

# Why Choose Lithuania

- **500 million consumers in one stop:** Lithuania is a springboard to the single European market, counting over 500 million consumers as well as to Eastern markets.
- **Stable political and economic environment:** ensured by EU, NATO and WTO membership
- **Europe's prime transport centre:** two Trans-European transport corridors crossing the country
- **Innovation-driven knowledge economy:** global laser, biotech and IT leadership
- **Top-quality talent pool:** one of the best educated human resources in the world
- **Competitive business operation costs:** productivity-driving profit tax incentives for R&D, tax "holidays" in free economic zones; competitive wages and rent rates

## 500 mn

consumers in one stop

By establishing your business in Lithuania, you instantly get access to the single European market, counting 500 million consumers

## Market Leaders



UAB Fermentas is a R&D and manufacturing company which develops and manufactures products for genetic engineering, molecular biology, genomic research and other biotechnological investigations (over 400 projects). Expansion of efforts in the field of molecular diagnostics is currently taking place. Big scale production of kits for molecular diagnostics is also planned. Fermentas exports more than 99% of its products to over 70 countries worldwide and manufacturers over 100 products under licence agreements with world-renowned companies.



The enterprise of biotechnological pharmacy UAB Sicor Biotech produces recombinant proteins for medical use (interferon alpha-2b, human growth hormone, granulocyte colonies stimulating factor, erythropoietin). It is the only factory of such a profile in Eastern and Central Europe. Sicor Biotech is a member of TEVA group (TEVA Pharmaceutical Industries Ltd., Israel). It has a strong and very well-equipped research centre, developing technology for the production of recombinant proteins. The company has notably introduced a 25-35% cheaper but just as effective version of an existing medicine for treating cancer to the world market.

## Facts and Figures



**LAND AREA**  
65,300 km<sup>2</sup>

**POPULATION**  
3.4 million

**ETHNIC COMPOSITION**  
Lithuanian – 84% of the population,  
Polish – 6.1%, Russian – 4.9%

**MAIN CITIES**  
Vilnius (capital): 556,000  
Kaunas: 358,000  
Klaipėda: 186,000  
Šiauliai: 128,000  
Panevėžys: 115,000

**CLIMATE**  
Moderate Continental, with average temperatures ranging from - 5 C in January to 23 C in July

**MEASUREMENT SYSTEM**  
Metric

**TIME**  
Lithuania is in the Central European Time zone: GMT+2 hours

**CURRENCY**  
The national currency is the Litas (LTL or LT), comprised of 100 centas. Litas is pegged to the Euro at the rate of 3.4528 LTL/EUR

**FISCAL YEAR**  
Calendar year

### NATIONAL HOLIDAYS

- January 1<sup>st</sup> (New Year's Day)
- February 16<sup>th</sup> (Independence Day)
- March 11<sup>th</sup> (Restoration of Independence)
- Easter (Sunday and the following Monday)
- May 1<sup>st</sup> (Labour Day)
- 1<sup>st</sup> Sunday in May (Mother's Day)
- June 24<sup>th</sup> (Midsummer Festival)
- July 6<sup>th</sup> (Coronation of Mindaugas, King of Lithuania)
- August 15<sup>th</sup> (Assumption Day)
- November 1<sup>st</sup> (All Saints' Day)
- December 25-26<sup>th</sup> (Christmas)



# one STEP FOR YOU ....

# ... one giant leap for YOUR SUCCESS



## THE BIOTECHNOLOGY INDUSTRY IN LITHUANIA



INVEST LITHUANIA



[www.businesslithuania.com](http://www.businesslithuania.com)

ENTERPRISE LITHUANIA



# Market Opportunities

- Pool of valuable knowledge and know-how accumulated through extensive experience with applied biotechnology research
- Availability of highly-qualified specialists, researchers and scientists
- Developed technology for high sales potential biogeneric drugs
- Sizable tax incentives for R&D investment
- Above-average sales growth in the global biotechnology sub-sector

The Lithuanian Prime Minister Andrius Kubilius: "We trebled tax write-offs for R&D investments"

## Market Overview

The Lithuanian biotechnology industry has been developing since the 1990s and is regarded as one of the most sophisticated in Central and Eastern Europe. An agreement was signed in 2002 by all Lithuanian political parties proposing that the standard of biotechnology research should be improved to match the average EU level as soon as possible.

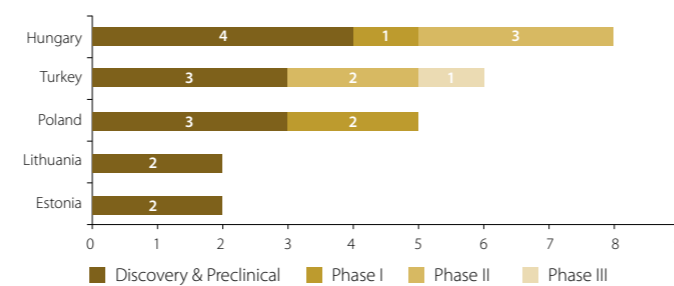
The Lithuanian government has made the development of high tech industry a top priority through the "Programme on the Development of High Technologies with identified Priority Areas of Research and Development" and the "Programme on the Development of Industrial Biotechnology". Conditions favourable to the biotechnology industry include low tax rates as well as low labour and energy costs.

