

# Manufacturing Sector Report

2023



Invest Lithuania

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Co-create



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**KB Components**  
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**Zeelandia**

Southern Europe

**CIE Automotive**

**NEO GROUP**



Eastern Europe

**KORMOTECH**



Central Europe

**PRESSGLASS**

Asia

**TONBO**  
imaging

North America

**Ansell**

**INTUS**  
WINDOWS

**KINZE**

**MARS**

PHILIP MORRIS  
LIETUVA



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Harju Elekter manufacturing facility in Panevėžys  
© Simas Bernotas

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## Introduction





# Welcome word

Dear Reader,

A warm welcome to the 4<sup>th</sup> edition of the Manufacturing Sector Report. 2022, which was predicted to be the year when normalcy was restored following the disruptions of Covid-19, proved to be far from the case. Instead, it presented numerous challenges to the manufacturing community globally and we look forward to sharing how they affected the Lithuanian ecosystem and foreign direct investment (FDI) overall.

The challenges reached beyond the existing tensions, such as talent availability and supply chain disruptions, which were noticeably prevalent in 2021. Following the Russian invasion of Ukraine in February 2022, countries across Europe have been facing a difficult and uncertain economic outlook. Energy prices have risen and so has inflation. The tightening monetary policy affected businesses raising borrowing costs for many.

Even in the face of such market turbulence, we were happy to see that Lithuania continued to gather recognition for its performance in attracting foreign direct investment. Last year the country was rated 1<sup>st</sup> in the EU for FDI based on the Greenfield FDI Performance Index<sup>1</sup>. We were also extremely happy to see an overall resilience demonstrated by Lithuania's manufacturing sector. A positive trend was observed in industrial production<sup>2</sup> and almost 70% of the companies that took part in the survey are planning to introduce new manufacturing functions or significantly expand existing ones within the next year.

In our review of the main challenges, Lithuania displayed remarkable adaptability. Starting with difficulties in the labor market, in 2022 Lithuania placed third in Central and Eastern Europe (CEE) for attracting and retaining talent<sup>3</sup>. High attention was paid to further development of employees, gender-balance and diversity.

Moreover, as supply chain disruptions in the manufacturing industry remained a significant source of concern, most companies took active measures to ensure continuity for their operations and minimize any negative impact on their customers. Companies have done so by locating alternative international suppliers, adjusting their products and processes to utilize more readily available components or looking to identify local suppliers. The drive to find solutions to supply issues was no doubt precipitated by an increased demand in production, which was also seen as a very positive development.

Lastly, 2022 sent shockwaves across the entire European energy sector. As a result, the companies in Lithuania made efforts to become less reliable on a single source of energy and started to actively shift towards renewable energy. We were very happy to see that more than a third of the foreign companies in Lithuania sourced 100% of their energy needs from renewable sources alone.

We sincerely hope that these and many other insights that this report contains will give you a clearer picture of the foreign manufacturing community's achievements in Lithuania. We also strongly believe that Lithuania is the country that can meet your needs not only for greenfield, but also business growth. We are, therefore, delighted to invite you to explore this year's edition and wish you an informative and enjoyable read.

**Nadežda Bausienė**

Head of Manufacturing Team



<sup>1</sup> Source: fDi Intelligence, 2022

<sup>2</sup> In October 2022, Lithuanian industrial production was up by 2.5% compared to October 2021 (Eurostat, 2022).

<sup>3</sup> Source: IMD World Talent Rankings, 2022



Intersurgical manufacturing facility in Pabradė  
© Simas Bernotas



# About the survey

The survey was carried out by Invest Lithuania during November-December 2022. It was focused on foreign manufacturing companies' experience in Lithuania and forms the basis of the following report.

The report gives a good perspective on how companies have been navigating the challenges of the past year in the fields of talents, supply chain disruptions, energy price increases, and other developments that have been affecting the industry.

The survey saw participation of 62 FDI companies employing over 14,200 professionals. Together they represent 20% of the total FDI manufacturing labor pool in Lithuania.

62

manufacturing companies

20%

of total labor force in the industry



## 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.

# About Invest Lithuania

## Invest Lithuania – an active partner throughout your investment journey.

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

We will partner with you to get your business set up and off to the best start possible.

## Cooperation with Invest Lithuania

90% or more of respondents in the survey were either satisfied or very satisfied with the professionalism, attention and hospitality Invest Lithuania has shown towards their needs. Respondents also positively ranked Invest Lithuania in terms of the following criteria:

Source: Invest Lithuania survey results, 2022



## 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.



## Business Development

Once you are up and running we'll be there with aftercare and support:

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

[Learn more on investlithuania.com](https://investlithuania.com)

Service portfolio

Quality of information provided

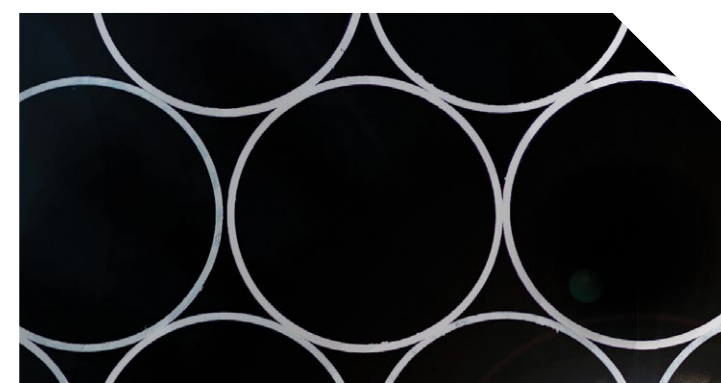
Speed of communication

Manner of handling follow-up questions

# Key facts and figures

The manufacturing industry plays an important role in Lithuania's economy, generating 20% of total GDP. Not only that, an astounding one in six working Lithuanians are currently employed by the sector. Drilling a little further down into the industry's composition, we see that of the 23,086 companies that comprise the sector, 576 are foreign owned. While foreign owned entities are outnumbered by their domestic counterparts, their importance to the sector is profound - foreign companies employ around 25% of the Lithuanian manufacturing labor force.

The presence of these foreign companies is also a proof and vindication of the many benefits that the country has to offer - from ease of doing business, to its favorable logistics system, talent availability and quality, as well as energy grid stability. And it is for these reasons that Lithuania remains one of the top locations for investors in Central and Eastern Europe. Based on fDi Markets data, since 2012 Lithuania has attracted 110 unique companies and 127 FDI projects. In total, these projects have generated €3.5B and created 16,691 new full-time jobs.



## 2.9<sup>M</sup>

Total population (2022)

## 23,086

Number of Lithuanian manufacturing companies (2021)

## 216,391

People employed by the manufacturing sector (2020)

## 1.5<sup>M</sup>

Total labor pool (2021)

## 576

Number of foreign manufacturing companies (2020)

## 58,066

People employed by the foreign manufacturing companies (2020)

Source: Statistics Lithuania, 2023

## 20%

Share of GDP generated by the manufacturing sector (2021)

# 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, 2022



## Economic Freedom Ranking 12<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, 2022



## Digital Skills 2<sup>nd</sup> out of 63

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), 2022



## 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



## International Innovation Index 2<sup>nd</sup> in the CEE

The 2023 International Innovation Scorecard measures 40 indicators across 17 categories, including tax friendliness, environmental quality, trade policy, broadband access, and cybersecurity.

Source: Consumer Technology Association (CTA), 2023



02

# Industry at a glance

Countries across Europe have been facing a difficult and uncertain economic outlook following the Russian invasion of Ukraine in February 2022. Energy prices have risen, as have costs-of-living. No country within the EU has been able to evade rising inflation and tightening monetary policy, which has likewise affected regular citizens and businesses raising borrowing costs for many (UN, 2022).

Against this troubling backdrop, it is perhaps no surprise that seasonally adjusted industrial production fell by 1.9% in the EU between September and October 2022 (Eurostat, 2022). But even in a such turbulent climate, Lithuania was able to remain fairly stable. According to the Industrial Production Index<sup>1</sup>, which refers to the output of industrial establishments and covers sectors such as mining, manufacturing, electricity, gas and steam and air-conditioning, Lithuania ranked 4<sup>th</sup> in Europe in Q4 2022, just behind Poland, Ireland, and Denmark.



In 2022, the USA announced its Inflation Reduction Act, which aims to catalyze investments in domestic manufacturing capacity, and encourage the procurement of critical supplies domestically. In turn, at the start of 2023, the EU announced its response via the creation of the Green Industrial Plan. This initiative is founded on four pillars: the provision of a predictable and simplified regulatory environment, the speeding up of access to finance, the enhancing of skills, and open trade for resilient supply chains. These two regulatory frameworks will no doubt influence how companies manage their expansion plans in the coming years.

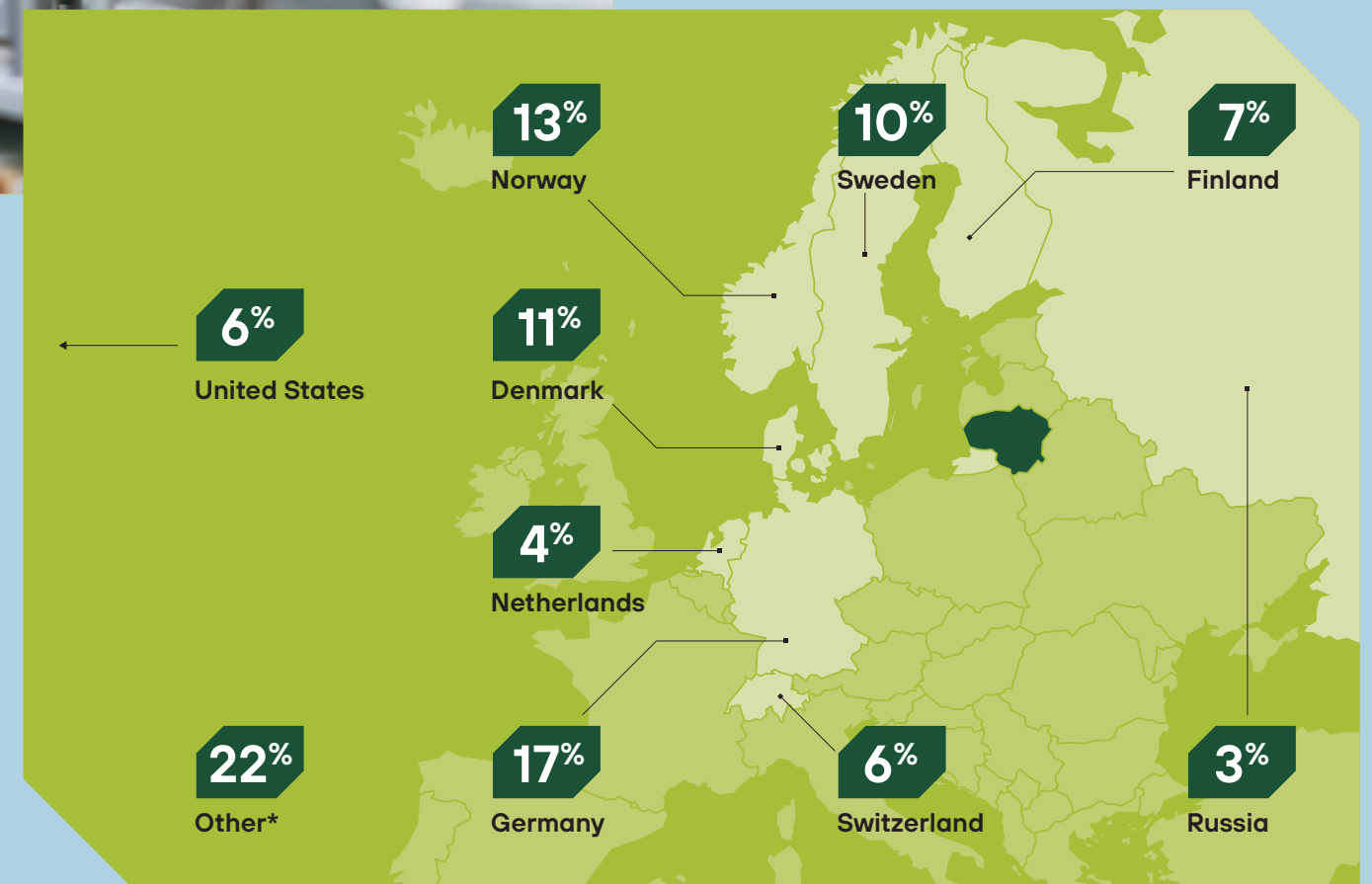
<sup>1</sup> This index was developed by OECD and is based on a reference period that expresses change in the volume of production output compared to the base year of 2015.

## FDI by country of origin

Over the past decade Lithuania has attracted a significant number of FDI projects, with European countries comprising the majority of overall investors. Germany has been Lithuania's main partner and contributor, making up 17% of all FDI projects. As a region, the Nordics are leading the way, collectively making up 41% of all FDI projects, with Norway making up 13% of all projects in Lithuania since 2012.

In 2022, the range of project source countries also corresponded with the diverse investor ecosystem, having welcomed new companies, such as globally known Dutch bike manufacturer Pon.Bike, a Norwegian industrial fasteners manufacturer Dokka Fasteners, and Finnish interior construction leader Maler Oy, among others.

### Foreign Direct Investment to Lithuania by origin in 2012-2022



\*Other includes: Belarus, Belgium, China, Estonia, India, Ireland, Italy, Japan, Latvia, Monaco, Poland, Spain, Taiwan, Thailand, Ukraine, United Kingdom  
Source: fDi Markets, 2023

## FDI by sector, number of jobs and long-term capital investment

In terms of the sectors attracting foreign direct investment, we can see a fairly diverse picture at play. Since 2012, it has been the Metals, Food & Beverages and Industrial Equipment sectors that have attracted most investment, with each comprising 13% of all projects implemented.

As regards employment, overall, 16,691 new positions have been created, with the Automotive Components sector leading the way. The sector is accountable for 3,096 jobs, or 19% of all employees hired since 2012. Textiles come in second with a 12% share of all

employees hired. Wood Products are in the third spot, with a 9% share.

Across the 127 FDI projects implemented since 2012, capital expenditure (CAPEX) amounting to almost €3.5B has been generated. On a sector by sector basis, Automotive Components dominate in terms of investments, having contributed €372M, Wood Products come in second with an investment total of €261M, while Food & Beverages take the third spot with €238M.

