

Press release

20 December 2022

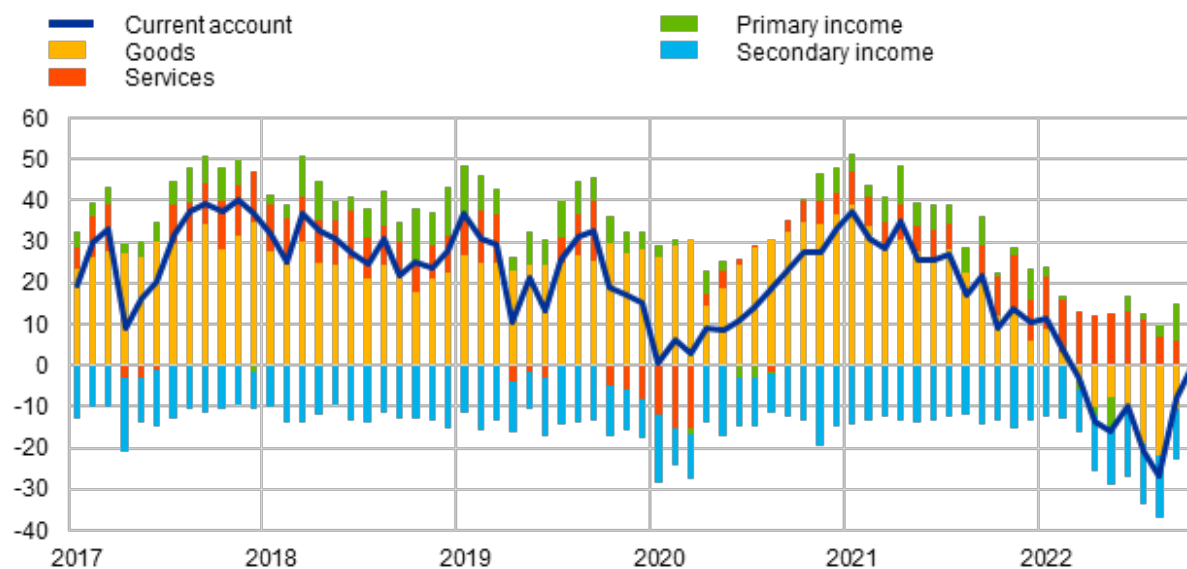
Euro area monthly balance of payments: October 2022

- [Current account](#) recorded €0.4 billion deficit in October 2022, narrowing from €8 billion in previous month
- [Current account](#) recorded deficit of €59 billion (0.5% of euro area GDP) in 12 months to October 2022, after surplus of €318 billion (2.6%) one year earlier
- In [financial account](#), euro area residents' net sales of non-euro area portfolio investment securities totalled €222 billion and non-residents' net sales of euro area portfolio investment securities totalled €15 billion in 12 months to October 2022

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 €0.4 billion in October 2022, narrowing by €8 billion compared with the previous month (Chart 1 and Table 1). Deficits were recorded for *secondary income* (€12 billion) and *goods* (€3 billion). These were almost offset by surpluses for *services* (€13 billion) and *primary income* (€2 billion).

European Central Bank

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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						
		October 2021		October 2022		Oct 2021	Sep 2022	Oct 2022
		% of GDP		% of GDP				
Current account	Balance	318	2.6%	-59	-0.5%	9	-8	-0
	Credit	4,365	36.0%	5,069	38.9%	385	445	445
	Debit	4,047	33.4%	5,128	39.3%	376	453	445
Goods	Balance	339	2.8%	-56	-0.4%	12	-11	-3
	Credit (exports)	2,445	20.1%	2,853	21.9%	210	256	255
	Debit (imports)	2,106	17.4%	2,909	22.3%	198	267	258
Services	Balance	80	0.7%	137	1.1%	9	6	13
	Credit (exports)	974	8.0%	1,199	9.2%	92	102	102
	Debit (imports)	894	7.4%	1,061	8.1%	82	96	90
Primary income	Balance	65	0.5%	20	0.2%	1	9	2
	Credit	799	6.6%	862	6.6%	70	73	74
	Debit	734	6.0%	842	6.5%	69	64	73
Secondary income	Balance	-166	-1.4%	-160	-1.2%	-14	-12	-12
	Credit	148	1.2%	155	1.2%	14	14	13
	Debit	314	2.6%	316	2.4%	27	26	25

