

**Lithuania:**  
**Talented. Connecting. Welcoming.**

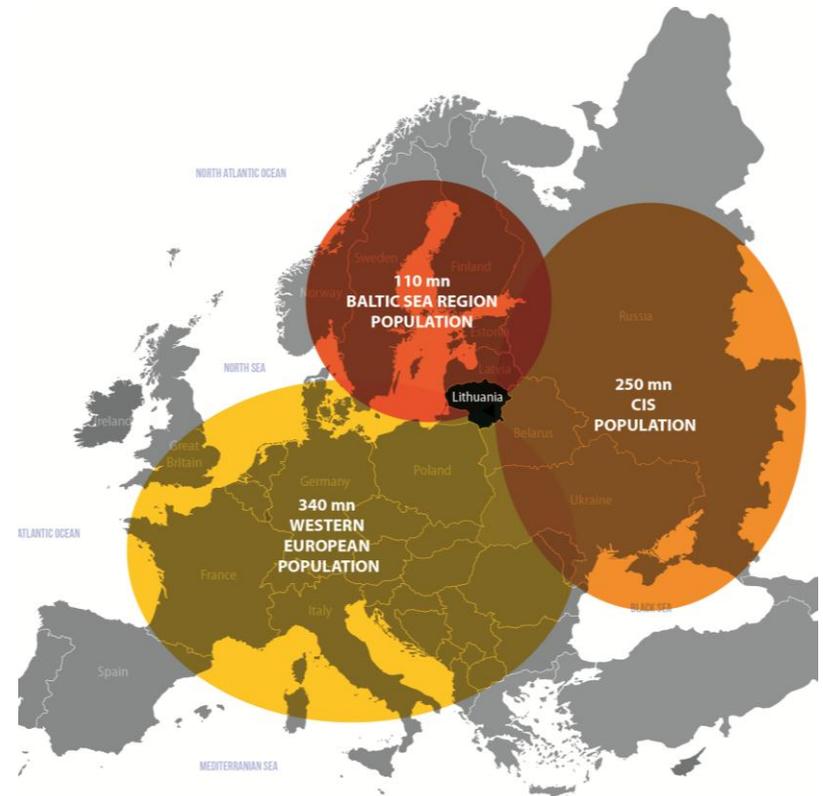


- 
- **Lithuania: Facts and Figures**
  - Why Invest in Lithuania?
  - Case Studies



# Lithuania: in the Center of Europe

<b>Size:</b>	65,300 km <sup>2</sup>
<b>Population:</b>	2.98 million
<b>Capital:</b>	Vilnius
<b>Official language:</b>	Lithuanian (One of the oldest languages in the world, originating from Sanskrit)
<b>Dominant foreign languages:</b>	English, Russian, German, Polish
<b>Currency:</b>	Lithuanian Litas (LTL) Pegged to the EUR since 2002 1 EUR /3.45 LTL
<b>Real GDP growth<sup>1</sup>:</b>	<ul style="list-style-type: none"> <li>▪ 2013E 3.0%</li> <li>▪ 2012 3.6%</li> <li>▪ 2011 5.9%</li> </ul>
<b>FDI growth, 2012:</b>	• 22% (5 <sup>th</sup> in the world) <sup>4</sup>
<b>From command economy to free market in 20 yrs.</b>	<ul style="list-style-type: none"> <li>▪ 12<sup>th</sup> freest economy in Europe and 22<sup>nd</sup> freest economy in the World<sup>2</sup></li> <li>▪ 27<sup>th</sup> in the ease of doing business<sup>3</sup></li> </ul>



Source 1: Statistics Lithuania

Source 2: Heritage Foundation, Economic Freedom Index, 2013. The index measures ten components of economic freedom, that are grouped in four broad pillars: Rule of Law, Limited Government, Regulatory Efficiency, and Open Markets

Source 3: World Bank Doing Business Report, 2012. The index looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle

