

12/07/2019

Rapid growth in imports of goods led to an increase of current account deficit

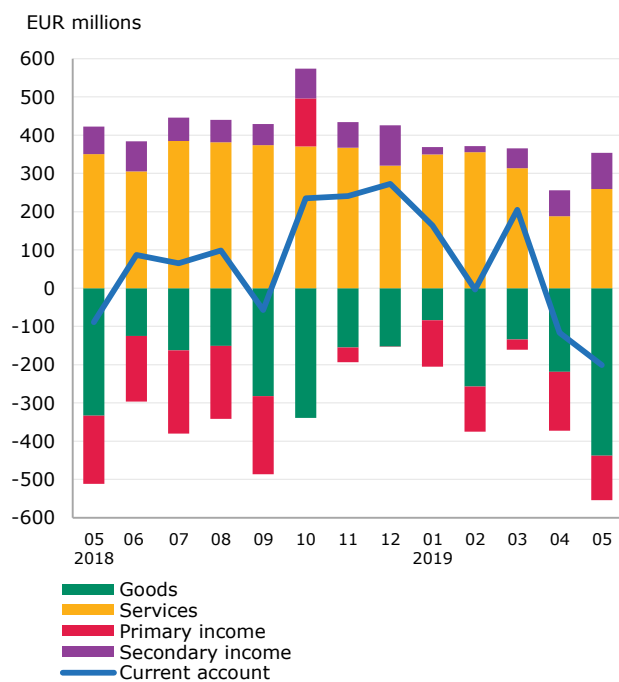
Today, the Bank of Lithuania published the balance of payments for May 2019, which shows that:

due to a significant increase in foreign trade deficit, the deficit on the **current account balance** (CAB) widened, to amount to €200.9 million (see Chart 1). More robust growth in imports of goods (10.7%) compared to exports of goods (2.4%) doubled the deficit on the trade balance, which ultimately stood at €437.8 million. The surplus on the balance of services increased by 37.6%, to stand at €259.0 million;

given the 49.5% increase in transfers from EU funds, the surplus on the secondary income balance increased by 39.4% over the month, to amount to €46.8 million. Lithuania's calculated contributions to the EU budget decreased by 14.3%, to amount to €18.7 million. Private individual remittances from abroad amounted to €95.9 million, a month-on-month increase of 1.4%. Private individual remittances from Lithuania amounted to €35.3 million, a month-on-month decrease of 7.5%;

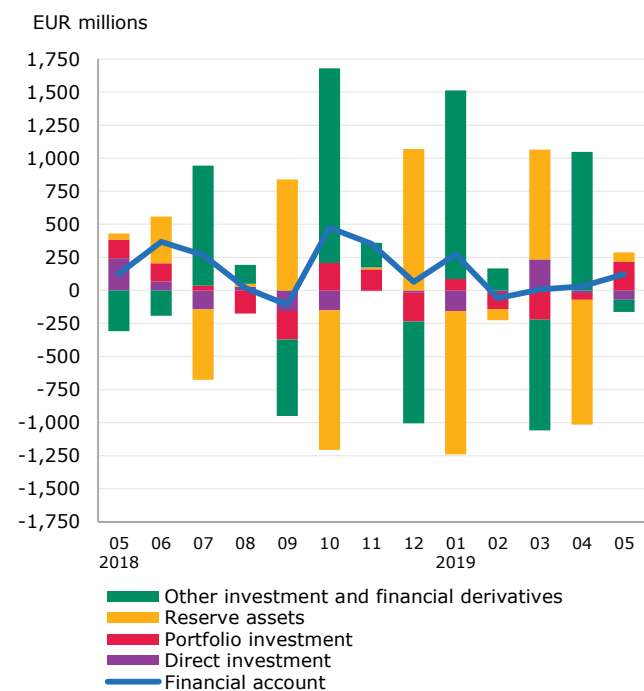
the positive net flow of **financial account** investment (€124.3 million) resulted from the positive net flow of portfolio investment and the increase in official reserve assets, which were not offset by the negative net flows of direct and other investments (see Chart 2).

Chart 1. CAB and its composite flows



Source: Bank of Lithuania.

Chart 2. Net financial account investment flows



Source: Bank of Lithuania.

Detailed data for May 2019 is available on the Bank of Lithuania website ([External statistics](#)).