

Snapshot

30th April, 2012

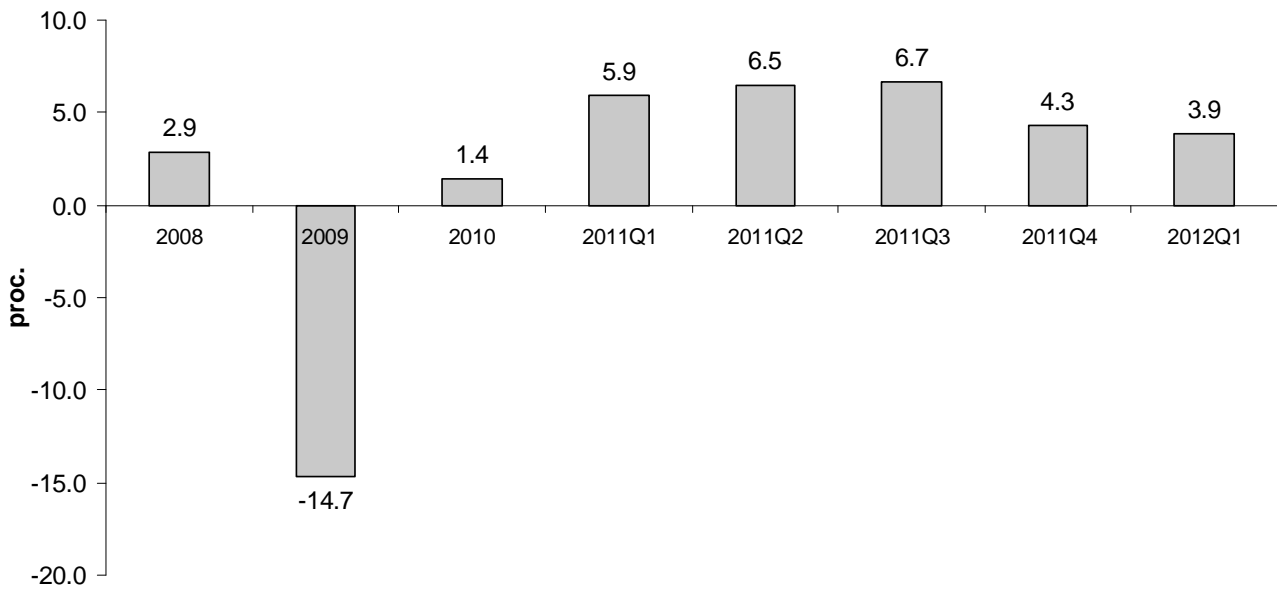
Lithuania's GDP grew by 3.9 per cent in the first quarter of 2012

Department of Statistics announced today that year-on-year GDP growth in Lithuania was 3.9 per cent in 1Q 2012. Year on year figure compares first quarter of 2012 with first quarter of 2011.

Assessment: We expected a slightly worse GDP figure hence we see this data release as positive news. Even though, the growth rate is falling (growth in 4Q 2011 was 4.3 per cent) but the fall is gradual. This is due to a better than expected exports growth in 1Q 2012. Lithuanian exports increased by 13 per cent this January and by 10.4 per cent this February. Exports helped to sustain the growth as internal demand is still too weak to start pulling the economy.

We see a further Lithuania's GDP growth deceleration in the remaining of 2012 due to a sluggish global economy. The latest news from the US and the European Union are not encouraging. However, Lithuania is exporting to rather better off economies (Russia, Latvia, Germany and etc). We still expect Lithuanian economy to increase by 3 per cent in 2012.

Figure 1: Lithuanian GDP growth



Best regards,

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