WE SPEAK FLUENT BUSINESS
LET'S TALK LITHUANIA.

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Invest
Lithuania

Let's talk Lithuania
Facts & Figures

Population[1]	2.9 million
Labour Pool[2]	1.5 million
Capital	Vilnius
Official language	Lithuanian
Dominant foreign languages	English, Russian, German, Polish
Real GDP growth[1]	3.0% (2015)* 2.9% (2014) 3.3% (2013) 3.8% (2012) 6.1% (2011)

#1 For GDP/Capita growth in EU[3]

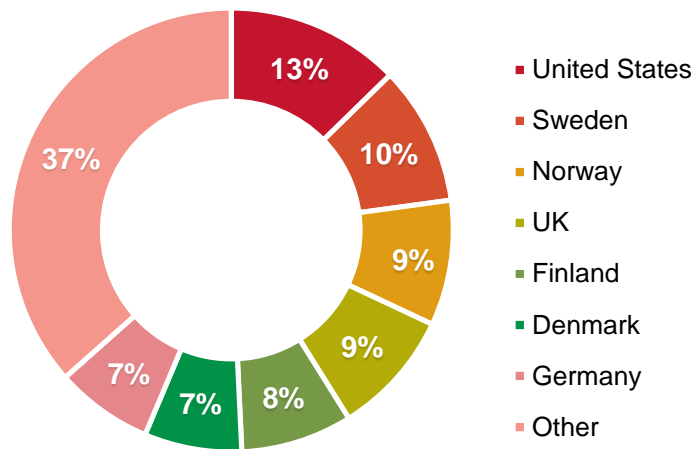**#11** For ease of starting business[5]

#15 Freest economy in the world[4]

BALTIC REGION
110 million

CIS
250 million

340 million

WESTERN EUROPE

Let's talk Lithuania
FDI Projects overview

**TOP INVESTING COUNTRIES
BY NUMBER OF PROJECTS[1] / 2010-2014**

- United States — 13%
- Sweden — 10%
- Norway — 9%
- UK — 9%
- Finland — 8%
- Denmark — 7%
- Germany — 7%
- Other — 37%

FDI PROJECTS BY ACTIVITY[1] / 2010-2014

- Manufacturing — 31%
- Business Services — 15%
- IT — 13%
- Shared Services Centre — 12%
- Sales, Marketing & Support — 9%
- Other — 20%
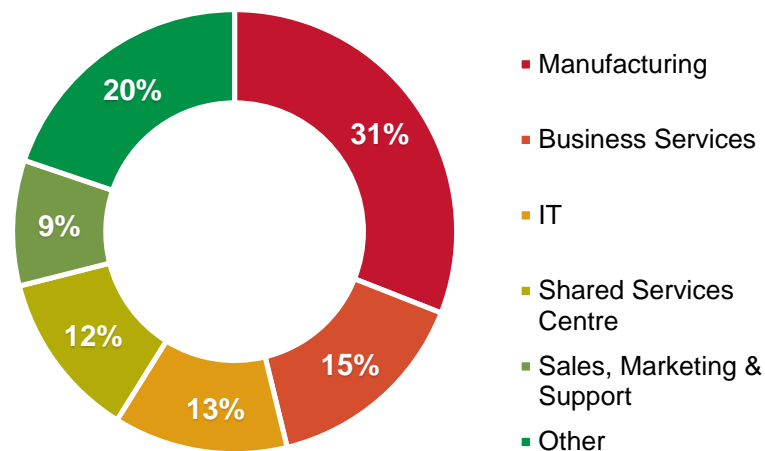
A

PRIORITY SECTORS FOR INVESTMENT

1
SSC & Business Services

2
Manufacturing

3
Life Sciences

Let's talk Lithuania

#1 Global SSC & Business Service in Lithuania

BARCLAYS **Technology & HR Centre**

Functions:	IT development and support
Headcount:	1,300
Established in:	2009, Vilnius

CSC **BPO Center**

Functions:	IT development and support
Headcount:	350
Established:	2007, Vilnius

WESTERN UNION WU *moving money for better* **Global Operations Centre**

Functions:	IT, Accounting, Compliance
Headcount	1,300+
Established in:	2010, Vilnius

CITCO **BPO Centre**

Functions:	Accounting and legal services
Headcount:	230+
Established in:	2007, Vilnius

S|E|B **Shared Service Centre**

Functions:	IT and support, F&A, HR operations
Headcount:	520
Established in:	2008, Vilnius

