

Press release

20 July 2023

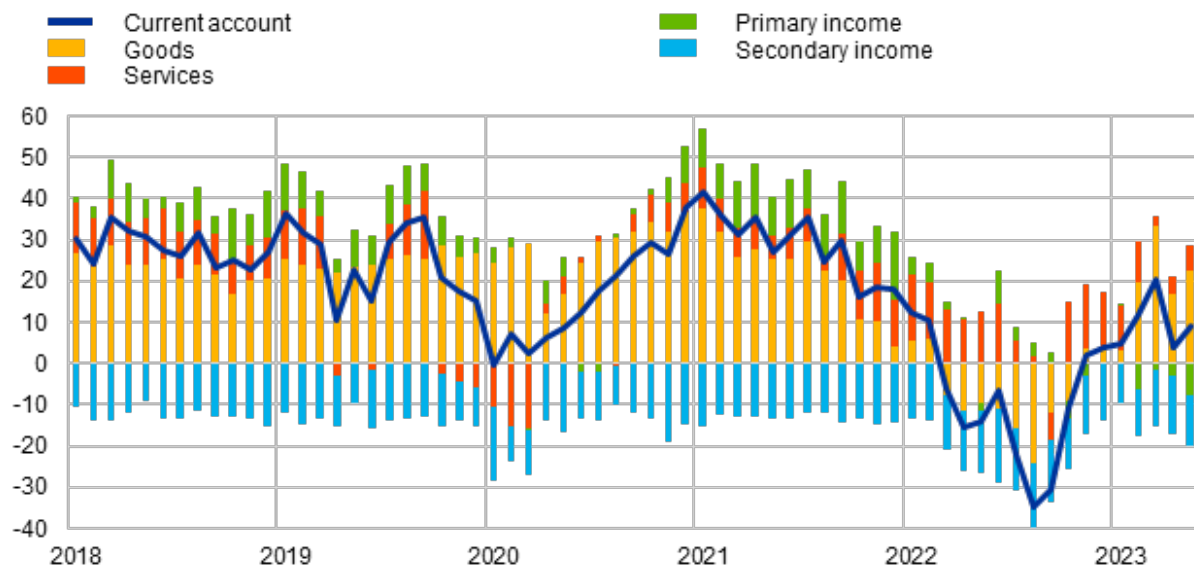
Euro area monthly balance of payments: May 2023

- [Current account](#) recorded €9 billion surplus in May 2023, up from €4 billion in previous month
- [Current account](#) deficit amounted to €49 billion (0.4% of euro area GDP) in 12 months to May 2023, compared with a surplus of €161 billion (1.3%) one year earlier
- In [financial account](#), euro area residents' net acquisitions of non-euro area portfolio investment securities totalled €23 billion and non-residents' net acquisitions of euro area portfolio investment securities totalled €281 billion in 12 months to May 2023

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 €9 billion in May 2023, an increase of €5 billion from the previous month (Chart 1 and Table 1). Surpluses were recorded for *goods* (€23 billion)

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Directorate General Communications

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.ecb.europa.eu

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and services (€6 billion), while deficits occurred in *secondary income* (€12 billion) and *primary income* (€8 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 2022 % of GDP		May 2023 % of GDP		May 2022	Apr 2023	May 2023
Current account	Balance	161	1.3%	-49	-0.4%	-14	4	9
	Credit	4,834	37.7%	5,430	39.9%	437	433	460
	Debit	4,673	36.4%	5,479	40.2%	451	430	451
Goods	Balance	106	0.8%	31	0.2%	-10	17	23
	Credit (exports)	2,636	20.5%	2,982	21.9%	241	232	250
	Debit (imports)	2,529	19.7%	2,951	21.7%	251	215	227
Services	Balance	131	1.0%	93	0.7%	13	4	6
	Credit (exports)	1,146	8.9%	1,279	9.4%	106	108	110
	Debit (imports)	1,014	7.9%	1,186	8.7%	93	104	103
Primary income	Balance	88	0.7%	-8	-0.1%	-2	-3	-8
	Credit	891	6.9%	1,003	7.4%	75	80	86
	Debit	803	6.3%	1,011	7.4%	77	83	94
Secondary income	Balance	-164	-1.3%	-165	-1.2%	-15	-14	-12
	Credit	162	1.3%	166	1.2%	14	13	15
	Debit	326	2.5%	331	2.4%	29	28	27

