

Second estimate for the third quarter of 2011

EU27 current account deficit 21.4 bn euro

29.8 bn euro surplus on trade in services

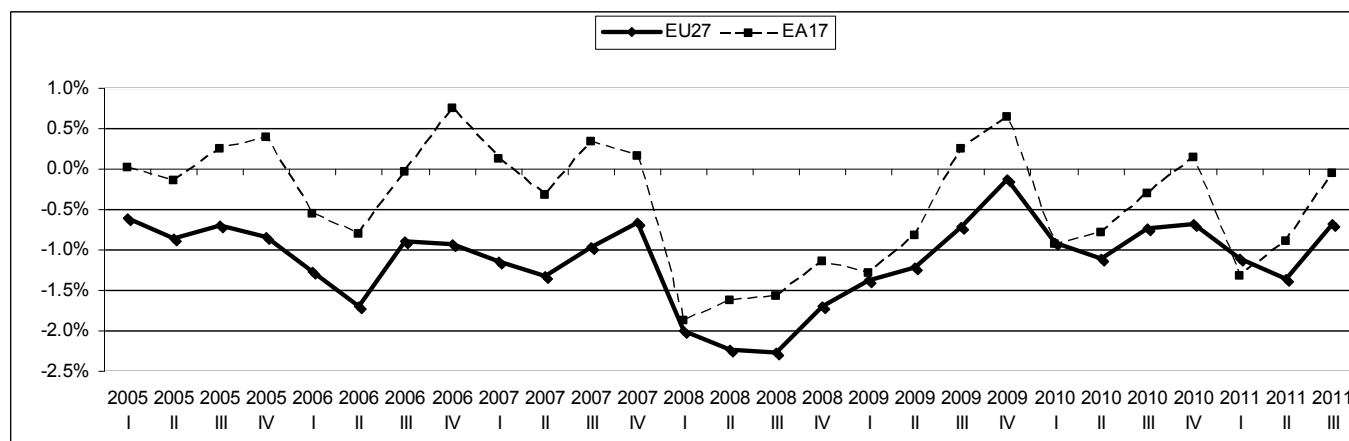
According to the latest available data, the **EU27**¹ external current account² recorded a deficit of 21.4 billion euro in the third quarter of 2011³, compared with a deficit of 22.3 bn in the third quarter of 2010.

In the third quarter of 2011, compared with the third quarter of 2010, there was an increase in the deficit of the goods account (-35.1 bn euro compared with -31.0 bn) and of the current transfers account (-16.7 bn compared with -15.6 bn). The surplus of the income account decreased (+0.6 bn compared with +1.5 bn), while the surplus of the services account rose (+29.8 bn compared with +22.8 bn).

The surplus recorded in the services account (+29.8 bn euro) is mainly the result of surpluses in "other business services", which includes miscellaneous business, professional and technical services (+11.5 bn), financial services (+7.6 bn), computer & information services (+6.5 bn), transportation (+6.4 bn) and construction services (+2.2 bn), only partially offset by a deficit in royalties & license fees (-2.5 bn).

In the third quarter of 2011, the **EU27** external current account recorded a surplus with **Switzerland** (+15.8 bn euro), the **USA** (+13.9 bn), **Hong Kong** (+5.9 bn), **Brazil** (+4.1 bn), **Canada** (+2.8 bn) and **India** (+1.0 bn), and a deficit with **China** (-35.7 bn), **Russia** (-9.9 bn) and **Japan** (-5.4 bn).

EU/euro area current account balance as % of GDP



Balance of payments euro-indicators for EU27 and the euro area (EA17) (in bn euro)

	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
EU27 current account balance	-22.3	-21.4	-33.9	-42.7	-21.4
EU27 balance of trade in goods	-31.0	-30.4	-47.5	-41.3	-35.1
EU27 balance of trade in services	22.8	25.1	20.5	29.6	29.8
EU27 current account balance as % of GDP	-0.7%	-0.7%	-1.1%	-1.4%	-0.7%
EA17 current account balance	-7.1	3.4	-30.2	-21.0	-1.2
EA17 balance of trade in goods	5.5	5.5	-13.0	-3.0	3.1
EA17 balance of trade in services	16.1	10.5	7.0	17.9	21.0
EA17 current account balance as % of GDP	-0.3%	0.1%	-1.3%	-0.9%	0.0%

Source: Eurostat for EU27 data, ECB⁴ for euro area

Financial Account

In the third quarter of 2011, the **EU27** made direct investments abroad of 15.3 bn euro, compared with 31.6 bn in the same quarter of 2010, while foreign direct investors made investments in the **EU27** of 6.8 bn, compared with disinvestment of 2.3 bn in the same quarter of 2010. Portfolio investments recorded a net inflow of 142.5 bn, compared with a net outflow of 15.9 bn in the third quarter of 2010.

