



EUROPEAN CENTRAL BANK

EUROSYSTEM

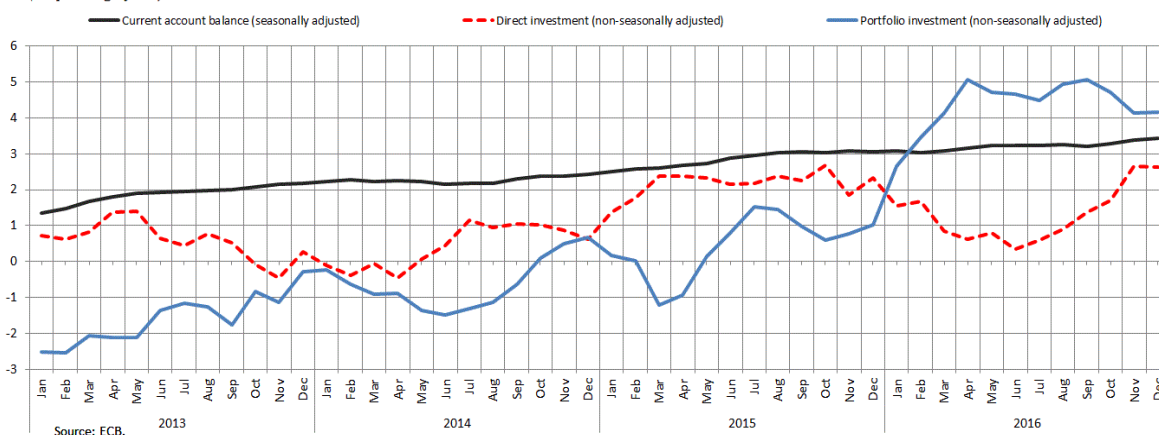
PRESS RELEASE

17 February 2017

Euro area monthly balance of payments (December 2016)

- In December 2016 the current account of the euro area recorded a surplus of €31.0 billion.¹
- In the financial account, combined direct and portfolio investment recorded net acquisitions of assets of €22 billion and net reductions of liabilities of €101 billion.

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



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.

Current account

The *current account* of the euro area recorded a surplus of €31.0 billion in December 2016 (see Table 1). This reflected surpluses for *goods* (€31.7 billion), *primary income* (€5.3 billion) and *services* (€4.6 billion), which were partly offset by a deficit for *secondary income* (€10.6 billion).

According to the preliminary results for 2016 as a whole, the current account recorded a surplus of €364.7 billion (3.4% of euro area GDP), compared with one of €319.3 billion (3.1% of euro area GDP) in 2015 (see Table 1 and Chart 1). All the components of the current account increased. There were increases in the surpluses for *goods* (from €348.2 billion to €372.2 billion), *services* (from €58.9 billion to €69.1 billion) and *primary income* (from €42.1 billion to €52.4 billion), as well as a slight decrease in the deficit for *secondary income* (from €129.9 billion to €129.0 billion).

Financial account

In December 2016 *combined direct and portfolio investment* recorded net acquisitions of assets of €22 billion and net decreases of liabilities of €101 billion (see Table 2).

Euro area residents recorded net acquisitions of €7 billion of *direct investment* assets as a result of net acquisitions of *equity* (€32 billion) that were partly offset by net disposals of *debt instruments* (€25 billion). *Direct investment* liabilities decreased by €45 billion as a result of net disinvestment in both euro area *equity* (€17 billion) and *debt instruments* (€28 billion) by non-euro area residents.

As regards *portfolio investment* assets, euro area residents made net acquisitions of foreign securities amounting to €14 billion. This resulted from net purchases of *equity* (€2 billion) and *debt securities* (€12 billion), specifically net purchases of *short-term debt securities* (€20 billion) that were partly offset by net sales of *long-term debt securities* (€8 billion). Non-euro area residents recorded net disposals of euro area *portfolio investment* liabilities of €55 billion. This was the result of net sales/amortisations of euro area *short-term* (€27 billion) and *long-term* (€40 billion) *debt securities*, which were partly offset by non-euro area residents' net acquisitions of euro area *equity* (€11 billion).

The euro area net *financial derivatives* account (assets minus liabilities) recorded positive net flows of €6 billion.

Other investment recorded net disposals of €217 billion in assets and €227 billion in liabilities. The net disposal of foreign assets by euro area residents is mainly attributable to net disposals by the *MFI sector (excluding the Eurosystem)* (€192 billion) and *other sectors* (€33 billion), which were partly offset by net acquisitions of the *Eurosystem* (€8 billion). Similarly, the net decrease in liabilities is explained by net disposals of the *MFI sector (excluding the Eurosystem)* (€280 billion) and *other sectors* (€21 billion). The *general government* also decreased its liabilities by €7 billion. These were offset to a limited extent by net incurrences of liabilities of the *Eurosystem* (€80 billion).

In 2016 as a whole, *combined direct and portfolio investment* recorded net increases of €669 billion in assets and net decreases of €52 billion in liabilities, compared with net increases of €1,225 billion and €875 billion respectively in 2015. This resulted from a significant decrease in the *direct investment* activity of both euro area residents abroad and non-residents in the euro area, with the net acquisition of assets decreasing from €820 billion to €292 billion and the net incurrence of liabilities from €577 billion to €14 billion.

