

Press release

20 July 2020

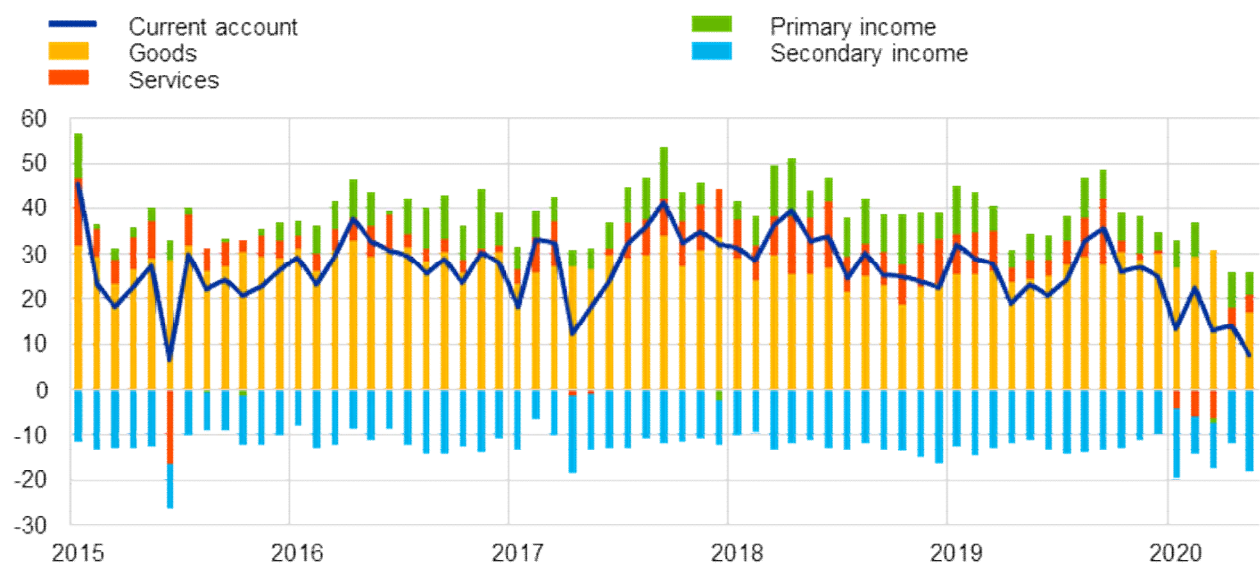
Euro area monthly balance of payments: May 2020

- In May 2020 the [current account](#) of the euro area recorded a surplus of €8 billion, compared with a surplus of €14 billion in April 2020.
- In the 12-month period to May 2020, the current account recorded a surplus of €264 billion (2.2% of euro area GDP), compared with a surplus of €318 billion (2.7% of euro area GDP) in the 12 months to May 2019.
- In the [financial account](#), euro area residents made net acquisitions of foreign portfolio investment securities totalling €468 billion in the 12-month period to May 2020 (up from €72 billion in the 12 months to May 2019). Over the same period, non-residents made net acquisitions of euro area portfolio investment securities amounting to €355 billion (up from €132 billion).

Chart 1

Euro area current account balance

(EUR billions unless otherwise indicated; working day and seasonally adjusted data)



Source: ECB.

European Central Bank

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The *current account* of the euro area recorded a surplus of €8 billion in May 2020, decreasing by €6 billion from the previous month (see Chart 1 and Table 1). Surpluses were recorded for *goods* (€17 billion), *primary income* (€5 billion) and *services* (€4 billion). These were partly offset by a deficit for *secondary income* (€18 billion).

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 in						
		May 2019 % of GDP		May 2020 % of GDP		May 2019	Apr 2020	May 2020
Current account	Balance	318	2.7%	264	2.2%	23	14	8
	Credit	4,243	36.2%	4,140	34.9%	357	276	282
	Debit	3,925	33.5%	3,876	32.7%	334	261	274
Goods	Balance	289	2.5%	317	2.7%	25	13	17
	Credit (exports)	2,381	20.3%	2,297	19.4%	198	145	155
	Debit (imports)	2,093	17.9%	1,980	16.7%	174	131	138
Services	Balance	99	0.8%	31	0.3%	4	5	4
	Credit (exports)	953	8.1%	957	8.1%	82	64	65
	Debit (imports)	853	7.3%	926	7.8%	78	59	61
Primary income	Balance	89	0.8%	69	0.6%	6	8	5
	Credit	797	6.8%	773	6.5%	67	58	53
	Debit	709	6.0%	704	5.9%	61	50	49
Secondary income	Balance	-159	-1.4%	-152	-1.3%	-11	-12	-18
	Credit	112	1.0%	113	1.0%	10	9	8
	Debit	271	2.3%	265	2.2%	21	21	26

Source: ECB.
Note: Discrepancies between totals and their components may be due to rounding.

