



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN FEBRUARY 2014 AND INTERNATIONAL INVESTMENT POSITION AT THE END OF 2013

In February 2014 the seasonally adjusted current account of the euro area recorded a surplus of €21.9 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €56 billion (non-seasonally adjusted).

At the end of 2013 the international investment position of the euro area recorded net liabilities of €1.2 trillion vis-à-vis the rest of the world (around 12% of euro area GDP). This represented a decrease of €112 billion in comparison with the revised data for the end of the third quarter of 2013.

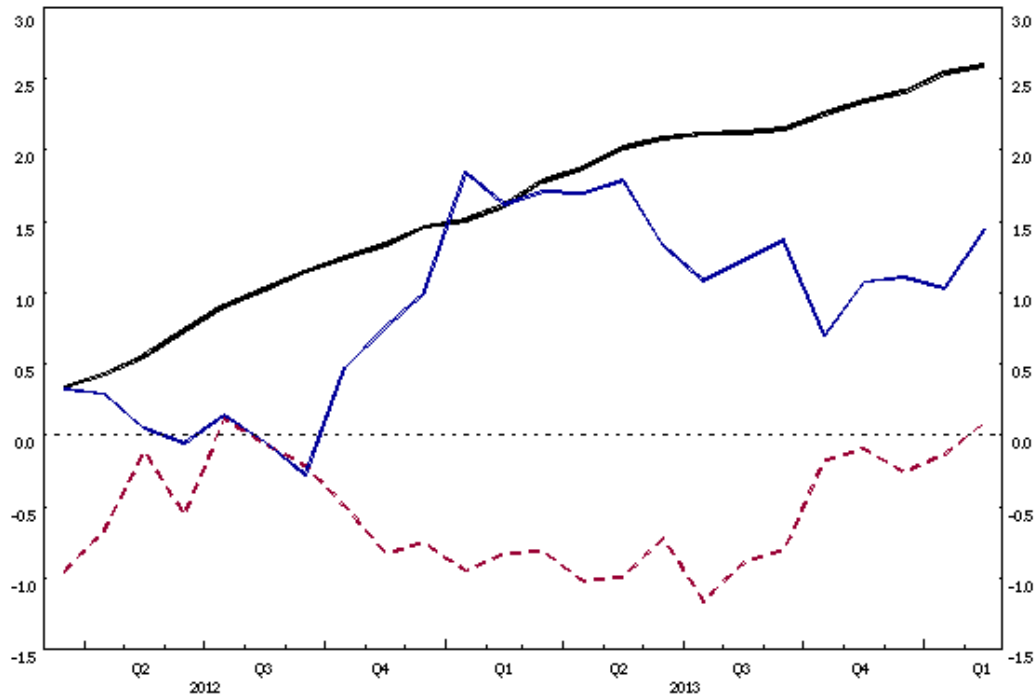
Balance of payments in February 2014

The seasonally adjusted *current account* of the euro area recorded a surplus of €21.9 billion in February 2014 (see Table 1). This reflected surpluses for *goods* (€15.8 billion), *services* (€11.3 billion) and *income* (€4.8 billion), which were partly offset by a deficit for *current transfers* (€9.9 billion).

The seasonally adjusted 12-month cumulated *current account* recorded a surplus of €247.9 billion in February 2014 (around 2.6% of euro area GDP; see Table 1 and Chart 1), compared with a surplus of €153.0 billion a year earlier. This development resulted mainly from an increase in the surplus for *goods* (from €103.2 billion to €178.1 billion) and, to a lesser extent, from increases in the surpluses for *services* (from €96.0 billion to €119.8 billion) and *income* (from €62.3 billion to €68.9 billion), which were partly offset by an increase in the deficit for *current transfers* (from €108.4 billion to €118.8 billion).

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

— **current account balance** (seasonally adjusted)
 - - - **net direct investment** (non-seasonally adjusted)
 — **net portfolio investment** (non-seasonally adjusted)



Source: ECB.

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €56 billion in February 2014, as a result of net inflows for both *direct investment* (€32 billion) and *portfolio investment* (€24 billion).

The net inflows for *direct investment* resulted, essentially, from net inflows for *equity capital and reinvested earnings* (€33 billion), the explanation of which is to be found in a decrease in direct investment abroad that more than offset the decrease in direct investment in the euro area.

The net inflows for *portfolio investment* were accounted for by net inflows for both *equity* (€13 billion) and *debt instruments* (€12 billion). Whereas the net inflows for *equity* resulted from both net disposals of foreign securities by euro area residents and net purchases of euro area securities by non-residents, the net inflows for *debt instruments* resulted from the fact that net purchases of euro area securities by non-residents were higher than the net purchases of foreign securities by euro area residents. By maturity, the net inflows for *debt instruments* resulted from two compensatory effects, namely from net inflows in *bonds and notes* (€41 billion) and net outflows in *money market instruments* (€30 billion).