Danske Bank **Shared Service Centre**

Functions:	F&A services
Headcount:	650
Established in:	2012, Vilnius

Lithuania:

Western Union's Global Operations Centre

" **The talent we have found in Lithuania has been motivated and inspired to drive results and improvements in Western Union's globally diverse and dynamic business.** "

Kendra Ricenbaw, Managing Director for Western Unions' Europe Regional Operating Center and a Vice-President of Western Union

Functions:	24/7 Global Processing Center:
	▪ Accounting
	▪ Accounts payable
	▪ Settlement
	▪ Credit & risk
	▪ Anti-money laundering
	▪ Compliance
	▪ IT support
FTE:	1,300+
Languages:	26 languages
Est.:	2010, Vilnius

WESTERN UNION WU
*moving money for better*

Let's talk Lithuania
#1 Global SSC & Business Service Overview

- **12,000+** professionals employed in 54 SSC/BPOs

- **82% growth** of the SSC industry in the past 3 years[1]

- Among **Top 10** destinations globally for FDI in SSC[2]

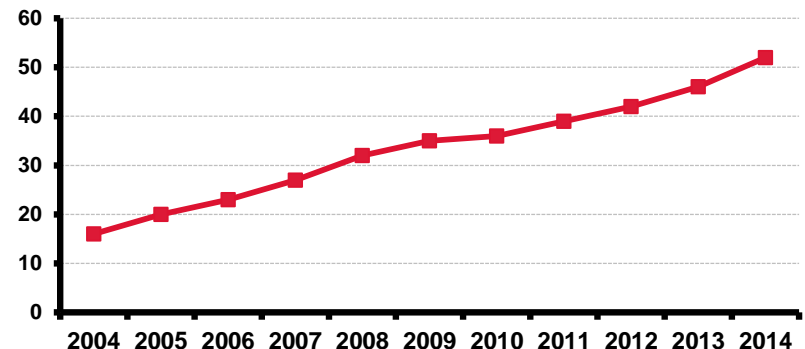## TOP Countries Investing in SSC[3]

- **#1 DK**   10 SSC/BPO's

- **#2 US / UK**   9 SSC/BPO's

- **#3 NO**   7 SSC/BPO's

- **#4 SE**   6 SSC/BPO's

- **#5 FI**   5 SSC/BPO's

SSC & BPO PRESENCE IN LITHUANIA BY FUNCTION

- F&A — 30%
- IT — 28%
- Multifunction — 20%
- Call Centre — 13%
- Analytics — 5%
- Other — 4%
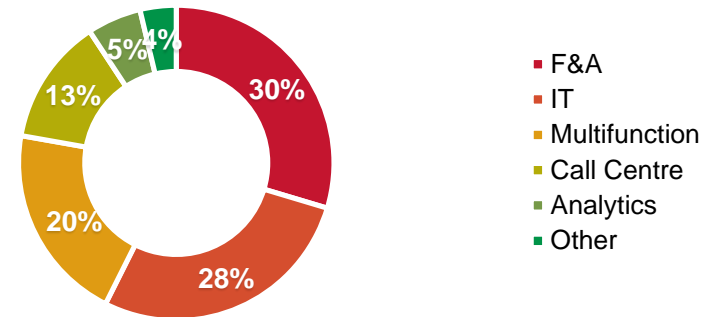
NUMBER OF SSB/BPO IN LITHUANIA

Let's talk Lithuania

#2 International Manufacturing Presence in Lithuania

MARS **Manufacturing plant**

Products: pet food
Headcount: 800
Established: 1993, Klaipeda region

SCHMITZ CARGOBULL The TrailerCompany. **Manufacturing plant**

Products: iso-thermal trucks, trailers and semi-trailers
Headcount: 330+
Established: 1999, Panevezys

YAZAKI **Manufacturing plant**

Products: automotive wiring harnesses
Headcount: 700+
Established: 2002, Klaipeda

Kitron **Manufacturing plant**

Products: electronic circuit boards
Headcount: 400+
Established: 1993, Kaunas

KINZE **Manufacturing plant**

Products: seeding and planting equipment
Headcount: ~20 [250 by 2016]
Established: 2013 / Vilnius region

PHILIP MORRIS INTERNATIONAL **Manufacturing plant**

Products: Tobacco
Headcount: 470
Established: 1993 / Klaipeda

Lithuania:
Schmitz Cargobull

> " Our efficiency rates in Lithuania are outstanding. Local team of innovative engineers and the flexible production line we've put in place have allowed us to stay ahead of the curve to exceed the demands of the constantly shifting market needs. "

