

Statistical release

04 July 2024

Euro area quarterly balance of payments and international investment position: first quarter of 2024

- **Current account** surplus at €307 billion (2.1% of euro area GDP) in four quarters to first quarter of 2024, after €33 billion deficit (0.2% of GDP) a year earlier.
- **Goods trade** showed deficit in energy products of €299 billion in four quarters to first quarter of 2024, declining from €530 billion a year earlier.
- **Geographical counterparts**: largest bilateral current account surpluses vis-à-vis United Kingdom (€218 billion) and Switzerland (€59 billion) and largest deficits vis-à-vis China (€109 billion) and United States (€36 billion).
- **International investment position** showed net assets of €592 billion (4.1% of euro area GDP) at end of first quarter of 2024.

Current account

The *current account* of the euro area recorded a surplus of €307 billion (2.1% of euro area GDP) in the four quarters to the first quarter of 2024, after recording a deficit of €33 billion (0.2% of GDP) a year earlier (Table 1). This development was mainly driven by a shift from a deficit (€43 billion) to a surplus (€305 billion) for *goods* and, to a lesser extent, by a decrease in the deficit for *secondary income* from €169 billion to €164 billion. These developments were partly offset by reductions in the surpluses for *services* (from €136 billion to €128 billion) and for *primary income* (from €43 billion to €37 billion).

Newly released estimates on goods trade broken down by product group show that, in the four quarters to the first quarter of 2024, the shift in the goods balance from a deficit to a surplus was due mainly to a smaller deficit in *energy* products (from €530 billion to €299 billion). In addition, the surplus

for *machinery and manufactured* products increased from €207 billion to €300 billion, while the deficit for *other* products declined from €39 billion to €3 billion.

The lower surplus for *services* was mainly due to a change from a surplus of €22 billion to a deficit of €1 billion for *transport* and widening deficits for *other business services* (from €52 billion to €63 billion) as well as for *other services* (from €50 billion to €62 billion). This was partly offset by larger surpluses for *telecommunication, computer and information* (from €151 billion to €172 billion) and for *travel* (from €47 billion to €58 billion).

The decrease in the *primary income* surplus was mainly due to a larger deficit in *portfolio equity* (from €122 billion to €160 billion), partly offset by a larger surplus in *direct investment* (from €69 billion to €94 billion).

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Table 1

Current account of the euro area

(EUR billions, unless otherwise indicated; transactions during the period; non-working day and non-seasonally adjusted)

	Cumulated figures for the four-quarter period ending							
	Q1 2023			Q1 2024			Q1 2023	Q1 2024
	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Balance
Current account	-33	5,615	5,647	307	5,664	5,357	28	105
<i>Percentage of GDP</i>	-0.2%	40.8%	41.0%	2.1%	39.0%	36.9%		
Goods	-43	3,013	3,056	305	2,877	2,572	45	102
Food, beverages and tobacco	59	237	178	56	231	175	14	14
Energy	-530	200	730	-299	146	445	-94	-66
Chemicals	261	624	363	251	575	324	68	72
Machinery and manufactured	207	1,830	1,624	300	1,812	1,512	62	82
Other	-39	122	161	-3	113	116	-5	0
Services	136	1,326	1,190	128	1,368	1,240	15	23
Transport	22	250	227	-1	206	207	-2	-2
Travel	47	164	117	58	194	135	3	6
Insurance, pension and financial	17	131	114	24	144	121	6	5
Telecommunication, computer and information	151	256	104	172	284	112	36	44
Other business	-52	310	362	-63	323	386	-13	-12
Other	-50	216	266	-62	218	280	-16	-20
Primary income	43	1,104	1,061	37	1,239	1,202	15	23
Compensation of employees	27	53	26	28	55	28	8	8
Investment income	14	1,011	996	11	1,153	1,142	0	13
Direct investment	69	615	546	94	625	531	0	12
Portfolio equity	-122	110	232	-160	112	272	-21	-20
Portfolio debt	49	151	102	52	185	133	16	14
Other investment	10	126	116	12	219	207	2	4
Reserve assets	8	8		13	13		3	3
Other primary income	2	41	39	-2	31	33	6	2
Secondary income	-169	172	341	-164	179	343	-46	-42

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. Goods by product group is an estimated breakdown using a method based on statistics on international trade in goods. Discrepancies between totals and their components may arise from rounding.

