



LITHUANIA – NORWAY BILATERAL TRADE

Review

April 20, 2018

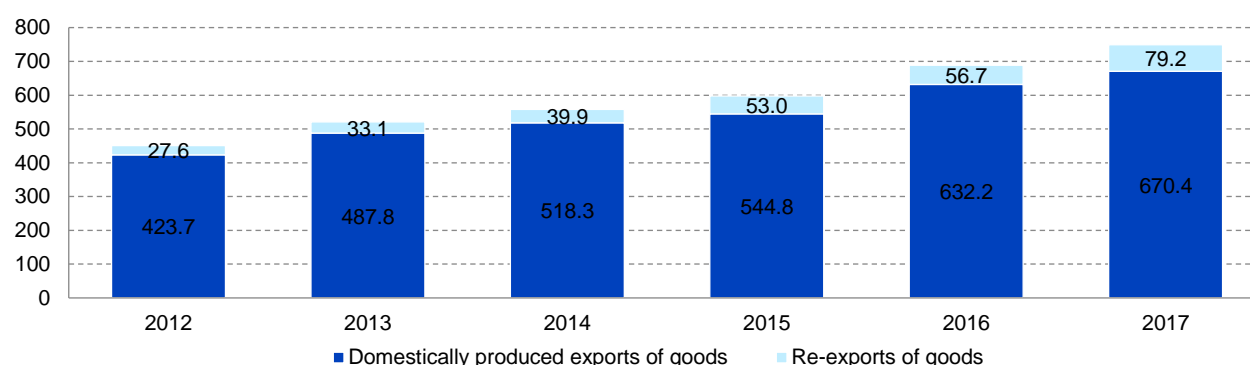
Enterprise
Lithuania



SUMMARY

- In 2017 Norway was Lithuania's 11th largest export partner and 19th largest import partner. The turnover of goods between Norway and Lithuania is increasing – from 539.4 million EUR in 2012 to 1208.1 million EUR in 2017. In 2017 Lithuania had a positive trade balance with Norway. However, much faster imports growth in 2017 resulted in a decrease of positive trade balance from 345.8 million EUR to 291.0 million EUR.
- In 2017 almost 89.4% of total exports of goods to Norway were made up of domestically produced goods and about 10.6% of re-exports. The value of re-exported goods to Norway increased by 39.6% in 2017 reaching the value of 79.2 million EUR.
- In 2017 exports of domestically produced goods to Norway increased by 6.0% and amounted to 670.4 million EUR. If compared with 2016, the largest growth in exports of domestically produced goods was recorded in tobacco and manufactured tobacco substitutes (grew by 19.9 million EUR), furniture (grew by 12.3 million EUR) and products of the milling industry (grew by 6.9 million EUR). The largest decrease was observed in the exports of electrical machinery and equipment, articles of iron or steel and residues and waste from the food industries. Most of exported goods in 2017 consisted of furniture (31.5%), wood and articles of wood (9.1%), articles of iron or steel (7.0%), mineral fuels, oils and products of their distillation (6.1%).
- In 2017 Lithuania exported services to Norway for an amount of 368.0 million EUR, which was 19.4% more than in 2016. The largest share in exports of services to Norway was accounted for by transport services (34.6%), manufacturing services on physical inputs owned by others (19.2%) and construction services (18.4%).
- In 2017 Lithuania imported goods from Norway for an amount of 458.5 million EUR, which was 33.6% more than in 2016. The positive import growth was mainly caused by a growth of imports of mineral fuels (grew by 69.8 million EUR) and miscellaneous chemical products (grew by 16.3 million EUR). Most of imported goods in 2017 consisted of mineral fuels, oils and products of their distillation (64.2%), fish, molluscs and other aquatic invertebrates (12.5%), miscellaneous chemical products (4.9%), arms and ammunition (2.6%), pharmaceutical products (2.2%). In 2017 Norway was the 19th largest import partner for Lithuania measured by imports of goods.
- In 2017 Lithuania imported services from Norway for an amount of 167.1 million EUR, which was 8.2% more than in 2016. In 2017 the largest share in imports of services from Norway was accounted for by travel services (33.9%), transport services (30.5%), other business services (25.0%), telecommunications, computer and information services (4.6%).
- In 2017 Lithuania was the 20th largest import partner for Norway.

Figure 1. Lithuanian exports of goods to Norway 2012-2017 million EUR



Source: Statistics Lithuania and Enterprise Lithuania calculations.

