

# Statistical release

5 October 2022

## Euro area quarterly balance of payments and international investment position: second quarter of 2022

- [Current account](#) surplus at €76 billion (0.6% of euro area GDP) in four quarters to second quarter of 2022, down from €330 billion (2.8% of GDP) a year earlier
- [Geographic counterparts](#): largest bilateral current account surpluses vis-à-vis *United Kingdom* (€141 billion) and *Switzerland* (€65 billion), largest deficits vis-à-vis *China* (€130 billion) and *Russia* (€69 billion)
- [International investment position](#) showed net assets of €357 billion (2.8% of euro area GDP) at end of second quarter of 2022
- Euro area financial assets vis-à-vis *Russia* amounted to €394 billion (1.2% of euro area external assets) at end of second quarter of 2022, up by 4% since the end of previous quarter mainly owing to exchange rate changes

### Current account

The *current account* surplus of the euro area decreased sharply to €76 billion (0.6% of euro area GDP) in the four quarters to the second quarter of 2022, down from €330 billion (2.8% of GDP) a year earlier (Table 1). This decrease was driven by a strong reduction in the surplus for *goods* (down from €386 billion to €84 billion) and, to a lesser extent, by a smaller surplus for *primary income* (down from €44 billion to €22 billion). This development was partly offset by a larger surplus for *services* (up from €61 billion to €122 billion) and a smaller deficit for *secondary income* (down from €160 billion to €153 billion).

The larger surplus for *services* was mainly due to increases in the surpluses for *telecommunication, computer and information services* (from €112 billion to €141 billion), *travel services* (from €11 billion

to €37 billion) and *transport services* (from €4 billion to €21 billion), while a larger deficit was recorded for *other services* (from €27 billion to €35 billion).

The decrease in the *primary income* surplus was mainly due to a larger deficit in *portfolio equity income* (increasing from €67 billion to €93 billion) and due to a lower surplus in *other primary income* (from €10 billion to €1 billion), the latter mostly related to payments to the EU institutions.

**Table 1**

## Current account of the euro area

(EUR billions, unless otherwise indicated; transactions during the period; non-working day and non-seasonally adjusted)

	Cumulated figures for the four-quarter period ending							
	Q2 2021			Q2 2022			Q2 2021	Q2 2022
	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Balance
<b>Current account</b>	330	4,165	3,835	76	4,836	4,760	78	-52
<i>Percentage of GDP</i>	2.8%	35.1%	32.3%	0.6%	37.7%	37.1%		
<b>Goods</b>	386	2,358	1,973	84	2,701	2,616	88	-26
<b>Services</b>	61	900	840	122	1,136	1,014	27	44
Transport	4	143	139	21	216	195	3	8
Travel	11	44	34	37	111	74	2	16
Insurance, pension and financial	10	109	99	7	116	109	2	3
Telecommunication, computer and information	112	194	82	141	233	92	30	37
Other business	-49	250	300	-48	274	322	-6	-10
Other	-27	160	187	-35	186	222	-5	-9
<b>Primary income</b>	44	770	725	22	843	821	-3	-36
Compensation of employees	21	44	23	22	47	25	5	5
Investment income	13	688	675	-1	759	760	0	-28
Direct investment	23	420	397	25	460	435	19	15
Portfolio equity	-67	87	155	-93	109	202	-32	-56
Portfolio debt	43	124	81	49	129	80	11	11
Other investment	11	53	43	15	58	43	2	1
Reserve assets	3	3		4	4		1	1
Other primary income	10	37	28	1	37	35	-9	-13
<b>Secondary income</b>	-160	137	297	-153	156	310	-32	-35

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. Discrepancies between totals and their components may arise from rounding.

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

Data on the geographic counterparts of the euro area current account (Chart 1) show that, in the four quarters to the second quarter of 2022, the euro area recorded its largest bilateral surpluses vis-à-vis the *United Kingdom* (€141 billion, down from €159 billion a year earlier), *Switzerland* (€65 billion, down

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from €66 billion) and the *United States* (€34 billion, down from €53 billion). It also recorded a current account surplus vis-à-vis a residual group of *other countries* (€62 billion, down from €180 billion). The largest bilateral deficits were recorded vis-à-vis *China* (€130 billion, up from €64 billion) and *Russia* (€69 billion, following a surplus of €8 billion).