Source 4: FdiMarkets, 2013

# Key Milestones



Source 1: Statistics Lithuania, Bank of Lithuania, Lithuanian Ministry of Economy, Euromonitor International  
Source 2: European Commission's European Economic Forecast, Spring 2012  
Source 3: Heritage Foundation, Economic Freedom Index, 2011  
Source 4: World Bank Doing Business Report, 2012

# Great Minds Think Alike

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## IT Development Centre

**Functions:** IT development and support  
**Headcount:** 200  
**Established in:** Kaunas, 2011



## Technical Support Centre

**Functions:** IT support, helpdesk  
**Headcount:** 916  
**Established in:** Vilnius, 2010



## Shared Services Centre

**Functions:** IT development and support, finance and accounting  
**Headcount:** 280  
**Established in:** Vilnius, 2012



## Shared Services Centre

**Functions:** customer care, accounting, accounts payable, settlement, credit & risk, anti-money laundering, compliance, IT support  
**Headcount:** 765  
**Established in:** Vilnius, 2010



## Shared Services Centre

**Functions:** finance, accounting  
**Headcount:** 50  
**Established in:** Vilnius, 2012



## IT Centre

**Functions:** IT development  
**Headcount:** 110  
**Established in:** Kaunas, 2012



# Great Minds Think Alike

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## Manufacturing facility

**Functions:** electronics assembly, cable harness, box-build products, testing  
**Headcount:** 350  
**Established in:** Kaunas, 2001



## Research & manufacturing facility

**Products:** enzymes, reagents, kits for molecular and cellular biology  
**Headcount:** 446  
**Established in:** Vilnius, 2010



## Manufacturing facility

**Products:** crankshafts, rotors, parts for gearboxes, exhausts  
**Headcount:** 155  
**Established in:** Marijampole, 1996



## Manufacturing facility

**Functions:** biotechnological pharmacy (recombinant proteins for medical use)  
**Headcount:** 215  
**Established in:** Vilnius, 2006



## Manufacturing plant

**Products:** pet food  
**Headcount:** 900  
**Established in:** Gargzdai, 1993



## Manufacturing & service facility

**Products:** infusion and syringe pumps  
**Headcount:** 70  
**Established in:** Vilnius, 2009



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- Lithuania: Facts and Figures
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# Why Invest in Lithuania?

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**Highly Educated and Multilingual Talent Pool**



**World Class ICT Infrastructure**



**Easy Access to both Eastern and Western Markets**



**Business-Friendly Environment**



**Home to World Leaders in Life Sciences**



**High Quality of Life**

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## Why Invest in Lithuania?

# Highly Educated and Multilingual Talent Pool

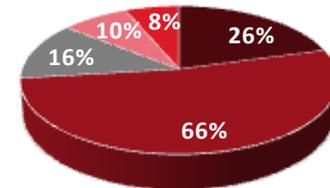
### The Most Educated Labour Pool in the EU:

- Labour pool size: 1.5 million<sup>1</sup>
- 1<sup>st</sup> in the EU: 93% of population have secondary or higher education<sup>2</sup>
- 10<sup>th</sup> in the World: 77% of population are enrolled in tertiary education<sup>3</sup>
- 1<sup>st</sup> in the EU: 47% of population aged 24-29 have a university degree<sup>2</sup>
- 1<sup>st</sup> in the World for the share of female labor force<sup>2</sup>

### Foreign Language Knowledge<sup>2</sup>:

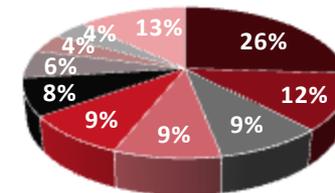
- 92% of population speaks at least 1 foreign language\*
- 52% of population speaks at least 2 foreign languages\*
- Languages spoken: Russian (80% ), English (38%), Polish (24%), German (14%)

