

Ten Reasons to Invest in Lithuania



MOST COMPETITIVE SECTORS OF LITHUANIAN ECONOMY IN LONG TERM PERSPECTIVE

- Transportation, construction and logistics
- Biotechnology, Pharmacy and Laser technology
- Machinery and electrical equipment's production
- Foodstuffs and beverages
- Telecommunications and information technologies
- Textile and clothing
- Fertilisers and chemicals
- Wood processing and furniture manufacturing
- Refined oil production

Political and Social Stability Followed by Rapid Economic Growth

With a strong, pro-business government, excellent external relations and harmonious minority relations internally, Lithuania is an oasis of political and ethnic stability in the region. It has a stable currency, strong banking sector, and offers unrestricted movement of capital and dividends.

GDP in IV Quarter 2001 totaled US\$ 3 billion at current prices and as compared to the corresponding period of 2000 went up by 7.9%. GDP of 2001 made up LTL 47.8 billion at factual prices and against the corresponding period of 2000 increased by 5.7%.

Strategic Location Bridging the EU and the CIS

Lithuania is strategically located in the gateway between the EU and the CIS. Being on a sea and land route, Lithuania is serving as an arterial road between the East and the West, the North and the South. At present, the ice-free port of Klaipeda handles cargoes that go to and come from Russia, Kazakhstan at one end and Germany, the Netherlands, the U.S., and then South America and Asia at the other end.

Export Orientated Economy

Most foreign businesses invest in Lithuania for export production purposes. Many local producers have already achieved the highest international quality standards. Lithuanian export went up by 21.3%, while import increased by 15.1% over January-November 2001 as compared to the same period of 2000. The amount of exported goods totaled US\$ 4.2 billion.

Strong FDI Growth

Increase of foreign investment in Lithuania is one of the fastest among Central and Eastern European Countries for two years running, with its cumulative total doubling in 1997 and reaching US\$ 2.7 billion in 2001. Attractive "Greenfield" and privatization projects in infrastructure, transport and energy exist.

Well-developed Transportation Networks

The EU Transport Commission designated Lithuania as the region's transport hub, with 2 out of the 10 priority corridors in Europe intersecting in Lithuania. A network of European-standard 4-lane highways links major industrial centers. Lithuania has a well-developed transportation system. Road construction is underway for connecting with the Trans-European transportation network. It will be part of the transportation system around the Baltic Sea and a transportation axis linking Russia and the Baltic Sea. The country offers 4 international airports and an ice-free port on the Eastern Baltic.

Availability of Well-Trained, Low-Cost Labor Force

The yearly number of university graduates per 1000 inhabitants is one of the highest in the region. The cost of labor is among the lowest. The average monthly wage in the manufacturing sector in Lithuania is under US\$ 300, one tenth that of industrialized countries, including those in



the EU. It is also 20% - 50% lower than that in Central and Eastern European Countries.

Low Operating and Living Costs

Utilities, rent, building, overhead, service and living costs are among the lowest in Central and Eastern Europe. Thus, Lithuania has significant cost advantages while offering geographical proximity to the EU and Eastern markets.

Free Economic Zones and Industrial Parks

Lithuania's Free Economic Zones and Industrial Parks boast excellent infrastructure and transshipment facilities, highly qualified labor forces and offer investors extremely attractive incentives. There is also plenty of industrial land with direct access to ports, railroads and highways available.

Multinational Investor Satisfaction

Siemens, Telia, Philips, Motorola, Mars/Masterfoods, Sonera, Kraft Food International, Festo, Lancaster Steel, Partec, Kemira, Philip Morris, Danisco, SEB, Carlsberg, Cargill, Marzotto and Penninox are among the multinationals that have chosen to locate production facilities in Lithuania.

A Rapid Growth of E-Business

Lithuania has adopted the Law on Electronic Signature at the same time as the USA. Government policy helps to boost e-commerce and a digital "business-to-business". environment.

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