Invest Lithuania Lithuania Co-create

2024

Lithuania's business services report

Companies that have chosen Lithuania for GBS & ICT

Information Technology and Communications

accenture, adform, bazaarvoice, Bentley, centric, cognizant, Dassault Systèmes, Dell Technologies, devoteam, DXC Technology, EISA, epam, exadel, EXADEL, HCLTech, IBM, itransition, KAYAK, LIT-IT (part of NTT DATA), NFQ, Nortal, notified, omega 365, OP SEC, ORACLE, Revel (A SHIFT4 COMPANY), Rocket software, SAi360, SAPIENS, sermo, shopify, SuperOffice, Telia, TransUnion, twoday, unisys, valantic, vention, VISMA, WiX

Other Industries

arctic adventures, British Embassy Vilnius, Digitech (Expert EMS billing and technology), Euromonitor International, majorel, Teleperformance (each interaction matters), Transcom

Cover photos: © Norbert Tukaj; © Simas Bernotas

Financial Services

alterDomus*, BLOCKCHAIN, CITCO, convera, Danske Bank, Guidehouse, intrum, KPMG, MOODY'S, MUFG, Nasdaq, NORIAN (a part of ECIT), Revolut, schonfeld, SEB, Swedbank, Western Union

Manufacturing, Engineering and Transportation

AL-KO, BMI, cencora, Continental, COWI, CSD ENGINEERS+, DANA, DEMATIC, Dexcom (Continuous Glucose Monitoring), Eisfeld Ingenieure, etex, FESTO, GREENCARRIER, Hallo Healthcare Group, Hollister, HEGELMANN GROUP, JAS, JM Johnson Matthey, Littelfuse (Expertise Applied | Answers Delivered), MEDIQ, Metso, MICRO MATIC, MOUSER ELECTRONICS, NKT, nobia, NOKIA, Nordzucker, outokumpu, Owens Corning, PHOENIX group, Royal Unibrew, TGW Living Logistics, WinBas, YARA (Knowledge grows)

Table of contents

Preface **5**
Lithuania Overview **6**
Invest Lithuania **7**
Work in Lithuania **8**
International House Vilnius & Klaipėda **9**

Lithuania's GBS & ICT Industry Overview **10**

01 Industry Highlights 11
02 Sector Overview 12
03 Sector Growth 14
04 Saturation 15
05 Location 16
06 Largest Newcomers of the Decade 18

Survey Findings **20**

07 Functions Performed 21
08 GBS & ICT Functions in Detail 22
09 Markets Covered 24
10 Languages Spoken 26
11 Programming Languages 27
12 Technology Ecosystem 28
13 Finance Ecosystem 30
14 Intelligent Process Automation 31
15 Education Levels 32
16 Cooperation with Education Institutions 33
17 Attrition Rates 34
18 Employee Benefits 35
19 Diversity 36
20 ESG/CSR 37

Additional Information **38**

21 Wage Growth 39
22 Wages for Different Functions 40
23 Real Estate 42

Preface

Dear Reader,

This is an anniversary year for our in-depth study on the Global Business Services & Information and Communication Technology (GBS & ICT) industry in Lithuania. It's been 10 years and 10 issues since we first started on this journey and much has happened since then. Just looking at sector size alone, in our first report we had 12,000 employees across 54 companies, while today we have 27,000 employees across 98 companies. Hence, we've seen the sector double in just 10 years.

But that's only part of the picture. During that time, the real success has been the sector's maturity, evolving from mainly customer service operations to delivering a diversity of complex functions. Here we're talking advanced functions, like Fund Administration, AI, Software Development, Engineering, and Cyber Security. Indeed, the picture in the last few years has been of companies establishing Centers of Excellence here on the back of our globally recognized talent.

We hope that you gain some valuable insight into what makes our dynamic sector tick, and let's look forward to the next ten years!

Rūta Kriščiūnaitė
Head of GBS & ICT team
at Invest Lithuania

About the survey

The data was collected in the second quarter of 2024 by Invest Lithuania.

68 companies employing over 24,000 professionals participated in the survey, which accounts for 70% of all GBS & ICT centers in the industry and 90% of its total labor force.

70% of all GBS & ICT centers in the industry

90% Of the total labor force in the industry

Lithuania Overview

National security

A proud member of both the EU and NATO, Lithuania has pledged 2.52% of GDP to its national defense, the highest amount of all NATO states. The country will also soon be a permanent base for a 5000-soldier strong German heavy brigade. This emphasis on security is also reflected in the fact that defense sector employment has grown by 14% in the last 5 years.

Cybersecurity

Lithuania takes cybersecurity seriously. 2024 sees the country assume chairmanship of the EU Cyber Rapid Response Force (CRRT) Council. Meanwhile, the Regional Cyber Defense Center led by the Lithuanian Ministry of National Defense has ambitions to become a regional hub for practical co-operation towards strengthening cybersecurity measures.

Energy supplies

Lithuania leads the EU when it comes to energy independence. It is the first country in the bloc to announce full independence from Russian gas. It's also firmly committed to transitioning to renewables, setting the target of achieving 90% of energy consumption to renewable sources by 2030. Key to securing these goals are such large-scale projects as the 700MW offshore Baltic Sea wind farm.

Lithuania is a member of every major international organization

NATO OTAN

WORLD TRADE ORGANIZATION

OECD

Global Business Services plays a significant role in the Lithuanian economy not only through FDI results, but most importantly, through value created. GBS value is far beyond paid taxes and employment numbers, it is about Lithuanian talent recognition in the global economy. On the other hand, current global challenges require us to reimagine the future of GBS value creation in the global economy. This report is a perfect snapshot of our GBS community growth & transformation towards higher value add, both to enterprises and Lithuania. I hope the report findings will inspire you to seek prospects and growth opportunities in the next era of the ever-changing global economy.

Elijus Čivilis

General Manager at Invest Lithuania (Sep 2021 – Present)

Invest Lithuania

Your active partner throughout your investment journey

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

Invest Lithuania

investlithuania.com

Decision-making

We will provide tailored market analysis, local industry insights and fill you in on the local legal framework.

Business Establishment

Whoever you need to meet to help you make the best decision – we'll find them and connect you.

Business Aftercare

Once you're up and running, we'll give you the support you need to grow and prosper, all the way to lobbying for what you need.

Work in Lithuania

Work in Lithuania connects international talent with employment opportunities in Lithuania via its engaging and easy to use online platform. With its catchy slogan of "Lithuania – a place to build the life you want", it has positioned the country as a destination where foreign talent can accelerate their career while creating the life they want.
Central to this is the "work-life" balance that has been identified by countless international professionals. Indeed, the agency and its message have been so successful that traffic to its platform continues to grow. Monthly platform visitors have grown by 44%, while applications received per month on average increased more than 3 times.

Work in Lithuania

workinlithuania.com

63K up by **44%** since last year.

Monthly platform visitors on average[1]

4.9K up by **314%** since last year

Monthly applications on average[1]

260+

International companies active on the platform[1]

TOP fields by applications received[1]

1. Accounting & Financial Services
2. Information Technology & Services
3. Software Engineering
4. Information Technology & Services
5. Operations & Customer Service

TOP targeted countries according to applications[1]

Source 1: Work in Lithuania, 2024.

Table of contents

International House Vilnius & Klaipėda

International House Vilnius

ihvilnius.lt

International House Klaipėda

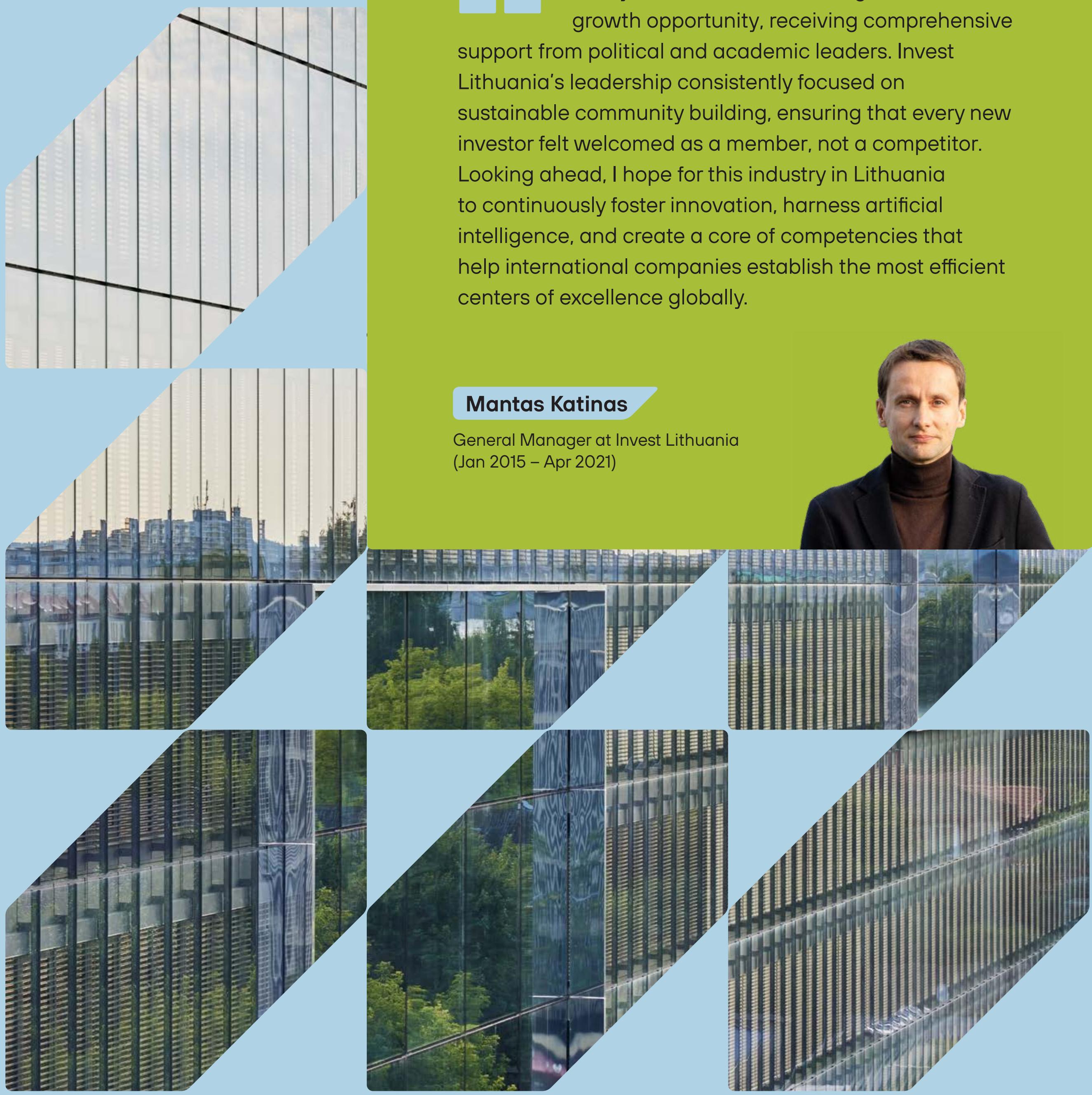
ihklaipeda.lt

International House, branches of which are in Vilnius and Klaipėda, is an agency set up to act as a one-stop shop for support and guidance relating to all steps of the relocation process and beyond.

At International House offices one can expect to get help on various topics, such as the local taxation system for individuals and businesses, consultations on employment opportunities as well as social insurance, or events and activities in Lithuania's cities, that welcome all to experience what the country and its culture is like.

© International House Vilnius

GBS& ICT Industry overview



The GBS & ICT industry in Lithuania has always been seen as a strategic economic growth opportunity, receiving comprehensive support from political and academic leaders. Invest Lithuania's leadership consistently focused on sustainable community building, ensuring that every new investor felt welcomed as a member, not a competitor. Looking ahead, I hope for this industry in Lithuania to continuously foster innovation, harness artificial intelligence, and create a core of competencies that help international companies establish the most efficient centers of excellence globally.

Mantas Katinas

General Manager at Invest Lithuania
(Jan 2015 – Apr 2021)

1. Industry Highlights

So, what is our real story? How did our GBS & ICT sector achieve the maturity that today makes it a draw for companies looking to set up centers of excellence? Read on and find out the answers, and uncover insights on why Lithuania is a great destination for expansion and growth.

Lithuania's GBS & ICT Sector at the beginning of 2024[1]

98
Number of investor companies with GBS centers

27K
Number of employees in GBS centers

15%
Percentage of foreign nationals in GBS centers

66%
Percentage of GBS centers actively developing Process Automation solutions

71%
Percentage of GBS centers carrying out ESG/CSR activities

15%
Average voluntary attrition rate in GBS centers

TOP advantages of Lithuania indicated by the GBS & ICT companies[2]

1. Availability of well-educated talent
2. Competitive labor costs
3. Availability of multilingual talent
4. Well-developed IT and telecommunications infrastructure
5. Stable political and economic environment

Source 1: Data collected on 1st of January 2024.
Source 2: Lithuania's GBS industry survey results, 2024.

