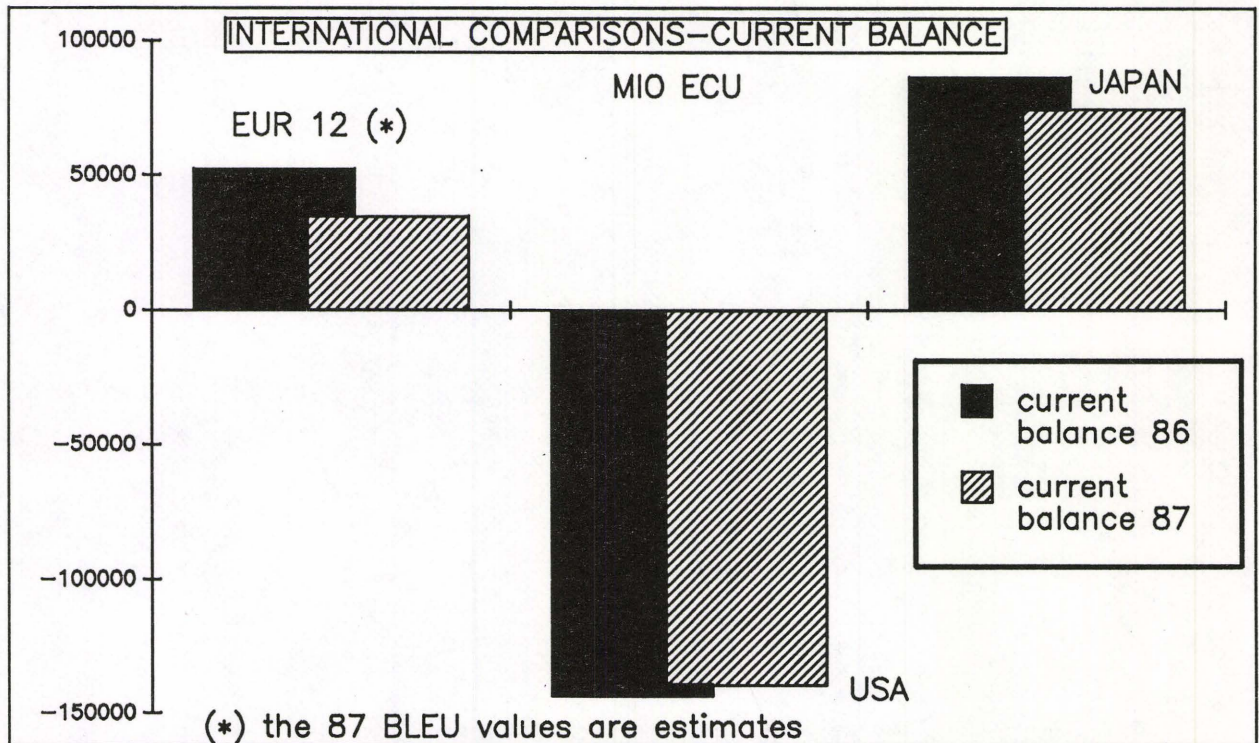


1988 □ 4

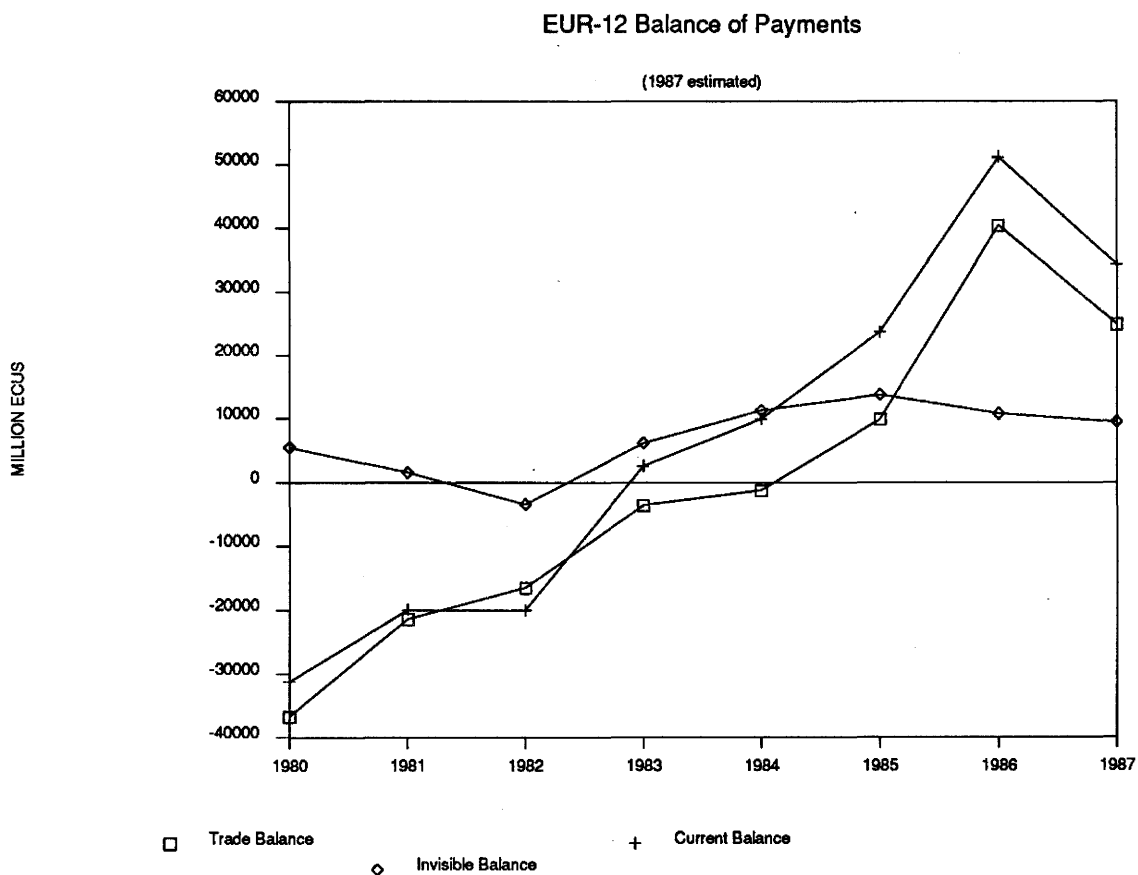
BALANCE OF PAYMENTS



1. Community's current account still in surplus for 1987 despite a significant drop in the trade balance.

The Community's current account was in surplus for the first nine months of 1987, but was lower than that for the corresponding period in 1986 (Jan-Sep 1986 = 37.1 billion Ecus ; Jan-Sep 1987 = 26.2 billion Ecus). Latest estimates for the year 1987 suggest that the current balance will be around 35 billion Ecus, compared with 52 billion Ecus in 1986. This fall is the result of a significant decrease (approximately 13.5 billion Ecus) in the trade balance between 1986 and 1987.

In fact, changes in the trade balance have explained almost all the fluctuations in the current account since 1983, the surplus on the invisible balance having stayed more or less constant since then.

