

Why Choose Lithuania

- **500 million consumers in one stop:** Lithuania is a springboard to the single European market, 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

Major Foreign Investors in Transport and Logistics



Two Trans-European Network corridors cross Lithuania



Facts and Figures



LAND AREA
65,300 km²

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



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leap for **YOUR**
SUCCESS



**TRANSPORT
AND
LOGISTICS
IN LITHUANIA**



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Market Opportunities

- Lithuania is main transport hub linking the EU with the East
- Well-developed infrastructure: 2 TEN-T transport corridors, the best road system in the Baltic region, a railway network, gas pipelines, 3 international airports, and well-positioned logistics centers
- The northernmost ice-free port on the Eastern coast of the Baltic Sea
- Very competitive transport and logistics costs
- The growth of the transport and communications sector is outpacing the economy as a whole and is expected to continue doing so in the future



Andrius Ufartas fot.

Market Overview

With approximately 80% of freight which is transported through international transport corridors passing through Lithuania, the country has become the most important transport centre in the European Union, linking the EU with the East, according to the market research company *Datamonitor*. The North-South highway, the railway route connecting Scandinavia with Central Europe, and the East-West route that connects the vast Eastern markets with the rest of Europe, all figure among the 10 principal freight routes in Europe. The expansive network of central motorways and European railroads, along with the ice-free port of Klaipėda and 3 international airports comprise the key infrastructure of the Lithuanian transport network. Lithuania also has a wide and well-developed high-quality international and national road system. The total length of roads in Lithuania is approximately 79,500 kilometres.

Modal Transport

Lithuanian railways carry approximately 50 million tons of cargo and 7 million passengers per year. Direct rail routes link Lithuania with Russia, Belarus, Latvia, Poland, Ukraine, Germany and the rest of Europe, the main transit route between Russia and its Kaliningrad district passes Lithuania. The Klaipėda Seaport is the northernmost ice-free port on the Eastern coast of the Baltic Sea, with the capacity of 40 million tons a year. It is the largest Lithuanian transport hub, connecting sea, land and rail routes from East to West. In 2008, the Klaipėda Seaport handled a record amount of containers in all of the eastern Baltic ports: a total of 373,300 thous. TEU. Dealing with cargo going to and from Russia and Kazakhstan at one end, the port also handles shipments to and from Germany, the Netherlands, the US, South America, Asia, and other destinations.

Lithuania's 3 international airports (in Vilnius, Kaunas and Palanga) have all been included in the Trans-European Transport Network (TEN-T). Inland waters in Lithuania add up to a total length of 902 km, of which 425 km are used to carry freight and passengers. Inland waterway route (Kaunas – Jurbarkas – Klaipėda) is a part of the TEN-T network.

Logistics Centres

The greatest supply of modern warehousing facilities in 2009 remained in Vilnius (341,800 m², growth – 17,8%), with Kaunas following in the 2nd place (160,200 m², growth – 0,13%), and Klaipėda in the 3rd place (103,800 m², growth – 23,5%). The overall supply of modern warehousing facilities in Lithuania in 2009 accounted for approximately 634,000 m².

Largest Logistics Centres	Area, m ²	City
Senukai Logistics Park	70,000	Kaunas
Laistu International Trade Center	32,000	Klaipėda
Tromina	30,000	Vilnius
Kaunas Terminal	30,000	Kaunas
Business Park E67	28,000	Panevėžys
Dobrovole Logistics Centre	27,500	Vilnius
AD REM Logistics Centre	27,000	Vilnius
Via Baltica Logistic	27,000	Kaunas
Kirtimai Logistics Centre	26,500	Vilnius
Klaipėda Business Park	24,000	Klaipėda
Žarijų BPT Logistics Centre	21,900	Vilnius
GLC Logistics Centre	21,600	Vilnius
Vingės terminalas	21,500	Vilnius
Vilijos Business Park	21,000	Vilnius
Lavisa Customs Warehouse	21,000	Kaunas
Vingės logistika	20,000	Klaipėda

Source: Invest Lithuania, Colliers International

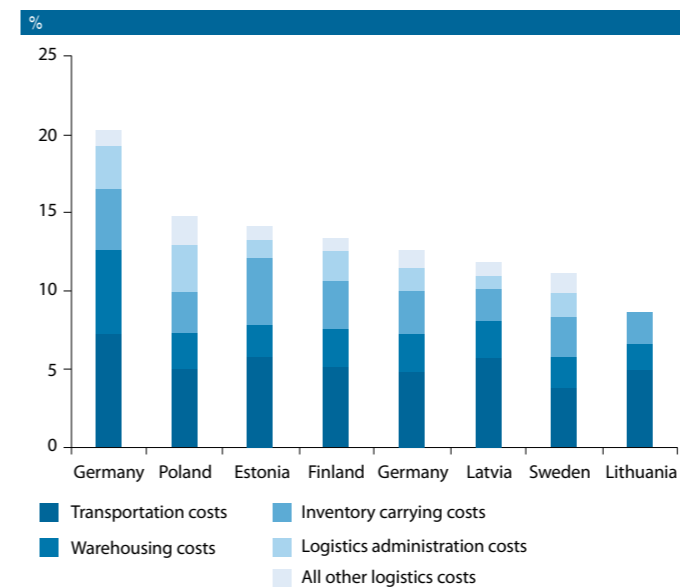
Largest Logistics Operators	GLA (m ²)
UAB Girtėka	96,800
Vingės logistikos grupė	54,000
UAB VPA Logistics	47,000
UAB Ad Rem	39,200
UAB Tromina	31,200

