

DIRECT INVESTMENT IN Q3 2015

In Q3 2015, foreign direct investment in Lithuania was increasing, while Lithuania's direct investment abroad was decreasing, report the Bank of Lithuania and Statistics Lithuania.

It should be noted that the direct investment reviewed in this Release has been calculated by applying the directional principle, i.e. having assessed 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.

Foreign direct investment in Lithuania

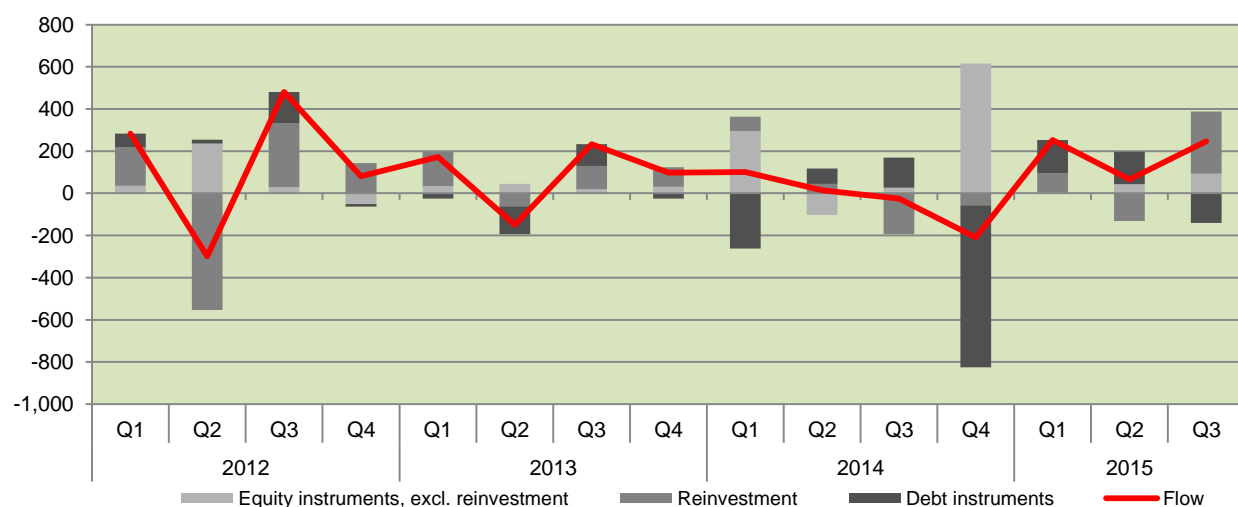
According to provisional data, in Q3 2015, as in Q2, the foreign direct investment (FDI) **flow** in Lithuania continued to be positive and amounted to EUR 247.2 million; this shows growth in foreign investment in Lithuania. This growth in FDI was due to a EUR 295 million increase in non-resident reinvestment and EUR 93.4 million investment in equity instruments. Over the first three quarters of 2015, FDI in Lithuania amounted to EUR 564.3 million (2% of GDP).

Foreign direct investment flow in Lithuania EUR millions

	Q3 2015	Q2 2015	Q4 2014
Total	247.17	65.23	-209.08
Equity instruments, excl. reinvestment	93.37	42.97	616.04
Reinvestment	294.99	-132.00	-56.81
Debt instruments	-141.19	154.26	-768.31

In Q3 2015, the strongest increase in Lithuania was recorded in the FDI from Sweden (EUR 57.6 million), the United Kingdom (EUR 47.5 million) and Finland (EUR 34.3 million), while the largest decrease was recorded in the FDI from Poland (EUR -71.7 million), Luxembourg (EUR -24.8 million) and France (EUR -22.4 million).

Foreign direct investment flow in Lithuania EUR millions



Over Q3 2015, the largest investment was made in real estate activities (EUR 70.5 million), wholesale and retail trade, repair of motor vehicles and motorcycles (EUR 70.3 million), financial and insurance activities (EUR 63.2 million), whereas the largest decline was recorded in investment in professional, scientific and technical activities (EUR –31.3 million).

