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EUROSYSTEM

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PRESS RELEASE

EURO AREA BALANCE OF PAYMENTS IN MAY 2013 AND INTERNATIONAL INVESTMENT POSITION AT THE END OF THE FIRST QUARTER OF 2013

In May 2013 the seasonally adjusted current account of the euro area recorded a surplus of €19.6 billion. In the financial account, combined direct and portfolio investment recorded net inflows of €30 billion (non-seasonally adjusted).

At the end of the first quarter of 2013 the international investment position of the euro area recorded net liabilities of €1.2 trillion vis-à-vis the rest of the world (approximately 12% of euro area GDP). This represented a decrease of €62 billion in comparison with the revised data for the end of 2012.

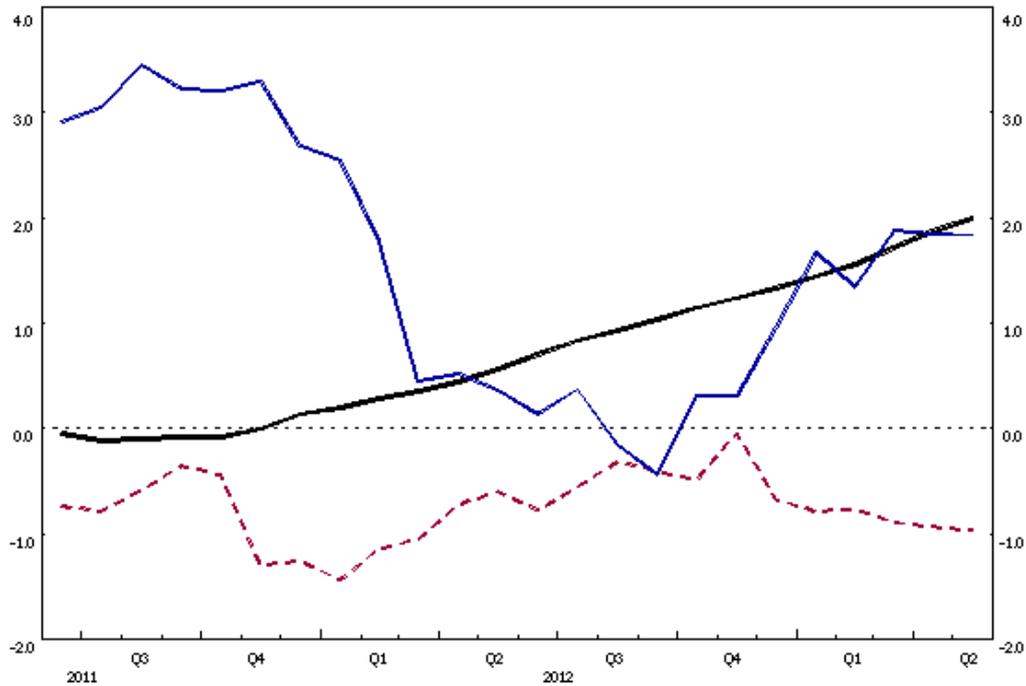
Balance of payments in May 2013

The seasonally adjusted *current account* of the euro area recorded a surplus of €19.6 billion in May 2013 (see Table 1). This reflected surpluses for *goods* (€18.1 billion), *services* (€6.4 billion) and *income* (€4.9 billion), which were partially offset by a deficit for *current transfers* (€9.8 billion).

The 12-month cumulated seasonally adjusted *current account* recorded a surplus of €189.5 billion in May 2013 (2.0% of euro area GDP; see Table 1 and Chart 1), compared with a surplus of €53.3 billion a year earlier. This shift resulted from increases in the surpluses for *goods* (from €42.9 billion to €148.7 billion), *services* (from €84.5 billion to €93.7 billion) and *income* (from €35.5 billion to €55.5 billion), while the deficit for *current transfers* remained broadly unchanged (around €109 billion).

Chart 1. Euro area balance of payments: 12-month cumulated transactions
(as a percentage of GDP)

— **current account balance** (seasonally adjusted)
 - - - **net direct investment** (non-seasonally adjusted)
 — **net portfolio investment** (non-seasonally adjusted)



Source: ECB.

In the financial account (see Table 2), *combined direct and portfolio investment* recorded net inflows of €30 billion in May 2013, as a result of developments in *portfolio investment*. *Direct investment* recorded negligible net inflows, which resulted from offsetting flows (€6 billion) in *equity capital and reinvested earnings* (outflows) and *other capital* (inflows). The net inflows for *portfolio investment* were accounted for by net inflows for *equity* (€36 billion), which were partly offset by net outflows in *debt instruments* (€6 billion).

