

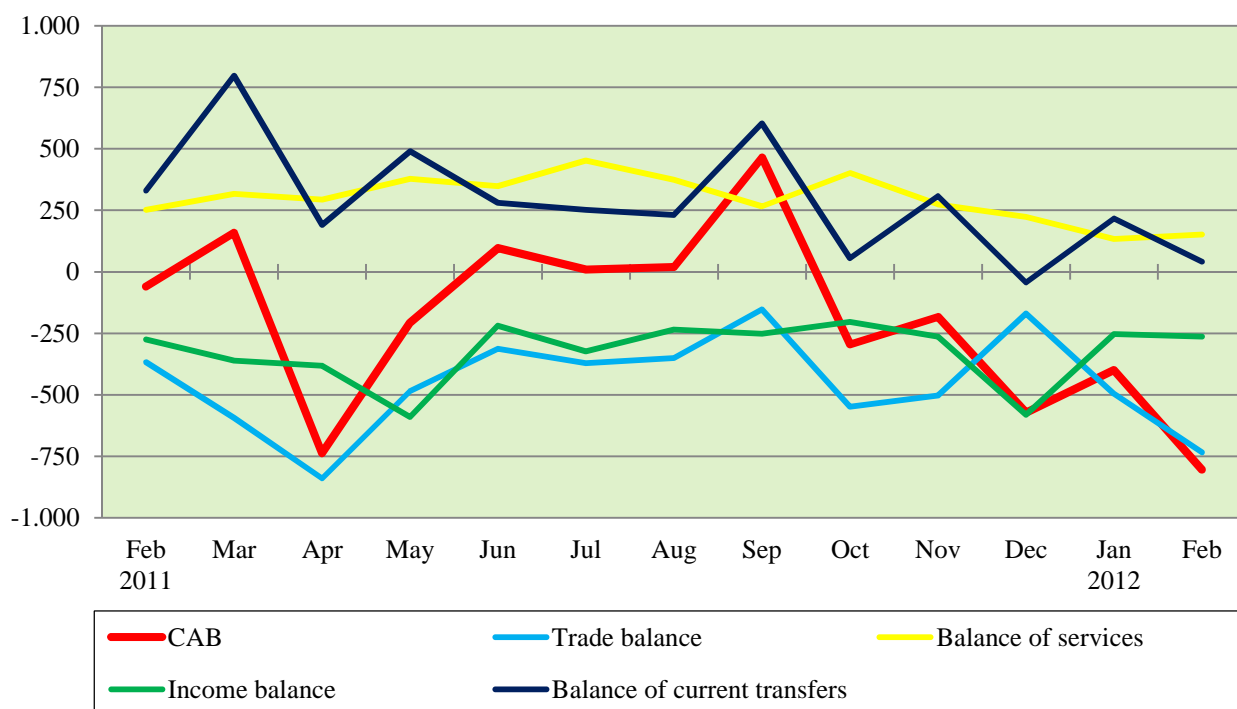
BALANCE OF PAYMENTS OF THE REPUBLIC OF LITHUANIA, FEBRUARY 2012
(survey of key indicators)

In February 2012, the country's **current** account deficit (CAD) widened month on month twofold or by LTL 404.6 million. Such CAD increase was driven by an increase in foreign trade deficit and a decrease in the flow of current transfers from abroad. Meanwhile, a year-on-year growth in CAD made up LTL 744.4 million. The positive figure (LTL 868.6 million) on the balance of **financial** account of the balance of payments in February 2012 has formed due to an increase in portfolio investments.

Current account. In February 2012, the CAD on the country's balance of payments totaled LTL 804.5 million. According to preliminary estimate, the CAD for the last twelve-month period (March 2011 to February 2012) made up LTL 2.5 billion (in January–December 2011 the CAD made up LTL 1.7 billion).

CAB and its Composite Balances

LTL millions



Goods. In February 2012, foreign trade deficit on the country's balance of payments was LTL 734.1 million, a month-on-month increase of 47.7% as a result of a more rapid growth in import of goods. The year-on-year growth in import of goods also outpaced the growth in export of goods leading to a nearly twofold increase in trade deficit.