As of 30 September 2015, **cumulative** FDI in Lithuania amounted to EUR 13.2 billion. Over the first three quarters of 2015, its amount in Lithuania increased by EUR 307 million (2.4%). FDI per capita amounted to an average of EUR 4,548 (on 31 December 2014 — EUR 4,404).

According to the data as of 30 September 2015, investors from the following countries have invested in Lithuania the most: Sweden — EUR 3.2 billion (24.3%), the Netherlands — EUR 1.6 billion (11.9%), Germany — EUR 1.2 billion (9.4%), Norway — EUR 861 million (6.5%), Poland — EUR 825.5 million (6.3%) and Estonia — EUR 560.8 million (4.3% of total FDI). Cumulative FDI in Lithuania from the EU Member States amounted to EUR 10.9 billion (82.6%), from the euro area countries — EUR 5.9 billion (44.7%), from CIS countries — EUR 300.3 million (2.3% of total FDI).

Cumulative FDI in Lithuania

EUR millions

	30/09/2015	30/06/2015	31/12/2014
Total	13,171.85	13,103.51	12,864.83
Equity instruments	10,965.72	10,618.77	10,709.29
Debt instruments	2,206.13	2,484.74	2,155.54

According to the data as of 30 September 2015, the largest investment was made in financial and insurance activities — EUR 3.6 billion (27.2%), manufacturing — EUR 2.8 billion (21.2%), real estate activities — EUR 1.8 billion (13.6%); wholesale and retail trade, repair of motor vehicles and motorcycles — EUR 1.5 billion (11.4%), information and communication activities — EUR 1.1 billion, i.e. 8.7 per cent of total FDI. In manufacturing, the largest investment was made in the manufacture of refined petroleum, chemical and pharmaceutical preparations — EUR 1.2 billion (44.5% of total FDI in manufacturing) and food products, beverages and tobacco — EUR 361.5 million (12.9%).

Lithuania's direct investment abroad

The flow of Lithuania's direct investment (DI) abroad was negative in Q3 2015 and amounted to EUR 13.3 million, although in Q2 2015 DI abroad posted an increase of EUR 153.9 million. The negative DI flow in Lithuania in Q3 2015 was due to a fall in investment in debt instruments of EUR 28.3 million.

