

Balance of payments – France • May 2018

The current account deteriorates in May

In May, the current account balance reached -2.9 billion euros (seasonally and working-day adjusted data), to be compared with -1.3 billion in April. The balance of goods excluding energy worsened (-1.6 billion, after -0.4 billion), while the energy bill slightly lessened (-3.3 billion, after -3.5 billion).

The balance of services showed a lower surplus, of 1.0 billion, down from 1.7 billion. The decline in the balance of services excluding travel and transports (flat, after +0.9 billion) accounted for the lower surplus of services, while the travel services balance was up (1.3 billion after 1.1 billion in April).

The financial account (non-adjusted data) showed a decrease in French investments abroad, to 0.4 billion, after 6.2 billion in April. Foreign investments in France also moderated: 3.1 billion, after 3.6 billion. Portfolio investments posted net inflows (-2.2 billion, after net outflows of 28.1 billion in April), as did loans and deposits (-3.3 billion, after -41.2).

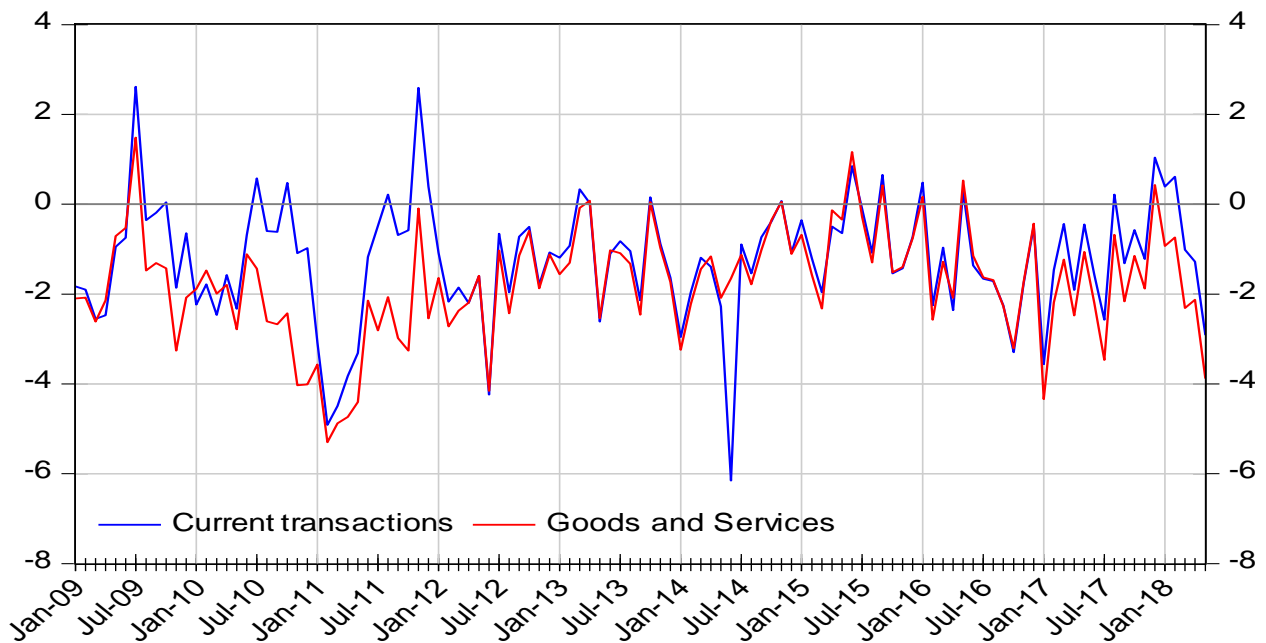
France's balance of payments

| (EUR billions) | 2016 (a) | 2017 (a) | Apr-18 (b) | May-18 (b) |
|---|--------------|--------------|---------------|---------------|
| Current account (seasonally and working-day adjusted) | -16.8 | -13.1 | -1.3 | -2.9 |
| <i>Goods (1)</i> | -34.5 | -48.2 | -3.9 | -4.9 |
| Energy | -30.0 | -37.1 | -3.5 | -3.3 |
| Goods excl. Energy | -4.6 | -11.0 | -0.4 | -1.6 |
| <i>Services</i> | 17.8 | 26.4 | 1.7 | 1.0 |
| Travel | 12.9 | 17.0 | 1.1 | 1.3 |
| Transport services | -4.6 | -2.0 | -0.3 | -0.2 |
| Professional and management consulting services, Research and development and Technical services , trade- related and other business services | 2.0 | 3.4 | 0.2 | 0.0 |
| Other services (2) | 7.5 | 8.0 | 0.7 | 0.0 |
| <i>Primary and secondary income (3)</i> | 0.0 | 8.6 | 0.8 | 1.0 |
| Capital account (not adjusted) | 1.4 | 1.1 | -0.1 | 0.0 |
| Financial account (not adjusted) | -13.0 | -31.9 | -13.4 | -8.8 |
| <i>Direct investment</i> | 25.4 | 7.4 | 2.6 | -2.7 |
| - Abroad | 66.3 | 49.8 | 6.2 | 0.4 |