Table 1. Bilateral trade between Lithuania and Norway 2015-2017.

	2015		2016		2017	
	Share, %	Rank	Share, %	Rank	Share, %	Rank
Goods						
Share of partner country in total exports of goods	2.6%	13	3.0%	11	2.8%	11
Share of partner country in domestically produced exports of goods	4.0%	9	4.7%	7	4.3%	8
Share of partner country in re-exports of goods	0.6%	19	0.6%	19	0.7%	21



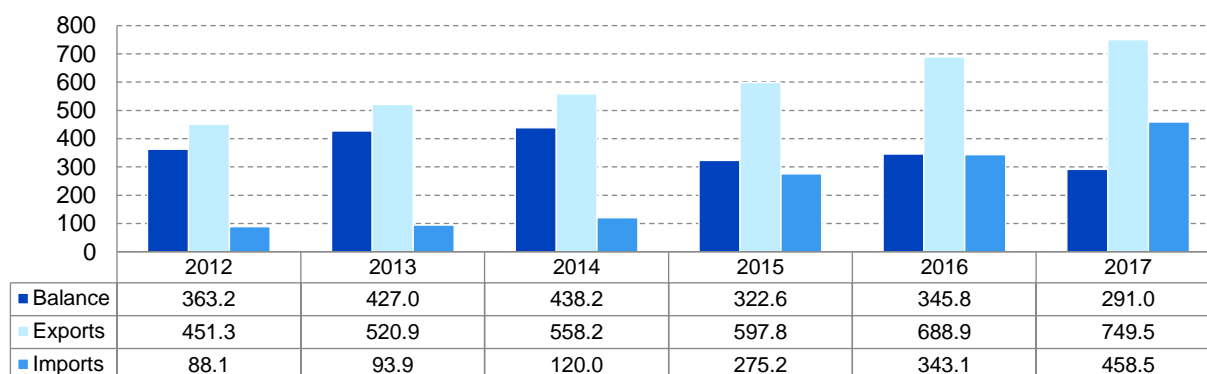
	2015		2016		2017	
	Share, %	Rank	Share, %	Rank	Share, %	Rank
Share of partner country in imports of goods	1.1%	21	1.4%	18	1.6%	19
Services						
Share of partner country in exports of services	3.5%	10	4.5%	8	4.4%	8
Share of partner country in imports of services	2.9%	11	3.4%	10	3.2%	11

Statistics Lithuania, Bank of Lithuania and Enterprise Lithuania calculations.

I. TRADE BALANCE

In 2017 Norway was Lithuania's 11th largest export partner and 19th largest import partner. The turnover of goods between Norway and Lithuania is increasing – from 539.4 million EUR in 2012 to 1208.1 million EUR in 2017. In 2017 Lithuania had a positive trade balance with Norway. However, much faster imports growth in 2017 resulted in a decrease of positive trade balance to 291.0 million EUR.

Figure 2. Bilateral trade of goods between Lithuania and Norway in 2012-2017, million euro.



Source: Statistics Lithuania.

II. DOMESTICALLY PRODUCED EXPORTS

In 2017 exports of domestically produced goods to Norway increased by 6.0% and amounted to 670.4 million EUR. If compared with 2016, the largest growth in exports of domestically produced goods was recorded in tobacco and manufactured tobacco substitutes (grew by 19.9 million EUR), furniture (grew by 12.3 million EUR) and products of the milling industry (grew by 6.9 million EUR). Largest decrease was observed in the exports of electrical machinery and equipment, articles of iron or steel and residues and waste from the food industries. Most of exported goods in 2017 consisted of furniture (31.5%), wood and articles of wood (9.1%), articles of iron or steel (7.0%), mineral fuels, oils and products of their distillation (6.1%).

In 2017 the largest category among domestically produced exports of goods to Norway was furniture with a share of 31.5%. In 2017 exports of furniture grew by 6.2% and reached the value of 210.9 million EUR.

In 2017 the second largest category among domestically produced exports of goods to Norway was wood and articles of wood with a share of 9.1%. In 2017 exports of wood and articles of wood grew by 3.9% and reached the value of 61.0 million EUR.

