



EUROPEAN CENTRAL BANK

EUROSYSTEM

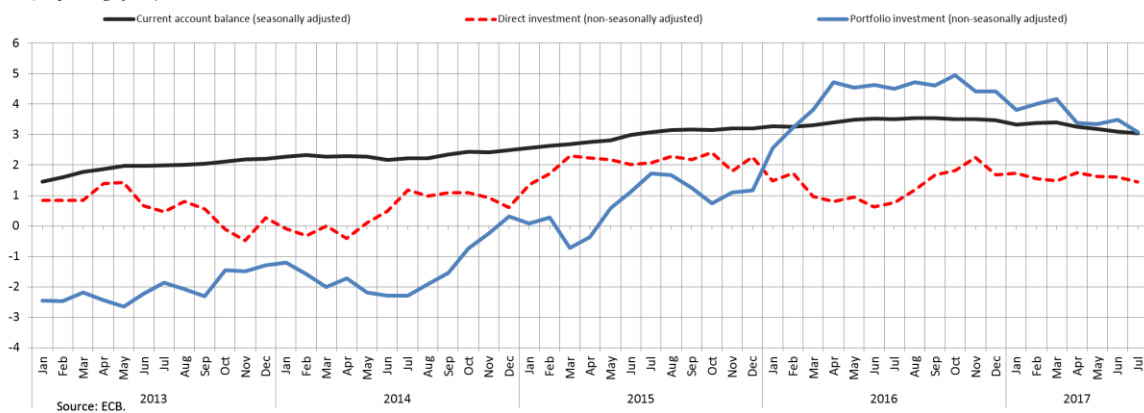
# PRESS RELEASE

19 September 2017

## Euro area monthly balance of payments (July 2017)

- In July 2017 the current account of the euro area recorded a surplus of €25.1 billion.<sup>1</sup>
- In the financial account, combined direct and portfolio investment recorded net disposals of assets of €112 billion and net disposals of liabilities of €135 billion.

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



<sup>1</sup> 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 €25.1 billion in July 2017 (see Table 1). This reflected surpluses for *goods* (€26.4 billion), *primary income* (€10.9 billion) and *services* (€2.6 billion), which were partly offset by a deficit for *secondary income* (€14.8 billion).

The 12-month cumulated current account for the period ending in July 2017 recorded a surplus of €333.1 billion (3.0% of euro area GDP), compared with one of €373.3 billion (3.5% of euro area GDP) for the 12 months to July 2016 (see Table 1 and Chart 1). This development was due to decreases in the surpluses for *goods* (from €367.2 billion to €338.6 billion) and *services* (from €63.4 billion to €43.3 billion), and an increase in the deficit for *secondary income* (from €123.2 billion to €146.5 billion). These were partly offset by an increase in the surplus for *primary income* (from €65.9 billion to €97.6 billion).

## Financial account

In July 2017 *combined direct and portfolio investment* recorded net disposals of both assets (€112 billion) and liabilities (€135 billion) (see Table 2).

Euro area residents recorded net disposals of €176 billion of *direct investment* assets as a result of net disinvestments in *equity* (€183 billion), which were partly offset by net investments in *debt instruments* (€6 billion). *Direct investment* liabilities decreased by €186 billion as a result of net disinvestments in euro area *equity* (€188 billion) by non-euro area residents. This was also partly offset by net acquisitions of *debt instruments* by non-euro area residents (€2 billion).

With regard to *portfolio investment* assets, euro area residents made net purchases of foreign securities amounting to €64 billion. This resulted from net acquisitions of *equity* (€23 billion) and *long-term debt securities* (€59 billion), which were partly offset by net sales/amortisations of *short-term debt securities* (€18 billion). *Portfolio investment* liabilities increased by €50 billion as a result of non-euro area residents' net acquisitions of euro area *equity* (€61 billion), which were partly offset by net sales/amortisations of euro area *debt securities*, both *short-term* (€4 billion) and *long-term* (€7 billion), by non-euro area residents.

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

*Other investment* recorded increases of €100 billion in assets and €72 billion in liabilities. The increase in assets was largely explained by the *MFI sector (excluding the Eurosystem)* (€115 billion), which was partly offset by a decrease in assets of *other sectors* (€14 billion). The increase in liabilities was also mainly attributable to the *MFI sector (excluding the Eurosystem)* (€115 billion). This was partly offset by decreases in the liabilities of the *Eurosystem* (€37 billion) and *other sectors* (€6 billion).