### Labour Pool Structure



- Business Administration
- Manufacturing
- Construction
- Services
- Agriculture

### Students at Universities and Colleges



- Business Administration
- Social Sciences
- Law
- Architecture and Construction
- Arts
- IT and Engineering
- Pedagogics
- Health Care
- Humanities
- Other



Source 1: Statistics Lithuania

Source 2: Eurostat, 2011

Female labour force, as percentage of total labour force (50,29%)

Source 3: Insead, the Global Innovation Index 2012

\* EU average: 54% of population speak 1 foreign language, 25% speak 2 foreign languages

## Why Invest in Lithuania?

# World Class ICT Infrastructure

**1<sup>st</sup> in the EU** for Internet download and upload speed<sup>1</sup>

**1<sup>st</sup> in the World** Competitiveness Rankings for communication technology<sup>2</sup>

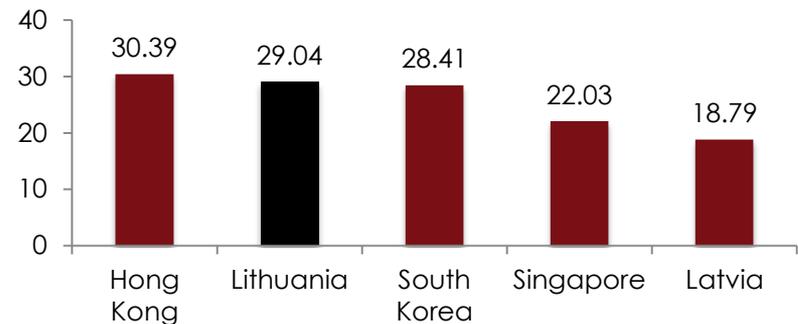
**1<sup>st</sup> in Europe** for density of network of public Internet access points (875)

**2<sup>nd</sup> in the EU** for the share of fixed broadband lines equal to or above 30Mbps<sup>3</sup>

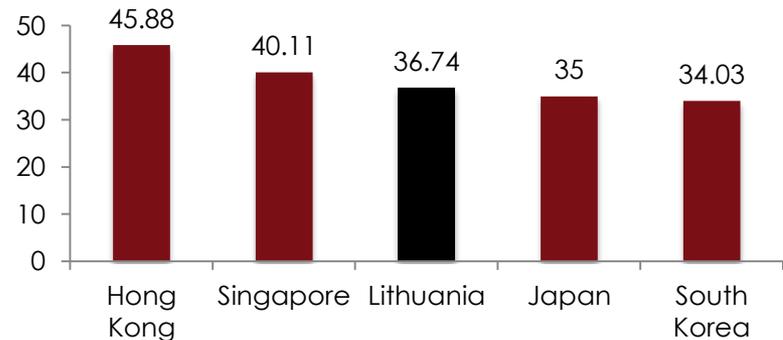
**5<sup>th</sup> in the World** for protection of intellectual property rights<sup>4</sup>

- The most up-to-date ICT technologies (*EDGE technology, 3G mobile communications infrastructure, mobile WiMAX 4G Internet etc.*) fully implemented and functioning in the entire country
- 92% of financial operations are performed via e-banking

**2<sup>nd</sup> Fastest Internet Upload Speed Worldwide (Mbps)**



**3<sup>rd</sup> Fastest Internet Download Speed Worldwide (Mbps)**



Source 1: Top 5 fastest (Mb/s) Internet download and upload speed countries, [www.netindex.com](http://www.netindex.com)

Source 2: IMD, The World competitiveness yearbook, 2011-2012.

