



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

19 February 2019

## Euro area monthly balance of payments: December 2018

- In December 2018 the [current account](#) of the euro area recorded a surplus of €16 billion, compared with a surplus of €23 billion in November 2018.<sup>1</sup>
- According to preliminary results for 2018 as a whole, the current account recorded a surplus of €343 billion (3.0% of euro area GDP), compared with one of €362 billion (3.2% of euro area GDP) in 2017.
- In the [financial account](#), euro area residents made net acquisitions of foreign portfolio investment securities of €107 billion in 2018 (decreasing from €641 billion in 2017). Non-residents' net purchases of euro area portfolio investment securities amounted to €38 billion (down from €374 billion in 2017).

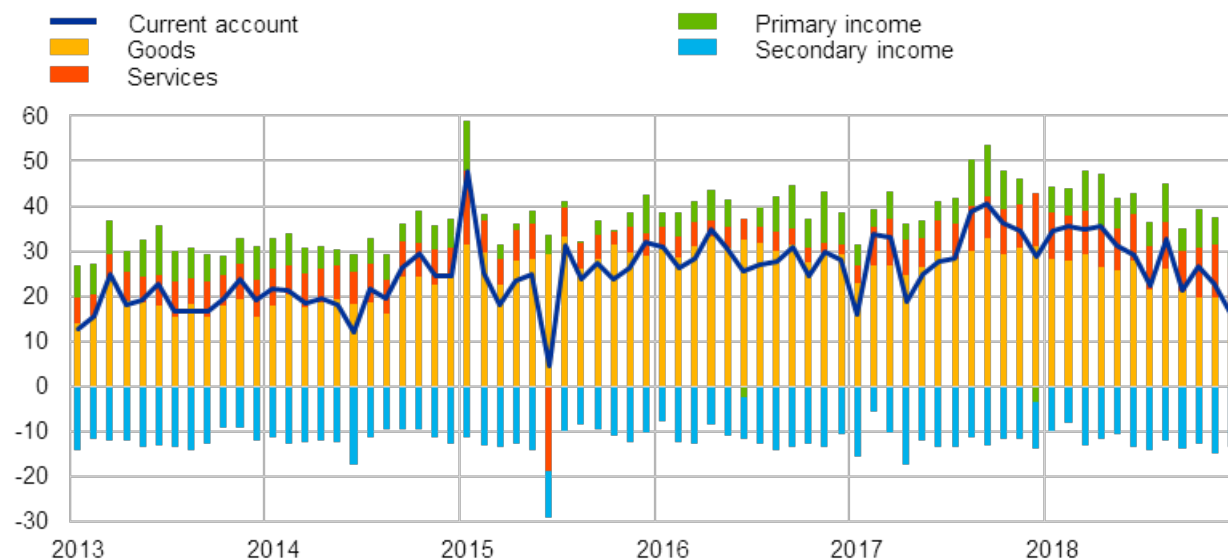
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<sup>1</sup> References to the current account are always to data that are seasonally and working day-adjusted, unless otherwise indicated, whereas references to the capital and financial accounts are to data that are neither seasonally nor working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

## Chart 1

### Euro area current account balance

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



Source: ECB.

The *current account* of the euro area recorded a surplus of €16 billion in December 2018, decreasing by around €7 billion compared with November 2018 (see Chart 1 and Table 1). Surpluses were recorded for *goods* (€16 billion), *services* (€11 billion) and *primary income* (€3 billion). These were partly offset by a deficit for *secondary income* (€13 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				Dec 2017	Nov 2018	Dec 2018
		December 2017 % of GDP		December 2018 % of GDP				
<b>Current account</b>	Balance	362	3.2%	343	3.0%	29	23	16
	Credit	3,928	35.0%	4,047	35.2%	341	340	329
	Debit	3,566	31.8%	3,704	32.2%	312	317	313
<b>Goods</b>	Balance	340	3.0%	289	2.5%	31	20	16
	Credit (ex ports)	2,273	20.3%	2,341	20.3%	199	197	191
	Debit (imports)	1,933	17.2%	2,051	17.8%	168	177	175
<b>Services</b>	Balance	102	0.9%	121	1.1%	12	12	11
	Credit (ex ports)	864	7.7%	894	7.8%	75	77	76
	Debit (imports)	762	6.8%	773	6.7%	63	65	66
<b>Primary income</b>	Balance	66	0.6%	80	0.7%	-3	6	3
	Credit	680	6.1%	698	6.1%	57	57	52
	Debit	614	5.5%	619	5.4%	60	51	49
<b>Secondary income</b>	Balance	-146	-1.3%	-147	-1.3%	-11	-15	-13
	Credit	111	1.0%	114	1.0%	11	10	10
	Debit	257	2.3%	261	2.3%	21	24	23

Source: ECB.

