LITHUANIA

your trusted partner in establishing a business

The manufacturing sector is a key pillar, of the Lithuanian economy generating around 23% of the total GDP. One of the sector's drivers is the diverse range of foreign companies that have found their home here. But why has Lithuania proved such an attractive European destination for foreign direct investments? First and foremost, it is because of the country's highly skilled talent pool and innovation-focused business environment. Additionally, efficient governance, deep engineering know-how, and green transformation initiatives make Lithuania a perfect location for manufacturing companies seeking growth opportunities.

Reliable and renewable energy sector

Sustainability in figures

70%

In 2023, 70% of the country's total energy output was produced from renewable sources

Source: Ministry of Energy, 2024

€696M

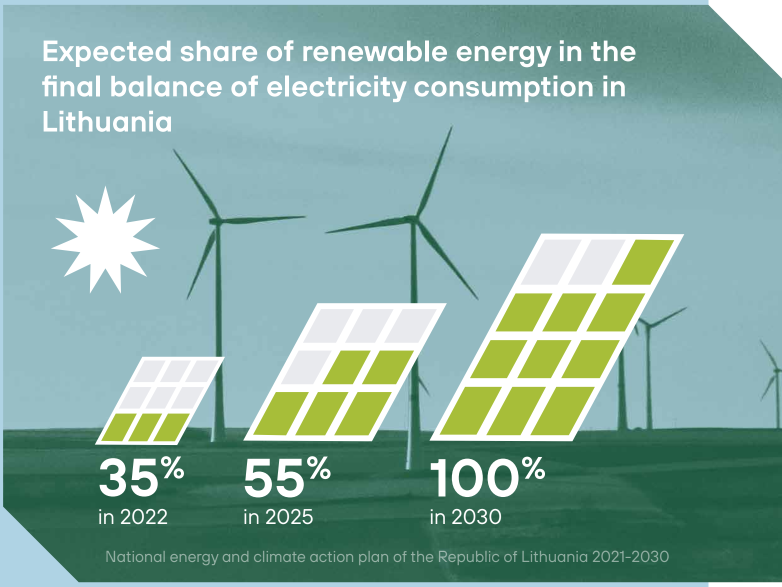
earmarked for renewable energy expansion under the LT100 support scheme

Source: Ministry of Finance, 2023

2.8GW

of offshore wind power to be generated in Lithuania by 2040

Source: Ministry of Energy, 2024



Klaipėda port electrolyser

In 2026, Klaipėda will be equipped with Lithuania's first public hydrogen refuelling station, which is intended for both public and business use, making green Hydrogen conveniently available for the refuelling of ships, cars, trucks, and buses. Moreover, because the power it generates can be stored and transported easily, it will be able to provide the fuel wherever it is needed. Installed in a standard 40-foot sea container, the electrolyser will be able to produce up to 300 t/year of green hydrogen and will have an electrolysis capacity of 2 MW. Through different initiatives, Lithuania hopes to generate 129,000 t of green hydrogen per year by 2030.

Source: Port of Klaipėda

Security

Lithuania has been a strong and integral part of the European Union and NATO since 2004. Our membership serves as a guarantee of the country's safety. The country's proud ties to NATO found their strongest expression in July 2023, when Lithuania hosted the NATO summit. During the summit, the alliance underscored its commitment to the Baltic Region's security. This is best illustrated by the agreement signed in July 2023, in which Germany committed to supplying a permanent deployment of 4,800 German troops near Lithuania's eastern border.

Government support

Billion for Business

Billion for Business is a loan instrument for borrowing large amounts for a maximum term of 15 years. The instrument is oriented towards environmentally friendly technologies, circular economy and decarbonisation, energy efficiency, waste reduction, innovative and digital technologies, building the capacity of high value-added products (including biotechnology), and most importantly – the defence and security industries.

Change

Change is a loan instrument for borrowing up to 10M EUR per beneficiary for a maximum term of 10 years. The instrument is oriented towards industrial digitisation (excluding Vilnius County) and the industrial digitisation of high value-added companies (in Vilnius County).

Invest LT+ financial incentive

For investments into long-term assets and workplace creation.

Financial incentive for talent development

For training and apprenticeship costs.

Green Corridor

Lithuanian government's Green Corridor initiative gives enhanced support to large-scale investments with at least 20M EUR and at least 20 FTE*.

- 0% Corporate Income Tax for 20 years**
- No infrastructure taxes
- Dedicated contact within the ministry of Economy and Innovation
- Real estate procedures shortened by 3-6 months
- Government-owned land can be leased without auction
- Shortened Environmental Assessment Procedure

* Additional terms and conditions apply.
** According to EU regulation, companies with an annual turnover of at least €750 million will be obligated to pay the 15% minimum rate starting in 2024, regardless of the country they conduct their business in.

R&D Grant

Cost category:
R&D operations & patenting

Grant amount:
€140k - €2M

Form of financing:
Grant

Total call amount:
€6M

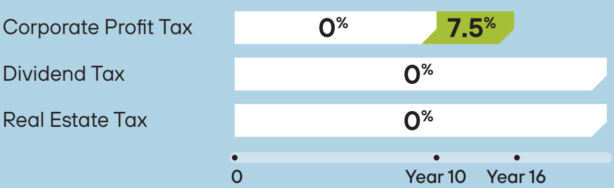
Location of activities:
Central and Western Lithuania

Deadline:
Different calls until 2027

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

Lithuania's seven Free Economic Zones provide unbeatable conditions for business development. They offer ready-to-build industrial sites with physical and/or legal infrastructure, support services, and tax incentives.