Raimundas Petrauskas
Managing Director at Schmitz Cargobull Baltic

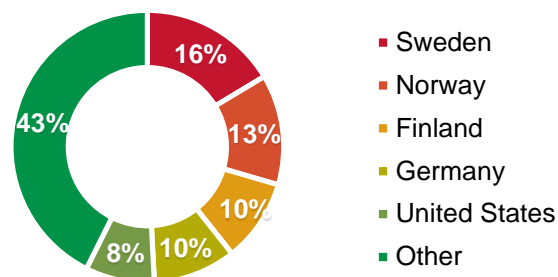|	
Products:	▪ Thermo-insulating panels ▪ Isothermal transportation equipment: insulated trucks, trailers and semi-trailers
Employees:	330+
Est.:	1999, Panevezys

SCHMITZ CARGOBULL
The Trailer Company.

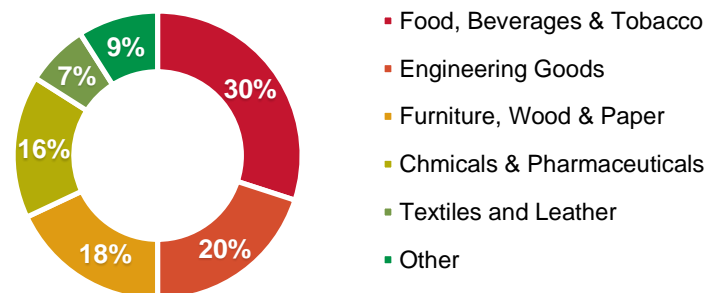# Let's talk Lithuania
#2 Manufacturing Sector Overview

- Turnover of foreign controlled manufacturing companies **doubled** since 2009[1]

- **20%** of Lithuania's GDP is generated by manufacturing sector[1]

- **>67%** of all manufacturing production is exported mainly to[4]:

  - **#1**   **Germany**
  - **#2**   **Sweden**
  - **#3**   **Poland**
  - **#4**   **Latvia**
  - **#5**   **United Kingdom**

TOP COUNTRIES INVESTING IN MANUFACTURING 2010-2014[2]

- Sweden — 16%
- Norway — 13%
- Finland — 10%
- Germany — 10%
- United States — 8%
- Other — 43%

MANUFACTURING STRUCTURE / 2013[3]

- Food, Beverages & Tobacco — 30%
- Engineering Goods — 20%
- Furniture, Wood & Paper — 18%
- Chmicals & Pharmaceuticals — 16%
- Textiles and Leather — 7%
- Other — 9%

#3 International Life Science Presence in Lithuania

VALEANT
Pharmaceuticals International
Manufacturing

Products:	injectable compounds
Headcount:	110+
Established:	2011, Kaunas

ThermoFisher
SCIENTIFIC
Manufacturing / R&D

Products:	reagents
Headcount:	490+
Established:	2010, Vilnius

INTERSURGICAL
COMPLETE RESPIRATORY SYSTEMS
Manufacturing

Products:	respiratory care products
Headcount:	1,710+
Established:	1996, Vilnius
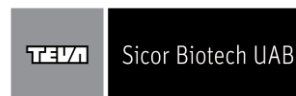
TEVA Sicor Biotech UAB
Manufacturing / R&D

Products:	recombinant proteins
Headcount:	210+
Established:	2004, Vilnius

MOOG
Manufacturing / R&D

Products:	medical devices
Headcount:	100+
Established:	2010, Vilnius

biotechpharma
Manufacturing

Products:	recombinant proteins
Headcount:	90+
Established:	2004, Vilnius

Lithuania:
Thermo Fisher Scientific

> **Thermo Fisher's investment in Lithuania is our symbol of confidence in the biotechnology talent within Lithuania and its potential impact worldwide.**

Alan Malus
Executive VP at Thermo Fisher Scientific

ThermoFisher
SCIENTIFIC

|	
Activity:	creates, produces, and sells products of molecular biology (enzymes primarily)
Employees:	450+
Est.:	2010, Vilnius

Let's talk Lithuania
#3 Life Sciences Sector Overview

- **345** manufacturers in the industry[1]

- Life sciences industry has **expanded by 15%** over 2009-2012, reaching ~USD 514 m[2]

- **26%** growth of pharmaceutical and medical production exports observed over 2010-2014[3]

- **>70%** of all pharmaceutical and medical production is exported mainly to[1]:

