

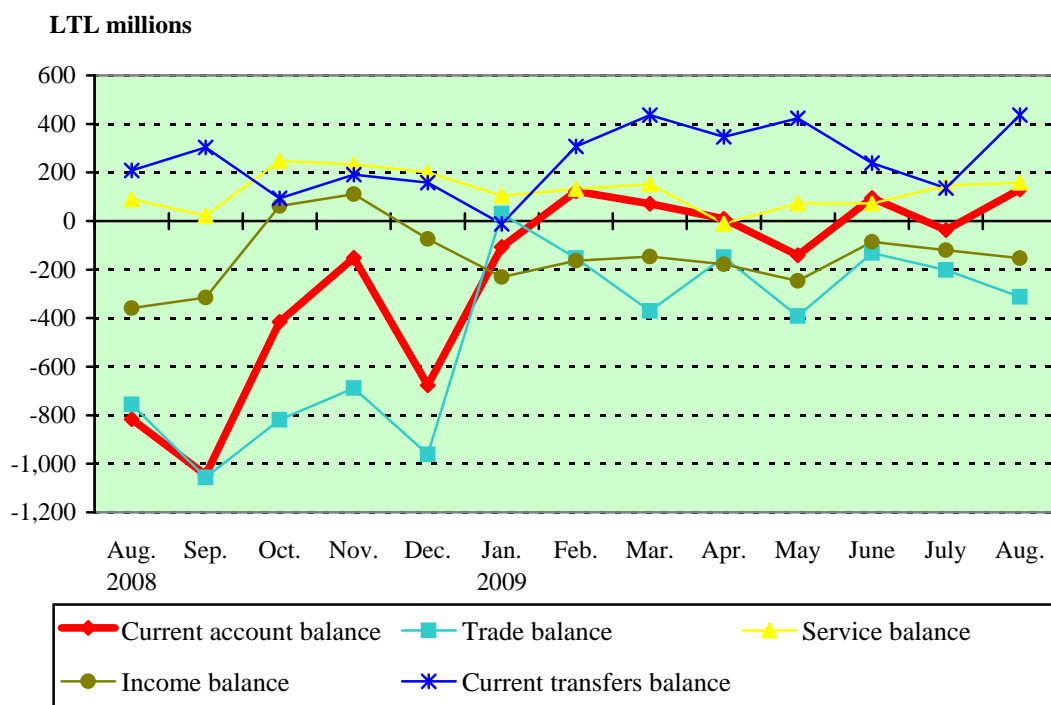
12 October 2009

BALANCE OF PAYMENTS OF THE REPUBLIC OF LITHUANIA, AUGUST 2009

(key indicators)

Current Account. In August 2009, the surplus on the Current Account Balance of Lithuania's Balance of Payments amounted to LTL 130.6 million, showing a positive month-on-month change of LTL 168.1 million. The positive change of the Current Account Balance was determined by the expansion of the surplus on the current transfers balance.

According to preliminary estimate, the surplus on the Current Account Balance on the January–August's Balance of Payments made up LTL 144.6 million. Compared to January–August 2008, the positive change on the Current Account Balance made up LTL 11.1 billion.

Current Account Balance and Composite Balances


According to data of the Statistics Department under the Government of the Republic of Lithuania, in August 2009 export of goods grew month on month by 2%, and import of goods grew by 4.3%. In August, the foreign trade balance deficit was LTL 531.4 million, a month-on-month increase by 21.2%.

In January–August 2009, export of goods shrank year on year by 32.3%, or 27.9% excluding mineral products, whereas import fell by 42.7%, or 42.8% excluding mineral products. During the reported period, export of goods from Lithuania to EU and CIS countries went down respectively by 28.2% and 36.6%. Import of goods from EU and CIS countries fell respectively by 41.9% and 43.4%.

In August, export of services increased month on month by 6%, and import of services went up by 5.6% (compared to August 2008, export and import of services contracted respectively by 15.7% and 24%). In August, the surplus of balance of services amounted to LTL 158.9 million, and the January–August’s balance of services made up LTL 829.8 million (in January–July 2008, it amounted to LTL 515.3 million).

In August, the income balance deficit made up LTL 153 million. The investment income balance deficit was LTL 181.7 million, and the compensation of employees balance (LTL 28.7 million) showed surplus. In January–August, the income balance deficit made up LTL 1.3 billion, decreasing year on year by LTL 2.1 billion (61.6%). The contraction of the deficit was mainly driven by a fall in the foreign direct investment income deficit.

