

General Lithuania's Manufacturing and Engineering industry overview

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Lithuania's Economic Overview

- Population **2,795,321**;
Source: The World Bank (2021)
- Unemployment **7.9%**;
Source: The World Bank (2021)
- Lithuania's capacity to meet international financial commitments is rated '**A**' with a **stable outlook**;
Source: Fitch Ratings (2022)
- Lithuania has a **high World Bank Governance Indicators** ranking at 80.5, reflecting its long track record of stable and peaceful political transitions, well established rights for participation in the political process, strong institutional capacity, effective rule of law and a low level of corruption;
Source: Fitch Ratings (2022)

Lithuania's key facts and rankings

- **1st** globally for public wi-fi speed;
Source: Ooma (2020)
- **4th** in Europe and **6th** globally according to the **Global Cyber Security Index** compiled by the United Nation's International Telecommunication Union (2021). Lithuania received highest assessment in the areas of legal regulation and the development of cyber security facilities.;
Source: Ministry of National Defense of the Republic of Lithuania (2022)
- **17th** in **2022 index of Economic Freedom**. Lithuania's overall score is above the regional and world averages. Key drivers behind are improved property rights, judicial effectiveness and strong business freedom.;
Source: The Heritage Foundation (2022)
- **6th** in **International Tax Competitiveness Index** Rankings among 36 OECD countries
Source: International Tax Competitiveness Index Ranking, 2021

GBS & ICT Industry-specific facts and rankings

- **Mature yet unsaturated market** – in 2021, the GBS & ICT sector achieved a 14% growth, employing 23,147 specialists. However, both major cities Vilnius and Kaunas remain very competitive in terms of **saturation** levels: 36.1 employees per 1,000 residents and 10.8 respectively compared to Krakow (106.7) and Wroclaw (81.7)
- 18% of GBS centers in Lithuania are delivering **engineering** (non-IT) solutions while **R&D** is performed at 22% of the centers
- 16% average voluntary **attrition rate** in GBS centers
- **60%** of centers are planning to introduce new functions or expand existing ones significantly in 2022-2023

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Value proposition and talent pool

- Lithuania ranks **Top 4** in Europe for attainment in **tertiary education**.

Source: Eurostat (2020)

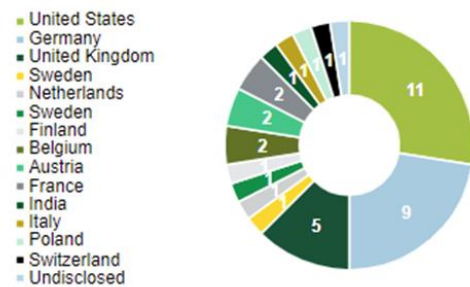
- Multilingualism** remains one of the defining characteristics of Lithuanian GBS centers with 100% centers providing services in English. While German, French and Nordic languages are further top three used at GBS centers

- 52%** of Lithuanians are fluent in at least 2 foreign languages

Source: Europeans and their languages, 2021

- 24**: the largest number of languages used in a single center
- 1/3** of GBS centers serve in **5** or more languages

Opportunities by country
United States (11) and Germany (9) are leading the way



Sector overview

Even though saturation levels continue to increase across the CEE region, the US remains the leading investor in Lithuania

	Germany: electronic suppliers	The US: Pharma and MedDev companies	Nordics: engineering and construction companies
VP strong points	German success stories, improved relationship with consultants, cost saving, mature but unsaturated market	Close relationship with consultants, success stories, access to Europe, political stability, cultural similarity	Nordic language capabilities, success stories, cultural similarities and geographical proximity
Talent pool to tap in	42k Engineering specialists and 12k students 56k ICT specialists and 10k students	64k finance specialists and 6k students 90k logistics & SCM specialists and 10k students 56k ICT specialists and 10k students	64k finance specialists and 6k students 56k ICT specialists and 10k students
INVEST LT+ financial support is available to boost the business growth	Regulated by the European Commission and National legislation and funded by the Ministry of Economy and Innovation Salary expenses can be compensated as a cash-back during project implementation period for up to 24 months		

Leading locations

- Vilnius** ranked **2nd** in the “**European Cities and Regions of the Future 2022/2023**” ratings produced by the Financial Times. Vilnius was recognized as the most dynamically developing city in the CEE at the **2022 CEE Business Services Summit & Awards**.
- Kaunas** was recognized as “The Emerging city of the Year” at the **2022 CEE Business Services Summit & Awards**

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Success Stories



Festo GBS center opened its door in 2005 and having enjoyed accelerated growth over the last few years, today has more than 560 employees. Festo's GBS center specializes in various activities and services, encompassing support in Engineering services, IT, Finance and Accounting, Business Assistance, Procurement, Sales, Marketing, Supply Chain Operations and HR.

- Languages: English, German, Italian, Russian, French, Spanish
- FTE: 566
- Est.: 2005, Kaunas



Metso Outotec established its first business services center in Vilnius in 2019. The company is a frontrunner in sustainable technologies, end-to-end solutions and services for the aggregates, minerals processing and metals refining industries globally. Lithuania was chosen because of its excellent service center ecosystem and the availability and motivated talent.

