



**Klaipėda Economy
A Year in Review.**

2020



1. Economic Situation in Lithuania.	5
Lithuanian Ratings.	6
GDP and GDP per capita.	9
Population and FDI.	12
Material Investments.	13
Labour Market Trends.	15
Business Expectations and Their Change during the COVID-19.	18
Lithuanian Export Trends and Potential.	21
 2. Economic Situation in Klaipėda.....	 27
Ratings and Awards.	28
Key Economic Indicators. GDP and Gross value Added.	31
Key Economic Indicators. Foreign Direct Investment.....	35
FEZ Activities. FDI to Klaipėda.	37
Key Economic Indicators. Material Investments.....	41
Demographic Trends. Population.	43
Business Trends. Labour Statistics.....	45
Business Trends. Companies.....	49
Costs in Klaipėda. Rent and Wages.....	51
Main Events.....	55
Summary.....	62
Recommendations.....	64



1

Economic Situation In Lithuania.

Lithuania has been a member of the The Organisation for Economic Co-operation and Development (OECD) since 2018. Prior to the COVID-19 crisis, the country was one of the fastest growing countries in the EU. The investment-friendly business environment helped attract foreign direct investment, integrate into global value chains, and move closer to the OECD average income. In 2020, the GDP growth decelerated to (1.8%) due to the COVID-19 pandemic (IMF and OECD data, 2021), however, it is estimated that the GDP growth is to reach (4.1%) in 2021.

At the 2020 virtual ceremony of the Central Banking's FinTech/RegTech Global Awards, the Bank of Lithuania won the Global Impact Award.

The Bank of Lithuania has created a regulatory sandbox, which provides an opportunity for developers of innovative financial products and business solutions to test them in a real environment under the supervision and with

According to the OECD, Lithuania is the 5th in the world according to the number of citizens who have completed higher education, therefore the country attracts investment, especially in the information and communication technology (ICT) sector. The Government of Lithuania and the Bank of Lithuania have simplified the procedures for obtaining licenses for the activities of e-money and payment institutions, therefore Lithuania is one of the most attractive countries for the implementation of FinTech initiatives in the EU. In addition, according to the OECD, Lithuania is among the best examples of regulatory best practice in the world. The international rating agency Moody's has upgraded Lithuania's long-term credit rating from A3 to A2 with a stable outlook, while Standard and Poor has affirmed the country's current rating at A + with a stable outlook.

them in a real environment, under the supervision and with consulting assistance by the Bank of Lithuania.

In 2020, 40 new FinTech companies were registered in Lithuania with their total number reaching 230. At the end of the year, the sector employed 4,000 people, which is (18%) more than at the end of 2019.

Ease of Doing Business, World Bank 2020

11 of 190

Global Services Locations Index, Kearney, 2019

16 of 50

IMD World Talent Ranking, IMD World Competitiveness Center, 2020

27 of 63 (+1)

Economic Freedom of The World Index, Fraser Institute, 2020

11 of 162 (+2)

Global Corruption Perception Index, Transparency International, 2020

35 of 180

Global Fintech Rating, Findexable, 2020

4 of 65

A Global FDI Country Attractiveness Index, GFICA, 2020

31 of 109 (+2)

Digital Quality of Life Index, Surfshark, 2020

21 of 85 (+2)



Energy Transition Index, World Economic Forum, 2020

15 of 115 **(+4)**

Economic Freedom Index, The Heritage foundation, 2020

16 of 180



National Cyber Security Index, E-governance Academy, 2020

4 of 160 **(+1)**



Global Sustainability Competitiveness Index, SolAbility, 2020

17 of 180 **(+11)**



E-Government Index, United Nations, 2020

20 of 193 **(+20)**



IMD World Digital Competitiveness Ranking, IMD, 2020

29 of 63 **(+1)**





Agenda	
12:00 - 12:30	Registration, Coffee & Lunch
12:30 - 12:45	Opening Remarks, Welcome to Kiairacada
12:45 - 13:00	The importance of Global Business Services
13:00 - 13:15	Panel: Global Business Services Industry
13:15 - 13:30	Keynote: Global Business Services Industry
13:30 - 13:45	Panel: Global Business Services Industry
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27:45 - 28:00	Keynote: Global Business Services Industry
28:00 - 28:15	Panel: Global Business Services Industry
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28:30 - 28:45	Panel: Global Business Services Industry
28:45 - 29:00	Keynote: Global Business Services Industry
29:00 - 29:15	Panel: Global Business Services Industry
29:15 - 29:30	Keynote: Global Business Services Industry
29:30 - 29:45	Panel: Global Business Services Industry
29:45 - 30:00	Keynote: Global Business Services Industry



GDP and GDP per Capita.

Over the period of 2017 to 2020, Lithuania's gross domestic product (GDP) increased by (15.1%), however, it suffered a decline in 2020. According to the data of Statistics Lithuania, the country's GDP at current prices amounted to EUR 48.7 billion in 2020. In 2020, affected by the pandemic, the Lithuanian economy shrank by (-0.26%) compared to 2019.

GDP, mln. Eur Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
48669,9	-0,26%	48797,4	7,27%	45491,1	7,60%	42276,3

Source:
Statistics Lithuania, 2021

The table shows GDP growth rates in CEE countries in 2019–2020. The table demonstrates that the smallest GDP growth slowdown was registered in Lithuania in 2020, i.e. (-0.8%). The largest declines in GDP growth are observed in the Czech Republic (-5.6%) and Slovakia (-5.2%). In 2019–2020, GDP growth slowed the most in the Czech Republic and Estonia (-7.9 percentage points each) and the least in Lithuania (-5.2 percentage points).

GDP Growth Rate, 2019–2020 Change

GDP Growth Rate CEE Countries, %	2020	2019
Czech Republic	-5,6	2,3
Slovakia	-5,2	2,3
Estonia	-2,9	5,0
Poland	-2,7	4,5
Latvia	-3,6	2,0
Lithuania	-0,8	4,3

Source:
OECD, 2021

Over the period of 2017 to 2020, the change in GDP per capita was higher than the change in national GDP and amounted to (16.51%). In 2020, GDP per capita decreased by (-0.27%), or 48 thousand euros, compared to 2019. Higher changes in GDP per capita than changes in national GDP are also influenced by demographic trends (migration balance, birth rate).

GDP per capita, Thousand Eur

	2020	Change	2019	Change	2018	Change	2017
Lithuania, Total	17415,5	-0,27%	17463,5	7,55%	16237,9	8,64%	14947,1
Change in population		0,039%		-0,003%		-0,524%	

Source:
Statistics Lithuania, 2021





Population and FDI.

As of 1st of January 2021, there were 2,795,175 inhabitants in Lithuania, 1,085 (or 0.04%) more than in 2020. It can be seen from the table that in early 2021, a positive increase in the permanent population of Lithuania was recorded for the first time.

Population Lithuania, Total

2021	Change	2020	Change	2019	Change	2018
2795175	0,04%	2794090	-0,003%	2794184	-0,52%	2808901

Source:
Statistics Lithuania, 2021

In 2019, Lithuania attracted 60 FDI projects. Over the period of 2017 to 2019, an increase of (13.5%) in FDI was recorded. In 2017–2019, Lithuania attracted 217 FDI projects (51.5% of all FDI projects in the Baltic region). The table demonstrates that in the 3rd quarter of 2020, compared to the same period a year ago, Lithuania's FDI increased by (2.84%) or 527.72 million euros. The increase in FDI was driven by increased reinvestment (EUR 429.2 million, which is EUR 284.4 million more than in the 3rd quarter of 2019). In the third quarter of 2020, investment from equity companies in Sweden, Hong Kong, Poland, and Switzerland increased, while that from equity companies in the United Kingdom and Latvia decreased.

FDI, mln. EUR Lithuania, Total

2020 Q3	2019 Q3	Change	2019	Change	2018	Change	2017
19084,77	18557,05	2,84%	18563,74	9,46%	16959,32	3,66%	16360,56

Source:
Statistics Lithuania, 2021



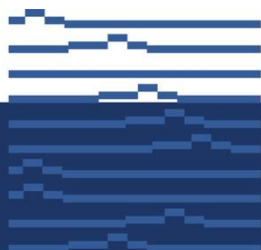
Material Investments.

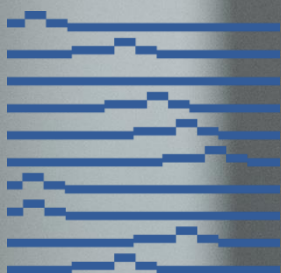
Over the period of 2017 to 2019, material investments at current prices increased by (25.17%). The table demonstrates that in the 3rd quarter of 2020, as compared to the same period a year ago, material investments decreased by EUR 26,324 million or by (-1.40%). This decrease was mainly due to a (-46.25%) decline in investments in the companies supplying electricity, gas, steam and air conditioning, (19.83%) in transport and storage companies, and (19.13%) among manufacturing companies. Material investments increased the most among enterprises engaged in education and financial and insurance activities, by (216.27%) and (162.55%), respectively.

