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Baltic States:
Exports trigger broader based economic upswing

Estonia

In the second half of 2010, external demand gave a boost to overall economic activity in Estonia. Exports to the most important trading partners – Finland and Sweden – have risen by almost 60% nominally in the respective period year-on-year, while trade with other western European countries revived slowly in comparison. Trade with Scandinavia has benefited from the effects of the stimulus packages of public households, a stable household demand and a substantial rebound of trade in the region. Alike, the strong recovery in Russia has led to a 50% increase of Estonian exports. Simultaneously imports also picked up, although less than exports, due to the vivid process of restocking which has been the most important driver of GDP growth in 2010.

Household consumption, having dropped substantially in the two year period before, stabilized in the second half of 2010, and even showed some signs of upswing in the fourth quarter of the year. In the past four months of 2010 retail sales started to grow again compared to the respective period of 2009. At the same time investment activity of private and public actors was still on decline. Both enterprises and households are still in the process of deleveraging according to loan statistics.

After the unemployment rate climbed to almost 20% in the first quarter of 2010, affected not only by the economic slump but also by the introduction of the new, more liberal labour law at the beginning of 2010, the situation on the Estonian labour market ameliorated remarkably throughout the year. Up to the fourth quarter of 2010 the unemployment rate dropped to about 13.6%. An upswing in employment was mainly driven by manufacturing while a further reduction was to be observed in transport, education and health sectors.

The Estonian government kept track of the foreseen consolidation path. Although revenues fell nominally throughout the year, the budget deficit has been expected to be reduced to only 1.3% of GDP. With the upswing of the economy, rising government income should allow keeping the deficit low even when temporary expenditure reducing measures, introduced in the past two years, phase out.

For 2011 we expect the revival of economic activity to become stronger and broader based. The growth drivers of 2010, the building up of inventories and export activity, will still play an important role. However, after a long period of decline an upswing in gross fixed investments is to be expected, which should be the main trigger in GDP growth. Survey figures show, that the average degree of capacity utilization in industrial sectors rose substantially up to the end of 2010.

Investments in replacements and expansion will therefore be necessary. At the same time investments in housing have reached a low. Although construction activity will remain sluggish for a longer period, overall investments will start to rise in 2011. An increase in employment and a slight rebound in wages shall help household demand to give an additional, however still small impulse. One effect of rising domestic demand will be a decline in the current account surplus. Nevertheless, the balance shall remain positive throughout the year.

In 2012 and 2013 we expect economic activity grow by 4% and 4.5%, respectively. The assumption is that the medium-term deleveraging process of households and enterprises will soon come to an end and allow private consumption to increase again more swiftly. However, the range of future GDP growth rates will in the forecast period be substantially below the pre-crisis levels. These high growth rates were caused by excessive inflows of foreign capital, blowing up subsequently real estate and consumption bubbles. In the medium-term unemployment will also remain high, since employment, having had losses in non-tradable services and construction will not be reshuffled swiftly to the tradable goods and services sectors.

No spectacular short and medium term effects are to be expected from Estonia's accession to the euro zone. The swift rise of capital inflows that could be observed in Slovenia and Slovakia after their accession to the euro zone has already happened in Estonia in the pre-crisis years and households nowadays need to deleverage. Besides, after the years of Estonia's currency board regime, the switch to euro was largely a technical – albeit highly symbolic – step. Nevertheless, the step may support a further deepening of production linkages to European, particularly Scandinavian, enterprises and thereby attract additional FDI inflows.

Latvia

Robust external demand lifted the Latvian economy out of it's through in the second half of 2010. While exports of goods rose by about 36% and services by 4% nominally year-on-year, also overall industrial production increased by more than 17% in real terms in the same period. Simultaneously, formerly depleted inventories were accumulated again. Thus, gross capital formation contributed positively to the GDP revival in the second half of 2010, although fixed investments were still declining. The process of restocking also effected a revival of imports. However, the current account balance still shows a substantial surplus for the year 2010. Due to the economic revival in the second half of the year GDP decline for 2010 as a whole turned out to be much less dramatic than previously expected.

Also the rebound of household consumption in the past few months was somewhat surprising. Although net monthly wages declined by another 6% in real terms throughout the year, consumption only decreased by about 1.5%, after having collapsed by 24% in 2009. Retail figures of the fourth quarter 2010 show that Latvian consumers start to spend again, especially on non-food items.

