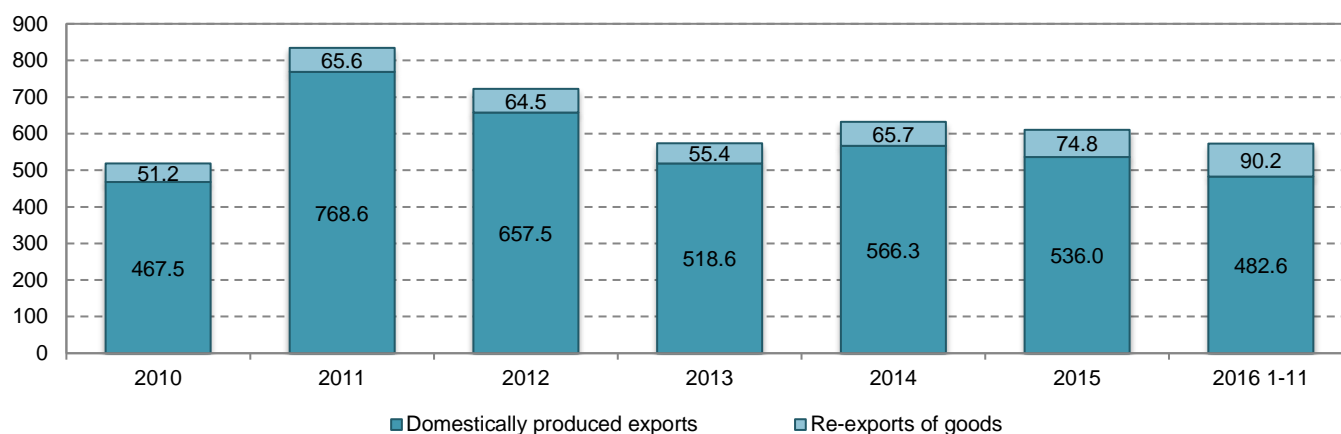


SUMMARY

- ▶ In 2015 trade turnover in goods between France and Lithuania decreased slightly with 0.5%. Total exports of goods to France amounted to 610.8 million euro in 2015 which was 3.4% less than in 2014, while imports of goods from France grew 1.9%. In 2015 France was Lithuania's 12th largest export partner and also 12th largest import partner. In the first eleven months of 2016, turnover increased 7.6% compared to the same period in 2015, with exports growing 0.9% and imports 13.1%.
- ▶ In 2015 87.8% of total exports of goods to France were made up of domestically produced goods and 12.2% re-exports. In the first eleven months of 2016 re-exports to France grew faster than domestically produced exports, resulting in a share of 15.7% for re-exports and the remaining 84.3% consisting of domestically produced exports.
- ▶ In 2015 domestically produced exports of goods to France decreased by 5.4% and reached a value of 536 million euro. In 2015 France was the 10th largest export partner for Lithuania measured by domestically produced exports. The largest categories were fertilizers (26%), mineral fuels (14%) and furniture (11%). The decrease in 2015 was mainly accounted for by mineral fuels, which fell by 37% or 43.6 million because of the strong fall of oil prices in 2015. During the first eleven months of 2016 domestically produced exports to France decreased a further 3.1% compared to January-November 2015. A large contributor to the decrease was exports of fertilizers, which fell 62.3 million euro.
- ▶ Re-exports of goods to France grew 13.9% in 2015 reaching an amount of 74.8 million euro, though during the first eleven months of 2016 re-exports increased 20.5%. In 2015 the largest re-exported items were vehicles (29.2%), wood and articles of wood (13.1%) and optical, photographic, measuring and medical instruments (8.5%) which combined accounted for more than 50% of total re-exports to France. In 2015 the same product groups made up 56% of total re-exports to France. In 2015 France was the 16th largest export partner for Lithuanian re-exporting companies.

Figure 1. Lithuanian exports of goods to France 2010-2016, million euro.


Source: Statistics Lithuania and Enterprise Lithuania calculations.