  - **#1**   **Germany**
  - **#2**   **United States**
  - **#3**   **United Kingdom**
  - **#4**   **France**
  - **#5**   **Russia**

STRUCTURE OF LIFE SCIENCES SECTOR[2]
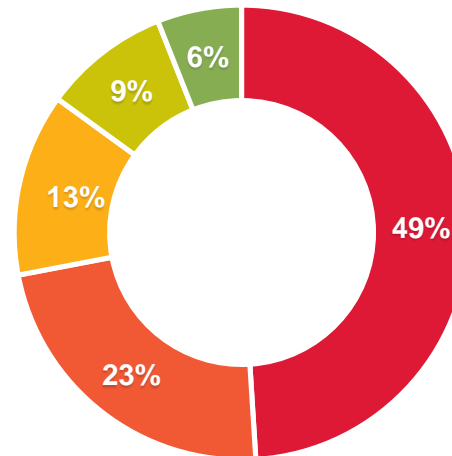
- Medical & dental practice — 49%
- Manufacturing of medical & dental equipment — 23%
- Manufacturing of pharmaceuticals — 13%
- Manufacturing of measuring, testing & navigation equipment — 9%
- R&D in natural sciences and engineering — 6%

B

LITHUANIA'S QUALITIES

1 Young competence & talent

2 Fast to connect infrastructure

3 Cost & quality combined

4 Business friendly environment

5 Perfect living pace

Lithuania's qualities
#1 Young competence & talent

Top 5 in the EU with the highest
ratio of young people[1]

Ambitious young professionals

- **#1 in the EU** or **93%** of our population have higher
  or secondary education[2]

- **#1 in the EU** for mathematics, science and
  technology graduates per capita[3]

- **16%** of Lithuania's young professionals specializes
  in engineering, manufacturing and construction (**x2
  EU average**)[4]

- **50%** of all student population study fields applicable
  for services industry[5]

Source 1: Eurostat, 2013
Source 2: Eurostat, 2013 (age group 25-64)
Source 3: Eurostat, 2012 (age group 20-29)
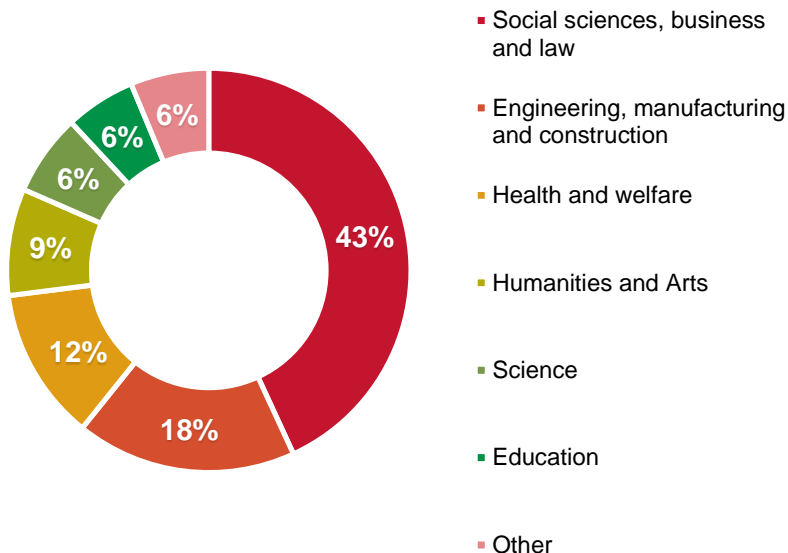Source 4: Eurostat, 2012 (age group 25-29)
Source 5: Ministry of Education and Science, 2015

Lithuania's qualities
#1 Young competence & talent

STRUCTURE OF STUDENTS AT HIGHER EDUCATION 2014-2015[3]

- Social sciences, business and law
- Engineering, manufacturing and construction
- Health and welfare
- Humanities and Arts
- Science
- Education
- Other

43%
18%
12%
9%
6%
6%
6%

Language

- **80%** proficiency in English among young professionals[1]

- **50%** speak at least 2 foreign languages[2]

- **Main languages:** English, Russian, German, Polish, Scandinavian and Romanic languages

Lithuania's qualities
#2 Fast to connect infrastructure - communications

- **Leading** broadband speed in the EU and globally[1]

- **Fastest public** Wi-Fi in the world[2]

- **#1 in the EU** for fibre-to-home penetration[3]

- **#4 globally** in fulfilling business needs for ICT[4]

- **#3 most affordable** internet in the EU[1]

