

Press release

19 August 2020

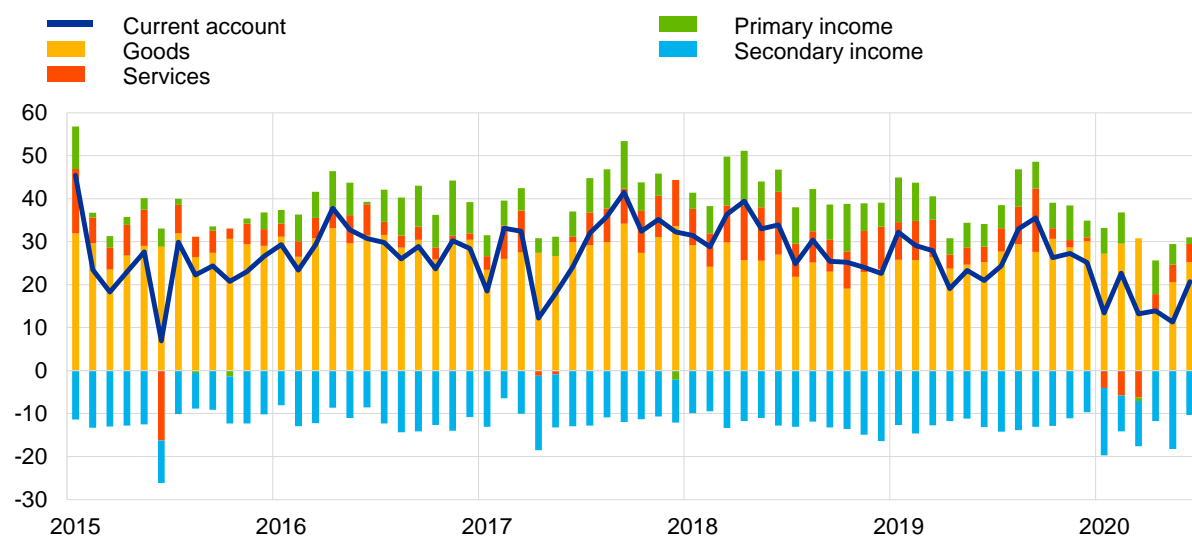
Euro area monthly balance of payments: June 2020

- In June 2020 the [current account](#) of the euro area recorded a surplus of €21 billion, compared with a surplus of €11 billion in May 2020.
- In the 12-month period to June 2020, the current account recorded a surplus of €267 billion (2.2% of euro area GDP), compared with a surplus of €305 billion (2.6% of euro area GDP) in the 12 months to June 2019.
- In the [financial account](#), euro area residents made net acquisitions of foreign portfolio investment securities totalling €514 billion in the 12-month period to June 2020 (up from €134 billion in the 12 months to June 2019). Over the same period, non-residents made net acquisitions of euro area portfolio investment securities amounting to €439 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.

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The *current account* of the euro area recorded a surplus of €21 billion in June 2020, increasing by €10 billion from the previous month (see Chart 1 and Table 1). Surpluses were recorded for *goods* (€25 billion), *services* (€4 billion) and *primary income* (€2 billion). These were partly offset by a deficit for *secondary income* (€10 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 | | | | Jun 2019 | May 2020 | Jun 2020 |
|-------------------------|------------------|---|-------|-----------|-------|----------|----------|----------|
| | | June 2019 | | June 2020 | | | | |
| | | % of GDP | | % of GDP | | | | |
| Current account | Balance | 305 | 2.6% | 267 | 2.2% | 21 | 11 | 21 |
| | Credit | 4,244 | 36.1% | 4,089 | 34.4% | 355 | 284 | 301 |
| | Debit | 3,939 | 33.5% | 3,822 | 32.2% | 334 | 273 | 280 |
| Goods | Balance | 287 | 2.4% | 321 | 2.7% | 25 | 21 | 25 |
| | Credit (exports) | 2,382 | 20.3% | 2,273 | 19.1% | 199 | 157 | 171 |
| | Debit (imports) | 2,095 | 17.8% | 1,952 | 16.4% | 173 | 136 | 146 |
| Services | Balance | 88 | 0.7% | 31 | 0.3% | 4 | 4 | 4 |
| | Credit (exports) | 958 | 8.2% | 940 | 7.9% | 83 | 65 | 66 |
| | Debit (imports) | 870 | 7.4% | 909 | 7.6% | 79 | 60 | 62 |
| Primary income | Balance | 89 | 0.8% | 65 | 0.5% | 5 | 5 | 2 |
| | Credit | 792 | 6.7% | 763 | 6.4% | 65 | 54 | 54 |
| | Debit | 703 | 6.0% | 698 | 5.9% | 60 | 49 | 53 |
| Secondary income | Balance | -159 | -1.4% | -150 | -1.3% | -13 | -18 | -10 |
| | Credit | 111 | 0.9% | 114 | 1.0% | 9 | 8 | 9 |
| | Debit | 271 | 2.3% | 264 | 2.2% | 22 | 27 | 20 |

