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Second estimate for the fourth quarter of 2014

EU28 current account surplus €38.7 billion

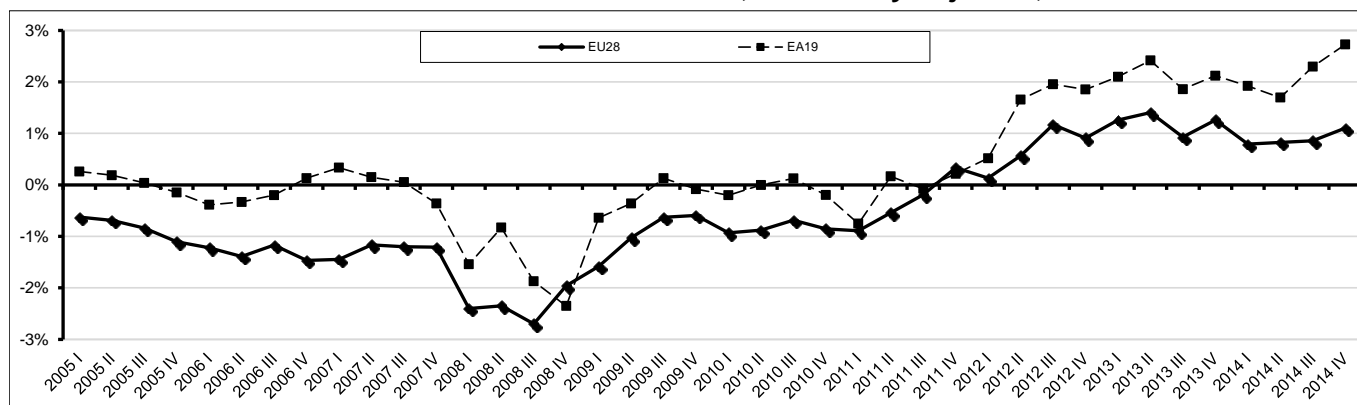
€37.0 bn surplus for trade in services

This News Release is the last with quarterly data for the EU28 current account. Starting with the data for January 2015, published on 20 March 2015, Eurostat now releases monthly EU28 current account data.

The **EU28**¹ seasonally adjusted external current account² recorded a surplus of €38.7 billion (1.1% of GDP) in the fourth quarter of 2014, up from a surplus of €29.9 bn (0.9% of GDP) in the third quarter of 2014 and down from a surplus of €43.0 bn (1.3% of GDP) in the fourth quarter of 2013, according to a second estimate³ released by **Eurostat, the statistical office of the European Union**.

In the fourth quarter of 2014 compared with the third quarter of 2014, based on seasonally adjusted data, the surpluses of the goods account (from +€10.9 bn to +€25.1 bn) and services account (from +€35.7 bn to +€37.0 bn) both increased. The surplus of the primary income account moved into deficit (from +€1.3 bn to -€4.1 bn) and the deficit of the secondary income account increased (from -€18.0 bn to -€19.3 bn).

EU and euro area current account balance, seasonally adjusted, as % of GDP



Balance of payments euro-indicators for the EU28 and the euro area (EA19), seasonally adjusted
(in bn euro)

EU28	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014
Current account balance	43.0	27.2	28.5	29.9	38.7
Balance of trade in goods	13.2	5.2	3.5	10.9	25.1
Balance of trade in services	39.7	39.6	39.3	35.7	37.0
Current account balance as % of GDP	1.3%	0.8%	0.8%	0.9%	1.1%
EA19					
Current account balance	53.0	48.3	42.7	58.1	69.4
Balance of trade in goods	54.7	54.1	56.0	61.7	75.4
Balance of trade in services	17.7	18.9	17.3	16.8	12.0
Current account balance as % of GDP	2.1%	1.9%	1.7%	2.3%	2.7%

Source: Eurostat for EU28 data, ECB⁴ for euro area

Financial account⁵

Based on non-seasonally adjusted data, in the fourth quarter of 2014, **EU28** investors invested €60.5 bn in direct investment assets held abroad, compared with investment of €274.5bn in the fourth quarter of 2013. Direct investment liabilities of the **EU28** to the rest of the world increased by €34.9 bn, compared with an increase of €215.1 bn in the same quarter of 2013. Portfolio investment recorded a net outflow of €42.6 bn, compared with an inflow of €99.3 bn in the fourth quarter of 2013.