Commun. techn. rank evaluates how communications technology (voice and data) meets business requirements

Source 3: FTTH Council Europe

Source 4: Property Rights Alliance (USA), International Property Rights Index, 2012

Based on Expert opinion survey in in each country

## Why Invest in Lithuania?

# Home to World Leaders in IT

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### IT Sector in Lithuania Today:

- 22,000 employed IT professionals
- 980 IT enterprises

### Large Talent Pool:

- 4,500 IT students at 8 universities and 8 colleges
- 1,500 IT graduates each year

### High Growth Potential:

- 3 mln. citizens → 4 mln. mobile subscribers by 2012, i.e. penetration of 150%
- From 2009 to 2011 Lithuania went from 10-20 apps developed per year, to 200-300



2nd biggest App store globally with over 2 billion consumers.



3rd best-selling mobile application on the Mac App Store. Apple Design Award 2011.



MagicDraw UML – 1st Java based UML tool trusted by multinational businesses and NASA; distributed in more than 70 countries.



1st commercial digital signature pilot for mobile in the World. 1st in the World with an online banking application using Natural User Interface (NUI).



Mobile payment solution enables to make payments using a wide range of devices.



No. 1 social network in Nigeria with 2.2 M+ registered users and 5 M+ registered users across the World, focusing on the mobile customers in emerging markets.



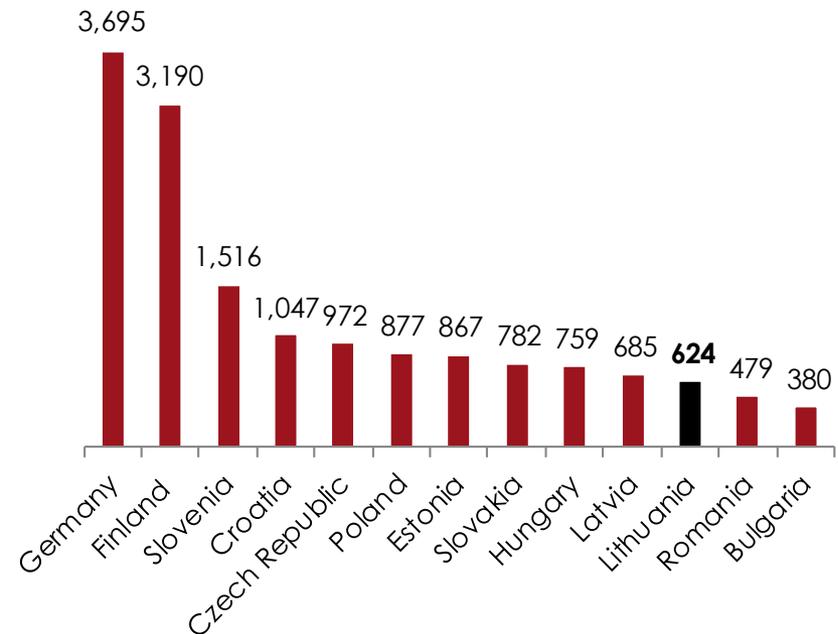


Why Invest in Lithuania?

# Cost-Effective Business Development Location

- Labour costs are more than 4 times lower than the EU average<sup>1</sup>
- Employee turnover (international companies)<sup>2</sup>:
  - ~2% in production
  - ~8% in services

Average Monthly Gross Wages (EUR), 2012<sup>1</sup>



## Why Invest in Lithuania?

# Cost-Effective Business Development Location

### Wages in the IT Industry in 2013

Position in the IT Industry	Experience + language	Average Yearly Gross Salary in €
Help Desk Team Leader	3+ yrs	18,000
Help Desk Agent	0-3 yrs	12,000
Technical Support Team Leader	3+ yrs	18,000
Techn. Support Level 1	0-3 yrs	9,000
Techn. Support Level 2	3+ yrs	11,400
JAVA specialist	0-3 yrs 3+ yrs	14,400 22,800
Web Developer	0-3 yrs 3+ yrs	14,400 22,800
Network Engineer	0-3 yrs 3+ yrs	14,400 22,800