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 June 2020, the *current account* recorded a surplus of €267 billion (2.2% of euro area GDP), compared with a surplus of €305 billion (2.6% of euro area GDP) in the 12 months to June 2019. This decline was mainly driven by decreases in the surpluses for *services* (down from €88 billion to €31 billion) and *primary income* (down from €89 billion to €65 billion). These developments were partly offset by an increase in the surplus for *goods* (up from €287 billion to €321 billion) and a decrease in the deficit for *secondary income* (down from €159 billion to €150 billion).

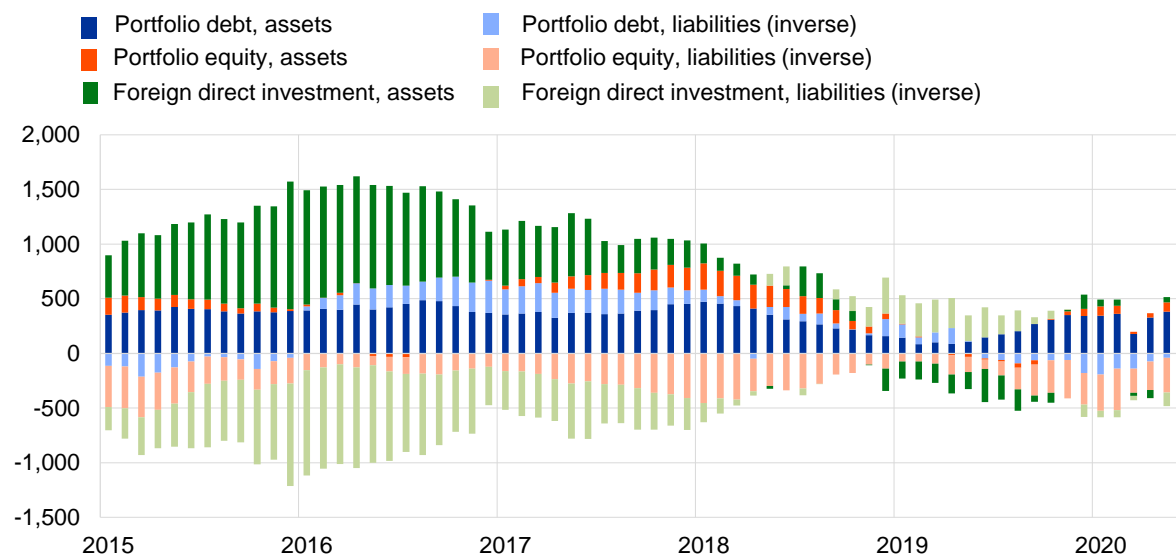
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Chart 2
Selected items of the euro area financial account

(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 €172 billion in non-euro area assets in the 12-month period to June 2020, following net disinvestments of €302 billion in the 12 months to June 2019 (see Chart 2 and Table 2). At the same time, non-residents made net investments in euro area assets of €198 billion in the 12-month period to June 2020, following net disinvestments of €275 billion in the 12 months to June 2019.

In *portfolio investment*, net purchases of foreign *debt securities* by euro area residents increased to €409 billion in the 12-month period to June 2020, following net purchases of €145 billion in the 12 months to June 2019. Over the same period, euro area residents made net purchases of foreign *equity* of €105 billion, after recording net sales of €12 billion in the 12 months to June 2019. Non-residents made net purchases of euro area *debt securities* amounting to €81 billion in the 12 months to June 2020, after recording net purchases of €46 billion in the 12 months to June 2019. Over the same period, non-residents' net purchases of euro area *equity* rose to €358 billion from €86 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 | | | | | |
|------------------------------------|---|--------|-------------|-----------|--------|-------------|
| | June 2019 | | | June 2020 | | |
| | Net | Assets | Liabilities | Net | Assets | Liabilities |
| Financial account | 292 | 277 | -15 | 263 | 983 | 720 |
| Direct investment | -27 | -302 | -275 | -26 | 172 | 198 |
| Portfolio investment | 2 | 134 | 132 | 75 | 514 | 439 |
| Equity | -97 | -12 | 86 | -253 | 105 | 358 |
| Debt securities | 99 | 145 | 46 | 328 | 409 | 81 |
| Financial derivatives (net) | 102 | 102 | | 70 | 70 | |
| Other investment | 202 | 330 | 128 | 140 | 223 | 83 |
| Eurosysteem | 36 | 6 | -30 | -15 | 9 | 24 |
| Other MFIs | 257 | 272 | 16 | 56 | -35 | -91 |
| General government | -1 | 7 | 8 | 3 | 5 | 2 |
| Other sectors | -90 | 45 | 134 | 97 | 245 | 148 |
| Reserve assets | 13 | 13 | | 4 | 4 | |

