



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

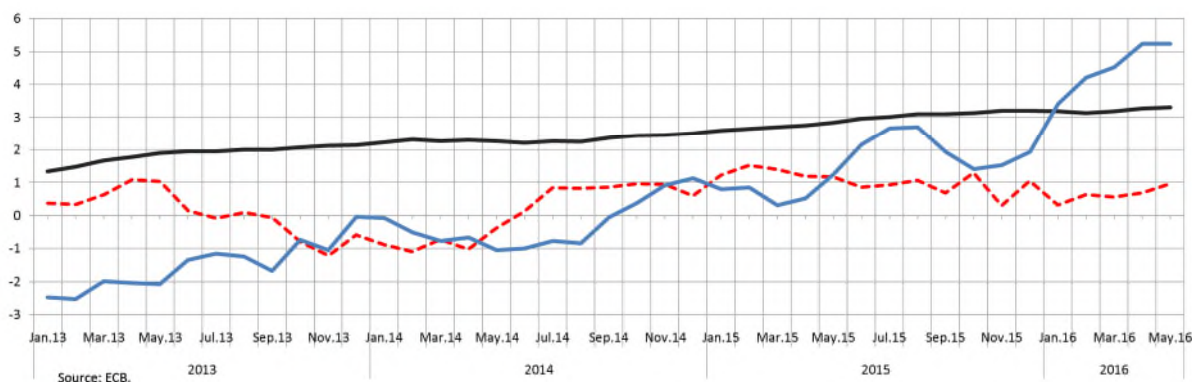
20 July 2016

Euro area monthly balance of payments (May 2016)

- In May 2016 the current account of the euro area recorded a surplus of €30.8 billion.¹
- In the financial account, combined *direct* and *portfolio investment* recorded increases of €89 billion in assets and €42 billion in liabilities.

Chart 1: Balance of payments of the euro area: 12-month cumulated transactions

— current account balance (seasonally adjusted) - - - direct investment (non-seasonally adjusted) — portfolio investment (non-seasonally adjusted)
(as a percentage of GDP)



Current account

The *current account* of the euro area recorded a surplus of €30.8 billion in May 2016 (see Table 1). This reflected surpluses for *goods* (€30.6 billion), *services* (€5.9 billion) and *primary income* (€3.2 billion), which were partly offset by a deficit in *secondary income* (€8.9 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.

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The 12-month cumulated current account for the period ending in May 2016 recorded a surplus of €347.1 billion (3.3% of euro area GDP), compared with one of €289.7 billion (2.8% of euro area GDP) for the 12 months to May 2015 (see Table 1 and Chart 1). This development was mostly due to an increase in the surplus for *goods* (from €294.7 billion to €365.0 billion) and, to a lesser extent, to a decrease in the deficit for *secondary income* (from €137.9 billion to €123.3 billion). These were partly offset by decreases in the surpluses for both *services* (from €66.8 billion to €61.5 billion) and *primary income* (from €66.1 billion to €43.8 billion).

Financial account

In May 2016 *combined direct and portfolio investment* recorded increases of €89 billion in assets and of €42 billion in liabilities (see Table 2).

Euro area residents recorded increases of €58 billion in *direct investment* assets and €21 billion in *direct investment* liabilities. Both were due to increases in *equity* (€30 billion in assets and €11 billion in liabilities) and in *debt instruments* (€28 billion in assets and €10 billion in liabilities).

As regards *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €31 billion. This resulted from net acquisitions of *long-term debt securities* (€29 billion) and *equity* (€8 billion), which were partly offset by net sales/amortisations of *short-term debt securities* (€7 billion). Furthermore, *portfolio investment* liabilities increased by €21 billion as a result of the net acquisition of *long-term* and *short-term debt securities* by non-euro area residents (€13 billion and €1 billion respectively), as well as of *equity* issued by euro area residents (€7 billion).

The euro area net *financial derivatives* account (assets minus liabilities) recorded negative net flows of €2 billion.

Other investment recorded increases of €46 billion in assets and €51 billion in liabilities. The increase in assets was mostly attributable to an increase in the *MFI sector (excluding the Eurosystem)* (€56 billion), which was partly offset by a decrease in *other sectors* (€14 billion). In a similar vein, the increase in liabilities was mainly explained by an increase in the *MFI sector (excluding the Eurosystem)* (€51 billion).

In the 12 months to May 2016 *combined direct and portfolio investment* recorded increases of €970 billion in assets and €322 billion in liabilities, compared with increases of €935 billion and €687 billion respectively in the 12 months to May 2015. This reflected primarily a shift in portfolio investment liabilities from net acquisitions of euro area securities by non-residents (€378 billion) to net sales/amortisations (€137 billion).

Direct investment recorded increases in both assets (from €429 billion to €559 billion) and liabilities (from €309 billion to €459 billion). This pattern is explained by a large increase in investment in *equity*, from both euro area residents (€488 billion, up from €214 billion) and non-euro area residents (€419 billion, up

from €182 billion). This was partly offset by a reduction in direct investment in *debt instruments*, from both euro area residents (€71 billion, down from €215 billion) and non-euro area residents (€40 billion, down from €127 billion).

