



EUROPEAN CENTRAL BANK

EUROSISTEM

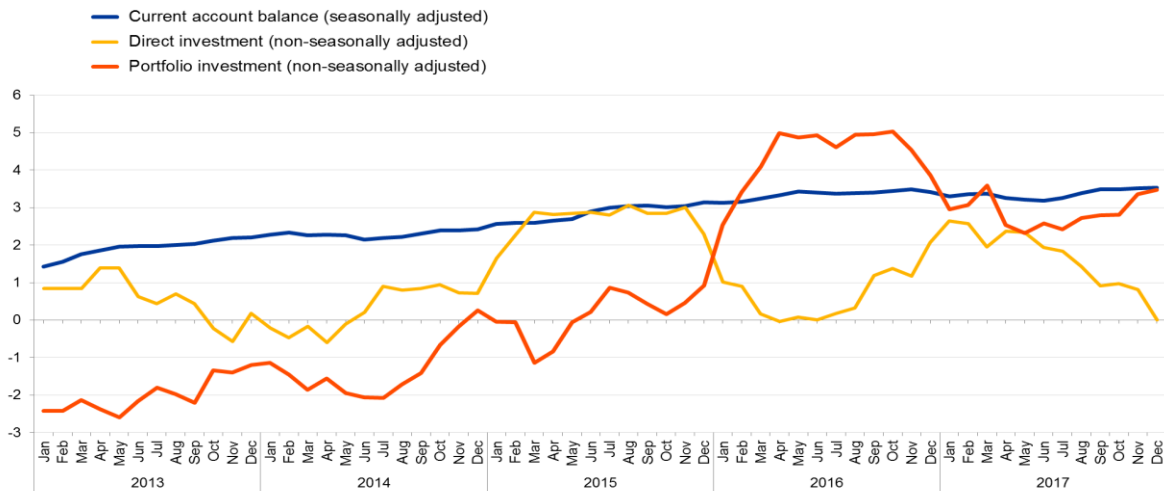
PRESS RELEASE

19 February 2018

Euro area monthly balance of payments (December 2017)

- In December 2017 the current account of the euro area recorded a surplus of €29.9 billion.¹
- In the financial account, combined direct and portfolio investment recorded net disposals of assets of €24 billion and of liabilities of €23 billion.

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



Source: ECB

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 €29.9 billion in December 2017 (see Table 1). This reflected surpluses for *goods* (€30.9 billion), *services* (€7.3 billion) and *primary income* (€3.7 billion), which were partly offset by a deficit for *secondary income* (€12.0 billion).

According to the preliminary results for 2017 as a whole, the current account recorded a surplus of €391.4 billion (3.5% of euro area GDP), compared with one of €367.6 billion (3.4% of euro area GDP) in 2016 (see Table 1 and Chart 1). This development was due to increases in the surpluses for *services* (from €39.0 billion to €80.9 billion) and *primary income* (from €95.3 billion to €112.8 billion). These were partly offset by a decrease in the surplus for *goods* (from €373.0 billion to €348.2 billion) and an increase in the deficit for *secondary income* (from €139.7 billion to €150.5 billion).

Financial account

In December 2017 *combined direct and portfolio investment* recorded net disposals of assets of €24 billion and of liabilities of €23 billion (see Table 2).

Euro area residents recorded net disposals of €36 billion of *direct investment* assets as a result of net disinvestments in *debt instruments* (€49 billion), which were partly offset by net investments in *equity* (€13 billion). *Direct investment* liabilities decreased by €2 billion as a result of net disinvestments in euro area *debt instruments* (€21 billion) by non-euro area residents, which were partly offset by net acquisitions of euro area *equity* by non-euro area residents (€19 billion).

As regards *portfolio investment* assets, euro area residents made net purchases of foreign securities amounting to €12 billion. This resulted from net acquisitions of *short-term debt securities* (€19 billion), which were partly offset by net sales/amortisations of *long-term debt securities* (€5 billion) and *equity* (€3 billion). *Portfolio investment* liabilities decreased by €21 billion as a result of non-euro area residents' net sales/amortisations of euro area *short-term debt securities* (€25 billion) and *long-term debt securities* (€15 billion), which were partly offset by net acquisitions of *equity* (€19 billion).

