

Balance of payments – France • September and third quarter 2021

Current account balance deteriorated in Q3

In **2021-Q3**, the current account deficit stood at 7.6 billion euros, a 3.5 billion euros deterioration compared to the second quarter (working day and seasonally adjusted data). The goods deficit worsened by 4.6 billion euros and reached 18.5 billion, mainly driven by non-energy goods. Imports of non energy goods increased by 2.8% compared with the previous quarter, while exports remained stable. Conversely, the surplus on services improved by 1.7 billion euros, in particular thanks to transport services, whose surplus grew by 2.1 billion euros, and travel (surplus of 1.5 billion euros).

In **September 2021**, the current account deficit stood at 2.7 billion euros, a deterioration of 1.3 billion euros compared to August.

The **financial account** balance rose from -18.0 billion euros in the second quarter to -33.1 billion euros in the third quarter. Net capital inflows (non-seasonally data) were mainly accounted for by portfolio investment (-23.4 billion euros) and “loans and deposits” (-33.3 billion euros). The increase in the allocation of Special Drawing Rights decided by the International Monetary Fund on August 2nd 2021 led to a rise in reserve assets (24.1 billion in Q3 compared with 0.7 in Q2), offset in “loans and deposits” by a symmetrical increase in liabilities.

Current account and GDP

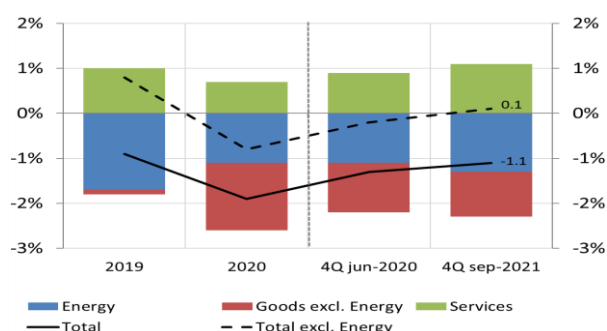
(in EUR billions and in % of GDP, cumulated figures for the four-quarter period
sources : Banque de France – DGSEI ; ECB for external data)

	2021-Q2 (*)		2021-Q3 (*)	
	Amount	% GDP	Amount	% GDP
France	-28.8	-1.2	-23.4	-1.0
Germany	257.7	7.5		
Spain	9.2	0.8		
Italy	73.6	4.3		

(*) Cumulated figures for the four-quarter period

Goods and services

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



Current account

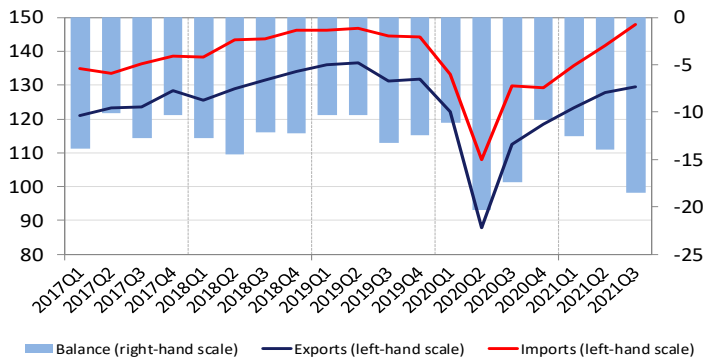
(EUR billions)	Sep-21 (a)	2021-Q2 (a)	2021-Q3 (a)	Cum. Fig. 4 quarter period (a)	2020 (b)	Cum. Fig. 4 quarter period / 2020
Current account (seasonally and working-day adjusted)	-2.7	-4.1	-7.6	-23.4	-43.7	↑
Goods (1)	-6.6	-13.9	-18.5	-55.7	-59.9	↑
Energy	-3.3	-8.5	-9.6	-30.9	-24.4	↓
Goods excl. Energy	-3.3	-5.4	-8.9	-24.9	-35.5	↑
Services	3.7	8.5	10.2	27.9	16.4	↑
Travel	0.6	0.2	1.7	3.1	4.2	↓
Transport services	1.8	2.8	4.9	9.5	-2.7	↑
Professional and management consulting services, Research and development and Technical services , trade- related and other business services	0.7	2.5	1.7	7.9	7.3	↑
Other services (2)	0.6	3.0	1.9	7.3	7.6	→
Primary and secondary income (3)	0.2	1.3	0.7	4.5	-0.2	↑

(a) Provisional data (b) Annual report 2020 data
(1) to (3) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DGSEI

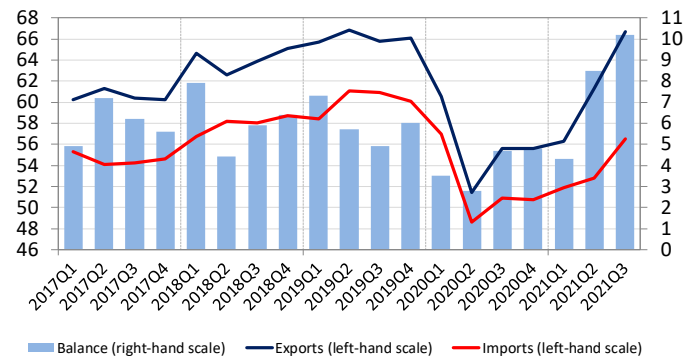
Goods

(seasonally and working-day adjusted, EUR billions)



Services

(seasonally and working-day adjusted, EUR billions)



Capital account and financial account

(EUR billions)	Sep-21 (a)	2021-Q2 (a)	2021-Q3 (a)	Cum. Fig. 4 quarter period (a)	2020 (b)
Capital Account (not adjusted)	0.9	0.5	1.3	2.6	2.0
Financial account (not adjusted)	-16.1	-18.0	-33.1	-56.0	-52.5
Direct investment	-1.5	3.1	5.3	16.1	36.0
- Abroad	2.5	22.9	11.4	69.3	45.9
- In France	4.0	19.9	6.1	53.3	9.9
Portfolio investment	-23.1	5.2	-23.4	92.5	-36.4
- Assets	-16.9	33.8	12.0	193.1	144.3
- Liabilities	6.2	28.6	35.5	100.6	180.7
Financial derivatives	0.9	11.4	-5.9	-4.7	-23.8
Loans and deposits (4)	6.8	-38.4	-33.3	-184.2	-32.3
Reserve assets	0.8	0.7	24.1	24.4	4.0

(a) Provisional data (b) Annual report 2020 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 \(English and French\)](#),
- [enterprise services \(French\)](#).

