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Balance of payments of the Republic of Lithuania for Q1 2023

Today, the Bank of Lithuania released the balance of payments data for Q1 2023, which shows that:

Current account balance	International investment position	Gross external debt
€114.8 million	-€3.4 billion	€46.2 billion
Q1 2022	Q1 2022	Q1 2022
-€800.3 million	-€6.1 billion	€42.9 billion

the **current account balance (CAB)** was in surplus, unlike in the previous quarter, and amounted to €114.8 million, or 0.7% of gross domestic product (GDP). It was mainly due to a drop in foreign trade deficit, which was offset by a balance of services, which was in surplus, albeit slightly narrowed. In contrast to the fourth quarter of 2022, more rapid fall in imports of goods (17.9%), as compared to exports of goods (13.6%), put downward pressure on the foreign trade deficit, which stood at €1.3 billion. Contrary to the foreign trade deficit, primary income deficit went up by 18.4% quarter on quarter and equalled €154.4 million. This development was mainly affected by the fact that the surplus on other primary income balance decreased by €548.9 million as a result of a decline in European Union (EU) subsidies for agriculture. Compared to the previous quarter, as import of services decreased more than exports (by 18.3% and 14.9% respectively), the surplus on the balance of services went down by 8.1% and stood at €1.5 billion. It was influenced by a significant fall (€267.0 million) in the balance of transport services as a result of a 18.1% decrease in exports of these services.

For comparison: a year ago, the CAB was in deficit and stood at €800.3 million, or 5.5% of GDP at current prices (see Chart 1);

the surplus on the **capital account** narrowed by a factor of 3.2 quarter on quarter and amounted to €151.3 million. This reflects smaller inflows (€335.7 million or 3.1 times) from the EU structural support funds dedicated to financing investment projects. In the first quarter of 2022, the surplus on the capital account equalled €123.1 million;

over the reporting period, the net flow of **financial account** investment was positive and stood at €454.9 million, or 2.8% of GDP. It was triggered by a positive net flow of portfolio investment of €1.4 billion and an increase of €639.5 million in official reserve assets. A positive increase in the said investment was not offset by negative net flows of other and direct investment and derivatives (€1.5 billion, €50.1 million and €27.4 million respectively).

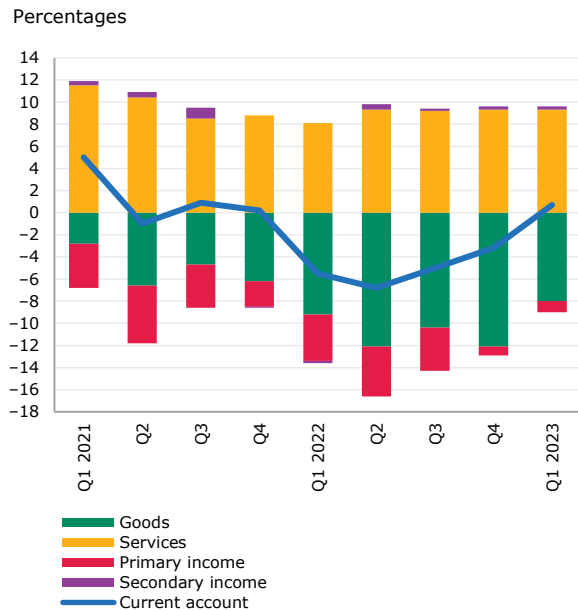
For comparison: in the first quarter of 2022, the net flow of financial account investment was negative and amounted to €2.5 billion, or 16.9% of GDP at current prices (see Chart 2);

the net **international investment position** was negative and amounted to €3.4 billion, or 5.0% of GDP, at the end of the first quarter. It was also negative a year ago, amounting to €6.1 billion, or 10.4% of GDP at current prices;

at the end of the reporting period, Lithuania's **gross external debt** stood at €46.2 billion, or 67.7% of GDP, while the **net external debt** amounted to -€3.9 billion, or 5.7% of GDP, i.e. Lithuania's assets abroad exceeded foreign liabilities.

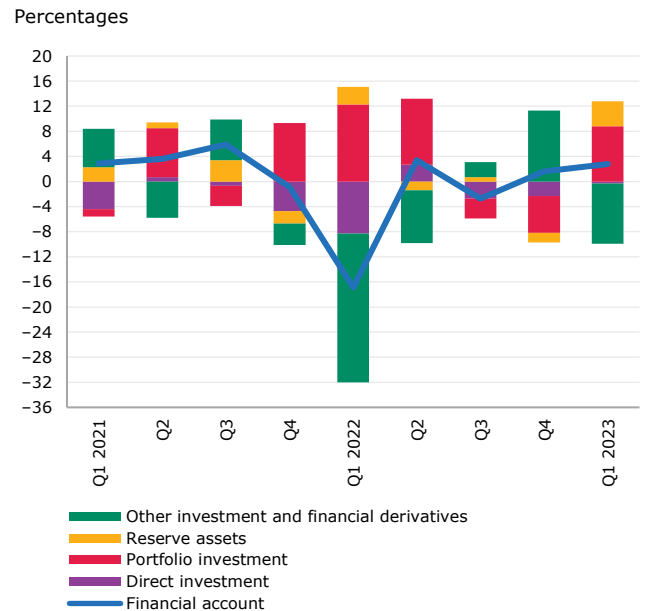
For comparison: a year ago, Lithuania's gross external debt stood at €42.9 billion, or 73.1% of GDP, while the net external debt amounted to -€1.7 billion, or 2.9% of GDP.

Chart 1. CAB and its composite flows as a percentage of GDP



Source: Bank of Lithuania.
Note: GDP at current prices, not adjusted for seasonal and workday effects.

Chart 2. Net financial account investment flows as a percentage of GDP



Source: Bank of Lithuania.
Note: GDP at current prices, not adjusted for seasonal and workday effects.

Detailed data on the country's balance of payments and international investment position as well as external debt is available on the Bank of Lithuania website (under [External statistics](#)).

You can use the [My Data Sets](#) tool to create your own data sets, which are saved in your account and automatically updated as soon as they are published.