



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## PRESS RELEASE

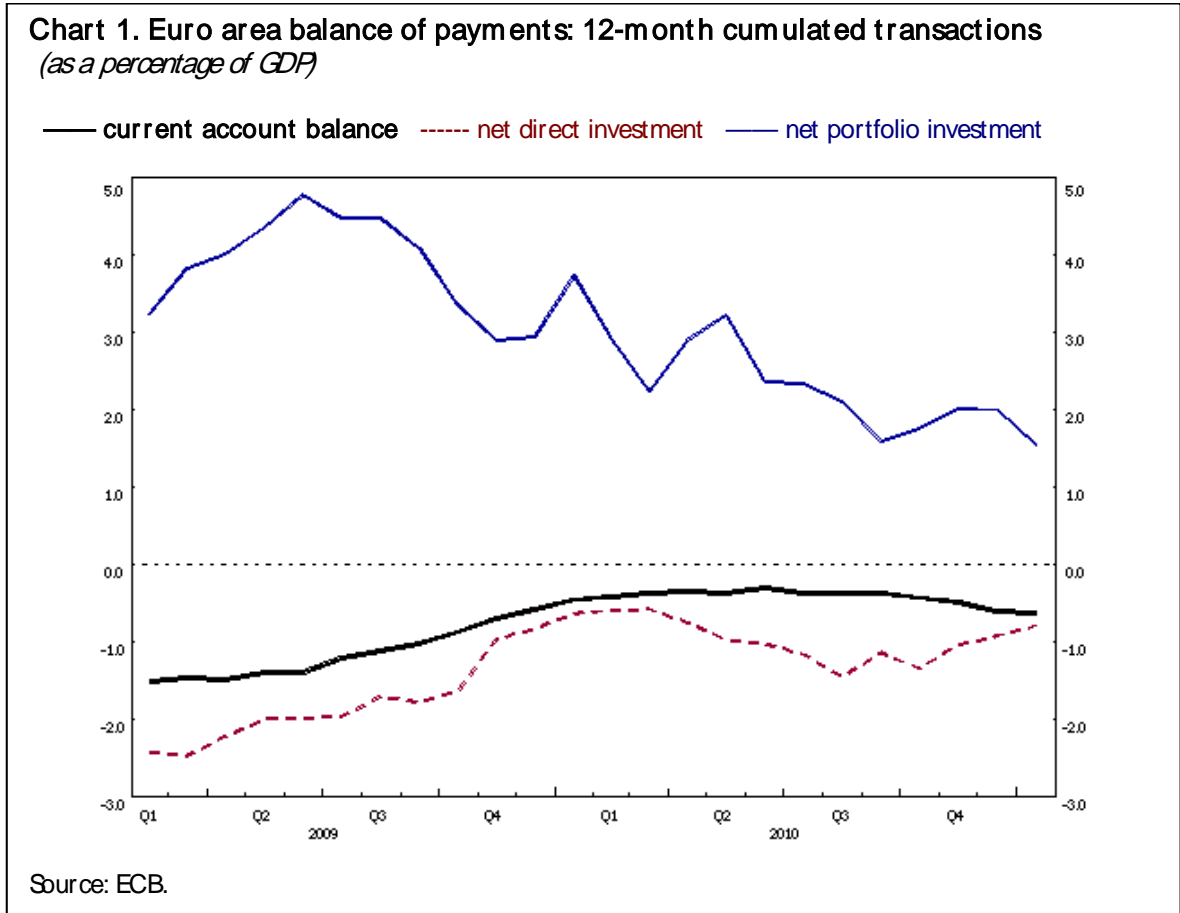
### EURO AREA BALANCE OF PAYMENTS IN JANUARY 2011

*In January 2011 the seasonally adjusted current account of the euro area recorded a deficit of EUR 0.7 billion. In the financial account, combined direct and portfolio investment recorded net outflows of EUR 7 billion (non-seasonally adjusted).*

#### **Current account**

The seasonally adjusted *current account* of the euro area recorded a deficit of EUR 0.7 billion in January 2011 (see Table 1). This reflected a deficit for *current transfers* (EUR 6.5 billion), which was mostly offset by surpluses for *services* (EUR 4.0 billion) and *goods* (EUR 1.5 billion). The *income* account was close to balance.

The 12-month cumulated seasonally adjusted *current account* recorded a deficit of EUR 58.1 billion in January 2011 (around 0.6% of euro area GDP; see Table 1 and Chart 1), compared with a deficit of EUR 40.5 billion a year earlier. This increase resulted from a decrease in the surplus for *goods* (from EUR 41.3 billion to EUR 17.5 billion) and an increase in the deficit for *current transfers* (from EUR 90.8 billion to EUR 99.6 billion), which were partly offset by a decrease in the deficit for *income* (from EUR 24.4 billion to EUR 11.6 billion) and an increase in the surplus for *services* (from EUR 33.4 billion to EUR 35.5 billion).



