

### Box 3

#### Euro area balance of payments: the impact of the enlargement of the euro area in 2001 to include Greece

From January 2001 onwards, the euro area balance of payments (b.o.p.) includes Greece. In order to allow a year-on-year comparison of the current and financial accounts, Greece and the other euro area Member States have provided the ECB with the data necessary for the construction of the Euro 12 aggregates. Data relating to 2000 have been provided for all b.o.p. items (except reserve assets and errors and omissions as a residual item). Corresponding data for 1999 are expected at a later stage.

Table 9 in the main text shows Euro 12 data for 2000 and January 2001 in order to allow for consistent year-on-year comparisons, while aggregates shown in the tables of Section 8 (“Balance of payments and international investment position of the euro area (including reserves)”) of the “Euro area statistics” section show a break in the series, i.e. Euro 11 data prior to the enlargement and Euro 12 data as from 2001. Similarly, the international reserves of the euro area published in the March 2001 issue of the Monthly Bulletin (Tables 8.7.2 and 8.7.3) reflect the positions before and after the enlargement, i.e. as at end-December 2000 and as at 1 January 2001. Further detailed quarterly b.o.p. data for the Euro 12 will be published in the course of this year.

Differences between the Euro 11 and the Euro 12 b.o.p. aggregates mostly occur in the current account, while the addition of the Greek data has little impact on direct and portfolio investment flows in 2000. The chart below shows that the current account deficit for the euro area plus Greece (Euro 12) amounted to €38.5 billion for 2000, compared with a deficit of €28.3 billion for the euro area excluding Greece (Euro 11). The higher deficit of the current account (€10.2 billion) is due to a lower goods surplus (by €23.0 billion) and a slightly higher deficit for income (by €1.2 billion), which more than offset the smaller deficits for both services (by €10.5 billion) and current transfers (by €3.6 billion). The lower goods surplus for the Euro 12 in 2000 is to a large extent related to the exclusion from the aggregate of the goods surplus of the Euro 11 vis-à-vis Greece. The smaller deficit for services is primarily due to the inclusion of the surplus for services shown by Greece, in particular tourism and transport, in respect of non-euro area countries. The lower deficit for current transfers mainly results from transfers of EU institutions to Greece, which are conventionally treated as extra-euro area transfers in the euro area b.o.p. In the financial account, compared with the Euro 11, direct investment net outflows of the Euro 12 were marginally higher (€25.6 billion as compared with €23.0 billion for the Euro 11), while portfolio investment net outflows were somewhat lower (€111.7 billion as compared with €120.4 billion for the Euro 11).

#### Balance of payments of the Euro 11 and Euro 12 in 2000

(EUR billions)



Source: ECB.