[Data for the current account of the euro area](#)

In the 12 months to May 2020, the *current account* recorded a surplus of €264 billion (2.2% of euro area GDP), compared with a surplus of €318 billion (2.7% of euro area GDP) in the 12 months to May 2019. This decline was mainly driven by a reduction in the surpluses for *services* (down from €99 billion to €31 billion) and *primary income* (down from €89 billion to €69 billion). These developments were partly offset by a larger surplus for *goods* (up from €289 billion to €317 billion) and a smaller deficit for *secondary income* (down from €159 billion to €152 billion).

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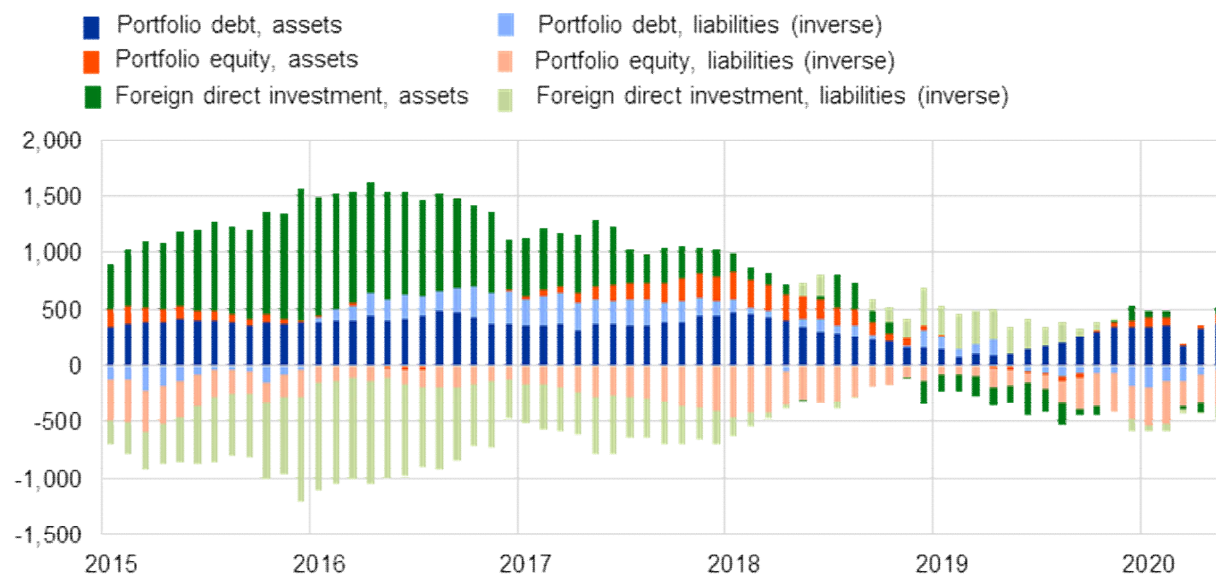
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Chart 2

Selected items of the euro area financial account

(EUR billions; 12-month cumulated data)



Source: ECB.

Notes: For assets, a positive (negative) number indicates net purchases (sales) of non-euro area instruments by euro area investors. For liabilities, a positive (negative) number indicates net sales (purchases) of euro area instruments by non-euro area investors.

In *direct investment*, euro area residents made net investments of €49 billion in non-euro area assets in the 12-month period to May 2020, following net disinvestments of €156 billion in the 12 months to May 2019 (see Chart 2 and Table 2). At the same time, non-residents made net investments in euro area assets of €126 billion in the 12-month period to May 2020, following net disinvestments of €237 billion in the 12 months to May 2019.

In *portfolio investment*, net purchases of foreign *debt securities* by euro area residents increased to €382 billion in the 12-month period to May 2020, following net purchases of €106 billion in the 12 months to May 2019. Over the same period, euro area residents made net purchases in foreign *equity* of €86 billion, after net sales of €33 billion in the 12 months to May 2019. Non-residents made net purchases of euro area *debt securities* (€38 billion) in the 12 months to May 2020, after recording net sales of €6 billion in the 12 months to May 2019. Over the same period, non-residents' net purchases of euro area *equity* rose to €317 billion from €139 billion.

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Table 2
Financial account 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 in					
	May 2019			May 2020		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	334	292	-42	241	970	729
Direct investment	80	-156	-237	-77	49	126
Portfolio investment	-60	72	132	113	468	355
Equity	-172	-33	139	-231	86	317
Debt securities	112	106	-6	344	382	38
Financial derivatives (net)	100	100		57	57	
Other investment	191	254	63	146	394	248
Eurosysteem	1	4	2	-131	9	140
Other MFIs	275	213	-61	179	134	-45
General government	-8	5	14	14	9	-5
Other sectors	-76	32	108	84	242	158
Reserve assets	23	23		2	2	

Source: ECB.

Notes: Decreases in assets and liabilities are shown with a minus sign. Net financial derivatives are reported under assets. "MFIs" stands for monetary financial institutions. Discrepancies between totals and their components may be due to rounding.

[Data for the financial account of the euro area](#)

In *other investment*, euro area residents' net acquisitions of foreign assets increased to €394 billion in the 12 months to May 2020 (following net acquisitions of €254 billion in the 12 months to May 2019), while their net incurrence of liabilities increased to €248 billion from €63 billion.

