

Luxembourg, 3 April 2023

BALANCE OF PAYMENTS OF LUXEMBOURG DURING THE YEAR 2022

The Banque centrale du Luxembourg (BCL) and STATEC inform that, according to the first provisional results, the current account for 2022 showed a surplus of 4 billion euros, an increase of 17% compared to 2021 (576 million euros).

The goods surplus fell greatly in 2022 (-775 million) and stood at 133 million euros. Both exports and imports of goods, however, show significant increases of around 11%, respectively 14%. First, net exports from goods under merchanting (purchases of goods abroad and their resale abroad) were up 22% (612 million euros). For general merchandise (i.e. excluding merchanting), exports went up 9% (2 billion euros), while imports increased by 14% (3.5 billion euros).

The balance of international trade in services decreased by 9% in 2022 (-2 billion euros), as exports have increased more rapidly (1%) than the imports (3%). At the level of sub-items however, evolutions were slightly different. Trade in non-financial services increased for exports (2,5%) and imports (3,5%). International trade in financial services, meanwhile, posted a decline of 0,5% for exports and an increase of 3% for imports. This evolution was driven mainly by a depreciation in assets managed by investment funds during the period under review (-14%).

In the financial account, in 2022 as a whole, direct investment flows were still characterized by large disinvestments for both assets (-374 billion euros) and liabilities (- 411 billion euros). These disinvestments concerned a small number of SOPARFIs that continued restructuring, ceasing or relocating their activities.

Regarding portfolio investments, because of the fall in the financial markets observed at the beginning of the year 2022, transactions in Luxembourg equities (largely Investments Funds shares), resulted in net outflows of 80 billion euros in 2022 as a whole, compared with net inflows of 587 billion euros in 2021. On the other hand, Luxembourg debt securities experienced net inflows of 5 billion euros in 2022, compared with net outflows of 33 billion euros in 2021. For their part, transactions in foreign equity securities also resulted in net outflows of 103 billion euros in 2022, compared to net investments of 240 billion in 2021.

Foreign debt securities also recorded net sales, amounting to 66 billion euros in 2022, compared to net purchases of 140 billion in 2021.

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	2021			2022		
	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	426.575	423.273	3.302	459.305	455.426	3.879
Goods	24.850	23.943	908	27.525	27.393	133
General merchandise (incl. "non-monetary gold")	22.010	23.943	-1.933	24.073	27.393	-3.320
Goods under merchanting (net exports)	2.840		2.840	3.452		3.452
Services	126.563	102.381	24.181	127.783	105.718	22.064
Financial services	65.906	46.900	19.006	65.605	48.303	17.303
Non financial services	60.657	55.481	5.176	62.177	57.415	4.762
Primary income	263.934	286.338	-22.404	291.801	310.707	-18.905
Secondary income	11.228	10.611	617	12.196	11.609	587
CAPITAL ACCOUNT	2.342	1.478	865	835	461	374
	Assets	Liabilities	Net	Assets	Liabilities	Net
FINANCIAL ACCOUNT			4.176			4.253
DIRECT INVESTMENT	-41.360	-166.874	125.514	-373.903	-411.070	37.167
Equity and Reinvestment of earnings	-96.759	-150.277	53.518	-308.506	-394.965	86.459
Debt instruments	55.400	-16.597	71.996	-65.397	-16.105	-49.292
PORTFOLIO INVESTMENT	380.280	554.373	-174.093	-169.613	-75.484	-94.130
Equity securities	240.569	587.017	-346.448	-103.590	-80.582	-23.008
Debt securities	139.711	-32.644	172.355	-66.024	5.098	-71.122
FINANCIAL DERIVATIVES			11.929			17.157
OTHER INVESTMENT	156.347	117.089	39.259	-55.975	-100.018	44.043
RESERVE ASSETS			1.567			
ERRORS AND OMISSIONS			9			0

source : BCL, STATEC

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