The most significant development in *portfolio investment* was a shift on the liability side from net acquisitions of euro area *debt securities* by non-euro area residents of €30 billion to net sales/amortisations of €192 billion.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area MFIs decreased by €209 billion in 2016, compared with a decrease of €49 billion in 2015. This reflected an increase in the surplus in the *current and capital account* balance (from €304 billion to €364 billion), which was offset by net financial transactions by non-MFIs. In particular, the cumulated transactions in *portfolio investment* liabilities issued by non-MFI euro area residents showed a shift from net purchases of *debt securities* by non-euro area investors (€92 billion) to net sales/amortisations (€128 billion).

In December 2016 the *Eurosystem's* stock of *reserve assets* increased by €1.1 billion to €707.7 billion (see Table 3). This can be explained by net acquisitions of *reserve assets* (€6.1 billion) and positive exchange rate developments (€0.9 billion), which were partly offset by negative price revaluations (€6.0 billion), particularly of monetary gold.

Data revisions

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

Additional information

- Time series data: [ECB's Statistical Data Warehouse \(SDW\)](#)
- [Methodological information](#)
- [Monetary presentation of the balance of payments](#)
- [Next press releases:](#)
 - Monthly balance of payments: **22 March 2017** (reference data up to January 2017);
 - Quarterly balance of payments and international investment position: **6 April 2017** (reference data up to the fourth 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

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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		2015 2016												
	Dec. 2015	Dec. 2016	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
CURRENT ACCOUNT	319.3	364.7	24.9	30.1	25.5	29.3	34.3	30.8	30.0	30.1	29.5	29.3	28.4	36.4	31.0
<i>Memo: as a percentage of GDP</i>	3.1	3.4													
Credit	3,606.1	3,576.3	296.1	293.7	293.0	292.0	295.9	295.9	295.5	294.6	300.7	301.1	297.2	311.1	305.6
Debit	3,286.8	3,211.7	271.2	263.6	267.4	262.7	261.7	265.1	265.5	264.5	271.2	271.8	268.8	274.7	274.6
Goods	348.2	372.2	29.8	29.5	27.4	32.4	32.5	31.9	33.0	29.5	32.6	34.6	26.0	30.8	31.7
Credit (exports)	2,101.7	2,100.1	173.4	171.7	170.2	173.5	172.5	172.2	174.1	171.8	176.4	176.3	174.9	182.5	184.1
Debit (imports)	1,753.5	1,727.9	143.7	142.2	142.8	141.0	140.0	140.3	141.1	142.2	143.7	141.7	148.9	151.7	152.3
Services	58.9	69.1	4.4	4.8	6.1	6.2	4.2	4.2	4.5	6.0	6.7	7.4	9.0	5.3	4.6
Credit (exports)	767.3	779.0	65.0	64.5	65.8	64.3	63.3	64.2	63.5	63.2	65.5	67.3	66.4	66.0	64.9
Debit (imports)	708.4	709.9	60.6	59.7	59.6	58.2	59.1	60.0	59.0	57.2	58.7	59.8	57.5	60.7	60.3
Primary income	42.1	52.4	0.0	4.3	2.3	1.3	5.5	3.9	2.4	4.3	2.9	1.7	6.3	12.2	5.3
Credit	632.6	598.1	49.1	49.1	48.6	45.8	51.3	51.2	49.7	50.7	50.5	49.3	48.5	55.1	48.3
Debit	590.5	545.7	49.0	44.8	46.3	44.5	45.8	47.2	47.3	46.4	47.6	47.7	42.1	42.9	43.0
Secondary income	-129.9	-129.0	-9.4	-8.5	-10.3	-10.6	-8.0	-9.3	-9.9	-9.7	-12.8	-14.4	-12.9	-11.9	-10.6
Credit	104.4	99.1	8.5	8.4	8.3	8.4	8.8	8.4	8.2	8.9	8.4	8.2	7.4	7.5	8.4
Debit	234.3	228.1	17.9	16.9	18.7	19.0	16.8	17.6	18.2	18.6	21.1	22.6	20.3	19.3	19.0

