

PRESS RELEASE

22 March 2017

Euro area monthly balance of payments (January 2017)

- In January 2017 the current account of the euro area recorded a surplus of €24.1 billion.¹
- In the financial account, combined direct and portfolio investment recorded net acquisitions of assets of €153 billion and net incurrences of liabilities of €120 billion.



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

Current account

The *current account* of the euro area recorded a surplus of €24.1 billion in January 2017 (see Table 1). This reflected surpluses for goods (€24.1 billion), primary income (€12.1 billion) and services (€3.5 billion), which were partly offset by a deficit for secondary income (€15.5 billion).

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 January 2017 recorded a surplus of €357.9 billion (3.3% of euro area GDP), compared with one of €321.6 billion (3.1% of euro area GDP) for the 12 months to January 2016 (see Table 1 and Chart 1). This was due to increases in the surpluses for *goods* (from €346.8 billion to €366.3 billion), *primary income* (from €42.5 billion to €59.3 billion) and *services* (from €58.6 billion to €68.5 billion). These were partly offset by an increase in the deficit for *secondary income* (from €126.3 billion to €136.3 billion).

Financial account

In January 2017 *combined direct and portfolio investment* recorded net acquisitions of assets of €153 billion and net incurrences of liabilities of €120 billion (see Table 2).

Euro area residents recorded net acquisitions of €109 billion of *direct investment* assets as a result of net acquisitions of both *equity* (€103 billion) and *debt instruments* (€6 billion). *Direct investment* liabilities increased by €92 billion as a result of net acquisitions of euro area *equity* (€90 billion) and *debt instruments* (€3 billion) by non-euro area residents.

As regards *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €44 billion. This resulted from net purchases of *long-term debt securities* (€25 billion) and *equity* (€24 billion), which were partly offset by net sales of *short-term debt securities* (€5 billion). *Portfolio investment* liabilities recorded net incurrences of €27 billion as a result of net acquisitions of euro area *equity* (€20 billion) and *short-term debt securities* (€22 billion) by non-euro area residents. These were partly offset by net sales/amortisations of euro area *long-term debt securities* (€15 billion) by non-euro area residents.

The euro area net *financial derivatives* account (assets minus liabilities) recorded positive net flows of €4 billion.

Other investment recorded increases of €31 billion in assets and €243 billion in liabilities. The net acquisition of foreign assets by euro area residents is mainly attributable to the *MFI sector (excluding the Eurosystem)* (€237 billion). The net incurrence of liabilities can also be explained by the *MFI sector (excluding the Eurosystem)* (€259 billion) and, to a limited extent, by other sectors (€22 billion). In the 12 months to January 2017 combined direct and portfolio investment recorded increases of €767 billion in assets and €63 billion in liabilities, compared with increases of €1,125 billion and €684 billion respectively in the 12 months to January 2016. This resulted from a significant decrease in the *direct investment* activity of both euro area residents abroad and non-residents in the euro area, with the net acquisition of assets decreasing from €730 billion to €381 billion and the net incurrence of liabilities decreasing from €568 billion to €66 billion.

PRESS RELEASE / 22 March 2017

Euro area monthly balance of payments (January 2017)

According to the monetary presentation of the balance of payments, the <u>net external assets</u> of euro area MFIs decreased by €193 billion in the 12 months to January 2017, compared with a decrease of €56 billion in the 12 months to January 2016. This reflected an increase in the surplus in the *current and capital account* balance (from €305 billion to €358 billion), which was offset by net financial transactions by non-MFIs. In particular, the cumulated transactions in portfolio investment liabilities issued by non-MFI euro area residents showed a shift from net purchases of *debt securities* by non-euro area investors (€35 billion) to net sales/amortisations (€155 billion).

In January 2017 the *Eurosystem*'s stock of *reserve assets* decreased by €0.7 billion to €707.0 billion (see Table 3). This can be explained by net sales of *reserve assets* (€5.1 billion) and negative exchange rate developments (€3.4 billion), which were almost entirely offset by positive price revaluations, particularly of *monetary gold* (€7.7 billion).

Data revisions

This press release incorporates revisions to the data for the period from October to December 2016. These revisions have not significantly altered the figures previously published.

