

International investment position (IIP)

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Name	International investment position (IIP)
1. Contact information	
1.1. Institution	Bank of Lithuania (LB)
1.2. Unit	External Statistics Division Statistics Department Economics and Financial Stability Service
1.3. Contact person	Svetlana Šilgalienė ssilgaliene@lb.lt +370 5 268 0410
2. Legal information	
2.1. Responsibility for collecting, processing, and disseminating statistics	<p>The responsibility of LB for collecting and processing statistics, necessary to fulfil ESCB and LB functions, is established in Article 8 of the Law on the Bank of Lithuania (last amended in 2019).</p> <p>The responsibility for disseminating statistical information is laid down in Article 55 of the Law on the Bank of Lithuania, which stipulates that LB shall publish statistical and other information at least once a month.</p> <p>LB performs statistical works according to the Bank of Lithuania Statistics Work Programme, which is approved annually.</p>
2.2. Legislation and agreements to ensure statistical reporting	<p>Resolution No 241 of the Board of the Bank of Lithuania of 24 December 2009 on the approval of the procedure for reporting to the Bank of Lithuania statistical information and data necessary for the compilation of the balance of payments and international investment position of the Republic of Lithuania. The Resolution establishes what kind of statistical data must be provided by various ministries, public institutions and economic units as well as the required frequency and timeliness;</p> <p>Order No V2010/(1.7-0202)-02-42 of the Chairman of the Board of the Bank of Lithuania of 25 February 2010 on the approval of the procedure for reporting to the Bank of Lithuania data necessary for the compilation of the balance of payments, international investment position and official reserve assets of the Republic of Lithuania;</p> <p>Resolution No 123 of the Board of the Bank of Lithuania of 7 August 2008 on the approval of the procedure for the registration with the Bank of Lithuania of foreign loans without state guarantee received by legal entities of the Republic of Lithuania and of loans granted by legal entities of the Republic of Lithuania to foreign economic entities;</p> <p>Resolution No 03-31 of the Board of the Bank of Lithuania of 15 April 2010 on the statistical reporting of custodians;</p> <p>Resolution No 03-158 of the Board of the Bank of Lithuania of 2 September 2014 on the approval of statistical reporting forms.</p> <p>Bilateral agreements on statistical information and data sharing with Statistics Lithuania and the Ministry of Finance of the Republic of Lithuania.</p>

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3. Methodological information	
3.1. Concepts and definitions	<p>The concepts and definitions used in the IIP of the Republic of Lithuania are based on international standards recommended by the sixth edition of the IMF Balance of Payments and International Investment Position Manual (BPM6), European System of Accounts (ESA 2010), Eurostat methodological requirements (BoP Vademecum), Guideline of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (ECB/2011/23) and subsequent amendments, OECD Benchmark Definition of Foreign Direct Investment (fourth edition, 2008), and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment.</p> <p>The IIP is a statistical statement that shows the value of financial assets of residents and the liabilities to non-residents at the end of a respective reporting period. The net IIP (the stock of external financial assets minus the stock of external liabilities) shows the net worth of economy and the net lender/borrower status of an economy. The position at the end of the reporting period reflects financial transactions between residents and non-residents, valuation changes, and other adjustments, all of which affect the level of assets or liabilities that occurred during the period.</p> <p>Foreign financial assets are broken down by functional category into direct investment, portfolio investment, other investment and official reserve assets.</p> <p>Direct investment – category of international investment that reflects the objective of a resident entity in one economy (direct investor) obtaining a lasting interest in an enterprise resident in an economy other than that of the investor (direct investment enterprise). A holding of 10% of the voting rights is recognised as the lowest limit under which a foreign direct investor is able to participate in the management of a direct investment company.</p> <p>Portfolio investment – transactions in equity (shares and mutual fund units) and debt securities (bonds and notes, money market instruments). Portfolio investment is understood as foreign investment involving less than 10% of voting rights and no extensive powers in corporate management decisions.</p> <p>Financial derivatives – financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Transactions in financial derivatives are treated as separate transactions rather than as integral parts of the value of underlying transactions to which they may be linked.</p> <p>Other investment is a residual category that includes all financial transactions not covered in the direct investment, portfolio investment, financial derivatives or official reserve assets categories. Other investment covers trade credits, loans, currency and deposits and other assets (other liabilities).</p> <p>Official reserve assets are highly liquid, marketable and creditworthy foreign assets that are readily available to and controlled by LB and that may be used for direct financing of the payments imbalances and other similar purposes. As of 1 January 2015, when Lithuania became a member of the euro area, claims on non-euro area residents denominated in convertible foreign currencies (other than the euro), monetary gold, special drawing rights and reserve position in the IMF are classified as official reserve assets.</p> <p>Data on assets and liabilities positions is further broken down by sector and show the position at the end of the reference period.</p>