The euro area net *financial derivatives* account (assets minus liabilities) recorded negative net flows of €1 billion.

Other investment recorded net disposals of assets amounting to €176 billion and of liabilities of €227 billion. The net disposal of assets was mainly due to *MFIs (excluding the Eurosystem)* (€159 billion) and, to a lesser extent, to *other sectors* (€27 billion). These were partly offset by increases in assets of the *Eurosystem* (€10 billion). The net reduction in liabilities was mainly attributable to *MFIs (excluding the Eurosystem)* (€349 billion) and, to a lesser extent, to *other sectors* (€33 billion) and *general government* (€15 billion). These were partly offset by net incurrences of liabilities by the *Eurosystem* (€170 billion).

In 2017 as a whole, *combined direct and portfolio investment* recorded net acquisitions of assets of €712 billion and net incurrences of liabilities of €326 billion, compared with €804 billion and €165 billion

respectively in 2016. Regarding *direct investment*, there was a decrease in activities of both euro area residents abroad and non-residents in the euro area, with a drop in the net acquisition of *equity* assets from €413 billion to €46 billion and a shift in *equity* liabilities, from net investments of non-euro area residents of €198 billion to net disinvestments of €39 billion. Concerning *portfolio investment*, on the asset side there was an increase in the net purchases of foreign *equity* by euro area residents from €23 billion to €176 billion. On the liabilities side, non-euro area residents increased the net purchases of euro area equities from €84 billion to €450 billion.

According to the monetary presentation of the balance of payments, the [net external assets](#) of euro area monetary financial institutions (MFIs) decreased by €72 billion in 2017, compared with a decrease of €247 billion in 2016. The large current and capital account surplus (€361 billion) would suggest an increase of net external assets of the MFIs. However, the financial counterpart of the current and capital account transactions are essentially reflected in the net financial transactions of the non-MFIs, although in a more limited manner than in 2016.

In December 2017 the *Eurosystem's* stock of *reserve assets* decreased to €669.7 billion from €673.3 billion in the previous month (see Table 3). This decrease (€3.6 billion) was mainly due to negative exchange rate changes (€2.3 billion) and net disposals of assets (€1.6 billion), which were partly offset by positive price changes (€0.4 billion).

Data revisions

This press release incorporates revisions to the data for October and November 2017. These revisions have not significantly altered the figures previously published.

Additional information

- Time-series data: the [ECB's Statistical Data Warehouse \(SDW\)](#)
- [Methodological information](#)
- [Monetary presentation of the balance of payments](#)
- [Next press releases:](#)
 - monthly balance of payments: **22 March 2018** (reference data up to January 2018)
 - quarterly balance of payments and international investment position: **6 April 2018** (reference data up to the fourth quarter of 2017).