Additional information

- Time series data: <u>ECB's Statistical Data Warehouse (SDW)</u>
- Methodological information
- Monetary presentation of the balance of payments
- Next press releases:
 - Quarterly balance of payments and international investment position: 6 April 2017 (reference data up to the fourth quarter of 2016);
 - Monthly balance of payments: 21 April 2017 (reference data up to February 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

For media enquiries, 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 figu 12-month perio | 2016 | | | | | | | | | | | | 2017 | |
|------------------------------|----------------------------------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Jan. 2016 | Jan. 2017 | Jan. | Feb. | Mar. | Apr. | May | June | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. |
| CURRENT ACCOUNT | 321.6 | 357.9 | 30.1 | 25.5 | 29.3 | 34.3 | 30.8 | 30.0 | 30.1 | 29.5 | 29.3 | 28.1 | 36.1 | 30.8 | 24.1 |
| Memo: as a percentage of GDP | 3.1 | 3.3 | | | | | | | | | | | | | |
| Credit | 3,604.6 | 3,597.6 | 293.7 | 293.0 | 292.0 | 295.9 | 295.9 | 295.5 | 294.6 | 300.7 | 301.1 | 298.2 | 311.7 | 306.9 | 312.2 |
| Debit | 3,283.0 | 3,239.7 | 263.6 | 267.4 | 262.7 | 261.7 | 265.1 | 265.5 | 264.5 | 271.2 | 271.8 | 270.1 | 275.5 | 276.1 | 288.1 |
| Goods | 346.8 | 366.3 | 29.5 | 27.4 | 32.4 | 32.5 | 31.9 | 33.0 | 29.5 | 32.6 | 34.6 | 26.0 | 30.6 | 31.6 | 24.1 |
| Credit (exports) | 2,101.7 | 2,109.0 | 171.7 | 170.2 | 173.5 | 172.5 | 172.2 | 174.1 | 171.8 | 176.4 | 176.3 | 174.9 | 182.2 | 183.7 | 181.3 |
| Debit (imports) | 1,754.8 | 1,742.7 | 142.2 | 142.8 | 141.0 | 140.0 | 140.3 | 141.1 | 142.2 | 143.7 | 141.7 | 149.0 | 151.6 | 152.1 | 157.3 |
| Services | 58.6 | 68.5 | 4.8 | 6.1 | 6.2 | 4.2 | 4.2 | 4.5 | 6.0 | 6.7 | 7.4 | 9.1 | 5.5 | 5.1 | 3.5 |
| Credit (exports) | 769.6 | 782.4 | 64.5 | 65.8 | 64.3 | 63.3 | 64.2 | 63.5 | 63.2 | 65.5 | 67.3 | 66.5 | 66.2 | 65.8 | 66.8 |
| Debit (imports) | 711.0 | 713.9 | 59.7 | 59.6 | 58.2 | 59.1 | 60.0 | 59.0 | 57.2 | 58.7 | 59.8 | 57.4 | 60.8 | 60.8 | 63.3 |
| Primary income | 42.5 | 59.3 | 4.3 | 2.3 | 1.3 | 5.5 | 3.9 | 2.4 | 4.3 | 2.9 | 1.7 | 5.8 | 12.1 | 5.0 | 12.1 |
| Credit | 629.0 | 604.5 | 49.1 | 48.6 | 45.8 | 51.3 | 51.2 | 49.7 | 50.7 | 50.5 | 49.3 | 48.7 | 55.3 | 48.6 | 54.9 |
| Debit | 586.6 | 545.2 | 44.8 | 46.3 | 44.5 | 45.8 | 47.2 | 47.3 | 46.4 | 47.6 | 47.7 | 42.8 | 43.3 | 43.5 | 42.8 |
| Secondary income | -126.3 | -136.3 | -8.5 | -10.3 | -10.6 | -8.0 | -9.3 | -9.9 | -9.7 | -12.8 | -14.4 | -12.9 | -12.0 | -10.9 | -15.5 |
| Credit | 104.3 | 101.6 | 8.4 | 8.3 | 8.4 | 8.8 | 8.4 | 8.2 | 8.9 | 8.4 | 8.2 | 8.1 | 7.9 | 8.8 | 9.3 |
| Debit | 230.6 | 237.9 | 16.9 | 18.7 | 19.0 | 16.8 | 17.6 | 18.2 | 18.6 | 21.1 | 22.6 | 20.9 | 19.9 | 19.7 | 24.8 |
| 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)

