



EUROPEAN CENTRAL BANK

EUROSYSTEM

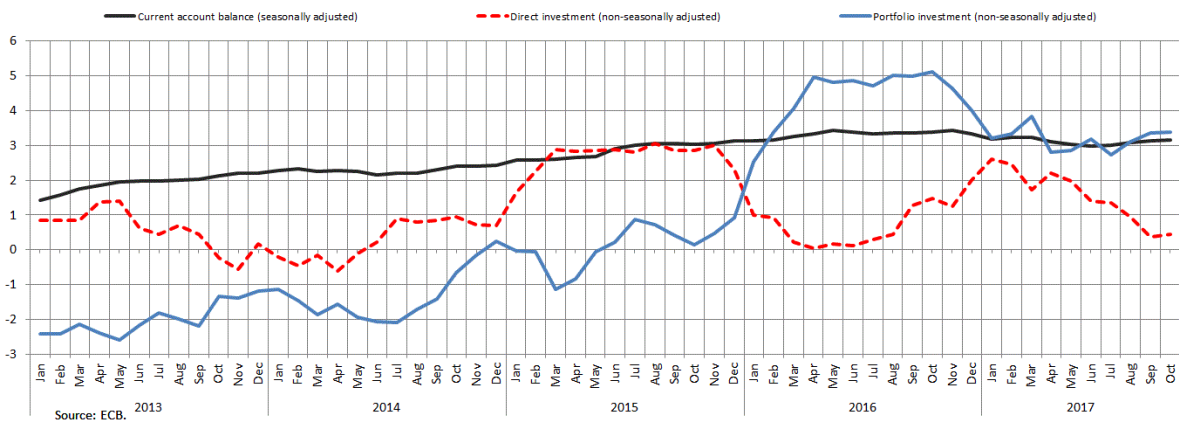
PRESS RELEASE

20 December 2017

Euro area monthly balance of payments (October 2017)

- In October 2017 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 net acquisitions of assets of €61 billion and net disposals of liabilities of €18 billion.

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



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.

Current account

The *current account* of the euro area recorded a surplus of €30.8 billion in October 2017 (see Table 1). This reflected surpluses for *goods* (€26.2 billion), *primary income* (€9.8 billion) and *services* (€7.3 billion), which were partly offset by a deficit for *secondary income* (€12.5 billion).

The 12-month cumulated current account for the period ending in October 2017 recorded a surplus of €349.6 billion (3.2% of euro area GDP), compared with one of €363.4 billion (3.4% of euro area GDP) for the 12 months to October 2016 (see Table 1 and Chart 1). This development was due to a decrease in the surplus for *goods* (from €373.7 billion to €340.4 billion) and an increase in the deficit for *secondary income* (from €137.9 billion to €150.6 billion). These were partly offset by increases in the surpluses for *services* (from €48.4 billion to €66.2 billion) and *primary income* (from €79.1 billion to €93.6 billion).

Financial account

In October 2017 *combined direct and portfolio investment* recorded net acquisitions of assets of €61 billion and net disposals of liabilities of €18 billion (see Table 2).

Euro area residents recorded a net increase of €35 billion of *direct investment* assets as a result of net investments in *debt instruments* (€49 billion), which were partly offset by net disinvestments in *equity* (€13 billion). *Direct investment* liabilities increased by €6 billion as a result of net acquisitions of euro area *debt instruments* (€11 billion) by non-euro area residents. This was partly offset by net disposals of euro area *equity* by non-euro area residents (€5 billion).

With regard to *portfolio investment* assets, euro area residents made net purchases of foreign securities amounting to €26 billion. This resulted from net acquisitions of *equity* (€25 billion) and *long-term debt securities* (€13 billion), which were partly offset by net sales/amortisations of *short-term debt securities* (€12 billion). *Portfolio investment* liabilities decreased by €25 billion as a result of non-euro area residents' net sales of euro area *short-term* and *long-term debt securities* (€26 billion and €46 billion respectively), which were partly offset by net acquisitions of euro area *equity* (€48 billion).

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

Other investment recorded net acquisitions of assets amounting to €131 billion and net incurrences of liabilities of €170 billion. The net acquisition of assets was explained by *MFIs (excluding the Eurosystem)* (€118 billion) and, to a lesser extent, by *other sectors* (€16 billion), and was partly offset by decreases in assets of *the Eurosystem* (€3 billion). The incurrence of liabilities were attributable to *MFIs (excluding the Eurosystem)* (€204 billion) and *other sectors* (€2 billion). These were partly offset by non-euro area residents' net disposals of assets vis-à-vis the Eurosystem (€36 billion).

