



EUROPEAN CENTRAL BANK

EUROSYSTEM

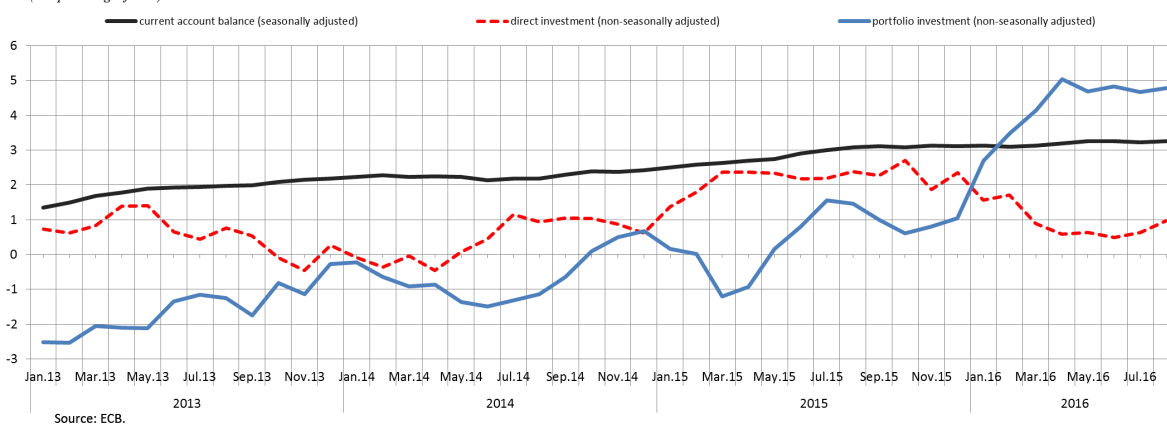
PRESS RELEASE

20 October 2016

Euro area monthly balance of payments (August 2016)

- In August 2016 the current account of the euro area recorded a surplus of €29.7 billion.¹
- In the financial account, combined *direct* and *portfolio investment* recorded net acquisitions of assets of €95 billion and net incurrences of liabilities of €15 billion.

Chart 1: Balance of payments of the euro area: 12-month cumulated transactions
(as a percentage of GDP)



Current account

The *current account* of the euro area recorded a surplus of €29.7 billion in August 2016 (see Table 1). This reflected surpluses for *goods* (€30.9 billion), *services* (€4.8 billion) and *primary income* (€6.6 billion), which were partly offset by a deficit in *secondary income* (€12.6 billion).

¹ References to the current account are always to data that are seasonally and working day-adjusted, unless otherwise indicated, whereas references to the capital and financial accounts are to data that are neither seasonally nor working day-adjusted.

The 12-month cumulated current account for the period ending in August 2016 recorded a surplus of €350.0 billion (3.3% of euro area GDP), compared with one of €317.0 billion (3.1% of euro area GDP) for the 12 months to August 2015 (see Table 1 and Chart 1). This development was mostly due to an increase in the surplus for *goods* (from €327.7 billion to €372.7 billion), as well as a decrease in the deficit for *secondary income* (from €134.4 billion to €123.6 billion). These were partly offset by decreases in the surpluses for *services* (from €65.4 billion to €56.5 billion) and *primary income* (from €58.3 billion to €44.4 billion).

Financial account

In August 2016 *combined direct and portfolio investment* recorded net acquisitions of assets of €95 billion and net incurrences of liabilities of €15 billion (see Table 2).

Euro area residents recorded net acquisitions of €56 billion of *direct investment* assets as a result of net acquisitions of *equity* (€36 billion) and *debt instruments* (€20 billion). *Direct investment* liabilities increased by €10 billion as a result of net acquisitions of *debt instruments* (€15 billion) by non-euro area residents, which were partly offset by net disposals of *equity* (€5 billion).

As regards *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €39 billion. This resulted from net purchases of *short and long-term debt securities* (€5 billion and €28 billion respectively) and *equity* (€6 billion). *Portfolio investment* liabilities recorded net incurrences of €5 billion as a result of the net acquisition of euro area *debt securities* (€6 billion) by non-euro area residents, which was partly offset by net disposals of *equity* (€1 billion).