The *financial derivatives* account recorded net outflows of €7 billion.

Other investment recorded net outflows (€40 billion), reflecting net outflows for the *Eurosystem* (€6 billion) and for *MFIs excluding the Eurosystem* (€58 billion), which were partly offset by net inflows for *other sectors* (€22 billion) and *general government* (€3 billion).

The [Eurosystem's stock of reserve assets](#) was €621 billion at the end of May 2013, down from €640 billion at the end of April 2013, mainly on account of a decrease in the market price of gold.

In the 12-month period to May 2013 *combined direct and portfolio investment* recorded cumulated net inflows of €84 billion, compared with net outflows of €22 billion in the preceding 12-month period. This shift was the result of higher net inflows for *portfolio investment* (up from €34 billion to €176 billion), which were partly offset by higher net outflows for *direct investment* (up from €56 billion to €92 billion).

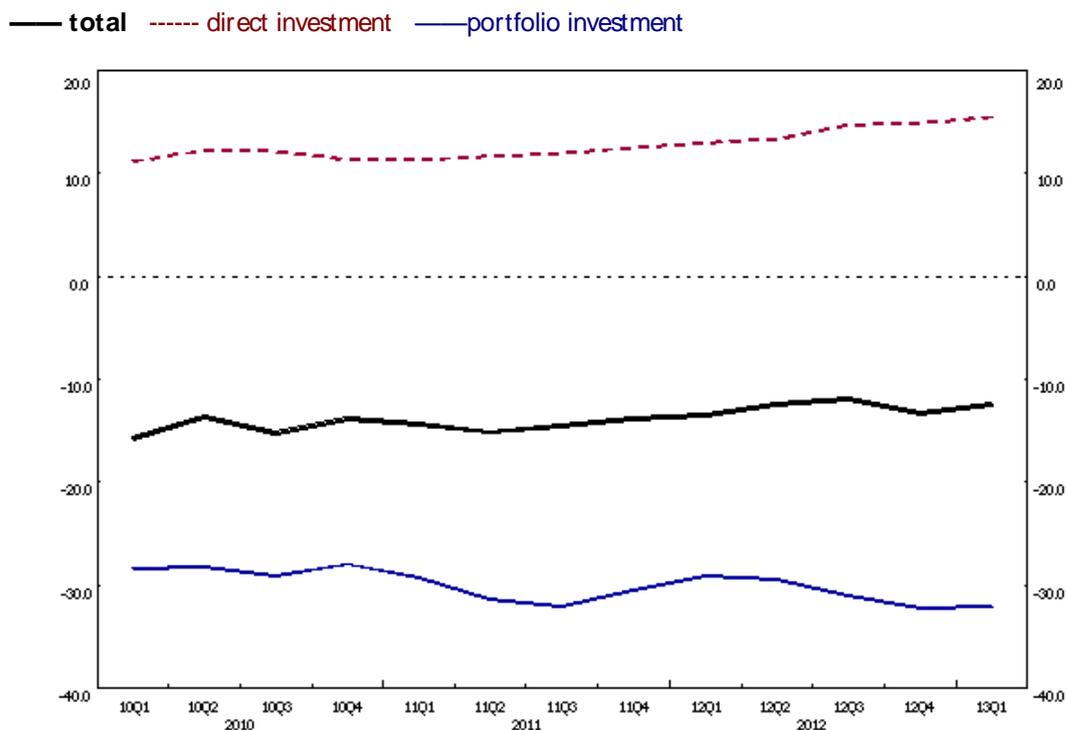
International investment position at the end of the first quarter of 2013

At the end of the first quarter of 2013 the international investment position of the euro area recorded net liabilities of €1.2 trillion vis-à-vis the rest of the world (approximately 12% of euro area GDP; see Chart 2). This represented a decrease of €62 billion in comparison with the revised data for the end of 2012 (see Table 3).

The decrease in the net liability position was due mainly to a higher net asset position for *direct investment* (up from €1,408 billion to €1,462 billion) and lower net liability positions for *portfolio investment* (down from €3,050 billion to €3,035 billion) and *other investment* (down from €268 billion to €261 billion). The change in the net position for direct investment reflected both transactions and “other changes” (predominantly revaluations on account of changes in exchange rates and asset prices), while the changes in net portfolio investment were caused predominantly by “other changes” and those in net other investment by transactions.

