



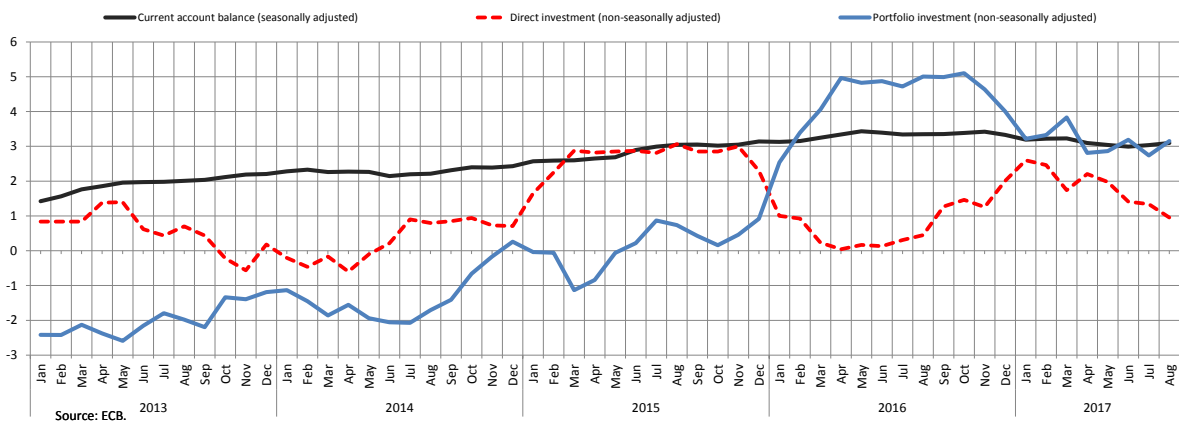
PRESS RELEASE

20 October 2017

Euro area monthly balance of payments (August 2017)

- In August 2017 the current account of the euro area recorded a surplus of €33.3 billion.¹
- In the financial account, combined direct and portfolio investment recorded net acquisitions of assets of €82 billion and net disposals of liabilities of €7 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 €33.3 billion in August 2017 (see Table 1). This reflected surpluses for *goods* (€28.2 billion), *primary income* (€10.3 billion) and *services* (€7.2 billion), which were partly offset by a deficit for *secondary income* (€12.4 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 2017 recorded a surplus of €338.5 billion (3.1% of euro area GDP), compared with one of €358.1 billion (3.3% of euro area GDP) for the 12 months to August 2016 (see Table 1 and Chart 1). This development was due to a decrease in the surplus for *goods* (from €374.1 billion to €339.0 billion) and an increase in the deficit for *secondary income* (from €131.9 billion to €150.2 billion). These were partly offset by increases in the surpluses for *primary income* (from €66.1 billion to €90.9 billion) and *services* (from €49.9 billion to €58.8 billion).

Financial account

In August 2017 *combined direct and portfolio investment* recorded net acquisitions of assets (€82 billion) and net disposals of liabilities (€7 billion) (see Table 2).

Euro area residents recorded a net increase of €13 billion of *direct investment* assets as a result of net investments in both *equity* (€4 billion) and *debt instruments* (€8 billion). *Direct investment* liabilities increased by €19 billion as a result of net investments in euro area *debt instruments* (€20 billion) by non-euro area residents. This was partly offset by net disinvestments in *equity* by non-euro area residents (€1 billion).

With regard to *portfolio investment* assets, euro area residents made net purchases of foreign securities amounting to €69 billion. This resulted from net acquisitions of *equity* (€22 billion) and both *short-term* and *long-term debt securities* (€8 billion and €39 billion respectively). *Portfolio investment* liabilities decreased by €26 billion as a result of non-euro area residents' net disposals of euro area *debt securities*, both *short-term* (€4 billion) and *long-term* (€41 billion), which were partly offset by net acquisitions of euro area *equity* (€19 billion) by non-euro area residents.

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

Other investment recorded decreases of €16 billion in assets and increases of €23 billion in liabilities. The decrease in assets was largely explained by *MFIs (excluding the Eurosystem)* (€14 billion) and, to a lesser extent, by the *other sectors* (€4 billion). The increase in liabilities was attributable to the *Eurosystem* (€15 billion) and *other sectors* (€9 billion).

In the 12 months to August 2017 *combined direct and portfolio investment* recorded increases of €747 billion in assets and €298 billion in liabilities, compared with increases of €1,075 billion and €491 billion respectively in the 12 months to August 2016. This resulted primarily from a decrease in the *direct investment* activities of both euro area residents abroad and non-residents in the euro area, with the net acquisition of *equity* assets decreasing from €602 billion to €163 billion and a shift in *equity* liabilities, from net investments of non-euro area residents of €427 billion to net disinvestments of €27 billion. The changes in direct investment were partly offset by the developments in portfolio investment, in particular those related to transactions in equity. On the asset side, there was a shift from net sales of

foreign *equity* by euro area residents of €7 billion to net purchases of €147 billion. On the liabilities side, the non-euro area residents increased the net purchases of euro area equities from €134 billion to €333 billion.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area monetary financial institutions (MFIs) decreased by €132 billion in the 12 months to August 2017, compared with a decrease of €157 billion in the 12 months to August 2016. This still reflects primarily a 12-month cumulated current account surplus (€313.6 billion), whose counterpart entries as in the previous 12 months are observed in net financial transactions by non-MFIs.

