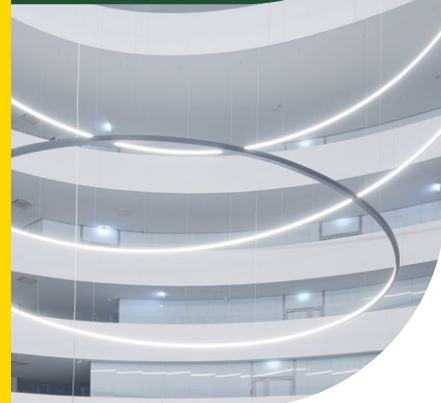


Invest
Lithuania

Lithuania
Co-create

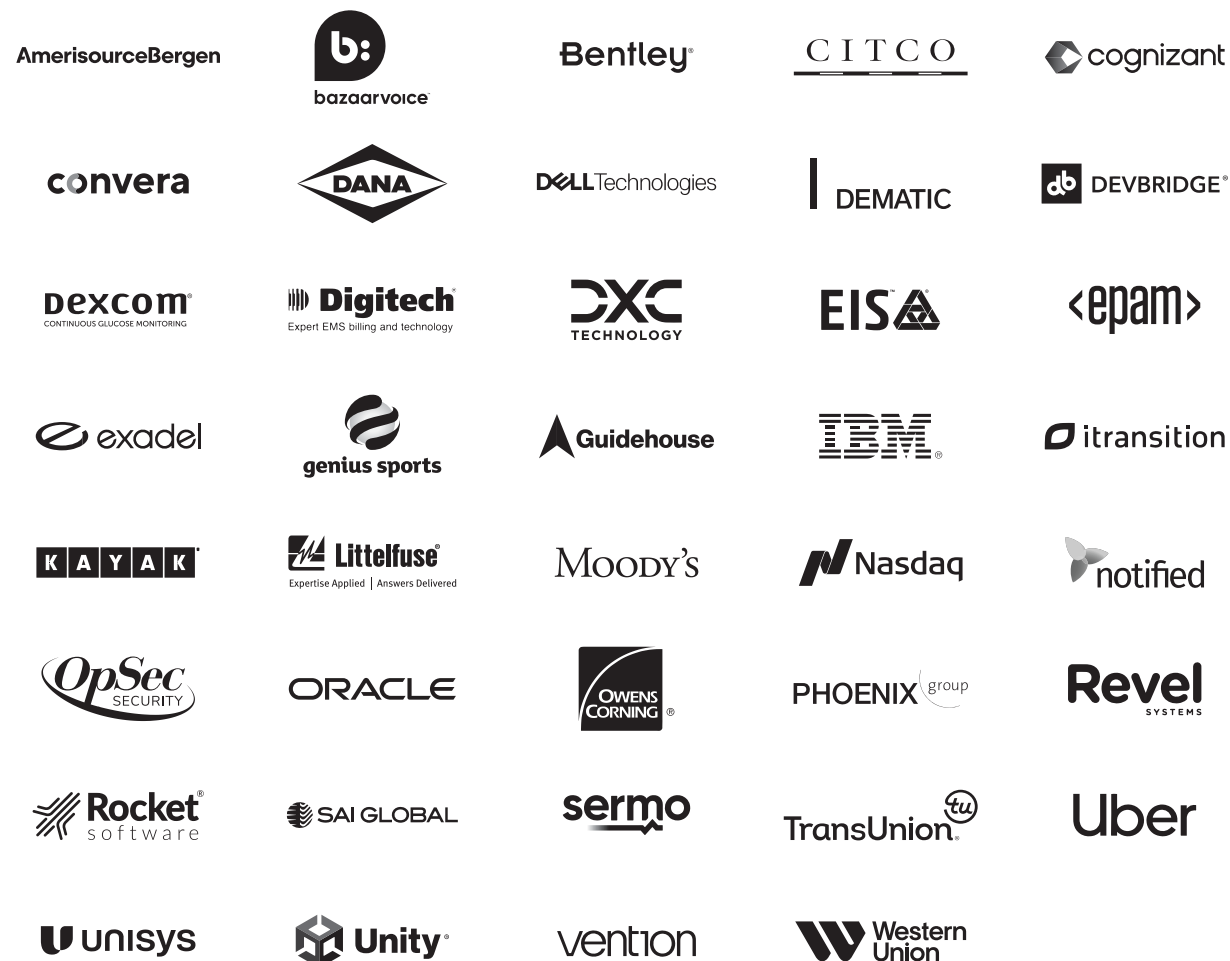
2023

Lithuania's business services report



Companies that have chosen Lithuania for GBS & ICT

US



Other



Western Europe



Nordics

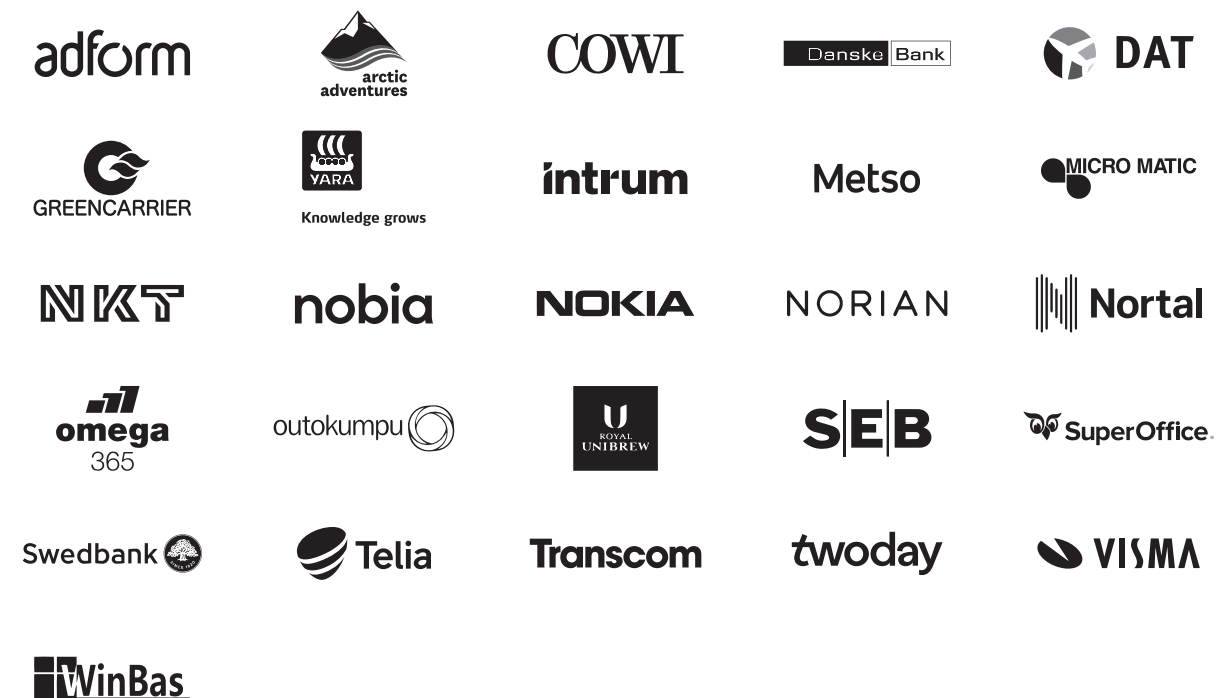




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Preface

Dear Ladies and Gentlemen,

Welcome to 2023's Lithuania's Business Services Report. Our in-depth study on the Global Business Services & Information and Communication Technology (GBS & ICT) industry in Lithuania is now in its 9th year, and we are thrilled to share its findings with you. This past year has been a difficult one, but our sector has shown real resilience. The industry workforce grew by 15%, exceeding 26,500 experts, with 3 new names choosing Lithuania as the destination for their services hub.

What continues to make Lithuania a draw, even in turbulent times? First off, there's the country's robust and secure ICT infrastructure. But it's Lithuania's steady pipeline of skilled and driven local talent that makes all the difference. This not only attracts new arrivals but also facilitates

the expansion of existing operations into new and complex functions. For proof, you only need to look at the increasing share of centers with R&D, AI, Software Development, and Cyber Security functions in Lithuania.

We sincerely hope that the many insights that this report contains will give you a clearer picture of how Lithuania is not only the best location but also the perfect partner to help drive your business growth.



Monika Vilkelytė

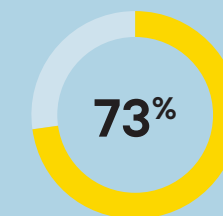
Head of GBS & ICT team at Invest Lithuania



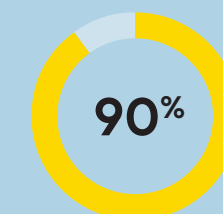
About the survey

The data was collected at the beginning of 2023 by Invest Lithuania.

Survey was filled out by 70 companies employing 23,966 professionals, which accounts for 73% of all GBS & ICT centers in the industry and 90% of its total labor force.



of all GBS & ICT centers in the industry



Of the total labor force in the industry

Lithuania Overview

Geopolitics Overview 1.

National security and resilience

Since 2004, Lithuania has been a proud and active member of both the EU and NATO. Our membership of the latter is a guarantor of our national sovereignty and security. But more than that, it has helped to position us within the global community and helped us forge closer links with countries like the US. So, even in light of increased geopolitical turbulence, the country remains stable, secure, and resilient.

Cybersecurity

Countries around the world are being forced to deal with the increasing threats posed by cyber-attacks. Lithuania is no different. But it is well prepared. Indeed, strengthening measures has been high on the country's security priorities. The National Cyber Security Centre, established in 2018, is focused purely on preventing and managing cyber incidents. Its network connects the most critical infrastructure operators via a set of automated procedures, guaranteeing a 30-minute threat neutralization limit.

Energy supplies

Lithuania leads the EU when it comes to energy independence. It is the first country in the organization to announce full independence from Russian gas. Using connections to Poland, Sweden, and Latvia, the country is able to ensure a constant electricity supply, even in the event of an emergency. It also has a secured supply of natural gas, which is provided via Klaipėda's LNG terminal, as well as the GIPL link with neighboring Poland.



Lithuania has built a strong, stable, and competitive Global Business Services (GBS) community. I am proud of the sector's resilience even in the face of recent global and regional challenges. In 2022 Lithuania's economy continued to grow. To me, this is a validation of the strength and agility of the country's talent, institutions, and business environment. Also, a result of the ironclad alliance of the European Union and NATO members.

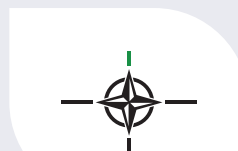
As in the recent years, Lithuania will further employ proactive counter-cyclical economic policy ensuring favorable and stable economic and business environment.



Gitanas Nausėda

President of the Republic of Lithuania

Lithuania is a part of every major international organization



Business Landscape 2.

How has Lithuania been able to ramp up and mature its GBS & ICT sector in little more than a decade whilst still retaining annual growth? Through co-creation and a shared vision. All the major stakeholders, from state to regional to municipal government, to the Central Bank, to local universities, to specially created initiatives like Invest Lithuania, have worked together to build a supportive business environment for foreign companies to open operations, thrive, and expand. And the team at Invest Lithuania, in particular, is on hand to not only support and guide an easy landing but also to provide long-term help.



I believe that the resilience our GBS & ICT sector has shown in the last few turbulent years is a product of who we are. Our people are multilingual, educated, and motivated, while our infrastructure provides the right conditions for growth.

And that's why we see the annual expansion of the sector, both quantitatively and qualitatively. Every year, the number of GBS centers is growing in tandem with the level of sophistication of the functions they provide.

It is true that there will be no shortage of challenges for Lithuania and Europe as a whole in 2023. However, we will do everything to ensure that Lithuania's GBS & ICT community continues to expand. We will work to build opportunities to co-create value and growth for foreign investors across the globe.



Aušrinė Armonaitė

Minister at the Ministry of the Economy and Innovation of the Republic of Lithuania



© Norbert Tukaj

Financial support incentives are available to support your growth



Up to 50%
cashback for new job creation



Up to 200K
financial grant for RPA implementation



up to 3.5K / up to 6K
relocation incentive for employee and employer respectively



Invest Lithuania

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



Choosing the best fit

We save your team time on research and due diligence by doing all the site selection research you need. This empowers you to:

- Give your team more time to focus on tasks that add value
- Meet all the relevant players in one visit with zero organisation required on your side
- Minimise spend without compromising quality with free, on-demand market intelligence / Maximise the cost-effectiveness of your FDI project



Setting up

We guide you through all the necessary procedures, from registering a company to getting a construction permit or banking license. This helps you to:

- Accelerate the landing process with the best options for office space or land lots
- Understand what motivates local talent with expert advice on employer branding for the local market
- Understand the talent and infrastructure potential with visits to local partners



Ramping up

We help you grow with confidence, establish yourself as an employer and become an integral part of our tight-knit business community. This gives you an opportunity to:

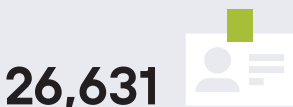
- Grow with confidence with a dedicated Customer Success manager
- Expand effortlessly with support in training, recruitment and access to additional incentives
- Become an integral part of the local business community and share your know-how

GBS & ICT Sector in Lithuania¹



96

Number of investor companies with GBS centers



26,631

Number of employees in GBS centers



342

Average number of employees in a GBS center



65%

Percentage of GBS centers carrying out ESG/CSR activities



17%

Average voluntary attrition rate in GBS centers



13

Number of Fortune 500 investors

Source 1: Data collected on the 1st of January, 2023.
Source 2: Lithuania's GBS industry survey results, 2023.