Lithuania's DI flow abroad*

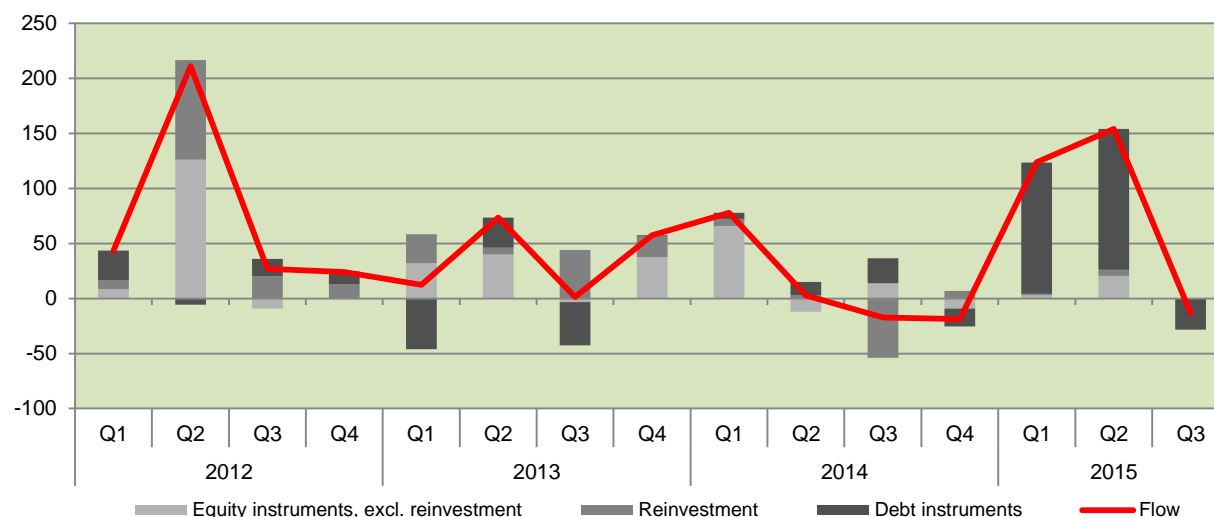
EUR millions

	Q3 2015	Q2 2015	Q4 2014
Total	-13.26	153.93	-18.68
Equity instruments, excl. reinvestment	19.23	20.40	-9.08
Reinvestment	-4.15	5.62	6.73
Debt instruments	-28.34	127.90	-16.33

* In some tables provided in the Statistical release and Annex, insignificant deviations due to rounding are possible.

Lithuania's DI flow abroad

EUR millions



In Q3 2015, Lithuania's DI grew most rapidly in Romania (EUR 5.6 million), Belarus (EUR 3.4 million) and Sweden (EUR 3.3 million), while by type of economic activity — in wholesale and retail trade, repair of motor vehicles and motorcycles (EUR 4.8 million), as well as real estate activities (EUR 2.2 million). Lithuania's DI fell the most in Germany (EUR –10.9 million), Poland (EUR –10.5 million) and Russia (EUR –6.4 million), while by type of economic activity — in manufacturing (EUR –12.8 million).

As of 30 September 2015, Lithuania's **cumulative** DI abroad amounted to EUR 2.1 billion. Over the first three quarters of 2015, its amount in Lithuania fell by EUR 242.8 million (10.4%).

According to the data as of 30 September 2015, the largest investment was made in Luxembourg — EUR 485.2 million (23.2%), the Netherlands — EUR 461.3 million (22.1%), Poland — EUR 298.9 million (14.3%), Latvia — EUR 271.7 million (13%), Cyprus — EUR 141.5 million (6.8%) and Belarus — EUR 75.3 million (3.6% of Lithuania's total DI abroad). Lithuania's cumulative DI in the EU Member States amounted to EUR 1.9 billion (90.7%), in the euro area countries — EUR 1.5 billion (70.7%), in CIS countries — EUR 172.5 million (8.3% of Lithuania's total DI abroad).

Lithuania's cumulative direct investment abroad

EUR millions

	30/09/2015	30/06/2015	31/12/2014
Total	2,087.21	2,214.40	2,329.99
Equity instruments	1,768.49	1,792.84	1,940.88
Debt instruments	318.71	421.56	389.11

The largest investment abroad was made by Lithuanian enterprises in professional, scientific and technical activities — EUR 1 billion (49.5%), wholesale and retail trade, repair of motor vehicles and motorcycles — EUR 308.7 million (14.8%), the administrative and support service activity — EUR 280.4 million (13.4%), manufacturing — EUR 122.5 million (5.9%), the real estate activity — EUR 119.5 million (5.7% of Lithuania's total DI abroad). In manufacturing, the largest investment was made in the manufacture of refined petroleum, chemical and pharmaceutical preparations (67.4% 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 2015 will be published in April 2016.

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 to repay in the future the principal amount and/or pay interest. They include loans, debt securities, trade credit and advance payments, other amounts payable and receivable.

