

Luxembourg, 4 January 2022

## BALANCE OF PAYMENTS OF LUXEMBOURG DURING THE FIRST THREE QUARTERS OF YEAR 2021

The Banque centrale du Luxembourg (BCL) and STATEC inform that, according to the first provisional results, the current account for the first three quarters of 2021 showed a surplus of 1 655 million euros, a decrease of 1 561 million compared to the same period of the previous year.

The goods surplus stood at 1 135 million euros and fell slightly in the first three quarters of 2021 (-260 million). Both exports and imports of goods, however, showed significant increases of 9%, respectively 12%. First, net exports from goods under merchanting (purchases of goods abroad and their resale abroad) increased by 13% (+234 million euros). For general merchandise (i.e. excluding merchanting), exports went up 9% (+1 334 million euros), while imports increased by 12% (+1 828 million euros).

The balance of international trade in services increased by 10% in the first three quarters of 2021 (+1 637 million euros), due to the fact that exports and imports have increased at a sustained pace, e.g. 10% each. At the level of sub-items however, evolutions were more contrasted. Trade in non-financial services increased for exports (+4%) and imports (+3%). International trade in financial services, meanwhile, posted strong growth, with +16% for exports and +19% for imports. This evolution was driven mainly by the significant appreciation in assets managed by investment funds during the period under review (+13%).

In the financial account, during the first three quarters of 2021, direct investment flows were still characterized by disinvestment operations for both assets (-118 billion euros) and liabilities (-106 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 (largely Investments Funds shares), resulted in net inflows of 339 billion euros during the first three quarters of 2021, compared with net inflows of 135 billion euros in the same period in 2020. On the other hand, Luxembourg debt securities continued to experience net sales, reaching 23 billion euros during the first three quarters of 2021. Transactions in foreign equity securities resulted in net purchases of 173 billion euros

during the first three quarters of 2021, compared to net purchases of 3 billion euros in the same quarters of 2020. Foreign debt securities, for their part, underwent net purchases, amounting to 103 billion euros during the first three quarters of 2021, i.e an amount almost identical to that recorded over the same period in 2020.

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	January to September 2020			January to September 2021		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>CURRENT ACCOUNT</b>	<b>313.271</b>	<b>310.054</b>	<b>3.217</b>	<b>314.730</b>	<b>313.075</b>	<b>1.655</b>
Goods	16.800	15.406	1.394	18.368	17.233	1.135
General merchandise (incl. "non-monetary gold")	15.026	15.406	-379	16.360	17.233	-873
Goods under merchanding (net exports)	1.774	0	1.774	2.007	0	2.007
Services	77.827	61.692	16.135	85.880	68.108	17.772
Financial services	40.983	28.114	12.868	47.695	33.509	14.186
Non financial services	36.844	33.577	3.267	38.185	34.600	3.586
Primary income	210.724	225.038	-14.314	202.232	219.836	-17.604
Secondary income	7.920	7.919	1	8.251	7.898	352
<b>CAPITAL ACCOUNT</b>	<b>568</b>	<b>700</b>	<b>-132</b>	<b>421</b>	<b>508</b>	<b>-86</b>
	Assets	Liabilities	Net	Assets	Liabilities	Net
<b>FINANCIAL ACCOUNT</b>			<b>3.086</b>			<b>1.097</b>
DIRECT INVESTMENT	-153.758	-148.514	-5.244	-117.728	-106.473	-11.255
Equity and Reinvestment of earnings	-100.507	-78.558	-21.949	-126.334	-77.511	-48.823
Debt instruments	-53.250	-69.956	16.705	8.606	-28.962	37.568
PORTFOLIO INVESTMENT	105.292	118.864	-13.573	276.261	316.498	-40.236
Equity securities	3.364	135.349	-131.986	173.452	339.362	-165.909
Debt securities	101.928	-16.485	118.413	102.809	-22.864	125.673
FINANCIAL DERIVATIVES			17.179			21.069
OTHER INVESTMENT	55.536	50.799	4.737	74.522	44.545	29.977
RESERVE ASSETS			-14			1.543
<b>ERRORS AND OMISSIONS</b>			<b>1</b>			<b>-472</b>

source : BCL, STATEC

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