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 October 2022, the *current account* recorded a deficit of €59 billion (0.5% of euro area GDP), compared with a surplus of €318 billion (2.6% of euro area GDP) in the 12 months to October 2021. This change in the balance was largely driven by a switch from a surplus (€339 billion) to a deficit (€56 billion) for *goods* and, to a lesser extent, by a reduction in the surplus for *primary income* (down from €65 billion to €20 billion). These developments were partly offset by a larger surplus for *services* (up from €80 billion to €137 billion) and a slightly lower deficit for *secondary income* (down from €166 billion to €160 billion).

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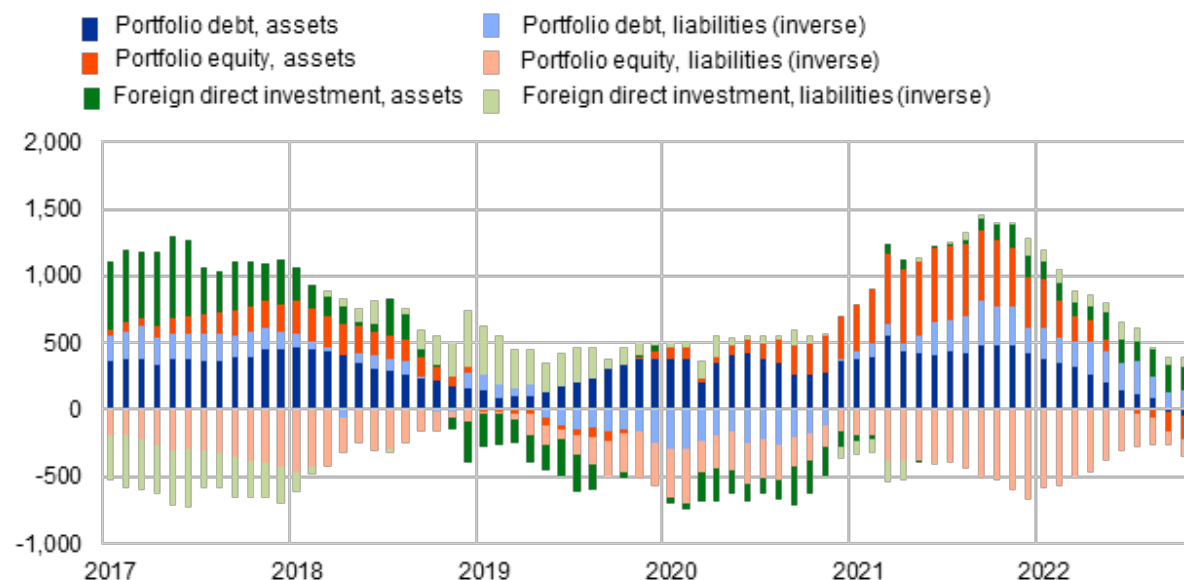
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Chart 2

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 €179 billion in non-euro area assets in the 12-month period to October 2022, following net investments of €114 billion in the 12 months to October 2021 (Chart 2 and Table 2). Non-residents disinvested €66 billion in net terms from euro area assets in the 12-month period to October 2022, following net disinvestments of €12 billion in the 12 months to October 2021.