In the 12 months to October 2017 *combined direct and portfolio investment* recorded net acquisitions of assets of €721 billion and net incurrences of liabilities of €298 billion, compared with €967 billion and

€262 billion respectively in the 12 months to October 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 €548 billion to €75 billion and a shift in *equity* liabilities, from net investments of non-euro area residents of €410 billion to net disinvestments of €84 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 €2 billion to net purchases of €169 billion. On the liabilities side, the non-euro area residents increased the net purchases of euro area equities from €128 billion to €368 billion.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area monetary financial institutions (MFIs) decreased by €77 billion in the 12 months to October 2017, compared with a decrease of €293 billion in the 12 months to October 2016. The counterpart entries of the current and capital account surplus are essentially reflected in the net financial transactions of the non-MFIs, although in a more limited manner than in the 12 months to October 2016.

In October 2017, the *Eurosystem's* stock of *reserve assets* increased to €676.5 billion from €674.8 billion in the previous month (see Table 3). This increase (€1.7 billion) was mainly explained by positive exchange rate developments (€3 billion) and positive price changes (€0.9 billion), which more than offset net disinvestments (€2.7 billion).

Data revisions

This press release incorporates revisions to the data for July to September 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:](#)
 - quarterly balance of payments and international investment position: **11 January 2018**² (reference data up to the third quarter of 2017).
 - monthly balance of payments: **19 January 2018** (reference data up to November 2017)

² The quarterly press release on 11 January 2018 will incorporate revisions (up to September 2017) to the monthly data published in this present monthly press release.

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

For media queries, please contact Philippe Rispal, tel.: +49 69 1344 5482.

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									
	Oct. 2016	Oct. 2017	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.	Oct.
CURRENT ACCOUNT	363.4	349.6	28.7	30.9	25.7	20.5	30.9	32.7	21.6	28.4	24.1	30.2	34.5	39.2	30.8
<i>Memo: as a percentage of GDP</i>	3.4	3.2													
Credit	3,657.9	3,840.5	312.5	319.4	314.1	316.4	316.6	322.2	318.9	326.3	319.2	319.6	323.3	326.4	318.1
Debit	3,294.5	3,490.9	283.8	288.6	288.4	295.9	285.7	289.5	297.3	297.9	295.0	289.4	288.8	287.2	287.3
Goods	373.7	340.4	28.5	30.8	31.3	23.8	26.8	28.5	25.8	26.7	29.0	26.0	29.4	36.2	26.2
Credit (exports)	2,110.1	2,240.6	178.9	183.8	185.7	183.9	186.5	188.5	184.2	188.9	186.0	184.7	187.4	193.3	187.7
Debit (imports)	1,736.3	1,900.2	150.5	153.1	154.4	160.1	159.7	160.0	158.4	162.2	156.9	158.8	158.1	157.1	161.5
Services	48.4	66.2	3.3	1.2	1.0	2.9	6.2	8.2	6.6	4.6	6.1	7.5	7.3	7.4	7.3
Credit (exports)	785.8	826.7	67.2	66.3	65.6	68.3	68.4	69.4	69.3	68.6	70.0	70.0	70.1	71.0	69.5
Debit (imports)	737.3	760.6	64.0	65.1	64.6	65.3	62.2	61.2	62.8	64.1	64.0	62.5	62.9	63.7	62.2
Primary income	79.1	93.6	10.0	12.0	3.7	7.5	3.2	6.4	6.9	9.0	3.1	11.6	10.4	10.0	9.8
Credit	652.7	665.2	57.3	60.3	52.5	55.8	52.8	54.4	56.5	59.8	54.2	56.3	56.9	53.7	52.1
Debit	573.7	571.5	47.3	48.3	48.7	48.3	49.6	48.0	49.6	50.8	51.1	44.7	46.5	43.6	42.2
Secondary income	-137.9	-150.6	-13.0	-13.1	-10.3	-13.7	-5.2	-10.4	-17.7	-11.9	-14.1	-14.9	-12.5	-14.4	-12.5
Credit	109.3	107.9	9.0	9.0	10.3	8.5	8.9	9.8	8.9	9.0	8.9	8.5	8.8	8.4	8.9
Debit	247.2	258.6	22.1	22.1	20.7	22.2	14.2	20.2	26.5	20.8	23.0	23.4	21.3	22.8	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						September 2017			October 2017		
	October 2016			October 2017			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	367.8	3,665.6	3,297.8	352.0	3,845.9	3,493.9	43.2	328.1	284.9	35.9	322.7	286.8
Goods	376.1	2,115.3	1,739.2	341.9	2,246.4	1,904.5	35.1	193.0	157.9	27.3	193.8	166.5
Services	48.3	786.3	738.0	66.0	827.4	761.5	11.0	73.7	62.7	6.7	70.2	63.5
Primary income	80.6	654.7	574.1	89.9	663.8	573.9	9.1	52.8	43.7	13.3	50.5	37.1
Secondary income	-137.2	109.3	246.5	-145.7	108.3	254.0	-12.1	8.6	20.6	-11.4	8.2	19.7
CAPITAL ACCOUNT	3.9	36.3	32.3	-17.4	30.6	48.0	-0.1	1.7	1.9	1.3	2.8	1.6
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT 1)	309.3	1,202.7	893.4	379.9	933.5	553.5	78.7	19.8	-58.9	37.3	189.0	151.8
Direct investment	157.2	545.7	388.5	48.4	155.4	107.1	9.0	11.4	2.4	29.0	35.3	6.4
Equity	137.5	547.6	410.1	158.3	74.1	-84.2	16.2	20.4	4.2	-8.5	-13.2	-4.7
Debt instruments	19.7	-1.9	-21.6	-110.0	81.3	191.3	-7.2	-9.0	-1.8	37.5	48.5	11.0
Portfolio investment	547.9	421.6	-126.3	374.9	565.6	190.7	48.0	40.7	-7.3	50.7	26.0	-24.7
Equity	-129.4	-1.7	127.7	-199.4	168.7	368.2	-16.1	4.5	20.6	-22.9	24.8	47.7
Debt securities	677.3	423.3	-254.0	574.3	396.9	-177.4	64.1	36.2	-27.9	73.6	1.2	-72.4
Short-term	8.3	27.9	19.6	33.3	47.2	13.9	9.3	20.7	11.4	14.9	-11.5	-26.3
Long-term	669.0	395.4	-273.6	541.0	349.7	-191.3	54.8	15.5	-39.3	58.7	12.7	-46.1
<i>Memo: Direct and portfolio investment</i>	705.2	967.3	262.2	423.2	721.0	297.8	57.0	52.1	-4.9	79.6	61.3	-18.3
Financial derivatives	51.9			10.0			-7.7			-0.6		
Other investment	-465.3	165.9	631.2	-55.6	200.1	255.7	23.0	-31.1	-54.0	-39.1	131.0	170.1
Eurosysteem	-72.8	-0.5	72.3	-98.0	1.7	99.7	-29.9	2.2	32.1	33.0	-2.9	-35.9
MFIs (excluding the Eurosysteem)	-306.8	111.7	418.5	33.9	112.1	78.2	28.1	-43.2	-71.3	-85.6	118.3	203.9
General government	-2.6	4.9	7.4	1.1	-7.9	-9.1	-5.3	-1.7	3.6	-0.2	-0.4	-0.3
Other sectors	-83.2	49.9	133.0	7.3	94.2	86.9	30.1	11.7	-18.4	13.7	16.0	2.3
Of which: currency and deposits	-516.0	-10.3	505.7	-137.7	27.4	165.0	17.8	-29.3	-47.1	-118.2	45.3	163.6
Reserve assets		17.5			2.3			6.4			-2.7	
Errors and omissions	-62.5			45.4			35.7			0.0		