Material Investments, Thousand EUR Lithuania, Total

2020 Q3	2019 Q3	Change	2019	Change	2018	Change	2017
1858547	1884871	-1,40%	9157037	13,36%	8077810	10,41%	7315932

Source:
Statistics Lithuania, 2021





Labour Market Trends.

In 2020, the unemployment rate in Lithuania was (8.5%) or 2.2 percentage points higher than in 2019. Over the period of 2017 to 2020, the unemployment rate increased by 1.4 percentage points. The long-term unemployment rate in 2020, compared to 2019, increased by 0.6 percentage points to (2.5%) at the end of the year.

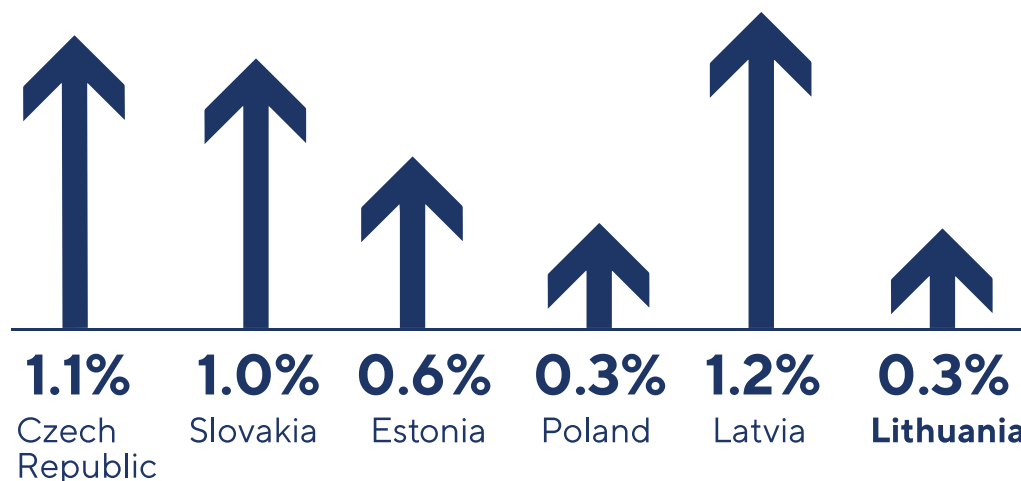
Unemployments, % Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
8,5	2,2	6,3	0,2	6,1	-1	7,1

Source:
Statistics Lithuania, 2021

As of the 31st of December 2020, the highest unemployment rate among CEE countries was recorded in Latvia (8.2%), the lowest – in the Czech Republic (3.1%). The lowest growth of the unemployment rate (0.3 percentage points) was recorded in Lithuania and Poland.

Unemployment, %, 2019-2020 Change



Unemployment, %	2020	2019
Czech Republic	3,1%	2,0%
Slovakia	7,0%	6,0%
Estonia	4,9%	4,3%
Poland	3,3%	3,0%
Latvia	8,2%	7,0%
Lithuania	6,3%	6,0%

Source:
Eurostat, 2021

In 2020, the average monthly gross (before taxes) salary, including sole proprietorships, amounted to EUR 1,421.2, and increased by (9.6%), as compared to 2019. The average monthly net (after taxes) salary in 2020 amounted to EUR 908.9 and was (10.6%) or EUR 86.8 higher than last year. Real wages (estimated at (1.2%) inflation in 2020) increased year on year (9.3%) compared to 2019.

Salary (monthly), bruto, EUR Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
1421,2	9,63%	1296,4	40,29%	924,1	9,96%	840,4

Source:
Statistics Lithuania, 2021

Salary (monthly), neto, EUR Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
908,9	10,56%	822,1	14,18%	720	9,06%	660,2

Source:
Statistics Lithuania, 2021





Business Expectations and Their Change during COVID-19 Pandemic Period.

In 2020, despite the COVID-19 pandemic, the number of operating economic entities (excluding natural persons) in Lithuania increased by (0.76%). Over the period of 2017 to 2021, the number of operators increased by (3.98%)

(22.54%) of economic entities were engaged in wholesale or retail trade, repair of motor vehicles and motorcycles. The majority (82.71%) of operators had less than 10 employees (i.e., micro-enterprises) and employed (19.49%) of all employees.

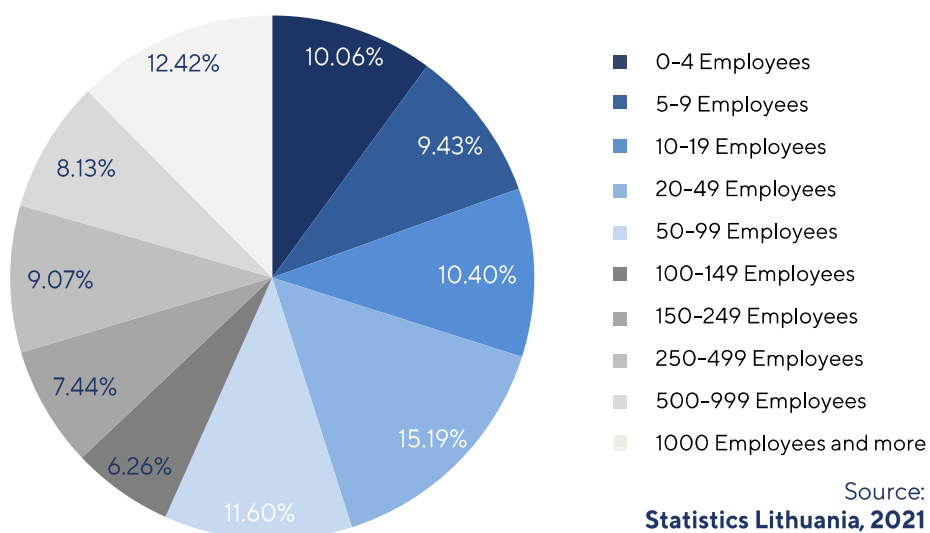
Number of Operating Legal Entities at the Beginning of the Year Lithuania, Total

2021	Change	2020	Change	2019	Change	2018
108258	0,76%	107444	2,24%	105093	0,94%	104117

Source:
Statistics Lithuania, 2021

Distribution of the Number of Employees in Operating Enterprises

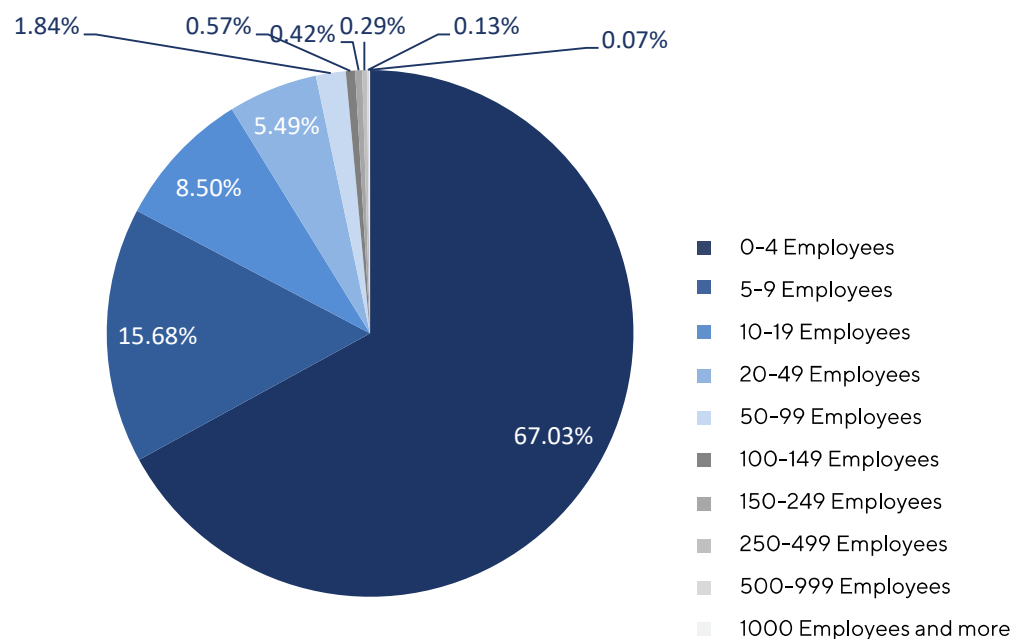
At the beginning of 2021, %, Lithuania, Total



Source:
Statistics Lithuania, 2021

Distribution of Operating Enterprises by Number of Employees

At the beginning of 2021, %, Lithuania, Total



Source:
Statistics Lithuania, 2021

Revenue from sales of other manufacturing products (28.36%), computer, electronic and optical products (17.23%), basic pharmaceutical products and pharmaceutical preparations (13.92%), paper and paper products (7.63%) increased. The share of products sold by producers in foreign markets comprised of 62.5% (63.8% in 2019), and 37.5% (36.2% in 2019) in the Lithuanian market.