Annexes

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- 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												
	Dec. 2016	Dec. 2017	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
CURRENT ACCOUNT	367.6	391.4	27.1	23.1	33.8	34.1	23.4	30.5	27.0	38.0	43.5	42.7	30.3	35.0	29.9
<i>Memo: as a percentage of GDP</i>	3.4	3.5													
Credit	3,680.4	3,898.0	314.6	318.1	318.2	322.9	318.3	326.5	320.3	326.1	333.0	331.9	317.4	329.4	335.9
Debit	3,312.8	3,506.6	287.5	295.0	284.4	288.8	294.9	295.9	293.3	288.1	289.5	289.3	287.0	294.5	306.0
Goods	373.0	348.2	31.2	23.9	27.0	28.4	26.0	27.2	29.4	29.0	32.2	37.4	26.3	30.4	30.9
Credit (exports)	2,124.6	2,277.0	185.6	183.8	186.4	188.3	184.2	189.2	186.6	188.0	191.6	196.0	187.7	195.5	199.7
Debit (imports)	1,751.5	1,928.9	154.4	159.9	159.5	159.9	158.2	162.0	157.2	159.0	159.5	158.7	161.4	165.0	168.7
Services	39.0	80.9	1.1	3.0	6.4	8.3	6.7	4.5	6.2	8.3	9.0	8.8	7.0	5.3	7.3
Credit (exports)	783.5	836.2	65.5	68.2	68.5	69.5	69.3	68.6	70.0	69.8	70.2	70.8	69.2	70.0	72.3
Debit (imports)	744.6	755.3	64.4	65.2	62.0	61.2	62.5	64.1	63.8	61.5	61.2	61.9	62.3	64.6	65.0
Primary income	95.3	112.8	5.5	9.9	5.5	8.2	8.2	10.6	5.9	14.5	13.8	10.4	9.5	12.6	3.7
Credit	662.5	677.7	53.5	57.6	54.2	55.7	55.8	59.7	55.3	59.4	62.1	56.4	52.1	55.3	54.1
Debit	567.2	564.9	48.0	47.7	48.7	47.5	47.7	49.0	49.4	44.9	48.3	46.1	42.5	42.7	50.4
Secondary income	-139.7	-150.5	-10.7	-13.6	-5.1	-10.8	-17.5	-11.8	-14.5	-13.8	-11.5	-13.9	-12.5	-13.4	-12.0
Credit	109.7	107.0	10.0	8.6	9.0	9.4	9.0	9.0	8.4	8.9	9.1	8.7	8.3	8.7	9.8
Debit	249.4	257.6	20.7	22.2	14.2	20.2	26.5	20.8	22.9	22.7	20.6	22.6	20.8	22.1	21.8

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 2017			December 2017		
	December 2016			December 2017			Net	Credit	Debit	Net	Credit	Debit
	Net	Credit	Debit	Net	Credit	Debit						
CURRENT ACCOUNT	368.9	3,686.0	3,317.2	391.6	3,891.7	3,500.1	40.1	334.3	294.2	45.8	349.3	303.5
Goods	375.7	2,130.2	1,754.6	347.1	2,272.1	1,925.1	34.4	205.6	171.1	30.1	185.3	155.2
Services	37.9	783.9	746.0	81.3	836.0	754.7	3.5	67.9	64.4	8.0	78.4	70.5
Primary income	94.2	662.0	567.9	109.2	676.3	567.1	14.5	52.9	38.4	19.3	73.7	54.4
Secondary income	-138.9	109.9	248.8	-146.0	107.3	253.3	-12.4	7.9	20.3	-11.6	11.8	23.4
CAPITAL ACCOUNT	-0.8	30.5	31.3	-18.4	32.6	51.0	1.0	2.8	1.8	1.5	5.9	4.4
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
FINANCIAL ACCOUNT 1)	310.2	1,064.0	753.8	412.6	979.8	567.3	35.6	58.5	22.9	45.6	-203.6	-249.2
Direct investment	222.8	411.9	189.1	0.5	89.4	88.8	-17.2	-0.4	16.8	-33.5	-35.6	-2.1
Equity	214.3	412.7	198.4	85.0	46.4	-38.6	-21.4	-1.8	19.5	-5.7	12.9	18.6
Debt instruments	8.5	-0.7	-9.2	-84.5	42.9	127.4	4.2	1.4	-2.8	-27.8	-48.5	-20.7
Portfolio investment	416.6	392.2	-24.3	384.9	622.3	237.4	32.7	50.9	18.1	31.9	11.5	-20.5
Equity	-61.0	22.6	83.6	-273.6	175.9	449.5	-5.7	10.3	15.9	-22.0	-2.7	19.4
Debt securities	477.6	369.7	-107.9	658.5	446.4	-212.1	38.4	40.6	2.2	54.0	14.2	-39.8
Short-term	-46.4	2.7	49.1	65.9	57.7	-8.2	9.8	-1.1	-10.9	44.4	19.2	-25.1
Long-term	524.0	366.9	-157.0	592.6	388.7	-203.9	28.6	41.7	13.1	9.6	-5.1	-14.7
<i>Memo: Direct and portfolio investment</i>	639.4	804.2	164.8	385.4	711.6	326.2	15.6	50.5	34.9	-1.5	-24.1	-22.6
Financial derivatives	18.5			9.0			0.5			-1.4		
Other investment	-363.3	225.6	589.0	19.3	260.4	241.1	13.1	1.1	-12.0	50.2	-176.4	-226.6
Eurosystem	-151.3	4.1	155.4	-172.1	5.3	177.4	3.5	3.2	-0.4	-159.9	10.2	170.0
MFIs (excluding the Eurosystem)	-151.0	169.8	320.8	131.8	160.9	29.1	1.3	-18.6	-19.9	189.4	-159.2	-348.7
General government	1.8	-1.5	-3.3	9.4	-9.4	-18.8	1.0	-0.6	-1.6	14.7	-0.3	-15.0
Other sectors	-62.8	53.3	116.1	50.3	103.7	53.4	7.3	17.0	9.8	5.9	-27.1	-32.9
Of which: currency and deposits	-409.0	50.4	459.4	-33.5	155.2	188.7	12.4	-18.4	-30.8	139.7	-39.5	-179.2
Reserve assets		15.7			-1.3			6.3			-1.6	
Errors and omissions	-57.8			39.4			-5.5			-1.7		

