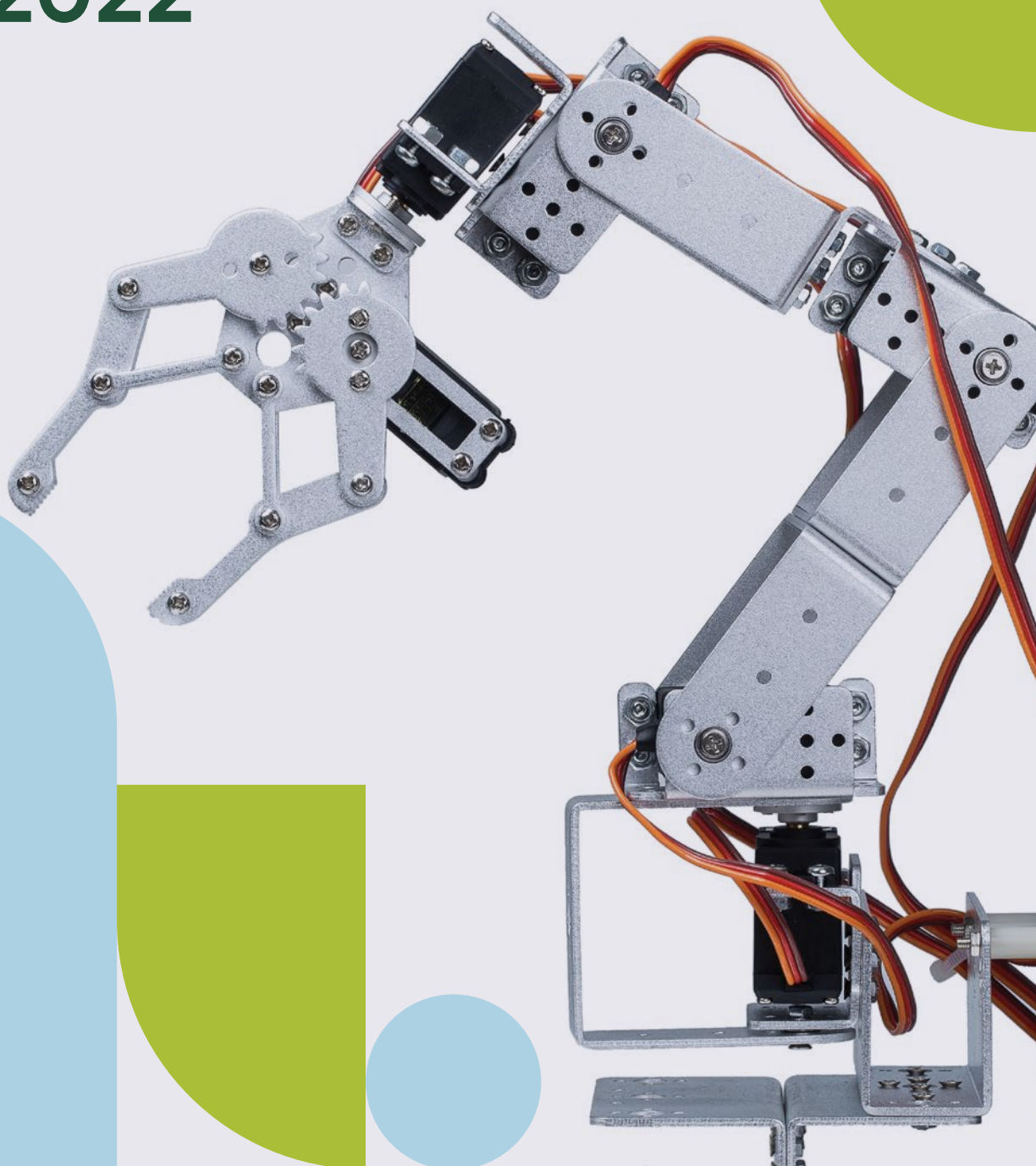


Invest Lithuania

Lithuania  
Co-create



# Manufacturing Sector Report 2022



Northern Europe

























Region of origin based on ultimate beneficial ownership as stated in Orbis, 2022 Q1

Western Europe











North America





Middle East



Asia

Eastern Europe



Southern Europe



# Table of contents

- 5 Introduction
- 5 Preface
- 7 About the survey
- 8 About Invest Lithuania
- 9 Key facts and figures
- 11 Key rankings
- 12 Industry overview
  - 12 Industry at a glance
  - 13 Sector growth
  - 14 Saturation
  - 15 Key locations for manufacturing
  - 17 Government support
  - 19 Selected success stories
- 21 Survey findings
  - 21 Overview of companies surveyed
  - 23 Strategic decisions of foreign direct investors in Lithuania
  - 26 COVID-19 impact
  - 27 Industry 4.0
  - 29 Talent / HR
    - 29 Key talent pool facts
    - 32 Talent supply and attrition
    - 36 Cooperation with educational institutions
  - 38 Sustainability and green energy
  - 39 CSR activities
- 41 Additional information
  - 41 Wages
  - 43 Locations
  - 46 Utility rates
  - 47 Your team at Invest Lithuania

A year  
of big  
changes

See how our landscape changed





# Preface

Dear Reader,

It is our absolute pleasure to present you with the third edition of our Manufacturing Sector Report 2022, which provides the most comprehensive review of the Lithuanian manufacturing industry from the perspective of foreign direct investment (FDI).

It is worth noting that, despite the COVID-19 pandemic and geopolitical challenges, Lithuania remained one of the top locations for investors in Central and Eastern Europe (CEE). Over the past decade, Lithuania has attracted 128 unique manufacturing companies and 146 FDI projects, generating €3.42 billion and creating 18,157 new full-time jobs. We are glad that our competitive labour costs, ease of doing business and developed infrastructure remain highly valued by foreign investors.

We are also very happy to see that our existing manufacturing companies continue to prosper. The pandemic may have caused considerable disruptions for manufacturing companies around the world, but our survey findings illustrate that this impact was far less pronounced for foreign companies in Lithuania. In fact, 60% of respondents reported that they experienced no or minimal reduction of their revenues, while 40% of companies surveyed expected an increase in their revenues in 2021. Moreover, more than 60% of companies planned to introduce new functions or significantly expand existing ones in 2022-2023.

Such resilience and adaptability within the companies surveyed was indeed extraordinary. Additionally, we also notice a rising confidence in our labour market. In 2020, 40% of companies leveraged the diverse competences offered in Lithuania and continued expanding their presence across multiple operations. We see this as a solid achievement and a large step forward for Lithuania.

We strongly believe that this report will provide you with a thorough review of the industry as well as the multiple benefits Lithuania is valued for by the manufacturing community, including our favourable business environment, government support, as well as a diverse and growing ecosystem.

Along with the Manufacturing Sector Team at Invest Lithuania, I wish you an informative and enjoyable read.

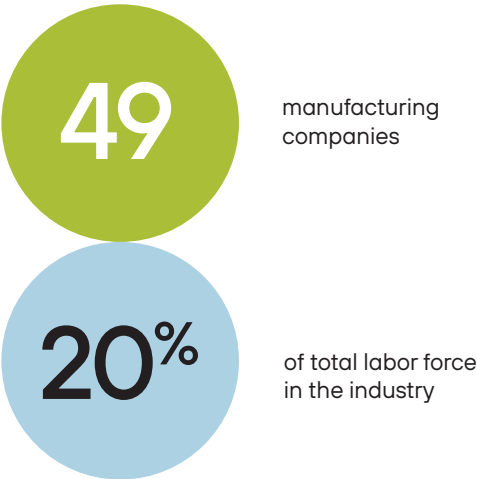


**Nadežda Bausienė**  
Head of Manufacturing Sector Team



# About the survey

The survey was carried out by Invest Lithuania during November-December 2021. We focused on the Lithuanian manufacturing industry from the perspective of foreign direct investment. The resulting report provides a general overview of the industry and covers such topics as labour market, innovation, energy, infrastructure, education, business-academia collaboration as well as the overall attractiveness of the country's investment environment. The survey saw participation of 49 FDI companies employing approximately 10,000 professionals. Together they represent 20% of the total FDI manufacturing labour pool in Lithuania.



# Invest Lithuania's services

## Decision-making

We will help you make the most informed decisions for your new operations:

- Tailored in-depth market and industry insights.
- Advice on business costs.
- Information concerning the local labour and legal framework.
- Site visits, including the preparation of detailed, tailor-made agenda for the purpose of location assessment and introduction to peer companies, universities, and government authorities.

## Business Establishment

We will connect you with everyone you need to know to guarantee a soft landing for your set up:

- Intros and meetings with key market players and relevant government institutions.
- Project assessment to identify financial support opportunities from local government and the EU.
- Assistance with PR and marketing strategies before, during, and after the project announcement.

# About Invest Lithuania

Invest Lithuania is the official agency for Foreign Direct Investment and Business Development. It reports to the Ministry of Economy and Innovation.

## Business Development

Once you are up and running, we will be there with aftercare and support:

- Assistance with one-off problems.
- Lobbying for greater government support.
- Help with finding the right employees through the Work in Lithuania programme.

## Cooperation with Invest Lithuania

Around **90%** of our respondents were satisfied or very satisfied with the services of Invest Lithuania. The most often cited advantages of working with Invest Lithuania were:

Professionalism

Attention and hospitality

Quality of information provided

Manner of handling follow-up questions

Source: Invest Lithuania survey results, 2021



Functions:	Manufacturing of automotive electronics components
FTE:	565 (2022 Q1)
Established:	2017, Kaunas Free Economic Zone

Invest Lithuania gave us the utmost support from our first days in Lithuania till today. This organisation has an extremely dedicated team who proved many times to be eager to step an extra mile and work to the highest standards of professionalism. Invest Lithuania is the key voice and proponent striving to create a better investment climate in the country with every step they take.



**Shayan Ali**  
Managing Director at Continental Automotive Lithuania, UAB



Functions:	R&D and manufacturing of technology to produce innovative and sustainable construction materials
FTE:	8 (2021 Q4)
Established:	2019, Klaipėda Free Economic Zone

Invest Lithuania was amazing in helping us to understand the business landscape in Lithuania. They gave us valuable support in choosing a location for our factory and facilitated the meeting of relevant partners, which made the preliminary tasks to establish the company flow much more smoothly. We couldn't have asked for a better advocate than Invest Lithuania, they have been by our side throughout the whole journey in Lithuania.



**Jacqueline Thormities**  
Director at GRH LT, UAB

Source: FTE data retrieved from Rekvizitai.lt, other data received directly from the companies



# Key facts and figures

Lithuania's manufacturing industry is the backbone of the country's economy, generating 20% of the total GDP. Being an open and dynamic country with a population of 2.8 million and a labour pool of 1.7 million, Lithuania tops global and European rankings due to its favourable business environment, attractiveness for manufacturers, digital skills, and energy grid stability and development. Based on Statistics Lithuania, there are currently nearly 21 thousand manufacturing companies in Lithuania, of which 600 are foreign. Although not as numerous as their Lithuanian counterparts, foreign companies employ around a quarter of the total Lithuanian manufacturing labour force.

Lithuania remains one of the top locations for investors in Central and Eastern Europe. Based on fDi Markets data, over the past decade Lithuania attracted 128 unique manufacturing companies and 146 FDI projects. In total, these projects have generated €3.4 billion and created 18,157 new full-time jobs.

Our survey results indicate that foreign investors value Lithuania primarily for its competitive labour costs, ease of doing business, developed infrastructure, a favourable logistics network, and talent availability and quality.



Source: Statistics Lithuania

Manufacturing FDI projects per 1M inhabitants in 2010-2021



Manufacturing FDI jobs created per 1M inhabitants in 2010-2021



Source: fDi Markets, data retrieved in January 2022

# Key rankings

## Greenfield FDI Performance Index 1<sup>st</sup> in the EU

The Greenfield FDI Performance Index measures the appeal of countries as destinations for greenfield FDI relative to their GDP.

Source: fDi Intelligence, 2021

## Manufacturing Risk Index 2<sup>nd</sup> in the CEE

The Manufacturing Risk Index addresses changes in the manufacturing sector output, assessing how political, economic, technological, and environmental risks are managed during portfolio assessment and site selection.

Source: Cushman & Wakefield, 2021



Functions:	Manufacturing of textiles
FTE:	52 (2022 Q1)
Established:	2000, Mosėdis, Klaipėda County

“Establishing a factory in a smaller town like Mosėdis provides us with ample choices when it comes to employees. If needed, we could hire 300 additional staff members within a single month. Furthermore, being located near Klaipėda’s port, we can deliver our products to the Scandinavian market faster than local suppliers there. We load our products onto trucks in the evening, they spend the night traveling by ferry and reach their destination the next morning.”



**Vaidotas Grikšas**  
Plant Manager at Deltrian, UAB

## Economic Freedom Ranking 8<sup>th</sup> out of 165

The Economic Freedom Ranking assesses how attractive the investment environment is for businesses (tax system, legal framework and property rights, monetary policy, international trade conditions, business regulations, industrial relations, etc.).

Source: Fraser Institute, 2021

## Energy Transition Index 15<sup>th</sup> out of 165

The Energy Transition Index (ETI) benchmarks countries on the performance of their energy system, as well as their readiness to transition to a secure, sustainable, affordable, and reliable energy future.

Source: World Economic Forum, 2021

## Digital Skills 5<sup>th</sup> out of 64

The IMD World Digital Competitiveness Ranking measures countries’ capacity to use digital technologies for transformation in the face of health-related and economic crises.

