

Press release

19 February 2021

Euro area monthly balance of payments: December 2020

- [Current account](#) recorded €37 billion surplus in December 2020, up from €25 billion in previous month
- [Current account](#) surplus amounted to €248 billion (2.2% of euro area GDP) in 2020, down from €281 billion (2.3%) in 2019
- In [financial account](#), euro area residents' net acquisitions of foreign portfolio investment securities totalled €644 billion in 2020 and non-residents' net acquisitions of euro area portfolio investment securities totalled €164 billion

European Central Bank

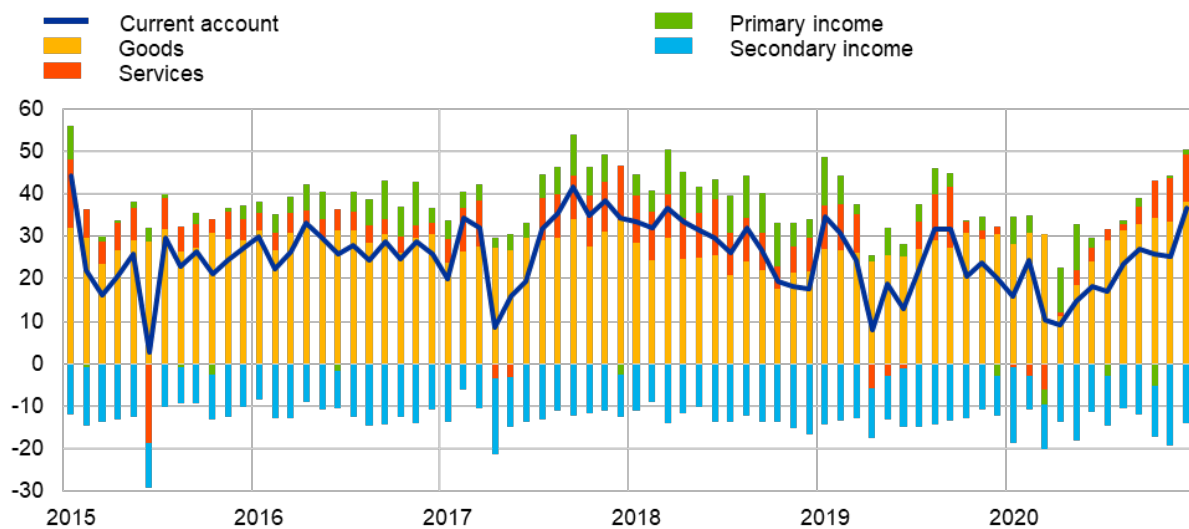
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Chart 1

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 €37 billion in December 2020, increasing by €12 billion from the previous month (see Chart 1 and Table 1). Surpluses were recorded for *goods* (€38 billion), *services* (€11 billion) and *primary income* (€1 billion). These were partly offset by a deficit for *secondary income* (€14 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				Dec 2019	Nov 2020	Dec 2020
		December 2019		December 2020				
		% of GDP		% of GDP				
Current account	Balance	281	2.3%	248	2.2%	20	25	37
	Credit	4,383	36.7%	3,867	33.8%	362	336	334
	Debit	4,103	34.3%	3,619	31.7%	341	311	297
Goods	Balance	328	2.7%	343	3.0%	30	34	38
	Credit (exports)	2,415	20.2%	2,189	19.2%	204	196	200
	Debit (imports)	2,087	17.5%	1,846	16.2%	173	162	161
Services	Balance	59	0.5%	36	0.3%	2	10	11
	Credit (exports)	998	8.4%	841	7.4%	84	72	71
	Debit (imports)	939	7.9%	804	7.0%	82	62	60
Primary income	Balance	45	0.4%	28	0.2%	-3	1	1
	Credit	857	7.2%	725	6.3%	64	59	54
	Debit	811	6.8%	697	6.1%	67	58	53
Secondary income	Balance	-152	-1.3%	-159	-1.4%	-9	-19	-14
	Credit	114	1.0%	113	1.0%	10	10	9
	Debit	266	2.2%	271	2.4%	19	29	23

Source: ECB.

