



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

20 December 2018

## Euro area monthly balance of payments: October 2018

- In October 2018 the [current account](#) of the euro area recorded a surplus of €23 billion, compared with a surplus of €18 billion in September 2018.<sup>1</sup>
- In the 12-month period to October 2018, the current account recorded a surplus of €345 billion (3.0% of euro area GDP), compared with one of €350 billion (3.1% of euro area GDP) in the 12-month period to October 2017.
- In the [financial account](#), euro area residents made net acquisitions of foreign portfolio investment securities of €265 billion in the 12-month period to October 2018 (decreasing from €587 billion in the 12 months to October 2017). Non-residents' net purchases of euro area portfolio investment securities amounted to €117 billion (down from €275 billion in the 12-month period to October 2017).

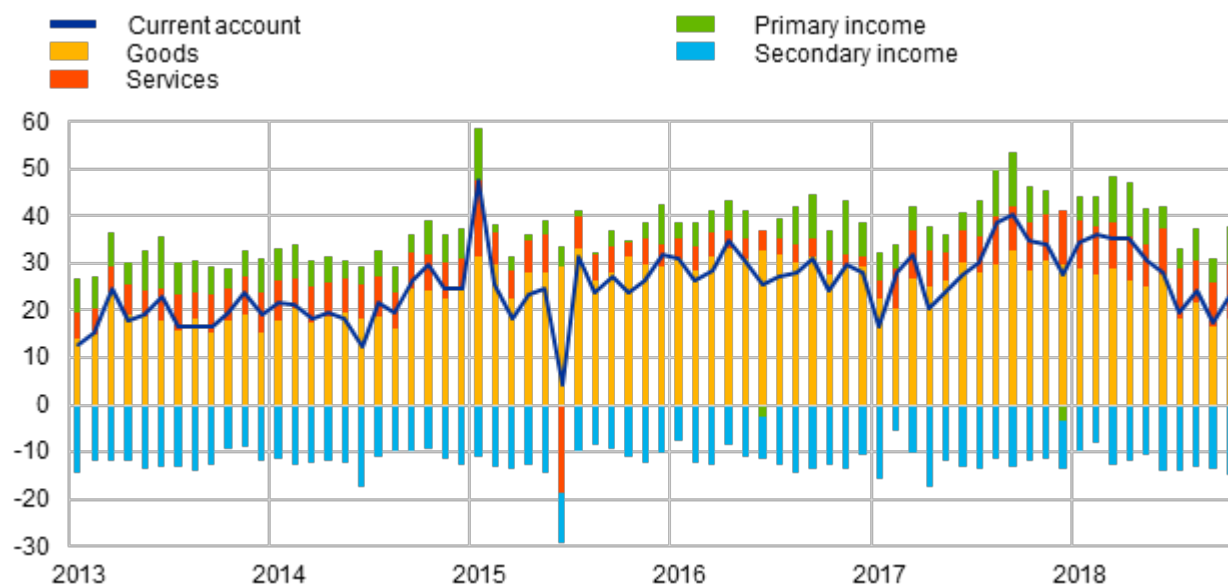
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<sup>1</sup> References to the current account are always to data that are seasonally and working day-adjusted, unless otherwise indicated, whereas references to the capital and financial accounts are to data that are neither seasonally nor working day-adjusted.

## Chart 1

### Euro area current account balance

(EUR billions unless otherwise indicated; working day and seasonally adjusted data)



Source: ECB.

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

The *current account* of the euro area recorded a surplus of €23 billion in October 2018, increasing by around €5 billion compared with September 2018 (see Chart 1 and Table 1). Surpluses were recorded for *goods* (€18 billion), *services* (€11 billion) and *primary income* (€8 billion). These were partly offset by a deficit for *secondary income* (€15 billion).

**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				Oct 2017	Sep 2018	Oct 2018
		October 2017 % of GDP		October 2018 % of GDP				
<b>Current account</b>	Balance	350	3.1%	345	3.0%	35	18	23
	Credit	3,886	34.9%	4,017	34.9%	330	334	335
	Debit	3,536	31.7%	3,672	31.9%	296	317	312
<b>Goods</b>	Balance	329	3.0%	300	2.6%	29	17	18
	Credit (exports)	2,243	20.1%	2,335	20.3%	191	194	199
	Debit (imports)	1,914	17.2%	2,035	17.7%	162	178	181
<b>Services</b>	Balance	84	0.8%	119	1.0%	10	9	11
	Credit (exports)	846	7.6%	874	7.6%	72	74	72
	Debit (imports)	762	6.8%	755	6.6%	62	65	61
<b>Primary income</b>	Balance	85	0.8%	72	0.6%	8	5	8
	Credit	687	6.2%	696	6.0%	58	57	54
	Debit	602	5.4%	624	5.4%	50	52	46
<b>Secondary income</b>	Balance	-148	-1.3%	-145	-1.3%	-12	-13	-15
	Credit	110	1.0%	113	1.0%	9	10	9
	Debit	258	2.3%	258	2.2%	21	23	24

Source: ECB.