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						November 2016			December 2016		
	December 2015			December 2016			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	316.6	3,614.0	3,297.3	361.8	3,579.2	3,217.5	40.8	313.0	272.2	47.0	326.8	279.8
Goods	350.6	2,109.8	1,759.2	374.0	2,105.0	1,731.0	33.5	189.3	155.7	32.8	181.3	148.5
Services	58.7	768.7	710.1	68.9	779.4	710.4	4.2	63.7	59.5	6.4	72.3	65.9
Primary income	41.1	631.9	590.7	50.2	597.2	547.1	14.5	52.9	38.4	18.2	63.3	45.1
Secondary income	-133.8	103.5	237.3	-131.3	97.6	228.9	-11.3	7.1	18.4	-10.5	9.9	20.4
CAPITAL ACCOUNT	-12.4	46.3	58.7	5.9	37.4	31.5	1.4	3.4	2.0	3.5	7.3	3.8
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT ¹⁾	296.9	1,059.4	762.5	387.8	899.6	511.9	20.3	43.0	22.7	144.1	-183.6	-327.6
Direct investment	243.4	820.3	577.0	278.9	292.4	13.5	29.3	51.6	22.3	52.4	7.3	-45.1
Equity	214.4	632.1	417.7	241.1	296.6	55.5	16.8	21.7	4.9	49.4	32.3	-17.1
Debt instruments	28.9	188.2	159.3	37.8	-4.2	-42.0	12.5	29.9	17.4	3.0	-25.0	-28.0
Portfolio investment	106.4	404.2	297.8	441.4	376.2	-65.2	-43.1	-20.6	22.4	69.6	14.2	-55.4
Equity	-245.5	22.0	267.5	-114.2	12.1	126.3	-26.4	-7.3	19.2	-8.7	2.0	10.6
Debt securities	351.9	382.1	30.2	555.6	364.1	-191.6	-16.6	-13.4	3.2	78.2	12.2	-66.1
Short-term	60.9	12.3	-48.6	-16.3	7.3	23.5	-1.6	-7.8	-6.2	46.3	19.8	-26.5
Long-term	291.0	369.8	78.8	571.9	356.8	-215.1	-15.0	-5.6	9.4	31.9	-7.7	-39.5
<i>Memo: Direct and portfolio investment</i>	349.7	1,224.5	874.7	720.3	668.6	-51.7	-13.8	31.0	44.7	121.9	21.5	-100.5
Financial derivatives	85.8			25.9			2.3			6.1		
Other investment	-149.2	-261.5	-112.3	-373.6	190.0	563.5	29.6	7.5	-22.0	9.9	-217.3	-227.2
Eurosystem	-13.6	1.5	15.1	-151.0	4.3	155.3	-11.3	1.4	12.7	-71.8	8.4	80.2
MFIs (excluding the Eurosystem)	-123.6	-303.5	-179.9	-152.5	166.2	318.7	20.0	-22.5	-42.5	88.0	-191.8	-279.8
General government	19.1	-6.3	-25.4	5.7	-0.3	-6.0	0.1	-2.0	-2.1	5.9	-1.2	-7.1
Other sectors	-31.1	46.8	78.0	-75.7	19.9	95.6	20.7	30.6	9.9	-12.2	-32.7	-20.5
Of which: currency and deposits	-109.5	-245.7	-136.2	-431.1	46.4	477.5	7.0	-38.9	-45.9	104.9	-88.5	-193.4
Reserve assets		10.6			15.2			2.2			6.1	
Errors and omissions	-7.3			20.1			-21.9			93.6		

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)

	Aug.16	Sep.16	Oct.16	Nov.16	Dec.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	718.3	727.0	717.3		2.2	4.9	-17.9	0.0	706.6	6.1	0.9	-6.0	0.1	707.7
Monetary gold	409.2	411.3	403.1		0.0	-	-16.6	-0.0	386.5	0.0	-	-5.7	-0.0	380.8
Gold bullion	402.3	404.3	396.3		0.0	-	-16.4	-0.0	379.9	-0.0	-	-5.6	-0.0	374.3
Unallocated gold accounts	6.9	7.0	6.8		0.0	-	-0.3	0.0	6.6	0.0	-	-0.1	0.0	6.5
Special drawing rights	51.1	51.2	51.4		0.1	0.7	-	0.0	52.1	0.1	0.1	-	0.0	52.3
Reserve position in the IMF	22.4	23.2	23.9		-0.9	0.3	-	0.0	23.3	-0.3	0.0	-	0.0	23.1
Other reserve assets	235.6	241.3	238.9		3.1	3.9	-1.3	0.0	244.7	6.3	0.8	-0.3	0.0	251.5
Currency and deposits	29.0	33.2	29.7		-1.6	-0.3	-	0.0	27.8	4.6	-0.0	-	0.5	32.9
Claims on monetary authorities	20.4	24.0	21.1		1.1	-	-	-	21.8	2.5	-	-	-	24.9
Claim on other entities	8.6	9.3	8.6		-2.7	-	-	-	6.0	2.1	-	-	-	8.0
Securities	201.2	202.4	204.7		5.9	4.0	-1.3	0.0	213.3	1.4	0.9	-0.4	-0.5	214.7
Debt securities	200.5	201.7	204.0		5.9	4.0	-1.3	0.0	212.6	1.4	0.9	-0.4	-0.5	214.0
Short-term	24.4	27.9	28.9		4.6	-0.0	0.0	0.0	33.4	0.6	-0.0	0.0	-0.0	33.9
Long-term	176.1	173.8	175.1		1.3	4.0	-1.3	0.0	179.2	0.8	1.0	-0.4	-0.5	180.0
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	-0.1	-0.1		0.0	-	-0.0	0.0	-0.1	-0.0	-	0.1	0.0	-0.0
Other claims	5.5	5.7	4.6		-1.1	0.2	0.0	0.0	3.7	0.3	-0.1	0.0	0.0	3.9

Source: ECB.