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

As concerns the total (intra-EU plus extra-EU) current account balances of the EU27 Member States⁵, fourteen recorded surpluses and thirteen deficits in the third quarter of 2011. The highest surpluses were observed in **Germany** (+30.3 bn euro), the **Netherlands** (+10.4 bn), **Sweden** (+8.3 bn) and **Denmark** (+4.7 bn), and the largest deficits in the **United Kingdom** (-20.1 bn), **France** (-8.7 bn), **Italy** (-8.2 bn) and **Spain** (-6.4 bn).

These data, issued by **Eurostat, the statistical office of the European Union**, are not seasonally adjusted and are subject to revision.

1. The EU27 includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
The euro area (EA17) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
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, income and current transfers.
The *capital account* comprises capital transfers, which involve the transfer of ownership of fixed assets, and the acquisition and disposal of nonproduced, nonfinancial 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). **The net decrease in external assets (disinvestment abroad) or net increase in external liabilities (investment in the reporting economy) is shown with a plus sign. The net increase in external assets (investment abroad) or net decrease in external liabilities (disinvestment in the reporting economy) is shown with a minus sign.**
Further details of the statistical concepts and definitions used can be found on the Eurostat website at: http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/bop_q_esms.htm
3. The first estimate for the third quarter of 2011, published in News Release 181/2011 of 9 December 2011, was a deficit of 17.2 bn euro for the EU27 current account. That first estimate was based on figures provided by the Member States to Eurostat two months after the reference quarter, and was provisional.
This second release is based on more detailed quarterly data, transmitted to Eurostat by the Member States three months 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 quarterly and annual aggregates of the EU. The data comply with international standards, in particular those set out in the IMF Manual on Balance of Payments Statistics (5th edition). 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. All the figures, including data for individual Member States, can be downloaded free of charge from the balance of payments section of the Eurostat web site <http://ec.europa.eu/eurostat>. 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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EU27 current and capital account (in bn euro)

	Q3/2010			Q4/2010			Q1/2011			Q2/2011			Q3/2011		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
CURRENT ACCOUNT	623.4	645.7	-22.3	644.6	666.0	-21.4	631.1	665.0	-33.9	666.5	709.2	-42.7	667.1	688.5	-21.4
- Goods	356.5	387.5	-31.0	370.9	401.3	-30.4	369.6	417.1	-47.5	382.0	423.3	-41.3	390.2	425.3	-35.1
- Services	142.8	120.0	22.8	145.3	120.1	25.1	132.8	112.3	20.5	142.0	112.5	29.6	151.6	121.8	29.8
- Income	112.8	111.3	1.5	118.0	113.7	4.4	118.9	107.5	11.4	129.3	147.6	-18.3	114.6	114.0	0.6
- Current Transfers	11.3	27.0	-15.6	10.5	31.0	-20.5	9.7	28.1	-18.3	13.2	25.9	-12.7	10.6	27.4	-16.7
CAPITAL ACCOUNT	2.2	4.4	-2.2	2.5	6.8	-4.4	2.0	3.4	-1.4	2.0	4.1	-2.1	2.3	4.1	-1.8

Source: Eurostat

EU27 services account (in bn euro)

