



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

20 July 2018

## Euro area monthly balance of payments: May 2018

- In May 2018 the [current account](#) of the euro area recorded a surplus of €22 billion, compared with one of €30 billion in April 2018.<sup>1</sup>
- In the 12-month period to May 2018, the current account recorded a surplus of €406 billion (3.6% of euro area GDP), compared with one of €360 billion (3.2% of euro area GDP) in the 12-month period to May 2017.
- In the [financial account](#), euro area residents made net acquisitions of foreign portfolio investment securities of €548 billion in the 12-month period to May 2018 (increasing from €476 billion in the 12 months to May 2017), while non-residents' net purchases of euro area portfolio investment securities amounted to €216 billion in the 12 months to May 2018 (up from €189 billion in the 12-month period to May 2017).

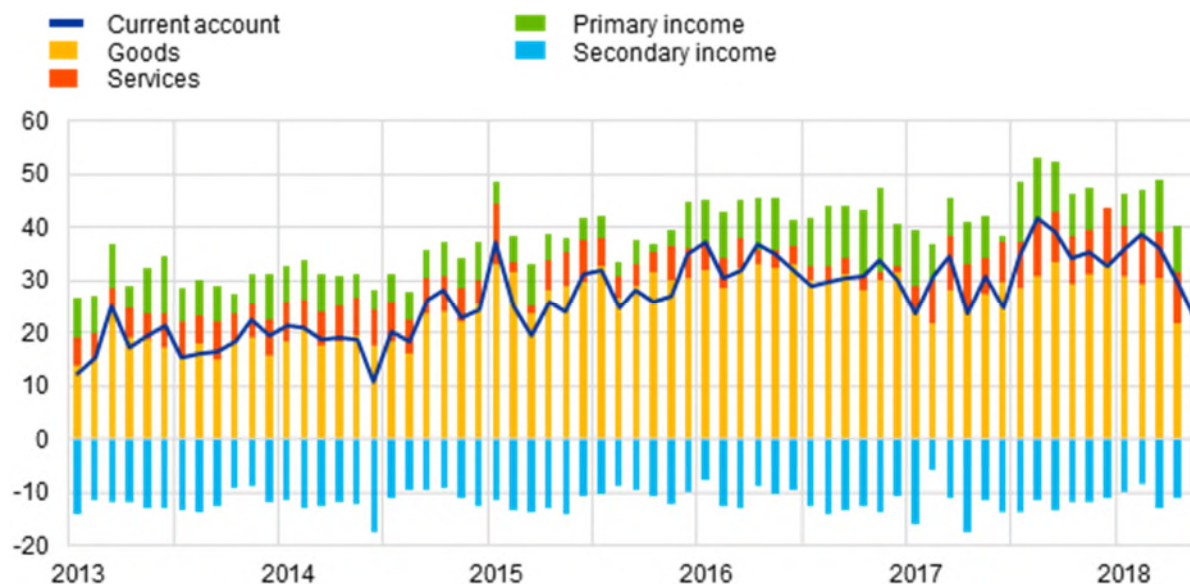
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<sup>1</sup> References to the current account are always to data that are seasonally and working day-adjusted, unless otherwise indicated, whereas references to the capital and financial accounts are to data that are neither seasonally nor working day-adjusted.

## Chart 1

## Euro area current account balance

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



Source: ECB.

The *current account* of the euro area recorded a surplus of €22 billion in May 2018, compared with one of €30 billion in April 2018 (see Chart 1 and Table 1). The current account recorded surpluses for *goods* (€21 billion), *services* (€8 billion) and *primary income* (€3 billion), which were partly offset by a deficit for *secondary income* (€10 billion).

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				May 2017	Apr. 2018	May 2018
		May 2017 % of GDP		May 2018 % of GDP				
<b>Current account</b>	Balance	360	3.2%	406	3.6%	31	30	22
	Credit	3,763	33.3%	3,951	35.0%	326	329	330
	Debit	3,403	30.2%	3,545	31.4%	296	299	307
<b>Goods</b>	Balance	341	3.0%	349	3.1%	28	22	21
	Credit (exports)	2,191	19.4%	2,316	20.5%	190	190	193
	Debit (imports)	1,850	16.4%	1,967	17.4%	162	168	173
<b>Services</b>	Balance	56	0.5%	109	1.0%	7	10	8
	Credit (exports)	812	7.2%	861	7.6%	70	72	72
	Debit (imports)	756	6.7%	752	6.7%	64	62	64
<b>Primary income</b>	Balance	111	1.0%	86	0.8%	8	9	3
	Credit	654	5.8%	663	5.9%	57	58	55
	Debit	543	4.8%	577	5.1%	49	49	52
<b>Secondary income</b>	Balance	-149	-1.3%	-139	-1.2%	-12	-11	-10
	Credit	106	0.9%	110	1.0%	9	9	9
	Debit	254	2.3%	249	2.2%	21	20	19

Source: ECB.