The economic upswing allowed the Latvian government to reduce the budget deficit in 2010 to 8% of GDP, slightly below the agreed ceiling fixed in the rescue package agreements with the IMF and the

EU. The budget approved for 2011 foresees consolidation measures of 2% of GDP. In January 2011 the VAT tax rate was raised from 21% to 22% (the reduced rate from 10% to 12%), while further provisions on the revenue side include inter alia the increase of social security contributions from 33% to 35% of salaries and higher real estate taxes. At the same time, the flat tax levied on personal income was lowered by one percentage point to 25%. One third of the consolidation resources are to be obtained via expenditure reductions, cutting e.g. public investments in road infrastructure, family transfers and health expenses. Stronger growth of domestic demand this year should make it possible to reduce the deficit well below the target of 6% of GDP. Although we expect that economic growth will facilitate the Latvian government to further consolidate the public household, the aim to reduce the deficit to 3% of GDP in 2012 might be too ambitious. Since public expenditures have already been cut to the maximum, the target would require another round of unpopular tax hikes. Therefore we expect the Maastricht deficit criteria to be attained later, possibly in 2013. However, the level of public debt, although having risen substantially due to the economic collapse and the need to nationalize, the collapsed Parex Bank should remain below the marker of 60% of GDP.

Towards the end of the last year the situation on the labour market has not improved. Although official figures state that emigration has picked up in 2009 and 2010 to on average 0.4% of the population annually, the unemployment rate has not declined and amounted to about 17% of the labour force by the end of 2010. We expect an improvement of the labour market situation to happen only gradually and only to some extent via a rise in employment. Part of the reduction in unemployment will again take place via emigration.

With the end of the depression period consumer prices picked up slightly in the past four months of 2010. Due to rising prices of imported goods, electricity tariffs and the above mentioned tax hikes, we expect consumer prices to increase more swiftly in 2011, although with 3% annually still quite moderately.

For 2011, we expect GDP to grow again by 2.8% in real terms, after three years of decline by cumulated more than 20%. External demand will again contribute positively to the revival of overall economic activity, although the momentum is likely to weaken. However, domestic demand shall start to rise again. Gross fixed investments, especially in industrial sectors, as well as the process of restocking are expected to act as the main growth drivers this year. The financial situation of indebted households and high unemployment will allow private consumption to increase only slightly, while the consolidation measures of the government will further reduce public consumption. For the years 2012 and 2013 GDP growth is likely to pick up further to 3.5% and 3.8% in real terms. A slight amelioration of the labour market situation and some revival of real incomes should allow households to expand consumption more swiftly again.

Lithuania

During 2010, the economic activity picked up slightly already in the second and third quarters, but with a surprisingly strong dynamism the annual GDP growth accelerated to 4.6% compared to the same period of 2009 in the fourth quarter. Again, one of the strongest drivers of growth was the revival in exports. However, these were not only driven by the upswing of demand in the EU countries, but much more so by Lithuania's easternmost neighbours. Exports to Russia, Ukraine and Belarus grew by almost 55% nominally throughout 2010. About 30% of the upswing in trade is due to rising exports of mineral fuels triggered also by the rebound of oil prices, while also the chemical industry, entrepreneurs in the automotive sector and furniture production benefited strongly from higher external demand.

Household demand picked up strongly in the fourth quarter of last year and retail sales grew by 8.5% year-on-year in the same period. However, real wages remain depressed. The upswing of nominal wages, which took place in the second half of 2010, was accompanied by the revival of inflation. Consumer prices rose by 3% in the fourth quarter of 2010 year-on-year, which kept the purchasing power of households unchanged. Nevertheless, compared to its Baltic neighbours Lithuanian households are less indebted, which makes a stronger upswing of consumer demand in the country in 2011 and thereafter more likely.

Also gross fixed capital formation grew again already in the third quarter of 2010. Credit market figures showed a slight upswing in new loans to the non-financial corporate sector and households respectively. Obviously, also in Lithuania the rebuilding of inventories was the main driver of domestic demand in 2010. Although the impact of this effect will diminish in 2011, inventories should still grow faster than gross fixed capital formation.

