

20/09/2019

Current account balance still in surplus

Today, the Bank of Lithuania published the balance of payments for Q2 2019, which shows that:

the **current account balance** (CAB) significantly reduced, to amount to €38.2 million, or 0.3% of GDP, yet remained in surplus. The decline in the CAB surplus was driven by the rise in the deficit on the primary income and foreign trade balances (€370.8 million and €213.3 million respectively). These deficit increases were mitigated by the higher surplus balances of services and secondary income, which led to fact that the CAB remained in surplus. A year prior, the CAB was in deficit and amounted to €177.8 million, or 1.6% of GDP (see Chart 1);

the surplus on the **capital account** (€183.1 million) built up due to transfers from EU funds used to finance investment projects;

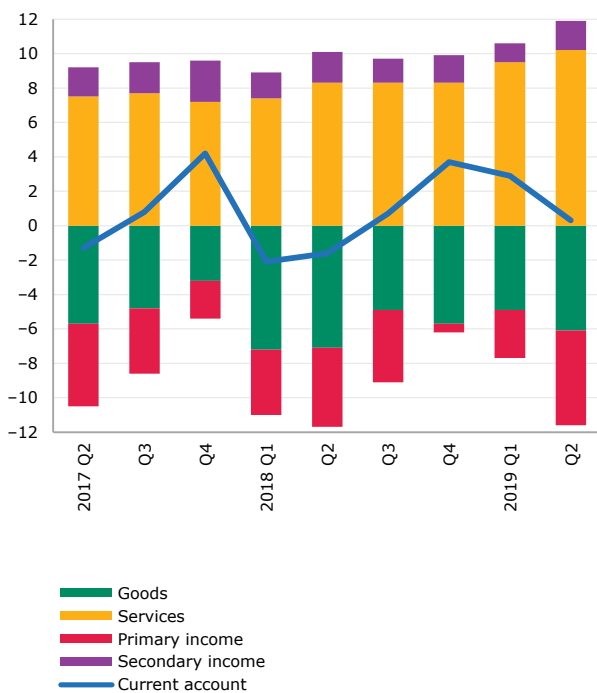
for three consecutive quarters the net flow of **financial account** investment was positive and amounted to €105.5 million, or 0.9% of GDP (see Chart 2). This reflected the positive net flow of other investment, which outweighed the negative net flow of portfolio investment;

at the end of Q2 2019, the negative net **international investment position** amounted to €13.3 billion, or 28.5% of GDP;

at the end of Q2 2019, Lithuania's **gross external debt** stood at €34.1 billion, or 72.9% of GDP, **net debt** – €6.3 billion, or 13.6% of GDP.

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

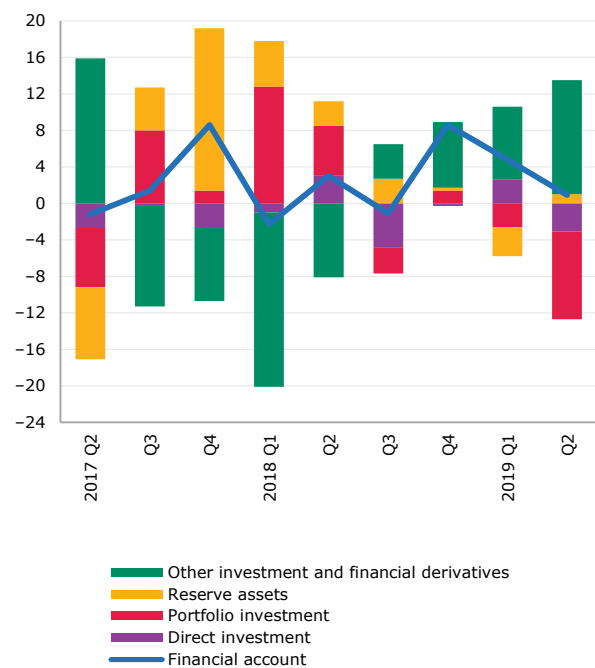
Percentages



Source: Bank of Lithuania.

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

Percentages



Source: Bank of Lithuania.

It should be noted that, when calculating the balance of payments for Q2 2019, quarterly and monthly balance of payments, international investment position and external debt data from Q1 2004 to Q1 2019 were revised. In terms of the current account, most revisions were made for data on foreign trade (Q1 2010 onwards), services, primary and secondary income; on the financial account, the most revised data was on financial derivatives, direct, portfolio and other investment assets and liabilities.

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](#)).