Vilnius Central Business District
© Simas Bernotas

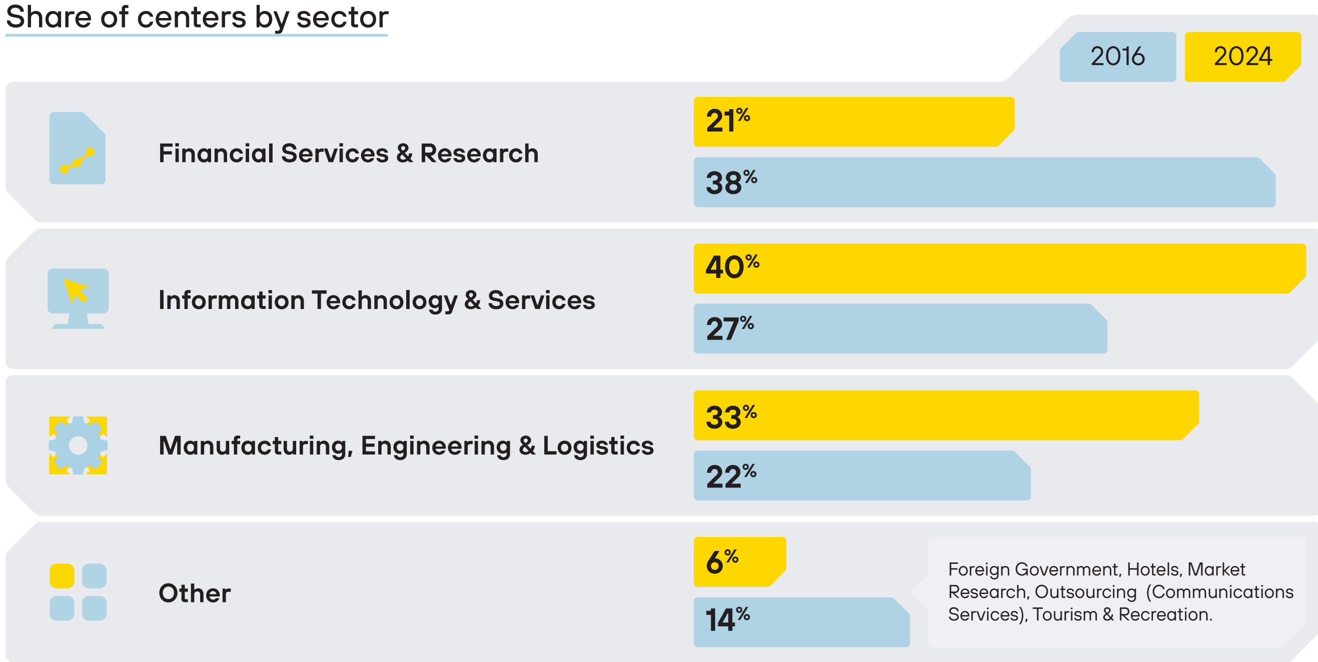
2. Sector Overview

By sector

The story has remained unchanged since last year, with the Financial Services and Research industries still the largest industries in the sector, accounting for 47% of total employment. In respect to center share, Financial Services and Manufacturing industries experienced a slight increase from last year, with them now accounting for 21% and 33% respectively.

Interestingly, looking back across our report history, we can see that Information Technology & Services sector has consistently taken centre stage in the Lithuanian GBS & ICT scene. Even way back in 2016 it accounted for nearly 30% of all centers.

Share of centers by sector



Share of centers by number of employees

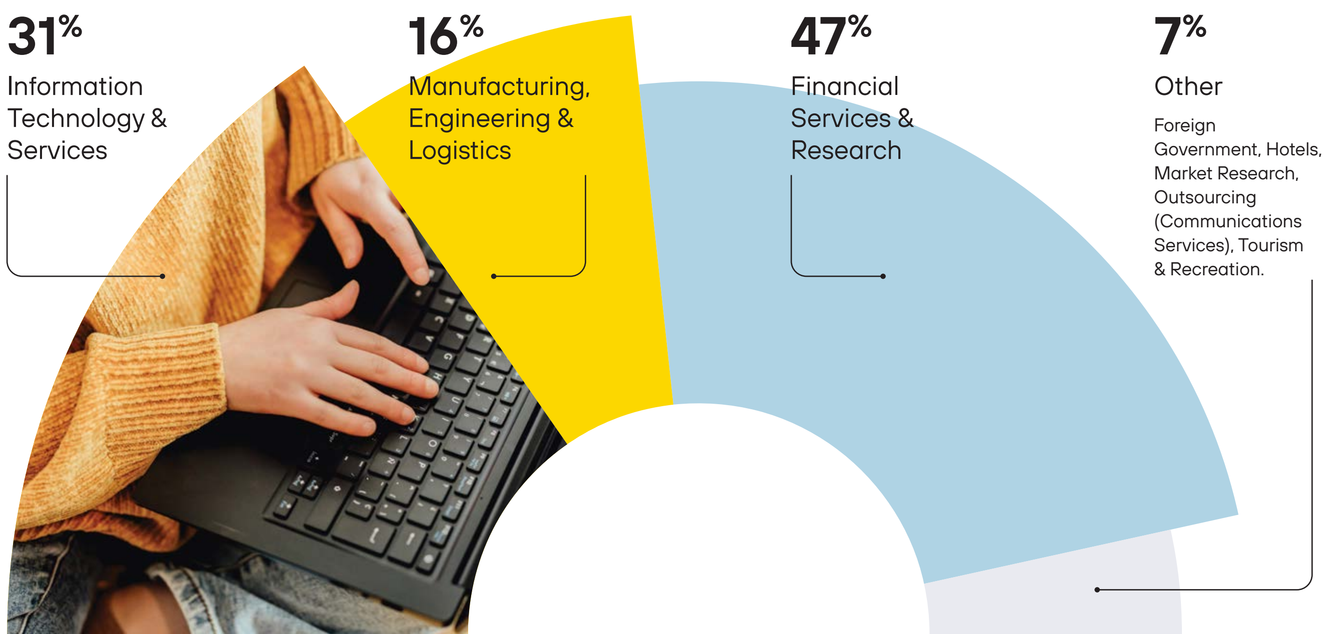
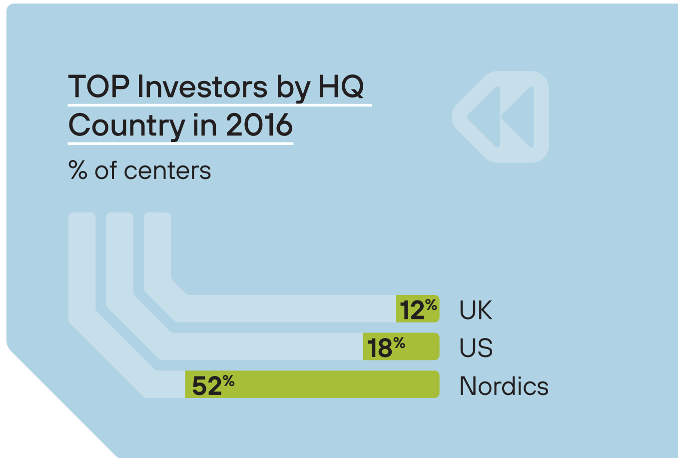


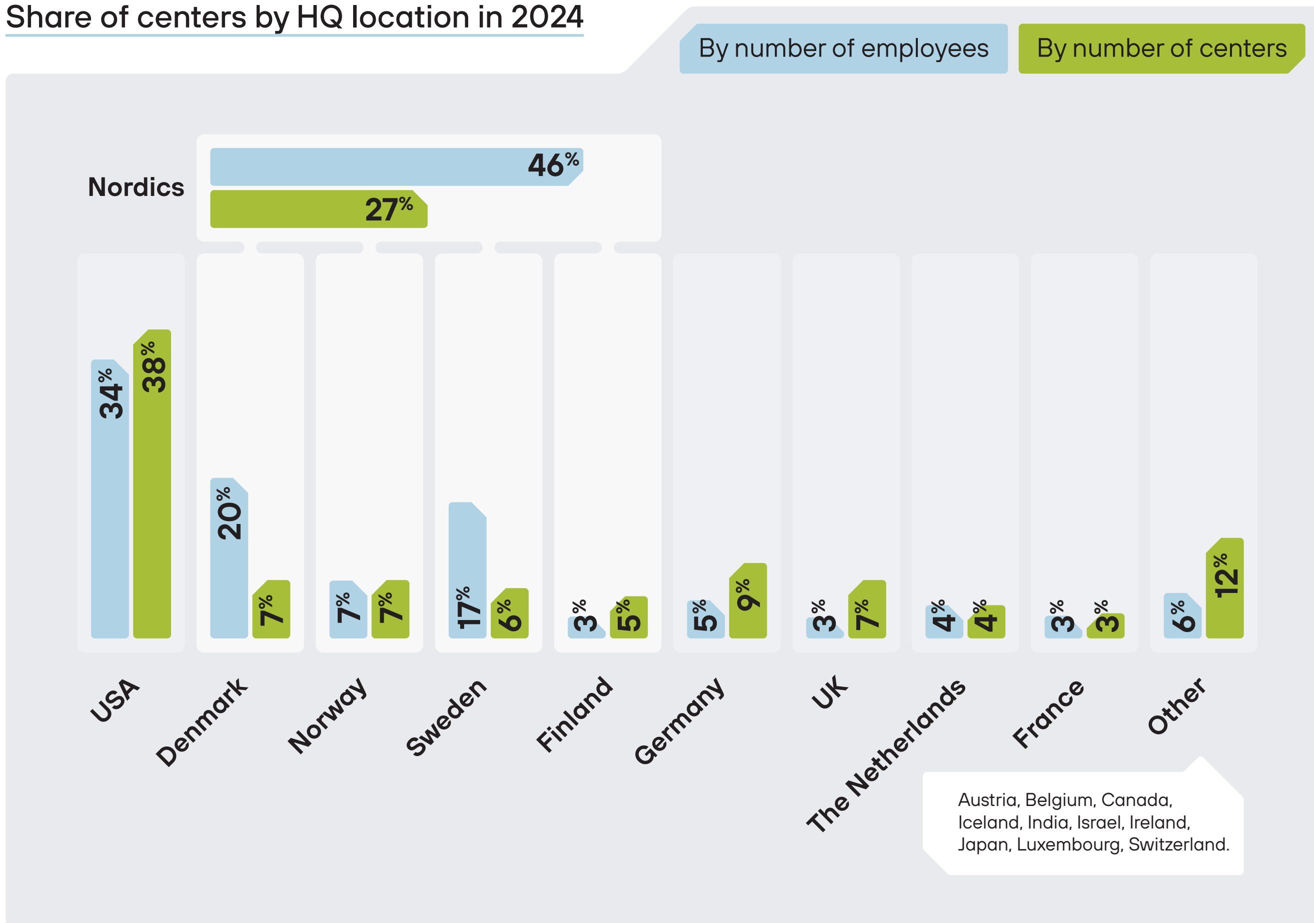
Table of contents

By HQ location

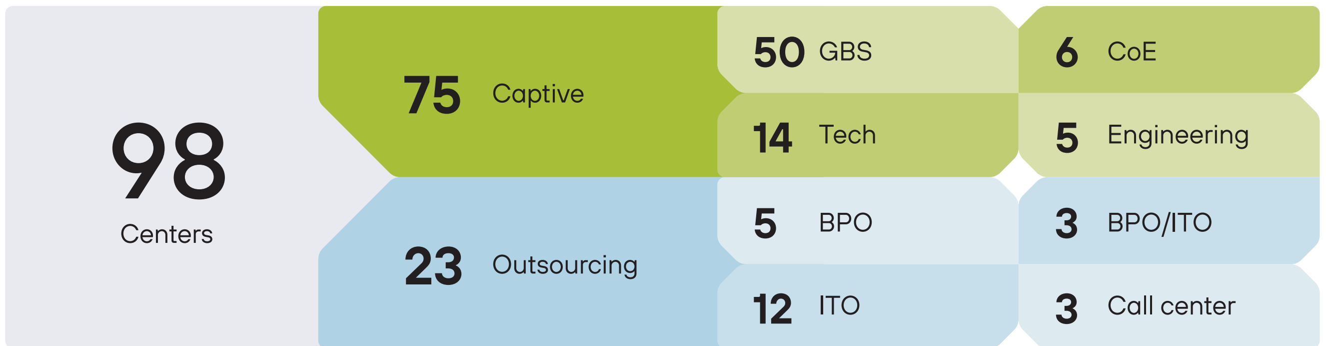
Looking back to our second report in 2016, we can see that Norway, Sweden, and Denmark accounted for more than 50% of all centers in Lithuania. This is unsurprising considering their close geographic proximity. The picture has, however, changed over time. Nowadays the largest single investor in the local GBS scene is the US, which accounts for 38% of all centers. That is not to say that the Nordics are any less important. The opposite is the case. They remain the biggest combined employer – employing almost 50% of all talents in the sector.



Share of centers by HQ location in 2024



Business Services centers by type in 2024



3. Sector Growth

Geopolitical tensions in the CEE regions have continued to simmer, which has impacted the expansion plans of many companies. However, those companies already established remain more optimistic. In fact, the region is fertile ground for expansions, with 50% of existing investors reporting that they are intending to increase their FTE footprint in Lithuania in 2024, and the news is even better for 2025, with 70% reporting planned increases for then. In fact, Lithuania has managed to avoid the waves of market turbulence and mass layoffs that plagued much of last year.

Fresh arrivals in 2023/24 include Johnson Matthey, a British multinational chemicals and sustainable technologies company, which selected the newly built Artery Offices in Vilnius as their base.

Meanwhile, Mouser Electronics, a subsidiary of TTI, which belongs to Warren Buffett's Berkshire Hathaway, opened a European Customer Service Center in Vilnius.

Notable expansion projects include Devoteam, which has decided to expand its Cloud operations in Kaunas, as well Guidehouse, a leading global provider of consulting and managed services to public sector and commercial clients, which is set to employ additional 300 AML professionals in their office.

These and other examples are an illustration of the depth and breadth of functions covered by the sector, and a clear sign of the momentum and growth potential that still lies in the industry.

