

Statistical release

11 January 2024

Euro area quarterly balance of payments and international investment position: third quarter of 2023

- [Current account](#) surplus at €175 billion (1.2% of euro area GDP) in four quarters to third quarter of 2023, after a €19 billion deficit (0.1% of GDP) a year earlier
- [Geographical counterparts](#): largest bilateral current account surpluses vis-à-vis *United Kingdom* (€170 billion) and *Switzerland* (€71 billion) and largest deficits vis-à-vis *China* (€134 billion) and the *United States* (€16 billion)
- [International investment position](#) showed net assets of €327 billion (2.3% of euro area GDP) at the end of third quarter of 2023

Current account

The *current account* of the euro area recorded a surplus of €175 billion (1.2% of euro area GDP) in the four quarters to the third quarter of 2023, after recording a deficit of €19 billion (0.1% of GDP) a year earlier (Table 1). This development was mainly driven by a switch from a deficit (€54 billion) to a surplus for *goods* (€178 billion) and, to a lesser extent, by a smaller deficit for *secondary income* (down from €170 billion to €155 billion). These developments were partly offset by reductions in the surpluses for *primary income* (down from €58 billion to €20 billion) and for *services* (down from €147 billion to €132 billion).

The lower surplus for *services* was due to a falling surplus for *transport services* (from €28 billion to €4 billion) and a widening deficit for *other services* (from €34 billion to €61 billion). Larger surpluses were recorded for *telecommunication, computer and information services* (from €148 billion to €158 billion), *insurance, pension and financial services* (from €10 billion to €20 billion) and *travel services* (from €52 billion to €61 billion), while the deficit on *other business services declined* (from €56 billion to €49 billion).

The decrease in the *primary income* surplus was mainly due to a larger deficit in *portfolio equity income* (from €98 billion to €145 billion), while larger surpluses were recorded in *direct investment income* (from €62 billion to €69 billion) and in *reserve asset income* (from €4 billion to €11 billion).

Table 1

Current account of the euro area

(EUR billions, unless otherwise indicated; transactions during the period; non-working day and non-seasonally adjusted)

	Cumulated figures for the four-quarter period ending							
	Q3 2022			Q3 2023			Q3 2022	Q3 2023
	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Balance
Current account	-19	5,208	5,228	175	5,560	5,386	-44	97
<i>Percentage of GDP</i>	-0.1%	39.3%	39.4%	1.2%	39.3%	38.1%		
Goods	-54	2,846	2,899	178	2,942	2,764	-57	68
Services	147	1,237	1,091	132	1,288	1,156	44	48
Transport	28	242	214	4	217	213	10	2
Travel	52	142	90	61	181	120	23	27
Insurance, pension and financial	10	121	112	20	131	112	3	5
Telecommunication, computer and information	148	243	95	158	262	104	36	41
Other business	-56	285	342	-49	300	350	-16	-12
Other	-34	204	238	-61	197	258	-12	-16
Primary income	58	962	904	20	1,161	1,141	12	21
Compensation of employees	25	51	26	26	54	28	6	6
Investment income	31	870	839	-9	1,069	1,077	8	18
Direct investment	62	548	486	69	614	546	8	23
Portfolio equity	-98	109	208	-145	107	252	-17	-26
Portfolio debt	48	135	88	46	160	114	12	15
Other investment	15	73	59	11	177	166	3	3
Reserve assets	4	4		11	11		2	3
Other primary income	2	40	38	3	38	36	-2	-2
Secondary income	-170	163	334	-155	169	324	-42	-40

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. Discrepancies between totals and their components may arise from rounding.

[Data for the current account of the euro area](#)

Data on the geographical counterparts of the euro area current account (Chart 1) show that, in the four quarters to the third quarter of 2023, the euro area recorded its largest bilateral surpluses vis-à-vis the *United Kingdom* (€170 billion, up from €154 billion a year earlier) and *Switzerland* (€71 billion, up from €59 billion). The euro area also recorded a surplus of €76 billion vis-à-vis the residual group of *other countries*, following a deficit of €21 billion a year earlier. The largest bilateral deficits were recorded vis-à-vis *China* (€134 billion, down from €151 billion a year earlier) and the *United States* (€15 billion, following a surplus of €7 billion).

European Central Bank

Directorate General Statistics

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

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

Reproduction is permitted provided that the source is acknowledged.