The budget plan for 2011 foresees to trim down the public deficit to 5.8% of GDP. On the expenditure side the government inter alia extended temporary consolidation measures to the end of 2011, e.g. the reduction of wages of public employees or the reduction of transfers to the second pillar pension funds. Finance minister Simonyte expects a swift rise in tax revenues due to the economic revival and the enhancement of tax compliance. Furthermore, the restructuring of state-owned enterprises is awaited to raise the government income. However, the plans how to reach the latter two goals are far from elaborated in detail. It may therefore well be necessary to approve a supplementary budget in the course of the year, should the aim to reduce the deficit to below 6% of GDP be kept on the agenda.

Although economic activity revived already in the second quarter of 2010, the reduction of unemployment was so far meagre. Registered unemployment peaked in August 2010 and fell by only one percentage point till December. In the coming three years an amelioration of the situation in the labour market will take place only gradually, whereby emigration will again play a role in reducing unemployment figures.

In 2011 we expect economic growth to accelerate to 3%. Still, gross capital formation will be the strongest driver of the upswing. However, also a slight increase of household consumption will back up domestic demand. In spite of a decreasing drive of exports and the move of the current account into deficit, we still expect a positive contribution of trade to overall growth. In 2012 and 2013 we expect a further pickup of economic activity to 3.6% and 3.8% in real terms, when domestic demand shall regain momentum due to rising wages and a revival of lending activity.

Table EE

Estonia: Selected Economic Indicators

	2005	2006	2007	2008	2009	2010 [1]	2011	2012 Forecast	2013
Population, th pers., average	1346.1	1343.5	1341.7	1340.7	1340.3	1340.1	1339	1338	1338
Gross domestic product, EUR mn, nom.	11182	13391	15827	16107	13861	14700	16000	17200	18800
annual change, % (real)	9.4	10.5	6.9	-5.0	-13.9	3.1	4.5	4	4.5
GDP/capita (EUR at exchange rate)	8300	10000	11800	12000	10300	10900	.	.	.
GDP/capita (EUR at PPP)	13800	15600	17400	17000	15000	15600	.	.	.
Consumption of households, EUR mn, nom.	6070	7254	8470	8690	6993	7100	.	.	.
annual change in % (real)	9.9	13.8	8.6	-5.5	-18.8	-1.3	0.5	1	1.5
Gross fixed capital form., EUR mn, nom.	3586	4817	5452	4610	2991	2830	.	.	.
annual change in % (real)	15.3	23.2	6.0	-15.0	-32.9	-8	7	8	10
