

Balance of payments – France • June 2023

Current account deficit narrowed in the second quarter

In the second quarter of 2023, the current account deficit (seasonally and working-day adjusted data) stood at 0.5 billion euros, a decrease of 8.6 billion compared with the first quarter of 2023 (a deficit of 9.1 billion). The goods deficit narrowed to 19.4 billion euros (after 23.9 billion euros in Q1), due to the simultaneous decrease of the energy bill and of the trade deficit excluding energy. The surplus on services rose to 12.2 billion euros, after 7.5 billion euros in Q1 as a result of the improvement in the travel balance.

In June 2023, the current account balance (seasonally and working-day adjusted data) posted a surplus of 0.8 billion euros, an improvement of 1.4 billion euros on May.

In the second quarter, the financial account balance (non seasonally adjusted) recorded net capital inflows of 6.9 billion euros. Net outflows in portfolio investment (22 billion euros) were offset by net inflows in loans and deposits (27.9 billion euros).

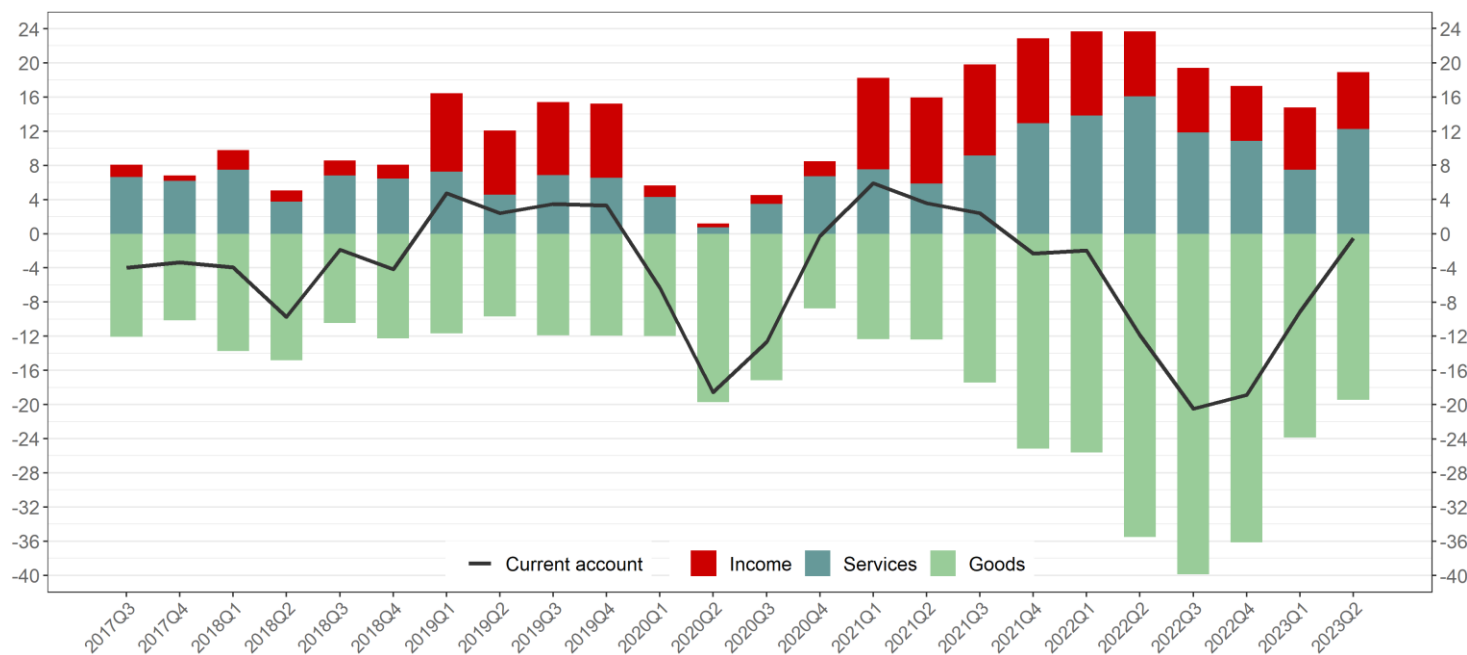
France's balance of payments

(EUR billions)	Jun-23 (a)	2023-Q1 (*) (a)	2023-Q2 (*) (a)	Cum. Fig. 4 quarter period (a)	2022 (b)
Current account (seasonally and working-day adjusted)	0.8	-9.1	-0.5	-49.0	-53.9
<i>Goods (1)</i>	-5.2	-23.9	-19.4	-119.4	-137.3
Energy	-4.2	-18.6	-16.0	-96.8	-110.2
Goods excl. Energy	-0.9	-5.3	-3.4	-22.6	-27.1
<i>Services</i>	3.7	7.5	12.2	42.5	52.0
Travel	2.9	3.3	8.1	17.7	17.4
Transport services	-0.1	0.1	-0.2	9.5	21.6
Professional and management consulting services, Research and development and Technical services, trade-related and other business services	0.1	1.0	0.9	4.2	6.3
Other services (2)	0.8	3.0	3.4	11.0	6.7
<i>Primary and secondary income (3)</i>	2.2	7.3	6.7	27.9	31.4
Capital Account (not adjusted)	0.4	0.9	0.5	6.6	10.7
Financial account (not adjusted)	3.2	-25.6	-6.9	-66.7	-57.7
<i>Direct investment</i>	-1.6	9.3	4.6	3.2	11.0
- Abroad	6.5	11.4	23.8	80.9	111.7
- In France	8.1	2.1	19.2	77.6	100.7
<i>Portfolio investment</i>	-36.9	-48.1	22.0	-171.2	-119.3
- Assets	7.1	70.0	68.4	96.0	28.4
- Liabilities	44.0	118.2	46.5	267.2	147.8
<i>Financial derivatives</i>	-5.3	-4.7	-5.7	-35.3	-40.9
<i>Loans and deposits (4)</i>	47.0	40.6	-27.9	156.9	89.6
<i>Reserve assets</i>	-0.1	-22.6	0.2	-20.4	1.9
Net errors and omissions	1.3	-14.7	2.1	-23.7	-14.5

(a) Provisional data (b) Annual report 2022 data
(1) to (4) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DGSEI

Current account balance and its components (Billion euros, seasonally and working-day adjusted data)



Methodological notes relating to page 1

