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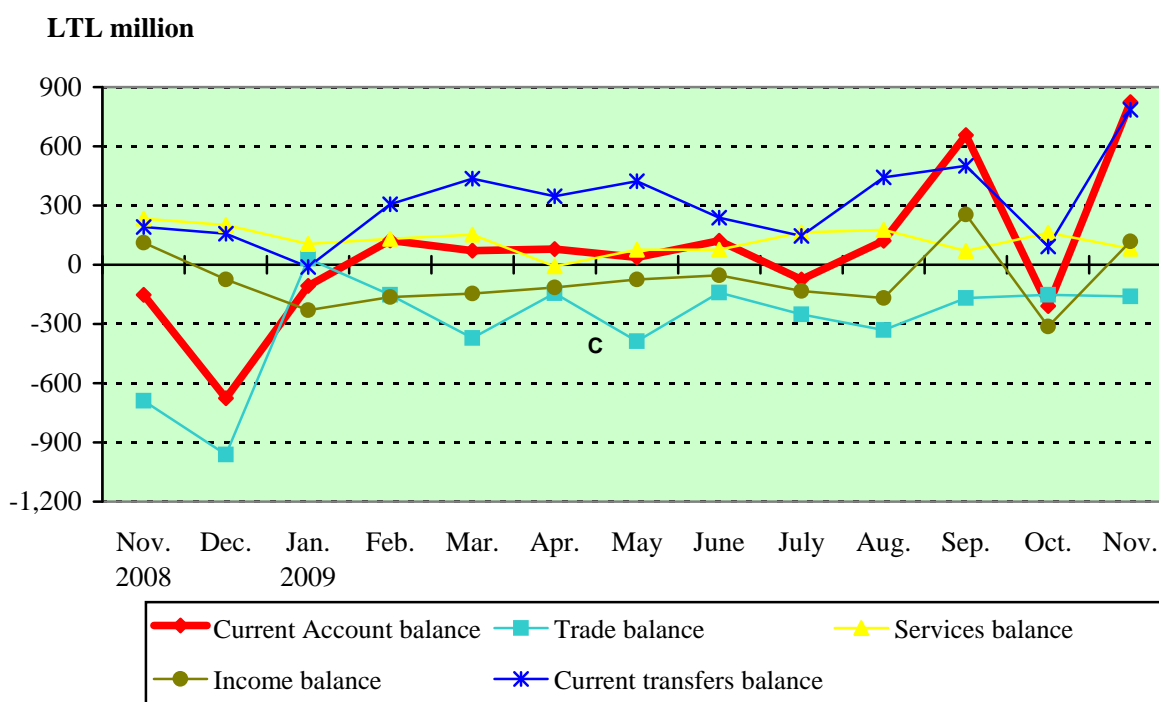
Balance of Payments of the Republic of Lithuania, November 2009

(review of key indicators)

Current Account. In November 2009, the surplus of the current account balance in Lithuania's Balance of Payments amounted to LTL 823.7 million. In October the current account balance (LTL 210 million) was in deficit. Such a change of the current account balance was entailed by a substantially larger surplus of the balance of current transfers and a positive surplus of the income balance (in October, the income balance was in deficit).

In January–November 2009, the surplus on the current account of the Balance of Payments made up LTL 1.6 billion, while the current account balance deficit in January–November 2008 accounted for LTL 12.6 billion.

Current Account Balance and Composite Balances



According to the data of the Department of Statistics to the Government of the Republic of Lithuania, in November 2009 exports and imports of goods decreased month on month respectively by 3.1 and 3.2 percent. In November, foreign trade balance deficit was LTL 387.7 million, and compared to October, narrowed by 4.1 per cent.

In January–November, exports of goods shrank year on year by 29.5 per cent, excluding mineral products– by 26 per cent and imports fell by 39.6 per cent, excluding mineral products – by 39.7 per cent. During the reported period, Lithuania's exports of goods to the EU countries diminished by 24.7 per cent and to the CIS countries – by 35.9 per cent. Imports of goods from the EU countries dropped by 38.7 per cent, and from the CIS countries – by 40.2 per cent.

In November, compared to October, exports of services decreased by 8.6 per cent, while imports of services increased by 3.2 per cent. The surplus on the balance of services made up LTL 81.7 million (in October it accounted for LTL 162.9 million). In January–November, exports and imports of services declined year on year by 21.9 per cent and 26.1 per cent, respectively, while the surplus of the balance of services went up by LTL 170 million or 16.7 per cent.

In November, the total surplus of the income balance amounted to LTL 117.8 million. The surplus of the balance of investment income was LTL 91.9 million and of the balance of the compensation of employees – LTL 25.9 million (in October, the total income balance was in deficit and made up LTL 313.8 million). A positive shift of the investment income balance was driven by a surplus of the balance of direct investment income. In January–November, the total income balance was in deficit (LTL 1 billion), decreasing year-on-year by LTL 2.6 billion or 71.4 per cent. The deficit shrinkage was largely driven by a change in the balance of direct investment income.