Number of employees in the GBS & ICT Sector

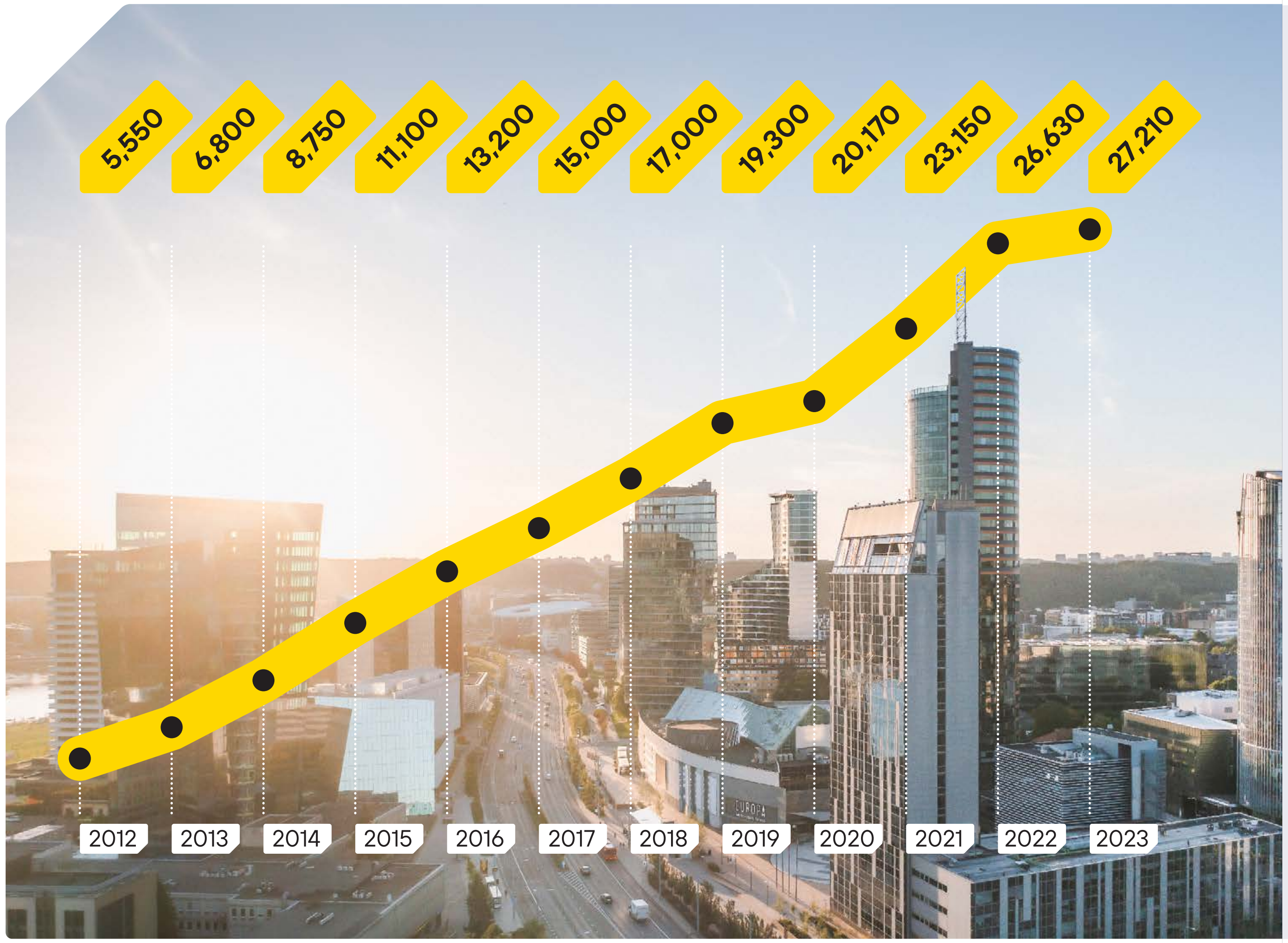


Table of contents

4. Saturation

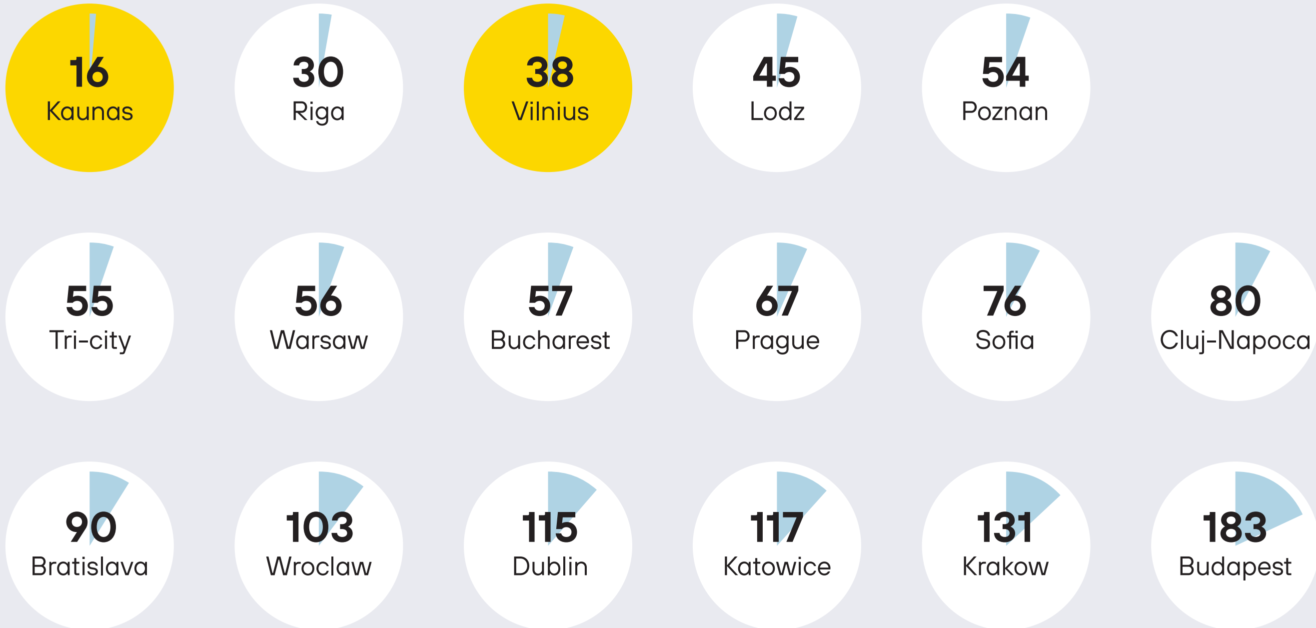
Amid lower sector growth and continued positive net migration, saturation levels in Lithuania have now become even more competitive than in many neighboring CEE locations. This creates attractive conditions for companies looking to scale up quickly, easily retain talent and secure sustainable growth.

With Vilnius proving to be the more favored location for the newest entrants, Kaunas still retains its position as the least saturated city in the CEE.

> As a proud EU and NATO member, Lithuania's economy should reflect an internationalist vision. Key to this are the foreign companies that have made Lithuania their home. Together, we've co-created operational expansion, strategic visions, and a culture of innovation. Increased cooperation with US investors and consultants has been crucial in this transformation. The GBS sector in Lithuania is a beacon of our potential on the global stage, and I hope we continue this growth trajectory that has defined the sector since 2009 when Barclays opened one of the first major GBS centers in the country.

Milda Dargužaitė
General Manager at Invest Lithuania (Jun 2011 – Mar 2014)

People employed in Business Services Centers per 1,000 residents:



Sources: Invest Lithuania, 2023 / ABSL Business Services Sector in Poland Report, 2023 / ABSL Business Services Sector in Latvia, 2023 / ABSL Business Services Sector in the Czech Republic, 2023 / National Investment Promotion Agencies, 2023 / National Statistics Departments, 2024.

5. Location

Vilnius-Kaunas hub[3]

2024	**1.45M** population	**829K** talent pool[1]
2016	**1.39M** population	**730K** talent pool[1]

One of the biggest stories to unfold within a decade is that of population growth – the combined population of Kaunas and Vilnius grew by almost 2% since 2015. And those twin cities continue to constitute the main hub for the GBS & ICT sector. With only 100 km separating the two, it's not uncommon for talent to live in one city and work in the other, and this flexibility is further enhanced by the prevalence of hybrid working opportunities.

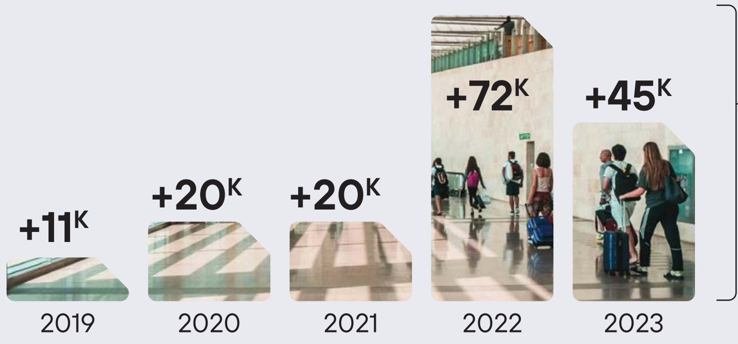
Talking of logistics, both major cities are well served by international airports that are located close to their centers, with the development of a new terminal at Vilnius promising more flights and destinations on the horizon.

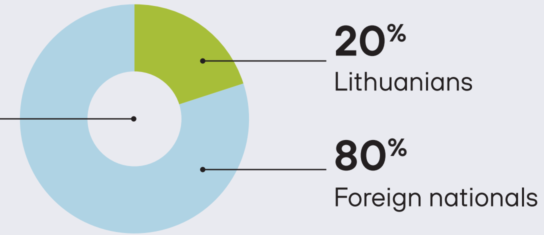
Unity Square in Kaunas
© Andrius Aleksandravičius

Source 1: Statistics Lithuania, 2024.
Source 2: Migration Department of Lithuania, 2024.

Table of contents

Positive net migration was recorded for the fifth year in a row in 2023[1]





Vilnius

Vilnius in 2024 is a truly cosmopolitan city. It boasts highly skilled and multilingual talent from across the globe, as well as a wide range of class A business premises. The city and its environs are still growing, with their combined population now reaching almost 700,000. Vilnius is also a beacon for the region – just last year it hosted the prestigious and geopolitically important NATO summit. And this recognition spreads beyond business and politics – this year it entered the Euromonitor's Top 100 City Destination Index[1] for the first time.

- A population of over **690,000** citizens[2].
- **73,000** foreign nationals living in Vilnius[3].
- **2nd in CEE and 3rd mid-sized city** in European cities of the Future 2024[4].
- **2nd mid-sized city** in Europe for Human Capital in European cities of the Future 2024[4].

- The population of over **400,000** citizens[2].
- **33%** of Lithuania's students study in Kaunas[2].
- **2nd in CEE** small city for Business Friendliness in European cities of the Future 2024[4].
- **3rd in CEE** small city for FDI Strategy in European cities of the Future 2024[4].

Kaunas

Kaunas has come a long way since the first report was assembled in 2015, when little more than 2,000 talents were employed by 8 GBS & ICT centers. The number of centers has since more than tripled to 27, as has the employee headcount, to 4,600. Furthermore, 7 companies have their GBS centers split between Vilnius and Kaunas, which are only an hour's drive between each other. The city was recognised in the Attractive European City and Regions categories by fDi Magazine and was a European City of Culture in 2022. It is also home to KTU (Kaunas Technology University), a regional STEM education powerhouse.

Source 1: Euromonitor International, 2023.
Source 2: Statistics Lithuania, 2024.
Source 3: International House Vilnius, 2024.
Source 4: fDi Intelligence, 2024.

6. Largest Newcomers of the Decade

For newcomer entrants and established players alike, the Lithuanian GBS & ICT ecosystem offers great untapped potential for growth and expansion. Check out some of the companies that have tapped into these resources to grow the scope of their functions and deliver success.

2015 – Nasdaq

Activity: Financial Technology

Current FTEs: 480

Functions: Product & Technology Management, Software & Systems Engineering, QA, DevOps, Cloud, Cybersecurity, Data Science & AI, Client Success, Market Operations, Data and Business Intelligence, FP&A and Treasury

2016 – outokumpu

Activity: Stainless Steel Manufacturer

Current FTEs: 190

Functions: F&A, SAP, Payroll, HR, Software Architecture, Data Science & Engineering, Analytics, AI, Supply Chain Management, Process Automation, Process Mining, Network Infrastructure

2017 – Telia

Activity: Telecommunications Services

Current FTEs: 1,000

Functions: IT, Software Development, Data Science & Engineering, IoT, Process Automation, AI, F&A, HR, Customer Services & Support, Cloud, Product Management

2018 – MOODY'S

Activity: Credit Ratings and Research

Current FTEs: 220

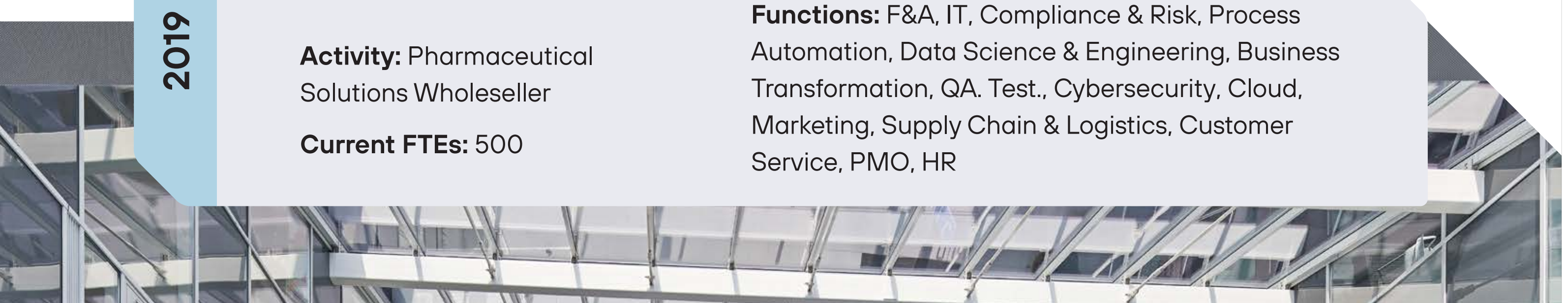
Functions: F&A, Compliance & Risk, Customer Service, Sales, HR, Cybersecurity, Data Science & Engineering, Analytics, AI, Business Transformation, Ratings Operations & Controls

