

## DIRECT INVESTMENT IN Q3 2014

In Q3 2014 foreign direct investment in Lithuania and the flow of Lithuania's direct investment abroad increased; however, cumulated direct investment in Lithuania decreased and on 30 September 2014 amounted to EUR 11.8 billion, as announced by the Bank of Lithuania and Statistics Lithuania.

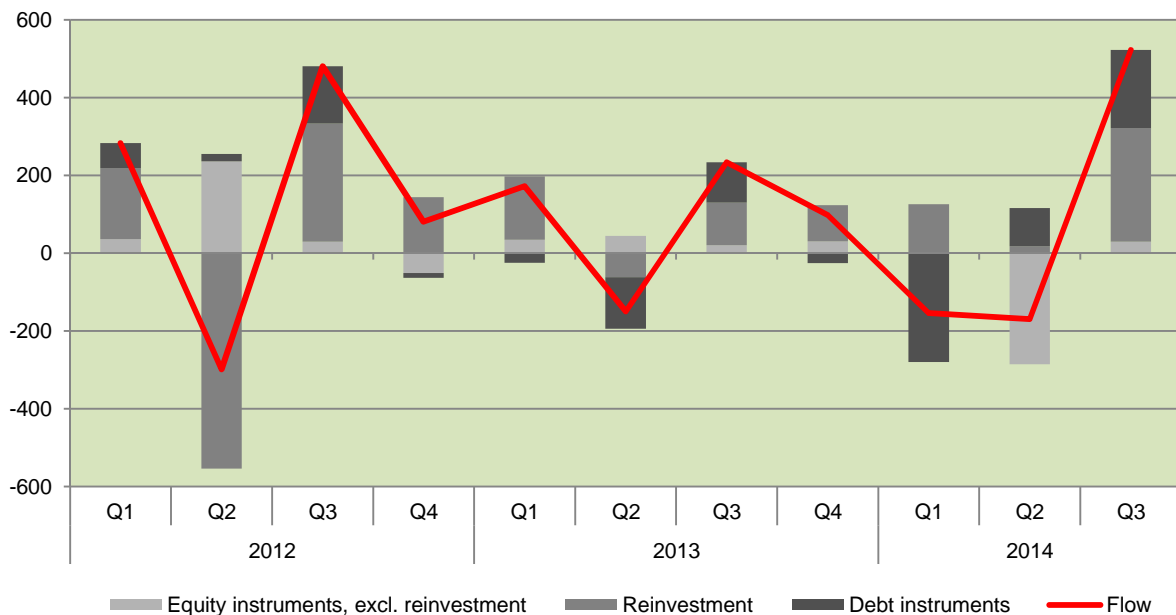
It should be noted that the direct investment reviewed in this Statistical Release is calculated by applying the directional principle, i.e. by assessing reverse investments. For this reason the data differs from the information on direct investment presented in the Balance of Payments and in the international investment position, where these investments have been calculated by applying the assets and liabilities principle, following the updated Balance of Payments Manual.

### Foreign direct investment in Lithuania

According to preliminary data, foreign direct investment (FDI) **flow** in Lithuania in Q3 2014 was positive (EUR 522.2 million), investment in Lithuania increased. This FDI growth was driven by EUR 292.1 million increase in reinvestments and investment into non-resident debt instruments, amounting to EUR 200.6 million.

### FDI flow in Lithuania

EUR millions



### Foreign direct investment flow in Lithuania

EUR millions

	Q3 2014	Q2 2014	Q4 2013
<b>Total</b>	<b>522.21</b>	<b>-169.73</b>	<b>97.85</b>
Equity instruments, excl. reinvestment	29.52	-285.60	30.56
Reinvestment	292.12	18.28	92.90
Debt instruments	200.57	97.59	-25.61

In Q3 2014, in Lithuania the strongest increase was recorded in the FDI from Germany (EUR 85 million), The Netherlands (EUR 73.3 million) and Sweden (EUR 67.6 million), while the largest decrease was recorded in the FDI from France (EUR -14.1 million), Canada (EUR -8.1 million) and the

US (EUR –7.2 million).

Over Q3, the largest investment was made in wholesale and retail trade (EUR 196.9 million), financial and insurance activities (EUR 104.5 million), while the largest decrease in investment was recorded in the electricity, gas, steam supply and air conditioning activities (EUR –23.7 million).