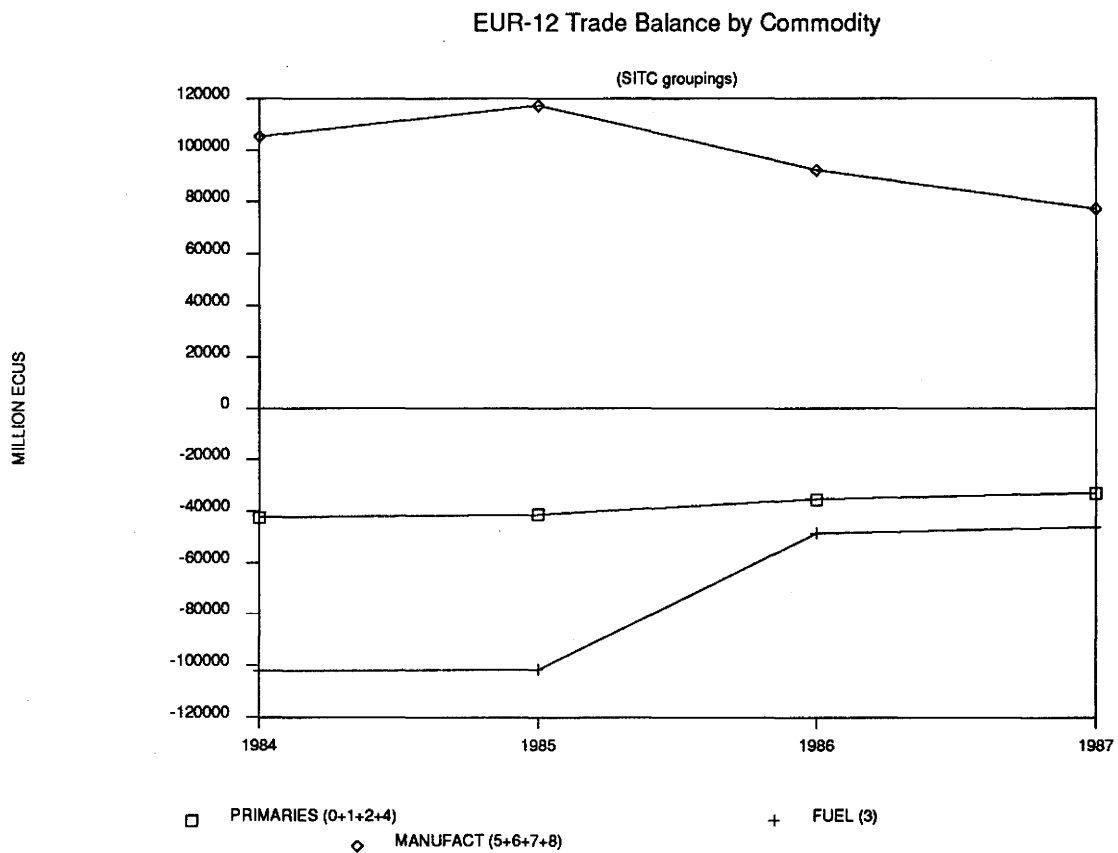


2. Drop in Community's trade balance for 1987 due to decrease in surplus of manufactured goods, and to decline in trade balances with USA and OPEC.

2.1 An analysis of the Community's trade by commodity reveals a steady decline since 1985 in the surplus of manufactured goods. These goods represent 58% of extra-EC imports and 81% of extra-EC exports (1). In 1986 the effect of the fall in the manufacturing balance was outweighed by a dramatic improvement in the fuel balance resulting from lower oil prices and a declining dollar. The overall result was a large increase in the Community's trade and current account surpluses. However, in 1987 firmer oil prices led to a levelling-off of the fuel deficit, and consequently the deterioration of the manufacturing surplus pulled down the overall balance of trade.

