



EUROPEAN CENTRAL BANK

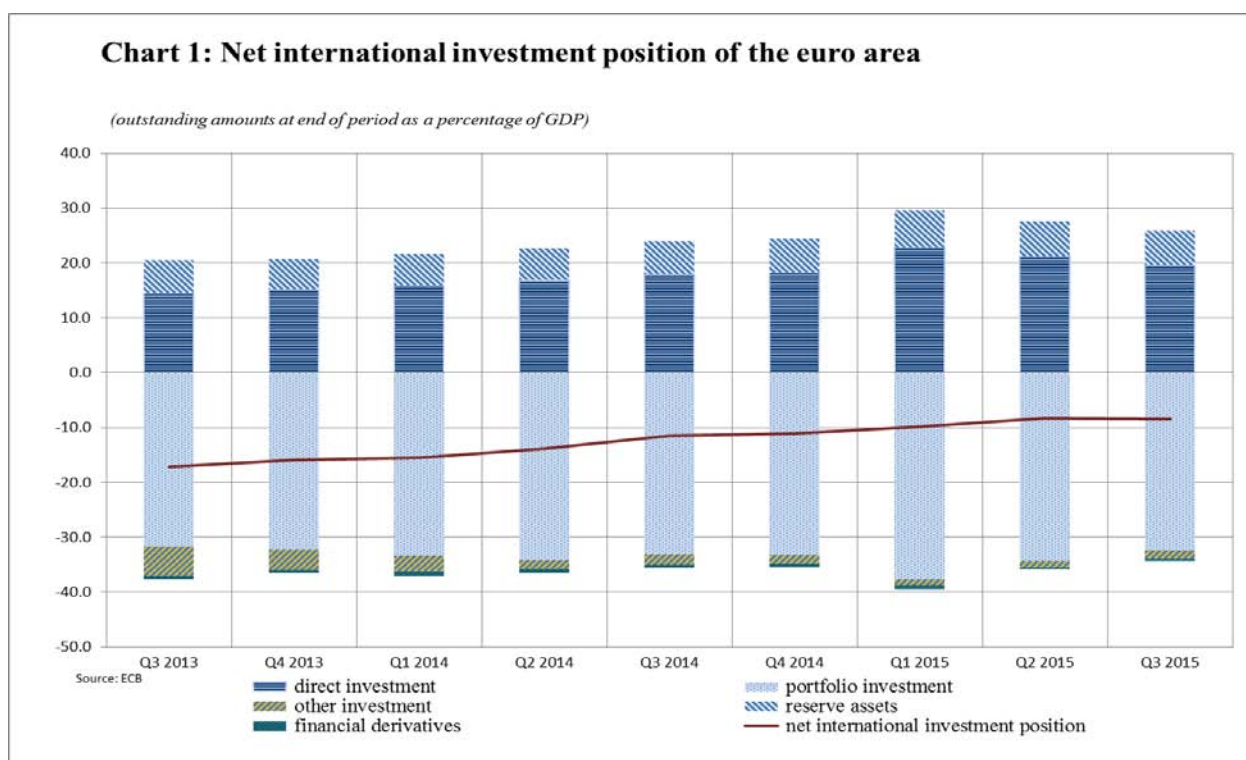
EUROSYSTEM

PRESS RELEASE

13 January 2016

Euro area quarterly balance of payments and international investment position (third quarter of 2015)

- The current account of the euro area showed a surplus of €307.2 billion (3.0% of euro area GDP) in the four quarters to the third quarter of 2015.
- At the end of the third quarter of 2015 the international investment position of the euro area recorded net liabilities of €0.9 trillion (approximately 8% of euro area GDP).



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Current account

The *current account* of the euro area showed a surplus of €90.7 billion in the third quarter of 2015, compared with €76.9 billion in the same quarter of 2014 (see Table 1). The increase in the *current account* surplus was due to an increase in the surplus for *goods* (from €61.8 billion to €82.1 billion) and a decrease in the deficit for *secondary income* (from €24.8 billion to €23.4 billion) that were partly offset by a decrease in the surpluses for *primary income* (from €17.2 billion to €12.3 billion) and for *services* (from €22.7 billion to €19.7 billion).^[1]

The decrease in the *primary income* surplus resulted primarily from a decrease in the surplus for *direct investment income*.

The decrease in the surplus for *services* resulted mainly from a deterioration in the balances for the “*other business services*” component (an increase in the deficit from €0.5 billion to €3.6 billion) and the “*other services*” component (an increase in the deficit from €3.8 billion to €7.9 billion). This was partly offset by an improvement in the balances for the *telecommunication, computer and information services* component (an increase in the surplus from €11.4 billion to €13.6 billion) and the *travel* component (an increase in the surplus from €9.3 billion to €11.1 billion).

