

Statistical press release

Luxembourg, 29 March 2017

Balance of payments of Luxembourg in 2016

The Central Bank of Luxembourg (BCL) and STATEC inform that, according to preliminary provisional results, the current account for 2016 resulted in a surplus of 2.6 billion euros, corresponding to an almost 5% drop compared to 2015.

The trade deficit increased in 2016 and amounts to -3.3 billion euros (compared to -2.6 billion in 2015). Among others, this development can be explained by the significant decline in net exports of goods under merchanting (-1.2 billion euros respectively -39% compared to 2015).

During 2016, the surplus of international trade in services rose by 1.3% and settled at 20.6 billion euros (against 20.4 billion in 2015). However, in 2016, both exports and imports of services showed a slight drop compared to 2015, which had not been the case since 2008/2009. Restructuring within e-commerce companies and their gradual departure partly explains this development.

In the financial account, net inflows of capital in the portfolio investments declined in 2016 (120 billion euros) compared with 2015 (164 billion euros). The increased volatility of the financial markets at the beginning of 2016 resulted in a decline in non-residents' investments in equity securities issued by Luxembourg (mostly Investments Funds shares), which reached 128 billion euros in 2016, compared to 315 billion euros in 2015. Purchases of debt securities by non-residents also declined to 57 billion euros in 2016, compared with 122 billion euros in 2015. Net inflows on securities issued by Luxembourg thus sharply fell in 2016 down to 186 billion euros from € 437 billion in 2015.

With regard to foreign securities, residents similarly sharply reduced their investments in 2016, which totalled 65 billion euros compared to 73 billion euros in 2015.

Net inflows in portfolio investments were all compensated by net outflows of 122 billion euros in the other investments (loans and traditional deposits), in the direct investments flows as well as in the financial derivatives flows.

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	2015			2016		
	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	311 246	308 565	2 681	301 298	298 743	2 555
Goods	15 852	18 466	-2 614	14 792	18 053	-3 261
General merchandise (incl. "non-monetary gold")	12 791	18 466	-5 675	12 911	18 053	-5 142
Goods under merchandising (net exports)	3 061		3 061	1 880		1 880
Services	86 207	65 850	20 357	85 485	64 866	20 619
Financial services	50 179	35 888	14 291	49 940	35 906	14 034
Non financial services	36 029	29 962	6 067	35 546	28 961	6 585
Primary income	200 675	216 618	-15 942	192 190	207 613	-15 423
Secondary income	8 511	7 631	880	8 831	8 211	620
CAPITAL ACCOUNT	433	1 028	-595	403	1 134	-732
	Assets	Liabilities	Net	Assets	Liabilities	Net
FINANCIAL ACCOUNT			1 975			1 868
DIRECT INVESTMENT	580 739	392 547	188 192	-3 114	-13 723	10 609
Equity and Reinvestment of earnings	517 808	421 086	96 722	82 472	-23 296	105 768
Debt instruments	62 931	-28 539	91 470	-85 586	9 573	-95 159
PORTFOLIO INVESTMENT	273 398	437 267	-163 869	65 358	185 858	-120 500
Equity securities	160 994	315 477	-154 484	-4 077	128 875	-132 952
Debt securities	112 404	121 790	-9 386	69 435	56 983	12 452
FINANCIAL DERIVATIVES			-5 892			7 814
OTHER INVESTMENT	-28 745	-12 341	-16 404	117 362	13 616	103 746
RESERVE ASSETS			-51			199
ERRORS AND OMISSIONS			-111			45

source : BCL, STATEC

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