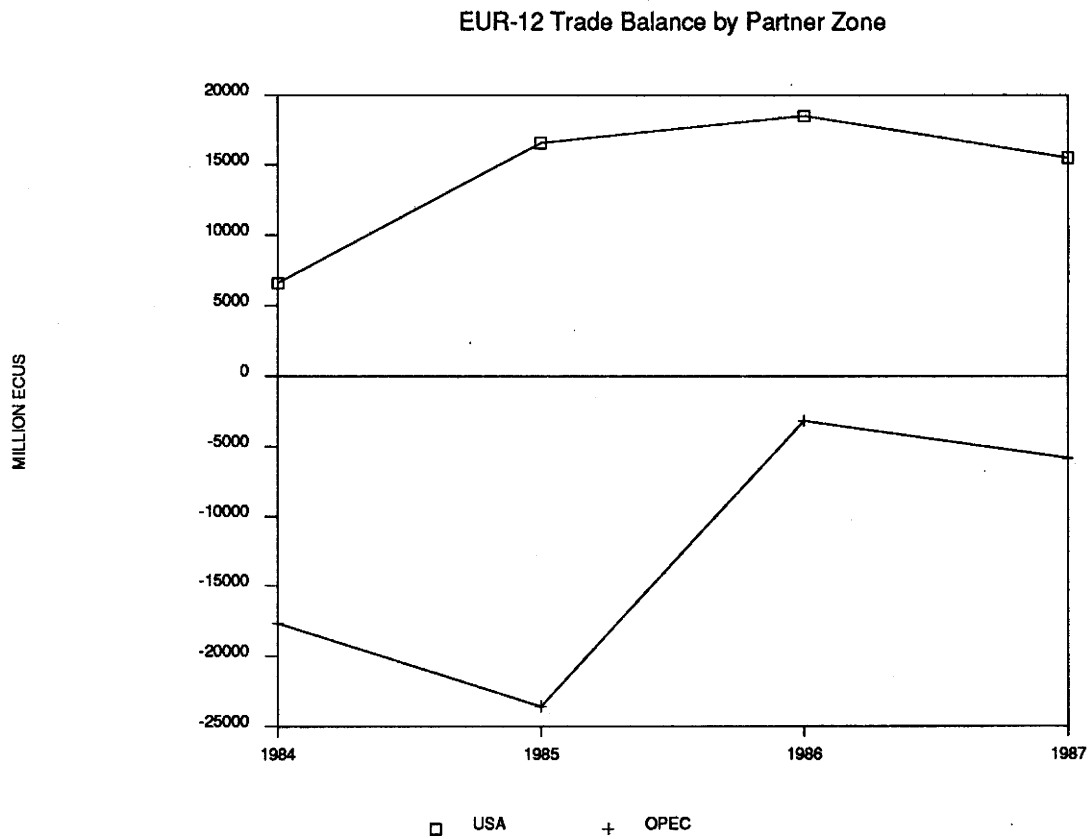
The fall in the manufacturing balance in 1987 was due essentially to extra-EC imports which increased 8% in volume, while decreasing only 2% in price (1).

(1) Eurostat External Trade Monthly Statistics 1987.



2.2 In terms of partner zones, the main cause of the drop in the Community's trade balance in 1987 was the decrease in the trade balances with the USA and OPEC, caused by the fall in visible exports to these countries : USA (-4.7%), OPEC (-16.1%) (2). This contrasts sharply with 1986, when both of these balances had improved, especially the deficit with OPEC which was reduced drastically because of the fall in oil prices.