In the 12 months to July 2017 *combined direct and portfolio investment* recorded increases of €671 billion in assets and €177 billion in liabilities, compared with increases of €864 billion and €303 billion

respectively in the 12 months to July 2016. This resulted primarily from a decrease in the *direct investment* activities of both euro area residents abroad and non-residents in the euro area, with the net acquisition of *equity* assets decreasing from €443 billion to €92 billion and a shift in the *equity* liabilities, from net investments of non-euro area residents of €290 billion to net disinvestments of €81 billion. The changes in direct investment were partly offset by the developments in portfolio investment, in particular those related to transactions in equity. On the asset side, there was a shift from net sales of foreign *equity* by euro area residents of €34 billion to net purchases of €137 billion. On the liabilities side, the non-euro area residents increased the net purchases of euro area equities from €145 billion to €339 billion.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area monetary financial institutions (MFIs) decreased by €187 billion in the 12 months to July 2017, compared with a decrease of €143 billion in the 12 months to July 2016. This still reflects primarily a 12-month cumulated current account surplus (€316.3 billion), whose counterpart entries are observed in net financial transactions by non-MFIs. In particular, the cumulated transactions in *direct investment* shifted from a net incurrence of liabilities of €355 billion to a net reduction of €33 billion.

In July 2017 the *Eurosystem's* stock of *reserve assets* decreased to €668.8 billion from €682.7 billion in the previous month (see Table 3). This decrease (€13.9 billion) is explained by net disposals of assets (€5.2 billion), negative exchange rate developments (€5.6 billion) and other negative price changes (€3.2 billion), particularly of monetary gold.

### Data revisions

This press release incorporates revisions to the data from April to June 2017. These revisions have resulted in an increase of net portfolio investment (€17 billion) in May 2017 and in a decrease of net other investment (€48 billion) in June 2017.

### Additional information

- Time-series data: the [ECB's Statistical Data Warehouse \(SDW\)](#)
- [Methodological information](#)
- [Monetary presentation of the balance of payments](#)
- [Next press releases:](#)
  - quarterly balance of payments and international investment position: **4 October 2017** (reference data up to the second quarter of 2017);
  - monthly balance of payments: **20 October 2017** (reference data up to August 2017).

## **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		2016				2017								
	Jul. 2016	Jul. 2017	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.
<b>CURRENT ACCOUNT</b>	373.3	333.1	29.6	31.3	34.1	23.5	28.0	24.5	22.8	34.3	33.8	23.0	29.9	22.8	25.1
<i>Memo: as a percentage of GDP</i>	3.5	3.0													
Credit	3,596.3	3,769.1	298.3	303.1	305.7	308.8	316.4	314.9	317.9	319.2	321.2	312.4	320.8	311.4	317.2
Debit	3,223.0	3,436.0	268.7	271.8	271.7	285.4	288.4	290.4	295.1	284.9	287.4	289.4	290.9	288.6	292.1
Goods	367.2	338.6	29.5	30.5	33.0	27.8	30.1	30.7	23.8	28.0	29.0	24.5	26.6	28.1	26.4
Credit (exports)	2,084.7	2,197.6	173.5	175.9	177.2	177.7	182.8	184.5	183.2	187.2	188.6	182.0	188.8	183.8	185.6
Debit (imports)	1,717.5	1,858.9	143.9	145.4	144.3	150.0	152.7	153.8	159.4	159.1	159.6	157.5	162.2	155.7	159.2
Services	63.4	43.3	6.1	6.4	7.2	-1.2	-2.4	-1.9	2.5	8.2	9.6	7.2	2.7	2.4	2.6
Credit (exports)	778.7	812.7	65.0	65.4	67.2	67.0	66.5	66.0	68.7	69.9	69.4	68.2	67.3	68.3	68.8
Debit (imports)	715.3	769.5	58.9	59.0	59.9	68.3	68.9	67.9	66.2	61.7	59.8	61.0	64.6	65.9	66.2
Primary income	65.9	97.6	7.0	8.5	7.0	9.8	13.2	5.7	9.2	2.8	4.6	10.0	10.8	5.1	10.9
Credit	624.8	650.9	51.1	53.0	51.7	55.1	58.2	53.9	57.4	53.2	52.9	54.0	55.6	51.3	54.7
Debit	558.9	553.3	44.1	44.5	44.7	45.3	45.0	48.2	48.2	50.4	48.3	44.0	44.8	46.1	43.8
Secondary income	-123.2	-146.5	-13.0	-14.2	-13.2	-12.8	-13.0	-10.0	-12.7	-4.8	-9.4	-18.6	-10.1	-12.9	-14.8
Credit	108.1	107.8	8.8	8.8	9.6	8.9	8.8	10.5	8.6	8.9	10.3	8.2	9.1	7.9	8.1
Debit	231.3	254.3	21.8	22.9	22.8	21.8	21.8	20.5	21.3	13.7	19.7	26.9	19.2	20.8	22.9