Source: World Digital Competitiveness Ranking (IMD), 2021

### Top 5 reasons for choosing Lithuania:

1. Competitive labour costs
2. Ease of doing business
3. Developed infrastructure
4. Favourable logistics system
5. Talent availability and quality

Source: Invest Lithuania survey results, 2021

# Industry overview

## Industry at a glance

Diversity is the term best used to describe Lithuania’s manufacturing sector. It runs the gamut from automotive electronics manufacturers like HELLA and Continental to manufacturers of windows and doors like DOVISTA and INTUS Windows. The country is also much more than just a manufacturing base, as companies like GRH, Homanit, Littelfuse and others have also chosen Lithuania for their R&D operations. In addition to factories, many manufacturers also chose to situate their back office, sales and other operations in Lithuania. This includes companies like Metso Outotec, Nordic Sugar, and Etex, among others.

During 2010-2021, Lithuania saw an impressive number of manufacturing FDI projects – 146, with the vast majority of companies coming from other European countries. On a regional level, the Nordics are leading the way, representing 42% of all projects. German companies are also well-represented, with 15% of projects coming from this country alone.

The picture is diverse when it comes to represented industries as well. The largest number of FDI projects was implemented by companies working in the Industrial Machinery (13%), Food and Beverages (12%), and Metals (11%) sectors.

### Foreign Direct Investment to Lithuania by origin in 2010-2021

FDI origin	No. of projects	FDI share
Germany	22	15%
Norway	18	12%
Denmark	17	12%
Sweden	17	12%
Finland	9	6%
USA	8	5%
UK	6	4%
Switzerland	5	3%
Belarus	4	3%
Netherlands	4	3%
Russia	4	3%
Other*	32	22%
<b>Total</b>	<b>146</b>	

\*Other include Belgium, Cyprus, Estonia, Ireland, Poland, China, India, Israel, South Korea

Source: fDi Markets, 2021

More than 18,000 jobs were created by manufacturing FDI projects during 2010-2021. The sectors responsible for the creation of most jobs were Automotive Components (15%), Consumer Products (13%), and Textile (12%).

Across all 146 FDI projects, more than €3.4 billion were invested in the form of capital expenditures (CAPEX). The largest investments were made within Automotive Components (10%), Food and Beverages (8%), and Metals (6%) sectors.

### Foreign Direct Investment to Lithuania by sector 2010-2021

FDI by sector	No. of projects	No. of employees	CAPEX (EUR, M)	Share of projects	Share of employees
Industrial Machinery	19	1,264	53.9	13%	7%
Food and Beverages	17	863	266.4	12%	5%
Metals	16	1,232	209.6	11%	7%
Consumer Products	15	2,347	87.3	10%	13%
Electronic Components	14	1,477	135.5	9%	8%
Plastics	10	809	162.2	7%	4%
Textile	10	2,160	160.2	7%	12%
Automotive Components	8	2,670	353.0	5%	15%
Construction Materials	4	510	158.3	3%	3%
Chemicals	4	149	63.7	3%	1%
Medical Devices	4	750	96.2	3%	4%
Other*	25	3,926	1,672.2	17%	21%
<b>Total</b>	<b>146</b>	<b>18,157</b>	<b>3,418.5</b>		

\*Other indicates sectors that had less than four projects implemented during 2010-2021 and includes Biotechnology, Ceramics & Glass, Rubber, Wood Products, Non-automotive OEM, Coal, Oil & Gas, Aerospace, Automotive OEM sectors

Source: fDi Markets, 2021

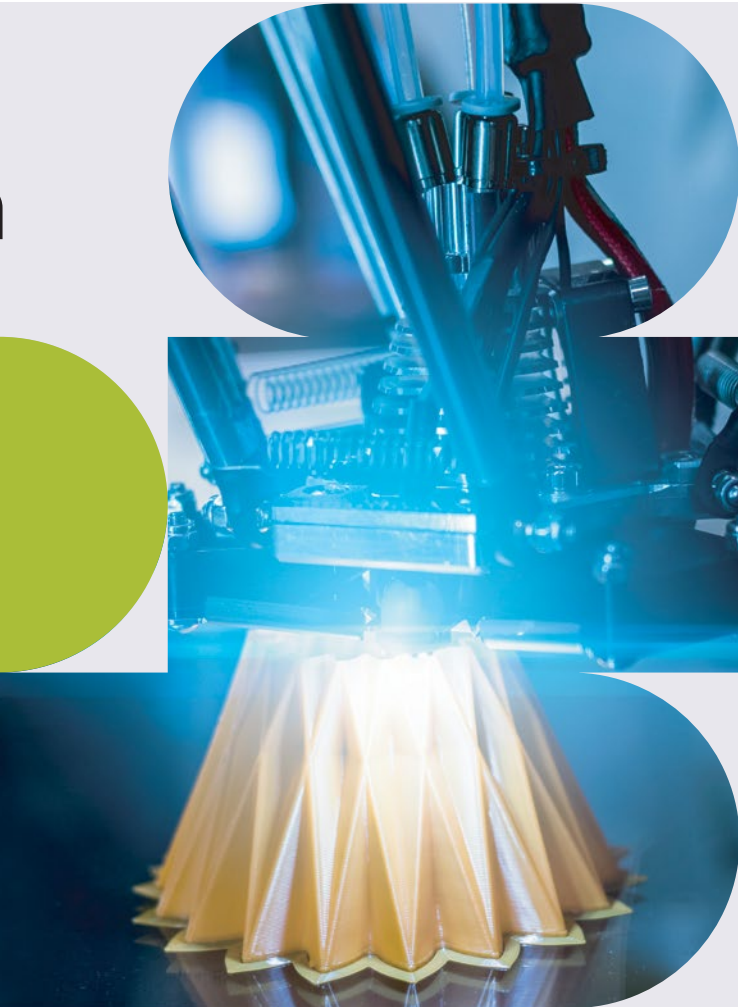
Industry overview • Sector growth

# Sector growth

The number of FDI manufacturing projects in Lithuania fluctuated between 8-16 projects a year between 2010-2017. The record number of projects – a total of 21 – were attracted in 2018, while the highest number of new jobs (3,057) was announced in 2019. What followed was a slight dip in growth, which is mainly attributed to the COVID-19 pandemic. However, we see a massive rebound in 2021, which was a record year in terms of capital investment. With €787 million attracted in CAPEX in 2021, we see a nearly 4x year-on-year growth.

Lithuania looks promising not just at the regional but also at the pan-European level. The country was ranked first in Europe for economic recovery after COVID-19 by Euromonitor’s Recovery Index in Q1 2021. According to Eurostat, Lithuania had the highest year-on-year growth (17%) in industrial production recorded in November 2021 in the Eurozone.

The reasons for such a swift recovery are multi-fold. The country’s recovery can be attributed to timely government measures to reduce the spread of the virus and relieve individuals and companies from financial losses. In early 2020, the country was one of the first in Europe to close borders, restrict travel, and impose a nation-wide lockdown. These measures allowed to tightly monitor and manage the epidemiological situation. In Q1 2020 the Lithuanian government offered a package of guarantees, loans, tax reliefs and compensations for affected sectors, a downtime compensation mechanism, financial support for self-employed and freelancers, among other measures. In addition, a faster rebound in retail sales and consumer confidence as well as the agile nature of the Lithuanian market that predominantly comprises SMEs contributed to the fast recovery.



FDI manufacturing sector growth in Lithuania 2010-2021:

Year	No. of projects	CAPEX (EUR, M)	Jobs created
2021	8	787	1,528
2020	10	199	1,687
2019	14	403	3,057
2018	21	637	1,659
2017	15	367	2,682
2016	10	107	1,251
2015	16	189	1,202
2014	13	159	889
2013	8	43.6	373
2012	12	295	1,322
2011	10	99.2	1,796
2010	9	133	711
Total	146	3,419	18,157

Source: fDi Markets, 2021

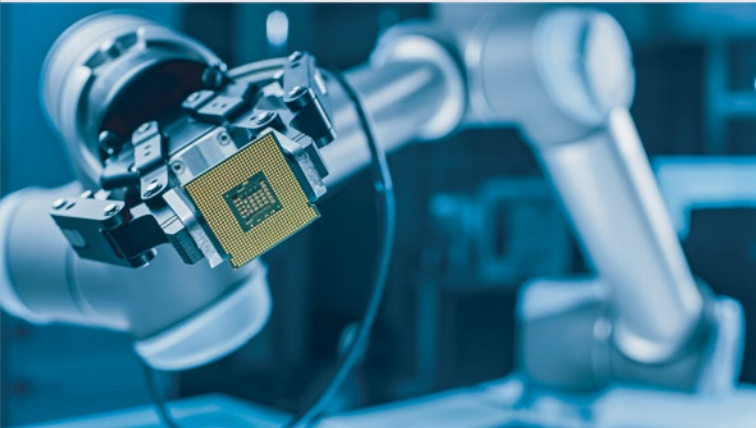
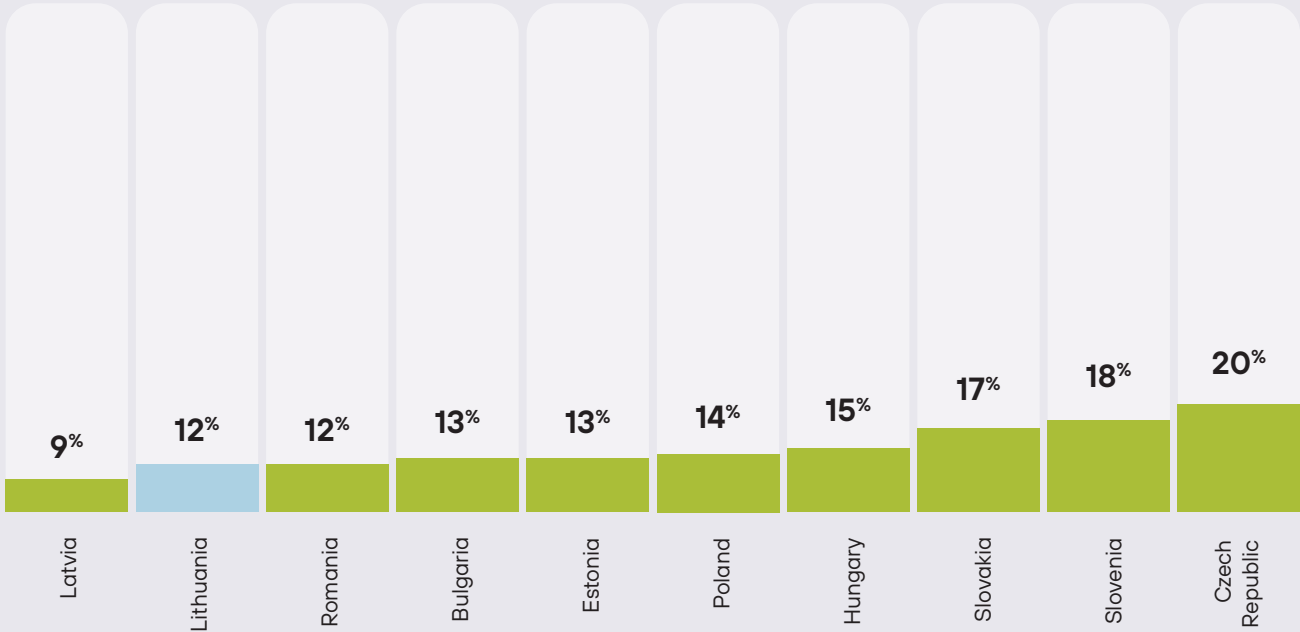
Industry overview • Saturation

# Saturation



Despite the country’s impressive strides in attracting FDI, Lithuania still has one of the least saturated manufacturing labour markets in CEE. With 12% of the entire workforce (residents aged 15 to 64) working in manufacturing, Lithuania is second in the region. Such a moderate level of saturation, combined with strong industry expertise and a business-friendly environment, brings tangible value to newcomers. It allows companies to both quickly establish an initial team and to rapidly ramp up.

Manufacturing sector labour pool saturation by country:\*



\* The share of the total labour pool (people aged 15-64) employed in manufacturing

Source: Eurostat, 2020



## Klaipėda

- Competences:**
- Port Engineering
  - Metals
  - Plastics
  - Food and Beverages

## Akmenė

- Competences:**
- Wood and Furniture
  - Renewable Energy

## Šiauliai

- Competences:**
- Mechanical and Electronic Engineering
  - Furniture
  - Construction Materials
  - Textiles
  - Leather and Sewing

## Panevėžys

- Competences:**
- Mechanical Engineering and Machinery
  - Electrical Equipment
  - Furniture
  - Textiles
  - Food and Beverages

## Utena

- Competences:**
- Textiles
  - Food and Beverages
  - Metal Processing

## Kėdainiai

- Competences:**
- Food and Beverages
  - Chemicals
  - Agriculture

## Kaunas

- Competences:**
- Advanced Electric and Mechanical Engineering
  - MedTech
  - Life Sciences

## Vilnius

- Competences:**
- Medical Devices
  - Lasers
  - Solar Cells and Modules
  - Metering Equipment
  - Wireless Controllers & more

## Marijampolė

- Competences:**
- Food and Beverages
  - Wood and Furniture
  - Metal Processing and Machinery

# Key locations for manufacturing

	Vilnius	Kaunas (incl. Kėdainiai)	Klaipėda	Šiauliai (incl. Akmenė)	Panevėžys	Marijampolė	Utena
County population (2021):	829,983	565,628	321,849	259,936	208,016	134,873	123,483
Unemployment rate (2021):	4.8%	6.7%	7.6%	7.3%	11%	9.1%	12.4%
Average gross salary (2020):	€1,567	€1,465	€1,422	€1,241	€1,247	€1,241 €	€1,197
Number of manufacturing sector employees (2020):	53,455	49,249	28,655	16,459	17,031	9,150	7,459
Number of students* (2021-2022):	59,710	42,368	11,295	4,855	3,592	1,711	2,932

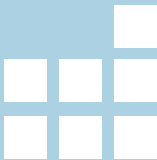
\*Students currently studying at universities, colleges and vocational schools available in the county  
Source 1: Statistics Lithuania, 2021  
Source 2: National Agency for Education, 2022

# Government support

To stimulate the growth of value-added manufacturing operations, the Lithuanian government offers a range of attractive subsidies, including Invest LT+, Green Corridor and others. These subsidies vary in nature and are aimed at helping businesses develop infrastructure, create jobs and train specialists. Recently, a new tranche of at least €198 million has been announced. These allocations will be aimed at different areas of Industry 4.0 development in Lithuania.