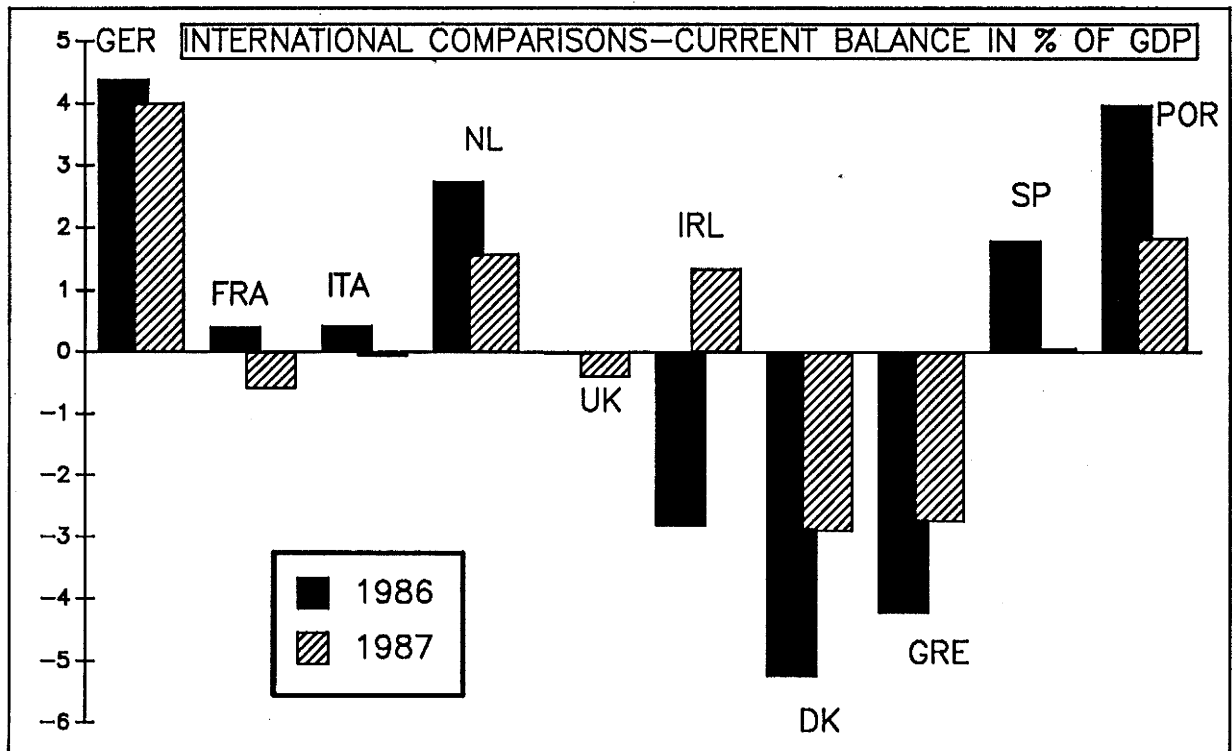
(2) Eurostat External Trade Monthly Statistics 1987.



3. Surplus on Community's current account conceals wide differences between individual member states.

Some member states produced very good current account figures for 1987, notably Germany, with a large surplus of 38.9 billion Ecus for the year, and Ireland, which turned its deficit of 701 million Ecus in 1986 into a surplus of 343 million Ecus in 1987. The Netherlands, Portugal and Spain also showed surpluses for 1987, but all were substantially lower than in 1986.

By contrast, the situation of other member states is causing concern. France and United Kingdom had clear deficits for 1987. The deficits of Denmark and Greece were reduced in 1987, but still remain a significant proportion of those countries' GNP.



I. TABLES BY COUNTRY - IN NATIONAL CURRENCY

The new updates of this report are:

BLEU: revised data 01/87; 02/87-04/87 are estimates Denmark: revised data 01/87-03/87; new data 04/87 Germany: revised data 04/86-03/87; new data 04/87 Spain: new data 04/87 France: revised data 03/87; new data 04/87 Greece: revised data 02/87-03/87; new data 04/87 Ireland: revised data 04/86-03/87; new data 04/87	Italy: revised data 04/86-03/87; new data 04/87 (partly estimates) Netherlands: revised data 04/86-03/87; new data 04/87 Portugal: revised data 02/87-03/87; new data 04/87 United Kingdom: revised data 04/86-03/87; new data 04/87 USA: revised data 02/87-03/87; new data 04/87 Japan: revised data 03/87; new data 04/87
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Updates for yearly ECU data