Invest Lithuania

investlithuania.com



In a year of turbulence, Lithuania's GBS sector showcased its agility and resilience. A robust infrastructure, business-friendly ecosystem, vibrant community, and, most importantly, multi-skilled, adaptive, and creative talent made it possible. And Invest Lithuania has been an industry's supporting partner in navigating change and uncertainty.



Arminta Saladžienė

Vice President for European Markets at Nasdaq and CEO of Nasdaq Vilnius Services, Board Member of Invest Lithuania



Lithuania is beyond "skilled and cost-effective labor". It's the energy and drive which makes Lithuania stand out – a quality that's difficult to quantify in an investment strategy. You need to feel it. And it's very addictive – once you try it, you'll want more. This is probably why many of the GBSs established in Lithuania double their initial growth appetite.



Giedrius Dzekunskas

Head of End User Services at Danske Bank, Board Member of Invest Lithuania

TOP advantages of Lithuania²

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

Chapter 1

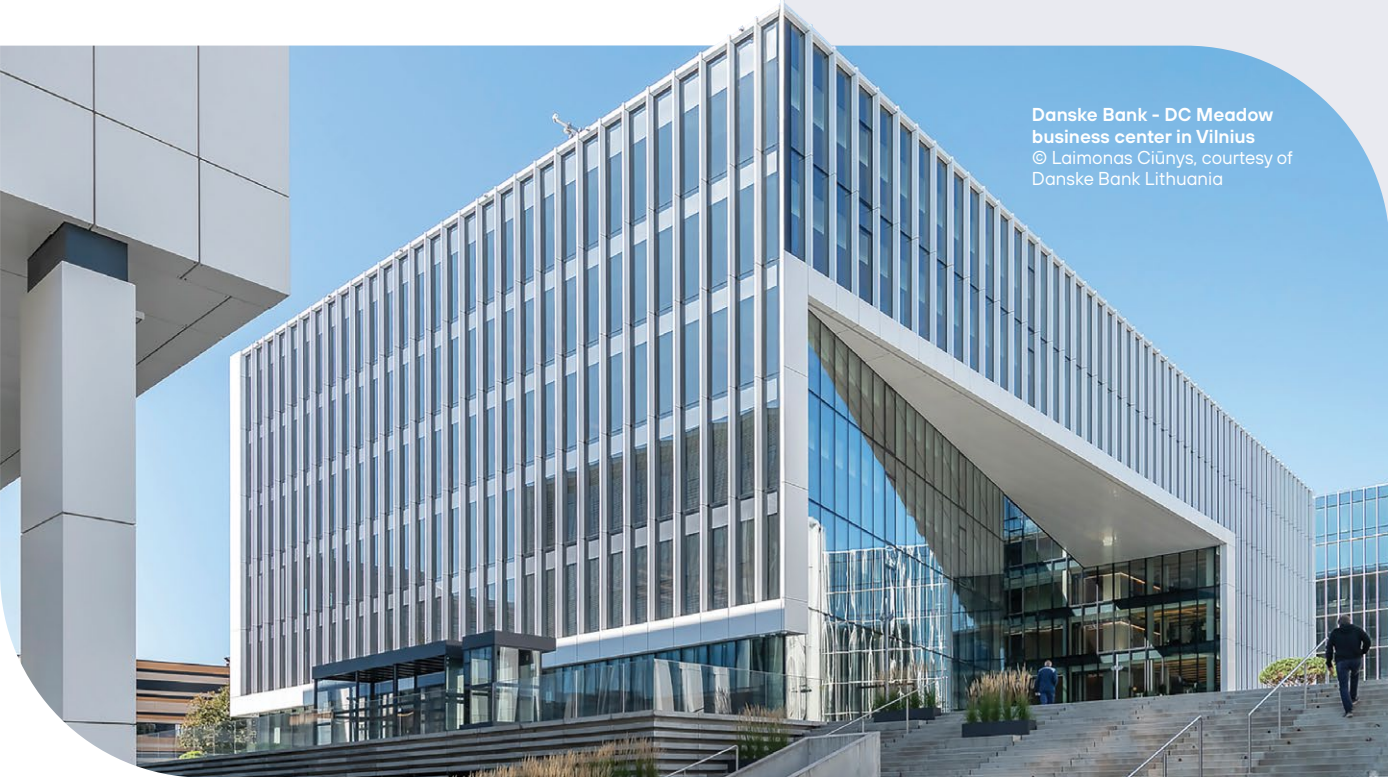
Industry Overview



Sector Overview 3.

By HQ location

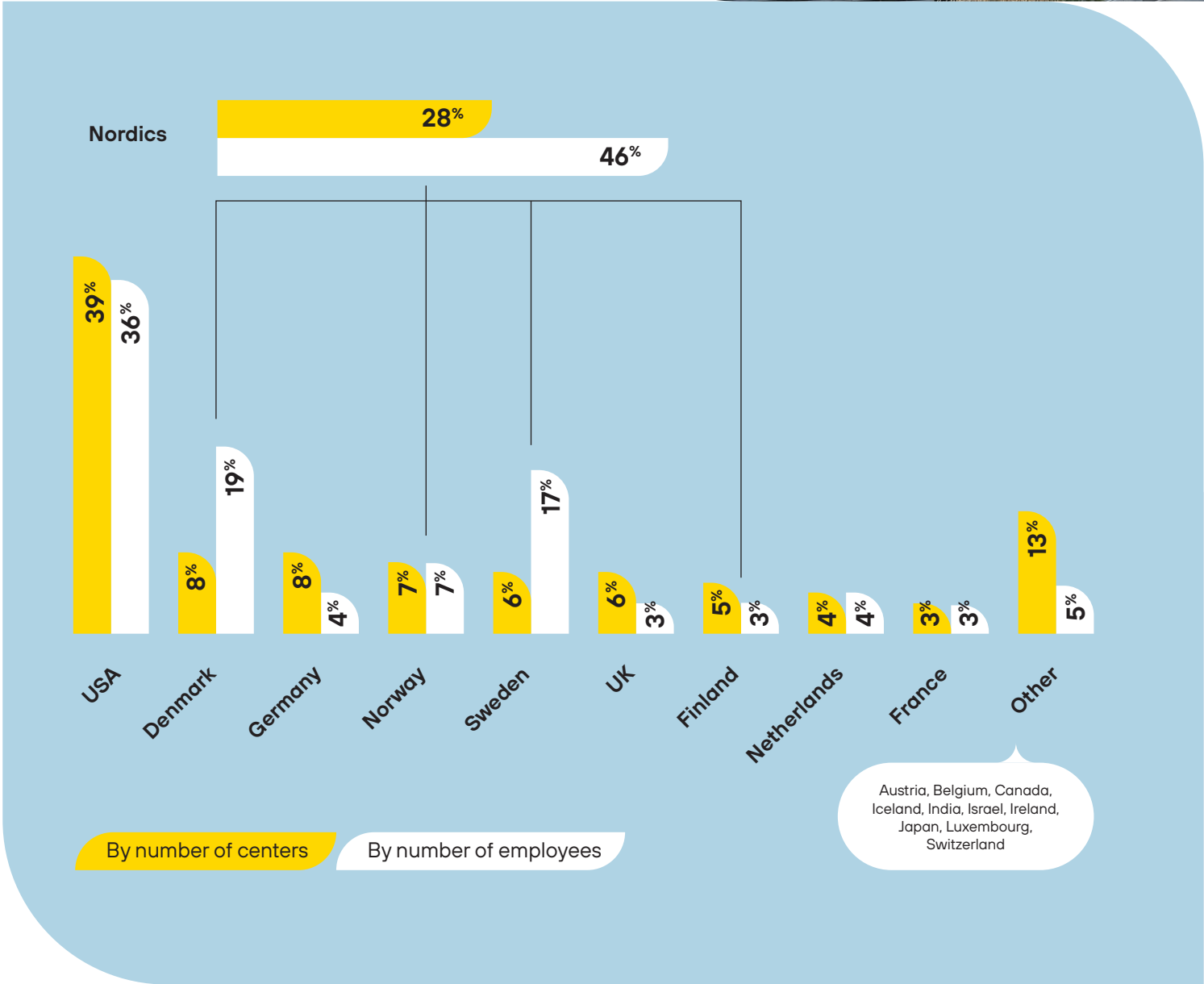
The US remains the leading investor in Lithuania. 39% of centers are headquartered in the US and employ 36% of Lithuania's GBS specialists. GBS centers headquartered in the Nordics, unsurprisingly, retain their position as the next most dominant, accounting for 28%. As was the case in 2021, however, they dominate when it comes to employing talent - 46% of the entire GBS labor pool works for Nordic based centers. This should come as no surprise considering Lithuania's close geographical proximity and cultural ties to the Nordic countries.



Danske Bank - DC Meadow business center in Vilnius
© Laimonas Ciunys, courtesy of Danske Bank Lithuania

By sector

In terms of talent employed, the financial services and research sector remains dominant, with 47% of all specialists representing such companies. Information technology is next up, accounting for 32% of all sector employees. In third place is engineering & logistics at 15%, whilst other sectors account for 7%. In terms of center breakdown, the picture is slightly different, with 43% centers dedicated to information technology & services, while manufacturing, engineering & logistics account for 31%, financial services 19%, and others 7%.



Information Technology & Services

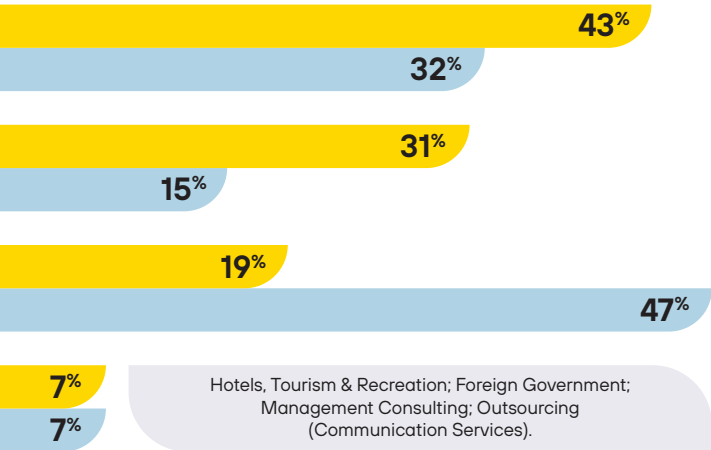
Manufacturing, Engineering & Logistics

Financial Services & Research

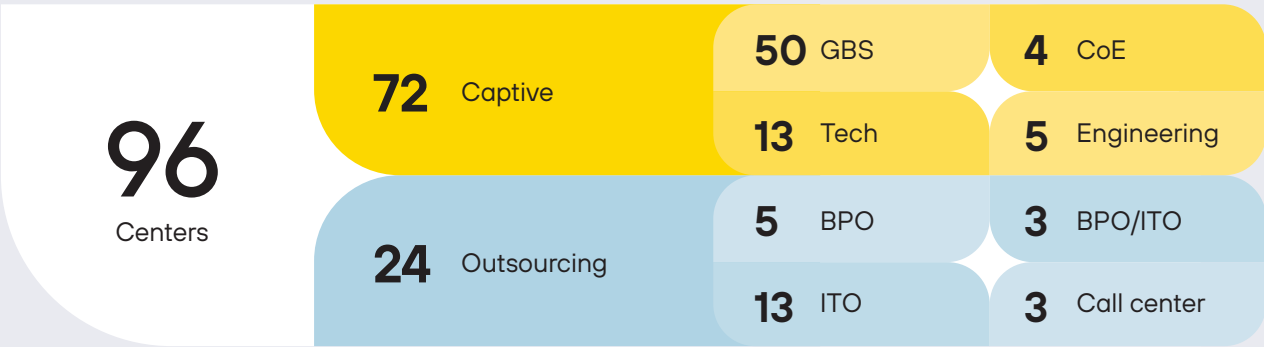
Other

By number of centers

By number of employees



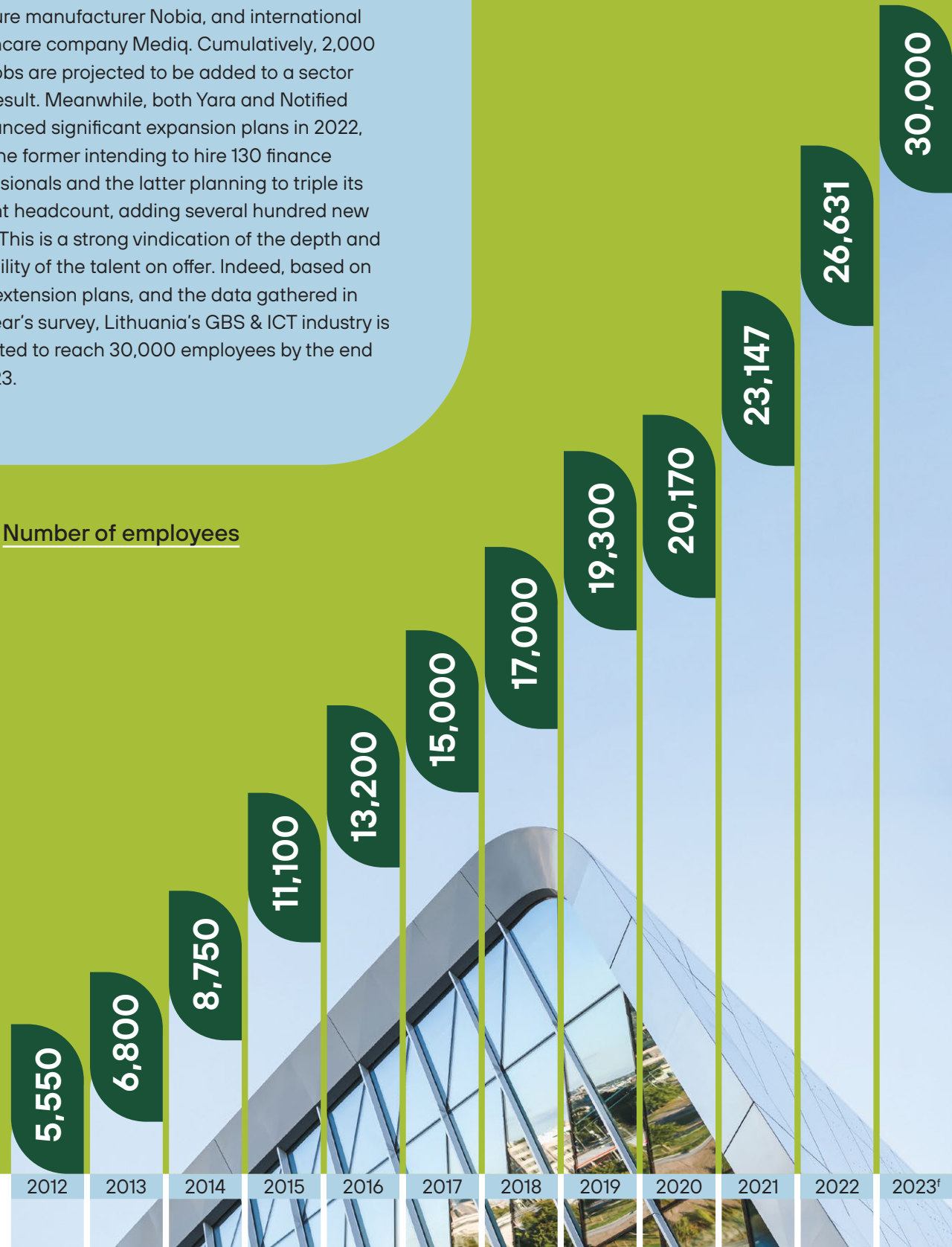
Business Services Centers by type



Sector Growth 4.