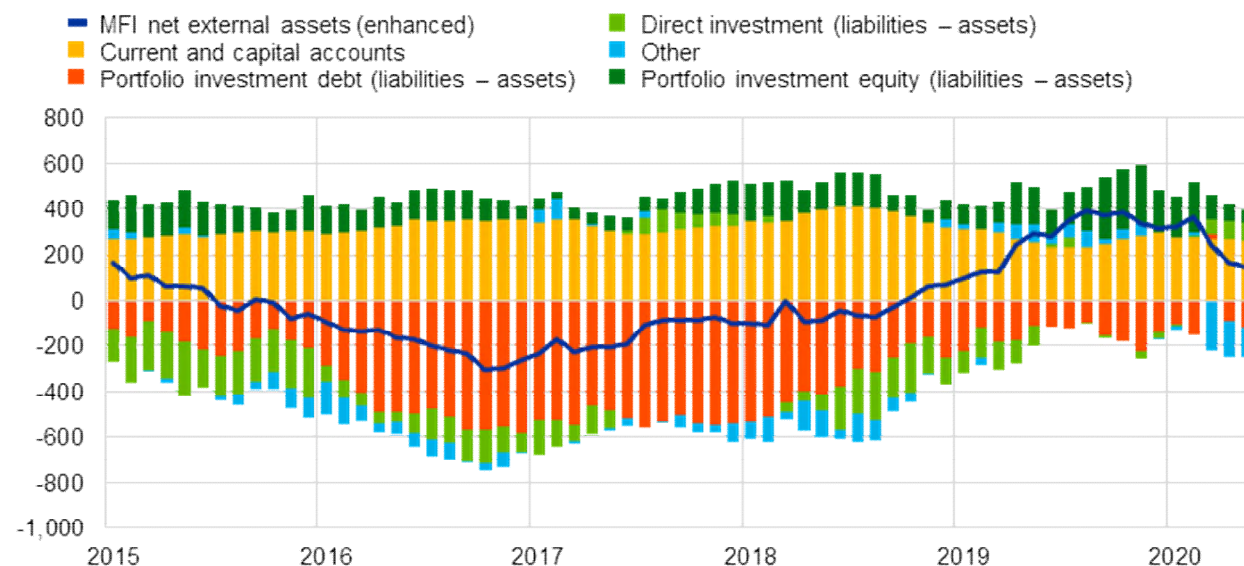
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Chart 3
Monetary presentation of the balance of payments

(EUR billions; 12-month cumulated data)



Source: ECB.

Notes: MFI net external assets (enhanced) incorporates an adjustment to the MFI net external assets (as reported in the consolidated MFI balance sheet items statistics) based on information on MFI long-term liabilities held by non-residents, available in b.o.p. statistics. B.o.p. transactions refer only to transactions of non-MFI residents of the euro area. Financial transactions are shown as liabilities net of assets. "Other" includes *financial derivatives*, *other investment* and statistical discrepancies.

The monetary presentation of the balance of payments (see Chart 3) shows that the *net external assets (enhanced)* of euro area MFIs increased by €145 billion in the 12-month period to May 2020. This increase was mainly driven by *current and capital accounts* surpluses and, to a lesser extent, by euro area non-MFIs' net inflows in *direct investment* and *portfolio investment equity*. These developments were partly offset by euro area non-MFIs' net outflows in *portfolio investment debt securities* and by *other flows*, in particular *other investment* net outflows.

In May 2020 the Eurosystem's stock of *reserve assets* decreased to €895.8 billion, down from €909.9 billion in the previous month (see Table 3). This decrease was largely driven by negative price and exchange rate changes (€7.9 billion and €7.8 billion respectively), which were only partly offset by net acquisitions of assets (€1.6 billion).

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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 data)

	April 2020	May 2020			Amounts outstanding
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	
Reserve assets	909.9	1.6	-7.8	-7.9	895.8
Monetary gold	545.6	0.0	-	-8.3	537.4
Special drawing rights	54.2	-0.1	-1.0	-	53.1
Reserve position in the IMF	26.8	0.9	-0.5	-	27.0
Other reserve assets	283.3	0.8	-6.3	0.4	278.4

Source: ECB.

Note: "Other reserve assets" comprises currency and deposits, securities, financial derivatives (net) and other claims.

[Data for the reserve assets of the euro area](#)

Data revisions

This press release incorporates revisions to the data for April 2020. These revisions did not significantly alter the figures previously published.

The production of monthly b.o.p. statistics has in most countries been affected by the COVID-19 crisis. The lockdown measures implemented across the euro area have created challenges for the data collection and compilation process. In addition, the abrupt economic impact of these measures has caused particular difficulties for the estimation of infra-annual data. The releases are therefore subject to higher uncertainty. More information on the potential impact of the COVID-19 crisis on b.o.p. statistics can be found [here](#).

Next press releases:

- monthly balance of payments: 19 August 2020 (reference data up to June 2020)
- quarterly balance of payments and international investment position: 2 October 2020 (reference data up to the second quarter of 2020)

For media queries, please contact [Philippe Rispal](#), tel.: +49 69 1344 5482.

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Notes

- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.

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