



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS

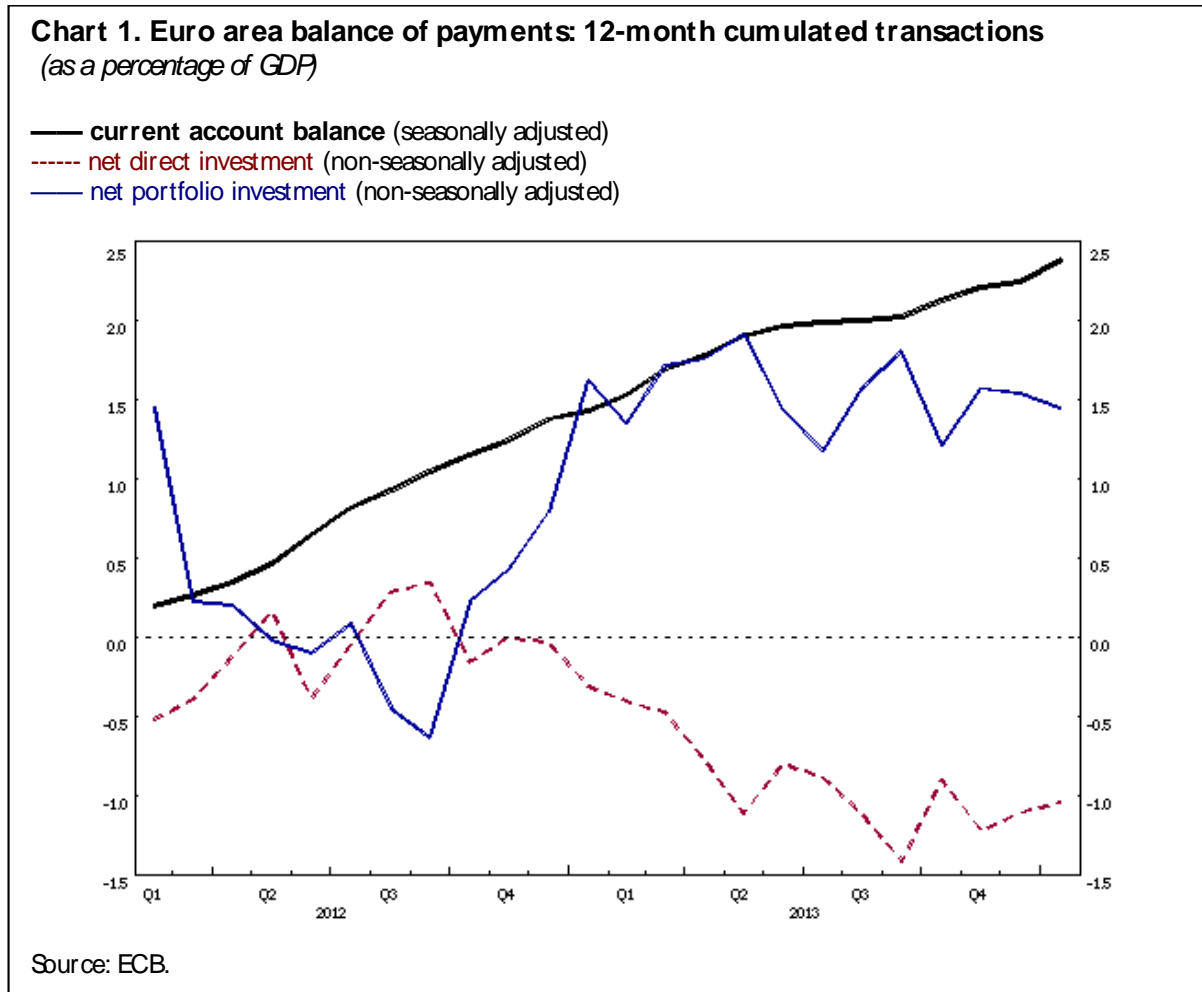
(January 2014)

In January 2014 the seasonally adjusted current account of the euro area recorded a surplus of €25.3 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €12 billion (non-seasonally adjusted).

Current account

The seasonally adjusted *current account* of the euro area recorded a surplus of €25.3 billion in January 2014 (see Table 1). This reflected surpluses for goods (€15.9 billion), services (€11.8 billion) and *income* (€6.8 billion), which were partly offset by a deficit for *current transfers* (€9.3 billion).