## Financial account

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net outflows of EUR 7 billion in January 2011 as a result of net outflows for *portfolio investment* (EUR 15 billion) that were partly offset by net inflows for *direct investment* (EUR 8 billion).

The net inflows for *direct investment* resulted from net inflows in *other capital* (mostly *inter-company loans*) (EUR 34 billion), which were partly offset by net outflows in *equity capital and reinvested earnings* (EUR 26 billion).

The net outflows for *portfolio investment* were mainly accounted for by net outflows for *debt instruments* (EUR 29 billion), which were partly offset by net inflows for *equity* (EUR 14 billion). The net outflows for *debt instruments* resulted mainly from net purchases of foreign bonds and notes by euro area residents (EUR 37 billion).

The *financial derivatives* account recorded net outflows of EUR 3 billion.

*Other investment* recorded net inflows of EUR 33 billion, reflecting net inflows for the *Eurosystem* (EUR 13 billion), *general government* (EUR 8 billion), *other sectors* (EUR 8 billion) and *MFIs excluding the Eurosystem* (EUR 5 billion).

The [Eurosystem's stock of reserve assets](#) decreased from EUR 591 billion to EUR 562 billion in January 2011, mainly owing to a decrease in the market price of gold that was partly offset by transactions (excluding valuation effects) amounting to EUR 6 billion.

In the 12-month period to January 2011, *combined direct and portfolio investment* recorded cumulated net inflows of EUR 69 billion, compared with net inflows of EUR 277 billion in the preceding 12-month period. This decrease was mainly the result of lower net inflows for *portfolio investment* (down from EUR 334 billion to EUR 142 billion), which in turn mainly reflected lower net purchases of euro area *debt securities* by non-resident investors.

### **The inclusion of Estonia in euro area external statistics**

When Estonia adopted the euro on 1 January 2011, its economic agents became euro area residents. Thus, for the first time, this press release shows a consistent time series for the balance of payments of the enlarged euro area, also including the periods before 2011. For the earlier data, the changes to the euro area external statistics involve: (i) the inclusion of transactions between residents in Estonia and non-euro area residents; and (ii) the exclusion of transactions between euro area residents and residents in Estonia. In addition, the related international investment position statistics have been recalculated to take into account the enlargement of the euro area (available on the ECB's website). In general, Estonia's accession has had a minor impact on the overall euro area results.

### **Additional information on the euro area balance of payments and international investment position**

*In this press release, the seasonally adjusted current account refers to working day and seasonally adjusted data. Data for the financial account are not working day or seasonally adjusted.*

*In line with the agreed allocation of responsibilities, the European Central Bank compiles and disseminates monthly and quarterly balance of payments statistics for the euro area, whereas the European Commission (Eurostat; see new releases for "Euro-indicators") focuses on quarterly and annual aggregates for the European Union. These*

data comply with international standards, particularly those set out in the IMF's Balance of Payments Manual (fifth edition). The aggregates for the euro area and the European Union are compiled consistently on the basis of transactions and positions vis-à-vis residents of countries outside the euro area and the European Union respectively.

A complete set of updated euro area balance of payments statistics (including a quarterly geographical breakdown for the main counterparts) and international investment position statistics is available in the "Statistics" section of the ECB's website under the headings "[Data services](#)" / "[Latest monetary, financial markets and balance of payments statistics](#)". These data, as well as historical euro area balance of payments time series, can be downloaded from the [ECB's Statistical Data Warehouse \(SDW\)](#). Data up to January 2011 will also be published in the April 2011 issues of the ECB's Monthly Bulletin and Statistics Pocket Book. Detailed [methodological notes](#) are available on the ECB's website. The [next press release](#) on the euro area monthly balance of payments will be published on 20 April 2011, together with the quarterly international investment position.