Services. In February 2012, the surplus on the balance of services made up LTL 151.1 million, a month-on-month hike of LTL 17.6 million or 13.2%. Export of services declined year on year by 2.9%, while import of services grew by 12.6% leading to a decrease of 39.9% in the surplus on the balance of services.

Income. In February, the deficit on the total balance of income made up LTL 262.9 million (the deficit on the investment income balance amounted to LTL 261.3 million and the deficit on the balance of compensation of employees totaled LTL 1.6 million). The total deficit on the balance of income hiked by 3.9% on a monthly base and plummeted by 4.3% on a yearly base (driven mainly by a decline in the deficit on other investment income balance).

Current transfers. In February 2012, the surplus of the balance of current transfers made up LTL 41.4 million (LTL 216.5 million in January 2012 and LTL 330.6 million in February 2011).

In February 2012, transfers from EU support funds made up LTL 242.8 million and workers remittances from abroad made up LTL 259.1 million. Compared to January, transfers from EU support funds went down by 24.7%, while workers remittances went up by 17.2%. In February 2011, the said types of transfers totaled LTL 412.3 million and LTL 304.7 million respectively.

In February 2012, Lithuania's calculated contributions to the EU budget totaled LTL 265 million and workers remittances from Lithuania made up LTL 197 million. Compared to January, contributions to the EU budget jumped by 2.8 times, while workers remittances from Lithuania decreased by 19.8%. In February last year, the said types of flows were LTL 222 million and LTL 166.5 million respectively.

Non-repayable capital transfers to Lithuania made up LTL 11.1 million in February 2012. No such transfers were recorded in January this year, while in February 2011, capital transfers made up LTL 154 million.

Financial account. In February 2012, net foreign investment inflows to Lithuania, excluding official reserve assets, stood at LTL 3.1 billion. Portfolio investment inflows were the major contributor to net investment inflow in February.

Foreign investments in Lithuania grew further in February 2012 with their inflow reaching as high as LTL 3.2 billion. In January 2012 they were LTL 267.2 million, while in February 2011 they stood at LTL 197.8 million.

In February 2012, Lithuania's investments abroad grew further with their flow reaching LTL 118.7 million. Their growth flow was LTL 1.9 billion in January 2012 and LTL 261.5 million in February 2011.

Investment flows

LTL millions

	Net investment flows			Lithuania's investment abroad			Foreign investment in Lithuania		
	February 2012	January 2012	February 2011	February 2012	January 2012	February 2011	February 2012	January 2012	February 2011
Total investment flow (excluding official reserve assets)	3,081.8	-1,590.9	-63.6	-118.7	-1,858.1	-261.5	3,200.5	267.2	197.8
Direct investment	177.5	271.3	133.9	52.0	-175.2	31.5	125.5	446.6	102.4
Portfolio investments	4,276.7	-70.2	-838.4	36.7	-18.2	-697.8	4,240.0	-51.9	-140.7
Equities	-95.4	44.1	-8.0	-51.2	50.6	-15.7	-44.3	-6.6	7.7
Debt securities	4,372.1	-114.2	-830.4	87.9	-68.9	-682.0	4,284.2	-45.4	-148.3
Financial derivatives	-4.2	8.6	-2.1	9.8	22.7	4.8	-14.0	-14.1	-6.9
Other investment	-1,368.1	-1,800.6	643.0	-217.2	-1,687.2	400.0	-1,150.9	-113.4	243.0
Monetary financial institutions	-881.5	-1,954.0	720.7	-72.5	-1,642.6	563.7	-809.0	-311.3	157.1
Other sectors	-129.6	-216.0	-453.1	-54.1	-132.5	-452.7	-75.5	-83.5	-0.4

(+) – a decrease in foreign assets or an increase in liabilities;

(-) – an increase in foreign assets or a decrease in liabilities.

Totals in some lines and columns may not tally with the total investment flow due to rounding.

Direct investment. In February 2012, net inflows of foreign direct investments (FDI) to Lithuania made up LTL 177.5 million (in January 2012, they totaled LTL 271.3 million, and in February 2011, they amounted to LTL 133.9 million).

