



EUROPEAN CENTRAL BANK

EUROSYSTEM

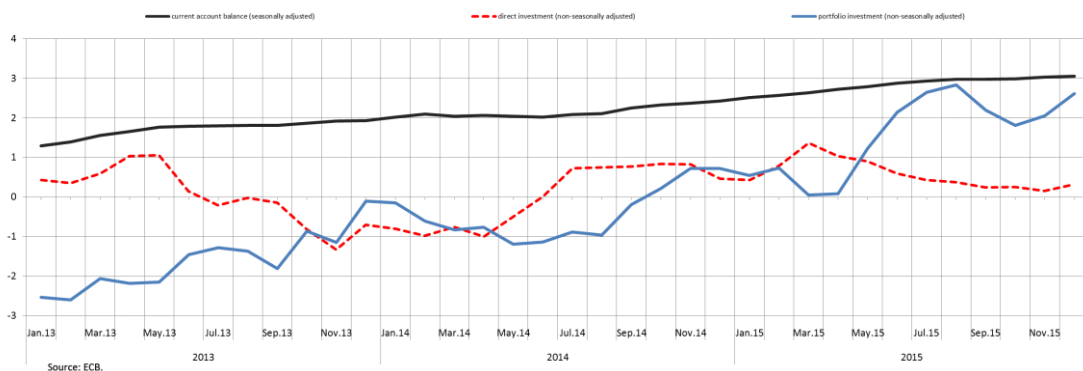
PRESS RELEASE

18 February 2016

Euro area monthly balance of payments (December 2015)

- In December 2015 the current account of the euro area recorded a surplus of €25.5 billion.¹
- In the financial account, combined direct and portfolio investment recorded an increase of €28 billion in assets and a decrease of €57 billion in liabilities.

Chart 1: Balance of payments of the euro area: 12-month cumulated transactions
(as a percentage of GDP)



Current account

The *current account* of the euro area recorded a surplus of €25.5 billion in December 2015 (see Table 1). This reflected surpluses for *goods* (€26.5 billion), *services* (€4.6 billion) and *primary income* (€5.5 billion), which were partly offset by a deficit in *secondary income* (€11.2 billion).

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According to the preliminary results for 2015 as a whole, the *current account* recorded a surplus of €314.0 billion (3.0% of euro area GDP), compared with one of €245.6 billion (2.4% of euro area GDP) in 2014 (see Table 1 and Chart 1). The increase in the *current account* surplus was largely due to an increase in the surplus for *goods* (from €251.5 billion to €320.1 billion) and, to a lesser extent, to a decrease in the deficit for *secondary income* (from €138.6 billion to €133.1 billion) and an increase in the surplus for *primary income* (from €61.9 billion to €64.4 billion). These were partly offset by a decrease in the surplus for *services* (from €70.8 billion to €62.6 billion).

Financial account

In December 2015 *combined direct and portfolio investment* recorded an increase of €28 billion in assets and a decrease of €57 billion in liabilities (see Table 2).

Euro area residents recorded an increase of €8 billion in *direct investment* assets, as a result of an increase in *debt instruments* (€64 billion), which was partly offset by a decrease in *equity* (€57 billion). *Direct investment* liabilities increased by €1 billion, also on account of the increase in *debt instruments* (€7 billion), which was almost offset by a decrease in *equity* (€6 billion).

As regards *portfolio investment* assets, euro area residents made net purchases of foreign securities amounting to €20 billion. This was mainly a result of net acquisitions of *short-term debt securities* (€24 billion), which were partially offset by net sales of both *equity* and *long-term debt securities* (€3 billion and €1 billion respectively). The decrease of €58 billion in euro area *portfolio investment* liabilities was due to non-euro area residents' net sales/amortisation of both *short-term* and *long-term debt securities* (€51 billion and €19 billion respectively), which were partly offset by net acquisitions of *equity* issued by euro area residents (€12 billion).

The euro area net *financial derivatives* account (assets minus liabilities) recorded positive net flows of €7 billion.

Other investment recorded decreases of €251 billion in assets and €191 billion in liabilities. The decrease in assets was driven by decreases in the *MFI sector (excluding the Eurosystem)* (€220 billion) and *other sectors* (€32 billion), which were, to a limited extent, offset by increases in the *Eurosystem* (€2 billion).

The decrease in liabilities is also explained by decreases mainly in the *MFI sector (excluding the Eurosystem)* (€197 billion), which were partly offset by increases in the *other sectors* and the *Eurosystem* (€4 billion each).

