

Luxembourg, 21st June 2024

BALANCE OF PAYMENTS OF LUXEMBOURG DURING THE FIRST QUARTER OF 2024.

The Banque centrale du Luxembourg (BCL) and STATEC inform that, according to the first provisional results, the current account for the first quarter of 2024 showed a surplus of 1 717 million euros, i.e. an increase of 1 320 million euro compared to the same period of the previous year.

The goods surplus stood at 146 million euro in the first quarter of 2024, corresponding to an increase of 735 million euro compared to the same quarter of the previous year. Indeed, exports of goods remained stable (1%) while imports decreased substantially (-10%). Firstly, net exports from goods under merchanting (purchases of goods abroad and their resale abroad) expanded by 479 million euro. Secondly, general merchandise (i.e. excluding merchanting) exports declined by 7% (-425 million euro), while imports shrank even more, by 10% (-680 million euro).

The balance of international trade in services grew by 18% in the first quarter of 2024 (+1 122 million euro) compared to the same quarter of the previous year, due to the fact that exports rose by 3.6% and imports remained stable with 0.3%. At the level of sub-items, evolutions were similar. Trade in non-financial services increased for exports (+3.4%) and stagnated for imports (-0.1%). International trade in financial services, meanwhile, progressed with 3.9% for exports and 0.6% for imports. This evolution is driven mainly by an increase in average assets managed by investment funds during the period under review (+5%) similar as that one of the same quarter of the previous year.

In the financial account, direct investments were positive in the first quarter of 2024, both for assets (52 billion euro) and for liabilities (43 billion euro), in comparison with significant disinvestments during of the first quarter of 2023.

Regarding portfolio investments, transactions of Luxembourg equities recorded net inflows, reaching 9 billion euro in the first quarter of 2024, compared to net inflows of 39 billion euro in the first quarter of 2023.

On their side, transactions in foreign equity securities resulted in significant disinvestments (-26 billion euro) compared to net purchases (6 billion euro) in the first quarter of 2023. In addition, foreign debt securities continued to be the subject of net acquisitions in the first quarter of 2024, amounting to 65 billion euro. Indeed, investors partially reallocated their portfolios towards debt securities at the expense of equities. Finally, Luxembourg debt securities recorded net outflows of 2.5 billion euro, while the latter recorded net purchases (11 billion euro) during the first quarter of the previous year.

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	Q1 2023			Q1 2024		
	Credit	Debit	Balance	Credit	Debit	Balance
CURRENT ACCOUNT	112.512	112.115	397	119.588	117.871	1.717
Goods	6.261	6.849	-588	6.315	6.169	146
General merchandise (incl. "non-monetary gold")	5.913	6.849	-936	5.488	6.169	-681
Goods under merchanting (net exports)	348		348	827		827
Services	32.685	26.399	6.286	33.875	26.467	7.408
Financial services	17.708	12.277	5.431	18.396	12.355	6.041
Non financial services	14.976	14.122	854	15.479	14.112	1.367
Primary income	70.130	75.362	-5.232	75.797	81.545	-5.748
Secondary income	3.436	3.505	-69	3.602	3.691	-89
CAPITAL ACCOUNT	16	105	-89	8	87	-79
	Assets	Liabilities	Net	Assets	Liabilities	Net
FINANCIAL ACCOUNT			308			1.639
DIRECT INVESTMENT	-358	-12.676	12.319	51.825	42.877	8.947
Equity and Reinvestment of earnings	-21.200	-31.934	10.734	8.204	41.687	-33.482
Debt instruments	20.843	19.258	1.585	43.620	1.191	42.430
PORTFOLIO INVESTMENT	12.665	50.640	-37.975	38.297	7.090	31.207
Equity securities	6.198	39.604	-33.406	-26.493	9.653	-36.146
Debt securities	6.467	11.036	-4.569	64.790	-2.562	67.353
FINANCIAL DERIVATIVES	-3.022		-3.022	1.976		1.976
OTHER INVESTMENT	65.354	36.403	28.951	-31.210	9.278	-40.487
RESERVE ASSETS	35		35	-4		-4
ERRORS AND OMISSIONS			0			1

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