



EUROPEAN CENTRAL BANK

EUROSYSTEM

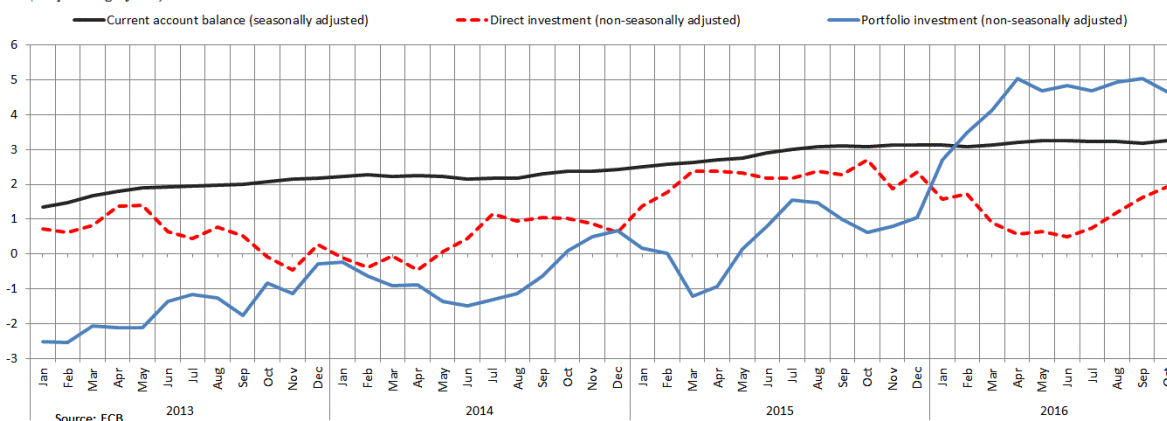
PRESS RELEASE

20 December 2016

Euro area monthly balance of payments (October 2016)

- In October 2016 the current account of the euro area recorded a surplus of €28.4 billion.¹
- In the financial account, combined *direct* and *portfolio investment* recorded net acquisitions of assets of €83 billion and net incurrences of liabilities of €17 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 €28.4 billion in October 2016 (see Table 1). This reflected surpluses for *goods* (€26.0 billion), *services* (€9.3 billion) and *primary income* (€6.1 billion), which were partly offset by a deficit for *secondary income* (€13.0 billion).

The 12-month cumulated current account for the period ending in October 2016 recorded a surplus of €344.3 billion (3.2% of euro area GDP), compared with one of €320.2 billion (3.1% of euro area GDP) for the 12 months to October 2015 (see Table 1 and Chart 1). This was due to increases in the surpluses for

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.

goods (from €340.2 billion to €364.8 billion) and *services* (from €60.0 billion to €62.4 billion), as well as a decrease in the deficit for *secondary income* (from €132.5 billion to €129.9 billion). These were partly offset by a decrease in the surplus for *primary income* (from €52.6 billion to €47.1 billion).

Financial account

In October 2016 *combined direct and portfolio investment* recorded net acquisitions of assets of €83 billion and net incurrences of liabilities of €17 billion (see Table 2).

Euro area residents recorded net acquisitions of €95 billion of *direct investment* assets as a result of net acquisitions of both *debt instruments* (€54 billion) and *equity* (€41 billion). *Direct investment* liabilities increased by €27 billion as a result of net acquisitions of euro area *equity* by non-euro area residents.

As regards *portfolio investment* assets, euro area residents made net disposals of foreign securities amounting to €13 billion. This resulted from net sales/amortisations of *short-term debt securities* (€34 billion), which were only partly offset by net acquisitions of foreign *equity* and *long-term debt securities* (€13 billion and €8 billion respectively). *Portfolio investment* liabilities recorded a net decrease of €9 billion as a result of net sales/amortisation of euro area *short-term debt securities* (€20 billion) by non-euro area residents, which were partly offset by net acquisitions of euro area *long-term debt securities* (€11 billion) by non-euro area residents.

The euro area net *financial derivatives* account (assets minus liabilities) recorded positive net flows of €9 billion.

Other investment recorded increases of €155 billion in assets and €237 billion in liabilities. The net acquisition of foreign assets by euro area residents is mainly attributable to the *MFI sector (excluding the Eurosystem)* (€159 billion). The net incurrence of liabilities can also be explained by the *MFI sector (excluding the Eurosystem)* (€218 billion) and, to a limited extent, by *other sectors* (€16 billion).

In the 12 months to October 2016 *combined direct and portfolio investment* recorded increases of €779 billion in assets and €80 billion in liabilities, compared with increases of €1,195 billion and €851 billion respectively in the 12 months to October 2015. The most significant development was a shift in portfolio investment liabilities from net acquisitions of euro area securities by non-euro area residents (€383 billion) to net sales/amortisations (€70 billion).