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

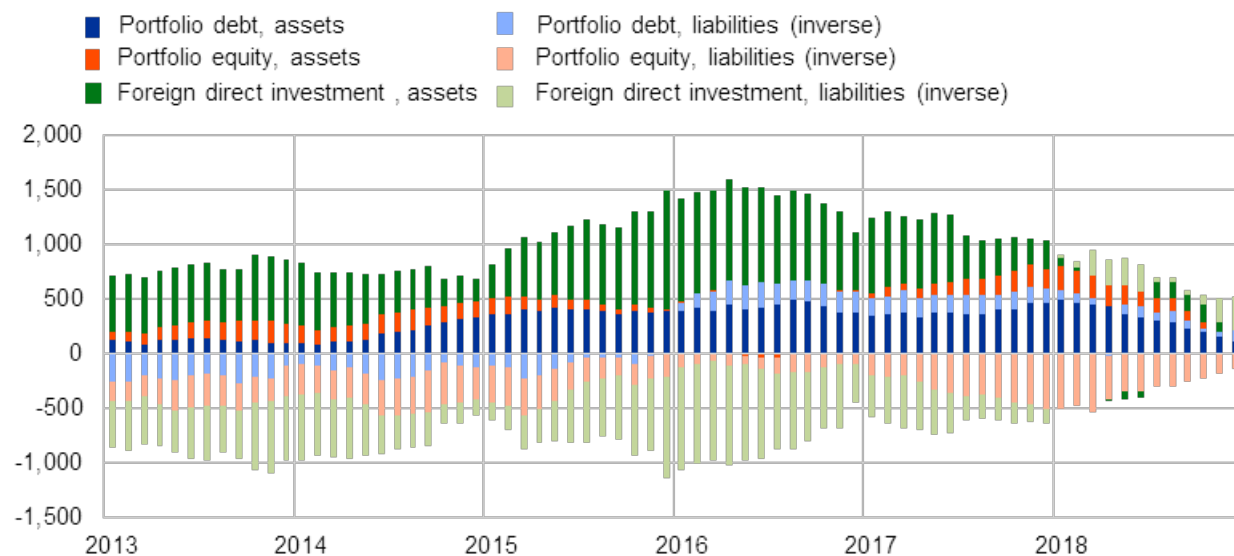
[Data for the current account of the euro area](#)

According to preliminary results for 2018 as a whole, the *current account* recorded a surplus of €343 billion (3.0% of euro area GDP), compared with one of €362 billion (3.2% of euro area GDP) in 2017. This decrease was due to a lower surplus for *goods* (down from €340 billion to €289 billion) and a marginally higher deficit for *secondary income* (up from €146 billion to €147 billion), which were only partly offset by higher surpluses for *services* (up from €102 billion to €121 billion) and *primary income* (up from €66 billion to €80 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.

According to preliminary results for 2018 as a whole, in *direct investment*, euro area residents recorded net investments in non-euro area assets of €1 billion, a significant decrease from net investments of €262 billion in 2017 (see Chart 2 and Table 2). At the same time, non-residents recorded net disinvestments in euro area assets of €298 billion, following net investments of €137 billion in 2017.

In *portfolio investment*, net acquisitions of foreign *debt securities* by euro area residents decreased to €116 billion in 2018, from €463 billion in 2017. Over the same period, a shift was recorded in investment activity by euro area residents in foreign *equity* from net purchases in 2017 (€178 billion) to net disinvestments in 2018 (€9 billion). Non-residents reduced their net purchases of euro area *equity* to €138 billion in 2018 (from a record high of €508 billion in 2017). At the same time, their net sales of euro area *debt securities* decreased from €133 billion in 2017 to €100 billion in 2018.

**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 2017			December 2018		
	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>Financial account</b>	419	1,160	741	395	473	78
<b>Direct investment</b>	125	262	137	300	1	-298
<b>Portfolio investment</b>	266	641	374	68	107	38
Equity	-330	178	508	-147	-9	138
Debt securities	596	463	-133	216	116	-100
<b>Financial derivatives (net)</b>	17	17		92	92	
<b>Other investment</b>	13	241	229	-90	247	338
Eurosysteem	-176	6	181	-134	8	141
Other MFIs	137	155	18	111	140	29
General government	19	-5	-24	-6	2	8
Other sectors	32	86	53	-61	98	159
<b>Reserve as sets</b>	-1	-1		25	25	

Source: ECB.