### Foreign Direct Investment to Lithuania by sector 2012-2022

FDI sector	No. of projects	No. of employees	CAPEX (EUR, M)	Share of projects (%)	
				Share of employees (%)	
Metals	17	1,273	224	<div><div></div></div>	13% 8%
Food & Beverages	16	487	238	<div><div></div></div>	13% 3%
Industrial Equipment	16	1,095	44	<div><div></div></div>	13% 7%
Consumer Products	12	1,182	73	<div><div></div></div>	9% 7%
Electronic Components	12	1295	97	<div><div></div></div>	9% 8%
Automotive Components	10	3,096	372	<div><div></div></div>	8% 19%
Plastics	10	753	184	<div><div></div></div>	8% 5%
Textiles	7	1,929	137	<div><div></div></div>	6% 12%
Wood Products	5	1,445	261	<div><div></div></div>	4% 9%
Building Materials	4	650	116	<div><div></div></div>	3% 4%
Chemicals	4	479	203	<div><div></div></div>	3% 3%
Other*	14	3,007	1521	<div><div></div></div>	11% 18%
Total	127	16,691	3,469		

\*Other indicates sectors that had less than four projects implemented during 2012-2022 and includes Automotive OEM sectors, Aerospace, Biotechnology, Ceramics & Glass, Coal, Non-automotive OEM, Oil & Gas , Rubber.  
Source: fDi Markets, 2023

## Saturation

Despite the country's impressive strides in attracting FDI, Lithuania still has a relatively unsaturated manufacturing labor market in CEE. In Lithuania, 13% of the entire workforce (residents aged 15 to 64) work in manufacturing, which is similar to other countries such as Hungary and Poland, but lower than Slovenia or Czech Republic.

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 rapidly ramp up.

### Manufacturing sector labor pool saturation by country

Share of the total labor pool (people aged 15-64) employed in manufacturing



Source: Eurostat, 2021



# Changing trends within FDI

Global trends in foreign direct investment have a strong influence on investments into Lithuania, making it important to explore the bigger picture surrounding FDI. Over the past several years, the manufacturing industry experienced multiple shocks, from the Covid-19 pandemic forcing manufacturing plants to suspend operations, to semiconductor shortages that led to certain industry disruptions, to lastly having to adapt to the sharply increased energy prices in

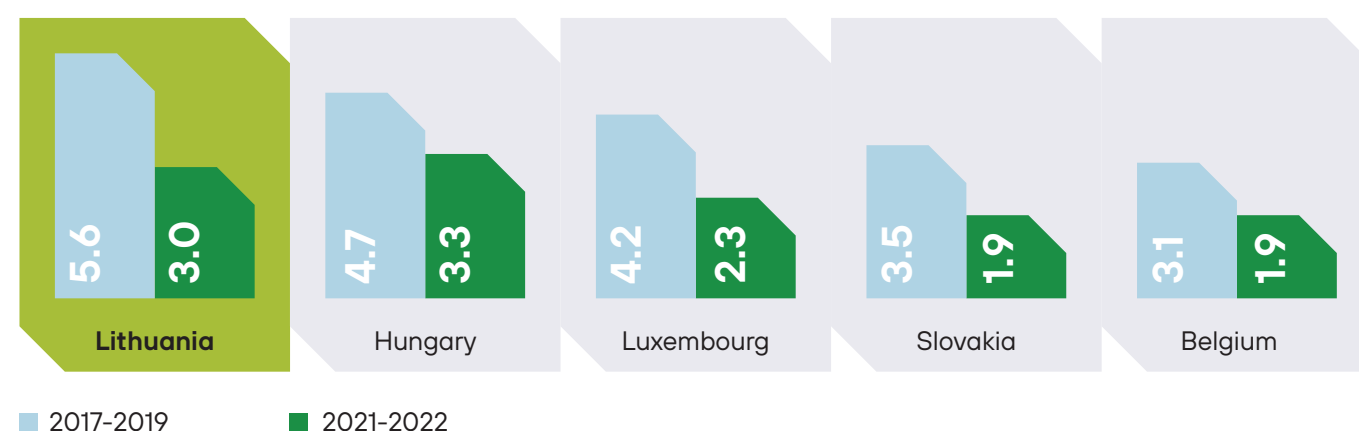
continental Europe in the wake of the Russian invasion of Ukraine in February 2022. These shocks had a profound impact on FDI, which we analyze in more detail below.

## Changes in the number of FDI projects

The last five years can be roughly divided into two distinct periods – pre-pandemic (2017-2019) and post-pandemic (2021-2022). By looking at the average number of annual FDI projects per 1M inhabitants carried out between these two periods, we see that project numbers decreased in nearly all EU countries. For example, during the pre-pandemic period Lithuania led the EU with an average of 5.6 projects per annum, while this number decreased to 3 projects per year on average in the post-pandemic period. This decrease in project numbers could potentially be attributed to a widespread apprehensiveness to expand business operations in the uncertain post-pandemic world.



### Top 5 countries in Europe by average annual number of FDI projects per 1M inhabitants between 2017-2019 and 2021-2022



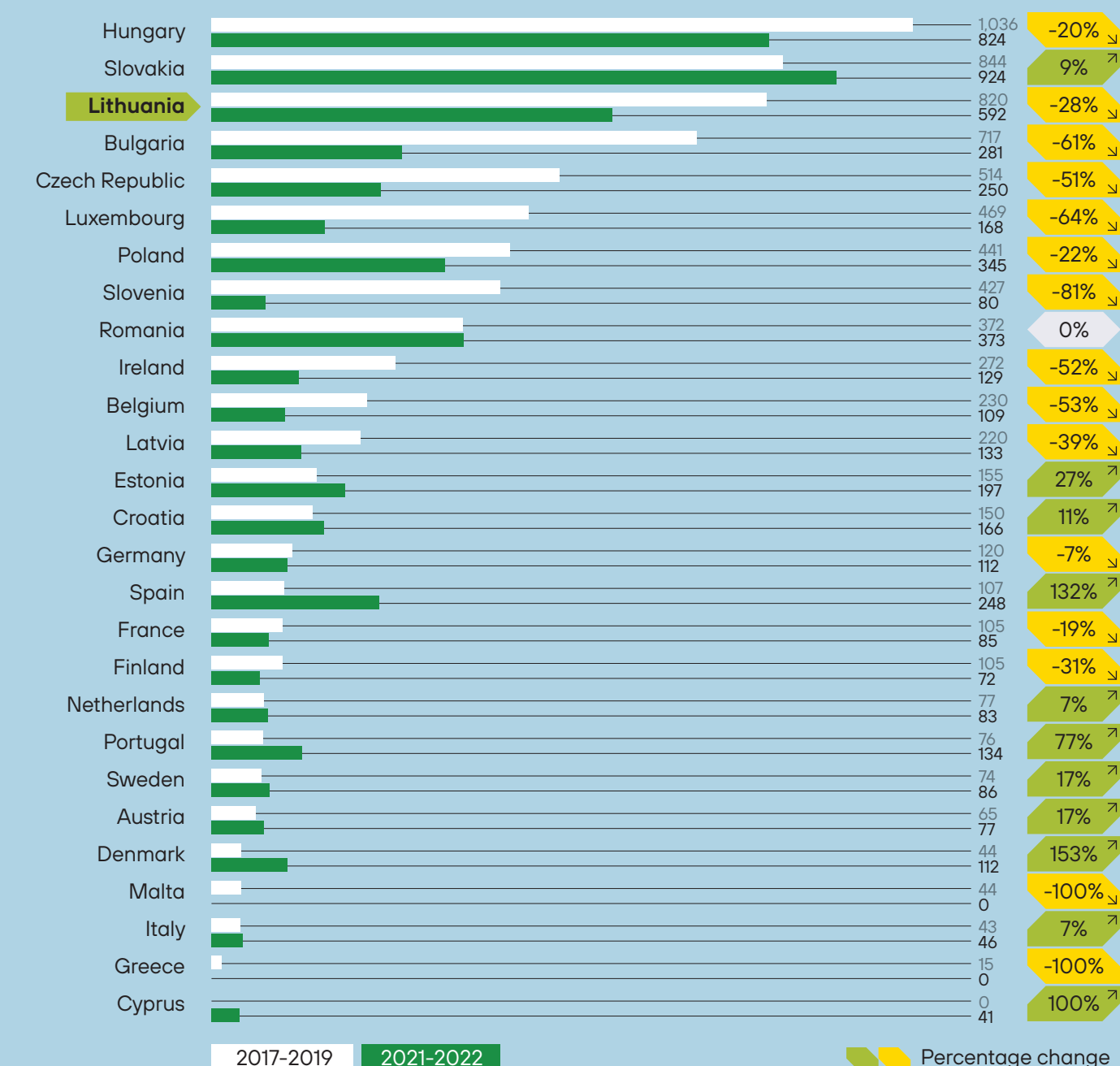
Source: fDi Markets, 2023

## Changes in the number of jobs created by FDI projects

As the number of FDI projects decreased in the post-pandemic period, the average number of jobs created per 1M inhabitants followed a similar trend in almost all of the EU. Lithuania has managed to maintain a steady third place across all EU members in terms of new jobs created per 1M inhabitants

throughout both the pre-pandemic and post-pandemic periods, only being surpassed by Slovakia and Hungary. Interestingly, in the midst of the Covid-19 pandemic in 2020, Lithuania created the most jobs per 1M inhabitants in the entire EU (600 FTE's).

### Annual number of jobs created by FDI projects per 1M inhabitants between periods 2017-2019 and 2021-2022



Source: fDi Markets, 2023

# Changes in the number of long-term capital investments

Firstly, when analyzing overall annual CAPEX investments per 1M inhabitants during the pre-pandemic and post-pandemic periods, one can observe that EU countries, on average, experienced a 28% increase. CEE countries' average has remained largely the same between the two periods, showing only a 1% overall increase. In turn, Lithuania experienced a 22% increase.

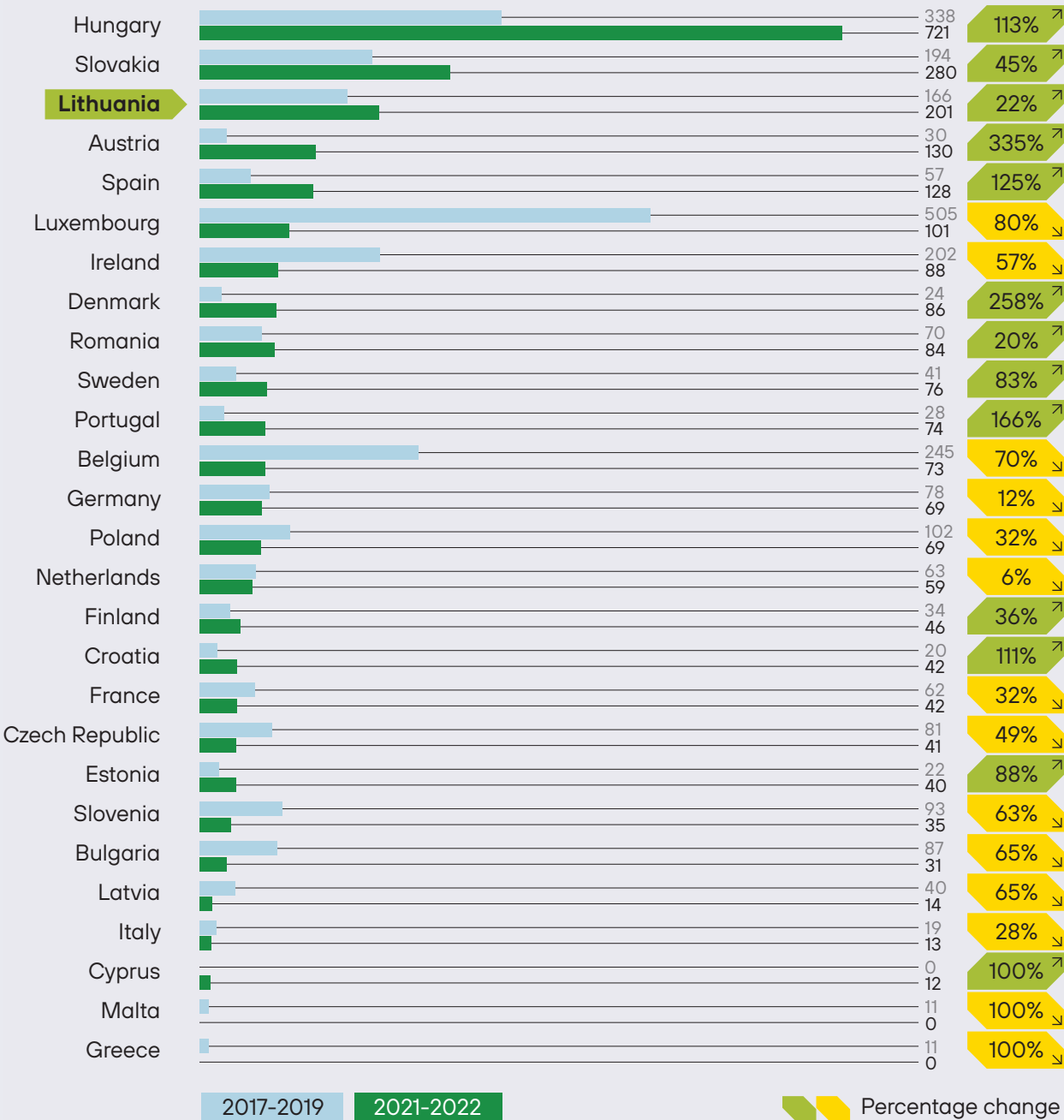
Secondly, when CAPEX investments are analyzed per project between the pre-pandemic and post-

pandemic periods, one can observe that within the EU, project investments grew by an average of 81% in the post-pandemic period, while in CEE region the growth stood at 57%. Lithuania's growth was also significant, with average CAPEX investments per project increasing by 124%. One potential explanation to the decreasing number of workers and increasing capital expenditure investments could be that in the post-pandemic period companies are keener to invest in automatization, resulting in more capital-intensive projects with lower employee requirements.