| - In France | 41.0 | 42.4 | 3.6 | 3.1 |
| <i>Portfolio investment</i> | 21.5 | 19.9 | 28.1 | -2.2 |
| - Assets | 41.4 | 47.9 | 28.4 | 1.5 |
| - Liabilities | 20.0 | 28.0 | 0.3 | 3.7 |
| <i>Financial derivatives</i> | -15.9 | -1.2 | -1.7 | -1.8 |
| <i>Loans and deposits (4)</i> | -46.2 | -54.9 | -41.2 | -3.3 |
| <i>Reserve assets</i> | 2.2 | -3.0 | -1.2 | 1.2 |
| Net errors and omissions | 2.4 | -19.9 | -16.1 | -5.0 |

a) Annual report 2017 data (b) Provisional data
(1) to (4) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DIRECTORATE GENERAL STATISTICS

Current account - Goods and services balance



Methodological notes relating to page 1 table

(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, merchandising 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 \(English and French\)](#).



Revisions Q1 2018

Not seasonally adjusted, EUR billions

| | Current publications (a) | Previous publications (b) | Revisions (a-b) |
|---|--------------------------------|---------------------------------|--------------------|
| | Q1 | Q1 | Q1 |
| Current account | -13.0 | -15.1 | 2.1 |
| <i>Goods (1)</i> | -14.5 | -14.7 | 0.2 |
| Energy | -3.8 | -3.8 | 0.0 |
| Goods excl. Energy | -10.7 | -10.9 | 0.2 |
| <i>Services</i> | 4.7 | 4.3 | 0.4 |
| Travel | 2.8 | 2.9 | -0.1 |
| Transport services | -0.9 | -1.2 | 0.3 |
| Professional and management consulting services, Research and development and Technical services , trade-related and other business services | 1.7 | 0.7 | 1.0 |
| Other services (2) | 1.1 | 1.9 | -0.8 |
| <i>Primary and secondary income (3)</i> | -3.2 | -4.6 | 1.4 |
| Capital account | 0.9 | 0.9 | 0.0 |
| Financial account | -25.0 | -20.1 | -4.9 |
| <i>Direct investment</i> | 19.3 | 5.4 | 13.9 |
| - Abroad | 25.6 | 17.0 | 8.6 |
| - In France | 6.3 | 11.6 | -5.3 |
| <i>Portfolio investment</i> | 25.6 | 28.6 | -3.0 |
| - Assets | 53.0 | 52.7 | 0.3 |
| - Liabilities | 27.4 | 24.1 | 3.3 |
| <i>Financial derivatives</i> | -11.3 | -11.8 | 0.5 |
| <i>Loans and deposits (4)</i> | -62.2 | -45.8 | -16.4 |
| <i>Reserve assets</i> | 3.5 | 3.5 | 0.0 |
| Net errors and omissions | -12.9 | -5.9 | -7.0 |