The euro area net *financial derivatives* account (assets minus liabilities) recorded negative net flows of €3 billion.

Other investment recorded increases of €20 billion in assets and €73 billion in liabilities. The net acquisition of assets by euro area residents was mainly attributable to the *MFI sector (excluding the Eurosystem)* (€11 billion). The net incurrence of liabilities was mainly explained by the *MFI sector (excluding the Eurosystem)* (€31 billion), the *Eurosystem* (€21 billion) and *other sectors* (€22 billion).

In the 12 months to August 2016 *combined direct and portfolio investment* recorded increases of €913 billion in assets and €303 billion in liabilities, compared with increases of €1,066 billion and €667 billion respectively in the 12 months to August 2015. This primarily reflected a shift in portfolio investment liabilities from net acquisitions of euro area securities by non-euro area residents (€290 billion) to net sales/amortisations (€41 billion).

Direct investment recorded a decrease in the net acquisition of assets (from €624 billion to €448 billion) and in the net incurrence of liabilities (from €377 billion to €344 billion). This development is mainly explained by a shift in the euro area investment in foreign *debt instruments*, from net acquisitions (€200 billion) to net disposals (€2 billion).

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €165 billion in the 12 months to August 2016, compared with a decrease of €45 billion in the 12 months to August 2015. This reflected an increase in the surplus in the *current and capital account* balance (from €296 billion to €351 billion), which was offset by net transactions in other items. In particular, the cumulated transactions in portfolio investment liabilities issued by non-MFI euro area residents showed a shift from net purchases of *debt securities* (€129 billion) to net sales/amortisations (€140 billion) and a decrease in the investment in non-MFI euro area *equity securities* (from €173 billion to €118 billion) by non-euro area residents.

In August 2016 the *Eurosystem's* stock of *reserve assets* decreased by €6.3 billion to €718.3 billion (see Table 3). This was mostly explained by negative price revaluations, particularly of *monetary gold* (€7.2 billion).

Data revisions

This press release incorporates revisions for July 2016. These revisions have not significantly altered the figures previously published.

Additional information

- Time series data: [ECB's Statistical Data Warehouse \(SDW\)](#)
- Methodological information: [ECB's website](#)
- [Monetary presentation of the balance of payments](#)
- [Next press releases:](#)
 - Quarterly balance of payments and international investment position: **13 January 2017** (reference data up to the third quarter of 2016);
 - Monthly balance of payments: **18 November 2016** (reference data up to September 2016);