Continental manufacturing facility in Kaunas

## Annual CAPEX investments per 1M inhabitants between the periods of 2017-2019 and 2021-2022 (M, EUR)



Source: fDi markets, 2023



# Key locations for manufacturing

Port of Klaipėda  
Photo courtesy of  
Port of Klaipėda  
© Fotopolis.lt

	Vilnius	Kaunas (incl. Kėdainiai)	Klaipėda	Šiauliai (incl. Akmenė)	Panevėžys	Marijampolė	Utena
County population (2022)	817,950	569,566	324,263	261,145	212,714	136,429	125,644
Unemployment rate (2022)	4.5%	5.2%	5.9%	6.1%	9%	8.8%	11.7%
Average monthly gross salary, EUR (2022 Q4)	2,115	1,897	1,784	1,600	1,593	1,488	1,497
Number of manufacturing sector employees (2021)	54,276	50,997	28,720	16,933	17,507	9,287	7,668
Number of students (2022-2023)	59,816	41,280	10,945	5,089	3,374	1,984	3,077
Higher education	53,910	34,166	7,636	2,640	1,263	606	1,670
Professional education	5,906	7,114	3,309	2,449	2,111	1,378	1,407

\*Students currently studying at universities, colleges, and vocational schools available in the country

Source 1: Statistics Lithuania, 2023  
Source 2: National Agency for Education, 2023



# Government support

To stimulate the growth of value-added manufacturing operations, the Lithuanian government offers a range of attractive subsidies, including Green Corridor, Invest LT+ and others. These subsidies vary in nature and are aimed at helping businesses develop infrastructure, create jobs and train specialists. A separate tranche of funding of €165M has also been allocated for different areas of Industry 4.0 development in Lithuania.

## 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.

0% corporate profit tax for 20 years

Streamlined migration process for employees

No mandatory environmental assessment program

Recognition as a Project of State Importance


Faster decision-making by public authorities

Tailored educational and training program

Easier access to land plots

Direct communication channel with the government

And more



\* Additional conditions apply

**€165<sup>M</sup>**  
Financial subsidies of at least €165M into value-added engineering:

**€10<sup>M</sup>**  
towards professional STEM orientation in schools

**€15<sup>M</sup>**  
towards the development of Industry 4.0-ready classroom infrastructure in regional vocational schools

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



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

Invest LT+	Apprenticeship	R&D Expenses
<b>Focus:</b> new buildings, machinery, and/or creation of new jobs for manufacturing companies	<b>Focus:</b> apprenticeship-related costs	<b>Focus:</b> R&D activities
Incentive: up to <b>50%</b>	Incentive: up to <b>70%</b>	Incentive: Expenses for R&D fully deductible <b>3 times</b>

\* Additional conditions apply

**€20<sup>M</sup>**  
towards the expansion of a nationwide apprenticeship program for manufacturing companies

**€40<sup>M</sup>**  
towards the expansion of 10 regional STEM centers

**€80<sup>M</sup>**  
towards upskilling and skill development within engineering and IT



# Selected success stories



<b>Functions:</b>	Manufacturing of automotive electronics components
<b>FTE:</b>	770 (2023 Q1), 1,500 (2025)
<b>EST:</b>	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 190,000 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.

Continental has recently started its second phase of the expansion project, planning to additionally create another 500 jobs. The facility expansion is set to be completed by February 2024 and the total headcount will reach 1,500 by 2025.



<b>Functions:</b>	Manufacturing of glass products
<b>FTE:</b>	172 (2023 Q1)
<b>EST:</b>	2022, Kaunas Free Economic Zone

Press Glass, a Polish manufacturer, is the European leader in glass processing for the construction industry. The new Press Glass plant with an area of nearly 27,000 m<sup>2</sup> was built in 18 months in Kaunas Free Economic Zone, one of the main industrial centers in Lithuania.

The production plant in Kaunas is characterized by a very high level of automation, it is also the greenest plant in the Press Glass Group. Press Glass in Kaunas will reach full production capacity in 2023.

The estimated production capacity will be approximately 1.5M m<sup>2</sup> of double and triple glazing units per year.



<b>Functions:</b>	Contract manufacturing, including mechanical and electrical assembly
<b>FTE:</b>	280 (2023 Q1)
<b>EST:</b>	2003, Ukmergė

Stansefabrikken UAB is part of the Norwegian Stansefabrikken Group, focused on contract manufacturing of sheet metal-based products, including mechanical and electrical assembly. Stansefabrikken Group currently employs over 400 people across four countries.

Stansefabrikken UAB 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.

By 2025, Stansefabrikken UAB plans to expand its production site in Lithuania by adding 5,000 m<sup>2</sup> of production space and 50 specialists to its 280-strong team, as well as invest €7M into production equipment. The company's new expansion project is set to raise Stansefabrikken's UAB total investment in Lithuania to more than €42M.



<b>Functions:</b>	Manufacturing of lighting electronics components
<b>FTE:</b>	350 (2023 Q1), 430 (2024)
<b>EST:</b>	2017, Kaunas Free Economic Zone

In 2017, HELLA chose Kaunas Free Economic Zone for its 14<sup>th</sup> electronics factory worldwide. After a construction period lasting a little less than a year, in 2018 HELLA started production across some 7,000 m<sup>2</sup> of production space.

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

As part of the expansion, the number of employees is to be increased up to 400 until the end of 2023. In the second phase, the building area of the plant was increased to a total of 22,000 m<sup>2</sup>. In addition to new production and office space, this also includes a laboratory facility of around 1,000 m<sup>2</sup>.

The product portfolio step by step expanded to engine compartment actuators, radars, fuel pump control modules and position sensors. Further production expansion will be mainly driven by new generations of radar sensors.



<b>Functions:</b>	Manufacturing of bicycles
<b>FTE:</b>	300 (2025)
<b>EST:</b>	2022, Kėdainiai Free Economic Zone

Pon.Bike, the world's leading family of bicycles, will set up operations in Kėdainiai Free Economic Zone with production expected to start in 2024. The new production center will have an annual production capacity of 450,000 bikes.

Pon.Bike expects to hire around 300 people over the first year of operations, a number that can grow to over 600 in the future.

A strong believer in the continuous growth of the global bicycle market, Pon.Bike is committed to making cycling an ever more important part of mobility worldwide.



<b>Functions:</b>	Manufacturing of fasteners
<b>FTE:</b>	50 (2025)
<b>EST:</b>	2022, Klaipėda

Norwegian Dokka Fasteners, a globally renowned industrial fasteners manufacturer, has decided to expand its operations by establishing a manufacturing unit in Klaipėda. The company is planning to hire up to 50 people in the upcoming two years, focusing on engineering roles and competencies in machining, forging, programming assembly robots and running fully automated production lines.

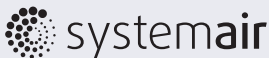
Dokka Fasteners is currently a major supplier to the wind energy industry globally. It provides fasteners for wind turbines, drilling rigs, cranes, and steel constructions. One of the company's key strengths is process automation in the production of hot forged bolts and different studs.



<b>Functions:</b>	Manufacturing of interior design and construction elements
<b>FTE:</b>	28 (2025)
<b>EST:</b>	2022, Kėdainiai Free Economic Zone

Maler Oy, a Finnish manufacturer of interior design and construction elements, has announced plans to establish its subsidiary company Maler Ltd in Lithuania. The company will build a production facility in Kėdainiai and hire 28 people by 2025. The new state-of-the-art factory will use highly-automated production methods to manufacture painted medium-density fiberboard (MDF) moulding and panel production.

Established in 1989, Maler Oy is a family-owned company that produces interior products for both dry and wet indoor spaces. The company seeks to bring the best automotive manufacturing practices into the woodworking industry by continuously investing in the latest technology and process automation and developing joint R&D programs with higher education institutions.



<b>Functions:</b>	Manufacturing of ventilation equipment
<b>FTE:</b>	324 (2022 Q4)
<b>EST:</b>	2000, Vilnius / 2005, Ukmergė

Systemair is a global leader in the production of ventilation equipment, with operations in 50 countries across the world. Over the past 10 years, the company's growth rate has averaged around 10%. Systemair contributes to enhance indoor environments through energy-efficient and sustainable products that reduce carbon dioxide emissions.

The company began its activities in Lithuania in 2000 in the country's capital, Vilnius. In 2005, Systemair established a production company in Ukmergė with just two employees. After four years, the Systemair plant in Ukmergė had grown to 80 employees, and as of 2022 the plant now has a team of more than 300 employees. In Lithuania, Systemair produces high-quality heat recovery equipment. The largest market for the products it manufactures is in Norway, but its products are also exported to other countries across Europe and Asia.

03

# Sector deep dive

## Overview of companies surveyed

The 2023 report draws on data collected from 62 foreign manufacturing companies currently operating in Lithuania. The companies surveyed cover a variety of manufacturing sectors, with the majority hailing from Construction Components and Materials, Automotive Components, Electronic Equipment, and Industrial Machinery.

Geographically, the companies featured in the report are distributed throughout almost all Lithuanian regions. 74% of all the respondents come from Kaunas, Klaipėda and Šiauliai (Lithuania's second, third, and fourth largest cities, respectively). At the time when the questionnaire was distributed in late 2022, the average headcount in the companies surveyed was 227. This is an increase on 2021, when the average was 184.



62

foreign manufacturing companies took part in the survey

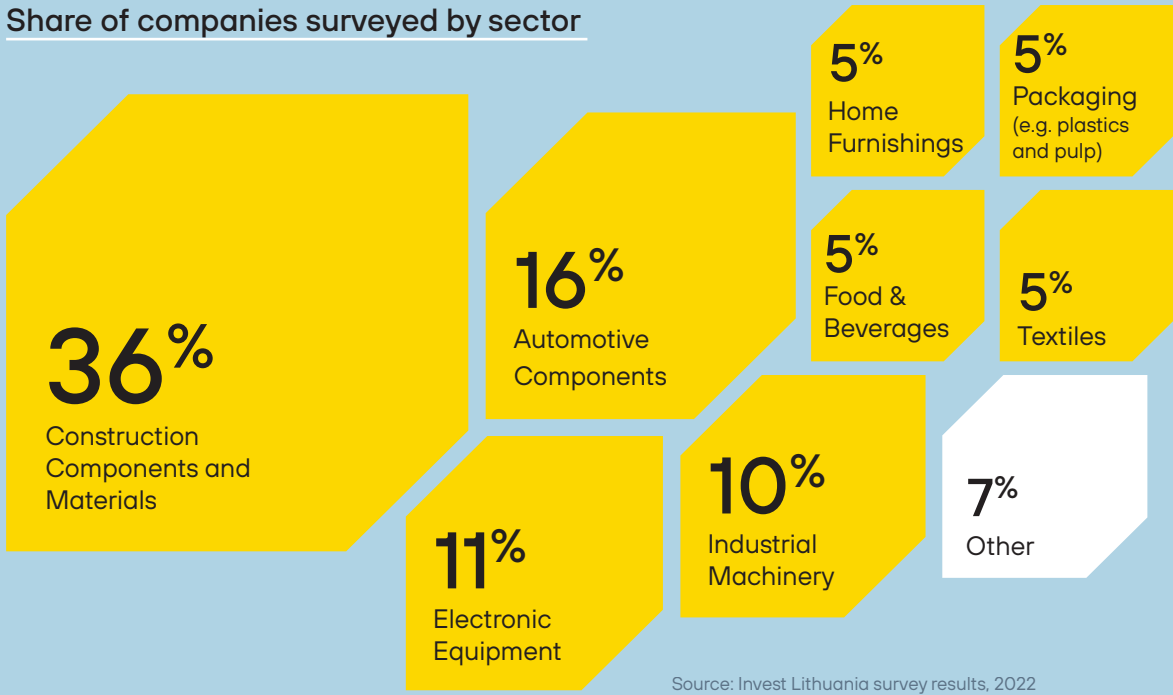
227

average headcount in surveyed companies

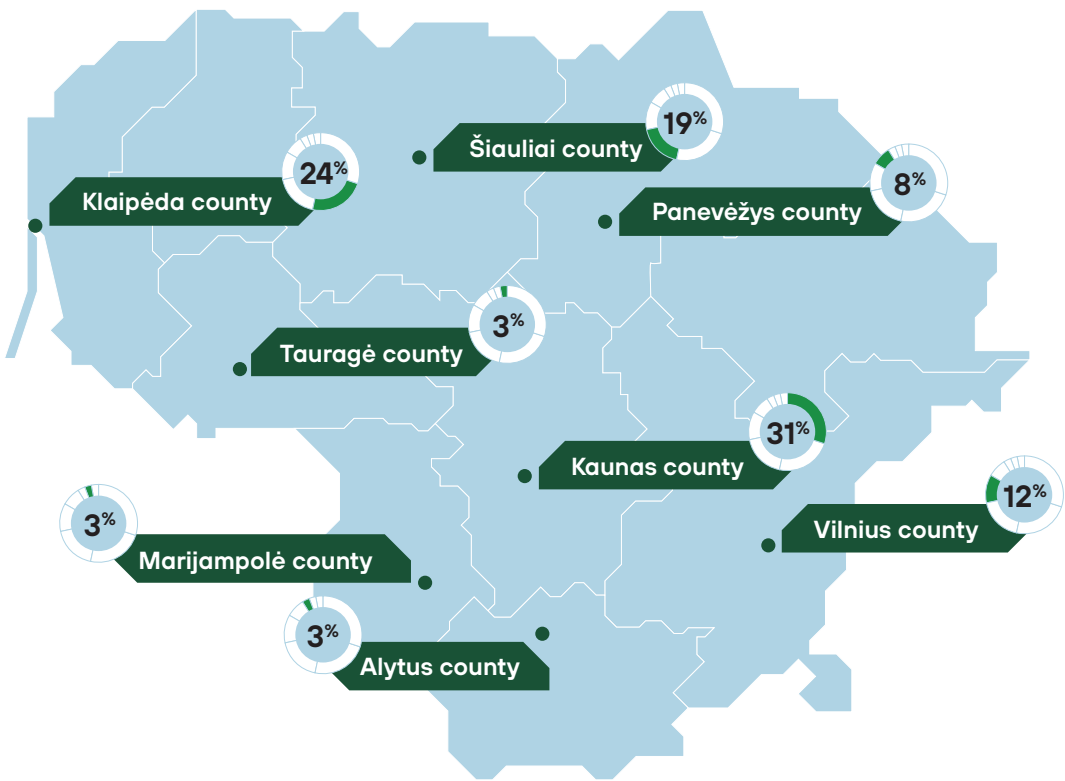
74%

of respondents based around 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> largest cities

### Share of companies surveyed by sector



### Share of companies surveyed by location





# Strategic decisions of foreign investors in Lithuania

Within the 62 companies that participated in this year’s survey, all 62 are engaged in some form of production. Moreover, 42% of the companies conduct two or more types of operations in Lithuania. This percentage is comparable to that of the previous year, even though the number of respondent companies in this year’s survey has increased by over a fifth. This suggests that a stable percentage of companies across the sector are providing multiple functions.