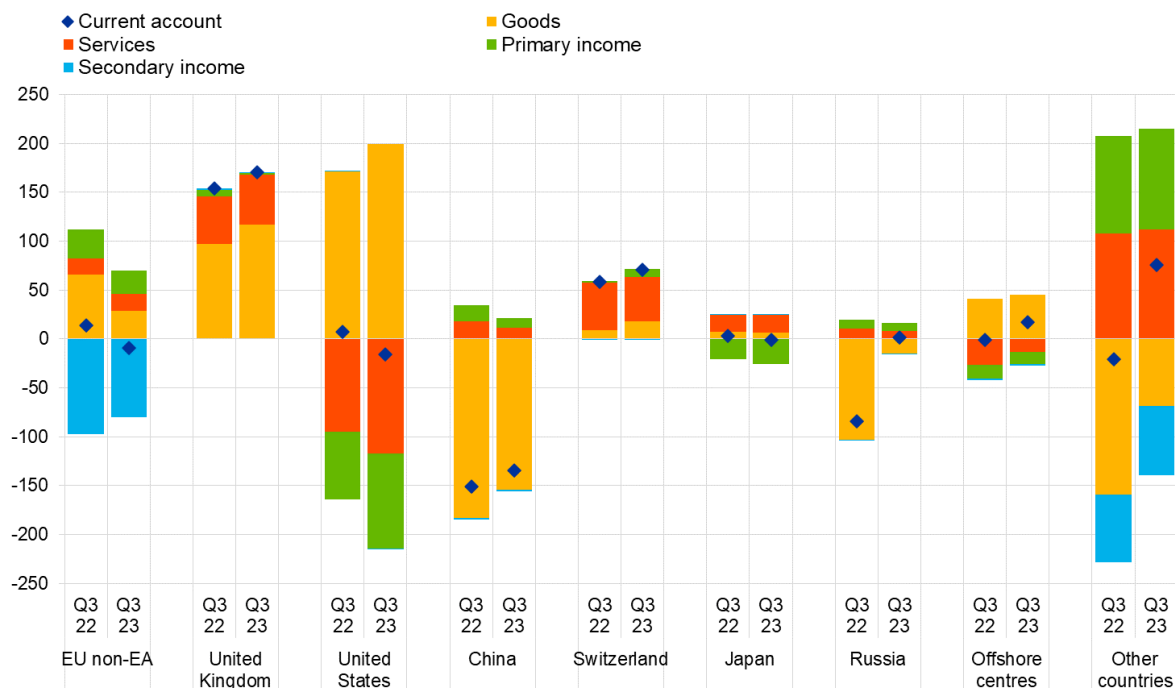
The most significant changes in the geographical components of the current account in the four quarters to the third quarter of 2023 relative to the previous year were as follows. The *goods* deficits declined vis-à-vis *Russia* (from €103 billion to €15 billion), *China* (from €183 billion to €154 billion) and vis-à-vis the residual group of *other countries* (from €159 billion to €69 billion). The latter was partly due to a lower *goods* deficit with Norway (from €71 billion to €48 billion), a larger surplus with Türkiye (from €8 billion to €23 billion) and lower imports from countries within the Organization of the Petroleum Exporting Countries. The surplus in *goods* vis-à-vis *EU Member States and EU institutions outside the euro area* decreased from €65 billion to €29 billion, while it increased vis-à-vis the *United States* from €171 billion to €200 billion.

In *services*, the deficit vis-à-vis the *United States* increased (from €95 billion to €117 billion), while the deficit vis-à-vis *offshore centres* declined (from €27 billion to €13 billion). In *primary income*, a larger deficit was recorded vis-à-vis the *United States* (from €70 billion to €98 billion), while the deficit in *secondary income* vis-à-vis the *EU Member States and EU institutions outside the euro area* decreased (from €98 billion to €80 billion).

Chart 1

Geographical breakdown of the euro area current account balance

(four-quarter moving sums in EUR billions; non-seasonally adjusted)



Source: ECB.

Note: "EU non-EA" comprises the non-euro area EU Member States and those EU institutions and bodies that are considered for statistical purposes as being outside the euro area, such as the European Commission and the European Investment Bank. "Other countries" includes all countries and country groups not shown in the chart, as well as unallocated transactions.

[Data for the geographical breakdown of the euro area current account](#)

European Central Bank

Directorate General Statistics

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

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

Reproduction is permitted provided that the source is acknowledged.