The seasonally adjusted 12-month cumulated *current account* for the period ending in January 2014 recorded a surplus of €227.9 billion (2.4% of euro area GDP), compared with one of €135.4 billion (1.4% of euro area GDP) for the 12 months to January 2013 (see Table 1 and Chart 1). The increase in the *current account* surplus was due mainly to increases in the surpluses for goods (€177.4 billion, up from €102.1 billion) and, to a lesser extent, for services (€111.3 billion, up from €90.3 billion) and *income* (€61.1 billion, up from €51.2 billion). These surpluses were partly offset by an increase in the deficit for *current transfers* (from €108.3 to €122.0 billion).



Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €12 billion in January 2014 as a result of net inflows for portfolio investment (€17 billion) and net outflows for direct investment (€5 billion).

The net outflows for direct investment resulted almost entirely from net outflows of *other capital (mostly inter-company loans)* (€5 billion).

The net inflows for portfolio investment were driven by net purchases of euro area securities by non-residents (€34 billion), which were partly offset by purchases of foreign securities by euro area residents (€17 billion). Furthermore, the net inflows for *portfolio investment* resulted from net inflows for *money market instruments* (€19 billion) and, to a lesser extent, for *equity* (€4 billion). These were partly offset by net outflows for *bonds and notes* (€7 billion).

The *financial derivatives* account recorded net outflows of €1 billion.

Other investment recorded net outflows of €12 billion, which mainly reflected net outflows for *MFIs excluding the Eurosystem* (€22 billion) and, to a lesser extent, the *Eurosystem* (€3 billion). These were partly offset by net inflows for *other sectors* (€10 billion) and *general government* (€3 billion).

The [Eurosystem's stock of reserve assets](#) increased by €29 billion in January 2014 (from €542 billion to €571 billion), mainly on account of an increase in the market price of gold and, to a lesser extent, the inclusion of the international reserves of Latvia (€3 billion at end-January 2014), as well as net transactions (excluding valuation effects), which amounted to €3 billion.

The inclusion of Latvia in euro area external statistics

When Latvia adopted the euro on 1 January 2014, its economic agents became euro area residents. Thus, for the first time, this press release shows a consistent time series for the balance of payments of the enlarged euro area, also including the periods before 2014. For the earlier data, the changes to the euro area external statistics involve: (i) the inclusion of transactions between residents in Latvia and non-euro area residents; and (ii) the exclusion of transactions between euro area residents and residents in Latvia. In addition, the related international investment position statistics have been recalculated to take into account the enlargement of the euro area (available on the ECB's website). In general, Latvia's accession has had a minor impact on the overall euro area results.

Data revisions

In addition, this press release incorporates regular revisions for December 2013, which have mainly resulted from a rise in net inflows for *direct investment* (from €4 billion to €15 billion) and a fall in the *current account* surplus (from €33 billion to €28 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 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 January 2014 will also be published in the April 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 and quarterly balance of payments 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](#).

Annexes

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

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
	Jan. 2013	Jan. 2014	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
CURRENT ACCOUNT	135.4	227.9	15.4	20.7	16.8	20.5	19.5	13.7	16.2	16.4	20.7	22.7	20.0	25.3
<i>Memo: as a percentage of GDP</i>	<i>1.4</i>	<i>2.4</i>												
Credit	3,188.0	3,212.2	263.5	267.8	268.5	267.3	269.6	263.4	266.5	268.7	267.0	269.8	269.0	271.2
Debit	3,052.6	2,984.4	248.1	247.1	251.6	246.9	250.1	249.8	250.3	252.3	246.3	247.1	249.0	245.9
Goods	102.1	177.4	11.2	17.2	16.5	17.1	13.1	10.4	14.3	14.0	15.8	17.3	14.5	15.9
Credit (exports)	1,926.5	1,945.1	159.9	162.5	163.3	162.5	160.7	156.8	161.3	161.7	163.1	165.1	164.3	164.0
Debit (imports)	1,824.3	1,767.7	148.7	145.3	146.7	145.4	147.6	146.4	147.0	147.8	147.3	147.8	149.8	148.0
Services	90.3	111.3	8.4	8.8	8.7	7.8	9.4	10.0	8.1	9.4	9.9	9.4	9.6	11.8
Credit (exports)	628.9	659.3	52.8	54.4	54.6	54.2	55.3	54.5	54.1	56.4	55.0	55.2	55.9	57.1
Debit (imports)	538.6	548.1	44.5	45.6	45.9	46.3	45.9	44.5	45.9	47.0	45.1	45.7	46.3	45.3
Income	51.2	61.1	5.0	4.7	2.1	6.1	7.9	4.3	4.2	2.9	4.4	5.5	7.1	6.8
Credit	532.9	509.9	42.5	42.6	42.7	42.8	45.2	43.7	43.2	42.1	40.9	41.7	40.7	41.7
Debit	481.7	448.8	37.5	37.9	40.6	36.7	37.3	39.4	39.0	39.2	36.5	36.2	33.6	34.9
Current transfers	-108.3	-122.0	-9.2	-10.0	-10.5	-10.6	-10.9	-11.0	-10.5	-9.9	-9.4	-9.5	-11.2	-9.3
Credit	99.7	97.8	8.3	8.4	7.9	7.9	8.5	8.4	7.9	8.4	7.9	7.9	8.0	8.4
Debit	208.0	219.8	17.5	18.4	18.4	18.4	19.4	19.5	18.4	18.3	17.3	17.4	19.2	17.7

