



Lithuania in focus



KLAIPĖDA
CHAMBER OF COMMERCE,
INDUSTRY AND CRAFTS

Lithuania: Baltic Country in Northern Europe

Largest Baltic State

Area 65,286 km²

Population 2.8 million

GDP per capita (€28 145, 2018)

Lithuanian

One of the world's oldest languages

Vilnius

Capital City

Euro

Currency

EU, NATO, WTO, Shengen, OECD
Members



Lithuania is a fast growing economy



€42bn in
GDP

Lithuania is the largest
economy in the Baltics¹

€23,500 per
capita

One of the highest values
in the Baltics ²

+3.4% GDP
growth in 2018

Lithuanian Department of
Statistics

+39% real
wages growth

Highest growth in real
wages among the OECD
countries since 2008⁴

+60% growth
in FDI

Foreign Direct
Investment up by 60%
since 2012⁵

1 Eurostat, 2018

2 Eurostat, 2018

3 Lithuanian Department of Statistics

4 OECD data, 2018

5 Invest Lithuania

Lithuanian economic indicators



+2.5%

Inflation (HICP)

Low and stable rate of inflation¹

6.3%

Unemployment rate

Decreased almost twice since 2013²

927.8 Eur

Average monthly wage

Increased by approx. 10% in the past year³

1 Statistics Lithuania, 2018

2 Statistics Lithuania, 2018

3 Statistics Lithuania, 2018

Lithuania is a good spot to start business



#14 in the Ease of Doing Business

Lithuania ranked in its highest position globally¹

#1 Public Wi-Fi globally

According to Rotten Wi-Fi, Lithuania has the best public in the world⁴

#1 Capital in the Ease of Starting a Business

Vilnius is the 1st capital in the European Union (EU)²

#3 in the EU for 4G LTE coverage

According to OpenSignal (2018), 88.4% of the area of Lithuania is covered with 4G LTE mobile network⁵

