

Balance of payments – France • December and 4th quarter 2021

Current account balance widened in the 4th quarter of 2021

The current account deficit widened again in the fourth quarter to reach 12.9 billion euros, after a deficit of 5.0 billion in the previous quarter (seasonally and working-day adjusted data). The goods deficit (-27.2 billion) widened under the effect of the continued increase in the energy bill (-14.5 billion in Q4 2021). On the other hand, the surplus on services continued to increase with a balance of +12.7 billion in the 4th quarter, driven by travel and business services.

The financial account balance recorded net capital inflows of 10.5 billion euros (non-seasonally data) in the 4th quarter of 2021. Portfolio investment accounted for net inflows of 110.6 billion (after 19.4 billion in the third quarter), while loans and deposits recorded net outflows of 77.7 billion.

In 2021, the current account deficit was partially reduced to 25.8 billion euros after 43.7 billion in 2020 and 7.1 in 2019. The goods deficit deteriorated to 72.4 billion (-59.9 billion in 2020) because of the energy bill. In contrast, the deficit in goods excluding energy narrowed to 31.8 billion (-35.5 in 2020 after -4.0 in 2019) and the surplus on services increased, reaching 35.7 billion (16.4 billion in 2020 after 24.0 in 2019).

Current account and GDP

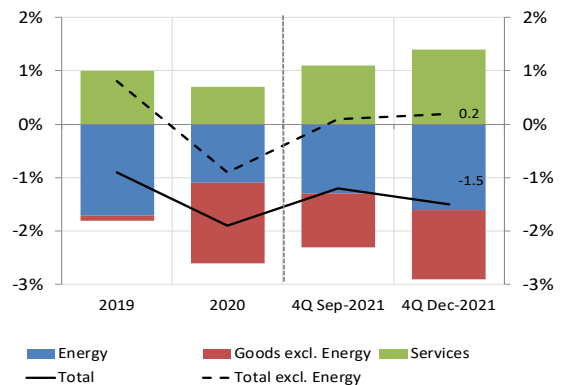
(in EUR billions and in % of GDP, cumulated figures for the four-quarter period
sources: Banque de France – DGSEI ; ECB for external data)

	2021-Q3 (*)		2021	
	Amount	% GDP	Amount	% GDP
France	-18.4	-0.8	-25.8	-1.0
Germany	259.5	7.4		
Spain	11.6	1.0		
Italy	67.0	3.8		

(*) Cumulated figures for the four-quarter period

Goods and services

(Annual or cumulated figures for the four-quarter period, Percentage of GDP)



Current account

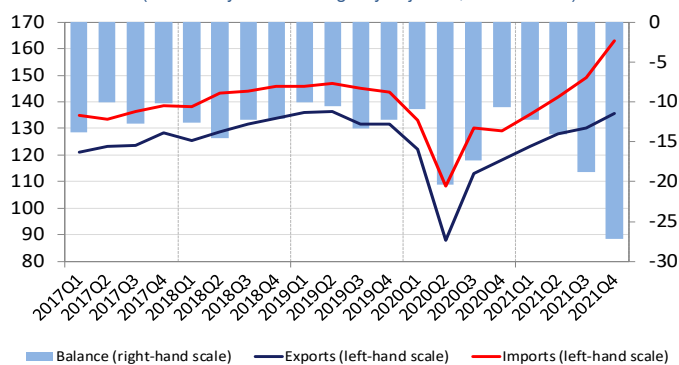
(EUR billions)	Dec-21 (a)	2021-Q3 (a)	2021-Q4 (a)	Cum. Fig. 4 quarter period (a)	2020 (b)	Cum. Fig. 4 quarter period / 2020
Current account (seasonally and working-day adjusted)	-7.1	-5.0	-12.9	-25.8	-43.7	↑
Goods (1)	-10.9	-18.8	-27.2	-72.4	-59.9	↓
Energy	-5.3	-10.0	-14.5	-40.6	-24.4	↓
Goods excl. Energy	-5.6	-8.8	-12.7	-31.8	-35.5	↑
Services	3.2	10.5	12.7	35.7	16.4	↑
Travel	1.3	1.5	3.0	5.3	4.2	↑
Transport services	1.6	4.8	5.1	14.3	-2.7	↑
Professional and management consulting services, Research and development and Technical services, trade- related and other business services	0.7	2.5	4.1	10.6	7.3	↑
Other services (2)	-0.4	1.6	0.4	5.6	7.6	↓
Primary and secondary income (3)	0.6	3.4	1.7	10.9	-0.2	↑

(a) Provisional data (b) Annual report 2020 data (not adjusted data)
(1) to (3) See methodological notes on page 2.

Source and production : BANQUE DE FRANCE – DGSEI

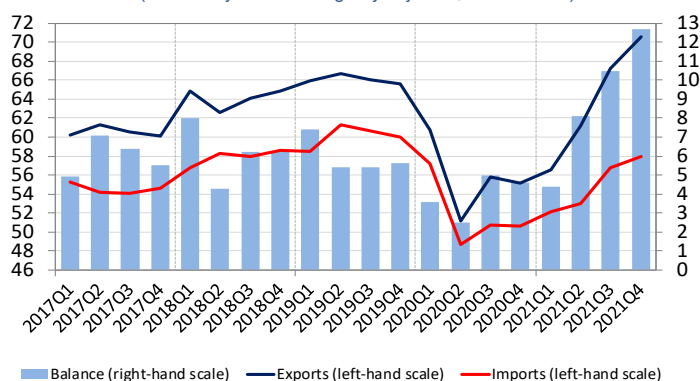
Goods

(seasonally and working-day adjusted, EUR billions)



Services

(seasonally and working-day adjusted, EUR billions)



Capital account and financial account

(EUR billions)	Dec-21 (a)	2021-Q3 (a)	2021-Q4 (a)	Cum. Fig. 4 quarter period (a)	2020 (b)
Capital Account (not adjusted)	0.9	7.8	2.4	11.3	2.0
Financial account (not adjusted)	-3.3	-7.0	-10.5	-48.7	-52.5
Direct investment	9.7	2.2	12.2	22.3	36.0
- Abroad	3.6	21.6	8.2	66.2	45.9
- In France	-6.1	19.4	-4.0	43.9	9.9
Portfolio investment	-88.0	-19.4	-110.6	-16.0	-36.4
- Assets	-93.1	8.4	-90.6	92.3	144.3
- Liabilities	-5.1	27.8	20.0	108.3	180.7
Financial derivatives	3.2	0.0	10.8	17.4	-23.8
Loans and deposits (4)	73.4	-14.0	77.7	-95.3	-32.3
Reserve assets	-1.5	24.1	-0.6	22.8	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, 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 \(French\)](#).