Continuing on its upwards trajectory, in 2022 the Lithuanian GBS & ICT sector both attracted new entrants and saw the expansion of existing operations. The newcomers lured by the country's mature and stable ecosystem included the British roofing manufacturer BMI Group, leading furniture manufacturer Nobia, and international healthcare company Mediq. Cumulatively, 2,000 new jobs are projected to be added to a sector as a result. Meanwhile, both Yara and Notified announced significant expansion plans in 2022, with the former intending to hire 130 finance professionals and the latter planning to triple its current headcount, adding several hundred new FTEs. This is a strong vindication of the depth and versatility of the talent on offer. Indeed, based on such extension plans, and the data gathered in this year's survey, Lithuania's GBS & ICT industry is expected to reach 30,000 employees by the end of 2023.

Number of employees

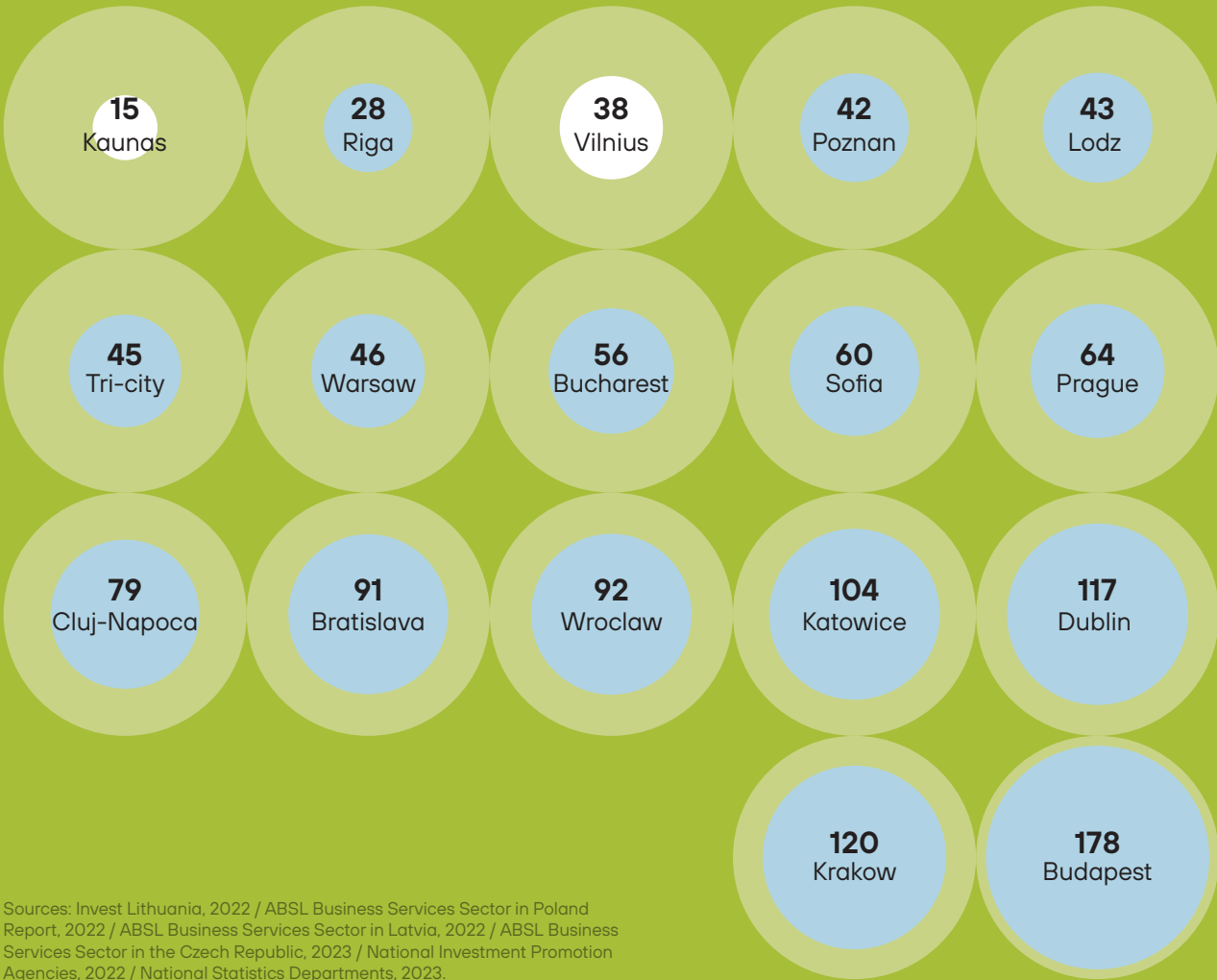


Saturation 5.

Despite continuous industry growth, Lithuania remains competitive in terms of saturation levels when compared to other CEE locations. This allows newcomers to scale up quickly, easily retain

talent, and secure sustainable growth. While new entrants have slightly increased the level of market saturation in Vilnius over 2022, Kaunas remains the least saturated city in the CEE.

People employed in Business Services Centers per 1,000 residents



Sources: Invest Lithuania, 2022 / ABSL Business Services Sector in Poland Report, 2022 / ABSL Business Services Sector in Latvia, 2022 / ABSL Business Services Sector in the Czech Republic, 2023 / National Investment Promotion Agencies, 2022 / National Statistics Departments, 2023.

Location 6.

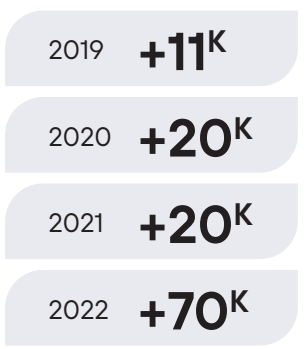
Not surprisingly, the twin cities of Vilnius and Kaunas continue to constitute the main hub for Lithuanian GBS & ICT. Located only an hour's drive from each other, they compose a large mutual talent catchment area. What's more, with both cities boasting international airports that service 80 international destinations combined, they provide excellent connectivity. This is only part of an increasingly diverse picture, however, as Lithuania's coastal city of Klaipėda is emerging as a serious alternative.

The country's talent pool continues to grow, swollen by positive net migration, with 70K returning to the country in 2022, the fourth consecutive year of increase. Not only that, but student numbers are also rising, with their ranks increasing from 97k in 2021 to 115k in 2022.

Student distribution (Vilnius, Kaunas, Klaipėda)¹

	Students	Universities & colleges
Vilnius	64 ^K	19
Kaunas	42 ^K	13
Klaipėda	9.5 ^K	6

In 2022, positive net migration was recorded in Lithuania for the 4th year in a row²



87%
Foreign nationals

13%
Lithuanians

Lithuanians are coming from:

- 50% United Kingdom
- 13% Norway
- 12% Germany
- 10% Ireland
- 6% Netherlands
- 5% Denmark
- 4% Sweden

Statistics Lithuania, 2023

- Number of centers in the city
- International airports



Source 1: Ministry of Education, Science and Sport, 2022-2023.
Source 2: Statistics Lithuania, 2023.
Source 3: Statistics Lithuania, 2022.

Vilnius 7.

With 617,096 inhabitants, Vilnius is now the largest city in the Baltics. But this growth has not affected its safety and it continues to have a very low crime rate. Indeed, this has made it a haven for Ukrainian refugees, with 70,000 arriving since March 2021.

It is the city's welcoming nature and its dedication to providing valuable support that has made it a draw for the many international companies that now compose its GBS & ICT ecosystem. Nasdaq, Moody's, Accenture, Telia, and many more companies have offices in the city.

Only a short decade ago, Vilnius was relatively unknown amongst other similarly sized European cities. But today, its standing, particularly as a tech powerhouse, far outstrips its size. Rising challenger banks like Revolut and dynamic GameDev companies like Unity have their headquarters here, while the city's entrepreneurial startup scene has birthed unicorns like the second-hand clothing portal Vinted and the VPN titan Nord Security.



accenture

When it came to establishing an Advanced Technology center, Vilnius was a natural choice. After all, Accenture has real synergy with the city's dedication to growing strength and numbers in the IT talent pool. Companies operating in the market need to contribute more to the ecosystem than they take from it, and by working together with local institutions we'll be able to create the kind of talent Accenture and the industry needs.



Maksims Jegorovs
Accenture Baltics Lead

Population of over 600,000 citizens¹.

68,000 foreign nationals living in Vilnius¹.

Largest fintech hub in the EU in terms of licensed companies².

Europe's leader in car-sharing services (1.5M users per year)³.

5th among the best remote work locations in the world⁴.

Kaunas 8.

A city with the highest concentration of students in Lithuania, Kaunas hosts 13 higher education institutions that ensure a solid talent pipeline for Kaunas-based companies. Kaunas University of Technology (KTU) is the largest provider of qualified engineers and IT specialists not only in the country, but also in the region. In Kaunas, students can also learn as many as 30 languages at university, and enjoy innovative learning opportunities such as those provided by the KTU's Bloomberg Financial Markets Lab.

Among the CEE's leaders of innovation readiness, Kaunas is home to Festo, Transcom, TransUnion, Dematic, NKT, Oracle, TGW, Continental and many more. The city's appeal for international companies has been recognized by the Financial Times' fDi Intelligence, who has twice named Kaunas County one of the most attractive European Cities and Regions for foreign investment.

~ 8,000 STEM students study in Kaunas (~20% of all the city's students)



BLC business center
© Andrius Aleksandravičius

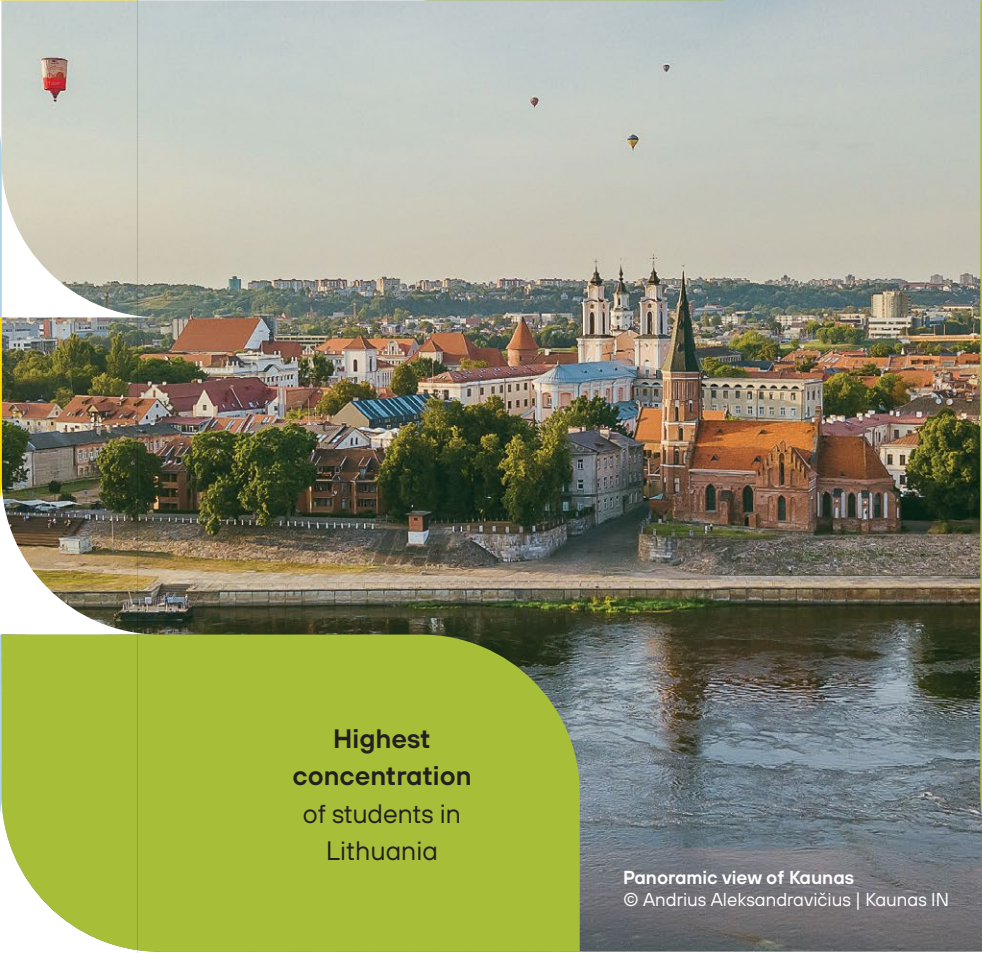


FESTO

Located in the heart of Europe, Kaunas gives us amazing access to our clients. But it's the talent that's key. That's what's ensured that Festo Lithuania has become the home of all our value-creation processes: IT, Engineering, SSC Sales, SSC Finance and Business Assistance Services. Our operation is so dynamic now it's attracting talent from Germany, Switzerland, Italy and Egypt to Kaunas.