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

Data on the geographical counterparts of the euro area current account (Chart 1) show that in the four quarters to the first quarter of 2024, the euro area recorded its largest bilateral surpluses vis-à-vis the *United Kingdom* (€218 billion, up from €162 billion a year earlier) and *Switzerland* (€59 billion, down from €85 billion). It also recorded a surplus vis-à-vis the residual group of *other countries* of €140 billion, after a €39 billion deficit a year earlier. The largest bilateral deficits were recorded vis-à-vis *China* (€109 billion, down from €154 billion a year earlier) and the *United States* (€36 billion, down from €52 billion).

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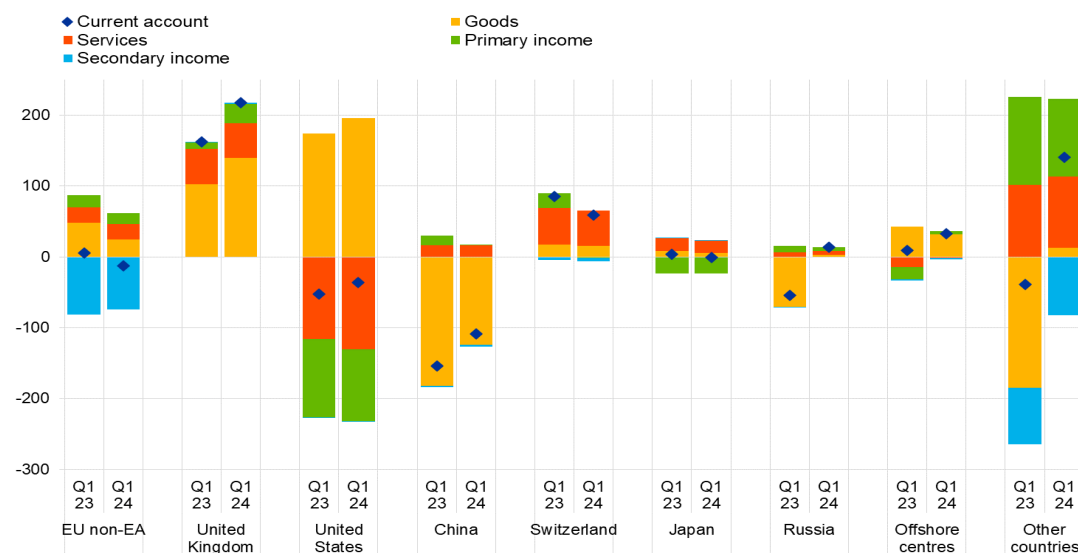
The most significant changes in the geographical components of the current account in the four quarters to the first quarter of 2024 relative to the previous year were as follows. The *goods* balance vis-à-vis *Russia* shifted from a deficit (€70 billion) to a surplus (€3 billion), while the deficit vis-à-vis *China* declined from €182 billion to €124 billion. Furthermore, the deficit vis-à-vis the residual group of *other countries* shifted from a deficit (€185 billion) to a surplus (€13 billion), which was partly due to a smaller deficit with Norway (from €77 billion to €31 billion) and a shift from a deficit (€8 billion) to a surplus (€5 billion) vis-à-vis Saudi Arabia. The surplus in *goods* vis-à-vis *EU Member States and EU institutions outside the euro area* decreased from €48 billion to €25 billion, while it increased vis-à-vis the *United Kingdom* (from €103 billion to €140 billion) and the *United States* (from €175 billion to €196 billion).

In *services*, the deficit vis-à-vis the *United States* increased (from €115 billion to €131 billion), while the deficit vis-à-vis *Offshore centres* declined from €14 billion to €2 billion. In *primary income*, there were recorded shifts from a surplus (€21 billion) to a deficit (€2 billion) vis-à-vis *Switzerland*, and from a deficit (€17 billion) to a surplus (€4 billion) vis-à-vis *Offshore centres*. The deficit in *secondary income* vis-à-vis the *EU Member States and EU institutions outside the euro area* decreased (from €81 billion to €74 billion).

Chart 1

Geographical breakdown of the euro area current account balance

(four-quarter moving sums in EUR billions; non-seasonally adjusted)



Source: ECB.

Note: "EU non-EA" comprises the non-euro area EU Member States and those EU institutions and bodies that are considered for statistical purposes as being outside the euro area, such as the European Commission and the European Investment Bank. "Other countries" includes all countries and country groups not shown in the chart, as well as unallocated transactions.