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						June 2017			July 2017		
	July 2016			July 2017			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
<b>CURRENT ACCOUNT</b>	373.4	3,601.2	3,227.8	338.5	3,776.2	3,437.8	29.8	328.5	298.7	32.5	318.4	285.9
Goods	369.9	2,090.7	1,720.8	340.9	2,205.3	1,864.4	33.0	191.4	158.4	30.9	186.0	155.1
Services	63.3	779.1	715.8	41.9	813.0	771.1	4.9	72.9	68.0	5.2	73.8	68.6
Primary income	65.1	623.6	558.5	97.5	649.9	552.4	2.9	55.5	52.6	9.0	50.8	41.8
Secondary income	-124.9	107.8	232.7	-141.9	108.0	249.9	-10.9	8.7	19.6	-12.6	7.9	20.5
<b>CAPITAL ACCOUNT</b>	9.4	41.9	32.4	-13.2	28.7	42.0	1.1	2.5	1.4	1.0	2.4	1.5
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>FINANCIAL ACCOUNT 1)</b>	369.0	937.8	568.7	381.8	901.2	519.4	57.2	-71.2	-128.4	42.9	-20.6	-63.6
Direct investment	81.8	443.7	362.0	157.5	156.5	-1.0	-42.2	-40.5	1.7	9.3	-176.2	-185.5
Equity	152.8	443.1	290.4	172.2	91.6	-80.7	-42.7	-33.8	8.9	4.9	-182.6	-187.5
Debt instruments	-71.0	0.6	71.6	-14.7	65.0	79.7	0.5	-6.7	-7.2	4.3	6.3	2.0
Portfolio investment	479.1	420.5	-58.6	336.0	514.3	178.4	47.7	74.0	26.3	13.9	64.1	50.3
Equity	-179.1	-33.9	145.2	-201.8	137.0	338.8	-10.3	17.3	27.6	-37.9	23.2	61.2
Debt securities	658.2	454.4	-203.8	537.8	377.4	-160.5	58.0	56.7	-1.3	51.8	40.9	-10.9
Short-term	25.8	18.1	-7.8	6.5	36.4	29.9	26.3	15.6	-10.7	-13.4	-17.7	-4.3
Long-term	632.3	436.3	-196.0	531.3	341.0	-190.4	31.7	41.1	9.4	65.2	58.6	-6.6
Memo: Direct and portfolio investment	560.9	864.2	303.4	493.5	670.9	177.4	5.5	33.4	27.9	23.1	-112.1	-135.2
Financial derivatives	40.7			33.3			-8.8			-3.5		
Other investment	-249.1	16.3	265.4	-148.9	193.2	342.0	59.1	-97.3	-156.3	28.5	100.2	71.7
Eurosystem	-41.8	-4.3	37.5	-115.5	6.6	122.1	-40.6	2.6	43.2	36.0	-1.0	-37.0
MFIs (excluding the Eurosystem)	-224.5	-40.9	183.6	36.6	137.7	101.2	85.4	-114.5	-199.8	-0.3	115.1	115.4
General government	15.1	5.2	-9.9	-7.3	-8.8	-1.4	-3.3	-2.5	0.7	0.8	0.1	-0.7
Other sectors	2.1	56.3	54.2	-62.6	57.6	120.2	17.5	17.1	-0.4	-7.9	-14.0	-6.0
Of which: currency and deposits	-275.2	-60.5	214.7	-199.0	24.9	223.9	143.6	-20.4	-164.0	-71.2	20.8	92.0
Reserve assets		16.5			3.8			1.4			-5.2	
Errors and omissions	-13.8			56.5			26.3			9.5		

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)