Attractive financial subsidies\* focused on long-term asset acquisition, job creation and talent development:



### Invest LT+

**Focus:**  
new buildings, machinery, and/or creation of new jobs for manufacturing companies

Incentive: **up to 50%**



### Apprenticeship

**Focus:**  
apprenticeship-related costs

Incentive: **up to 70%**

\*Conditions apply

New financial subsidies of at least **€198M** into value-added engineering:

**€110M**

towards upskilling and skill development within engineering and IT

**€40M**

towards the expansion of 10 regional STEM centres

**€20M**

towards the expansion of a nation-wide apprenticeship programme for manufacturing companies

**€15M**

towards the development of Industry 4.0-ready classroom infrastructure in regional vocational schools

**€10M**

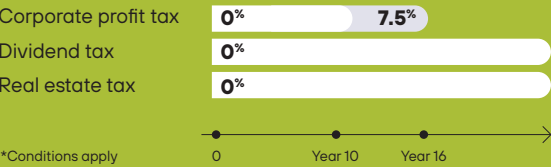
towards professional STEM orientation in schools

**€3M**

towards career centres within key regions



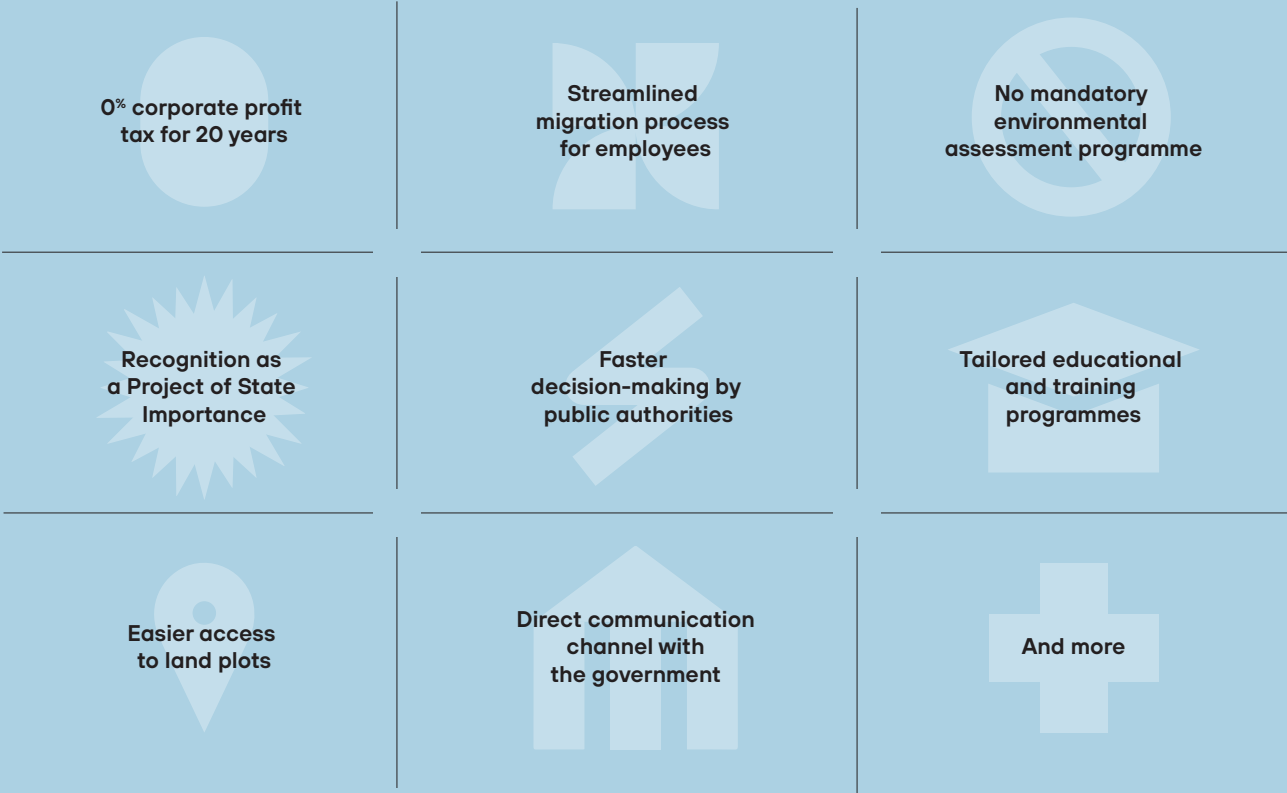
## Dedicated Free Economic Zones (FEZ) with attractive tax benefit package\*:



## Green Corridor for large-scale investors

Companies planning to invest at least €20 million and create at least 150 new full-time jobs\* in Lithuania can benefit from a new framework of tax incentives and state support. This framework makes it faster and easier for international businesses to establish and grow their large-scale operations in Lithuania.

\* Additional conditions apply



# Selected success stories



**Functions:** Manufacturing of automotive electronics components

**FTE:** 565 (2022 Q1)

**Established:** 2017, Kaunas Free Economic Zone

The German automotive manufacturer Continental develops pioneering technologies and services for sustainable and connected mobility of people and goods. Currently, it employs more than 193,000 people across more than 58 countries and markets.

In 2019, after a construction period lasting just 16 months, Continental manufacturing plant started its operation in Kaunas Free Economic Zone.

After more than three years of operations in Lithuania, Continental has recently started its expansion project, additionally investing more than €90 million and creating another 500 jobs. The total headcount will reach 1,500 by 2025.



**Functions:** Manufacturing of lighting electronics components

**FTE:** 281 (2022 Q1)

**Established:** 2017, Kaunas Free Economic Zone

In 2017, HELLA chose Kaunas Free Economic Zone for its 14<sup>th</sup> factory worldwide. After a construction period that lasted a little less than a year, in 2018 HELLA started production across some 7,000 square metres of production space.

The Lithuanian site is to be continuously expanded over the next few years with investments of a medium double-digit million-euro amount.

As part of the expansion, the number of employees is to be increased up to 430 until 2024. In the second phase, the building area of the plant was increased to a total of 22,000 square metres. In addition to new production and office space, this also includes a laboratory facility of around 1,000 square metres. Serial production portfolio of electronic components will be expanded further by adding Energy Management products from summer of 2022.



**Functions:** Contract manufacturing, including mechanical and electrical assembly

**FTE:** 261 (2022 Q2)

**Established:** 2003, Ukmergė

UAB Stansefabrikken is part of the Norwegian Stafa Industrier AS group, focused on contract manufacturing of sheet metal-based products, including mechanical and electrical assembly. Stafa Industrier currently employs 383 people across four countries.

Stansefabrikken in Lithuania is a vertically integrated and highly automated manufacturing company using the full scope of modern sheet metal processing machines in combination with skilled mechanical and electrical assembly.

In 2021, Stafa Industrier announced plans to expand its production site in Lithuania and implement a new production line which will significantly contribute to the development of Industry 4.0 competences in the region.



**Functions:** Aircraft maintenance

**FTE:** 206 (2022 Q2)

**Established:** 2012, Kaunas Airport

Ryanair Group was the leading airline in Europe in the 2021 financial year in terms of traffic (27.5 million guests) and coverage (230+ airports / more than 2,000 routes). The company employs over 18,500 employees over their whole group.

Ryanair's technical service base in Lithuania, UAB Kaunas Aircraft Maintenance Services, started its operations in 2012. The company is located in Kaunas Airport, where two Boeing 737-800 aircrafts can be serviced simultaneously in two hangars.

The Ryanair Group announced plans to expand its operations and build a second hangar, located in Kaunas, where intensive maintenance will be performed. During the development project in Kaunas, the company plans to create over 100 new jobs.



**Functions:** Manufacturing of vertical windows and exterior doors

**FTE:** 342 (2022 Q2)

**Established:** 2017, Marijampolė

DOVISTA group manufactures vertical windows and exterior doors. Currently it employs more than 7,500 employees across 10 European countries.

The construction of DOVISTA factory in Marijampolė started in 2017. So far, more than 200,000 pcs of windows and doors were produced.

DOVISTA plans to invest an additional €5.5 million and hire 250 new employees in the coming years. The planned upgrades will extend production capabilities and introduce new products and features.



**Functions:** Window and door manufacturing

**FTE:** 280 (2022 Q2)

**Established:** 2010, Šiauliai

UAB Ltintus is a subsidiary of the US company INTUS Windows, which manufactures high performing uPVC windows for commercial Passive House and LEED certified projects in the United States.

In 2022 the company announced its plans to expand production and build a new factory in Šiauliai Industrial Park. The company is planning to significantly automate its current processes and develop new Industry 4.0 competences within its local team. The innovative technologies used in window production will be tested in cooperation with Kaunas University of Technology. Furthermore, expanded Ltintus operations in Lithuania will significantly contribute to the development of the local supplier ecosystem: 95% of suppliers are planned to be hired from the region.



**Functions:** Manufacturing of yarn

**FTE:** 493 (2022 Q2)

**Established:** 2002, Raseiniai

Danspin is a leading European B2B supplier of woollen yarn, employing around 500 employees in three locations.

Danspin has been successfully operating in Lithuania for 20 years, having invested more than €80 million in its factory in Raseiniai, Lithuania.

In 2022, the company announced expanding its capacity in Lithuania and adding more than 60 employees in the next three years, with most working in production and managing intricate spinning and carding machines.

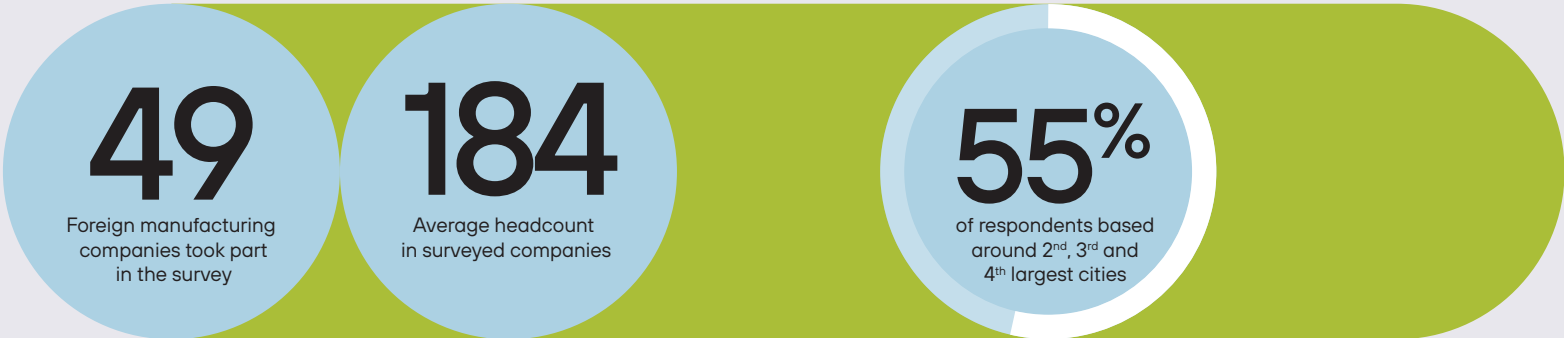


Survey findings   ●   Overview of companies surveyed

# Survey findings

## Overview of companies surveyed

Our 2022 report draws on data collected from 49 foreign manufacturing companies currently operational in Lithuania. These companies cover a wide range of sectors, with the majority hailing from the fields of Construction Components and Materials, Furniture, Food and Beverages, and Industrial Machinery. The spread of respondents covers all major Lithuanian municipalities. The counties of Kaunas, Klaipėda and Šiauliai (the country's second, third and fourth largest cities, respectively) host 55% of our respondents. At the time of this report's compilation, the average headcount in respondent companies was 184.



