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Second quarter of 2018

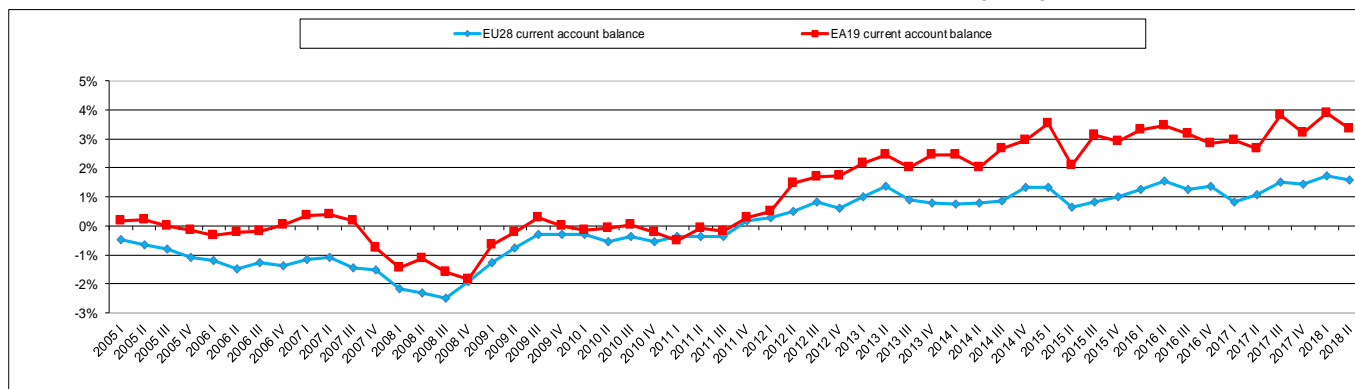
EU28 current account surplus €62.0 bn

€54.0 bn surplus for trade in services

The **EU28** seasonally adjusted current account of the balance of payments recorded a surplus of €62.0 billion (1.6% of GDP) in the second quarter of 2018, down from a surplus of €68.2 billion (1.7% of GDP) in the first quarter of 2018 and up from a surplus of €41.3 billion (1.1% of GDP) in the second quarter of 2017, according to estimates released by **Eurostat, the statistical office of the European Union**.

In the second quarter of 2018 compared with the first quarter of 2018, based on seasonally adjusted data, the surplus of the goods account decreased (+€24.6 bn compared to +€37.7 bn). The surplus of the services account grew (+€54.0 bn compared to +€50.6 bn), as did the surplus in the primary income account (+€5.1 bn compared to +€0.8 bn). The deficit of the secondary income account increased (-€21.8 bn compared to -€20.9 bn), as did the deficit of the capital account (-€3.5 bn compared to -€1.6 bn).

EU28 and EA19 current account balance, calendar and seasonally adjusted, as % of GDP



EU28 current and capital account – calendar and seasonally adjusted (in bn euro)

	Q2 2017			Q3 2017			Q4 2017			Q1 2018			Q2 2018		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	875.6	834.3	41.3	878.3	820.6	57.7	903.7	848.3	55.4	912.4	844.2	68.2	922.8	860.8	62.0
- Goods	476.8	445.6	31.2	477.4	439.8	37.6	490.9	452.6	38.3	495.0	457.3	37.7	492.4	467.8	24.6
- Services	216.0	173.7	42.3	218.0	168.8	49.2	220.9	174.1	46.9	222.9	172.3	50.6	223.4	169.4	54.0
- Primary income	160.2	166.7	-6.4	159.2	166.5	-7.3	167.1	175.3	-8.1	170.6	169.8	0.8	184.6	179.5	5.1
- Secondary income	22.5	48.3	-25.8	23.7	45.6	-21.9	24.7	46.4	-21.7	23.9	44.8	-20.9	22.5	44.2	-21.8
Current account as % of GDP	22.9%	21.8%	1.1%	22.8%	21.3%	1.5%	23.2%	21.8%	1.4%	23.3%	21.5%	1.7%	23.3%	21.8%	1.6%
CAPITAL ACCOUNT	3.6	13.8	-10.2	3.1	12.1	-9.0	2.4	6.4	-4.0	3.0	4.6	-1.6	2.6	6.0	-3.5

Source: Eurostat

Balance of payments euro-indicators for EA19, seasonally adjusted (bn euro)