	Q3/2010			Q4/2010			Q1/2011			Q2/2011			Q3/2011		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Services	142.8	120.0	22.8	145.3	120.1	25.1	132.8	112.3	20.5	142.0	112.5	29.6	151.6	121.8	29.8
Transportation	34.3	28.2	6.1	33.3	28.3	4.9	31.5	27.9	3.6	33.9	28.2	5.7	34.9	28.5	6.4
Travel	25.2	28.6	-3.4	17.7	21.4	-3.7	15.1	18.4	-3.3	21.9	21.2	0.7	28.6	28.6	-0.1
Other services	83.3	60.0	23.3	94.1	66.9	27.2	86.1	62.2	23.9	86.1	59.9	26.2	88.1	60.9	27.1
Communication services	4.0	3.6	0.3	4.1	3.9	0.2	3.9	3.5	0.4	4.2	3.6	0.7	4.7	4.0	0.7
Construction services	4.2	2.2	2.0	4.6	2.1	2.5	3.6	1.8	1.9	4.4	1.8	2.6	4.1	1.9	2.2
Insurance services	3.9	2.5	1.5	2.7	2.0	0.7	4.4	2.7	1.7	2.4	2.4	0.1	3.0	2.2	0.8
Financial services	11.1	4.6	6.6	13.4	5.3	8.1	12.3	5.1	7.2	12.4	6.0	6.3	13.4	5.7	7.6
Computer & info. services	8.9	3.5	5.4	11.0	4.1	6.9	9.4	3.7	5.6	9.8	3.4	6.5	9.8	3.3	6.5
Royalties & licence fees	7.8	10.5	-2.7	9.2	11.8	-2.7	8.8	11.2	-2.5	8.6	10.4	-1.8	8.1	10.7	-2.5
Other business services	39.7	29.8	10.0	45.0	34.2	10.8	40.2	30.5	9.7	41.0	29.7	11.3	41.5	29.9	11.5
Personal, cultural & rec. services	2.0	1.7	0.3	2.3	1.7	0.7	1.5	1.7	-0.2	1.7	1.4	0.3	1.7	1.9	-0.2
Government services, n.i.e.	1.7	1.7	0.0	1.9	1.9	-0.1	1.9	1.9	0.0	1.5	1.3	0.2	1.8	1.3	0.5
Services not allocated	0.1	3.3	-3.2	0.2	3.5	-3.3	0.1	3.8	-3.7	0.1	3.2	-3.1	0.1	3.7	-3.6

Source: Eurostat

EU27 financial account (in bn euro)

	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
DIRECT INVESTMENT	-33.9	75.2	-18.9	-36.8	-8.6
- direct investment abroad	-31.6	16.6	-94.8	-102.4	-15.3
- direct investment in the EU	-2.3	58.6	75.8	65.6	6.8
PORTFOLIO INVESTMENT	-15.9	5.3	76.8	196.0	142.5
- portfolio investment assets	-139.3	-74.0	-82.6	-65.3	101.2
- portfolio investment liabilities	123.4	79.3	159.4	261.3	41.3
OTHER INVESTMENT	18.6	-84.4	-140.9	-80.6	-43.1
- other investment assets	-68.2	-125.2	-172.7	-81.1	-95.9
- other investment liabilities	86.8	40.8	31.8	0.5	52.8
FINANCIAL DERIVATIVES	12.3	6.5	20.0	15.6	-41.1

Source: Eurostat

EU27 geographical breakdown of selected balance of payments items (in bn euro)

