

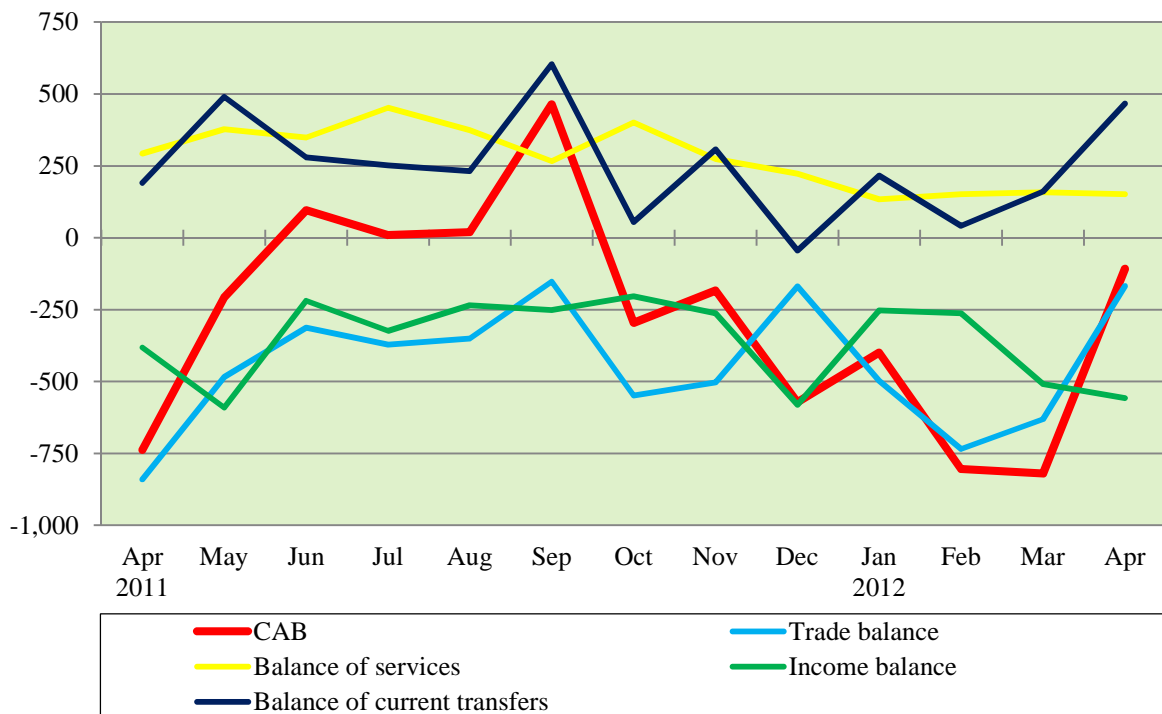
BALANCE OF PAYMENTS OF THE REPUBLIC OF LITHUANIA, APRIL 2012
(survey of key indicators)

In April 2012, the deficit on *the current account (CAD)* of the country's balance of payments declined month on month by LTL 712.3 million as a result of a lower deficit on the trade balance and higher surplus on the balance of current transfers. The negative value (LTL-25.3 million) of the *financial account* of the balance of payments in April 2012 was the result of total net investments having gone below the increase in official reserve assets.

Current account. In April 2012, the CAD on the country's balance of payments made up LTL 107.7 million, a month-on-month drop of 87%. According to preliminary estimate, the CAD made up LTL 2.1 billion (LTL 994.4 million in January–April 2011) in January–April 2012.

CAB and its Composite Balances

LTL millions



Goods. The April 2012 foreign trade deficit on Lithuania's balance of payments amounted to LTL 168.2 million, a month-on-month decline by 73.3%, which was prompted by the accelerated drop in goods import. Compared with April last year, the growth rate of goods export was higher than the growth rate of goods import.

Services. In April 2012, the surplus on the balance of services made up LTL 151.4 million, a month-on-month drop of LTL 7.2 million or 4.5%. Export of services declined year on year by 2.2%, while import of services grew by 17.1% making the surplus on the balance of services to go down by LTL 141.8 million or 48.4%. In four months this year,

export of services decreased year on year by 3.4%, while import of services grew by 15.8%. The surplus on the balance of services therefore went down by 47.1%.

Income. In April, total deficit on the balance of income made up LTL 557.8 million (the investment income balance deficit amounted to LTL 551.1 million and the balance of compensation of employees deficit totalled LTL 6.7 million). Total deficit on the balance of income grew month on month by 9.7% and year on year by 46.2%.