## **Annexes**

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

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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		2010											2011
	Jan. 2010	Jan. 2011	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
<b>CURRENT ACCOUNT</b>	<b>-40.5</b>	<b>-58.1</b>	<b>-2.1</b>	<b>-1.5</b>	<b>-1.9</b>	<b>-4.0</b>	<b>-1.0</b>	<b>-4.1</b>	<b>-3.8</b>	<b>-6.5</b>	<b>-9.5</b>	<b>-10.5</b>	<b>-12.5</b>	<b>-0.7</b>
<i>Memo: as a percentage of GDP</i>	<i>-0.5</i>	<i>-0.6</i>												
Credit	2,266.4	2,593.7	199.4	207.0	208.4	215.8	218.4	220.5	218.0	215.1	216.4	222.0	216.9	235.7
Debit	2,306.9	2,651.8	201.5	208.6	210.3	219.7	219.3	224.6	221.8	221.6	226.0	232.5	229.4	236.4
<b>Goods</b>	<b>41.3</b>	<b>17.5</b>	<b>6.0</b>	<b>5.2</b>	<b>1.0</b>	<b>2.3</b>	<b>2.6</b>	<b>1.3</b>	<b>0.7</b>	<b>3.2</b>	<b>-2.4</b>	<b>-4.1</b>	<b>0.3</b>	<b>1.5</b>
Credit (exports)	1,299.7	1,581.5	120.2	126.1	124.5	131.8	132.6	131.8	131.8	130.7	133.7	136.6	135.1	146.6
Debit (imports)	1,258.4	1,564.0	114.1	120.9	123.5	129.5	130.1	130.4	131.1	127.5	136.1	140.7	134.9	145.1
<b>Services</b>	<b>33.4</b>	<b>35.5</b>	<b>2.1</b>	<b>3.6</b>	<b>3.6</b>	<b>2.6</b>	<b>4.0</b>	<b>3.4</b>	<b>3.0</b>	<b>3.5</b>	<b>1.8</b>	<b>4.5</b>	<b>-0.5</b>	<b>4.0</b>
Credit (exports)	469.7	512.4	39.9	41.7	42.2	42.6	44.0	43.5	42.4	43.1	41.6	45.0	41.1	45.2
Debit (imports)	436.3	476.9	37.9	38.1	38.6	40.0	40.1	40.0	39.4	39.7	39.8	40.5	41.7	41.2
<b>Income</b>	<b>-24.4</b>	<b>-11.6</b>	<b>0.9</b>	<b>-0.7</b>	<b>1.2</b>	<b>-1.1</b>	<b>0.1</b>	<b>1.7</b>	<b>0.8</b>	<b>-4.3</b>	<b>-2.1</b>	<b>-4.4</b>	<b>-4.2</b>	<b>0.4</b>
Credit	401.9	413.4	34.6	33.6	34.7	34.2	34.8	37.1	36.1	33.9	33.1	33.0	32.8	35.4
Debit	426.4	424.9	33.6	34.3	33.5	35.3	34.7	35.4	35.3	38.2	35.2	37.4	37.0	35.0
<b>Current transfers</b>	<b>-90.8</b>	<b>-99.6</b>	<b>-11.2</b>	<b>-9.7</b>	<b>-7.7</b>	<b>-7.8</b>	<b>-7.6</b>	<b>-10.6</b>	<b>-8.3</b>	<b>-8.9</b>	<b>-6.8</b>	<b>-6.5</b>	<b>-8.0</b>	<b>-6.5</b>
Credit	95.0	86.4	4.7	5.6	7.1	7.2	6.9	8.2	7.7	7.3	8.0	7.3	7.9	8.6
Debit	185.8	186.0	15.9	15.2	14.7	15.0	14.5	18.8	16.0	16.2	14.8	13.9	15.9	15.1

Source: ECB.

**Table 2: Monthly balance of payments of the euro area**

(EUR billions; transactions; non-working day and non-seasonally adjusted data)