### Wages in the Production Industry in 2013

Position in the Production Industry	Experience + language	Average Yearly Gross Salary, EUR
Production manager	250 FTE	36,000
Quality Manager	5+ yrs	27,600
Quality Engineer	3+ yrs	19,200
Logistic Manager	5+ yrs	24,000
Logistic Specialist	3+ yrs	14,400
Purchasing Manager	5+ yrs	22,800
Buyer	3+ yrs	14,400
Shift Leader	3+ yrs	12,000
Skilled operator (CNC or other)	3+ yrs	10,200
Unskilled operator	0-1 yrs	7,200



Source : Grafton Recruitment 2013

The information provided in this document constitutes a guide to salaries being paid against particular job titles/functions by city in average

The salaries are stated gross in Euro per Month, the salaries are not including benefits / bonuses + language stands for a candidate speaking English and another common foreign language (German, Spanish, French ect.) on a fluent level

+ language is not representing Nordics or other specific languages

## Why Invest in Lithuania?

# Business-Friendly Environment

### Incentives for Investment into New Technologies and R&D<sup>3</sup>:

- R&D and experimental expansion expenses are fully deductible three times
- very short depreciation periods and fast depreciation methods for equipment used for R&D activities

### Incentives for Foreign Businesses Investing in:

- production of export-oriented high-quality services/products/R&D activities
- creation of new qualified jobs
- personnel training/retraining (support covers up to 60% (up to EUR 2,600 per person) and corporate social responsibility opportunities)

### Tax Rate Snapshot<sup>1,2</sup>

	Tax Rates
Corporate profit tax	15%
VAT	21%
Dividends*	Up to 15%
Personal income tax	15%
Employee's social security tax	9%
Social security tax paid by the employer	Up to 31.18%
Real estate tax	Up to 3%



Source 1: PricewaterhouseCoopers

Source 2: KPMG, Deloitte, 2012

Source 3: AmiCorp, "Lithuanian Company as Intellectual Property Holding", January 2012

Why Invest in Lithuania?

# Special Territories for Business Development

## 2 Special Economic Zones (SEZ):

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



Why Invest in Lithuania?

# Science and Business Valleys

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**Five Integrated Science, Study and Business Valleys:**

▪ **ICT & Life Sciences**

- \_ laser- and light- technologies
- \_ materials science and nanotechnologies
- \_ semi-conductor physics and electronics

▪ **Physical and Technological Sciences**

- \_ civil engineering
- \_ sustainable chemistry
- \_ mechatronics and related technologies
- \_ future energy technologies
- \_ ICT

▪ **Sustainable Pharmacy**

- \_ biotechnology
- \_ innovative medical technologies
- \_ molecular medicine and biopharmacy
- \_ ecosystems and sustainable development

▪ **Agricultural Sciences**

- \_ agrobiotechnology, bioenergy and forestry
- \_ food technology, safety and health

▪ **Marine Sciences and Technologies**



Why Invest in Lithuania?

# Modern and Affordable Office Space

Location	Space, m <sup>2</sup>	Average price, EUR/m <sup>2</sup> /month	
		Class A	Class B
Vilnius	450,400	11-14	7-11
Rest of Lithuania	150,000	8-12	5-7

- Majority of offices are built after 2005
- 11, 100 m<sup>2</sup> Class A & B office space was built in Vilnius in 2012
- The total stock in Vilnius is expected to increase by 5% or 18,500 m<sup>2</sup> of leasable area in 2013
- A pipeline of a few large projects that will significantly increase total modern office space in the Vilnius market will be implemented in 2014 - 2015



Source: Ober - Haus

## Why Invest in Lithuania?

# Great Place to Live, Eager to Change, Fast to Innovate

- Among Top 10 least expensive European countries to live in<sup>1</sup>
- Among Top 40 countries in the World for the quality of life<sup>2</sup>
- 17<sup>th</sup> in the World in the Environmental Performance Index 2012<sup>3</sup>
- 70% of citizens either walk, bike or take a bus as a mode of transportation in the capital city Vilnius
- 10<sup>th</sup> place in the World in Smart City rankings<sup>4</sup>
- Vilnius' Old Town, a UNESCO World Heritage site, is vibrant and pedestrian-friendly