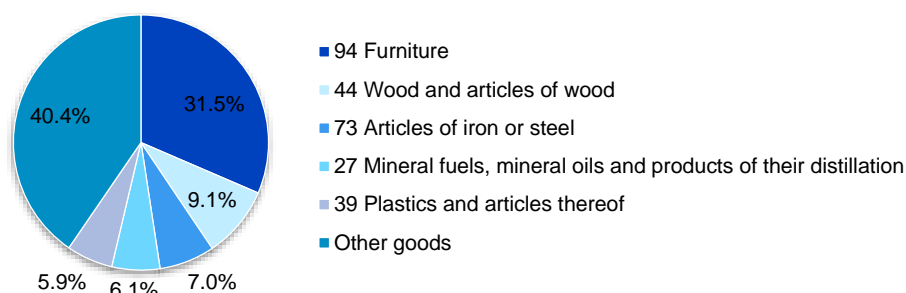
In 2017 the third largest category among domestically produced exports of goods to Norway was articles of iron or steel with a share of 7.0%. In 2017 exports of articles of iron or steel declined by 7.4% and reached the value of 47.1 million EUR.

In 2017 the fourth largest category among domestically produced exports of goods to Norway was mineral fuels, oils and products of their distillation with a share of 6.1%. In 2017 exports of mineral fuels, oils and products of their distillation declined by 20.6% and reached the value of 40.8 million EUR.

In 2017 the fifth largest category among domestically produced exports of goods to Norway was plastics and articles thereof with a share of 5.9%. In 2017 exports of plastics and articles thereof grew by 3.4% and reached the value of 39.3 million EUR.



Figure 3. Structure of exports of goods produced in Lithuania to Norway in 2017, %



Source: Statistics Lithuania and Enterprise Lithuania calculations.

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

Commodity category (by CN)	2013	2014	2015	2016	2017	2017 annual growth, %
Total	487.8	518.3	544.8	632.2	670.4	6.0%
94 Furniture	143.8	163.2	172.3	198.7	210.9	6.2%
44 Wood and articles of wood	52.1	58.6	56.4	58.7	61.0	3.9%
73 Articles of iron or steel	50.3	50.7	47.6	50.9	47.1	-7.4%
27 Mineral fuels, oils and products of their distillation	0.0	0.0	8.1	51.4	40.8	-20.6%
39 Plastics and articles thereof	24.1	32.4	39.6	38.1	39.3	3.4%
24 Tobacco	28.0	10.4	0.3	12.2	32.1	164.1%
61 Articles of apparel and clothing accessories	23.9	26.5	21.9	24.4	27.7	13.8%
85 Electrical machinery and equipment	21.2	21.4	24.9	32.2	24.5	-24.1%
84 Machinery and mechanical appliances	16.6	17.3	22.0	22.9	24.5	6.6%
56 Wadding, felt and nonwovens	9.0	13.0	14.9	14.9	17.7	18.9%
76 Aluminium and articles thereof	6.1	9.1	8.6	10.1	15.5	53.3%
49 Products of the printing industry	12.1	12.5	12.5	13.2	13.4	1.5%
Other products	100.8	103.3	115.8	104.5	115.7	10.8%

Source: Statistics Lithuania and Enterprise Lithuania calculations.

III. EXPORTS OF SERVICES

In 2017 Lithuania exported services to Norway for an amount of 368.0 million EUR, which was 19.4% more than in 2016. The largest share in exports of services to Norway was accounted for by transport services (34.6%), manufacturing services on physical inputs owned by others (19.2%) and construction services (18.4%).

Table 3. Exports of services to Norway, million EUR.

Category	2016	2017
Total	308.1	368.0
Transport services	98.7	127.3
Manufacturing services on physical inputs owned by others	41.1	70.8
Construction services	57.5	67.9
Other business services	72.9	58.2
Other services	25.2	22.5
Telecommunications, computer and information services	12.8	21.3

Source: Statistics Lithuania and Enterprise Lithuania calculations.



IV. IMPORTS OF GOODS

In 2017 Lithuania imported goods from Norway for an amount of 458.5 million EUR, which was 33.6% more than in 2016. The positive import growth was mainly caused by a grow of imports of mineral fuels (grew by 69.8 million EUR) and miscellaneous chemical products (grew by 16.3 million EUR). Most of imported goods in 2017 consisted of mineral fuels, oils and products of their distillation (64.2%), fish, molluscs and other aquatic invertebrates (12.5%), miscellaneous chemical products (4.9%), arms and ammunition (2.6%), pharmaceutical products (2.2%). In 2017 Norway was the 19th largest import partner for Lithuania measured by imports of goods.