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	IIP data is used to calculate gross external debt.
3.2. Scope (scope of data, exceptions to coverage, unrecorded activity)	Data covers the entire economy's financial assets and liabilities positions with non-residents (the rest of the world).
3.3. Classification/sectorisation	<p>IIP components are broken down by sector based on recommendations laid down in the sixth edition of the IMF Balance of Payments and International Investment Position Manual (BPM6), European System of Accounts (ESA 2010), Eurostat methodological requirements (BoP Vademecum), Guideline of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (ECB/2011/23), OECD Benchmark Definition of Foreign Direct Investment (fourth edition, 2008), and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment.</p> <p>The IIP is broken down by functional category, financial instrument, institutional sector and maturity.</p>
3.4. Basis for recording (valuation, recording basis, grossing/netting procedures)	<p>Position of external financial assets and liabilities is valued at market price for traded instruments and at book values (nominal costs) for other instruments. As of 2015, data on positions is compiled in euro, while the IIP denominated in other currencies is converted into euro at the rates set by LB prevailing at the time of position.</p> <p>Recording basis: position data in the IIP is recorded based on the data from quarterly reports. It means that positions at the end of the previous quarter are the beginning positions of the quarter under review.</p> <p>Coverage of external financial assets and liabilities: with regard to the IIP of the Republic of Lithuania, external positions in financial derivatives are recorded on a gross basis.</p>
3.5. Source data	<p>IIP compilation is based on statistical data collected from different data sources and reporting agents – statistical reports, statistical registers, administrative sources, surveys, LB accounting, data published by the Eurostat and international financial organisations, other countries, the media, information obtained via one-off queries from Lithuanian economic agents, state authorities and counterparts.</p> <p>Main data sources in compiling direct investment:</p> <ul style="list-style-type: none"> (i) quarterly and yearly reports on foreign direct investment (TUI-01); (ii) data from LB Foreign Loan Register on foreign loans without state guarantee and loans for non-residents related to FDI; (iii) annual data provided by Statistics Lithuania on real estate sold to non-residents (end-of-period outstanding amounts and flows by country); (iv) daily data by NASDAQ OMX Baltic exchanges on prices of equity, debt securities and mutual fund units issued in the Baltic States and quoted share holders; (v) quarterly reports on commercial bank cross-border transactions for the compilation of the balance of payments (B-09-01); (vi) information from annual financial statements used for calculating the FDI equity capital. <p>Main data sources in compiling portfolio investment:</p> <ul style="list-style-type: none"> (i) monthly security-by-security data on the distribution of public turnover intermediaries and outstanding amounts of securities on commercial bank accounts by sector of holder and country; (ii) monthly reports on collective investment and money market funds (KIS-01);