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 decreased to €223 billion in the 12 months to June 2020 (following net acquisitions of €330 billion in the 12 months to June 2019), while their net incurrence of liabilities decreased to €83 billion from €128 billion.

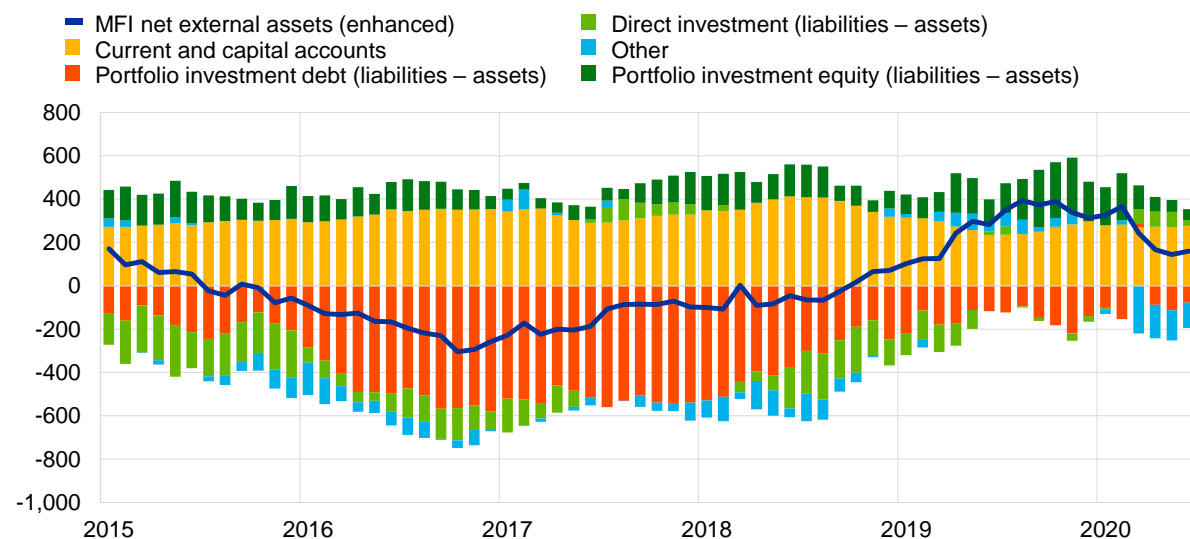
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Chart 3
Monetary presentation of the balance of payments

(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 balance of payments (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 €151 billion in the 12-month period to June 2020. This increase was mainly driven by the *current and capital accounts* surpluses and, to a lesser extent, by euro area non-MFIs' net inflows in *portfolio investment equity* and *direct investment*. These developments were only partly offset by euro area non-MFIs' net outflows in *portfolio investment debt securities* and by *other flows* (particularly *other investment* net outflows).

In June 2020 the Eurosystem's stock of *reserve assets* increased to €905.0 billion, up from €895.8 billion in the previous month (see Table 3). This increase was driven by positive price changes (€9.8 billion), particularly for monetary gold.

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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)

| | May 2020 | June 2020 | | | Amounts outstanding |
|-----------------------------|---------------------|--------------|-----------------------|---------------|---------------------|
| | Amounts outstanding | Transactions | Exchange rate changes | Price changes | |
| Reserve assets | 895.8 | -0.1 | -0.6 | 9.8 | 905.0 |
| Monetary gold | 537.4 | 0.0 | - | 9.6 | 546.9 |
| Special drawing rights | 53.1 | -0.4 | -0.3 | - | 52.5 |
| Reserve position in the IMF | 27.0 | 1.0 | -0.1 | - | 28.0 |
| Other reserve assets | 278.4 | -0.7 | -0.3 | 0.2 | 277.6 |

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 and May 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, whose 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 releases:

- monthly balance of payments: 18 September 2020 (reference data up to July 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.

Notes

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

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