



EUROPEAN CENTRAL BANK

EUROSYSTEM

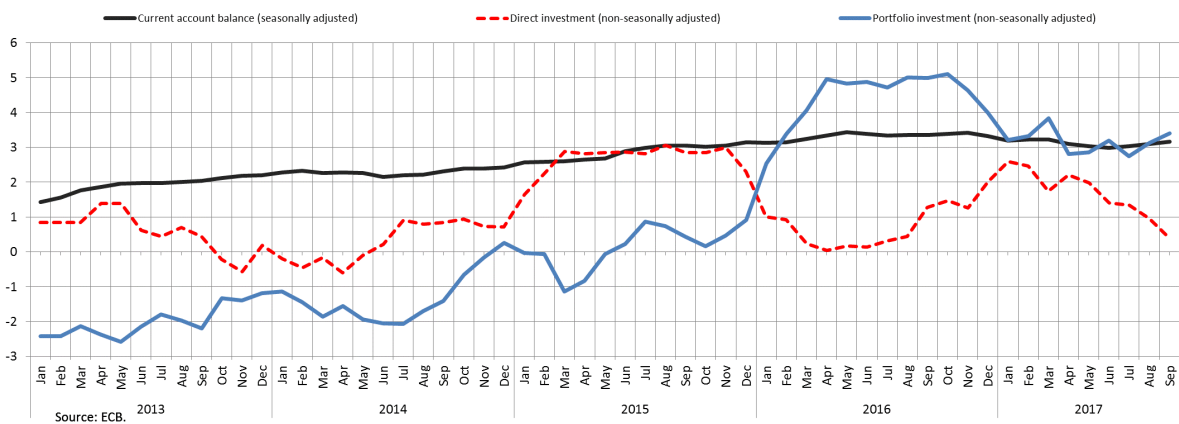
PRESS RELEASE

17 November 2017

Euro area monthly balance of payments (September 2017)

- In September 2017 the current account of the euro area recorded a surplus of €37.8 billion.¹
- In the financial account, combined direct and portfolio investment recorded net acquisitions of assets of €52 billion and net disposals of liabilities of €6 billion.

Chart 1: Balance of payments of the euro area: 12-month cumulated transactions
(as a percentage of GDP)²



Current account

The *current account* of the euro area recorded a surplus of €37.8 billion in September 2017 (see Table 1). This reflected surpluses for *goods* (€35.2 billion), *primary income* (€9.7 billion) and *services* (€7.3 billion), which were partly offset by a deficit for *secondary income* (€14.3 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 September 2017 recorded a surplus of €346.4 billion (3.2% of euro area GDP), compared with one of €359.3 billion (3.4% of euro area GDP) for the 12 months to September 2016 (see Table 1 and Chart 1). This development was due to a decrease in the surplus for *goods* (from €377.0 billion to €342.0 billion) and an increase in the deficit for *secondary income* (from €135.9 billion to €151.1 billion). These were partly offset by increases in the surpluses for *primary income* (from €69.2 billion to €93.4 billion) and *services* (from €49.0 billion to €62.0 billion).

Financial account

In September 2017 *combined direct and portfolio investment* recorded net acquisitions of assets (€52 billion) and net disposals of liabilities (€6 billion) (see Table 2).

Euro area residents recorded a net increase of €12 billion of *direct investment* assets as a result of net investments in *equity* (€20 billion), which were partly offset by net disinvestments in *debt instruments* (€9 billion). *Direct investment* liabilities increased by €2 billion as a result of net acquisitions of euro area *equity* (€4 billion) by non-euro area residents. This was partly offset by net disposals of euro area *debt instruments* by non-euro area residents (€2 billion).

With regard to *portfolio investment* assets, euro area residents made net purchases of foreign securities amounting to €41 billion. This resulted from net acquisitions of both *short-term* and *long-term debt securities* (€21 billion and €15 billion, respectively) and *equity* (€5 billion). *Portfolio investment* liabilities decreased by €8 billion as a result of non-euro area residents' net disposals of euro area *long-term debt securities* (€42 billion), which were partly offset by net acquisitions of euro area *equity* (€20 billion) and *short-term debt securities* (€14 billion).

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

Other investment recorded decreases in both assets and liabilities of €30 billion and €54 billion, respectively. The decrease in assets was explained by *MFIs (excluding the Eurosystem)* (€44 billion) and, to a lesser extent, by *general government* (€2 billion), which were partly offset by increases in assets of *other sectors* (€12 billion) and the *Eurosystem* (€2 billion). The decrease in liabilities was attributable to *MFIs (excluding the Eurosystem)* (€71 billion) and *other sectors* (€19 billion). These were partly offset by incurrences of liabilities by the *Eurosystem* (€32 billion) and the *general government* sectors (€4 billion).