- ▶ In 2015 exports of services to France increased by 28.3% until 279.9 million euro. In 2015 exports of services mainly consisted of transport services which accounted for 82.1% of total exports of services, travel services had a share of 6.9% and other business services had a share of 5.2%. Strongest growth was reported by transport services, other business services and manufacturing services on physical inputs owned by others. In 2015 France was the 6th largest export partner for Lithuanian service providers. In the first three quarters of 2016, exports of services to France increased 31.4%.

Table 1. Bilateral trade between Lithuania and France 2013-2015.

	2013		2014		2015	
	Share, %	Rank	Share, %	Rank	Share, %	Rank
Goods						
Share of partner country in total exports of goods	2.34 %	12	2.59 %	12	2.67 %	12
Share of partner country in domestically produced exports of goods	3.50 %	11	4.09 %	10	3.97 %	10
Share of partner country in re-exports of goods	0.57 %	19	0.62 %	18	0.81 %	16
Share of partner country in imports of goods	2.78 %	11	2.83 %	11	2.95 %	12
Services						
Share of partner country in exports of services	3.53 %	7	3.70 %	8	4.67 %	6
Share of partner country in imports of services	1.41 %	18	1.56 %	17	1.67 %	15

Source: Statistics Lithuania, Bank of Lithuania and Enterprise Lithuania calculations.

- ▶ Since 2013 Lithuania has a negative trade balance of goods with France and the trade deficit in goods was approximately 136.4 million euro in 2015. In the first eleven months of 2016, the trade deficit widened sharply to 189 million euro. In 2015 Lithuania had a positive trade in services balance with France, amounting to a surplus of 205.8 million euro. According to Balance of Payments statistics, Lithuania had a positive total trade (of goods and services) balance with France of 32 million euro in 2015, up from 12 million euro in 2014. The first three quarters of 2016 saw a positive total trade balance with France of 32.5 million euro.
- ▶ In 2015 the value of imports of goods from France increased by approximately 1.9% and reached a value of 747.2 million euro. In 2015 the largest imported items were vehicles (19.3% of total imports from France), machinery and mechanical appliances

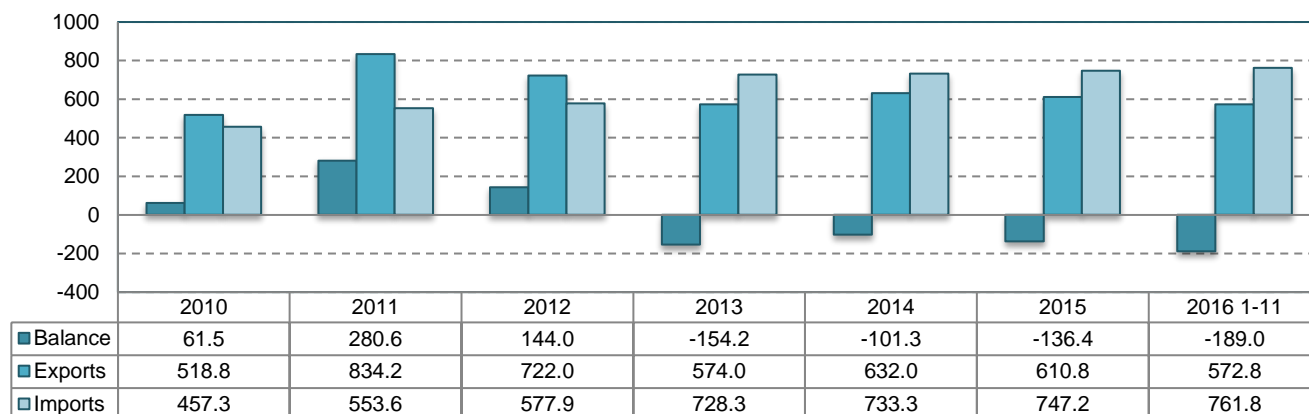
(14.1%) and pharmaceutical products (10%). The main growth drivers in 2015 were imports of machinery and mechanical appliances, pharmaceutical products and essential oils and resinoids. In the first eleven months of 2016 imports of goods from France increased a further 13.1%

► Lithuania imported services for an amount of 70.5 million euro, 3.9% more than in 2014. The highest shares in imported services from France were taken by transport services (58.9%), other business services (11.4%) and travel services (7.8%). The highest impact to import growth in 2015 was from maintenance and repair services. In 2015 France was Lithuania's 15th largest import partner for services. In the first three quarters of 2016, imports of services from France increased 14%.