Note: Discrepancies between totals and their components may be due to rounding.

[Data for the current account of the euro area](#)

In 2020 the *current account* recorded a surplus of €248 billion (2.2% of euro area GDP), compared with a surplus of €281 billion (2.3% of euro area GDP) in 2019. This decline was driven by reductions in the surpluses for *services* (down from €59 billion to €36 billion) and *primary income* (down from €45 billion to €28 billion), but also by a larger deficit for *secondary income* (up from €152 billion to €159 billion). These developments were partly offset by a larger surplus for *goods* (up from €328 billion to €343 billion).

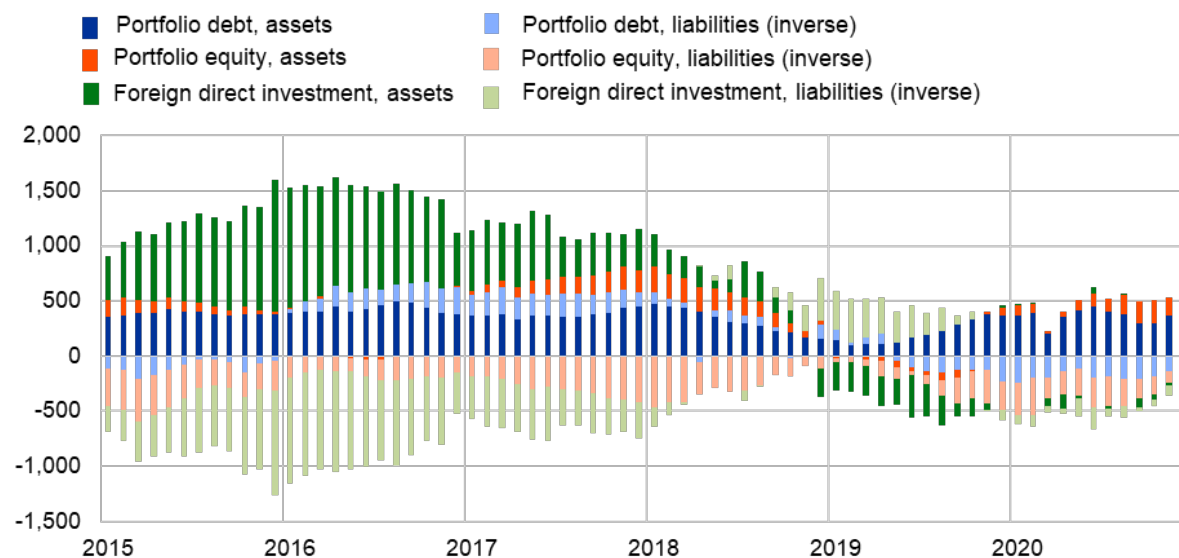
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Chart 2
Selected items of the euro area financial account

(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 investments of €46 billion in non-euro area assets in 2020, following net investments of €25 billion in 2019 (see Chart 2 and Table 2). Non-residents made net investments in euro area assets of €166 billion in 2020, after net investments of €97 billion in 2019.

In *portfolio investment*, net purchases of foreign *debt securities* by euro area residents increased to €436 billion in 2020, from €367 billion in 2019. Similarly, net purchases of foreign *equity* increased to €207 billion, from €69 billion in 2019. Over the same period, non-residents' net purchases of euro area *debt securities* decreased to €47 billion from €227 billion in 2019. Likewise, non-residents' net purchases of euro area *equity* decreased to €117 billion from €256 billion in 2019.

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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					
	December 2019			December 2020		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	214	700	486	296	1,092	796
Direct investment	-72	25	97	-120	46	166
Portfolio investment	-47	436	483	480	644	164
Equity	-187	69	256	91	207	117
Debt securities	140	367	227	390	436	47
Financial derivatives (net)	-3	-3		10	10	
Other investment	332	239	-93	-86	381	466
Eurosysteem	143	15	-127	-202	12	214
Other MFIs	182	76	-107	26	176	150
General government	-1	1	1	-22	0	21
Other sectors	8	148	140	112	193	81
Reserve assets	3	3		12	12	

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 increased to €381 billion in 2020 from €239 billion in 2019, while their net incurrence of liabilities was €466 billion (following net disposals of €93 billion in 2019).

