

## Balance of payments – France • March 2023

### Reduction in the current account deficit in the first quarter

In the first quarter of 2023, the current account deficit (seasonally and working-day adjusted data) stood at 2.8 billion euros, improving by 17.7 billion compared to the fourth quarter of 2022 (a deficit of 20.5 billion). The goods deficit narrowed to 22.8 billion euros (after 35.8 billion in Q4) due to the decrease in the energy bill to 19.2 billion (against 28.1 billion in Q4). The services surplus increased to 10.2 billion euros, compared to 9.4 billion in Q4.

In March 2023, the current account balance (seasonally and working-day adjusted data) reach a 1.4 billion euros surplus, improving by nearly 3 billion euros compared to February.

In the first quarter, the financial account balance (not seasonally adjusted) recorded net capital inflows of 12.9 billion euros. Net outflows in loans and borrowings (25.8 billion euros) were offset by net inflows in portfolio investment (21.5 billion euros).

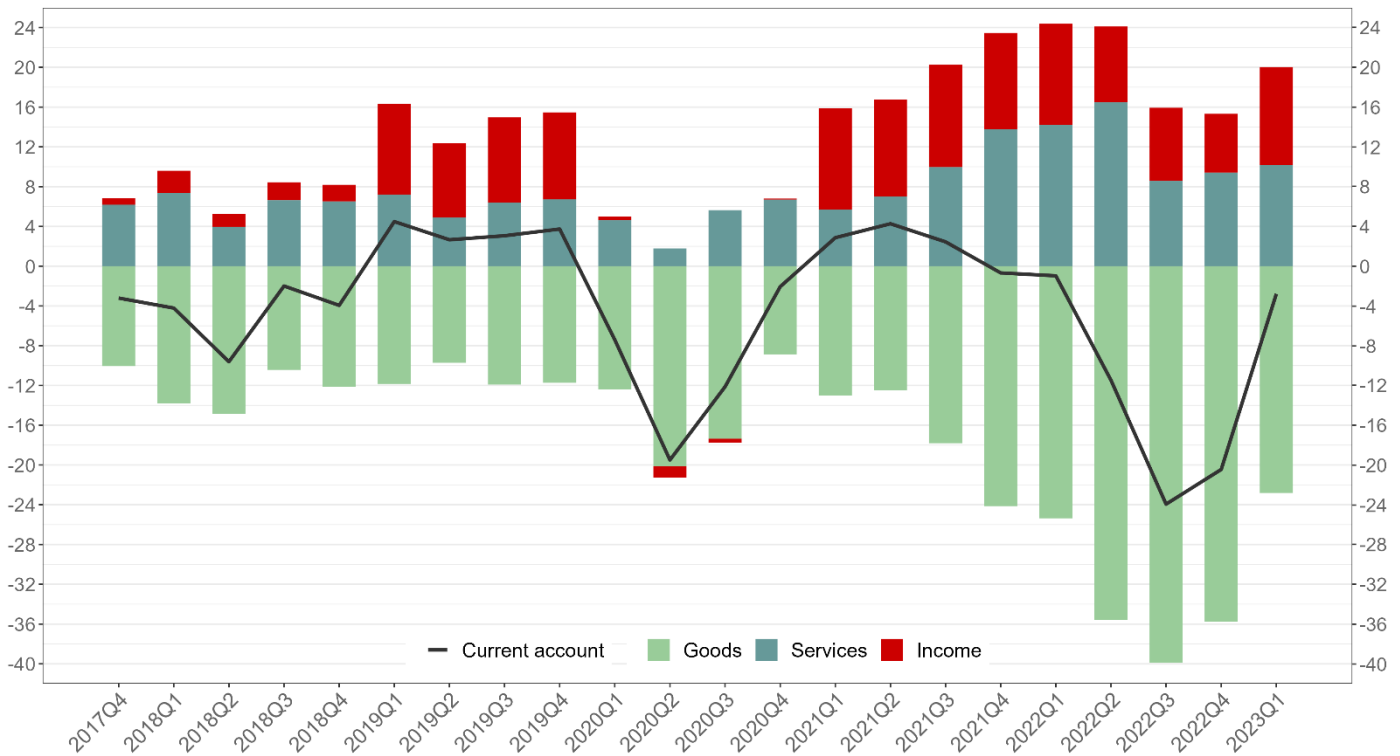
#### France's balance of payments

(EUR billions)	Mar-23 (a)	2022-Q4 (a)	2023-Q1 (a)	Cum. Fig. 4 quarter period (a)	2022 (b)
<b>Current account (seasonally and working-day adjusted)</b>	<b>1.4</b>	<b>-20.5</b>	<b>-2.8</b>	<b>-58.6</b>	<b>-56.8</b>
<i>Goods (1)</i>	-5.5	-35.8	-22.8	-134.0	-136.7
Energy	-4.6	-28.1	-19.2	-107.4	-109.6
Goods excl. Energy	-0.9	-7.7	-3.6	-26.7	-27.1
<i>Services</i>	3.7	9.4	10.2	44.6	48.8
Travel	1.3	1.6	4.2	12.2	11.3
Transport services	0.5	3.2	1.4	18.1	23.5
Professional and management consulting services, Research and development and Technical services , trade-related and other business services	0.7	1.7	0.8	4.9	7.9
Other services (2)	1.2	2.9	3.8	9.4	6.1
<i>Primary and secondary income (3)</i>	3.2	5.9	9.9	30.8	31.1
<b>Capital Account (not adjusted)</b>	<b>0.9</b>	<b>1.8</b>	<b>0.9</b>	<b>8.7</b>	<b>10.8</b>
<b>Financial account (not adjusted)</b>	<b>12.2</b>	<b>-19.7</b>	<b>-12.9</b>	<b>-93.3</b>	<b>-104.2</b>
<i>Direct investment</i>	1.2	-13.7	4.1	-15.6	-10.0
- Abroad	7.0	14.9	19.4	82.0	82.5
- In France	5.8	28.6	15.3	97.6	92.5
<i>Portfolio investment</i>	-22.5	-86.7	-21.5	-150.0	-138.4
- Assets	-4.1	-39.8	60.4	10.1	5.2
- Liabilities	18.4	46.9	81.9	160.1	143.5
<i>Financial derivatives</i>	1.1	-11.5	1.2	-26.4	-41.1
<i>Loans and deposits (4)</i>	31.6	90.5	25.8	118.3	83.3
<i>Reserve assets</i>	0.8	1.7	-22.6	-19.6	1.9
Net errors and omissions	14.5	-14.8	-7.4	-51.4	-58.3

(a) Provisional data (b) Cumulative quarterly data (not adjusted)  
(1) to (4) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DGSEI

## Current account balance and its components (Billion euros, seasonally and working-day adjusted data)



### Methodological notes relating to page 1

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