#1 in fulfilling ICT business needs

In the whole world³

1 Doing Business Report 2018 by World Bank

2, 3 Invest Lithuania

4 2016, Rotten WiFi

5 OpenSignal, 2018



Globally ranked player

#40 out of 140
countries

Global Competitiveness
Index¹

#13 out of 162
countries

Economic Freedom of
the World²

#29 out of 180
countries

Environmental
Performance Index³

#38 out of
180 countries

Corruption Perception Index⁴

#18 out of 190
countries

Paying Taxes Ranking⁵

#3 out of 126
countries

Mobile App Creation Indicator⁶

1 World Economic Forum, 2018

2 Fraser Institute, 2017

3 Yale University, 2016

4 Transparency International, 2018 5 OpenSignal, 2018

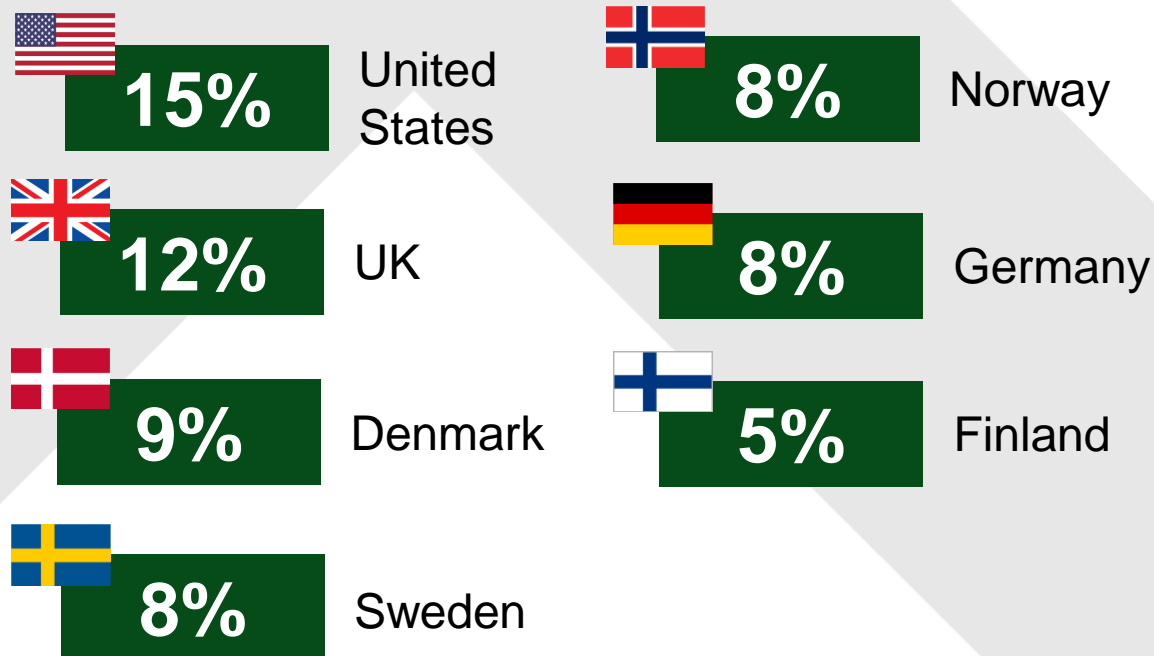
5 PWC, 2017

6 The Global Innovation Index, 2018

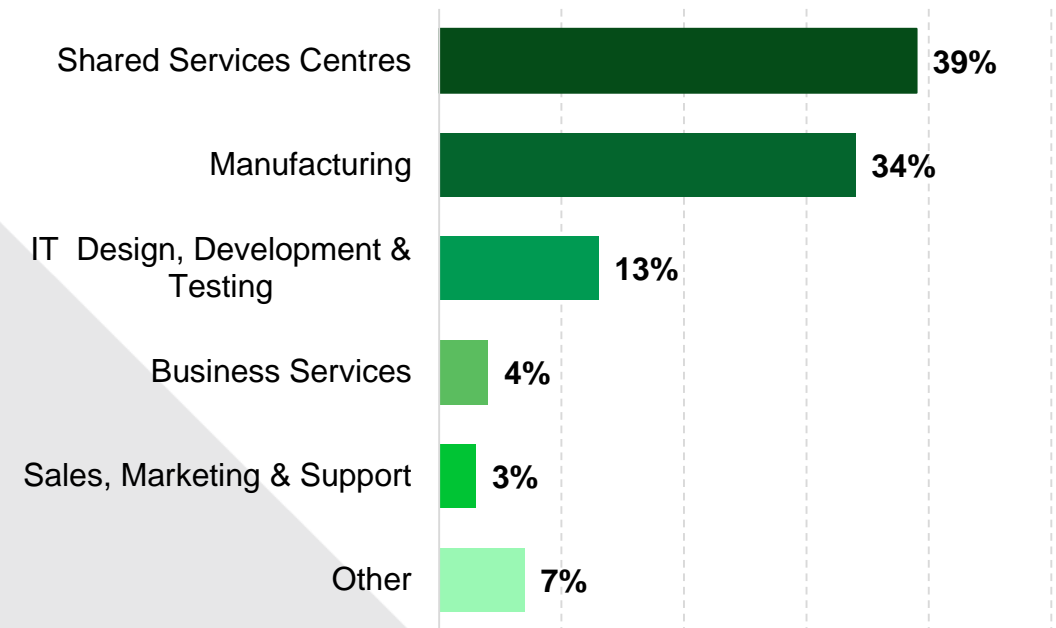
Performance in FDI



TOP investing countries by share of total projects | 2010-2018



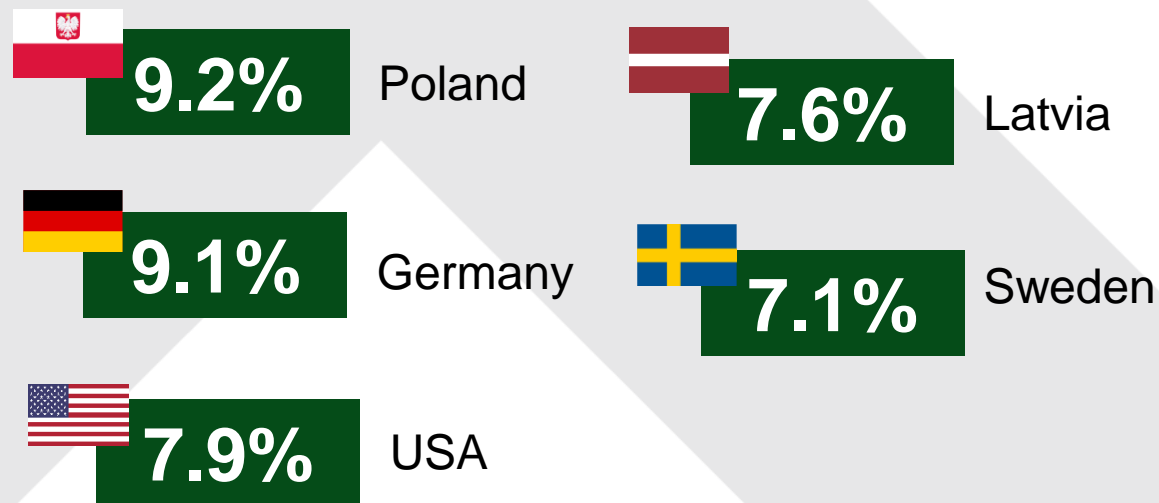
TOP business activities according to jobs planned | 2010-2018



Export structure is well diversified



TOP export markets of Lithuanian goods, 2018



TOP export goods, 2018

- Mineral products
- Engineering products
- Food products
- Chemical products
- Furniture products

TOP export services, 2017

- Transport services
- Travel services
- Telecommunications and IT
- Construction services
- Maintenance and repair



Priority sectors



Traditional industries



Food products and beverages industry

Exports value: 2.1 bn Eur
GDP share: 4.8%
Export intensity: 53%



Furniture industry

Exports value: 1.4 bn Eur
GDP share: 2.5%
Export intensity: 88%



Engineering industry

Exports value: 2.9 bn Eur
GDP share: 5.8%
Export intensity: 73%

Emerging and most innovative industries



ICT services industry

Exports value: Eur 489 million
Average annual growth of production value (2012-2017): 9.7%
Exports intensity: 22%