Partner	Period	Total Current Account			Goods			Services			Direct investment abroad	Direct investment in the EU
		Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Net	Net
Total	Q4/2010	644.6	666.0	-21.4	370.9	401.3	-30.4	145.3	120.1	25.1	16.6	58.6
	Q1/2011	631.1	665.0	-33.9	369.6	417.1	-47.5	132.8	112.3	20.5	-94.8	75.8
	Q2/2011	666.5	709.2	-42.7	382.0	423.3	-41.3	142.0	112.5	29.6	-102.4	65.6
	Q3/2011	667.1	688.5	-21.4	390.2	425.3	-35.1	151.6	121.8	29.8	-15.3	6.8
USA	Q4/2010	134.0	120.7	13.3	65.3	46.5	18.8	33.2	34.9	-1.8	-9.2	33.6
	Q1/2011	131.6	117.2	14.4	65.3	47.7	17.5	32.0	32.7	-0.8	-12.1	38.2
	Q2/2011	133.5	124.2	9.3	65.2	48.0	17.2	33.2	32.2	1.0	-23.5	17.8
	Q3/2011	131.8	117.9	13.9	65.5	44.7	20.8	34.5	33.6	0.9	-2.5	21.9
Switzerland	Q4/2010	64.6	49.8	14.8	30.7	25.2	5.5	18.2	13.7	4.5	18.3	-2.1
	Q1/2011	62.7	52.2	10.5	31.8	27.0	4.8	17.5	13.3	4.2	-5.2	2.5
	Q2/2011	69.9	53.1	16.8	33.0	27.6	5.4	19.3	12.7	6.6	-22.1	11.0
	Q3/2011	69.1	53.3	15.8	35.2	29.7	5.4	19.9	13.8	6.2	-3.0	7.1
China*	Q4/2010	40.0	80.0	-40.0	31.1	74.1	-43.0	6.2	4.5	1.7	-2.6	0.2
	Q1/2011	40.7	72.7	-32.0	33.0	67.5	-34.5	5.4	4.1	1.3	-3.3	-0.7
	Q2/2011	42.2	72.1	-29.9	33.3	66.5	-33.3	5.9	4.1	1.8	-2.5	0.6
	Q3/2011	43.8	79.5	-35.7	34.3	73.9	-39.6	6.4	4.3	2.1	-2.9	0.2
Russia	Q4/2010	35.8	46.5	-10.8	26.5	40.8	-14.3	6.2	3.6	2.6	-4.1	7.8
	Q1/2011	33.9	53.4	-19.5	24.2	47.6	-23.4	5.2	3.2	2.0	-3.1	2.7
	Q2/2011	37.6	55.0	-17.4	26.4	49.8	-23.4	6.3	3.6	2.7	-1.9	1.1
	Q3/2011	40.3	50.1	-9.9	29.1	45.4	-16.3	7.1	3.4	3.7	-2.3	-2.5
Japan	Q4/2010	20.6	26.4	-5.8	11.9	17.3	-5.4	4.9	4.0	0.9	2.8	-6.6
	Q1/2011	20.3	28.3	-8.1	11.9	18.1	-6.3	5.0	3.9	1.2	-1.2	-0.8
	Q2/2011	21.9	29.2	-7.3	11.5	16.3	-4.8	5.1	3.9	1.1	-2.5	2.0
	Q3/2011	22.1	27.5	-5.4	12.8	16.8	-4.1	5.5	3.5	1.9	-1.1	4.4
Canada	Q4/2010	13.4	11.3	2.1	6.7	5.8	1.0	3.1	2.4	0.6	1.1	12.5
	Q1/2011	13.9	11.1	2.9	7.0	5.5	1.5	3.0	1.9	1.1	1.1	-0.4
	Q2/2011	14.9	11.5	3.4	7.6	5.8	1.8	3.5	2.2	1.3	-3.9	5.6
	Q3/2011	14.0	11.2	2.8	7.4	5.8	1.6	3.7	2.7	1.1	3.5	-0.6
Hong Kong	Q4/2010	13.0	9.0	4.0	7.5	5.4	2.1	2.3	2.0	0.2	-2.1	10.7
	Q1/2011	12.5	7.9	4.7	7.5	4.5	2.9	2.2	1.9	0.3	-0.8	0.0
	Q2/2011	13.2	7.8	5.3	7.7	4.1	3.6	2.3	2.0	0.4	-0.9	1.4
	Q3/2011	14.2	8.3	5.9	7.9	4.7	3.2	2.4	2.0	0.4	-3.7	0.8

* excluding Hong Kong

Partner	Period	Total Current Account			Goods			Services			Direct investment abroad	Direct investment in the EU
		Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Net	Net
India	Q4/2010	13.7	11.9	1.8	9.8	8.5	1.2	2.8	2.4	0.4	-1.3	0.1
	Q1/2011	14.3	13.3	1.0	10.0	10.1	-0.1	2.6	2.4	0.2	-1.2	0.5
	Q2/2011	15.0	13.0	2.0	10.8	9.9	0.8	2.8	2.3	0.6	-2.3	0.2
	Q3/2011	13.8	12.8	1.0	9.8	9.4	0.5	2.6	2.5	0.2	-4.2	0.9
Brazil	Q4/2010	15.9	11.0	4.9	8.1	8.5	-0.4	2.8	1.5	1.3	-9.3	1.8
	Q1/2011	15.1	10.9	4.2	8.1	8.2	-0.1	2.3	1.6	0.7	-6.9	2.9
	Q2/2011	17.9	12.0	5.9	9.0	9.6	-0.6	2.8	1.4	1.4	-3.8	1.0
	Q3/2011	16.7	12.7	4.1	9.3	10.1	-0.7	2.9	1.6	1.3	-3.5	0.4
Other countries	Q4/2010	293.6	299.5	-5.9	173.2	169.2	4.1	65.5	50.9	14.6	23.0	0.6
	Q1/2011	286.2	298.1	-11.9	170.8	180.8	-9.9	57.6	47.4	10.3	-62.2	31.1
	Q2/2011	300.4	331.2	-30.8	177.5	185.6	-8.1	60.7	48.1	12.6	-38.9	24.9
	Q3/2011	301.3	315.2	-13.9	178.9	184.9	-6.0	66.6	54.5	12.1	4.4	-25.9