As of 30 September 2014, **cumulative** FDI in Lithuania amounted to EUR 11.8 billion. Over the last three quarters, their sum in Lithuania decreased by EUR –883.9 million (7.0%). FDI per capita amounted to an average of EUR 4,043 (on 31 December 2013 — EUR 4,321).

According to the data as of 30 September 2014, investors from the following countries have invested the most in Lithuania: Sweden — EUR 3 billion (25.6%), The Netherlands — EUR 1.2 billion (10.4%), Germany — EUR 1.1 billion (9.3%), Norway — EUR 780.3 million (6.6%), Estonia — EUR 695.9 million (5.9%) and Finland — EUR 652.5 million (5.5% of total FDI).

### Cumulative FDI in Lithuania

EUR millions

	30/09/2014	30/06/2014	31/12/2013
<b>Total</b>	<b>11,835.98</b>	<b>12,148.50</b>	<b>12,719.90</b>
Equity instruments	9,043.25	9,513.14	9,902.39
Debt instruments	2,792.73	2,635.36	2,817.51

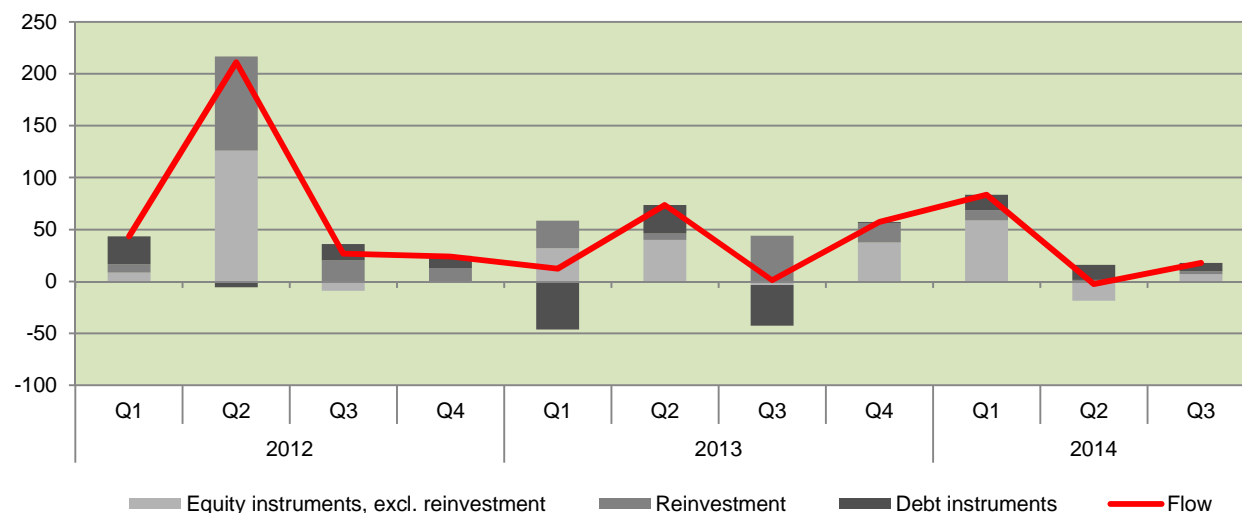
According to the data as of 30 September 2014, the largest investment was made in financial and insurance activity — 23.2 per cent, manufacturing — 22.6 per cent, real estate activities — 13.9 per cent, wholesale and retail trade, repair of motor vehicles and motorcycles —12.1 per cent, information and communication activity — 9.5 per cent of total FDI. In manufacturing, the largest investment was made in the manufacture of refined petroleum, chemical and pharmaceutical preparations — EUR 1.3 billion (48.4% of total FDI in manufacturing) and food products, beverages and tobacco — EUR 320.3 million (12%).

### Lithuania's direct investment abroad

In Q3 2014 Lithuanian direct investment (DI) **flow** abroad amounted to EUR 17.7 million. This increase was driven by investment in debt and equity instruments; their flows amounted to EUR 7.9 million and EUR 7.2 million respectively. In the Q2 2014, DI decreased and the negative flows amounted to EUR 2.5 million.