Annexes

- Table 1: Current account of the euro area
- Table 2: Balance of payments of the euro area
- Table 3: Reserve Assets 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		2015					2016							
	Aug. 2015	Aug. 2016	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.
CURRENT ACCOUNT	317.0	350.0	24.3	29.5	28.0	28.0	24.9	27.9	27.0	32.5	34.8	33.1	26.9	27.7	29.7
<i>Memo: as a percentage of GDP</i>	3.1	3.3													
Credit	3,568.5	3,550.1	297.0	299.6	305.0	301.8	296.3	292.8	292.2	292.5	294.7	295.0	292.4	293.0	294.8
Debit	3,251.5	3,200.2	272.6	270.1	277.0	273.9	271.4	264.9	265.2	260.0	259.9	261.9	265.5	265.3	265.0
Goods	327.7	372.7	26.2	30.5	30.4	30.0	30.6	30.0	27.9	33.2	34.1	32.2	34.1	28.8	30.9
Credit (exports)	2,078.7	2,081.6	171.4	175.0	176.0	175.4	173.9	172.0	170.5	173.5	173.6	171.9	174.2	172.4	173.4
Debit (imports)	1,751.0	1,708.9	145.2	144.5	145.6	145.3	143.3	142.0	142.5	140.3	139.5	139.7	140.1	143.6	142.5
Services	65.4	56.5	5.3	4.4	3.2	5.2	4.8	4.7	6.4	6.7	3.9	3.9	3.4	5.1	4.8
Credit (exports)	750.5	769.8	64.2	63.3	64.9	65.3	65.2	64.4	65.4	64.2	63.4	64.0	62.7	63.5	63.4
Debit (imports)	685.1	713.3	58.8	58.8	61.7	60.1	60.4	59.7	59.0	57.5	59.6	60.1	59.3	58.4	58.6
Primary income	58.3	44.4	3.4	5.4	5.1	3.2	-0.5	3.3	3.8	3.2	5.6	4.9	-1.5	5.4	6.6
Credit	638.8	597.6	52.6	53.0	55.2	52.2	48.6	48.3	48.4	46.5	49.4	50.6	47.4	48.6	49.4
Debit	580.6	553.2	49.2	47.7	50.1	49.0	49.1	45.0	44.6	43.4	43.8	45.7	48.9	43.1	42.8
Secondary income	-134.4	-123.6	-10.6	-10.8	-10.7	-10.4	-10.0	-10.1	-11.1	-10.6	-8.7	-7.9	-9.0	-11.6	-12.6
Credit	100.5	101.0	8.8	8.4	8.9	8.9	8.6	8.1	8.0	8.3	8.3	8.5	8.1	8.5	8.5
Debit	234.9	224.7	19.4	19.1	19.6	19.3	18.6	18.2	19.1	18.9	17.0	16.4	17.2	20.2	21.1

Source: ECB.

Table 2: Monthly balance of payments of the euro area

(EUR billions unless otherwise indicated; transactions; non-working day and non-seasonally adjusted data)

	Cumulated figures for the 12-month period ending						July 2016			August 2016		
	August 2015			August 2016			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	315.4	3,569.9	3,254.5	345.4	3,560.3	3,214.9	33.8	294.7	260.9	23.6	279.5	255.9
Goods	328.4	2,079.6	1,751.2	373.5	2,092.8	1,719.4	32.9	173.3	140.5	24.0	162.2	138.2
Services	65.6	750.9	685.3	56.0	770.9	714.9	7.6	68.0	60.4	4.7	65.5	60.8
Primary income	57.1	638.7	581.6	43.1	596.4	553.3	4.1	45.6	41.5	6.8	44.5	37.7
Secondary income	-135.7	100.7	236.4	-127.2	100.2	227.3	-10.8	7.8	18.5	-11.9	7.3	19.2
CAPITAL ACCOUNT	-16.6	42.3	58.9	10.3	42.6	32.3	0.5	2.3	1.8	0.5	2.0	1.5
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT 1)	266.1	1,067.3	801.2	336.0	962.1	626.1	6.9	127.1	120.2	26.1	114.2	88.0
Direct investment	247.0	624.0	377.0	103.7	447.5	343.9	21.8	19.4	-2.4	45.8	55.9	10.1
Equity	145.7	424.0	278.2	194.8	449.5	254.8	6.8	9.4	2.6	41.1	36.2	-4.9
Debt instruments	101.3	200.1	98.8	-91.1	-2.0	89.1	15.1	10.1	-5.0	4.7	19.7	15.0
Portfolio investment	151.8	442.0	290.3	506.1	465.5	-40.6	59.1	42.0	-17.1	34.0	38.8	4.8
Equity	-165.0	60.2	225.2	-174.3	-2.3	172.0	-13.9	11.3	25.2	7.1	6.3	-0.8
Debt securities	316.8	381.8	65.0	680.4	467.8	-212.6	73.0	30.7	-42.3	26.9	32.5	5.6
Short-term	84.1	26.2	-57.8	19.0	17.4	-1.7	9.0	-19.2	-28.3	2.4	4.9	2.6
Long-term	232.8	355.6	122.8	661.3	450.4	-210.9	64.0	49.9	-14.1	24.6	27.5	3.0
<i>Memo: Direct and portfolio investment</i>	398.8	1,066.0	667.3	609.8	913.0	303.2	80.9	61.4	-19.5	79.8	94.7	14.9
Financial derivatives	55.1			33.7			6.0			-2.6		
Other investment	-186.4	-52.4	134.0	-324.4	-1.5	322.8	-79.1	60.5	139.7	-52.9	20.3	73.2
Eurosystem	2.9	0.8	-2.2	-58.7	-1.5	57.2	-3.1	-5.9	-2.8	-16.8	3.7	20.5
MFIs (excluding the Eurosystem)	-172.1	-67.3	104.7	-231.6	-47.5	184.1	-77.3	73.9	151.2	-20.4	10.9	31.3
General government	32.7	-8.1	-40.8	13.1	10.7	-2.3	-2.0	-2.0	-0.0	3.7	3.0	-0.7
Other sectors	-49.9	22.2	72.2	-47.2	36.7	83.9	3.2	-5.5	-8.7	-19.4	2.7	22.0
Of which: currency and deposits	-312.7	-172.3	140.4	-376.9	-123.9	252.9	-148.5	12.7	161.2	-55.4	-2.6	52.8
Reserve assets		-1.4			16.9			-0.9			1.8	
Errors and omissions	-32.7			-19.6			-27.4			2.1		

