

Press release

19 November 2020

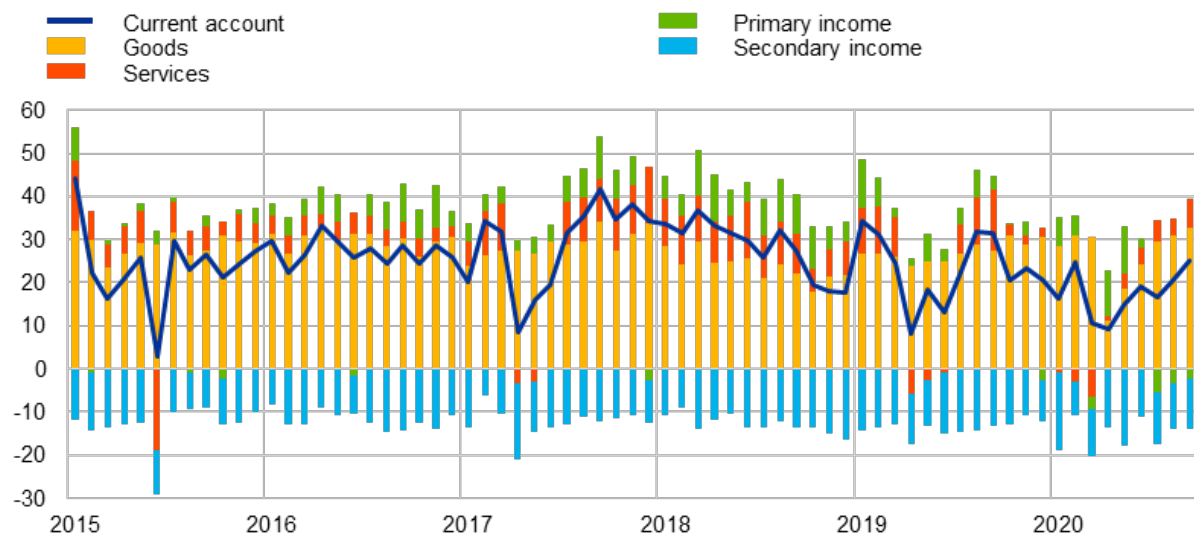
Euro area monthly balance of payments: September 2020

- [Current account](#) recorded €25 billion surplus in September 2020, up from €21 billion in previous month
- [Current account](#) surplus amounted to €222 billion (1.9% of euro area GDP) in 12 months to September 2020, down from €270 billion (2.3%) one year earlier
- In [financial account](#), euro area residents' net acquisitions of foreign portfolio investment securities totalled €462 billion and non-residents' net acquisitions of euro area portfolio investment securities totalled €384 billion in 12 months to September 2020

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 €25 billion in September 2020, increasing by €4 billion from the previous month (see Chart 1 and Table 1). Surpluses were recorded for *goods*

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(€33 billion) and *services* (€7 billion). Deficits were recorded for *secondary income* (€12 billion) and *primary income* (€2 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						
		September 2019		September 2020		Sep 2019	Aug 2020	Sep 2020
		% of GDP		% of GDP				
Current account	Balance	270	2.3%	222	1.9%	32	21	25
	Credit	4,350	36.7%	3,963	34.4%	368	312	323
	Debit	4,079	34.4%	3,742	32.5%	336	291	298
Goods	Balance	298	2.5%	327	2.8%	27	31	33
	Credit (exports)	2,394	20.2%	2,218	19.2%	202	183	190
	Debit (imports)	2,096	17.7%	1,890	16.4%	175	152	158
Services	Balance	72	0.6%	20	0.2%	14	4	7
	Credit (exports)	984	8.3%	884	7.7%	84	64	68
	Debit (imports)	912	7.7%	865	7.5%	70	61	62
Primary income	Balance	65	0.5%	22	0.2%	3	-3	-2
	Credit	859	7.2%	749	6.5%	72	56	54
	Debit	794	6.7%	727	6.3%	69	59	57
Secondary income	Balance	-164	-1.4%	-147	-1.3%	-13	-11	-12
	Credit	113	0.9%	113	1.0%	9	9	10
	Debit	277	2.3%	260	2.3%	23	20	21

Source: ECB.