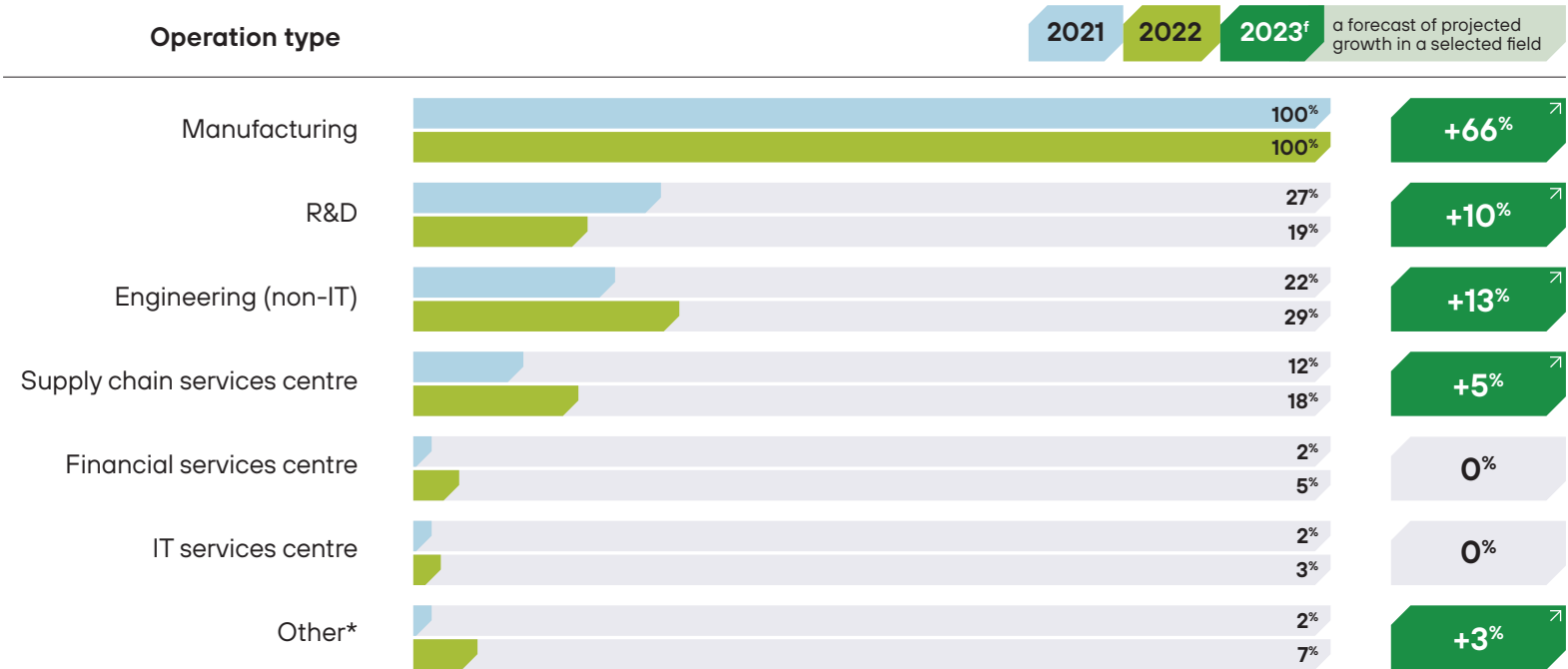
Out of all companies in the survey that conduct production functions in Lithuania, 29% are also engaged in engineering, and 19% carry out R&D activities.

There is continued evidence of the positive trend of companies pursuing expansion projects. Almost 68% of the companies surveyed are planning to introduce new functions or significantly expand existing ones in 2023-2024, with 66% planning to expand production, 13% engineering, and another 10% R&D functions. Despite concerns over the global economic situation and geopolitics, 23% of the companies are planning to expand two or more of their functions in Lithuania in the following year.

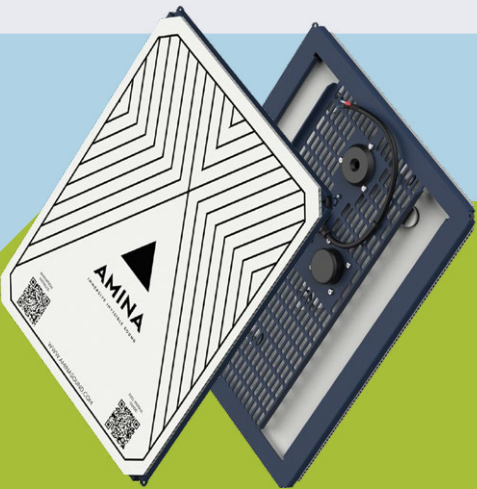
To support this growth, respondents indicated that they are, on average, expecting to hire 46 FTEs within 2023. Again, here we can see an increase on the previous year, when companies indicated plans to hire 32 FTEs, on average. During 2023, 77% of the companies are planning to hire new employees. More than a third of the respondents are planning to hire at least 30 FTEs, with eight companies planning to increase their workforce by more than 100 FTEs over the following year.



Percentage of companies by functions conducted in Lithuania



\*Other: shared legal services, technical support.  
Source: Invest Lithuania survey results, 2022



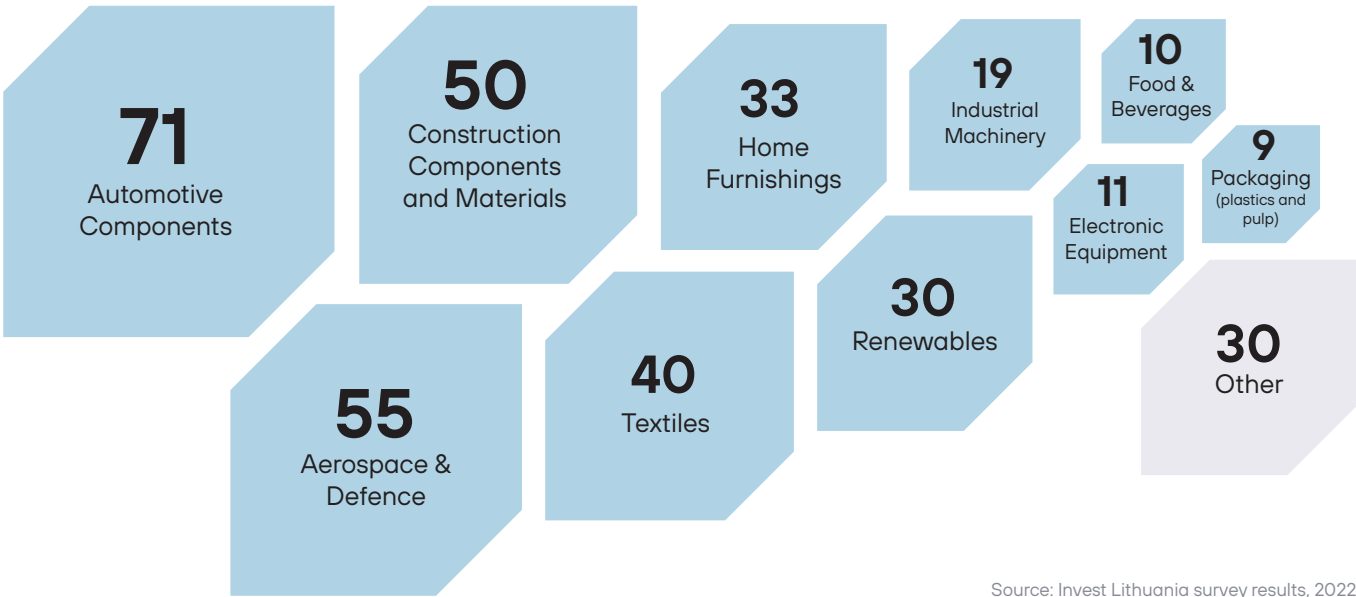
AMINA

## The Invisible Loudspeaker Company

Amina Technologies, a UK-based loudspeaker developer and manufacturer, has announced plans to establish an R&D center in Kaunas through its Lithuanian sister company, The Invisible Loudspeaker Company. The company plans to hire up to 20 specialists over the next three years. The company’s increasing attention to R&D resulted in the creation of The Invisible Loudspeaker Company, a sister enterprise developing the Vibrational Panel and other related bleeding edge technologies, which when applied allows to create “invisible” sound sources.

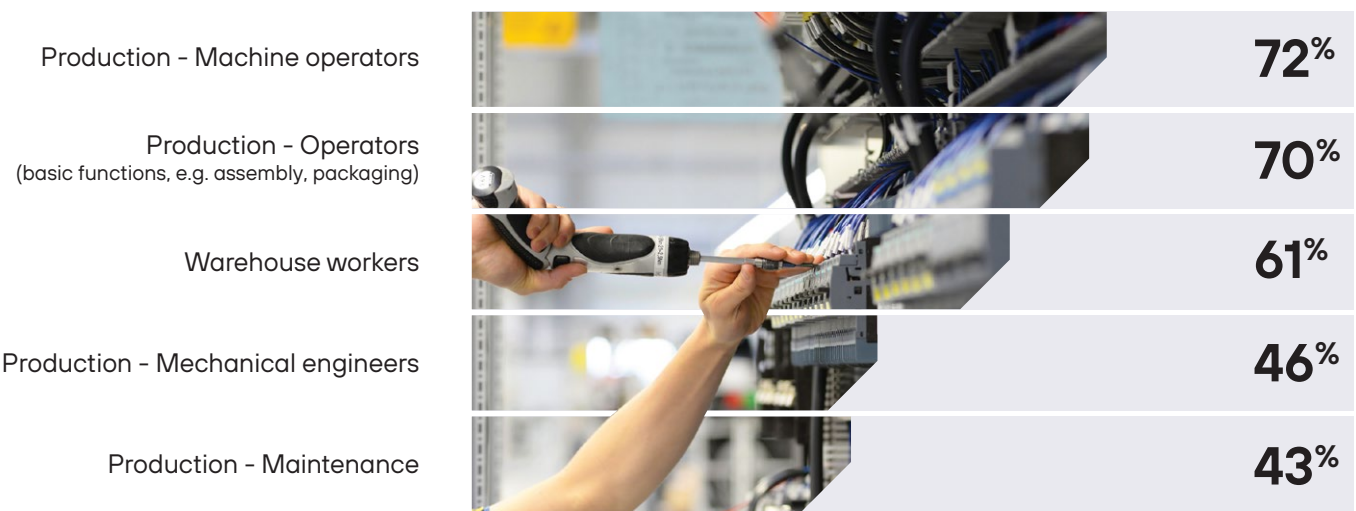
Company states that “Lithuania’s stable and growing economy and the favorable business environment for R&D-focused companies made the country an obvious choice for an innovation base.” Amina Technologies has successfully applied for financing through the SMART FDI program, an initiative by the Lithuanian government that provides financial support for R&D activities to attract high-value-added foreign investment.

Average number of planned new hires by sector in 2023



Source: Invest Lithuania survey results, 2022

Share of Top 5 new hires planned in 2023 by function



Source: Invest Lithuania survey results, 2022

# Talent / HR

2022 was predicted to be the year of restoring normalcy following Covid-19 disruptions. This proved to be far from reality with geopolitical turmoil adding an additional level of uncertainty. Unfortunately, there are clear indications that this volatility is set to continue. It is also proving to have a rather significant impact on talent availability. A recent report by Deloitte (Global Human Capital Trends, 2022) highlighted that finding and retaining talent continues to remain one of the top priorities for the manufacturing sector globally.

Thankfully, Lithuania's talent pool has displayed remarkable adaptability and resilience against such a tumultuous backdrop. In 2022, Lithuania placed third in CEE for attracting and retaining talent (IMD World Talent Rankings, 2022). Our survey findings also show that voluntary attrition rates at foreign companies remained rather stable at 19%, displaying only a 1% increase compared to the year before. Meanwhile, the overall attrition rate in Lithuania remained at around 30% (Biuro, 2023). This is unsurprising as we can see that foreign companies operating in Lithuania have a successful track record of attracting and retaining great talent.

## 3<sup>rd</sup> in the CEE

for attracting and retaining talent

Source: IMD World Talent Rankings, 2022



Hollister manufacturing facility in Kaunas

## Key talent pool facts

Lithuania has a labor pool of approximately 1.5M people (Statistics Lithuania, 2022) with labor force participation of the 25-64 year age group currently at an all-time high, reaching 86% in 2021. This places Lithuania well above the EU average of 80%, with the country now ranking second in CEE and third in the EU in this category (OECD, 2021). Moreover, with our survey showing that the average age of employees in foreign manufacturing companies is around 39 years, it is clear, that Lithuania has a lot to offer when it comes to talent availability.

Education level is one of the defining characteristics of the Lithuanian talent pool. More than 94% of adults aged 15-64 have attained upper secondary education (OECD, 2022). This number puts Lithuania in the fourth place among the OECD countries.

Currently, Lithuania has 129,297 students in tertiary education across 108 educational institutions. More than 34,000 of them have chosen to study STEM-related subjects, with engineering being the most

popular choice, (43% of current STEM students are pursuing an engineering degree). Looking at the regional context, Lithuania is third in CEE for the share of students choosing STEM (Eurostat, 2020).

What is also extremely important is Lithuania's readiness to produce industry-ready professionals. This is where cooperation between businesses and educational institutions plays a crucial role.



86%

labor force participation in Lithuania



## Educated workforce

**4<sup>th</sup> in OECD**

for adults with upper secondary education

Source: OECD, 2022

**3<sup>rd</sup> in the CEE**

for the share of students choosing STEM

Source: Eurostat, 2020

**43%**

of current STEM students are pursuing engineering degrees

Source: Statistics Lithuania, 2022

Kaunas University of Technology  
Photo courtesy of Kaunas University of Technology

**129.3<sup>K</sup>**

Total number of students<sup>2</sup>

**19**

Universities<sup>1</sup>

**22**

Colleges<sup>1</sup>

**67**

Vocational schools<sup>1</sup>

**71.7<sup>K</sup>**

Students<sup>2</sup>

**30.9<sup>K</sup>**

Students<sup>2</sup>

**26.6<sup>K</sup>**

Students<sup>2</sup>

## Cooperation with educational institutions

The survey results show that cooperation between foreign investors and local educational institutions remains high, with approximately half of the companies surveyed reporting that they worked together with universities/colleges and/or vocational schools on a regular basis. Not only that, the majority of these companies (67%) chose to cooperate with more than one institution.

Cooperation between educational institutions and businesses takes many forms. In 2022, internships were the most popular method of collaboration. 23% of companies surveyed reported, that they had implemented internship programs within their locations. This number is set to increase to 29% in 2023. The second most popular form of collaboration was an apprenticeship. Such programs are similarly gaining traction among foreign investors, with 18% of surveyed companies employing and training apprentices coming from local colleges and vocational schools.

