

## Balance of payments – France • June and second quarter 2019

### Decrease of the current account deficit

In 2019-Q2, the **current account** deficit amounted to 2 billion euros, a decrease of 1.7 billion from the previous quarter (seasonally-adjusted). The deficit in goods narrowed from 11.8 billion to 10.1 billion, and the surplus in services widened from 5.5 billion to 7.0 billion. The balance of primary and secondary income deteriorated by 1.4 billion euros.

The **financial account** balance went up from -28.6 to 9.7 billion euros (non-seasonally adjusted). This increase was notably explained by portfolio investments, which recorded a decrease in liabilities while French investors kept purchasing large amount of foreign securities, amounting to 59.9 billion (up from 51.8 billion). The balance of direct investments remained stable: the increase in French investments abroad (up from 7.2 billion to 14.2 billion) was offset by the increase of foreign investments in France (up from 2.5 billion to 9.0 billion).

#### Current account and GDP

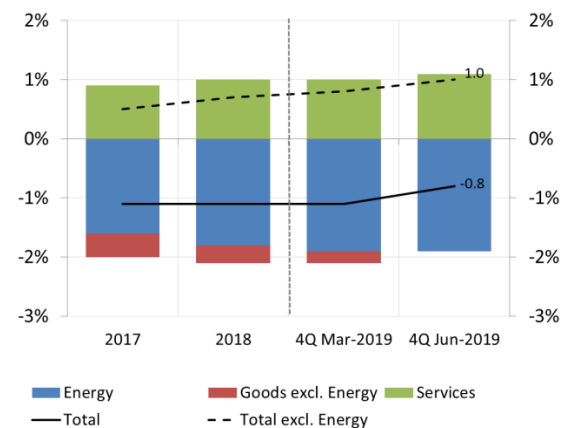
(in EUR billions and in % of GDP, cumulated figures for the four-quarter period  
sources : Banque de France – DGSEI ; ECB for external data)

	2019-Q1		2019-Q2 (*)	
	Amount	% GDP	Amount	% GDP
<b>France</b>	<b>-17.2</b>	<b>-0.7</b>	<b>-10.8</b>	<b>-0.5</b>
Germany	241.8	7.1		
Spain	7.6	0.6		
Italy	43.7	2.5		
United Kingdom	-85.9	-3.5		

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

#### Goods and services

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



#### Current account

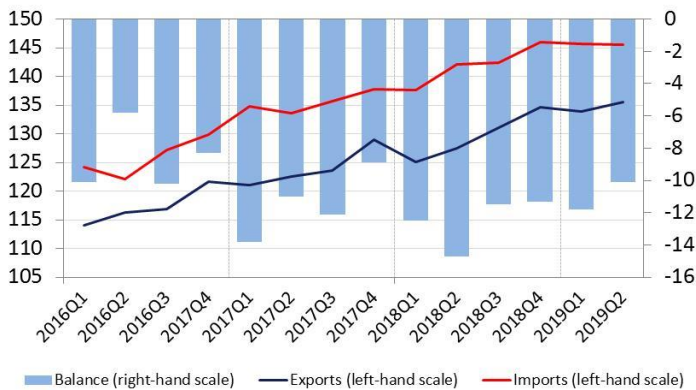
(EUR billions)	Jun-19 (a)	2019-Q1 (a)	2019-Q2 (a)	Cum. Fig. 4 quarter period (a)	2018 (b)	Cum. Fig. 4 quarter period / 2018
<b>Current account (seasonally and working-day adjusted)</b>	<b>-0.8</b>	<b>-3.7</b>	<b>-2.0</b>	<b>-10.8</b>	<b>-15.1</b>	↑
Goods (1)	-3.9	-11.8	-10.1	-44.6	-49.3	↑
Energy	-3.6	-11.1	-11.2	-44.4	-43.7	↓
Goods excl. Energy	-0.3	-0.8	1.1	-0.2	-5.6	↑
Services	2.7	5.5	7.0	25.2	23.8	↑
Travel	1.4	2.5	3.8	13.5	14.9	↓
Transport services	-0.1	-1.0	-0.6	-3.6	-4.6	↑
Professional and management consulting services, Research and development and Technical services , trade- related and other business services	0.7	3.1	1.8	8.4	7.2	↑
Other services (2)	0.7	0.9	2.0	6.9	6.2	↑
Primary and secondary income (3)	0.4	2.6	1.2	8.7	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

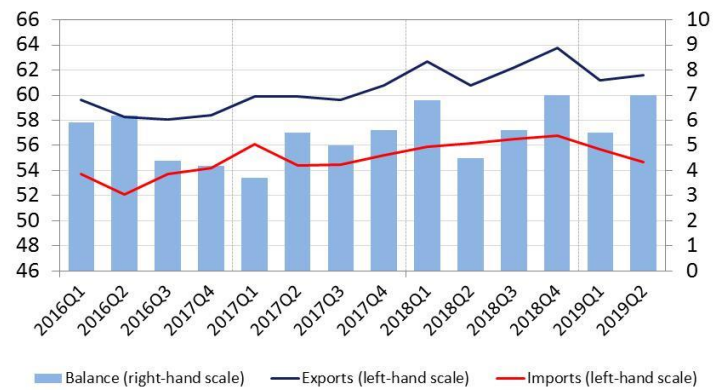
## Goods

(seasonally and working-day adjusted, EUR billions)



## Services

(seasonally and working-day adjusted, EUR billions)



## Capital account and financial account

(EUR billions)	Jun-19 (a)	2019-Q1 (a)	2019-Q2 (a)	Cum. Fig. 4 quarter period (a)	2018 (b)
<b>Capital Account (brut)</b>	<b>0.0</b>	<b>1.1</b>	<b>0.3</b>	<b>2.3</b>	<b>2.1</b>
<b>Financial account (not adjusted)</b>	<b>14.4</b>	<b>-28.6</b>	<b>9.7</b>	<b>-3.0</b>	<b>-27.3</b>
Direct investment	-2.5	4.7	5.3	28.9	55.2
- Abroad	-0.1	7.2	14.2	73.2	106.6
- In France	2.3	2.5	9.0	44.3	51.4
Portfolio investment	15.5	20.1	42.9	67.0	-5.0
- Assets	9.2	51.8	59.9	80.5	19.2
- Liabilities	-6.3	31.8	17.0	13.4	24.2
Financial derivatives	0.5	-5.8	-0.8	-16.6	-25.9
Loans and deposits (4)	2.0	-46.7	-39.0	-83.6	-62.0
Reserve assets	-1.1	-0.8	1.4	1.4	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, 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 \(English and French\)](#).

