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## Reinvestment prompted the growth of direct investment

Today, the Bank of Lithuania and Statistics Lithuania published provisional data on direct investment (DI) for Q3 2020. According to the latest data release:

**foreign direct investment (FDI) flow in Lithuania** during the period under review amounted to €284.4 million. The growth of reinvested earnings (€429.2 million) offset the decline in equity (€112.9 million) and debt instruments (31.9 million) (see Chart 1). In Q3 2020, investment increased in Swedish (€70.4 million), Hong Kong (€58.1 million), Polish (€54.2 million) and Swiss (€46.2 million) capital companies and contracted in United Kingdom (€69.3 million) and Latvian (€39.6 million) capital companies. In terms of economic activity, the largest investments were observed in financial and insurance activities (€116.9 million); in wholesale and retail trade; repair of motor vehicles and motorcycles (€110.2 million), while the largest decline was recorded in transport and storage companies (€16.8 million);

**FDI income** from non-resident investment amounted to €462.7 million, a year-on-year decrease of 19.4%. Of these, dividends went down by 83.6% and reinvested earnings fell by 4%, amounting to €18.6 million and €429.2 million respectively (see Chart 2). The largest amount of income from FDI was earned by investors from Sweden (€103.9 million), Hong Kong (€52 million) and the Netherlands (€43.3 million);

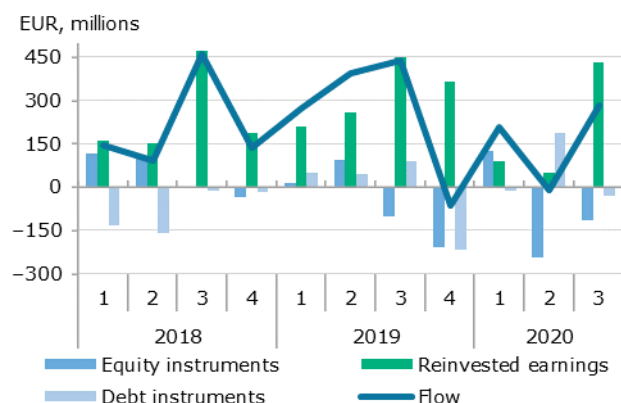
**cumulative FDI in Lithuania** rose by 2.8% year on year and amounted to €19.1 billion or 39.1% of GDP on 30 September 2020. FDI per capita in Lithuania amounted to €6,827 of FDI on average. Sweden (€3.4 billion), Estonia (€2.7 billion) and the Netherlands (€2.3 billion) remained the largest investors. The largest investments in Lithuania were directed to financial and insurance (€5.1 billion) and manufacturing (€3.3 billion) companies;

the **flow of Lithuania's DI** abroad amounted to €68.6 million and was driven by the growth of investment in equity instruments (€36.7 million) and reinvested earnings (€32.2 million). The largest positive flows were recorded for Estonia (€37.3 million) and Latvia (€32.3 million), whereas the largest negative flows were observed for Sweden (€18.4 million) and Belarus (€15.6 million). The largest investment flows were directed to financial and insurance (€22.4 million) companies;

**DI income** earned by Lithuanian investors abroad amounted to €43 million in the period under review. The largest income in terms of country was earned from investment in Latvia (€24.5 million) and Estonia (€18.7 million) and in terms of economic activity – from wholesale and retail trade; repair of motor vehicles and motorcycles (€25 million);

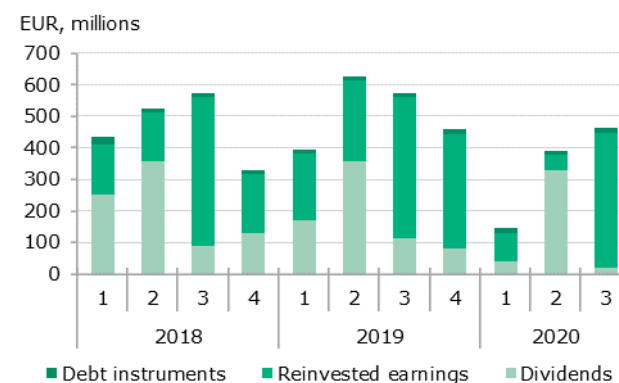
as at 30 September 2020, **Lithuania's cumulative DI abroad** stood at €4.5 billion. Lithuania's DI in EU Member States comprised 87.6% and in euro area countries – 73.7% of Lithuania's total DI abroad. The largest investments were made in Latvia (€1 billion), Cyprus (€856.2 million) and Estonia (€845.3).

Chart 1. FDI flows in Lithuania



Source: Bank of Lithuania

Chart 2. FDI income in Lithuania



Source: Bank of Lithuania and Statistics Lithuania

Detailed data on direct investment is available on the Bank of Lithuania website ([External statistics](#)).