The COVID-19 pandemic affected the business sectors, their performance, and future expectations in different ways. In 2020, sales of industrial production amounted to EUR 21.3 billion at current prices, which is (-8.57%) less at current prices than in 2019 or (1.86%) less at constant prices than in 2019.

Sales of Industrial Production, Billion EUR Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
21,30	-8,57%	23,30	3,22%	22,57	10,24%	20,47

Source:
Statistics Lithuania, 2021

The COVID-19 pandemic determined the largest increases in retail sale via mail order houses or via Internet (50.2%), retail sale of telecommunications equipment in specialised stores (44.3%), and the largest decreases in retail sale of footwear and leather goods (-20.3%), and retail sale of clothing in specialised stores (-13.2%), at constant prices.

In 2020, the turnover of freight transport by all modes of transport increased by (2.8%) and freight transport by (2.3%). Road and railway transport account for the largest share of total freight turnover. The turnover of road freight transport and freight transport increased by, (4.2%) and (4.9%), respectively, while the turnover of rail freight transport and freight transport decreased by (2%) and (3.2%), respectively





Lithuanian Export Trends and Potential.

In 2020, exports of goods in Lithuania amounted to EUR 28.62 billion and, compared to 2019, decreased by EUR 1 billion or (-3.4%). In January–November 2020, the value of goods exported to the EU countries, compared to 2019 during the same period, decreased by (-3.2%) and accounted for 56.5% of total Lithuanian exports. Lithuania mainly exported to Russia, Latvia, Germany, and Poland.

Export of Goods, Billion EUR Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
28,62	-3,40%	29,62	4,78%	28,27	7,04%	26,41

Source:
Statistics Lithuania, 2021

Over the period of January–November of 2020, Lithuania mainly exported and imported machinery and mechanical appliances, electrical equipment, and products of chemical industry and related industries.

In 2020, exports of goods of Lithuanian origin amounted to EUR 16.95 billion, and compared to 2019, decreased by EUR 0.86 billion or (-4.83%). In January–November of 2020, exports of goods of Lithuanian origin amounted to EUR 15.3 billion and accounted for 59.2% of total Lithuanian exports. As compared to the same period in

2019, exports of goods of Lithuanian origin decreased by (-7%), however exports of mineral products increased by (3.3%).

The goods of Lithuanian origin were mainly exported to the EU (63.1% of total exports of goods of Lithuanian origin); the main export partners of goods of Lithuanian origin were Germany, Sweden, Latvia, Poland and the Netherlands.

Exports of Lithuanian Origin, Billion, EUR Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
16,95	-4,83%	17,81	3,03%	17,29	10,15%	15,69

Source:
Statistics Lithuania, 2021

In 2020, exports of Lithuanian goods amounted to EUR 28.97 billion and, compared to 2019, decreased by (-9.32 %) or EUR 2.98 billion. Lithuania mainly imported from Poland, Germany, Russia, and Latvia. In January–November 2020, the value of imports from the EU countries decreased by (-5.7%) and amounted to (69.7%) of total Lithuanian imports.

Import of Goods, Billion EUR Lithuania, Total

2020	Change	2019	Change	2018	Change	2017
28,97	-9,32%	31,95	3,25%	30,94	8,51%	28,52

Source:
Statistics Lithuania, 2021

In the third quarter of 2020, exports of services amounted to EUR 2.67 billion, which was (-14.18%) less than in the same period in the previous

year. This decrease was mainly due to the decrease in the volume of exports of travel services (-76.06%). The largest share of service exports in the third quarter of 2020 comprised of exports of transport services, which accounted for 64.14%, and exports of other business services 12.42%. Most exports were to the EU countries (70.12% of Lithuania's total exports of services), of which (55.55%) of services were exported to the countries of euro area. Exports of services to the EU countries in the third quarter of 2020, compared to the same quarter in 2019, decreased by (-8.1%). The main export partners of Lithuanian services in the third quarter of 2020 were Germany (14.17%), France (9.5%), the Netherlands (6.23%), and Russia (6.25%). Exports to Germany decreased over the year by (-5.9%). Transport and other business services accounted for the largest share of service exports to Germany (76.9% and 6.4%, respectively). In 2017–2019, exports of services increased by almost half (by 41.6%) from EUR 2.23 billion to EUR 3.16 billion.

Exports of Services, Million EUR Lithuania, Total

2020 Q3	Change	2019 Q3	2019	Change	2018	Change	2017
2673,64	-14,18%	3115,51	3161,22	23,32%	2563,53	14,84%	2232,31

Source:
Bank of Lithuania, 2021

In the third quarter of 2020, Lithuania imported services valued at EUR 1.38 billion, compared to the same period a year ago. The table shows that the volume of imports of services decreased by (-23.47%). Decrease in imports of services in the third quarter of 2020 was mainly due to a significant decrease in the volume of travel services imports (-76.69%). Transport services and other business services accounted

for the largest share of imports of services, with 57.05% and 19.71%, respectively. In the third quarter of 2020, Lithuania mainly imported services from the countries of European Union (64.78% of Lithuania's total imports of services). Imports of services from EU countries decreased over the year by (-17.7%). Lithuania mainly imported services from Poland (9.78%), Germany (8.92%), Russia (8.18%), Belarus (8.18%), and Latvia (7.14%). In the third quarter of 2020, as compared to the same period a year ago, imports of services from Poland decreased by (-17.8%). Transport and other business services accounted for the largest share of service imports from Poland (80.6% and 8.6%, respectively). Over the period of 2017 to 2019, imports of services increased by (29.22%), from EUR 1.45 billion to EUR 1.87 billion.

Imports of Services, Million EUR Lithuania, Total

2020 Q3	Change	2019 Q3	2019	Change	2018	Change	2017
1376,43	-23,47%	1798,58	1869,97	18,24%	1581,53	9,28%	1447,17

Source:
Bank of Lithuania, 2021

In the period of 2017–2019 and in the third quarter of 2020, the balance of foreign trade in services remained positive, but compared to the same period a year ago, the foreign trade surplus decreased by (-1.5%). In the third quarter of 2020, the largest surplus (929.74 million euros) was in the balance of transport services, and the largest deficit (-14.89 million euros) was in the balance of taxes on the use of intellectual property not included elsewhere. In the period of 2017–2019, the surplus in foreign trade in services increased by (64.46%).

Imports of Services, Million EUR Lithuania, Total

2020 Q3	Change	2019 Q3	2019	Change	2018	Change	2017
1297,21	-1,50%	1316,93	1291,25	31,49%	982	25,07%	785,14

Source:
Bank of Lithuania, 2021

In the third quarter of 2020, compared with the same period in the previous year, there was a significant increase in exports and imports of information and communication technology services (34.30% and 21.25%, respectively). Over the period of 2017 to 2019, exports of information and communication technology services increased by almost half (41.67%), while imports increased even more – by (58.49%). Despite a larger increase in imports of information and communication technology services, the balance of trade in these services remains positive. The surplus of these services amounted to EUR 112.3 million and increased by (49.77%) in the third quarter of 2020.

Information and Communication Technology Million EUR

	2020 Q3	Change	2019 Q3	2019	Change	2018	Change	2017
Exports	220,13	34,30%	163,91	202,66	26,52%	160,18	11,97%	143,05
Import	107,83	21,25%	88,93	136,81	51,32%	90,41	4,74%	86,32
Balance	112,3	49,77%	74,98	65,85	-5,62%	69,77	22,99%	56,73

Source:
Bank of Lithuania, 2021



2




Economic Situation In Klaipėda.

Klaipėda is Lithuania's third largest city, situated on the western side of the country, on the coast of the Baltic sea. It is a regional center of administration, business, education, culture and tourism. Historically, the city was a very important crossroad for various trade routes, as it was the place where North met South and East met West. It remains of the same importance, especially since it is the country's only seaport.

Port of Klaipėda is a multipurpose, universal, deep-water port, providing high quality services. The port makes Klaipėda the most important and the biggest Lithuanian transport hub, connecting sea, land and railway routes from East to West. Continuous investments in the development of the port makes it the biggest EU seaport on the Eastern coast of the Baltic sea per cargo handled.

Moreover, Klaipėda was the first city among the three Baltic States to have established a Free Economic Zone (FEZ) in 2002. Since then, more than 100 companies started their operations here, including the leading companies in their industry. More than 600 million EUR has already been invested in the FEZ.

Places to invest in Klaipėda > Klaipėda seaport / Klaipėda FEZ / the territory of "Memel city"/ the development of Giruliai resort area / the conversion of "Klaipėdos energija" territory / the modernization of old office infrastructure (converting them into modern, energy-saving office buildings or increasingly popular business community centers with coworking spaces) / the development of energy-efficient housing or modern office-buildings in the vacant areas of the city / Baltic Logistics center (VPA logistics) / VMG industrial and business park.



Ratings and Awards.

fDi Intelligence a Special Award (Bespoke Awards)

In 2020, in the annual financial free zone ranking of Financial Times group's foreign direct investment publication fDi Intelligence, the Klaipėda FEZ received a special award (Bespoke Awards) for the sustainability decisions of companies operating in the area and the FEZ management company. This is the first award of such type in Lithuania. Klaipėda FEZ was also awarded the Bespoke Awards for achievements in the field of transport.