Tax incentives in FEZ*



* Conditions apply

Talent Ecosystem

Lithuania has a population of 2.8M and a young, well-educated, and multilingual labour pool of 1.5M. The manufacturing sector currently employs more than 200K people.

Source: Statistics Lithuania, 2024

Lithuania offers both rich manufacturing traditions and a high level of STEM orientation among its students in higher education (around 36% of Lithuanian students choose STEM programs). 41% of engineering students study mechanical engineering and electronics.

Source: Statistics Lithuania, 2024

Already here

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Real Estate

Real estate prices in Lithuanian cities

	Vilnius		Kaunas		Klaipėda		Panevėžys		Šiauliai	
EUR/sqm	min	max	min	max	min	max	min	max	min	max
New warehouse rent	5.0	7.0	4.0	6.0	4.5	6.0	3.5	6.0	3.5	6.0
New manufacturing facilities rent	5.0	7.5	4.0	7.3	5.0	6.5	4.0	6.5	4.0	6.5
New warehouse acquisition	700	1,100	600	1,000	600	1,000	500	1,000	500	1,000
New manufacturing facilities acquisition	700	1,100	600	1,200	700	1,100	600	1,100	600	1,100
Industrial land price	30	150	30	125	25	50	15	30	15	30

Source: Average data from real estate partners (CBRE Baltics and InReal, 2024)

Lithuania's Construction Timeline*

1

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.

2

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

3

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.

4

The design stage of the potential building usually takes 4-7 months including permissions. Environmental impact assessment (if required) in most cases could be done in parallel to design works.

5

The construction and commissioning stage – additional 7-11 months. Under the current circumstances, commissioning a new built-to-suit warehouse or manufacturing facility takes up to 16-24 months.

6

The process of signing the agreement with the construction-related partners approximately takes 2 months (from the beginning of the tender procedure to signing the contract).

* 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.

Lithuania's Construction Cost

€600-900 /sqm

After the significant increase of construction materials prices, the standard warehouse building could cost 600-900 EUR/sqm, depending on the size and solutions.

€600-1,200 /sqm

The industrial building for manufacturing operations could cost 600-1,200 EUR/sqm due to additional systems (HVAC) and other specifics (floor, ceilings etc.)

Wages

Employee total cost per month overview (EUR) H1 2024

Position	Vilnius, Kaunas and Klaipėda region	Rest of Lithuania*
Plant Manager	7,950- 15,100	7,124 – 13,587
Manufacturing		
Production Manager	5,399- 9,000	4,854 - 8,053
Production Planner	2,815 - 4,499	2,556 - 4,079
Maintenance engineer	2,943 - 3,700	2,661 - 3,304
Shift Leader	2,319 - 3,532	2,087 - 3,175
Maintenance technician	1,767 - 2,766	1,641 - 2,605
Machine operator	1,708 - 2,766	1,577 - 2,456
Operator (Basic functions: packing, assembly)	1,229 - 1,916	1,151 - 1,842
Mechatronics specialist	2,498 - 4,205	2,498 - 3,713
Mechanical engineer	2,498 - 3,700	1,842 - 3,492
Electrical engineer	2,677 - 4,205	1,992 - 3,969
Welder	1,600 - 3,030	1,400 - 2,860
Sheet metal worker	1,650 - 2,450	1,490 - 2,247
Plastic molding specialist	1,626 - 2,450	1,455 - 2,247
Quality		
Quality Manager	4,700 - 6,839	4,240 - 6,144
Quality Engineer	2,303 - 4,139	2,080 - 3,732
Production Supervisor / Quality assurance specialist	1,916 -3,151	1,677 - 2,708
Quality Controller	1,604 - 2,494	1,436 - 2,249
Warehouse and logistics		
Warehouse Manager	3,329 - 4,860	2,991 - 4,374
Logistics & Supply Chain Manager	5,130 - 7,401	4,620 - 6,658
Purchasing, Logistics & Supply chain specialist	2,208 - 3,239	1,994 - 2,920
Purchasing Manager	3,196 - 5,887	2,877 - 5,303
Customer service		
Customer Service Manager	2,860 - 3,800	2,561 - 3,423
Customer service coordinator (English language)	1,530 - 2,400	1,370 - 2,152
Various administrative roles		
Finance Manager	3,700 - 6,300	3,330 - 5669
Accountant	2,498 - 3,700	2,241 - 3,337
IT administration officer	3,030 - 4,200	2,730 - 3,780
Accounts Payable Specialist	1,960 - 3,196	1,760 - 2,876
Industrial IT domain lead / site IT manager	5,399 - 6,839	4,854 - 6,161
Software development engineer	4,200 - 6,233	3,780 - 5,609
Machine learning	4,494 - 7,201	4,055 - 6,484
Finance controller	3,500 - 5,890	3,150 - 5,300
R&D		
Head of R&D	5,759 - 9,000	5,181 - 8,108
R&D Team Leader	4,880 - 5,741	4,392 - 5,165
HR		
HR Manager	4,373 - 6,060	3,944 - 5,450
HR specialist	1,960 - 4,373	1,770 - 3,940
Administration Office Worker	1,455 - 2,700	1,305 - 2,430

Source: Alliance for Recruitment and BIURO data, H1 2024. *Rest of Lithuania includes Šiauliai, Panevėžys, Marijampolė, Utena and Tauragė regions.

Invest Lithuania

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