Life-sciences industry

Exports value: Eur 167 million
Average annual growth of production value (2012-2017): 26.9%
Exports intensity: 95%



Hi-Tech engineering industry

Exports value: Eur 563 million
Average annual growth of production value (2012-2017): 8,2%
Exports intensity: 85%



Food products and beverages industry

TOP exports of production:

- Dairy products
- Fish
- Meat
- Meat and fish products
- Residues from the food industries;
animal feed

Share of exports to the
EU: **83.3%**

Average annual growth
rate of exports (2012-
2017): **5.1%**

Key markets, TOP 5: Germany | Poland | Latvia | Italy | Great Britain



Furniture industry



TOP exports of production:

- Wood furniture
- Seats with wood frames
- Furniture parts of wood
- Wood bedroom furniture
- Furniture parts of metal

Share of exports to the EU: **75.9%**

Average annual growth rate of exports (2012-2017): **9.4%**

Key markets, TOP 5: Sweden | Germany | Great Britain | Norway | Denmark



Engineering industry



TOP exports of production:

- Rubber and plastic products
- Fabricated metal products
- Computer, electronic and optical products
- Motor vehicles, trailers and semi-trailers
- Machinery and equipment n.e.c.

Average annual growth rate of exports (2012-2017): **10.4%**

Share of exports to the EU: **73.6 %**

Key markets, TOP 5: Sweden | Germany | Norway | Poland | Finland



ICT services industry

TOP exports of services:

- Computer programming, consultancy and related activities
- Telecommunications
- Information services activities

Average annual growth rate of exports (2012-2017): **27.2%**

Share of exports to the EU: **52.9%**

Key markets, TOP 5: USA | Ireland | Great Britain | Germany | Denmark





Life-sciences industry



TOP exports of production:

- Active pharmaceutical ingredients
- Antisera, immunological products
- Enzymes
- Development and manufacturing services of biopharmaceuticals
- Nucleic acids and their salts

Average annual growth rate of exports (2012-2017): **33.7%**

Share of exports to the EU: **40%**

Key markets, TOP 5: USA | United Kingdom | Netherlands | Germany | France



Hi-tech engineering industry

TOP exports of production:

- High-tech medical and measuring instruments
- High-tech electronics
- High-tech non electrical machinery
- High-tech electrical machinery

Average annual growth rate of exports (2012-2017): **9.4%**

Share of exports to the EU: **58%**

Key markets, TOP 5: Germany | USA | United Kingdom | Sweden | Russia

What gives
Lithuania the edge?