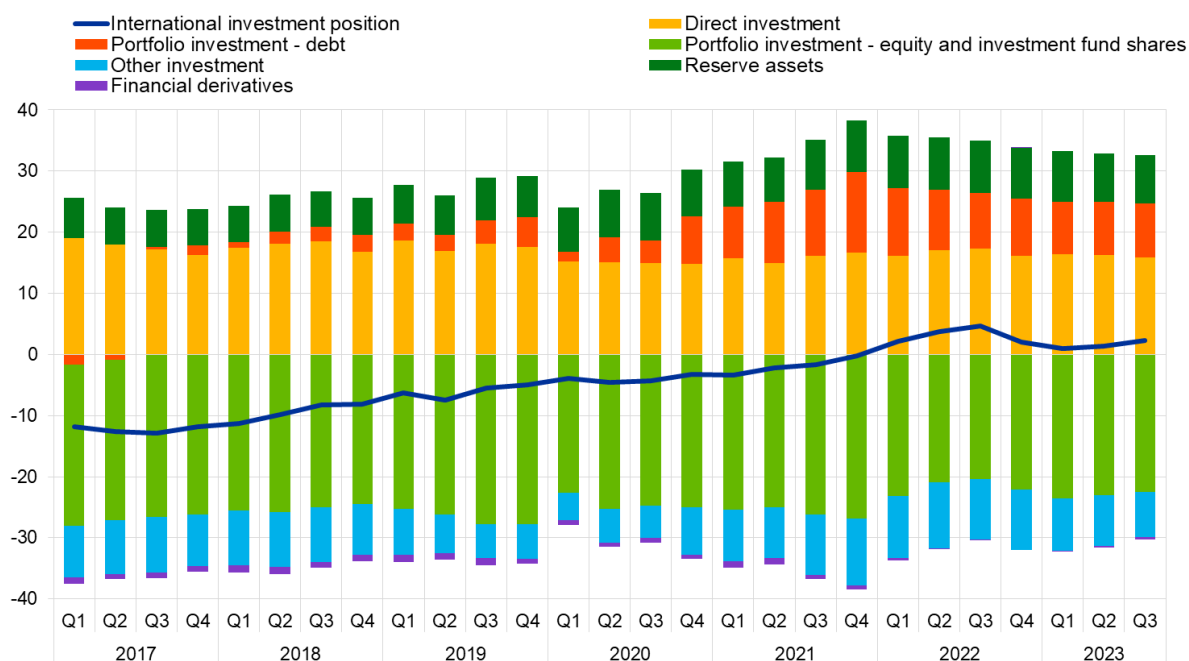
International investment position

At the end of the third quarter of 2023, the *international investment position* of the euro area recorded net assets of €327 billion vis-à-vis the rest of the world (2.3% of euro area GDP), up from €184 billion in the previous quarter (Chart 2 and Table 2).

Chart 2

Net international investment position of the euro area

(net amounts outstanding at the end of the period as a percentage of four-quarter moving sums of GDP)



Source: ECB.

[Data for the net international investment position of the euro area](#)

The €143 billion increase in net assets was mainly driven by lower net liabilities in *other investment* (down from €1.17 trillion to €1.03 trillion). Moreover, larger net assets were recorded in *portfolio debt* (up from €1.21 trillion to €1.24 trillion), while net liabilities in *portfolio equity* declined (from €3.21 trillion to €3.19 trillion). These developments were partly offset by lower net assets in *direct investment* (down from €2.28 trillion to €2.25 trillion).

Table 2

International investment position of the euro area

(EUR billions, unless otherwise indicated; amounts outstanding at the end of the period, flows during the period; non-working day and non-seasonally adjusted)

	Q2 2023	Q3 2023					
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	% GDP
Net	184	100	94	-104	51	327	2.3
of which: Direct investment	2,275	11	11	-48	-2	2,248	15.9
of which: Portfolio equity	-3,208	-34	31	38	-15	-3,187	-22.5
of which: Portfolio debt	1,211	8	32	-77	68	1,242	8.8
of which: Other investment	-1,165	121	12	0	-1	-1,032	-7.3
Assets	31,743	102	298	-341	80	31,883	225.4
Direct investment	12,170	6	99	-40	12	12,247	86.6
Portfolio equity	5,763	-5	114	-167	21	5,724	40.5
Portfolio debt	5,948	92	63	-115	50	6,038	42.7
Financial derivatives	-35	-3		-20	1	-58	-0.4
Other investment	6,791	15	14	0	-3	6,817	48.2
Reserve assets	1,106	-2	8	2	0	1,114	7.9
Liabilities	31,559	2	203	-237	29	31,556	223.1
Direct investment	9,895	-4	88	8	14	10,000	70.7
Portfolio equity	8,970	28	83	-206	36	8,912	63.0
Portfolio debt	4,738	84	31	-39	-19	4,796	33.9
Other investment	7,956	-106	2	0	-2	7,849	55.5
Gross external debt	16,058	-17	66	-39	-25	16,043	113.4

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. Net financial derivatives are reported under assets. "Other volume changes" mainly reflect reclassifications and data enhancements. Discrepancies between totals and their components may arise from rounding.