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €114 billion in the 12 months to May 2016, compared with an increase of €44 billion in the 12 months to May 2015. This reflected an increase in the surplus in the *current and capital account* balance (from €295 billion to €330 billion), which was partly offset by, among other things, developments in the portfolio investment liabilities of non-MFI euro area residents. More precisely, this is explained by a shift from net acquisitions by non-residents of *debt securities* issued by non-MFI euro area residents (€89 billion) to net sales/amortisations (€181 billion) and a reduction in the net purchases by non-residents of euro area *equity securities* from €241 billion to €71 billion.

In May 2016 the *Eurosystem's* stock of *reserve assets* decreased by €3.9 billion to €682.7 billion (see Table 3). This was mostly explained by the negative revaluation of monetary gold (€10.9 billion), which was partly offset by positive exchange rate developments (€4.2 billion) and net acquisition of *reserve assets* (€3.1 billion).

Data revisions

This press release incorporates revisions for April 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: **18 August 2016** (reference data up to June 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							
	May 2015	May 2016	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
CURRENT ACCOUNT	289.7	347.1	27.0	28.6	26.7	24.3	29.8	28.5	29.2	25.4	28.6	26.4	32.4	36.4	30.8
<i>Memo: as a percentage of GDP</i>	2.8	3.3													
Credit	3,510.8	3,558.6	304.5	302.3	301.3	295.6	299.4	303.5	300.5	294.8	294.6	293.6	293.5	293.3	286.1
Debit	3,221.1	3,211.5	277.5	273.7	274.6	271.4	269.5	275.0	271.3	269.3	266.0	267.2	261.1	257.0	255.3
Goods	294.7	365.0	28.1	30.0	30.7	26.0	30.3	30.7	30.7	30.4	30.2	28.5	33.4	33.6	30.6
Credit (exports)	2,042.3	2,084.3	177.5	178.5	177.5	171.5	174.9	176.2	175.8	173.3	172.1	170.6	173.3	172.8	167.7
Debit (imports)	1,747.6	1,719.3	149.4	148.6	146.8	145.5	144.6	145.6	145.1	142.9	141.9	142.1	139.9	139.3	137.2
Services	66.8	61.5	6.0	5.2	4.1	5.2	4.6	3.5	5.0	4.7	4.5	6.1	6.5	6.1	5.9
Credit (exports)	737.0	769.2	64.9	64.0	64.0	64.2	63.5	64.9	65.3	65.0	64.3	65.5	64.1	62.0	62.4
Debit (imports)	670.2	707.7	58.9	58.8	59.8	59.0	58.9	61.4	60.3	60.3	59.8	59.4	57.6	55.8	56.5
Primary income	66.1	43.8	3.5	3.5	2.9	3.3	5.4	5.0	3.9	0.3	4.0	2.7	3.0	6.5	3.2
Credit	632.7	604.1	52.6	51.4	51.8	51.1	52.7	53.7	50.8	48.0	50.3	49.4	47.8	50.0	47.2
Debit	566.6	560.3	49.1	47.9	48.9	47.8	47.3	48.7	46.8	47.6	46.3	46.7	44.8	43.5	44.1
Secondary income	-137.9	-123.3	-10.5	-10.1	-11.1	-10.3	-10.5	-10.7	-10.5	-10.0	-10.0	-10.9	-10.5	-9.9	-8.9
Credit	98.7	100.9	9.6	8.4	8.0	8.8	8.3	8.7	8.6	8.5	8.0	8.1	8.3	8.5	8.7
Debit	236.6	224.3	20.1	18.5	19.1	19.0	18.8	19.4	19.1	18.5	18.1	19.0	18.8	18.4	17.6

