EUROPEAN CENTRAL BANK

EUROSYSTEM

Press release

22 November 2022

Euro area monthly balance of payments: September 2022

- Current account recorded €8 billion deficit in September 2022, narrowing from €27 billion in previous month
- Current account recorded deficit of €50 billion (0.4% of euro area GDP) in 12 months to September 2022, after surplus of €336 billion (2.8%) one year earlier
- In financial account, euro area residents' net sales of non-euro area portfolio investment securities totalled €167 billion and non-residents' net sales of euro area portfolio investment securities totalled €22 billion in 12 months to September 2022

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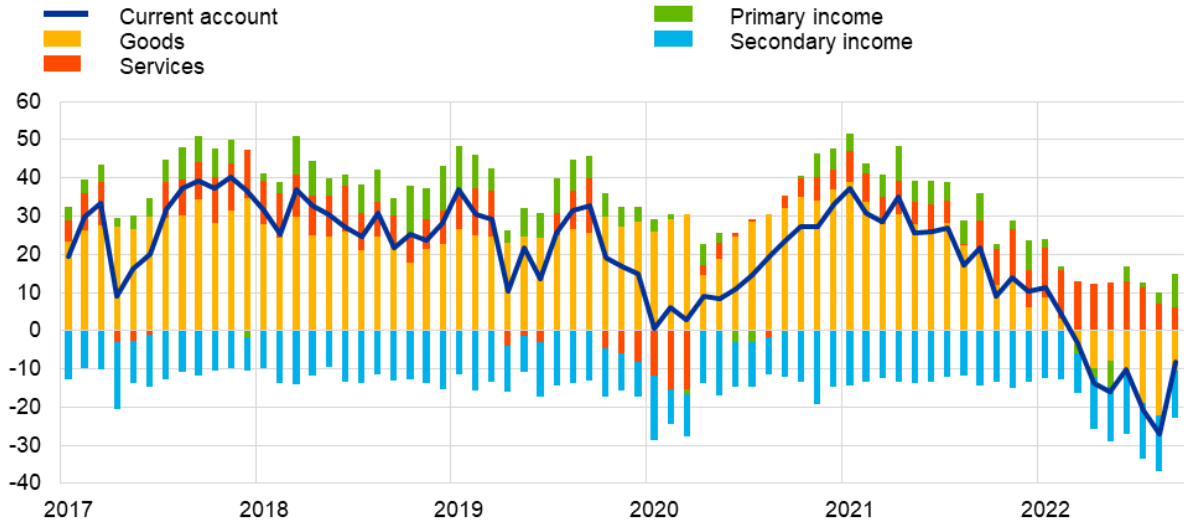
Chart 1

Euro area current account balance

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



Source: ECB.

The *current account* deficit of the euro area amounted to €8 billion in September 2022, narrowing by €19 billion compared to the previous month (Chart 1 and Table 1). Deficits were recorded for *secondary income* (€12 billion) and *goods* (€11 billion). These were partly offset by surpluses for *primary income* (€9 billion) and *services* (€6 billion).

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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						
		September 2021		September 2022				
			% of GDP		% of GDP	Sep 2021	Aug 2022	Sep 2022
Current account	Balance	336	2.8%	-50	-0.4%	22	-27	-8
	Credit	4,317	35.8%	5,009	39.0%	380	442	445
	Debit	3,981	33.0%	5,059	39.4%	358	469	453
Goods	Balance	362	3.0%	-41	-0.3%	20	-22	-11
	Credit (exports)	2,426	20.1%	2,808	21.9%	210	254	256
	Debit (imports)	2,065	17.1%	2,849	22.2%	190	276	267
Services	Balance	75	0.6%	134	1.0%	9	7	6
	Credit (exports)	958	7.9%	1,188	9.3%	89	103	102
	Debit (imports)	882	7.3%	1,054	8.2%	80	96	96
Primary income	Balance	65	0.5%	19	0.2%	7	3	9
	Credit	788	6.5%	857	6.7%	68	73	73
	Debit	723	6.0%	838	6.5%	61	70	64
Secondary income	Balance	-166	-1.4%	-162	-1.3%	-14	-15	-12
	Credit	145	1.2%	156	1.2%	13	13	14
	Debit	311	2.6%	318	2.5%	27	28	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 September 2022, the *current account* recorded a deficit of €50 billion (0.4% of euro area GDP), compared with a surplus of €336 billion (2.8% of euro area GDP) in the 12 months to September 2021. This change in the balance was largely driven by a switch from a surplus (€362 billion) to a deficit (€41 billion) for *goods* and, to a lesser extent, by a reduction in the surplus for *primary income* (down from €65 billion to €19 billion). These developments were partly offset by a larger surplus for *services* (up from €75 billion to €134 billion) and a slightly lower deficit for *secondary income* (down from €166 billion to €162 billion).