| | Cumul the 12- | ated figure month per | es for riod ending | | | | December 2016 | | | ry 2017 | | |
|---------------------------------------|------------------|--------------------------|-----------------------|--------|---------|-------------|---------------|--------|-------------|---------|--------|------------|
| | Janı | uary 2016 | January 2017 | | | | | | | | | |
| | Net | Credit | Debit | Net | Credit | Debit | Net | Credit | Debit | Net | Credit | Deb |
| CURRENT ACCOUNT | 319.4 | 3,607.5 | 3,288.0 | 355.2 | 3,609.6 | 3,254.4 | 46.9 | 328.3 | 281.4 | 2.5 | 284.2 | 281. |
| Goods | 348.7 | 2,105.5 | 1,756.7 | 369.1 | 2,122.5 | 1,753.4 | 32.7 | 181.0 | 148.2 | 9.2 | 167.2 | 157. |
| Services | 58.5 | 770.2 | 711.8 | 68.1 | 784.2 | 716.1 | 7.0 | 73.3 | 66.3 | 0.6 | 61.8 | 61. |
| Primary income | 41.7 | 628.6 | 587.0 | 56.2 | 602.8 | 546.6 | 18.0 | 63.6 | 45.6 | 8.6 | 47.2 | 38 |
| Secondary income | -129.5 | 103.1 | 232.6 | -138.2 | 100.1 | 238.3 | -10.8 | 10.4 | 21.2 | -16.0 | 8.0 | 24 |
| CAPITAL ACCOUNT | -15.2 | 46.4 | 61.6 | 8.2 | 36.9 | 28.8 | 3.7 | 7.5 | 3.8 | -0.1 | 1.9 | 2. |
| | Net | Assets | Liabilities | Net | Assets | Liabilities | Net | Assets | Liabilities | Net | Assets | Liabilitie |
| FINANCIAL ACCOUNT ¹⁾ | 317.6 | 882.4 | 564.8 | 428.1 | 1,070.4 | 642.3 | 148.1 | -180.8 | -328.9 | 21.0 | 383.8 | 362 |
| Direct investment | 161.6 | 729.5 | 567.9 | 314.8 | 380.7 | 65.9 | 52.8 | 7.4 | -45.4 | 16.6 | 108.9 | 92 |
| Equity | 159.7 | 564.8 | 405.1 | 241.8 | 399.5 | 157.6 | 49.4 | 32.3 | -17.1 | 13.3 | 102.9 | 89 |
| Debt instruments | 1.8 | 164.7 | 162.9 | 73.0 | -18.8 | -91.7 | 3.3 | -24.9 | -28.2 | 3.3 | 6.0 | 2 |
| Portfolio investment | 279.2 | 395.3 | 116.1 | 388.4 | 385.8 | -2.7 | 70.6 | 14.7 | -55.9 | 16.9 | 44.4 | 27 |
| Equity | -136.8 | 18.3 | 155.1 | -149.2 | 41.8 | 191.0 | -9.1 | 2.0 | 11.1 | 4.2 | 24.3 | 20 |
| Debt securities | 416.0 | 377.0 | -39.0 | 537.7 | 344.0 | -193.7 | 79.6 | 12.6 | -67.0 | 12.7 | 20.1 | 7 |
| Short-term | 72.5 | 18.3 | -54.2 | -38.3 | -1.0 | 37.3 | 46.3 | 19.8 | -26.6 | -26.7 | -4.6 | 22 |
| Long-term | 343.4 | 358.7 | 15.3 | 576.0 | 345.0 | -231.0 | 33.3 | -7.2 | -40.5 | 39.4 | 24.7 | -14 |
| Memo: Direct and portfolio investment | 440.7 | 1,124.8 | 684.1 | 703.2 | 766.5 | 63.2 | 123.3 | 22.1 | -101.3 | 33.5 | 153.3 | 119 |
| Financial derivatives | 97.0 | | | 15.1 | | | 6.2 | | | 4.2 | | |
| Other investment | -228.4 | -347.7 | -119.3 | -301.5 | 277.6 | 579.1 | 12.5 | -215.1 | -227.6 | -11.6 | 231.4 | 243 |
| Eurosystem | 49.7 | 3.8 | -45.9 | -134.3 | 4.1 | 138.4 | -71.0 | 8.4 | 79.4 | 31.9 | -4.5 | -36 |
| MFIs (excluding the Eurosystem) | -256.1 | -371.8 | -115.6 | -102.0 | 256.3 | 358.2 | 89.0 | -190.9 | -279.9 | -22.7 | 236.6 | 259 |
| General government | 25.7 | -9.2 | -34.9 | -2.6 | -4.5 | -1.9 | 6.8 | -0.2 | -7.0 | -0.7 | -2.9 | -2 |
| Other sectors | -47.7 | 29.4 | 77.1 | -62.6 | 21.8 | 84.4 | -12.4 | -32.5 | -20.1 | -20.0 | 2.2 | 22 |
| Of which: currency and deposits | -204.5 | -324.9 | -120.4 | -382.1 | 94.0 | 476.1 | 107.1 | -87.1 | -194.2 | -88.5 | 128.3 | 216 |
| Reserve assets | | 8.3 | | | 11.2 | | | 6.1 | | | -5.1 | |
| Errors and omissions | 13.5 | | | 64.7 | | | 97.5 | | | 18.7 | | |
| Source: ECB. | | | | | | | | | | | | |

