

Luxembourg, 24 June 2016

Press release

Balance of payments of Luxembourg for the first quarter of 2016

The Central Bank of Luxembourg (BCL) and STATEC inform that the current account recorded a surplus of 509 million euros for the first quarter of 2016, compared to 854 million during the same period of the previous year, corresponding to a decrease of 345 million.

The trade deficit widened significantly (-483 million euros between 2015Q1 and 2016Q1). Indeed, the 307 million increase of the general merchandise balance (including non-monetary gold) was not able to offset the strong decline in net exports of merchanting (-790 million). This development is the result of business model changes in e-commerce. These had virtually no impact on the current account balance but led to redistribution between flows of goods and services. For the latter, imports fell by 318 million euros (-2% between 2015Q1 and 2016Q1), while exports rose by 407 million (+2%). The international trade in services surplus soared well over 17% (+750 million euros). Financial services did not contribute as usual, since their surplus decreased by 4.5% between 2015Q1 and 2016Q1 (-162 million euros) due to more volatile financial markets in early 2016.

In the financial account, in the first quarter 2016, the net repurchases of collective investment shares and to a lesser extent, the repayments of debt securities resulted in net outflows of 16 billion euros in the portfolio investments. The direct investments and the financial derivative recorded respectively net outflows of 4 billion and 5 billion euros in the first quarter 2016. These outflows were largely compensated by inflows of 26 billion euros in the other investments (loans and traditional deposits).

Detailed statistical tables are available on BCL's website (www.bcl.lu) as well as on the website of STATEC (www.statistiques.lu).

Table: Balance of payments of Luxembourg (in millions of euros)

Unit : millions of euros	1 st quarter 2015			1 st quarter 2016		
	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	68 143	67 289	854	68 603	68 094	509
Goods	4 586	4 812	-226	3 636	4 346	-709
General merchandise (incl. "non-monetary gold")	3 316	4 812	-1 495	3 157	4 346	-1 188
Goods under merchanting (net exports)	1 269		1 269	479		479
Services	20 078	15 854	4 224	20 486	15 536	4 950
Primary income	41 490	44 678	-3 187	42 380	46 153	-3 773
Secondary income	1 988	1 945	43	2 100	2 058	41
CAPITAL ACCOUNT	4	189	-185	9	186	-177
	Assets	Liabilities	Net	Assets	Liabilities	Net
FINANCIAL ACCOUNT			669			329
DIRECT INVESTMENT	142 327	118 297	24 030	3 627	-616	4 243
Equity and Reinvestment of earnings	75 484	16 540	58 944	-7 010	6 065	-13 075
Debt instruments	66 843	101 756	-34 914	10 637	-6 681	17 318
PORTFOLIO INVESTMENT	80 251	136 483	-56 232	-7 647	-24 034	16 387
Equity securities	32 910	118 549	-85 639	-600	-14 434	13 833
Debt securities	47 341	17 934	29 407	-7 042	-9 600	2 558
FINANCIAL DERIVATIVES			5 085			5 460
OTHER INVESTMENT	69 779	41 954	27 825	14 070	40 086	-26 015
RESERVE ASSETS			-39			254
ERRORS AND OMISSIONS			0			-3

source : BCL, STATEC

For further information, please contact

- **STATEC** at 247-84362 or 84393
- **BCL** at 4774-4265 or 4243