

## Balance of payments – France • December and fourth quarter 2018

### The current account deteriorates slightly in the fourth quarter

In the fourth quarter, the current account balance stood at -5.0 billion in seasonally and working - day adjusted data (-3.3 billion in the previous quarter). The balances of goods and of services were almost stable, while the surplus of primary and secondary income was slightly down (1.1 billion, after 2.7 billion).

On a year-on-year basis, the current account deficit (-16.8 billion) widened in 2018 compared to that observed in 2017 (-13.1 billion). This deterioration was explained by the worsening of the energy bill, while the balances of goods excluding energy and of services improved.

In December, the current account showed a balance of -1.1 billion euros, mainly due to a good performance of services (2.9 billion after 2.0 billion in November).

#### Current account and GDP

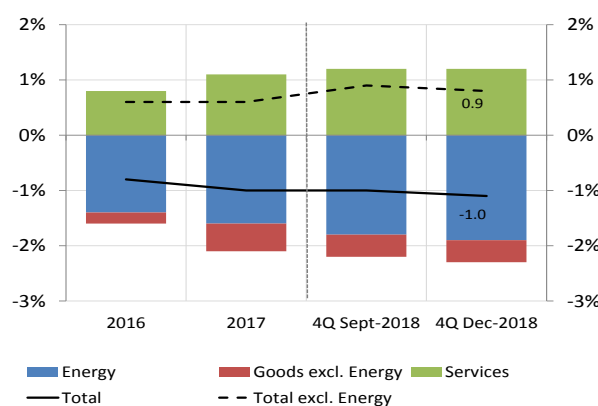
(in EUR billions and in % of GDP, cumulated figures for the four-quarter period  
sources : Banque de France – DGS ; ECB for external data)

	2018-Q3		2018-Q4 (*)	
	Amount	% GDP	Amount	% GDP
<b>France</b>	<b>-13.4</b>	<b>-0.6</b>	<b>-16.8</b>	<b>-0.7</b>
Germany	262.1	7.8		
Spain	13.8	1.2		
Italy	46.9	2.7		
United Kingdom	-77.9	-3.3		

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

#### Goods and services

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



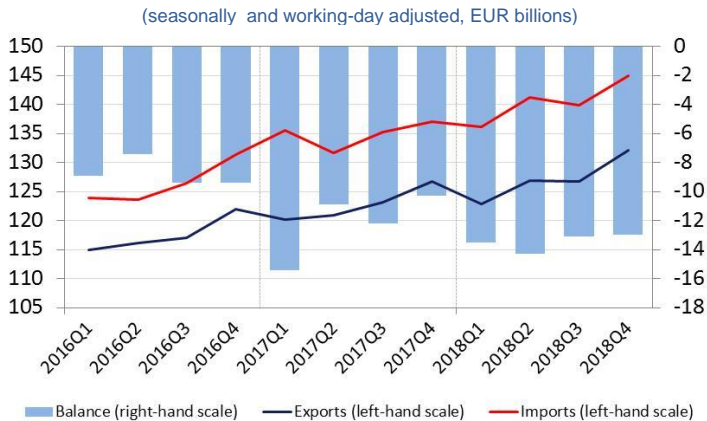
#### Current account

(EUR billions)	Dec-18 (a)	2018-Q3 (a)	2018-Q4 (a)	Cum. Fig. 4 quarter period (a)	2017 (b)	Cum. Fig. 4 quarter period / 2017
<b>Current account (seasonally and working-day adjusted)</b>	<b>-1.1</b>	<b>-3.3</b>	<b>-5.0</b>	<b>-16.8</b>	<b>-13.1</b>	↓
Goods (1)	-4.7	-13.1	-13.0	-53.8	-48.2	↓
Energy	-3.2	-11.6	-10.9	-43.9	-37.1	↓
Goods excl. Energy	-1.6	-1.5	-2.0	-9.9	-11.0	↑
Services	2.9	7.1	6.9	28.4	26.4	↑
Travel	1.2	4.2	4.1	16.7	17.0	→
Transport services	-0.2	-0.7	-0.5	-3.0	-2.0	↓
Professional and management consulting services, Research and development and Technical services , trade- related and other business services	1.0	2.0	1.7	8.7	3.4	↑
Other services (2)	0.9	1.5	1.6	6.1	8.0	↓
Primary and secondary income (3)	0.7	2.7	1.1	8.6	8.6	→

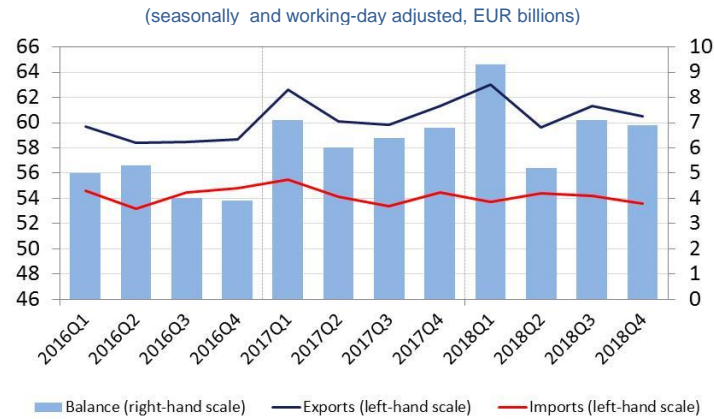
(a) Provisional data (b) Annual report 2017 data  
(1) to (3) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DIRECTORATE GENERAL STATISTICS

## Goods



## Services



## Capital account and financial account

(EUR billions)	Dec-18 (a)	2018-Q3 (a)	2018-Q4 (a)	Cum. Fig. 4 quarter period (a)	2017 (b)
<b>Capital Account (brut)</b>	<b>0.7</b>	<b>0.3</b>	<b>0.6</b>	<b>2.1</b>	<b>1.1</b>
<b>Financial account (not adjusted)</b>	<b>24.2</b>	<b>-12.7</b>	<b>11.9</b>	<b>-38.6</b>	<b>-31.9</b>
Direct investment	5.3	9.8	5.6	38.2	7.4
- Abroad	10.5	16.4	33.5	88.1	49.8
- In France	5.2	6.6	27.9	49.9	42.4
Portfolio investment	-8.1	-12.9	19.9	15.7	19.9
- Assets	-27.5	6.1	-25.5	33.0	47.9
- Liabilities	-19.3	19.0	-45.4	17.3	28.0
Financial derivatives	4.0	-4.2	3.1	-17.0	-1.2
Loans and deposits (4)	23.2	-4.6	-18.1	-85.9	-54.9
Reserve assets	-0.2	-0.8	1.5	10.4	-3.0

(a) Provisional data (b) Annual report 2017 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 \(English and French\)](#).