The *financial derivatives* account recorded net inflows of €3 billion.

Other investment recorded net outflows (€72 billion), reflecting net outflows for all sectors, predominantly *MFIs excluding the Eurosystem* (€48 billion), the *Eurosystem* (€13 billion) and *other sectors* (€10 billion).

The [Eurosystem's stock of reserve assets](#) was €579 billion at the end of February 2014, up from €571 billion at the end of January 2014, mainly on account of valuation effects for gold (appreciation) and, to a lesser extent, net transactions amounting to €1 billion.

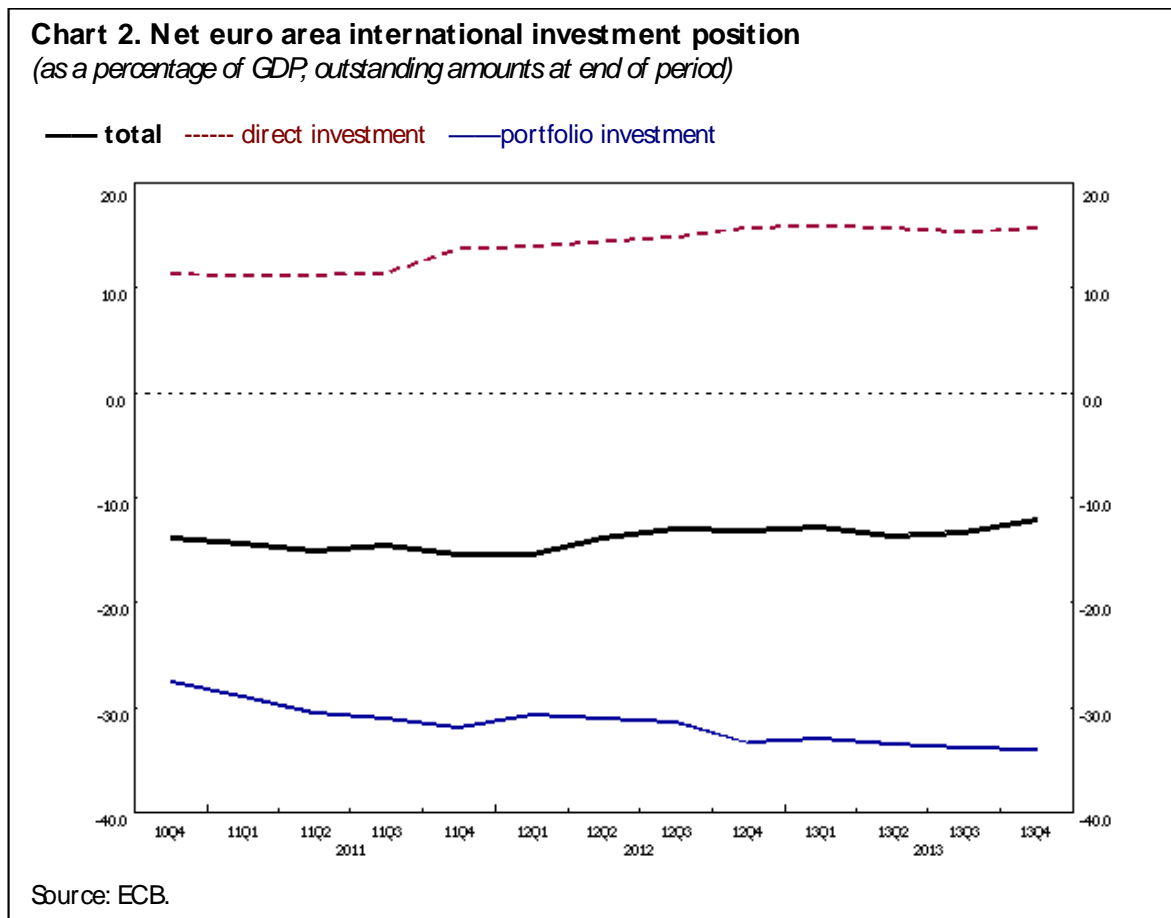
In the 12-month period to February 2014 *combined direct and portfolio investment* recorded cumulated net inflows of €146 billion, compared with net inflows of €75 billion in the preceding 12-month period. This increase was mainly the result of a shift in *direct investment* from net outflows (€78 billion) to net inflows (€8 billion), partly offset by a decrease in the net inflows for *portfolio investment* (down from €154 billion to €138 billion).