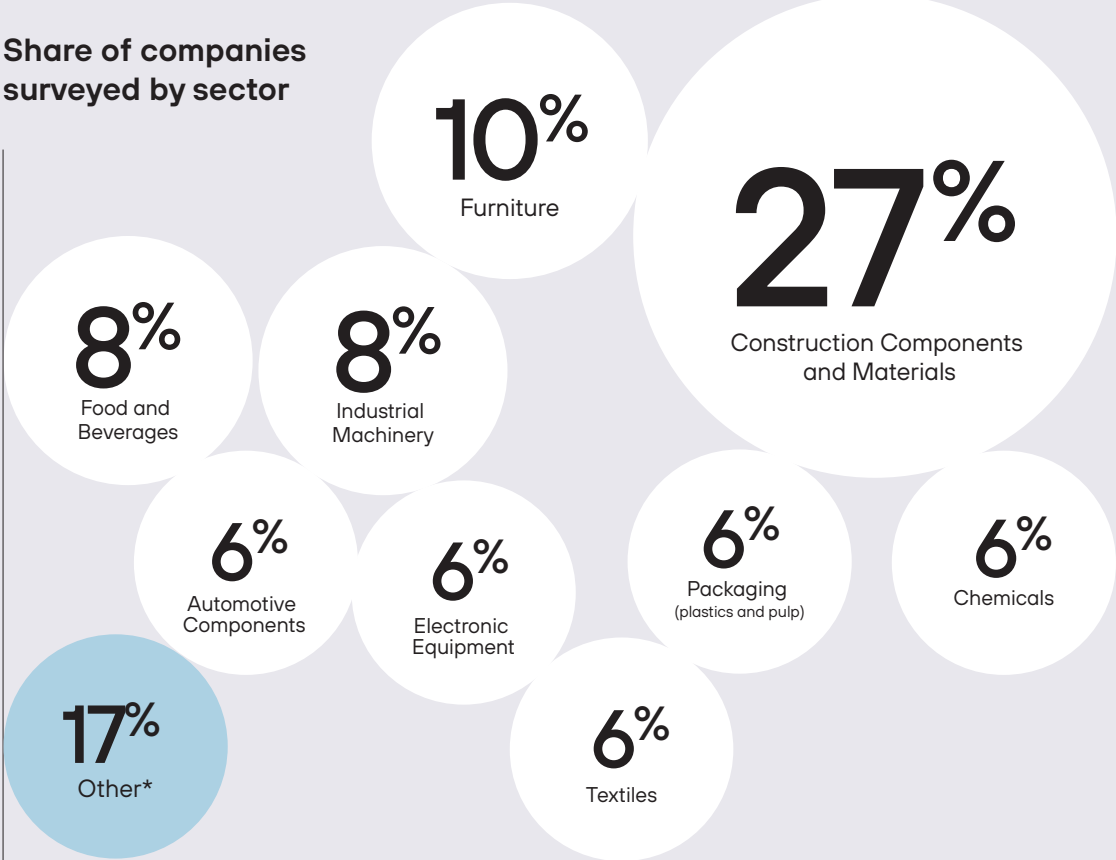
## Share of companies surveyed by location and average employee count

Locations	% of companies based	Average employee count
Kaunas district mun.	21%	218
Klaipėda district mun.	18%	177
Šiauliai city mun.	15%	246
Vilnius district mun.	5.5%	72
Marijampolė mun.	5.5%	201
Kėdainiai mun.	4%	55
Tauragė mun.	4%	224
Ukmergė mun.	4%	263
Other	23%	201

Source: Invest Lithuania survey results, 2021



## Share of companies surveyed by sector



\*Several sectors with smaller samples not to be disclosed

Source: Invest Lithuania survey results, 2021

Strategic decisions of foreign direct investors in Lithuania

Lithuania’s diverse competence and multiskilled talent pool continues to be one of the main value propositions within the country’s manufacturing sector. In fact, 43% of the companies surveyed currently conduct two or more types of operations, with many businesses also leveraging local expertise in the fields of R&D, Engineering (non-IT) and Supply Chain Services.

At the time of the survey’s compilation, 61% of respondents stated that they had plans to expand their operations in 2022-2023. And this growth, as mentioned above, is not limited to manufacturing: 14% of companies surveyed plan to expand or introduce their R&D, 12% - their Engineering (non-IT), and 6% - their Supply Chain Service.

To support this growth, the respondents indicated that they are, on average, expecting to hire 32 FTEs within 2022, with the number reaching as many as 350 FTEs in some of the companies surveyed. Expectations for employee growth in 2023 are projected to be in line with 2022, with 30 new FTEs being added on average. The sectors supporting the highest levels of employee acquisition are Automotive Components, Furniture, Aerospace and Defence, Electronic Equipment, and Food and Beverages.

Driving growth and development in the manufacturing field are partnerships between the respondents and local businesses. A hefty 78% of all respondents are pursuing successful relationships with service providers and suppliers in Lithuania. Logistics, maintenance, and coating were cited as the most common fields for co-operation by our respondents. When it comes to component suppliers, metal, plastic, and timber stand out.



Functions:	Manufacturing of multiple advanced electronics and electromechanical products
FTE:	628 (2022 Q2)
	Present in Kaunas since 2012

Littelfuse Kaunas with its unique R&D capabilities will continue to be instrumental in our strategic efforts to grow our market share in the next generation Electrical Vehicles business segment. Local engineers are known for their great technical know-how, especially in the solar sensor technology. The sensor solutions designed in Kaunas have earned long-standing global recognition among all our automotive customers.

**Engelbert Hetzmanseder**  
Vice President R&D and Chief Technology Officer,  
Passenger Vehicle Business at  
Littelfuse Europe GmbH



Functions:	R&D and manufacturing of MDF/HDF boards
FTE:	440 (2023 forecast)
Established:	2019, Pagiriai, Vilnius district

Production technologies are constantly changing, and the ones that are being used now will inevitably change. We do not just want to be at the forefront of these changes – we have an ambition to initiate them. At the Lithuanian R&D centre, we will focus on updating technological processes, developing, and using new, environmentally friendly raw materials. We will improve wood fibreboards and finishing materials, improve existing ones and create new recipes, and look for ways to further optimise technological processes.

**Andrius Ostrauskas**  
CEO at Homanit Lietuva, UAB



Functions:	R&D and manufacturing of technology to produce innovative and sustainable construction materials
FTE:	8 (2021 Q4)
Established:	2019, Klaipėda Free Economic Zone

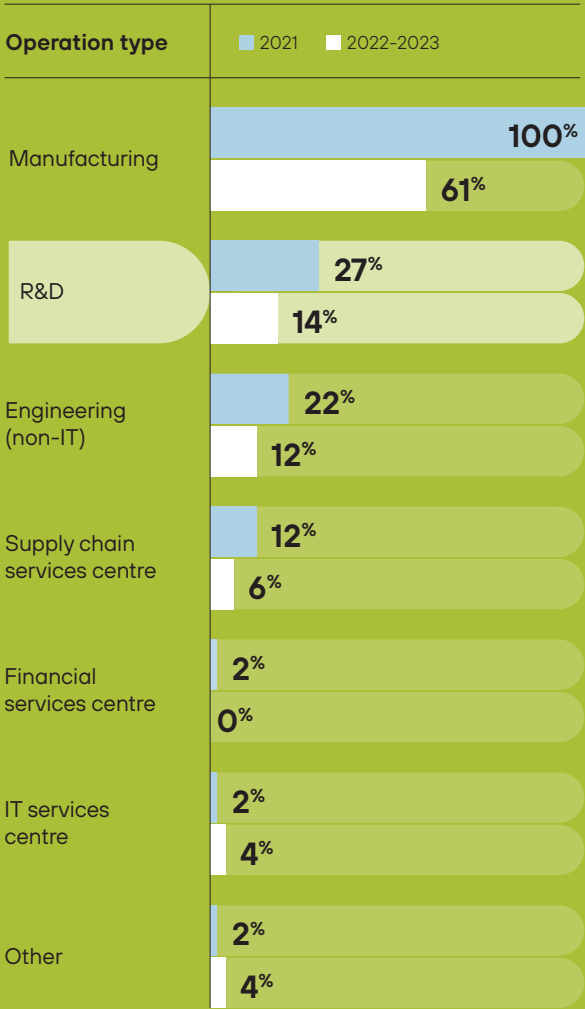
Our original intent was to just set up a manufacturing facility in Lithuania. But after spending time here, we were impressed by the available talent and quality of education. Because of this, we decided to move our R&D activities to Lithuania as well. It was definitely the right choice for us.

**Jacqueline Thormities**  
Director at GRH LT, UAB

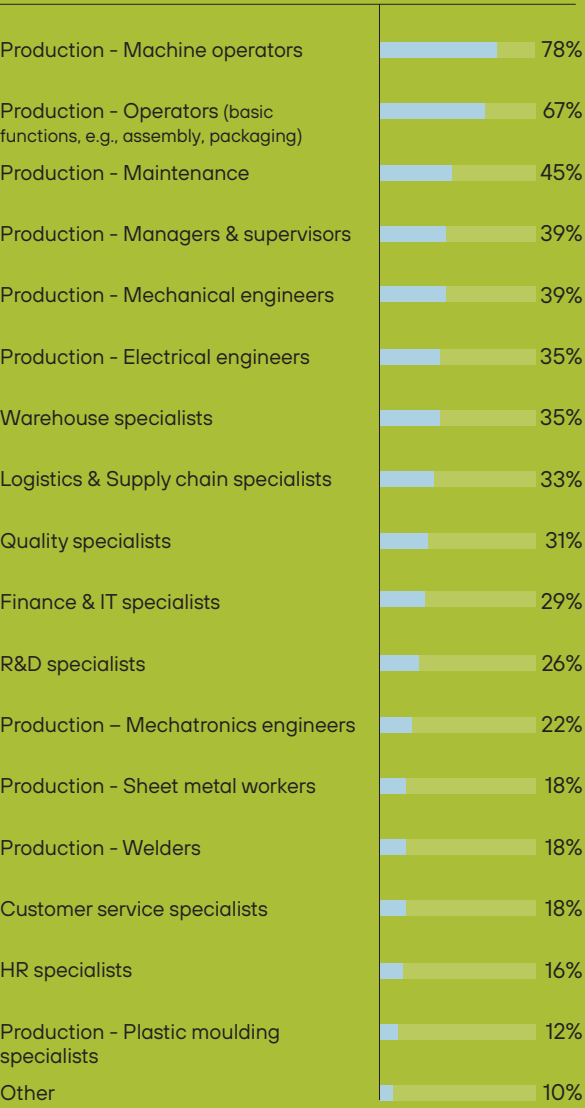


Share of companies by functions conducted in 2021 and growth plans for 2022-2023

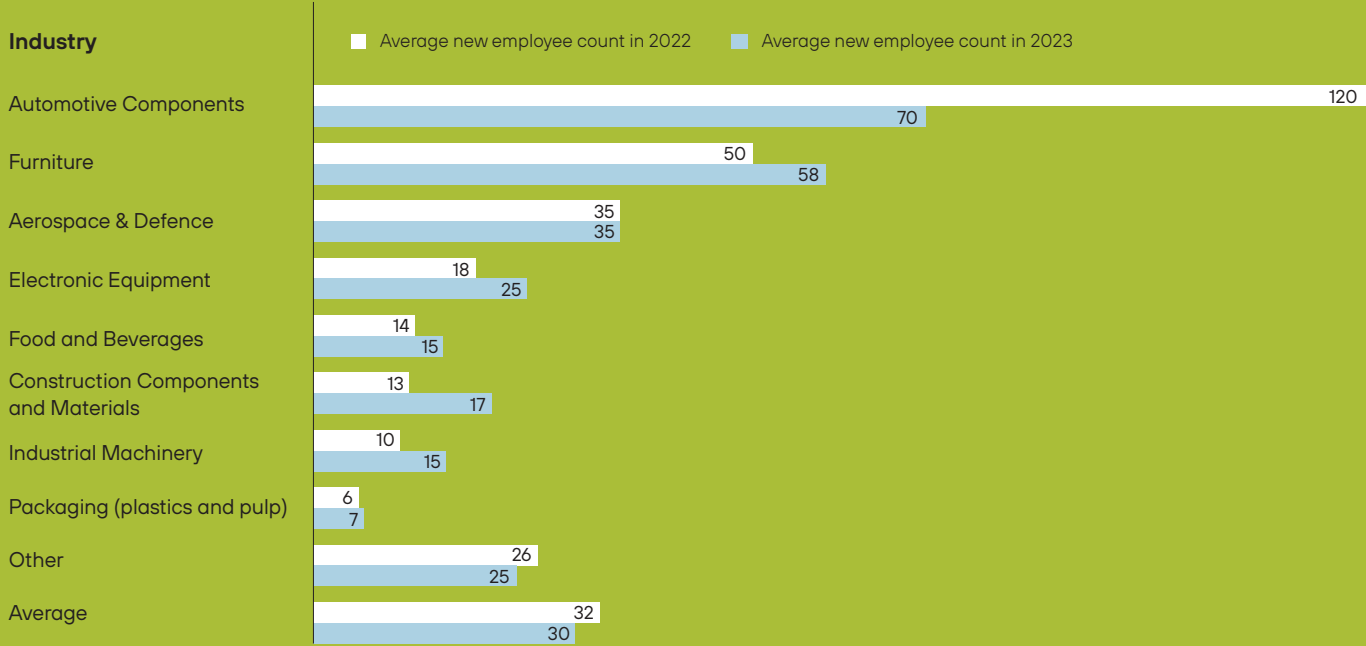
(planned new or expansion of existing functions)



Share of companies planning new hires by function in 2022-2023



Average number of planned new hires by sector in 2022-2023



Source: Invest Lithuania survey results, 2021

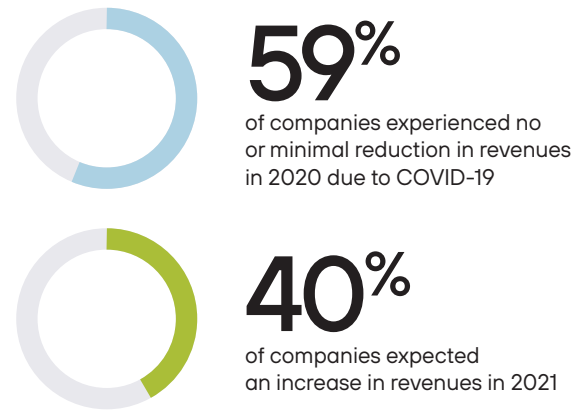
Survey findings COVID-19 impact

COVID-19 impact

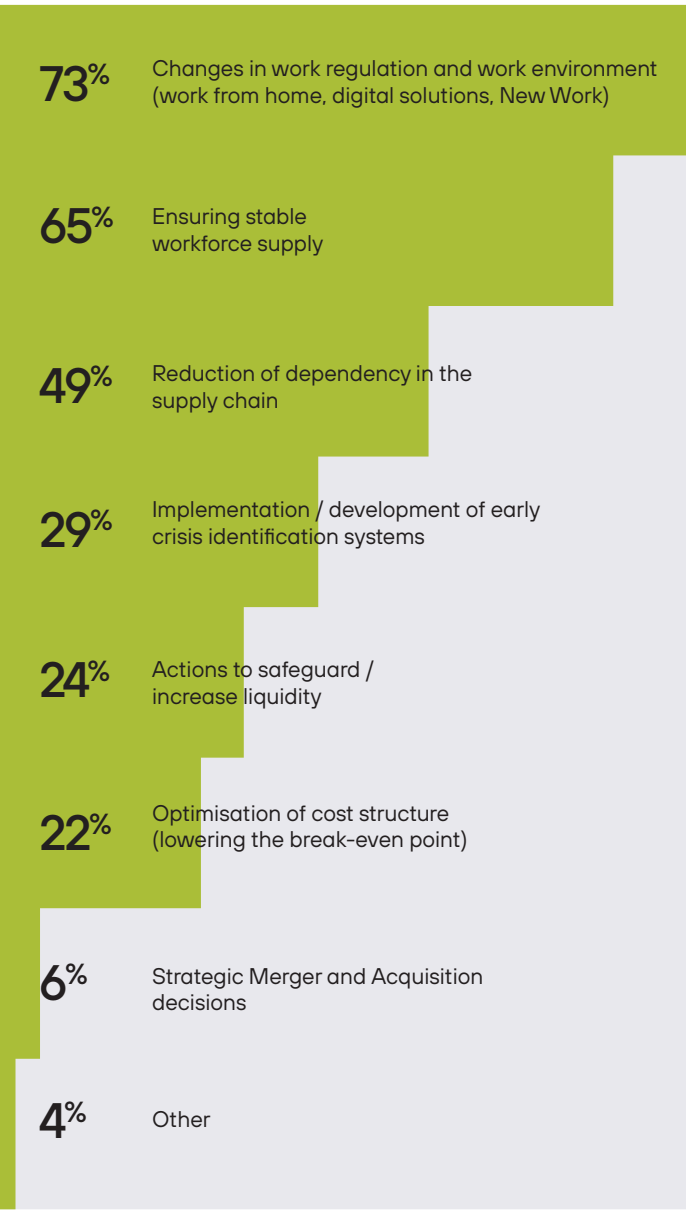
The COVID-19 pandemic sent reverberations through the global business landscape, disrupting all sectors, including manufacturing. In particular, this “new normal” caused disruption to supply chains and forced companies to search for ways to minimise delays. The Lithuanian manufacturing sector proved particularly adaptive and resilient, with the result that in November 2021 it had posted the highest monthly year-on-year growth for industrial production in the Eurozone (according to Eurostat figures released on January 12, 2022). Such a strong performance was made possible thanks to the swift financial and safety measures that were put in place by the Lithuanian government, the adaptivity of local SMEs, and the emergence of a trend for supply chain nearshoring.

