

Balance of payments – France • September and third quarter 2017

The current account deficit widens

The current account balance shows a deficit of 9 billion euros in Quarter 3 (July to September, data seasonally and working-day adjusted), following a 4.1 billion deficit the previous quarter. On a year-on-year basis, the deficit amounts to 26.6 billion, to be compared with the 2016 figure (-19.0 billion).

Exports in goods decline slightly (-0.2% on a quarterly pace), partly because of the narrowing of the merchandising surplus. In the meantime, imports increase (+1.3%).

The balance on trade in services declines (from +3.3 billion on second quarter down to +0.9 billion in quarter 3) but is improving on a year-on-year basis (5.4 billion, to be compared with 0 in 2016). The surplus in travel is close to 1 billion.

The financial account (non-seasonally and non-day-adjusted data) shows net direct investments abroad, for 7.7 billion euros, and net inflows, especially throughout net current borrowings (16.3 billion). During the four last quarters, foreign direct investments in France expanded by 62% compared with 2016 figures. They now reach levels close to French investments abroad.

In September, the current accounts post a 3.1 billion euros deficit, after -1.7 billion in August and -4.3 billion in July (SA and WD adjusted data). The balance of trade in goods shows a deficit of about 4.2 billion while the balance of services is nearly flat (+0.1 billion). Incomes generate a 1 billion surplus.

Current account and GDP

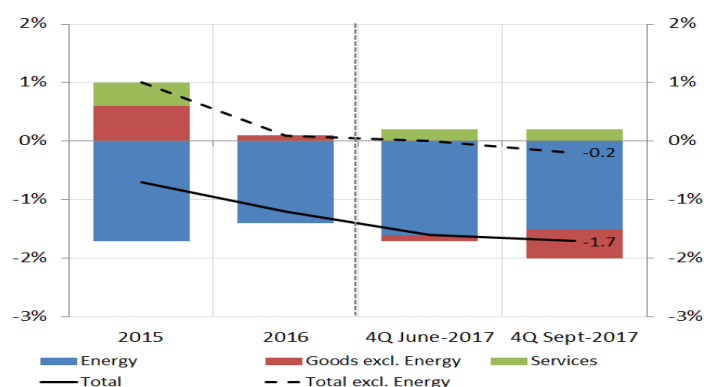
(in EUR billions and in % of GDP, cumulated figures for the four-quarter period
sources : Banque de France – DGS ; ECB for external data)

	2017-Q2 (*)		2017-Q3 (*)	
	Amount	% GDP	Amount	% GDP
France	-26.2	-1.2	-23.7	-1.0
Germany	249.6	7.8		
Spain	21.0	1.8		
Italy	46.6	2.8		
United Kingdom	-102.8	-4.4		

(*) Cumulated figures for the four-quarter period

Goods and services

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



Current account

(EUR billions)	Sep-17 (a)	2017-Q2 (a)	2017-Q3 (a)	Cum. Fig. 4 quarter period (a)	2016 (b)	Cum. Fig. 4 quarter period / 2016
Current account (seasonally and working-day adjusted)	-3.1	-4.1	-9.0	-26.6	-19.0	↓
Goods (1)	-4.2	-10.8	-12.8	-44.8	-26.8	↓
Energy	-2.7	-8.5	-8.3	-36.0	-30.0	↓
Goods excl. Energy	-1.5	-2.3	-4.4	-8.7	3.1	↓
Services	0.1	3.3	0.9	5.4	0.0	↑
Travel	0.3	1.5	0.9	4.5	1.8	↑
Transport services	-0.3	-0.7	-0.8	-2.7	-4.4	↑
Professional and management consulting services, Research and development and Technical services, trade- related and other business services	-0.7	-0.4	-1.1	-4.1	-5.2	↑
Other services (2)	0.8	2.9	1.9	7.7	7.8	→
Primary and secondary income (3)	1.0	3.4	2.8	12.8	7.8	↑