Young & talented labour



World-class infrastructure



Business friendly environment



Progress in innovation



Perfect place for travelling



Young highly qualified talent



56%

of population with higher education¹

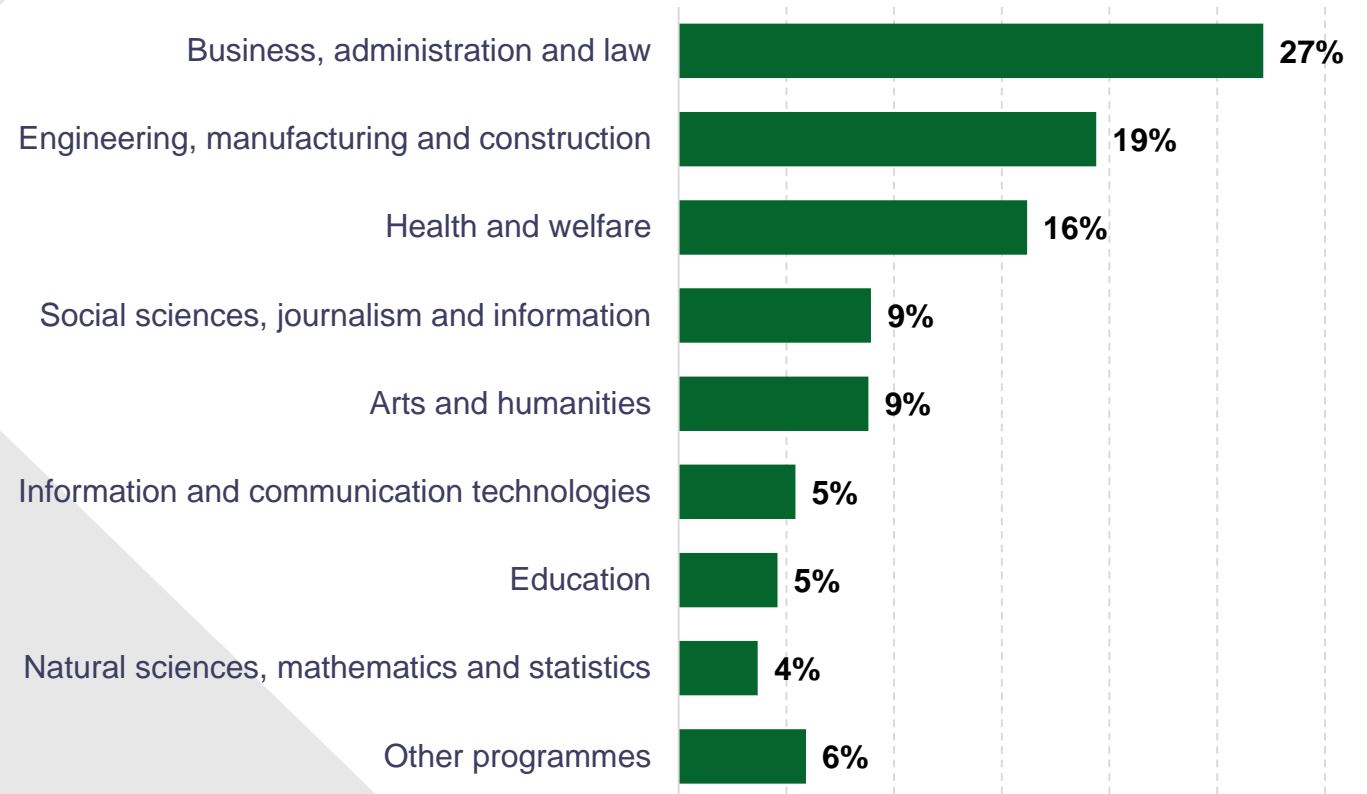
84%

proficiency in English among young professionals²

50%

speak at least two foreign languages³

Students by study fields in higher education institutions | 2017-2018⁴



Source 1: Eurostat, 2017 (age group 25-34)

Source 2: Invest Lithuania's estimation based on Population Census (2011)

Source 3: Europeans and their languages, 2012

Source 4: Ministry of Education and Science, 2018



Focus on tech education

31,500

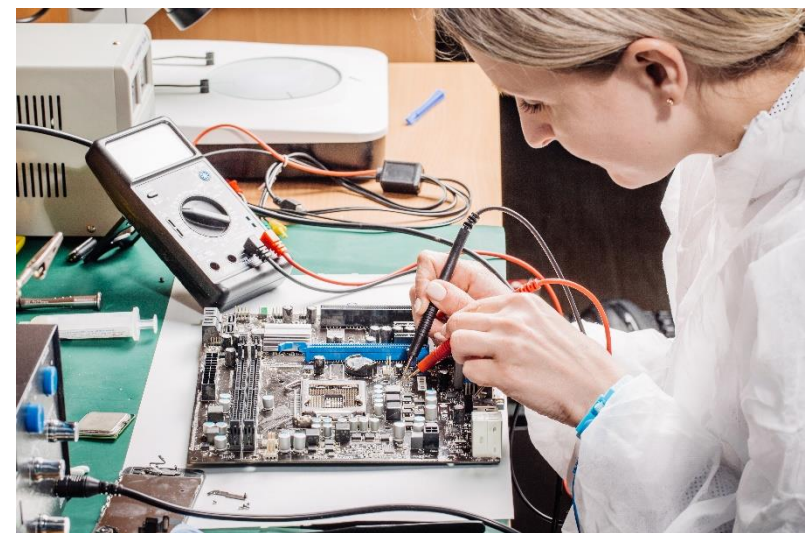
IT specialists in
Lithuania¹

2x

increase in IT study
funding in 2017¹

20%

increase in IT student
pipeline over 2013-2016²



Source 1: MOSTA, 2017

Source 2: Ministry of Education and Science, 2016



Fast connection infrastructure

Road and rail

The best quality roads in Central and Eastern Europe

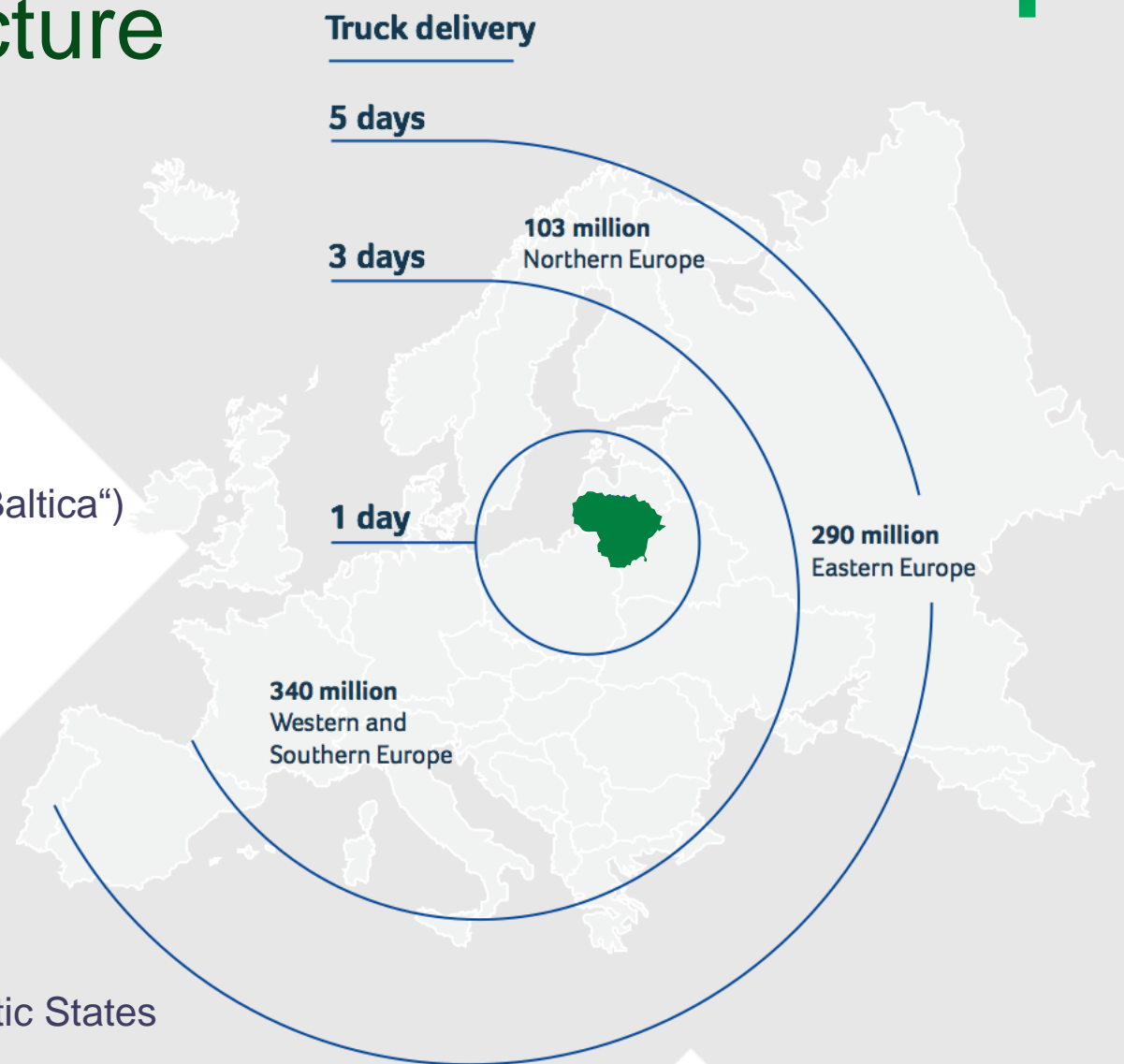
Rail network linking East and West, North and South ("Rail Baltica")