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.17	Sep.17	Oct.17	Nov.17	Dec.17					Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding
					Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding					
Reserve assets	673.7	674.8	676.5		6.3	-4.5	-4.8	-0.1	673.3	-1.6	-2.3	0.4	-0.1	669.7
Monetary gold	382.8	377.8	378.9		0.0	-	-4.3	0.0	374.6	0.0	-	0.4	0.0	375.0
Gold bullion	376.2	371.3	372.4		0.0	-	-4.9	0.0	368.2	0.0	-	0.8	0.0	368.6
Unallocated gold accounts	6.6	6.5	6.5		0.0	-	-0.1	0.0	6.4	0.0	-	0.0	0.0	6.4
Special drawing rights	49.7	49.9	50.4		0.3	-0.5	-	-0.1	50.1	0.1	-0.3	-	-0.0	49.9
Reserve position in the IMF	20.1	20.0	20.1		-0.7	-0.2	-	0.0	19.2	-1.8	-0.1	-	-0.0	17.3
Other reserve assets	221.2	227.2	227.1		6.7	-3.8	-0.5	-0.0	229.4	0.1	-2.0	-0.0	-0.1	227.4
Currency and deposits	37.9	41.9	37.3		2.3	-0.5	-	0.0	39.1	-1.6	-0.3	-	0.0	37.2
Claims on monetary authorities	30.7	31.6	27.8		0.0	-	-	-	27.5	2.7	-	-	-	29.9
Claim on other entities	7.2	10.3	9.5		2.3	-	-	-	11.6	-4.3	-	-	-	7.3
Securities	179.2	181.3	186.2		4.4	-3.2	-0.5	-0.0	186.8	2.1	-1.6	-0.1	-0.1	187.0
Debt securities	178.4	180.5	185.2		4.3	-3.2	-0.5	-0.0	185.8	1.9	-1.6	-0.1	-0.1	185.9
Short-term	30.2	29.5	29.7		1.2	-0.4	-0.1	0.1	30.6	4.2	-0.4	-0.0	-0.0	34.3
Long-term	148.2	151.0	155.5		3.1	-2.9	-0.5	-0.2	155.2	-2.3	-1.2	-0.0	-0.1	151.5
Equity and investment fund shares	0.8	0.8	1.0		0.0	-0.0	-0.0	0.0	1.0	0.1	-0.0	0.0	0.0	1.1
Financial derivatives (net)	0.0	0.2	0.1		0.1	-	0.0	-0.0	0.2	-0.0	-	0.1	-0.0	0.2
Other claims	4.0	3.8	3.5		-0.1	-0.0	0.0	-0.0	3.4	-0.4	-0.0	0.0	-0.0	3.0

Source: ECB.