

Luxembourg, 7 October 2021

BALANCE OF PAYMENTS OF LUXEMBOURG FOR THE FIRST HALF OF 2021

The Banque centrale du Luxembourg (BCL) and STATEC inform that, according to the first provisional results, the current account for the first half of 2021 showed a surplus of 937 million euros, a decrease of 2 805 million compared to the same period of the previous year.

The goods surplus stood at 913 million euros and fell slightly in the first half of 2021 (-236 million). Both exports and imports of goods, however, show significant increases of around 11%, respectively 15%. First, net exports from goods under merchanting (purchases of goods abroad and their resale abroad) are up 25% (+312 million euros). For general merchandise (i.e. excluding merchanting), exports went up 10% (+944 million euros), while imports increased by 15% (+1 491 million euros).

The balance of international trade in services increased by 7% in the first half of 2021 (+733 million euros), due to the fact that exports and imports have increased at a sustained pace, with 10% and 11% respectively. At the level of sub-items however, evolutions were more contrasted. Trade in non-financial services increased for exports (+5%) and imports (+5%). International trade in financial services, meanwhile, posted strong growth, with +14% for exports and +17% for imports. This evolution was driven mainly by the significant appreciation in average assets managed by investment funds during the period under review (+20%).

In the financial account, in the first half of 2021, direct investment flows were still characterized by disinvestment operations for both assets (-56 billion euros) and liabilities (-45 billion euros). These operations concerned a small number of SOPARFIs that continued restructuring, ceasing or relocating their activities.

Regarding portfolio investments, following the improvement in the financial markets, transactions in Luxembourg equities resulted in net inflows of 242 billion euros in the first half of 2021, compared with net inflows of 67 billion euros in the same half in 2020. On the other hand, Luxembourg debt securities continued to experience net sales, reaching 12 billion euros in the first half of 2021. Transactions in foreign equity securities resulted in net purchases of 150 billion euros in the first half of 2021, compared to net sales of 29 billion in the same half in 2020. Foreign debt securities, for their part, underwent net purchases, amounting to 68 billion

euros in the first half of 2021, compared with net purchases of 60 billion in the same half in 2020.

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	1st half year 2020			1st half year 2021		
	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	212.268	208.526	3.742	208.393	207.455	937
Goods	11.118	9.968	1.150	12.373	11.460	913
General merchandise (incl. "non-monetary gold")	9.848	9.968	-120	10.792	11.460	-668
Goods under merchanting (net exports)	1.270	0	1.270	1.582	0	1.582
Services	51.248	40.380	10.868	56.296	44.695	11.601
Financial services	27.330	18.706	8.624	31.211	21.928	9.283
Non financial services	23.918	21.673	2.244	25.085	22.767	2.318
Primary income	144.632	152.779	-8.146	134.221	146.009	-11.788
Secondary income	5.270	5.399	-129	5.502	5.292	211
CAPITAL ACCOUNT	433	524	-91	254	324	-69
	Assets	Liabilities	Net	Assets	Liabilities	Net
FINANCIAL ACCOUNT			3.652			367
DIRECT INVESTMENT	-124.825	-79.774	-45.052	-55.892	-44.635	-11.257
Equity and Reinvestment of earnings	-80.419	-18.202	-62.217	-49.213	-35.865	-13.348
Debt instruments	-44.407	-61.572	17.165	-6.679	-8.770	2.091
PORTFOLIO INVESTMENT	31.002	41.268	-10.265	217.939	230.094	-12.155
Equity securities	-29.131	66.814	-95.944	149.942	241.888	-91.946
Debt securities	60.133	-25.546	85.679	67.996	-11.795	79.791
FINANCIAL DERIVATIVES			23.034			9.838
OTHER INVESTMENT	99.621	63.725	35.895	79.105	65.190	13.915
RESERVE ASSETS			40			26
ERRORS AND OMISSIONS			1			-501

source : BCL, STATEC

For further information, please contact:

- **STATEC** - Mr. Michaux robert.michaux@statec.etat.lu
- **BCL** - « Communication » section at 4774-4265 ou 4599