I. TRADE BALANCE

Since 2013 Lithuania had a negative trade balance with France and the trade deficit in goods was approximately 136.4 million in 2015. In 2013 the sharp increase in the deficit was due to a fall in the exported value of mineral fuels, fertilizers and plastics, while the value of imports of beverages, perfumes, electrical and mechanical equipment increased at the same time. In the first eleven months of 2016, the trade deficit widened sharply to 189 million euro.

Figure 2. Bilateral trade of goods between Lithuania and France in 2010-2016, million euro.



Source: Statistics Lithuania.

In 2015 Lithuania had a positive trade in services balance with France, amounting to a surplus of 205.8 million euro. According to Balance of Payments statistics, Lithuania had a positive trade (of goods and services) balance with France of 32 million euro in 2015, up from 12 million euro in 2014.¹

II. DOMESTICALLY PRODUCED EXPORTS

In 2015 exports of domestically produced exports to France decreased by 5.4% and reached a value of 536 million euro. In 2015 France was the 10th largest export partner for Lithuania measured by domestically produced exports. The decrease in 2015 was mainly accounted for by mineral fuels, which fell by 37% or 43.6 million because of the strong fall of oil prices in 2015. On the other hand, in 2015 exports of oil seeds and oleaginous fruits, electrical machinery and equipment and furniture reported robust growth numbers. France was the 10th largest export partner for Lithuania measured by domestically produced exports. During the first eleven months of 2016 domestically produced exports to France decreased a further 3.1% compared to January-November 2015. Exports of fertilizers fell 62.3 million euro, also partly due to significantly lower prices. Positive growth drivers in 2016 were mineral fuels, furniture and plastics, but the strong fall in fertilizers resulted in a negative total growth.

As mentioned before, the largest share in domestically produced exports to France in 2015 consisted of fertilizers with an exported value of 141.1 million euro, which made up 26% of domestically produced exports in 2015 and 15% during the first eleven months of 2016. In 2015 exports of domestically produced fertilizers to France dropped 2.4%. The majority of exports in 2015 consisted of nitrogenous mineral or chemical fertilisers (79% of total) and diammonium phosphate (DAP) fertilisers (21%). In the first eleven months of 2016 domestically produced exports of fertilizers fell 45.8% or 30.9 million euro.

The second largest category in 2015 was exports of mineral fuels which accounted for 14% of domestically produced exports to France and 20% over the first eleven months of 2016. The exported value in 2015 was 74.9 million euro, which was 36.8% less than in 2014. The majority of exports in 2015 consisted of: gas oils (98.1%) and small amounts of peat (1.9%). During the first eleven months of 2016, mineral fuels reported a growth of 47.2% or 30.9 million euro.

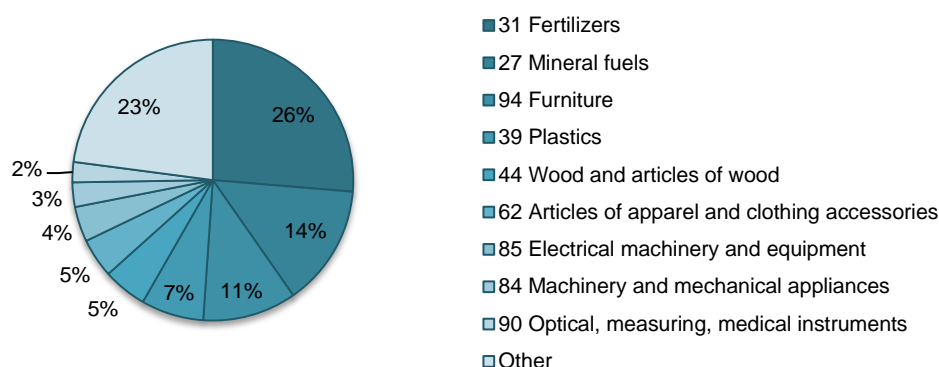
In 2015 the third largest category was exports of furniture which comprised 11% of domestically produced exports to France and 13% over the first eleven months of 2016. The exported value in 2015 was 57.9 million euro, which was 8.7% or 4.6 million higher than in 2014. The majority of exports in 2015 consisted of furniture (71.6%), prefabricated buildings (14.2%), mattresses and parts thereof (12.3%) and lamps and lighting (1.9%). During January-November 2016, exports in this category to France grew 17% or 9.1 million euro.