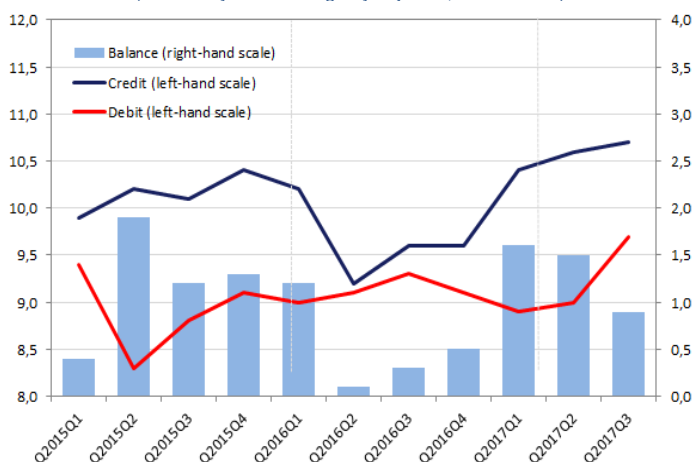
(a) Provisional data (b) Annual report 2016 data
(1) to (3) See methodological notes on page 3.

Source and production : BANQUE DE FRANCE – DIRECTORATE GENERAL STATISTICS

Focus : travel services

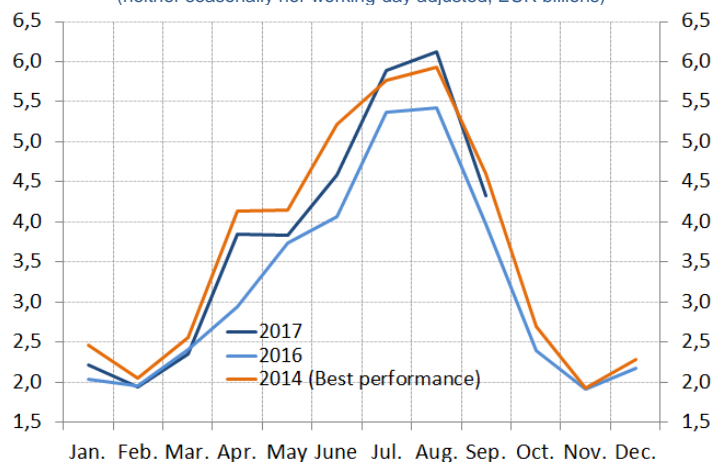
Credit, debit and quarterly balance

(seasonally and working-day adjusted, EUR billions)



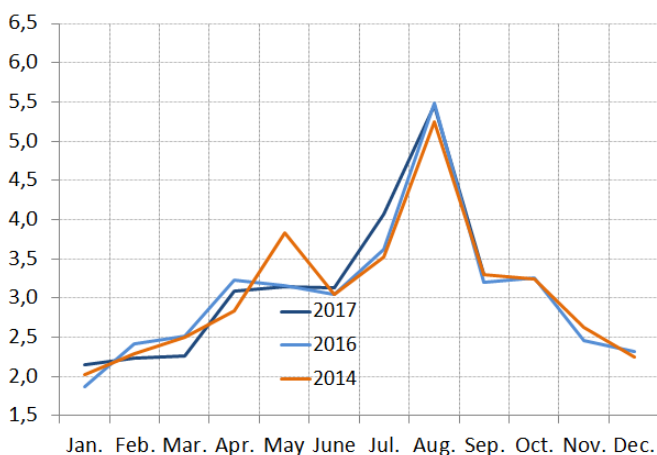
Receipts from abroad

(neither seasonally nor working-day adjusted, EUR billions)



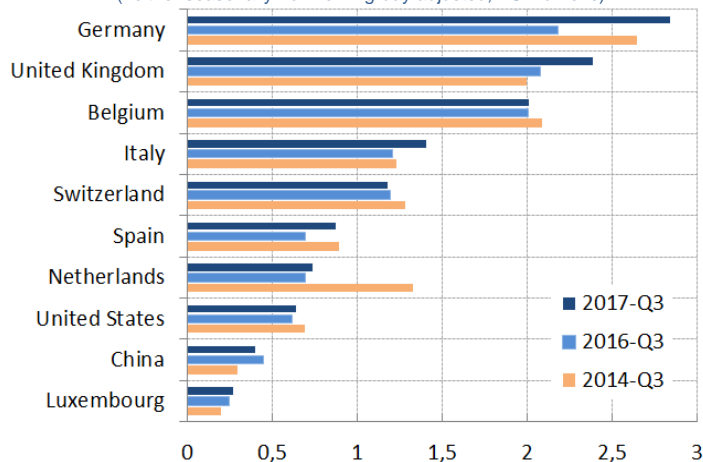
French residents' payments abroad

(neither seasonally nor working-day adjusted, EUR billions)