		UEBL / BLEU - Billion BFR					DANMARK - Million DKR				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	706	686	695	680	706	43 815	42 709	43 044	42 025	47 140
	(-)	706	674	676	651	706	45 386	41 001	40 452	40 344	47 492
	(=)		12	19	30		-1 571	1 708	2 592	1 681	-352
CURRENT BALANCE	(+)	1 191	1 116	1 203	1 147	1 191	62 146	61 877	63 310	65 067	67 643
	(-)	1 159	1 107	1 153	1 100	1 159	70 494	65 370	68 721	68 637	75 329
	(=)	32	9	50	47	32	-8 348	-3 493	-5 411	-3 570	-7 686
BASIC BALANCE	(=)	14	-23	-71	-48	14	91	20 206	8 213	3 614	6 052
OFFICIAL SETTLEMENTS BALANCE	(=)	-4	10	60	-400	-4	2 101	13 677	16 164	1 229	-1 064
RESERVES (minus = net increase)		-11	-3	-27	39	-11	2 247	-8 194	-16 260	-1 226	646

		B.R DEUTSCHLAND - Million DM					ESPANA - Billion PTAS				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	127 430	120 412	120 676	120 315	135 528	1 023	954	1 066	969	1 113
	(-)	93 095	90 833	91 999	91 654	99 598	1 349	1 290	1 382	1 392	1 644
	(=)	34 335	29 579	28 677	28 661	35 930	-326	-337	-316	-423	-531
CURRENT BALANCE	(+)	169 859	159 982	162 026	162 721	176 529	1 825	1 644	1 891	2 139	1 885
	(-)	141 325	139 132	142 728	148 658	150 208	1 793	1 706	1 822	1 941	2 068
	(=)	28 534	20 850	19 298	14 063	26 321	32	-62	69	198	-183
BASIC BALANCE	(=)	31 442	38 052	20 672	3 019	12 392	25	-55	394	702	32
OFFICIAL SETTLEMENTS BALANCE	(=)	2 833	16 259	5 643	-1 595	23 586	5	-62	375	628	-101
RESERVES (minus = net increase)		-3 916	-13 433	-4 413	-1 901	-18 151	2	-180	-568	-801	45

		FRANCE - Million FF					HELLAS - Million US\$				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	211 906	199 711	205 371	196 003	231 730	1 298	1 166	1 260	1 393	1 795
	(-)	209 640	219 011	223 490	206 831	242 653	2 284	2 423	2 838	2 757	3 094
	(=)	2 266	-19 300	-18 119	-10 828	-10 923	-986	-1 257	-1 578	-1 364	-1 299
CURRENT BALANCE	(+)	369 380	343 842	367 708	359 143	384 139	2 758	2 605	3 103	4 634	3 762
	(-)	357 916	355 972	371 337	365 166	393 908	3 098	3 357	3 872	3 833	4 337
	(=)	11 464	-12 130	-3 629	-6 023	-9 769	-340	-752	-769	801	-575
BASIC BALANCE	(=)	-2 120	-4 634	4 279	-4 540	-17 851	-55	157	-666	1 404	-872
OFFICIAL SETTLEMENTS BALANCE	(=)	-29 092	-5 796	9 676	-5 747	-50 208	-42	246	-231	1 548	-612
RESERVES (minus = net increase)		28 306	10 498	-8 471	8 245	28 880	30	-182	-45	-1 297	731

		IRELAND - Million IRE					ITALIA - Billion LIT				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	2 433	2 287	2 709	2 616	2 836	37 134	34 678	37 395	36 458	41 918
	(-)	2 378	2 242	2 304	2 160	2 432	34 707	35 900	37 844	34 923	41 641
	(=)	55	45	405	456	404	2 427	-1 222	- 449	1 535	277
CURRENT BALANCE	(+)	3 266	3 026	3 638	3 613	3 602	50 626	48 183	54 538	53 586	52 558
	(-)	3 496	3 267	3 355	3 405	3 586	50 395	51 157	53 080	51 406	53 966
	(=)	- 230	- 241	283	208	16	231	-2 974	1 458	2 180	-1 408
BASIC BALANCE	(=)	- 402	222	422	262	33	-1 365	973	- 831	276	-3 004
OFFICIAL SETTLEMENTS BALANCE	(=)	55	90	181	330	6	183	5 257	-2 873	-1 989	-1 456
RESERVES (minus = net increase)		- 55	- 90	- 181	- 330	- 6	- 301	-5 098	2 918	1 998	1 456