Source: Invest Lithuania, Colliers International, Verslo žinios

The Government of Lithuania aims to establish public logistics centres of new generation, serving as distribution centres, dry ports, and modern freight villages. In mid-term period, modern public logistic centres in Vilnius, Kaunas and Klaipėda regions will be established, and in long-term period – logistic centres are planned to be built in the regions of Panevėžys and Šiauliai.

During the first three quarters of 2009, the average rent prices experienced a drop due to the slowing economic development in the region. Growth rates of new warehouses have decreased from 5.2– 6.3 EUR/m²/month in 2008 Q4 to 4.1–4.3 EUR/m²/month and have reached the level of 2005-2006. Despite this fall in prices, even lower rental rates of 3.2–3.8 EUR/m²/month may also be achieved through negotiations with warehouse owners.

Logistics Costs by Region as % of Turnover, Manufacturing Companies (n=450)



Source: LogOn Baltic: State of Logistics in the Baltic Sea Region Report (2008)

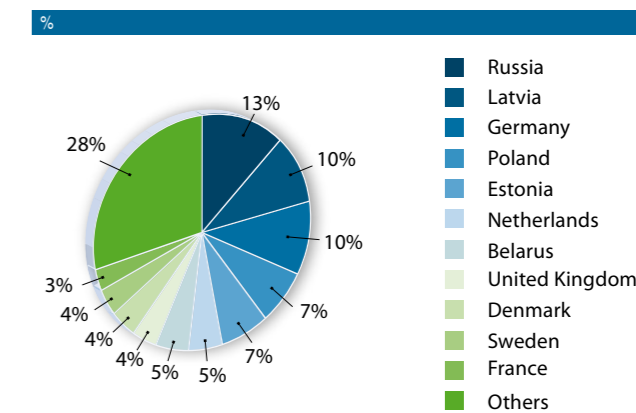
Major Trading Partners

Lithuania has five principal export partners: Russia, Latvia, Germany, Poland, and Estonia. They account for over 47% of export. Lithuania's main import partners are Russia, Germany, Poland, Latvia, the Netherlands and Italy, comprising over 65% of the total import. Exports in 2009 totalled EUR 11.79 billion in terms of commodity value, while imports to Lithuania equalled EUR 13.07 billion. Both exports and import have gone down, by 26.6% and 38.2% respectively, as in comparison to the previous year. Exports to EU member states account for 64.3%, and imports from the EU stand for over 58%. Trade with Russia and other CIS countries represents over 22% of Lithuania's foreign trade.

State's Strategic Transport and Logistics Projects for Public Private Partnership (PPP)

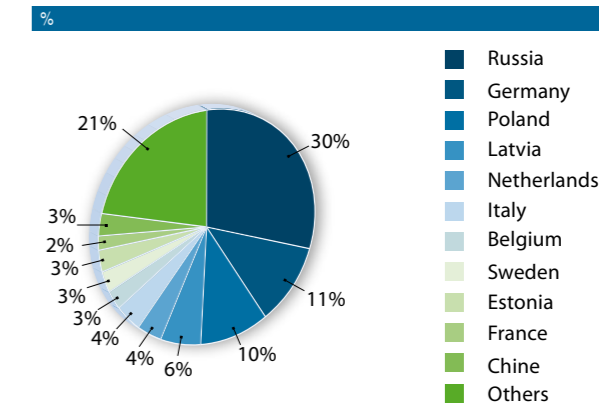
Project Title	Project Value	Short Project Description
Rail Baltica & Kaunas Public Logistics Centre	EUR 275 million	Construction of European standard railway route Lithuanian/Polish border-Kaunas and Kaunas Public Logistics Centre
Vilnius Public Logistics Centre	EUR 35 million	Development of centre's public logistics infrastructure and intermodal terminal
Klaipėda Public Logistics Centre	EUR 30 million	Development of centre's public logistics infrastructure and intermodal terminal
Outer deep-water seaport	EUR 1 billion	Construction of outer deep-water seaport
Via Baltica road section	EUR 145 million	Reconstruction of Via Baltica road section Mauručiai-Puskelniai

Exports by Country of Origin 2009



Source: Department of Statistics under the Government of the Republic of Lithuania

Imports by Country of Origin 2009



Source: Department of Statistics under the Government of the Republic of Lithuania