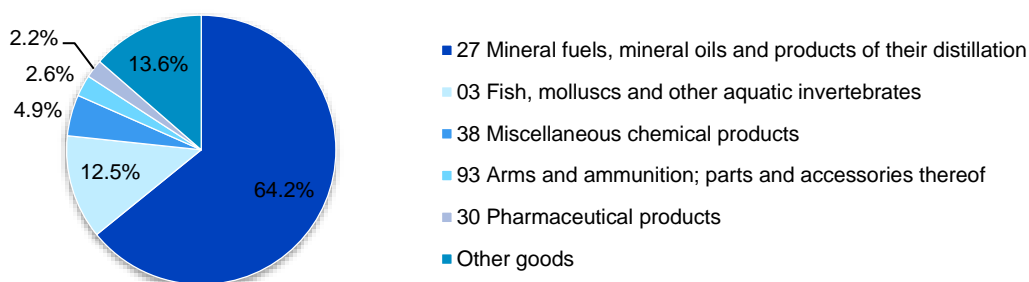
In 2017 the largest category among imports of goods from Norway was mineral fuels, mineral oils and products of their distillation with a share of 64.2%. In 2017 imports of mineral fuels, mineral oils and products of their distillation grew by 31.1% and reached the value of 294.2 million EUR.

In 2017 the second largest category among imports of goods from Norway was fish and crustaceans, molluscs and other aquatic invertebrates with a share of 12.5%. In 2017 imports of fish and crustaceans, molluscs and other aquatic invertebrates grew by 21.7% and reached the value of 57.4 million EUR.

In 2017 the third largest category among imports of goods from Norway was miscellaneous chemical products with a share of 4.9%. In 2017 imports of miscellaneous chemical products grew by 255.9% and reached the value of 22.7 million EUR.

In 2017 the fourth largest category among imports of goods from Norway was arms and ammunition with a share of 2.6%. In 2017 imports of arms and ammunition grew by more than 3 times and reached the value of 11.8 million EUR.

Figure 4. Structure of imports of goods from Norway in 2017, %



Source: Statistics Lithuania and Enterprise Lithuania calculations.

Table 4. Imports of goods from Norway, million EUR

Commodity category (by CN)	2013	2014	2015	2016	2017	2017 annual growth, %
Total:	93.9	120.0	275.2	343.1	458.5	33.6%
27 Mineral fuels, oils and products of their distillation	0.0	21.4	163.3	224.4	294.2	31.1%
03 Fish, molluscs and other aquatic invertebrates	30.1	39.1	45.5	47.2	57.4	21.7%
38 Miscellaneous chemical products	0.7	0.6	1.6	6.4	22.7	255.9%
93 Arms and ammunition	1.9	1.5	2.1	3.2	11.8	269.6%
30 Pharmaceutical products	0.3	1.6	3.6	6.4	10.1	57.1%
84 Machinery and mechanical appliances	12.3	11.3	13.8	11.2	7.1	-36.9%
85 Electrical machinery and equipment	6.4	4.1	4.0	3.6	7.0	94.3%
87 Vehicles other than railway	1.8	2.5	5.1	2.9	6.5	120.2%
56 Wadding, felt and nonwovens; special yarns	4.4	5.2	6.5	5.8	6.4	9.5%
39 Plastics and articles thereof	3.4	3.5	3.4	4.1	5.4	32.8%
61 Articles of apparel and clothing accessories	4.4	3.3	3.2	4.0	4.8	21.7%
63 Other made - up textile articles	1.6	3.0	2.9	3.6	3.2	-10.0%
25 Salt; sulphur; earths and stone	8.3	6.4	3.0	2.5	2.6	4.5%
Other:	18.2	16.3	17.0	17.9	19.4	8.8%

Source: Statistics Lithuania and Enterprise Lithuania calculations.



V. IMPORTS OF SERVICES

In 2017 Lithuania imported services from Norway for an amount of 167.1 million EUR, which was 8.2% more than in 2016. In 2017 the largest share in imports of services from Norway was accounted by travel services (33.9%), transport services (30.5%), other business services (25.0%), telecommunications, computer and information services (4.6%).

Table 5. Imports of services from Norway by balance of payments category, million EUR.

Category	2016	2017
Total	154.4	167.1
Travel services	52.7	56.6
Transport services	40.3	50.9
Other business services	41.0	41.8
Telecommunications, computer and information services	5.4	7.8
Other services	9.8	5.7
Financial services	5.1	4.3

Source: Statistics Lithuania and Enterprise Lithuania calculations.