Air

3 international airports providing access to European metropolitan areas within 2-3 hours

Sea

Port of Klaipėda, non-freezing and largest seaport in the Baltic States





World-class infrastructure

8

Sciences and research valleys with significant partnership opportunities

25

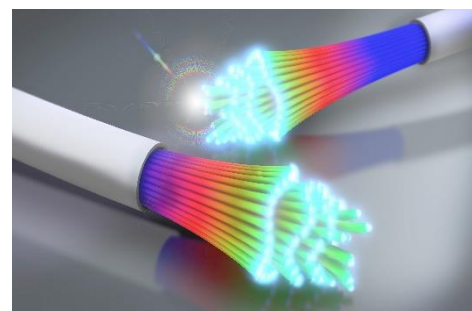
Open R&D centers

1st

for public WiFi speed in the world

1st

for fiber-to-premises penetration in the EU





Business friendly environment

0-15% corporate profit tax

21% VAT

0-15% dividends

20% personal income tax

19.5% social security tax paid by employee

1.79% social security tax paid by employer

7 Free Economic Zones (FEZ):

- **0%** corporate tax for the first 10 years*
- **50%** discount on corporate tax over the next 6 years*
- **0%** tax on dividends*
- **0%** tax on real estate*

Industrial Parks (IP)

6-12 months delivery of build-to-suit manufacturing facilities

* Conditions apply

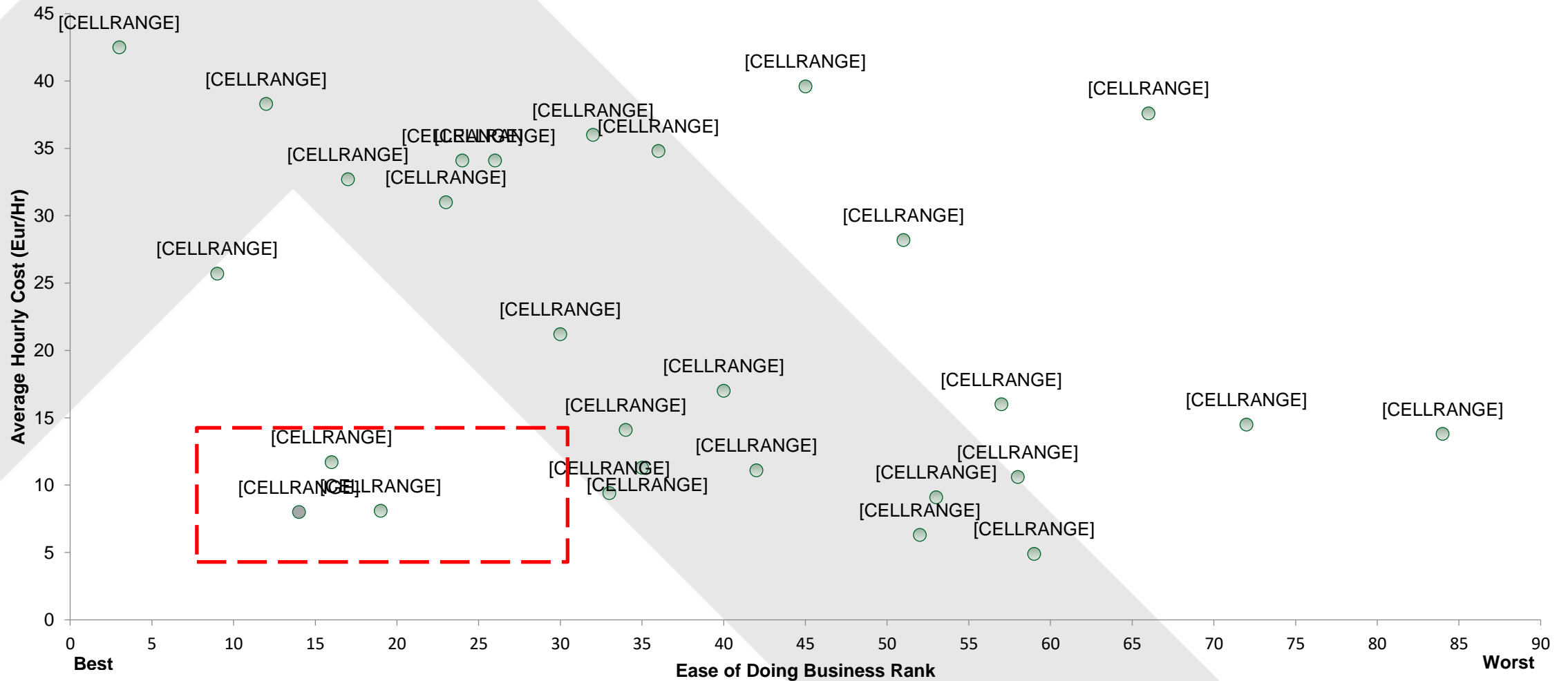




Great quality to cost ratio



HOURLY LABOUR COST VS EASE OF DOING BUSINESS





Global Business Services

~17,000 professionals employed in the sector¹

35 the largest number of languages used in a single center²

17% yearly growth of Shared Service Centres (SSC) sector³

Top 3 most desired employers are SSCs⁴

Source 1: Invest Lithuania, 2018

Source 2: Lithuania's business services report, 2018, Invest Lithuania

Source 3: Central and Eastern Europe Shared Services and Outsourcing Awards, 2018

Source 4: cvmarket.lt, 2017



Global Business Services Presence in Lithuania