Giedrė Belazarienė
Head of Operations SSC Kaunas



Panoramic view of Kaunas
© Andrius Aleksandravičius | Kaunas IN

Panoramic view of Vilnius

Source 1: Center of Registers, 2022.
Source 2: Lithuania's FinTech Report, 2023.
Source 3: International House Vilnius, 2023.
Source 4: Global Remote Work Index, 2022.

GBS Success Stories 9.



FTEs: 1,140

Functions:
IT, Software Development, Mobile Network Engineering, Data Science, RPA, Procurement, HR, F&A

EST: 2017 | **Location:** Vilnius

Most robots deployed

Telia Global Services Lithuania is the first and sole Telia Company competency hub providing IT, Telco Networks, Analytics, Software Development, Procurement, HR, Finance Operations, and numerous other services to the group across the Nordics and Baltics. By leveraging cutting-edge solutions of intelligent process automation, Telia is one of the leaders in the industry in terms of IPA with a record number of 500 (ro)bots deployed in their Lithuanian center.



FTEs: 4,430

Functions:
Banking Operations, IT Development & Support, Risk Management, Compliance, Legal, F&A, HR, Client Management, Analytics etc.

EST: 2012 | **Location:** Vilnius

Largest center in Lithuania

Danske Bank is one of Lithuania’s most well-established competence centers and it’s the largest, with over 4,400 employees developing and providing products and services to the bank’s customers in 8 countries.

Established in 2012, Danske Bank’s original plans were to hire 350 employees in Vilnius. The company was so impressed with the potential of the local talent that it extended its Lithuanian operations to the full scope of technology, banking services, and business support functions, as well as Client Management. Since then, it has been growing at roughly the rate of 450 FTEs per annum.



FTEs: 1,550

Functions:
F&A, HR, IT, Digital, Analytics, Compliance, Customer Operations, Procurement, Marketing, IPA & RPA

EST: 2010 | **Location:** Vilnius

Most languages in one GBS center

The United Nations of Western Union – that is how the company’s Vilnius talent center is known in the local community. It is the largest WU office globally, where a team of talented individuals supports international customers in 25 languages.

In 2016, WU established its Center of Excellence for RPA in Vilnius, and since then, it has been recognized in various international awards, including CEE Shared Services and Outsourcing Awards. WU Lithuania is known not only for its complex functions and RPA advancements – the company was recognized for the most favorable emotional environment at the National Responsible Business Awards 2022.



FTEs: 1,480

Functions:
Software Development, Artificial Intelligence, Machine Learning, Cloud Operations, Internet of Things

EST: 2020 | **Location:** Vilnius and Kaunas

Quickest ramp-up

In 2020, EPAM established a new office in Vilnius, joining the network of Delivery Engineering Hubs in the European Union. The company has expanded rapidly to over 1,500 professionals, making it the fastest expansion in Lithuania’s Global Business Services (GBS) history. EPAM’s commitment to Lithuania demonstrates the company’s dedication to nurturing tech talent, sharing the best global practices with local communities, and supporting the industry’s growth in the region.



Knowledge grows

FTEs: 500

Functions:
Supply Chain Management, F&A, Operational Planning, Customer Service, Transport Coordination, BI Support & Innovation, Data Insight

EST: 2018 | **Location:** Vilnius

Supply Chain Management leader

In 2018, Yara, the world’s leading fertilizer company, established its European Business Services (EBS) in Vilnius. Today, it employs over 500 highly skilled specialists providing complex, non-rule-based services covering end-to-end logistics – from operational planning to customer service and transport activities. Yara’s Vilnius team is also responsible for performing Finance, Business Intelligence, and other essential functions.

AmerisourceBergen

FTEs: 400

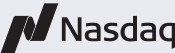
Functions:
F&A, IT, HR, Customer Operations, Analytics, RPA, Logistics Management, Supply Chain Management etc.

EST: 2019 | **Location:** Vilnius

One of the most multifunctional centers in Lithuania

AmerisourceBergen first entered Lithuania in 2017, when its company World Courier opened a logistics center in Vilnius. Soon after, the excellence of local talent and the aim to expand its global footprint made AmerisourceBergen increase its initial plans in Lithuania, both in terms of headcount and functional scope.

In 2019, the company opened a multifunctional GBS center that provides essential support across the extensive portfolio of AmerisourceBergen’s businesses. Over three years of operation, the center has grown into a 400-strong team of specialists in Finance, IT, HR, Customer Operations, Analytics, RPA, Logistics Management, Supply Chain Management and other fields.



FTEs: 445

Functions:
Software Engineering & QA, Test, DevOps, Cloud, Cyber Security, Securities & System Operations, FP&A, Market Technology, Digital Solutions

EST: 2015 | **Location:** Vilnius

Leading in diversity

Nasdaq established its Global Technology and Business Services hub in Vilnius in 2015. Since then, it has become one of Nasdaq’s largest offices globally, providing product development, software engineering and verification, cyber security, and DevOps, as well as market operations, customer success, investor relations, and intelligence solutions.

Building a workplace where people feel connected, supported, and empowered to succeed, Nasdaq actively seeks out talents who enhance its culture with their unique personal backgrounds, experiences, and perspectives. From a hybrid-first work environment that fosters work-life balance to employee-led networks to community initiatives, Nasdaq embraces diversity as a source of strength, progress, and innovation.

ORACLE

FTEs: 50

Functions:
Product Development, Security Operations, Sales

EST: 2002 | **Location:** Vilnius and Kaunas

Cybersecurity solutions leader

Oracle offers a comprehensive and fully integrated stack of cloud applications and cloud platform services.

Since 2018 Oracle’s development unit in Kaunas became an integral part of the Oracle Cloud Infrastructure business. They are hands-on in building next-generation cloud infrastructure with top-notch cybersecurity, flexible load balancing, and hybrid cloud portfolio solutions for Oracle and its customers worldwide.

Chapter 2

Survey Findings



Workland coworking
space in Kaunas
© Tadas Kazakevičius



Alia business center in Kaunas
© Norbert Tukaj

Markets Covered10.

The Lithuanian GBS & ICT sector continues to be truly international in the reach of the services it delivers. Its largest market remains Europe, to which 99% of Lithuania’s GBS centers services are provided, while North America is a close second, at 52%. In terms of individual service delivery, the picture is even more diverse, with 47% of GBS centers delivering services to 10 or more countries, an increase of 4pp on last year. Meanwhile, a further 40% of services are being delivered to 3 regions or more.

The United Kingdom is still the most popular European location for services, accounting for 71%, while Germany and Sweden now rank second equal, at 69%. Scandinavian countries, unsurprisingly considering their geographical proximity, also remain popular, with Denmark accounting for 63% of services, and Norway for 54%.

Top European countries served

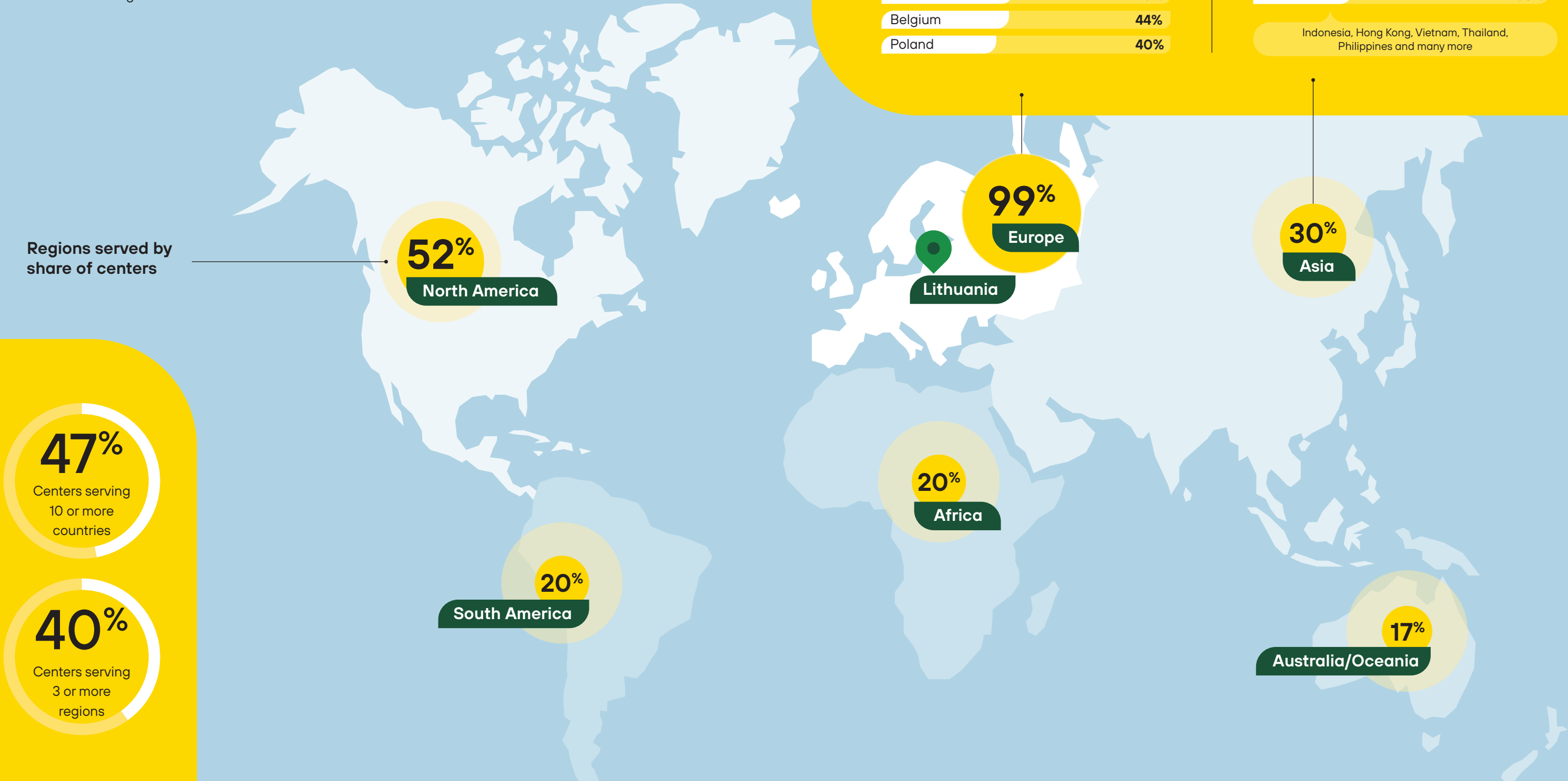
United Kingdom	71%
Germany	69%
Sweden	69%
Denmark	63%
Norway	54%
France	49%
Netherlands	49%
Finland	46%
Belgium	44%
Poland	40%

Top Asian countries served

China	48%
Singapore	48%
Turkey	33%
India	29%
Israel	24%
Japan	24%
South Korea	19%
Other	33%

Indonesia, Hong Kong, Vietnam, Thailand, Philippines and many more

Regions served by share of centers

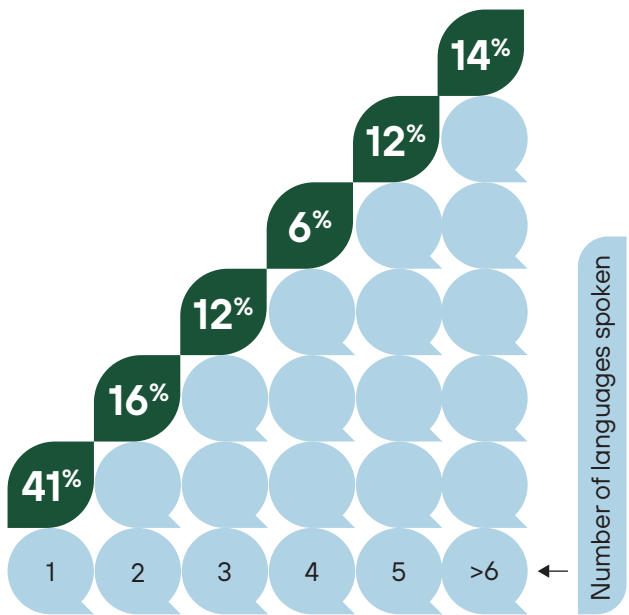


Languages Spoken 11.

English is still number one, but the picture's changing

As in previous years, English remains the preferred language of the Lithuanian GBS & ICT sector, with all centers using it as the main business language. This dominance is reflected in the fact that 85% of young professionals are proficient in the language. This picture is not static, however. In 2023, the usage of German rose by 4.5pp from last year, while the usage of Scandinavian rose by 3.5pp. Across the board, language competency was rated highly by respondents, with most ranking their employees as having abilities of C1.