Source 1: Mercer Cost of Living Index 2012

Source 2: Quality of Life index, International Living 2011

Source 3: Environmental Performance Index, Yale Center for Environmental Law and Policy 2012

Source 4: Hip Cities That Think About How They Work', The International Herald Tribune 2011

## Why Invest in Lithuania?

# Home to World Leaders in Life Sciences

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### Key Facts:

- 10 manufacturing companies
- 11 research institutes
- Over 1,500 employees in the sector
- Sales grew by 22% YOY (industry average - 15%) in 2011

### Core Competencies:

- Restriction enzymes, modification enzymes, PCR-related products
- Generic drug production
- Recombinant biopharmaceutical substances
- Biochemistry, microbiology, biological engineering



Fermentas Ltd. (acquired by Thermo Fisher Scientific) manufactures and sells enzymes, reagents and molecular as well as cell biology kits. Operates in Vilnius with the capacity of 350 employees.



Sicor Biotech Ltd. (part of TEVA) is the only manufacturing facility in CEE, which produces recombinant proteins for medical use. A team of 214 employees operates in Vilnius.



Biocentras is a research and manufacturing company that employs over 50 people. Biocentras conducts research in ecological biotechnology, biopharmaceutical proteins. Winner of the Eureka Innovation Award (2011).



Sanitas Group, acquired by Valeant Pharmaceuticals International - branded generic pharmaceutical company focused on specialty therapeutic segments. Sanitas Group operates world class GMP compliant production facilities in Lithuania and Poland.



## Why Invest in Lithuania?

# Home to the Leading Laser Cluster

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### Key Facts:

- Cluster of 15 companies and two major research institutes
- Accounts for more than half of the global market of pico-second laser spectrometers
- Leading in global production of ultra-fast parametric light generators (80 %)
- 86 % of production is exported to nearly 100 countries
- Customers: Stanford, Oxford, Berkeley, Harvard, Tokyo and other universities, IBM research center, CERN, NASA, Mitsubishi Research Center, etc.

### Core Competencies:

- Femtosecond lasers
- Pico- and nanosecond lasers
- Application laboratory and microfabrication devices
- Microchip lasers
- Optical components
- Chirped dielectric mirrors



Leading manufacturer of femtosecond lasers & optical parametric amplifiers. Private company with more than 70 people working in Vilnius, close to the Sunrise valley.



EKSPLA manufactures high performance solid state lasers, optoelectronics and laser systems. 94 % of the production is exported. Winner of the 2010 Prism Award for Photonics Innovation for NT200 series laser.



Eksma Optics has 25 years of expertise in the laser and optics fields. The Lithuanian company Eksma Optics will produce high precision optical components for the satellite of European Space Agency (ESA).



Lithuanian laser technology company since 1996 working in photonics and laser research. Solutions include: manufacturing of laser related components; diode-pumped laser sources; laser microfabrication applications; design of optomechanical assemblies.



Why Invest in Lithuania?

# Focus Industries

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## Life Sciences



Manufacturing and sales of enzymes, reagents and molecular, as well as, cell biology kits.



Production of recombinant proteins for medical use.

## Medical Devices



Manufacturing of respiratory care products for use in anesthesia, intensive care and airway management.



Development, manufacturing, distribution and services of medical pumps.

## Electronics



Manufacturing and delivery of a range of products: from fully assembled electronic circuit boards to complete end products globally.



Manufacturing of sensors, switches and other automation components for the global market.

## Metal processing, Engineering



Specialization in the production of forged and machined parts for automotive industry.



Manufacturing of thermo-insulating panels and isothermic transportation equipment.