In the four quarters to the third quarter of 2015 the current account of the euro area showed a surplus of €307.2 billion (3.0% of euro area GDP), compared with a surplus of €226.3 billion (2.2% of euro area GDP) a year earlier. The rise resulted from increases in the surpluses for *goods* (from €229.9 billion to €313.0 billion) and *primary income* (from €57.7 billion to €67.1 billion), and, to a lesser extent, from a decrease in the deficit for *secondary income* (from €137.1 billion to €134.5 billion). These developments were partly offset by a decrease in the surplus for *services* (from €75.8 billion to €61.6 billion).

International investment position

At the end of the third quarter of 2015 the international investment position of the euro area recorded net liabilities of €0.9 trillion vis-à-vis the rest of the world (approximately 8% of euro area GDP; see Chart 1). This represented an increase of €26 billion in net liabilities compared with the second quarter of 2015 (see Table 2).

This increase resulted mainly from lower net asset positions for *direct investment* (€2,024 billion, down from €2,168 billion) and *reserve assets* (€644 billion, down from €658 billion), and from higher net liability positions for *other investment* (€162 billion, up from €128 billion) and *financial derivatives* (€37 billion, up from €25 billion). These movements were only partly offset by a lower net liability position for *portfolio investment* (€3,344 billion, down from €3,522 billion).

The change in the net international investment position of the euro area is broadly explained by large revaluations – changes in exchange rates and asset prices – and other volume changes (see Chart 2).

The increases in *direct investment* assets and liabilities and *portfolio investment* liabilities were explained

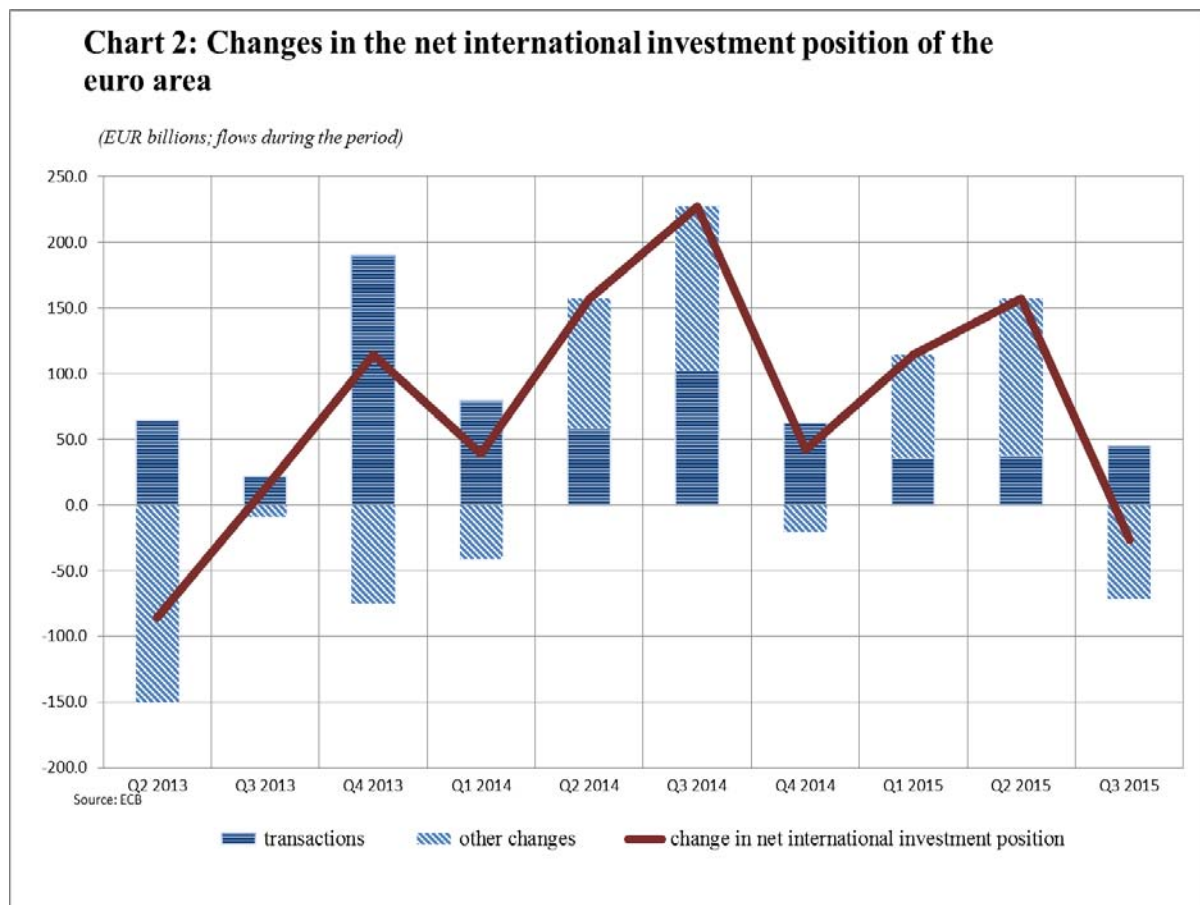
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mainly by other changes and transactions, while other changes (mainly exchange rate effects) were mainly responsible for the developments in *reserve assets*. The increases in *other investment* assets and liabilities were mainly attributable to transactions (see Chart 2).



