

2 April 2012

DIRECT INVESTMENT IN 2011

In 2011, foreign direct investment (FDI) flow to Lithuania grew one and a half times compared to 2010, while Lithuania's accrued investments abroad slightly decreased as reported by the Bank of Lithuania and the Statistics Lithuania.

FDIs in Lithuania

According to preliminary data, the flow of foreign direct investments (FDI) in Lithuania was LTL 3 billion (2.8% of GDP), a year-on-year increase of LTL 1.1 billion or 54%. In 2011, the FDI flow accounted for 65% of the flow in 2008. A larger flow of reinvestments was the major driver behind the increase in FDIs in 2011.

Table 1. FDI flows in Lithuania

LTL millions

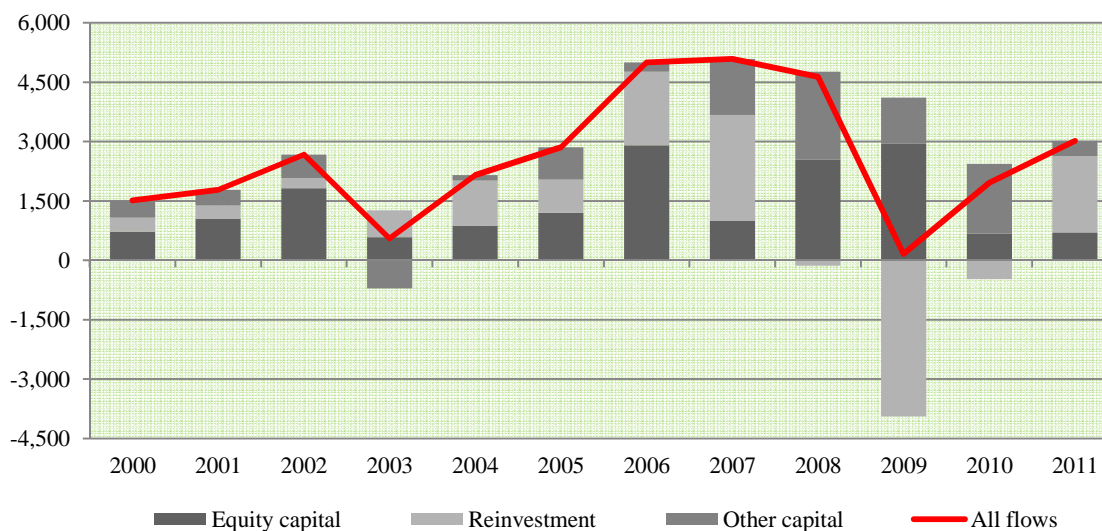
	2011	2010
Total	3,019.85	1,961.27
Equity capital	706.07	676.50
Reinvestment	1,921.89	-476.21
Other capital	391.89	1,760.98

In 2011, the biggest growth was recorded in FDIs by Sweden (LTL 3.8 billion), Canada (LTL 1.2 billion), Netherlands (LTL 373.3 million), and Finland (LTL 331.2 million), while the biggest decrease was registered in FDIs by Estonia (LTL -2.2 billion), Denmark (LTL -648.9 million), and Luxemburg (LTL -498.8 million).

Over the last year, most investments went to manufacturing (LTL 1.4 billion), finance and insurance (LTL 1.2 billion) and wholesale and retail trade, repair of motor vehicles and motorcycles (LTL 200.5 million). Within the manufacturing, most investments were directed to the production of basic products in the medicine manufacturing industry and pharmaceutical preparations (LTL 499.2 million) and chemicals and chemical products (LTL 329.9 million).

Fig. 1. FDI flows in Lithuania

LTL millions



On 31 December 2011, **accrued** FDIs in Lithuania made up LTL 37,159.9 million (EUR 10,762.3 million). In 2011, their amount in Lithuania grew by LTL 1.6 billion (4.5%). FDI per capita made up on average LTL 11,615 or EUR 3,364 compared to LTL 10,958 on 31 December 2010. The increase in accrued FDIs was driven by the inflows of equity capital and reinvestment.

The largest investors in Lithuania by country were Sweden, with its investments reaching as high as LTL 5,741.1 million (15.4% of total FDI), Poland – LTL 4,283.2 million (11.5%), Germany – LTL 3,873.0 million (10.4%), Netherlands – LTL 3,272.5 million (8.8%), Russia – LTL 2,438.3 million (6.6%), and Norway – LTL 2,000.7 million (5.4%). The amount of accrued FDIs in Lithuania from 27 member states of the EU totalled LTL 27,957.4 million (75.2% of total FDI), and from CIS countries made up LTL 2,656.5 million (7.1% of total FDI).