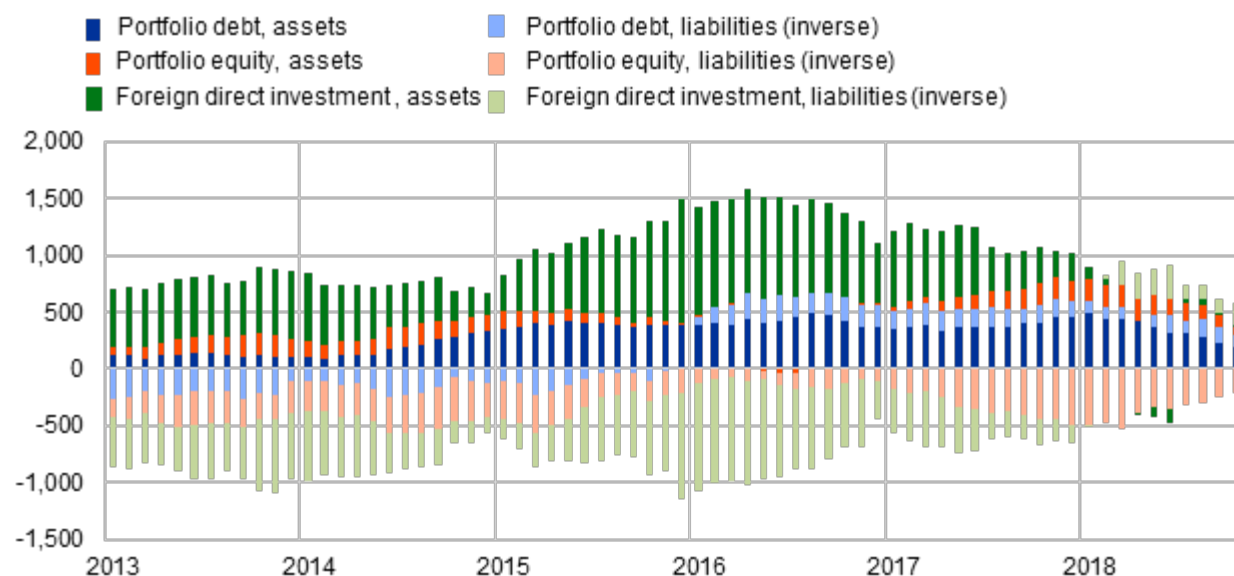
Note: Discrepancies between totals and their components may be due to rounding.

In the 12 months to October 2018, the *current account* recorded a surplus of €345 billion (3.0% of euro area GDP), compared with one of €350 billion (3.1% of euro area GDP) in the previous 12-month period. This decrease was due mainly to lower surpluses for *goods* (down from €329 billion to €300 billion) and *primary income* (down from €85 billion to €72 billion), which were only partly offset by a higher surplus for *services* (up from €84 billion to €119 billion) and, to a lesser extent, a lower deficit for *secondary income* (down from €148 billion to €145 billion).

## Chart 2

### Selected items of the euro area financial account

(EUR billions, 12-month cumulated)



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.

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

In *direct investment*, in the 12-month period to October 2018, euro area residents recorded net investments in non-euro area assets of €25 billion, a large decrease from net investments of €331 billion in the previous 12-month period (see Chart 2 and Table 2). At the same time, non-residents switched to net disinvestments of euro area assets of €187 billion, from net investments of €232 billion in the 12 months to October 2017.

In *portfolio investment*, net acquisitions of foreign *debt securities* by euro area residents decreased to €201 billion in the 12 months to October 2018, from €404 billion in the corresponding period to October 2017. Over the same period, net purchases of foreign *equity* by euro area residents decreased to €65 billion from €183 billion. Non-residents reduced their net purchases of euro area *equity* to €214 billion (from €437 billion in the 12 months to October 2017). At the same time, their net sales of euro area *debt securities* decreased to €97 billion (from €162 billion in the previous period).

**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					
	October 2017			October 2018		
	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>Financial account</b>	373	1,142	768	418	604	186
<b>Direct investment</b>	99	331	232	212	25	-187
<b>Portfolio investment</b>	311	587	275	148	265	117
Equity	-255	183	437	-149	65	214
Debt securities	566	404	-162	298	201	-97
<b>Financial derivatives (net)</b>	21	21		64	64	
<b>Other investment</b>	-60	200	260	-29	226	255
Eurosystem	-102	3	104	-108	3	112
Other MFIs	55	119	64	53	103	50
General government	2	-8	-10	11	-2	-13
Other sectors	-16	86	102	15	121	107
<b>Reserve as sets</b>	3	3		23	23	

Source: ECB.