		NEDERLAND - Million HFL					PORTUGAL - Billion ESC				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	42 875	43 672	43 852	41 704	46 271	293.5	307.9	315.4	321.8	345.7
	(-)	40 860	41 554	39 850	39 928	43 596	352.7	405.3	464.5	443.8	452.7
	(=)	2 015	2 118	4 002	1 776	2 675	-59.2	-97.4	-149.1	-122.0	-107.0
CURRENT BALANCE	(+)	61 804	62 455	64 614	63 370	68 163	520.5	533.7	576.4	673.8	627.5
	(-)	62 186	61 160	61 022	63 168	66 431	486.1	526.8	606.2	588.2	598.8
	(=)	- 382	1 295	3 592	202	1 732	34.3	6.9	-29.8	85.6	28.7
BASIC BALANCE	(=)	-3 567	-1 386	4 277	- 252	661	-35.1	-0.7	-8.1	171.7	-67.5
OFFICIAL SETTLEMENTS BALANCE	(=)	-2 161	1 600	3 820	775	- 495	-85.3	5.7	44.2	215.9	4.1
RESERVES (minus = net increase)		1 739	-1 144	-3 384	- 784	- 195	86.4	-5.7	-44.2	-215.9	-4.1

		UNITED KINGDOM - Million UK£					EUR - 12 - Million ECU				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	20 161	19 433	19 325	19 291	21 573	199 475	190 151	194 673	190 634	215 124
	(-)	21 899	21 069	22 016	22 387	23 775	186 306	184 310	189 092	184 535	206 252
	(=)	-1 738	-1 636	-2 691	-3 096	-2 202	13 169	5 841	5 582	6 122	8 873
CURRENT BALANCE	(+)	39 760	38 896	39 258	40 711	40 959	310 533	295 037	311 337	314 414	324 993
	(-)	39 409	38 435	39 930	41 728	41 410	295 172	289 153	300 556	304 870	316 323
	(=)	351	461	- 672	-1 017	- 451	15 361	5 883	10 781	9 544	8 670
BASIC BALANCE	(=)	-6 364	1 662	-2 112	- 934	9 925	3 268	22 169	10 862	6 507	16 301
OFFICIAL SETTLEMENTS BALANCE	(=)	- 105	1 444	3 867	191	4 928	-4 151	15 192	15 704	-3 857	8 735
RESERVES (minus = net increase)		306	-1 523	-4 469	- 269	-5 751	3 781	-13 697	-16 392	-6 960	-11 354

		UNITED STATES - Million US\$					JAPAN - Million US\$				
		04/86	01/87	02/87	03/87	04/87	04/86	01/87	02/87	03/87	04/87
MERCHANDISE (FOB-FOB)	(+)	57 873	57 209	61 633	61 794	70 223	54 664	50 488	55 823	56 585	61 494
	(-)	96 395	93 952	101 294	104 680	110 177	27 085	27 135	30 784	33 016	37 052
	(=)	-38 522	-36 744	-39 661	-42 886	-39 953	27 579	23 352	25 039	23 569	24 442
CURRENT BALANCE	(+)	95 575	98 958	102 756	102 509	118 060	69 371	67 889	74 534	77 830	84 016
	(-)	132 021	132 411	144 759	150 821	155 018	43 685	46 932	51 786	56 662	62 273
	(=)	-36 447	-33 453	-42 003	-48 312	-36 958	25 685	20 957	22 748	21 168	21 743
BASIC BALANCE	(=)	-11 075	-11 613	-13 665	-29 531	-38 046	-19 955	-9 154	-21 674	-1 047	-15 713
OFFICIAL SETTLEMENTS BALANCE	(=)	302	-5 510	-3 804	4 060	-15 310	- 60	17 224	13 121	3 434	8 877
RESERVES (minus = net increase)		133	1 967	3 416	26	3 733	- 651	-15 837	-10 857	-2 885	-9 240

II. TABLES BY HEADING - IN MIO ECU

EXCHANGE RATES

1 ECU = ...		04/86	01/87	02/87	03/87	04/87
BLEU / UEBL	1000 BFR	0.04329	0.04287	0.04304	0.04310	0.04318
DANMARK	DKR	7.85963	7.81124	7.81846	7.93901	7.96206
B.R. DEUTSCHLAND	DM	2.08307	2.06801	2.07622	2.07487	2.06736
ESPANA	1000 PTAS	0.13973	0.14501	0.14500	0.14059	0.13838
FRANCE	FF	6.82353	6.88774	6.92878	6.92043	6.97738
HELLAS	US\$	1.03816	1.12455	1.14978	1.12844	1.21370
IRELAND	IR£	0.76478	0.77473	0.77605	0.77529	0.77574
ITALIA	1000 LIT	1.44264	1.46917	1.49444	1.50151	1.51338
NEDERLAND	HFL	2.35399	2.33425	2.34036	2.33635	2.32636
PORTUGAL	1000 ESC	0.15391	0.15943	0.16140	0.16281	0.16186
UNITED KINGDOM	UK£	0.72684	0.72924	0.70005	0.69770	0.69183
UNITED STATES	US\$	1.03816	1.12455	1.14978	1.12844	1.21370
JAPAN	US\$	1.03816	1.12455	1.14978	1.12844	1.21370
	SDR	0.86050	0.89184	0.88855	0.88384	0.90374

