



EUROPEAN CENTRAL BANK

EUROSYSTEM

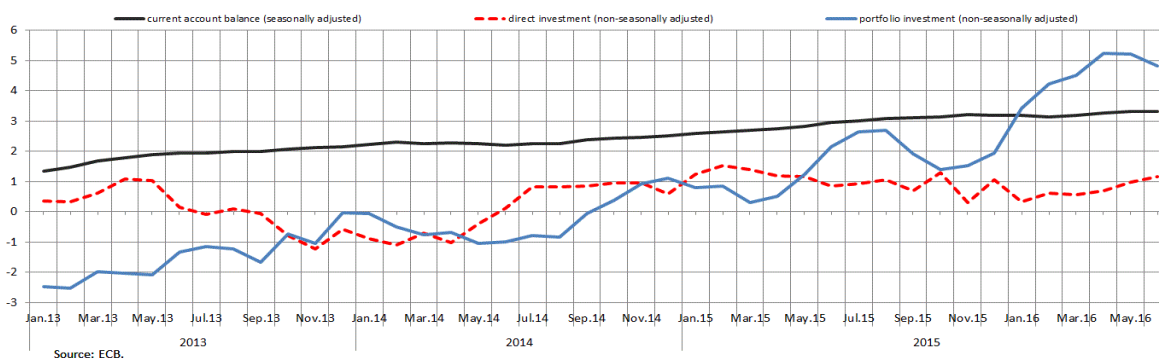
PRESS RELEASE

18 August 2016

Euro area monthly balance of payments (June 2016)

- In June 2016 the current account of the euro area recorded a surplus of €28.2 billion.¹
- In the financial account, combined *direct* and *portfolio investment* recorded net acquisitions of assets of €27 billion and net incurrences of liabilities of €5 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 €28.2 billion in June 2016 (see Table 1). This reflected surpluses for *goods* (€32.9 billion) and *services* (€5.3 billion), which were partly offset by a deficit in *secondary income* (€10.1 billion). The *primary income* account was close to balance.

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.

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The 12-month cumulated current account for the period ending in June 2016 recorded a surplus of €347.8 billion (3.3% of euro area GDP), compared with one of €302.1 billion (2.9% of euro area GDP) for the 12 months to June 2015 (see Table 1 and Chart 1). This development was mostly due to an increase in the surplus for *goods* (from €306.6 billion to €368.4 billion) and to a decrease in the deficit for *secondary income* (from €134.8 billion to €123.4 billion). These were partly offset by decreases in the surpluses for both *primary income* (from €64.0 billion to €40.4 billion) and *services* (from €66.4 billion to €62.5 billion).

Financial account

In June 2016 *combined direct and portfolio investment* recorded net acquisitions of assets of €27 billion and net incurrences of liabilities of €5 billion (see Table 2).

Euro area residents recorded net disposals of €11 billion in *direct investment* assets, driven by net disposals of *debt instruments* (€23 billion), which were only partly offset by net acquisitions of *equity* (€12 billion). *Direct investment* liabilities decreased by €13 billion as a result of net disposals of *debt instruments* (€11 billion) and *equity* (€3 billion) by non-euro area residents.

As regards *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €38 billion. This resulted from net acquisitions of *short and long-term debt securities* (€27 billion and €3 billion respectively) and *equity* (€8 billion). *Portfolio investment* liabilities recorded net incurrences of €19 billion as a result of the net acquisition of both *equity* (€37 billion) and *short-term debt securities* (€11 billion) issued by euro area residents, which were only partly offset by net disposals of *long-term debt securities* (€29 billion) by non-euro area residents.

The euro area net *financial derivatives* account (assets minus liabilities) recorded negative net flows of €1 billion.

Other investment recorded decreases of €43 billion in assets and €81 billion in liabilities owing to transactions. The net disposal of assets by euro area residents was mainly attributable to net disposals of the *MFI sector (excluding the Eurosystem)* (€49 billion), which was partly offset by net acquisitions of the *general government* sector (€4 billion). The net amortisation of liabilities was explained by net amortisations of the *MFI sector (excluding the Eurosystem)* (€78 billion) and of the *other sectors* (€26 billion), that were partly offset by net incurrences of the *Eurosystem* sector (€20 billion).

In the 12 months to June 2016 *combined direct and portfolio investment* recorded increases of €937 billion in assets and €309 billion in liabilities owing to transactions, compared with increases of €969 billion and €660 billion respectively in the 12 months to June 2015. This primarily reflected a shift in portfolio investment liabilities from net acquisitions of euro area securities by non-euro area residents (€256 billion) to net sales/amortisations (€99 billion).

Direct investment recorded an increase in the net acquisition of assets (from €493 billion to €530 billion) and, to a limited extent, an increase in the net incurrence of liabilities (from €405 billion to €408 billion). This pattern is explained by a large increase in investment in *equity*, from both euro area residents (from €284 billion to €460 billion) and non-euro area residents (from 254 billion to €369 billion). These were partly offset by a reduction in direct investment in *debt instruments*, from both euro area residents (from €209 billion to €70 billion) and non-euro area residents (from €151 billion to €39 billion).