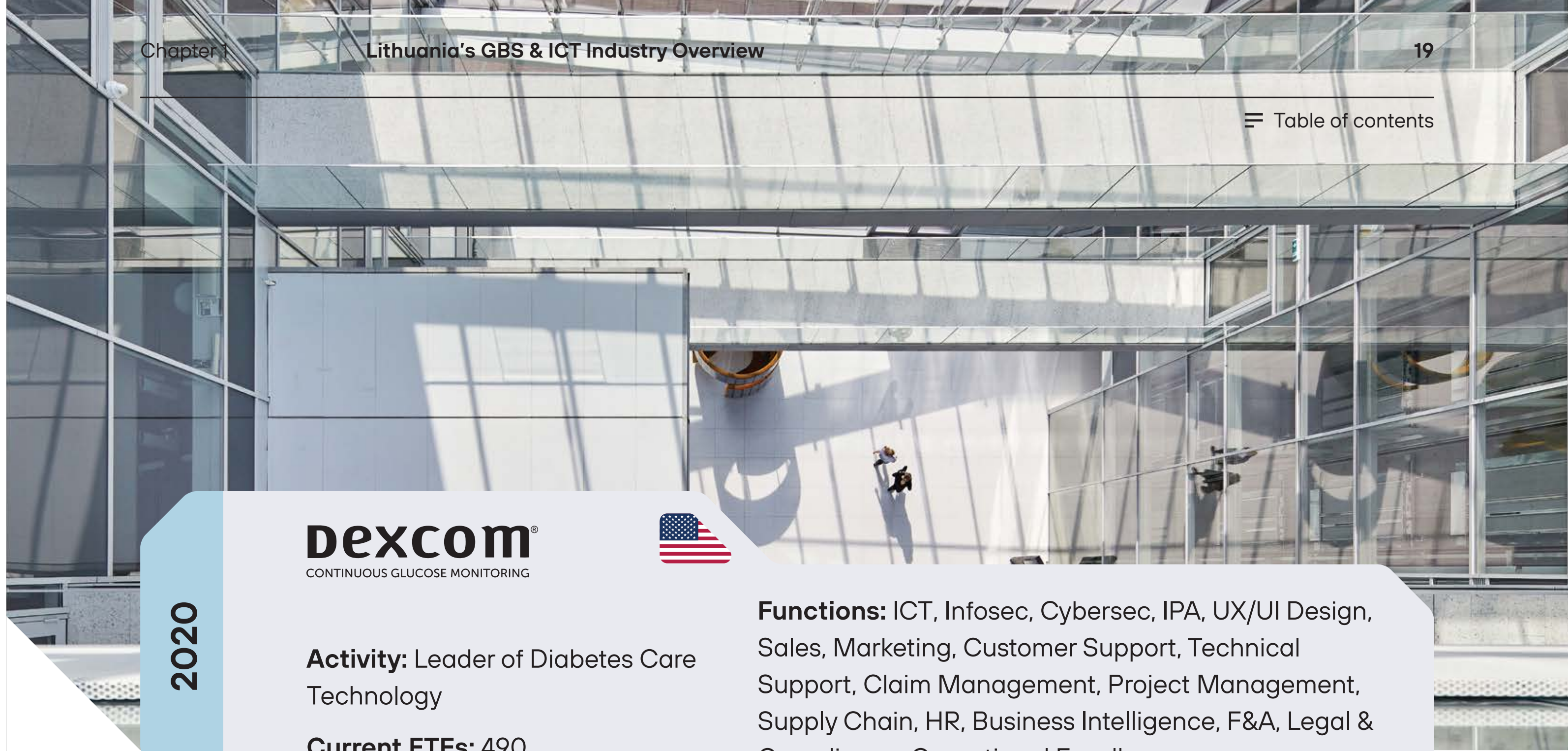
2019 – cencora

Activity: Pharmaceutical Solutions Wholeseller

Current FTEs: 500

Functions: F&A, IT, Compliance & Risk, Process Automation, Data Science & Engineering, Business Transformation, QA. Test., Cybersecurity, Cloud, Marketing, Supply Chain & Logistics, Customer Service, PMO, HR





2020 – Dexcom (CONTINUOUS GLUCOSE MONITORING)

Activity: Leader of Diabetes Care Technology

Current FTEs: 490

Functions: ICT, Infosec, Cybersec, IPA, UX/UI Design, Sales, Marketing, Customer Support, Technical Support, Claim Management, Project Management, Supply Chain, HR, Business Intelligence, F&A, Legal & Compliance, Operational Excellence

2021 – alterDomus*

Activity: Fund Administration and Corporate Services

Current FTEs: 350

Functions: Fund Accounting and Administration, Portfolio Accounting, AML/KYC, Payments, Legal, Tax, Consolidation, Depository, HR, IT

2022 – BMI

Activity: Roofing Systems Manufacturer

Current FTEs: 150

Functions: F&A, Master Data Management, Data & Analytics, HR, System Administration, Project Management

2023 – JM Johnson Matthey (Inspiring science, enhancing life)

Activity: Specialty Chemical and Sustainable Technologies Solutions Provider

Current FTEs: 110

Functions: Business Enabling Services: Finance, HR, IT, and Business Transformation

2024 – LIT_IT (part of NTT DATA)

Activity: IT and Business Services Solutions

Current FTEs: 40

Functions: Custom Software Development, Application Support and Maintenance, Cloud & Infrastructure Services, Data Platform Management, IT Consultancy, BPO

Survey Findings

Ten years ago, we embarked on a journey to create Lithuania's GBS & ICT community gatherings, beginning with a modest five-page industry report and bringing industry leaders together. This initiative sparked a transformation that we, as Lithuanians, celebrate today. Now, Lithuania hosts one of Europe's most dynamic GBS & ICT industries, driven by our community's traits of openness, supportiveness, and collaboration. Each year brought new opportunities and challenges, strengthening our industry's resilience. This success highlights the power of public-private collaboration in achieving remarkable outcomes. Our story underscores what dedication and unity can achieve. Moving forward, let's remain committed to growth, innovation, and mutual support, ensuring our industry continues to thrive and inspire.

Laisvis Makulis

VP and Head of Business Services & ICT
(Sep 2015 – Nov 2022)

Table of contents

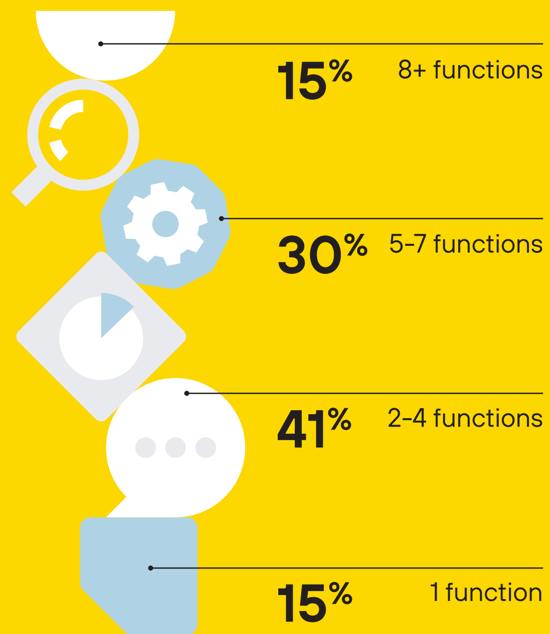
7. Functions Performed

Since the first report in 2015, the Lithuanian GBS & ICT industry has become a multifunctional and multilingual powerhouse. The export rate for services is now 95%, up from 65% in 2015. And even amidst a slower year for FTE growth, 62% of companies are planning to introduce new functions, with most related to future focused functions, such as AI, Software Engineering and Data Sciences.

45%

of GBS & ICT Centers perform 5 or more functions.

Number of functions performed by share of GBS & ICT centers:



Functions performed by share of employees:

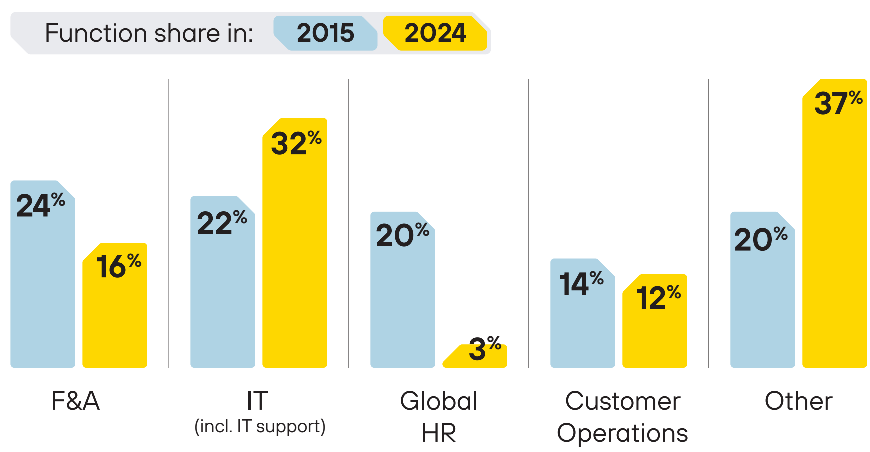
Information Technology (excl. IT support)	29%
BFSI*	22%
Finance and Accounting	16%
Customer Operations	12%
Global HR	3%
IT Service Desk & Support	3%
Logistics & Supply Chain Management	2%
Consulting	2%
Process Automation	2%
Other	9%

Business Transformation, Document and Knowledge Management, Engineering (non-IT), Legal, Marketing, R&D.

*Banking, Financial Services, and Insurance specific functions, including AML/KYC, Compliance & Risk Management, Asset Management, Fund Accounting, Payment Processing, and others

To appreciate just how far the GBS & ICT sector has come, you need only look at how the functions provided have become increasingly more diverse and complex. Around the publication of the first report, simpler F&A functions such as Account Payable or Master Data Management were more common, but now, more niche Technology focused functions, like Cybersecurity and Data Science, are in ascendance.

Share of functions performed historically



8. GBS & ICT Functions in Detail

Area	Function	2016	2024
F&A	Accounts Payable / Accounts Receivable	53%	56%
F&A	Audit	0%	19%
F&A	Business Controlling	34%	38%
F&A	General Ledger & Reporting	37%	53%
F&A	Master Data Management	29%	38%
F&A	SAP	0%	19%
F&A	Travel & Expenses	37%	35%
F&A	Treasury	16%	22%
BFSI	AML / KYC	8%	15%
BFSI	Asset Management	0%	19%
BFSI	Compliance & Risk Management	0%	26%
BFSI	Fund Accounting	0%	13%
BFSI	Other BFSI Specific Services	0%	4%
BFSI	Payment Processing	0%	25%
Customer operations	Customer Helpdesk (Back office operations) - Voice	29%	22%
Customer operations	Customer Helpdesk (Back office operations) – Non-voice	0%	31%
Customer operations	Customer Service Delivery	0%	37%
Customer operations	Sales & Account Management Support	29%	31%
HR	Administration & Reporting	34%	47%
HR	Compensation & Benefit	21%	28%
HR	Payroll	26%	31%
HR	Recruitment	24%	43%

> Reflecting on our journey, it's remarkable to see how Lithuania's GBS & ICT sector, initiated just 15 years ago, has exponentially grown. Today, it supports 27,000 high-value jobs and injects millions into our economy annually. Pioneers like Barclays and Western Union established strong foundations for GBS in Lithuania, fostering a sustainable, resourceful, and ethical talent pool. Following their example, Danske Bank has become Lithuania's largest center, employing nearly 5,000 people. With continued support from the government and Invest Lithuania, our sector's growth is a testament to our collective efforts.

Giedrius Dzekunskas
Site Manager at Danske Bank Lithuania

Table of contents

Area	Function	2016	2024
IT	Full Stack Development	0%	35%
IT	Front-End Development	41%	43%
IT	Back-End Development	46%	46%
IT	Mobile Development	37%	19%
IT	Game Development	0%	1%
IT	Desktop Development	0%	12%
IT	Embedded Software Development	0%	7%
IT	Quality Assurance & Testing	0%	44%
IT	DevOps	0%	38%
IT	Software Architecture	0%	35%
IT	Systems Engineering	0%	29%
IT	Infrastructure - Cybersecurity	0%	26%
IT	Infrastructure - Cloud Operations	0%	40%
IT	Infrastructure - System Administration	39%	40%
IT	Infrastructure - Database Administration	0%	28%
IT	Infrastructure - IT Service Desk & Support	42%	40%
Other	Data Engineering	24%	38%
Other	Data Science & Analytics	37%	51%
Other	AI & Machine Learning	0%	26%
Other	Product Management	0%	44%
Other	Product & UX\UI design	0%	28%
Other	Logistics Management	0%	12%
Other	Supply Chain Management (incl. Procurement)	5%	21%
Other	Business Transformation	16%	21%
Other	Consulting	0%	19%
Other	Document Management	13%	10%
Other	Engineering (non-IT / non-software)	0%	10%
Other	Knowledge Management	11%	21%
Other	Legal Processes	8%	19%
Other	Marketing	11%	18%
Other	Process Automation	0%	32%
Other	R&D	16%	21%
Other	Other	32%	21%

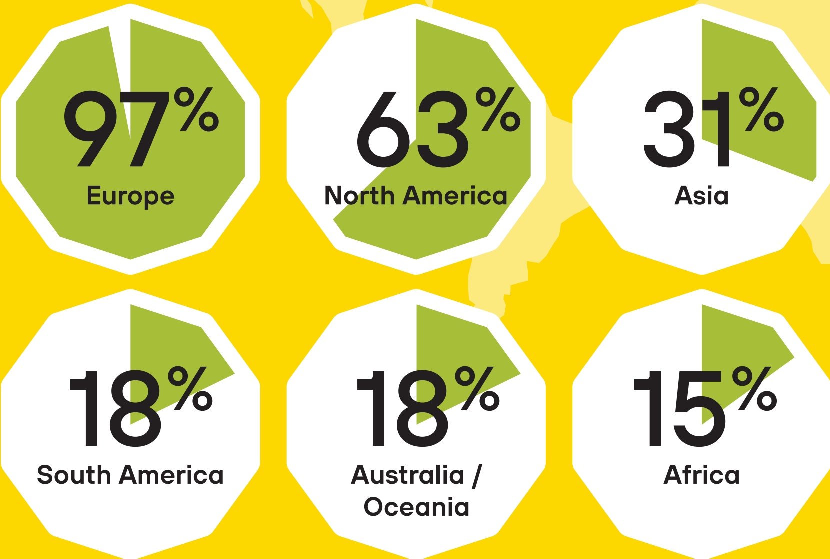
9. Markets Covered

It is no surprise that Europe dominates the Lithuanian GBS & ICT sector's market coverage, with Northern European destinations experiencing an uptick. The US, another huge player in the sector, also saw increases, with reach rising by 10%.

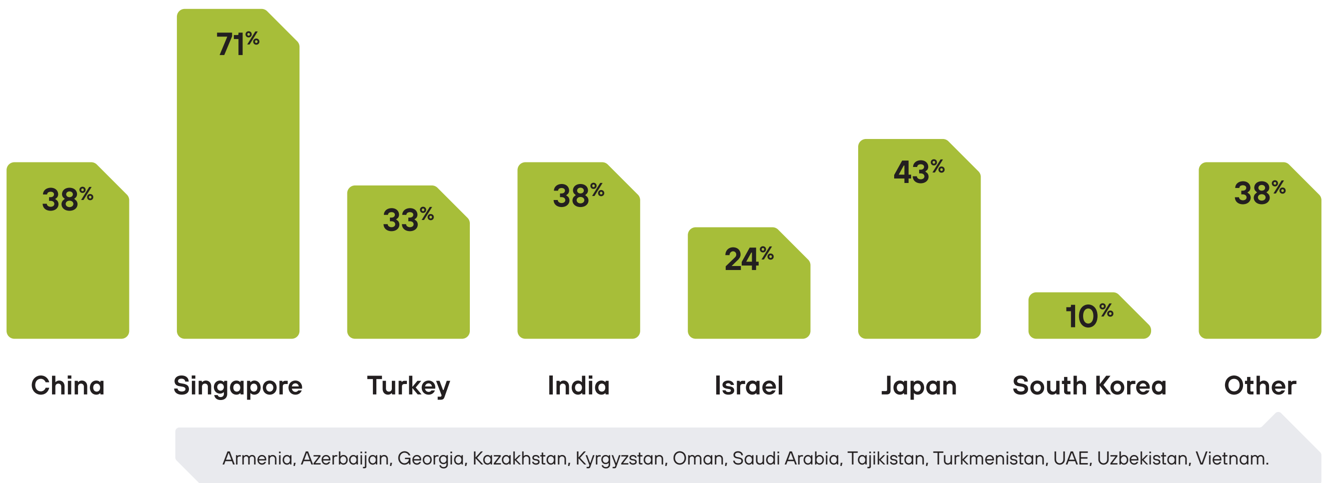
Growth in scope was also reported for the Asian Market. 20% more companies now serve Japan, while coverage for Singapore remains very strong, with 71% of all GBS & ICT centers providing services there.

