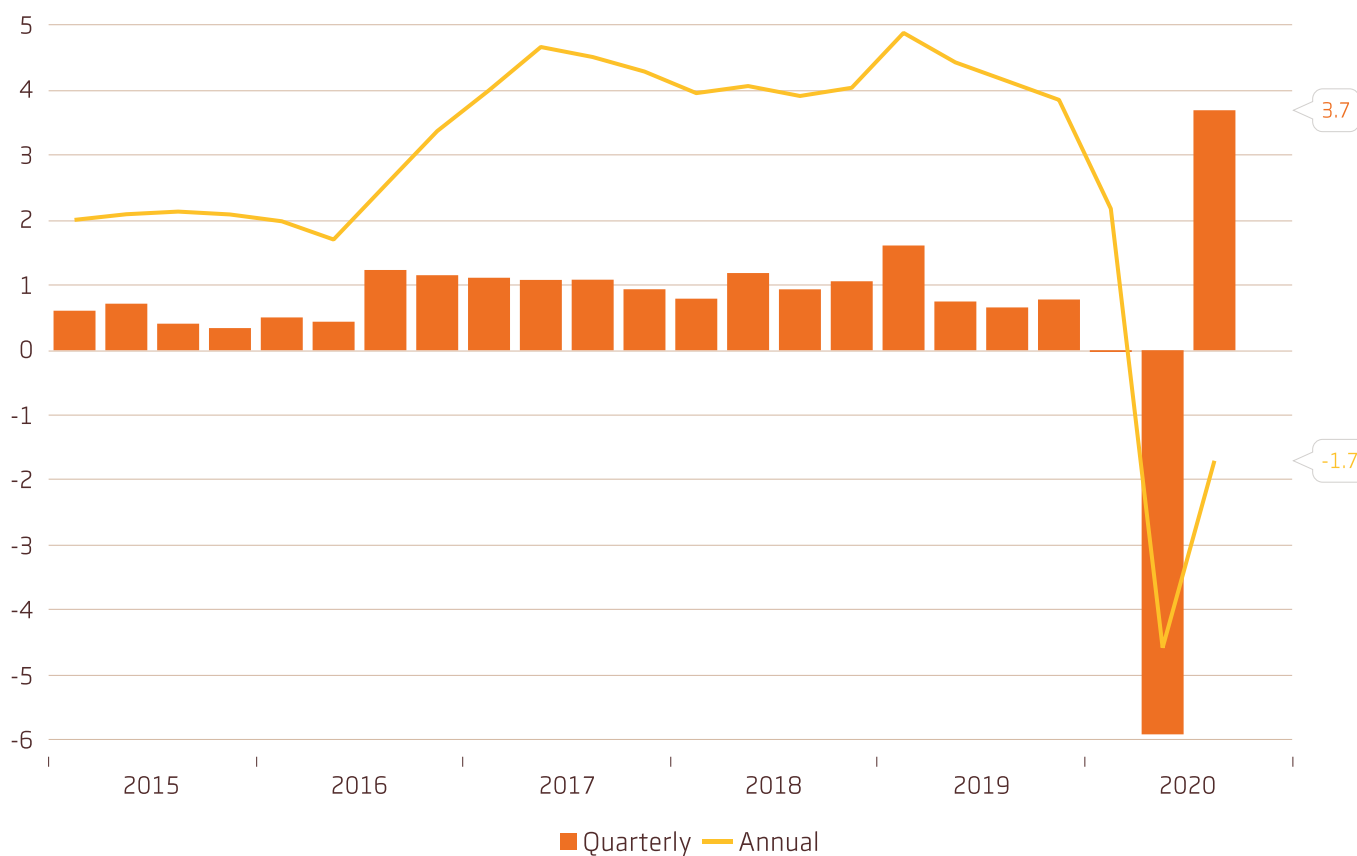


Lithuania: as expected, strong recovery in Q3

GDP rebounded significantly, but the final quarter will be weaker

GDP growth

sa, ca, % change



Sources: Swedbank Research & Macrobond

- GDP in Q3 2020 grew by 3.7% compared with the previous quarter and was 1.7% below last year's level
- Quickly worsening epidemiological situation casts gloom on recovery – Q4 is likely to be weaker, but nowhere near as bad as the second quarter

GDP was supported by great performance in exports of goods of national origin, better than expected results were recorded in retail trade as well.

Once the lockdown restrictions were lifted, Lithuanians were eager to quickly get out and consume. Thus, strong GDP growth in Q3 was anticipated.

Second wave of COVID-19 is kicking hard, putting a third of the country under the quarantine already. The success story of the virus management seems to be long in the past, and the reality of a steep rise in confirmed cases is putting the recovery at delay.

