

Luxembourg, 2 October 2016

Press release

Balance of payments of Luxembourg for the first half of 2016

The Central Bank of Luxembourg (BCL) and STATEC inform that the current account recorded a surplus of 802 million euros for the first half of 2016, compared to 2.012 million during the same period of the previous year, corresponding to a decrease of 1.202 million.

Two facts impact the comparability of half-year figures. Firstly, the revision of the historical series has improved intra-annual distribution of income flows (dividends and interest), resulting in greater volatility of quarterly and semi-annual current account balances. Second, the business model changes in electronic commerce have led to the decrease in net exports of merchanting and imports of certain types of non-financial services, without however significantly impacting the current account balance.

During the first half of 2016, the increase in the services surplus (+454 million euros) was not able to compensate for changes in the opposite direction of the other partial balances. Indeed, the balances of goods, primary and secondary income were all decreasing. The surplus of non-financial services went up by 864 million euros during the first semester of 2016 (evolution mainly related to the decrease in imports, as described in the previous paragraph), while the surplus of financial services was down by 410 million. This decline is mainly explained by the decrease in net assets of investment funds.

In the financial account, direct investments recorded net inflows of 38 billion euros in the first semester of 2016. These inflows were triggered largely by intercompany loans repayments. Portfolio investments and financial derivatives recorded respectively inflows of 27 billion euros and 11 billion euros in the first semester of 2016. All these inflows were largely compensated by outflows of 77 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

Unit : millions of euros	1 st semester 2015			1 st semester 2016		
	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	158 078	156 067	2 012	150 761	149 959	802
Goods	8 638	9 337	-699	7 325	9 043	-1 717
General merchandise (incl. "non-monetary gold")	6 567	9 337	-2 770	6 580	9 043	-2 462
Goods under merchanting (net exports)	2 072		2 072	745		745
Services	41 525	32 276	9 248	41 432	31 730	9 702
Financial services	24 764	17 866	6 898	23 934	17 446	6 488
Non financial services	16 760	14 411	2 350	17 499	14 284	3 214
Primary income	103 690	110 640	-6 950	97 590	105 124	-7 534
Secondary income	4 226	3 814	412	4 414	4 062	352
CAPITAL ACCOUNT	5	360	-355	17	335	-318
	Assets	Liabilities	Net	Assets	Liabilities	Net
FINANCIAL ACCOUNT			1 573			563
DIRECT INVESTMENT	403 503	234 781	168 722	-35 393	2 366	-37 759
Equity and Reinvestment of earnings	304 003	124 351	179 651	-6 436	6 149	-12 585
Debt instruments	99 500	110 429	-10 929	-28 957	-3 783	-25 174
PORTFOLIO INVESTMENT	192 410	349 983	-157 573	15 052	42 424	-27 372
Equity securities	92 331	208 774	-116 443	-6 987	31 526	-38 513
Debt securities	100 079	141 209	-41 130	22 040	10 898	11 141
FINANCIAL DERIVATIVES			-2 020			-11 549
OTHER INVESTMENT	-28 425	-20 912	-7 513	123 101	46 092	77 009
RESERVE ASSETS			-42			234
ERRORS AND OMISSIONS			-84			79

source : BCL, STATEC

For further information, please contact

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