

## Introduction

Lithuania is a country in Northern Europe. Situated on the southeastern shore of the Baltic Sea, it shares a border with Latvia, Belarus, Poland, and the Russian enclave of Kaliningrad. Across the Baltic Sea lies Sweden and Denmark. The government system is a parliamentary democracy; the chief of state is the president, and the head of government is the prime minister.

Lithuania has transitioned from a command economy to a market economy in which the private sector accounts for the majority of GDP, and government regulation is transparent and efficient. Lithuania is a member of the European Union (EU).



**Location:** Northern Europe

**Capital City:** Vilnius (+2 GMT)

**Chief of State:** President Gitanas Nausėda

**Head of Govt.:** Prime Minister Ingrida Simionytė

**Currency:** Euro (EUR)

**Major Languages:** <p>Lithuanian (official) 82%, Russian 8%, Polish 5.6%, other 0.9%, unspecified 3.5% (2011 est.)</p>

**Primary Religions:** <p>Roman Catholic 77.2%, Russian Orthodox 4.1%, Old Believer 0.8%, Evangelical Lutheran 0.6%, Evangelical Reformist 0.2%, other (including Sunni Muslim, Jewish, Greek Catholic, and Karaite) 0.8%, none 6.1%, unspecified 10.1%</p>

**Calling Code:** 370

**Voltage:** 220

## Key Websites

Main Government Page: [lv.lt](http://lv.lt)

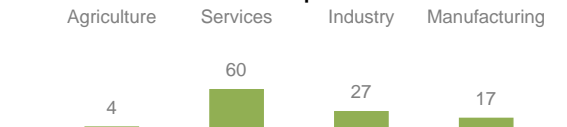
Commerce Ministry: [eimin.lv.lt](http://eimin.lv.lt)

Investment Promotion Agency: [investlithuania.com](http://investlithuania.com)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$137.11 billion (2022)
GDP growth (annual %):	1.89% (2022)
GDP per capita, PPP (current international \$):	\$48,396.69 (2022)
External debt stocks, total (DOD, current US\$):	\$29,988,119,000.00 (2011)
Manufacturing, value added (% of GDP):	17.04% (2022)
Current account balance (BoP, current US\$):	-\$3.58 billion (2022)
Inflation, consumer prices (annual %):	19.71% (2022)
Labor force, total:	1,509,591 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	5.57% (2022)
Imports of goods and services (current US\$):	\$62.98 billion (2022)
Exports of goods and services (current US\$):	\$61.59 billion (2022)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	33 / 178
Global Competitiveness Index	39 / 141
Global Enabling Trade Index	29 / 136
Global Services Location Index	28 / 60
Index of Economic Freedom	19 / 176
International Logistics Performance Index (LPI)	54 / 160
Inward FDI Potential Index	38 / 139
KOF Index of Globalization	32 / 185
Networked Readiness Index (NRI)	29 / 139

## Risk Assessment (Provided by Coface)

**Country rating: A4** - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

**Business Climate rating: A1** - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

### Strengths

- Banking system dominated by three major Scandinavian banks
- Diversification of energy supply (national gas terminal at Klaipėda and Finnish terminal at Inkoo, shale gas potential, electricity links with Poland and Sweden)
- Member of the EU, eurozone and NATO
- In normal times, healthy public and external accounts, low public debt

### Weaknesses

- Trade relations with Russia have deteriorated since the European embargo (6% versus 11% of exports to Russia).
- Tight labour market: shrinking workforce (emigration of qualified young people) and high structural unemployment
- Large informal economy (22% of GDP)
- High income disparity between the capital and the regions, particularly in the northeast, where poverty persists
- Limited added value of exports (mineral products, wood, agri-food, furniture, electrical equipment)

## U.S. Embassy

U.S. Embassy Vilnius

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