



EUROPEAN CENTRAL BANK

EUROSYSTEM

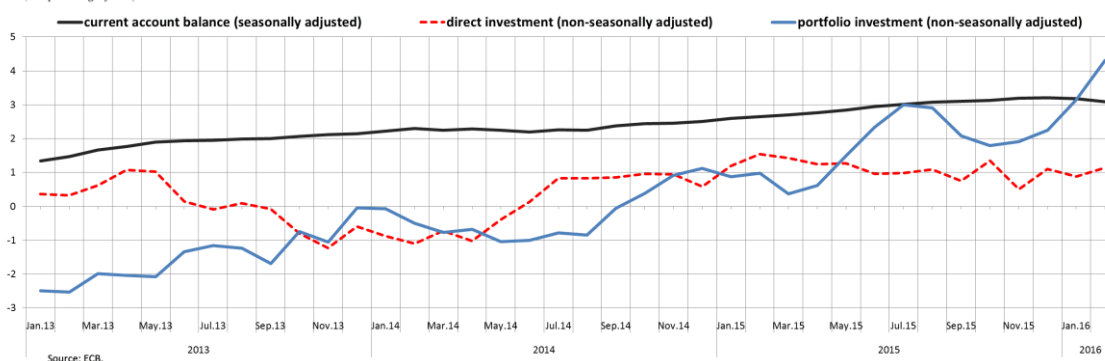
PRESS RELEASE

19 April 2016

Euro area monthly balance of payments (February 2016)

- In February 2016 the current account of the euro area recorded a surplus of €19 billion.¹
- In the financial account, combined *direct* and *portfolio investment* recorded an increase of €112 billion in assets and a decrease of €9 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 €19 billion in February 2016 (see Table 1). This reflected surpluses for *goods* (€24.6 billion), *services* (€6.8 billion) and *primary income* (€1.4 billion), which were partly offset by a deficit in *secondary income* (€13.8 billion).

The 12-month cumulated current account for the period ending in February 2016 recorded a surplus of €321.5 billion (3.1% of euro area GDP), compared with one of €269.1 billion (2.7% of euro area GDP) for the 12 months to February 2015 (see Table 1 and Chart 1). The increase in the *current account* surplus

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.

was largely due to an increase in the surplus for *goods* (from €265.1 billion to €319.9 billion) and, to a lesser extent, a decrease in the deficit for *secondary income* (from €140.2 billion to €130.3 billion). These were partly offset by decreases in the surpluses for *services* (from €73.4 billion to €65.1 billion) and for *primary income* (from €70.8 billion to €66.8 billion).

Financial account

In February 2016 *combined direct and portfolio investment* recorded an increase of €112 billion in assets and a decrease of €9 billion in liabilities (see Table 2).

Euro area residents recorded an increase of €68 billion in *direct investment* assets, driven by the increase in *equity* (€67 billion); *debt instruments* remained broadly unchanged. *Direct investment* liabilities also increased, by €21 billion, as a result of a combined increase in *debt instruments* (€11 billion) and *equity* (€10 billion).

With reference to *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €45 billion. This resulted from net acquisitions of *long-term debt securities* (€65 billion), which were partly offset by net sales of *equity* (€16 billion) and *short-term debt securities* (€5 billion). The decrease of €30 billion in euro area *portfolio investment liabilities* was due to non-euro area residents' net sales/amortisations of *long-term debt securities* (€42 billion). This was partly offset by net acquisitions of both *equity* and *short-term debt securities* issued by euro area residents (€6 billion in each case).

The euro area net *financial derivatives* account (assets minus liabilities) recorded positive net flows of €4 billion.

Other investment recorded increases of €53 billion in assets and €132 billion in liabilities. The increase in assets was mostly attributable to increases in the *MFI sector (excluding the Eurosystem)* (€42 billion) and *other sectors* (€8 billion). In a similar vein, the increase in liabilities was mainly driven by increases in the *MFI sector (excluding the Eurosystem)* (€74 billion) and *other sectors* (€37 billion), as well as an increase in the *Eurosystem* (€18 billion).