Gross industrial production									
annual change in % (real)	11.0	9.9	6.4	-5.2	-26.0	22.8	18	15	15
Gross agricultural production									
annual change in % (real)	7.2	-2.1	12.5	-1.2	2.8	-1.4	.	.	.
Construction industry									
annual change in % (real)	22.4	26.9	13.5	-13.3	-28.4	-13	.	.	.
Employed persons - LFS, th, average	607.4	646.3	655.3	656.5	595.8	570.9	595	610	620
annual change in %	2.0	6.4	1.4	0.2	-9.2	-4.2	4	3	2
Unemployed persons - LFS, th, average	52.2	40.5	32.0	38.4	95.1	115.9	.	.	.
Unemployment rate - LFS, in %, average	7.9	5.9	4.7	5.5	13.8	16.9	13.5	11.5	10
Reg. unemployment rate, in %, end of period	3.6	1.9	2.2	4.6	13.3	10.0	.	.	.
Average gross monthly wages, EUR	516	601	725	825	784	790	.	.	.
annual change in % (real, gross)	6.4	11.6	13.0	3.2	-4.9	-2.1	.	.	.
Consumer prices (HICP), % p.a.	4.1	4.5	6.7	10.6	0.2	2.7	4	3.5	4.5
Producer prices in industry, % p.a.	1.8	4.2	8.1	8.0	0.7	3.2	.	.	.
General governm. budget, EU-def., % GDP									
Revenues	35.2	36.0	36.9	37.0	43.4	41.5	.	.	.
Expenditures	33.6	33.6	34.4	39.9	45.2	42.8	.	.	.
Net lending (+) / net borrowing (-)	1.6	2.4	2.5	-2.9	-1.8	-1.3	-1.5	-1.0	-1.0
Public debt, EU-def., in % of GDP	4.6	4.4	3.7	4.6	7.2	8	9	8.5	7.5
Central bank policy rate, % p.a., end of period [2]	2.5	3.8	7.0	7.0	2.8	0.9	.	.	.
Current account, EUR mn	-1116	-2053	-2721	-1568	628	530	100	-300	-500
Current account in % of GDP	-10.0	-15.3	-17.2	-9.7	4.5	3.6	0.6	-1.7	-2.7
Exports of goods, BOP, EUR mn	6348	7774	8142	8539	6536	8750	10400	12300	14600
annual growth rate in %	33.2	22.5	4.7	4.9	-23.5	33.9	19	18	19
Imports of goods, BOP, EUR mn	7898	10078	10871	10664	7096	9000	10500	12400	14900
annual growth rate in %	24.7	27.6	7.9	-1.9	-33.5	26.8	17	18	20
Exports of services, BOP, EUR mn	2612	2871	3196	3513	3159	3400	3900	4350	4800
annual growth rate in %	13.9	9.9	11.3	9.9	-10.1	7.6	15	12	10
Imports of services, BOP, EUR mn	1773	1980	2245	2288	1814	2000	2250	2500	2800
annual growth rate in %	26.4	11.7	13.4	1.9	-20.7	10.3	13	11	12
FDI inflow, EUR mn	2307	1432	1992	1179	1209	1450	1800	.	.
FDI outflow, EUR mn	556	880	1276	760	1110	370	.	.	.
Gross reserves of NB excl. gold, EUR mn	1643.6	2115.3	2235.6	2814.0	2757.9	1914.0	.	.	.
Gross external debt, EUR mn	9671.9	12944.4	17350.5	19040.4	17389.5	16600	.	.	.
Gross external debt in % of GDP	86.5	96.7	109.6	118.2	125.5	112.9	.	.	.
Average exchange rate EUR/EUR	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1	1	1
Purchasing power parity EUR/EUR	0.5995	0.6386	0.6833	0.7061	0.6903	0.7031	.	.	.