Source: Eurostat

Current account balance and balance of trade in services for EU27 Member States (intra-EU + Extra-EU)
(bn euro)

	Net current account					Net services				
	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Belgium	-0.3	-0.1	-1.2	5.8	-4.4	0.7	1.9	2.1	1.7	0.0
Bulgaria	1.3	-0.9	0.1	0.1	1.2	1.5	0.1	0.1	0.5	1.5
Czech Republic	-3.5	-0.6	0.9	-2.4	-1.7	0.6	0.7	0.6	0.9	0.7
Denmark	4.3	3.7	3.4	4.2	4.7	2.1	2.0	1.4	1.6	1.9
Germany	30.8	47.9	35.3	27.2	30.3	-10.7	-1.2	-3.9	-6.1	-10.0
Estonia	0.3	0.2	-0.1	0.1	0.3	0.4	0.3	0.2	0.3	0.4
Ireland	1.2	1.6	-1.0	-0.5	0.9	-1.3	-2.1	-1.4	-0.8	-0.4
Greece	-2.8	-6.6	-7.2	-5.7	-2.1	6.7	2.0	1.0	3.5	7.5
Spain	-9.1	-9.6	-17.5	-8.7	-6.4	11.3	5.4	4.4	9.6	13.4
France	-6.4	-15.8	-9.4	-14.3	-8.7	6.6	-1.6	1.7	4.7	8.3
Italy	-11.3	-12.5	-23.4	-13.8	-8.2	-1.5	-3.5	-4.0	-0.8	0.3
Cyprus	-0.4	-0.6	-0.7	-0.4	-0.3	0.9	1.1	0.6	1.1	1.0
Latvia	0.0	0.0	0.0	0.0	-0.2	0.3	0.3	0.3	0.3	0.3
Lithuania	-0.1	0.2	-0.1	-0.2	0.2	0.3	0.2	0.3	0.3	0.3
Luxembourg	1.4	0.1	0.9	0.8	0.8	5.5	6.3	6.1	5.9	5.1
Hungary	0.3	0.2	0.2	0.5	0.4	0.9	0.6	0.3	1.0	0.9
Malta	0.0	-0.1	-0.1	0.0	0.1	0.4	0.3	0.2	0.3	0.5
Netherlands	8.8	12.1	14.0	11.3	10.4	0.4	3.0	2.4	2.4	0.8
Austria	0.6	3.1	3.8	0.6	0.1	2.0	3.4	6.0	2.2	2.2
Poland	-5.2	-6.3	-3.1	-3.4	-4.7	0.4	0.6	1.0	1.5	1.0
Portugal	-2.7	-4.8	-3.2	-4.8	-1.6	2.6	1.7	1.2	1.7	3.0
Romania	-0.8	-0.7	-0.8	-2.1	-1.2	-0.1	0.0	-0.3	-0.2	-0.2
Slovenia	-0.1	-0.1	-0.1	0.1	-0.1	0.3	0.3	0.4	0.4	0.4
Slovakia	-0.9	-0.7	0.2	-0.3	0.0	-0.2	-0.1	-0.1	-0.2	-0.1
Finland	0.7	3.0	0.2	-2.0	1.0	0.0	0.4	0.2	-0.4	0.3
Sweden	5.4	5.9	7.4	6.9	8.3	3.7	3.8	2.6	4.1	4.1
United Kingdom	-17.7	-14.7	-8.9	-7.0	-20.1	13.8	20.1	20.0	19.1	16.7

Source: Eurostat