Direct investment recorded decreases in the net acquisition of assets (from €748 billion to €354 billion) and in the net incurrence of liabilities (from €467 billion to €150 billion) in the 12 months to October 2016. The former resulted from a decrease in the net acquisition of foreign *debt instruments* (from €226 billion to €13 billion) and *equity* (from €522 billion to €342 billion) by euro area residents.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €244 billion in the 12 months to October 2016, compared with a decrease of €3 billion in the 12 months to October 2015. This reflected an increase in the surplus in the *current and capital*

account balance (from €302 billion to €346 billion), which was offset by net financial transactions by non-MFIs. 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* by non-euro area investors (€220 billion) to net sales/amortisations (€187 billion).

In October 2016 the *Eurosystem's* stock of *reserve assets* decreased by €9.7 billion to €717.3 billion (see Table 3). This can largely be explained by negative price revaluations, particularly of monetary gold (€8.1 billion).

Data revisions

This press release incorporates revisions for the period from July to September 2016. These revisions resulted in an increase of the direct investment account by €39 billion for September 2016 and of the portfolio investment account by €18 billion for August 2016.

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: **19 January 2017** (reference data up to November 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									
	Oct. 2015	Oct. 2016	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.	Oct.
CURRENT ACCOUNT	320.2	344.3	24.0	26.7	25.4	30.3	25.8	29.6	33.3	31.7	29.0	27.4	29.0	27.7	28.4
<i>Memo: as a percentage of GDP</i>	3.1	3.2													
Credit	3,590.9	3,539.7	301.7	301.6	296.1	293.9	293.1	292.1	293.6	294.7	293.8	293.5	296.8	294.0	296.5
Debit	3,270.6	3,195.4	277.8	275.0	270.8	263.5	267.3	262.4	260.3	262.9	264.8	266.1	267.8	266.3	268.0
Goods	340.2	364.8	30.7	30.4	30.2	29.6	27.4	32.4	32.5	32.1	33.3	28.1	30.9	31.8	26.0
Credit (exports)	2,091.6	2,077.4	175.8	175.6	173.6	171.8	170.3	173.4	172.3	172.1	173.7	172.1	175.2	172.6	174.6
Debit (imports)	1,751.4	1,712.6	145.1	145.1	143.4	142.2	142.9	141.0	139.9	140.0	140.4	144.0	144.3	140.8	148.5
Services	60.0	62.4	3.6	4.9	4.4	4.8	6.1	6.2	4.4	4.2	3.8	5.1	4.6	4.8	9.3
Credit (exports)	758.5	772.1	64.7	65.3	64.9	64.4	65.7	64.2	63.3	63.9	63.0	63.5	63.5	64.1	66.4
Debit (imports)	698.6	709.7	61.1	60.4	60.5	59.6	59.6	58.0	58.9	59.6	59.2	58.4	58.9	59.3	57.1
Primary income	52.6	47.1	1.2	2.9	0.2	4.6	2.6	1.7	5.8	5.0	1.2	5.7	6.1	5.1	6.1
Credit	637.0	589.4	52.5	52.1	49.1	49.3	48.8	46.0	49.6	50.3	48.7	49.2	49.6	48.4	48.2
Debit	584.4	542.3	51.2	49.2	48.9	44.7	46.2	44.4	43.8	45.3	47.5	43.5	43.4	43.3	42.1
Secondary income	-132.5	-129.9	-11.5	-11.6	-9.4	-8.6	-10.3	-10.6	-9.3	-9.6	-9.3	-11.6	-12.7	-14.0	-13.0
Credit	103.8	100.8	8.9	8.7	8.5	8.4	8.3	8.4	8.4	8.4	8.4	8.6	8.5	8.8	7.3
Debit	236.3	230.7	20.4	20.3	18.0	17.0	18.6	19.0	17.7	18.0	17.7	20.2	21.2	22.8	20.3