Origin of receipts: 10 main countries Q3 2017

(neither seasonally nor working-day adjusted, EUR billions)

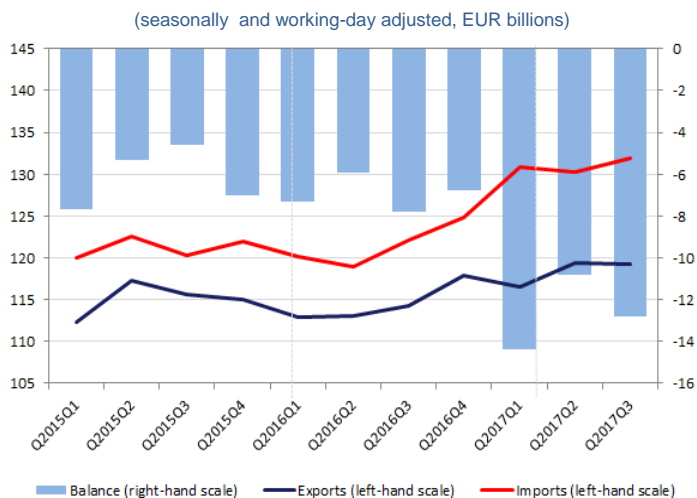


Capital account and financial account

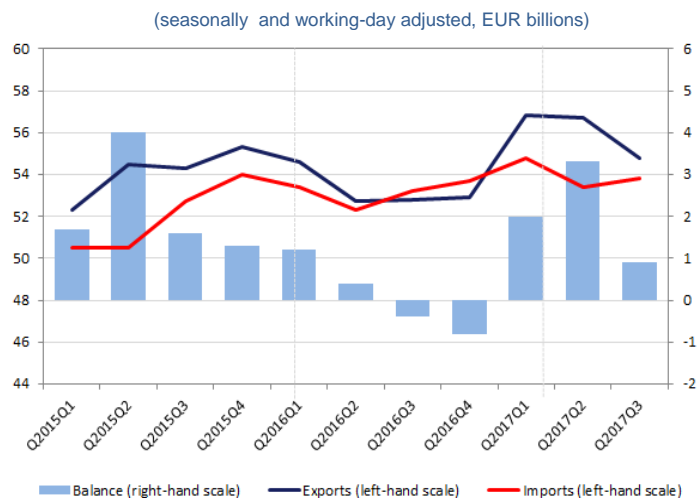
(EUR billions)	Sep-17 (a)	2017-Q2 (a)	2017-Q3 (a)	Cum. Fig. 4 quarter period (a)	2016 (b)
Capital Account (brut)	0.0	0.0	0.1	0.5	0.0
Financial account (not adjusted)	-2.9	-12.8	-18.6	-54.7	-28.8
Direct investment	3.2	4.5	7.7	7.6	26.2
- Abroad	6.2	13.9	17.2	59.7	58.4
- In France	2.9	9.5	9.5	52.1	32.2
Portfolio investment	-22.6	23.3	-13.3	40.4	-3.6
- Assets	-31.3	54.7	-10.6	83.0	47.5
- Liabilities	-8.7	31.4	2.6	42.7	51.1
Financial derivatives	3.7	1.0	1.4	3.7	0.6
Loans and deposits (4)	9.5	-42.1	-16.3	-109.7	-54.2
Reserve assets	3.3	0.6	1.7	3.3	2.2

(a) Provisional data (b) Annual report 2016 data
(4) See methodological notes on page 3.

Goods



Services



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