Another way that companies can facilitate talent development is through co-creation. The annual Investors' Spotlight project brings together companies and educational institutions to refine and improve study programs. Since 2016, a total of 49 programs have been reviewed, with 37 receiving Investor's Spotlight quality badge.

**52%**

collaborate with educational institutions

**23%**

have internship programs

**18%**

have taken advantage of the apprenticeship programs

**Continental**

**Functions:** Manufacturing of automotive electronics components

**FTE:** 770 (2023 Q1)

**EST:** 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 university alumni and students. 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 Autonomous Mobility Lithuania, UAB



## Training and upskilling

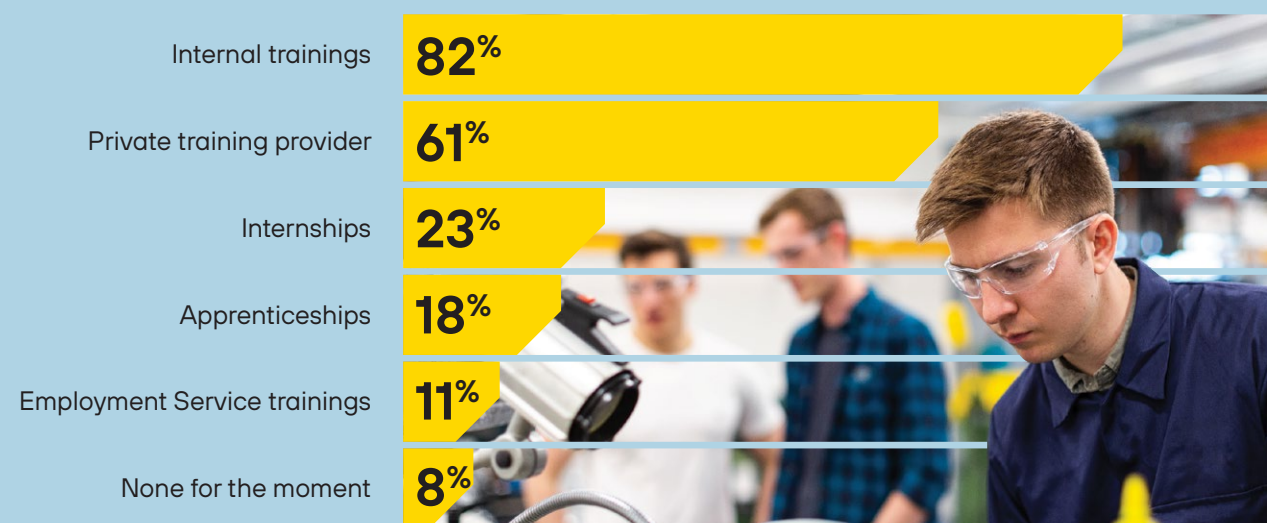
Although cooperation with educational institutions is common in Lithuania, not all foreign companies choose to go down this route. For the majority of those who do not cooperate (40%), the reasoning is quite simple – they do not require it. For others, the rationale is more complex – some companies lack the information needed to take advantage of such partnerships, or it may be that there are no suitable educational institutions to collaborate with.

Regardless of whether a company cooperates with an educational institution or not, the main method of upskilling people was found to be internal training. A staggering 82% of surveyed companies chose to educate people within the organization and are planning to continue doing so in 2023. In general, the survey findings show that 92% of manufacturing companies have some type of employee training. This is not surprising, especially considering that, with the rise of manufacturing 4.0, the workforce is facing an increasing need to strengthen their digital and technical skills.



Source: Invest Lithuania survey results, 2022

### Training methods used in foreign manufacturing companies in Lithuania



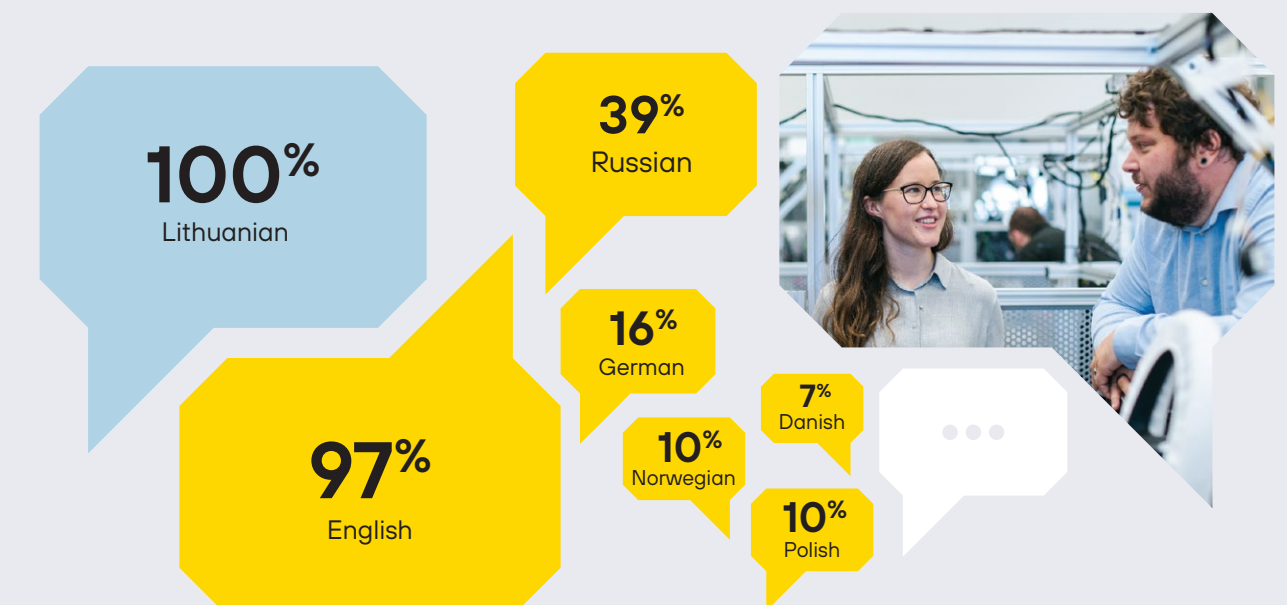
Source: Invest Lithuania survey results, 2022

## Multilingual workforce

In addition to a strong educational and technical base, multilingualism continues to be a defining characteristic of the Lithuanian talent pool. This year's survey results support these insights. 44% of companies surveyed report that they use two or more foreign languages in their daily operations. English is the most popular foreign language used (97%), followed by Russian (39%), then German (16%). Multilingualism is not only of great value when it comes to communicating across global branches, but it also allows companies to tap into the international talent pool. 68% of the companies surveyed reported that they sourced some talent from abroad, with foreign workers constituting, on average, around 8% of a company's workforce.



### Languages used in foreign manufacturing companies in Lithuania



Source: Invest Lithuania survey results, 2022



## Gender balance, diversity, and inclusion

A recent report from International Labor Organization (World Employment and Social Outlook Trends, 2023), reveals that, although faltering global employment growth and increasing market volatility are greatly affecting everyone in the labor force, women are faring significantly worse than the rest.

However, in Lithuania, a different trend can be observed. Based on the World Talent Ranking, Lithuania holds third place in the EU and fifth globally for the share of women in the labor force (49.5 %). Not only that, the World Economic Forum highlighted Lithuania as a regional leader by placing it first in CEE in Global Gender Gap Index (2022).

Although manufacturing is generally seen as a male-dominated sector, Lithuania bucks this trend. In fact, the country ranks first in the world when it comes to having an equal share of men and women among professional and technical workers. Furthermore, many of the manufacturing companies in Lithuania recognize that having a well-balanced and inclusive workforce is beneficial. In the companies surveyed, on average, women constituted 43% of the total workforce, whilst 36% held senior management positions. This is an increase compared to last year's figures when 40% of the labor force were female, and 31% of the senior positions were held by women.



### Gender-balanced labor market

#### 1<sup>st</sup> globally

Ratio of women to men employed in professional and technical roles

Source: World Economic Forum, 2022

#### 1<sup>st</sup> in CEE

The Global Gender Gap Index

Source: World Economic Forum, 2022

#### 3<sup>rd</sup> in the EU

50% of total labor force are women

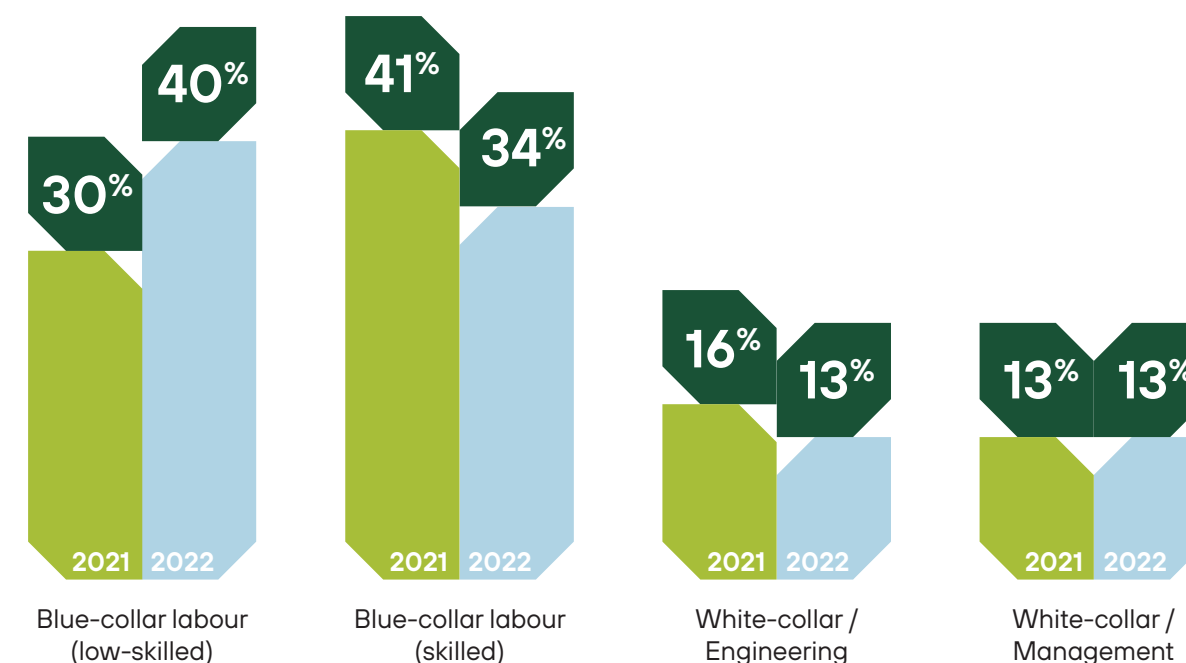
Source: IMD World Talent Ranking, 2022

## Labor force structure in foreign manufacturing companies\*

The manufacturing company workforce in Lithuania is dominated by blue-collar workers, with our study revealing that both low-skilled and skilled blue collar workers compose 74% of the sector's total labor force. The remaining 26% is equally split between white-collar/engineering and white-collar/management. This percentage shows only a slight decrease from the previous year, underlining the sector's relative stability.

A notable trend emerged this year, with the low-skilled blue-collar workers segment exceeding that of skilled blue-collar workers – a reversal on the previous year. Based on our survey findings, the low-skilled labor share increased by 10% in 2022, surpassing the skilled blue-collar labor function, which has decreased by 7% since 2021.

### Labor force structure in surveyed foreign manufacturing companies\*



Source: Invest Lithuania survey results, 2022

#### \*Note:

**Blue-collar labor (low-skilled) functions:** assembly, packaging, mining, oil field work, recycling – simple and routine physical and manual tasks.

**Blue-collar labor (skilled) functions:** operating machinery and electronic equipment, driving vehicles, maintenance and repair of electrical and mechanical equipment, manipulation, ordering, and storage of information.

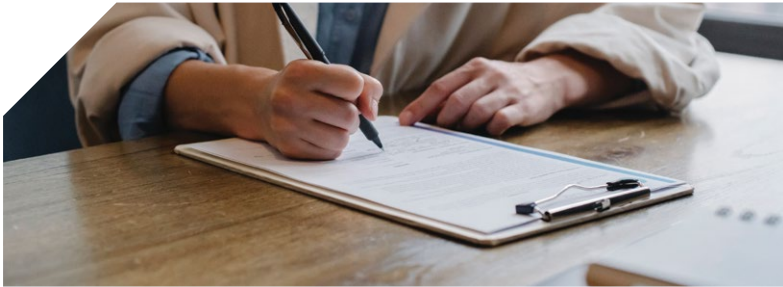
**White-collar/Engineering labor functions:** complex technical and practical tasks, extensive body of factual, technical, and procedural knowledge in a specialized field.

**White-collar/Management labor functions:** managerial and administrative.



# Hiring lead times in 2022 by employee group

Globally, the last few years have been challenging when it comes to hiring talent. Despite intense hiring efforts, many companies still experience longer than expected hiring times (Deloitte, 2022). Looking at the situation in Lithuania, according to the majority of survey respondents (57%), hiring lead times did not significantly increase between 2021 and 2022. There are, however, some observable variances across different employee groups. When it comes to blue-collar low-skilled workers, hiring lead times in the majority of cases were no longer than four weeks. Our respondents noted that it was more difficult to hire blue-collar skilled labor, with lead times extending up to eight weeks (for 65% of those surveyed). Similar challenges were also observed when hiring white-collar employees, which in most cases took more than nine weeks for around 50% of the respondents.



