

13/09/2019

Significant increase in imports of goods led to current account deficit

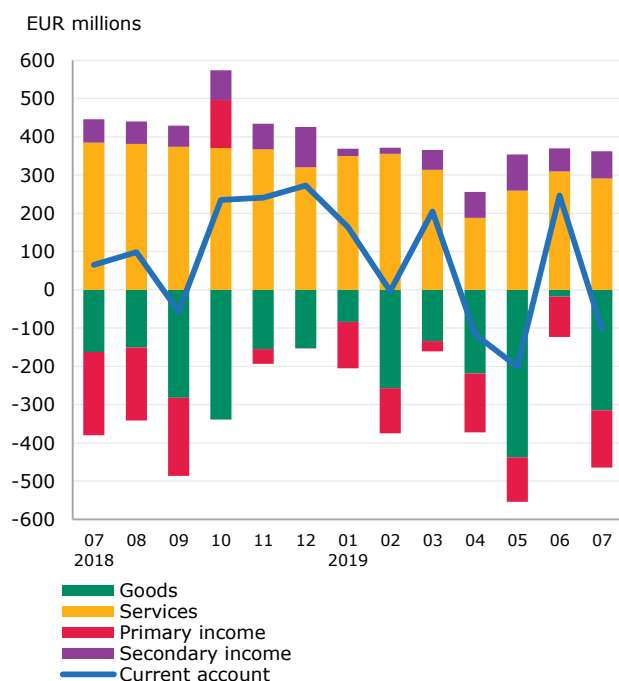
Today, the Bank of Lithuania published the balance of payments for July 2019, which shows that:

the €102.5 million deficit on the **current account balance** (CAB) was driven by the increase in the negative balances of foreign trade and primary income (see Chart 1). The significant increase in foreign trade imports (15.0%), compared to exports (2.5%), led to a €315.2 million trade balance deficit. Imports of services and primary income also outpaced exports;

the surplus on the secondary income balance increased by 18.6% over the month. Transfers from European Union (EU) support funds increased by 8.2%, to stand at €28.1 million. Lithuania’s calculated contributions to the EU budget increased by 2.2%, to amount to €31.1 million. Private individual remittances from abroad amounted to €95.6 million, a month-on-month increase of 1.2%. Private individual remittances from Lithuania amounted to €34.3 million, a month-on-month increase of 2.9%.

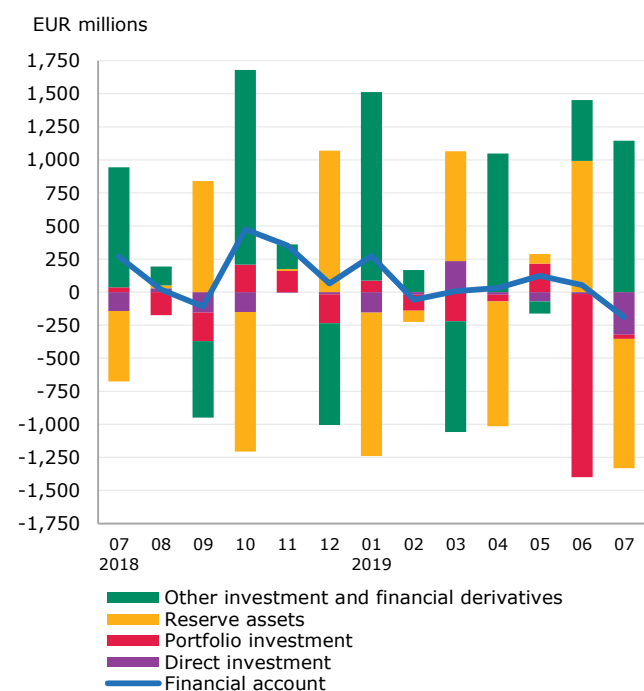
the negative net flow of **financial account** investment (€187.9 million) resulted from the decrease in official reserve assets and the biggest negative net flow of direct investment, which were not offset by the positive flow of other investment (see Chart 2).

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 July 2019 is available on the Bank of Lithuania website ([External statistics](#)).