Global Business Services Center

Functions: F&A, HR, IT, Legal, Customer ops, Marketing, Analytics
Languages: English, Danish, Norwegian, Swedish, Finnish
Headcount: 3,000 (IT - 1000) **Established:** 2012, Vilnius



Global Operations Center

Functions: F&A, HR, IT, Customer ops, Procurement, Marketing
Languages: 35 languages
Headcount: 2,000 **Established:** 2010, Vilnius



Customer Care Center

Functions: Customer operations
Languages: 13 languages
Headcount: 330 **Established:** 2018, Vilnius



Center of Excellence

Functions: F&A, IT, HR, Marketing
Languages: English, Swedish
Headcount: 1,070 **Established:** 2008, Vilnius



Global Business Services Center

Functions: F&A, IT, HR
Languages: English
Headcount: 760 **Established:** 2014, Kaunas



Business Process Outsourcing

Functions: IT, Customer operations
Languages: Danish, English, French, German, Italian, Norwegian, Portuguese, Swedish, Dutch
Headcount: 670 **Established:** 2007, Vilnius



Progress in innovation



10%

of global
laser
market



19%

annual growth
in life
sciences



5x

startups
increase in 5
years



20%

high-tech
export growth
in 2017





Growing innovation potential



Innovation activities were undertaken by **~47%** of manufacturing and service enterprises

+6% in 2 years

92% technology

companies plan to innovate in the next 3 years

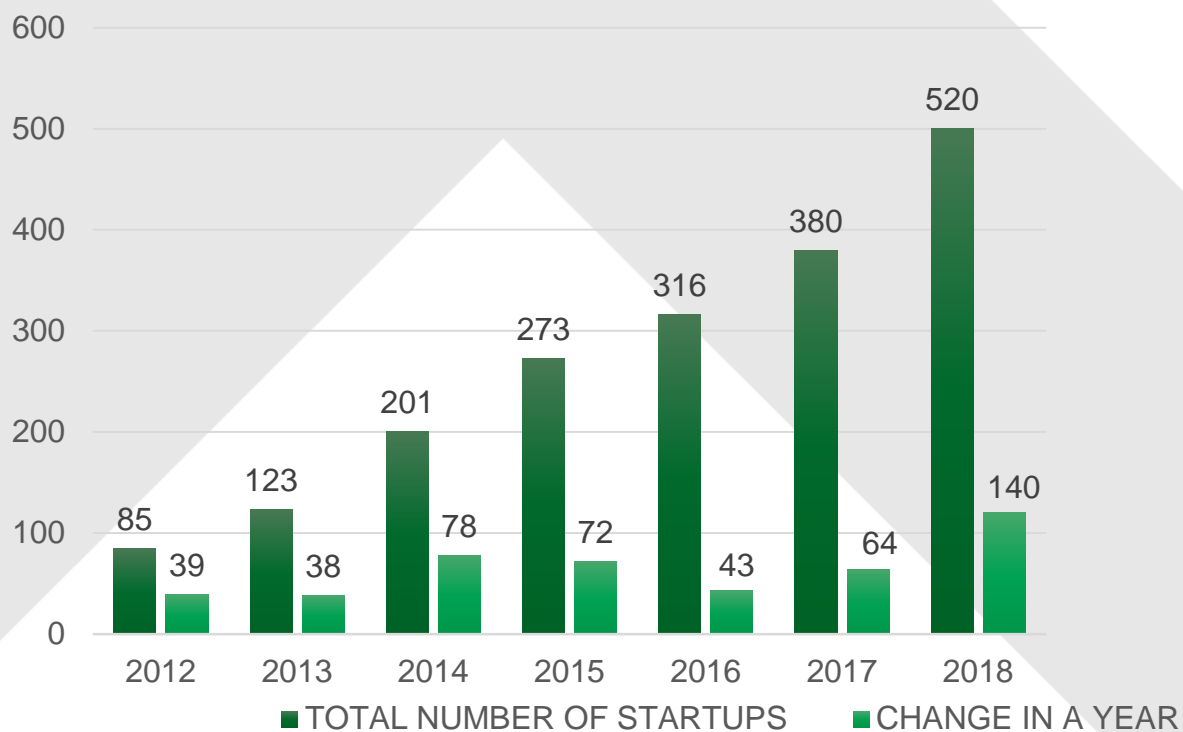
- Implementation of technological innovation +2,5%
- Implementation of non-technological innovation +8,4%
- Innovative enterprises in finance and insurance +14%