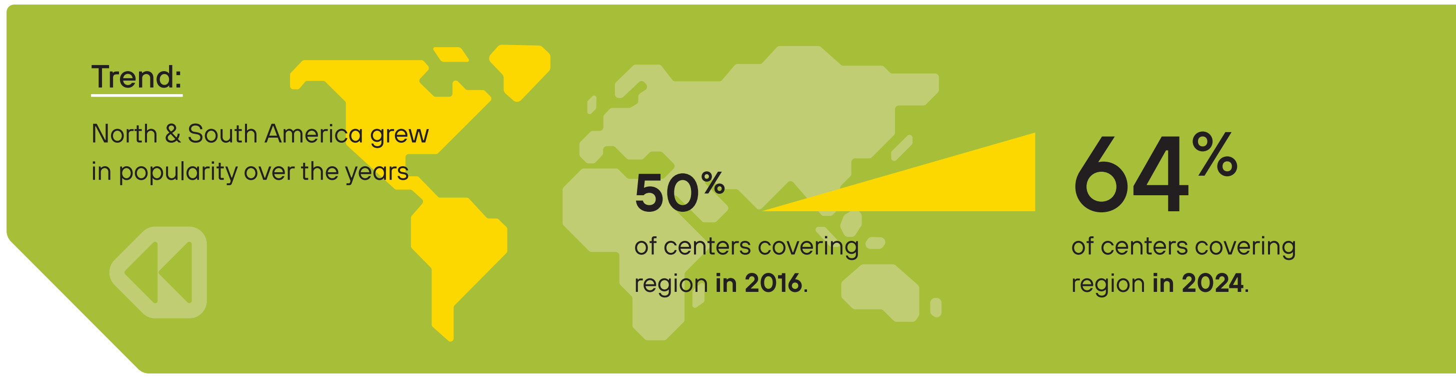
This year also saw new countries gaining coverage, namely Saudi Arabia, the UAE and Oman. The Middle East is expected to be a growth region in the coming years.

Regions covered around the world

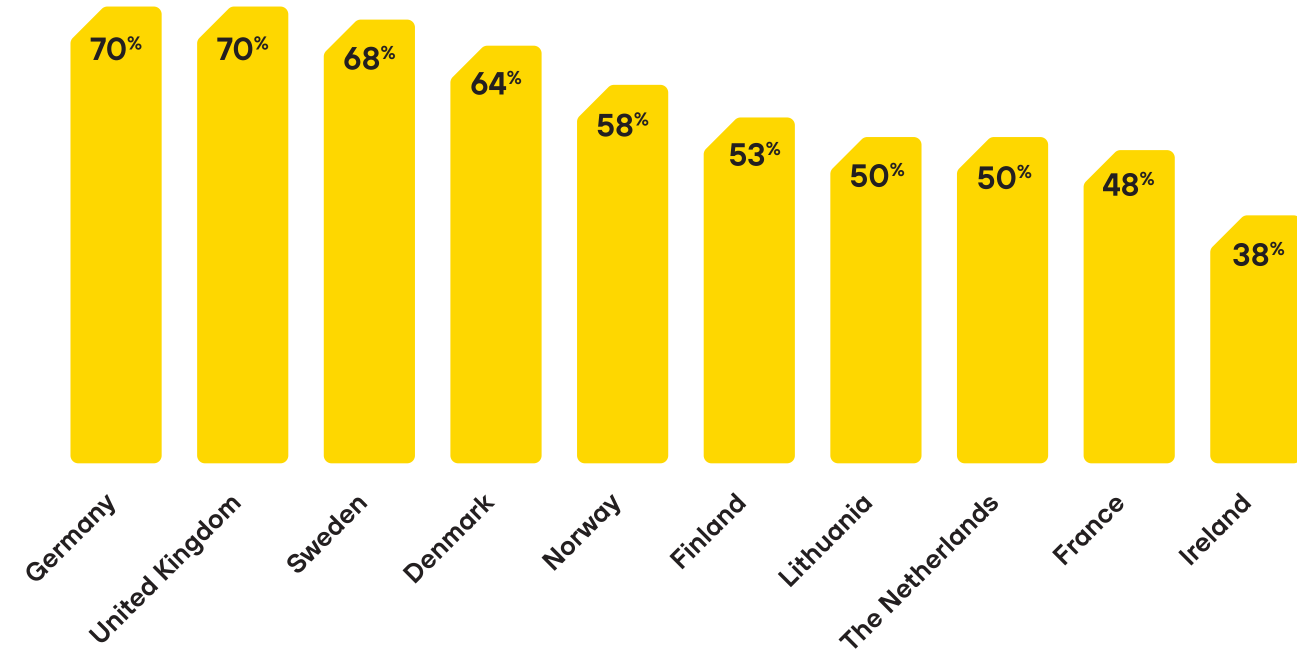


Top Asian and Middle East countries covered by Lithuanian GBS & ICT centers:





Top European countries covered by Lithuanian GBS & ICT centers:



cencora

Looking back 20 years, the initial stages of GBS in Lithuania were vastly different from what we have today. Most local managers were amateurs without international or corporate experience. However, with a strong educational background, fast learning abilities, and, most importantly, a hunger for success, the transformation was rapid. Today, we have a mature GBS sector with strong expertise in building operational excellence focused on delivering business value all around the world, often functioning as core competence centers for advanced solutions like cybersecurity, intelligent process automation and others. This maturity is one of the reasons why we at Cencora can show great care to our business partners and clients in different markets globally. Yet, I believe we as a country are still far from utilizing our full potential, and I am eager to see what new success stories the future will bring.

Lukas Jankauskas
Senior Director,
Cencora Business Services

10. Languages Spoken

In terms of languages spoken, there were increases in popularity for Italian (+8%), Spanish (+9%), and Finnish (+5%). Scandinavian languages in general experienced an overall gain of 9% combined. Meanwhile, this year saw the first appearance of Japanese, Hindu and Urdu languages.

Total foreign languages in the industry

29 in 2024

18 in 2016

27 Most languages in one center.

3 Average number of languages spoken in a single center.

57% of centers provide foreign language training to their employees.

Share of centers delivering services in foreign languages

English	100%
German	38%
Swedish	28%
Italian	25%
French	24%
Spanish	22%
Norwegian	21%
Danish	19%
Finnish	15%
Polish	13%
Russian	12%
Dutch	10%
Slovakian	4%
Romanian	4%
Other	7%

Arabic, Bulgarian, Croatian, Czech, Estonian, Greek, Hindi, Hungarian, Japanese, Latvian, Mandarin, Portuguese, Serbian, Turkish, Urdu.

Number of foreign languages spoken in a center

43%	1 language
12%	2 languages
10%	3 languages
6%	4 languages
9%	5 languages
20%	>6 languages

Table of contents

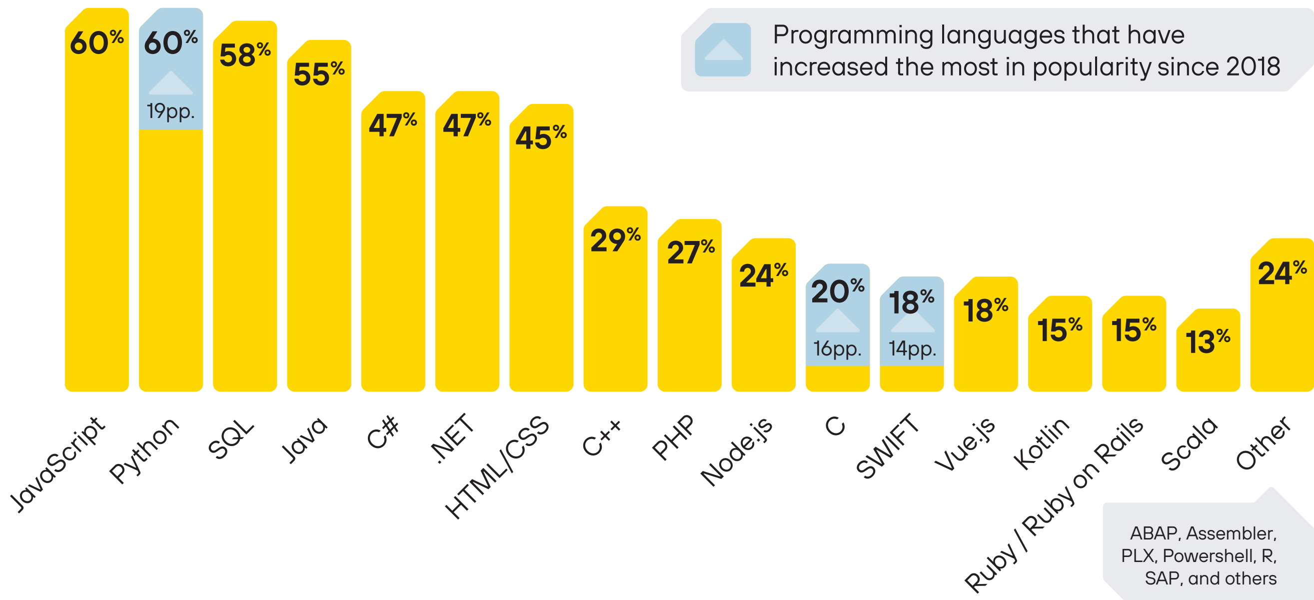
11. Programming Languages

Avg. of 6 Programming languages per GBS & ICT center.

16 Programming languages in a single center.

46% of GBS & ICT centers are using 5 or more programming languages.

Most popular programming languages in centers



FESTO

"I've had the privilege of working in the Lithuanian GBS ecosystem for quite some time, witnessing how exceptional talent and a supportive infrastructure have shaped the industry. In this competitive environment, Lithuanian GBS organizations are rapidly modernizing, taking on more responsibility, and creating significant value, driven by our highly educated, multilingual, IT savvy and motivated employees. Leading the Festo GBS center in Kaunas has been especially rewarding. Kaunas, with its outstanding talent, is an ideal location for growth and innovation. Its compact size offers a high quality of life, balancing professional opportunities with a welcoming community atmosphere. Kaunas truly stands out as a place where business and life thrive together, and I look forward to its continued development.

Giedrė Belazarienė
Head of Operations at Festo SSC Kaunas

12. Technology Ecosystem

The cornerstone of any healthy tech ecosystem is talent. That is why so much energy is being focused on securing a constant talent pool. Reskilling and Upskilling is key, and many private coding schools are providing this option. Meanwhile, the business sector is also doing its part: Telia's National IT Challenge is targeted at incentivizing students and teachers alike to learn programming languages. Then there's the Angis project, which is an online python learning tool aimed at children and young specialists which now has 15,000 registered users (average age of 16).

9.3%

Lithuanian government aims to grow the share of GDP generated by the ICT sector until 2030.

~80%

of Lithuania's ICT specialists are currently employed directly in ICT, while the other 20% still work in related fields, such as engineering, design, sales of IT services, etc.[2]

13%

Average annual ICT talent pool growth rate in the last 10-year period.

70.5K

ICT specialists in Lithuania[1]

5K+

ICT specialists relocated to Lithuania since August 2020.

#2 in CEE

for highest proportion of ICT specialists in the talent pool[1].

Nasdaq

Lithuania has become a prime destination for leading international companies due to its favorable investment environment, advanced infrastructure, and highly skilled, tech-savvy talent with outstanding work ethics and passion for excellence. Over the past decade, the industry has matured and built a strong track record of value creation through effectiveness, superior customer experience, and relentless innovation. This growth, marked by remarkable resilience and agility, even in disruptive times, positions Lithuania as a reliable partner for companies aiming to enhance their competitive edge and drive growth. To continue this success, Lithuania must leverage its achievements and rapidly adopt new technologies, master new capabilities, and deepen its understanding of customer needs. I am confident that Lithuania's GBS and ICT sectors are well-prepared to embrace these opportunities.