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Annex

Chart 1. Cumulative FDI by investing country

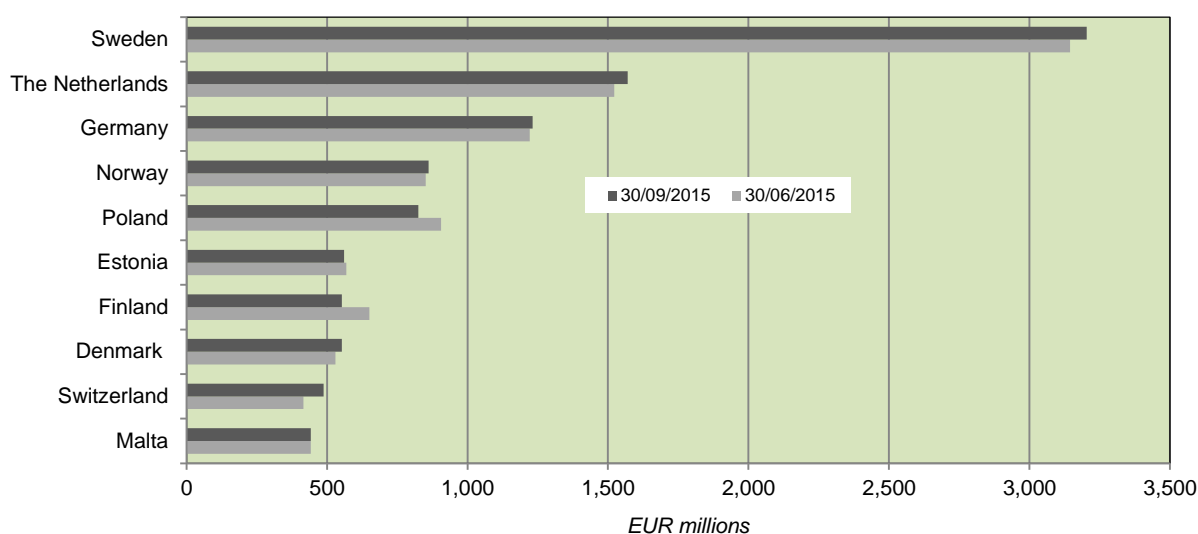
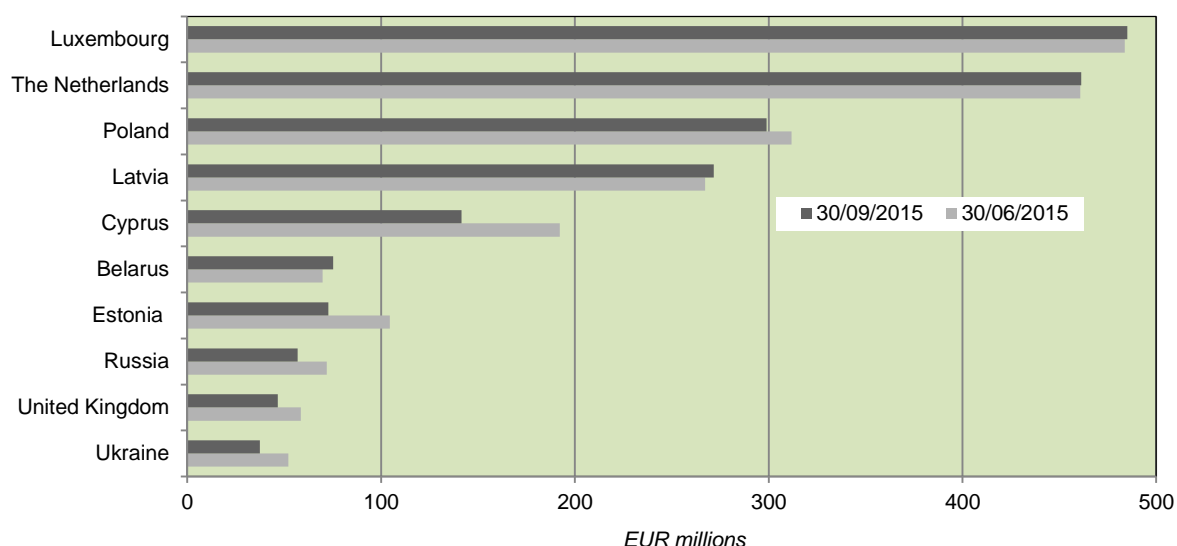