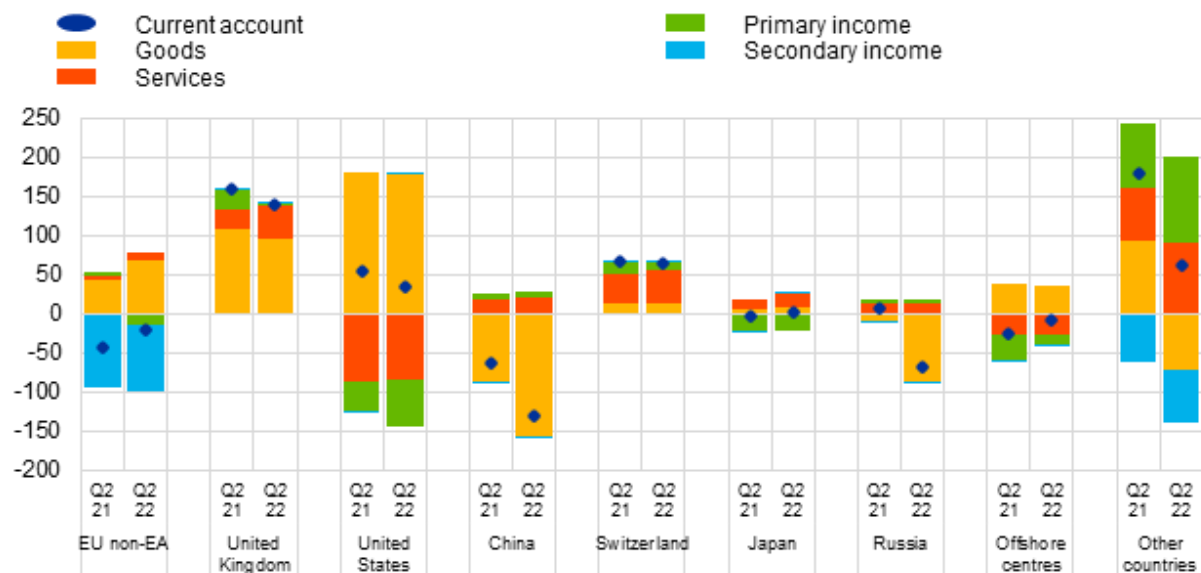
The most significant geographic changes in the components of the current account in the four quarters to the second quarter of 2022 relative to the previous year were as follows. The *goods* balance vis-à-vis the residual group of *other countries* turned from a surplus of €92 billion to a deficit of €73 billion, largely due to imports of energy products. The deficit vis-à-vis *China* increased from €86 billion to €157 billion. The *goods* deficit vis-à-vis *Russia* also increased, from €10 billion to €86 billion, mainly on account of higher prices for imported energy products. A larger surplus was recorded vis-à-vis the *EU Member States and EU institutions outside the euro area* (up from €44 billion to €69 billion).

In *services*, the surplus vis-à-vis the *United Kingdom* increased (from €25 billion to €43 billion), as it did vis-à-vis the residual group of *other countries* (from €67 billion to €91 billion). In *primary income*, a larger deficit was recorded vis-à-vis the *United States* (up from €38 billion to €60 billion), while the deficit declined vis-à-vis *offshore centres* (down from €33 billion to €13 billion). Moreover, the *primary income* surplus vis-à-vis the *United Kingdom* declined from €24 billion to €0.4 billion, while it widened vis-à-vis the residual group of *other countries* (up from €83 billion to €109 billion). In *secondary income*, the deficit vis-à-vis the *EU Member States and EU institutions outside the euro area* decreased from €94 billion to €84 billion.

## Chart 1

### Geographical breakdown of the euro area current account balance

(four-quarter moving sums in EUR billions; non-seasonally adjusted)



Source: ECB.

Note: "EU non-EA" comprises the non-euro area EU Member States and those EU institutions and bodies that are considered for statistical purposes as being outside the euro area, such as the European Commission and the European Investment Bank. "Other countries" includes all countries and country groups not shown in the chart, as well as unallocated transactions.