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €134 billion in the 12 months to June 2016 owing to transactions, compared with an increase of €34 billion in the 12 months to June 2015. This reflected an increase in the surplus in the *current and capital account* balance (from €279 billion to €363 billion), which was more than offset by other items and in particular developments in the portfolio investment liabilities of non-MFI euro area residents. This was due to a shift from net acquisitions by non-euro area residents of *debt securities* issued by non-MFI euro area residents (€32 billion) to net disposals (€166 billion) and a reduction in the net purchases by non-euro area residents of euro area *equity securities* (from €213 billion to €74 billion). In June 2016 the *Eurosystem's* stock of *reserve assets* increased by €39.1 billion to €721.8 billion (see Table 3). This was mostly explained by positive price and exchange rate revaluations, particularly of *monetary gold* (€34.8 billion).

Data revisions

This press release incorporates revisions for May 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:](#)
 - Monthly balance of payments: **19 September 2016** (reference data up to July 2016);
 - Quarterly balance of payments and international investment position: **7 October 2016** (reference data up to the second 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						
	Jun. 2015	June 2016	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
CURRENT ACCOUNT	302.1	347.8	28.6	26.7	24.3	29.8	28.5	29.2	25.4	28.6	26.4	32.4	36.5	31.8	28.2
<i>Memo: as a percentage of GDP</i>	2.9	3.3													
Credit	3,529.2	3,544.7	302.3	301.3	295.6	299.4	303.5	300.5	294.8	294.6	293.6	293.5	293.6	289.1	285.1
Debit	3,227.1	3,196.9	273.7	274.6	271.4	269.5	275.0	271.3	269.3	266.0	267.2	261.1	257.1	257.3	256.9
Goods	306.6	368.4	30.0	30.7	26.0	30.3	30.7	30.7	30.4	30.2	28.5	33.4	33.4	31.1	32.9
Credit (exports)	2,057.0	2,079.2	178.5	177.5	171.5	174.9	176.2	175.8	173.3	172.1	170.6	173.3	172.8	170.5	170.6
Debit (imports)	1,750.5	1,710.8	148.6	146.8	145.5	144.6	145.6	145.1	142.9	141.9	142.1	139.9	139.4	139.4	137.6
Services	66.4	62.5	5.2	4.1	5.2	4.6	3.5	5.0	4.7	4.5	6.1	6.5	6.4	6.5	5.3
Credit (exports)	741.8	767.7	64.0	64.0	64.2	63.5	64.9	65.3	65.0	64.3	65.5	64.1	62.3	62.7	61.9
Debit (imports)	675.4	705.2	58.8	59.8	59.0	58.9	61.4	60.3	60.3	59.8	59.4	57.6	55.9	56.2	56.6
Primary income	64.0	40.4	3.5	2.9	3.3	5.4	5.0	3.9	0.3	4.0	2.7	3.0	6.5	3.1	0.1
Credit	631.1	597.2	51.4	51.8	51.1	52.7	53.7	50.8	48.0	50.3	49.4	47.8	50.0	47.1	44.6
Debit	567.2	556.8	47.9	48.9	47.8	47.3	48.7	46.8	47.6	46.3	46.7	44.8	43.4	44.0	44.5
Secondary income	-134.8	-123.4	-10.1	-11.1	-10.3	-10.5	-10.7	-10.5	-10.0	-10.0	-10.9	-10.5	-9.9	-8.9	-10.1
Credit	99.3	100.6	8.4	8.0	8.8	8.3	8.7	8.6	8.5	8.0	8.1	8.3	8.5	8.7	8.1
Debit	234.1	224.0	18.5	19.1	19.0	18.8	19.4	19.1	18.5	18.1	19.0	18.8	18.4	17.6	18.2