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

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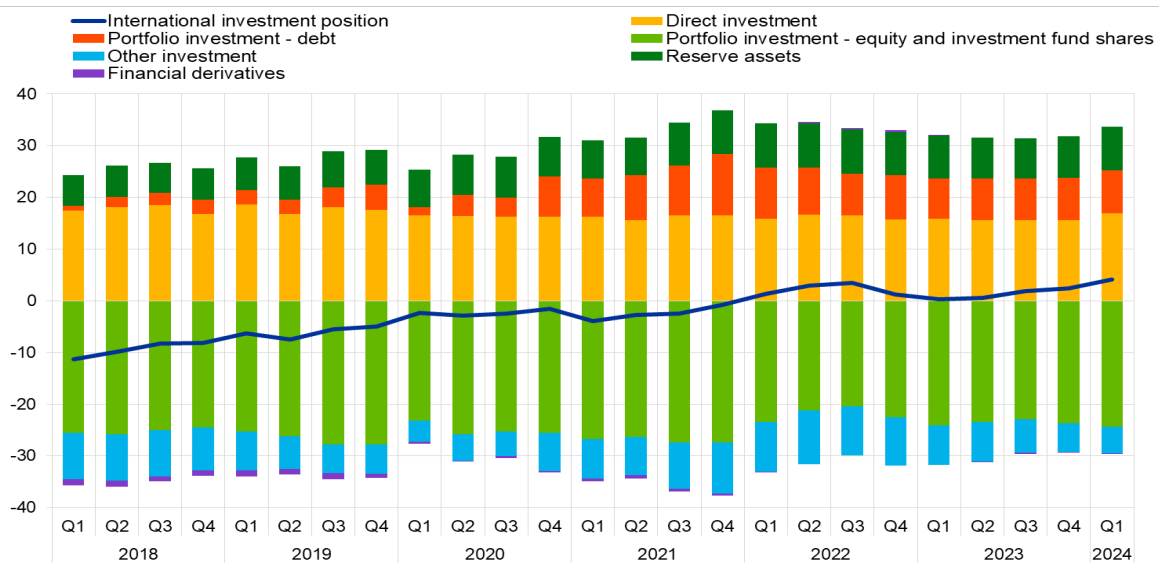
International investment position

At the end of the first quarter of 2024, the *international investment position* of the euro area recorded net assets of €592 billion vis-à-vis the rest of the world (4.1% of euro area GDP), up from €348 billion in the previous quarter (Chart 2 and Table 2).

Chart 2

Net international investment position of the euro area

(net amounts outstanding at the end of the period as a percentage of four-quarter moving sums of GDP)



Source: ECB.

[Data for the net international investment position of the euro area](#)

The €244 billion increase in net assets was mainly driven by larger net assets in *direct investment* (up from €2.24 trillion to €2.45 trillion). Moreover, larger net assets were recorded in *reserve assets* (up from €1.15 trillion to €1.22 trillion) and in *portfolio debt* (up from €1.18 trillion to €1.22 trillion), while lower net liabilities were recorded in *other investment* (down from €0.79 trillion to €0.75 trillion). These developments were partly offset by an increase in net liabilities in *portfolio equity* (from €3.41 trillion to €3.52 trillion).

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Table 2

International investment position of the euro area

(EUR billions, unless otherwise indicated; amounts outstanding at the end of the period, flows during the period; non-working day and non-seasonally adjusted)

	Q4 2023	Q1 2024						
	Amounts outstanding	Transactions	Exchange rate changes	Price changes	Other volume changes	Amounts outstanding	% GDP	
Net	348	112	37	-63	158	592	4.1	
of which: Direct investment	2,243	68	5	52	81	2,449	16.9	
of which: Portfolio equity	-3,414	15	-29	-176	81	-3,523	-24.3	
of which: Portfolio debt	1,178	-31	32	18	23	1,220	8.4	
of which: Other investment	-791	47	24	-1	-32	-753	-5.2	
Assets	32,190	564	245	491	91	33,581	231.4	
Direct investment	11,940	118	73	69	56	12,256	84.5	
of which: SPEs	3,239	41				3,342	23.0	
Portfolio equity	6,122	38	42	399	40	6,640	45.8	
Portfolio debt	6,325	137	50	-21	12	6,503	44.8	
Financial derivatives	-15	11		-17	5	-16	-0.1	
Other investment	6,671	259	76	0	-22	6,983	48.1	
Reserve assets	1,148	1	5	61	0	1,215	8.4	
Liabilities	31,842	452	209	554	-67	32,989	227.4	
Direct investment	9,697	50	68	18	-25	9,807	67.6	
of which: SPEs	3,061	52				3,149	21.7	
Portfolio equity	9,536	23	71	575	-41	10,163	70.0	
Portfolio debt	5,147	167	19	-39	-11	5,283	36.4	
of which: SPEs	557	-5				553	3.8	
Other investment	7,462	212	52	1	10	7,736	53.3	
Gross external debt	16,048					16,537	114.0	

Source: ECB.