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						September 2016			October 2016		
	October 2015			October 2016			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	317.4	3,587.7	3,270.3	343.0	3,543.1	3,200.1	32.2	303.3	271.0	32.8	295.5	262.7
Goods	340.5	2,089.0	1,748.4	366.7	2,082.4	1,715.6	31.0	178.4	147.4	27.0	177.0	150.0
Services	60.1	758.2	698.1	62.0	772.4	710.3	7.4	67.5	60.1	8.2	65.5	57.4
Primary income	53.4	638.0	584.6	46.1	589.1	543.0	4.5	48.8	44.3	8.8	45.9	37.1
Secondary income	136.6	102.6	239.2	131.9	99.2	231.1	10.7	8.6	19.3	-11.2	7.1	18.3
CAPITAL ACCOUNT	-13.7	45.3	58.9	6.9	39.2	32.3	0.4	2.2	1.7	1.3	3.3	2.0
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT ¹⁾	310.3	1,217.9	907.5	284.1	928.7	644.6	79.3	-43.2	-122.5	-11.7	242.8	254.5
Direct investment	280.9	748.4	467.4	204.0	354.4	150.4	46.5	-5.5	-51.9	68.6	95.3	26.7
Equity	222.6	522.6	299.9	172.8	341.5	168.7	33.2	-2.8	-36.0	14.6	41.2	26.5
Debt instruments	58.3	225.8	167.5	31.2	12.8	-18.3	13.2	-2.7	-15.9	54.0	54.2	0.1
Portfolio investment	63.8	446.9	383.1	495.1	424.7	-70.4	33.5	44.7	11.2	-3.5	-12.8	-9.3
Equity	141.0	62.5	203.5	183.5	7.1	190.6	21.3	3.4	24.6	13.0	13.2	0.2
Debt securities	204.8	384.4	179.6	678.6	417.7	-261.0	54.7	41.3	-13.4	-16.5	-26.0	-9.5
Short-term	17.1	-10.6	-27.8	1.0	13.0	11.9	30.5	4.4	34.9	-13.8	-33.8	-20.0
Long-term	187.6	395.0	207.4	677.6	404.7	-272.9	85.2	36.9	-48.3	-2.7	7.9	10.5

Memo: Direct and portfolio investment	344.7	1,195.2	850.5	699.1	779.1	80.0	79.9	39.2	-40.7	65.1	82.5	17.4
Financial derivatives	47.0			36.7			-2.4			9.0		
Other investment	-83.2	-26.2	57.0	-	95.3	564.6	-5.1	-86.8	-81.8	-81.9	155.3	237.2
Eurosystem	-18.3	-0.1	18.2	-68.1	-0.4	67.7	-	7.6	31.4	-6.0	-7.6	-1.6
MFIs (excluding the Eurosystem)	-86.3	-99.5	-13.2	-	83.7	402.4	1.2	-102.8	-104.0	-58.5	159.2	217.6
General government	34.3	-2.8	-37.1	1.9	6.3	4.4	-0.9	1.4	2.4	-8.8	-3.7	5.1
Other sectors	-12.9	76.1	89.0	-84.3	5.9	90.2	18.4	7.0	-11.4	-8.6	7.5	16.1
Of which: currency and deposits	-	-93.2	11.2	-	-91.7	493.3	-5.6	-95.1	-89.5	-	103.9	220.5
Reserve assets		1.8			17.6			6.8			-3.9	
Errors and omissions	6.5			-65.8			46.6			-45.8		

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)

	Jun.16	Jul.16	Aug.16	Sep.16	Oct.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	721.8	724.6	718.3		6.8	0.2	1.9	-0.2	727.0	-3.9	3.0	-8.8	-0.1	717.3
Monetary gold	411.8	416.4	409.2		0.0	-	2.0	-0.0	411.3	-0.0	-	-8.1	0.0	403.1
Gold bullion	404.8	409.4	402.3		0.0	-	2.0	-0.0	404.3	-0.0	-	-8.0	-0.0	396.3
Unallocated gold accounts	7.0	7.0	6.9		0.0	-	0.0	0.0	7.0	0.0	-	-0.1	0.0	6.8
Special drawing rights	51.5	51.1	51.1		0.2	-0.1	-	0.0	51.2	-0.0	0.2	-	0.0	51.4
Reserve position in the IMF	22.8	22.6	22.4		0.8	-0.0	-	0.0	23.2	0.6	0.1	-	-0.0	23.9
Other reserve assets	235.8	234.5	235.6		5.8	0.3	-0.1	-0.2	241.3	-4.4	2.8	-0.7	-0.1	238.9
Currency and deposits	30.0	29.7	29.0		4.5	-0.0	-	-0.2	33.2	-3.7	0.2	-	0.0	29.7
Claims on monetary authorities	20.4	21.6	20.4		3.8	-	-	-	24.0	-2.8	-	-	-	21.1
Claim on other entities	9.6	8.1	8.6		0.7	-	-	-	9.3	-0.9	-	-	-	8.6
Securities	200.8	200.0	201.2		1.2	0.1	-0.2	0.1	202.4	0.2	2.8	-0.6	-0.1	204.7
Debt securities	200.0	199.3	200.5		1.2	0.1	-0.2	0.1	201.7	0.2	2.8	-0.6	-0.1	204.0
Short-term	25.8	25.3	24.4		3.4	0.1	-0.0	0.0	27.9	0.9	0.1	-0.0	0.2	29.1
Long-term	174.2	174.0	176.1		-2.2	0.0	-0.2	0.0	173.8	-0.7	2.7	-0.6	-0.2	174.9
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)	-0.3	-0.2	-0.1		0.0	-	0.0	-0.0	-0.1	-0.0	-	-0.0	0.0	-0.1
Other claims	5.4	4.9	5.5		0.1	0.2	0.0	-0.0	5.7	-1.0	-0.2	0.0	-0.0	4.6

Source: ECB.