"European Sails" Award

The audio guide "Discover the port city with Ann from Tharau" created at the initiative of Klaipėda State Seaport Authority and presented to the city, has been evaluated as one of the most innovative solutions and won the "European Sails" award.

European Label of Governance Excellence (ELOGE)

Klaipėda City Municipality has been awarded the European Label of Governance Excellence (ELOGE). This label is awarded to municipalities for the implementation of the principles of good governance after assessing compliance with the Council of Europe reference principles.

Investors' Spotlight Quality Labels

The Investors' Spotlight quality labels were awarded to the three bachelor's study programs of Klaipėda University – Electrical Engineering, Informatics Engineering and Chemical Engineering.

Investors' Spotlight quality label was awarded to two bachelor's study programs of Klaipėda State College – Informatics Engineering and Finance.

Among the 200 Best Universities in the World

In the field of oceanographic sciences, Klaipėda University is among the 200 best universities in the world.

QS Emerging Europe & Asia University Rankings 2021

Klaipėda University has improved its position in the prestigious global QS Emerging Europe & Central Asia University Rankings 2021, published at the end of 2020. Klaipėda University ranks 112th among 600 ranked regional universities (improving its position by four places, compared to the 2020 ranking).

A'Design Award

Dancer electric bus created by Vėjo Projektai, a company from Klaipėda, received a gold award in the transport category in the international A'Design Award competition.

Bank of Lithuania Rating

Klaipėdos Nafta AB was rated by the Bank of Lithuania as one of the companies with best compliance with the requirements among 26 companies listed on the Lithuanian stock exchange.

Safe Zone Certificate of the World FZO Organization

In 2019, Klaipėda FEZ was the first in Lithuania to receive the Safe Zone certificate of the World FZO organization uniting the world's free zones, certifying the compliance of the management company with the best practices of sustainability, security, transparency, and financial management.





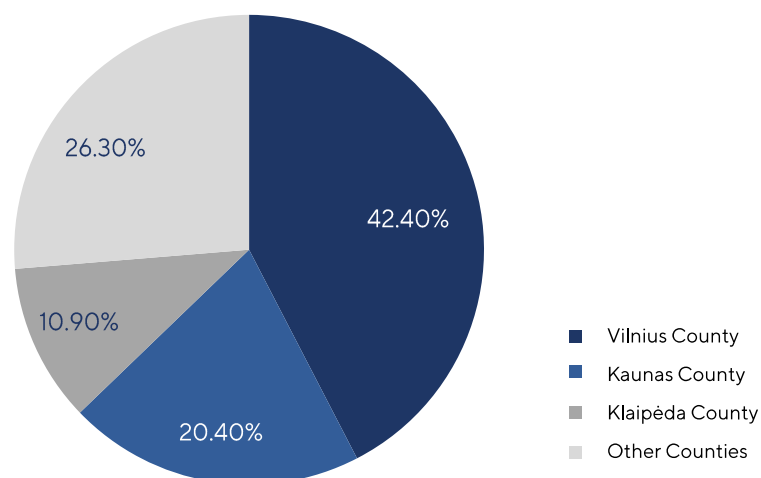
Key Economic Indicators. GDP and Gross Value Added.

In 2019, the gross domestic product generated by Klaipėda County grew faster than in 2017–2018, and faster than the gross domestic product generated in Kaunas County. The gross domestic product generated by Klaipėda County in 2019 was the third largest in Lithuania and accounted for 10.9% of the gross domestic product generated in Lithuania.

GDP, Million EUR	2019	Change	2018	Change	2017
Klaipėda County	5305,6	6,59%	4977,4	4,33%	4771
Kaunas County	9964,4	5,62%	9434,5	9,38%	8625,8
Vilnius County	20678,6	9,17%	18942,4	10,17%	17193,9
Lithuania, Total	48797,4	7,27%	45491,1	7,60%	42276,3

Source:
Statistics Lithuania, 2021

Distribution of GDP by Counties
2019, %, Lithuania, Total



Source:
Statistics Lithuania, 2021

The table demonstrates that in Klaipėda County, GDP per capita grew faster (by 1.07 percentage points) in the period of 2018–2019 than in 2017–2018, and faster than in Kaunas County (by 0.38 percentage points); Klaipėda County generates a higher GDP per capita than the other 7 out of 10 Lithuanian counties.

GDP per capita, Thousand EUR	2019	Change	2018	Change	2017
Klaipėda County	16,6	5,73%	15,7	4,67%	15
Kaunas County	17,7	5,36%	16,8	10,53%	15,2
Vilnius County	25,4	8,55%	23,4	9,35%	21,4
Lithuania, Total	17,5	8,02%	16,2	8,72%	14,9

Source:
Statistics Lithuania, 2021

In 2019, (10.87%) of all gross value added generated in Lithuania was generated in Klaipėda. Gross value added generated in Klaipėda county in 2018–2019 increased over the period by (6.53%), from EUR 4.475 billion to EUR 4.767 billion. The increase in value added in the industrial sector (8.65%), including in manufacturing (10.38%), had the largest impact on the increase in gross value added generated in Klaipėda County.

Gross Value Added at Current Prices
By Type of Economic Activity, Million EUR

Economic Activity	Klaipėda County			Kaunas County			Vilnius County			Republic of Lithuania		
	2019	Change	2018	2019	Change	2018	2019	Change	2018	2019	Change	2018
A Agriculture, Forestry and Fishing	119,7	34,95%	88,7	255,6	-25,20%	341,7	244,5	99,59%	122,5	1573,2	20,03%	1310,7
B-E Industry	1186,1	8,65%	1091,7	2156,4	4,16%	2070,2	2711	4,18%	2602,3	9105,8	3,69%	8781,9
C Manufacturing	1053,6	10,38%	954,5	1987,7	4,85%	1895,7	2276,4	3,91%	2190,8	7862,8	4,20%	7546,1
F Construction	376,6	12,12%	335,9	725,6	15,47%	628,4	1191,3	10,88%	1074,4	3218,5	11,82%	2878,2
G-H-I Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; Transport; Accommodation and Food Service Activities	1719,4	2,13%	1683,5	2967,6	6,04%	2798,6	5783,4	7,58%	5375,8	13771,7	6,18%	12970,1
J Information and Communication	68,4	3,95%	65,8	282,4	17,91%	239,5	1138,9	9,64%	1038,8	1672,9	9,98%	1521,1
K Financial and Insurance	31,6	4,29%	30,3	69,6	4,98%	66,3	811,4	11,81%	725,7	1010,3	10,09%	917,7
L Real Estate Activities	297,1	1,64%	292,3	545,4	-1,00%	550,9	1085,7	0,57%	1079,6	2824,3	0,86%	2800,3
M-N Professional, Scientific and Technical Activities; Administrative and Support Service Activities	298,8	13,40%	263,5	590,2	6,96%	551,8	2047,6	8,69%	1883,9	3195,9	8,49%	2945,8
O-P-Q Public Administration and Defence; Education; Human Health and Social Work Activities	570,2	7,22%	531,8	1146,4	10,82%	1034,5	3116,3	14,99%	2710,1	6473	10,77%	5843,8
R-U Arts, Entertainment and Recreation Activities, Repair of Household Goods and Other Services	99,7	8,37%	92	214,8	6,76%	201,2	451,9	7,80%	419,2	1004,2	7,47%	934,4
Total by Economic Activity	4767,6	6,53%	4475,5	8954	5,55%	8483,2	18582	9,10%	17032,3	43849,6	7,20%	40904



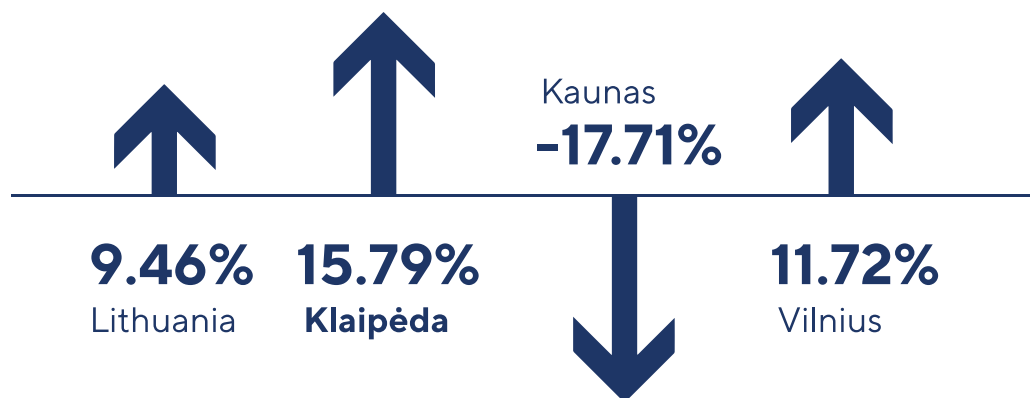
Source:
Statistics Lithuania, 2021



Key Economic Indicators. Foreign Direct Investment.