Notes: "Equity" comprises equity and investment fund shares. Net financial derivatives are reported under assets. "Other volume changes" mainly reflect reclassifications and data enhancements. Discrepancies between totals and their components may arise from rounding.

[Data for the international investment position of the euro area](#)

The developments in the euro area's net international investment position in the first quarter of 2024 were driven mainly by transactions and positive net flows due to other volume changes and exchange rate changes which were partly offset by price changes (Table 2 and Chart 3).

At the end of the first quarter of 2024, direct investment assets of special purpose entities (SPEs) amounted to €3.34 trillion (27% of total euro area direct investment assets), up from €3.24 trillion at the end of the previous quarter (Table 2). Over the same period, direct investment liabilities of SPEs increased from €3.06 trillion to €3.15 trillion (32% of total direct investment liabilities).

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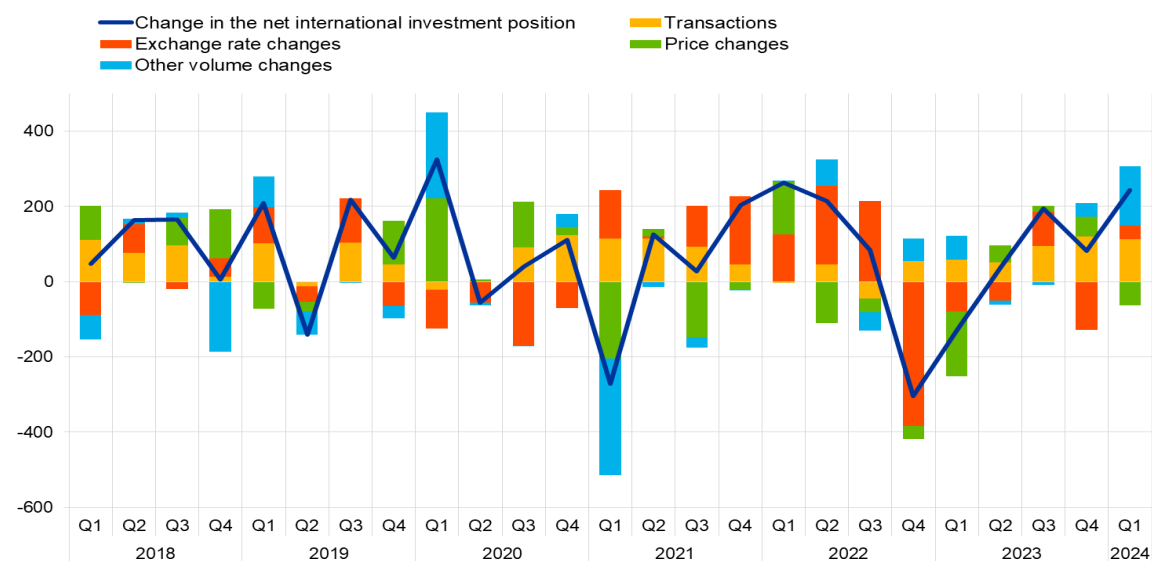
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At the end of the first quarter of 2024 the *gross external debt* of the euro area amounted to €16.54 trillion (114% of euro area GDP), up by €489 billion compared with the previous quarter.

Chart 3

Changes in the net international investment position of the euro area

(EUR billions; flows during the period; non-working day and non-seasonally adjusted)



Source: ECB.

Note: "Other volume changes" mainly reflect reclassifications and data enhancements.

[Data for changes in the net international investment position of the euro area](#)

Publication of data on goods trade by product group

With this statistical release, additional details on goods trade by product group are disseminated for the first time. The breakdowns presented in Table 1 of this release are estimated using granular data from international trade in goods statistics for the EU (provided by Eurostat) based on the standard international trade classification. Further details on the estimation methodology are described in the ECB's [Economic Bulletin](#).

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Data revisions

This statistical release incorporates revisions to the data for the reference periods between the first quarter of 2020 and the fourth quarter of 2023. The revisions reflect revised national contributions to the euro area aggregates as a result of the incorporation of newly available information - including from major regular revisions - by a number of euro area countries.

Next releases

- Monthly balance of payments: 19 July 2024 (reference data up to May 2024)
- Quarterly balance of payments and international investment position: 4 October 2024 (reference data up to the second quarter of 2024)

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Notes

- Data are neither seasonally nor working day-adjusted. Ratios to GDP (including in the charts) refer to four-quarter sums of non-seasonally and non-working day-adjusted GDP figures.
- Hyperlinks in this press release lead to data that may change with subsequent releases as a result of revisions.

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