

Luxembourg, 28 June 2023

## BALANCE OF PAYMENTS OF LUXEMBOURG DURING THE FIRST QUARTER OF 2023

The Banque centrale du Luxembourg (BCL) and STATEC inform that, according to the first provisional results, the current account for the first quarter of 2023 showed a surplus of 242 million euros, a decrease of 76 % compared to the same period of 2022 (-773 million euros).

The goods deficit stood at 161 million euros and decreased slightly in the first quarter of 2023 by 183 million euros. Both exports and imports of goods showed minor increases of 3%, respectively 0%. On the other hand, net exports from goods under merchanting (purchases of goods abroad and their resale abroad) increased up to 44 % (230 million euros). For general merchandise (i.e. excluding merchanting), exports went down 1% (45 million euros), while imports remained stable with 0 % (+3 million euros).

The balance of international trade in services decreased by 16% in the first quarter of 2023 (-1 032 million euros), because exports have dropped by 3% and imports have remained nearly stable with 0.4 %. At the level of sub-items however, evolutions were more contrasted. Trade in non-financial services dropped mainly for exports (-9 %) and less for imports (-1.8 %). International trade in financial services, meanwhile, progressed with +2.7 % for exports and +2.9 % for imports.

In the financial account for the first quarter of 2023, direct investment flows were still characterized by large disinvestments for both assets (-30.5 billion euros) and liabilities (- 35 billion euros). These disinvestments concerned a small number of SOPARFIs that continued restructuring, ceasing or relocating their activities.

Regarding portfolio investments, transactions in Luxembourg equities resulted in net inflows of 41 billion euros in the first quarter of 2023, compared with net outflows of 13 billion euros in the first quarter of 2022. On the other hand, Luxembourg debt securities experienced net inflows of 10 billion euros in the first quarter of 2023, compared with net outflows of 2 billion euros for the same period in 2022. For their part, transactions in foreign equity securities also

resulted in net outflows of 7 billion euros in the first quarter of 2023, compared to net sales of 16 billion in the first quarter of 2022. Net sales in foreign debt securities have reduced during the first quarter of 2023, reaching 1 billion euros in the first quarter of 2023, compared to net sales of 39 billion during the first quarter of 2022.

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	1st quarter 2022			1st quarter 2023		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>CURRENT ACCOUNT</b>	<b>104.476</b>	<b>103.461</b>	<b>1.015</b>	<b>107.697</b>	<b>107.455</b>	<b>242</b>
Goods	6.436	6.781	-344	6.623	6.784	-161
General merchandise (incl. "non-monetary gold")	5.912	6.781	-869	5.867	6.784	-917
Goods under merchanting (net exports)	524		524	755		755
Services	32.449	25.942	6.507	31.521	26.046	5.475
Financial services	17.122	12.190	4.932	17.587	12.542	5.046
Non financial services	15.327	13.752	1.575	13.934	13.504	430
Primary income	62.708	68.050	-5.342	66.392	71.757	-5.364
Secondary income	2.882	2.688	194	3.160	2.868	292
<b>CAPITAL ACCOUNT</b>	<b>27</b>	<b>58</b>	<b>-31</b>	<b>28</b>	<b>50</b>	<b>-22</b>
	Assets	Liabilities	Net	Assets	Liabilities	Net
<b>FINANCIAL ACCOUNT</b>			<b>984</b>			<b>219</b>
DIRECT INVESTMENT	27.970	-16.539	44.509	-30.509	-35.202	4.692
Equity and Reinvestment of earnings	36.663	-12.362	49.025	-43.102	-56.329	13.227
Debt instruments	-8.693	-4.177	-4.516	12.593	21.127	-8.535
PORTFOLIO INVESTMENT	-55.096	-15.052	-40.044	6.234	51.047	-44.813
Equity securities	-15.597	-13.139	-2.458	7.223	41.064	-33.841
Debt securities	-39.499	-1.914	-37.585	-989	9.982	-10.972
FINANCIAL DERIVATIVES			3.335			-1.544
OTHER INVESTMENT	-11.676	-4.833	-6.843	74.789	32.928	41.861
RESERVE ASSETS	26		26	23		23
<b>ERRORS AND OMISSIONS</b>			<b>0</b>			<b>-1</b>

source : BCL, STATEC

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