Great start-up ecosystem



Number of startups, 2018



Key facts

183 million Eur of investments in 2018

Government's priority: "Startup Lithuania", "Startup Visa", "LitBan" etc.

Growing number of private Venture capital funds, Angel funds, Accelerators

Startups Sandboxes: Bank of Lithuania, Swedbank, "Real Box" etc.

Co-working spaces and hubs: "Vilnius Tech Park", "Rise Vilnius", "Blockchain", "Monday Office" etc.

Fintech-Friendly Destination – only 3 months to get license

Networking and events. The most popular – "Startup Fair": 2019 May 30-31



Competitive Tourism Destination

- Safe
- High hygiene standards
- Friendly for families
- Rich history & culture
- #1 in the world for the fastest public Wi-Fi





Why Tourism Matters



4.9%

of country's GDP

6.6%

growth of tourist arrivals*

1.89 billion

total tourism receipts

47,200

number of employed
in tourism

2.9 million

total tourist arrivals*

16.7%

of services export

* According to the statistical data of accommodation establishments (2017)

Source: Lithuanian Department of Statistics; Bank of Lithuania; Ministry of the Economy and Innovation (2017)



Priority incoming tourism markets 2016-2020⁺



Target markets

Germany, United Kingdom, Italy, Sweden, Norway, France



Long-Haul markets

Israel, Japan, USA, China



Important markets

Belarus, Estonia, Latvia, Poland, Russia, Ukraine



Perspective markets

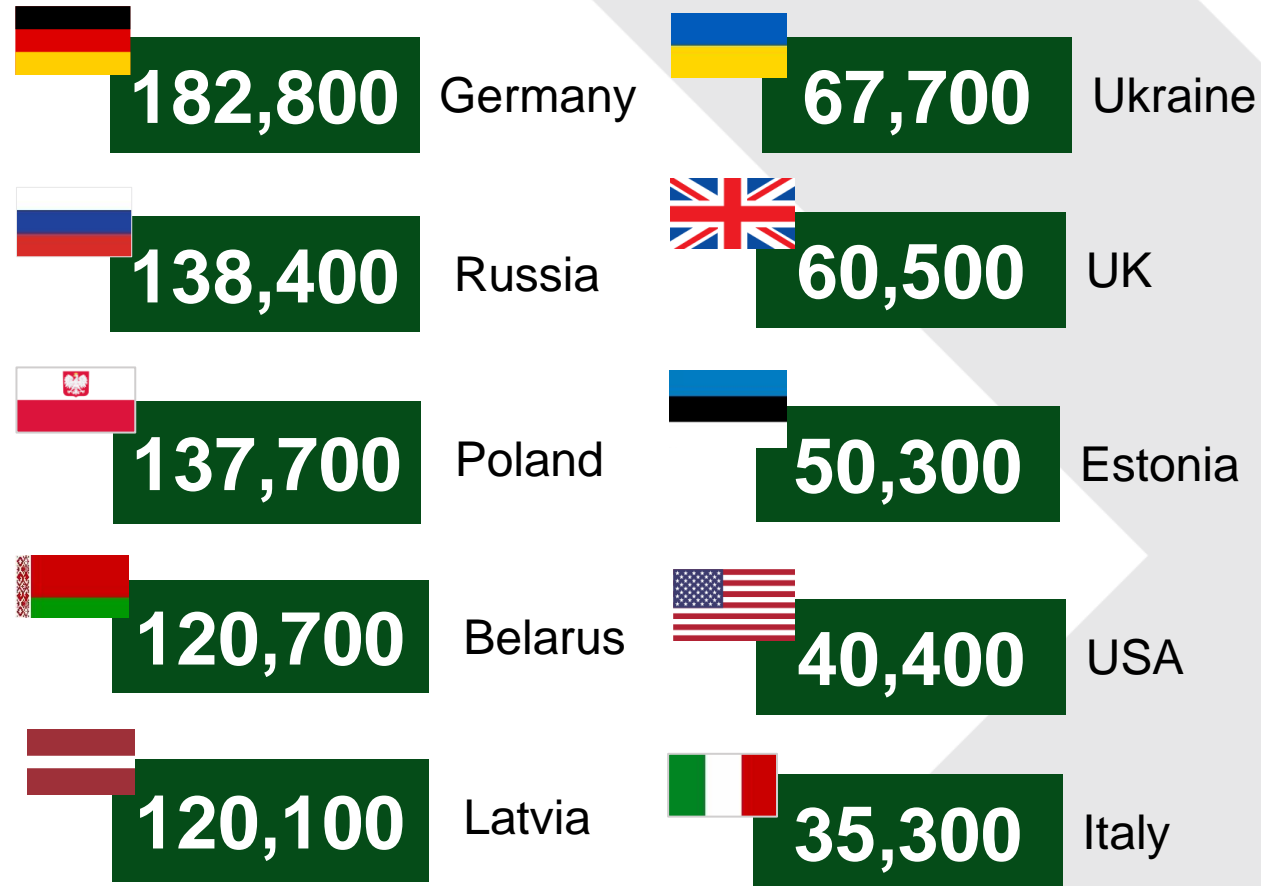
Belgium, Denmark, Spain, Netherlands, Finland