(1) Data on trade in goods are FOB-FOB values, which means without cost, insurance and freight. The latter expenditure is recorded in the services item. Exchanges of goods include general merchandise as published by the Directorate General of Customs and Excise (DGDDI) on one side, merchandising and methodological adjustments calculated by the Banque de France, on the other side. It ensures the comparability of French balance of payments with those of other countries and its conformity with the international standards set by International Monetary Fund. The key underlying concept in balance of payments is the economic ownership (as for the national accounts).

(2) Services other than travel (tourism and professional travels), transport services, professional and management consulting services, R&D and development and technical services, trade-related and other business services include manufacturing, maintenance and repair, construction, insurance and pension services, financial services, charges for the use of intellectual property, telecommunication, computer and information services, personal, cultural and recreational services and government goods and services.

(3) Income includes primary and secondary incomes. Primary income refers to the flows received by economic agents for their participation in the production process ("compensation of employees") or for the provision of financial assets ("investment income") or for the rental of natural resources ("rent"). Taxes and subsidies on products and production are also included in primary income. Secondary income records current transfers between residents and non-residents. A transfer is a transaction that involves the provision of a good, service, financial asset or another non-produced asset without receiving something of economic value in exchange.

(4) The "other investment" (loans and deposits) component of the financial account includes all transactions in financial assets and liabilities with non-residents that do not concern direct investment, portfolio investment, financial derivatives or reserve assets. In practice, this mainly concerns bank deposits and interbank lending, as well as loans and deposits made by insurance companies and all kinds of investment companies and funds.

On the Banque de France website a detailed [methodological note on balance of payments and international investment position](#) can be found. Highlights on specific topics are also available:

- [foreign direct investments \(English and French\)](#),
- [remittances \(French\)](#),
- [international tourism in France \(French\)](#),
- [international banking activity \(English and French\)](#),
- [banks foreign establishment \(French\)](#),
- [net foreign assets \(English and French\)](#),
- [enterprise services \(French\)](#).