In 2015 the fourth largest category was exports of plastics and articles thereof, which made up 7% of total domestically produced exports to France and 9% during the first eleven months of 2016. The exported value in 2015 was 38.6 million euro, 9.9% or 4.2

¹ Total goods and services trade according to the Balance of Payments methodology can be found on: http://ec.europa.eu/eurostat/product?code=bop_c6_q&mode=view&language=EN. Note that besides the CIF/FOB conversion, under the new Balance of Payments methodology (BPM6) goods and services trade data are no longer additive.

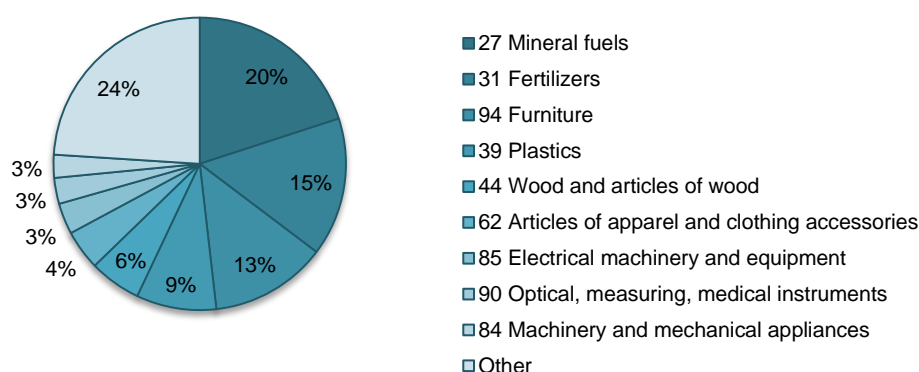
million euro lower than in 2014. The majority of exports in this category in 2015 consisted of polyacetals (46.9%), articles for the conveyance or packing of goods (26.2%) and other plates, sheets, film, foil and strip, of plastic (15.4%). During the first eleven months of 2016, exports of plastics and articles thereof to France strongly rebounded and reported a growth rate of 20.5%.

Figure 3. Structure of exports of goods produced in Lithuania to France in 2015, %.



Source: Statistics Lithuania and Enterprise Lithuania calculations.

Figure 4. Structure of exports of goods produced in Lithuania to France in 2016 1-11, %.



Source: Statistics Lithuania and Enterprise Lithuania calculations.

Table 2. Exports of domestically produced goods to France, million euro.

Commodity category (by CN)	2010	2011	2012	2013	2014	2015	2016 1-11	2015 annual growth,%
Total	467.5	768.6	657.5	518.6	566.3	536.0	482.6	-5%
31 Fertilizers	66.5	138.1	143.3	95.9	144.6	141.1	73.9	-2%
27 Mineral fuels	152.9	334.7	192.2	120.6	118.6	74.9	96.5	-37%
94 Furniture	55.5	66.3	66.1	55.3	53.2	57.9	62.2	9%
39 Plastics	49.6	54.3	64.7	32.5	42.8	38.6	42.7	-10%
44 Wood and articles of wood	12.3	22.9	27.4	28.6	27.6	27.1	27.6	-2%
62 Apparel and clothing accessories	23.4	27.3	23.9	23.8	26.2	24.2	21.3	-8%
85 Electrical machinery and equipment	5.6	12.8	6.7	7.2	13.7	21.7	16.6	58%
84 Machinery and mechanical appliances	7.8	7.7	6.9	9.8	12.0	15.1	12.3	27%
90 Optical, measuring, medical instruments	7.8	8.9	9.7	12.2	11.7	12.5	13.9	7%
16 Preparations of meat, of fish	19.8	21.4	21.5	16.9	15.5	11.3	9.3	-27%
Other goods	66.3	74.4	95.2	115.9	100.4	111.5	106.4	11%

Source: Statistics Lithuania and Enterprise Lithuania calculations.