Lithuania's qualities
#2 Fast to connect infrastructure - logistics

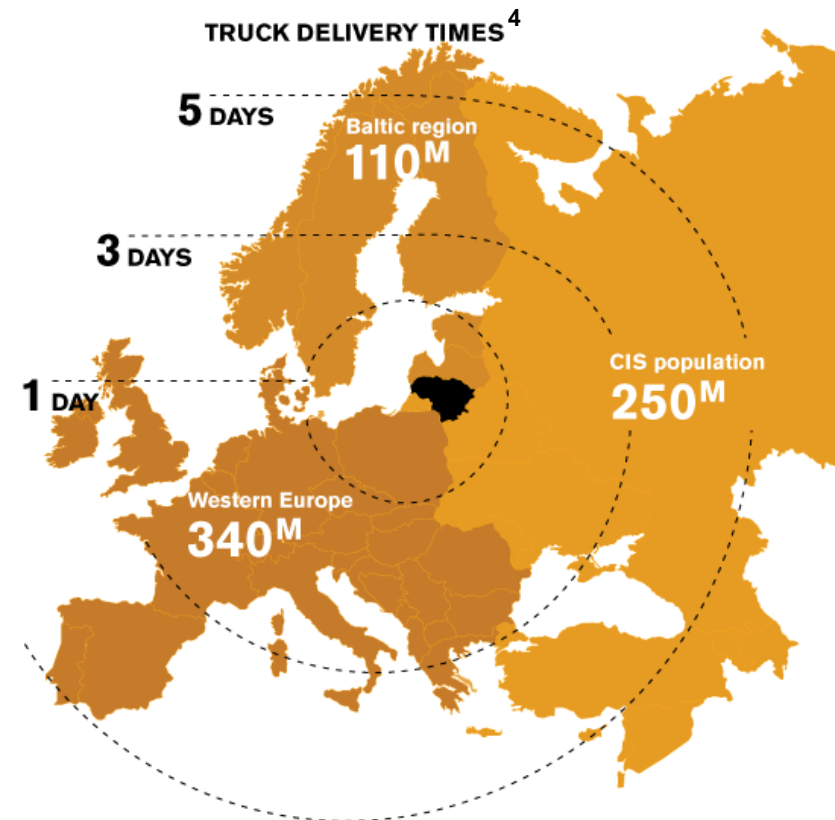### 1st in the CEE for quality of roads[1]

Road & Rail:

- **25,800 truck fleet** in Lithuania in comparison with Germany: 308,078, Denmark: 21,038, Sweden: 15,248[2]

- Rail cargo services direct to Russia, Belarus, Latvia, Poland, Germany, Ukraine and Asia (incl. China)

Air:

- 4 International Airports, access to major European cities and Moscow within **2-3 hours flight**

Sea:

- Klaipeda State ice-free Seaport

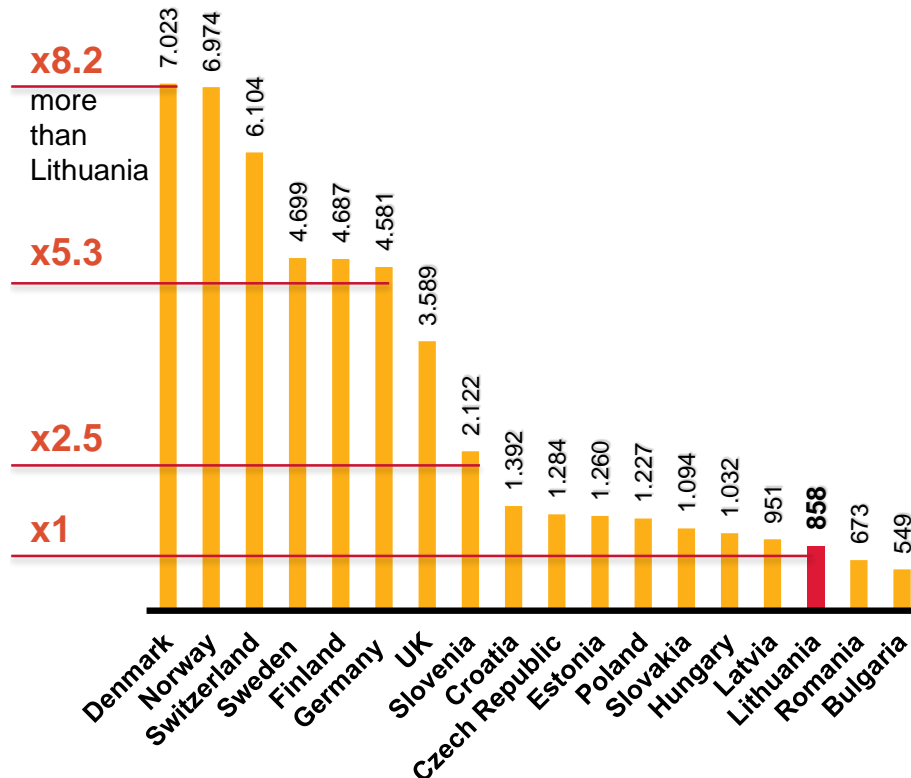- **14.5 m** deep port, handling up to **60 million tons** of cargo annually, the largest port in the Baltic States[3]