Over the period of 2018 to 2019, FDI flows in Klaipėda increased by (15.79%) to EUR 1.94 billion, and growth rates were faster than the Lithuanian average. In 2019, FDI attracted by Klaipėda accounted for 5.9% of all FDI attracted by Lithuania.

FDI
2018–2019 Change



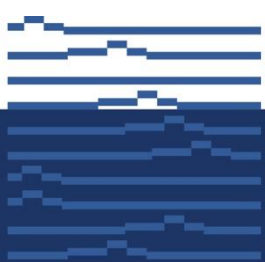
FDI, Million EUR	2019	2018	2017
Klaipėda	1094,87	945,6	934,72
Kaunas	1244,33	1512,1	1468,64
Vilnius	12735,08	11398,96	11089,99
Lithuania, Total	18563,74	16959,32	16360,56

Source:
Statistics Lithuania, 2021

In 2018–2019, FDI per capita in Klaipėda also grew faster than the Lithuanian average (5.37 percentage points) and even faster than in Vilnius (5.03 percentage points). In 2019, FDI in Klaipėda County was mostly attracted to manufacturing (37.88%), transport and storage (21.52%), and professional, scientific, and technical economic (9.69%) activities.

FDI per capita, Thousand EUR	2019	Change	2018	Change	2017
Klaipėda	7342	14,83%	6394	1,86%	6277
Kaunas	4300	-18,45%	5273	3,53%	5093
Vilnius	22667	9,79%	20645	1,92%	20256
Lithuania, Total	6644	9,46%	6070	4,21%	5825

Source:
Statistics Lithuania, 2021





FEZ activities. FDI to Klaipėda.

Value of LEZ Development Projects	18.3 M Eur.
<hr/>	
	2019

Turnover of FEZ companies	1.16 B Eur.
<hr/>	
	2019

Additional Jobs Created	500
<hr/>	

Total Number of Employees	5900
<hr/>	

Total Export of Klaipėda FEZ companies	542 M Eur.
<hr/>	
	2019

Main Export Directions	Scandinavia,
<hr/>	
	Western Europe, The Baltics, Poland

Since the start of operation of the free economic zone in 2002, **Klaipėda FEZ has accumulated EUR 643 million**, most of which are foreign direct investments.

The German polymer company **REHAU is being established in Klaipėda FEZ**, which plans to commence its operations in January 2022. 27 million euros will be invested in the project, thereby creating 250 qualified new jobs.

In 2020, **Autoverslas UAB** group of companies operating in the field of transport and logistic services in the Klaipėda Free Economic Zone (FEZ) has **implemented a development project**, which included a 10,000 sq m area warehouse, transshipment infrastructure and more than 25,000 sq m of open areas. EUR 5 million were invested in this project.

Baltic Comri Technologies UAB (BCT), a Lithuanian-Danish electrical equipment manufacturer operating in Klaipėda, **will invest EUR 1 million into the project of a new production building** in Klaipėda Free Economic Zone. It is expected that the company, which currently employs more than 80 specialists, will move to the new premises in the first half of 2021.

Lavango food industry equipment production group plans to complete the construction of the **second production building** in 2021 and double its sales by 2023.

In 2020, the Klaipėda FEZ started to implement the project in **Klaipėda FEZ for the development of infrastructure** to attract foreign direct investments in the fields of smart specialisation, for which up to EUR

1,015,302.86 have been allocated from the European Regional Development Fund.

Mestilla UAB plans to launch **production of biofuels** from used oil collected in Lithuania at the end of 2021. EUR 6 million were invested in this project.

The European Energy Efficiency Fund (EEEF), an investment company established by the European Commission, has invested in the Lithuanian **electric bus rental company Dancer Mobility**.

5 of the companies operating in Klaipėda announced investments in development.





Key Economic Indicators. Material Investments.

Material Investments in Klaipėda

107.29%

2017–2019 Change

The growth of this indicator was mainly due to the increase in material investments in transport and storage (289.17%), construction (125.06%), and professional, scientific, and technical activities (117.34%).

According to the indicator of material investments, Klaipėda is the second among the Lithuanian cities. Moreover, this indicator increased in Klaipėda the fastest in 2018–2019. The material investments of Vilnius, Kaunas Klaipėda in 2019 accounted for 57.73% of all material investments in Lithuania.

Material Investments, Million EUR	2019	Change	2018	Change	2017
Klaipėda	1163,41	112,18%	548,32	-2,31%	561,26
Kaunas	1039,11	8,14%	960,88	21,60%	790,20
Vilnius	3084,08	2,92%	2996,50	20,68%	2482,93
Lithuania, Total	9157,04	13,36%	8077,81	10,41%	7315,93

Source:
Statistics Lithuania, 2021





Demographic Trends. Population.

According to the data of the Statistics Lithuania as of 1 January 2021, the total population growth of Klaipėda city and district in 2020 was positive (1.17%). In 2020–2021, the population of Klaipėda city decreased by (–0.05%) or 70 inhabitants. To attract more inhabitants and successfully implement the goals of the city strategy (190,000 inhabitants in Klaipėda by 2030), it is necessary to implement mechanisms for attracting people and strengthen the image of Klaipėda.

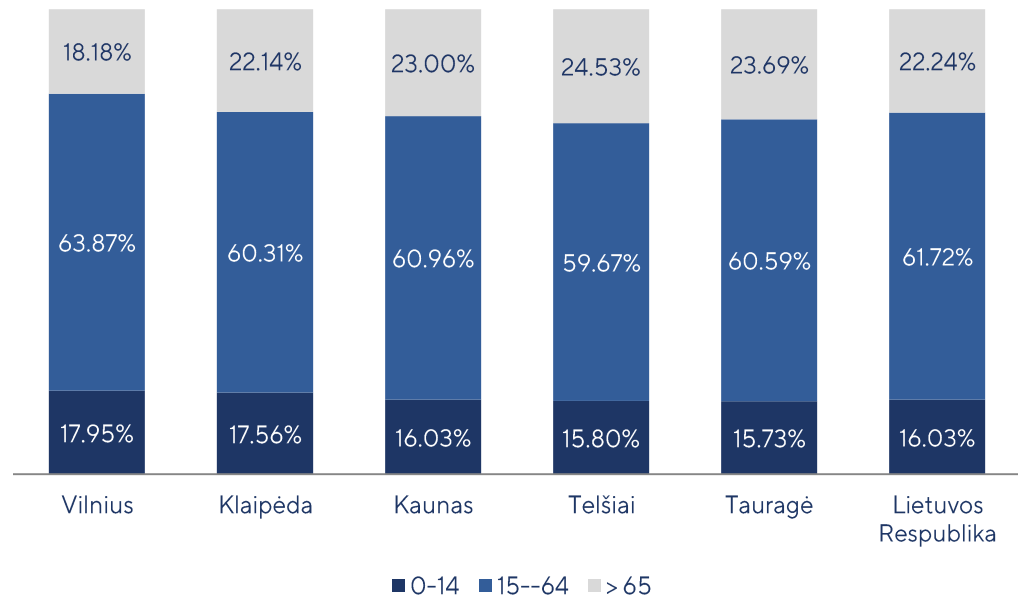
Population	2021	Change	2020	Change	2019
Klaipėda	149046	–0,05%	149116	0,83%	147892
Klaipėda district	62634	4,17%	60124	2,88%	58439
Klaipėda city and district, Total	211680	1,17%	209240	1,41%	206331
Kaunas	293257	1,35%	289364	0,91%	286754
Kaunas district	97546	1,16%	96423	1,37%	95120
Kaunas city and district, Total	390803	1,30%	385787	1,02%	381874
Vilnius	569729	1,40%	561836	1,76%	552131
Vilnius district	102008	1,86%	100146	1,72%	98456
Vilnius city and district, Total	671737	1,47%	661982	1,75%	650587
Lithuania, Total	2795175	0,04%	2794090	0,00%	2794184

Source:
Statistics Lithuania, 2021

According to the data of the Statistics Lithuania as of 1 January 2021, Klaipėda is the second youngest city in Lithuania (Klaipėda residents aged 0–14 make up (17.56%) of the total city population). This

composition of the population provides an excellent opportunity for the city to develop talent and supplement the labour market with a quality workforce in the future.

Population Distribution
By Age Groups, 2021, %



Source:
Statistics Lithuania, 2021



Business Trends. Labour Statistics.

Nationwide, the unemployment rate in 2020, compared to 2019, increased due to the consequences of COVID-19 pandemic. The total unemployment rate of Klaipėda city and district (13.7%) is the lowest of the three major regions.

Unemployment, %	2020	Change	2019
Republic of Lithuania	16,1%	7,33%	8,7%
Klaipėda	15,5%	8,10%	7,4%
Klaipėda district	9,8%	5,26%	4,5%
Kaunas	17,1%	7,90%	9,2%
Kaunas district	14,2%	6,29%	7,9%
Vilnius	13,8%	6,22%	7,6%
Vilnius district	14,6%	5,64%	8,9%

Source:
Employment Service, 2021

As demonstrated by the table, the number of employees in 2019 in Klaipėda City Municipality increased rapidly – by (3.44%). In the third quarter of 2020, compared to the same period a year ago, the number of employees in all the municipalities in question decreased due to the COVID-19 pandemic.