At the end of the first quarter of 2013 the gross external debt of the euro area amounted to €12.1 trillion (approximately 127% of euro area GDP), which represented an increase of €149 billion compared to the revised data for the end of 2012.

Chart 2. Net euro area international investment position
(as a percentage of GDP, outstanding amounts at end of period)



Source: ECB.

Data revisions

This press release incorporates revisions to the monthly balance of payments for the period from October 2012 to April 2013, and to the quarterly international investment position at the end of 2012.

The revisions to the balance of payments in April 2013 did not significantly change the previously published data. The revisions to the *current account* balances for the last quarter of 2012 and for the first quarter of 2013 were not significant either, whereas the revisions to the *financial account* were moderate and mainly impacted non-MFIs' *direct investment* and *other investment*.

The revisions to the international investment position at the end of 2012 did not significantly change the net liability position of the euro area; however, there were some offsetting revisions to all components (*direct investment*, *portfolio investment* and *other investment*).

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 news 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 May 2013 will also be published in the August 2013 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 16 August 2013. The next press release including the quarterly international investment position will be published on 17 October 2013.

Annexes

Table 1: Current account of the euro area

Table 2: Monthly balance of payments of the euro area

Table 3: Quarterly international investment position of the euro area

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		2012							2013				
	May 2012	May 2013	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
CURRENT ACCOUNT	53.3	189.5	10.1	11.0	12.5	11.7	13.0	15.1	15.4	17.5	16.7	23.1	23.8	19.6
<i>Memo: as a percentage of GDP</i>	<i>0.6</i>	<i>2.0</i>												
Credit	3,057.0	3,179.7	265.0	260.4	267.9	266.5	264.3	265.0	264.8	262.6	262.3	267.9	268.2	264.9
Debit	3,003.6	2,990.2	254.8	249.3	255.4	254.8	251.3	249.8	249.4	245.1	245.6	244.8	244.5	245.3
Goods	42.9	148.7	8.0	7.7	11.5	9.9	10.0	9.8	12.4	12.7	12.5	18.2	17.9	18.1
Credit (exports)	1,845.0	1,938.7	160.4	156.9	165.2	162.6	160.9	161.5	161.4	161.1	160.1	162.3	163.3	162.9
Debit (imports)	1,802.1	1,790.0	152.4	149.2	153.8	152.7	150.9	151.6	149.0	148.5	147.6	144.1	145.4	144.8
Services	84.5	93.7	7.6	7.7	7.4	7.3	7.4	7.7	8.2	7.6	8.5	9.7	8.1	6.4
Credit (exports)	600.1	633.7	53.2	52.2	52.6	52.6	52.2	52.7	53.7	51.6	52.6	54.6	53.1	52.7
Debit (imports)	515.7	540.0	45.6	44.5	45.1	45.3	44.7	45.0	45.5	44.0	44.1	44.8	44.9	46.3
Income	35.5	55.5	3.5	4.2	3.0	3.4	4.3	5.9	3.6	6.5	5.6	5.4	5.2	4.9
Credit	514.8	508.2	43.1	42.9	42.0	42.8	42.8	42.1	41.3	41.6	41.4	42.5	43.6	42.1
Debit	479.4	452.7	39.6	38.7	39.1	39.4	38.5	36.3	37.7	35.1	35.8	37.1	38.4	37.1
Current transfers	-109.5	-108.3	-9.0	-8.5	-9.3	-9.0	-8.7	-8.3	-8.7	-9.3	-9.9	-10.3	-7.5	-9.8
Credit	97.0	99.1	8.2	8.4	8.1	8.4	8.4	8.7	8.5	8.2	8.3	8.5	8.2	7.3
Debit	206.5	207.5	17.2	16.9	17.4	17.3	17.1	16.9	17.2	17.5	18.2	18.8	15.7	17.1

Source: ECB.