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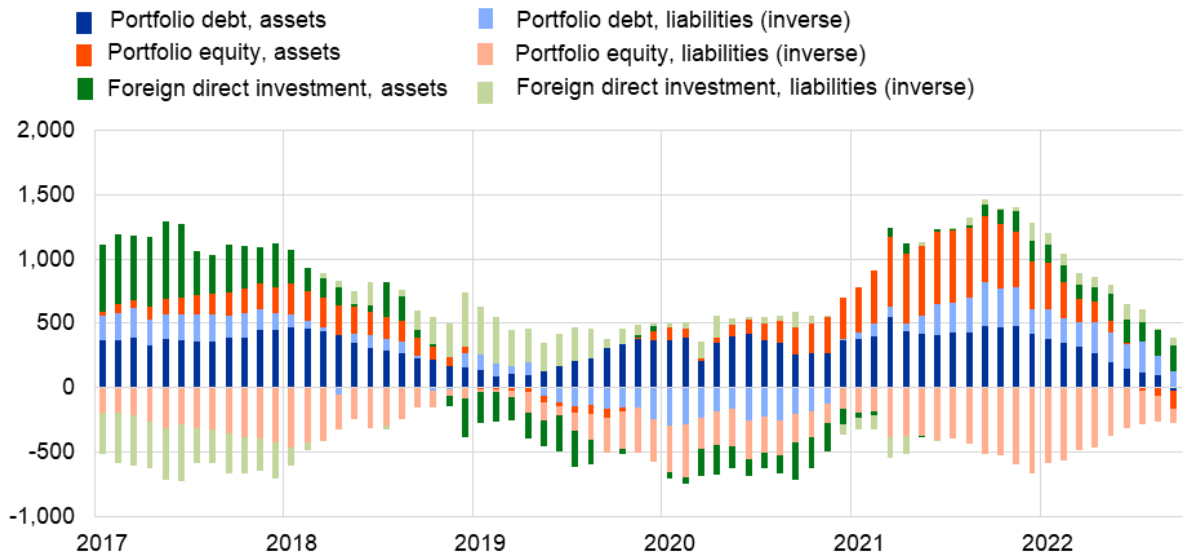
Chart 2

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 €206 billion in non-euro area assets in the 12-month period to September 2022, following net investments of €86 billion in the 12 months to September 2021 (Chart 2 and Table 2). Non-residents disinvested €60 billion in net terms from euro area assets in the 12-month period to September 2022, following net disinvestments of €38 billion in the 12 months to September 2021.

In *portfolio investment*, euro area residents' net sales of non-euro area *equity* amounted to €146 billion in the 12 months to September 2022, following net purchases of €518 billion in the 12 months to September 2021. Over the same period, euro area residents' net sales of non-euro area *debt securities* amounted to €20 billion, following net purchases of €475 billion in the 12 months to September 2021. Non-residents' net purchases of euro area *equity* decreased to €103 billion in the 12-month period to September 2022, down from €511 billion in the 12 months to September 2021. Over the same period non-residents' net sales of euro area *debt securities* amounted to €124 billion, decreasing from €343 billion in the 12 months to September 2021.

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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					
	September 2021			September 2022		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	418	1,269	851	55	507	452
Direct investment	124	86	-38	266	206	-60
Portfolio investment	825	993	168	-145	-167	-22
Equity	7	518	511	-249	-146	103
Debt securities	818	475	-343	104	-20	-124
Financial derivatives (net)	14	14		94	94	
Other investment	-675	46	721	-171	362	533
Eurosystem	-283	18	300	-104	-18	85
Other MFIs	-342	-1	341	-179	117	296
General government	-108	-9	99	-48	-7	40
Other sectors	58	39	-20	159	271	112
Reserve assets	129	129		12	12	

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 recorded net acquisitions of non-euro area assets amounting to €362 billion in the 12 months to September 2022 (following net acquisitions of €46 billion in the 12 months to September 2021), while their net incurrence of liabilities decreased to €533 billion (down from €721 billion in the 12 months to September 2021).