In January–April 2012, total deficit on the balance of income amounted to approximately LTL 1.6 billion (in January–April 2011, it stood at LTL 1.3 billion). This deficit growth owes largely to the deficit recorded on the balance of compensations to employees, as this balance was in surplus earlier (the negative change made up LTL 215.7 million).

Current transfers. In April 2012, the surplus on the balance of current transfers made up LTL 466.9 million, a month-on-month increase of LTL 306.6 million, while the January–April surplus on the balance of current transfers was LTL 885.1 million, a year-on-year decrease by LTL 644.3 million or 1.7 time.

In April 2012, transfers from the EU support funds totalled LTL 441.5 million, while workers' remittances from abroad made up LTL 276.5 million. Compared with March, transfers from the EU support funds went down by 2.2 time and workers' remittances declined by 10%. In January–April 2012, transfers from the EU support funds amounted to LTL 1.2 billion, and workers' remittances from abroad made up LTL 1 billion. Compared with January–April 2011, transfers from the EU support funds went down by 3.3% and workers' remittances from abroad declined by 25.5%.

Lithuania's calculated contributions to the EU budget totalled LTL 98.9 million in April 2012 and LTL 553.6 million in the first four months of the year. Workers' remittances from Lithuania totalled LTL 194.1 million in April and LTL 835.5 million in January–April 2012. In January–April last year, the said flows made up LTL 428.1 million and LTL 650.1 million respectively.

Financial account. Net foreign investments, excluding official reserve assets, made up LTL 1.3 billion in April 2012 signalling of foreign investment inflows. Net foreign investment inflow in April was supported by net portfolio investment inflow. Net foreign investment inflow of LTL 2.1 billion was recorded in January–April this year as the result of the inflow of portfolio and direct investments.

Foreign investments in Lithuania went up in April 2012 with their flow reaching LTL 917.8 million. The inflow of LTL 3.2 billion was recorded in February 2012, which was the major contributor to an LTL 4.3 billion investment flow in Lithuania in January–April. In January–April 2011, the inflow of these investments totalled LTL 1.7 billion.

A decrease was observed in Lithuania's investments abroad in April 2012 with their flow of LTL 393.5 million. Meanwhile, the January–April investments abroad kept increasing and their flow in the reference period reached LTL 2.2 billion. Last year, Lithuania's investments abroad were growing to make up LTL 339.4 million in April and LTL 1.7 billion in January–April.

Investment flows

January–April 2012; LTL millions

	Net investment flows			Lithuania's investment abroad			Foreign investment in Lithuania		
	April	March	January-April	April	March	January-April	April	March	January-April
Total investment flow (excluding official reserve assets)	1,311.3	-700.3	2,101.9	393.5	-588.1	-2,171.4	917.8	-112.2	4,273.2
Direct investment	-140.2	409.8	718.4	-76.7	-55.6	-255.5	-63.5	465.3	973.8
Portfolio investment	1,616.2	141.8	5,964.5	55.0	130.7	204.2	1,561.2	11.1	5,760.3
Equities	-48.3	12.4	-87.3	-42.4	-25.9	-68.8	-5.9	38.3	-18.4
Debt securities	1,664.4	129.4	6,051.7	97.4	156.6	273.0	1,567.0	-27.2	5,778.7
Financial derivatives	-4.1	4.1	4.3	7.0	12.5	52.0	-11.2	-8.4	-47.7
Other investment	-160.6	-1,256.0	-4,585.3	408.2	-675.8	-2,172.1	-568.7	-580.2	-2,413.2
Monetary financial institutions	-403.1	-454.4	-3,693.0	518.4	-398.0	-1,594.7	-921.5	-56.4	-2,098.3
Other sectors	-65.7	-451.5	-862.8	-111.1	-168.8	-466.5	45.5	-282.8	-396.3

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

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

Totals in some rows and columns may not tally with the total investment flow due to rounding.

Direct investment. In April 2012, the net negative inflow of foreign direct investments (FDI) stood at LTL 140.2 million, which signals of investment outflow from Lithuania, and in January–April net FDI inflow to Lithuania was LTL 718.4 million (in April and January–April 2011, net FDI inflows made up respectively LTL 73.6 million and LTL 614.8 million).