Table 3: Quarterly international investment position of the euro area

(EUR billions, unless otherwise indicated; outstanding amounts at end of period, transactions during period)

	Q3 2012	Q4 2012 (revised)				Q1 2013				
	End-of-period outstanding amounts	Transactions ¹⁾		Other changes	End-of-period outstanding amounts	Transactions ¹⁾		Other changes	End-of-period outstanding amounts	
			as % of previous end-period outstanding amounts				as % of previous end-period outstanding amounts			as % of GDP
Financial account balance/ Net international investment position	-1,127.3	87.8	-	-200.1	-1,239.6	37.8	-	24.4	-1,177.4	-12.4
Direct investment	1,390.2	40.4	-	-22.2	1,408.4	23.6	-	30.2	1,462.3	15.4
Abroad	5,645.1	70.0	1.2	114.9	5,830.0	65.9	1.1	23.9	5,919.9	62.3
Equity/reinvested earnings	4,195.2	58.9	1.4	121.9	4,376.0	58.5	1.3	26.9	4,461.4	47.0
Other capital	1,449.9	11.2	0.8	-7.0	1,454.1	7.4	0.5	-3.0	1,458.5	15.4
In the euro area	4,254.9	29.6	0.7	137.1	4,421.6	42.3	1.0	-6.3	4,457.6	46.9
Equity/reinvested earnings	3,035.2	52.7	1.7	66.6	3,154.5	41.1	1.3	7.9	3,203.5	33.7
Other capital	1,219.7	-23.2	-1.9	70.5	1,267.1	1.2	0.1	-14.2	1,254.1	13.2
Portfolio investment	-2,934.5	-85.3	-	-29.9	-3,049.7	-10.7	-	25.5	-3,034.9	-31.9
Assets	5,187.8	79.7	1.5	-0.9	5,266.7	105.6	2.0	151.3	5,523.6	58.1
Equity securities	1,877.1	59.7	3.2	10.7	1,947.5	62.1	3.2	132.2	2,141.8	22.5
Debt securities	3,310.8	20.1	0.6	-11.6	3,319.2	43.5	1.3	19.1	3,381.8	35.6
Bonds and notes	2,816.8	38.5	1.4	-2.9	2,852.4	35.0	1.2	28.5	2,915.8	30.7
Money market instruments	494.0	-18.5	-3.7	-8.7	466.8	8.5	1.8	-9.3	466.0	4.9
Liabilities	8,122.4	165.0	2.0	29.0	8,316.4	116.3	1.4	125.8	8,558.5	90.1
Equity securities	3,363.3	95.7	2.8	40.3	3,499.3	51.9	1.5	97.8	3,648.9	38.4
Debt securities	4,759.1	69.3	1.5	-11.3	4,817.2	64.4	1.3	28.1	4,909.6	51.7
Bonds and notes	4,324.5	44.0	1.0	-15.5	4,353.0	31.3	0.7	31.7	4,415.9	46.5
Money market instruments	434.6	25.3	5.8	4.3	464.2	33.2	7.1	-3.6	493.7	5.2
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	-1,544.3	-44.9	-	-52.1	-1,641.3	13.0	-	55.7	-1,572.7	-16.6
Financial derivatives	-21.2	-28.3	-	30.0	-19.5	-9.3	-	-2.6	-31.4	-0.3
Other investment	-295.5	158.0	-	-130.5	-268.1	34.1	-	-27.2	-261.2	-2.7
Assets	4,923.7	-127.9	-2.6	25.4	4,821.2	64.7	1.3	8.1	4,894.0	51.5
Eurosystem	37.3	5.8	15.5	-2.9	40.1	-6.9	-17.1	-0.3	33.0	0.3
General government	147.2	18.4	12.5	0.5	166.2	-11.0	-6.6	-2.8	152.4	1.6
MFIs excluding Eurosystem	3,086.0	-114.5	-3.7	-48.2	2,923.3	11.8	0.4	19.4	2,954.5	31.1
Other sectors	1,653.2	-37.7	-2.3	76.0	1,691.5	70.8	4.2	-8.2	1,754.1	18.5
Liabilities	5,219.2	-285.9	-5.5	156.0	5,089.3	30.6	0.6	35.3	5,155.2	54.3
Eurosystem	432.0	-0.2	-0.0	-2.9	428.9	-33.2	-7.7	2.9	398.6	4.2
General government	231.5	-5.6	-2.4	1.4	227.4	-0.4	-0.2	-2.7	224.3	2.4
MFIs excluding Eurosystem	3,206.5	-216.4	-6.7	-32.1	2,958.0	0.6	0.0	18.5	2,977.2	31.3
Other sectors	1,349.2	-63.8	-4.7	189.6	1,475.0	63.6	4.3	16.5	1,555.0	16.4
Reserve assets	733.8	3.0	0.4	-47.4	689.4	-0.0	-0.0	-1.5	687.8	7.2
MEMO ITEM: GROSS EXTERNAL DEBT	11,939.1	-	-	-	11,947.9	-	-	-	12,096.5	127.3

Source: ECB.