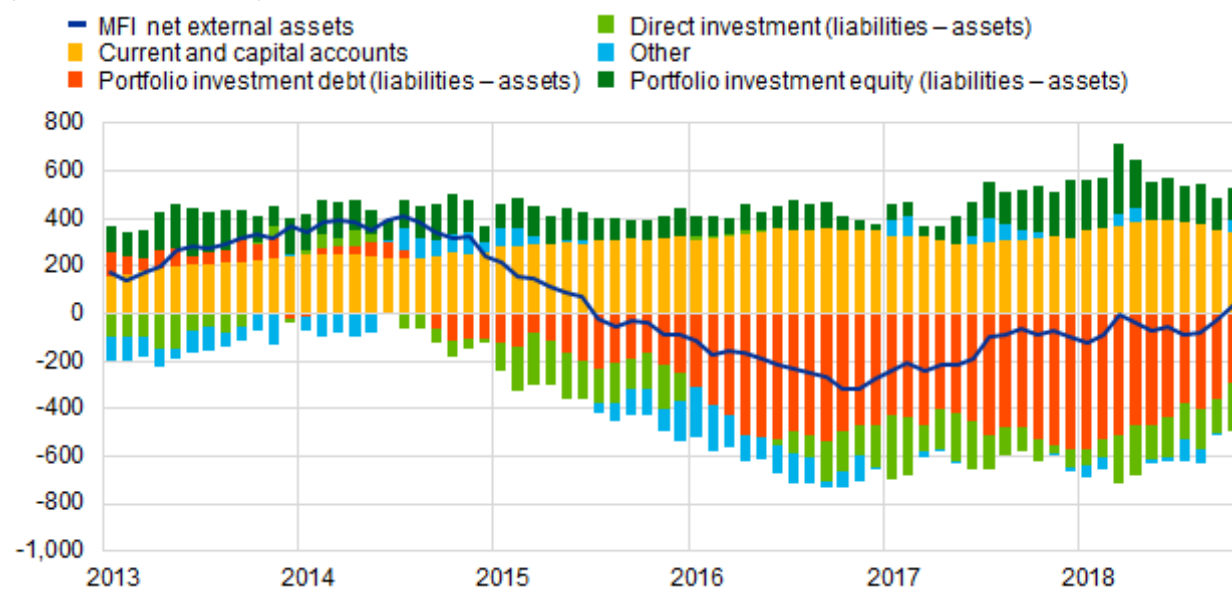
Notes: Decreases in assets and liabilities are shown with a minus sign. Net financial derivatives are reported under assets. "MFIs" stands for monetary financial institutions. Discrepancies between totals and their components may be due to rounding.

In *other investment*, euro area residents' net acquisitions of foreign assets increased to €226 billion in the 12 months to October 2018 (compared with €200 billion in the 12 months to October 2017), while net incurrences of liabilities slightly declined to €255 billion from the €260 billion registered in the corresponding period to October 2017.

### Chart 3

#### Monetary presentation of the balance of payments

(EUR billions, 12-month cumulated)



Source: ECB.

Notes: MFI net external assets as reported in the consolidated MFI balance sheet items (BSI). 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, other investment and statistical discrepancies.

The monetary presentation of the balance of payments (see Chart 3) shows that the net external assets of euro area MFIs increased by €34 billion in the 12 months to October 2018. Developments in MFIs' net external assets were mainly driven by the euro area's *current and capital account* surplus and, to a lesser extent, by non-MFIs' net inflows in *portfolio investment equity*. These were partly offset by euro area non-MFIs' net outflows in *portfolio investment debt securities* and *direct investment*. The switch from a reduction of MFIs' net external assets of €87 billion in the corresponding period to October 2017 is mainly explained by a significant decrease in non-MFIs' net outflows of *portfolio investment debt securities*.

In October 2018 the *Eurosystem's* stock of *reserve assets* increased to €696.8 billion, from €673.9 billion in the previous month (see Table 3). This increase (€22.9 billion) was explained by positive price and exchange rate changes (€17.7 and €5.8 billion, respectively), which were to a very limited extent offset by a net disposal of assets (€0.7 billion).

**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)

	September 2018	October 2018			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
<b>Reserve assets</b>	<b>673.9</b>	<b>-0.7</b>	<b>5.8</b>	<b>17.7</b>	<b>696.8</b>
Monetary gold	354.3	0.0	-	17.8	372.0
Special drawing rights	50.9	0.1	0.6	-	51.6
Reserve position in the IMF	19.8	1.1	0.2	-	21.1
Other reserve assets	248.9	-1.9	4.9	-0.1	252.0

Source: ECB.

Note: "Other reserve assets" comprises currency and deposits, securities, financial derivatives (net) and other claims.

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

#### Data revisions

This press release incorporates revisions to the data for July, August and September 2018. These revisions have not significantly altered the figures previously published.

#### Next press releases:

- quarterly balance of payments and international investment position: 8 January 2019 (reference data up to the third quarter of 2018)<sup>2</sup>
- monthly balance of payments: 18 January 2019 (reference data up to November 2018)

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#### Notes

Hyperlinks in the press release lead to data that may change with subsequent releases as a result of revisions.

<sup>2</sup> The quarterly press release on 8 January 2019 will incorporate revisions (up to September 2018) to the monthly data published in this press release.