Current account of Member States (including intra-EU flows)

As concerns the total (intra-EU plus extra-EU) current account balances of the EU28 Member States⁶, based on non-seasonally adjusted data, eighteen recorded surpluses, eight deficits and two were in balance in the fourth quarter of 2014. The highest surpluses were observed in **Germany** (+€67.3 bn), **Italy** (+€14.4 bn), the **Netherlands** (+€12.5 bn), **Spain** (+€7.3 bn) and **Sweden** (+€6.9 bn) and the largest deficits in the **United Kingdom** (-€27.1 bn), **Greece** (-€2.1 bn) and **Poland** (-€2.0 bn).

1. The European Union (EU28) includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

Up to 31 December 2014 the euro area (EA18) included Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. From 1 January 2015 the euro area (EA19) also includes Lithuania.

2. The balance of payments is based on a double entry system, therefore the sum of the balances of the current account, the capital account and the financial account is in principle equal to zero, any discrepancy being due to statistical errors.

The *current account* covers all transactions occurring between resident and non-resident entities, and refers to international trade in goods and services, as well as primary and secondary income.

The *capital account* comprises capital transfers, which involve the transfer of ownership of fixed assets, and the acquisition and disposal of non-produced, non-financial assets, which include tangible assets that are not produced (such as subsoil assets) as well as intangible assets (patents, copyrights, trademarks, etc).

The *financial account* records transactions that involve financial assets and liabilities, and take place between residents and non-residents and is further subdivided into direct investment, portfolio investment, other investment, financial derivatives and reserve assets (for which the EU aggregate is not compiled, as the European Union is not a monetary union). *International investment position* statistics record the financial assets and liabilities position of a country vis-à-vis the rest of the world. Data cover stocks of direct and portfolio investments, financial derivatives and other investment and reserve assets.

Further details of the statistical concepts and definitions used can be found on the Eurostat website at:

http://ec.europa.eu/eurostat/cache/metadata/en/bop_6_esms.htm

3. Compared with the first estimate for the fourth quarter of 2014, published in News Release 32/2015 of 20 February 2015, the seasonally adjusted balance of the EU28 current account surplus has been revised from €33.4 bn to €38.7 bn. That first estimate was based on the sum of monthly figures provided by the Member States to Eurostat and was provisional. This second release is based on more detailed quarterly data, transmitted to Eurostat by the Member States 85 days after the reference quarter. These data may also be subject to revision when data for later quarters are transmitted by the Member States.

4. In line with the agreed allocation of responsibility, the European Central Bank (ECB) (www.ecb.int, section statistics/statistical press releases) is in charge of compiling and disseminating monthly and quarterly balance of payments statistics for the euro area, whereas the European Commission (Eurostat) focuses on monthly, quarterly and annual aggregates of the EU. The aggregates for the euro area and the EU are compiled consistently on the basis of Member States' transactions with residents of countries outside the euro area and the European Union respectively.

5. Due to the limited coverage of data compiled according to the new methodology, the full geographical breakdown of the EU balance of payments is not available for this News Release.

6. All the figures, including data for individual Member States and detailed breakdowns of non-seasonally adjusted data, can be downloaded free of charge from the balance of payments section of the Eurostat web site:

<http://ec.europa.eu/eurostat/web/balance-of-payments/data>

Sums of components and data of different periodicity may not add up due to rounding. **Please note that data for the individual Member States include all transactions with other countries (both intra-EU and extra-EU), while data published for the EU and euro area include only extra-EU and extra-euro area transactions respectively.**

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EU28 current account – working day and seasonally adjusted (in € bn)

	Q4/2013			Q1/2014			Q2/2014			Q3/2014			Q4/2014		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	759.0	716.0	43.0	748.6	721.4	27.2	762.2	733.7	28.5	772.6	742.7	29.9	788.7	750.0	38.7
- Goods	420.5	407.2	13.2	413.6	408.4	5.2	415.5	411.9	3.5	423.7	412.8	10.9	433.1	408.1	25.1
- Services	177.6	137.8	39.7	178.7	139.1	39.6	182.3	143.1	39.3	183.4	147.7	35.7	190.0	153.0	37.0
- Primary income	142.6	133.0	9.7	138.6	137.0	1.6	145.9	139.2	6.7	145.9	144.6	1.3	147.2	151.3	-4.1
- Secondary income	18.3	37.9	-19.6	17.7	36.9	-19.2	18.6	39.5	-20.9	19.6	37.6	-18.0	18.4	37.6	-19.3

Source: Eurostat

EU28 financial account – not working day and seasonally adjusted (in € bn)