TRUCK DELIVERY TIMES[4]

5 DAYS
Baltic region
110M

3 DAYS

CIS population
250M

1 DAY

Western Europe
340M

Lithuania's qualities
#3 Cost & quality combined

AVERAGE MONTHLY GROSS WAGES (USD), 2013[1]

Denmark	7.023
Norway	6.974
Switzerland	6.104
Sweden	4.699
Finland	4.687
Germany	4.581
UK	3.589
Slovenia	2.122
Croatia	1.392
Czech Republic	1.284
Estonia	1.260
Poland	1.227
Slovakia	1.094
Hungary	1.032
Latvia	951
Lithuania	**858**
Romania	673
Bulgaria	549

x8.2 more than Lithuania
x5.3
x2.5
x1

2.5% average real wage growth for 2014-2015[2]

Position	Average Monthly Gross Salary[3], USD
Production Technologist	1,192
Technical Supervision Engineer	1,384
Project Manager	1,590
Technical Director	2,384

Lithuania's qualities
#4 Business friendly environment

	LT	LV	PL	DE	SE
Corporate profit tax	0 - 15%	15%	19%	< 33%	22%
VAT	21%	21%	23%	19%	25%
Dividends	0-15%	0%	0-19%	0-25%	0-30%
Personal income tax	15%	24%	< 32%	< 45%	< 57%
Social security tax	9% employee 30.98% employer	10.5% employee 23.59% employer	Total 35%	Total ~40%	7% employee < 31.42% employer

#2 BEST PLACE TO INVEST IN EUROPE

Source: Baseline Profitability Index 2014, Foreign Policy

DOING BUSINESS IN LITHUANIA

DAY 3

IDEA — START — GROWTH

Source: Ministry of Economy of the Republic of Lithuania, 2013

Lithuania's qualities
#4 Business friendly environment – tax free zones

7 Free Economic Zones (FEZ):

- **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*

Industrial Parks (IP)

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

FEZ IN LITHUANIA

Lithuania's qualities
#4 Business friendly environment – financial incentives

- Lithuania's Government[1]:

  Up to 25% of investment to long-term fixed assets or job creation

  Taxation treaties with 50 countries[2]

  Corporate profit tax incentives for R&D - fully **deductible expenses x3**[2]

  Investment projects: corporate profit tax can be **reduced up to 50%**[2]

- European Union[2]:

  Up to 50% of R&D activities

  Up to 50% of employee training

- Additional:

  Up to 23.3% of youth employment costs[3]

  Up to USD 795* per month reimbursed for employment of unemployed[4]

Lithuania's qualities
Perfect living pace

Easy access to Europe

- Regular flights to all major European destinations, with **flight-times of only 2-3 hours**.

Cost of living:

- According to the Mercer Cost of Living Index 2014, Vilnius is one of the five **least expensive** EU capitals to live in for expatriates.[1]

Lifestyle:

- Vilnius is ranked by the New York Times alongside Copenhagen, Barcelona and Capetown as a **hip and well managed place** to live.[2]

We are a government agency that provides free investment advice, contacts and data.

Let's talk if you need someone to:

INFORM you on business costs, labour, tax & legal settings and other business areas.

CONNECT you to partners and organise your business meetings in Lithuania.

FACILITATE the set up and launch of your company, access the government financial support and a range of training schemes.

SUPPORT your investment by lobbying for more business friendly laws and assisting in one-off problems.

1. Inform

2. Connect

3. Facilitate

4. Support

Let's talk Lithuania

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" As advocates of the "can-do" attitude, when we first visited Lithuania we were thoroughly impressed by the creativity, energy and entrepreneurial spirit of the people we met. That's the Wix way, and so Lithuania seemed like a natural fit for our company. "

Boaz Inbal, Manager of External Dev. Centres at Wix.com