The *Eurosystem* recorded net acquisitions of *reserve assets* of €1 billion.

In the 12 months to February 2016 *combined direct and portfolio investment* recorded cumulated increases of €829 billion in assets and €262 billion in liabilities, compared with increases of €878 billion and €623 billion respectively in the 12 months to February 2015. There was a large 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 €368 billion to €494 billion and the net incurrence of liabilities increasing from €212 billion to €375 billion.

Activity in *portfolio investment* followed a different pattern. While the net acquisition of foreign *securities* by euro area residents decreased somewhat (from €510 billion to €335 billion), the level of investment is

still high. This can be explained by a shift from net acquisitions to net sales of *equity* (from €144 billion to €1 billion) and *short-term debt securities* (from €89 billion to €59 billion), which was partly offset by an increase in the net acquisition of *long-term debt securities* (from €278 billion to €394 billion). On the liability side, there was a shift from net acquisitions of euro area securities by non-residents (€411 billion) to net sales/amortisations (€114 billion). This was attributable to the combination of lower acquisitions of *equity* (€95 billion, down from €310 billion), an increase in the net sales/amortisation of *short-term debt securities* (from €5 billion to €67 billion) and a shift from net acquisitions (€107 billion) to net sales/amortisations (€141 billion) of *long-term debt securities*.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €28.8 billion in the 12 months to February 2016, compared with an increase of €82.3 billion in the 12 months to February 2015. 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 acquisitions by non-residents of *debt securities* issued by euro area non-MFI residents (€77 billion) to net sales/amortisations (€100 billion).

In February 2016 the *Eurosystem's* stock of *reserve assets* increased by €40 billion to €700 billion (see Table 3). This can be explained by the positive revaluation of monetary gold (€36 billion), exchange rate developments (€3 billion) and net acquisitions of *reserve assets* (€1 billion).

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Data revisions

This press release incorporates revisions for January 2016. These revisions have not significantly altered the figures previously published.

Additional information

- For the first time, this press release includes a full reconciliation of the monthly changes in the Eurosystem's *reserve assets* position broken down into transactions, revaluations (price and exchange rate changes) and other volume changes
- 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: **20 May 2016** (reference data up to March 2016);
 - Quarterly balance of payments and international investment position: **8 July 2016** (reference data up to the first quarter of 2016).

Annexes

- Table 1: Current account of the euro area
- Table 2: Balance of payments of the euro area
- Table 3: Reserve assets of the euro area