Number of Employees

2020 K3	Change	2019 Q3	2019	Change	2018	Change	2017
Republic of Lithuania							
1272625	-1,49%	1291932	1287920	1,65%	1267055	0,51%	1260591
Klaipėda							
79916	-1,84%	81414	81054	3,44%	78358	-2,91%	80704
Klaipėda District							
19850	-2,47%	20353	20154	4,78%	19234	4,86%	18343
Kaunas							
175046	-2,72%	179932	180083	-0,15%	180352	2,67%	175655
Kaunas District.							
32896	6,59%	30861	30551	-0,57%	30727	4,85%	29305
Vilnius							
470023	-0,83%	473938	473578	3,49%	457613	1,01%	453049
Vilnius District							
31595	-0,02%	31600	31405	3,68%	30291	7,69%	28128

Source:
Statistics Lithuania, 2021

The analysis of the change in the number of employees in Klaipėda County in 2018–2019 must take into account the dynamics of the number of employees by sector of activity. Over the period of 2018 to 2019, the total number of employees by economic activities increased by (3.35%), mainly due to an (12.16%) increase in the number of employees in the manufacturing sector. In 2017–2018, a small (1.53%) increase in the number of employees was observed in the information and communication technology sector, which is strategically important for the city. Another important sector for Klaipėda due to its geographical location and transport infrastructure is the transport sector. In 2017–2019, the number of employees in this sector increased by (10.06%) and had demonstrated growth of (3.82%) in the last year.

Number of Employees
By Type of Economic Activity

	Klaipėda County			Kaunas County			Vilnius County			Republic of Lithuania		
	2019	Change	2018	2019	Change	2018	2019	Change	2018	2019	Change	2018
C Manufacturing	28184	12,16%	25129	50540	1,63%	49729	53727	-0,42%	53954	206997	1,79%	203349
F Construction	12232	2,31%	11956	20831	3,51%	20125	32460	1,00%	32138	93263	1,77%	91643
G Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	13483	-2,76%	13865	46710	-1,77%	47553	102914	0,16%	102748	208330	-0,88%	210181
H Transport and Storage	18007	3,82%	17345	23583	12,04%	21049	58994	8,92%	54163	126226	-8,36%	137734
I Accommodation and Food Service Activities	5210	2,42%	5087	9199	0,70%	9135	19167	5,46%	18175	41480	3,74%	39983
J Information and Communication	929	-9,19%	1023	5863	17,61%	4985	23370	6,58%	21927	31837	7,12%	29720
K Financial and Insurance Activities	322	2,88%	313	807	-4,72%	847	15284	5,57%	14478	18032	5,82%	17040
M Professional, Scientific and Technical Activities	3795	1,36%	3744	9899	3,67%	9549	34154	0,96%	33828	53179	1,63%	52326
N Administrative and Support Service Activities	6849	20,54%	5682	10216	-2,83%	10513	36772	6,85%	34414	60088	4,64%	57422
R Arts, Entertainment and Recreation Activities	2955	0,78%	2932	5374	-1,27%	5443	11005	-0,96%	11112	27331	-0,58%	27490
Total by Economic Activity	131818	3,35%	127551	260330	-0,11%	260617	530846	-3,31%	549037	1287920	1,65%	1267055

Source:
Statistics Lithuania, 2021

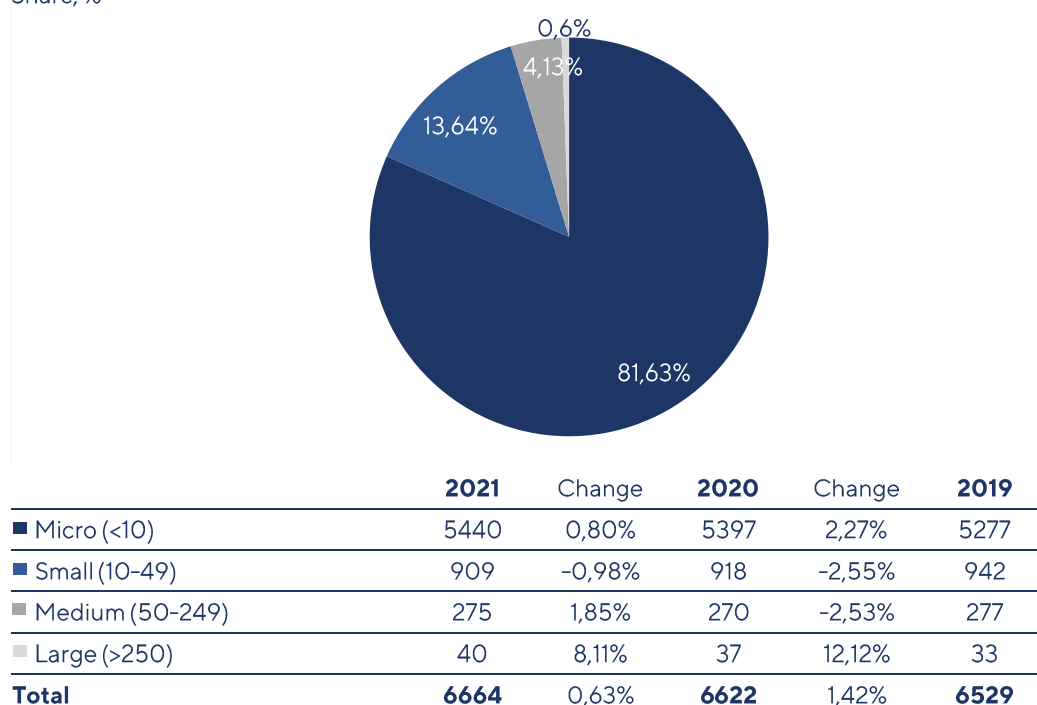




Business Trends. Companies.

As of 1 January 2021, the number of the smallest companies in Klaipėda continued to grow in 2020. Over the year, their number increased by (0.8%), and of the total number of companies operating in Klaipėda, these companies accounted for the largest share – as much as 81.63%. Small- and medium-sized enterprises in Klaipėda City Municipality make up (99.4%) of all companies operating in Klaipėda. In 2020, the number of large enterprises with more than 250 employees increased significantly – by (8.11%), however, they make up the smallest share (0.6%) in the structure of enterprises operating in Klaipėda.

Group of Enterprise Size
Share, %

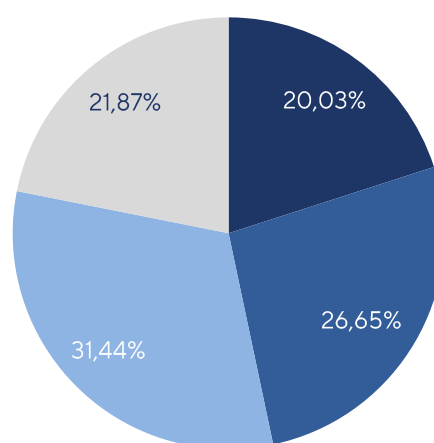


Source:
Statistics Lithuania, 2021

According to the data provided by the Statistics Lithuania, as of 1 January 2021, the number of employees in micro enterprises in Klaipėda City Municipality decreased rapidly by (-7.6%). In 2020, the fastest increase in the number of employees was recorded in large enterprises (9.14%). In 2019–2021, the number of employees in enterprises of this size increased by one fifth (20.5%).

Group of Enterprise Size

Share, %



	2021	Change	2020	Change	2019
■ Micro (<10)	12158	-7,60%	13158	-2,09%	13439
■ Small (10-49)	16177	1,75%	15898	-2,09%	16237
■ Medium (50-249)	19085	3,03%	18524	6,44%	17403
■ Large (>250)	13274	9,14%	12162	10,40%	11016
Total	60694	1,59%	59742	2,84%	58095

Source:
Statistics Lithuania, 2021



Costs in Klaipėda. Rent and Wages.

In 2020, the prices of A-class offices in Klaipėda increased, as did the average price of B+ and B-class offices. The office rental prices remain the lowest among the Lithuanian cities, which creates favourable conditions for renting high-class offices in Klaipėda at more reasonable prices than in Vilnius or Kaunas. In 2020, the supply of modern offices in Klaipėda reached 48,500 sq. m. and was the lowest in comparison with the other two metropolises. It is planned to start developing several projects in 2021–2022, which, when completed, would offer the market the largest office area in the history of the Klaipėda office market. The vacancy rate of modern business centres in Klaipėda is close to that typical in Europe (~ 13%) and will not change significantly in the next 2–3 years.