In August 2017 the *Eurosystem's* stock of *reserve assets* increased to €673.7 billion from €668.8 billion in the previous month (see Table 3). This increase (€4.9 billion) is explained by positive price changes (€8.1 billion), particularly of monetary gold, which more than offset net disinvestments (€0.7 billion) and negative exchange rate developments (€2.3 billion).

Data revisions

This press release incorporates revisions to the data for July 2017. These revisions have not significantly altered the figures previously published. In addition, this press release includes revisions to the seasonal adjusted series from January 1999 for all the components of the current account.

Additional information

- Time-series data: the [ECB's Statistical Data Warehouse \(SDW\)](#)
- [Methodological information](#)
- [Monetary presentation of the balance of payments](#)
- [Next press releases:](#)
 - monthly balance of payments: **17 November 2017** (reference data up to September 2017)
 - quarterly balance of payments and international investment position: **11 January 2017** (reference data up to the third quarter of 2017).

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		2016					2017							
	Aug. 2016	Aug. 2017	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.
CURRENT ACCOUNT	358.1	338.5	26.5	30.1	28.7	30.9	25.7	20.5	30.9	32.7	21.6	28.4	24.1	31.5	33.3
<i>Memo: as a percentage of GDP</i>	3.3	3.1													
Credit	3,647.1	3,819.4	306.7	309.9	312.5	319.4	314.1	316.4	316.6	322.2	318.9	326.3	319.2	320.3	323.7
Debit	3,288.9	3,481.0	280.2	279.7	283.8	288.6	288.4	295.9	285.7	289.5	297.3	297.9	295.0	288.8	290.4
Goods	374.1	339.0	30.9	33.2	28.5	30.8	31.3	23.8	26.8	28.5	25.8	26.7	29.0	26.5	28.2
Credit (exports)	2,109.0	2,218.5	177.6	179.0	178.9	183.8	185.7	183.9	186.5	188.5	184.2	188.9	186.0	185.1	188.1
Debit (imports)	1,734.9	1,879.6	146.7	145.8	150.5	153.1	154.4	160.1	159.7	160.0	158.4	162.2	156.9	158.7	159.9
Services	49.9	58.8	3.0	3.4	3.3	1.2	1.0	2.9	6.2	8.2	6.6	4.6	6.1	8.1	7.2
Credit (exports)	779.5	820.7	65.7	67.1	67.2	66.3	65.6	68.3	68.4	69.4	69.3	68.6	70.0	70.2	70.2
Debit (imports)	729.6	762.0	62.7	63.6	64.0	65.1	64.6	65.3	62.2	61.2	62.8	64.1	64.0	62.1	62.9
Primary income	66.1	90.9	7.0	7.1	10.0	12.0	3.7	7.5	3.2	6.4	6.9	9.0	3.1	11.7	10.3
Credit	650.0	670.8	54.4	54.3	57.3	60.3	52.5	55.8	52.8	54.4	56.5	59.8	54.2	56.3	56.6
Debit	584.0	579.8	47.5	47.1	47.3	48.3	48.7	48.3	49.6	48.0	49.6	50.8	51.1	44.6	46.3
Secondary income	-131.9	-150.2	-14.3	-13.6	-13.0	-13.1	-10.3	-13.7	-5.2	-10.4	-17.7	-11.9	-14.1	-14.8	-12.4
Credit	108.5	109.4	9.0	9.6	9.0	9.0	10.3	8.5	8.9	9.8	8.9	9.0	8.9	8.6	8.8
Debit	240.5	259.6	23.3	23.2	22.1	22.1	20.7	22.2	14.2	20.2	26.5	20.8	23.0	23.4	21.3