Source: ECB.

1) Financial account: increases in assets and liabilities (+) and decreases in assets and liabilities (-).

Table 3: Reserve assets of the euro area

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

	Apr.16	May.16	Jun.16	Jul.16	Aug.16									
					Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
Reserve assets	686.6	682.7	721.8		-0.9	-0.9	4.5	-0.0	724.6	1.8	-0.5	-7.0	-0.5	718.3
Monetary gold	387.9	377.0	411.8		0.0	-	4.6	0.0	416.4	-0.0	-	-7.2	-0.0	409.2
Gold bullion	381.3	370.6	404.8		0.0	-	4.6	0.0	409.4	-0.0	-	-7.1	-0.0	402.3
Unallocated gold accounts	6.6	6.4	7.0		0.0	-	0.1	0.0	7.0	0.0	-	-0.1	0.0	6.9
Special drawing rights	51.3	51.5	51.5		-0.2	-0.2	-	0.0	51.1	0.1	-0.1	-	0.0	51.1
Reserve position in the IMF	22.7	22.9	22.8		-0.0	-0.1	-	-0.0	22.6	-0.2	-0.0	-	0.0	22.4
Other reserve assets	224.7	231.3	235.8		-0.7	-0.6	-0.1	-0.0	234.5	1.9	-0.4	0.2	-0.6	235.6
Currency and deposits	25.7	27.3	30.0		-0.1	-0.1	-	-0.1	29.7	-0.7	-0.0	-	-0.0	29.0
Claims on monetary authorities	17.5	19.0	20.4		1.4	-	-	-	21.6	-1.0	-	-	-	20.4
Claim on other entities	8.3	8.2	9.6		-1.6	-	-	-	8.1	0.4	-	-	-	8.6
Securities	193.7	199.5	200.8		-0.0	-0.5	-0.2	0.0	200.0	1.9	-0.3	-0.4	-0.0	201.2
Debt securities	193.0	198.8	200.0		-0.0	-0.5	-0.2	0.0	199.3	1.9	-0.3	-0.4	-0.0	200.5
Short-term	23.8	27.6	25.8		-0.3	-0.1	-0.0	0.0	25.3	-0.8	-0.1	-0.0	-0.0	24.4
Long-term	169.2	171.2	174.2		0.3	-0.3	-0.2	0.0	174.0	2.8	-0.2	-0.4	-0.0	176.1
Equity and investment fund shares	0.7	0.7	0.7		0.0	0.0	0.0	-0.0	0.7	0.0	-0.0	0.0	0.0	0.7
Financial derivatives (net)	-0.0	-0.0	-0.3		-0.0	-	0.1	-0.0	-0.2	-0.0	-	0.6	-0.5	-0.1
Other claims	5.3	4.6	5.4		-0.6	0.0	0.0	0.1	4.9	0.7	-0.1	0.0	-0.0	5.5

Source: ECB.