The majority of companies surveyed (59%) reported that they experienced no or minimal (up to 10%) reduction in their revenues in 2020. In fact, 40% of companies expected to see their revenues rise in 2021 in the context of COVID-19. Those industries with a higher reliance on complex supply chains, namely Automotive Components, Construction Components and Industrial Machinery, understandably experienced the highest negative impact on revenues. The outlook for these industries, however, would appear more positive for 2022-2023.

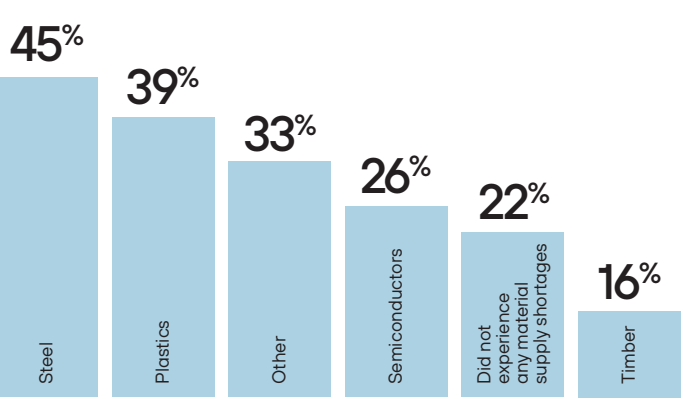
Respondents reported the need to adapt to the changes in working regulations and working environment as challenging effects of the pandemic, alongside the need to ensure a stable workforce and diversify supply chains. The latter issue was particularly impactful, with 80% of companies reporting that supplies of critical materials and components were affected. Key bottlenecks were reported in steel, plastics, semiconductors, and timber.



Share of companies that experienced specific challenges during COVID-19



Share of companies that experienced specific material or component supply shortages in 2020-2021



Source: Invest Lithuania survey results, 2021



Survey findings • Industry 4.0

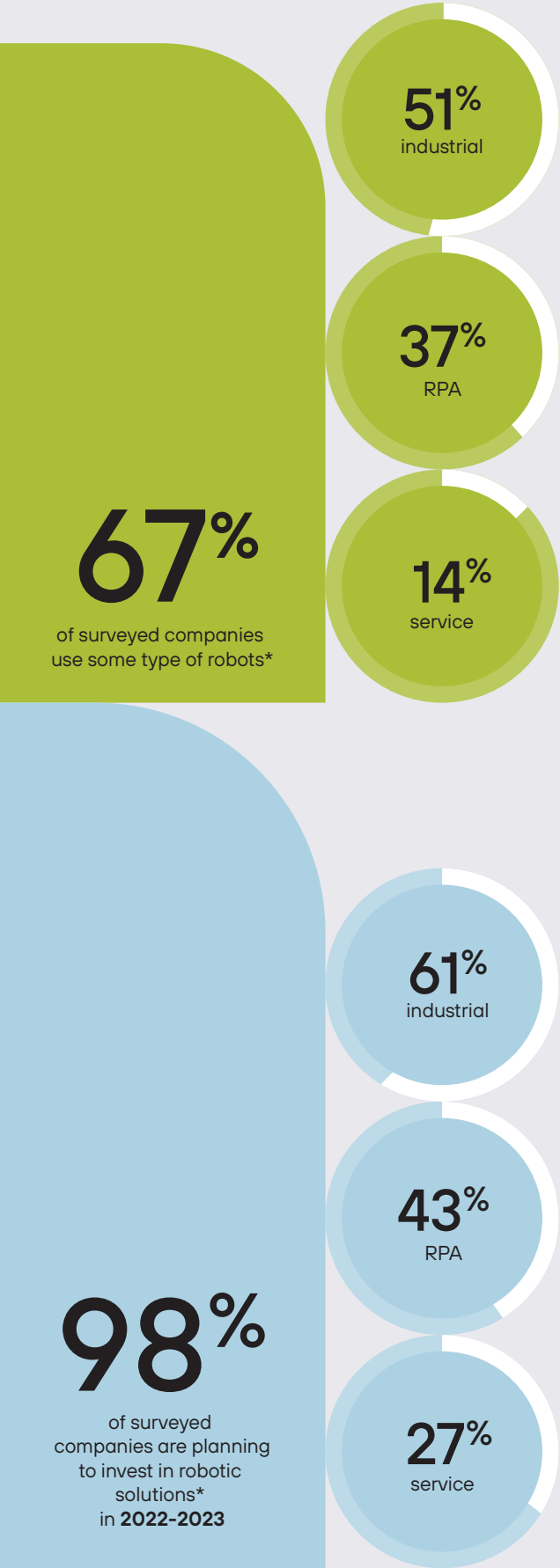
# Industry 4.0

With the emphasis it places on creating streamlined, efficient and competitive operations, smart automation is the beating heart of Industry 4.0. Meanwhile, the COVID-19 pandemic has only accelerated the integration of robotisation\* in production processes. Faster operations, smarter and more cost-effective core processes – these are just some of the many benefits on offer. And with the emergence of Robotic Process Automation (RPA), new opportunities for transformation and increased added value are appearing.

So, it should come as no surprise that robotisation plays such an important role in the Lithuanian manufacturing sector. 67% of survey respondents reported that they utilised some form of robotisation, with industrial robots being the most common (51%). RPA accounts for 37% of all robotisation, while service robots account for 14%. Unsurprisingly, robotisation usage cleaves pretty close to global trends, with Automotive Components, Construction Components and Materials and Electronic Equipment industries being the most pronounced users of robots in Lithuania.

A clear indication of how important robotisation will be in the future of the sector lies in the fact that a massive 98% of respondents reported that they are planning to invest in some form of robotisation in 2022-2023.

\*Note:  
**Industrial robots** – used for automatic welding, laser cutting, spray painting, etc.  
**RPA robots** – software used or developed/programmed for data entry, data validation, automated report generation, business systems integration, etc.  
**Service robots** – used for maintenance, cleaning, transportation, etc.  
Source: Invest Lithuania survey results, 2021



Top sectors currently using industrial robots	Top sectors planning to invest in industrial robots in 2022-2023
Automotive Components	Automotive Components
Construction Components and Materials	Construction Components and Materials
Electronic Equipment	Food and Beverages
Food and Beverages	Furniture
Furniture	Industrial Machinery
Industrial Machinery	
Note. Top sectors include at least three companies who state having and/or planning to implement robotic solutions Source: Invest Lithuania survey results, 2021	



**Functions:** Industrial automation; Robotisation; Computer vision

**FTE:** 45 (2022 Q1)

**Established:** 1994, Kaunas Free Economic Zone

“The scale and speed of robotisation are accelerating faster than we can imagine. Companies around the globe are investing in robotisation in their manufacturing facilities. It’s not a question of if but rather a question of when. The idea of robotics is more attractive to foreign investment companies as they usually have seen proven benefits of it in their headquarters, placed emphasis on the long term returns and plan 5 or 10 years in advance.

As robotisation is becoming the key success component in manufacturing companies, we must put our full focus on it. Lithuanian companies are already ramping up their robotisation operations. In the last years, it has grown around three times. Although we are still a little behind, we are quickly catching up with to the rest of Europe and have the full potential to grow even further. Lithuania has a large pool of young and talented people that are specialising in technology and able to create high value-added products and carry out automatISATION and digitisation.

**Aurelijus Beleckis**  
Chief Executive Officer  
at Elinta Robotics, UAB



Survey findings • Talent / HR • Key talent pool facts

# Talent / HR

## Key talent pool facts

Lithuania offers a solid talent base for the manufacturing sector. The average age of the workforce is 39, and the talent pool scored highly across the several metrics surveyed. The local workforce is highly valued for its adaptability, with 80% of companies rating the cultural fit and ability to learn of local talents as either “good” or “excellent”.

The local workforce was also rated highly for productivity and determination – 74% of companies rated work ethic and 60% of companies rated going the extra mile criteria as “good” or “excellent”.

39

The average age of employees in foreign manufacturing companies in Lithuania

## Key qualities of the local talent pool

Rated as “good” or “excellent”



Source: Invest Lithuania survey, 2021

The Lithuanian labour market is distinguished by its gender balance. In fact, according to the World Bank, Lithuania holds the first place in the EU for the share of women in the workplace. Not only that, according to Eurostat, it also ranks 1<sup>st</sup> in the EU in terms of women scientists and engineers. And the country also received the accolade of ranking 1<sup>st</sup> in the CEE in the World Economic Forum’s Global Gender Gap Index.

Gender balance also permeates the Lithuanian manufacturing sector. According to Statistics Lithuania, the average share of women in the manufacturing sector was 42% (2021). In the 49 surveyed foreign manufacturing companies an average of 40% of the total workforce consisted of women and 31% of senior management positions were held by women.

## Gender balanced labour market

1<sup>st</sup> in the EU:  
51% of total labour force are women

Source: World Bank, 2019

1<sup>st</sup> in the EU:  
57% of scientists and engineers are women

Source: Eurostat, 2018

1<sup>st</sup> in the CEE/  
8<sup>th</sup> globally:  
The Global Gender Gap Index

Source: World Economic Forum, 2021



Functions:	R&D, Engineering, Manufacturing of Professional Communication Systems for Safety at Land, Sea and Air
FTE:	95 (2022 Q2)
Established:	2001, Kaunas

50% of headcount represented by women.  
75% of management represented by women.

“At traditional communication systems providers, you would expect to usually see a male-dominated workforce. As a Norwegian company, owned and led by women, Jotron AS has focused on developing a gender-balanced workforce. With much focus and care, we developed five excellent women leaders which are currently within the Jotron Group management team. This tradition continues also in Lithuania.

Almantė Medžiaušienė  
Managing Director at Jotron, UAB,  
and Quality Director at Jotron Group



Functions:	Manufacturing of furniture
FTE:	856 (2022 Q2)
Established:	2006, Kaunas

65% of Theca’s headcount is represented by women.  
50% of top management is represented by women.

“For any particular position, we always choose employees for their skills and character. Gender plays no part here. I see benefits when gender distribution is equal, but we have not set this as a target for ourselves. Finding the right person is what we are looking for and the balance seems to come together.

Jurgita Miseniovienė  
General Director at  
Theca Furniture, UAB



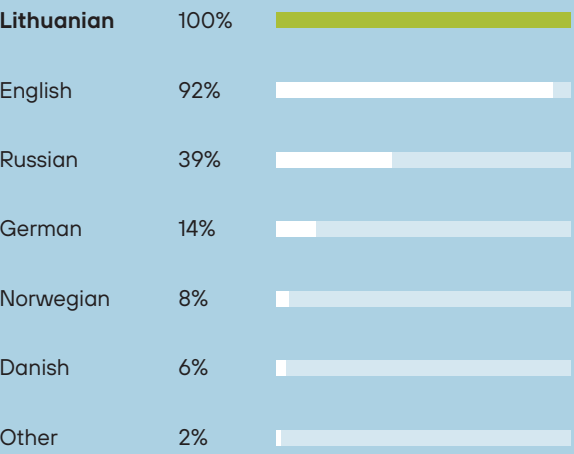
With 85% of young Lithuanian professionals speaking English (according to the latest National Census data) and 96% of Lithuanians being fluent in one or more foreign languages (according to Eurostat), foreign manufacturing companies can easily establish and ramp up operations requiring multilingual competences. Among the surveyed companies 44% reported using two or more foreign languages in their daily operations. 92% use English, 39% - Russian, 14% - German, 8% - Norwegian and 6% - Danish. The highest number of languages spoken among surveyed companies is 7. Surveyed companies are also tapping into the international labour pool, employing on average 10% of foreign nationals in their Lithuanian facilities.