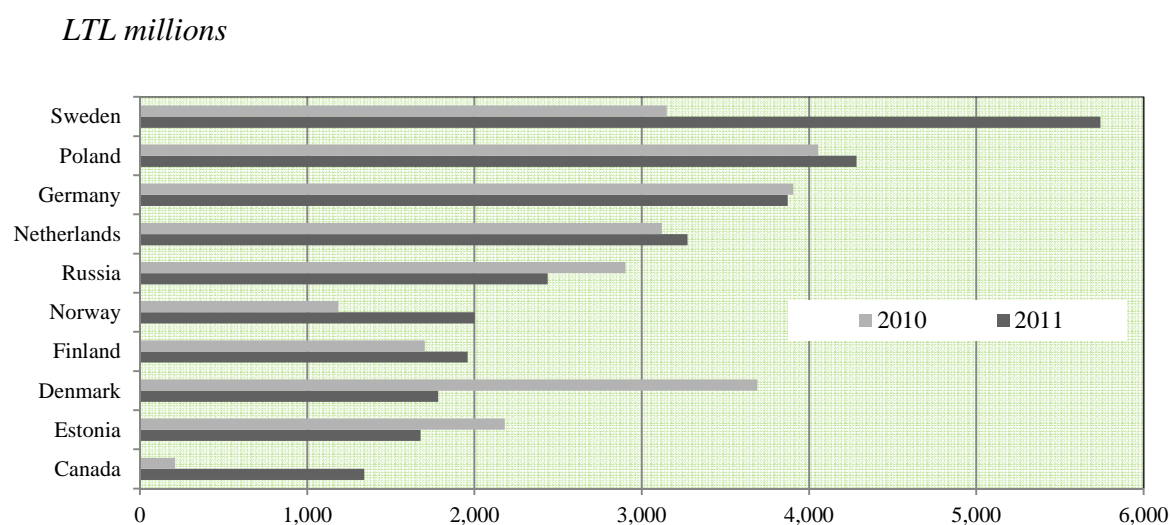
Table 2. Cumulative FDIs in Lithuania

LTL millions

	31 December 2011	31 December 2010
Total	37,159.93	35,553.05
Equity capital and reinvestments	25,684.17	24,555.95
Other capital	11,475.76	10,997.10

Table 3. Cumulative FDIs by investing countries

	31 December 2011			31 December 2010	
	LTL millions	%	change, compared to 31 December 2010 (t.)	LTL millions	%
Total	37,159.93	100.0	4.5	35,553.05	100.0
Sweden	5,741.13	15.4	82.3	3,149.56	8.9
Poland	4,283.15	11.5	5.6	4,054.89	11.4
Germany	3,873.04	10.4	-0.8	3,903.97	11.0
The Netherlands	3,272.52	8.8	4.9	3,120.36	8.8
Russia	2,438.28	6.6	-16.0	2,901.69	8.2
Norway	2,000.73	5.4	68.6	1,186.35	3.3
Finland	1,960.00	5.3	15.2	1,702.04	4.8
Denmark	1,782.21	4.8	-51.7	3,690.83	10.3
Estonia	1,677.55	4.5	-23.1	2,181.03	6.1
Canada	1,340.71	3.6	6.4 t.	210.50	0.6
Cyprus	1,103.51	3.0	0.5	1,098.15	3.1
Latvia	1,074.04	2.9	-21.3	1,364.47	3.8
Other countries	6,613.06	17.8	-5.4	6,989.21	19.7

Fig. 2. Cumulative FDIs by investing countries

According to the data as of 31 December 2011, most FDIs were directed to manufacturing (29.8% of total FDI), financial and insurance activities (14.2%), wholesale and retail trade; and repair of motor vehicles and motorcycles (13.5%), real estate operations (11.2%), information and communication activities (9.3%). Within manufacturing activities, most investments went to refined oil products, and chemicals and chemical products (LTL 5,311.9 million or 48% of total FDI in manufacturing sector), production of basic products of medicine industry and pharmaceutical preparations (LTL 1,401.1 million or 12.7%), and food products, beverages and tobacco products (LTL 1,397.4 million or 12.6%).