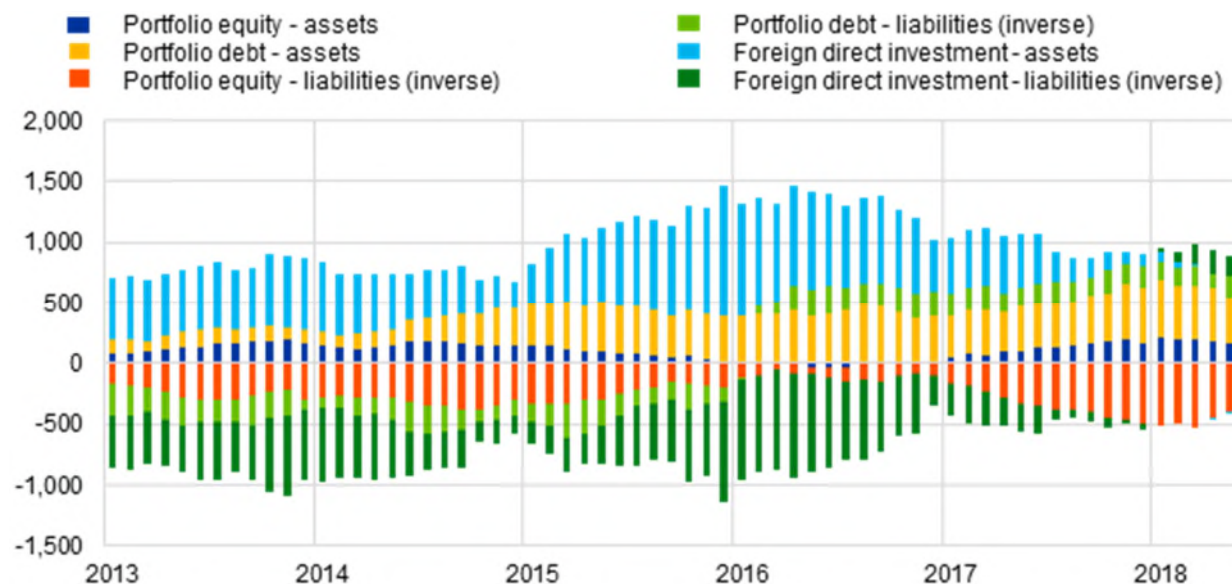
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In the 12 months to May 2018, the *current account* recorded a surplus of €406 billion (3.6% of euro area GDP), compared with one of €360 billion (3.2% of euro area GDP) in the previous 12-month period. This increase was mainly due to increases in the surpluses for *services* (from €56 billion to €109 billion) and, to a lesser extent, for *goods* (from €341 billion to €349 billion), as well as a lower deficit for *secondary income* (down from €149 billion to €139 billion). These developments were partly offset by a decline in the surplus for *primary income* (from €111 billion to €86 billion).

**Chart 2**

## Selected items of the euro area financial account

(EUR billions, 12-month cumulated)



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 instruments by non-euro area investors.

In the 12-month period to May 2018, there was a substantial change in *direct investment* compared with the 12 months to May 2017 (see Chart 2 and Table 2). Euro area residents recorded net disinvestments of foreign direct investment assets of €14 billion, following net investments of €450 billion in the previous 12-month period. Non-residents also registered net disinvestments of euro area assets of €166 billion in the 12-month period to May 2018, after having recorded net investments in euro area assets of €233 billion in the 12 months to May 2017.

In *portfolio investment*, net acquisitions of foreign *debt securities* by euro area residents increased to €385 billion in the 12 months to May 2018 from €373 billion in the corresponding period to May 2017, while net purchases of foreign *equity* by euro area residents increased to €163 billion from €104 billion. Non-residents also increased their net purchases of euro area *equity* to €396 billion in the 12 months to May 2018, from €334 billion in the 12 months to May 2017. Their net sales of euro area *debt securities* increased to €181 billion (from €145 billion) in the same period.

**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					
	May 2017			May 2018		
	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>Financial account</b>	342	1,271	928	466	800	334
<b>Direct investment</b>	217	450	233	152	-14	-166
<b>Portfolio investment</b>	287	476	189	332	548	216
Equity	-230	104	334	-233	163	396
Debt securities	517	373	-145	565	385	-181
<b>Financial derivatives (net)</b>	59	59		-2	-2	
<b>Other investment</b>	-229	277	507	-30	254	284
Eurosysteem	-140	1	141	-121	1	122
Other MFIs	-83	184	267	31	127	96
General government	0	-3	-3	11	-9	-20
Other sectors	-7	95	102	48	135	86
<b>Reserve as sets</b>	8	8		14	14	

Source: ECB.

Notes: Decreases in assets and liabilities are shown with a minus sign. Net financial derivatives are reported under assets. MFI stands for monetary financial institutions.

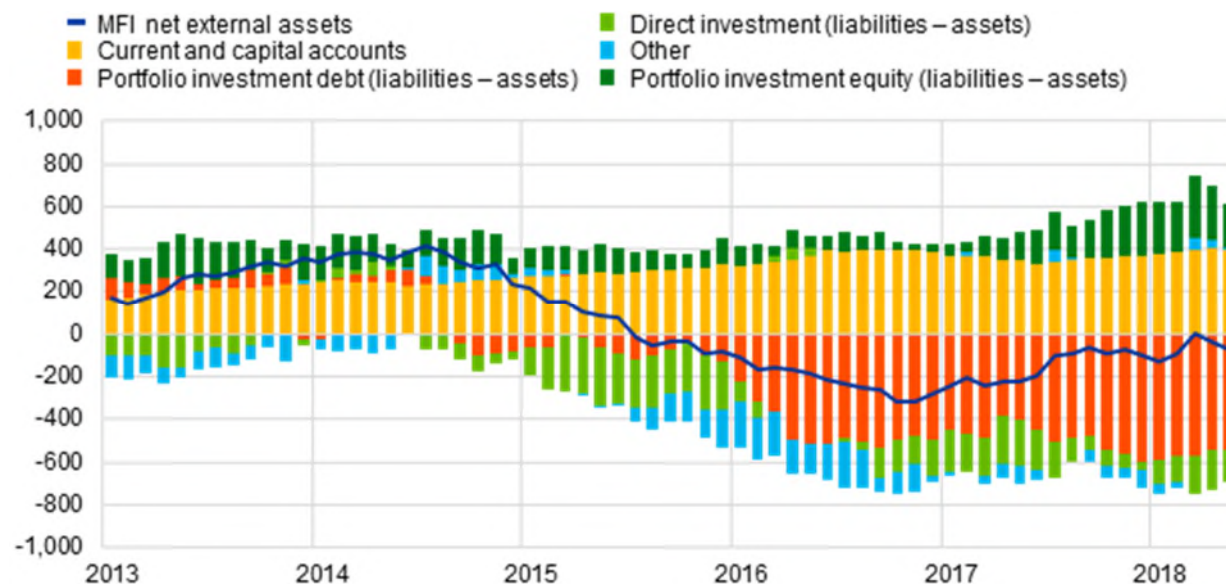
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In *other investment*, euro area residents' net acquisitions of foreign assets amounted to €254 billion in the 12 months to May 2018 (decreasing from €277 billion in the 12 months to May 2017), while net incurrences of liabilities amounted to €284 billion (declining from €507 billion in the 12 months to May 2017). Both developments mainly reflected the operations of euro area *other MFIs*.

**Chart 3**

## Monetary presentation of the balance of payments

(EUR billions, 12-month cumulated)



Source: ECB.

Notes: MFI net external assets as reported in the consolidated MFI balance sheet items (BSI). 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, other investment and statistical discrepancies.

According to the monetary presentation of the balance of payments (see Chart 3), the net external assets of euro area MFIs decreased by €73 billion in the 12 months to May 2018. This decrease in MFIs' net external assets continued to be driven by non-MFI transactions related to net outflows in *portfolio debt securities* and *direct investment* which were only partly offset by the euro area's *current account* surplus and net inflows in *portfolio equity*.

In May 2018 the *Eurosystem's* stock of *reserve assets* increased to €697.7 billion from €677.1 billion in the previous month (see Table 3). This increase (€20.6 billion) was mainly due to positive price changes (€9.9 billion) and exchange rate changes (€8.5 billion), and to a lesser extent to net acquisitions of assets (€2.3 billion).

**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)

	April 2018	May 2018			
	Amounts outstanding	Trans actions	Exchange rate changes	Price changes	Amounts outstanding
<b>Reserve assets</b>	<b>677.1</b>	<b>2.3</b>	<b>8.5</b>	<b>9.9</b>	<b>697.7</b>
Monetary gold	376.9	0.0	-	9.6	386.5
Special drawing rights	50.1	-0.2	0.9	-	50.9
Reserve position in the IMF	16.9	-0.1	0.3	-	17.1
Other reserve assets	233.1	2.6	7.4	0.3	243.2

Source: ECB.

Note: "Other reserve assets" comprises currency and deposits, securities, financial derivatives (net) and other claims.

[Download data for reserve assets of the euro area](#)

**Data revisions**

This press release incorporates revisions of the data for April 2018. These revisions have not significantly altered the figures previously published.

**Next press releases:**

- monthly balance of payments: 17 August 2018 (reference data up to June 2018)
- quarterly balance of payments and international investment position: 2 October 2018 (reference data up to the second quarter of 2018).

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**Notes**

The hyperlinks in the main body of the press release are dynamic. The data may therefore change with subsequent data releases as a result of revisions.

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