III. EXPORTS OF SERVICES

In 2015 exports of services to France increased by 28.3% until 279.9 million euro. In 2015 France was the 6th largest export partner for Lithuanian service providers. In 2015 exports of services mainly consisted of transport services which accounted for 82.1% of total exports of services, travel services had a share of 6.9 % and other business services had a share of 5.2%. The highest growth was recorded in exports of transport services which increased 34.8% or 59.2 million euro. Exports of other business services and manufacturing services on physical inputs owned by others grew also fast, with 25% or 2.9 million euro and 34.6% or 2.2 million euro respectively. Other business services amounted to 5.2% of total exports of services to France, whereas manufacturing services on physical inputs owned by others made up 3%. In 2015 exports of maintenance and repair services declined 1.47 million euro. In the first three quarters of 2016, exports of services to France increased a further 31.4%.

Table 3. Exports of services to France, million euro.

Category	2013	2014	2015	2015 annual change, %
Total	190.5	218.1	279.9	28.4%
Transport services	143.2	170.5	229.7	34.8%
Travel services	17.0	19.0	19.2	0.8%
Other business services	10.5	11.6	14.5	25.1%
Manufacturing services on physical inputs owned by others	9.7	6.3	8.5	34.6%
Construction	8.8	6.3	5.3	-16.3%
Maintenance and repair services	0.0	3.3	1.5	-55.8%
Telecommunications, computer and information services	0.5	0.5	0.8	63.9%
Other services	0.8	0.6	0.4	-19.9%

Source: Bank of Lithuania and Enterprise Lithuania calculations.

IV. POTENTIAL EXPORT OPPORTUNITIES

According to the Decision Support Model (DSM)², the top 10 of product groups which are most promising for Lithuanian exporters in France is dominated by items produced by the clothing and apparel industry. Items produced by the electro-technical engineering industry can also be found in the top-10. The DSM also identified potential export opportunities in France for products manufactured by the Lithuanian metal processing industry, the mechanical engineering industry (machinery and equipment), the chemical industry, the plastics industry, the furniture industry, the fish processing industry and the printing and publishing industry.

Table 4. Top 10 export opportunities for Lithuanian companies in France according to the Decision Support Model.

HS six-digit product code and description	Short-term growth (2015)	Long-term average growth (2010-2015)	Import market size (million euro)	Degree of concentration (HHI-index)
620444 Women's or girl's dresses of artificial fibres (excl. knitted or crocheted and petticoats)	42.4%	23.8%	189.0	0.152
620640 Women's or girl's blouses, shirts and shirt-blouses of man-made fibres (excl. knitted or crocheted and vests)	29.8%	27.9%	452.1	0.165
610463 women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted or crocheted (excl. panties and swimwear)	29.0%	19.9%	255.9	0.159
630790 made-up articles of textile materials, incl. dress patterns, n.e.s.	28.3%	9.5%	393.5	0.157
853110 burglar or fire alarms and similar apparatus	58.7%	20.5%	346.8	0.211
620469 women's or girls' trousers, bib and brace overalls, breeches and shorts of textile materials (excl. of wool, fine animal hair, cotton or synthetic fibres, knitted or crocheted, panties and swimwear)	39.9%	5.3%	160.4	0.146
610990 t-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	14.7%	12.4%	774.9	0.166
620343 men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excl. knitted or crocheted, underpants and swimwear)	15.4%	6.8%	204.4	0.155
850980 electro-mechanical household appliances, with self-contained electric motor (excl. vacuum cleaners, dry and wet vacuum cleaners, floor polishers, kitchen waste disposers, food grinders and mixers, fruit or vegetable juice extractors, and hair-removing appliances)	32.1%	15.6%	154.4	0.232
620443 Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	9.5%	14.8%	363.3	0.169

Source: Eurostat Comext, UN Comtrade, Statistics Lithuania and Enterprise Lithuania calculations.