EA19	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Current account balance	74.7	107.2	91.2	111.6	97.1
Balance of trade in goods	80.3	88.0	89.9	89.9	77.1
Balance of trade in services	22.6	28.2	27.5	29.7	30.9
Balance of primary income	13.9	29.2	7.4	23.1	25.2
Balance of secondary income	-42.1	-38.1	-33.6	-31.1	-36.1
Current account balance as % of GDP	2.7%	3.8%	3.2%	3.9%	3.4%

Source: ECB

Main partners

In the second quarter of 2018, based on non-seasonally adjusted data, the **EU28** recorded external current account surpluses with the **USA** (+€44.7 bn), **Switzerland** (+€16.0 bn), **offshore financial centres** (+€10.5 bn), **Hong Kong** (+€7.8 bn), **Canada** (+€6.7 bn), **Brazil** (+€5.4 bn) and **India** (+€0.3 bn). Deficits were registered with **China** (-€17.3 bn), **Russia** (-€9.5 bn) and **Japan** (-€6.2 bn).

Financial account

Based on non-seasonally adjusted data, direct investment assets of the **EU28** dropped in the second quarter of 2018 by €60.4 bn, as did direct investment liabilities by €37.7 bn. As a result, the **EU28** was a net recipient of direct investment in the second quarter of 2018 by €22.7 bn. Portfolio investment recorded a net inflow of €90.5 bn, and for other investment there was a net outflow of €37.2 bn.

EU28 financial account – neither calendar nor seasonally adjusted (net change in assets/liabilities in bn euro)

	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
NET FINANCIAL ACCOUNT	149.8	166.8	6.7	90.7	-61.6
- FINANCIAL ACCOUNT ASSETS	204.1	219.4	129.8	414.6	-79.1
- FINANCIAL ACCOUNT LIABILITIES	54.3	52.6	123.2	324.0	-17.5
- Net direct investment	88.3	64.6	-93.4	97.9	-22.7
- assets	55.7	-69.9	-5.0	58.0	-60.4
- liabilities	-32.5	-134.5	88.4	-40.0	-37.7
- Net portfolio investment	82.4	83.9	-8.9	28.4	-90.5
- assets	167.0	165.3	61.9	153.4	-49.9
- liabilities	84.6	81.4	70.7	125.0	40.5
- Net other investment	-20.5	-2.6	106.4	-62.6	37.2
- assets	-18.3	103.1	70.5	176.3	16.8
- liabilities	2.2	105.8	-35.9	238.9	-20.3
- Net financial derivatives and employee stock options	5.3	7.2	-2.1	11.0	9.2
- Reserve assets	-5.6	13.8	4.5	15.9	5.1

Source: Eurostat

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 States, based on available non-seasonally adjusted data, sixteen recorded surpluses, eleven deficits and one was in balance in the second quarter of 2018. The highest surpluses were observed in **Germany** (+€63.8 bn), the **Netherlands** (+€16.8 bn), **Italy** (+€10.5 bn), **Ireland** (+€10.2 bn) and **Denmark** (+€3.6), and the largest deficits in the **United Kingdom** (-€20.7 bn), **Romania** (-€2.6 bn) and **Belgium** (-€2.4 bn).

Geographical information

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.

The **euro area** (EA19) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

Offshore Financial Centres (OFC) is an aggregate which includes 40 countries. As examples, the aggregate contains financial centres such as Liechtenstein, Guernsey, Jersey, the Isle of Man, Andorra, Gibraltar, Panama, Bermuda, the Bahamas, the Cayman Islands, British Virgin Islands, Bahrain, Hong Kong, Singapore and the Philippines.

Methods and definitions

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 and the acquisition and disposal of non-produced, non-financial assets. 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 employee stock options and reserve assets. Further details of the statistical concepts and definitions used can be found on the Eurostat website [here](#).

In line with the agreed allocation of responsibility, the European Central Bank (ECB) is in charge of compiling and disseminating monthly and quarterly balance of payments and quarterly international investment position statistics for the euro area, while 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.

Revisions and time table

The EU balance of payments estimates for the reference quarter are based on figures provided by the Member States to Eurostat 82 days (Euro Area Member States) or 85 days (non-Euro Area countries) after the end of the reference quarter, and should be considered as provisional. Figures may be subject to revision when data for later quarters are transmitted by the Member States.