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

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

In the 12 months to September 2020, the *current account* recorded a surplus of €222 billion (1.9% of euro area GDP), compared with a surplus of €270 billion (2.3% of euro area GDP) in the 12 months to September 2019. This decline was driven by reductions in the surpluses for *services* (down from €72 billion to €20 billion) and for *primary income* (down from €65 billion to €22 billion). These developments were partly offset by a larger surplus for *goods* (up from €298 billion to €327 billion) and a smaller deficit for *secondary income* (down from €164 billion to €147 billion).

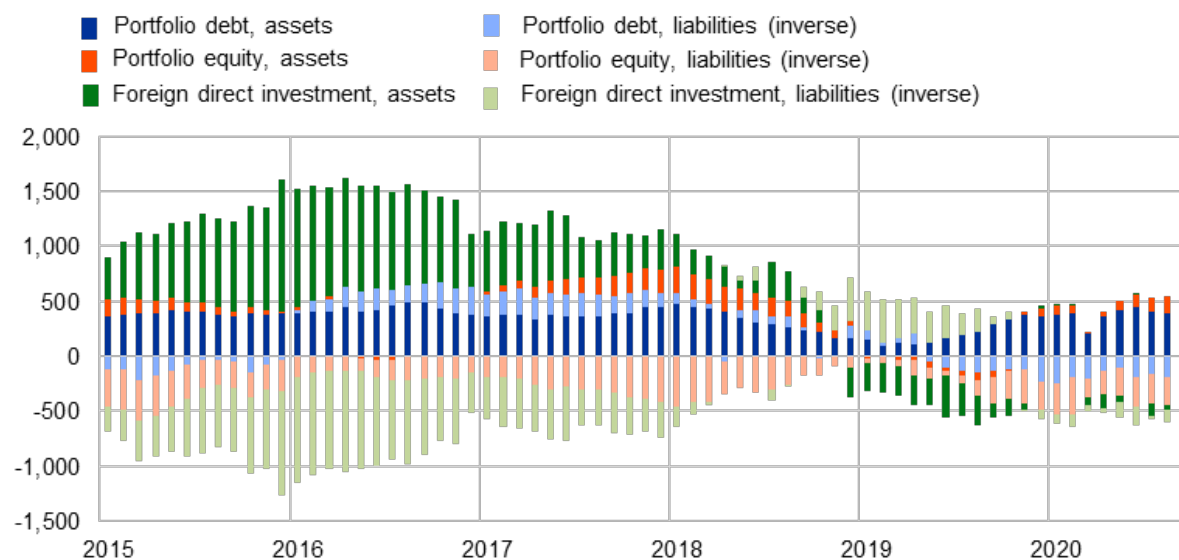
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Chart 2
Selected items of the euro area financial account

(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 disinvestments of €111 billion in non-euro area assets in the 12-month period to September 2020, following net disinvestments of €125 billion in the 12 months to September 2019 (see Chart 2 and Table 2). Non-residents made net investments in euro area assets of €97 billion in the 12-month period to September 2020, after net disinvestments of €75 billion in the 12 months to September 2019.

In *portfolio investment*, net purchases of foreign *debt securities* by euro area residents decreased to €283 billion in the 12-month period to September 2020, following net purchases of €291 billion in the 12 months to September 2019. Over the same period, euro area residents made net purchases of foreign *equity* of €179 billion, after recording net sales of €64 billion in the 12 months to September 2019. Non-residents made net purchases of euro area *debt securities* amounting to €207 billion in the 12 months to September 2020, following net purchases of €129 billion in the 12 months to September 2019. Over the same period, non-residents' net purchases of euro area *equity* decreased to €176 billion from €234 billion in the 12 months to September 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					
	September 2019			September 2020		
	Net	Assets	Liabilities	Net	Assets	Liabilities
Financial account	156	595	439	157	614	457
Direct investment	-50	-125	-75	-208	-111	97
Portfolio investment	-137	227	364	78	462	384
Equity	-298	-64	234	3	179	176
Debt securities	161	291	129	75	283	207
Financial derivatives (net)	16	16		76	76	
Other investment	315	466	151	203	179	-24
Eurosystem	32	13	-19	-56	2	58
Other MFIs	350	340	-10	59	-60	-119
General government	2	11	9	22	-2	-24
Other sectors	-69	102	171	178	239	61
Reserve assets	12	12		8	8	

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 decreased to €179 billion in the 12 months to September 2020 (following net acquisitions of €466 billion in the 12 months to September 2019), while non-euro area residents recorded net disposals of €24 billion in euro area assets, following net acquisitions of €151 billion.