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	<p>(iii) monthly data from the Ministry of Finance of the Republic of Lithuania on government cross-border transactions in securities and on securities issued by the central government;</p> <p>(iv) monthly security-by-security data from the Central Securities Depository on the issue of securities in the country (including government securities);</p> <p>(v) monthly reports on commercial bank cross-border transactions for the compilation of the balance of payments (B-09-02);</p> <p>(vi) daily data by NASDAQ OMX Baltic exchanges on prices of equity, debt securities and mutual fund units issued in the Baltic States and quoted share holders;</p> <p>(vii) monthly data from the ECB Centralised Securities Database (CSDB) on outstanding amounts of securities by instrument, country and sector of issuer, currency, interest rate on security and dividends.</p> <p>Main data sources in compiling financial derivatives:</p> <p>(i) quarterly reports on enterprise cross-border transactions conducted by Statistics Lithuania (F-06);</p> <p>(ii) quarterly reports on commercial bank cross-border transactions for the compilation of the balance of payments (B-09-01) and data provided by pension and collective investment funds;</p> <p>(iii) LB balance sheet data on repurchase and financial derivative agreements.</p> <p>Main data sources in compiling other investment:</p> <p>(i) quarterly reports on enterprise cross-border transactions conducted by Statistics Lithuania (F-06) used for calculating trade credits, deposits, and amounts receivable/payable;</p> <p>ii) quarterly reports on commercial bank cross-border transactions for the compilation of the balance of payments (B-09-01);</p> <p>(iii) information from the Ministry of Finance of the Republic of Lithuania on government loans received (and repaid) on behalf of the state and guaranteed by the state, future interest payments, interest on credit lines and use of credit lines, state deposit abroad and other funds invested abroad;</p> <p>(iv) quarterly reports on enterprise and non-resident financial and commercial activities (B-09-04);</p> <p>(v) data from LB Foreign Loan Register on foreign loans without state guarantee received by legal entities and loans for non-residents related to FDI;</p> <p>(vi) data on external operations from LB balance sheet.</p> <p>(vii) information from BIS Quarterly Review on resident deposits with foreign banks.</p> <p>The main data source for accounting changes in official reserve assets (flows and stocks) is LB balance sheet data, received from LB's Financial Accounting Information System (FAIS).</p>
3.6. Statistical techniques	<p>The position at the end of the reporting period reflects financial transactions between residents and non-residents, valuation changes, and other adjustments, all of which affect the level of assets or liabilities that occurred during the period.</p> <p>Direct investment data from primary sources is reconciled, thus adjustments for coverage, classification and timing are made.</p> <p>Data on equity capital for listed enterprises is recorded at market value, for unlisted enterprises – at book value.</p> <p>FDI data is broken down by geographical area and economic activity (using NACE codes corresponding to economic activities used in the Eurostat/OECD codification for economic activity groups).</p> <p>Statistics Lithuania submits to LB quarterly data on real estate in Lithuania acquired by non-residents.</p>

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	<p>Since the beginning of 2009, quarterly data (flows and stocks) collected on inward and outward FDI also covers positions between resident and non-resident fellow enterprises.</p> <p>Reconciliation of primary portfolio investment data, adjustments on coverage, classification, timing and valuation are made similarly as in the case of direct investment.</p> <p>Since 2006, when compiling portfolio investment, data from ECB Centralised Security Data Base is used: type of security, country and sector of issuer, price and currency of security issued.</p> <p>In terms of other investment, estimations for trade credits as well as for other items (loans, deposits) are not made. Data (positions, transactions, exchange rate, other correction adjustment) on these items is obtained from quarterly reports. Data on non-financial sector and household deposits with foreign banks are supplemented with BIS data.</p> <p>Official reserve assets are recorded on a gross basis, without any netting with LB liabilities. Reserve assets are valued at market prices. Monetary gold and securities are revalued monthly at mid-market rates and prices. Holdings of foreign exchange are revalued on each business day at the official ECB foreign exchange reference rate on that day. Accrued interest is included in the outstanding amount of deposits and securities. Once the euro became the country's official currency, LB's investment in euro is no longer considered official reserve assets; therefore, technical reduction can be observed in LB statistics on official reserve assets for January 2015.</p>
4. Accuracy and consistency	
4.1. Data validation	IIP data is checked in terms of internal consistency and consistency within a respective period. Data obtained additionally is compared with respective data from other statistical sources.
4.2. Revisions	In compiling annual data, quarterly IIP data is revised accordingly.
4.3. Intersectoral and cross-domain consistency	<p>Quarterly and annual IIP data are consistent. Any discrepancies between data for the first three quarters of a year and the annual data are removed when final annual data is released.</p> <p>Quarterly data for the IIP components is provided in millions of euro. Stock IIP data can be fully reconciled with data on transactions, provided in the balance of payments. Net foreign assets derived from the IIP are generally consistent with the corresponding measure in monetary statistics.</p>
5. Dissemination	
5.1. Periodicity and release calendar	Quarterly IIP data and short description of key indicators are published within 82 days after the end of the reporting quarter.
5.2. Forms of data dissemination	<p>Quarterly IIP data are available on the LB website: International Investment Position External Sector Statistical Releases</p> <p>LB submits IIP data to the ECB, Eurostat and IMF in accordance with the data provision requirements and following the agreed deadlines.</p>
6. Metadata update	
	<p>Metadata is reviewed and updated once a year.</p> <p>Last update: 30/06/2020</p>