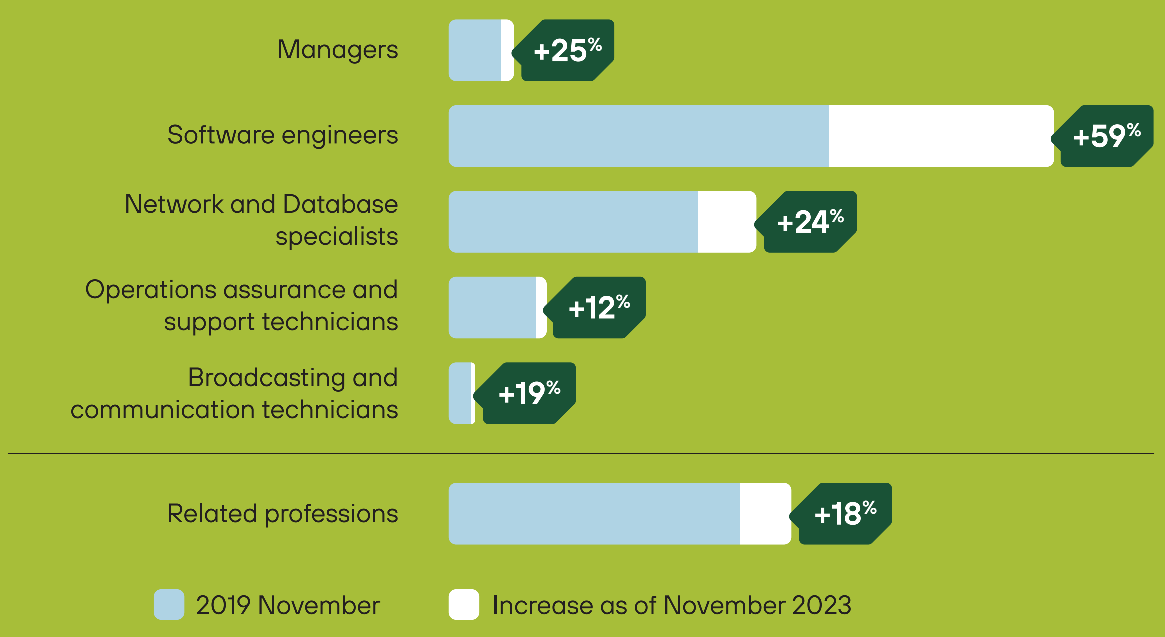
Arminta Saladžienė

Vice President for European Markets at Nasdaq and CEO of Nasdaq Vilnius Services

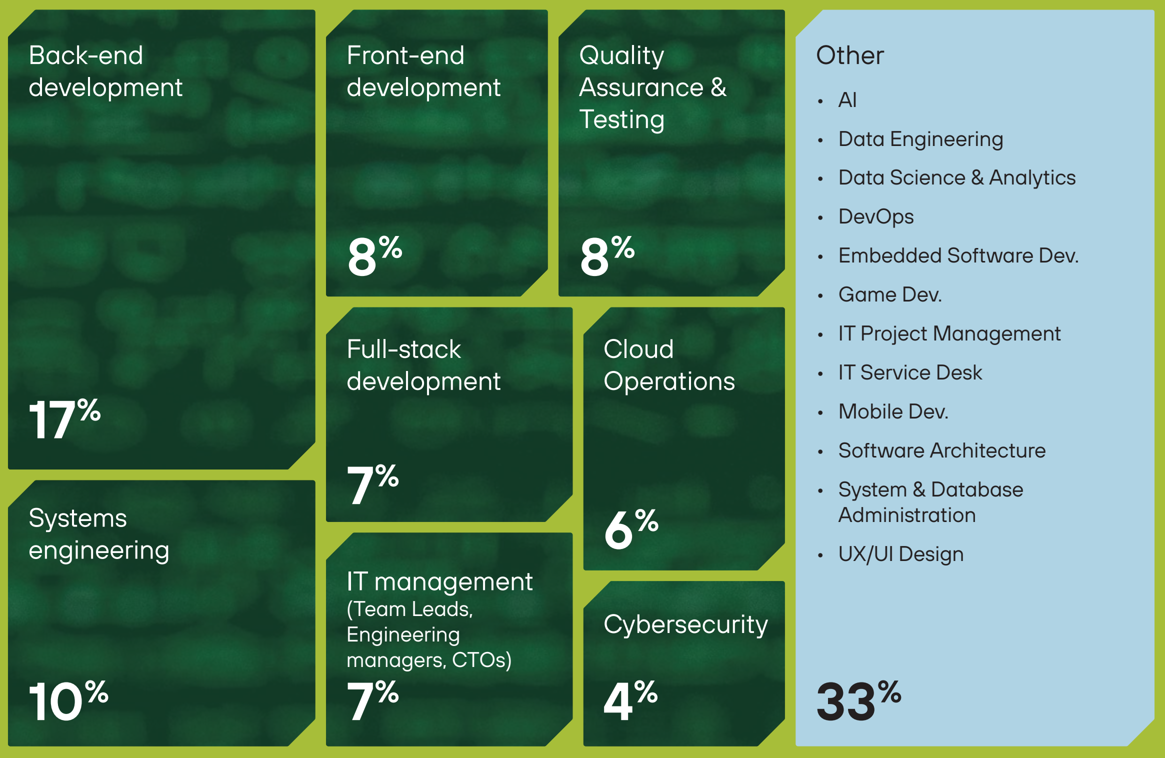
Source 1: Eurostat, 2023
Source 2: State Social Security Fund (Sodra), 2023

Table of contents

ICT related functions are growing exponentially in Lithuania[2]



IT Functions with the highest share of employees in GBS & ICT centers



13. Finance Ecosystem

There are currently around 94,300 Finance, Accounting and Business Management specialists working in Lithuania. Furthermore, Lithuania's Finance sector is employing around 26,500 people, making it one of the biggest sectors in Lithuania. One of the pillars of the Finance Sector in Lithuania is Fintech, where the country has taken the lead in the EU in terms of the number of finance licenses issued. Today, there are more than 270 Fintech companies in Lithuania, employing upwards of 7,000 specialists.

Fintech is not the only field of Finance that the country is excelling in. AML and CTF expertise is also on the rise. In response to the rising twin threats of financial fraud and terrorist financing, the country was the first in the Baltic region to establish a dedicated and accredited training program for anti-money laundering professionals. The Center of Excellence in Anti-Money Laundering has already concluded training for its 4th batch of AML/CTF specialists, adding to the growing talent pool of specialists in the field.

94.3K

Finance, Accounting and Business Management specialists working in Lithuania[1].

3rd

for the growth of Finance related talent pool in a 10-year period in EU[2].

24K

Students enrolled in Finance, Economics and Business Management courses[3].

9K+

Participants in online trainings organised by the Anti-Money Laundering Center in 2023[4].

CITCO

A decade ago, the GBS and ICT industries in Lithuania were in the early stages of growth, with a small number of pioneering companies filled with a lot of potential. Today, the landscape has changed dramatically – with a strong and healthy ecosystem of global players and innovative startups. From my perspective, the key factors contributing to this success include strategic government support, a well-educated finance focused talent pool, and significant investment into the infrastructure. Looking ahead, I encourage industry players to continue investing in digital innovation and talent development to attract and retain international investors.

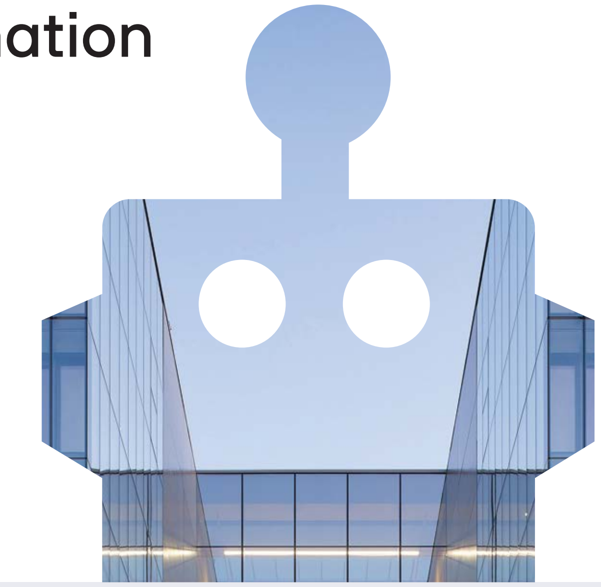
Šarūnas Šuipis

Executive Vice President and General Manager at Citco Vilnius

Source 1: State Social Security Fund (Sodra), 2023
Source 2: Eurostat, 2023
Source 3: Ministry of Education, Science and Sports, 2023 – 2024
Source 4: Center of Excellence in Anti-Money Laundering, 2024

Table of contents

14. Intelligent Process Automation



Process Automation is playing an increasingly prominent role in the sector. Last year experienced a huge jump to 51% of GBS companies developing IPA solutions, and this year's leap was even larger, at 69%. When you consider that the implementation of PA delivered a saving of 45,500 hours (up on 31,800 hours last year), it is clear why automation is taking centre stage. Motivations to implement increased PA are not simply rooted in optimisation, however, the Lithuanian government is also offering financial incentives to companies that implement RPA solutions.

The level of process automation by share of centers

	2024	2016
Autonomic Process Automation (automation of complex rules, unstructured data)	13%	13%
Advanced Process Automation (pre-cognitive & cognitive solutions)	19%	10%
Robotic Process Automation (RPA tools, basic rules, structured data)	49%	45%
Basic Process Automation (basic VBA scripts, spreadsheet-based, basic data)	19%	32%

	2018	2024
Share of GBS centers developing Process Automation Solutions in-house	48%	69%
Share of GBS centers working on advanced Process Automation Solutions*	47%	81%
Most robots deployed in a single GBS center	180	512
Average number of robots deployed in a GBS center	31	42

*RPA, Advanced Process Automation, Autonomic Process Automation.

15. Education Levels

One of the biggest drivers of growth in the GBS & ICT ecosystem since the publication of the first report has been the country's highly educated talent. Time and again, investors praise their dedication, ambition and skill. And when it comes to education, the numbers speak for themselves, almost 90% of GBS sector employees have tertiary education, while the number of talents with Master's Degrees stands at 29%, up from 25% last year. This pipeline of skilled and internationally minded FTEs shows no signs of running out, there are currently 130,000 studying for a tertiary degree.

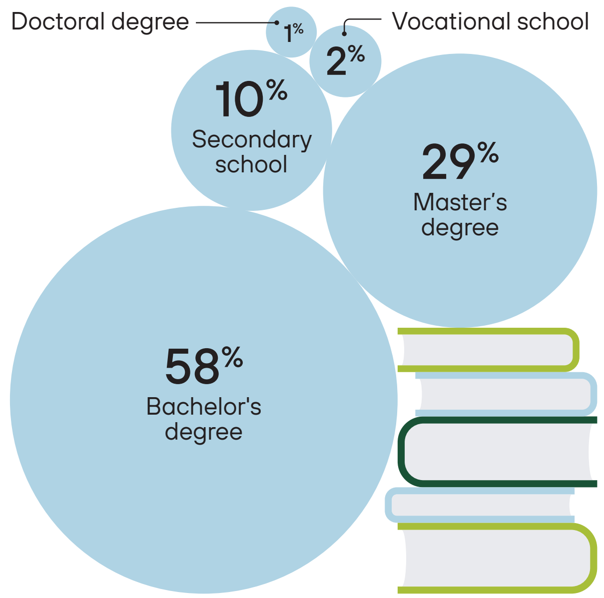
National Reskilling & Upskilling programme:

Employment Service — Implementer of the measure

20K — persons reskilled/upskilled, **10K** of them with digital competencies acquired

€80M — funding for 2022-2026

Highest level of education, by share of employees



Students Enrolled for a tertiary degree:

Students enrolled 2023-2024	University	College	Vocational school
Vilnius	42.7K	11K	6K
Kaunas	25.8K	8.3K	7.2K
Klaipėda	3K	4.7K	3.3K
Other cities	1.3K	6.2K	10.2K

Table of contents

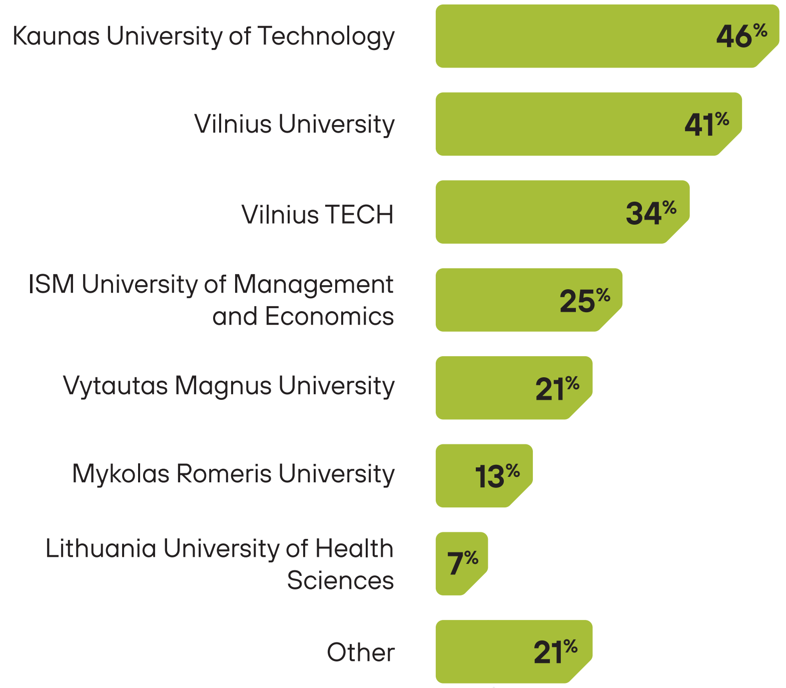
16. Cooperation with Education Institutions

One of the true success stories of the local GBS & ICT ecosystem is the close cooperation between businesses and local education institutions that has helped secure a steady flow of needed talent. This takes many forms, from employees joining university courses to refresh their skills, or company specialists helping to evaluate student dissertations, to businesses co-creating courses with institutions to ensure students graduate with needed skills.

A good illustration of how consistent this has been is the fact that Moody's Lithuania has won the prestigious Best University-Business Cooperation of the Year in CEE award for three years in a row.

At present, 28% of GBS centers are co-operating with private coding schools, from which they are able to source a consistent supply of upskilled and reskilled professionals. This cooperation finds much of its impetus in the national Reskilling program which is aimed at producing talent with the skills needed by the market.

Share of centers cooperating with universities



Alytus College, Kaunas College, Klaipėda University, Marijampolė College, Panevėžys College, SMK, Utena College, Vilnius College, VIKO, Vilnius Applied School of Sciences, VU Business School, and foreign education institutions.

64% of GBS centers cooperate with education institutions.

3 Different forms of co-operation with an institution on average.

10 The highest number of forms of co-operation with a single institution.

Most popular private coding schools among GBS & ICT centers

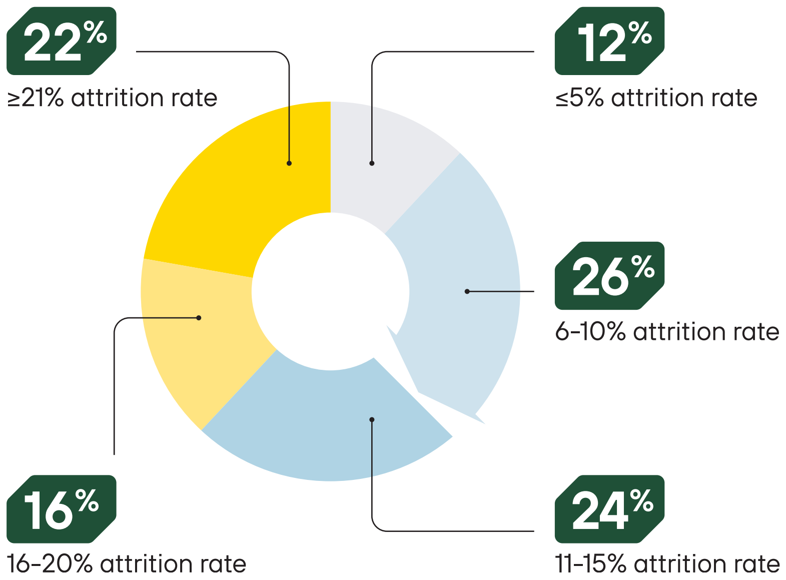
Turing College

Code Academy

Vilnius Coding School

17. Attrition Rates

Voluntary attrition rate by share of centers



15% -2p.p since 2022

Average voluntary attrition rate in 2023.