International investment position at the end of 2013

At the end of 2013 the international investment position of the euro area recorded net liabilities of €1.2 trillion vis-à-vis the rest of the world (around 12% of euro area GDP; see Chart 2). This represented a decrease of €112 billion in comparison with the revised data for the end of the third quarter of 2013 (see Table 3).

This decrease in the net liability position was due primarily to developments in *other investment*, for which a net asset position of €93 billion was recorded at the end of 2013, after a revised net liability position of €57 billion at the end of the third quarter of 2013. *Direct investment* recorded a higher net asset position (up from €1,461 billion to €1,502 billion), which was more than offset by a higher net liability position in *portfolio investment* (up from €3,227 billion to €3,263 billion) and a lower net asset position in *reserve assets* (down from €587 billion to €542 billion). Whereas the changes in the positions for portfolio investment and other investment reflected mostly transactions, the changes in the positions for direct investment and reserve assets were due primarily to “other changes” (predominantly revaluations on account of changes in exchange rates and asset prices).

At the end of 2013 the gross external debt of the euro area amounted to €11.6 trillion (approximately 121% of euro area GDP), which represented a decrease of €357 billion in comparison with the revised data for the end of the third quarter of 2013.



Data revisions

This press release incorporates revisions to the monthly balance of payments for the period from January 2009 to January 2014, and to the quarterly international investment position from the end of the first quarter of 2009 to the end of the third quarter of 2013.

The revisions to the balance of payments in January 2014 have not significantly altered the figures previously published, whereas the *current account* surpluses in 2012 and 2013 were revised slightly upwards (from €125.3 billion to €133.1 billion and from €210.2 billion to €227.7 billion respectively). The *financial account* was revised for primarily the period from 2010 to 2012, on account of better source data and in order to correct for a misclassification of some repo transactions (which also impacted positions).

For positions, underestimations of *direct investment* for 2012 (both *in the reporting economy* and *abroad*), and of *financial derivatives* liabilities for the period from 2009 to 2012, were corrected. This contributed to revisions of the net liability position of the euro area, which ranged between €10 billion (in 2011) and €28 billion (in 2010).

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 February 2014 will also be published in the May 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 21 May 2014. The next press release including the quarterly international investment position will be published on 18 July 2014.

The ECB will start publishing, at the end of 2014, the euro area balance of payments and international investment positions statistics in accordance with its [Guideline ECB/2011/23](#), which adheres to the sixth edition of the IMF 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 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		2013										2014	
	Feb. 2013	Feb. 2014	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
CURRENT ACCOUNT	153.0	247.9	22.7	17.6	23.3	20.9	15.3	16.5	18.1	21.2	23.6	21.5	25.4	21.9
<i>Memo: as a percentage of GDP</i>	<i>1.6</i>	<i>2.6</i>												
Credit	3,231.9	3,262.8	271.5	272.4	271.4	273.2	266.7	269.4	272.3	271.5	274.4	273.2	273.2	273.4
Debit	3,078.9	3,014.9	248.8	254.8	248.2	252.3	251.4	253.0	254.3	250.3	250.7	251.7	247.8	251.5
Goods	103.2	178.1	17.3	16.1	16.9	12.4	10.3	13.9	13.4	14.8	16.5	14.9	15.7	15.8
Credit (exports)	1,929.0	1,949.5	162.4	163.2	162.6	160.5	157.0	161.4	161.7	162.8	164.9	164.0	164.3	164.7
Debit (imports)	1,825.9	1,771.5	145.1	147.1	145.7	148.1	146.7	147.5	148.3	148.0	148.3	149.2	148.6	148.9
Services	96.0	119.8	9.1	9.0	8.3	9.8	10.7	8.1	10.7	10.2	10.8	10.2	11.5	11.3
Credit (exports)	635.9	672.2	54.9	55.1	54.9	55.7	55.1	54.2	57.3	56.1	56.8	57.0	57.5	57.4
Debit (imports)	539.9	552.4	45.8	46.2	46.6	45.9	44.4	46.2	46.7	45.9	46.0	46.8	45.9	46.1
Income	62.3	68.9	6.1	2.8	8.4	9.3	4.9	4.7	3.8	5.1	5.3	6.5	7.3	4.8
Credit	566.8	541.7	45.8	46.1	46.1	48.6	46.1	45.7	44.9	44.4	44.6	43.6	42.9	43.0
Debit	504.5	472.8	39.6	43.3	37.8	39.3	41.1	41.0	41.2	39.2	39.3	37.0	35.7	38.2
Current transfers	-108.4	-118.8	-9.9	-10.3	-10.4	-10.6	-10.6	-10.2	-9.8	-9.0	-9.0	-10.1	-9.1	-9.9
Credit	100.2	99.3	8.4	7.9	7.8	8.4	8.5	8.0	8.3	8.2	8.1	8.7	8.5	8.4
Debit	208.6	218.2	18.3	18.2	18.2	19.0	19.1	18.3	18.1	17.1	17.1	18.8	17.6	18.3