V. IMPORTS OF GOODS

In 2015 the value of imports of goods from France increased by approximately 1.9% and reached a value of 747.2 million euro. In 2015 France was the 12th largest import partner for Lithuania measured by imports of goods. In 2015 the largest imported items were vehicles (19.3% of total imports from France), machinery and mechanical appliances (14.1%) and pharmaceutical products (10%). The main growth drivers in 2015 were imports of machinery and mechanical appliances, pharmaceutical products and essential oils and resinoids. In the first eleven months of 2015 imports of goods from France increased a further 13.1%

In 2015 and 2016 the largest category among imports from France was vehicles which comprised about 19% of total imports from France. Imports for this category dropped 6.4% or 9.8 million euro. In 2015 the overwhelming majority in this category consisted of

² The Decision Support Model (DSM) is used to identify suitable export opportunities. The DSM takes into account Lithuania's revealed comparative advantage (products in which Lithuania is a relatively strong exporter in world markets), short-term and long-term import (value) growth of the product under consideration and the degree of market concentration for this product (an assessment whether it is difficult to enter the market for that product, the lower the index, the least concentrated the import market for this product). The full list of export opportunities for Lithuanian exporters in France is available on request from analitikai@verslietuva.lt.

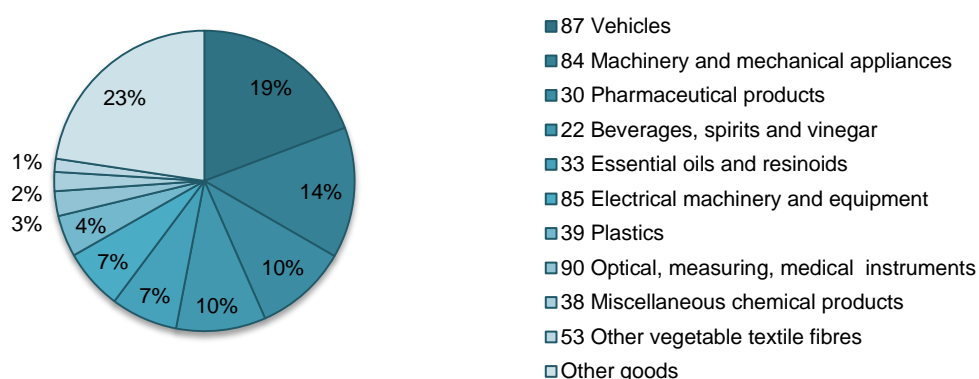
motor cars (72%) and motor vehicles for the transport of goods (10%). In the first eleven months of 2016, imports for this category grew 8.1% again.

The second largest category in 2015 was imports of machinery and mechanical appliances which comprised 14% of total imports from France and 15% over the first eleven months of 2016. The imported value in 2015 was 105.3 million euro, 19.6% or 17.3 million euro more than in 2014. The majority of imports consisted of pumps for liquids (7% of total), centrifuges (6%), harvesting or threshing machinery (6%) and refrigerators and freezers (6%). In January-November 2016, imports of machinery and mechanical appliances increased a further 17.2%.

In 2015 the third largest category was imports of pharmaceutical products with a share of 10%. In 2015 imports of pharmaceutical products from France grew 18.9% or 11.9 million euro. In 2015 and 2016 the majority in this category consisted of medicaments for retail trade (95%) and immunological products (3%). In the first eleven months of 2016, imports for this category grew a further 12.9%.