### Lithuania's DI flow abroad

EUR millions



## Lithuania's DI flow abroad

EUR millions

	Q3 2014	Q2 2014	Q4 2013
<b>Total</b>	<b>17.71</b>	<b>-2.50</b>	<b>57.40</b>
Equity instruments, excl. reinvestment	7.19	-18.57	37.70
Reinvestment	2.61	1.50	18.51
Debt instruments	7.91	14.57	1.19

In Q3 2014 Lithuania's DI grew most rapidly in Latvia (EUR 15.9 million) and Cyprus (EUR 6.2 million), while by types of economic activity — in real estate activities (EUR 6.4 million) and financial, as well as insurance, activities (EUR 5.7 million). Lithuania's DI decreased most in Russia (EUR -11.7 million) and France (EUR -2.2 million), primarily manufacturing activities (EUR -2.7 million).

As of 30 September 2014, Lithuania's **cumulative** DI abroad amounted to EUR 2.4 billion. Over the last three quarters of 2014 it increased by EUR 49.6 million, or 2 per cent.

According to the data as of 30 September 2014, the largest investment was made in the Netherlands — EUR 490.8 million (20.3%), Luxembourg — EUR 467.2 million (19.3%), Poland — EUR 302.5 million (12.5%), Latvia — LTL 276.4 million (11.4%), Cyprus — LTL 275.5 million (11.4%) and Estonia — EUR 169.2 million (7 per cent of Lithuania's total DI abroad).

## Lithuania's cumulative direct investment abroad

EUR millions

	30/09/2014	30/06/2014	31/12/2013
<b>Total</b>	<b>2,421.46</b>	<b>2,365.50</b>	2,371.83
Equity instruments	1,963.25	1,926.53	1,961.34
Debt instruments	458.21	438.97	410.49

The largest investment abroad was made by Lithuanian enterprises in professional, scientific and technical activities — EUR 1.2 billion (49.2 per cent), manufacturing — EUR 459.5 million (19 per cent), wholesale and retail trade, repair of motor vehicles and motorcycles — EUR 210.6 million (8.7 per cent), transportation and storage activities — EUR 151.2 million (6.2 per cent of the total Lithuanian DI abroad).

As for manufacturing, the largest investment was made in the manufacture of refined petroleum, chemical and pharmaceutical preparations (82.5% of Lithuania's total DI in manufacturing).

More detailed statistical information on cumulative FDI in Lithuania and Lithuania's DI abroad by country and economic activity is presented in the Annex.

The data on DI for Q4 2014 will be published in April 2015.

## Concepts

Equity instruments — an undertaking's equity capital, comprised of equity securities, investment fund shares, other equity (e.g. real estate), reinvestment, reserves, included in equity capital.

Reinvestment — share of a direct investor's profit, which the subsidiary undertakings or partner companies did not distribute as dividends and the branch profit that has not been transferred to the direct investor.

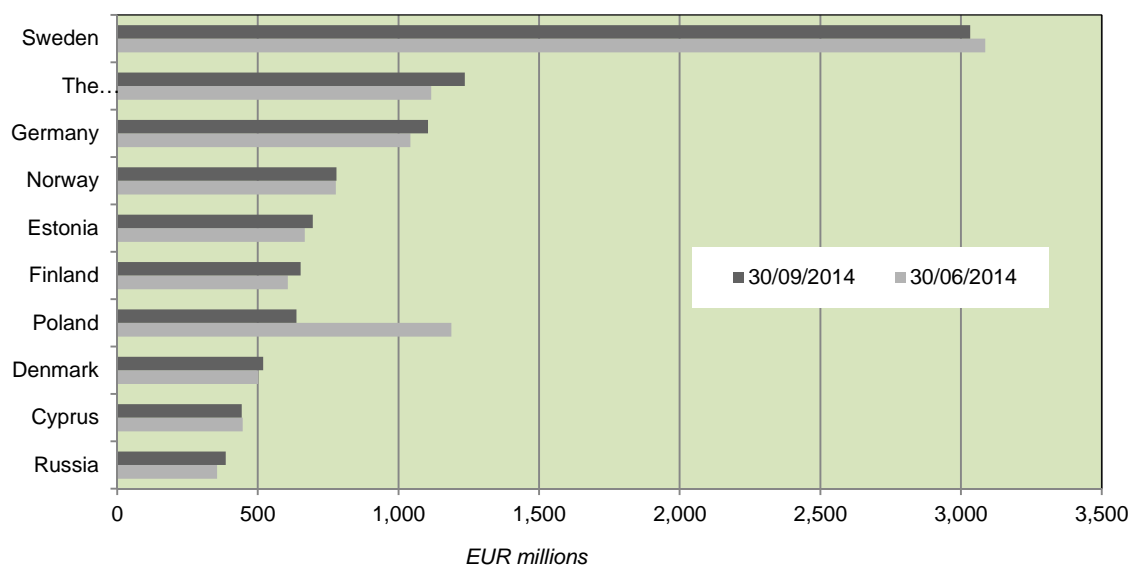
Debt instruments — financial instruments when it is required in the future to repay the principal amount and/or pay interest. They include loans, debt securities, commercial credit and advance payments, other amounts payable and receivable.