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 May 2023, the *current account* recorded a deficit of €49 billion (0.4% of euro area GDP), compared with a surplus of €161 billion (1.3% of euro area GDP) one year earlier. This development was mainly driven by a switch from a surplus (€88 billion) to a deficit (€8 billion) for *primary income*, and by a reduction in the surpluses for *goods* (down from €106 billion to €31 billion) and *services* (down from €131 billion to €93 billion). The deficit for *secondary income* remained broadly stable (up from €164 billion to €165 billion).

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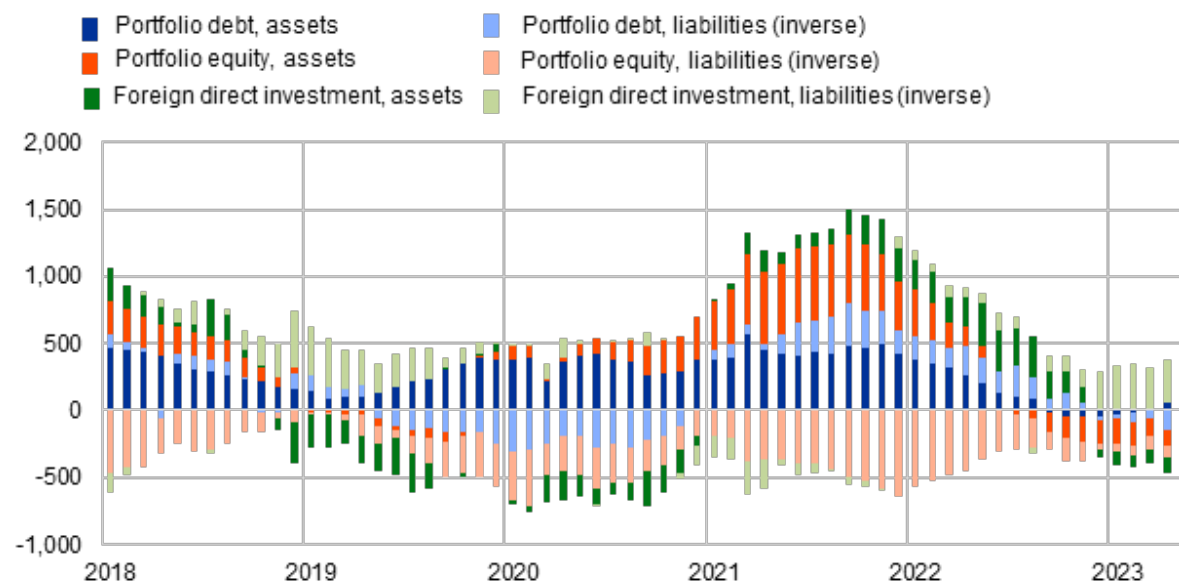
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Chart 2

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 disinvestments of €203 billion in non-euro area assets in the 12 months to May 2023, following net investments of €327 billion one year earlier (Chart 2 and Table 2). Non-residents disinvested €258 billion in net terms from euro area assets in the 12 months to May 2023, following net disinvestments of €68 billion one year earlier.

In *portfolio investment*, euro area residents' net sales of non-euro area *equity* amounted to €71 billion in the 12 months to May 2023 following net purchases of €84 billion one year earlier. Over the same period, net purchases of non-euro area *debt securities* by euro-area residents amounted to €94 billion, down from €205 billion one year earlier. Non-residents' net purchases of euro area *equity* amounted to €119 billion in the 12 months to May 2023, down from €362 billion one year earlier. Over the same period, non-residents made net purchases of euro area *debt securities* amounting to €162 billion, following net sales of €189 billion one year earlier.