72%

GBS centers growth plans remain unaffected by the geopolitical situation.

Voluntary attrition rates in specific function heavy centers*

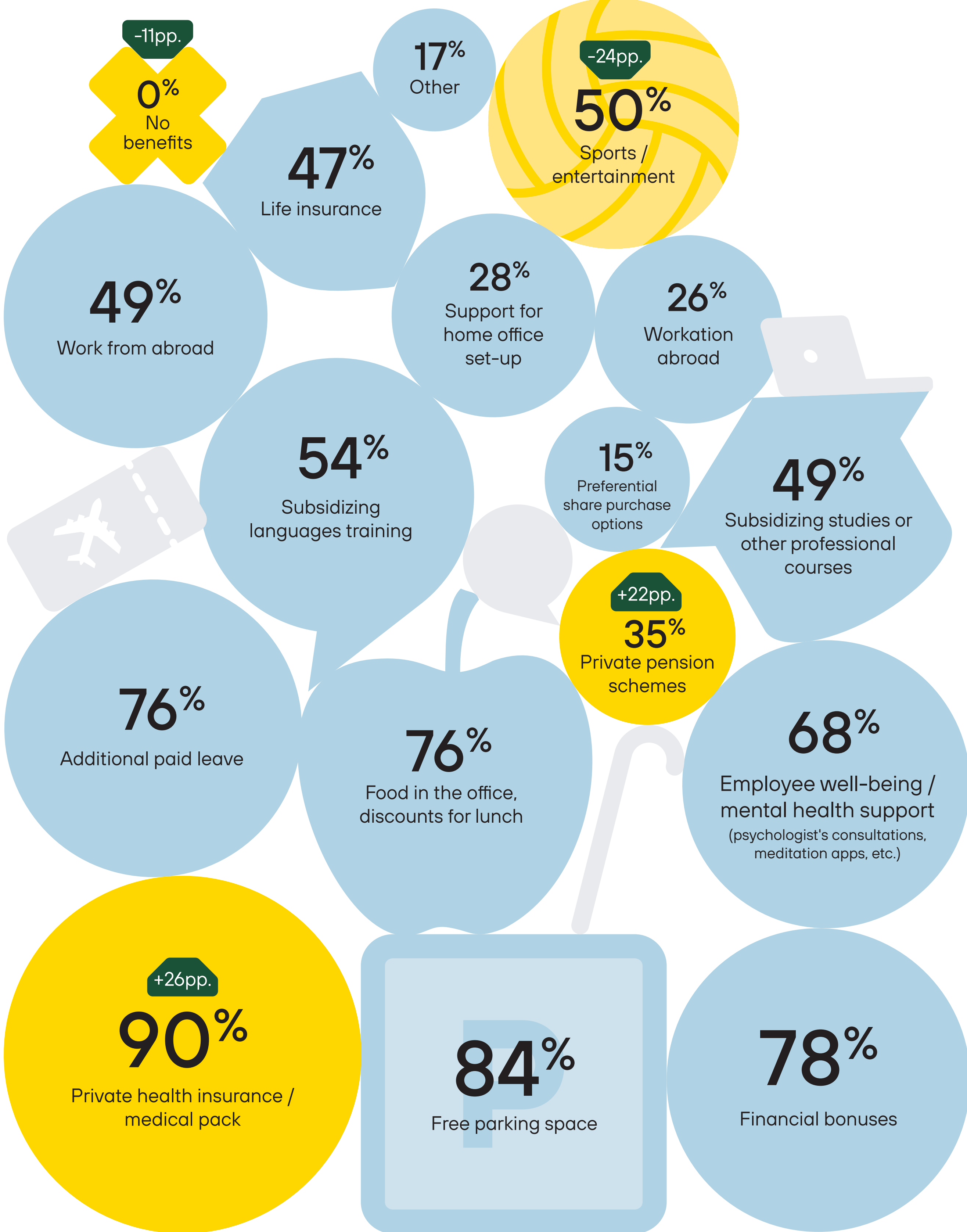
Workland Burės coworking space in Vilnius
© Simas Bernotas

*Function heavy center – share of a function is equal to or higher than 50%

Table of contents

18. Employee Benefits

Benefit types in GBS centers that experienced biggest changes since 2015



19. Diversity

This year sees even larger levels of inclusion of foreign talents within the local ecosystem, with their numbers increasing by 3pp on last year. This is part of a story of year-on-year talent growth. Gender representation, meanwhile, continues to be strong, with the percentage of women in the ecosystem rising by 5pp to 55%. This trend continues into the ICT field, where women now account for 28% of the overall workforce.

A relatively fresh entrant to the Lithuanian GBS & ICT community, Dexcom won the Top Diversity and Inclusion at the CEE Business and Services Awards 2024 for their strategy to increase representation for LGBTQIA+ community, as well as people living with diabetes, and those living with ADHD.

1st globally

for people under 30 in World Happiness Report[1].

1st in CEE & 11th globally

in Global Gender Gap Ranking[2].

1st globally

for women employed with advanced degrees[3].

Flo Health office in Vilnius
© Simas Bernotas

dexcom

I've been fortunate to witness the remarkable growth of the GBS sector in Lithuania over the last decade. Initially driven by cost savings, Lithuania has now become a hub for those seeking innovation and operational excellence. Our success stems from strong institutional support and a highly talented, well-educated, proactive, and goal-driven workforce. I am excited to continue fostering this growth and establishing Lithuania as a European leader in global business services.

Rosita Vasilkevičiūtė-Marčėnė
Managing Director at Dexcom Lithuania

Source 1: World Happiness Report, 2024
Source 2: Global Gender Gap Report, 2024
Source 3: Global Innovation Index, 2023

Table of contents

20. ESG/CSR

ESG/CSR activities are very much front and center when it comes to how companies in the GBS & ICT sector in Lithuania build and sustain brand recognition. This accounts for why there has been a 6pp increase from last year, with 71% of respondents now carrying out a variety of initiatives focused on delivering environmental, social or governance related benefits to the broader society.

Examples of ESG and CSR activities performed by the GBS community in Lithuania

- Collaboration with schools
- Supporting policemen and firefighters
- Planting trees and cleaning local forest areas
- Charity events and partnerships with NGOs
- Team volunteering days

JM Johnson Matthey
Inspiring science, enhancing life

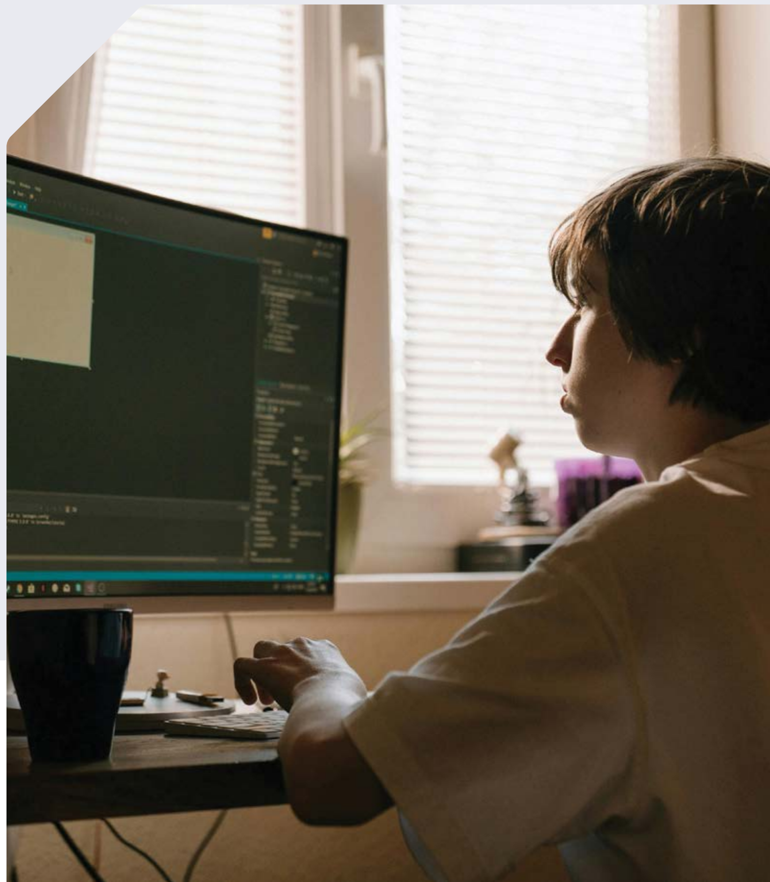
Arriving in Lithuania over two decades ago, I've had the privilege of leading several GBS centers, some from the ground up. The transformation I've witnessed has been remarkable. Lithuania has grown from a nascent GBS location into a mature, thriving sector known for its innovation and excellence. I'm particularly proud of the strides made in diversity and ESG initiatives, reflecting our commitment to inclusivity and sustainability. The progress in these areas showcases Lithuania's dedication to not just business success, but to fostering a positive impact on society and the environment.

Mariano Andrade Gonzalez
Director at Global Solutions Johnson Matthey

Telia National IT Challenge

This year, telecommunications giant Telia won Top CSR Initiative in the CEE award for their National IT Challenge. This country-wide initiative targets students in grades 7–9 and aims to boost interest in IT and programming.

- **Duration of the initiative** – 5 months.
- **Scale** – reaching 750 schools in the country.
- **Scope** – over 8,500 students and teachers registered for the challenge.
- **Result** – TOP 20 performers collaborated with IT professionals and coded their unique websites.



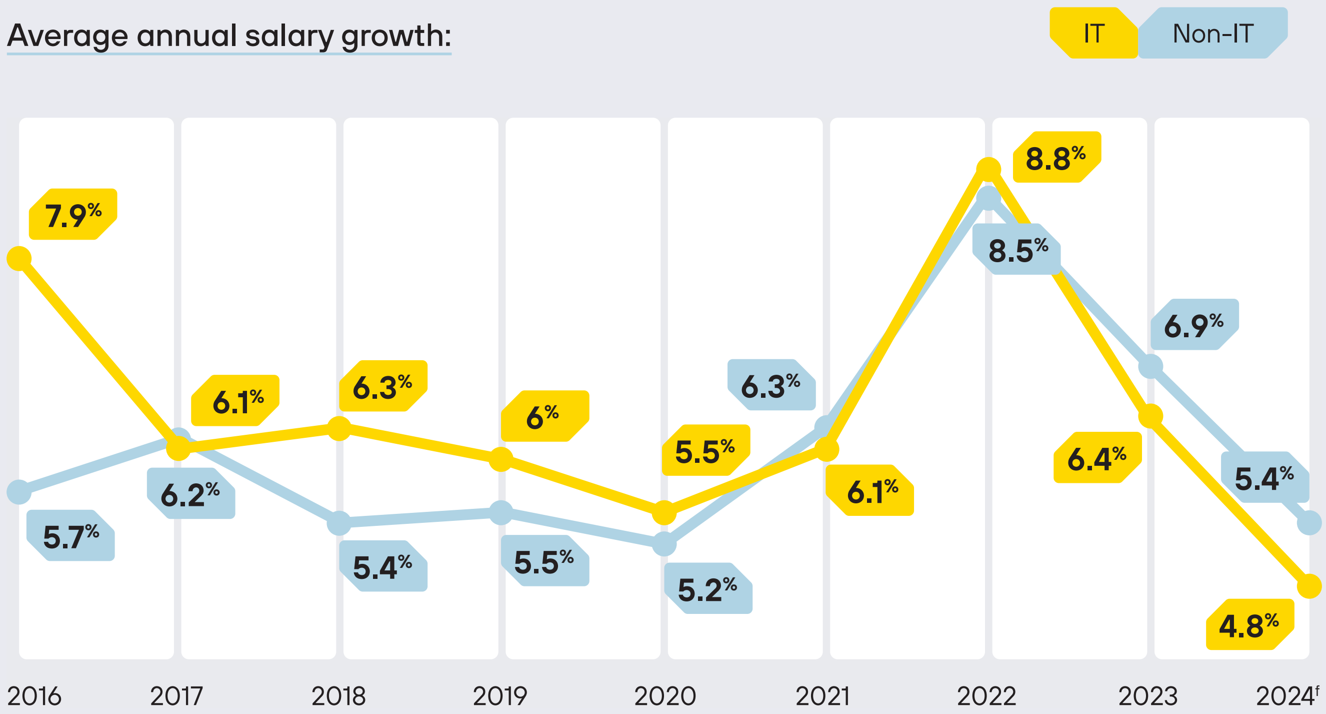
Additional information

21. Wage Growth

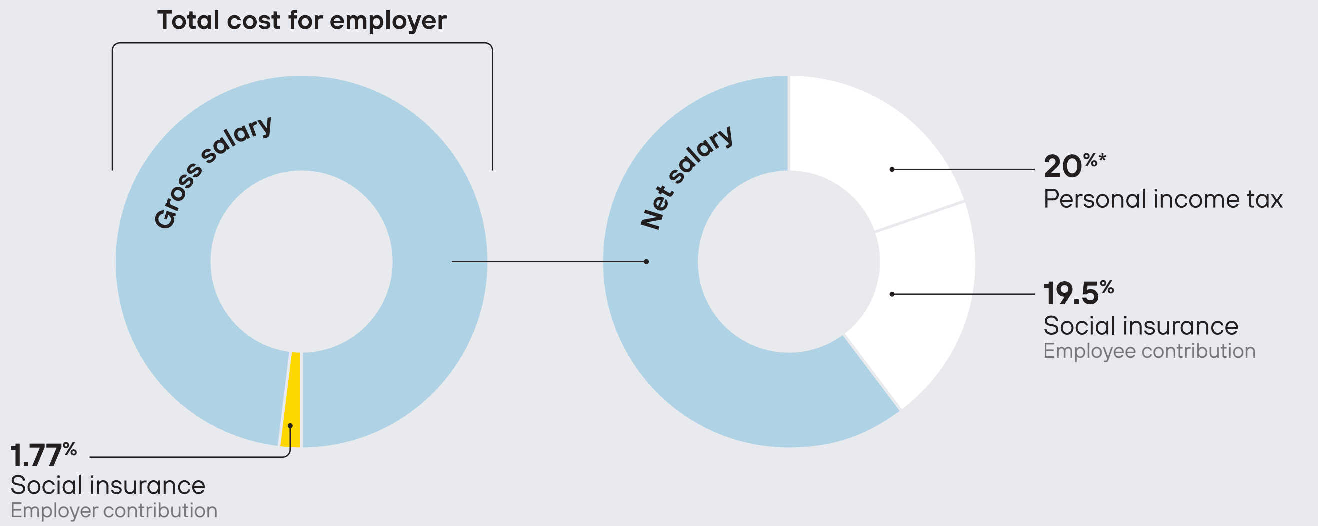
In recent years, wages for employees in GBS & ICT companies have been increasing at a higher-than-usual rate. This growth can be attributed to several direct factors: geopolitical instability, rising energy costs, and unusually high inflation. At the end of 2022, the annual inflation rate exceeded 20%, a level not seen in Lithuania for decades. However, by the third quarter of 2023, inflation stabilized and dropped to single digits, where it has remained since.