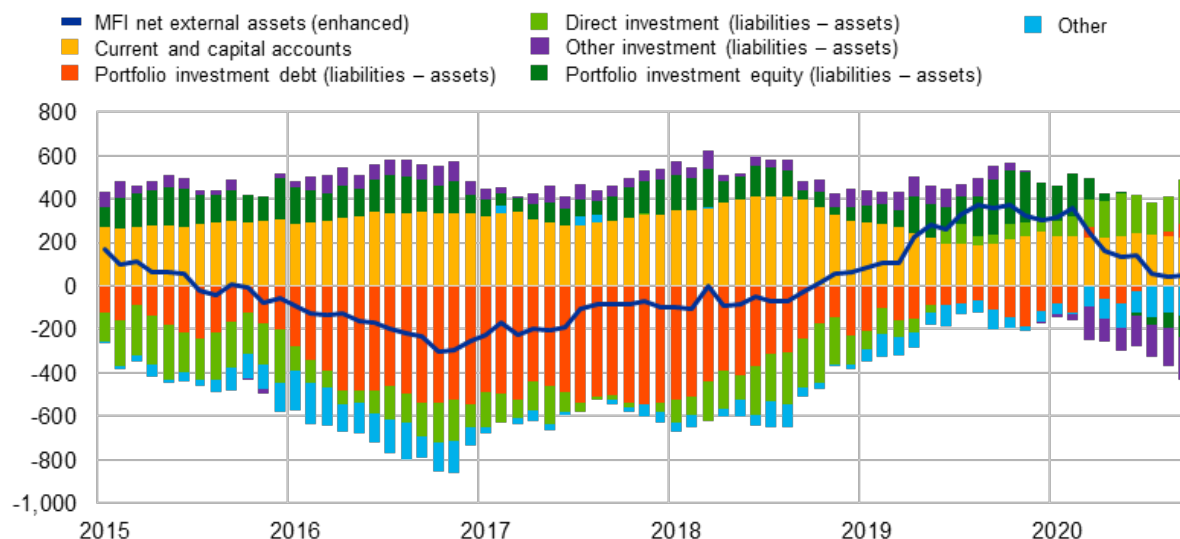
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Chart 3
Monetary presentation of the balance of payments

(EUR billions; 12-month cumulated data)



Source: ECB.

Notes: MFI net external assets (enhanced) incorporates an adjustment to the 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 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 €53 billion in the 12-month period to September 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, by euro area non-MFIs' net inflows in *portfolio investment debt securities*. These developments were partly offset by euro area non-MFIs' net outflows in *other investment, portfolio investment equity* and *other* flows.

In September 2020 the Eurosystem's stock of *reserve assets* decreased to €909.6 billion, down from €915.0 billion in the previous month (see Table 3). This decrease was mainly driven by negative price changes of monetary gold (€12.8 billion) and partly offset by positive exchange rate changes (€5.2 billion) and net acquisitions of assets (€2.6 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)

	August 2020	September 2020			
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Amounts outstanding
Reserve assets	915.0	2.6	5.2	-13.2	909.6
Monetary gold	570.2	0.0	-	-12.8	557.4
Special drawing rights	50.9	0.0	0.6	-	51.4
Reserve position in the IMF	28.4	0.7	0.4	-	29.5
Other reserve assets	265.6	1.9	4.2	-0.4	271.3

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 and August 2020. In addition, it includes revisions to the seasonally adjusted series for the components of the current account from January 2008 due to the incorporation of newly estimated seasonal and calendar factors. These revisions did not significantly alter the figures previously published.

Next releases:

- Monthly balance of payments: 18 December 2020 (reference data up to October 2020)
- Quarterly balance of payments and international investment position: 12 January 2021 (reference data up to the third quarter of 2020)

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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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