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Annex

**Chart 1. Cumulative FDI by investing country**

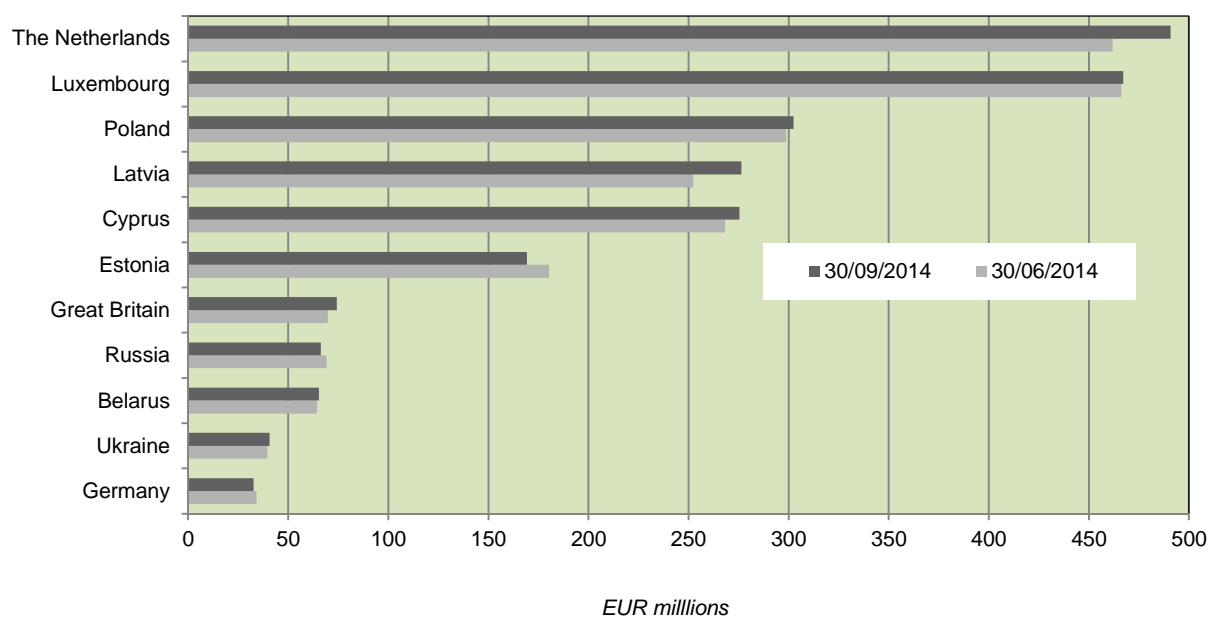


**Table 1. Cumulative FDI by investing country**

	30/09/2014			30/06/2014	
	EUR millions	structure, per cent	change, compared to 30/06/2014, per cent	EUR millions	structure, per cent
<b>Total</b>	<b>11,835.98</b>	<b>100.0</b>	<b>-2.6</b>	<b>12,148.50</b>	<b>100.0</b>
Sweden	3,032.86	25.6	-1.7	3,085.92	25.4
The Netherlands	1,235.61	10.4	10.6	1,117.16	9.2
Germany	1,105.35	9.3	6.0	1,042.54	8.6
Norway	780.29	6.6	0.3	777.60	6.4
Estonia	695.94	5.9	4.3	667.55	5.5
Finland	652.49	5.5	7.6	606.48	5.0
Poland	637.46	5.4	-46.3	1,188.11	9.8
Denmark	519.38	4.4	3.5	501.58	4.1
Cyprus	443.34	3.7	-0.7	446.30	3.7
Russia	386.55	3.3	8.6	355.89	2.9
Switzerland	302.21	2.6	20.8	250.19	2.1
France	266.43	2.3	-5.1	280.64	2.3
Other countries	1,778.07	15.0	-2.8	1,828.54	15.0