In November, the surplus on the balance of current transfers made up LTL 784.5 million, a month-on-month increased by LTL 691.9 million. In January–November 2009, this surplus of balance reached LTL 3.7 billion (in January–November 2008, it made up LTL 2.4 billion).

In November, transfers from the EU support funds amounted to LTL 718.2 million, and transfers by individuals from abroad made up LTL 223.3 million. In January–November 2009, the said transfers made up LTL 3.4 billion and LTL 2.1 billion, respectively.

In November, contributions due to the EU budget amounted to LTL 90 million, and in January–November made up LTL 1 billion (in January–November 2008, it made up LTL 1.1 billion).

Capital and Financial Accounts. In November 2009, excluding official reserve assets, Lithuania's total investment flow abroad (LTL 1 billion) showed an increase of these investment, while foreign investment flow in Lithuania (LTL 1.8 billion) showed foreign investment outflow from Lithuania. Therefore, total net investment flow (including outward and inward investment flows) amounted to LTL 2.8 billion and showed an investment outflow from Lithuania. In January–November 2009, total net investment flow of LTL 3 billion also showed an investment outflow. In January–November 2008, net investment flow showed foreign capital inflows into Lithuania amounting to LTL 7.6 billion.

In November 2009, the flow of non-repayable capital transfers flow to Lithuania (composed of funds of the EU support funds for the financing of investment projects) made up LTL 543.2 million, and in January–November it accounted for LTL 2.97 billion (in January–November 2008, the flow of this investment reached LTL 1.9 billion).

Investment flows

LTL million

	Foreign assets				Liabilities			
	2009			2008	2009			2008
	October	November	January– November	January– November	October	November	January– November	January– November
Direct investment	-3.5	-103.2	-739.8	-908.4	981.9	150.2	2,064.6	4,116.9
Portfolio investment	-103.0	-286.2	-2,101.8	-190.9	3,488.2	9.8	5,601.6	-492.0
Equity securities	-39.3	28.1	-724.4	119.3	-39.7	-6.8	-261.9	22.5
Debt securities	-63.7	-314.2	-1,377.4	-310.2	3,527.9	16.6	5,863.5	-514.5
Financial derivatives	-	-	156.9	49.3	-20.2	-9.3	-55.7	-64.4
Other investment	210.8	-638.1	-1,074.7	-2,544.7	-999.4	-1,898.2	-6,880.9	7,604.8
Monetary Financial Institutions	165.7	-397.1	-2,078.9	-465.2	-1,390.6	-1,275.4	-5,674.7	8,564.2
Other sectors	45.1	104.3	1,349.5	-2,079.4	-78.6	-231.6	-3,385.6	30.3

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

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

In November, net foreign direct investment (FDI) inflow amounted to LTL 46.9 million. FDI flow in Lithuania made up LTL 150.2 million, while the flow of foreign direct investment by domestic economic entities abroad reached LTL 103.2 million.

In January–November 2009, FDI flow to Lithuania (LTL 2.1 billion), contracted year on year by LTL 2.1 billion or 49.9 per cent, and the country's FDI flow abroad (LTL 739.8 million) shrank by LTL 168.6 million or 18.6 per cent. Net FDI flow of this period showed the inflow of this investment into Lithuania, which made up LTL 1.3 billion (in January–November 2008, net FDI inflows were equal to LTL 3.2 billion).

In November, net portfolio investment flow of LTL 276.4 million showed an outflow of this investment, while the January–November net flow (LTL 3.5 billion) demonstrated inflows of this investment. In January–November 2008, net portfolio investment flow indicated the investment outflow and made up LTL 682.9 million. Net portfolio investment inflows in January–November 2009 were caused by government debt securities distributed abroad.

In November, the net flow of other investment and financial derivatives was equal to LTL 2.5 billion and showed an outflow of this investment. This outflow was driven by a decrease of liabilities of Monetary Financial Institutions. Also, the January–November, net flow of other investment and financial derivatives indicated the outflow of this investment in the amount of LTL 7.9 billion (in January–November 2008, net flow of this investment showed inflows of LTL 5 billion).

In November, official reserve assets dropped by LTL 1.2 billion or 6.2 per cent and at the end of the month accounted for LTL 18.3 billion (EUR 5.3 billion).

The decrease in official reserve assets was driven by a LTL 937.9 million drop in central government deposits with the Bank of Lithuania. Also, the reserves were pushed down by LTL 388 million a decrease in external liabilities of the Bank of Lithuania and by a LTL 19.3 million drop of currency in circulation. The narrowing of reserve assets was somewhat offset by a rise of other factors (LTL 88 million), deposits of other Monetary Financial Institutions with the Bank of Lithuania (LTL 47.4 million) and a change in the allocation of SDRs (LTL 3 million).