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## Balance of Payments of the Republic of Lithuania for Q1 2022

Today, the Bank of Lithuania released the balance of payments data for Q1 2022, which shows that:

Current account balance	International investment position	Gross external debt
-€964.6 million	-€5.2 billion	€39.6 billion
Q1 2021	Q1 2021	Q1 2021
€590.4 million	-€6.9 billion	€37.0 billion

unlike in the previous two quarters, **the current account balance** (CAB) was in deficit and amounted to -€964.6 million, or 6.8% of the gross domestic product (GDP). This was determined by larger deficits in foreign trade and primary income balances, which were not offset by the surplus on the balance of services. Compared with Q4 2021, import of goods, which grew (5.5%) faster than exports (0.5%), led to a 1.5-fold increase in foreign trade deficit, amounting to -€1.5 billion. At the same time, the primary income deficit rose by 4.8 times and stood at -€721.4 million. This change was influenced by other primary income balance, which turned from surplus (€564.4 million) to deficit (-€3.2 million) due to 13 times fewer subsidies for agriculture received from the European Union (EU). Compared with the previous quarter, the decrease in export and import of services by 2.3% and 1.6% respectively resulted in the fall of the surplus on the balance of services (3.6%), which stood at €1.2 billion. A year ago, the CAB was in surplus and amounted to €590.4 million, or 5.0% of the GDP (see Chart 1);

the surplus on the **capital account** contracted 2.4 times, compared with the previous quarter, and amounted to €129.3 million. This reflects lower inflows received from EU structural support funds dedicated to financing investment projects;

during the reporting period, the negative net flow of **financial account** investment amounted to -€1.3 billion, or 9.4% of the GDP (see Chart 2). It was triggered by negative net flows of other and direct investments, which were not offset by the positive net flow of portfolio investment resulting from the redemption of the Government's eurobond issue and the increase in official reserve assets;

the net **international investment position** was negative and amounted to -€5.2 billion, or 9.0% of the GDP at the end of Q1;

at the end of Q1 2022, Lithuania's **gross external debt** stood at €39.6 billion, or 68.6% of the GDP, while the **net external debt** amounted to -€2.6 billion, or 4.6% of the GDP, i.e. Lithuania's assets abroad were higher than its liabilities abroad. A year ago Lithuania's gross external debt amounted to €37.0 billion, or 74.0% of the GDP, while the net external debt was stood at -€677.6 million, or 1.4% of the GDP.

Chart 1. CAB and its composite flows as a percentage of GDP

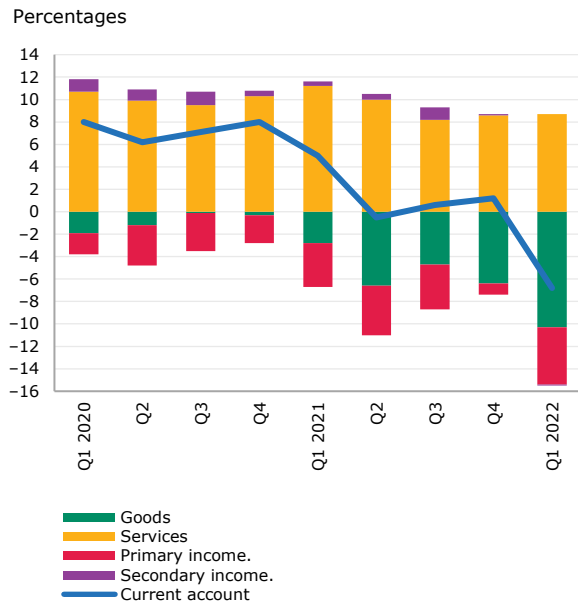
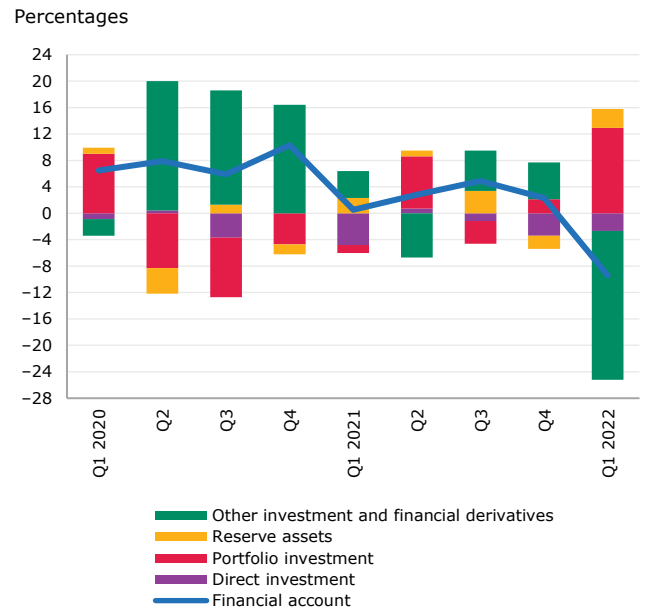


Chart 2. Net financial account investment flows as a percentage of GDP



Detailed data on the country's balance of payments and international investment position as well as external debt is available on the Bank of Lithuania website (under [External statistics](#)). You can use the tool [My Data Sets](#) to create your own data sets, which are saved in your account and automatically updated as soon as they are published.