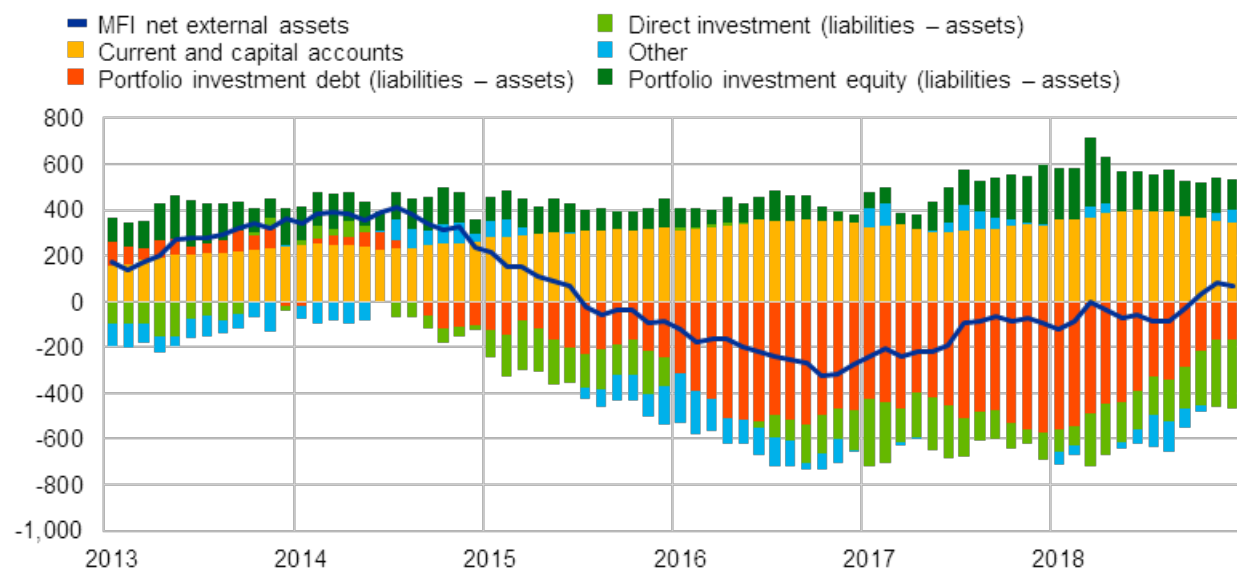
Notes: Decreases in assets and liabilities are shown with a minus sign. Net financial derivatives are reported under assets. "MFIs" stands for monetary financial institutions. Discrepancies between totals and their components may be due to rounding.

#### Data for the financial account of the euro area

In *other investment*, euro area residents' net acquisitions of foreign assets slightly increased to €247 billion in 2018 (compared with €241 billion in 2017), while net incurrences of liabilities increased to €338 billion, from €229 billion in 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. 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 €69 billion in 2018. This increase was mainly driven by the euro area's *current and capital accounts* surplus and, to a lesser extent, by non-MFIs' net inflows in *portfolio investment equity*. This was partly offset by euro area non-MFIs' net outflows in *direct investment* and *portfolio investment debt securities*.

In December 2018 the *Eurosystem's* stock of *reserve assets* increased to €719.1 billion, from €700.4 billion in the previous month (see Table 3). This increase (€18.7 billion) was mainly driven by positive price changes (€16.8 billion) and to a lesser extent by net acquisitions of assets (€3.2 billion), which were only partly offset by negative exchange rate changes (€1.3 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)

	November 2018	December 2018			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
<b>Reserve assets</b>	<b>700.4</b>	<b>3.2</b>	<b>-1.3</b>	<b>16.8</b>	<b>719.1</b>
Monetary gold	372.3	0.0	-	16.1	388.5
Special drawing rights	51.7	0.2	-0.1	-	51.8
Reserve position in the IMF	21.0	1.2	0.0	-	22.1
Other reserve assets	255.4	1.8	-1.2	0.7	256.7

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 October and November 2018. The revisions to the October 2018 data did not significantly alter the figures previously published. However, revisions to the November 2018 data have had an impact on the previously published values for direct and other investment.

#### Next press releases:

- monthly balance of payments: 22 March 2019 (reference data up to January 2019)
- quarterly balance of payments and international investment position: 4 April 2019 (reference data up to the fourth quarter of 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.

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