

12/04/2019

## Increase in imports of goods led to current account deficit

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

the build-up of the €92.5 million deficit on the **current account balance** (CAB) was driven by the negative balances of foreign trade and primary income, which were not offset by the positive balances of services and secondary income (see Chart 1). Due to a significant increase in imports of goods (6.2%) and a decrease in exports (1.3%), the trade deficit balance increased 3.4 times and amounted to €241.8 million;

the surplus on the secondary income balance increased by 51.9% over the month. This was mainly attributable to the fact that transfers from EU funds increased 3.8 times (in February they amounted to €61.1 million), while Lithuania's calculated contributions to the EU budget increased by 81.8% (in February they amounted to €84.1 million). Private individual remittances from abroad amounted to €87.7 million, a month-on-month increase of 3.2%. Private individual remittances from Lithuania amounted to €33.5 million, a month-on-month decrease of 2.1%;

the positive net flow of **financial account** investment (€290.6 million) resulted from the positive net flows of other and direct investment, which were not offset by the negative net flow of portfolio investment and the decrease in official reserve assets (see Chart 2).

Chart 1. CAB and its composite flows

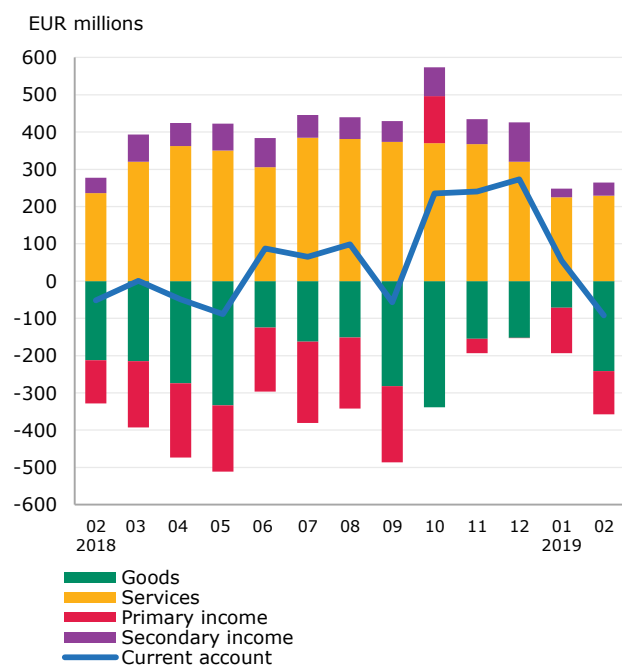
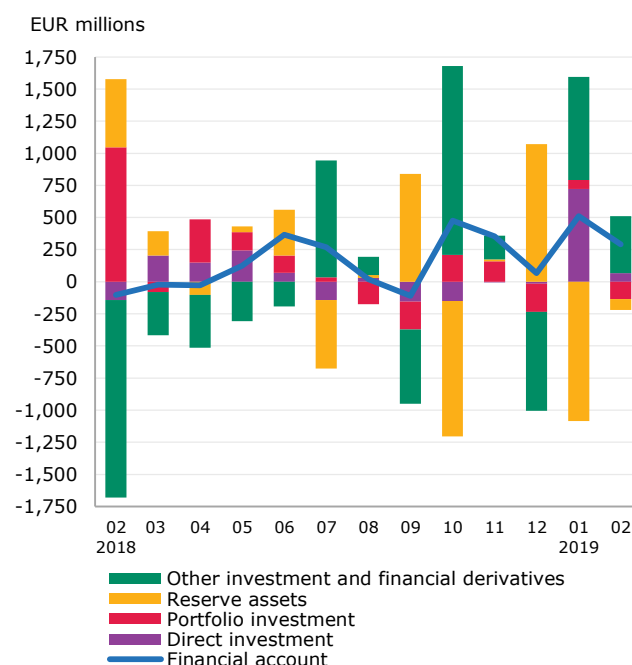


Chart 2. Net financial account investment flows



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