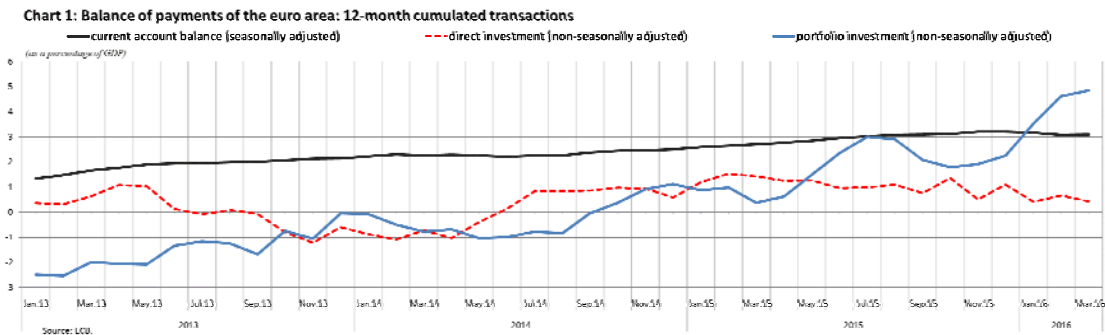


PRESS RELEASE

20 May 2016

Euro area monthly balance of payments (March 2016)

- In March 2016 the current account of the euro area recorded a surplus of €27.3 billion.¹
- In the financial account, combined *direct* and *portfolio investment* recorded increases of €74 billion in assets and €52 billion in liabilities.



Current account

The *current account* of the euro area recorded a surplus of €27.3 billion in March 2016 (see Table 1). This reflected surpluses for *goods* (€31.0 billion), *services* (€6.9 billion) and *primary income* (€2.3 billion), which were partly offset by a deficit in *secondary income* (€12.9 billion).

The 12-month cumulated current account for the period ending in March 2016 recorded a surplus of €322.0 billion (3.1% of euro area GDP), compared with one of €274.5 billion (2.7% of euro area GDP) 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.

the 12 months to March 2015 (see Table 1 and Chart 1). This positive development was mostly due to an increase in the surplus for *goods* (from €266.8 billion to €328.0 billion) and, to a lesser extent, a decrease in the deficit for *secondary income* (from €139.5 billion to €131.9 billion). These were partly offset by decreases in the surpluses for both *services* (from €71.5 billion to €67.3 billion) and *primary income* (from €75.7 billion to €58.6 billion).

Financial account

In March 2016 *combined direct and portfolio investment* recorded increases of €74 billion in assets and €52 billion in liabilities (see Table 2).

Euro area residents recorded an increase of €26 billion in *direct investment* assets, driven by the increase in *equity* (€30 billion), which was partly offset by a decrease in *debt instruments* (€4 billion). *Direct investment* liabilities also increased, by €12 billion, as a result of increases in the investment in *equity* (€9 billion) and in *debt instruments* (€3 billion).

With reference to *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €48 billion. This was mainly a result of net acquisitions of *long-term debt securities* (€35 billion) and *equity* (€11 billion), as well as net acquisitions of *short-term debt securities*, albeit to a very minor extent (€2 billion). Furthermore, *portfolio investment liabilities* increased by €40 billion as a result of the net acquisition of *short and long-term debt securities* by non-euro area residents (€13 billion and €19 billion respectively), as well as of *equity* issued by euro area residents (€8 billion).

The euro area net *financial derivatives* account (assets minus liabilities) recorded negative net flows of €8 billion.

Other investment recorded decreases of €55 billion in assets and €91 billion in liabilities. The decrease in assets was mostly attributable to the *MFI sector (excluding the Eurosystem)* (€89 billion) and was partly offset by an increase in *other sectors* (€33 billion). In a similar vein, the decrease in liabilities can mainly be explained by a decrease in the *MFI sector (excluding the Eurosystem)* (€113 billion), which was partly offset by increases in *other sectors* and the *Eurosystem* (€15 billion and €8 billion respectively).

In the 12 months to March 2016 *combined direct and portfolio investment* recorded increases of €835 billion in assets and €285 billion in liabilities, compared with increases of €896 billion and €713 billion respectively in the 12 months to March 2015. This reflected a lower acquisition of foreign assets by euro area residents in portfolio investment (€382 billion, down from €494 billion) and a shift from net acquisitions of euro area securities by non-residents (€455 billion) to net sales/amortisations (€122 billion) in portfolio investment liabilities.

Direct investment in the euro area followed a different pattern, with increases in both assets (from €402 billion to €452 billion) and liabilities (from €257 billion to €407 billion). The investment activity saw larger

investment in *equity*, both from euro area residents (€402 billion, up from €180 billion) and non-euro area residents (€306 billion, up from €146 billion), whereas direct investment in debt instruments recorded lower increases in investment by euro area residents (€50 billion, down from €223 billion) and a slight decline in activity from non-euro area residents (€102 billion, down from €111 billion).