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

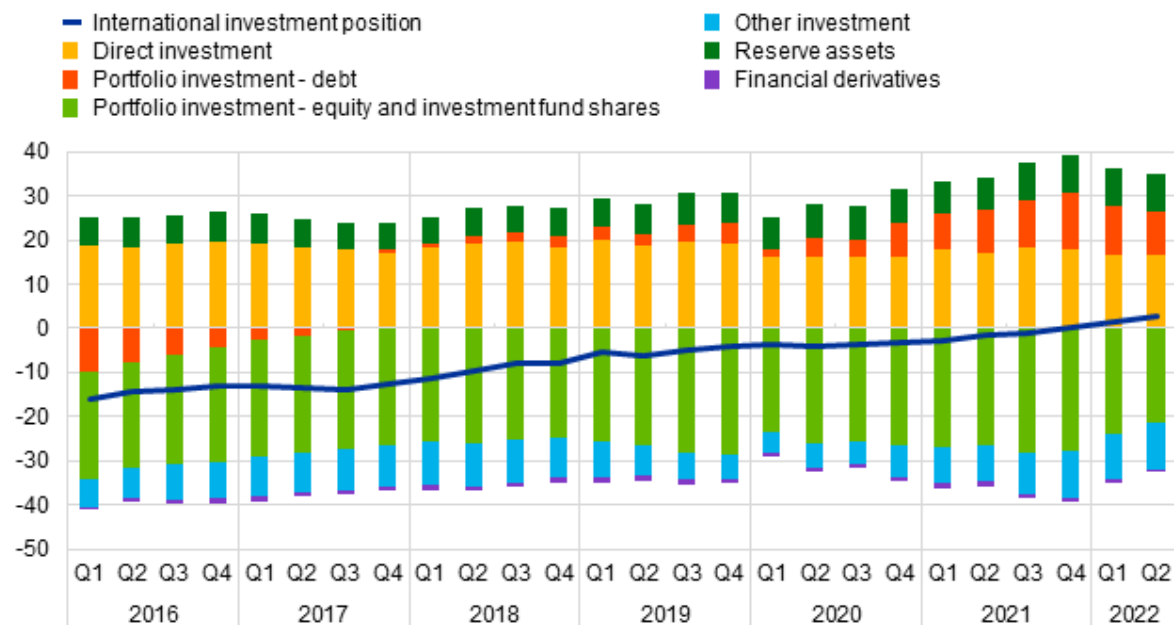
## International investment position

At the end of the second quarter of 2022, the international investment position of the euro area recorded net assets of €357 billion vis-à-vis the rest of the world (2.8% of euro area GDP), up from €197 billion in the previous quarter (Chart 2 and Table 2).

## Chart 2

### Net international investment position of the euro area

(net amounts outstanding at the end of the period as a percentage of four-quarter moving sums of GDP)



Source: ECB.

#### [Data for the net international investment position of the euro area](#)

The €160 billion increase in net assets reflected large but partly offsetting changes in the various investment components. Lower net liabilities were recorded in *portfolio equity* (down from €3.0 trillion to €2.8 trillion), while net assets increased for *direct investment* (up from €2.1 trillion to €2.2 trillion). Net assets declined for *portfolio debt* (down from €1.4 trillion to €1.2 trillion), while net liabilities increased in *other investment* (up from €1.3 trillion to €1.4 trillion).

**Table 2**  
International investment position of the euro area

(EUR billions, unless otherwise indicated; amounts outstanding at the end of the period, flows during the period; non-working day and non-seasonally adjusted)