In February this year, the FDI flow to Lithuania was LTL 125.5 million, an increase of LTL 23.1 million or 22.5% compared to a corresponding period in 2011. The growth was driven by inflows of equity capital (compared to January 2012, the FDI flow to Lithuania decreased by 71.9%).

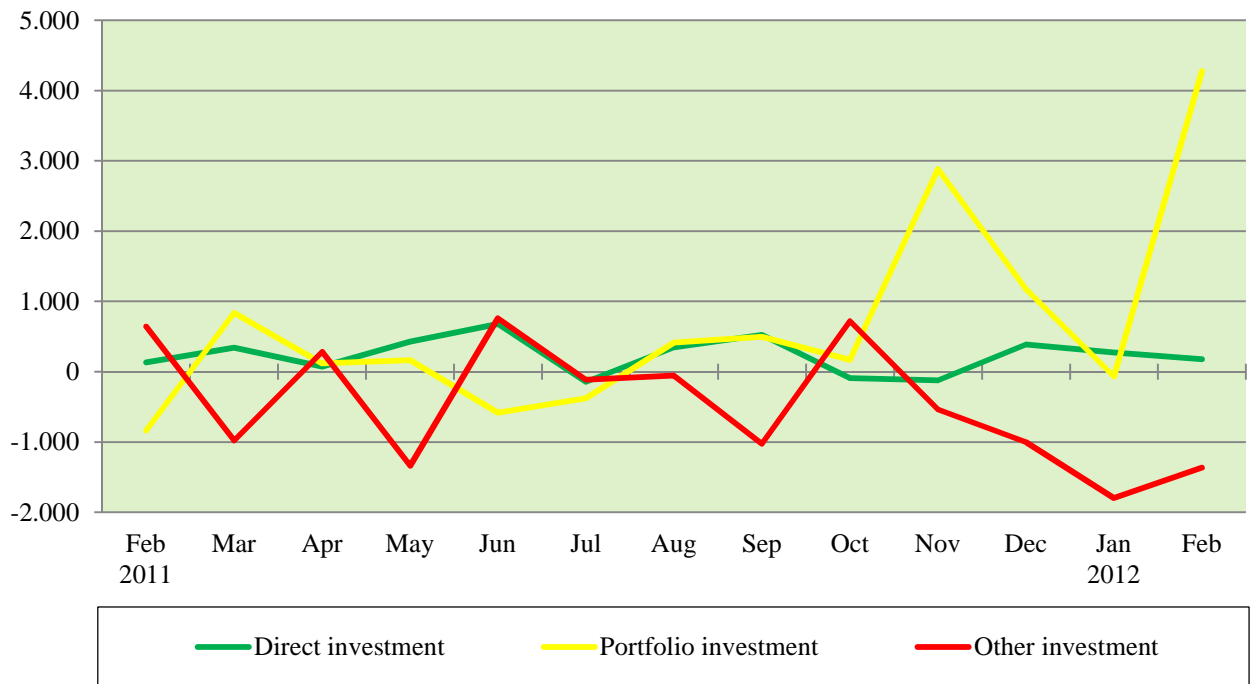
Direct investments by domestic economic entities abroad decreased in February 2012 with their flow going down to LTL 52 million (in January 2012, they kept growing with their flow reaching LTL 175.2 million, while in February 2011, the outflow of LTL 31.5 million was recorded).

Portfolio investment. In February 2012, net inflow of portfolio investments to Lithuania made up LTL 4.3 billion driven by the government bonds issue. Net outflow of this type of investments was recorded in January this year, which made up LTL 70.2 million and LTL 838.4 million in February 2011.

Net outflow of **other investments and financial derivatives** from Lithuania totaled LTL 1.4 billion in February this year (LTL 1.8 billion outflow in January 2012 and LTL 640.9 million inflows in February 2011). The February outflow of this type of investments was driven by a decrease in MFIs' liabilities to non-residents.

Net investment flows

LTL millions



Negative flow of official reserve assets in February 2012 (LTL -2.2 billion) on the balance of payments signals of their increase.

Statistics Department