	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014
NET DIRECT INVESTMENT	59.4	-74.1	6.2	10.2	25.6
- direct investment assets abroad	274.5	-39.9	0.6	70.0	60.5
- direct investment liabilities in the EU	215.1	34.2	-5.6	59.9	34.9
NET PORTFOLIO INVESTMENT	-99.3	-12.0	-73.3	25.1	42.6
- portfolio investment assets	55.0	44.5	141.0	88.5	88.1
- portfolio investment liabilities	154.3	56.5	214.2	63.4	45.5
NET OTHER INVESTMENT	61.0	75.2	26.0	-15.8	20.1
- other investment assets	14.5	165.9	55.9	56.5	-54.6
- other investment liabilities	-46.5	90.8	29.9	72.2	-74.8
NET FINANCIAL DERIVATIVES	11.6	7.1	-19.9	34.3	-36.6

Source: Eurostat

Current account and trade in services balances - national data (intra-EU + extra-EU) – not working day and seasonally adjusted (in € bn)

	Current account balance					Balance of trade in services				
	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014
Belgium	3.8	0.8	3.3	-2.3	5.6	2.7	3.0	2.6	-1.8	1.4
Bulgaria	-0.5	-0.1	0.0	1.1	-0.6	0.3	0.3	0.7	1.8	0.3
Czech Republic	-0.2	3.0	-1.1	-1.2	0.2	0.6	0.7	0.6	0.4	0.3
Denmark	5.5	1.7	4.0	5.4	4.8	1.6	1.2	1.3	2.0	1.8
Germany	60.2	49.5	46.7	56.2	67.3	-6.7	-7.2	-8.0	-16.6	-7.3
Estonia	0.0	-0.2	0.1	0.0	0.1	0.3	0.2	0.4	0.4	0.4
Ireland	2.8	1.0	2.9	3.8	3.7	0.2	-1.2	-1.0	-0.8	-3.6
Greece	-1.3	-1.2	-0.2	5.1	-2.1	2.7	1.9	4.8	10.0	2.9
Spain	5.8	-3.7	0.1	4.7	7.3	10.5	8.5	12.1	17.1	11.0
France	-7.0	-10.5	-9.6	-1.5	0.5	4.0	1.5	5.1	5.9	2.3
Croatia	-1.7	-1.2	-0.4	3.3	-0.7	0.4	0.1	1.7	4.6	0.6
Italy	10.2	-0.9	6.2	10.4	14.4	-0.3	-1.9	1.6	2.2	-0.6
Cyprus	-0.2	-0.8	0.2	-0.2	-0.1	0.6	0.2	0.9	0.9	0.7
Latvia	-0.1	-0.2	-0.2	-0.3	-0.1	0.4	0.4	0.4	0.4	0.5
Lithuania	0.4	-0.1	0.0	0.2	0.0	0.3	0.3	0.4	0.4	0.4
Luxembourg	0.9	0.2	1.0	0.8	0.5	4.3	4.1	4.4	4.2	4.8
Hungary	0.6	1.4	0.5	1.7	0.7	0.7	1.0	1.3	1.6	1.1
Malta	0.0	-0.1	0.2	0.1	0.0	0.3	0.3	0.4	0.5	0.4
Netherlands	16.4	19.7	18.5	16.8	12.5	-1.2	-1.8	-1.7	-2.3	-0.5
Austria	1.2	1.1	-0.9	0.3	2.1	2.4	4.8	1.0	1.7	2.7
Poland	-1.3	-1.4	-0.8	-1.8	-2.0	1.9	1.7	2.1	1.9	2.3
Portugal	1.1	-0.8	0.1	1.2	0.5	2.7	1.8	2.8	4.0	2.4
Romania	-0.8	-0.3	-0.6	0.1	0.1	1.2	1.4	1.5	1.4	1.6
Slovenia	0.5	0.3	0.6	0.6	0.6	0.3	0.3	0.4	0.6	0.4
Slovakia	-0.3	0.4	0.2	-0.1	-0.5	0.0	0.0	0.1	0.1	0.0
Finland	-0.4	-1.9	-1.7	-0.5	0.4	-0.4	-0.5	-0.8	-0.1	-0.2
Sweden	9.2	9.4	8.4	8.9	6.9	2.6	1.7	1.9	1.6	1.7
United Kingdom	-25.7	-25.2	-26.5	-42.8	-27.1	24.2	23.5	27.9	23.9	31.3
Norway	11.2	12.6	6.2	5.4	7.7	-1.4	-1.4	-1.1	-2.5	-1.2
Montenegro	-0.3	-0.2	-0.3	0.2	-0.2	0.0	0.0	0.1	0.5	0.0
Former Yugoslav Republic of Macedonia	-0.1	-0.1	-0.1	0.1	0.0	0.1	0.1	0.0	0.2	0.1
Serbia	:	-0.5	-0.5	-0.5	-0.6	:	0.1	0.1	0.1	0.2
Turkey	-11.6	-8.5	-9.2	-5.1	-11.8	3.6	1.8	4.8	8.4	4.1

Source: Eurostat

: not available