	Mar.17	Apr.17	May.17	Jun.17					Jul.17				
				Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
<b>Reserve assets</b>	<b>726.6</b>	<b>716.1</b>	<b>699.5</b>	<b>1.4</b>	<b>-4.4</b>	<b>-13.8</b>	<b>-0.0</b>	<b>682.7</b>	<b>-5.2</b>	<b>-5.6</b>	<b>-3.2</b>	<b>-0.0</b>	<b>668.8</b>
<b>Monetary gold</b>	<b>402.8</b>	<b>402.4</b>	<b>391.3</b>	<b>0.0</b>	<b>-</b>	<b>-13.4</b>	<b>-0.1</b>	<b>377.8</b>	<b>0.0</b>	<b>-</b>	<b>-2.9</b>	<b>0.0</b>	<b>374.9</b>
<b>Gold bullion</b>	<b>395.8</b>	<b>395.6</b>	<b>384.7</b>	<b>0.0</b>	<b>-</b>	<b>-12.9</b>	<b>-0.1</b>	<b>371.4</b>	<b>0.0</b>	<b>-</b>	<b>-3.2</b>	<b>-0.0</b>	<b>368.6</b>
<b>Unallocated gold accounts</b>	<b>7.0</b>	<b>6.8</b>	<b>6.6</b>	<b>0.0</b>	<b>-</b>	<b>-0.2</b>	<b>-0.0</b>	<b>6.4</b>	<b>0.0</b>	<b>-</b>	<b>-0.0</b>	<b>0.0</b>	<b>6.4</b>
<b>Special drawing rights</b>	<b>52.2</b>	<b>51.5</b>	<b>50.7</b>	<b>0.2</b>	<b>-0.6</b>	<b>-</b>	<b>-0.0</b>	<b>50.3</b>	<b>0.3</b>	<b>-0.8</b>	<b>-</b>	<b>0.0</b>	<b>49.9</b>
<b>Reserve position in the IMF</b>	<b>21.9</b>	<b>21.7</b>	<b>21.2</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-</b>	<b>-0.0</b>	<b>20.8</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-</b>	<b>-0.0</b>	<b>20.0</b>
<b>Other reserve assets</b>	<b>249.6</b>	<b>240.5</b>	<b>236.2</b>	<b>1.4</b>	<b>-3.5</b>	<b>-0.4</b>	<b>0.0</b>	<b>233.8</b>	<b>-5.1</b>	<b>-4.5</b>	<b>-0.3</b>	<b>-0.0</b>	<b>223.9</b>
<b>Currency and deposits</b>	<b>36.9</b>	<b>38.6</b>	<b>37.0</b>	<b>0.9</b>	<b>-0.8</b>	<b>-</b>	<b>-0.0</b>	<b>37.2</b>	<b>-2.8</b>	<b>-0.6</b>	<b>-</b>	<b>-0.0</b>	<b>33.8</b>
<b>Claims on monetary authorities</b>	<b>30.0</b>	<b>31.5</b>	<b>30.3</b>	<b>-1.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.0</b>	<b>-1.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.1</b>
<b>Claim on other entities</b>	<b>6.9</b>	<b>7.1</b>	<b>6.8</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.1</b>	<b>-1.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.6</b>
<b>Securities</b>	<b>208.1</b>	<b>197.6</b>	<b>195.4</b>	<b>-1.0</b>	<b>-2.7</b>	<b>-0.4</b>	<b>0.1</b>	<b>191.5</b>	<b>-1.1</b>	<b>-3.8</b>	<b>-0.3</b>	<b>-0.0</b>	<b>186.3</b>
<b>Debt securities</b>	<b>207.3</b>	<b>196.8</b>	<b>194.6</b>	<b>-1.0</b>	<b>-2.6</b>	<b>-0.4</b>	<b>0.1</b>	<b>190.7</b>	<b>-1.1</b>	<b>-3.8</b>	<b>-0.3</b>	<b>-0.0</b>	<b>185.5</b>
<b>Short-term</b>	<b>38.2</b>	<b>39.0</b>	<b>39.6</b>	<b>-4.6</b>	<b>-0.6</b>	<b>-0.1</b>	<b>0.1</b>	<b>34.4</b>	<b>-3.4</b>	<b>-0.7</b>	<b>0.0</b>	<b>-0.1</b>	<b>30.2</b>
<b>Long-term</b>	<b>169.1</b>	<b>157.8</b>	<b>155.0</b>	<b>3.7</b>	<b>-2.0</b>	<b>-0.3</b>	<b>0.0</b>	<b>156.3</b>	<b>2.3</b>	<b>-3.1</b>	<b>-0.3</b>	<b>0.0</b>	<b>155.3</b>
<b>Equity and investment fund shares</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>-0.0</b>	<b>-0.0</b>	<b>0.0</b>	<b>-0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>-0.0</b>	<b>0.0</b>	<b>-0.0</b>	<b>0.8</b>
<b>Financial derivatives (net)</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>-0.0</b>	<b>-0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>
<b>Other claims</b>	<b>4.8</b>	<b>4.2</b>	<b>3.6</b>	<b>1.5</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>4.9</b>	<b>-1.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>3.6</b>

Source: ECB.