

Press release

20 October 2020

Euro area monthly balance of payments: August 2020

- [Current account](#) recorded €20 billion surplus in August 2020, up from €17 billion in previous month¹
- [Current account](#) surplus amounted to €224 billion (1.9% of euro area GDP) in 12 months to August 2020, down from €265 billion (2.2%) one year earlier
- In [financial account](#), euro area residents' net acquisitions of foreign portfolio investment securities totalled €549 billion and non-residents' net acquisitions of euro area portfolio investment securities totalled €446 billion in 12 months to August 2020

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

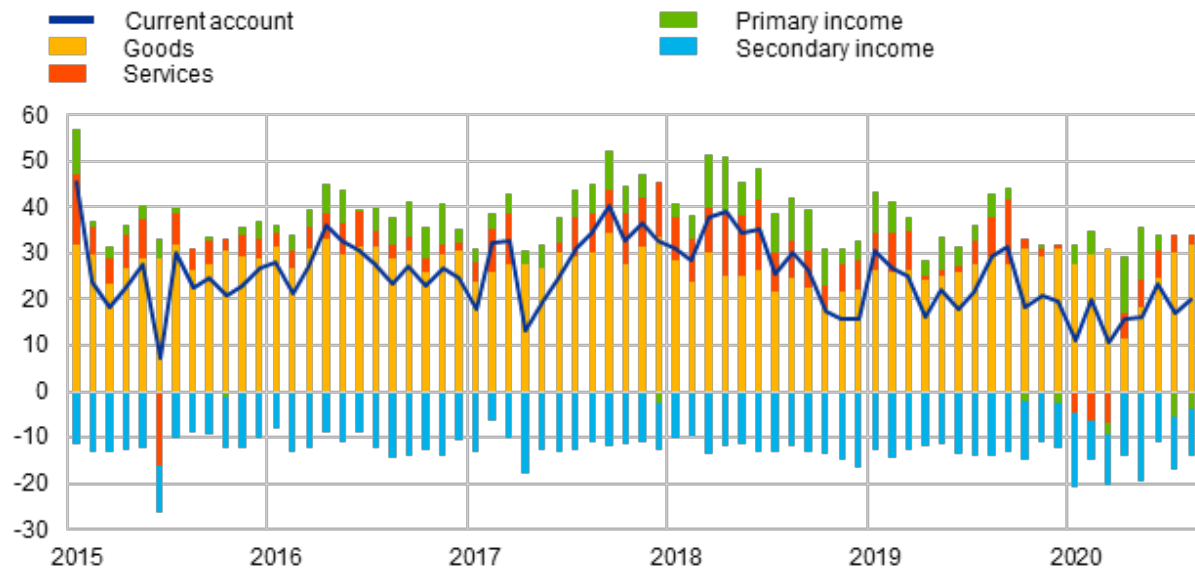
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Chart 1

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 €20 billion in August 2020, increasing by €3 billion from the previous month (see Chart 1 and Table 1). Surpluses were recorded for *goods* (€32 billion) and *services* (€2 billion). Deficits were recorded for *secondary income* (€11 billion) and *primary income* (€4 billion).

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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 in						
		August 2019 % of GDP		August 2020 % of GDP		Aug 2019	Jul 2020	Aug 2020
Current account	Balance	265	2.2%	224	1.9%	29	17	20
	Credit	4,339	36.7%	4,012	34.8%	367	312	314
	Debit	4,074	34.4%	3,788	32.9%	338	295	294
Goods	Balance	294	2.5%	323	2.8%	29	30	32
	Credit (exports)	2,389	20.2%	2,233	19.4%	202	181	185
	Debit (imports)	2,095	17.7%	1,909	16.6%	173	150	153
Services	Balance	68	0.6%	25	0.2%	8	4	2
	Credit (exports)	978	8.3%	900	7.8%	84	66	64
	Debit (imports)	910	7.7%	876	7.6%	76	62	62
Primary income	Balance	67	0.6%	24	0.2%	5	-6	-4
	Credit	860	7.3%	766	6.6%	72	56	56
	Debit	793	6.7%	742	6.4%	66	62	60
Secondary income	Balance	-164	-1.4%	-148	-1.3%	-14	-11	-11
	Credit	113	1.0%	113	1.0%	9	10	9
	Debit	276	2.3%	261	2.3%	23	21	20

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 August 2020, the *current account* recorded a surplus of €224 billion (1.9% of euro area GDP), compared with a surplus of €265 billion (2.2% of euro area GDP) in the 12 months to August 2019. This decline was driven by reductions in the surpluses for *services* (down from €68 billion to €25 billion) and for *primary income* (down from €67 billion to €24 billion). These developments were partly offset by a larger surplus for *goods* (up from €294 billion to €323 billion) and a smaller deficit for *secondary income* (down from €164 billion to €148 billion).

