

14/12/2018

THE DEFICIT ON THE CURRENT ACCOUNT BALANCE FLIPS BACK TO SURPLUS

Today, the Bank of Lithuania published the balance of payments data for October 2018, which shows that:

the €201.0 million surplus on the **current account balance** (CAB) resulted from the increased positive balances of services and primary and secondary income that were not offset by the negative foreign trade balance (see Chart 1). The surplus on the primary income balance was driven by the EU subsidies for agriculture. The balance of services increased by 8.7%, to stand at €307.4 million. With export and import of goods growing 20.1% and 19.4% respectively, the deficit on the trade balance increased 14.1%, to stand at €309.4 million;

the surplus on the secondary income balance increased by 40.6% over the month. In October, transfers from EU support funds amounted to €50.2 million, while Lithuania's calculated contributions to the EU budget – €28.9 million. Private individual remittances from abroad amounted to €91.8 million, narrowing by 1.0% on a month on month basis. Private individual remittances from Lithuania amounted to €35.6million, decreasing by 2.6%;

the positive net flow of **financial account** investment (€355.0 million) resulted from the positive net flows of portfolio and other investment, which were not offset by the negative net flow of direct investment and a decrease in official reserve assets (see Chart 2).

Chart 1. CAB and its composite flows

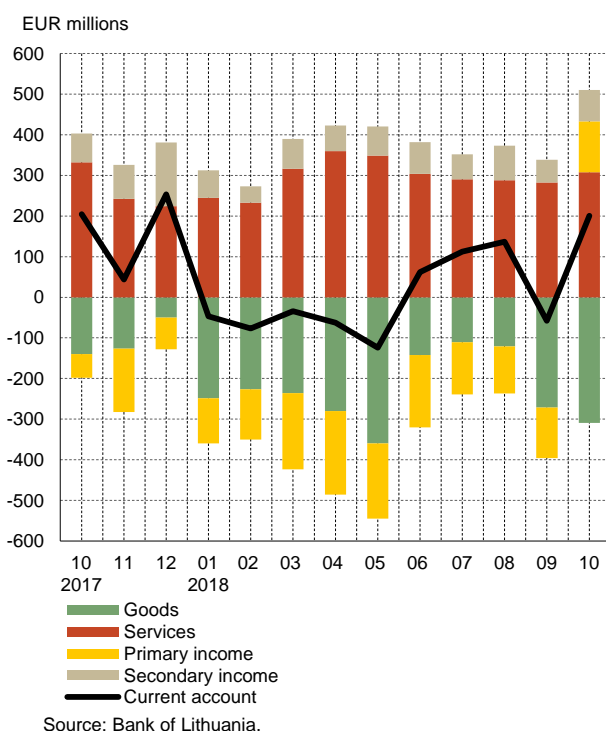
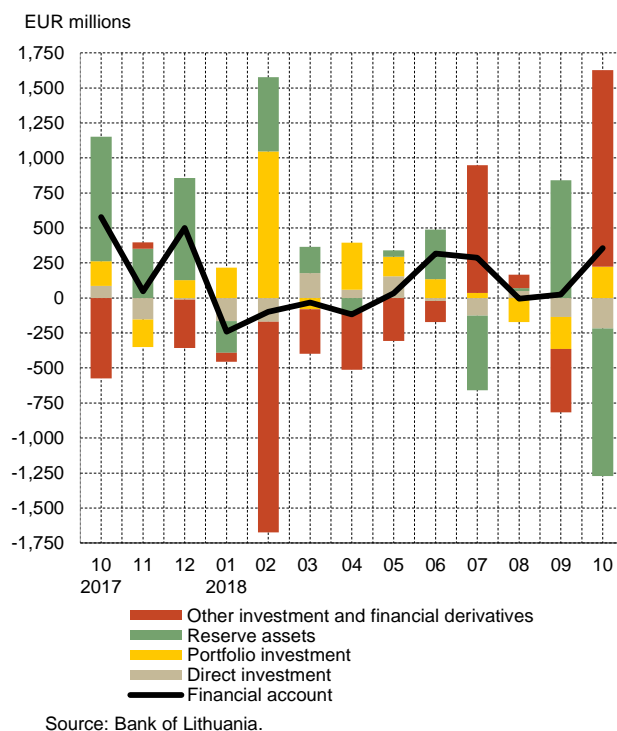


Chart 2. Net financial account investment flows



Detailed data for October is available on the Bank of Lithuania website (under [External statistics](#)).