(1) In this table, contrary to the balance of payments sign convention, a positive (negative) number indicates an increase (decrease) of euro area assets.

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						April 2013 (revised)			May 2013		
	May 2012			May 2013								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	42.1	3,054.3	3,012.2	183.7	3,174.6	2,990.9	16.6	265.1	248.5	9.5	266.5	257.0
Goods	37.5	1,844.0	1,806.4	146.3	1,934.6	1,788.3	16.3	165.4	149.1	17.1	162.8	145.7
Services	84.1	599.4	515.3	93.6	633.2	539.5	7.5	50.9	43.4	8.0	52.3	44.3
Income	35.6	514.9	479.3	54.7	508.1	453.4	2.4	42.2	39.9	-7.0	44.4	51.4
Current transfers	-115.1	96.1	211.1	-110.9	98.8	209.6	-9.5	6.5	16.1	-8.6	6.9	15.6
CAPITAL ACCOUNT	13.1	27.3	14.1	15.6	30.8	15.2	1.3	2.3	0.9	2.3	3.1	0.8
	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	-46.7			-219.3			-18.5			-17.0		
DIRECT INVESTMENT²⁾	-56.4	-347.8	291.4	-91.6	-222.8	131.3	-6.9	-12.9	6.1	0.4	-0.1	0.5
Equity capital and reinvested earnings	16.1	-292.9	309.0	-46.4	-194.9	148.5	-8.3	-10.5	2.2	-5.7	-8.8	3.1
Other capital (mostly inter-company loans)	-72.5	-54.9	-17.6	-45.2	-27.9	-17.3	1.5	-2.4	3.9	6.1	8.7	-2.6
PORTFOLIO INVESTMENT	34.1	34.4	-0.2	175.7	-246.6	422.2	1.5	-41.9	43.4	29.8	-17.9	47.6
Equity	109.1	78.9	30.1	93.4	-135.2	228.5	-5.8	-17.3	11.6	35.7	-9.1	44.9
Debt instruments	-74.9	-44.6	-30.4	82.3	-111.4	193.7	7.3	-24.5	31.8	-6.0	-8.8	2.8
Bonds and notes	31.7	-9.9	41.5	61.0	-115.5	176.5	22.2	-5.7	27.9	-7.5	-5.5	-2.0
Money market instruments	-106.6	-34.7	-71.9	21.3	4.1	17.1	-14.9	-18.8	3.9	1.5	-3.3	4.8
MEMO ITEM: COMBINED DIRECT AND PORTFOLIO INVESTMENT	-22.3	-313.5	291.2	84.1	-469.4	553.5	-5.3	-54.8	49.4	30.1	-18.0	48.1
FINANCIAL DERIVATIVES (NET)	-27.6			27.7			-3.4			-7.1		
OTHER INVESTMENT	11.1	-71.3	82.5	-322.9	86.8	-409.7	-9.7	-81.2	71.4	-39.5	41.0	-80.5
Eurosystem	95.7	6.7	89.0	15.7	8.0	7.7	2.1	3.1	-1.1	-6.1	5.2	-11.3
General government	41.4	-11.3	52.7	-11.9	2.7	-14.6	-3.2	-1.4	-1.7	2.6	3.1	-0.5
of which: currency and deposits	-13.5	-13.5		4.4	4.4		-1.9	-1.9		1.3	1.3	
MFIs (excluding the Eurosystem)	-115.7	67.6	-183.3	-293.9	140.3	-434.2	-10.3	-65.0	54.6	-57.9	1.7	-59.6
Long-term	-22.4	2.2	-24.6	18.6	52.3	-33.6	11.2	6.4	4.8	1.1	8.3	-7.2
Short-term	-93.3	65.4	-158.7	-312.6	88.0	-400.6	-21.5	-71.4	49.9	-59.0	-6.6	-52.4
Other sectors	-10.3	-134.4	124.1	-32.8	-64.1	31.3	1.7	-17.9	19.6	22.1	31.1	-9.0
of which: currency and deposits	-47.1	-47.1		-27.7	-27.7		-22.2	-22.2		11.9	11.9	
RESERVE ASSETS	-8.0	-8.0		-8.2	-8.2		-0.1	-0.1		-0.6	-0.6	
Errors and omissions	-8.5			20.1			0.6			5.2		

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.