In fact, in the last edition of our report, the GBS and ICT community forecasted that wage growth for their employees would exceed 7% in 2023. However, actual data shows this number was not met. Additionally, company leaders predict that wage growth for 2024 will be even lower, estimated at 4.8% for IT functions and 5.4% for non-IT functions.

Average annual salary growth:



Salary structure in Lithuania



* To earnings above the set social security contributions ceiling the PIT rate will be 27%.

22. Wages for Different Functions

Area	Position	Salary range in Vilnius (total costs), EUR			Salary range in Kaunas (total costs), EUR			Salary range in Klaipėda (total costs), EUR		
		Min.	Avg.	Max.	Min.	Avg.	Max.	Min.	Avg.	Max.
F&A: AP / AR / GL	**Junior Accountant** (0-2 years' experience)	1,586	1,989	2,393	1,569	1,973	2,377	1,478	1,786	2,094
	Accountant (2-5 years' experience)	2,262	2,780	3,298	2,246	2,764	3,282	2,158	2,583	3,009
	Senior Accountant (over 5 years' experience)	3,123	3,637	4,150	3,106	3,620	4,134	3,017	3,482	3,946
	Team Leader (team of 5-15 people)	3,563	4,147	4,731	3,547	4,130	4,714	3,393	3,858	4,322
Customer Operations	**Junior Specialist** (no experience)	1,282	1,504	1,727	1,282	1,504	1,727	1,232	1,423	1,614
	Specialist (over 1 year experience)	1,702	2,029	2,357	1,702	2,029	2,357	1,543	1,795	2,048
	Team Leader (team of 5-15 people)	2,695	3,355	4,014	2,678	3,346	4,014	2,524	3,008	3,492
Procurement / Order Management	**Junior Specialist** (0-2 years' experience)	1,462	1,765	2,068	1,446	1,749	2,052	1,376	1,669	1,962
	Specialist (2-5 years' experience)	2,023	2,459	2,895	2,006	2,451	2,895	2,009	2,352	2,695
	Senior Specialist (over 5 years' experience)	2,804	3,219	3,635	2,804	3,219	3,635	2,712	3,055	3,399
	Team Leader (team of 5-15 people)	3,173	3,888	4,602	3,173	3,888	4,602	3,124	3,625	4,126
HR processes	**Junior Specialist** (0-2 years' experience)	1,539	1,885	2,231	1,522	1,868	2,215	1,477	1,835	2,192
	Specialist (2-5 years' experience)	2,216	2,637	3,057	2,120	2,580	3,040	2,102	2,510	2,917
	Senior Specialist (over 5 years' experience)	2,919	3,453	3,986	2,903	3,436	3,970	2,869	3,313	3,758
	Team Leader (team of 5-15 people)	3,586	4,396	5,205	3,570	4,379	5,189	3,536	4,159	4,781

Table of contents

Area	Position	Salary range in Vilnius (total costs), EUR			Salary range in Kaunas (total costs), EUR			Salary range in Klaipėda (total costs), EUR		
		Min.	Avg.	Max.	Min.	Avg.	Max.	Min.	Avg.	Max.
IT	**Junior Specialist** (0-2 years' experience)	1,695	2,086	2,478	1,679	2,074	2,469	1,651	2,052	2,453
	Specialist (2-5 years' experience)	2,422	2,908	3,394	2,422	2,908	3,394	2,452	2,837	3,223
	Senior Specialist (over 5 years' experience)	3,062	3,918	4,774	3,062	3,910	4,757	3,095	3,806	4,517
	Team Leader (team of 5-15 people)	4,374	4,885	5,395	4,358	4,876	5,395	4,221	4,761	5,302
	Junior Developer (0-2 years' experience)	1,910	2,514	3,118	1,910	2,514	3,118	1,864	2,461	3,058
	Specialist Developer (2-5 years' experience)	2,969	3,976	4,984	2,969	3,959	4,950	2,895	3,787	4,679
	Senior Developer (over 5 years' experience)	4,448	5,708	6,969	4,415	5,675	6,935	4,444	5,470	6,496
	Team Leader (team of 5-15 people)	5,557	6,451	7,346	5,524	6,418	7,312	5,525	6,517	7,508
Engineering	**Junior Engineering Support Specialist** (CAD, FEA, CFD; 0-2 years' experience)	1,697	2,061	2,425	1,680	2,044	2,408	1,740	2,107	2,473
	Engineering Support Specialist (CAD, FEA, CFD; 2-5 years' experience)	2,442	3,318	4,193	2,425	3,301	4,177	2,516	2,961	3,407
Trending	**Cyber Security Specialist** (2-5 years' experience)	3,068	4,195	5,323	3,018	4,145	5,273	2,979	3,778	4,577
	Data Scientist (2-5 years' experience)	3,470	4,285	5,101	3,420	4,235	5,051	3,361	4,02	4,679
	RPA / Process Automation Specialist (1-3 years' experience)	2,428	3,104	3,780	2,411	3,079	3,747	2,325	2,933	3,540
	Compliance Specialist / Officer (2-5 years' experience)	2,853	3,769	4,685	2,803	3,736	4,668	2,620	3,505	4,389
	Cloud architect (3+ years' experience)	4,189	5,452	6,715	4,172	5,435	6,699	4,244	5,146	6,048
	Supply Chain Manager (2-5 years' experience)	2,963	3,615	4,268	2,930	3,574	4,218	2,951	3,497	4,043
	DevOps Engineer (2-5 years' experience)	3,619	4,503	5,387	3,619	4,503	5,387	3,553	4,380	5,207
	QA Engineer (2-5 years' experience)	3,175	3,963	4,751	3,175	3,963	4,751	3,176	3,905	4,634
	Scrum Master / Agile Coach (+3 years' experience)	3,338	4,085	4,833	3,321	4,06	4,799	3,189	3,957	4,725

Sources: Alliance for Recruitment, Amston, Hireview, HR Factory, Manpower, Strategic Staffing Solutions, 2024 Q2

23. Real Estate

Real Estate: Vilnius

The real estate market in the Lithuanian capital is continuing its expansion, with over 1 million sq. m. of stock and 8% YoY growth. In 2024, the vacancy rate stands at around 8%, compared to 6.7% a year prior. While this means that there are more options for newcomers and expansion projects, the stock levels for Class A real estate have decreased by 20% due to heightened demand.

At the same time, the pipeline of new projects for 2025 is impressive, with 100 sq. m. planned for next year. The real estate offering in Vilnius is getting better not just in terms of quantity, but also quality. In fact, the city will soon be home to a new development awarded the WELL certificate, which shows that employee well-being is held in high regard by the market.

Finally, co-working spaces are becoming more popular, with 3500 workstations across different spots mostly concentrated in the city's central districts.

Class A average cost

18.5 EUR/m^2 A

Class B average cost

14 EUR/m^2 B

3.5K

workstations.

55%

of office space has green certification.

Real Estate: Kaunas

Kaunas, one of the region's most attractive emerging locations for GBS, has developed an office market which is in high demand from many investors. In 2024, the city's office stock remained steady at 280,000 sq. m.

The growing number of companies is positively impacting the market, evidenced by Kaunas' relatively low office vacancy rate of 3%. Nevertheless, the pipeline for a new office space for 2024 and 2025 remains positive-looking at a combined space of 20,000 sq. m.

Some of the spots in Kaunas that are seeing new offices being built are the city center, prime location of Kaunas, as well as city's northern business district, which is near the Kalniečių park. Both regions have perfect logistics in place for travelling around the city, which has much to offer to every citizen, as well as investor.

Class A average cost

14 EUR/m^2 A

Class B average cost

10 EUR/m^2 B

Workland Laisvės coworking space in Kaunas
© Tadas Kazakevičius

Table of contents

Real Estate: Klaipėda

While office prices have risen slightly, Klaipėda is still one of the most cost-effective locations across CEE. Both local and international businesses are capitalizing on the city's benefits, which has led to vacancy rates dropping from 8% to 4%.

Smaller than Kaunas and Vilnius, Klaipėda is growing rapidly, with more and more people settling by the sea. This signals a growing talent pool, which could potentially help GBS companies settle and expand in the West of Lithuania.

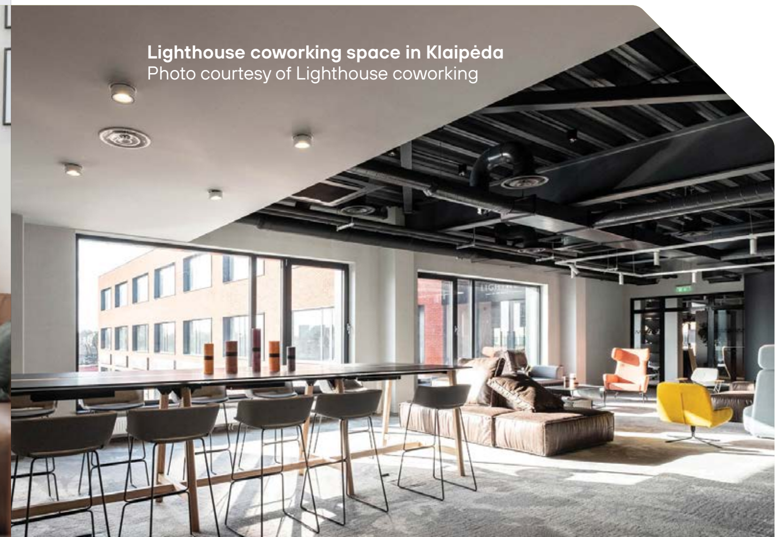
At the same time, the country's main seaport is becoming a magnet for digital nomads, and the supply of co-working options is increasing accordingly.

Class A average cost

12.5 EUR/m^2 A

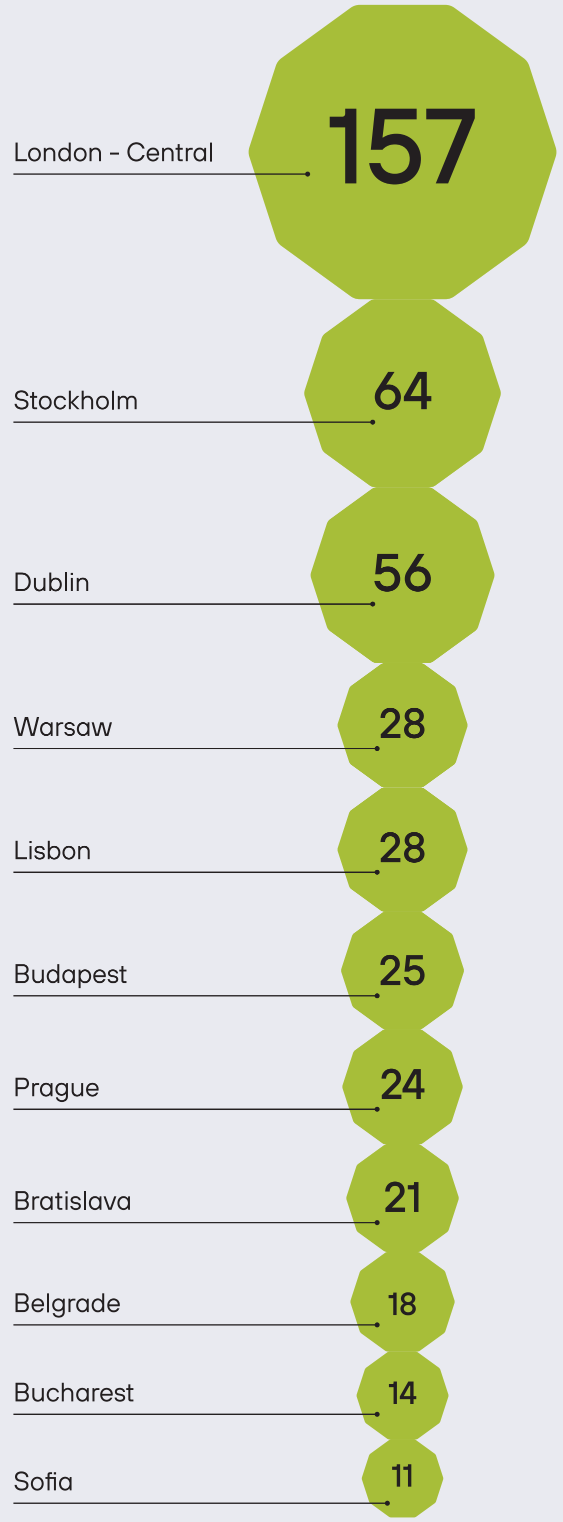
Class B average cost

9.5 EUR/m^2 B



Lighthouse coworking space in Klaipėda
Photo courtesy of Lighthouse coworking

Other European cities, Prime rent, Eur/Sqm/Month



Sources: CBRE, Colliers, REGO, Newsec, 2024 Q1

Your team at Invest Lithuania

Rūta Kriščiūnaitė
Head of GBS&ICT
Ruta.Krisciunaite@investlithuania.com

Aftercare

Milda Miliūnė
Key Account Executive
Milda.Miliune@investlithuania.com

Lukas Latauskas
Aftercare Account Manager
Lukas.Latauskas@investlithuania.com

Financial Services

Evelina Verbickė
Senior Investment Advisor
Evelina.Verbicke@investlithuania.com

Mantas Juknevičius
Senior Investment Advisor
Mantas.Juknevicius@investlithuania.com

Manufacturing & Engineering

Karolina Gurinaitė
Senior Investment Advisor
Karolina.Gurinaite@investlithuania.com

Justas Sankauskas
Investment Advisor
Justas.Sankauskas@investlithuania.com

Technology & Communications

Nora Bendžius-Drennan
Senior Investment Advisor
Nora.BendziusDrennan@investlithuania.com

Invest Lithuania

Upes st. 23 - 1, Vilnius, Lithuania
info@investlithuania.com
+370 (5) 262 7438

investlithuania.com

Follow us: