

## Balance of payments – France • December 2023

### Current account deficit widened in the fourth quarter

In the fourth quarter of 2023, the current account deficit (seasonally and working-day adjusted data) increased to -7.2 billion euros (after -6.1 billion in the third quarter). The fall in the energy bill reduced the goods deficit to -17.3 billion euros (-20.2 billion in Q3). However, the surplus on services fell to 6.0 billion euros (8.2 billion euros in Q3), as did the surplus on income.

In December 2023, the current account balance (seasonally and working-day adjusted data) stood at -0.7 billion euros, after -2.9 billion in November.

In 2023, the current account deficit diminished substantially (+19.3 billion, to -34.6 billion after -53.9 billion in 2022), both the fall in the energy bill and the deficit of goods excluding energy contributed (respectively +44.4 billion and +10.2 billion). The balance of transport services, from a surplus, turned to a deficit (-24.7 billion, to -3.1 billion after 21.6 billion), driving the balance for services (-21.2 billion). The balance of incomes also deteriorated.

In the fourth quarter, the balance of the financial account (raw data) recorded net capital inflows of 17.3 billion euros. Net outflows of loans and deposits (29.5 billion euros) were more than offset by inflows of portfolio investment (57.2 billion euros).

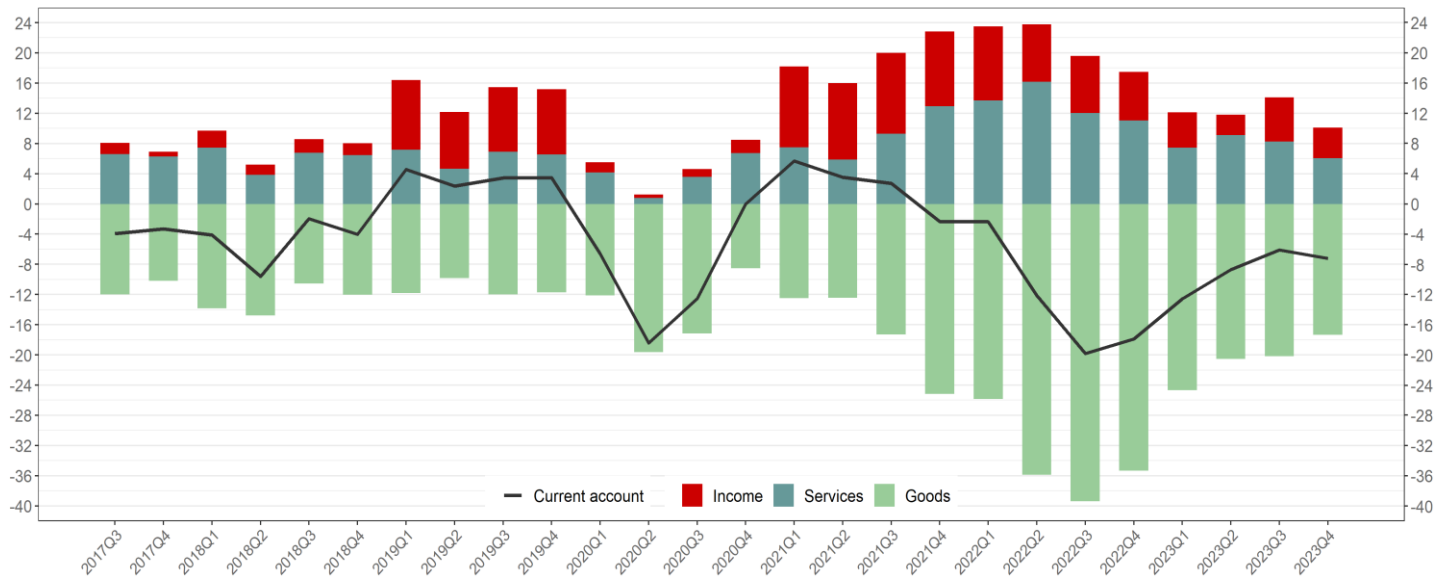
#### France's balance of payments

(EUR billions)	Dec-23 (a)	2023-Q3 (a)	2023-Q4 (a)	Cum. Fig. 4 quarter period (a)	2022 (b)
<b>Current account (seasonally and working-day adjusted)</b>	<b>-0.7</b>	<b>-6.1</b>	<b>-7.2</b>	<b>-34.6</b>	<b>-53.9</b>
<i>Goods (1)</i>	-4.1	-20.2	-17.3	-82.7	-137.3
Energy	-4.2	-16.7	-13.8	-65.8	-110.2
Goods excl. Energy	0.1	-3.5	-3.6	-16.9	-27.1
<i>Services</i>	2.0	8.2	6.0	30.8	52.0
Travel	1.6	4.6	4.2	18.5	17.4
Transport services	-0.8	-0.8	-0.9	-3.1	21.6
Professional and management consulting services, Research and development and Technical services , trade-related and other business services	0.4	1.7	1.0	3.5	6.3
Other services (2)	0.8	2.8	1.7	11.9	6.7
<i>Primary and secondary income (3)</i>	1.4	5.9	4.1	17.3	31.4
<b>Capital Account (not adjusted)</b>	<b>0.7</b>	<b>1.4</b>	<b>1.5</b>	<b>7.3</b>	<b>10.7</b>
<b>Financial account (not adjusted)</b>	<b>-8.7</b>	<b>-14.8</b>	<b>-17.3</b>	<b>-71.9</b>	<b>-57.7</b>
<i>Direct investment</i>	-0.2	17.3	6.8	43.4	11.0
- Abroad	5.7	12.6	26.3	62.6	111.7
- In France	5.9	-4.7	19.5	19.2	100.7
<i>Portfolio investment</i>	-79.4	-14.9	-57.2	-119.3	-119.3
- Assets	-66.9	40.0	-33.1	156.8	28.4
- Liabilities	12.5	54.9	24.1	276.2	147.8
<i>Financial derivatives</i>	-3.2	-6.7	1.1	-16.9	-40.9
<i>Loans and deposits (4)</i>	73.7	-10.4	29.5	41.0	89.6
<i>Reserve assets</i>	0.4	-0.1	2.5	-20.1	1.9
<i>Net errors and omissions</i>	-15.1	-7.0	-15.3	-45.4	-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, merchanting 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 \(English and French\)](#),
- [international tourism in France \(French\)](#),
- [international banking activity \(English and French\)](#),
- [banks foreign establishment \(French\)](#),
- [enterprise services \(French\)](#).

