

## Balance of payments – France • December and fourth quarter 2019

### Improvement in current account in the fourth quarter

In 2019-Q4, the **current account** deficit amounted to 2.1 billion euros, an improvement of 3.5 billion euros compared with the balance in the previous quarter (seasonally adjusted). The goods deficit narrowed by 5.2 billion euros due to the very good performance of non-energy goods at the end of the year. The surpluses on services, at 5.5 billion euros, and on primary and secondary income, at 0.2 billion euros, were slightly down from the previous quarter.

On a **year-on-year basis**, the goods and services balance improved by more than 3 billion euros in 2019 compared to 2018 thanks to a reduction in the energy bill and the deficit in non-energy goods. The decline in the surplus on services was due in particular to a lower travel surplus resulting from the increase in French residents' spending abroad.

In **December 2019**, the current account balance stood at -0.6 billion euros, down from the small surplus recorded in November (0.5 billion euros).

The **financial account** balance increased from -18.1 billion euros to 41 billion euros between the third and fourth quarters of 2019 (non-seasonally adjusted data). This was mainly due to the movement in portfolio investment liabilities. The direct investment balance was slightly negative owing to the increase in foreign investment in France. As in the previous quarter, "loans and deposits" resulted in net outflows of more than 50 billion euros.

#### Current account and GDP

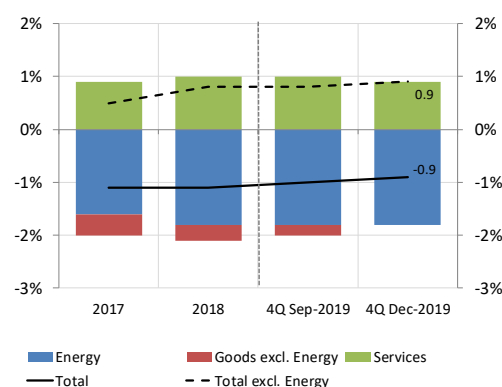
(in EUR billions and in % of GDP, cumulated figures for the four-quarter period  
sources : Banque de France – DGSEI ; ECB for external data)

	2019-Q3		2019-Q4 (*)	
	Amount	% GDP	Amount	% GDP
<b>France</b>	<b>-19.5</b>	<b>-0.8</b>	<b>-18.7</b>	<b>-0.8</b>
Germany	256.1	7.5		
Spain	21.0	1.7		
Italy	48.2	2.7		
United Kingdom	-122.7	-4.9		

(\*) Cumulated figures for the four-quarter period

#### Goods and services

(Cumulated figures for the four-quarter period, Percentage of GDP)



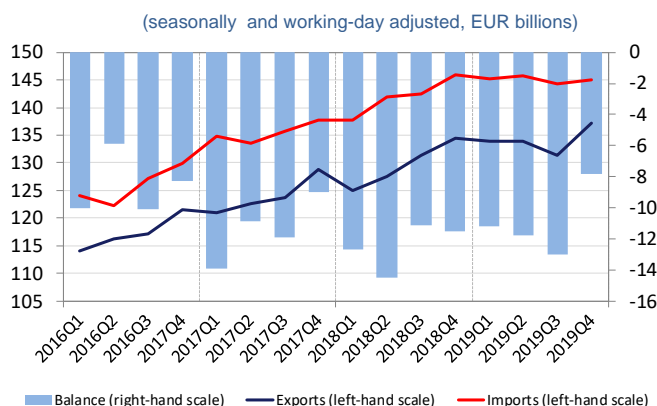
#### Current account

(EUR billions)	Dec-19 (a)	2019-Q3 (a)	2019-Q4 (a)	Cum. Fig. 4 quarter period (a)	2018 (b)	Cum. Fig. 4 quarter period / 2018
<b>Current account (seasonally and working-day adjusted)</b>	<b>-0.6</b>	<b>-5.6</b>	<b>-2.1</b>	<b>-18.7</b>	<b>-15.1</b>	↓
Goods (1)	-2.2	-13.0	-7.8	-43.8	-49.3	↑
Energy	-3.3	-10.1	-10.4	-42.8	-43.7	↑
Goods excl. Energy	1.0	-3.0	2.6	-1.0	-5.6	↑
Services	1.6	6.0	5.5	21.6	23.8	↓
Travel	1.1	3.3	3.6	12.6	14.9	↓
Transport services	-0.3	-0.4	-0.6	-2.6	-4.6	↑
Professional and management consulting services, Research and development and Technical services, trade- related and other business services	0.6	1.5	1.9	8.5	7.2	↑
Other services (2)	0.2	1.5	0.7	3.2	6.2	↓
Primary and secondary income (3)	0.0	1.4	0.2	3.5	10.3	↓

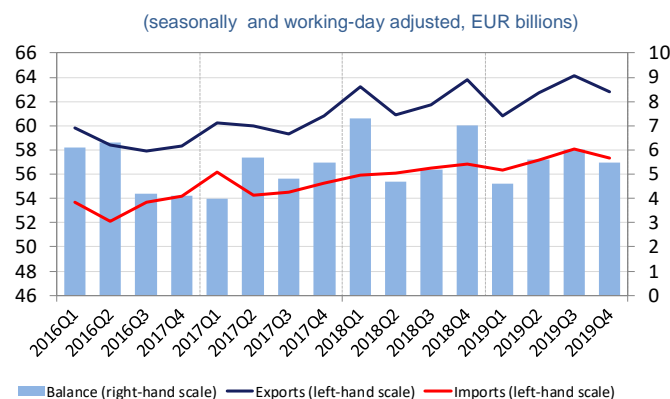
(a) Provisional data (b) Annual report 2018 data  
(1) to (3) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DGSEI

## Goods



## Services



## Capital account and financial account

(EUR billions)	Dec-19 (a)	2019-Q3 (a)	2019-Q4 (a)	Cum. Fig. 4 quarter period (a)	2018 (b)
<b>Capital Account (not adjusted)</b>	<b>0.0</b>	<b>0.7</b>	<b>-0.2</b>	<b>1.9</b>	<b>2.1</b>
<b>Financial account (not adjusted)</b>	<b>23.3</b>	<b>-18.1</b>	<b>41.0</b>	<b>-19.9</b>	<b>-27.3</b>
Direct investment	-1.3	1.6	-2.8	-8.1	55.2
- Abroad	3.3	7.8	7.0	39.7	106.6
- In France	4.6	6.2	9.7	47.7	51.4
Portfolio investment	-35.7	-73.3	-13.8	-54.3	-5.0
- Assets	-66.4	-5.4	-38.3	71.4	19.2
- Liabilities	-30.6	68.0	-24.5	125.6	24.2
Financial derivatives	9.5	1.8	4.5	0.8	-25.9
Loans and deposits (4)	50.7	50.2	52.5	38.8	-62.0
Reserve assets	0.1	1.7	0.6	2.8	10.4

(a) Provisional data (b) Annual report 2018 data  
(4) See methodological notes on page 2

## Methodological notes relating to page 1 and page 2 tables

(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 \(English and French\)](#),
- [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 \(French\)](#).

