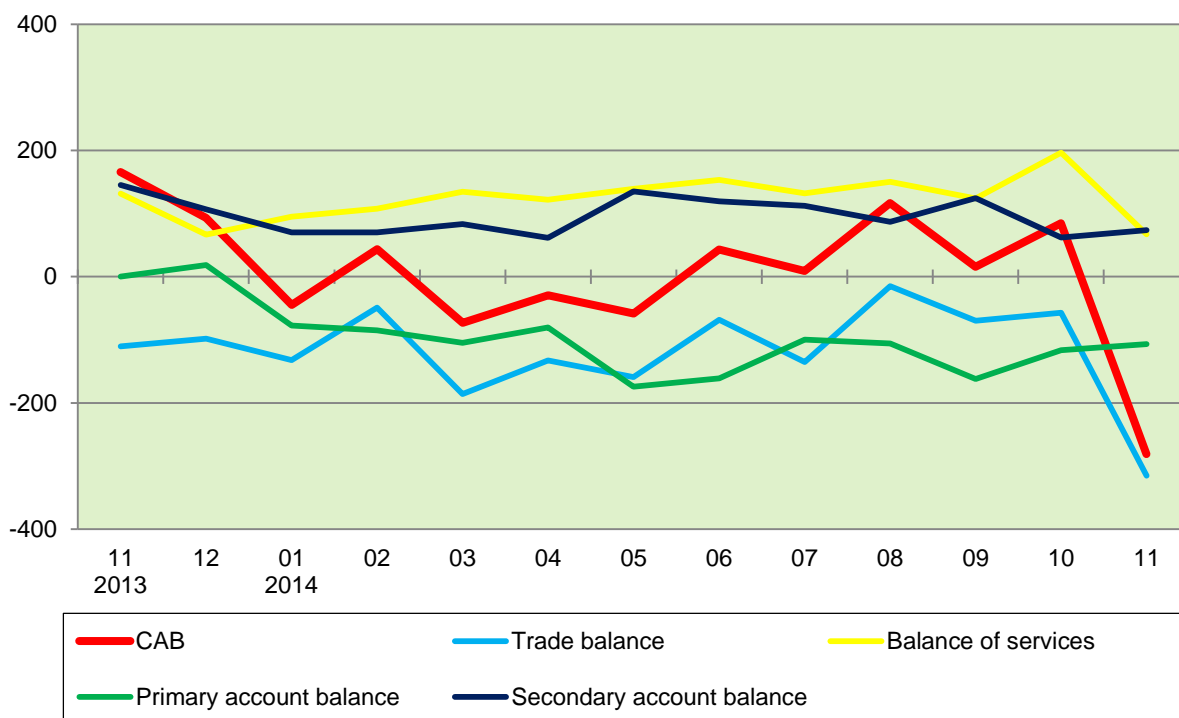


BALANCE OF PAYMENTS OF THE REPUBLIC OF LITHUANIA, NOVEMBER 2014
(survey of key indicators)

In November 2014, the build-up of the **current account** balance (CAB) in deficit (EUR –280.9 million, or LTL –969.8 million) was driven by a significant increase in the trade balance deficit and decreased negative primary income balance. The positive **financial account** balance (EUR 294.4 million, or LTL 1 billion) was due to the although decreased, but still positive net flow of other investments, and the positive flow of net portfolio investment.

Current account. In November 2014 the CAB deficit recorded in the country's balance of payments amounted to EUR 280.9 million (LTL 969.8 million). The build-up of the deficit was driven by the negative primary income balance deficit, which amounted to EUR 106.7 million (LTL 368.5 million) and the greatly increased negative trade balance (EUR 315.1 million or LTL 1.1 billion). According to preliminary estimates, in January–November 2014 the CAB deficit amounted to EUR 174.3 million (LTL 602 million), while in the same period in 2013 — in surplus, amounting to EUR 466.5 million (LTL 1.6 billion).

CAB and its composite balances
EUR millions



Goods. In November 2014, the foreign trade deficit amounted to EUR 315.1 million (LTL 1.1 billion). Compared to October 2014 it increased by EUR 258.2 million (LTL 891.5 million). The export of goods contracted by 9.7 per cent, while import increased by 1.4 per cent in the period under review.