A. TRADE BALANCE NET

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	13 169	5 841	5 582	6 122	8 873	39 920
U.S.A	-37 106	-32 674	-34 494	-38 005	-32 918	-146 615
JAPON	26 565	20 766	21 777	20 886	20 138	93 765
BLEU / UEBL		280	441	696		1 169
DANMARK	-200	219	332	212	-44	-1 225
B.R. DEUTSCHLAND	16 483	14 303	13 812	13 813	17 380	55 139
ESPANA	-2 330	-2 321	-2 179	-3 009	-3 837	-6 381
FRANCE	332	-2 802	-2 615	-1 565	-1 565	-2 503
HELLAS	-950	-1 118	-1 372	-1 209	-1 070	-4 508
IRELAND	72	58	522	588	521	594
ITALIA	1 682	-832	-300	1 022	183	4 343
NEDERLAND	856	907	1 710	760	1 150	7 299
PORTUGAL	-385	-611	-924	-749	-661	-1 665
UNITED KINGDOM	-2 392	-2 243	-3 844	-4 437	-3 183	-12 342

B. BALANCE OF INVISIBLES

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	2 192	43	5 199	3 422	-203	12 547
U.S.A	1 999	2 927	-2 037	-4 808	2 468	3 055
JAPON	-1 824	-2 130	-1 993	-2 128	-2 224	-7 066
BLEU / UEBL	739	-70	720	394	741	2 496
DANMARK	-862	-666	-1 024	-661	-921	-3 263
B.R. DEUTSCHLAND	-2 785	-4 221	-4 517	-7 036	-4 648	-15 104
ESPANA	2 560	1 894	2 658	4 421	2 513	10 564
FRANCE	1 348	1 041	2 091	694	165	5 443
HELLAS	622	449	704	1 919	597	2 764
IRELAND	-373	-369	-157	-320	-500	-1 295
ITALIA	-1 522	-1 193	1 276	430	-1 113	-1 702
NEDERLAND	-1 018	-353	-175	-674	-405	-2 308
PORTUGAL	608	654	739	1 275	838	2 810
UNITED KINGDOM	2 875	2 876	2 884	2 980	2 531	12 142

C. CURRENT BALANCE NET

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	15 361	5 883	10 781	9 544	8 670	52 467
U.S.A	-35 107	-29 748	-36 531	-42 813	-30 451	-143 559
JAPON	24 741	18 636	19 785	18 759	17 915	86 699
BLEU / UEBL	739	210	1 162	1 090	741	3 665
DANMARK	-1 062	-447	-692	-450	-965	-4 488
B.R. DEUTSCHLAND	13 698	10 082	9 295	6 778	12 732	40 035
ESPANA	230	-427	479	1 411	-1 324	4 183
FRANCE	1 680	-1 761	-524	-870	-1 400	2 940
HELLAS	-328	-669	-669	710	-474	-1 744
IRELAND	-301	-311	365	268	-271	-1 701
ITALIA	160	-2 024	976	1 452	-930	2 641
NEDERLAND	-162	555	1 535	86	745	4 991
PORTUGAL	223	43	-185	526	177	1 145
UNITED KINGDOM	483	632	-960	-1 458	-652	-1 199

D. LONG TERM CAPITAL

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	-12 093	16 286	81	-3 037	7 631	-25 703
U.S.A	24 439	19 421	24 646	16 643	- 896	79 609
JAPON	-43 962	-26 776	-38 635	-19 686	-30 861	-133 438
BLEU / UEBL	- 416	- 747	-2 811	-2 204	- 417	-7 039
DANMARK	1 074	3 034	1 743	905	1 725	3 628
B.R. DEUTSCHLAND	1 396	8 318	662	-5 323	-6 738	15 499
ESPANA	- 55	49	2 239	3 581	1 552	-1 667
FRANCE	-1 991	1 088	1 141	214	-1 158	-7 566
HELLAS	275	808	90	534	- 245	2 215
IRELAND	- 225	598	179	70	22	1 082
ITALIA	-1 106	2 687	-1 532	-1 268	-1 055	-2 213
NEDERLAND	-1 353	-1 149	293	- 194	- 460	-9 180
PORTUGAL	- 451	- 48	134	529	- 594	- 488
UNITED KINGDOM	-9 241	1 647	-2 057	119	14 998	-19 974