In the 12 months to September 2017 *combined direct and portfolio investment* recorded increases of €732 billion in assets and €317 billion in liabilities, compared with increases of €1,087 billion and €416 billion respectively in the 12 months to September 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 €603 billion to €128 billion and a shift in *equity* liabilities, from net investments of non-euro area residents of €409 billion to net disinvestments of

€46 billion. The changes in *direct investment* were partly offset by 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 €5 billion to net purchases of €162 billion. On the liabilities side, the non-euro area residents increased the net purchases of euro area equities from €171 billion to €320 billion.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area monetary financial institutions (MFIs) decreased by €67 billion in the 12 months to September 2017, compared with a decrease of €223 billion in the 12 months to September 2016. This still reflects primarily a 12-month cumulated *current and capital account* surplus (€319.6 billion), whose counterpart entries are observed in net financial transactions by non-MFIs.

In September 2017 the *Eurosystem's* stock of *reserve assets* increased to €674.8 billion from €673.7 billion in the previous month (see Table 3). This increase (€1.1 billion) was explained mainly by net acquisitions of assets (€6.4 billion), which were partly offset by negative price changes (€5.6 billion), particularly of monetary gold.

Data revisions

This press release incorporates revisions to the data for July and August 2017. These revisions have not significantly altered the figures previously published.

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: **20 December 2017** (reference data up to October 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								
	Sep. 2016	Sep. 2017	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.
CURRENT ACCOUNT	359.3	346.4	30.1	28.7	30.9	25.7	20.5	30.9	32.7	21.6	28.4	24.1	30.6	34.5	37.8
<i>Memo: as a percentage of GDP</i>	3.4	3.2													
Credit	3,653.1	3,834.9	309.9	312.5	319.4	314.1	316.4	316.6	322.2	318.9	326.3	319.2	319.9	323.2	326.1
Debit	3,293.8	3,488.5	279.7	283.8	288.6	288.4	295.9	285.7	289.5	297.3	297.9	295.0	289.3	288.7	288.4
Goods	377.0	342.0	33.2	28.5	30.8	31.3	23.8	26.8	28.5	25.8	26.7	29.0	26.4	29.4	35.2
Credit (exports)	2,110.2	2,232.7	179.0	178.9	183.8	185.7	183.9	186.5	188.5	184.2	188.9	186.0	185.1	187.4	193.8
Debit (imports)	1,733.2	1,890.7	145.8	150.5	153.1	154.4	160.1	159.7	160.0	158.4	162.2	156.9	158.7	158.1	158.7
Services	49.0	62.0	3.4	3.3	1.2	1.0	2.9	6.2	8.2	6.6	4.6	6.1	7.5	7.2	7.3
Credit (exports)	783.4	824.2	67.1	67.2	66.3	65.6	68.3	68.4	69.4	69.3	68.6	70.0	70.0	70.0	70.9
Debit (imports)	734.4	762.2	63.6	64.0	65.1	64.6	65.3	62.2	61.2	62.8	64.1	64.0	62.5	62.8	63.6
Primary income	69.2	93.4	7.1	10.0	12.0	3.7	7.5	3.2	6.4	6.9	9.0	3.1	11.6	10.4	9.7
Credit	649.7	669.7	54.3	57.3	60.3	52.5	55.8	52.8	54.4	56.5	59.8	54.2	56.3	56.9	53.0
Debit	580.6	576.3	47.1	47.3	48.3	48.7	48.3	49.6	48.0	49.6	50.8	51.1	44.7	46.5	43.3
Secondary income	-135.9	-151.1	-13.6	-13.0	-13.1	-10.3	-13.7	-5.2	-10.4	-17.7	-11.9	-14.1	-14.9	-12.4	-14.3
Credit	109.7	108.2	9.6	9.0	9.0	10.3	8.5	8.9	9.8	8.9	9.0	8.9	8.5	8.9	8.4
Debit	245.6	259.3	23.2	22.1	22.1	20.7	22.2	14.2	20.2	26.5	20.8	23.0	23.5	21.3	22.8

