

Balance of payments – France • November 2017

Current account deteriorates in November

The current account balance deteriorates in November, at -3.3 billion after -2.6 billion in October (seasonally and working day adjusted data). This decrease is mainly explained by the widening of the energy deficit (-3.5 billion after -2.7) and a lower performance of the trade in services, which becomes negative at -0.5 billion despite the surplus in travel. Conversely, the balance in goods excluding energy becomes positive again thanks notably to merchanting. Income remains in surplus (0.6 billion).

In the financial account (non-seasonally adjusted data), direct investment is balanced for the second consecutive month. Portfolio investments post net inflows of 10 billion, with net sales of foreign securities for 16.5 billion after the net purchases of the previous month. Deposits and loans (“other investments”) result in net inflows of 4.4 billion.

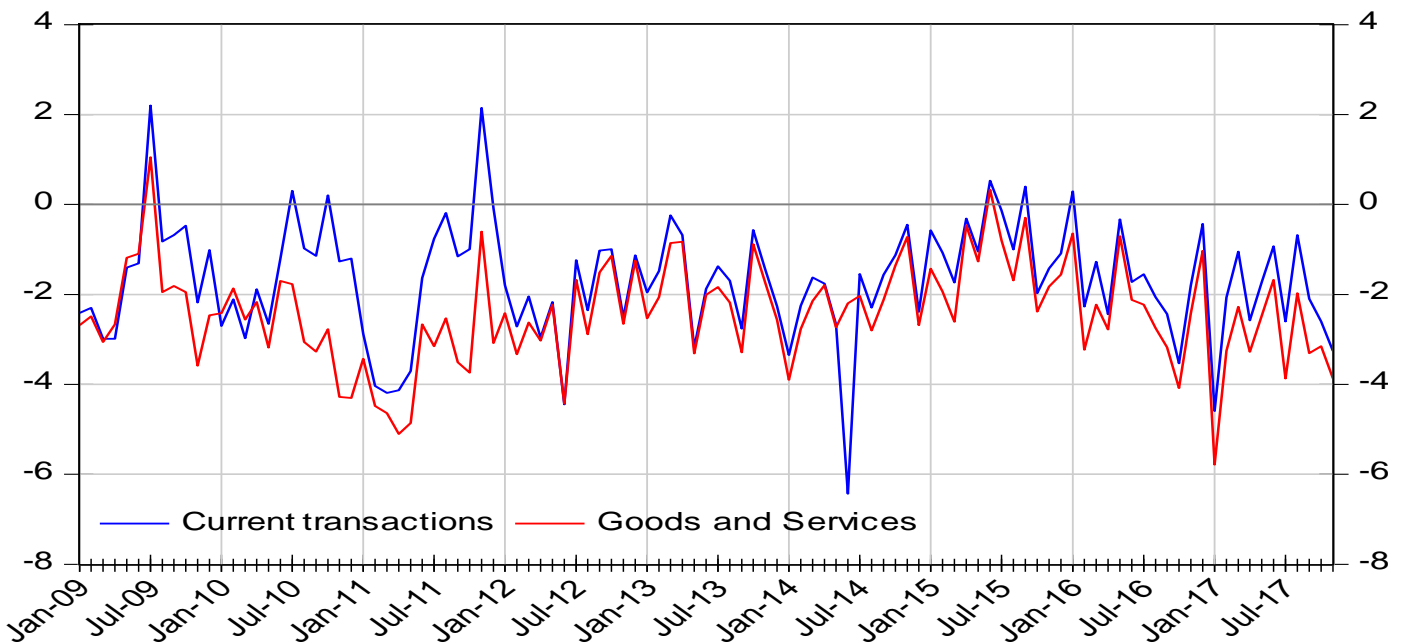
France's balance of payments

(EUR billions)	2015 (a)	2016 (a)	Oct-17 (b)	Nov-17 (b)
Current account (seasonally and working-day adjusted)	-9.6	-19.0	-2.6	-3.3
<i>Goods (1)</i>	-25.0	-26.8	-3.2	-3.4
Energy	-37.9	-30.0	-2.7	-3.5
Goods excl. Energy	12.9	3.1	-0.5	0.1
<i>Services</i>	8.9	0.0	0.1	-0.5
Travel	5.0	1.8	0.3	0.4
Transport services	-2.8	-4.4	-0.1	-0.3
Professional and management consulting services, Research and development and Technical services, trade- related and other business services	0.1	-5.2	-0.4	-0.7
Other services (2)	6.6	7.9	0.3	0.1
<i>Primary and secondary income (3)</i>	6.5	7.8	0.6	0.6
Capital account (not adjusted)	1.8	0.0	0.0	-0.1
Financial account (not adjusted)	-12.2	-28.8	-19.5	-11.5
<i>Direct investment</i>	-2.4	26.2	0.0	0.0
- Abroad	37.5	58.4	3.1	2.8
- In France	39.9	32.2	3.2	2.8
<i>Portfolio investment</i>	46.4	-3.6	33.7	-10.0
- Assets	51.0	47.5	24.3	-16.5
- Liabilities	4.6	51.1	-9.5	-6.4
<i>Financial derivatives</i>	10.8	0.6	-2.3	-0.4
<i>Loans and deposits (4)</i>	-74.2	-54.2	-47.3	-4.4
<i>Reserve assets</i>	7.2	2.2	-3.6	3.2
Net errors and omissions	-4.4	-9.8	-16.5	-6.0

a) Annual report 2016 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 Q3 2017

Not seasonally adjusted, EUR billions

	Current publications (a)	Previous publications (b)	Revisions (a-b)
	Q3	Q3	Q3
Current account	-0.5	-4.7	4.2
<i>Goods (1)</i>	-12.4	-13.6	1.2
Energy	-8.1	-7.9	-0.2
Goods excl. Energy	-4.3	-5.7	1.4
<i>Services</i>	3.8	3.7	0.1
Travel	3.6	3.5	0.1
Transport services	-0.5	-0.7	0.2
Professional and management consulting services, Research and development and Technical services , trade-related and other business services	-0.1	-0.5	0.4
Other services (2)	0.7	1.3	-0.6
<i>Primary and secondary income (3)</i>	8.1	5.2	2.9
Capital account	0.1	0.1	0.0
Financial account	6.2	-18.6	24.8
<i>Direct investment</i>	3.5	7.7	-4.2
- Abroad	8.7	17.2	-8.5
- In France	5.2	9.5	-4.3
<i>Portfolio investment</i>	15.5	-13.3	28.8
- Assets	-15.0	-10.6	-4.4
- Liabilities	-30.5	2.6	-33.1
<i>Financial derivatives</i>	-2.8	1.4	-4.2
<i>Loans and deposits (4)</i>	-11.8	-16.3	4.5
<i>Reserve assets</i>	1.7	1.7	0.0
Net errors and omissions	6.6	-14.0	20.6

Simultaneously with the publication of the data for the second month of each quarter, revisions are made on the previous periods. These revisions are mainly related to an enrichment of the information used for the production of the balance of payments, in particular quarterly collection from securities custodians.