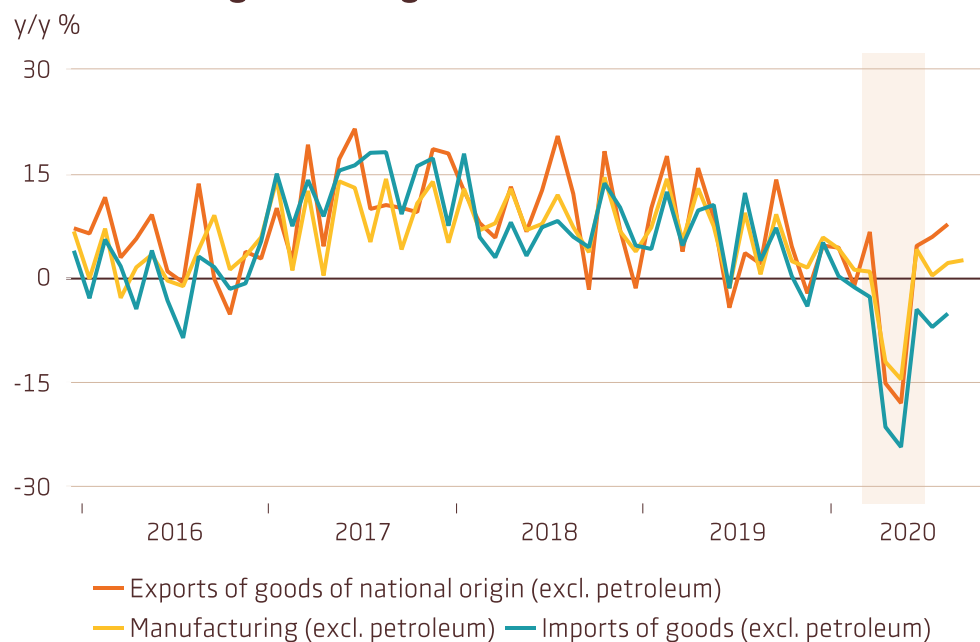
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From a success story to the realms of irresponsibility

Lithuanian economy was hit only mildly during spring, but second wave is hitting harder

Manufacturing and foreign trade



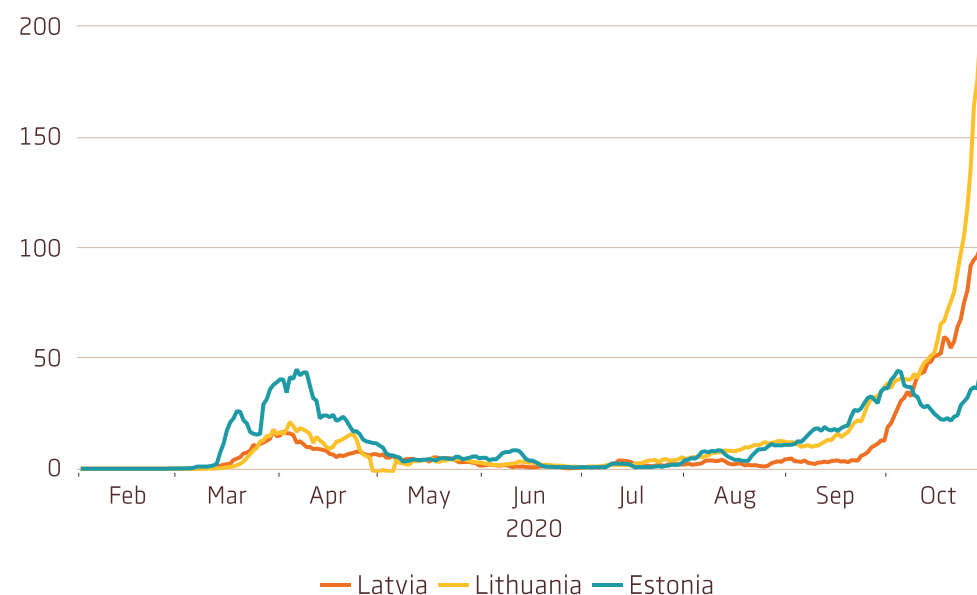
Sources: Swedbank Research & Macrobond

In September, manufacturing (excl. petroleum) growth was still above the last year's level, while exports of goods of national origin (excl. petroleum) were also surprisingly strong.

Imports are still lagging even though consumer confidence and retail trade rebounded quickly.

Covid-19 confirmed cases

New confirmed cases per 1 million people in one day, 1 week m.a.



Sources: Swedbank Research & Macrobond

The number of new COVID-19 cases are rising well above the spring levels, reaching 200 cases per 1 million people.

The situation became out of control mostly due to very relaxed population and – government's unwillingness to impose any new restrictions before the Parliament elections.

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