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						May 2016			June 2016			
	June 2015		June 2016				Debit	Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit								
CURRENT ACCOUNT	299.9	3,528.8	3,228.9	354.4	3,562.4	3,207.9	16.5	290.4	273.9	37.6	308.5	270.9	
Goods	307.1	2,056.5	1,749.4	374.3	2,096.9	1,722.7	31.7	171.0	139.4	38.1	182.3	144.2	
Services	66.6	741.2	674.6	61.8	769.6	707.8	8.1	62.5	54.5	8.0	67.4	59.4	
Primary income	63.7	631.6	568.0	40.2	595.2	555.0	-14.8	46.5	61.3	-0.1	49.6	49.6	
Secondary income	-137.4	99.5	236.9	-121.8	100.6	222.5	-8.5	10.3	18.8	-8.4	9.3	17.7	
CAPITAL ACCOUNT	-17.8	39.0	56.8	11.9	43.0	31.1	0.0	1.9	1.9	1.0	3.2	2.2	
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	
FINANCIAL ACCOUNT ¹⁾	257.5	1,001.2	743.7	425.5	941.3	515.8	45.7	142.0	96.3	59.8	-16.3	-76.0	
Direct investment	87.8	492.8	405.0	121.4	529.6	408.2	38.6	59.7	21.1	2.4	-10.9	-13.3	
Equity	29.7	284.0	254.3	91.3	460.1	368.8	18.4	29.5	11.1	14.2	11.7	-2.5	
Debt instruments	58.1	208.8	150.7	30.1	69.5	39.4	20.2	30.2	10.0	-11.7	-22.6	-10.8	
Portfolio investment	221.0	476.5	255.5	506.2	407.4	-98.8	7.6	30.5	22.9	19.0	37.6	18.6	
Equity	-191.7	77.4	269.1	-117.8	-3.8	114.0	0.9	8.1	7.2	-28.9	8.4	37.3	
Debt securities	412.7	399.1	-13.6	624.0	411.2	-212.8	6.7	22.4	15.7	47.9	29.2	-18.7	
Short-term	72.3	47.7	-24.6	31.5	19.1	-12.4	-7.4	-6.7	0.7	15.9	26.5	10.6	
Long-term	340.4	351.3	11.0	592.5	392.1	-200.3	14.1	29.1	15.0	32.0	2.7	-29.3	
<i>Memo: Direct and portfolio investment</i>	308.8	969.2	660.4	627.6	937.0	309.4	46.2	90.2	44.0	21.4	26.7	5.3	
Financial derivatives	62.8			64.1			-0.5			-0.9			
Other investment	-118.9	-35.6	83.3	-276.6	-70.2	206.4	-3.2	49.2	52.4	38.5	-42.8	-81.3	
Eurosysteem	16.0	4.2	-11.8	-41.8	-0.8	40.9	5.4	2.7	-2.7	-18.0	2.2	20.2	
MFIs (excluding the Eurosystem)	-93.7	-61.4	32.3	-195.1	-105.3	89.8	7.0	58.0	50.9	28.6	-49.2	-77.8	
General government	33.5	-1.0	-34.6	14.9	6.0	-8.9	3.3	1.9	-1.5	2.0	3.8	1.8	
Other sectors	-74.7	22.7	97.4	-54.6	29.9	84.5	-18.9	-13.3	5.6	25.9	0.4	-25.5	
Of which: currency and deposits	-189.1	-137.9	51.2	-230.1	-103.8	126.2	-45.6	19.6	65.2	89.6	2.7	-86.9	
Reserve assets		4.8			10.4			3.1			0.7		
Errors and omissions	-24.7			59.1			29.2			21.2			

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)

	Feb.16	Mar.16	Apr.16	May.16	Jun.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	699.6	675.3	686.6		3.1	4.2	-11.1	-0.0	682.7	0.7	2.8	35.7	-0.2	721.8
Monetary gold	391.0	376.0	387.9		0.0	-	-10.9	-0.0	377.0	0.0	-	34.8	-0.1	411.8
Gold bullion	384.4	369.7	381.3		0.0	-	-10.7	-0.0	370.6	-0.1	-	34.3	-0.1	404.8
Unallocated gold accounts	6.6	6.4	6.6		0.0	-	-0.2	0.0	6.4	0.1	-	0.5	0.0	7.0
Special drawing rights	52.6	51.3	51.3		-0.4	0.6	-	-0.0	51.5	-0.1	0.1	-	0.0	51.5
Reserve position in the IMF	23.2	22.7	22.7		-0.1	0.3	-	-0.0	22.9	-0.2	0.0	-	-0.0	22.8
Other reserve assets	232.8	225.3	224.7		3.5	3.3	-0.2	-0.0	231.3	1.0	2.7	0.9	-0.1	235.8
Currency and deposits	25.1	26.5	25.7		1.6	-0.1	-	0.0	27.3	2.0	0.7	-	0.0	30.0
Claims on monetary authorities	17.7	20.9	17.5		1.7	-	-	-	19.0	0.8	-	-	-	20.4
Claim on other entities	7.3	5.5	8.3		-0.2	-	-	-	8.2	1.2	-	-	-	9.6
Securities	203.1	194.2	193.7		3.0	3.0	-0.2	-0.1	199.5	-1.7	1.8	1.1	0.1	200.8
Debt securities	202.4	193.4	193.0		3.0	3.0	-0.2	-0.1	198.8	-1.7	1.8	1.1	0.1	200.0
Short-term	24.7	24.4	23.8		3.5	0.3	0.0	-0.0	27.6	-2.2	0.6	0.0	-0.1	25.8
Long-term	177.7	169.1	169.2		-0.5	2.8	-0.2	-0.1	171.2	0.5	1.2	1.1	0.2	174.2
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)	-0.2	0.2	-0.0		0.0	-	-0.0	0.1	-0.0	0.0	-	-0.2	-0.1	-0.3
Other claims	4.8	4.5	5.3		-1.0	0.3	0.0	-0.0	4.6	0.7	0.2	0.0	-0.1	5.4

Source: ECB.