

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

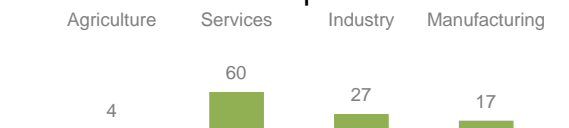
Commerce Ministry: eimin.lv.lt

Investment Promotion Agency: 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

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