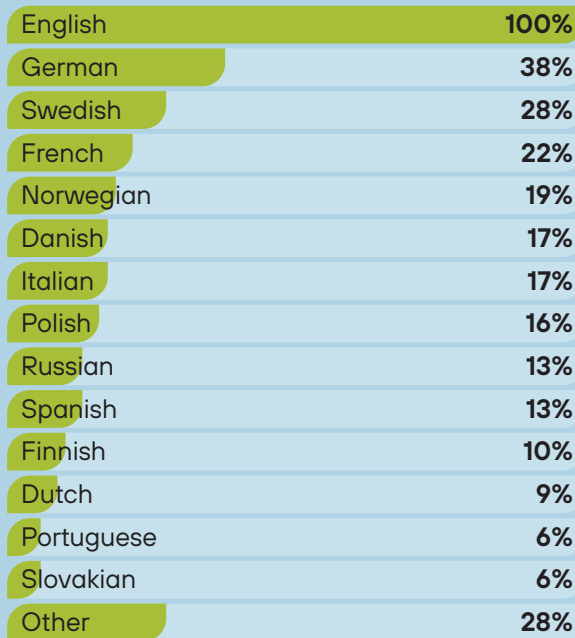
Number of foreign languages spoken by share of centers



Training is a priority

To maintain language proficiency, 70% of companies surveyed reported providing language training, with English naturally the most popular choice. Of interest is the fact that Lithuanian language classes are also being provided in 30% of the centers surveyed, a further illustration of the growing number of foreign employees.

Share of centers delivering services in foreign languages



Arabic, Bulgarian, Croatian, Czech, Estonian, Greek, Hungarian, Latvian, Mandarin, Romanian, Serbian, Turkish, Ukrainian

25

Most languages spoken by a single GBS center.

96%

of Lithuanians are fluent in at least one foreign language¹.

3

New foreign languages in the Lithuanian GBS industry – Greek, Mandarin, and Serbian.

Functions Performed 12.

Continued growth

61% of centers surveyed reported plans to introduce or expand current functions, in line with last year's 60%, and further proof of the sector's health amid the turbulence of the previous few years.

Mature ecosystem where multifunction is the norm

A real sign of the sector's maturity is how multifunctional many of its centers are becoming. There are now fewer centers providing only one function, while the number of centers performing 8 or more functions increased from 15% in 2021 to 19% in 2022.

A pivot towards IT and Supply Chain Management

One of the most observable trends is the shift towards IT services. Although IT (excluding support), Customer Services, and F&A are still the 3 biggest functions delivered, IT and IT support services combined soared to now account for 31% of the whole sector. Supply Chain Management also saw a rise, amounting to 4% of the sector, a 3pp increase from 2021.

90%

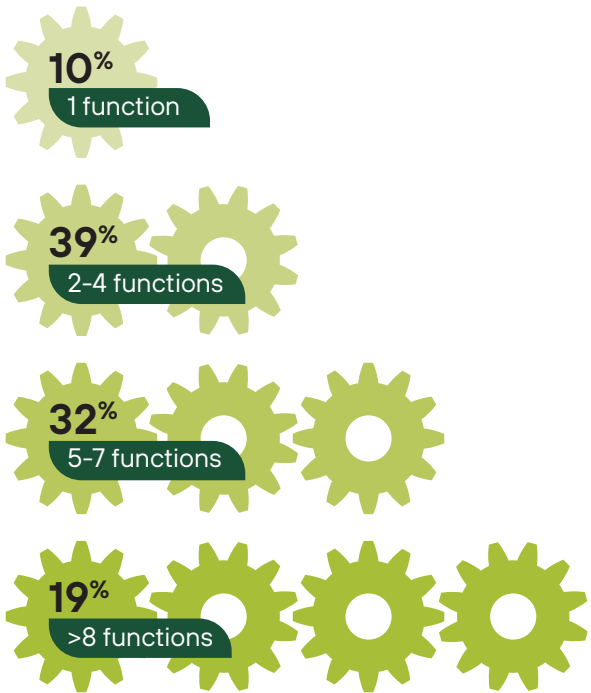
of centers are multifunctional, performing 2 or more functions.

61%

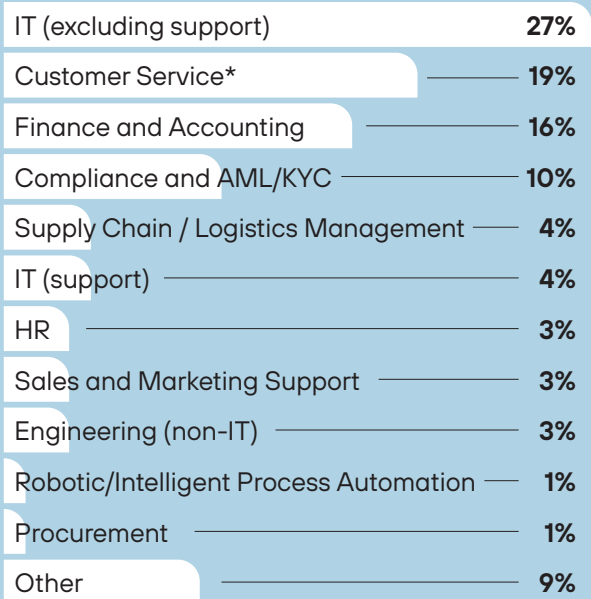
of centers are planning to introduce new functions or expand existing ones significantly in 2022-2023.

*Customer service covers both call center functions and the broader scope of overall customer operations.

Number of functions performed by share of centers



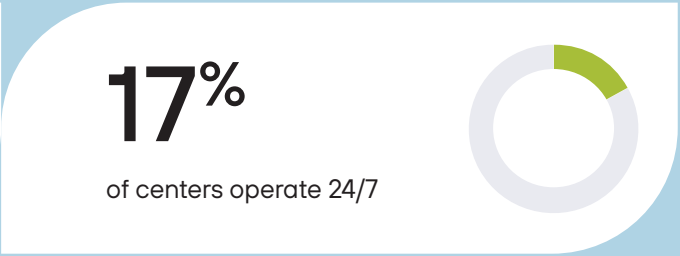
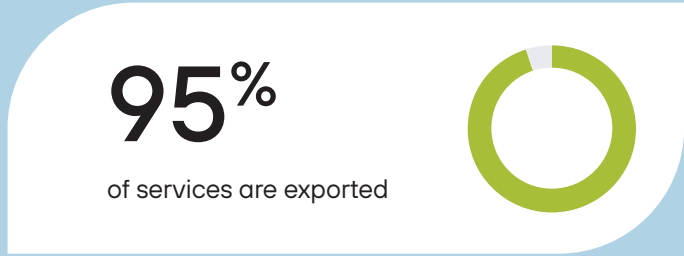
Functions performed by share of employees



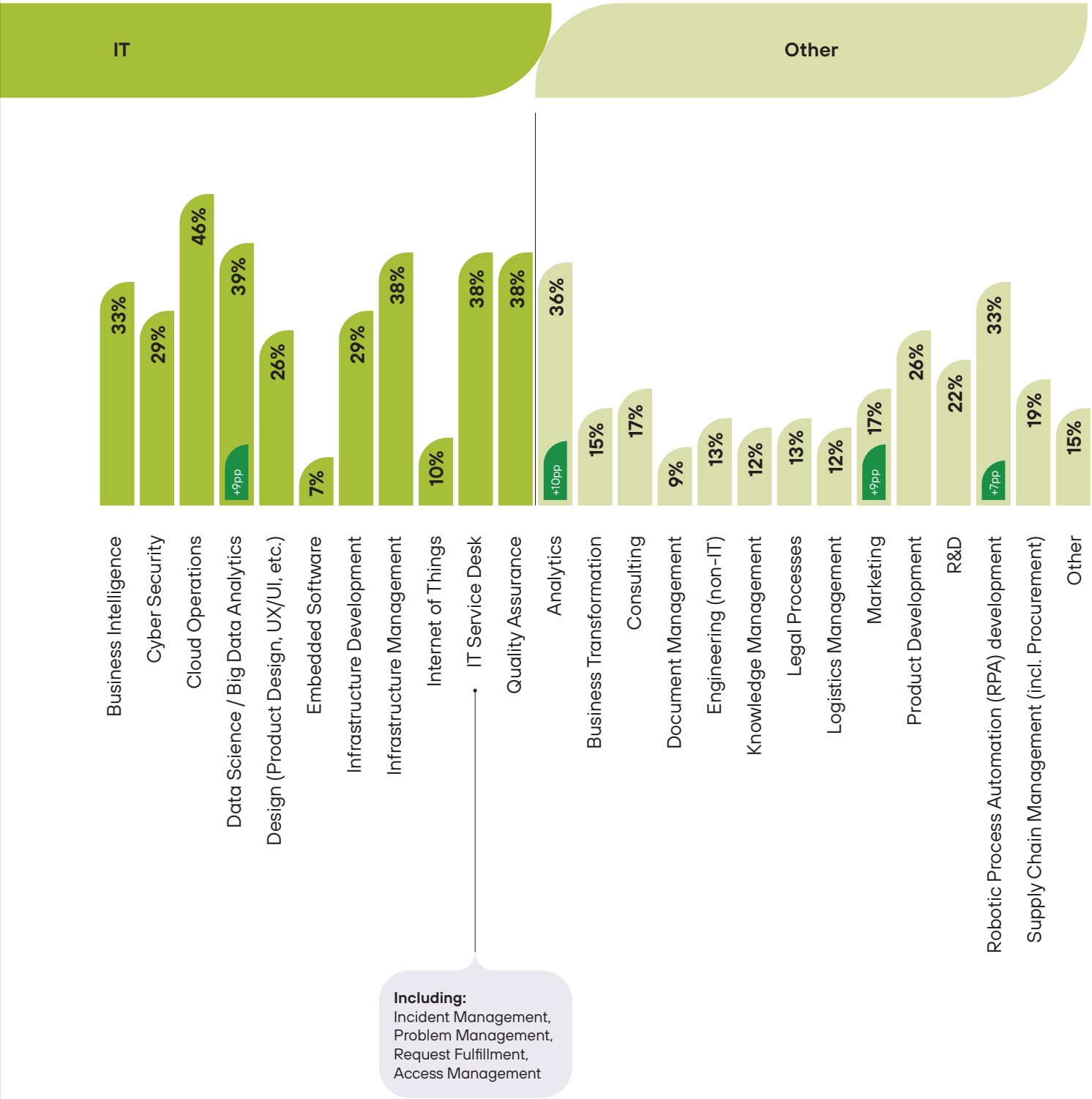
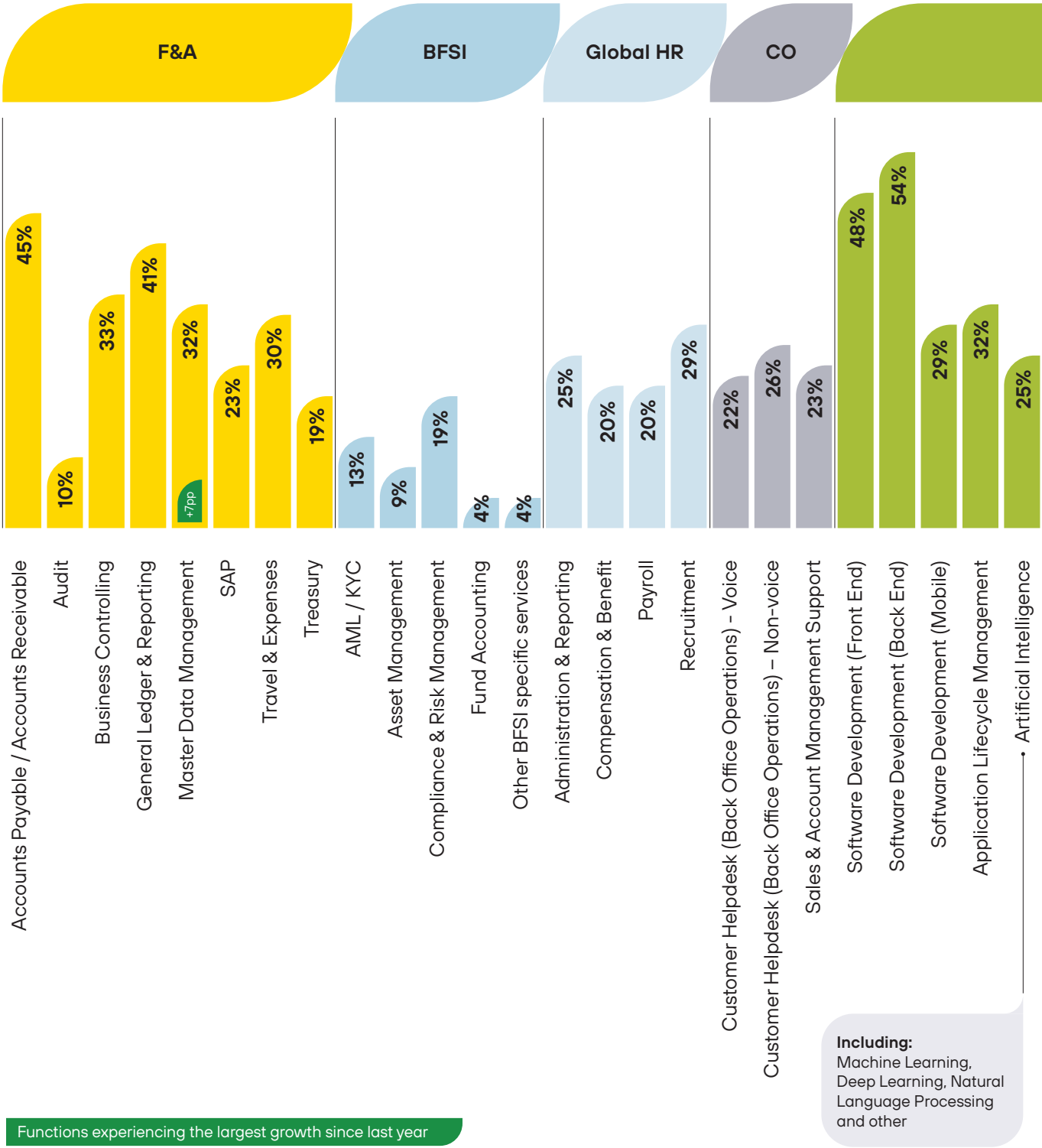
Business Operations, Product Management, Data Science, Legal, Project Management, Risk Management, R&D



K29 business center in Vilnius



Share of centers performing the following functions

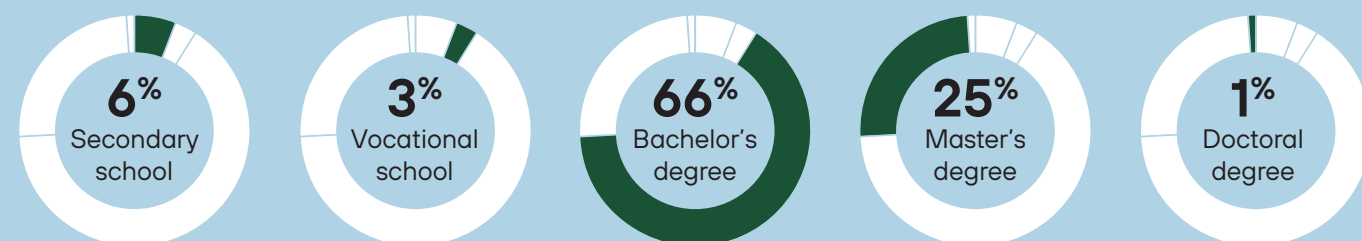


Level of Education ^{13.}

One of the Lithuanian GBS & ICT sector's most enduring draws for foreign companies is its highly educated talent. This year saw the amount of employees with tertiary education in the sector edging up 5pp on last year to top off at 92%. Meanwhile, the numbers of employees with only secondary education dropped to 6%, a decrease of 6pp. In terms of university education, 66% are Bachelor degree-qualified (up by 5pp on last year), while 25% have a Master's degree, and 1% have attained a doctorate degree.