"In the wake of the current global downturn, Lithuania has moved swiftly and decisively to reduce the tax burden for firms investing in R&D and innovation. In November 2008, we trebled tax write-offs for R&D investments", said Andrius Kubilius, the Lithuanian Prime Minister. According to the Lithuanian Biotechnology Association, Lithuanian biotechnology sector sales have grown by approximately 22% annually for the past 5 years, which is 7% more than the average 15% growth of the global biotechnology sub-sector.

Lithuania has 8 commercial enterprises specializing in the development of biotechnological healthcare products, with *UAB Fermentas* and *UAB Sicor Biotech* (part of TEVA group) at the top of the list.

In September 2008, the Lithuanian research team of *UAB Sicor Biotech* introduced a 25-35% cheaper cancer medication (which is just as effective as an existing version) to the world market. This breakthrough achievement represents one of the country's most important accomplishments in the health and science industry. In 2009, there were at least 18 therapeutical products in the pipeline in the CEE countries, with the majority in the preclinical phase, including 2 cases in Lithuania.

### Therapeutic Product Development Pipeline in the 14 New Member States and Candidate Countries



Source: www.biotechgate.com

## Available Skills and Research

Lithuania offers a relatively large pool of highly-qualified specialists, researchers and scientists in biochemistry, microbiology, biological engineering and other biotech fields.

It is estimated that the sector employs 700 people, including 160 R&D employees, while its total annual revenues exceed EUR 50 million.

15 research institutions carry out chemical and biochemical research on protein, enzymes and nucleic acid for pharmaceutical purposes, and also execute molecular biology research on prokaryote and eukaryote cells.

6 institutions, including five major universities, train biotechnology and business specialists in cooperation with both domestic and foreign biotechnology companies.

According to their number of employees, *UAB Fermentas* and *UAB Sicor Biotech* are considered to be major companies in Europe, employing 345 and 170 specialists respectively. These two companies, along with *UAB Biocentras*, have accumulated significant experience in international commerce, the implementation of hi-tech innovations and have been successfully managing intellectual property acquisition and protection issues.

Another group of biotech companies consists of small business enterprises, such as *UAB Biota*, *UAB Biotechpharma*, *UAB Imunolita*, and the recently established *UAB Profarma*, which manufacture knowledge-intensive products, and/or supply knowledge-intensive services. These

enterprises can experience successful growth by appealing to either international or domestic investors. In the current phase of development, it is important for these small businesses to demonstrate quality personnel as well as prove their potential to organize production on a wider scale.

Biofuel (bioethanol and biodiesel fuel) production is another rapidly developing sector of the country's economy. Industrial biofuel production commenced in Lithuania in 2004, reaching a total of EUR 21.4 million in 2006, and is expected to surpass EUR 290 million by 2010.

## Success is Consolidated

The success of the Lithuanian biotechnology industry has been reinforced by the return of seventeen Lithuanian scientists who had spent over 3 years abroad, bringing with them extensive overseas experience, knowledge and funding to pursue research work at the Institute of Biotechnology in Vilnius.

The construction and establishment of the first Baltic Medical and Pharmaceutical Valley began in the capital, Vilnius.

The Vilnius Santara Valley will join the country's top pharmaceutical companies, scientists, researchers, and educational institutions for a common research project aimed at creating new medications, diagnostics methods, and more efficient means of curing illnesses.

## Lithuanian Healthcare Biotechnology Companies

Company	Founded	Activity	All employees/ R&D employees	Revenue, EUR M (2008)
Fermentas	1995	Products for life sciences and molecular diagnostics	343/ 80	18.0
Sicor Biotech	1995	Biopharmaceutical proteins	170/ 35	25.0
Sorpo	2000	Molecular diagnostics	37/ 5	1.1
Biocentras	1988	Ecological biotechnology, biopharmaceutical proteins	43/ 20	2.0
Biok	1998	Enzyme containing cosmetics	48/ 3	3.4
Biotechpharma	2004	Technology for biopharmaceutical proteins	8/ 4	0.1
Imunolita	2006	Cord blood banking	12/ 8	0.4
Profarma	2007	Recombinant proteins for diagnostics and biopharmacy	4/ 4	0.02

Source: Lithuanian Institute of Biotechnology

The success of the Lithuanian biotechnology industry is proven by the homecoming of Lithuanian scientists

A Lithuanian research team introduced a 25-35% cheaper, but just as effective version of an existing cancer-treatment to the world market