	Q1 2022	Q2 2022						
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	% GDP	
<b>Net</b>	<b>197</b>	<b>19</b>	<b>216</b>	<b>-136</b>	<b>62</b>	<b>357</b>	<b>2.8</b>	
of which: Direct investment	2,110	91	68	-140	31	2,159	16.8	
of which: Portfolio equity	-3,012	-28	40	190	52	-2,757	-21.5	
of which: Portfolio debt	1,360	20	78	-201	-40	1,216	9.5	
of which: Other investment	-1,309	-91	12	2	18	-1,366	-10.6	
<b>Assets</b>	<b>32,219</b>	<b>-29</b>	<b>835</b>	<b>-1,181</b>	<b>100</b>	<b>31,943</b>	<b>248.9</b>	
Direct investment	11,994	54	271	-73	71	12,318	96.0	
Portfolio equity	6,040	-60	234	-730	18	5,502	42.9	
Portfolio debt	6,300	-50	149	-391	-1	6,008	46.8	
Financial derivatives	-55	24	-	15	0	-17	-0.1	
Other investment	6,837	0	162	0	11	7,009	54.6	
Reserve assets	1,103	2	18	-1	0	1,122	8.7	
<b>Liabilities</b>	<b>32,022</b>	<b>-48</b>	<b>619</b>	<b>-1,045</b>	<b>38</b>	<b>31,586</b>	<b>246.1</b>	
Direct investment	9,885	-37	204	67	41	10,159	79.2	
Portfolio equity	9,051	-32	194	-920	-34	8,259	64.4	
Portfolio debt	4,940	-69	72	-190	40	4,792	37.3	
Other investment	8,145	91	150	-2	-8	8,376	65.3	
Gross external debt	16,359	-31	300	-193	32	16,467	128.3	

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. Net financial derivatives are reported under assets. "Other volume changes" mainly reflect reclassifications and data enhancements. Discrepancies between totals and their components may arise from rounding.

### [Data for the international investment position of the euro area](#)

The developments in the euro area's net international investment position in the second quarter of 2022 were driven mainly by positive net flows owing to exchange rate changes and, to a lesser extent, other volume changes and transactions, which were partly offset by negative net price changes (Table 2 and Chart 3).

The decrease in net liabilities for *portfolio equity* was driven mainly by price changes, as prices in *portfolio equity* liabilities decreased more than those on the asset side, as well as positive net flows for other volume changes and exchange rate changes that were partially offset by negative net transactions (Table 2). The decline in net assets for *portfolio debt* also resulted mainly from negative net flows due to price changes, and to a lesser extent, other volume changes that were partially offset by positive net exchange rate changes and transactions. The increase in net assets for *direct*

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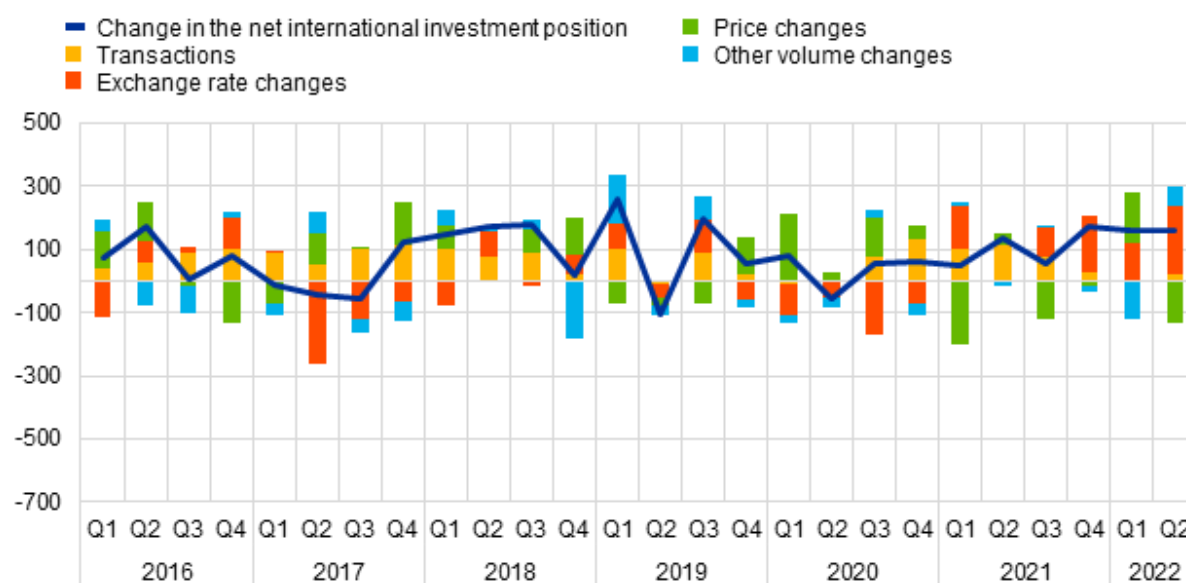
*investment* resulted mainly from positive net transactions, positive net flows owing to exchange rate and other volume changes that were partially offset by negative net price changes. The increase in net liabilities for *other investment* was driven mainly by negative net transactions.