Highest level of education by share of employees



Life-long education

First foreign language lessons start — usually English

Coding skills are introduced in primary school

Second foreign language lessons start before the age of 12

2nd in the EU
for the share of students choosing STEM

~20^K

IT, Automation, Industry 4.0 and Finance specialists entering the local market until 2026 through the national reskilling and upskilling program

Life-long education

Primary education

Secondary education

Tertiary education



At Telia, we believe that technology has the power to transform education and create a better future. To inspire and equip the next generation with the tools they need to contribute to a more connected society, we have recently launched the National IT Challenge. Tens of thousands of students from schools across Lithuania will be able to join the initiative and get inspired for the future with technologies.



Marius Ivanauskas

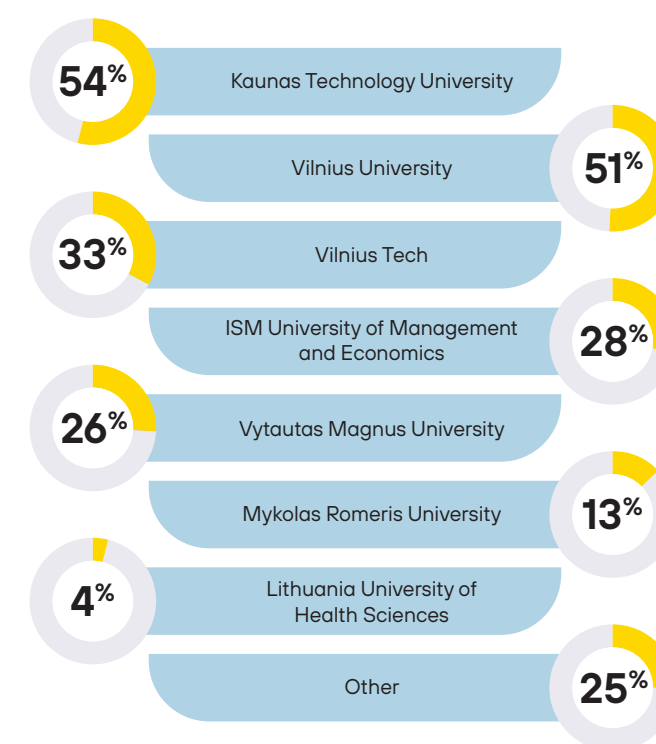
Head of Group Business Services at Telia Company

Cooperation with Educational Institutions ^{14.}

Lithuania has proven numerous times that it has professionals that bring outstanding value to companies. But a lot of this value can also be attributed to our local education institutions, which co-create courses with companies and establish projects aimed at nurturing sector-specific skills. And this trend shows no signs of slowing down: this year, 73% of surveyed centers reported that they were cooperating with educational institutions, up from 68% the year before.

Also, one of the most notable educational initiatives that began last year is aimed at school children. In 2022, Telia Global Services initiated a public project "National IT Challenge", where high-school students can learn more about the IT industry and its development. With this and other similar initiatives, the GBS community is educating not only university students but even younger generations, that could potentially begin their careers at one of the global companies in Lithuania.

Share of centers cooperating with universities



<epam>

EPAM School of Digital Engineering is based on our deep engineering expertise and 20+ years of experience in training and upskilling tens of thousands of employees, students, and specialists in more than 50 countries we operate. Scaling this project in partnership with EHU, we provide students in the region access to innovative personalized bachelor's degree programs, our global knowledge base, and an expert community to equip them with in-demand skills needed to land a job after graduation.



Linas Grinevičius

General Director, EPAM Lithuania

Technology Ecosystem 15.

Lithuania has proven it has the resources and know-how needed to achieve its ambitious strategic aim of making the country a technology hub for Northern Europe. On the e-infrastructure side, the country is robust, resilient, and secure. It ranks 5th globally for fiber coverage and 1st in the CEE for digital quality of life. It's also safe, ranking 6th in the world for cyber security efforts and readiness by the ITU's Global Cybersecurity Index. That's only part of the picture – ongoing trends for innovation and development in such key fields as Cyber Security, Intelligent Process Automation, 5G Network Engineering and AI make Lithuania the ideal location for ambitious global tech leaders.

Programming languages used by share of centers



ABAP, Angular, Assembler, ASM, jQuery, Iteryx, Bash, Flutter, T-SQL, Kotlin, TypeScript, React.js, GitHub, Kafka, JCL, and others.

Source 1: Eurostat, 2022
Source 2: Eurostat, 2015 – 2022

61.7^K

ICT specialists employed in Lithuania¹

13%

Average yearly growth of the ICT talent pool²

4.5^{K+}

IT specialists relocated to Lithuania since August 2020

5^{K+}

IT specialists added to the market yearly from private coding schools and upskilling initiatives

Business Garden business center in Vilnius
© Norbert Tukaj



Rocket software

Over our three years of operations in Lithuania, local talent has played a key role in Rocket Software's success. Their phenomenal skills and drive are why our executive team sees Lithuania as a strategic location for growth and development.



Elinga Kavaliauskienė

Country Manager & Senior Director for Engineering at Rocket Software

Share of centers performing function



51%
Software Development (Front / Back end)



46%
Cloud Operations



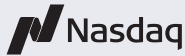
39%
Data Sciences / Big Data Analytics



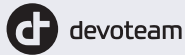
29%
Cyber Security



29%
Infrastructure Development



Development of the stock exchange platform and related tools



Scaling the Cloud Management Platform in partnerships with key cloud leaders - AWS, Google Cloud, and Microsoft



Building ESG scoring models and applying machine learning for text data extraction out of companies' public reports



Development of Web Application Security solutions for Oracle Cloud Infrastructure business



Engineering and support of 2G, 3G, 4G, and next-generation 5G network technologies

RPA/AI 16.

Propelled by a boom in Intelligent Automation solutions, an increasing number of companies are eager to start their RPA journey. In the last year alone, the number of GBS & ICT centers in Lithuania developing RPA solutions jumped from 40% to 51%. Digging a bit deeper, we can see that on average 9% of employees in each center are involved in RPA development, with one center employing a record of 70 people. On the software side, UiPath, Blue Prism, and Automation Anywhere are the leading providers, supplying 46%, 31%, and 22% of Lithuanian centers respectively. Meanwhile, RPA/AI's potential as a means of maturing the Lithuanian GBS & ICT sector has been flagged by the government, and companies who are keen to develop in this field are able to apply for a specially designed grant.

New financial incentive for embracing RPA implementation

Up to **€200^K EUR**

Financial incentive for implementing Robotic Process Automation (RPA) solutions.

€25^K

The minimum amount covered.

50%

Up to half of the expenses for RPA solutions integration will be covered.

RPA meetup

In March 2023, Invest Lithuania held the 3rd RPA meetup for the country's GBS & ICT community. The meetup was particularly warmly welcomed by the community as it was the first such get-together after the pandemic. It also provided a much-appreciated impetus for RPA implementation. Over 100 participants got industry updates, shared best practices, and exchanged Intelligent Process Automation know-how. The event featured speakers from SEB, Telia Global Services Lithuania, AmerisourceBergen, and Metso Outotec, as well as a presentation on the new financial grant for implementing automation solutions.

3rd RPA meetup
© Simas Bernotas

51%

of GBS centers have implemented or are developing IPA solutions.

69%

of GBS centers surveyed that use IPA are developing their own solutions in-house.

500

Most (ro)bots deployed in a single GBS center.

31.8^K

Average number of hours GBS centers saved last year by implementing IPA solutions.



The level of process automation by share of centers

3%

Basic Process Automation
(basic VBA scripts, spreadsheet-based, basic data)

71%

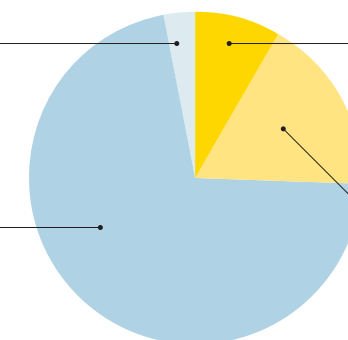
Robotic Process Automation
(RPA tools, basic rules, structured data)

9%

Autonomic Process Automation
(automation of complex rules, unstructured data)

17%

Advanced Process Automation
(pre-cognitive & cognitive solutions)



RPA success cases

2016 started their RPA journey.

Nearly 100 robots are currently deployed.

More than 220 different processes automated.

Over 250,000 hours saved with the help of RPA.

4 robotics teams, providing automation solutions for business units in Vilnius, Riga, and Stockholm.

The Vilnius RPA team began their journey in **2021 H2**.

Approaching **30 automated processes**, they generate over 170,000 hours of annual savings.

The automation portfolio comprises both attended and unattended automation, with some utilizing **ML OCR solutions**.

The team is exploring more advanced and intelligent solutions, such as leveraging **AI, NLP, and chatbots**.



SEB

We leverage RPA to help our employees create high value and provide an excellent customer experience. Our Robotics Centre of Excellence in Vilnius drives the development and maintenance of our RPA solutions. To date, more than 200 business processes have been successfully automated across SEB using RPA, supporting a wide range of operations and lines of business such as insurance and payment card offerings.



Shaem Sieger

Head of Robotic Center of Excellence at SEB



Dexcom
CONTINUOUS GLUCOSE MONITORING

Dexcom has established Intelligent Automation team in Vilnius in 2021, which has developed various automation solutions, leveraging attended and unattended RPA technology. This has resulted in efficiency gains as more than 20 automated processes accumulated impressive 176,000 hours in savings last year.



Rosita Vasilkevičiūtė

Managing Director at Dexcom Lithuania

Fund Services 17.

In recent years, the Lithuanian government and Central Bank have placed greater focus and effort on transforming the country's Fund Services industry. Their goal? To enhance financial services towards maturity, efficiency, and progressiveness. And to achieve this, the Central Bank has positioned itself as a friendly, yet risk-averse organization that aims to create a transparent, business-oriented, and stable environment for the financial industry players.

This approach is already bearing fruit, with existing GBS & ICT centers extending their finance teams, and newcomer businesses increasingly finding themselves attracted by the country's skillful talent and supportive financial incentives.



In such global, vivid, and challenging environment, effective and state-of-the-art anti-money laundering and counter-terrorist financing (AML/CTF) becomes one of the key pillars for protecting the economy from dirty money and customers from fraudsters as well as implementing international sanctions. Extra attention for risk management is the core for sustainable financial sector development. However, the other part of the balance is the innovative and friendly approach of the regulator. We feel that both are delivered in Lithuania.



Simonas Krėpšta
Board Member of the Bank of Lithuania



75^K

Finance and Business Management specialists working in Lithuania¹.

24^K

Students enrolled in Finance, Economics and Business Management courses².

47%

of GBS & ICT talents work in Financial Services companies.

12^K

Talents have skills in compliance and risk management.³

© Norbert Tukaj

Source 1: Sodra, 2023
Source 2: Ministry of Education and Science, 2022-2023
Source 3: Talent Insights, 2023

Lithuania's financial market participants provide payment services for **25M+** people in **30** European countries.

AML/CTF Competence 18.

Amid an uncertain backdrop of global financial instability and geopolitical tensions, having strong checks and balances in place to regulate and monitor financial transactions is key. That is why strong competencies in AML/CTF are so vital. And Lithuania has much to offer here. According to the Basel Index's 11th edition, Lithuania continues to rise in the global rankings, making it not only one of Europe's but also the world's most stable locations for banking services.

Leading by example, the Bank of Lithuania established the Center of Excellence in Anti-Money Laundering in 2021. It provided AML-related training to more than 14,000 individuals in 2022. And this foundation of competence in AML/KYC will only continue to grow, thanks to such initiatives as the new AML certification program, which is being co-created by the Ministry of Finance and Mykolas Romeris University.