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €37 billion in the 12 months to March 2016, compared with an increase of €100 billion in the 12 months to March 2015. This reflected a slight increase in the surplus in the *current and capital account* balance (from €279 billion to €310 billion), which was offset by, among other things, a shift from net acquisitions by non-residents of *debt securities* issued by euro area non-MFI residents (€128 billion) to net sales/amortisations (€89 billion).

In March 2016 the *Eurosystem's* stock of *reserve assets* decreased by €26 billion to €673 billion (see Table 3). This can be explained by the negative revaluation of monetary gold (€15 billion) and negative exchange rate developments (€11 billion), which were partly offset by net acquisitions of *reserve assets* (€1 billion).

Data revisions

This press release incorporates revisions for January and February 2016. A transaction of €40 billion between a euro area multinational company and one affiliated non-resident company explains the revisions for both net direct investment and portfolio investment in January 2016. The figures offset each other and do not affect the net financial account in the same month.

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:](#)
 - Monthly balance of payments: **17 June 2016** (reference data up to April 2016);
 - Quarterly balance of payments and international investment position: **8 July 2016** (reference data up to the first quarter of 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			
	Mar. 2015	Mar. 2016	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
CURRENT ACCOUNT	274.5	322.0	25.7	27.7	26.8	28.3	27.4	24.1	30.7	27.9	29.5	26.9	26.2	19.2	27.3
<i>Memo: as a percentage of GDP</i>	2.7	3.1													
Credit	3,457.5	3,565.0	302.7	302.1	302.7	300.5	299.2	294.5	298.9	300.8	299.1	295.0	292.5	290.2	289.6
Debit	3,182.9	3,243.0	277.0	274.4	275.9	272.2	271.8	270.4	268.1	272.9	269.5	268.2	266.3	271.0	262.2
Goods	266.8	328.0	20.9	26.8	25.9	27.7	28.2	23.5	27.8	28.0	27.8	28.1	28.8	24.2	31.0
Credit (exports)	2,001.6	2,065.9	172.9	175.4	174.9	175.5	174.2	168.4	171.6	172.8	172.0	170.9	171.5	168.0	170.7
Debit (imports)	1,734.8	1,737.9	151.9	148.6	149.0	147.8	145.9	144.9	143.8	144.8	144.2	142.9	142.7	143.7	139.7
Services	71.5	67.3	5.0	5.7	7.0	5.9	5.0	5.8	5.2	4.2	5.7	5.0	4.0	6.9	6.9
Credit (exports)	722.8	767.6	63.3	63.0	64.1	63.4	63.2	63.8	63.5	64.8	65.4	65.1	64.4	64.4	62.4
Debit (imports)	651.3	700.3	58.3	57.2	57.1	57.5	58.2	58.0	58.4	60.6	59.7	60.1	60.4	57.5	55.5
Primary income	75.7	58.6	11.0	6.4	4.5	4.8	5.1	5.1	8.4	6.4	6.6	3.9	3.3	1.9	2.3
Credit	637.5	627.9	58.2	55.4	54.1	53.1	53.6	53.5	55.5	54.3	52.9	50.5	48.0	49.4	47.6
Debit	561.7	569.3	47.3	49.0	49.6	48.3	48.5	48.4	47.1	48.0	46.3	46.6	44.7	47.5	45.3
Secondary income	-139.5	-131.9	-11.3	-11.3	-10.7	-10.1	-11.0	-10.3	-10.6	-10.7	-10.5	-10.1	-9.8	-13.9	-12.9
Credit	95.6	103.6	8.3	8.3	9.5	8.5	8.2	8.9	8.2	8.8	8.8	8.5	8.6	8.4	8.8
Debit	235.0	235.5	19.5	19.6	20.2	18.6	19.2	19.1	18.9	19.5	19.3	18.6	18.4	22.3	21.8