In January–November 2014, the trade balance deficit widened by EUR 498.5 million (LTL 1.7 billion), or 1.6 times year on year. The export of goods contracted by 0.6 per cent, while import increased by 1.6 per cent in the reporting period.

Services. As the export of services contracted more (by 26.8%) than the import of services (by 5.9%) in November 2014, the balance of services surplus declined by EUR 129.1 million (LTL 445.7 million), or 65.8 per cent month on month. Year on year, the balance of services surplus narrowed by EUR 64.2 million (LTL 221.6 million), or 48.9 per cent. In January–November 2014, export of

services expanded by 9.6 per cent, while import of services — 9.5 per cent; as a result, the balance of services surplus increased by 10.1 per cent year on year (EUR 130.9 million or LTL 452 million).

Primary income. In November 2014, the total deficit on the primary income balance (EUR 106.7 million, or LTL 368.5 million), compared to October, narrowed by EUR 9.6 million (LTL 33.2 million), or 8.3 per cent. This decrease was due to an 11.1 per cent decrease in the investment income balance deficit (EUR 97.6 million, or LTL 337.1 million).

In January–November 2014, compared to the same period in 2013, the primary income balance deficit increased by EUR 383.2 million (LTL 1.3 billion), or 43 per cent.

Secondary income. In November 2014, the secondary income balance surplus amounted to EUR 73.8 million (LTL 254.9 million), while in October — EUR 61.8 million (LTL 213.4 million). In January–November 2014, the secondary income balance surplus (EUR 997.8 million, or LTL 3.4 billion) increased by EUR 109.8 million (LTL 379.3 million), or 12.4 per cent year on year.

Transfers from European Union (EU) support funds amounted to EUR 35 million (LTL 120.8 million), while Lithuania's calculated contributions (the EU's own resources based on VAT and gross national income) to the EU budget — EUR 24.5 million (LTL 84.6 million) in November 2014. In January–November 2014, compared to the same period in 2013, transfers from EU support funds declined by 3.1 per cent and Lithuania's calculated contributions to the EU budget — 0.2 per cent.

Private individual remittances from abroad amounted to EUR 96.1 million (LTL 331.8 million), while personal transfers from Lithuania — EUR 35.8 million (LTL 123.7 million) in November 2014. Compared to October, private individual remittances from abroad increased by 19.5 per cent, while personal transfers from Lithuania — by 24.6 per cent. During the eleven months of the current year, private individual remittances from abroad amounted to EUR 1.3 billion (LTL 4.6 billion), while personal transfers from Lithuania — EUR 509.3 million (LTL 1.8 billion). Compared to January–November 2013, private individual remittances from abroad increased by 9.6 per cent, while personal transfers from Lithuania — 6.3 per cent.

Capital account. In November 2014, the capital account balance surplus amounted to EUR 29.5 million (LTL 101.8 million), while in January–November — EUR 678 million (LTL 2.3 billion). It built up due to the inflows of capital transfers for financing investment projects.

Financial account. The positive flow of net investment in the balance of payments financial account for November 2014 (excluding official reserve assets) (EUR 475.3 million, or LTL 1.6 billion), was due to the positive change in net other (EUR 335.4 million, or LTL 1.2 billion) and portfolio investment (EUR 134.9 million, or LTL 465.8 million) flows. The positive flow of net investment — EUR 119 million (LTL 410.9 million) in January–November 2014, was due to the positive flow of net direct and other investment.

In November 2014 the net direct investment (DI) increased by EUR 5.3 million (LTL 18.4 million) due to the financial assets outpacing the incurrence of liabilities to non-residents. Lithuania's DI net acquisition of financial assets abroad in November 2014 increased by EUR 44.9 million (LTL 154.7 million), while in January–November — EUR 11.5 million (LTL 39.8 million). In November 2014, the DI net incurrence of liabilities to non-residents increased by EUR 39.5 million (LTL 136.4 million), while in January–November a decrease was recorded — EUR 114.5 million (LTL 395.3 million).