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						January 2014 (revised)			February 2014		
	February 2013			February 2014								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	149.3	3,227.7	3,078.4	244.3	3,256.1	3,011.8	7.0	256.0	249.0	13.9	257.8	244.0
Goods	101.7	1,925.3	1,823.6	174.3	1,942.5	1,768.2	0.7	152.6	151.9	15.8	157.1	141.4
Services	96.0	635.6	539.6	119.6	671.2	551.6	8.8	53.0	44.3	8.8	49.7	40.9
Income	61.3	566.9	505.6	69.6	542.2	472.6	7.5	39.8	32.3	6.5	39.4	32.9
Current transfers	-109.7	100.0	209.6	-119.2	100.3	219.5	-10.0	10.5	20.5	-17.2	11.5	28.7
CAPITAL ACCOUNT	15.0	31.0	15.9	22.4	33.7	11.2	1.0	1.7	0.7	2.7	3.3	0.6
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-195.6			-256.5			-4.7			-12.2		
DIRECT INVESTMENT²⁾	-78.2	-379.9	301.7	7.6	-270.4	278.0	-9.1	-25.0	16.0	31.9	46.6	-14.7
Equity capital and reinvested earnings	-35.2	-262.3	227.5	42.3	-225.0	267.8	-4.4	-19.3	14.9	32.9	51.0	-18.1
Other capital (mostly inter-company loans)	-43.5	-117.5	74.2	-35.2	-45.4	10.2	-4.6	-5.7	1.1	-1.0	-4.4	3.5
PORTFOLIO INVESTMENT	153.6	-201.3	354.9	138.0	-205.6	343.5	19.3	-17.6	36.9	24.3	-14.6	38.9
Equity	86.1	-87.1	173.2	95.4	-128.7	224.1	8.0	-6.8	14.8	12.6	4.8	7.8
Debt instruments	67.5	-114.2	181.7	42.5	-76.9	119.4	11.3	-10.8	22.1	11.6	-19.4	31.1
Bonds and notes	26.1	-125.8	151.9	47.3	-62.7	110.0	-7.4	-2.9	-4.5	41.4	-10.5	51.9
Money market instruments	41.4	11.6	29.8	-4.8	-14.2	9.4	18.7	-7.9	26.7	-29.8	-9.0	-20.8
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	75.4	-581.2	656.6	145.5	-476.0	621.5	10.3	-42.7	52.9	56.2	32.0	24.2
FINANCIAL DERIVATIVES (NET)	13.7			13.6			-0.1			2.7		
OTHER INVESTMENT	-270.2	-11.6	-258.7	-411.7	-25.8	-385.9	-12.1	-127.8	115.7	-71.9	-45.0	-27.0
Eurosystem	26.7	-2.2	29.0	-48.5	22.9	-71.4	-3.2	3.3	-6.5	-13.4	-0.1	-13.3
General government	-9.6	-6.9	-2.7	-0.4	1.7	-2.1	2.7	2.0	0.7	-0.2	-1.5	1.2
of which: currency and deposits	-1.3	-1.3		-5.1	-5.1		0.2	0.2		-4.2	-4.2	
MFIs (excluding the Eurosystem)	-199.7	88.1	-287.8	-333.3	-58.4	-274.9	-21.4	-134.0	112.6	-48.0	-30.4	-17.6
Long-term	-10.6	27.9	-38.5	48.0	117.1	-69.1	4.2	2.3	1.9	1.8	6.6	-4.7
Short-term	-189.1	60.1	-249.3	-381.3	-175.5	-205.8	-25.6	-136.3	110.7	-49.8	-36.9	-12.9
Other sectors	-87.7	-90.5	2.9	-29.6	7.9	-37.5	9.8	0.9	8.9	-10.3	-13.0	2.7
of which: currency and deposits	-7.9	-7.9		-11.4	-11.4		-7.8	-7.8		-13.7	-13.7	
RESERVE ASSETS	-14.5	-14.5		-4.0	-4.0		-2.7	-2.7		0.8	0.8	
Errors and omissions	31.3			-10.2			-3.3			-4.4		

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)