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		2015										2016		
	Feb. 2015	Feb. 2016	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
CURRENT ACCOUNT	269.1	321.5	27.8	25.7	27.7	26.8	28.3	27.4	24.1	30.7	27.9	29.5	26.9	27.5	19.0
<i>Memo: as a percentage of GDP</i>	2.7	3.1													
Credit	3,435.7	3,576.0	295.8	302.7	302.1	302.7	300.5	299.2	294.5	298.9	300.8	299.1	295.0	292.4	288.2
Debit	3,166.6	3,254.5	268.0	277.0	274.4	275.9	272.2	271.8	270.4	268.1	272.9	269.5	268.2	264.9	269.1
Goods	265.1	319.9	26.4	20.9	26.8	25.9	27.7	28.2	23.5	27.8	28.0	27.8	28.1	30.4	24.6
Credit (exports)	1,991.0	2,067.0	171.9	172.9	175.4	174.9	175.5	174.2	168.4	171.6	172.8	172.0	170.9	171.9	166.5
Debit (imports)	1,725.9	1,747.1	145.5	151.9	148.6	149.0	147.8	145.9	144.9	143.8	144.8	144.2	142.9	141.5	141.8
Services	73.4	65.1	6.2	5.0	5.7	7.0	5.9	5.0	5.8	5.2	4.2	5.7	5.0	3.8	6.8
Credit (exports)	717.4	768.0	62.6	63.3	63.0	64.1	63.4	63.2	63.8	63.5	64.8	65.4	65.1	64.0	64.3
Debit (imports)	644.0	702.9	56.4	58.3	57.2	57.1	57.5	58.2	58.0	58.4	60.6	59.7	60.1	60.3	57.5
Primary income	70.8	66.8	7.0	11.0	6.4	4.5	4.8	5.1	5.1	8.4	6.4	6.6	3.9	3.2	1.4
Credit	632.6	638.0	53.0	58.2	55.4	54.1	53.1	53.6	53.5	55.5	54.3	52.9	50.5	48.0	48.9
Debit	561.8	571.3	46.0	47.3	49.0	49.6	48.3	48.5	48.4	47.1	48.0	46.3	46.6	44.8	47.5
Secondary income	-140.2	-130.3	-11.8	-11.3	-11.3	-10.7	-10.1	-11.0	-10.3	-10.6	-10.7	-10.5	-10.1	-9.9	-13.8
Credit	94.7	103.0	8.4	8.3	8.3	9.5	8.5	8.2	8.9	8.2	8.8	8.8	8.5	8.5	8.6
Debit	234.9	233.3	20.2	19.5	19.6	20.2	18.6	19.2	19.1	18.9	19.5	19.3	18.6	18.4	22.3

Source: ECB.

Table 2: Monthly balance of payments 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						January 2016			February 2016		
	February 2015			February 2016			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	264.4	3,420.2	3,155.8	323.8	3,583.8	3,260.0	8.3	254.3	246.0	11.1	274.2	263.2
Goods	262.6	1,977.9	1,715.3	322.5	2,073.8	1,751.4	13.6	147.5	133.9	25.5	163.9	138.4
Services	73.4	715.4	642.0	64.8	768.6	703.8	1.9	57.3	55.4	3.1	55.9	52.8
Primary income	70.7	632.3	561.6	65.9	638.1	572.3	2.6	41.9	39.2	6.3	46.1	39.8
Secondary income	-142.2	94.6	236.9	-129.4	103.2	232.5	-9.9	7.6	17.5	-23.9	8.4	32.3
CAPITAL ACCOUNT	15.3	36.2	20.9	-13.0	44.6	57.6	-0.9	2.7	3.5	2.2	3.5	1.2
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT ¹⁾	358.4	1,145.0	786.6	385.3	611.8	226.5	-15.0	136.7	151.7	48.3	170.8	122.4
Direct investment	156.1	367.6	211.5	119.2	494.4	375.2	16.5	6.6	-9.9	46.6	67.7	21.1
Equity	60.5	182.6	122.1	108.4	405.0	296.6	5.9	15.5	9.6	57.2	66.9	9.7
Debt instruments	95.5	184.9	89.4	10.8	89.4	78.6	10.6	-8.9	-19.5	-10.6	0.8	11.4
Portfolio investment	99.1	510.4	411.3	448.3	334.6	-113.7	33.8	-16.7	-50.5	75.0	44.5	-30.4
Equity	-165.7	143.9	309.6	-95.5	-1.0	94.6	40.8	-1.5	-42.3	-21.6	-15.7	5.9
Debt securities	264.8	366.5	101.7	543.8	335.5	-208.3	-7.1	-15.3	-8.2	96.5	60.2	-36.3
Short-term	93.7	88.6	-5.1	8.2	-58.7	-66.8	-44.9	-38.5	6.4	-10.1	-4.5	5.6
Long-term	171.1	277.9	106.8	535.6	394.2	-141.4	37.8	23.2	-14.5	106.6	64.7	-41.9
<i>Memo: Direct and portfolio investment</i>	255.2	878.0	622.8	567.4	829.0	261.5	50.2	-10.1	-60.4	121.6	112.3	-9.3
Financial derivatives	59.0			68.3			10.0			4.4		
Other investment	36.6	200.4	163.9	-255.6	-290.6	-35.0	-74.2	137.9	212.1	-78.8	52.9	131.8
Eurosystem	13.8	-2.1	-16.0	8.9	0.7	-8.2	16.2	-4.0	-20.2	-18.0	-0.2	17.8
MFIs (excluding the Eurosystem)	34.4	135.4	101.0	-251.9	-301.2	-49.3	-71.1	148.2	219.2	-32.3	42.1	74.4
General government	20.4	9.1	-11.3	20.7	-6.1	-26.8	8.1	1.9	-6.2	0.6	3.1	2.5
Other sectors	-32.1	58.0	90.1	-33.3	16.0	49.3	-27.3	-8.1	19.2	-29.2	7.9	37.0
Of which: currency and deposits	30.1	113.0	82.9	-243.1	-270.1	-27.0	-128.5	84.2	212.7	-69.1	15.2	84.3
Reserve assets		7.7			5.1			-1.1			1.1	
Errors and omissions	78.7			74.5			-22.4			35.0		