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						December 2013 (revised)			January 2014		
	January 2013			January 2014								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	128.7	3,190.3	3,061.6	223.5	3,203.8	2,980.3	28.2	275.2	247.0	6.4	253.9	247.6
Goods	97.8	1,928.0	1,830.2	174.0	1,937.9	1,763.8	13.2	154.0	140.7	1.0	152.3	151.3
Services	90.3	629.4	539.1	111.4	658.8	547.4	10.9	59.8	48.9	8.7	52.5	43.8
Income	50.6	533.4	482.8	61.6	510.3	448.7	9.5	45.8	36.3	6.7	38.6	31.9
Current transfers	-110.1	99.5	209.6	-123.5	96.9	220.4	-5.4	15.7	21.1	-10.0	10.5	20.5
CAPITAL ACCOUNT	14.4	29.6	15.2	19.0	29.8	10.8	2.4	4.1	1.8	0.4	1.1	0.7
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-154.8			-238.8			-38.7			-3.6		
DIRECT INVESTMENT²⁾	-29.1	-323.2	294.1	-99.6	-186.0	86.4	14.6	0.6	14.0	-4.7	-18.9	14.2
Equity capital and reinvested earnings	33.5	-189.7	223.5	-61.0	-114.9	54.5	3.3	-4.4	7.8	0.4	-13.0	13.3
Other capital (mostly inter-company loans)	-63.1	-133.5	70.5	-39.0	-71.1	31.9	11.2	5.0	6.2	-5.0	-5.9	0.9
PORTFOLIO INVESTMENT	153.5	-182.4	336.0	138.8	-210.4	349.3	-4.2	-12.7	8.4	16.9	-17.3	34.1
Equity	83.7	-71.7	155.4	127.4	-125.4	252.7	34.8	-7.0	41.8	4.4	-6.8	11.2
Debt instruments	69.8	-110.7	180.5	11.5	-85.0	96.5	-39.0	-5.7	-33.3	12.4	-10.5	23.0
Bonds and notes	58.4	-119.1	177.5	9.6	-60.8	70.4	12.8	3.6	9.2	-6.6	-2.7	-3.9
Money market instruments	11.4	8.4	3.0	1.9	-24.2	26.1	-51.8	-9.3	-42.5	19.1	-7.8	26.9
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	124.4	-505.7	630.0	39.2	-396.4	435.6	10.4	-12.0	22.4	12.2	-36.2	48.4
FINANCIAL DERIVATIVES (NET)	13.9			8.8			3.4			-1.4		
OTHER INVESTMENT	-275.5	-22.7	-252.8	-284.6	46.0	-330.6	-51.2	93.1	-144.3	-11.7	-128.2	116.5
Eurosystem	37.0	-1.3	38.3	-45.0	21.9	-66.9	0.4	-1.0	1.4	-3.2	3.3	-6.5
General government	-0.7	2.4	-3.1	-2.3	4.2	-6.5	-3.9	0.7	-4.6	3.0	2.3	0.7
of which: currency and deposits	7.8	7.8		-4.1	-4.1		1.5	1.5		0.2	0.2	
MFIs (excluding the Eurosystem)	-239.2	70.6	-309.8	-261.1	-11.6	-249.6	-53.9	96.7	-150.7	-21.6	-134.0	112.4
Long-term	-10.8	21.2	-32.1	69.3	139.8	-70.5	49.4	54.2	-4.8	4.3	2.5	1.8
Short-term	-228.4	49.3	-277.7	-330.4	-151.4	-179.0	-103.4	42.5	-145.9	-25.9	-136.6	110.6
Other sectors	-72.6	-94.4	21.8	23.8	31.4	-7.6	6.2	-3.3	9.5	10.1	0.3	9.9
of which: currency and deposits	-47.9	-47.9		-13.3	-13.3		-9.8	-9.8		-6.8	-6.8	
RESERVE ASSETS	-17.6	-17.6		-2.3	-2.3		-1.3	-1.3		-2.7	-2.7	
Errors and omissions	11.7			-3.7			8.1			-3.2		

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.