Office Rental Costs EUR/m²/Month

	A Class	B+ Class	B Class
Klaipėda	10-12	8-11	6-8
Kaunas	13-14	9-12	6-10
Vilnius	13,5-16	11-13,5	8-10

Source:
Newsec, 2021

In 2020, the market of warehousing premises in Klaipėda Region grew significantly and recorded the largest historical new supply, which

amounted to 74,900 sq. m. One of the new projects is a modern SBA logistics centre featuring sustainable technologies. It is planned that in

2021 the market will be supplemented by 20,800 sq. m of new storage space. It is likely that in 2021 rental prices will remain stable, which could create more favourable conditions for moving to higher quality premises.

Nationwide, the level of rental prices in the Klaipėda Region is also more attractive. Rental prices for storage premises in Klaipėda Region are slightly lower (in new buildings) or the same (in old buildings) as in Kaunas Region, however, significantly lower than in Vilnius region.

Rental Price of Warehousing Premises

EUR/m²/Month

	New	Old
Klaipėdos Region	3,2-4,3	2,0-3,5
Kauno Region	3,3-4,5	2,0-3,5
Vilniaus Region	3,8-4,7	2,0-3,8

Source:
Colliers, 2021

In 2020, net salary in Klaipėda increased by (12.86%), compared to 2019.

Average Salary in Klaipėda

Neto, Eur

2015	2016	2017	2018	2019	2020
586,5	633,6	686,1	751,7	848,9	958,1

Source:
Statistics Lithuania, 2021

Over the period of 2018 to 2019, wages and salaries in Klaipėda County grew the fastest (by 55.40%) in the information and communication technology sector, however, the average wages of employees in this sector remain the lowest among Lithuanian cities. In 2017–2019, the average salary of employees in the information and communication technology sector in Klaipėda County also grew the fastest (82.82%).

Average Salary in Information and Communication Technology Sector
Bruto, EUR

	2019	Change	2018	Change	2017
Klaipėda region	1600,2	55,40%	1029,7	17,64%	875,3
Kaunas region	2053,9	43,84%	1427,9	10,15%	1296,3
Vilnius region	2502,3	40,57%	1780,1	14,04%	1560,9
Republic of Lithuania	2340,3	41,66%	1652	14,17%	1447

Source:
Statistics Lithuania, 2021

In Klaipėda County, the average wage was the highest compared to the average wages in Kaunas and Vilnius only in the transport and storage (EUR 1,294.30), and in mining and quarrying (EUR 1,587.30) sectors. In other sectors, the average wage is lower than in other major Lithuanian cities.

In terms of wage costs

Most Competitive

In terms of wage costs, Klaipėda remains the most competitive among Lithuanian cities in terms of rent of offices and storage premises.







Main Events.

2020

01.15

The strategic business plan of the Seaport Authority for 2020–2023 was approved by the Order of the Minister of Transport and Communications of the Republic of Lithuania of 15 January 2020.

In 2020–2023, it is planned to invest EUR 352.4 million in the development of Klaipėda Seaport. Most of the funds will be allocated to port quay construction and reconstruction projects, as well as water area and quay dredging works.

2020

04 – Apr.

At the beginning of 2020, Klaipėdos autobusų parkas UAB acquired 2 electric Dancer buses manufactured in the territory of Klaipėda FEZ, which started transporting passengers on the public transport routes of the port city.

2020

05.07

The Law on Municipal Infrastructure Development was adopted on 7 May 2020 nationally. From early 2021, real estate developers will have to pay fees for infrastructure development in the urban area before applying for a building permit.

2020

06.22

On 22 June 2020 June, the Government of the Republic of Lithuania has adopted the necessary decisions – it is planned to install a wind farm with a capacity of up to 700 MW in the Baltic Sea territory, nearly 30 kilometres from the shore, before 2030.

2020

06.30

On 30 June 2020, the Lithuanian Maritime Cluster has been established. The main sectors targeted by the Lithuanian Maritime Cluster are alternative fuel infrastructure and technologies (LNG, biogas, hydrogen, ammonia), port and cargo handling, shipbuilding, repair, and marine energy. Organizations such as Klaipėda University, Klaipėda FEZ, Klaipėda Science and Technology Park (KMTP), Klaipėdos Nafta, Lithuanian Railways, Ignitis, Bega, BLRT Grupp and others have already joined the Maritime Cluster. It is expected that in the future the range of members of the Maritime Cluster will significantly expand and include even more representatives of seaport companies, shipbuilding and repair, and marine energy sectors. KMTP became the coordinator of the new platform.

2020

08 – Aug.

In August 2020, the EUR 5.47 million project for the construction of the Baltic Maritime Digital Innovation Hub has been approved. Construction of a 2,000 sq. m. space with 3D printing, robotics, digital design, electronics, neuromarketing, metal and wood processing and IT laboratories has been commenced, where members and customers of the Baltic Maritime Digital Innovation Hub will be able to perform tests using the most advanced technologies.

2020

09.04

On 4th of September 2020, a contract for the reconstruction of breakwaters (piers) has been signed. The value of the breakwater reconstruction works amounts to approx. EUR 49 million (incl. VAT). The reconstruction is expected to be completed in April 2023.

2020

09.25-27

On 25-27th of September 2020, the hackathon Portathon Baltic 2020 has been organised for the second time. The event attracted participants from countries such as Sweden, Germany, the Netherlands, and the United Arab Emirates (UAE). A wide range of specialists, such as academic youth, representatives of various industries and experts, were invited to the event to find original and innovative solutions that are relevant not only to the city of Klaipėda, but also to the ports of the Baltic Sea region.

2020

10 – Oct.

At the end of October 2020, the German polymer company REHAU, which was established in the Klaipėda Free Economic Zone (FEZ), became the first investor, for the establishment of which, the Green Corridor initiative created by Klaipėda ID at the end of 2019, has been successfully tested. Under this programme, a large investor (>3 million investments and >20 newly created jobs) can obtain a construction permit under an accelerated procedure. Despite the pandemic situation, 20 local and national institutions involved in the initiative have shown goodwill and focus on the common goal, as a result of which, the largest German capital company will invest 27 million euros in the Klaipėda Region in the next few years and will create 250 new qualified jobs.

2020

10.27

On 27th of October 2020, a time capsule was buried in the foundations of the new study complex of the University of Applied Social Sciences (SMK). SMK, Baltic Tech Park and Lighthouse Innovation Infrastructure Fund are developing a joint initiative aimed at the breakthrough of Klaipėda, attracting and developing young talent and promoting entrepreneurship. The new SMK study complex will open in September 2021.

2020

11 – Nov.

In November 2020, the Workation Klaipėda'20 initiative organised by Klaipėda ID and the city was nominated for the political innovation award and was among the finalists.

Klaipėda Science and Technology Park has become the leading partner of the launched AquaVIP project working together with the universities of Klaipėda, Rostock and Gdansk. The consortium is carrying out important preparatory work for the establishment of the South Baltic Aquaculture Competence Centre, which is scheduled to be established by 2022.

In 2020, Klaipėda Science and Technology Park together with partners presented an international blue biotechnology accelerator programme. Its aim is to help turn innovative ideas from all over the Baltic Sea region into tangible products and services.

2020

11.30

A hydrogen platform is being developed in Lithuania to promote advanced energy technologies. The agreement defining the above has been signed on 30th of November 2020 by 20 organisations – representatives of the Government, business associations and large

energy companies. The Lithuanian Maritime Cluster, coordinated by Klaipėda Science and Technology Park (KMTP), will join the new platform. The signatories to the agreement have agreed to cooperate in the creation and development of hydrogen technologies, which will be crucial for achieving national and European energy and climate goals.

2020

12.21

On 21st of December 2020, the Government of the Republic of Lithuania has decided to suspend all flights to and from the United Kingdom due to the deteriorating epidemiological situation in that country. Two destinations from Palanga Airport remain active: Copenhagen (Denmark) and Riga (Latvia).

2020

12 – Dec.

In December 2020, two 5G mobile communication stations started operating in the Klaipėda Free Economic Zone. Telia's non-commercial 5G connection will be available free of charge to more than 100 companies from 18 countries located in the FEZ.

At the end of 2020, the LCC International University announced a partnership with Cybint Solutions, the world's leading company in the field of cyber security, and training of qualified cyber security specialists in Lithuania has been started from mid-February 2021. Cyber security is a sector that has grown by 30-fold in the past decade and continues to grow, and the shortage of workers in this industry in Europe has doubled since last year. After three months of intensive training, future professionals will gain globally recognised certifications.

2020 was the most successful year in the activity of Klaipėda Seaport. The largest cargo handling in the entire history of Klaipėda Seaport

activity has been achieved. Cargo handling turnover of Klaipėda Seaport grew by 3.3 per cent – a total of 47.8 million tons handled in 2020.

2021

02 – Feb.

In February 2021, Klaipėda Science and Technology Park, implementing the international project INforM, in collaboration with partners evaluated the application of distributed ledger technology (DLT) in the manufacturing business – the project team has no doubt that innovation in this segment would fundamentally transform process management. The further stage of development of the business model and technical specification of DLT-based prototype Industry.5 will include work with potential investors – the business is expected to highlight the potential for innovation and give a ‘green light’ to further system design work and field testing.