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						February 2016			March 2016		
	March 2015			March 2016			Debit	Net	Credit	Debit	Net	Credit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	271.7	3,451.5	3,179.8	323.4	3,568.7	3,245.3	11.2	276.2	265.0	32.3	301.7	269.5
Goods	266.1	1,996.5	1,730.3	330.4	2,069.9	1,739.5	25.2	165.3	140.2	36.1	180.5	144.4
Services	71.1	721.7	650.6	67.0	768.0	701.0	3.2	56.0	52.8	4.5	60.7	56.2
Primary income	76.5	638.0	561.5	56.9	627.0	570.1	6.8	46.6	39.8	6.5	52.2	45.8
Secondary income	-142.0	95.4	237.4	-130.9	103.7	234.6	-24.0	8.2	32.2	-14.8	8.3	23.1
CAPITAL ACCOUNT	14.5	36.6	22.1	-13.5	44.0	57.5	2.2	3.5	1.2	0.8	3.1	2.3
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT ¹⁾	269.3	1,132.6	863.3	391.6	568.9	177.3	37.4	169.8	132.4	51.3	12.5	-38.8
Direct investment	145.0	402.3	257.3	44.9	452.2	407.3	44.5	66.5	22.0	13.8	25.9	12.1
Equity	33.6	179.5	145.9	96.2	402.0	305.8	57.7	67.4	9.8	21.0	29.9	8.9
Debt instruments	111.4	222.8	111.4	-51.2	50.2	101.5	-13.1	-0.9	12.2	-7.1	-4.0	3.2
Portfolio investment	38.2	493.6	455.4	504.6	382.4	-122.1	66.1	44.4	-21.7	8.0	47.8	39.8
Equity	-211.2	116.0	327.2	-50.2	18.7	69.0	-27.2	-15.5	11.6	2.8	11.2	8.4
Debt securities	249.5	377.7	128.2	554.8	363.7	-191.1	93.3	60.0	-33.3	5.2	36.6	31.4
Short-term	39.0	61.1	22.1	51.1	-7.3	-58.4	-11.9	-4.4	7.5	-11.0	1.5	12.5
Long-term	210.5	316.6	106.1	503.7	371.0	-132.6	105.2	64.4	-40.8	16.2	35.1	18.8
<i>Memo: Direct and portfolio investment</i>	183.2	895.9	712.7	549.5	834.6	285.1	110.6	111.0	0.4	21.8	73.7	51.9
Financial derivatives	66.3			51.3			4.6			-7.5		
Other investment	12.1	162.7	150.6	-215.2	-323.1	-107.8	-78.9	53.1	132.0	35.9	-54.8	-90.7
Eurosystem	29.7	3.6	-26.2	-18.5	1.4	19.9	-18.0	-0.2	17.8	-4.6	3.3	7.9
MFIs (excluding the Eurosystem)	28.7	97.8	69.0	-220.1	-332.4	-112.4	-32.4	42.2	74.6	23.7	-89.3	-113.0
General government	36.1	12.3	-23.7	4.1	-10.5	-14.6	0.6	3.1	2.5	-0.5	-1.2	-0.7
Other sectors	-82.4	49.1	131.5	19.3	18.4	-0.8	-29.1	8.0	37.1	17.4	32.5	15.1
Of which: currency and deposits	-17.0	52.6	69.6	-188.2	-275.6	-87.4	-69.0	15.3	84.3	51.3	-58.4	-109.7
Reserve assets		7.7			6.0			1.1			1.1	
Errors and omissions	-16.9			81.6			24.0			18.3		

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)

	Nov.15	Dec.15	Jan.16	Feb.16					Mar.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	653.2	644.2	659.5	1.1	2.6	36.6	-0.3	699.6	1.1	-10.7	-14.8	0.1	673.4
Monetary gold	347.2	337.6	354.6	0.0	-	36.4	-0.0	391.0	0.0	-	-15.0	0.0	376.0
Gold bullion	341.2	331.9	348.6	-0.0	-	35.8	-0.0	384.4	0.0	-	-14.7	0.0	369.7
Unallocated gold accounts	6.0	5.7	6.0	0.0	-	0.6	0.0	6.6	0.0	-	-0.3	0.0	6.4
Special drawing rights	58.1	57.5	57.1	-4.7	0.2	-	-0.0	52.6	0.2	-1.4	-	0.0	51.3
Reserve position in the IMF	19.5	19.2	19.3	3.9	0.1	-	0.0	23.2	-0.1	-0.5	-	0.0	22.7
Other reserve assets	228.3	229.9	228.5	2.0	2.3	0.2	-0.3	232.8	1.0	-8.7	0.2	0.1	223.5
Currency and deposits	18.7	23.8	22.8	1.8	0.6	-	-0.2	25.1	1.8	-0.5	-	0.1	26.5
Claims on monetary authorities	11.8	17.4	13.1	3.9	-	-	-	17.7	3.5	-	-	-	20.9
Claim on other entities	6.9	6.4	9.7	-2.0	-	-	-	7.3	-1.7	-	-	-	5.5
Securities	205.3	202.0	201.4	-0.3	1.9	0.4	-0.2	203.1	-1.3	-7.6	-0.1	0.0	192.3
Debt securities	204.5	201.3	200.7	-0.3	1.9	0.4	-0.2	202.4	-1.3	-7.6	-0.1	0.0	191.6
Short-term	21.5	26.9	25.6	-1.6	0.7	0.0	0.0	24.7	0.7	-1.0	-0.0	0.0	22.9
Long-term	183.1	174.4	175.1	1.3	1.2	0.3	-0.2	177.7	-2.0	-6.6	-0.1	-0.0	168.6
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)	-0.6	-0.1	0.0	0.1	-	-0.2	-0.1	-0.2	0.0	-	0.3	0.1	0.2
Other claims	4.9	4.3	4.3	0.4	-0.2	0.0	0.3	4.8	0.5	-0.6	0.0	-0.1	4.5

Source: ECB.