The negative FDI flow to Lithuania in April 2012, which totalled LTL 63.5 million, while the January–April FDI inflow was LTL 973.8 million and signalled of investments into Lithuania. Equity capital inflows and reinvestments were the major drivers behind this increase. In January–April 2012, the FDI flow to Lithuania grew year on year by LTL 263.9 million. The inflow of equity capital and other capital were the major drivers behind this increase.

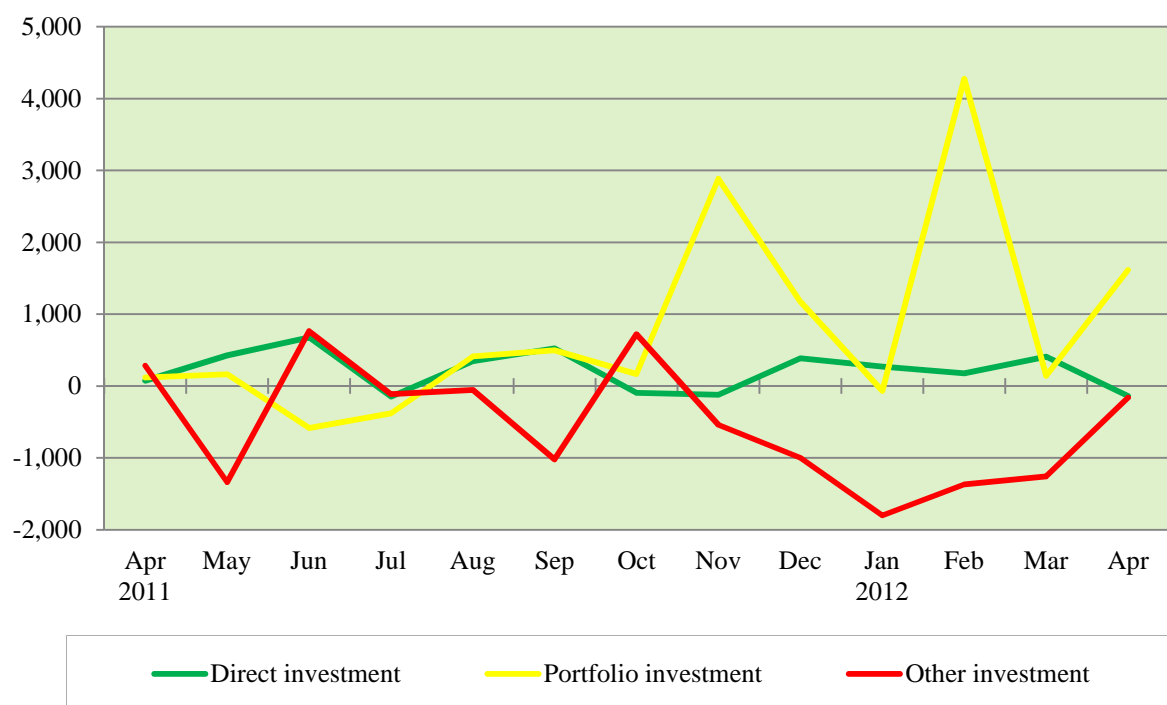
The flow of direct investment made by domestic economic entities abroad reached LTL 76.7million in April and LTL 255.5 million in January–April. Compared with January–April 2011, direct investment flow abroad grew by LTL 160.3million.

Portfolio investment. Net inflow of portfolio investment totalled LTL 1.6 billion in April 2012 and LTL 6 billion in January–April 2012. Net inflow of portfolio investment in January–April 2012 was determined by the February and April placement of government bond issue. Compared with January–April 2011, net flow of portfolio investments grew by LTL 6.3 billion. In April 2011, net flow of portfolio investment made up only LTL 118.6 million.

Net outflow of **other investments and financial derivatives from Lithuania** totalled LTL 164.7 million in April and LTL 4.6 billion in January–April this year (the biggest amount of outflow was recorder in January). The outflow of these investments resulted from the increase in foreign assets of monetary financial institutions and the decline in this sector's liabilities to non-residents. In January–April 2011, net outflow of other investments and financial derivatives made up LTL 348.4 million, while the flow of this type of investments to Lithuania in April made up LTL 285.4 million.

Net investment flows

LTL millions



Negative flow of official reserve assets of LTL 1.3 billion on the balance of payments in April 2012 means a decline in official reserve assets.

Economics and Financial Stability Service
Statistics Department