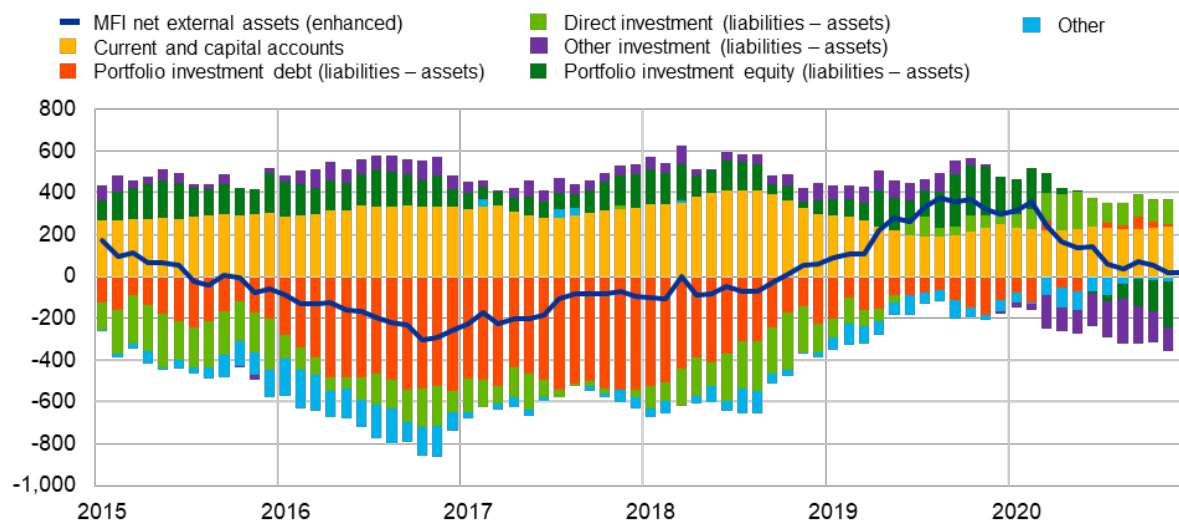
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Chart 3
Monetary presentation of the balance of payments

(EUR billions; 12-month cumulated data)



Source: ECB.

Notes: MFI net external assets (enhanced) incorporates an adjustment to 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 balance of payments (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* 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 €16 billion in 2020. This increase was driven by the *current and capital accounts* surplus, euro area non-MFIs' net inflows in *direct investment* and, to a lesser extent, euro area non-MFIs' net inflows in *other flows*. These developments were partly offset by euro area non-MFIs' net outflows in *portfolio investment (equity and debt securities)* and in *other investment*.

In December 2020 the Eurosystem's stock of *reserve assets* increased to €878.7 billion, from €859.4 billion in the previous month (see Table 3). This increase was mostly driven by positive gold price changes (€23.0 billion) and, to a lesser extent, by net acquisitions of assets (€1.7 billion). The increase was only partly offset by negative exchange rate changes (€5.2 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)

	November 2020	December 2020			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	859.4	1.7	-5.2	22.8	878.7
Monetary gold	511.7	0.0	-	23.0	534.7
Special drawing rights	51.2	-0.1	-0.6	-	50.6
Reserve position in the IMF	29.2	2.2	-0.3	-	31.1
Other reserve assets	267.3	-0.4	-4.3	-0.1	262.3

Source: ECB.

Note: "Other reserve assets" comprises currency and deposits, securities, financial derivatives (net) and other claims. Discrepancies between totals and their components may be due to rounding.

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

Data revisions

This press release incorporates revisions to the data for October and November 2020. These revisions did not significantly alter the figures previously published.

Next releases:

- Monthly balance of payments: 22 March 2021 (reference data up to January 2021)
- Quarterly balance of payments and international investment position: 9 April 2021 (reference data up to the fourth quarter of 2020)

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

Notes

- Current account data are always seasonally and working day-adjusted, unless otherwise indicated, whereas capital and financial account data are neither seasonally nor working day-adjusted.
- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.

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