It should come as no surprise, therefore, that several Lithuanian GBS & ICT centers have either expanded or introduced AML/KYC functions to their Lithuanian offices.



© Startup Lithuania / Lithuania.lt



The compliance and AML ecosystem in Lithuania has matured significantly in recent years thanks to the educated workforce and regulatory provision. In Lithuania we have found high-caliber AML compliance and fraud prevention talent that allows us to ensure operational excellence and regulatory compliance of our global clients effectively and efficiently.



Airida Prenskienė
Site Lead of Guidehouse Lithuania

CFA/ACCA-aligned programs: Lithuanian universities offer study programs designed according to the internationally recognised Chartered Financial Analyst (CFA) and Association of Chartered Certified Accountants (ACCA) certifications.

Bloomberg Lab: Kaunas University of Technology boasts the Bloomberg Financial Markets Lab, a cutting-edge facility providing first-hand experience and access to the data used by global finance powerhouses.

Moody's Lab: Moody's has established a lab at ISM University in Vilnius where students carry out research on corporate, industry and country ratings.

MedTech and Pharma 19.

What makes Lithuania the ideal location for companies looking to establish GBS centers for the MedTech and Pharma sectors? Firstly, with annual growth of 22%, Lithuania's Life Sciences industry is one of the fastest growing in the EU. It also has a proven track record in biotech and medical devices, and is the regional leader when it comes to university/business collaboration in R&D. So, there's established expertise and an existing talent pool that continues to grow. And if this weren't enough, the Lithuanian government is aiming to grow the share of GDP generated by Life Sciences from 2% to 5% by 2030.

This makes it motivated to lend support and guidance to global companies wishing to set up operations in the country. Currently, the community of GBS & ICT centers in the healthcare sector delivers a number of value-adding functions. IT, Finance, and Supply Change Management are the fastest-growing functions among these companies, with Robotic Process Automation, Marketing, and Sales Support also in demand.



PHOENIX group

As a new part of Phoenix Group, Europe's leading integrated healthcare provider, we need to ensure that our products get to the right place at the right time in 29 countries. We are eager to contribute to Phoenix strategy and important health delivery mission by driving centralization, operational excellence in finance processes as well as IT and digital solutions from our shared services center, which counts the 4th year of successful operations in Lithuania.



Dalia Šiaučiulienė
Managing Director of the Business Services Center

2% → 5%

The Lithuanian government aims to grow the share of GDP generated by the Life Sciences sector from the current level of 2% to 5% by 2030.

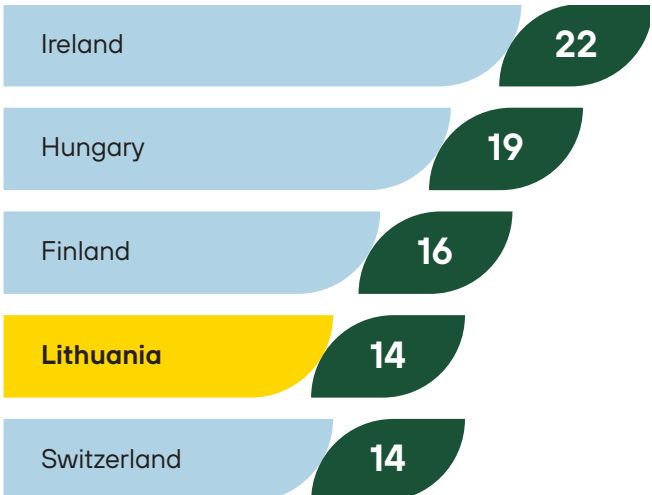


Engineering and R&D 20.

In the last two decades, Lithuania has transformed its economy significantly, shifting towards innovative, high-value-added industries, with the increasing focus being placed on the fields of technology, engineering, and R&D. This has allowed the country to remain resilient in the face of waves of global economic uncertainty and upped its attractiveness as a destination for engineering companies. Feeding this transformation is the talent being produced by the country's universities. Lithuania has one of the world's highest ratios of science graduates per capita, and is home to Kaunas Technology University, the largest technology university in the Baltics.

Based on findings from this year's report, we can emphatically state that engineering and R&D are no longer niche functions in the Lithuanian GBS & ICT sector. 13% of GBS centers in Lithuania are now delivering engineering (non-IT) solutions, while R&D is even more popular with 22% of Lithuanian centers performing this function. This focus on R&D is only set to continue, with 11% of GBS centers surveyed reporting that they plan to introduce or expand R&D functions in the near future.

Graduates with tertiary education in science, math, computing, engineering, manufacturing and construction per 1,000 people aged 20-29¹



Source: Eurostat, 2020



CSDENGINEERS+

Our growing Lithuanian team of skilled specialists has proven itself a trusted force across a wide array of engineering services, allowing us to expand the range of our offering. We have recently started providing R&D services, focusing on developing systems for defect detection that use modular architecture and AI image recognition, as well as automation and engineering workflow improvements.



Simonas Barsteiga
Manager at CSD Engineers

4th in the EU

for the share of young adults with Bachelor's degree in science, math, computing, engineering, manufacturing and construction.

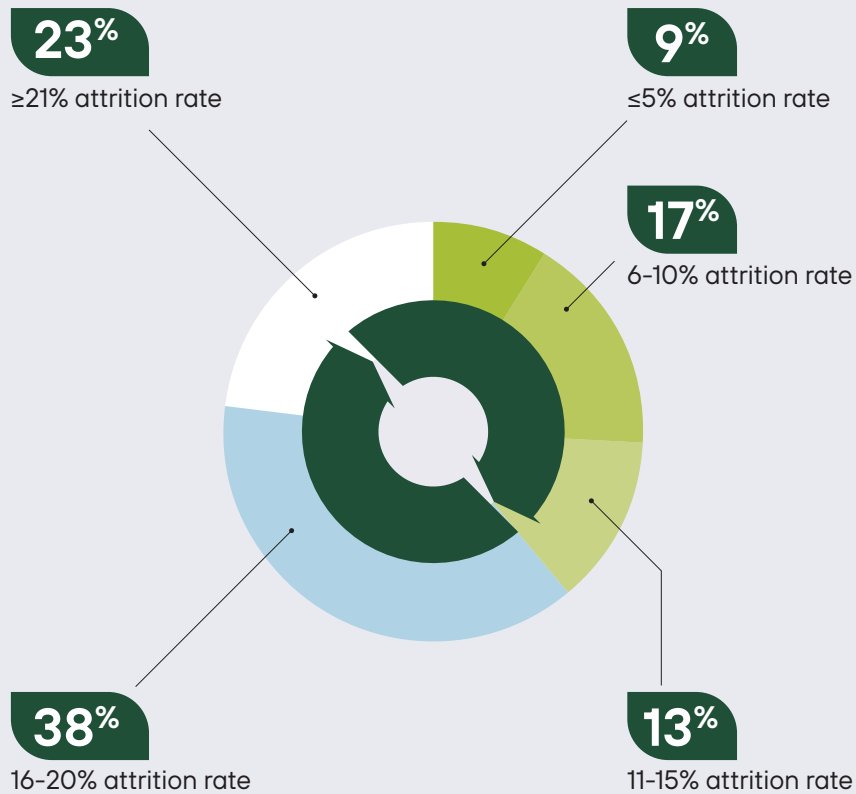


Attrition Rate 21.

Despite a background of regional geopolitical turbulence, 2022 saw the Lithuanian GBS community remain stable in terms of talent. Voluntary attrition rates only edged up slightly, by a single percentage point from 16% in 2021 to 17% in 2022. And when it comes to the talent itself, the centers surveyed described their employees as both young and experienced, as well as highly motivated and challenge-driven. The median employee age, meanwhile, was 32.

Moreover, and perhaps surprisingly, growth plans for centers remained largely unaffected by geopolitical tensions, with 58% of centers saying that their plans had remained unchanged, while 13% had even increased their plans.

Attrition rate by share of centers



17%

Average voluntary attrition in 2022

32

Average age of GBS center employees

71%

Growth plans in 71% of centers have not been affected negatively by the geopolitical situation in 2022.

Benefits 22.

The key asset to any mature GBS ecosystem is its talent. It not only drives its growth, but also acts as its foundation. So, it makes sense that GBS centers would want to retain this talent by offering benefits and incentives. And this is definitely what we see across the Lithuanian GBS community. Indeed, it would appear that incumbents are actively inspiring each other to lead the way in this regard.

Private health insurance has become almost a must-have hygiene factor, with a massive 93% centers offering it to employees, a hike of 5 percentage points from last year. Meanwhile, well-being/mental health support saw the steepest increase in popularity, with 75% offering it as part of their package, up from 62% in 2021.



CITCO

At Citco, we recognize that the key to our success is our people. That's why we are committed to fostering a culture of continuous improvement that not only provides our employees with opportunities for growth and personal fulfillment, but also drives our business forward. We believe in investing in our people and enabling them to reach greater heights.



Šarūnas Šuipis

Executive Vice President and General Manager at Citco Vilnius

Share of centers by benefit type

93%
Private health insurance / medical pack

75%
Employee well-being / mental health support

74%
Additional paid leave

71%
Subsidized languages training

59%
Sports / entertainment

57%
Subsidizing studies or other professional courses

48%
Life insurance

39%
Support for home office set-up

33%
Private pension schemes

33%
Workation abroad

20%
Preferential share purchase options

19%
Reimbursed home office utility costs (electricity, internet, etc.)

7%
Child / infant care subsidies, kindergarten

32%
Other

Diversity and Inclusion 23.

Not only is the Lithuanian GBS & ICT sector truly international in the markets it serves, but it is also becoming increasingly international in the composition of its workforce. Around 12% of the professionals in GBS centers are foreign nationals (up from 10% last year), with 3,000 foreign FTEs working in the industry. This ethnic diversity continues to grow, especially at local universities, where 10% of the students now hail from abroad, with almost 80% of them coming from outside the EU. With this and similar trends going forward, Lithuania is expected to become even more diverse than it is now, and thus bring all kinds of skills and qualities into our business ecosystem.

Last year we also saw the GBS & ICT sector achieve gender equality, with 50% of the total workforce now being composed of women. And if we look towards senior positions, this level of representation is even higher, with 53% of senior roles now held by women. At a more granular level, we can see how this gender diversity is playing out by looking at the case of Danske Bank: the company's global target until 2023 was to achieve a 25/75% female-to-male ratio in its executive leadership level, but Lithuania's team has already surpassed that with 75%/25% ratio. In fact, according to the Global Gender Gap Index (2022), Lithuania leads the way in the CEE when it comes to gender diversity, and it is equally highly ranked at both the European (7th) and global levels (11th).

13

Average age difference between centers that have oldest and youngest talents employed.

12%

of talents working in GBS & ICT industry are foreign nationals.

50%

The share of women in GBS & ICT industry.

53%

The share of women in senior management teams.

1st in the CEE region

in the Global Gender Gap Index¹

2nd in the EU

50% of total labor force are women²

3rd globally

for women employed with advanced degrees³

Source 1: Global Gender Gap Index 2022
Source 2: World Bank 2021
Source 3: Global Innovation Index 2022

ESG/CSR 24.

On a global business stage where the values of ESG and CSR are taking on increasing importance, Lithuania's GBS/ICT sector continues to play its role. 2/3 of all centers surveyed reported that they were pursuing initiatives aimed at bettering the society around them. As is to be expected, much of the CSR activity in 2022 was aimed at providing support for Ukraine. This came in many forms, from monetary support to the donation of IT devices, food, clothes, medical supplies, and even the sending of Christmas presents.

The pharma logistics firm AmerisourceBergen continued to lead the way in terms of a commitment to CSR. For the second year in a row, it was awarded Top CSR Initiative at the CEE Business Services Awards,

for its donation of a simulator and diagnostics system "Paul" - a life-saving innovation for premature babies.

From paid days for volunteering activities and career counseling for young students in schools, to collaborations with NGOs that are raising awareness of diabetes and planting trees around Lithuania, the Lithuanian GBS & ICT community is doing everything in its power to set the standards for a responsible and equal society.

2/3

of GBS & ICT centers carry out ESG/CSR activities.



MOODY'S

At Moody's, we aspire to be a place where everyone feels comfortable being their true selves, where employees demonstrate empathy and civility – where differences are celebrated and strengthen the company. Moody's Lithuania is a strong ambassador of Diversity, Equity & Inclusion (DE&I), and we take concrete steps to advance DE&I in our local business and our communities: Baltic Pride and Inclusion Day are great examples!



Mariano Andrade Gonzalez

SVP Service Hub, Moody's
Lithuania Country Head



At BMI, diversity and inclusion is more than a program – it is one of our key directions. People of 15 nationalities from 4 continents work in our Vilnius center, and we seek to create an inclusive workplace that respects the unique needs and perspectives of all team members. Our Employee Resource Groups, such as Women's Leadership Network, Employees Ambassadors and Pride Under One Roof, support us in achieving this goal.



Arūnas Lingė

Head of GBS, BMI Group

CSR and ESG activities performed by GBS industry in Lithuania

Support for Ukraine

Volunteering days

Participation at events that promote diversity and inclusion

Partnerships with NGO's

Support for young artists

Mentorship programs

Chapter 3

Additional Information



Wages and Wage Growth 25.

The shift towards a hybrid working model has meant that salary differences across Lithuania’s three main cities (Vilnius, Kaunas, Klaipėda) have been minimized.

In fact, only 2.9% of the centers surveyed have a fully on-site working model, while only 1.4% are fully remote - compelling evidence that the pandemic-inspired hybrid working model is now here to stay.