## Cleantech, Green industries



Development and production of high quality wind power plant components using fiberglass.



R&D and manufacturing of monocrystalline silicon solar cells.



- 
- Lithuania: Facts and Figures
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  - **Case Studies**



# Barclays Technology Centre

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- Established in 2009
- Today Barclays Technology Centre employs more than 880 top IT professionals in Lithuania
- 24/7 service operations globally:
  - \_ Global Network Services
  - \_ Windows Platform Group
  - \_ Global Storage
  - \_ Unix Infrastructure
  - \_ Global Z/os
  - \_ End-User Services and Technology, etc.
- Supporting languages: English, German, French, Spanish, Italian, Portuguese



Barclays Global Retail and Commercial Banking (UK) is a major global financial services provider engaged in retail banking, provision of credit cards, corporate and investment banking and wealth management with an extensive international presence in Europe, the USA, Africa, and Asia.



## Case Studies

# Western Union's Global Operations Center

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- Established in 2010
- Today Western Union's Global Operations Centre employs almost 750 IT, customer service, accounting and other professionals
- Operations:
  - \_ Global Agent Training
  - \_ Customer Care Services
  - \_ Accounting, Accounts Payable, Settlement, Credit & Risk, Anti-Money Laundering, Compliance, etc.
  - \_ IT Support
- 24 supporting languages:  
English, Russian, Spanish, French, German, Italian, Polish, Swedish, Norwegian, Danish, Romanian, Finnish, Arabic, Chinese, Greek, Portuguese, etc.



US-based Western Union is the leader in global money transfer with approximately 455,000 agent locations in 200 countries and territories worldwide.



## Case Studies

# CSC

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- Established in 2007
- More than 250 highly qualified professionals:
  - \_ IT help desk (L1, L2)
  - \_ Project managers
  - \_ Solution architects
  - \_ Request managers, and etc.
- Main focus on supporting the Nordic clients: major airlines, telecom, insurance companies, transportation manufacturers
- Supporting languages: English, Scandinavian languages, Finnish



CSC has been delivering smart technological solutions to solve its clients' toughest challenges for more than half a century. Its experience, expertise and knowledge of using technological innovation to deliver high-value solutions for its clients have helped it to remain a leader in the field.

Operates in more than 90 countries worldwide.

Employs > 98,000 professionals worldwide.



## Case Studies

# MOOG

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- MOOG Inc. acquired Viltechmeda Ltd. in 2008
- 86 employees
- Operations of the world class centre of excellence:
  - \_ Medical pump development, manufacturing, distribution and services
  - \_ R&D activities for new and innovative infusion (cooperation with universities)
- Products sold in 80 countries worldwide:
  - \_ Syringe infusion pumps
  - \_ Large volume pumps
  - \_ Windows Platform Group



MOOG Inc. is a worldwide designer, manufacturer, and integrator of precision motion control products and systems. MOOG's high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications, and medical equipment. Founded in 1951, MOOG employs more than 10,000 people worldwide.



## Case Studies

# MARS

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- Established in 1993 as a greenfield investment
- >800 employees (the largest pet food manufacturer in the Baltics)
- Factory's annual output:
  - \_ 100,000 tones of pet food
  - \_ exporting to 20 different European and the CIS countries
- Products under brand names:
  - \_ dog food: Pedigree and Chappi
  - \_ cat food: Whiskas, Kitekat and Brekkiesy
- Active in terms of corporate social responsibility



Mars, Inc. an American manufacturer of confectionery, pet food, and other food products with US\$30 billion in annual sales in 2010, and is ranked as the 5th largest privately held company in the United States by Forbes. Employs more than 65,000 people worldwide.