The [Eurosystem's stock of reserve assets](#) decreased by €9 billion in December 2015 (to €644 billion).

This can mainly be attributed to a negative effect from asset prices (primarily gold prices) and exchange rate developments (€17 billion), which were partly offset by net acquisitions of *reserve assets* (€8 billion).

In 2015 as a whole, *combined direct and portfolio investment* recorded cumulated increases of €822 billion in assets and €520 billion in liabilities, compared with increases of €582 billion and €463 billion

respectively in 2014. This development resulted from a significant increase in the *direct investment* activity of both euro area residents abroad and non-residents in the euro area, with the net acquisition of assets increasing from €141 billion to €440 billion and the net incurrence of liabilities increasing from €95 billion to €407 billion.

The developments in *portfolio investment* were in the opposite direction. The net acquisition of foreign *securities* by euro area residents decreased from €441 billion to €383 billion, which is still high due to increases in net purchases of *long-term debt securities* (from €225 billion to €353 billion). On the liability side, acquisitions of euro area securities by non-residents decreased (from €368 billion to €113 billion), which is explained by fewer purchases of *equity* (from €292 billion to €216 billion), an increase in disinvestments in *short-term debt securities* (from €23 billion to €79 billion) and a shift in *long-term debt securities* from net purchases (€99 billion) to net sales (€24 billion).

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €71 billion in 2015, compared with an increase of €196 billion in 2014. This development in MFIs' net external assets continued to primarily reflect the surplus in the *current and capital account* balance, which has in the last 12 months been offset by, among other things, a shift from net purchases by non-residents of *debt securities* issued by euro area non-MFI residents (€82 billion) to net sales/amortisation (€48 billion) and a decrease from €218 billion to €142 billion in net purchases by non-residents of euro area *equity*.

Data revisions

This press release incorporates revisions for October and November 2015. These revisions resulted in a decrease of the *portfolio investment* account by €13 billion for November 2015.

Additional information

- Time series data: [ECB's Statistical Data Warehouse \(SDW\)](#)
- Methodological information: [ECB's website](#)
- [Monetary presentation of the balance of payments](#)
- [Next press releases:](#)
 - Monthly balance of payments: **21 March 2016** (reference data up to January 2016);
 - Quarterly balance of payments and international investment position: **7 April 2016** (reference data up to the fourth quarter of 2015).

Annexes

- Table 1: Current account of the euro area
- Table 2: Balance of payments of the euro area

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Notes:

[1] 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.

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		2014	2015											
	Dec. 2014	Dec. 2015	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CURRENT ACCOUNT	245.6	314.0	24.2	30.5	25.5	24.0	27.4	25.9	26.2	25.8	23.1	27.7	25.7	26.9	25.5
<i>Memo: as a percentage of GDP</i>	<i>2.4</i>	<i>3.0</i>													
Credit	3,408.4	3,542.3	289.3	288.4	290.7	297.6	299.8	299.1	297.7	297.4	293.6	295.8	297.6	298.0	286.6
Debit	3,162.9	3,228.3	265.1	257.9	265.2	273.7	272.4	273.2	271.5	271.7	270.5	268.1	271.9	271.0	261.1
Goods	251.5	320.1	25.4	28.0	26.4	20.8	26.9	26.2	27.6	28.7	25.3	28.1	28.1	27.5	26.5
Credit (exports)	1,973.8	2,068.5	169.7	168.8	171.4	172.6	175.2	174.9	175.3	174.4	170.2	171.6	172.5	172.7	169.0
Debit (imports)	1,722.3	1,748.4	144.3	140.7	145.0	151.7	148.3	148.7	147.7	145.7	144.9	143.5	144.5	145.2	142.4
Services	70.8	62.6	4.0	5.5	5.2	4.2	4.9	6.2	5.2	4.7	5.5	5.4	5.2	6.0	4.6
Credit (exports)	699.4	754.0	60.2	60.7	61.4	62.3	62.0	63.1	62.9	62.8	63.4	63.4	64.0	64.6	63.4
Debit (imports)	628.6	691.5	56.2	55.1	56.2	58.1	57.2	56.9	57.7	58.1	58.0	57.9	58.8	58.6	58.8
Primary income	61.9	64.4	6.5	8.1	5.5	10.1	6.9	4.0	4.2	3.6	3.0	5.4	3.5	4.5	5.5
Credit	641.3	616.9	51.4	50.4	49.5	54.2	54.1	51.7	51.0	52.1	51.2	52.7	52.2	51.8	46.0
Debit	579.4	552.5	44.9	42.3	43.9	44.1	47.2	47.7	46.8	48.5	48.2	47.3	48.7	47.3	40.4
Secondary income	-138.6	-133.1	-11.7	-11.2	-11.6	-11.2	-11.4	-10.5	-10.7	-11.2	-10.6	-11.3	-11.2	-11.0	-11.2
Credit	94.0	102.8	8.0	8.5	8.5	8.5	8.4	9.5	8.5	8.1	8.8	8.1	8.8	8.9	8.2
Debit	232.6	235.9	19.7	19.7	20.1	19.7	19.8	20.0	19.2	19.4	19.4	19.4	20.0	19.9	19.5