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)

	Jun.17	Jul.17	Aug.17	Sep.17					Oct.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	682.7	668.8	673.7	6.4	0.1	-5.6	0.1	674.8	-2.7	3.0	0.9	0.4	676.5
Monetary gold	377.8	374.9	382.8	-0.0	-	-5.0	0.0	377.8	0.0	-	1.2	-0.0	378.9
Gold bullion	371.4	368.6	376.2	-0.0	-	-5.0	0.0	371.3	0.0	-	1.4	-0.0	372.4
Unallocated gold accounts	6.4	6.4	6.6	0.0	-	-0.1	-0.0	6.5	0.0	-	0.0	0.0	6.5
Special drawing rights	50.3	49.9	49.7	0.1	0.1	-	-0.0	49.9	0.0	0.4	-	0.0	50.3
Reserve position in the IMF	20.8	20.0	20.1	-0.0	0.0	-	-0.1	20.0	-0.2	0.2	-	0.0	20.1
Other reserve assets	233.8	223.9	221.2	6.3	0.0	-0.6	0.2	227.2	-2.5	2.4	-0.3	0.4	227.2
Currency and deposits	37.2	33.7	37.9	4.0	-0.1	-	0.0	41.9	-4.9	0.4	-	-0.1	37.3
Claims on monetary authorities	28.0	26.1	30.7	1.0	-	-	-	31.6	-4.1	-	-	-	27.8
Claim on other entities	9.1	7.6	7.2	3.0	-	-	-	10.3	-0.8	-	-	-	9.5
Securities	191.5	186.3	179.2	2.5	0.1	-0.5	-0.0	181.3	2.8	1.9	-0.0	0.3	186.3
Debt securities	190.7	185.5	178.4	2.5	0.1	-0.5	-0.0	180.5	2.6	1.9	-0.0	0.3	185.3
Short-term	34.4	30.2	30.2	-0.5	-0.2	0.0	-0.0	29.5	-0.2	0.3	0.0	0.0	29.7
Long-term	156.3	155.3	148.2	3.0	0.3	-0.5	-0.0	151.0	2.7	1.6	-0.0	0.3	155.7
Equity and investment fund shares	0.8	0.8	0.8	-0.0	-0.0	-0.0	0.0	0.8	0.2	0.0	-0.0	-0.0	1.0
Financial derivatives (net)	0.2	0.3	0.0	0.0	-	-0.1	0.2	0.2	0.0	-	-0.2	0.0	0.1
Other claims	4.9	3.6	4.0	-0.2	0.0	0.0	-0.1	3.8	-0.3	0.0	-0.1	0.1	3.5

Source: ECB.