The surplus on the balance of current transfers in August amounted to LTL 437.2 million, a month-on-month increase of LTL 301 million. In January–August this year, the surplus on this balance made up LTL 2.3 billion (in January–August 2008 it equalled to LTL 1.8 billion).

In August, transfers from EU support funds made up LTL 428.6 million and remittances of individuals from abroad amounted to LTL 238.3 million. In January–August, the said transfers and remittances made up respectively LTL 2.3 billion and LTL 1.5 billion.

Lithuania’s contributions due to EU budget in August, and January–August made up respectively LTL 85.2 million and LTL 820.2 million (in January–August 2008 they amounted to LTL 732.5 million).

Capital and financial accounts. In August, total flow of investment by domestic economic entities abroad (LTL 51.6 million), excluding official reserve assets, was negative, i. e. showed an increase of investment abroad. The flow of foreign investment to Lithuania was positive (of LTL 217.9 million) and showed an increase in foreign investment. Total net investment flow (including investment flows from/to Lithuania) was positive and amounted to LTL 166.3 million. In January–August, total net investment flow was negative amounting to LTL 2.3 billion. In January–August last year, total net investment flow was positive (reflecting capital inflows) and stood at LTL 6.2 billion.

The flow of non-repayable capital transfers to Lithuania made up LTL 42.6 million in August and LTL 1.7 billion in January–August (in January–August 2008 it made up LTL 1.7 billion).

Investment flows

LTL millions

| | Foreign assets | | | | Liabilities | | | |
|---------------------------------|----------------|--------|----------------|----------------|-------------|--------|----------------|----------------|
| | 2009 | | | 2008 | 2009 | | | 2008 |
| | July | August | January–August | January–August | July | August | January–August | January–August |
| Direct investment | -58.5 | 135.1 | -579.0 | -775.0 | -179.8 | 155.8 | 1,448.3 | 3,199.2 |
| Portfolio investment | 109.0 | -39.2 | -1,479.8 | -1,396.2 | 68.9 | 39.7 | 1,972.5 | -346.4 |
| Equity | -152.2 | -165.8 | -741.7 | -25.0 | 0.6 | -7.9 | -287.7 | 39.3 |
| Debt securities | 261.2 | 126.7 | -738.1 | -1,371.2 | 68.3 | 47.6 | 2,260.2 | -385.7 |
| Financial derivatives | 31.0 | 1.0 | 156.9 | 28.0 | - | - | - | -18.0 |
| Other investment | -265.1 | -148.6 | 97.7 | -1,470.7 | -425.6 | 22.4 | -3,952.2 | 6,969.6 |
| Monetary Financial Institutions | -278.2 | -180.7 | -1,237.2 | -846.4 | -362.4 | 440.9 | -2,551.7 | 5,088.7 |
| Other sectors | 13.1 | 32.1 | 1,334.9 | -624.2 | 19.8 | -367.9 | -2,236.6 | 2,868.8 |

(+) – a decrease in foreign assets or increase in liabilities;

(-) – an increase in foreign assets or decrease in liabilities.

August's net foreign direct investment flow (FDI) was positive of LTL 290.9 million. It was positive mainly due to a decrease in FDI other capital abroad and an increase in foreign equity capital in Lithuania. In January–August, net FDI flow was also positive making up LTL 869.2 million (in January–August 2008 it amounted to LTL 2.4 billion).

In January–August this year, FDI flow to Lithuania declined year on year by LTL 1.7 billion (54.7%), and flow of direct investment by domestic agents of economy abroad decreased by LTL 196 million (25.3%).

In August, the net portfolio investment flow made up LTL 0.6 million showing a slight capital inflow, whereas in January–August, the positive net portfolio investment flow made up LTL 492.7 million.

The negative net flow of other investment and financial derivatives amounted in August to LTL 125.2 million reflecting an outflow of this type of investments. The investment outflow was the result of a decrease in liabilities of other sectors and an increase in assets of Lithuanian MFIs. In January–August, the net flow of other investment and financial derivatives was also negative standing at LTL 3.7 billion.

Official reserve assets increased in August by 4.2% to LTL 15 billion (EUR 4.3 billion) at the end of the month.

Department of Statistics