Source: ECB.

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						November 2015 (revised)			December 2015		
	December 2014			December 2015								
	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit
CURRENT ACCOUNT	240.9	3,401.6	3,160.7	310.7	3,547.7	3,237.0	30.3	294.1	263.8	41.4	307.6	266.2
Goods	250.3	1,967.7	1,717.4	322.0	2,074.4	1,752.3	29.8	176.0	146.3	28.1	167.4	139.3
Services	71.0	699.4	628.4	62.4	755.1	692.7	4.4	61.4	57.1	6.5	70.1	63.6
Primary income	59.8	640.6	580.9	62.3	615.3	552.9	7.0	48.6	41.6	18.8	60.5	41.8
Secondary income	-140.2	93.9	234.1	-136.1	102.9	239.0	-10.9	8.0	18.9	-12.0	9.6	21.5
CAPITAL ACCOUNT	20.1	36.6	16.6	-13.8	41.9	55.7	2.0	3.9	1.8	2.3	5.6	3.3
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT¹⁾	303.5	844.1	540.6	215.9	549.3	333.4	18.9	-32.2	-51.1	40.9	-207.5	-248.5
Direct investment	46.6	141.4	94.8	32.8	439.8	407.0	-0.4	-4.9	-4.5	6.7	7.6	0.9
Equity	-3.2	63.9	67.1	8.7	254.0	245.3	-1.8	0.5	2.3	-50.3	-56.7	-6.5
Debt instruments	49.8	77.5	27.7	24.1	185.8	161.8	1.4	-5.4	-6.8	57.0	64.3	7.4
Portfolio investment	72.8	440.8	367.9	269.4	382.5	113.1	30.2	27.0	-3.2	78.3	19.9	-58.3
Equity	-165.1	126.5	291.6	-205.8	10.5	216.3	-26.9	-3.8	23.1	-14.4	-2.8	11.5
Debt securities	237.9	314.3	76.4	475.2	372.0	-103.3	57.1	30.8	-26.3	92.7	22.8	-69.9
Short-term	112.1	89.4	-22.7	97.8	18.8	-79.0	20.4	15.5	-4.9	74.9	24.0	-51.0
Long-term	125.8	224.8	99.0	377.4	353.2	-24.2	36.7	15.3	-21.4	17.7	-1.2	-18.9
<i>Memo: Direct and portfolio investment</i>	119.4	582.2	462.8	302.2	822.3	520.1	29.8	22.1	-7.7	85.0	27.5	-57.4
Financial derivatives	41.8			38.6			9.8			7.3		
Other investment	138.0	215.8	77.8	-135.6	-322.3	-186.7	-23.1	-66.5	-43.4	-59.5	-250.5	-191.0
Eurosystem	55.8	-2.5	-58.3	-13.1	1.5	14.6	1.0	2.9	1.9	-1.3	2.1	3.5
MFIs (excluding the Eurosystem)	103.7	139.3	35.6	-134.8	-310.6	-175.8	-27.3	-53.6	-26.3	-22.8	-219.8	-197.1
General government	10.3	4.0	-6.4	17.1	-9.5	-26.6	2.0	4.8	2.8	0.4	-0.6	-1.0
Other sectors	-31.8	75.0	106.9	-4.9	-3.8	1.1	1.3	-20.6	-21.8	-35.8	-32.2	3.6
Of which: currency and deposits	173.8	145.5	-28.3	-142.7	-279.3	-136.6	-87.0	-112.3	-25.2	28.1	-142.0	-170.0
Reserve assets		4.4			10.7			2.5			8.1	
Errors and omissions	42.5			-81.0			-13.4			-2.8		

Source: ECB.

1) Financial account: increases in assets and liabilities (+) and decreases in assets and liabilities (-).