Table 4. Cumulative FDIs by economic activity

	31 December 2011			31 December 2010	
	LTL millions	%	change, compared to 31 December 2010	LTL millions	%
Total	37,159.93	100.0	4.5	35,553.05	100.0
Agriculture, forestry and fishing	351.47	0.9	10.3	318.71	0.9
Mining and quarrying	188.22	0.5	14.8	164.02	0.5
Manufacturing	11,069.57	29.8	11.3	9,942.20	28.0
Electricity, gas, steam supply and air conditioning	2,837.11	7.6	-7.8	3,077.51	8.6
Construction	1,059.07	2.9	-1.1	1,070.95	3.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	5,003.31	13.5	5.2	4,756.12	13.4
Transport and storage	864.02	2.3	10.9	778.92	2.2
Information and communication	3,449.48	9.3	-9.2	3,799.14	10.7
Financial and insurance activities	5,263.17	14.2	19.3	4,410.63	12.4
Real estate operations	4,174.00	11.2	-5.7	4,424.20	12.4
Other activities	2,121.51	5.7	-0.1	2,123.07	6.0
Acquisition and sale of real estate	779.00	2.1	13.3	687.58	1.9

Lithuania's direct investments abroad

In 2011, **Lithuania's direct investment (DI)** flow to other countries made up LTL 408.7 million. The flow of investments into equity capital made up LTL 186.3 million, other capital flow was LTL 167 million, and reinvestment flow abroad totalled LTL 55.4 million. In 2010, DI flow to other countries made up LTL 206 million.

In 2011, Lithuanian investors preferred investing in Netherlands (LTL 157.9 million), Estonia (LTL 108.9 million), and Latvia (LTL 73.5 million), while the biggest outflow of Lithuania's DI abroad was recorded from Cyprus (LTL -114.3 million). Lithuanian investors were investing abroad mainly into real estate operations (LTL 170 million), professional, scientific and technical activities (LTL 108.6 million), wholesale and retail trade, and repair of motor vehicles and motorcycles (LTL 68.1 million), construction (LTL 43.6 million), and manufacturing (LTL 42.3 million).

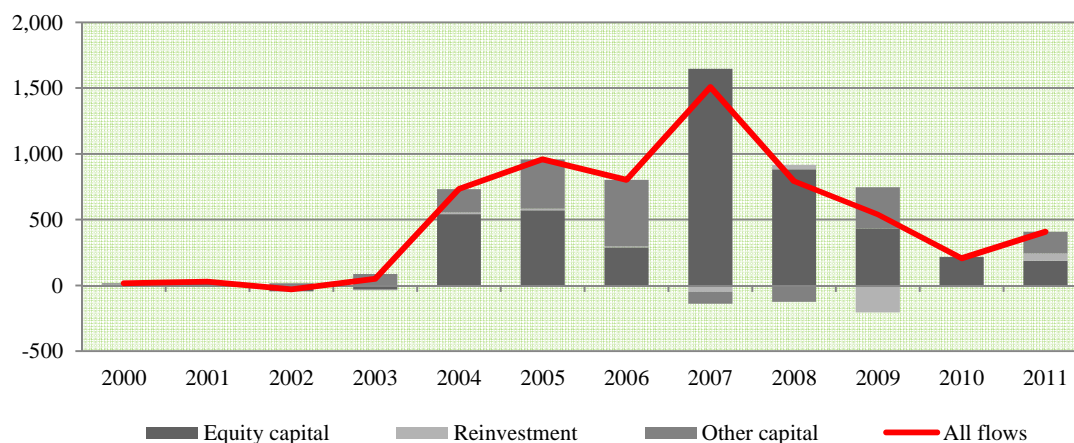
Table 5. Lithuania's DI flows abroad

LTL millions

	2011	2010
Total	408.70	205.99
Equity capital	186.34	215.80
Reinvestment	55.37	2.84
Other capital	166.99	-12.65

Fig. 3. Lithuania's DI flows abroad

LTL millions



On 31 December 2011, **Lithuania's accrued DI abroad** made up LTL 5,375.3 million (EUR 1,556.8 million). In the course of 2011, their amount abroad declined by LTL 49.4 million or 0.9%.