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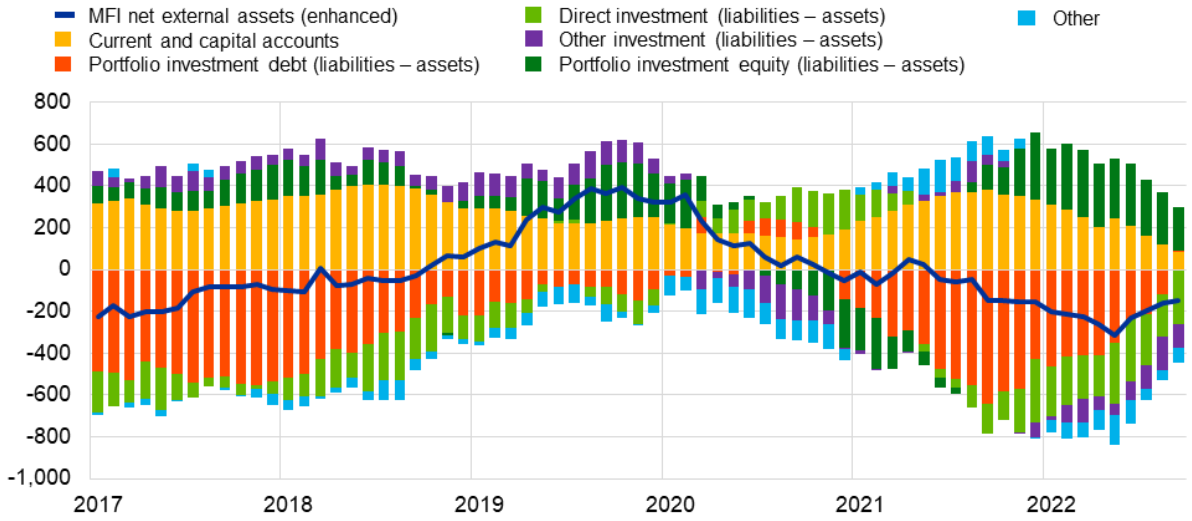
Chart 3

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* and statistical discrepancies.

The monetary presentation of the balance of payments (Chart 3) shows that the *net external assets (enhanced)* of euro area MFIs decreased by €148 billion in the 12-month period to September 2022. This decrease was driven by euro area non-MFIs' net outflows in *direct investment*, *other investment* and *other* flows. These developments were partly offset by the *current and capital accounts surplus* and by euro area non-MFIs' net inflows in *portfolio investment equity* and, to a lesser extent, in *portfolio investment debt*.

In September 2022 the Eurosystem's stock of *reserve assets* increased to €1,135.8 billion, up from €1,130.6 billion in the previous month (Table 3). This increase was driven by positive exchange rate changes (€6.0 billion) and, to a lesser extent, by net acquisitions of assets (€3.6 billion), which were partly offset by negative price changes (€4.4 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)

	August 2022	September 2022			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	**1,130.6**	**3.6**	**6.0**	**-4.4**	**1,135.8**
Monetary gold	593.3	0.0	-	-2.5	590.8
Special drawing rights	190.9	0.7	1.4	-	193.2
Reserve position in the IMF	36.2	0.0	0.3	-	36.5
Other reserve assets	310.2	2.9	4.3	-2.0	315.3

Source: ECB.
Notes: "Other *reserve assets*" comprises currency and deposits, securities, financial derivatives (net) and *other* claims. Discrepancies between totals and their components may be due to rounding.

Data for the reserve assets of the euro area

Data revisions

This press release incorporates revisions to the data for July and August 2022. These revisions did not significantly alter the figures previously published.

Next releases:

- Monthly balance of payments: 20 December 2022 (reference data up to October 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

- Current account data are always seasonally and working day-adjusted, unless otherwise indicated, whereas capital and financial account data are neither seasonally nor working day-adjusted.
- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.
- From this release onwards balance of payments statistics will be released using a new dataset (BPS), which includes an additional 17th dimension in its data structure definition to specify the type of resident entity. The previous dataset (BP6) will still be updated in parallel until mid-March 2023.

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