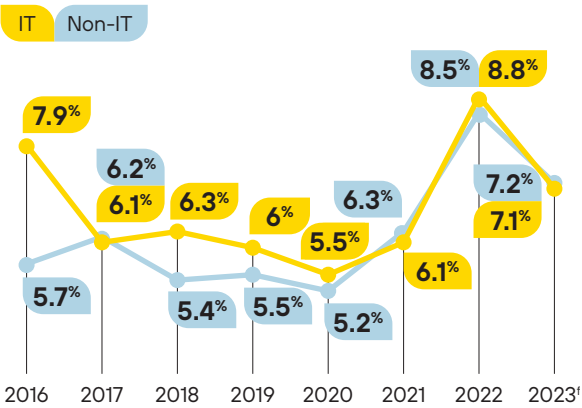
In line with general trends towards IT services in the sector, the three top trending positions in demand were Cloud Architect, DevOps, and QA Engineer. Average wage rates rose by roughly 2% higher than expected, which is not a surprise considering rising inflation and global economic uncertainty.

Wages for IT professionals grew by 8.8% on average, while rates for non-IT positions increased by 8.5%. The companies surveyed remained optimistic that this year, following course correction in the economy, wage rates will be lower.

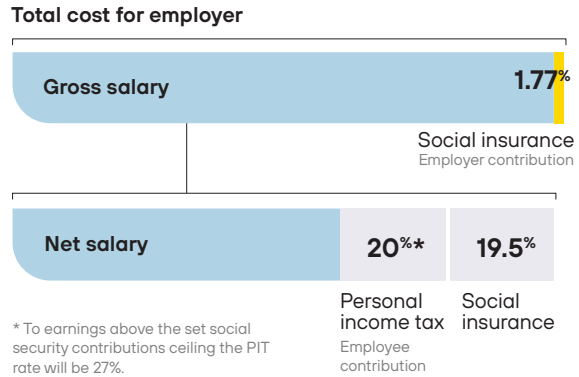
Wages

Area	Position	Salary range in Vilnius (total costs), EUR			Salary range in Kaunas (total costs), EUR			Salary range in Klaipėda (total costs), EUR		
		Min.	Average	Max.	Min.	Average	Max.	Min.	Average	Max.
F&A: AP / AR / GL	Junior Accountant (0-2 years' experience)	1,388	1,776	2,163	1,291	1,684	2,077	1,247	1,599	1,951
	Accountant (2-5 years' experience)	1,751	2,430	3,110	1,707	2,283	2,859	1,639	2,195	2,751
	Senior Accountant (over 5 years' experience)	2,583	3,369	4,155	2,484	3,164	3,844	2,340	3,038	3,736
	Team Leader (team of 5-15 people)	3,241	4,060	4,878	3,116	3,845	4,574	2,960	3,655	4,351
Customer Operations	Junior Specialist (no experience)	1,160	1,384	1,608	1,046	1,268	1,491	1,019	1,252	1,486
	Specialist (over 1 year experience)	1,479	1,841	2,204	1,379	1,724	2,069	1,317	1,702	2,086
	Team Leader (team of 5-15 people)	2,395	3,155	3,915	2,222	2,963	3,704	2,120	2,829	3,537
Procurement / Order Management	Junior Specialist (0-2 years' experience)	1,406	1,730	2,055	1,310	1,640	1,970	1,262	1,565	1,869
	Specialist (2-5 years' experience)	1,992	2,513	3,034	1,893	2,391	2,890	1,794	2,268	2,741
	Senior Specialist (over 5 years' experience)	2,676	3,188	3,701	2,557	3,012	3,467	2,441	2,869	3,297
	Team Leader (team of 5-15 people)	2,887	3,698	4,510	2,785	3,541	4,298	2,704	3,418	4,132
HR processes	Junior Specialist (0-2 years' experience)	1,424	1,732	2,039	1,315	1,631	1,946	1,274	1,563	1,852
	Specialist (2-5 years' experience)	2,108	2,689	3,271	1,809	2,289	2,769	1,876	2,430	2,985
	Senior Specialist (over 5 years' experience)	2,881	3,281	3,680	2,401	2,716	3,030	2,441	3,002	3,563
	Team Leader (team of 5-15 people)	3,502	4,362	5,222	3,256	4,189	5,122	3,204	4,018	4,831
IT	Junior Specialist (0-2 years' experience)	1,677	2,002	2,328	1,554	18,57	2,159	1,563	1,882	2,200
	Specialist (2-5 years' experience)	2,221	2,914	3,607	2,181	2,846	3,510	2,100	2,755	3,410
	Senior Specialist (over 5 years' experience)	3,887	4,659	5,431	3,784	4,560	5,335	3,650	4,383	5,117
	Team Leader (team of 5-15 people)	4,371	4,929	5,488	4,273	4,746	5,219	4,177	4,673	5,170
	Junior Developer (0-2 years' experience)	1,858	2460	3,063	1,966	2,484	3,003	1,891	2,384	2,878
	Specialist Developer (2-5 years' experience)	2,803	4,071	5,340	2,743	4,001	5,260	2,638	3,832	5,026
Engineering	Senior Developer (over 5 years' experience)	4,640	6,013	7,386	4,590	5,968	7,346	4,430	5,740	7,051
	Team Leader (team of 5-15 people)	5,447	6,291	7,135	5,417	6,266	7,115	5,211	6,032	6,854
	Junior Engineering Support Specialist (CAD, FEA, CFD; 0-2 years' experience)	1,566	1,946	2,326	1,426	1,837	2,247	1,462	1,810	2,157
Trending	Engineering Support Specialist (CAD, FEA, CFD; 2-5 years' experience)	2,258	3,230	4,203	2,076	3,099	4,123	2,083	2,976	3,869
	Cyber Security Specialist (2-5 years' experience)	3,308	4,596	5,884	2,737	4,071	5,404	2,586	3,859	5,132
	Data Scientist (2-5 years' experience)	3,259	4,348	5,436	3,197	4,088	4,978	3,161	4,128	5,095
	RPA / Process Automation Specialist (1-3 years' experience)	2,214	2,961	3,708	2,237	2,913	3,589	2,115	2,762	3,408
	Compliance Specialist / Officer (2-5 years' experience)	2,566	4,104	5,642	2,609	4,170	5,731	2,470	3,936	5,402
	Cloud architect (3+ years' experience)	3,718	5,094	6,471	3,397	4,805	6,213	3,261	4,701	6,141
	Supply Chain Manager (2-5 years' experience)	2,679	3,370	4,062	2,735	3,465	4,194	2,566	3,255	3,944
	DevOps Engineer (2-5 years' experience)	3,360	4,225	5,090	3,360	4,225	5,090	3,360	4,225	5,090
	QA Engineer (2-5 years' experience)	3,150	4,120	5,090	3,150	4,120	5,090	3,150	4,120	5,090

Average annual salary growth



Salary structure in Lithuania



Real Estate: Vilnius 26.

The post pandemic surge in demand for office space continues apace in Vilnius, with total take up exceeding 100,000 sqm for the second year in a row. This demand, however, is more than met by supply, with Vilnius stock having already surpassed one million sqm. Pipeline stock volume is also significant: over 110,000 sqm is under construction, with approximately 350,000 sqm more planned for the 2023-2025 period.

Throughout 2022, a so-called “flight to quality” has been underway, with companies opting for better-quality spaces. This shift in demand is matched by the pipeline, with 40% of current projects under construction ranked as A-class. This “flight to quality” is also echoed in an increased interest in more sustainable office options. With many companies in the GBS & ICT sector showing a commitment to CSR activities focused on promoting green policies, it is little wonder that this is reflected in the real estate sector: 60% of office space has received green certification.

3.3^K workstations

Vilnius boasts the highest concentration of agile workspaces in the Baltics.

60%

of office space has green certification.

Class A average cost

17 EUR/m²

Class B average cost

13 EUR/m²



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

London – Central	131
Stockholm	63
Dublin	56
Prague	26
Warsaw	26
Lisbon	26
Budapest	24
Bucharest	19
Bratislava	17
Belgrade	17
Sofia	16

Sources: CBRE, Colliers, REGO, Newsec, 2022 Q4

Real Estate: Kaunas 27.

One of the region’s most attractive emerging locations for GBS, Kaunas has developed an office market whose largest challenge is meeting the increasing demand. In 2022, the city’s office stock remained stable, amounting to 280,000 sq. m.

The strong demand for office space is reflected in Kaunas’ low levels of office vacancy – 4.6%. This should incentivize developers to focus on the Kaunas market, with the influx of new supply predicted to get back on track over 2023.

One of the key positive pressures exerting an influence on the Kaunas real estate market is the growth in the number of companies expanding their existing operations. This robust market sentiment is recorded primarily in the ICT, and its impact can be felt by all commercial real estate suppliers.

Sources: CBRE, Colliers, REGO, Newsec, 2022 Q4

Class A average cost

13 EUR/m²

Class B average cost

10 EUR/m²

Magnum and Arka business centers in Kaunas
© Andrius Aleksandravičius



Real Estate: Klaipėda 28.

Lithuania’s port city of Klaipėda has largely been undiscovered by GBS investors. But that is steadily changing with Klaipėda 2030, the city’s ambitious economic development strategy. With GBS named one of four priority sectors for development, Klaipėda is seeking to provide more infrastructure, incentives, and support for international GBS centers.

Of all the Lithuanian cities, Klaipėda offers the most competitive office rent prices, with Class A prices ranging between EUR 10 - 13 and Class B between EUR 7 - 11.

Another benefit available to GBS investors is a financial incentive to reimburse office rental costs when establishing or expanding operations. Any foreign investor that creates at least new 6 FTEs in Klaipėda is eligible for reimbursement of 12 months’ worth of office rental costs.

Class A average cost

11.5 EUR/m²

Class B average cost

9 EUR/m²

12

Months’ worth of office rent reimbursement in Klaipėda city municipality

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Work in Lithuania 29.

Work in Lithuania connects international talent with employment opportunities in Lithuania via its engaging and easy-to-use online platform. 2022 was another stellar year for WIL, with it doubling its monthly platform visitors to 43,000, and generating 1,500 monthly applications. The agency not only acts as a meeting point between recruiters and talent. Its website is also a repository of all the information that a person moving to Lithuania for their career might need.

Central to the agency's strategic focus is the message that Lithuania is "a place to build the life you want." Front and center here is work-life balance, one of Lithuania's main value drivers. With shorter commute times and plentiful green spaces, Lithuania's cities are perfect for people looking to both increase and improve their leisure time. Families are also well catered for, with parental leave policies as some of Europe's most generous.

Work in Lithuania

workinlithuania.com



vention

Our company's success is directly tied to the talents of our team, and Lithuania has proved to offer everything for fostering business growth, innovation and attracting top-tier global talent. With its thriving tech industry, proactive help from public institutions, and exceptional standard of living, Lithuania stands out as a premier choice for professionals seeking to harness their full potential.



Laimonas Davalis

Country Manager at Vention Lithuania

International House Vilnius 30.

For foreign nationals looking to relocate to the Lithuanian capital, Vilnius, there is now the International House. This agency was specially set up to act as a one-stop shop for support and guidance relating to all steps of the relocation process and beyond.

This includes advice on immigration procedures, which differ according to nationality. Non-EU members are obliged to apply for either a national visa or a residency permit depending on their home country, while EU residents qualify automatically for a certificate of temporary residency after three months in Lithuania.

International House Vilnius offers advice and in-person consultations on social insurance, taxes, employment, and setting into a life in Lithuania. Not only that, but they also host a number of free events and activities, including the BeFriend Vilnius mentorship program, which is aimed at giving new citizens a helping hand in city life.



International House Vilnius

ihvilnius.lt



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11th

Globally for work-life balance¹

1,564

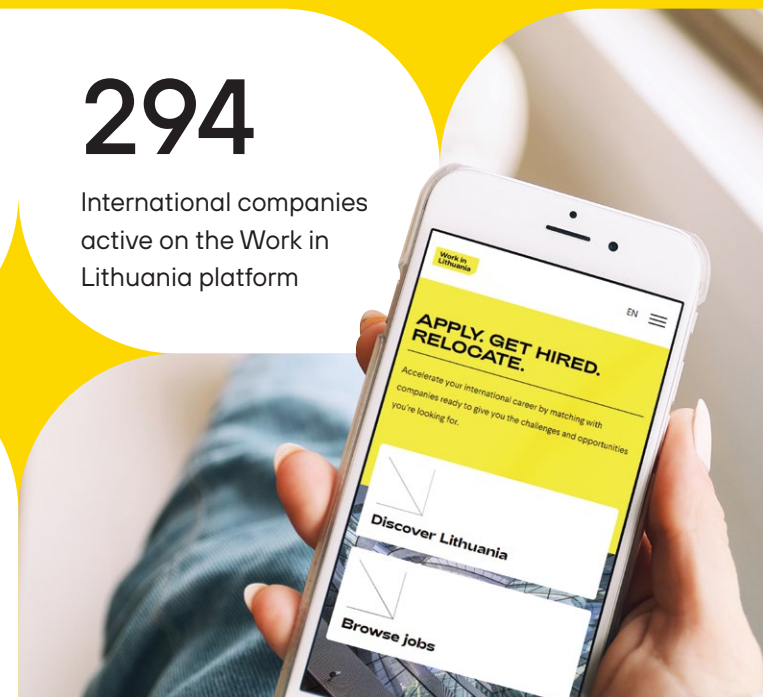
Monthly applications received on average

294

International companies active on the Work in Lithuania platform

43,617

Monthly platform visitors on average



Top 5 positions by applications received

1. Technical Client Support Specialist
2. Sales Development Representative
3. Digital Marketing Assistant
4. Junior Compliance Specialist
5. Finance Process Specialist

Top 5 countries by Work in Lithuania platform visitors



Source 1: OECD Better Life Index, 2020.



Information about the Migration Department services



Immigration procedures from EU countries



BeFriend Vilnius mentorship programme



International House Vilnius Events

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