A more limited set of monthly data is available in the Eurostat on-line database approximately 51 days after the end of the reference month. The publication timetable of balance of payments statistics for 2018 is available [here](#).

For more information

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EU28 geographical breakdown of selected balance of payments items – neither calendar nor seasonally adjusted (bn euro)

Partner	Period	Total Current Account			Goods			Services			Direct investment		
		Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Assets	Liabilities	Net
Total	Q2/2017	893.7	875.6	18.2	482.1	444.7	37.4	216.6	174.9	41.7	55.7	-32.5	88.3
	Q2/2018	942.5	905.9	36.6	497.8	466.9	30.9	223.9	170.5	53.4	-60.4	-37.7	-22.7
USA	Q2/2017	223.9	194.1	29.8	100.3	61.1	39.2	59.4	58.7	0.7	-4.3	-24.8	20.5
	Q2/2018	236.4	191.7	44.7	106.3	61.9	44.4	60.0	53.2	6.8	-103.8	-74.0	-29.8
Switzerland	Q2/2017	91.5	72.4	19.1	36.2	29.7	6.5	30.4	19.0	11.3	24.0	-1.2	25.2
	Q2/2018	91.2	75.2	16.0	36.3	28.1	8.2	29.0	15.0	14.1	33.8	15.7	18.1
China*	Q2/2017	71.8	94.8	-22.9	53.7	84.0	-30.4	11.6	7.2	4.4	-1.4	1.2	-2.6
	Q2/2018	75.5	92.8	-17.3	56.1	81.5	-25.4	11.9	7.3	4.6	2.0	2.2	-0.2
Russia	Q2/2017	34.3	38.6	-4.4	22.5	33.9	-11.4	7.0	3.1	3.9	-0.6	0.0	-0.5
	Q2/2018	33.9	43.4	-9.5	21.9	39.4	-17.5	6.4	3.4	3.1	-4.2	-2.2	-2.0
Japan	Q2/2017	31.1	38.8	-7.7	16.1	17.7	-1.6	8.1	4.5	3.6	2.1	5.2	-3.1
	Q2/2018	32.4	38.6	-6.2	16.2	18.0	-1.8	8.4	4.6	3.9	-4.0	-2.0	-2.0
Canada	Q2/2017	21.6	14.3	7.3	10.1	5.5	4.6	5.6	3.2	2.3	-1.1	0.0	-1.1
	Q2/2018	22.1	15.5	6.7	10.8	6.2	4.7	5.8	3.6	2.2	4.9	-1.9	6.8
Hong Kong	Q2/2017	19.1	12.6	6.5	9.9	6.3	3.7	3.4	2.9	0.5	-0.3	0.4	-0.7
	Q2/2018	19.7	11.9	7.8	10.1	5.5	4.6	3.3	3.0	0.3	0.6	0.5	0.2
India	Q2/2017	16.9	16.9	-0.1	10.9	11.2	-0.3	4.0	4.1	-0.1	0.6	0.7	0.0
	Q2/2018	17.7	17.4	0.3	11.4	11.3	0.0	4.2	4.4	-0.2	2.3	0.2	2.0
Brazil	Q2/2017	16.3	11.1	5.2	7.4	7.4	0.0	3.7	2.0	1.7	-4.1	0.0	-4.1
	Q2/2018	16.5	11.1	5.4	8.6	7.5	1.1	3.5	2.0	1.5	0.5	0.2	0.4
Offshore financial centres	Q2/2017	61.8	65.8	-4.0	23.9	13.0	10.8	14.7	25.1	-10.4	29.1	-20.9	50.0
	Q2/2018	77.8	67.3	10.5	27.7	13.7	14.0	16.3	27.5	-11.2	-22.3	7.6	-29.9
Other countries	Q2/2017	324.6	328.8	-4.2	201.1	181.1	20.0	72.2	48.0	24.2	11.3	7.3	4.1
	Q2/2018	339.0	353.0	-14.0	202.6	199.2	3.3	78.4	49.7	28.7	30.4	16.4	14.0

* excluding Hong Kong
Source: Eurostat

Current account and trade in services balances - national data (intra-EU + extra-EU) – neither calendar nor seasonally adjusted (bn euro)