E. BASIC BALANCE

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	3 268	22 169	10 862	6 507	16 301	26 764
U.S.A	-10 668	-10 327	-11 885	-26 170	-31 347	-63 950
JAPON	-19 222	-8 140	-18 851	- 928	-12 946	-46 739
BLEU / UEBL	323	- 537	-1 650	-1 114	324	-3 375
DANMARK	12	2 587	1 050	455	760	- 860
B.R. DEUTSCHLAND	15 094	18 400	9 957	1 455	5 994	55 533
ESPANA	175	- 378	2 718	4 993	228	2 516
FRANCE	- 311	- 673	618	- 656	-2 558	-4 626
HELLAS	- 53	140	- 579	1 244	- 718	471
IRELAND	- 526	287	544	338	43	382
ITALIA	- 946	662	- 556	184	-1 985	428
NEDERLAND	-1 515	- 594	1 827	- 108	284	-4 189
PORTUGAL	- 228	- 4	- 50	1 055	- 417	656
UNITED KINGDOM	-8 758	2 279	-3 017	-1 339	14 346	-20 174

F. OFFICIAL SETTLEMENTS BALANCE

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	-4 151	15 192	15 704	-3 857	8 735	10 646
U.S.A	291	-4 900	-3 308	3 598	-12 614	-22 534
JAPON	- 58	15 316	11 412	3 043	7 314	13 773
BLEU / UEBL	- 92	233	1 394	-9 281	- 93	-1 183
DANMARK	267	1 751	2 067	155	- 134	-2 109
B.R. DEUTSCHLAND	1 360	7 862	2 718	- 769	11 409	3 329
ESPANA	36	- 428	2 588	4 464	- 729	2 504
FRANCE	-4 263	- 841	1 396	- 830	-7 196	1 702
HELLAS	- 40	219	- 201	1 372	- 504	849
IRELAND	72	116	233	426	8	- 104
ITALIA	127	3 578	-1 922	-1 325	- 962	2 348
NEDERLAND	- 918	685	1 632	332	- 213	- 636
PORTUGAL	- 554	36	274	1 326	25	- 148
UNITED KINGDOM	- 145	1 980	5 524	274	7 123	4 094

G. RESERVES

	04/86	01/87	02/87	03/87	04/87	1986
EUR-12 *)	3 781	-13 697	-16 392	-6 960	-11 354	-14 667
U.S.A	128	1 749	2 971	23	3 076	334
JAPON	- 627	-14 083	-9 443	-2 557	-7 613	-15 062
BLEU / UEBL	- 254	- 70	- 627	905	- 255	155
DANMARK	286	-1 049	-2 080	- 154	81	1 447
B.R. DEUTSCHLAND	-1 880	-6 496	-2 125	- 916	-8 780	-5 324
ESPANA	12	-1 244	-3 914	-5 694	325	-2 330
FRANCE	4 148	1 524	-1 223	1 191	4 139	-1 729
HELLAS	29	- 162	- 39	-1 149	602	- 499
IRELAND	- 72	- 116	- 233	- 426	- 8	104
ITALIA	- 209	-3 470	1 953	1 331	962	-2 563
NEDERLAND	739	- 490	-1 446	- 336	- 84	305
PORTUGAL	561	- 36	- 274	-1 326	- 25	129
UNITED KINGDOM	421	-2 088	-6 384	- 386	-8 313	-4 362

SCOPE OF THE PUBLICATION

For each of the Member States of the European Community, for the Community (EUR-12) and also for the United States and Japan the most recently available data at SOEC (often provisional) are presented, based on the recommendations and definitions of the Balance of Payments Manual of the International Monetary Fund. Sometimes figures are drawn up on a "settlements basis"; they are marked with the footnote "s)". The ECU conversion rates used are quarterly averages.

CONCEPTS

Trade Account (FOB/FOB) [A]

The trade account or "merchandise" covers all transactions in movable goods, measured on a f.o.b.-basis.

Invisibles Account [B]

The invisibles account covers all transactions in services, income and unrequited transfers.

Current Account [C] = [A] + [B]

Long-term Capital Account [D]

The long-term capital account covers all changes in an economy's long-term foreign financial assets and liabilities.

Basic Balance [E] = [C] + [D]

Official Settlements Balance [F]

Balance which is financed by short-term movements in foreign assets and liabilities of the official sector

Reserves [G]

Reports movements in foreign assets and liabilities of the monetary authorities

EXPLANATORY NOTES

s) = Data on a "settlements" basis. For a correct use of these estimates please refer to the Balance of Payments methodologies of the Member States published by EUROSTAT.

*) = To interpret the EUR-12 estimates correctly the user should refer to footnotes for each of the Member States' balances.

N.A = not available
(+) = credit
(-) = debit
(=) = balance

Additional information on the data base and also on the methodology of balance of payments may be obtained from EUROSTAT's Division B2, "Regional and financial statistics".
More information about the data can be found in the publications of the Balances of Payments section. (quarterly and annual global data, and geographical breakdown).

