

Box 6

Seasonal adjustment of the current account

Seasonally adjusted data for the euro area current account are now available (see Table 8.2 in the “Euro area statistics” section). The adjusted data for the credits and debits of the categories goods, services, income and current transfers are obtained using the X-12-ARIMA procedure (with working day adjustment). The seasonally adjusted total current account is then made to be equal to the aggregate of its seasonally adjusted components. Due to the modelling of the seasonal factors, the sum of the resulting data for seasonally adjusted months may not match the published non-seasonally adjusted annual aggregates. However, the resulting differences are negligible.

Identifying possible changes in trends in the components of the current account using unadjusted data is difficult, and comparing recent monthly data with the corresponding period of the previous year may be imprecise. By contrast, seasonally adjusted data can provide important insights into trends by giving a clearer picture of month-to-month developments. For example, the seasonally adjusted data suggest that growth in both euro area export and import values of goods and services has slowed in recent months, and give some indication of when this began. According to the charts below – displaying seasonally adjusted data – the value of exports of goods and services shows a significant positive response to both the depreciation of the euro and strong foreign demand over most of 1999 and 2000, but have been fairly flat since around the final quarter of last year partly due to the deceleration of growth in world demand. Similarly, after growing rapidly due to rising import prices and robust euro area demand, import values began to decline towards the end of 2000 against the background of recently falling import prices and slower economic activity in the euro area. Further analysis of these developments, using seasonally adjusted trade volume and price indices, is provided in the main text. However, it should be noted that the latter indices are based on external trade statistics which are not fully comparable with the goods item in the balance of payments statistics.

Euro 12 exports of goods and services

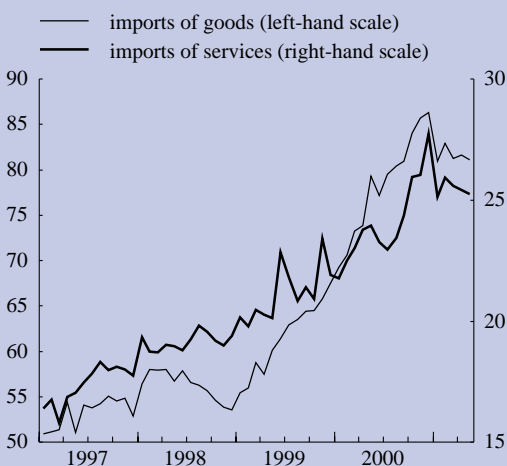
(values in EUR billions, seasonally adjusted)



Source: ECB.

Euro 12 imports of goods and services

(values in EUR billions, seasonally adjusted)



Source: ECB.