Survey findings • Talent / HR • Key talent pool facts

Languages used in foreign manufacturing companies in Lithuania

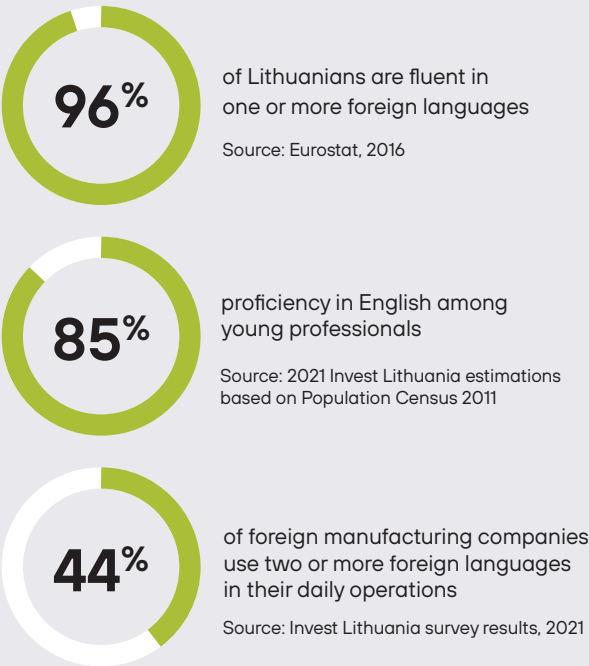


Labour force structure in foreign manufacturing companies\*

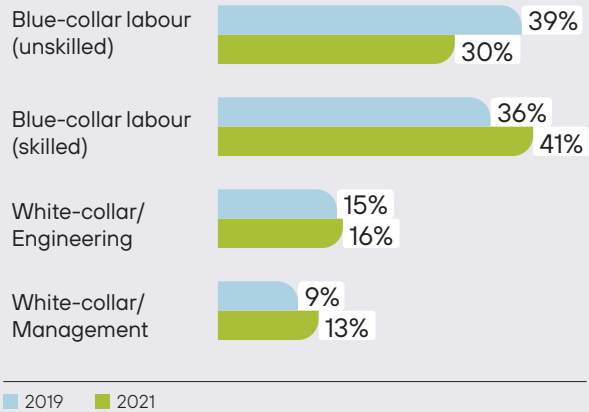
According to our findings, the typical labour force of a foreign manufacturing company in Lithuania is composed as follows: 71% blue-collar employees, including both skilled and unskilled workers, 16% white-collar / engineering and 13% white-collar / management employees. Compared to 2019, the share of white-collar employee functions and blue-collar skilled functions increased, while the share of blue-collar unskilled functions decreased.

- \*Note:
- **Blue-collar labour (skilled) functions:** assembly, packaging, mining, oil field work, recycling - simple and routine physical and manual tasks.
  - **Blue-collar labour (highly skilled) functions:** operating machinery and electronic equipment, driving vehicles, maintenance and repair of electrical and mechanical equipment, manipulation, ordering and storage of information.
  - **White-collar/Engineering labour functions:** complex technical and practical tasks, extensive body of factual, technical, and procedural knowledge in a specialised field.
  - **White-collar/Management labour functions:** managerial and administrative.

Multilingual workforce



Labour force structure in foreign manufacturing companies\*



Survey findings • Talent / HR • Talent supply and attrition

Talent supply and attrition

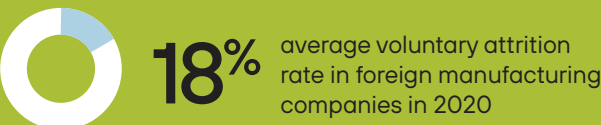
With their dedication to setting high standards for employee supply and retention it is hardly surprising that foreign manufacturing companies in Lithuania manage to secure the most talented workers. And despite constant growth and the challenges posed by the pandemic, the Lithuanian manufacturing sector has managed to remain relatively stable.

According to Biuro, a local agency specialising in blue-collar recruitment and temporary staffing, the average attrition rate for 2019-2021 (including Lithuanian companies) was 30%. For the foreign companies surveyed, this number was lower. The average voluntary attrition rate was 18%, whilst involuntary attrition was at 3%.

Strong employer branding employed by foreign companies, as well as their more structured onboarding practices, and standardised remuneration policies and salary, make a

big difference in handling attrition. Finally, the lasting impact of post-pandemic recovery should not be underestimated. One of the main effects we see is an increase in hiring lead times, which has increased by 53% between 2020 and 2021, according to our respondents.

Experts at Alliance for Recruitment and Biuro state that increased hiring lead times is an overall trend in the CEE region which may continue in 2022.



Functions:	Manufacturing of D.C. contactors and emergency disconnects
FTE:	217 (2022 Q2)
Established:	2008, Klaipėda

3% voluntary attrition rate

Equal treatment and cooperation are in our organisational DNA. Through strong cooperation between our labour union and company management we enable continuous improvements of the work environment based on specific employee needs. To name a few examples, we offer a yearly bonus system, and an additional bonus based on Bradford Factor calculation. Next to standard benefits like health insurance, we also compensate 100% of employee transportation costs, and offer free-of-charge COVID testing. Our employees are also very satisfied with the 8-hour one-shift system and transparent voluntary overtime payment scheme. Each summer and winter we gather our employees to celebrate and share our achievements. Our goal is to create sustainable long-term relationships in our team.

**Ramūnas Barcevičius**  
General Manager at  
Albright Lietuva, UAB



Functions:	Manufacturing of PET resin
FTE:	121 (2022 Q1)
Established:	2004, Klaipėda Free Economic Zone

3% voluntary attrition rate

Being part of the global "Indorama Ventures Limited", we follow the same high standards for employee-orientation which is deeply rooted in our corporate culture. I think that our key factor for success is an "open door" culture enabling each employee discussing their ideas with the top management and implementing concrete continuous improvements within our management systems and a working environment adhering to employees' needs. Next to the more traditional benefits such as competitive salaries, private insurance and a favourable working environment, we also offer rewards for employees who come up with improvement ideas within the areas of work environment safety, environmental protection and quality. This all enables us to retain the most qualified and motivated employees in our organisation.

**Jitendra Kumar Malik**  
General Director at  
Orion Global Pet, UAB

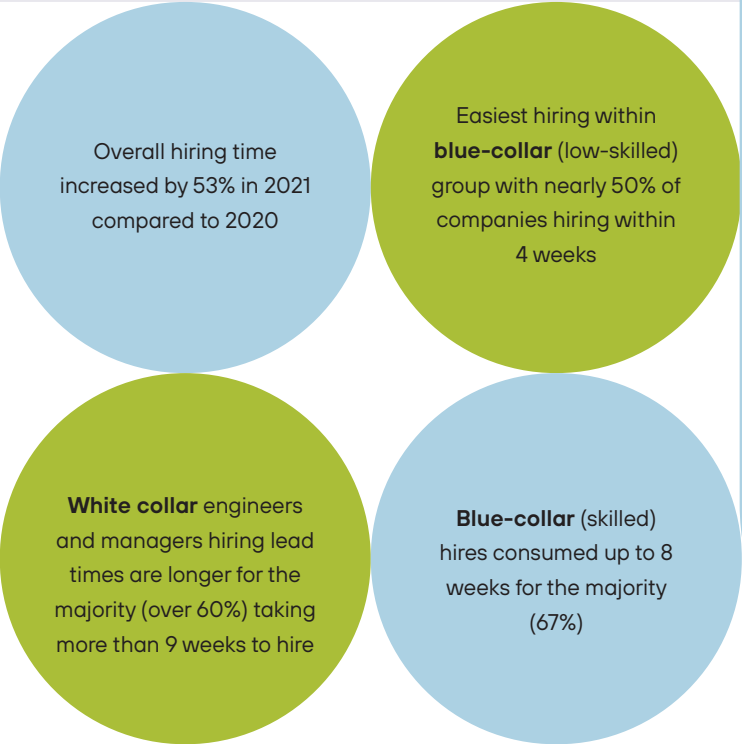




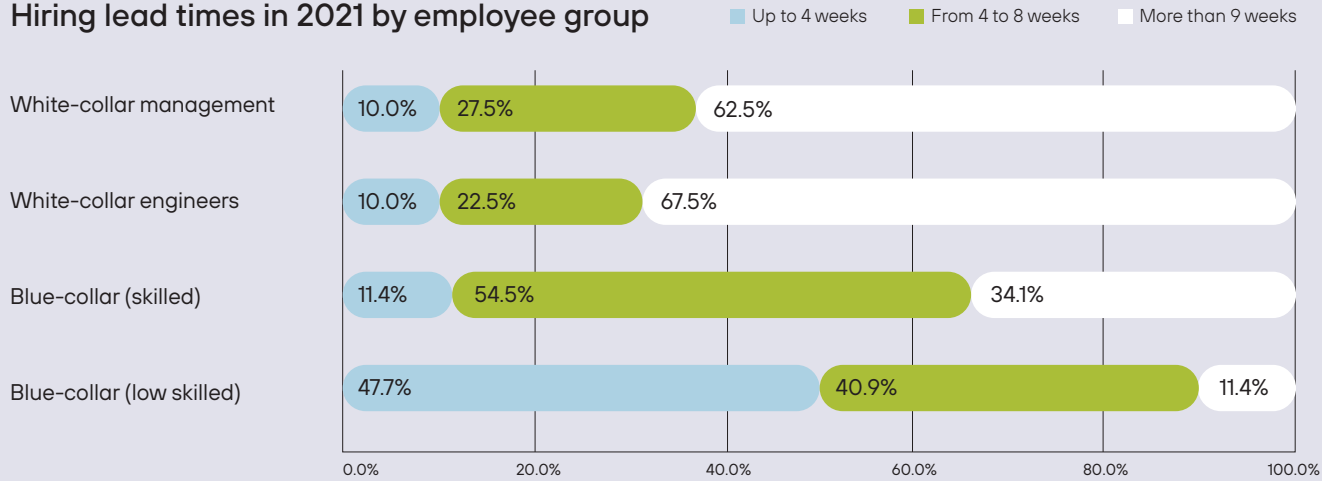
Survey findings • Talent / HR • Talent supply and attrition

## Hiring lead times in 2021 by employee group

As a consequence of the pandemic and post-pandemic recovery, hiring lead times have seen a rise all around the world. According to our survey, hiring lead times increased by an average of 53% between 2020 and 2021. While nearly half of respondent companies stated that it takes 4 weeks or less to hire low-skilled positions, it is more difficult to find skilled blue-collar workers (up to 8 weeks for 67% of our respondents), as well as engineers and managers (more than 9 weeks for 60% of our respondents).



### Hiring lead times in 2021 by employee group



Source: Invest Lithuania survey results, 2021



Functions:	Specialist and blue-collar recruitment and temporary staffing agency
FTE:	1,900
Established:	2004

The rise in hiring lead times in 2021 is not unique to Lithuania. Post-pandemic market imbalances, such as differences in the speed of sector recovery (e.g., hospitality versus manufacturing), has led to more competition for workers in some sectors and a rise in unemployment in others. However, as our experience shows, companies that reacted to these market changes by reviewing their salaries, working on better onboarding processes and improving employee experience were quick to become more successful in hiring and retaining employees. The trend is likely to continue, allowing companies to boost their recruitment processes and organisational culture, which will result in more long-term resilience and better employee retention rates.



Jurgis Kovas  
CEO at Biuro, UAB



Functions:	Recruitment agency with focus on white-collar talents
FTE:	75
Established:	2011

An increase in hiring lead times is a global trend, as economies have recovered after pandemic in 2021 (especially in the manufacturing industry). We see no difference in Lithuania compared to the rest of the CEE region. We still see positive trends in the market when new foreign investors (especially from Germany, Scandinavia and USA) build new manufacturing plants and while creating a strong employer value proposition at the same time. It is very important that the company's vision is long-term and that the willingness to take care of employees is sincere. The most successful companies not only have fast decision-making processes when it comes to interviewing candidates and issuing offers, they also provide thorough feedback to candidates. Companies must have a compensation & benefits structure, think about employee healthcare, offer canteen and dining as well as travel to and from work arrangements (especially for blue-collar staff). Key factors for success include active involvement in local communities and support in shaping the local educational landscape. Looking at white-collar recruitment trends, we see that more flexibility regarding working from home, using individualised benefits and attention to growth of talent will remain key.

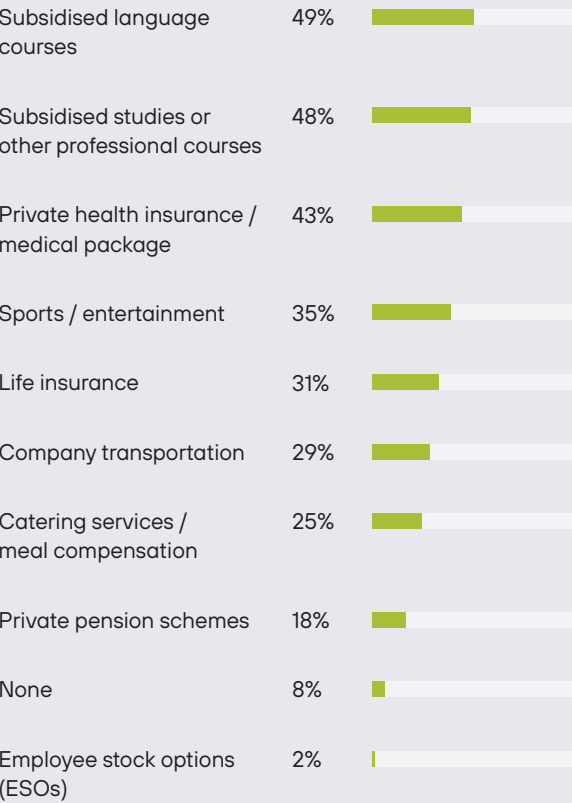


Andrius Francas  
Partner at Alliance for Recruitment, UAB

## Key non-wage benefits

Non-wage benefits that foreign manufacturing companies in Lithuania can offer to their staff can be linked to lower than market average attrition rates. Interestingly, 92% of surveyed companies claim to offer some form of non-wage benefits to their employees. Almost half of the companies deliver subsidised training that runs the gamut of language courses, graduate studies and upskilling courses. Private health, life insurance, sports/entertainment packages as well as transport and catering are also listed among popular options. A fifth of surveyed companies offer private pension schemes.