	Cumulated figures for the 12-month period ending						December 2010 (revised)			January 2011		
	January 2010			January 2011								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
<b>CURRENT ACCOUNT</b>	<b>-41.1</b>	<b>2,266.2</b>	<b>2,307.3</b>	<b>-63.2</b>	<b>2,597.7</b>	<b>2,660.9</b>	<b>1.0</b>	<b>236.1</b>	<b>235.1</b>	<b>-19.6</b>	<b>208.3</b>	<b>227.9</b>
Goods	41.7	1,297.3	1,255.6	17.6	1,589.5	1,571.9	2.6	137.3	134.7	-13.5	126.5	140.0
Services	33.6	469.2	435.6	35.0	513.8	478.8	-0.4	45.1	45.5	1.3	40.6	39.3
Income	-25.8	402.2	427.9	-11.9	412.9	424.7	0.1	38.2	38.1	0.6	32.5	31.9
Current transfers	-90.6	97.5	188.1	-104.0	81.5	185.4	-1.3	15.6	16.8	-8.0	8.7	16.7
<b>CAPITAL ACCOUNT</b>	<b>7.1</b>	<b>20.7</b>	<b>13.6</b>	<b>8.4</b>	<b>21.4</b>	<b>13.0</b>	<b>2.7</b>	<b>4.7</b>	<b>2.0</b>	<b>0.3</b>	<b>1.3</b>	<b>1.0</b>
	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Balance</b>	<b>Assets</b>	<b>Liabilities</b>
<b>FINANCIAL ACCOUNT<sup>1)</sup></b>	<b>40.3</b>			<b>52.5</b>			<b>-5.3</b>			<b>18.0</b>		
<b>DIRECT INVESTMENT<sup>2)</sup></b>	<b>-56.7</b>	<b>-259.1</b>	<b>202.4</b>	<b>-72.6</b>	<b>-106.2</b>	<b>33.6</b>	<b>18.6</b>	<b>18.2</b>	<b>0.5</b>	<b>7.6</b>	<b>-26.8</b>	<b>34.4</b>
Equity capital and reinvested earnings	3.9	-207.4	212.6	45.4	-20.0	66.1	18.4	14.4	4.0	-26.4	-32.8	6.4
Other capital (mostly inter-company loans)	-61.4	-51.6	-10.1	-119.1	-86.1	-32.5	0.2	3.8	-3.6	34.0	6.0	28.1
<b>PORTFOLIO INVESTMENT</b>	<b>334.0</b>	<b>-81.3</b>	<b>415.4</b>	<b>141.9</b>	<b>-124.5</b>	<b>266.4</b>	<b>23.5</b>	<b>18.1</b>	<b>5.5</b>	<b>-14.7</b>	<b>-39.0</b>	<b>24.3</b>
Equity	27.4	-63.4	90.8	94.2	-55.4	149.6	5.2	-10.6	15.8	14.0	6.4	7.7
Debt instruments	306.6	-18.0	324.6	47.7	-69.1	116.7	18.3	28.6	-10.3	-28.7	-45.4	16.6
Bonds and notes	184.9	0.0	184.9	-3.3	-127.0	123.7	47.8	16.6	31.2	-36.4	-37.3	0.9
Money market instruments	121.7	-18.0	139.6	51.0	57.9	-7.0	-29.5	12.1	-41.5	7.7	-8.0	15.7
<b>MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT</b>	<b>277.3</b>	<b>-340.4</b>	<b>617.8</b>	<b>69.4</b>	<b>-230.6</b>	<b>300.0</b>	<b>42.2</b>	<b>36.3</b>	<b>5.9</b>	<b>-7.1</b>	<b>-65.8</b>	<b>58.7</b>
<b>FINANCIAL DERIVATIVES (NET)</b>	<b>48.3</b>			<b>-4.6</b>			<b>2.6</b>			<b>-2.5</b>		
<b>OTHER INVESTMENT</b>	<b>-286.3</b>	<b>412.3</b>	<b>-698.6</b>	<b>5.1</b>	<b>-117.7</b>	<b>122.7</b>	<b>-48.8</b>	<b>86.5</b>	<b>-135.3</b>	<b>33.2</b>	<b>-65.7</b>	<b>98.9</b>
Eurosystem	-171.9	6.6	-178.6	28.3	0.5	27.8	6.2	-6.7	12.9	12.5	0.5	12.0
General government	-4.3	6.7	-10.9	27.6	-37.6	65.2	19.0	-3.8	22.8	8.2	5.5	2.8
of which: currency and deposits	14.4	14.4		-3.2	-3.2		-1.7	-1.7		4.3	4.3	
MFIs (excluding the Eurosystem)	-68.9	312.6	-381.5	-25.5	-18.2	-7.3	-69.6	80.4	-150.0	4.6	-59.5	64.1
Long-term	-16.8	29.1	-45.9	72.3	41.5	30.8	-13.3	19.3	-32.6	41.0	-8.0	49.0
Short-term	-52.1	283.5	-335.6	-97.8	-59.7	-38.1	-56.3	61.2	-117.4	-36.4	-51.5	15.1
Other sectors	-41.2	86.4	-127.6	-25.3	-62.3	37.0	-4.4	16.6	-21.0	7.9	-12.1	20.0
of which: currency and deposits	46.6	46.6		-28.3	-28.3		12.7	12.7		-17.0	-17.0	
<b>RESERVE ASSETS</b>	<b>0.9</b>	<b>0.9</b>		<b>-17.4</b>	<b>-17.4</b>		<b>-1.3</b>	<b>-1.3</b>		<b>-5.7</b>	<b>-5.7</b>	
Errors and omissions	-6.3			2.3			1.6			1.3		

Source: ECB.

1) Financial account: inflows (+); outflows (-). Reserve assets: increase (-); decrease (+).

2) Direct investment: assets refer to direct investment abroad and liabilities to direct investment in the euro area.