Notes: Estonia has introduced the Euro from 1 January 2011. Up to and including 2010 all time series in EKK as well as the exchange rates and PPP rates have been divided for statistical purposes by the conversion factor 15.6466 (EKK per EUR) to a kind of statistical EUR (euro-fixed). Gross industrial production, construction output and producer prices refer to NACE Rev. 2.

1) Preliminary and wiiw estimates. - 2) TALIBOR one-month interbank offered rate (Estonia has a currency board).

Source: wiiw Database incorporating Eurostat and national statistics. Forecasts by wiiw.

Table LV

Latvia: Selected Economic Indicators

	2005	2006	2007	2008	2009	2010 [1)]	2011	2012	2013
								Forecast	
Population, th pers., average	2300.5	2287.9	2276.1	2266.1	2254.8	2235	2220	2210	2200
Gross domestic product, LVL mn, nom.	9059.1	11171.7	14779.8	16188.2	13082.8	12900	13700	14600	15700
annual change in % (real)	10.6	12.2	10.0	-4.2	-18.0	-0.4	3.2	3.5	3.8
GDP/capita (EUR at exchange rate)	5700	7000	9300	10200	8200	8100	.	.	.
GDP/capita (EUR at PPP)	10900	12200	13900	14100	12200	12400	.	.	.
Consumption of households, LVL mn, nom.	5578.2	7184.2	9087.1	10052.4	7941.2	7700	.	.	.
annual change in % (real)	11.3	21.4	14.9	-5.3	-24.1	-1.5	1	2.2	2.2
Gross fixed capital form., LVL mn, nom.	2773.8	3644.1	4975.1	4748.5	2806.8	2200	.	.	.
annual change in % (real)	23.6	16.4	7.5	-13.5	-37.3	-20	8	8	9
Gross industrial production [2)]									
annual change in % (real)	7.1	6.5	1.1	-3.9	-16.2	14.3	12	9	8
Gross agricultural production									
annual change in % (real)	11.8	-1.9	10.8	0.2	-0.7	-1.7	.	.	.
Construction industry									
annual change in % (real)	15.5	13.3	13.6	-3.1	-34.9	-25	.	.	.
Employed persons - LFS, th, average	1033.7	1087.1	1118.0	1124.5	983.1	945	970	1020	1050
annual change in %	1.6	5.2	2.8	0.6	-12.6	-3.9	3	5	3
Unemployed persons - LFS, th, average	101.0	79.5	71.3	90.5	203.2	215	.	.	.
Unemployment rate - LFS, in %, average	8.9	6.8	6.0	7.5	17.1	18.5	17	15	13.5
Reg. unemployment rate, in %, end of period	7.4	6.5	4.9	7.0	16.0	14.3	.	.	.
Average gross monthly wages, LVL	246	302	398	479	461	443	.	.	.
annual change in % (real, net)	9.7	15.6	19.9	6.2	-5.6	-6	.	.	.
Consumer prices (HICP), % p.a.	6.9	6.6	10.1	15.2	3.3	-1.2	3	3	3.5
Producer prices in industry, % p.a.	8.0	10.3	16.1	11.4	-4.6	2.8	.	.	.
General government budget, EU-def., % GDP									
Revenues	35.2	37.7	35.4	34.6	33.7	37	.	.	.
Expenditures	35.6	38.1	35.7	38.8	43.9	45		.	.
Net lending (+) / net borrowing (-)	-0.4	-0.5	-0.3	-4.1	-10.2	-8	-5.5	-4	-3
Public debt, EU-def., in % of GDP	12.4	10.7	9.0	19.7	36.7	50	52	54	55
Central bank policy rate, % p.a., end of period [3)]	4.0	5.0	6.0	6.0	4.0	3.5	.	.	.
Current account, EUR mn	-1610	-3603	-4710	-3014	1598	820	400	-300	-600
Current account in % of GDP	-12.4	-22.5	-22.3	-13.1	8.6	4.5	2.1	-1.5	-2.7
Exports of goods, BOP, EUR mn	4165	4929	6020	6531	5253	6900	8200	9800	11900
annual growth rate in %	26.3	18.4	22.1	8.5	-19.6	31.4	19	20	21
Imports of goods, BOP, EUR mn	6643	9032	11074	10603	6575	8000	9300	11000	13300
annual growth rate in %	19.8	36.0	22.6	-4.3	-38.0	21.7	16	18	21
Exports of services, BOP, EUR mn	1743	2121	2707	3088	2747	2750	2800	3100	3500
annual growth rate in %	21.7	21.7	27.6	14.1	-11.0	0.1	2	11	13
Imports of services, BOP, EUR mn	1256	1586	1974	2169	1625	1600	1650	1800	2000
annual growth rate in %	32.5	26.3	24.5	9.9	-25.1	-1.5	3	9	11
FDI inflow, EUR mn	568	1339	1705	869	68	350	500	.	.
FDI outflow, EUR mn	103	136	270	169	-44	70	.	.	.
Gross reserves of NB excl. gold, EUR mn	1901.8	3346.2	3859.9	3514.0	4572.1	5700	.	.	.
Gross external debt, EUR mn	12807.7	18127.7	26834.6	29762.8	29159.4	28700	.	.	.
Gross external debt in % of GDP	98.4	113.1	126.4	130.2	158.1	157.8	.	.	.
Average exchange rate LVL/EUR	0.6962	0.6962	0.7001	0.7027	0.7057	0.7087	0.7087	0.7087	0.7087
Purchasing power parity LVL/EUR	0.3606	0.3999	0.4663	0.5057	0.4762	0.4668	.	.	.

Note: Gross industrial production, construction output and producer price index refer to NACE Rev. 2.

1) Preliminary and wiiw estimates. - 2) Enterprises with 20 and more employees. - 3) Refinancing rate of National Bank.

Source: wiiw Database incorporating Eurostat and national statistics. Forecasts by wiiw.