Lithuania's inbound tourism market flows



TOP 10



Agencies of the Ministry of the Economy and Innovation





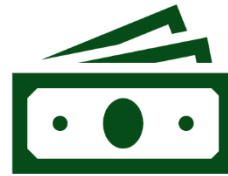
Enterprise Lithuania is a government agency promoting entrepreneurship, supporting business development and fostering export. A one-stop-shop for foreign entrepreneurs looking for business partners in Lithuania.



SUPPORTING SME's establishment and development by consulting businesses and providing them with e-tools and services.



PROVIDING business-partner search services for both local and foreign businesses.



ORGANIZING trade missions and participation in international trade fairs and exhibitions.



CONSULTING on regulations, requirements, licenses as well as quality support to establish business in Lithuania.



FACILITATING and DEVELOPING startup community and ecosystem in Lithuania.

All services are free of charge



Invest Lithuania is the official agency for Foreign Direct Investment and Business Development. We'll partner with you to get your business set up and off to the best start possible



DECISION-MAKING

- Provide tailored in-depth market and industry insights;
- Advice in business costs;
- Give you information concerning the local labour and legal framework.



BUSINESS ESTABLISHMENT

- Arrange intros and meetings with key market players and relevant governmental institutions;
- Sourcing of government financial support.



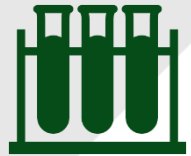
BUSINESS DEVELOPMENT

- Assistance with one-off problems;
- Lobbying for greater governmental support.

All services are free of charge

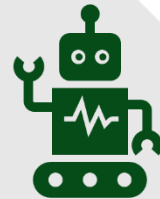


The Agency for Science, Innovation and Technology (MITA) is the main governmental institution responsible for the implementation of innovation policy in Lithuania.



RESEARCH AND DEVELOPMENT PROGRAMMES

- Innovation Vouchers
- Technological Development Programme
- Protection of IPR



INITIATIVES FOR ENTREPRENEURSHIP AND INNOVATION

- Acceleration of start-ups
- Internship at NASA
- Commercialisation of R&D Results



INTERNATIONAL RESEARCH AND DEVELOPMENT PROGRAMMES

- Horizon 2020
- Eurostars
- Eureka
- CONCERT-Japan



Lithuania Travel is the official public agency responsible for Lithuania's tourism marketing and promotion.



RAISING
awareness of
Lithuania as an
attractive tourism
destination

ENCOURAGING
inbound and
domestic travel

ENHANCING
international
competitiveness of the
Lithuanian tourism
sector

CREATING
added value for
the national
economy



INVEGA is a National Promotional Institution, government agency providing and managing financial instruments designed to help entrepreneurs start or expand small or medium-sized enterprises.



INDIVIDUAL GUARANTEES

- For SMEs
- For large enterprises
- Export guarantees



4 FUNDS OF FUNDS

- Soft loans
- Risk sharing loans
- Portfolio guarantees (loans, leasing, factoring)
- Risk capital
- Co-investment funds (including for R&D)
- Crowdfunding loans
- Accelerator funds



4 TYPES OF GLOBAL GRANT MEASURES

- interest rate subsidies
- support for employment
- subsidies for consultation services
- subsidies for staff training services



Lithuanian Business Support Agency is a non-profit government institution established to administering the European Union funds granted for the development of Lithuanian business, R&D and energy sectors.



TO CONTRIBUTE to the transparent and economically justified allocation of European Union structural funding.



TO ENSURE the efficient administration of projects and supervision of their implementation.



TO ENSURE the availability and dissemination of relevant and comprehensive information on the funding administered by LBPA.



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Lithuania**

www.lithuania.lt