- Languages: English
- FTE: 250
- Est.: 2019, Vilnius



For **Dexcom**, locating an EMEA excellence center in Vilnius was an obvious choice, as the capital city has distinguished itself by its favorable conditions for business development and its highly competent experts in patient support, customer advocacy as well as finance and accounting. Dexcom plans to expand its headcount in Lithuania to 400 employees by 2023.

- Languages: Dutch, English, French, German, Italian, Spanish, Russian etc.
- FTE: 205
- Est.: 2020, Vilnius

Newcomers



To open a GBS center in Lithuania, **Nobia's** main criteria were **competence, talent availability** and **flexibility**. Moreover, openness and passion for innovation increased their motivation to expand in Lithuania. The new Lithuanian entity is instrumental in supporting their roll-out of major transformation initiatives, without having to consume all the local resources that are engaged in their daily business across Europe.

- Languages: English, Swedish
- FTE: estimate 180
- Est.: 2022, Vilnius



BMI group announced its new GBS center in Vilnius. The company expects to grow the center in Lithuania by hiring over 150 specialists in the next year. According to Arunas Linge, BMI Group's newly appointed head of GBS, the new center is a **strategic investment**, building capability to enable BMI's growth ambitions while also bringing more **efficiency, excellence**, and proving **world class customer experience**. The new center will focus on bridge waterproofing solutions, finance and HR.

- Languages: English
- FTE: 500
- Est.: 2022, Vilnius

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Cooperation with educational institutions

- 67% of GBS centers work together with universities;
- The most popular forms of cooperation included providing guest lectures, paid internships, and the sponsoring and/or mentoring of the most talented students.

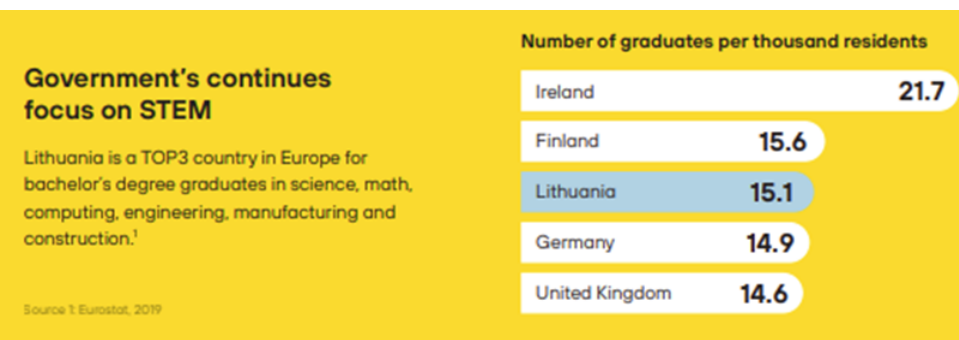
Shares of centers cooperating with universities



Students' distribution:

Vilnius: 54k students, 19 universities and colleges;
Kaunas: 35k students, 12 universities and colleges;
Klaipeda: 8k students, 6 universities and colleges.

- 87% of GBS employees are tertiary-educated
- 2nd in the EU for share of students choosing STEM



Initiatives

New initiatives to drive the growth of ICT talent pool:

- A national life-long learning program was launched with the aim of **reskilling and upskilling** individuals looking to enter the local technology ecosystem;
- More than 100M EUR is allocated to national reskilling and upskilling initiatives that are planned to result in more than **19,000 new work-ready ICT specialists** by 2024
- Teachers LeadTech – a guided learning space for schoolteachers to learn how to create with technology and bring these skills to the classroom
- WomenGoTech – mentorship program for women to kick-start their career in tech

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Intelligent Process Automation & AI

- **40%** of GBS centers **have implemented or are developing** IPA solutions
- **100%** of GBS centers surveyed **that use IPA** are developing their **own solutions** in-house
- **1k:** the most (ro)bots **deployed in one** GBS center
- **30k:** average number of hours GBS centers **saved** last year by implementing IPA solutions

Outokumpu started RPA developments in 2018 and now have **27+ robots** deployed. Additionally, **OCR and AI solutions** are being piloted in operations. Implemented **Citizen Developer** introduced in October 2021 and 10 automations delivered within 3 months using Power Automate, SAP scripting, Power BI and similar tools

ESG/CSR

Top CSR and ESG activities (70% of the survey respondents participate in some form of ESG/CSR activities):

- Cooperation with NGOs
- Diversity and inclusion programs
- Donating to charity and contributing to society
- Volunteering by employees
- Environmental sustainability activities
- Youth empowerment programs

Diversity

Gender-balanced workforce

- **1st in the EU:** 50% of total labor force are women
Source: World Bank, 2020
- **1st in the EU:** highest share of women in science and technology
Source: Eurostat, 2020
- **8th globally:** The Global Gender Gap Index
Source: World Economic Forum, 2021
- **3rd globally:** for females employed with advanced degrees
Source: Global Innovation Index, 2021

Danske Bank launched the campaign #FreeToBeMe to drive positive change within society by making it more open, tolerant and inclusive

Nasdaq places great emphasis on building a culture that welcomes diversity. The company supports 11 Employee Networks uniting common interest employee groups from Women in Nasdaq, Veterans@Nasdaq to OPEN (Out Proud Employees of Nasdaq)