Smiltynės perkėla AB intends to invest EUR 20 million in 2020–2023. It is planned to renovate the infrastructure of the New Ferry port (Naujoji perkėla) by May 2021. Over the next 3 years, the company intends to purchase two ferries: one passenger-cargo ferry and one passenger ferry.

2021

01.13

The EXOPRODIGI project, funded by the Interreg Baltic Sea Region Programme, was officially launched on 13th of January 2021. The aim of EXOPRODIGI is to strengthen the institutional capacity of end-users in the maritime industry at various stages of the ship’s life cycle. One of the project partners is Klaipėda Science and Technology Park.

2021

02.23

On 23th of February 2021, the Klaipėda University Future Support Fund

officially launched its activities. The founders of the fund had set an ambitious goal – to develop it into an inviolable capital fund within the next couple of years. The founders and shareholders of the Klaipėda University Future Support Fund became the 9 largest business entities operating in Klaipėda Region. Their contributions formed the initial capital of the fund, reaching 90 thousand euros. The Fund is a tool that will help to achieve the goals of Klaipėda's Blue Breakthrough strategy by 2030.

2021

In 2021, the US consulting firm Moffatt & Nichol started preparing seaport development alternatives in the southern part of Klaipėda. It is planned to form an area of 80 ha dedicated to the port development. The solid quay line should reach 1,300 m. An approximately 200 m wide access channel with a 600 m wide roundabout should be provided in the water area. The new port would accommodate vessels up to 400 m long and 60 m wide with a draft of 15.5 m.

In 2021, the intersection of Baltijos Avenue and Šilutė Highway will be reconstructed, and 11 million euros will be allocated for the construction of the overpass. Preparatory works have been started in 2020. Half of all the funds that Klaipėda allocated for road maintenance this year, will be allocated for the reconstruction of this intersection.

2021

10 – Oct.


In October 2021, the reconstruction of Palanga Airport runway will be carried out. During this project, it is also planned to renovate one taxiway, some parts of the apron, and the airport is likely to be suspended for the shortest necessary period of 45 days.

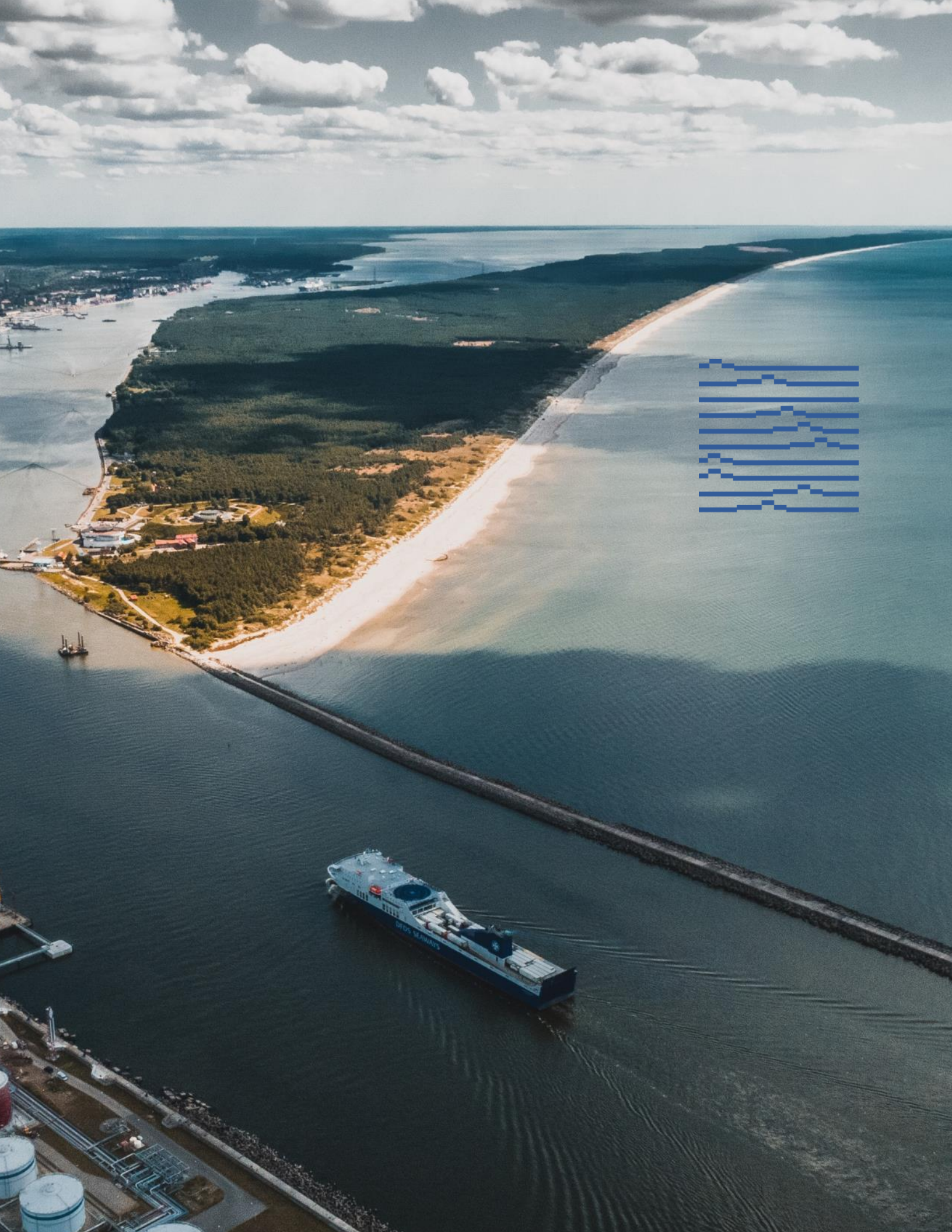




Summary.

The decades-long population decline in Klaipėda has stabilised. Klaipėda remains the second youngest city in Lithuania (Klaipėda residents aged 0–14 make up (17.56%) of the city's population), which creates excellent opportunities for the city to develop talent and supplement the labour market with a quality workforce in the future. In addition, 5 of Klaipėda's higher education institutions have been awarded the Investor's Spotlight quality label. Over the last year, the average wage in Klaipėda has been growing, which has demonstrated the fastest rate among Lithuanian cities. The year 2020 was challenging due to the COVID-19 pandemic and the restrictive measures invoked by various countries. Nevertheless, in 2020, the number of very small and medium-sized enterprises, and the number of self-employed persons, as well as wages in Klaipėda, increased. In 2020, the unemployment rate in Klaipėda increased, but remained one of the lowest in Lithuania. The total number of employees decreased, however for several years in a row in Klaipėda, the number of employees working in the field of transport and storage and in medium and large enterprises has increased. The flows of foreign direct investment increased rapidly, which determined that Klaipėda became the third in the country both in terms of foreign direct investment and in terms of foreign direct investment per capita. In Klaipėda, tangible investments and tangible investments per capita grew the fastest in Lithuania. This creates the right preconditions for increasing the level of technological progress and labour productivity in the city, as well as for the growth of sustainable wages and living standards.







Recommendations.

Looking to the future and at the ambitions set by the city's strategic partners for the next decade, the focus should be on attracting high value-added foreign investments. This, in turn, would help achieve other goals of Klaipėda 2030. To summarise, two directions must be singled out, which, if followed, could achieve the maximum result for the city:

Service Sector. recommendation **#1**

Klaipėda has a great potential to develop the foreign capital service centre sector, which creates many high-quality jobs that are attractive to young people. Achieving this requires continuing consistent work with:

- Education;
- Attracting Talent;
- Improving the Supply of Real Estate (Plots and Offices);
- Improving the Investment Climate (Review of Process and Procedures);
- Improving Interbational Connections;
- Increasing the Attractiveness of the City (Marketing)

Industry Sector. recommendation **#1**

It is necessary for Klaipėda to use the available opportunities of the maritime industry. Offshore wind component production projects in Klaipėda could become an exceptional value proposition in Lithuania creating hundreds of jobs. This requires:

- 1.1 To continue collaboration with strategic city partners (seaport and seaport companies, KFEZ and Invest Lithuania);
- 1.2 To allocate an area suitable for such production near the port handling terminals.

recommendation **#2**

Klaipėda also needs to expand the Lithuanian Maritime Cluster by involving a larger range of members, and to actively participate in the Lithuanian hydrogen platform to achieve national and European energy and climate goals.

recommendation **#3**

It is necessary to continue the Blue Growth Leaders Academy programme and develop the international blue biotechnology accelerator programme.

recommendation **#4**

It is also essential for Klaipėda to use the directions of industrial digitisation that are being created and developed. With the creation of the Baltic Maritime Digital Innovation Hub and the DLT technology developed by KMTP could stimulate the creation of new businesses. This requires:

- 4.1 To continue collaboration with strategic partners (business entities, science and research institutions and public authorities) in presenting the possibilities of digitalization of industry;
- 4.2 To provide industrial digitization proposals to businesses based on digital audits of companies;
- 4.3 To look for investment opportunities.





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