4	-13.4	1,398.6	14.7
Portfolio investment	-3,086.6	-67.1	-	-29.5	-3,183.2	-3.9	-	-25.6	-3,212.7	-33.7
Assets	5,535.1	21.8	0.4	-188.2	5,368.7	63.4	1.2	31.4	5,463.5	57.3
Equity securities	2,145.1	13.9	0.6	-85.1	2,073.9	42.9	2.1	54.8	2,171.6	22.8
Debt securities	3,390.0	7.9	0.2	-103.2	3,294.8	20.5	0.6	-23.4	3,291.9	34.5
Bonds and notes	2,915.7	8.8	0.3	-100.0	2,824.5	18.3	0.6	-16.8	2,826.0	29.6
Money market instruments	474.3	-0.9	-0.2	-3.1	470.3	2.2	0.5	-6.6	465.9	4.9
Liabilities	8,621.7	88.9	1.0	-158.7	8,551.9	67.3	0.8	57.1	8,676.2	90.9
Equity securities	3,622.4	83.9	2.3	-102.3	3,603.9	45.4	1.3	107.1	3,756.4	39.4
Debt securities	4,999.3	5.1	0.1	-56.4	4,948.0	21.9	0.4	-50.0	4,919.8	51.6
Bonds and notes	4,498.1	5.3	0.1	-47.3	4,456.1	-17.1	-0.4	-40.1	4,398.8	46.1
Money market instruments	501.2	-0.2	-0.0	-9.1	492.0	39.0	7.9	-9.9	521.0	5.5
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	-1,630.5	-11.5	-	-28.7	-1,670.7	23.9	-	-93.5	-1,740.3	-18.2
Financial derivatives	-28.0	0.6	-	-20.1	-47.5	-5.6	-	12.7	-40.5	-0.4
Other investment	-202.3	68.5	-	-20.7	-154.5	37.1	-	36.5	-80.8	-0.8
Assets	4,932.6	-58.2	-1.2	-19.2	4,855.2	-108.9	-2.2	-7.4	4,739.0	49.7
Eurosystem	33.1	-10.9	-33.0	-4.3	17.9	6.3	35.0	0.5	24.6	0.3
General government	155.0	-4.6	-3.0	0.7	151.2	-1.8	-1.2	-0.8	148.7	1.6
MFIs excluding Eurosystem	2,954.5	11.9	0.4	-26.4	2,940.0	-72.0	-2.4	-20.8	2,847.2	29.8
Other sectors	1,790.0	-54.6	-3.1	10.8	1,746.2	-41.4	-2.4	13.7	1,718.5	18.0
Liabilities	5,134.9	-126.8	-2.5	1.5	5,009.7	-146.0	-2.9	-43.9	4,819.8	50.5
Eurosystem	398.6	-21.5	-5.4	-1.9	375.2	-10.3	-2.7	-3.3	361.7	3.8
General government	224.3	-0.3	-0.1	-0.9	223.1	4.5	2.0	-1.6	226.0	2.4
MFIs excluding Eurosystem	2,976.9	-93.7	-3.1	-28.9	2,854.3	-107.5	-3.8	-16.0	2,730.8	28.6
Other sectors	1,535.0	-11.3	-0.7	33.2	1,557.0	-32.7	-2.1	-23.0	1,501.4	15.7
Reserve assets	687.8	1.2	0.2	-124.7	564.3	2.9	0.5	19.6	586.8	6.2
MEMO ITEM: GROSS EXTERNAL DEBT	12,254.2	-	-	-	12,208.7	-	-	-	11,964.4	125.4

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.