At the end of the third quarter of 2015 the *gross external debt* of the euro area amounted to €12.7 trillion (approximately 123% of euro area GDP), which represents an increase of €16 billion compared with the previous quarter. The *net external debt* also increased by approximately €31 billion at the end of the third quarter of 2015.

Data revisions

- This press release incorporates revisions to the data for the reference periods from the first quarter of 2014 to the second quarter of 2015. These revisions reflect improvements in the national

contributions to the euro area aggregates following the introduction of the new statistical standards and have not significantly altered the figures previously published.

Additional information

- Time series data: [ECB's Statistical Data Warehouse \(SDW\)](#).
- Methodological information: [ECB's website](#).
- [Next press releases](#):
 - o Monthly balance of payments: **19 January 2016** (reference data up to November 2015).
 - o Quarterly balance of payments and international investment position: **7 April 2016** (reference data up to the fourth quarter of 2015)

Annexes

- Table 1: Current account of the euro area
- Table 2: International investment position of the euro area

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Notes:

- ^[1] In broad terms, the new BPM6 concept of "primary income" corresponds to the old BPM5 concept of "income", and the new concept of "secondary income" corresponds to the old concept of "current transfers".

Table 1: Current account of the euro area

(EUR billions, unless otherwise indicated; transactions during the period; non working day and non seasonally adjusted)

	Cumulated figures for the four-quarter period ending in						Q3 2014			Q3 2015		
	Q3 2014			Q3 2015			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
Current account	226.3	3,367.0	3,140.7	307.2	3,525.6	3,218.4	76.9	854.6	777.7	90.7	891.0	800.3
Percentage of GDP	2.2	33.5	31.2	3.0	34.2	31.2	-	-	-	-	-	-
Goods	229.9	1,944.2	1,714.3	313.0	2,061.4	1,748.4	61.8	493.1	431.3	82.1	517.7	435.6
of which: General merchandise	216.4	1,892.1	1,675.8	293.6	2,001.5	1,708.0	57.4	479.8	422.4	76.8	502.3	425.5
Services	75.8	686.1	610.3	61.6	742.0	680.4	22.7	187.3	164.5	19.7	201.2	181.5
Transport	5.9	127.9	122.1	7.0	135.4	128.4	2.7	34.1	31.4	2.1	35.0	32.9
Travel	20.7	118.2	97.5	22.1	121.7	99.6	9.3	41.8	32.5	11.1	43.7	32.6
Insurance, pension and financial services	16.9	78.8	61.9	14.7	85.6	70.9	3.7	19.9	16.1	4.4	22.7	18.3
Telecommunication, computer and information services	44.0	85.3	41.3	53.6	97.6	44.0	11.4	21.6	10.2	13.6	24.4	10.8
Other business services	1.5	177.7	176.2	-6.4	197.0	203.4	-0.5	44.3	44.8	-3.6	48.3	51.9
Other	-13.1	98.1	111.2	-29.4	104.7	134.2	-3.8	25.7	29.5	-7.9	27.0	34.9
Primary income	57.7	643.3	585.7	67.1	621.1	553.9	17.2	151.4	134.2	12.3	148.7	136.4
Compensation of employees	18.2	32.8	14.6	20.3	35.1	14.8	4.0	8.2	4.2	4.5	8.8	4.2
Investment income	15.1	570.4	555.3	23.0	544.0	521.0	14.3	140.2	125.9	8.9	136.6	127.7
Direct investment	89.0	360.9	271.9	100.3	321.1	220.8	24.0	85.1	61.1	21.0	79.7	58.7
of which: Reinvested earnings	-11.8	18.7	30.6	-38.1	18.3	56.4	5.7	17.5	11.8	-	9.4	21.8
Portfolio investment	-75.7	160.9	236.6	-79.7	179.3	259.0	-	42.6	53.4	-	47.5	59.6
Dividends	1.5	54.8	53.2	2.6	63.6	61.0	7.9	15.2	7.3	8.7	17.6	8.9
Income on investment fund shares	-70.6	5.1	75.8	-82.3	4.3	86.6	-	1.0	19.6	-	1.3	23.0
Interest	-6.6	101.0	107.6	0.0	111.4	111.3	-0.1	26.4	26.5	0.9	28.6	27.7
Other investment	-1.1	45.6	46.7	-0.9	40.2	41.1	0.4	11.7	11.3	-0.8	8.4	9.2
of which: interest	0.1	42.5	42.4	0.3	37.0	36.8	0.6	10.9	10.3	-0.5	7.7	8.2
Reserve assets		3.0			3.3			0.7			0.8	
Other primary income	24.3	40.1	15.8	23.9	42.0	18.1	-1.1	3.0	4.1	-1.1	3.4	4.5
Secondary income	-137.1	93.4	230.5	-134.5	101.2	235.7	-	22.9	47.7	-	23.4	46.8
							24.8			23.4		