	Current account balance					Trade in services balance				
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Belgium	1.1	1.0	0.1	1.2	-2.4	1.5	-0.3	1.7	0.9	-1.0
Bulgaria	0.7	2.6	-0.2	-0.1	0.1	0.5	1.9	0.2	0.3	0.7
Czech Republic	-0.3	-1.3	0.0	2.2	0.3	1.3	1.2	1.1	1.3	1.4
Denmark	6.4	5.3	5.0	2.0	3.6	0.8	0.9	0.6	-0.1	-0.2
Germany	53.6	63.1	73.4	71.1	63.8	-4.8	-11.8	-1.4	-0.6	-3.6
Estonia	0.1	0.3	0.3	-0.1	0.1	0.5	0.6	0.5	0.3	0.6
Ireland	-3.3	13.8	9.4	9.6	10.2	-9.6	0.7	-4.0	-1.3	-2.0
Greece	-0.5	4.5	-2.9	-2.9	-1.1	4.2	9.9	2.4	0.9	4.7
Spain	5.8	6.7	10.4	-2.1	2.2	15.3	19.1	12.3	8.9	15.0
France	-1.9	3.2	3.5	-12.9	-0.9	7.3	9.5	6.3	5.2	6.0
Croatia	0.1	3.9	-0.5	-2.0	0.2	2.4	5.9	0.6	0.3	2.4
Italy	9.9	17.4	15.5	5.0	10.5	0.1	1.8	-3.0	-2.6	0.8
Cyprus	0.1	0.3	-1.2	-0.1	-0.3	1.2	1.4	1.0	0.6	1.2
Latvia	-0.2	-0.2	0.3	0.2	0.0	0.6	0.6	0.6	0.5	0.6
Lithuania	-0.1	0.1	0.5	-0.2	-0.1	0.8	0.9	0.8	0.8	1.0
Luxembourg	-0.4	0.4	0.2	2.5	-0.9	5.3	5.2	6.0	5.5	5.6
Hungary	1.7	1.0	0.3	0.9	0.6	1.9	2.2	1.8	1.8	2.0
Malta	0.5	0.5	0.2	0.4	0.4	1.0	1.1	0.8	0.7	1.0
Netherlands	13.5	18.0	24.1	20.1	16.8	2.8	0.7	3.0	2.6	3.9
Austria	0.1	0.4	2.4	5.3	1.0	0.8	1.4	2.7	5.9	0.7
Poland	-0.1	0.0	-1.3	0.6	0.6	4.7	4.5	4.8	5.2	5.6
Portugal	-1.1	1.9	0.5	-0.4	-2.0	3.9	5.6	3.9	2.6	4.2
Romania	-2.7	-1.3	-1.2	-1.1	-2.6	2.1	2.2	2.0	1.8	1.9
Slovenia	0.7	1.0	0.7	0.7	1.0	0.7	0.8	0.6	0.6	0.8
Slovakia	-0.5	-0.7	-0.5	-0.2	-0.3	0.2	0.4	0.1	0.2	0.3
Finland	-1.5	0.4	0.4	-0.7	-2.1	-0.6	-0.3	0.1	-0.3	-0.7
Sweden	3.7	4.8	3.8	1.8	1.0	1.9	0.9	1.5	0.3	1.0
United Kingdom	-24.3	-25.9	-15.0	-20.7	-20.7	32.4	28.1	39.6	31.6	33.4
Iceland	0.1	0.5	0.0	0.0	0.0	0.5	0.9	0.4	0.3	0.4
Norway	6.3	3.5	3.5	7.8	8.5	1.1	1.8	0.2	0.5	1.0
Switzerland	18.8	12.7	13.5	15.0	18.9	3.7	4.7	2.9	5.0	3.9
Montenegro	-0.3	0.3	-0.4	-0.3	-0.3	0.2	0.6	0.0	0.0	0.2
Former Yugoslav Republic of Macedonia	-0.1	0.2	-0.1	-0.1	0.0	0.0	0.2	0.1	0.1	0.1
Albania	-0.3	-0.1	-0.3	-0.2	-0.2	0.2	0.4	0.2	0.3	0.3
Serbia	-0.3	-0.4	-0.7	-0.7	-0.3	0.2	0.2	0.3	0.2	0.2
Turkey	-11.7	-8.6	-13.6	-13.3	-12.6	3.5	8.5	3.7	2.4	4.3
Kosovo*	-0.3	0.2	-0.2	-0.1	-0.3	0.1	0.6	0.1	0.1	0.1

* Kosovo, under United Nations Security Council Resolution 1244/99.

Source: Eurostat