According to the data for 31 December 2011, most investments were made in Netherlands (LTL 1,557.7 million or 29% of total Lithuania's DI abroad), Latvia (LTL 861.6 million or 18%), Cyprus (LTL 448.3 million or 8.3%), Poland (LTL 443.1 million or 8.2%), and Russia (LTL 409.8 million or 7.6%).

Table 6. Lithuania's cumulative DI abroad
LTL millions

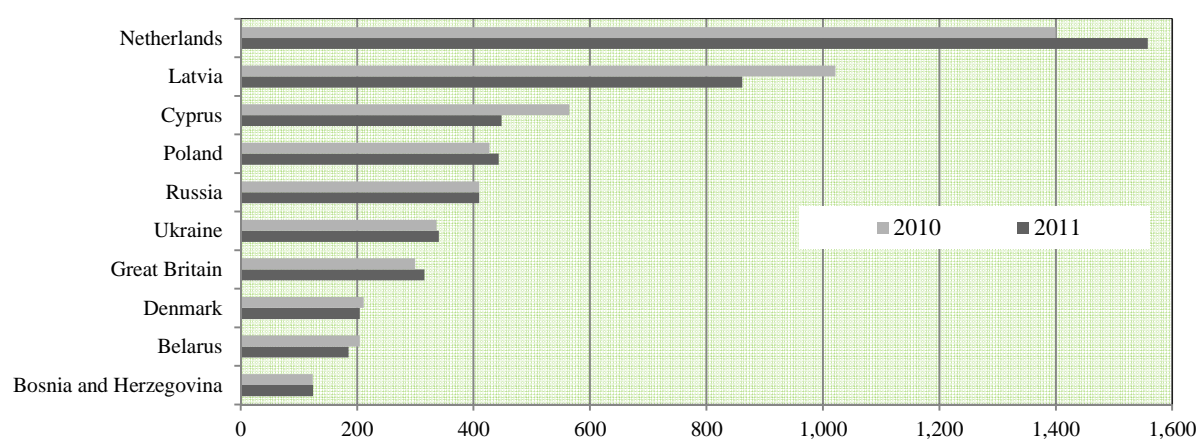
	31 December 2011	31 December 2010
Total	5,375.29	5,424.68
Equity capital and reinvestments	4,125.56	4,194.40
Other capital	1,249.73	1,230.28

Table 7. Lithuania's cumulative DI abroad by countries

	31 December 2011			31 December 2010	
	LTL millions	%	change, compared to 31 December 2010	LTL millions	%
Total	5,375.29	100.0	-0.9	5,424.68	100.0
The Netherlands	1,557.74	29.0	11.3	1,399.78	25.8
Latvia	861.56	16.0	-15.7	1,021.74	18.8
Cyprus	448.32	8.3	-20.6	564.76	10.4
Poland	443.05	8.2	3.7	427.37	7.9
Russia	409.84	7.6	0.0	409.91	7.6
Ukraine	340.57	6.3	1.3	336.31	6.2
Great Britain	315.83	5.9	5.3	299.97	5.5
Denmark	204.48	3.8	-3.1	211.12	3.9
Belarus	185.64	3.5	-9.4	204.85	3.8
Other countries	608.26	11.4	10.8	548.87	10.1

Fig. 4. Lithuania's cumulative DI abroad by countries

LTL millions



Most investments made by Lithuanian enterprises abroad went to professional, scientific and technical activities (LTL 1,677.2 million or 31.2% of Lithuania's total DI abroad), wholesale and retail trade; repair of motor vehicles and motorcycles (LTL 809.3 million or 15.1%), financial and insurance activities (LTL 753.4 million or 14%), manufacturing (LTL 650.8 million or 12.1%).

Within manufacturing, most investments went to the production of basic products of medicine industry and pharmaceutical preparations (42.1% of Lithuania's total DI within the manufacturing sector), food products, beverages and tobacco products (17.1%), the production of rubber and plastic goods (15.3%).

Vincas Daukšas
Deputy Director, Acting Director
Statistics Department of the Bank of Lithuania

Contacts:

Arturas Vėberis
Head of External Sector Statistics Division,
Statistics Department,
The Bank of Lithuania
Tel: (8 5) 2680415
Email: aveberis@lb.lt
www.lb.lt

Elena Blynaitė
Deputy Head of Construction and Investment Statistics Division,
Statistics Lithuania
Tel: (8 5) 236 4622
Email: Elena.Blynaite@stat.gov.lt
www.stat.gov.lt