Source: ECB.

Table 2: International investment position of the euro area

(EUR billions, unless otherwise indicated; amounts outstanding at the end of the period, flows during the period; non working day and non seasonally adjusted)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015			Q3 2015			
				Transactions	Other changes	Amounts outstanding	Transactions	Other changes	Amounts outstanding	Percentage of GDP
Net/Balance	-1,163	-1,121	-1,006	38	119	-849	45	-71	-875	-8
of which: Direct investment	1,815	1,845	2,320	-43	-110	2,168	-31	-113	2,024	20
of which: Portfolio investment	-3,336	-3,363	-3,834	127	185	-3,522	121	57	-3,344	-32
of which: Other investment	-184	-172	-113	-45	30	-128	-46	11	-162	-2
Assets	19,137	19,875	21,842	61	-453	21,450	59	-162	21,347	207
Direct investment	7,744	8,248	8,953	97	-178	8,872	106	199	9,177	89
Equity	5,241	5,648	6,105	56	-133	6,028	105	134	6,267	61
Debt instruments	2,503	2,600	2,848	41	-45	2,844	1	65	2,911	28
Portfolio investment	6,234	6,467	7,225	128	-248	7,106	14	-339	6,781	66
Equity	2,260	2,361	2,678	41	-89	2,630	-13	-270	2,347	23
Investment fund shares	407	422	472	-4	-3	465	-7	-6	452	4
Debt securities	3,568	3,684	4,075	91	-156	4,010	35	-63	3,981	39
Short-term	581	593	647	-5	-14	628	-35	-3	591	6
Long-term	2,987	3,091	3,429	95	-142	3,382	70	-60	3,391	33
Financial derivatives (net assets)	-55	-43	-69	1	43	-25	-2	-10	-37	-0
Other investment	4,616	4,590	5,043	-163	-43	4,836	-63	8	4,781	46
of which: Currency and deposits	2,536	2,552	2,795	-135	-35	2,626	-24	-6	2,596	25
Reserve assets	597	612	690	-2	-30	658	3	-17	644	6
Liabilities	20,301	20,995	22,848	23	-575	22,296	14	-88	22,222	215
Direct investment	5,930	6,403	6,633	140	-68	6,704	138	312	7,154	69
Equity	3,740	4,148	4,181	71	-33	4,219	133	217	4,569	44
Debt instruments	2,190	2,255	2,452	69	-35	2,485	5	95	2,585	25
Portfolio investment	9,571	9,830	11,059	2	-433	10,628	-107	-396	10,125	98
Equity	1,791	1,802	2,243	9	-135	2,116	-49	-213	1,855	18
Investment fund shares	2,912	2,992	3,412	17	-125	3,304	44	-222	3,126	30
Debt securities	4,869	5,036	5,405	-24	-173	5,208	-102	38	5,145	50
Short-term	461	409	444	-25	-2	416	-12	5	409	4
Long-term	4,407	4,626	4,962	1	-171	4,792	-90	33	4,735	46
Other investment	4,800	4,763	5,155	-118	-74	4,963	-17	-3	4,943	48
of which: Currency and deposits	2,902	2,866	3,159	-58	-44	3,058	-12	-13	3,032	29

Memo item: Gross external debt	11,854	12,048	13,008	-	-	12,653	-	-	12,669	123
Memo item: Net external debt	966	966	799	-	-	734	-	-	765	7

Source: ECB.