Investment flows

EUR millions

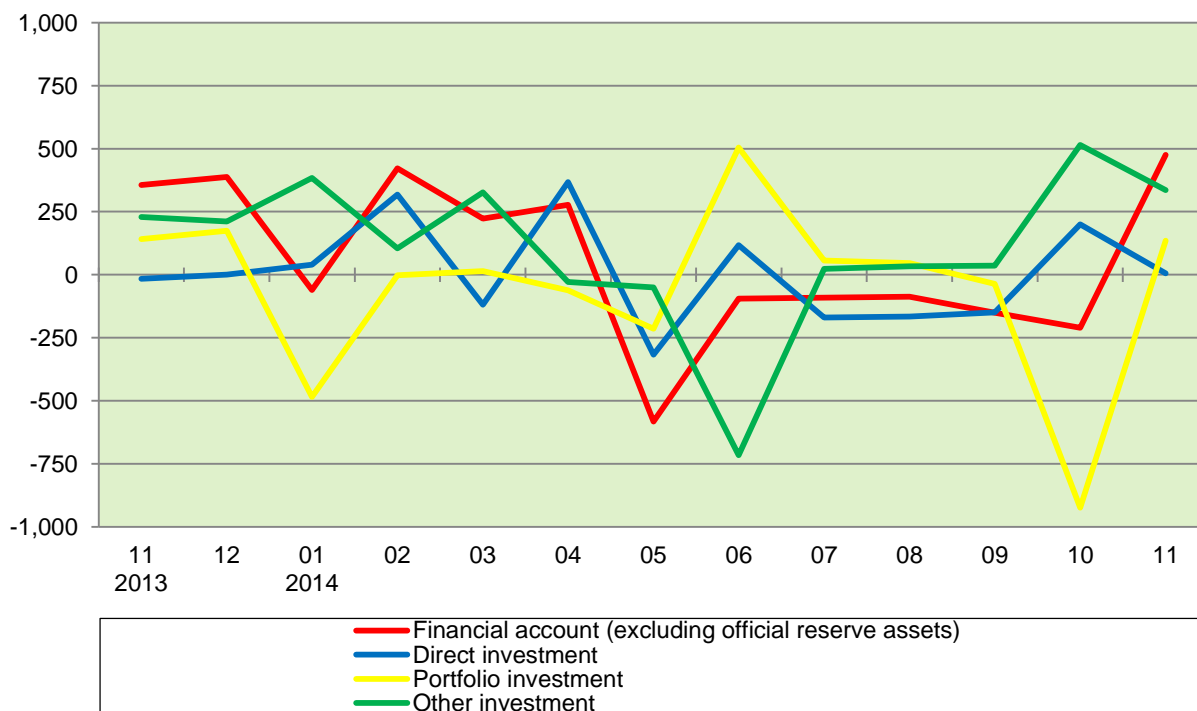
	Net investment				
	2014			2013	
	November	October	January-November	November	January-November
Total investment flow (excluding official reserve assets)	475.3	-210.7	119.0	356.3	1,376.0
Direct investment	5.3	199.8	126.0	-15.7	-209.6
Portfolio investment	134.9	-924.6	-969.1	141.9	1,234.4
Financial derivatives and employee stock options	-0.3	-0.4	-0.3	0.8	3.0
Other investment	335.4	514.5	962.4	229.3	348.2

In November 2014, net **portfolio investment** increased by EUR 134.9 million (LTL 465.8 million) due to Lithuania's investment in the non-resident government sector-issued short-term debt securities. In January–November 2014, net portfolio investment narrowed by EUR 969.1 million (LTL 3.3 billion), down from a rise of EUR 1.2 billion (LTL 4.3 billion) in the same period in 2013.

In November 2014 a negative EUR 0.3 million (LTL 1 million) flow of net financial derivatives and employee stock options built up, as the incurred liabilities to non-residents decreased more slowly than the acquisition of financial assets abroad.

Other investment. In November 2014, a net growth of other investment (EUR 335.4 million, or LTL 1.2 billion) was recorded, which was due more to rapidly increasing net incurred financial assets than net incurred liabilities. In January–November 2014 the growth of net other investment amounted to EUR 962.4 million (LTL 3.3 billion), while in the same period in 2013 — EUR 348.2 million (LTL 1.2 billion).

Net investment flows
EUR millions



Official reserve assets. In November 2014 a EUR 180.9 million (LTL 624.7 million) decrease in the country's official reserve assets was recorded.