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).

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 %

<table>
<thead>
<tr>
<th>Sector</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4</td>
</tr>
<tr>
<td>Services</td>
<td>60</td>
</tr>
<tr>
<td>Industry</td>
<td>27</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17</td>
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</tbody>
</table>

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

Rankings

<table>
<thead>
<tr>
<th>Index</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>33/178</td>
</tr>
<tr>
<td>Global Competitiveness Index</td>
<td>39/141</td>
</tr>
<tr>
<td>Global Enabling Trade Index</td>
<td>29/136</td>
</tr>
<tr>
<td>Global Services Location Index</td>
<td>28/60</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>21/179</td>
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<tr>
<td>International Logistics Performance Index (LPI)</td>
<td>54/160</td>
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<tr>
<td>Inward FDI Potential Index</td>
<td>38/139</td>
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<tr>
<td>KOF Index of Globalization</td>
<td>32/185</td>
</tr>
<tr>
<td>Networked Readiness Index (NRI)</td>
<td>29/139</td>
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</tbody>
</table>

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
- Sound public and external accounts in normal times
- Banking system dominated by three Scandinavian institutions
- Diversification of energy supply (Klaipeda gas terminal, shale gas potential, electricity links with Poland and Sweden)
- Member of the EU, the Eurozone and NATO

Weaknesses
- Before the war, Russia was the main trading partner of Lithuania
- Tight labor market: shrinking workforce (emigration of skilled 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 value-added of exports (mineral products, wood, agri-food, furniture, electrical equipment)

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