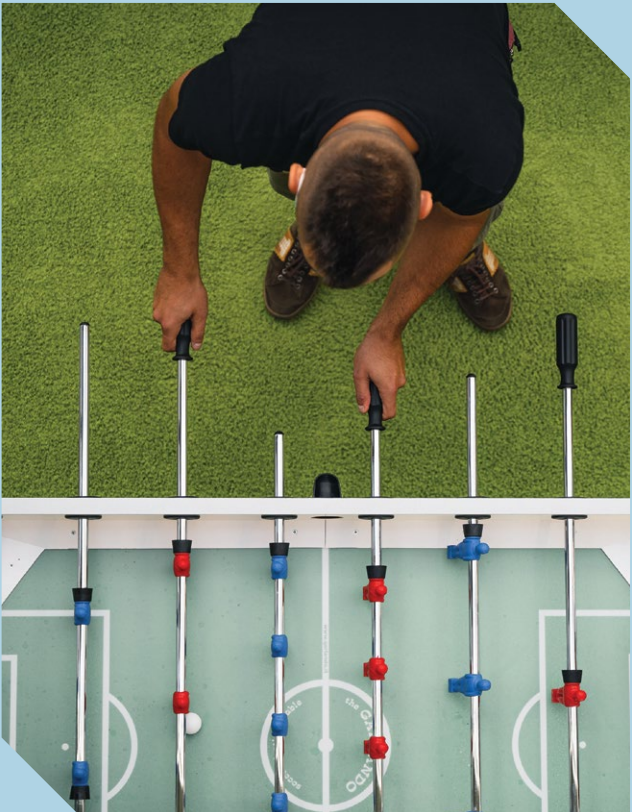
**Hiring is easiest within the blue-collar (low-skilled) group, with nearly 60% of companies hiring within 4 weeks.**

**Search for blue-collar (skilled) workers took up to 8 weeks for most of the companies (65%).**

**White collar engineer and manager hiring lead times are longer for the majority of companies. Over 50% reported that hiring took more than 9 weeks.**

# Key non-wage benefits

Retaining talent is a key concern for many of the companies surveyed. To mitigate these concerns, companies are implementing a variety of measures to build and maintain skilled manufacturing teams. Next to offering employee training and development programs, and alongside comprehensive diversity and inclusion measures, many of those surveyed (around 89%) also offer their employees non-wage benefits. Most popular among these are private health insurance packages (44%), sports/entertainment bundles (44%), and a large variety of educational courses from language classes (44%) to subsidized professional training (39%). These non-wage benefits can be linked to lower attrition rates, so it is not surprising that more than 69% of those surveyed noted that they offer two or more non-wage benefit options.

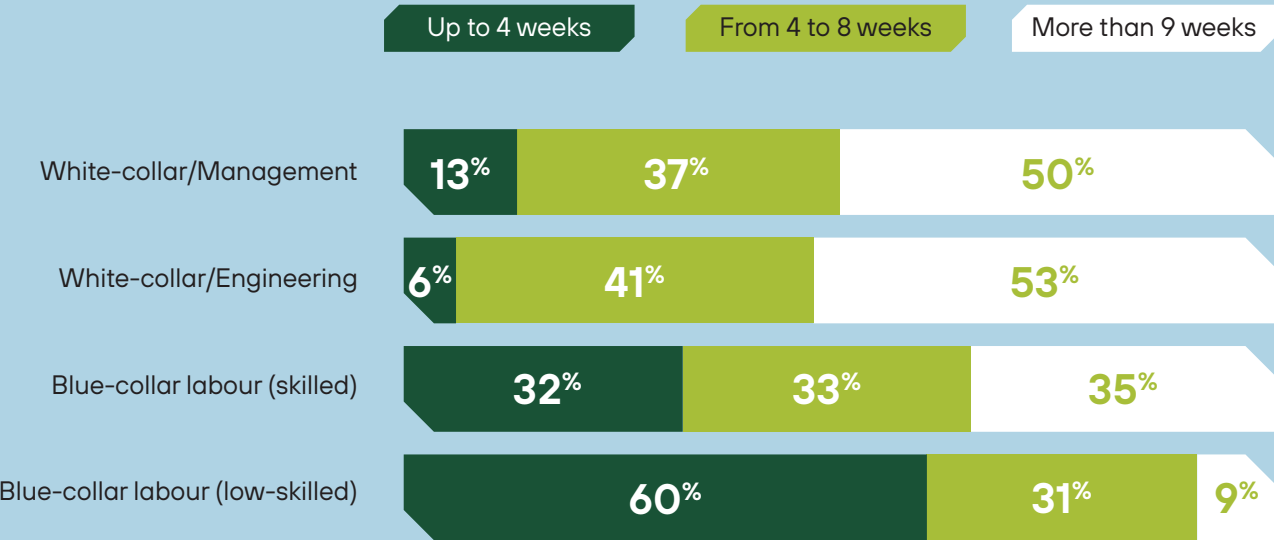


## Key non-wage benefits by type

Source: Invest Lithuania survey results, 2022



## Hiring lead times in 2022 by employee group



Source: Invest Lithuania survey results, 2022



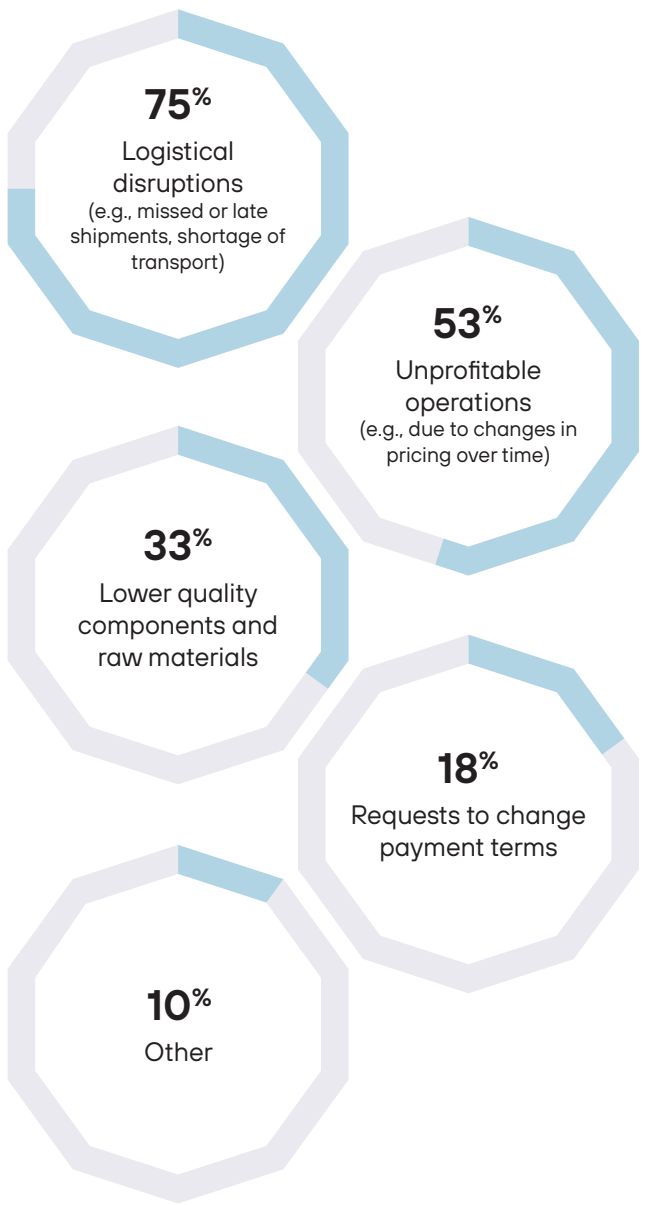
# Supply chain

Supply chain disruptions in the manufacturing industry have been a significant source of concern for companies around the world. The Covid-19 pandemic has caused widespread disturbance, and this is still ongoing. Many of the businesses cited logistical disruptions and shortage of materials as a continuing concern. In addition, the shortage of semiconductors, which are crucial components in many electronics and technological devices, has added to these disruptions and caused further difficulties for companies trying to keep up with increased demand. Furthermore, the war in Ukraine had a major impact on the global community, causing instability and further stress to companies trying to stabilize supply chain issues.

All of these factors combined have also created a challenging environment for companies in Lithuania. However, despite the difficulties, many businesses have been able to find innovative solutions and continue not only operating, but successfully navigating through these turbulent times.

Most of the manufacturing companies surveyed reported logistical disruptions (75%) and unprofitable operations (53%) as being the key challenges last year. Additionally, for 33% of respondents the lower quality of components and raw materials was also an issue.

## Percentage of companies that experienced challenges within the supply chain

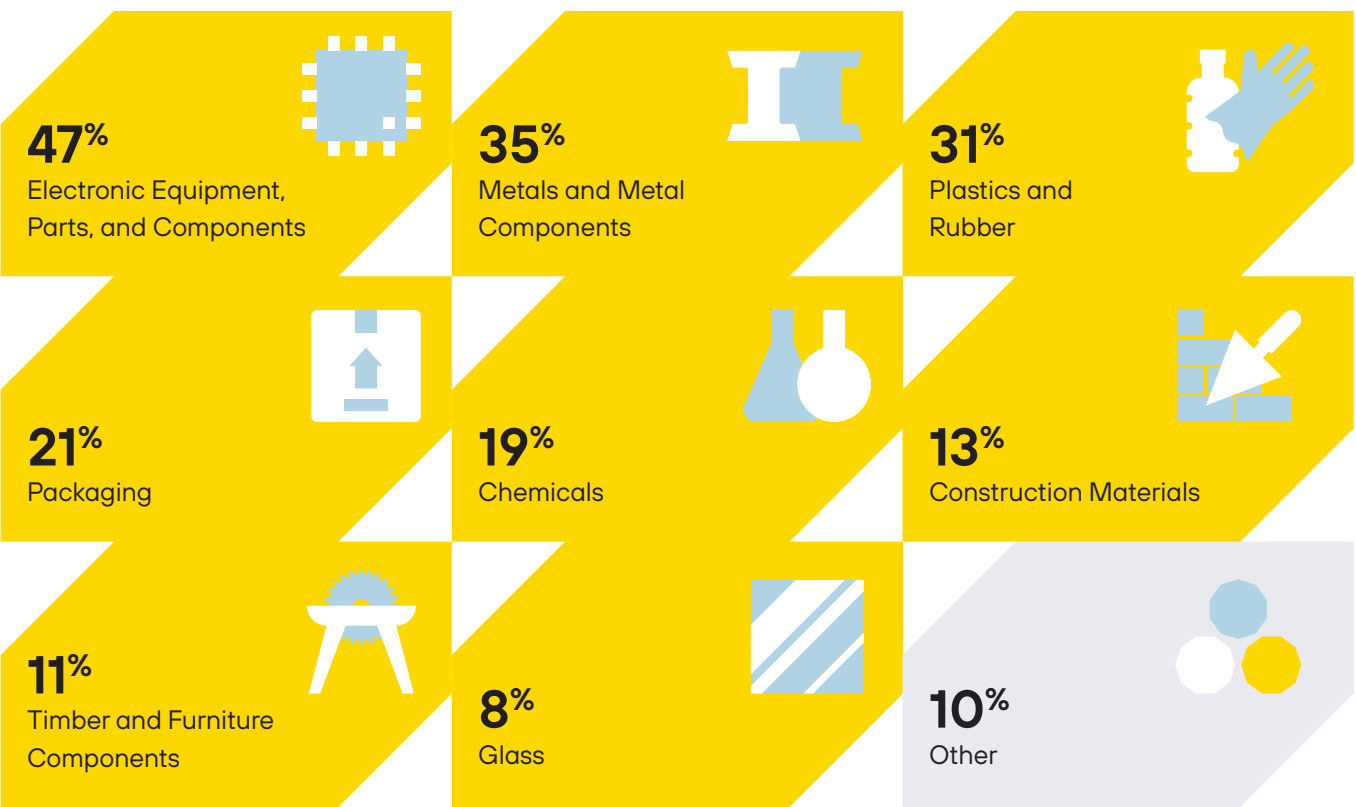


Source: Invest Lithuania survey results, 2022

In terms of material shortages, the Electronic Equipment, Parts, and Components felt the most disruptions (47%), followed by Metals and Metal Components (36%) and Plastics and Rubber (31%).



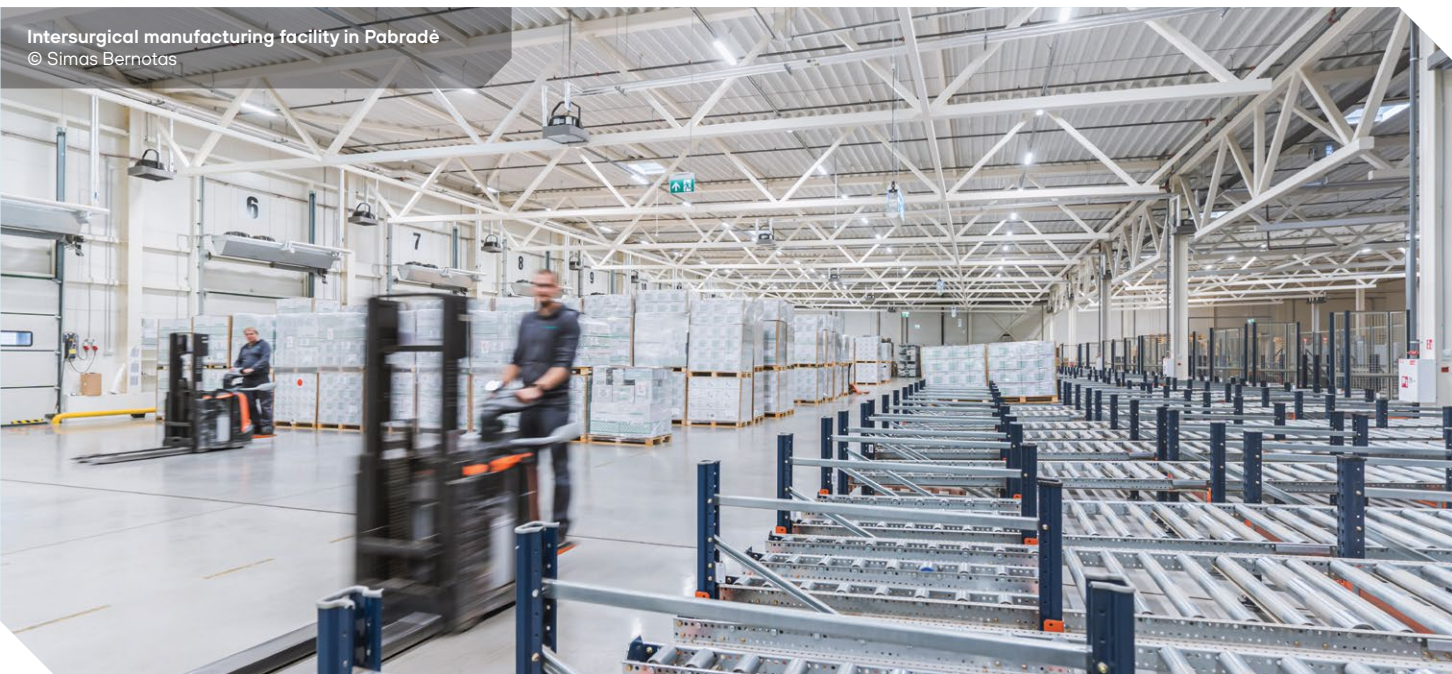
## Percentage of companies that experienced the following material or component supply shortage due to global disruptions:



Source: Invest Lithuania survey results, 2022

To ensure continuity for their operations, and minimize negative impact on their customers, most companies took active measures to address supply chain issues. Of the 62 companies surveyed, 51 attempted to find solutions using various methods. 76% of respondents attempted to deal with this issue by locating

alternative international suppliers, while 63% adjusted their products and processes to utilize alternative, more readily available components. Meanwhile, 59% looked to source alternative local suppliers.