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)

| | Sep.16 | Oct.16 | Nov.16 | Dec.16 | | | | | Jan.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 | 727.0 | 717.3 | 706.6 | 6.1 | 0.9 | -6.0 | 0.1 | 707.7 | -5.1 | -3.4 | 7.8 | -0.0 | 707.0 |
| Monetary gold | 411.3 | 403.1 | 386.5 | 0.0 | - | -5.7 | -0.0 | 380.8 | 0.0 | - | 7.7 | 0.0 | 388.5 |
| Gold bullion | 404.3 | 396.3 | 379.9 | -0.0 | - | -5.6 | -0.0 | 374.3 | 0.0 | - | 7.5 | 0.0 | 381.9 |
| Unallocated gold accounts | 7.0 | 6.8 | 6.6 | 0.0 | - | -0.1 | 0.0 | 6.5 | 0.0 | - | 0.1 | -0.0 | 6.6 |
| Special drawing rights | 51.2 | 51.4 | 52.1 | 0.1 | 0.1 | - | 0.0 | 52.3 | 0.0 | -0.5 | - | -0.0 | 51.9 |
| Reserve position in the IMF | 23.2 | 23.9 | 23.3 | -0.3 | 0.0 | - | 0.0 | 23.1 | -0.1 | -0.2 | - | 0.0 | 22.8 |
| Other reserve assets | 241.3 | 238.9 | 244.7 | 6.3 | 0.8 | -0.3 | 0.1 | 251.5 | -5.0 | -2.8 | 0.1 | -0.0 | 243.8 |
| Currency and deposits | 33.2 | 29.7 | 27.8 | 4.7 | -0.1 | - | 0.5 | 32.9 | -1.0 | -0.1 | - | -0.0 | 31.8 |
| Claims on monetary authorities | 24.0 | 21.1 | 21.8 | 2.6 | - | - | - | 24.9 | 0.4 | - | - | - | 25.4 |
| Claim on other entities | 9.3 | 8.6 | 6.0 | 2.1 | - | - | - | 8.0 | -1.4 | - | - | - | 6.4 |
| Securities | 202.4 | 204.7 | 213.3 | 1.4 | 0.9 | -0.4 | -0.5 | 214.7 | -3.8 | -2.7 | 0.1 | -0.0 | 208.3 |
| Debt securities | 201.7 | 204.0 | 212.6 | 1.4 | 0.9 | -0.4 | -0.5 | 214.0 | -3.8 | -2.7 | 0.0 | -0.0 | 207.6 |
| Short-term | 27.9 | 28.9 | 33.4 | 0.6 | -0.0 | 0.0 | -0.0 | 33.9 | -2.0 | -0.2 | -0.0 | 0.0 | 31.7 |
| Long-term | 173.8 | 175.1 | 179.2 | 0.8 | 1.0 | -0.4 | -0.5 | 180.0 | -1.7 | -2.5 | 0.1 | -0.0 | 175.9 |
| 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) | -0.1 | -0.1 | -0.1 | -0.0 | - | 0.1 | 0.0 | -0.0 | -0.1 | - | 0.1 | 0.0 | 0.0 |
| Other claims | 5.7 | 4.6 | 3.7 | 0.2 | -0.0 | 0.0 | 0.0 | 3.9 | -0.2 | -0.0 | 0.0 | -0.0 | 3.6 |
| Source: ECB. | | | | | | | | | | | | | |