[Data for the international investment position of the euro area](#)

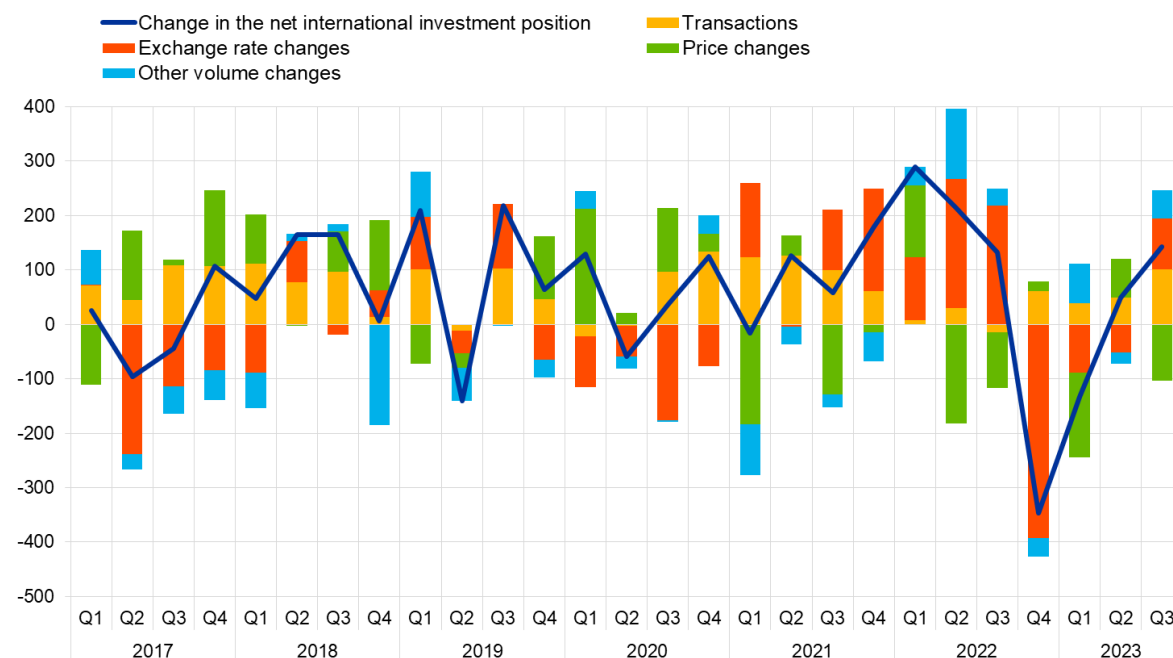
The developments in the euro area's net international investment position in the third quarter of 2023 were driven mainly by transactions and positive net flows from exchange rate changes and other volume changes which were partly offset by price changes (Table 2 and Chart 3).

At the end of the third quarter of 2023 the *gross external debt* of the euro area amounted to €16.0 trillion (113% of euro area GDP), down by €15 billion compared with the previous quarter.

Chart 3

Changes in the net international investment position of the euro area

(EUR billions; flows during the period)



Source: ECB.

Note: "Other volume changes" mainly reflect reclassifications and data enhancements.

[Data for changes in the net international investment position of the euro area](#)

Data revisions

This statistical release incorporates revisions to the data for the reference periods between the first quarter of 2020 and the second quarter of 2023. The revisions reflect revised national contributions to the euro area aggregates as a result of the incorporation of newly available information.

Next releases

- Monthly balance of payments: 18 January 2024 (reference data up to November 2023)
- Quarterly balance of payments and international investment position: 9 April 2024 (reference data up to the fourth quarter of 2023)

For queries, please use the [Statistical information request form](#).

European Central Bank

Directorate General Statistics

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

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

Reproduction is permitted provided that the source is acknowledged.

Notes

- Data are neither seasonally nor working day-adjusted. Ratios to GDP (including in the charts) refer to four-quarter sums of non-seasonally and non-working day-adjusted GDP figures.
- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.