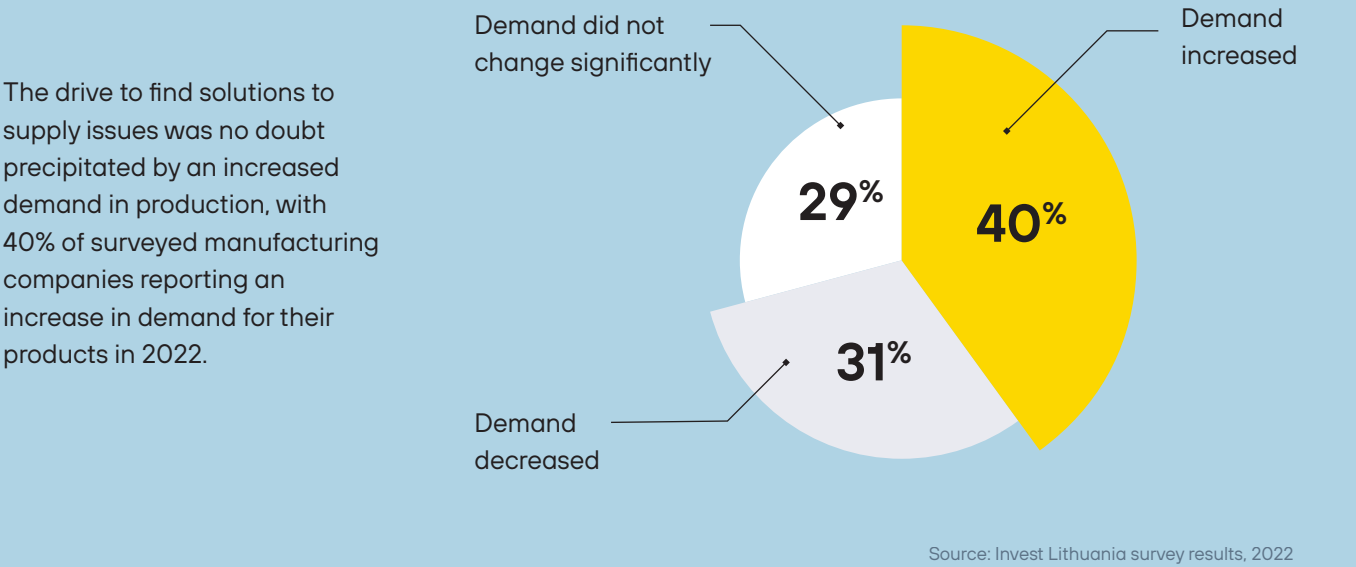


Companies' attempt to solve supply chain issues



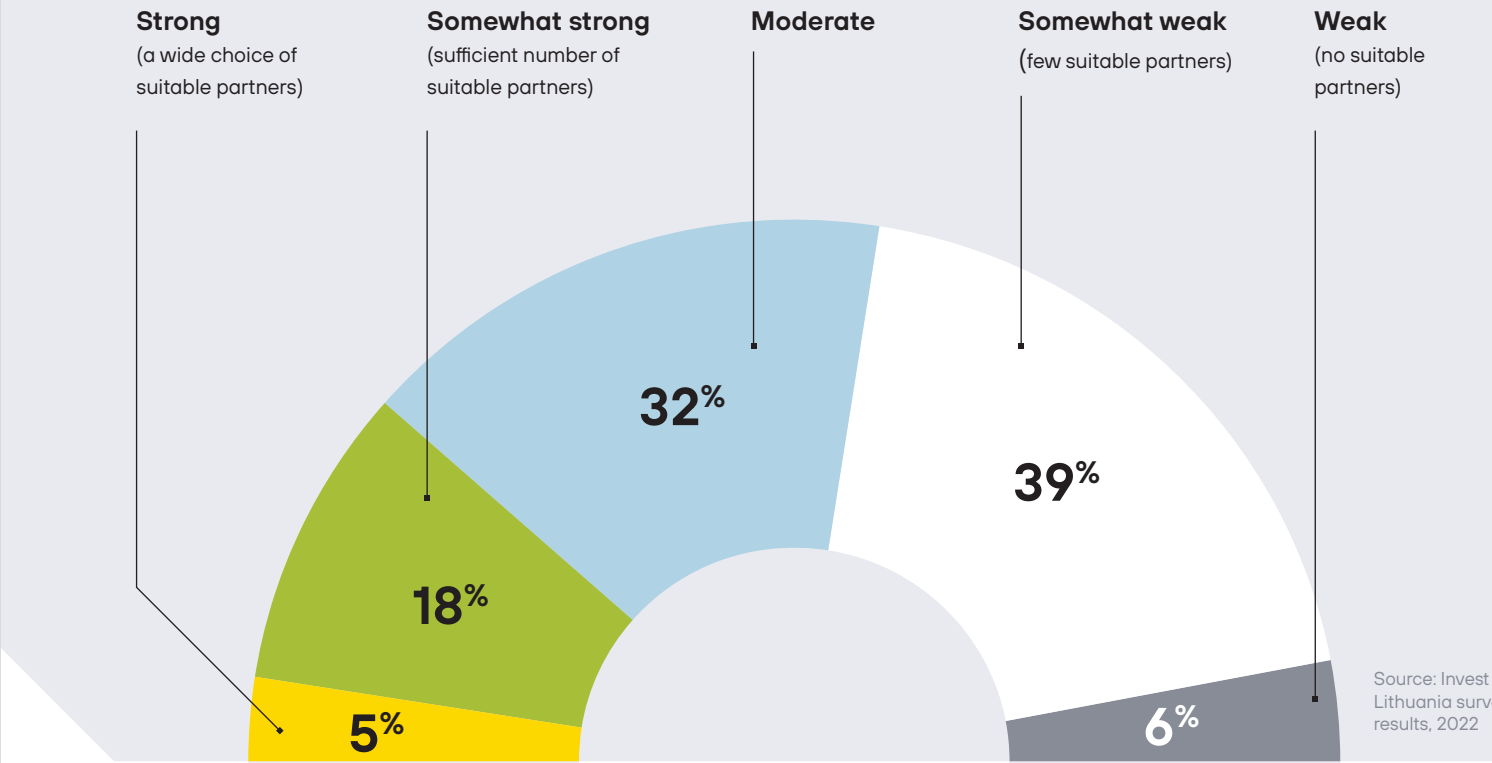
Source: Invest Lithuania survey results, 2022

Demand change for products during 2022



When asked to evaluate local (Lithuanian) service, raw material, and the component supplier ecosystem, more than half of the respondents (55%) identified it as strong (a wide choice of suitable partners), somewhat strong (sufficient number of suitable partners) or moderate.

Evaluation of the local service, raw material, and component supplier ecosystem



Companies that were severely impacted by disruptions and/or had resources and opportunities to act differently, addressed supply chain problems through nearshoring, or moving production or sourcing from Asia closer to their home market. Almost half of the respondents (49%) have already done so, were in the process of doing so, or are considering doing so in the near future.

The Lithuanian government did take some action and provide incentives to mitigate the negative impact brought by disruptions in the global supply chain. However, for the majority of companies surveyed, this support was not entirely relevant to meet their needs. This is a clear indication that going forward there is more scope for dialogue and engagement between business and the government.



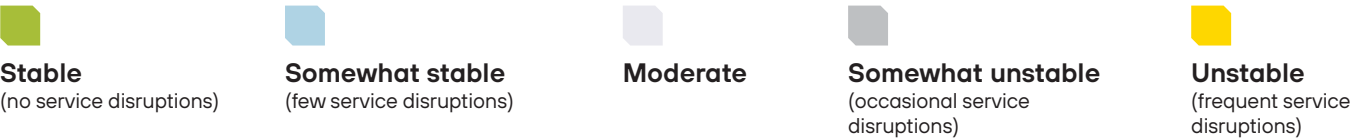
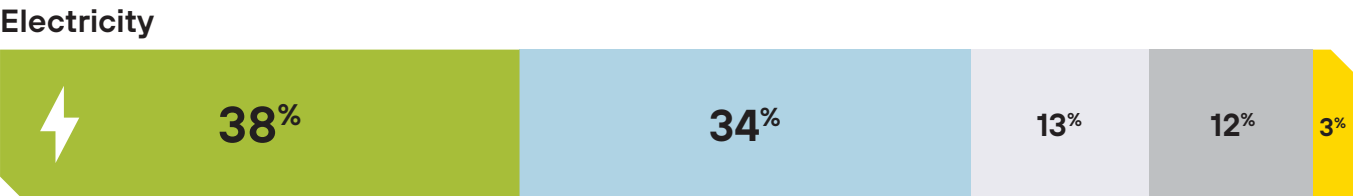


# Energy sustainability

The 2022 war in Ukraine sent shockwaves across the world. This is especially true for the European energy sector, with countries scrambling to find alternative energy sources. In this regard, Lithuania was one step ahead, as for the last decade the country has been working on becoming energy independent. One of the main strategic decisions it made was to build a Liquefied Natural Gas (LNG) terminal in the port of Klaipėda. As a result, in 2022, Lithuania became the first country within the EU to cease Russian gas imports completely. The floating LNG ship “Independence” can store up to 170,000 m<sup>3</sup> (6,000,000 cubic feet) of natural gas and supply all of Lithuania’s natural gas needs. Foreign manufacturers are broadly in alignment when it comes to acknowledging the independence of Lithuanian gas supply, with 96% of respondents evaluating it as either positive or moderate.

This early pivot towards gas-supply independence has had a knock-on effect on other energy resources. In the past decade, Lithuania has further integrated itself into European energy network by establishing the LitPol Link<sup>1</sup>, NordBalt<sup>2</sup>, and GIPL<sup>3</sup> connections. Thanks to this, companies also benefit from energy diversification.

## Companies’ evaluation of Lithuania’s energy source reliability<sup>4</sup>



The aforementioned Lithuanian energy links contribute to the fact that 81% of the companies in the survey evaluated Lithuania’s gas network’s reliability and supply stability as stable or somewhat stable, with another 15% ranking it as moderate. Regarding the reliability of electricity, over two thirds of respondents evaluated the grid’s reliability as positive. Even though electricity supply was not an issue for the large majority of the respondents, increasing electricity prices affected all indiscriminately. The Lithuanian government reacted by introducing subsidies for all companies experiencing hardships due to rising energy costs. For the first half of 2023, the Lithuanian government agreed to provide compensation of up to €0.28 per kilowatt-hour (kWh) of electricity and €0.99 per cubic meter of gas. Within our survey, 73% of respondents evaluated these government subsidies as either positive or neutral, and more than half of the companies are planning to take advantage of the subsidy.

Source 1: LitPol Link is an electricity link between Poland and Lithuania which connects the Baltic transmission system to the synchronous grid of Continental Europe.  
Source 2: NordBalt is a submarine power cable between Klaipėda in Lithuania and Nybro in Sweden. The purpose of the cable is to facilitate the trading of power between the Baltic and Nordic electricity markets, and to increase the supply and energy security in both markets.  
Source 3: GIPL (Gas Interconnection Poland–Lithuania) is a gas pipeline between Poland and Lithuania.  
Source 4: Invest Lithuania survey results, 2022

Klaipėda LNG terminal “Independence”  
Photo courtesy of KN



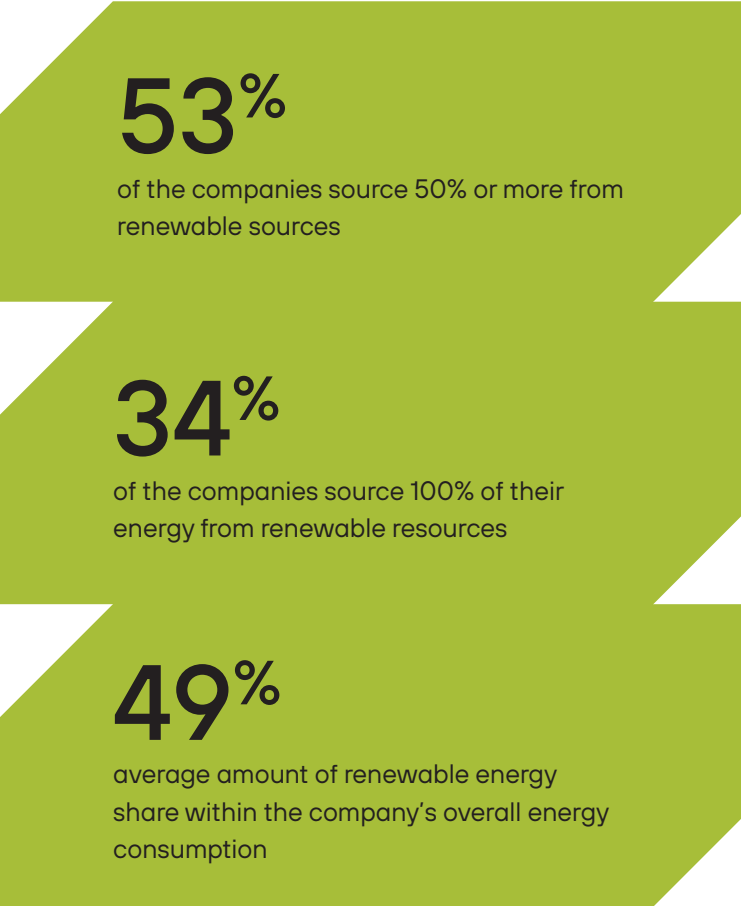
**96%**  
of respondents evaluated the Lithuanian gas network’s reliability and supply stability as either moderate or strong

**53%**  
of the companies surveyed are planning to use the energy price compensation offered by the Lithuanian government



This transition towards more diversified energy sources took place not only at a country level, but within individual companies too. Our respondents also made efforts to become less reliable on one source of energy. More than half of participants (56.5%) identified that they possess an ability to switch to a different energy source within a year, if necessary.

In light of the energy crisis, companies are also actively shifting towards renewable energy sources. The number of companies which use renewable energy, and the level of renewable energy those companies consume have both increased when compared to the previous year. In total, 53% of the companies surveyed obtain 50% or more of their energy needs from renewable sources. Meanwhile, more than a third of the companies source 100% of their energy needs from renewable sources, which is an increase from last year, when a quarter of the companies fulfilled their electricity needs solely from renewable energy sources. Compared to the previous year, the number of companies which included renewable energy sources in their energy grid has increased by 58%.

