

Luxembourg, 31 March 2020

## Balance of payments of Luxembourg during the year 2019

The Central Bank of Luxembourg (BCL) and STATEC inform that according to the first provisional results, the current account ended in a surplus of 2.8 billion euros in 2019, a very slight decrease compared to 2018 (-0.3%).

The deficit (negative balance) on transactions in goods rose to 1.1 billion euros in 2019 and thus decreased by 670 million. This change is explained by the fact that the surplus generated by merchanting (purchase and resale of goods abroad without physical national border crossing) increased faster (+811 million) than the deficit of goods (-142 million). The balance of international trade in services amounted to 23.7 billion euros and was almost stable compared to 2018. The non-financial services surplus fell by 11.6%, mainly due to a significant increase in imports of telecommunications services and charges for the use of intellectual property. On the other hand, net exports of financial services increased by more than 5% in 2019. The performance of investment funds largely explains this development. In fact, average net assets under their management increased by 5.7% in 2019, thanks in particular to favorable dynamics on financial markets.

In the financial account, in 2019 as a whole, direct investment flows were still characterized by disinvestment operations for both assets (-361 billion euros) and liabilities (-329 billion euros). These operations concerned a small number of SOPARFIs that continued restructuring, ceasing or relocating their activities. Regarding portfolio investment, non-resident investments in securities issued by Luxembourg (largely Investments Funds shares) have increased, reaching 218 billion euros in 2019, compared to net inflows of 200 billion euros in 2018. With regard to foreign securities, during the year 2019, residents disposed of equity securities (net sales of 8 billion euros) in favor of debt securities (net purchases of 159 billion euros). Direct and portfolio investment flows have resulted in net inflows of 67 billion euros during the year 2019, offset entirely by the net outflows in financial derivatives as well as in other investments (deposits and traditional credits).

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

Table: Balance of payments of Luxembourg

Unit : millions of euros	2018			2019		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>CURRENT ACCOUNT</b>	<b>333 719</b>	<b>330 864</b>	<b>2 855</b>	<b>350 015</b>	<b>347 168</b>	<b>2 847</b>
Goods	19 864	21 638	-1 774	20 557	21 661	-1 104
General merchandise (incl. "non-monetary gold")	15 485	21 638	-6 153	15 366	21 661	-6 295
Goods under merchandising (net exports)	4 380		4 380	5 191		5 191
Services	95 467	71 791	23 676	98 786	75 085	23 701
Financial services	52 572	35 993	16 579	54 368	36 941	17 427
Non financial services	42 895	35 798	7 097	44 418	38 145	6 274
Primary income	208 814	227 933	-19 119	221 264	240 580	-19 316
Secondary income	9 574	9 502	72	9 408	9 843	-434
<b>CAPITAL ACCOUNT</b>	<b>1 448</b>	<b>634</b>	<b>815</b>	<b>2 238</b>	<b>2 352</b>	<b>-114</b>
	Assets	Liabilities	Net	Assets	Liabilities	Net
<b>FINANCIAL ACCOUNT</b>			<b>3 669</b>			<b>2 769</b>
DIRECT INVESTMENT	-478 847	-540 163	61 316	-361 065	-328 682	-32 383
Equity and Reinvestment of earnings	-415 685	-400 681	-15 004	-291 409	-201 341	-90 068
Debt instruments	-63 162	-139 482	76 320	-69 656	-127 341	57 685
PORTFOLIO INVESTMENT	102 036	204 379	-102 342	150 638	184 885	-34 246
Equity securities	66 186	200 065	-133 879	-8 513	218 281	-226 794
Debt securities	35 850	4 314	31 536	159 152	-33 396	192 548
FINANCIAL DERIVATIVES			16 183			8 339
OTHER INVESTMENT	61 818	33 372	28 446	70 204	9 234	60 970
RESERVE ASSETS			66			90
<b>ERRORS AND OMISSIONS</b>			<b>0</b>			<b>36</b>

source : BCL, STATEC

For further information, please contact:

- **STATEC** - Mr. Bley at 247-84393
- **BCL** - « Communication » section at 4774-4265 ou 4599