### Key non-wage benefits by type



Source: Invest Lithuania survey results, 2021

Survey findings • Talent / HR • Talent supply and attrition

Commuting to work

Thanks to short distances and high connectivity, investors can easily hire specialists residing in other locales. According to our respondents, it is normal for up to 30% of all employees to be commuting from suburbs and other towns. And as car ownership rates in Lithuania are relatively high (536 personal vehicles per 1,000 inhabitants), most employees prefer driving or carpooling to work.

On average, Lithuanian employees are ready to commute 27 kilometres per day. Being ready to compensate travel costs helps to hire and retain employees in Lithuania. 55% of our respondents fully or partially refund transportation costs for their employees.



**Functions:** Manufacturing of forges and machined parts for automotive industry

**FTE:** 223 (2022 Q2)

**Established:** 1996, Marijampolė

In order to attract the best talent, we are pursuing a regional hiring strategy in Lithuania. At CIE LT Forge, 22% of employees commute 50+ km to work. For 44% of company employees who travel more than 12 km, the company compensates own means of transportation.



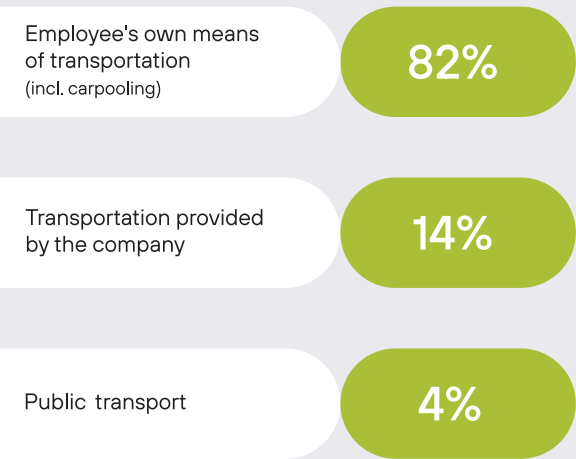
**Darius Masionis**  
General Manager at CIE LT Forge, UAB

**55%** of companies fully or partially refund transportation costs

**10%–30%** of employees in majority (70%) of companies commute from suburbs, different towns or cities

**27km** is the average commute for employees in surveyed companies

Lithuanian employees predominantly use own means of transportation to work:



Survey findings • Talent / HR • Cooperation with educational institutions

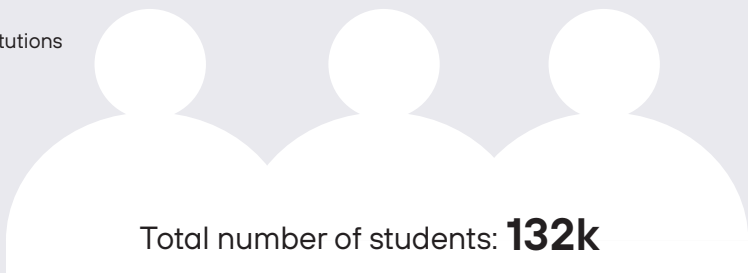
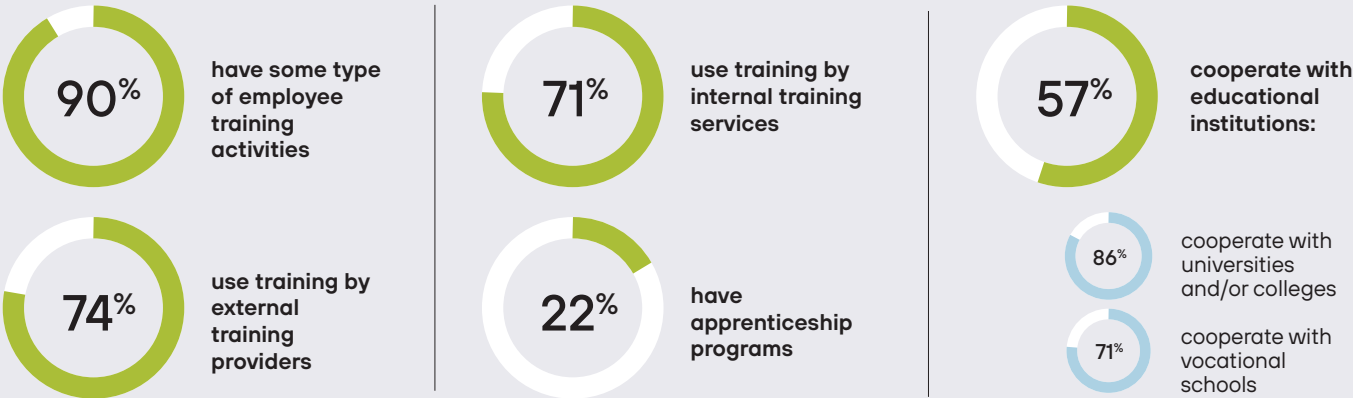
Cooperation with educational institutions

Foreign manufacturers in Lithuania value employee orientation towards industry- and company-specific qualifications. A whopping 90% of surveyed companies report having some kind of training activities in this area, with external and internal training being equally popular.

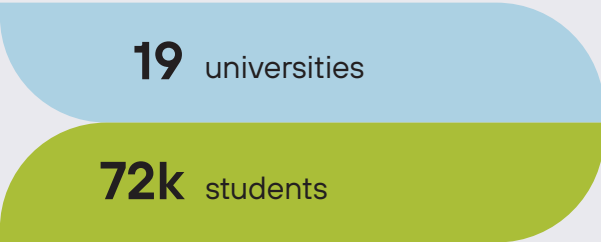
Generally speaking, collaboration with educational institutions was listed as a common practice, with 57% of surveyed companies collaborating with educational institutions. Of those, 86% collaborate with universities/colleges and 71% with vocational schools.

The practice of apprenticeship is also gaining traction in Lithuania, with 22% of surveyed companies employing and training apprentices coming from local colleges and vocational schools. This model was deemed especially relevant by companies in Packaging (plastics and pulp), Automotive Components, Construction, Industrial Machinery.

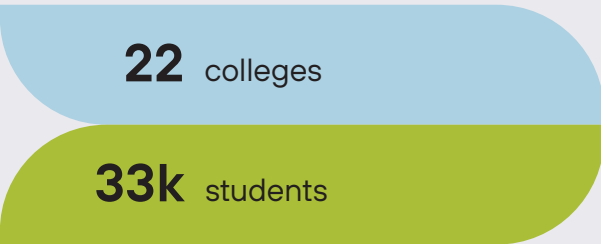
The country's educational system has proven many times its ability to adapt to investors' needs. The annual Investors' Spotlight project brings together companies and educational institutions to refine and improve study programmes. Since 2016, a total of 46 programmes have been reviewed, with 36 receiving Investor's Spotlight quality badge.



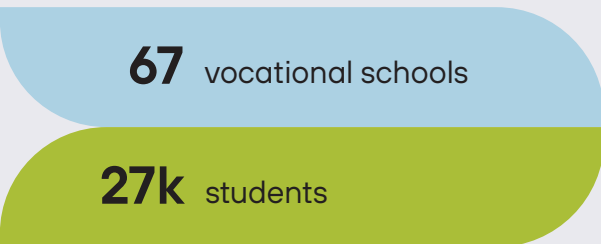
Universities



Colleges



Vocational schools



Source: Educational institution statistics, Statistics Lithuania, 2022  
Source: Student statistics, Invest Lithuania, 2021 – 2022

Source: Invest Lithuania survey results, 2021



### Top 3 cooperation areas with educational institutions

#### Universities

Recruiting future employees

Ordering research projects

Internships

#### Colleges

Recruiting future employees

Internships

Apprenticeships

#### Vocational schools

Recruiting future employees

Apprenticeships

Training courses for companies

Source: Invest Lithuania survey results, 2021



Functions:	Manufacturing of automotive electronics components
FTE:	565 (2022 Q1)
Established:	2017, Kaunas Free Economic Zone

With intensive expansion planned at Continental in Kaunas, it is critical to have strong cooperation with local educational institutions to ensure continuous talent sourcing. Our company is actively cooperating with Kaunas University of Technology successfully recruiting at least 50 interns per year. In cooperation with Visaginas Vocational School we have already trained around 15 apprentices since 2019. It is our key success factor for sustainable growth here in Lithuania.

**Ieva Koncevičiūtė**  
Head of Communications,  
Corporate Affairs and Talent  
Acquisition at Continental  
Automotive Lithuania, UAB



Survey findings • Sustainability and green energy

## Sustainability and green energy

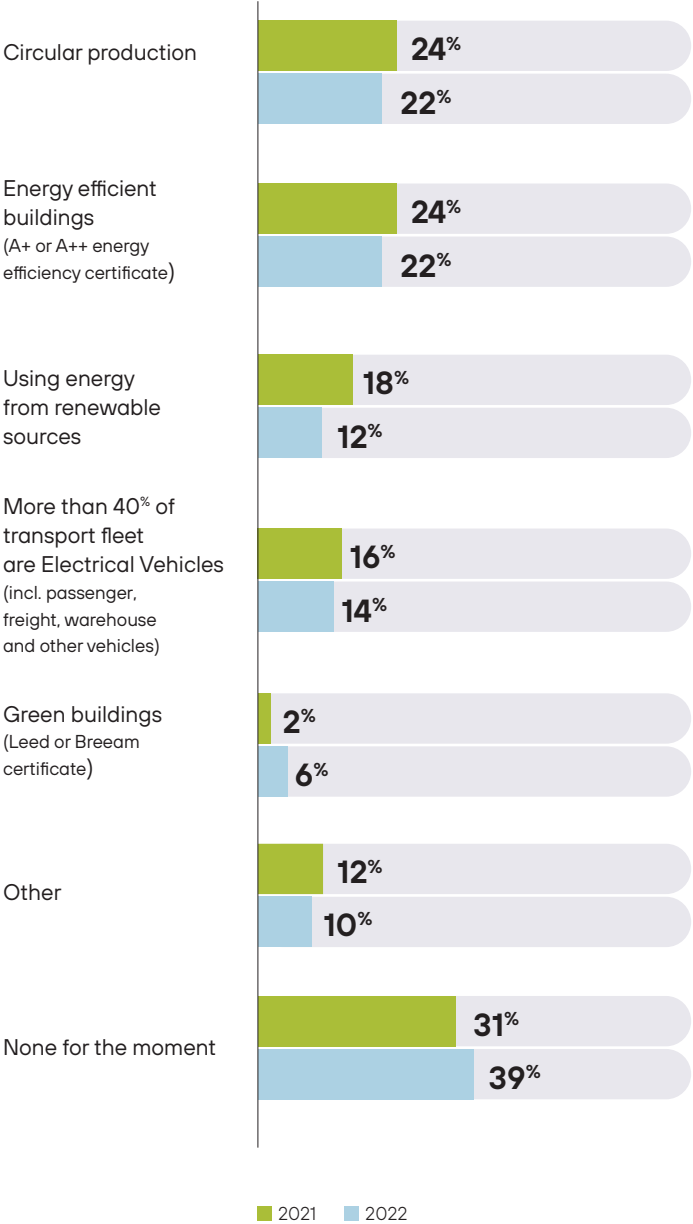
According to our survey, the majority of respondent companies are looking into their ecological impact and implementing changes to fight climate change. The demand for renewable energy is rising and our industry survey shows that 60% of the companies already consume energy from renewable sources with more than a quarter being 100% renewable energy consumers. In addition, 70% of surveyed companies reported to have environmental responsibility measures in place. The most common measures implemented are energy-efficient buildings and circular production. Looking into 2022, 61% of companies surveyed plan to implement or expand existing environmental responsibility measures.

**100%**  
renewable. More than a quarter of companies surveyed fulfil their electricity needs from renewable sources only

**70%**  
of companies have already implemented some kind of environmental responsibility measures

**61%**  
of respondents plan to implement environmental responsibility measures or expand existing ones in 2022

### Types of environmental responsibility measures already implemented and planned in 2022 by survey respondents





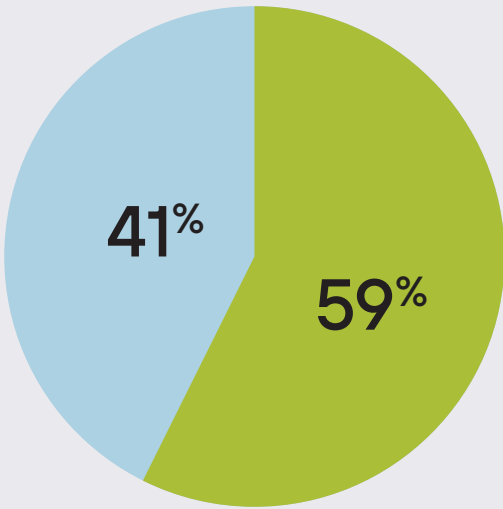
Survey findings • CSR activities

# CSR activities

Corporate Social Responsibility (CSR) is now seen as an essential part of a company's DNA, as it can help a company define its culture and lay foundation for future development and growth. In fact, in 2019 a whopping 90% of S&P 500 companies published a CSR report, compared to just 20% in 2011. Reflecting these global trends, CSR is playing a prominent role in how foreign companies integrate into the Lithuanian market. 2/3 of the companies surveyed were pursuing some form of CSR activities, many of which are dedicated to the fostering of new talent.