VI. POTENTIAL EXPORT OPPORTUNITIES

The Decision Support Model (DSM)¹ identified 39 product group (on 6-digit Combined Nomenclature level) with potential opportunities for Lithuanian exporting companies in Norway. Most potential export opportunities were identified for the manufacture of fabricated metal products, construction materials (glass, cement), rubber and plastics products and electrical equipment.

Table 6. Potential export opportunities for Lithuanian companies in Norway, according to the Decision Support Model.

Sector (according to NACE rev. 2)	Number of potential export opportunities
Manufacture of fabricated metal products, except machinery and equipment	10
Construction materials (glass, cement)	5
Rubber and plastics products	5
Electrical equipment	4
Wood and products of wood, except furniture	4
Computer, electronic and optical products	3
Furniture	3
Publishing, printing and recording services	2
Beverages	2
Tobacco products	1
Total:	39

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

VII. NORWAY IMPORTS OF GOODS

In 2017 Lithuania was the 20th largest import partner for Norway.

Table 7. Norway imports by country, billion EUR

Country	2013	2014	2015	2016	2017
Total:	67.6	67.3	69.5	65.8	75.7
Sweden	9.0	8.2	8.0	7.8	8.7
Germany	8.4	7.9	7.8	7.9	8.4

¹ 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, 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) and possible barriers to market entry for that product (tariffs). The full list of export opportunities for Lithuanian exporters in the Norway is available on request from analitikai@versli Lietuva.lt.



China	6.2	6.4	7.3	7.2	7.4
United States of America	3.7	4.2	4.5	4.2	5.1
Korea, Republic of	1.3	1.2	2.9	1.8	5.1
Denmark	4.1	4.1	4.0	3.7	4.1
United Kingdom	4.3	4.4	4.5	3.3	3.6
Netherlands	2.6	2.5	2.5	2.6	2.9
Poland	2.2	2.2	2.1	2.3	2.6
Italy	2.0	2.1	2.1	2.0	2.3
France	2.3	2.3	2.3	2.2	2.3
Finland	1.7	1.6	1.6	1.6	1.7
Japan	1.5	1.5	1.5	1.5	1.6
Canada	1.5	1.8	1.4	1.2	1.5
Spain	1.1	1.2	1.3	1.5	1.4
Russian Federation	1.2	1.2	1.3	1.1	1.4
Belgium	1.3	1.2	1.2	1.2	1.2
Brazil	1.0	1.0	1.2	1.0	1.1
Switzerland	0.9	0.9	0.8	0.8	0.9
Lithuania	0.6	0.7	0.7	0.7	0.8
Czech Republic	0.7	0.7	0.7	0.7	0.8
Other countries	10.1	10.3	10.0	9.4	10.8

Source: Trademap.

Table 8. Norway imports of goods by commodity group, billion EUR

Category	2013	2014	2015	2016	2017
Total:	67.6	67.3	69.5	65.8	75.7
84 Machinery, mechanical appliances, boilers; parts thereof	9.7	9.9	10.0	9.0	9.1
87 Vehicles other than railway or tramway rolling stock	7.2	6.9	7.4	7.8	8.9
85 Electrical machinery and equipment and parts thereof	6.2	6.2	6.1	5.9	6.7
73 Articles of iron or steel	3.1	3.4	3.3	2.8	6.1
27 Mineral fuels, mineral oils and products of their distillation	4.8	3.6	3.0	2.3	3.4
89 Ships, boats and floating structures	2.1	2.3	3.8	2.6	2.9
94 Furniture; bedding, mattresses	2.4	2.5	2.6	2.6	2.7
90 Optical, photographic, measuring, medical equipment	2.0	2.1	2.5	2.3	2.4
39 Plastics and articles thereof	2.0	2.0	2.1	2.1	2.2
30 Pharmaceutical products	1.4	1.6	1.6	1.7	2.1
88 Aircraft, spacecraft, and parts thereof	0.8	1.1	1.0	1.0	1.5
44 Wood and articles of wood; wood charcoal	1.3	1.3	1.2	1.3	1.4
28 Inorganic chemicals; organic compounds of precious metals	1.1	1.1	1.3	1.1	1.3
76 Aluminium and articles thereof	1.0	1.1	0.9	0.9	1.2
75 Nickel and articles thereof	1.4	1.4	1.2	0.9	1.1
Other goods	21.2	20.8	21.5	21.3	22.8

Source: Trademap.