# One-stop-shop

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Information

Consultancy

Analysis

Search

Guidance

Networking

Assistance

Aftercare

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# Appendixes

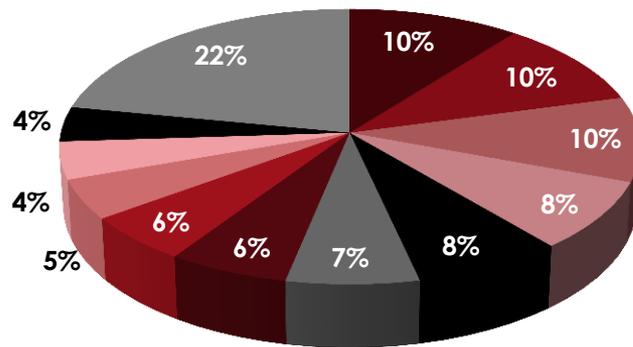
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- **FDI in Lithuania**
- **Lithuania's Exports**



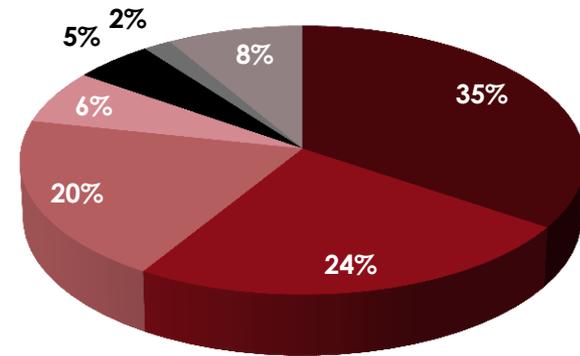
# FDI in Lithuania

TOP Investing Countries in Lithuania over 2003-2012



- United States
- Germany
- Sweden
- Norway
- Finland
- UK
- Estonia
- Denmark
- France
- Latvia
- Russia
- Other

FDI Projects by Business Activity

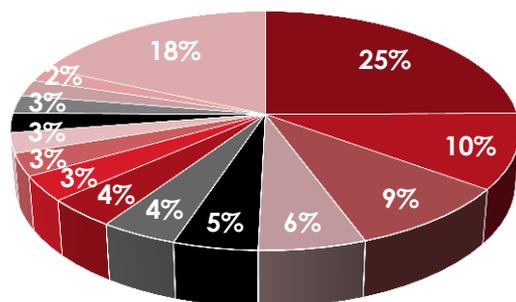


- Manufacturing
- Sales, Marketing & Support
- Business Services
- Logistics, Distribution & Transportation
- Construction
- Design, Development & Testing
- Other



# Lithuania's Exports

Lithuania's Top Export Partners in 2012\*

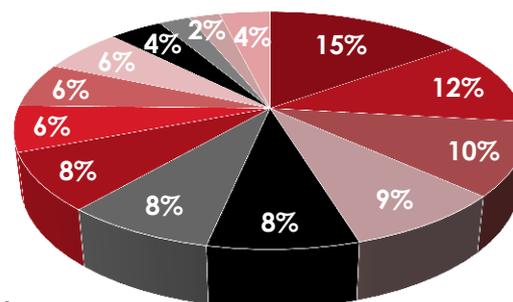


**Total EUR 17,414 million**

\*Excluding mineral products, total EUR 5,6 million

- Russia
- Germany
- Latvia
- Belarus
- Poland
- Sweden
- Estonia
- United Kingdom
- France
- Denmark
- Norway
- Netherlands
- Italy
- Kazakhstan
- Other

Lithuania's Exports by Sector, 2012\*



- Machinery and mechanical appliances
- Chemical products
- Vegetable products
- Vehicles, aircraft, vessels and other transport equipment
- Food, beverages and tobacco
- Plastics
- Furniture, toys and their parts
- Textile and textile products
- Live animals and animal products
- Base metals and articles of base metal
- Wood and articles of wood
- Optical, medical and similar equipment and apparatus
- Pulp, paper and paperboard
- Other



\*Mineral fuels; mineral oils and products of their distillation; bituminous substances; mineral waxes