In *portfolio investment*, euro area residents' net sales of non-euro area *equity* amounted to €181 billion in the 12 months to October 2022, following net purchases of €496 billion in the 12 months to October 2021. Over the same period, euro area residents' net sales of non-euro area *debt securities* amounted to €41 billion, following net purchases of €474 billion in the 12 months to October 2021. Non-residents' net purchases of euro area *equity* decreased to €131 billion in the 12-month period to October 2022, down from €530 billion in the 12 months to October 2021. Over the same period, non-residents made net sales of euro area *debt securities* amounting to €147 billion, decreasing from €300 billion in the 12 months to October 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					
	October 2021			October 2022		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	397	1,464	1,067	60	323	263
Direct investment	126	114	-12	246	179	-66
Portfolio investment	740	970	229	-207	-222	-15
Equity	-34	496	530	-312	-181	131
Debt securities	774	474	-300	105	-41	-147
Financial derivatives (net)	22	22		88	88	
Other investment	-620	229	849	-79	266	345
Eurosysteem	-322	17	338	-49	-11	38
Other MFIs	-269	115	384	-148	76	224
General government	-93	-5	87	-46	-7	39
Other sectors	63	103	40	164	208	44
Reserve assets	130	130		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 increased the net acquisitions of non-euro area assets to €266 billion in the 12 months to October 2022 (up from €229 billion in the 12 months to October 2021), while their net incurrence of liabilities decreased to €345 billion (down from €849 billion in the 12 months to October 2021).

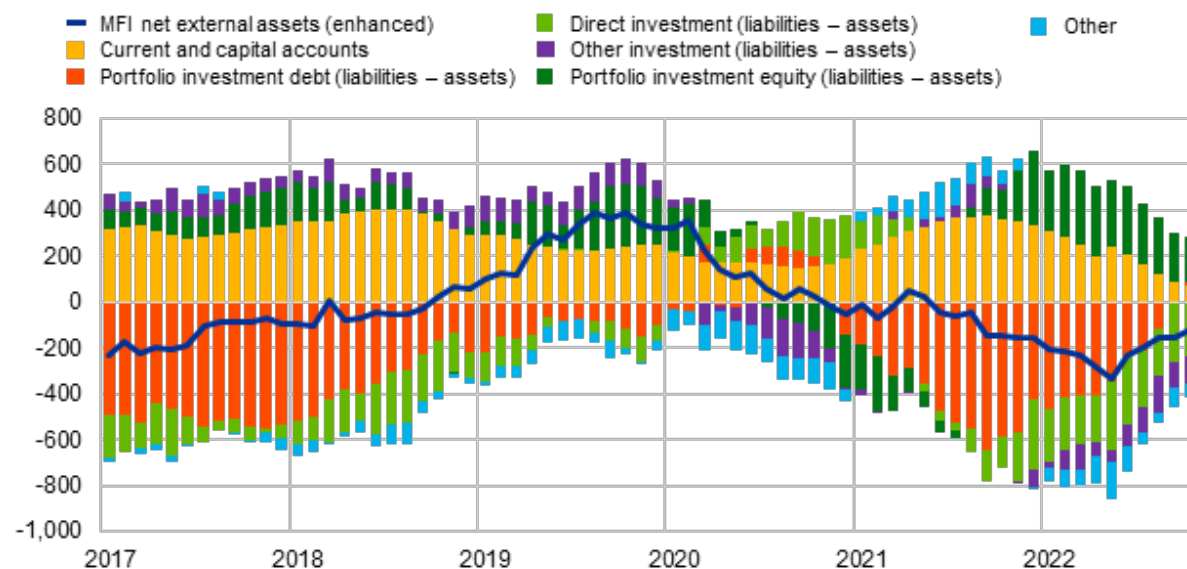
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Chart 3
Monetary presentation of the balance of payments

(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 €124 billion in the 12-month period to October 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 October 2022 the Eurosystem's stock of *reserve assets* decreased to €1,111.9 billion, down from €1,135.8 billion in the previous month (Table 3). This decrease was mainly driven by negative gold price changes (€19.0 billion) and, to a lesser extent, by negative exchange rate changes (€8.1 billion) which were partly offset by net acquisition of assets (€3.8 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)

	September 2022	October 2022			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	1,135.8	3.8	-8.1	-19.7	1,111.9
Monetary gold	590.8	0.0	-	-19.0	571.8
Special drawing rights	193.2	1.3	-2.7	-	191.7
Reserve position in the IMF	36.5	1.2	-0.5	-	37.2
Other reserve assets	315.3	1.3	-4.8	-0.6	311.2

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 does not incorporate revisions to previous periods.

Next releases:

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

Monthly balance of payments: 19 January 2023 (reference data up to November 2022)

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

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.
- Balance of payments statistics are now 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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