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						July 2017			August 2017		
	August 2016			August 2017			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	364.1	3,663.6	3,299.6	341.5	3,825.9	3,484.4	37.1	319.2	282.1	29.6	307.8	278.1
Goods	378.7	2,122.7	1,744.0	341.1	2,225.7	1,884.6	30.1	184.1	154.0	22.5	176.9	154.4
Services	49.2	780.7	731.5	58.3	821.3	763.0	9.8	75.2	65.4	7.3	72.1	64.8
Primary income	68.1	651.8	583.7	87.4	669.1	581.7	9.9	51.9	41.9	10.3	51.1	40.7
Secondary income	-131.9	108.4	240.3	-145.2	109.7	255.0	-12.8	8.0	20.8	-10.5	7.7	18.2
CAPITAL ACCOUNT	9.7	41.2	31.5	-18.9	30.3	49.2	0.9	2.4	1.4	0.5	1.8	1.3
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT 1)	331.3	1,185.0	853.7	345.7	967.0	621.3	40.7	-20.1	-60.8	41.1	56.9	15.8
Direct investment	48.1	598.9	550.8	104.2	231.9	127.7	8.7	-177.4	-186.1	-6.5	12.7	19.2
Equity	175.2	602.1	426.9	190.3	162.9	-27.4	6.9	-178.5	-185.4	5.4	4.2	-1.1
Debt instruments	-127.1	-3.2	123.9	-86.1	69.0	155.2	1.8	1.1	-0.7	-11.9	8.4	20.4
Portfolio investment	535.4	475.8	-59.7	344.6	515.1	170.5	13.8	65.8	52.0	95.2	68.9	-26.3
Equity	-140.9	-6.5	134.4	-186.5	146.9	333.3	-38.6	23.3	61.9	3.2	21.8	18.6
Debt securities	676.4	482.2	-194.1	531.0	368.2	-162.9	52.4	42.5	-9.9	92.1	47.1	-45.0
Short-term	16.6	23.7	7.1	-22.4	18.3	40.7	-12.8	-16.5	-3.7	11.8	7.9	-3.9
Long-term	659.8	458.5	-201.2	553.5	349.9	-203.5	65.2	59.0	-6.2	80.3	39.2	-41.0
<i>Memo: Direct and portfolio investment</i>	583.5	1,074.6	491.1	448.8	747.0	298.2	22.5	-111.5	-134.1	88.7	81.6	-7.1
Financial derivatives	48.0			27.3			-5.3			-7.9		
Other investment	-317.2	45.4	362.6	-131.7	191.3	323.1	28.6	101.9	73.2	-39.1	-16.1	22.9
Eurosysteem	-53.9	-1.7	52.2	-132.5	2.4	135.0	36.1	-1.0	-37.1	-15.8	-0.5	15.4
MFIs (excluding the Eurosystem)	-219.0	-26.0	193.0	36.3	101.9	65.6	-0.1	115.6	115.7	-13.8	-13.9	-0.1
General government	9.5	10.3	0.7	-4.2	-8.9	-4.7	0.3	-0.2	-0.6	3.3	2.2	-1.1
Other sectors	-53.9	62.8	116.7	-31.3	95.9	127.2	-7.7	-12.5	-4.8	-12.8	-4.0	8.8
Of which: currency and deposits	-306.9	-58.9	248.0	-159.3	37.9	197.2	-70.6	21.4	92.1	-31.0	-11.8	19.2
Reserve assets		16.9			1.3			-5.2			-0.7	
Errors and omissions	-42.5			23.1			2.7			11.0		

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.17	May.17	Jun.17	Jul.17						Aug.17				
					Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
Reserve assets	716.1	699.5	682.7		-5.2	-5.6	-3.2	-0.1	668.8	-0.7	-2.3	8.1	-0.2	673.7
Monetary gold	402.4	391.3	377.8		0.0	-	-2.9	0.0	374.9	0.0	-	7.8	-0.0	382.8
Gold bullion	395.6	384.7	371.4		0.0	-	-3.1	-0.0	368.6	0.0	-	8.1	-0.1	376.2
Unallocated gold accounts	6.8	6.6	6.4		0.0	-	-0.0	0.0	6.4	0.0	-	0.1	0.1	6.6
Special drawing rights	51.5	50.7	50.3		0.3	-0.8	-	-0.0	49.9	0.0	-0.2	-	-0.0	49.7
Reserve position in the IMF	21.7	21.2	20.8		-0.4	-0.3	-	-0.0	20.0	0.1	-0.0	-	0.0	20.1
Other reserve assets	240.5	236.2	233.8		-5.1	-4.5	-0.3	-0.0	223.9	-0.8	-2.0	0.3	-0.2	221.2
Currency and deposits	38.6	37.0	37.2		-2.8	-0.6	-	-0.0	33.8	4.5	-0.3	-	-0.0	37.9
Claims on monetary authorities	31.5	30.3	28.0		-1.5	-	-	-	26.1	4.8	-	-	-	30.7
Claim on other entities	7.1	6.8	9.1		-1.3	-	-	-	7.6	-0.4	-	-	-	7.2
Securities	197.6	195.4	191.5		-1.1	-3.8	-0.3	-0.0	186.3	-5.7	-1.7	0.3	0.0	179.2
Debt securities	196.8	194.6	190.7		-1.1	-3.8	-0.3	-0.0	185.5	-5.7	-1.7	0.3	0.0	178.4
Short-term	39.0	39.6	34.4		-3.4	-0.7	0.0	-0.1	30.2	0.3	-0.3	0.0	0.0	30.2
Long-term	157.8	155.0	156.3		2.3	-3.1	-0.3	0.0	155.3	-5.9	-1.5	0.3	0.0	148.2
Equity and investment fund shares	0.8	0.8	0.8		0.0	-0.0	0.0	-0.0	0.8	0.0	-0.0	0.0	0.0	0.8
Financial derivatives (net)	0.1	0.2	0.2		0.0	-	0.0	0.0	0.3	0.1	-	-0.1	-0.2	0.0
Other claims	4.2	3.6	4.9		-1.2	-0.1	0.0	0.0	3.6	0.4	-0.0	0.0	0.0	4.0

Source: ECB.