Table 1. Cumulative FDI by investing country

	30/09/2015			30/06/2015	
	EUR millions	Structure, %	Change, compared to 30/06/2015, %	EUR millions	Structure, %
Total	13,171.85	100.0	0.5	13,103.51	100.0
Sweden	3,204.56	24.3	1.9	3,144.83	24.0
The Netherlands	1,569.61	11.9	3.1	1,522.21	11.6
Germany	1,231.58	9.4	0.8	1,221.35	9.3
Norway	860.95	6.5	1.2	850.82	6.5
Poland	825.48	6.3	-8.8	905.49	6.9
Estonia	560.80	4.3	-1.4	568.57	4.3
Finland	552.81	4.2	-15.0	650.18	5.0
Denmark	552.61	4.2	4.3	529.62	4.0
Switzerland	488.07	3.7	17.2	416.29	3.2
Malta	442.43	3.4	0.0	442.62	3.4
Other countries	2,882.95	21.8	1.1	2,851.53	21.8

Table 2. Cumulative FDI by economic activity

	30/09/2015			30/06/2015	
	EUR millions	Structure, %	Change, compared to 30/06/2015, %	EUR millions	Structure, %
Total	13,171.85	100.0	0.5	13,103.51	100.0
Financial and insurance activity	3,581.26	27.2	-0.1	3,584.89	27.4
Manufacturing	2,797.86	21.2	-0.9	2,821.96	21.5
Real estate transactions	1,786.67	13.6	7.1	1,668.14	12.7
Wholesale and retail trade, repair of motor vehicles and motorcycles	1,495.37	11.4	-2.0	1,525.58	11.6
Information and communication	1,145.81	8.7	-0.5	1,151.34	8.8
Professional, scientific and technical activities	487.33	3.7	-12.5	557.11	4.3
Construction	342.30	2.6	-0.9	345.45	2.6
Private purchases and sales of real estate	322.41	2.4	-8.4	351.95	2.7
Transportation and storage	311.80	2.4	4.0	299.85	2.3
Other activities	901.04	6.8	13.0	797.24	6.1

Chart 2. Lithuania's cumulative DI abroad by country**Table 3. Lithuania's cumulative DI abroad by country**

	30/09/2015			30/06/2015	
	EUR millions	Structure, %	Change, compared to 30/06/2015, %	EUR millions	Structure, %
Total	2,087.21	100.0	-5.7	2,214.40	100.0
Luxembourg	485.17	23.2	0.3	483.85	21.9
The Netherlands	461.34	22.1	0.1	460.80	20.8
Poland	298.92	14.3	-4.1	311.84	14.1
Latvia	271.68	13.0	1.6	267.28	12.1
Cyprus	141.51	6.8	-26.4	192.29	8.7
Belarus	75.33	3.6	7.9	69.83	3.2
Estonia	72.71	3.5	-30.4	104.45	4.7
Russia	56.90	2.7	-20.9	71.93	3.2
United Kingdom	46.69	2.2	-20.2	58.52	2.6
Ukraine	37.46	1.8	-28.1	52.10	2.4
Other countries	139.50	6.8	-1.4	141.51	6.3

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

	30/09/2015			30/06/2015	
	EUR millions	Structure, %	Change, compared to 30/06/2015, %	EUR millions	Structure, %
Total	2,087.21	100.0	-5.7	2,214.40	100.0
Professional, scientific and technical activities	1,032.61	49.5	-0.2	1,034.34	46.7
Wholesale and retail trade, repair of motor vehicles and motorcycles	308.67	14.8	16.2	265.53	12.0
Administrative and support service activities	280.41	13.4	12.4	22.65	1.0
Manufacturing	122.47	5.9	-70.2	410.63	18.5
Real estate transactions	119.47	5.7	-5.8	126.86	5.7
Financial and insurance activities	74.38	3.6	4.5	71.19	3.2
Private purchases and sales of real estate	53.97	2.6	-56.5	124.06	5.6
Information and communication	52.97	2.5	1.7	52.08	2.4
Construction	21.94	1.1	5.8	20.74	0.9
Other activities	20.32	0.9	-76.5	86.32	4.0