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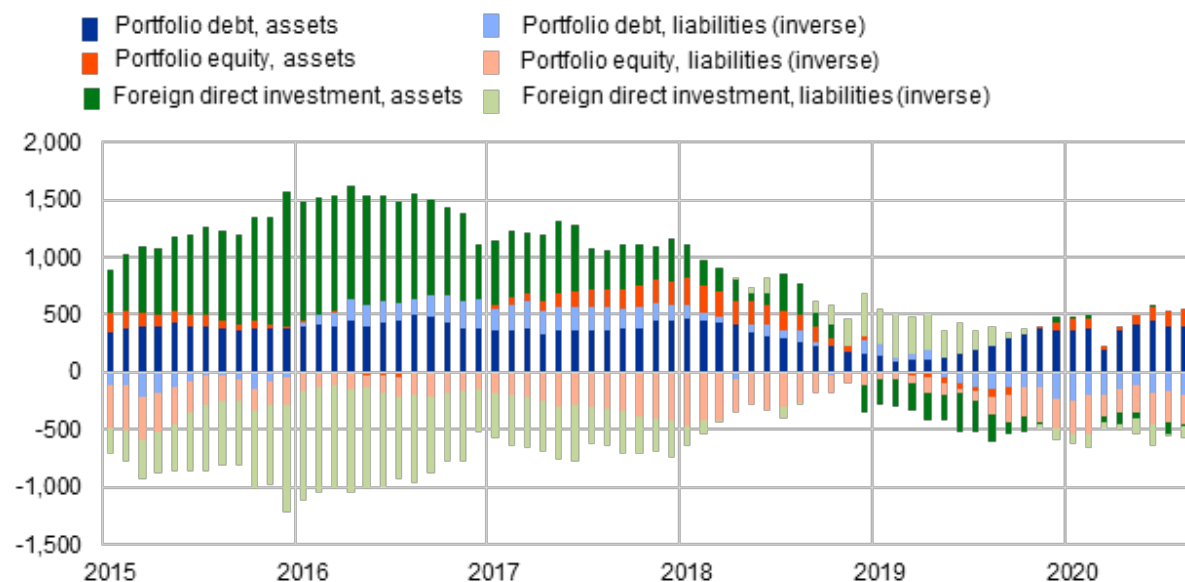
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Chart 2

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 €18 billion in non-euro area assets in the 12-month period to August 2020, following net disinvestments of €236 billion in the 12 months to August 2019 (see Chart 2 and Table 2). At the same time, non-residents made net investments in euro area assets of €115 billion in the 12-month period to August 2020, following net disinvestments of €182 billion in the 12 months to August 2019.

In *portfolio investment*, net purchases of foreign *debt securities* by euro area residents increased to €395 billion in the 12-month period to August 2020, following net purchases of €223 billion in the 12 months to August 2019. Over the same period, euro area residents made net purchases in foreign *equity* of €154 billion, after recording net sales of €66 billion in the 12 months to August 2019. Non-residents made net purchases of euro area *debt securities* amounting to €196 billion in the 12 months to August 2020, up from net purchases of €148 billion in the 12 months to August 2019. Over the same period, non-residents' net purchases of euro area *equity* rose to €250 billion from €151 billion.

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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					
	August 2019			August 2020		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	177	470	292	163	687	524
Direct investment	-54	-236	-182	-133	-18	115
Portfolio investment	-142	157	300	103	549	446
Equity	-217	-66	151	-96	154	250
Debt securities	75	223	148	199	395	196
Financial derivatives (net)	25	25		45	45	
Other investment	329	503	175	149	113	-36
Eurosysteem	-17	11	28	4	-4	-8
Other MFIs	437	399	-38	-32	-118	-86
General government	2	12	11	11	-8	-19
Other sectors	-93	82	175	166	243	76
Reserve assets	20	20		-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' net acquisitions of foreign assets decreased to €113 billion in the 12 months to August 2020 (following net acquisitions of €503 billion in the 12 months to August 2019), while non-euro area residents recorded net disposals of €36 billion in euro area assets, following net acquisitions of €175 billion.