Table LT

Lithuania: Selected Economic Indicators

	2005	2006	2007	2008	2009	2010 1)	2011	2012 Forecast	2013
Population, th pers., average	3414.3	3394.1	3375.6	3358.1	3339.5	3286.5	3240	3210	3180
Gross domestic product, LTL mn, nom.	72060.4	82792.8	98669.1	111482.6	91525.9	95500	101200	107500	114400
annual change in % (real)	7.8	7.8	9.8	2.9	-14.7	1.3	2.9	3.6	3.8
GDP/capita (EUR at exchange rate)	6100	7100	8500	9600	7900	8400	.	.	.
GDP/capita (EUR at PPP)	11900	13100	14800	15300	12900	13400	.	.	.
Consumption of households, LTL mn, nom.	46312.0	53268.6	63508.4	73027.2	62814.5	61400	.	.	.
annual change in % (real)	12.3	10.6	12.0	3.7	-17.7	-3.4	1.5	2.5	3
Gross fixed capital form., LTL mn, nom.	16405.0	20840.8	27918.8	28370.0	15666.9	15100	.	.	.
annual change in % (real)	11.2	19.4	23.0	-5.2	-40.0	-5	7	8	8.5
Gross industrial production (sales)									
annual change in % (real)	7.1	6.5	2.4	5.5	-14.6	6.7	13	10	8
Gross agricultural production									
annual change in % (real)	10.5	-4.1	8.2	8.8	1.0	-5.0	.	.	.
Construction industry									
annual change in % (real)	9.9	21.7	22.2	4.0	-48.5	-7.7	.	.	.
Employed persons - LFS, th, average	1473.9	1499.0	1534.2	1520.0	1415.9	1345	1380	1420	1450
annual change in %	2.6	1.7	2.3	-0.9	-6.8	-5	2.6	2.9	2.1
Unemployed persons - LFS, th, average	133.0	89.4	69.0	94.3	225.1	290	.	.	.
Unemployment rate - LFS, in %, average	8.3	5.6	4.3	5.8	13.7	17.8	16	14.5	13
Reg. unemployment rate, in %, end of period 2)	4.1	3.7	3.3	4.4	12.5	14.4	.	.	.
Average gross monthly wages, LTL	1276.2	1495.7	1802.4	2151.7	2056.0	2070	.	.	.
annual change in % (real, net)	6.8	15.0	17.0	10.1	-7.2	-4.8	.	.	.
Consumer prices (HICP), % p.a.	2.7	3.8	5.8	11.1	4.2	1.2	3	2.5	2.5
Producer prices in industry, % p.a.	11.7	7.3	7.0	18.2	-13.5	10.3	.	.	.
General goverm.budget, EU-def., % GDP									
Revenues	32.8	33.1	33.8	34.1	34.5	34.5	.	.	.
Expenditures	33.3	33.6	34.8	37.4	43.6	42.5	.	.	.
Net lending (+) / net borrowing (-)	-0.5	-0.4	-1.0	-3.3	-9.2	-8	-6	-4.5	-3
Public debt, EU-def., in % of GDP	18.4	18.0	16.9	15.6	29.5	40	43	45	43
Central bank policy rate, % p.a., end of period 3)	2.5	3.7	6.8	7.8	1.6	1.1	.	.	.
Current account, EUR mn	-1481	-2551	-4149	-4227	1128	350	-200	-800	-1200
Current account in % of GDP	-7.1	-10.6	-14.5	-13.1	4.3	1.3	-0.7	-2.6	-3.6
Exports of goods, BOP, EUR mn	9490	11262	12509	16077	11797	15500	18500	21800	26200
annual growth rate in %	26.9	18.7	11.1	28.5	-26.6	31	19	18	20
Imports of goods, BOP, EUR mn	11849	14600	16788	20263	12628	16800	20000	24000	29300
annual growth rate in %	26.1	23.2	15.0	20.7	-37.7	33	19	20	22
Exports of services, BOP, EUR mn	2503	2879	2931	3240	2657	3000	3400	3800	4300
annual growth rate in %	27.1	15.0	1.8	10.5	-18.0	13	13	12	13
Imports of services, BOP, EUR mn	1655	2018	2471	2835	2140	2200	2400	2600	2900
annual growth rate in %	26.0	21.9	22.4	14.7	-24.5	3	9	8	12
FDI inflow, EUR mn	826	1448	1473	1396	124	350	700	.	.
FDI outflow, EUR mn	278	232	437	229	157	50	.	.	.
Gross reserves of NB excl. gold, EUR mn	3135.7	4307.5	5165.1	4458.4	4495.2	4900	.	.	.
Gross external debt, EUR mn	10586.5	14441.8	20547.2	23048.2	23051.8	24000	.	.	.
Gross external debt in % of GDP	50.7	60.2	71.9	71.4	87.0	86.8	.	.	.
Average exchange rate LTL/EUR	3.4528	3.4528	3.4528	3.4528	3.4528	3.4528	3.45	3.45	3.45
Purchasing power parity LTL/EUR	1.7752	1.8656	1.9821	2.1711	2.1316	2.1732	.	.	.

Note: Gross industrial production, construction output and producer prices refer to NACE Rev. 2.

1) Preliminary and wiiw estimates. - 2) In % of working age population. - 3) VILIBOR one-month interbank offered rate (Lithuania has a currency board).

Source: wiiw Database incorporating Eurostat and national statistics. Forecasts by wiiw.