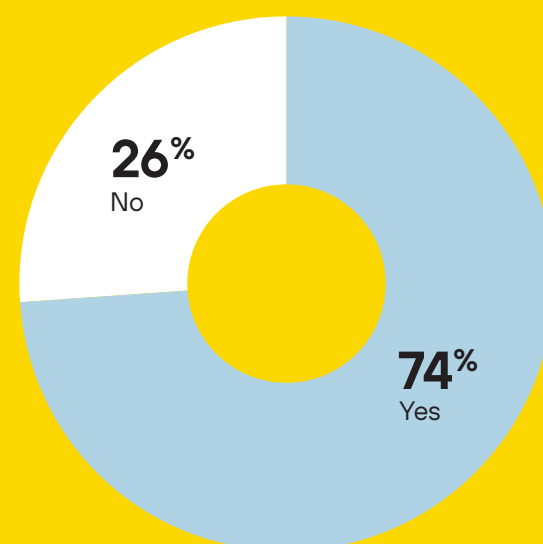


# ESG / CSR activities

Leading the change towards a sustainable future, manufacturing companies that prioritize Environmental Social Governance (ESG) / Corporate Social Responsibility (CSR) are setting a powerful example for all. These measures enhance a company's reputation, promote sustainability, and improve relationships with stakeholders such as employees, consumers and local communities. Additionally, implementing ESG/CSR activities helps ensure compliance with environmental regulations and drive innovation.

A substantial proportion of the companies surveyed, representing a remarkable three-quarters of respondents, have already undertaken Corporate Social Responsibility initiatives, compared to 49% reported in the Manufacturing Sector Report of 2022.

## Share of companies conducting ESG/CSR activities



Source: Invest Lithuania survey results, 2022

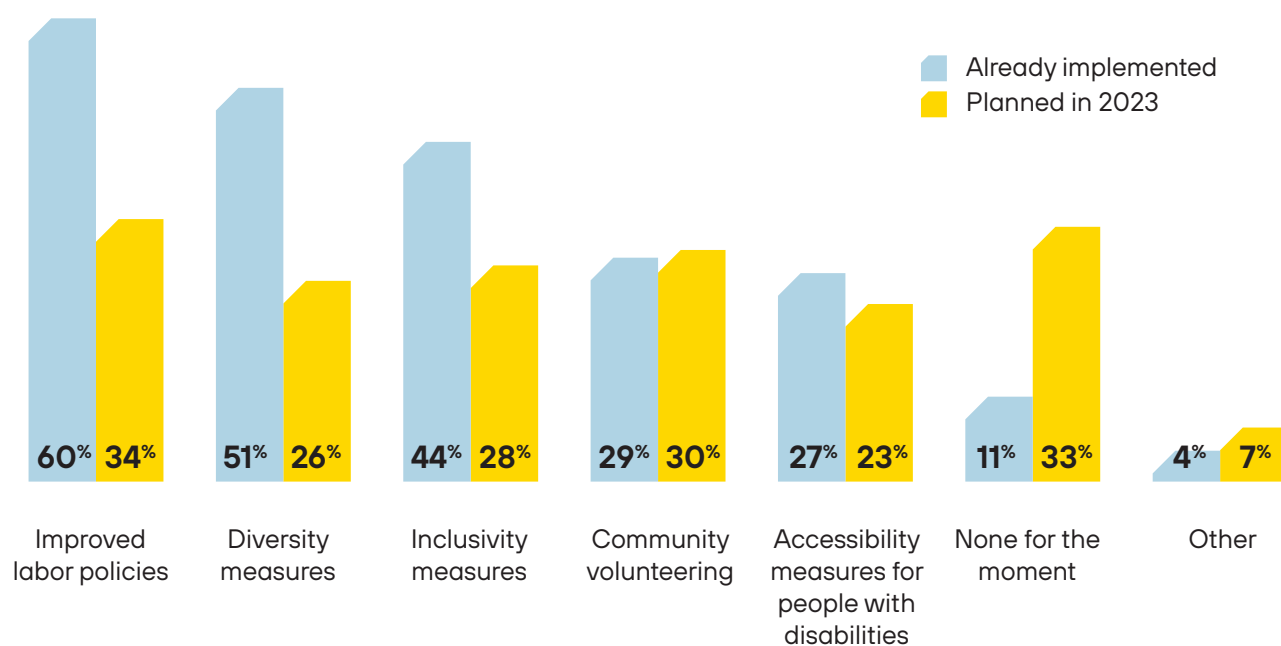
For the purpose of our survey, we have broadly divided companies' ESG/CSR activities into social and environmental subsections.

As regards initiatives designed to cater for the social aspect, the majority of survey respondents have demonstrated their commitment. In particular, 60% of respondents reported improving labor policies, 51% focused on diversity, and 44% actively promoted inclusivity.

For the remainder of 2023, the companies surveyed plan to further enhance their social responsibility efforts, with the top priority being further improving labor policies (34%), followed by increasing community involvement (30%) and expanding inclusivity measures (28%). The strong commitment that is being made to such crucial issues demonstrates that the companies in the manufacturing sector are dedicated to creating a positive effect on society and striving towards a fairer and more equal community.



## Social responsibility measures in the companies



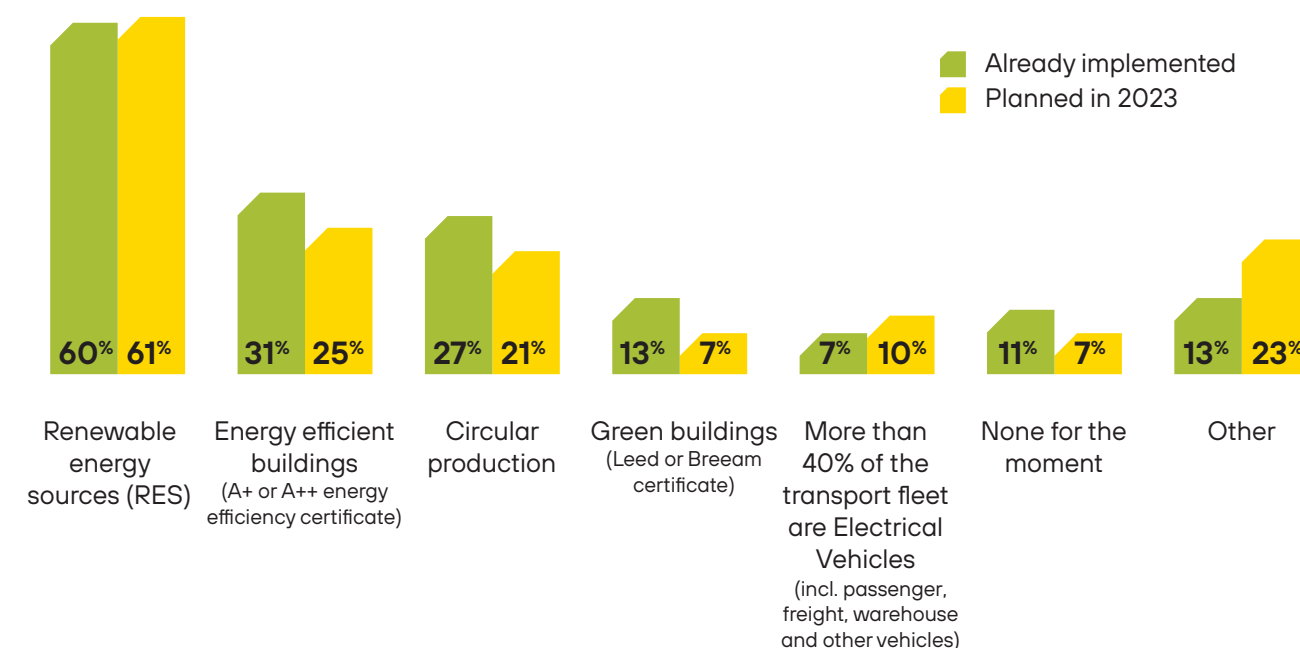
Source: Invest Lithuania survey results, 2022

In terms of environmental measures, most surveyed companies have taken strong actions towards environmental responsibility and sustainability, with 60% incorporating renewable energy sources into their operations, 31% constructing energy-efficient buildings, and 27% pursuing circular production methods.

The companies surveyed also plan to remain steadfast in their environmental responsibility efforts throughout 2023 by making levels of action equivalent to those in 2022 (61%, 25%, and 21% respectively).

These initiatives demonstrate companies' commitment to reducing their carbon footprint and promoting a healthier planet.

## Environmental responsibility measures in the companies

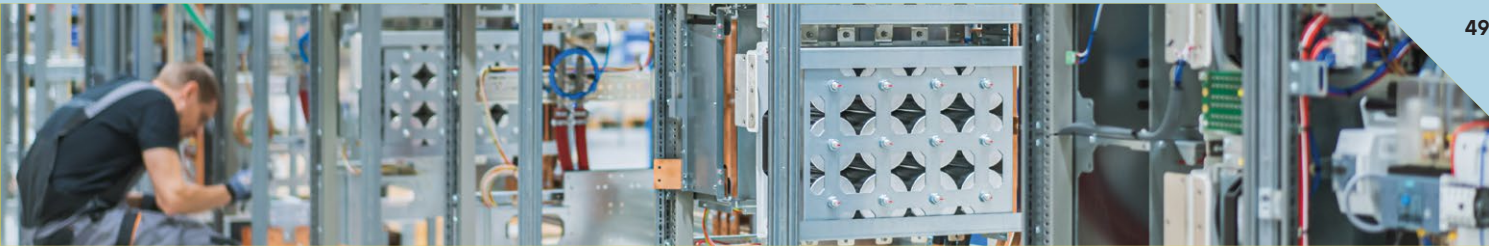


Source: Invest Lithuania survey results, 2022



# Additional information

04



## Wages

Employee total cost per month overview (EUR) H1 2023\*

\*due to current geopolitical challenges, the salaries may fluctuate more than usual.  
Source: Alliance for Recruitment and BIURO data, H1 2023

Department	Position	Vilnius, Kaunas, Klaipeda Regions	Šiauliai, Panevėžys, Alytus, Marijampolė, Utena, Tauragė, Telšiai Regions
Production	Plant Manager	7,600 - 12,620	6,810 - 10,600
	Production Manager	5,550 - 8,410	4,540 - 6,800
	Production Planner	2,860 - 3,360	2,270 - 2,720
	Maintenance Engineer	2,940 - 3,700	2,170 - 3,000
	Shift Leader	1,770 - 2,860	1,440 - 2,400
	Maintenance Technician	1,400 - 2,230	1,300 - 2,100
	Machine Operator	1,300 - 2,140	1,200 - 1,900
	Operator (Basic functions: packing, assembly)	1,100 - 1,300	1,030 - 1,250
	Mechatronics Specialist	1,360 - 2,480	1,360 - 2,190
	Mechanical Engineer	2,170 - 3,030	1,600 - 2,860
	Electrical Engineer	2,150 - 3,030	1,600 - 2,860
	Welder	1,600 - 3,030	1,400 - 2,860
	Sheet Metal Worker	1,550 - 2,290	1,400 - 2,100
Quality	Plastic Molding Specialist	1,520 - 2,290	1,360 - 2,100
	Quality Manager	5,050 - 6,390	4,240 - 5,300
	Quality Engineer	2,140 - 3,700	1,770 - 3,030
	Production Supervisor / Quality Assurance Specialist	1,600 - 2,700	1,400 - 2,320
	Quality Controller	1,470 - 2,320	1,280 - 1,930
Warehouse and Logistics	Warehouse Manager	3,100 - 4,540	2,570 - 3,780
	Logistics & Supply Chain Manager	5,550 - 7,400	4,620 - 6,360
	Purchasing, Logistics & Supply Chain Specialist	2,320 - 3,030	1,770 - 2,650
	Purchasing Manager	3,200 - 5,050	2,800 - 4,090
Customer Service	Customer Service Manager	2,950 - 3,560	2,400 - 3,180
	Customer Service Coordinator (English language)	1,570 - 2,230	1,280 - 2,000
Finance & IT	Finance Manager	4,200 - 6,730	3,150 - 5,300
	Accountant	1,960 - 3,700	1,920 - 3,030
	IT Administration Officer	3,500 - 4,540	2,730 - 3,780
	Accounts Payable Specialist	1,960 - 3,030	1,760 - 2,250
	Industrial IT Domain Lead / Site IT Manager	5,050 - 8,410	4,540 - 7,270
	Software Development Engineer	4,200 - 6,060	3,780 - 5,300
	Machine Learning	4,540 - 6,730	3,790 - 6,060
	Finance Controller	3,500 - 5,890	3,150 - 5,300
R&D	Head of R&D	5,380 - 8,410	4,390 - 6,820
	R&D Team Leader	4,040 - 5,360	3,330 - 4,390
HR	HR Manager	3,530 - 7,570	3,030 - 5,450
	HR Specialist	2,140 - 3,530	1,770 - 2,730
	Administration Office Worker	1,370 - 2,770	1,220 - 2,250

# Real Estate

## Real estate prices in Lithuanian cities (EUR), February 2023\*

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

	Vilnius		Kaunas		Klaipėda		Panevėžys		Šiauliai	
€/sq.m.	min	max	min	max	min	max	min	max	min	max
New warehouse rent	4.6	5.8	4.5	5.6	4.4	5.3	4.1	4.8	4.1	4.8
New manufacturing facilities rent	4.9	6.4	4.7	6.4	4.7	6.2	4.5	5.8	4.5	5.8
New warehouse acquisition	625	1,125	550	1,113	550	950	475	700	475	700
New manufacturing facilities acquisition	675	1,250	675	1,250	600	1,000	525	775	525	775
Industrial land price	21	96	16	63	19	39	10	21	10	23

## Lithuania's Construction Timeline (2022\*)

\* the timelines provided are approximations and may vary depending on various factors such as the investor's readiness with necessary technical documents, the speed of private companies involved, and public institutions.

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.

1-2 months

1.

Location and land plot selection and acquisition usually take 2-5 months.

2-5 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.

6-12 months

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.

4-7 months

5.

The construction and commissioning stage takes another 7-13 months.

7-13 months

6.

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.

~2 months

## Lithuania's construction costs (2022)

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 2022, the typical warehouse building cost €600-900/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/sq. m. (without land-plot acquisition), especially if heating, ventilation, air conditioning (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

Location

Size

Qualitative and technical characteristics of the leased premises

Contract duration

Tenant financial situation

Market conditions as well as many other factors

Additional landlord's investments into customization 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.



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