	Q2 2013	Q3 2013 (revised)				Q4 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	-1,303.9	55.9	-	-28.6	-1,276.7	95.6	-	16.6	-1,164.4	-12.1
Direct investment	1,490.5	12.7	-	-41.9	1,461.3	9.1	-	31.8	1,502.1	15.6
Abroad	6,230.1	50.4	0.8	-99.4	6,181.1	151.9	2.5	-66.1	6,266.8	65.2
Equity/reinvested earnings	4,610.7	53.7	1.2	-79.9	4,584.5	180.3	3.9	-78.7	4,686.1	48.8
Other capital	1,619.4	-3.3	-0.2	-19.5	1,596.6	-28.4	-1.8	12.6	1,580.7	16.5
In the euro area	4,739.6	37.7	0.8	-57.6	4,719.8	142.8	3.0	-97.9	4,764.7	49.6
Equity/reinvested earnings	3,286.4	36.2	1.1	-42.8	3,279.8	163.8	5.0	-86.5	3,357.2	34.9
Other capital	1,453.2	1.5	0.1	-14.8	1,439.9	-21.0	-1.5	-11.4	1,407.5	14.7
Portfolio investment	-3,187.8	-4.9	-	-33.9	-3,226.7	-54.6	-	18.1	-3,263.1	-34.0
Assets	5,351.8	69.1	1.3	32.6	5,453.6	50.4	0.9	34.0	5,537.9	57.7
Equity securities	2,072.5	45.9	2.2	53.9	2,172.4	39.4	1.8	72.5	2,284.3	23.8
Debt securities	3,279.3	23.2	0.7	-21.4	3,281.2	11.0	0.3	-38.5	3,253.6	33.9
Bonds and notes	2,812.0	21.0	0.7	-15.2	2,817.9	12.6	0.4	-26.7	2,803.8	29.2
Money market instruments	467.3	2.2	0.5	-6.2	463.3	-1.7	-0.4	-11.8	449.9	4.7
Liabilities	8,539.6	74.1	0.9	66.5	8,680.2	104.9	1.2	15.9	8,801.1	91.6
Equity securities	3,649.8	44.4	1.2	114.7	3,809.0	58.4	1.5	97.4	3,964.7	41.3
Debt securities	4,889.8	29.6	0.6	-48.2	4,871.2	46.5	1.0	-81.4	4,836.3	50.3
Bonds and notes	4,406.0	-14.2	-0.3	-39.4	4,352.4	90.4	2.1	-74.4	4,368.4	45.5
Money market instruments	483.8	43.8	9.1	-8.8	518.9	-43.8	-8.4	-7.1	468.0	4.9
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	-1,697.3	7.7	-	-75.8	-1,765.3	-45.5	-	49.8	-1,761.0	-18.3
Financial derivatives	-50.4	-7.6	-	16.5	-41.5	-4.3	-	7.7	-38.1	-0.4
Other investment	-120.6	52.9	-	11.2	-56.5	145.1	-	4.1	92.7	1.0
Assets	4,909.5	-82.4	-1.7	-45.3	4,781.8	-20.6	-0.4	-99.1	4,662.1	48.5
Eurosysteem	18.5	6.2	33.4	0.5	25.2	-8.3	-32.9	-0.8	16.1	0.2
General government	151.4	-1.7	-1.1	-0.7	149.1	5.9	4.0	1.6	156.6	1.6
MFIs excluding Eurosysteem	2,940.0	-65.5	-2.2	-26.0	2,848.5	-12.8	-0.5	-81.2	2,754.5	28.7
Other sectors	1,799.5	-21.4	-1.2	-19.0	1,759.0	-5.4	-0.3	-18.7	1,734.9	18.1
Liabilities	5,030.0	-135.3	-2.7	-56.4	4,838.3	-165.7	-3.4	-103.1	4,569.5	47.6
Eurosysteem	374.2	-10.2	-2.7	-3.3	360.7	-17.6	-4.9	-2.5	340.6	3.5
General government	227.1	5.3	2.3	-2.7	229.6	-8.9	-3.9	1.9	222.5	2.3
MFIs excluding Eurosysteem	2,862.8	-102.0	-3.6	-19.9	2,740.9	-126.5	-4.6	-83.2	2,531.2	26.4
Other sectors	1,566.0	-28.3	-1.8	-30.5	1,507.1	-12.6	-0.8	-19.4	1,475.1	15.4
Reserve assets	564.3	2.9	0.5	19.6	586.8	0.3	0.1	-45.0	542.1	5.6
MEMO ITEM: GROSS EXTERNAL DEBT	12,211.3	-	-	-	11,982.3	-	-	-	11,625.6	121.0

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.