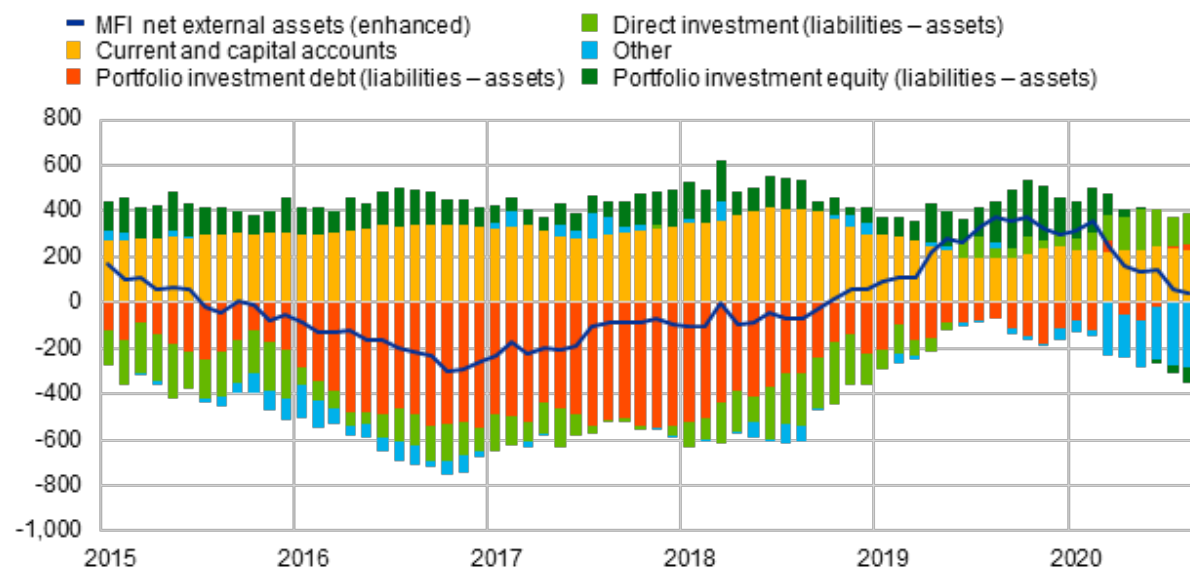
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Chart 3
Monetary presentation of the balance of payments

(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*, *other investment* and statistical discrepancies.

The monetary presentation of the balance of payments (see Chart 3) shows that the *net external assets (enhanced)* of euro area MFIs increased by €44 billion in the 12-month period to August 2020. This increase was mainly driven by the *current and capital accounts* surplus and, to a lesser extent, by euro area non-MFIs' net inflows in *direct investment* and *portfolio investment debt*. These developments were partly offset by euro area non-MFIs' net outflows in *portfolio investment equity* and *other instruments* (particularly *other investment*).

In August 2020 the Eurosystem's stock of *reserve assets* decreased to €915.0 billion, down from €923.1 billion in the previous month (see Table 3). This decrease was driven by negative price changes (€7.9 billion) and to a lesser extent by negative exchange rate changes (€1.6 billion), which were only partly offset by net acquisitions of assets (€1.3 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)

	July 2020	August 2020			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	923.1	1.3	-1.6	-7.9	915.0
Monetary gold	577.9	0.0	-	-7.8	570.2
Special drawing rights	51.0	0.0	-0.2	-	50.9
Reserve position in the IMF	28.6	-0.1	-0.1	-	28.4
Other reserve assets	265.5	1.5	-1.3	-0.1	265.6

Source: ECB.

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

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

Data revisions

This press release incorporates revisions to the data for July 2020, which mainly affected portfolio investment.

Next releases:

- Monthly balance of payments: 19 November 2020 (reference data up to September 2020)
- Quarterly balance of payments and international investment position: 11 January 2021 (reference data up to the third quarter of 2020)²

For media queries, please contact [Philippe Rispal](#), tel.: +49 69 1344 5482.

Notes

- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.

² On 29 October 2020 there will be a release of the quarterly balance of payments and international investment position data (second release of reference data up to the second quarter of 2020) with revisions to data for periods since the first quarter of 2013. It will not include a press or statistical release and is aimed at ensuring consistency between the balance of payments/international investment position and the euro area sector accounts.

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