**Table 2. Cumulative FDI by economic activity**

	30/09/2014			30/06/2014	
	EUR millions	structure, per cent	change, compared to 30/06/2014, per cent	EUR millions	structure, per cent
<b>Total</b>	<b>11,835.98</b>	<b>100.0</b>	<b>-2.6</b>	<b>12,148.50</b>	<b>100.0</b>
Financial and insurance activities	2,748.81	23.2	-0.2	2,753.27	22.7
Manufacturing	2,680.35	22.6	-15.5	3,170.72	26.1
Real estate transactions	1,650.74	13.9	0.8	1 637.64	13.5
Wholesale and retail trade, repair of motor vehicles and motorcycles	1,433.88	12.1	8.0	1,327.96	10.9
Information and communication	1,130.04	9.5	-0.8	1,139.06	9.4
Professional, scientific and technical activities	438.66	3.7	2.4	428.56	3.5
Construction	319.59	2.7	0.6	317.70	2.6
Private purchases and sales of real estate	295.00	2.5	4.0	283.66	2.3
Transportation and storage	272.00	2.3	14.3	238.00	2.0
Administrative and support service activities	252.84	2.1	7.5	235.26	1.9
Electricity, gas, steam supply and air conditioning	247.60	2.1	-5.1	260.97	2.1
Agriculture, hunting, forestry and fishing	144.34	1.2	6.3	135.81	1.1
Other activities	222.13	2.1	1.0	219.89	1.9

**Chart 2. Lithuania's cumulative DI abroad by country**

**Table 3. Lithuania's cumulative DI abroad by country**

	30/09/2014			30/06/2014	
	EUR millions	structure, per cent	change, compared to 30/06/2014, per cent	EUR millions	structure, per cent
<b>Total</b>	<b>2,421.46</b>	<b>100.0</b>	<b>2.4</b>	<b>2,365.50</b>	<b>100.0</b>
The Netherlands	490.82	20.3	6.3	461.90	19.5
Luxembourg	467.16	19.3	0.2	466.15	19.7
Poland	302.52	12.5	1.2	298.84	12.6
Latvia	276.41	11.4	9.5	252.42	10.7
Cyprus	275.52	11.4	2.7	268.31	11.3
Estonia	169.20	7.0	-6.2	180.31	7.6
Great Britain	74.29	3.1	6.4	69.83	3.0
Russia	66.21	2.7	-4.2	69.09	2.9
Belarus	65.35	2.7	1.5	64.39	2.7
Ukraine	40.69	1.7	2.7	39.62	1.7
Germany	32.65	1.3	-4.4	34.16	1.4
Other countries	160.64	6.6	0.1	160.48	6.9

**Table 4. Lithuania's cumulative DI abroad by economic activity**

	30/09/2014			30/06/2014	
	EUR millions	structure, per cent	change, compared to 30/06/2014, per cent	EUR millions	structure, per cent
<b>Total</b>	<b>2,421.46</b>	<b>100.0</b>	<b>2.4</b>	<b>2,365.50</b>	<b>100.0</b>
Professional, scientific and technical activities	1,190.89	49.2	3.1	1,154.73	48.8
Manufacturing	459.46	19.0	-10.9	515.93	21.8
Wholesale and retail trade, repair of motor vehicles and motorcycles	210.63	8.7	6.4	197.88	8.4
Transportation and storage	151.21	6.2	6.3	142.21	6.0
Financial and insurance activities	134.70	5.6	7.9	124.79	5.3
Real estate transactions	121.90	5.0	41.1	86.39	3.7
Information and communication	52.01	2.1	2.3	50.84	2.1
Private purchases and sales of real estate	51.71	2.1	7.2	48.26	2.0
Administrative and support service activities	22.24	0.9	34.6	16.52	0.7
Construction	20.74	0.9	-4.0	21.60	0.9
Other activities	5.97	0.3	-6.0	6.35	0.3