## Share of companies conducting CSR activities

Total count: 49



No Yes

Source: Invest Lithuania survey results, 2021



Functions:	Manufacturing of PET resin
FTE:	121 (2022 Q1)
Established:	2004, Klaipėda Free Economic Zone

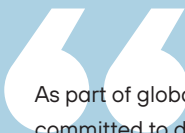


Being one of the largest employers at Klaipėda Free Economic Zone, we take our responsibility towards the local community seriously and we are willing to contribute to its growth. Next to our traditional involvement in the yearly community environmental projects, our current CSR activities are very much focused on the development of future talents in the region. We are actively supporting aspiring young sports talents. Every month we are also hosting Klaipėda Baltic Gymnasium pupils who together with our engineers implement hands-on engineering projects. We believe that these investments will direct young talents towards successful education and professional career choices.

**Jitendra Kumar Malik**  
General Director at  
Orion Global Pet, UAB



Functions:	Manufacturing of automotive electronics components
FTE:	565 (2022 Q1)
Established:	2017, Kaunas Free Economic Zone



As part of global Continental strategy, we are committed to developing local communities we are operating in. Since 2018, our CSR team has supported 300 pupils growing up in at-risk families in Lithuania with school materials and has provided €15,000 to day centres, psychological support hotlines for children and a women crisis centre.

**Shayan Ali,**  
Managing Director at Continental  
Automotive Lithuania, UAB

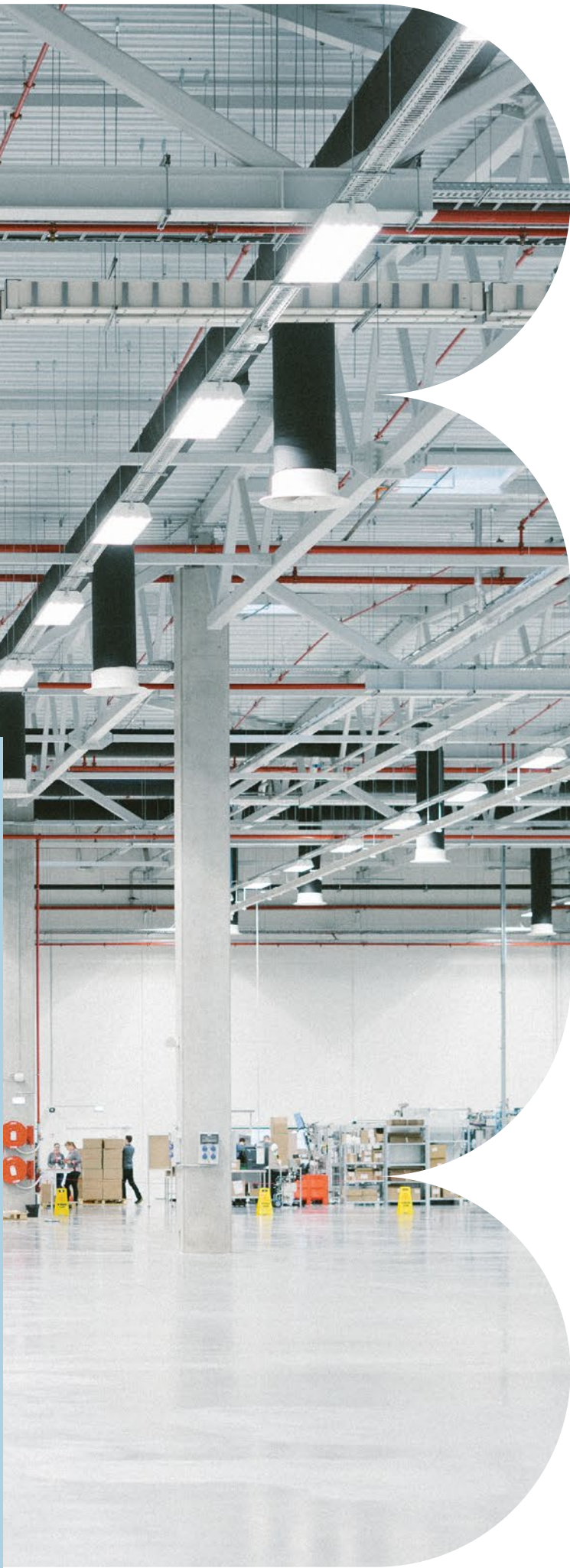


Functions:	Manufacturing of vertical windows and exterior doors
FTE:	342 (2022 Q2)
Established:	2017, Marijampolė



The Employee Foundation in the VKR Group Dovista supports employees and local communities that Group companies operate in. The most recent supported projects include the construction of a playing ground in one of the local kindergartens and establishing a recreational park. When the park is finalised, a river island of more than five hectares will have transformed into a unique place for both residents and guests to enjoy. We are glad to see Marijampolė city and region grow and are proud to be part of this journey.

**Karolis Jonaitis**  
Managing Director at  
DOVISTA, UAB



Additional information • Wages

# Wages

## Employee total cost per month overview (EUR) Q1 2022\*

Vilnius, Kaunas, Klaipėda Regions		
Department	Position	EUR
Production	Plant Manager	7,600 - 11,780
	Production Manager	5,050 - 7,600
	Production Planner	2,500 - 3,000
	Maintenance engineer	2,400 - 3,360
	Shift Leader	1,600 - 2,670
	Maintenance technician	1,360 - 2,230
	Machine operator	1,260 - 2,140
	Operator (Basic functions: packing, assembly)	1,050 - 1,240
	Mechatronics specialist	1,360 - 2,480
	Mechanical engineer	2,170 - 3,030
	Electrical engineer	2,170 - 3,030
	Welder	2,170 - 3,030
	Sheet metal worker	1,520 - 2,290
	Plastic molding specialist	1,520 - 2,290
Quality	Quality Manager	4,700 - 5,900
	Quality Engineer	1,960 - 3,360
	Production Supervisor / Quality assurance specialist	1,560 - 2,700
	Quality Controller	1,430 - 2,140
Warehouse and logistics	Warehouse Manager	2,860 - 4,200
	Logistics & Supply Chain Manager	5,130 - 7,070
	Purchasing, Logistics & Supply chain specialist	1,960 - 2,940
	Purchasing Manager	3,110 - 4,540
Customer Service	Customer Service Manager	2,680 - 3,530
	Customer service coordinator (English language)	1,430 - 2,230
Finance & IT	Finance Manager	3,500 - 5,890
	Accountant	2,140 - 3,360
	IT administration officer	3,030 - 4,200
	Accounts Payable Specialist	1,960 - 2,500
	Industrial IT domain lead / site IT manager	5,050 - 8,070
	Software development engineer	4,200 - 5,890
	Machine learning	4,200 - 6,730
	Finance controller	3,500 - 5,890
R&D	Head of R&D	4,880 - 7,570
	R&D Team Leader	3,700 - 4,880
HR	HR Manager	3,360 - 6,060
	HR specialist	1,960 - 3,030
	Administration Office Worker	1,360 - 2,500

\*due to COVID-19 and current geopolitical challenges, the salaries may fluctuate more than usual.

Šiauliai, Panevėžys, Alytus, Marijampolė, Utena, Tauragė, Telšiai Regions		
Department	Position	EUR
Production	Plant Manager	6,810 - 10,600
	Production Manager	4,540 - 6,800
	Production Planner	2,270 - 2,720
	Maintenance engineer	2,170 - 3,000
	Shift Leader	1,440 - 2,400
	Maintenance technician	1,240 - 2,100
	Machine operator	1,140 - 1,900
	Operator (Basic functions: packing, assembly)	850 - 1,140
	Mechatronics specialist	1,360 - 2,190
	Mechanical engineer	1,600 - 2,860
	Electrical engineer	1,600 - 2,860
	Welder	1,600 - 2,860
	Sheet metal worker	1,360 - 2,100
	Plastic molding specialist	1,360 - 2,100
Quality	Quality Manager	4,240 - 5,300
	Quality Engineer	1,770 - 3,030
	Production Supervisor / Quality assurance specialist	1,370 - 2,320
	Quality Controller	1,280 - 1,930
Warehouse and logistics	Warehouse Manager	2,570 - 3,780
	Logistics & Supply Chain Manager	4,620 - 6,360
	Purchasing, Logistics & Supply chain specialist	1,770 - 2,650
	Purchasing Manager	2,800 - 4,090
Customer Service	Customer Service Manager	2,400 - 3,180
	Customer service coordinator (English language)	1,280 - 2,000
Finance & IT	Finance Manager	3,150 - 5,300
	Accountant	1,920 - 3,030
	IT administration officer	2,730 - 3,780
	Accounts Payable Specialist	1,760 - 2,250
	Industrial IT domain lead / site IT manager	4,540 - 7,270
	Software development engineer	3,780 - 5,300
	Machine learning	3,790 - 6,060
	Finance controller	3,150 - 5,300
R&D	Head of R&D	4,390 - 6,820
	R&D Team Leader	3,330 - 4,390
HR	HR Manager	3,030 - 5,450
	HR specialist	1,770 - 2,730
	Administration Office Worker	1,220 - 2,250

Source: Alliance for Recruitment and Biuro data, Q1 2022



Additional information • Locations

# Locations



Real estate prices in Lithuanian cities (EUR), February 2022\*

	Vilnius		Kaunas		Klaipėda		Panevėžys		Šiauliai	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
EUR/sq.m.										
New warehouse for rent	4.1	5.7	3.5	4.9	3.9	5.1	3.6	4.5	3.5	4.4
New manufacturing facilities for rent	4.5	5.8	4.5	5.7	4.5	5.6	3.6	4.8	3.6	4.8
New warehouse acquisition	650	1,225	600	1,175	500	1,000	475	800	475	800
New manufacturing facilities acquisition	675	1,225	625	1,175	500	1,000	500	800	500	800
Industrial land price	17	46	12	40	13	35	10	21	10	21

Source: Average data from real estate partners (CBRE Baltics, Colliers International Advisors and Newsec)  
\*due to COVID-19 and geopolitical challenges, real estate prices may fluctuate more than usual.

## Construction timeline (2021)\*

There are more than 5,000 active construction companies operating in Lithuania. The construction sector contributes more than 7% to the country's GDP. The country's top real estate developers and construction companies have both the experience and capability to handle large-scale projects. The process of selecting the right partners (architect, real estate developers, construction project management company, construction company) takes approximately 1-2 months.

1. Location and land plot selection and acquisition usually take 2-6 months.
2. Detailed territorial planning (if required) is the most time-consuming part of the project and could take from 6 to 12 months. Depending on the project's complexity, land-plot location, and parameters, this step is optional.
3. The design stage of the new building usually takes 4-7 months, which includes securing permits.
4. Environmental impact assessment (if required) in most cases could be done in parallel to design works.
5. The construction and commissioning stage takes another 7-13 months.

The process of signing the agreement with partners and contractors takes approximately 2 months (from the beginning of the tender procedure to signing the contract). There is a possibility to streamline the project by holding a tender for construction contractors while coordinating permits.

Source: Average data from Real Estate partners (CBRE Baltics, Colliers International Advisors and Newsec)  
\*due to COVID-19 and geopolitical challenges, lead times, prices and other conditions may change more than usual.

## Construction costs (2021)\*

In Lithuania, the buildings' construction costs depend on technology and specific requirements, which are often set by a particular company itself.

1. The Lithuanian construction market has been affected by increasing construction material prices over the last few years. In 2021, the typical warehouse building costed €600-800/sq.m. (without land-plot acquisition), depending on the size and design solutions used.
2. The industrial building for manufacturing operations could cost from €600-1,200 EUR/sq.m. (without land-plot acquisition), especially if HVAC and other specific (floor, ceilings, ramps) requirements are in place.

## Key factors determining lease price of the premises

Lease price is generally determined by:

1. Location
2. Size
3. Qualitative and technical characteristics of the leased premises
4. Contract duration
5. Tenant financial situation
6. Market conditions as well as many other factors

Additional landlord's investments into customisation solutions based on specific tenant's requirements, such as HVAC systems, other engineering systems, specific structure/floor solutions, typically increase the level of lease price.



Additional information • Locations

# Selected plant construction examples



<b>HELLA</b> HELLA manufactures electronics for the automotive industry	
Size	In phase I, 11,000 sq.m. (incl. administrative part and production part) was built. In phase II, the factory was expanded by an additional 11,000 sq.m. (incl. administrative part and production part). Total area after expansion: 22,000 sq.m. Phases III and IV of the extension are planned. The final factory area should reach ~ 44,000 sq.m.
Construction start date	Start of phase I construction – October 2017 Start of phase II construction – September 2020
Construction end date	End of phase I construction – August 2018 End of phase II construction – July 2021



<b>Harju Elekter</b> Harju Elekter designs and manufactures energy distribution and energy-to-mechanical energy conversion systems for state-of-the-art marine equipment	
Size	“Under the roof” factory area – 17,000 sq.m.
Construction start date	August 2020
Construction end date	March 2021



<b>Rehau</b> Rehau manufactures micro cable pipe systems	
Size	18,000 sq.m.
Construction start date	October 2020
Construction end date	November 2021



**VMG Akmenès furniture**  
One of the most modern furniture factories in the Baltic States in Akmenė FEZ was opened by UAB VMG Akmenės baldai. The building, which is currently under construction, will be fitted with cabinet furniture production equipment. Thanks to green technological solutions, production will be carried out in an environmentally friendly way, and more than 500 high value-added jobs will be created in the coming years.

Size	56,000 sq.m.
Construction start date	June 2020
Construction end date	February 2022

Additional information • Utility rates

## Utility rates

**Electricity cost**  
(excluding VAT and other recoverable taxes and levies)

Period:	Price (EUR)
2020 H2	0.1026
2021 H1	0.1046

**Band IC: 500 MWh < Consumption < 2 000 MWh**  
Source: Eurostat, 2021

**Natural gas cost**  
(excluding VAT and other recoverable taxes and levies)

Period:	Price (EUR)
2020 H2	0.0225
2021 H1	0.0283

**Band I2: 1 000 GJ < Consumption < 10 000 GJ**  
Source: Eurostat, 2021

**Water cost range without VAT**  
(including water price and wastewater treatment)

Period:	Price (EUR)
2021	1.12 – 2.16

Sources: Local Water Companies, 2021

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