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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					
	May 2022			May 2023		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	265	1,185	920	77	-208	-285
Direct investment	395	327	-68	54	-203	-258
Portfolio investment	116	289	173	-258	23	281
Equity	-278	84	362	-190	-71	119
Debt securities	394	205	-189	-68	94	162
Financial derivatives (net)	79	79		67	67	
Other investment	-456	359	815	214	-94	-308
Eurosystem	-412	-1	411	255	-25	-280
Other MFIs	-134	87	221	-33	23	56
General government	-71	-6	65	-23	-5	18
Other sectors	162	279	117	15	-88	-102
Reserve assets	131	131		-1	-1	

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 disposals of non-euro area assets amounting to €94 billion in the 12 months to May 2023 (following net acquisitions of €359 billion one year earlier) and they recorded net disposals of liabilities amounting to €308 billion (following net acquisitions of €815 billion one year earlier).

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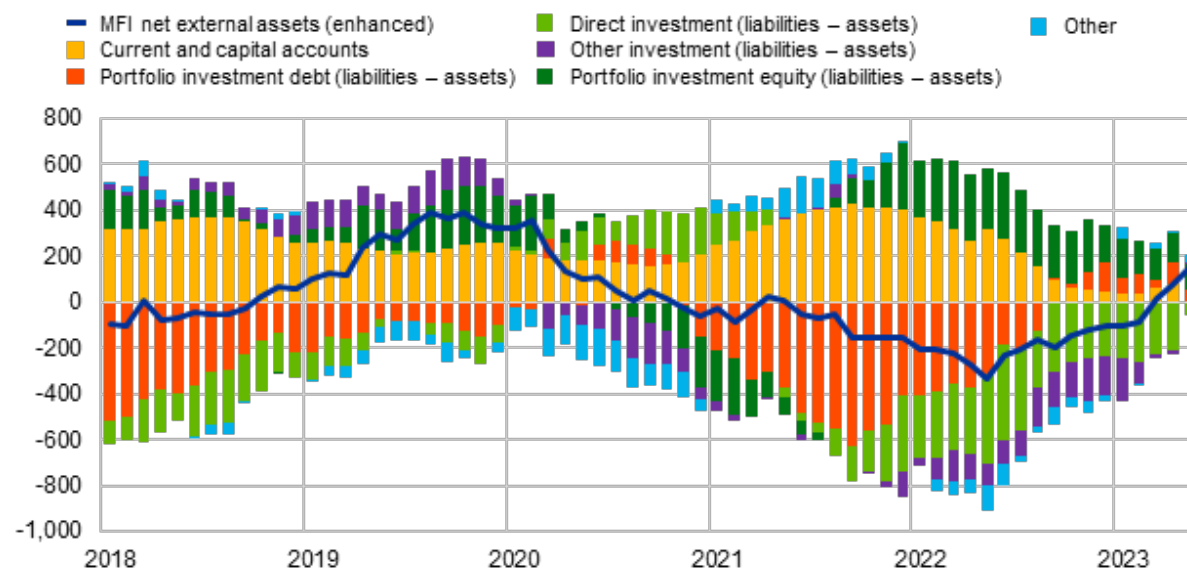
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Chart 3

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 increased by €187 billion in the 12 months to May 2023. This increase was mainly driven by euro area non-MFIs' net inflows in *portfolio investment equity*, *portfolio investment debt* and *other investment*, and by *other flows*. These developments were only partly offset by euro area non-MFIs' net outflows in *direct investment*.

In May 2023 the Eurosystem's stock of *reserve assets* increased to €1,140.5 billion, up from €1,120.8 billion in the previous month (Table 3). This increase was driven by positive price changes and exchange rate changes (both for €9.3 billion) and net acquisitions of assets (€1.4 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)

	April 2023	May 2023			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	1,120.8	1.4	9.3	9.3	1,140.5
Monetary gold	625.2	0.0	-	10.7	635.8
Special drawing rights	185.1	0.7	2.5	-	188.3
Reserve position in the IMF	36.1	-0.1	0.5	-	36.4
Other reserve assets	274.3	0.9	6.2	-1.4	279.9

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 April 2023. These revisions did not significantly alter the figures previously published.

Next releases:

- Monthly balance of payments: 22 August 2023 (reference data up to June 2023)
- Quarterly balance of payments: 5 October 2023 (reference data up to the second quarter of 2023)

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.

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