Source: ECB.

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

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)

	Oct.15	Nov.15	Dec.15	Jan.16	Feb.16					Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
					Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding					
Reserve assets	654.7	653.2	644.2		-1.1	-1.9	18.1	0.2	659.5	1.1	2.6	36.6	-0.3	699.6
Monetary gold	360.1	347.2	337.6		-0.0	-	17.0	0.0	354.6	0.0	-	36.4	-0.0	391.0
Gold bullion	354.0	341.2	331.9		-0.0	-	16.7	0.0	348.6	-0.0	-	35.8	-0.0	384.4
Unallocated gold accounts	6.1	6.0	5.7		0.0	-	0.3	0.0	6.0	0.0	-	0.6	0.0	6.6
Special drawing rights	56.8	58.1	57.5		-0.0	-0.4	-	-0.0	57.1	-4.7	0.2	-	0.0	52.6
Reserve position in the IMF	19.3	19.5	19.2		0.2	-0.1	-	-0.0	19.3	3.9	0.1	-	0.0	23.2
Other reserve assets	218.5	228.3	229.9		-1.3	-1.4	1.1	0.2	228.5	2.0	2.3	0.2	-0.3	232.8
Currency and deposits	22.4	18.7	23.8		-0.8	-0.2	-	0.0	22.8	1.8	0.6	-	-0.2	25.1
Claims on monetary authorities	10.8	11.8	17.4		-3.9	-	-	-	13.1	3.9	-	-	-	17.7
Claim on other entities	11.6	6.9	6.4		3.1	-	-	-	9.7	-2.0	-	-	-	7.3
Securities	191.3	205.3	202.0		-0.6	-1.1	0.9	0.2	201.4	-0.3	1.9	0.4	-0.2	203.1
Debt securities	190.6	204.5	201.3		-0.6	-1.1	0.9	0.2	200.7	-0.3	1.9	0.4	-0.2	202.4
Short-term	21.0	21.5	26.9		-1.1	-0.2	-0.0	-0.0	25.6	-1.6	0.7	0.0	0.0	24.7
Long-term	169.6	183.1	174.4		0.5	-0.9	0.9	0.2	175.1	1.3	1.2	0.3	-0.2	177.7
Equity and investment fund shares	0.7	0.7	0.7		0.0	-0.0	0.0	0.0	0.7	0.0	0.0	0.0	-0.0	0.7
Financial derivatives (net)	-0.1	-0.6	-0.1		0.0	-	0.1	0.0	0.0	0.1	-	-0.2	-0.1	-0.2
Other claims	4.8	4.9	4.3		0.1	-0.1	0.0	-0.0	4.3	0.4	-0.2	0.0	0.3	4.8

Source: ECB.