

Balance of payments – France • May 2020

The current account balance deteriorated as a result of increasing deficit in goods

In May, the current account recorded a deficit of 8.5 billion euros, i.e. a deterioration of 2.7 billion euros compared with April (seasonally adjusted data). This was mainly due to a widening of the goods deficit by 4.5 billion, of which 3.3 billion was for goods excluding energy, reflecting a stronger recovery in imports than in exports. The energy bill rose by 1.2 billion euros.

On the other hand, the balance of services improved by 1.4 billion euros. It recorded a surplus of 0.9 billion, after a deficit in April. The upturn in services stemmed mainly from consulting services and R&D (+1.3 billion compared with April). In the financial account (non seasonally adjusted data), capital outflows exceeded inflows by 1.3 billion euros. Net outflows are mainly observed on "loans and deposits" for 11.9 billion.

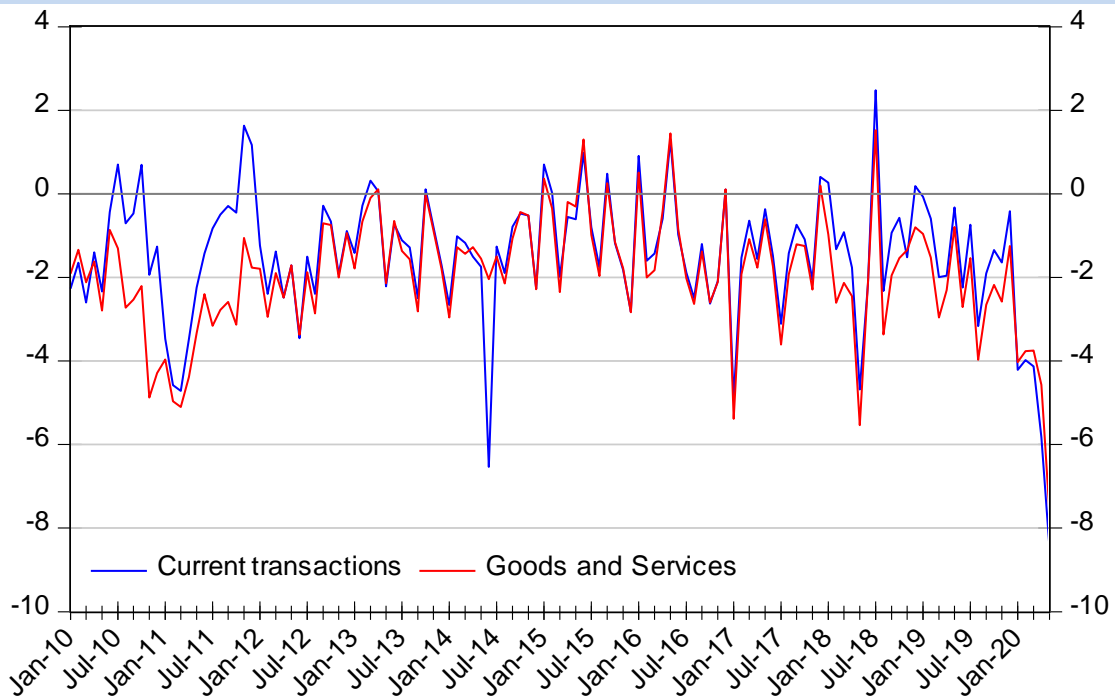
France's balance of payments

(EUR billions)	2018 (a)	2019 (a)	Apr-20 (b)	May-20 (b)
Current account (seasonally and working-day adjusted)	-13.2	-16.2	-5.8	-8.5
<i>Goods (1)</i>	-48.1	-46.8	-4.0	-8.5
Energy	-43.4	-42.7	-3.0	-4.2
Goods excl. Energy	-4.6	-4.2	-1.0	-4.3
<i>Services</i>	24.8	21.6	-0.5	0.9
Travel	14.5	10.8	0.0	0.1
Transport services	-6.9	-5.0	-0.4	-0.4
Professional and management consulting services, research and development and Technical services, trade-related and other business services	7.6	7.2	-1.0	0.3
Other services (2)	9.6	8.6	0.8	0.9
<i>Primary and secondary income (3)</i>	10.1	9.0	-1.3	-0.8
Capital account (not adjusted)	2.1	1.9	0.0	0.4
Financial account (not adjusted)	-23.3	-28.8	-1.7	1.3
<i>Direct investment</i>	57.1	4.2	0.2	0.3
- Abroad	118.3	49.8	2.5	1.5
- In France	61.2	45.6	2.2	1.2
<i>Portfolio investment</i>	9.4	-93.0	27.5	-5.1
- Assets	29.0	53.2	24.7	38.7
- Liabilities	19.6	146.2	-2.8	43.8
<i>Financial derivatives</i>	-25.9	3.7	10.5	-6.9
<i>Loans and deposits (4)</i>	-74.4	53.4	-38.3	11.9
<i>Reserve assets</i>	10.4	2.8	-1.5	1.0
Net errors and omissions	-12.2	-14.6	3.0	15.0

a) Annual report 2019 data (b) Provisional data
(1) to (4) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DGSEI

Current account - Goods and services balance



The series shown on this chart have been seasonally and working-day adjusted

Methodological notes relating to pages 1 and 3

(1) Data on trade in goods are FOB-FOB values, which means without cost, insurance and freight. This expenditure is recorded in the services item. Exchanges of goods cover General merchandise 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. In order to ensure the comparability of French balance of payments with those of other countries and conformity with the international standards, the international standard for Balance of Payments statistics is released under the aegis of the International Monetary Fund. The key concept for the balance of payments is the concept of economic ownership which is consistent with 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 \(English and French\)](#),
- [business services \(French\)](#).

Revisions Q1 2020

Not seasonally adjusted, EUR billions

	Current publications	Previous publications	Revisions
	(a)	(b)	(a-b)
	Q1	Q1	Q1
Current account	-17.9	-15.2	-2.7
<i>Goods (1)</i>	-18.5	-18.0	-0.5
Energy	-9.0	-9.1	0.1
Goods excl. Energy	-9.5	-8.9	-0.6
<i>Services</i>	-1.6	1.3	-2.9
Travel	-0.2	-0.4	0.2
Transport services	-0.7	-1.2	0.5
Professional and management consulting services, research and development and Technical services , trade-related and other business services	0.4	1.4	-1.0
Other services (2)	-1.1	1.6	-2.7
<i>Primary and secondary income (3)</i>	2.1	1.5	0.6
Capital account	1.0	1.0	0.0
Financial account	-31.7	-29.7	-2.0
<i>Direct investment</i>	7.8	-0.2	8.0
- Abroad	-4.6	10.0	-14.6
- In France	-12.4	10.2	-22.6
<i>Portfolio investment</i>	12.8	5.0	7.8
- Assets	39.4	54.2	-14.8
- Liabilities	26.5	49.3	-22.8
<i>Financial derivatives</i>	-23.7	-35.0	11.3
<i>Loans and deposits (4)</i>	-32.2	-3.0	-29.2
<i>Reserve assets</i>	3.6	3.6	0.0
Net errors and omissions	-14.8	-15.5	0.7