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						April 2016			May 2016		
	May 2015			May 2016			Debit	Net	Credit	Debit	Net	Credit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	282.2	3,498.1	3,216.0	353.2	3,575.8	3,222.6	36.1	291.7	255.6	15.4	287.3	271.9
Goods	292.6	2,031.3	1,738.7	370.5	2,100.8	1,730.3	34.7	175.6	140.9	31.1	168.2	137.1
Services	66.9	734.7	667.8	61.0	771.2	710.2	5.5	59.1	53.6	7.5	62.2	54.7
Primary income	65.8	633.4	567.7	43.9	602.9	559.0	4.7	48.7	44.0	-14.8	46.6	61.4
Secondary income	-143.0	98.8	241.8	-122.2	100.9	223.1	-8.8	8.3	17.1	-8.5	10.3	18.8
CAPITAL ACCOUNT	15.6	38.8	23.2	-20.4	43.1	63.6	0.3	2.1	1.9	-0.0	1.9	1.9
FINANCIAL ACCOUNT ¹⁾	258.2	1,050.2	792.0	416.2	886.7	470.5	42.9	185.5	142.6	44.1	136.5	92.4
Direct investment	119.9	428.5	308.6	100.0	558.6	458.6	7.9	20.3	12.4	36.8	57.5	20.7
Equity	32.4	213.9	181.5	69.0	487.7	418.7	7.6	19.3	11.7	18.5	29.6	11.1
Debt instruments	87.5	214.5	127.0	31.0	71.0	39.9	0.2	1.0	0.7	18.3	27.9	9.6
Portfolio investment	127.9	506.1	378.1	548.1	411.4	-136.7	121.1	73.2	-47.9	9.9	31.1	21.2
Equity	-221.4	93.9	315.3	-82.9	-3.7	79.2	-3.8	14.6	18.5	1.2	8.4	7.3
Debt securities	349.4	412.2	62.9	631.0	415.1	-215.9	125.0	58.6	-66.3	8.7	22.7	14.0
Short-term	26.3	47.9	21.6	53.5	1.2	-52.3	-39.1	-15.4	23.7	-7.8	-6.8	1.0
Long-term	323.1	364.4	41.3	577.5	413.9	-163.5	164.1	74.0	-90.1	16.4	29.4	13.0
<i>Memo: Direct and portfolio investment</i>	247.8	934.5	686.7	648.1	970.0	321.9	129.0	93.5	-35.5	46.7	88.6	41.9
Financial derivatives	71.3			57.6			-6.1			-1.6		
Other investment	-62.2	43.1	105.3	-302.4	-153.8	148.6	-78.4	99.7	178.1	-4.1	46.4	50.5
Eurosystem	38.8	1.6	-37.2	-29.6	-2.4	27.2	-6.9	-6.7	0.2	5.4	2.7	-2.7
MFIs (excluding the Eurosystem)	-61.1	3.9	64.9	-215.9	-168.4	47.5	-68.1	108.9	176.9	5.7	56.2	50.5
General government	32.4	7.5	-24.9	10.0	-6.3	-16.3	-4.3	-4.8	-0.4	3.1	1.6	-1.5
Other sectors	-72.3	30.1	102.4	-66.9	23.3	90.2	0.8	2.3	1.4	-18.2	-14.1	4.1
Of which: currency and deposits	-130.7	-77.4	53.3	-298.2	-199.2	99.0	-126.6	49.2	175.8	-45.6	19.6	65.2
Reserve assets		1.3			12.8				-1.6		3.1	
Errors and omissions	-39.6			83.4			6.5			28.7		

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)

	Jan.2016	Feb.2016	Mar.2016	Apr.2016					May.2016				
				Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
Reserve assets	659.5	699.6	675.3	-1.6	1.4	11.6	-0.1	686.6	3.1	4.2	-11.1	-0.0	682.7
Monetary gold	354.6	391.0	376.0	0.0	-	11.9	-0.0	387.9	0.0	-	-10.9	-0.0	377.0
Gold bullion	348.6	384.4	369.7	0.0	-	11.7	-0.0	381.3	0.0	-	-10.7	-0.0	370.6
Unallocated gold accounts	6.0	6.6	6.4	0.0	-	0.2	0.0	6.6	0.0	-	-0.2	0.0	6.4
Special drawing rights	57.1	52.6	51.3	-0.2	0.2	-	-0.0	51.3	-0.4	0.6	-	-0.0	51.5
Reserve position in the IMF	19.3	23.2	22.7	-0.0	0.1	-	-0.0	22.7	-0.1	0.3	-	-0.0	22.9
Other reserve assets	228.5	232.8	225.3	-1.4	1.0	-0.3	-0.1	224.7	3.5	3.3	-0.2	-0.0	231.3
Currency and deposits	22.8	25.1	26.5	-0.8	0.1	-	0.0	25.7	1.6	-0.1	-	0.0	27.3
Claims on monetary authorities	13.1	17.7	20.9	-3.5	-	-	-	17.5	1.7	-	-	-	19.0
Claim on other entities	9.7	7.3	5.5	2.7	-	-	-	8.3	-0.2	-	-	-	8.2
Securities	201.4	203.1	194.2	-1.1	0.8	-0.2	0.1	193.7	3.0	3.0	-0.2	-0.1	199.5
Debt securities	200.7	202.4	193.4	-1.1	0.8	-0.2	0.1	193.0	3.0	3.0	-0.2	-0.1	198.8
Short-term	25.6	24.7	24.4	-0.9	0.3	-0.0	0.0	23.8	3.5	0.3	0.0	-0.0	27.6
Long-term	175.1	177.7	169.1	-0.2	0.4	-0.2	0.1	169.2	-0.5	2.8	-0.2	-0.1	171.2
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)	0.0	-0.2	0.2	-0.0	-	-0.0	-0.2	-0.0	0.0	-	-0.0	0.1	-0.0
Other claims	4.3	4.8	4.5	0.6	0.2	0.0	-0.0	5.3	-1.0	0.3	0.0	-0.0	4.6

Source: ECB.