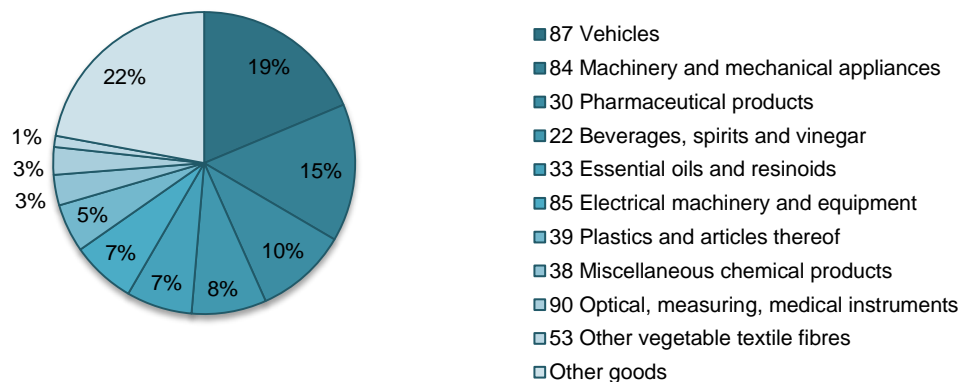
In 2015 the fourth largest category was imports of beverages, spirits and vinegar which made up 10% of imports from France in 2015 and 8% over the first eleven months of 2016. The imported value in 2015 was 72.1 million euro, down 29.9% or 30.7 million euro compared to 2014. In 2015 the main imports in this category consisted of wines (73%), beer (10.6%) and mineral water (9%). In 2016 wines accounted for the biggest share of total imports within this category as well. In January-November 2016, imports of machinery and mechanical appliances increased a further 5.9%.

Figure 5. Structure of imports of goods from the France in 2015, %.



Source: Statistics Lithuania and Enterprise Lithuania calculations.

Figure 6. Structure of imports of goods from France in 2016 1-11, %.



Source: Statistics Lithuania and Enterprise Lithuania calculations.

Table 5. Imports of goods from France, million euro.

Commodity category (by CN)	2010	2011	2012	2013	2014	2015	2016 1-11	2015 annual growth, %
Total	457.3	553.6	577.9	728.3	733.3	747.2	761.8	2%
87 Vehicles	144.1	192.2	181.0	194.2	153.7	143.8	141.8	-6%
84 Machinery and mechanical appliances	28.8	52.7	62.8	99.8	88.0	105.3	111.9	20%
30 Pharmaceutical products	73.4	61.3	47.5	48.4	63.1	75.0	75.0	19%
22 Beverages, spirits and vinegar	48.1	64.4	87.1	107.1	102.8	72.1	60.8	-30%
33 Essential oils and resinoids	7.5	9.3	11.8	32.1	42.2	53.8	53.4	27%
85 Electrical machinery and equipment	10.2	11.1	13.1	35.0	42.5	48.8	52.4	15%
39 Plastics	24.5	30.6	28.4	28.4	29.6	33.5	39.3	13%
90 Optical, measuring and medical instruments	6.7	7.8	7.0	13.6	15.3	19.9	22.4	30%
38 Miscellaneous chemical products	9.9	9.5	8.4	9.5	12.5	15.4	24.8	23%
53 Other vegetable textile fibres	6.2	6.9	5.0	5.9	9.1	10.5	9.1	15%
Other goods	97.9	107.7	125.9	154.2	174.4	169.0	170.9	-3%

Source: Statistics Lithuania and Enterprise Lithuania calculations.

VI. IMPORTS OF SERVICES

Lithuania imported services for an amount of 70.5 million euro, 3.9% more than in 2014. In 2015 France was Lithuania's 15th largest import partner for services. The highest shares in imported services from France were taken by transport services (58.9%), other business services (11.4%) and travel services (7.8%). The highest impact to import growth in 2015 was from maintenance and repair services. In the first three quarters of 2016, imports of services from France increased 14%. Imports of these services grew from 0.2 million euro in 2014 to 3.9 million euro in 2015. Imports of insurance services and telecommunication, computer and information services grew relatively fast with 90.6% (or 1.4 million euro) and by 41.5% (or 1 million euro) respectively. In 2015, the highest decline was recorded in imports of transport services with a decline of 7.5% (or 3.3 million euro). In the first three quarters of 2016, imports of services from France increased 14%.