At the end of the second quarter of 2022 the *gross external debt* of the euro area amounted to €16.5 trillion (around 128% of euro area GDP), up by €108 billion compared with the previous quarter.

### Chart 3

#### Changes in the net international investment position of the euro area

(EUR billions; flows during the period)



Source: ECB.

Note: "Other volume changes" mainly reflect reclassifications and data enhancements.

#### [Data for changes in the net international investment position of the euro area](#)

This release provides an overview of the euro area's international investment position vis-à-vis residents of *Russia* at the end of the second quarter of 2022 and reports the main changes compared with the previous quarter (Table 3).<sup>1</sup> Euro area financial assets vis-à-vis *Russia* amounted to €394 billion (1.2% of euro area external assets) at the end of the second quarter of 2022, a 4% increase since the end of the previous quarter. This increase was mainly due to euro area *foreign direct investment* assets in *Russia*, which rose by 9% in the second quarter of 2022, largely on account of the appreciation of the Russian rouble. At the same time, the euro area recorded liabilities of €492 billion vis-à-vis *Russia* (1.4% of total external liabilities), an increase of 18%, driven mainly by larger

<sup>1</sup> Table 3 does not include *reserve assets* in the total euro area external asset positions and *financial derivatives* are reported in gross terms instead of net terms (which are reported in Table 2).

liabilities in *other investment* due to the sanctions imposed by the EU on Russia, which include restrictions of payments to Russian residents and asset freezes.<sup>2</sup>

**Table 3**

## International investment position of the euro area – geographical breakdown vis-à-vis Russia

(EUR billions, unless otherwise indicated; at the end of the period; non-working day and non-seasonally adjusted)

	Total			Vis-à-vis Russia				Share of Russia in total (%)	
	Q1 2022	Q2 2022	change (%)	Memo item: Q4 2021	Q1 2022	Q2 2022	change (%)	Q1 2022	Q2 2022
<b>Direct investment</b>									
Assets	11,994	12,318	3	278	259	282	1	2.3	2.3
Liabilities	9,885	10,159	3	187	186	198	6	1.9	2.0
<b>Portfolio investment</b>									
Assets	12,340	11,510	-7	70	31	32	-55	0.6	0.3
Equity	6,040	5,502	-9	40	16	16	-61	0.7	0.3
Debt securities	6,300	6,008	-5	30	15	16	-46	0.5	0.3
Liabilities	13,992	13,051	-7	108	93	102	-5	0.8	0.8
Equity	9,051	8,259	-9	14	11	9	-31	0.2	0.1
Debt securities	4,940	4,792	-3	94	81	93	-1	1.9	1.9
<b>Other investment</b>									
Assets	6,837	7,009	3	85	80	75	-12	1.2	1.1
Liabilities	8,145	8,376	3	148	135	189	28	1.8	2.3
<b>Financial derivatives</b>									
Assets	2,087	2,547	22	6	10	5	-4	0.3	0.2
Liabilities	2,143	2,563	20	1	2	2	47	0.1	0.1
<b>Total</b>									
Assets	33,258	33,384	0	439	380	394	4	1.3	1.2
Liabilities	34,164	34,149	0	444	416	492	18	1.3	1.4

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. "Total assets/liabilities" refer to the sum of direct investment, portfolio investment, other investment and financial derivatives. Reserve assets are not included in the total and financial derivatives are reported separately in gross terms under assets and liabilities. Discrepancies between totals and their components may arise from rounding.

[Data for the international investment position of the euro area – geographical breakdown](#)**Data revisions**

This statistical release incorporates revisions to data for the reference periods between the first quarter of 2018 and the first quarter of 2022. The revisions reflect revised national contributions to the euro area aggregates as a result of the incorporation of newly available information.

<sup>2</sup> See <https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-against-russia-over-ukraine/sanctions-against-russia-explained/#sanctions>



### Next releases

- Monthly balance of payments: 20 October 2022 (reference data up to August 2022)
- Quarterly balance of payments and international investment position: 11 January 2023 (reference data up to the third quarter of 2022)

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### Notes

- Data are neither seasonally nor working day-adjusted. Ratios to GDP (including in the charts) refer to four-quarter sums of non-seasonally and non-working day-adjusted GDP figures.
- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.