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						August 2017			September 2017		
	September 2016			September 2017			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Assets	Liabilities						
CURRENT ACCOUNT	366.4	3,669.7	3,303.3	348.3	3,834.5	3,486.2	30.8	307.2	276.5	41.8	327.8	286.0
Goods	381.8	2,123.8	1,742.1	342.6	2,233.8	1,891.2	23.6	176.3	152.6	34.1	193.5	159.4
Services	48.6	784.7	736.0	61.9	824.1	762.3	7.2	71.9	64.7	10.9	73.6	62.6
Primary income	71.3	651.5	580.2	90.0	668.0	578.0	10.4	51.3	40.9	8.7	52.1	43.4
Secondary income	-135.3	109.7	245.0	-146.1	108.5	254.7	-10.5	7.8	18.3	-12.0	8.6	20.6
CAPITAL ACCOUNT	8.8	40.5	31.7	-19.5	29.6	49.1	0.4	1.7	1.3	-0.2	1.7	1.9
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT ¹⁾	358.2	1,207.0	848.8	366.9	991.5	624.7	37.9	54.9	17.0	80.5	20.4	-60.1
Direct investment	136.0	611.9	475.8	42.8	186.8	144.1	-8.0	10.9	18.9	9.5	11.6	2.0
Equity	194.2	603.1	408.9	173.6	128.0	-45.6	5.7	4.1	-1.6	16.4	20.3	3.9
Debt instruments	-58.2	8.8	66.9	-130.9	58.8	189.7	-13.7	6.8	20.5	-6.8	-8.7	-1.9
Portfolio investment	534.7	475.3	-59.4	372.1	545.1	173.0	93.4	68.6	-24.8	48.4	40.6	-7.8
Equity	-175.7	-4.7	171.0	-158.1	162.3	320.4	3.4	21.8	18.5	-15.8	4.5	20.3
Debt securities	710.4	480.0	-230.4	530.2	382.8	-147.4	90.1	46.8	-43.3	64.1	36.1	-28.1
Short-term	34.6	59.9	25.3	-9.7	24.7	34.4	11.7	7.9	-3.8	6.8	20.8	14.0
Long-term	675.8	420.1	-255.8	539.9	358.1	-181.8	78.4	39.0	-39.5	57.4	15.3	-42.1
Memo: Direct and portfolio investment	670.7	1,087.1	416.4	414.9	731.9	317.0	85.4	79.6	-5.9	57.9	52.2	-5.7
Financial derivatives	57.9			16.7			-7.9			-7.8		
Other investment	-385.9	46.5	432.4	-65.7	241.9	307.6	-38.9	-16.0	22.9	24.0	-30.4	-54.3
Eurosystem	-62.5	2.4	64.9	-138.4	-2.9	135.5	-15.8	-0.5	15.4	-29.9	2.2	32.1
MFIs (excluding the Eurosystem)	-239.3	-28.2	211.0	59.7	153.1	93.3	-13.8	-13.9	-0.1	27.1	-43.5	-70.6
General government	8.3	11.3	3.0	-7.5	-11.1	-3.5	3.3	2.2	-1.1	-5.0	-1.5	3.5
Other sectors	-92.4	61.1	153.5	20.5	102.8	82.3	-12.7	-3.9	8.8	31.8	12.4	-19.4
Of which: currency and deposits	-380.9	-76.4	304.6	-124.5	89.9	214.5	-30.8	-11.6	19.2	17.2	-29.1	-46.3
Reserve assets		15.5			1.0			-0.7			6.4	
Errors and omissions	-16.9			38.1			6.7			38.8		

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)

	May.17	Jun.17	Jul.17	Aug.17				Sep.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	699.5	682.7	668.8	-0.7	-2.3	8.1	-0.2	673.7	6.4	0.1	-5.6	0.1	674.8
Monetary gold	391.3	377.8	374.9	0.0	-	7.8	-0.0	382.8	-0.0	-	-5.0	0.0	377.8
Gold bullion	384.7	371.4	368.6	0.0	-	8.1	-0.1	376.2	-0.0	-	-5.0	0.0	371.3
Unallocated gold accounts	6.6	6.4	6.4	0.0	-	0.1	0.1	6.6	0.0	-	-0.1	-0.0	6.5
Special drawing rights	50.7	50.3	49.9	0.0	-0.2	-	-0.0	49.7	0.1	0.1	-	-0.0	49.9
Reserve position in the IMF	21.2	20.8	20.0	0.1	-0.0	-	0.0	20.1	-0.0	0.0	-	-0.1	20.0
Other reserve assets	236.2	233.8	223.9	-0.8	-2.0	0.3	-0.2	221.2	6.3	0.0	-0.6	0.2	227.2
Currency and deposits	37.0	37.2	33.7	4.5	-0.3	-	0.0	37.9	4.0	-0.1	-	0.0	41.9
Claims on monetary authorities	30.3	28.0	26.1	4.8	-	-	-	30.7	1.0	-	-	-	31.6
Claim on other entities	6.8	9.1	7.6	-0.4	-	-	-	7.2	3.0	-	-	-	10.3
Securities	195.4	191.5	186.3	-5.7	-1.7	0.3	0.0	179.2	2.5	0.1	-0.5	-0.0	181.3
Debt securities	194.6	190.7	185.5	-5.7	-1.7	0.3	0.0	178.4	2.5	0.1	-0.5	-0.0	180.5
Short-term	39.6	34.4	30.2	0.3	-0.3	0.0	0.0	30.2	-0.5	-0.2	0.0	-0.0	29.5
Long-term	155.0	156.3	155.3	-5.9	-1.5	0.3	0.0	148.2	3.0	0.3	-0.5	-0.0	151.0
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)	0.2	0.2	0.3	0.1	-	-0.1	-0.2	0.0	0.0	-	-0.1	0.2	0.2
Other claims	3.6	4.9	3.6	0.4	-0.0	0.0	0.0	4.0	-0.2	0.0	0.0	-0.1	3.8

Source: ECB.