Table 6. Imports of services from France, million euro.

Category	2013	2014	2015	2015 annual change, %
Total	56.7	67.8	70.5	4%
Transport services	32.8	44.9	41.5	-7.5%
Other business services	8.4	8.9	8.1	-9.9%
Travel services	4.6	4.9	5.5	12.3%
Maintenance and repair services	0.0	0.2	3.9	2042.9%
Telecommunications, computer and information services	2.1	2.4	3.4	41.5%
Insurance services	4.0	1.5	2.9	90.6%
Personal, cultural, and recreational services	2.1	2.0	2.6	30.1%
Other services	2.8	3.0	2.6	-12.7%

Sources: Bank of Lithuania and Enterprise Lithuania calculations.

VII. FRENCH IMPORTS

In 2015 Lithuania was the 61st largest import partner for France.

Table 7. French imports by country, billion euro.

Country	2011	2012	2013	2014	2015
Total	512.4	518.4	505.4	496.4	507.6
Germany	87.3	89.9	86.7	85.0	86.6
China	41.2	41.6	40.8	42.4	46.7
Italy	37.6	37.5	36.3	36.2	37.6
Belgium	39.3	39.1	39.7	39.8	36.8
United States of America	29.3	33.1	32.8	31.5	34.9
Spain	30.5	31.1	30.8	29.5	31.5
Netherlands	22.2	22.9	22.0	21.4	21.5
United Kingdom	22.0	22.8	20.8	19.6	19.5
Switzerland	11.8	12.2	12.8	12.7	14.4
Poland	7.8	8.0	8.1	8.4	8.9
Areas n.e.s.	1.8	3.3	4.3	5.1	8.7
Japan	9.5	9.2	8.2	7.8	8.4
Turkey	5.9	5.7	6.0	6.1	6.7
Ireland	6.4	7.0	6.6	6.0	6.3
Russian Federation	13.9	11.9	10.6	10.3	6.3
Czech Republic	5.9	5.6	5.6	5.9	6.2
Sweden	6.0	5.9	5.9	5.6	5.5
Austria	4.7	5.2	5.4	5.8	5.5
Portugal	4.8	4.9	5.1	5.1	5.4
India	4.8	4.7	4.4	5.2	5.4
Other countries	119.6	117.0	112.6	107.0	104.8

Source: Trademap.

Table 8. French imports of goods by commodity group, billion euro.

Commodity category (by CN)	2011	2012	2013	2014	2015
Total	512.4	518.4	505.4	496.4	507.6
84 Machinery and mechanical equipment	56.7	56.9	56.4	56.1	59.6
27 Mineral fuels	82.6	89.6	83.2	72.4	53.7
87 Transport means	47.1	43.3	43.1	43.8	48.9
85 Electrical machinery and equipment	45.0	42.8	42.1	41.7	46.0
88 Aircraft, spacecraft, and parts thereof	20.3	24.2	22.5	22.3	27.8
30 Pharmaceutical products	19.1	20.5	19.6	21.0	20.0
39 Plastics and articles thereof	18.8	18.9	18.8	19.0	19.7
90 Optical, photographic, medical or surgical	14.5	14.7	14.7	14.5	15.7
29 Organic chemicals	14.5	16.1	14.3	13.3	13.9
62 Articles of apparel and clothing accessories, not knitted or crocheted	8.5	8.3	8.5	9.0	10.1
72 Iron and steel	13.0	11.2	10.3	10.0	9.5
61 Articles of apparel and clothing accessories, knitted or crocheted	8.2	7.8	8.1	8.6	9.3
73 Articles of iron or steel	9.3	8.9	8.7	8.7	9.2
94 Furniture	8.2	8.3	7.6	8.0	8.6
38 Miscellaneous chemical products	6.6	6.6	6.6	6.8	7.1
Other goods	140.1	140.3	140.8	141.4	148.4

Source: Trademap.