



LITHUANIA

What's happening in this economy

Located in the north-eastern part of the European Union, Lithuania is the largest of the Baltic States. The country's GDP grew by 2.4 per cent in 2016, 4.1 per cent in 2017 and 3.4 per cent in 2018.

Lithuania's location makes it a gateway to both the western markets of the EU and Scandinavia, and the eastern markets of Russia and other former Soviet states, including Belarus and Ukraine.

Unemployment was 6.6 per cent in August 2019. Population growth is very low or declining, with low birth rates and levels of inward migration, and considerable outflows of migrants to other EU countries. Lithuania has been allocated EUR 8.39 billion from EU structural funds over the period 2014–2020, which will shore up investment in infrastructure and community services.

Business conditions are good, and Lithuania is ranked in the top 15 of the World Bank's Ease of Doing Business Index. The country is also in the top 40 of Transparency International's Corruption Perception Index.

Key facts and figures

- Population: 2.8 million (2018)
- GDP growth: 3.4% (2018)
- GDP per capita: 19,143 USD (2018)
- Political system: parliamentary democracy
- Total merchandise trade (exports + imports) : 115 AUD million (2018)

Trade, investment, and commercial opportunities and activities

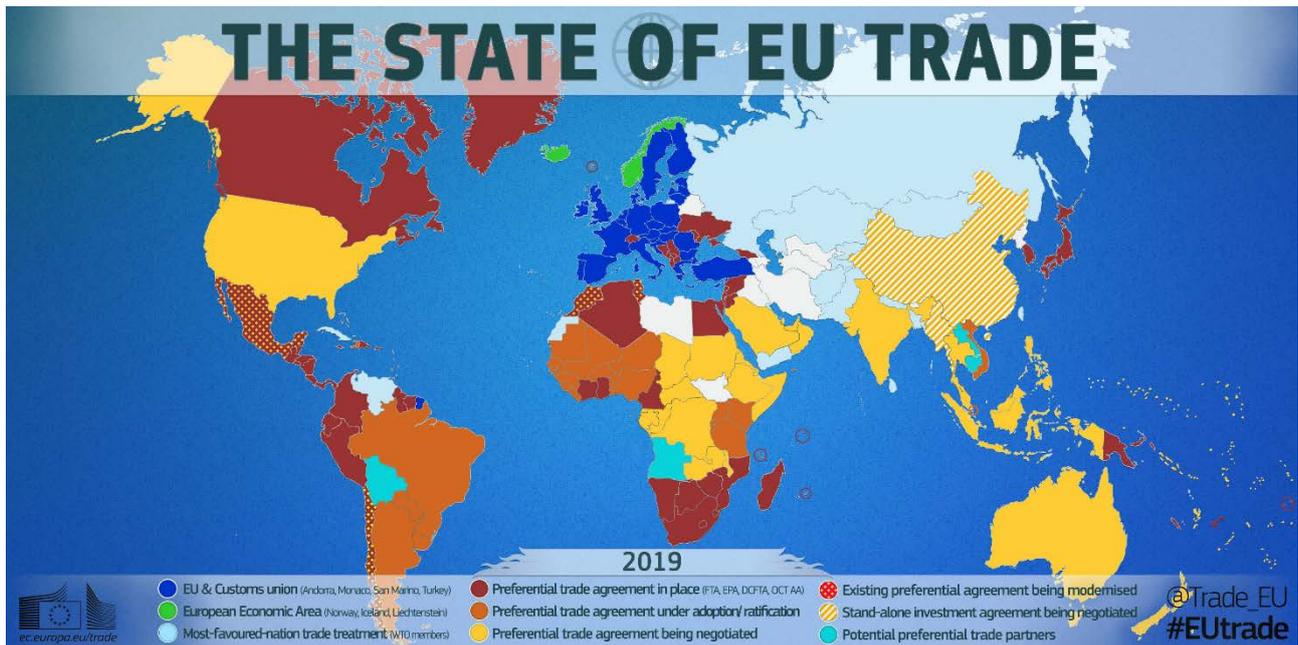
- The economic and commercial relationship between Australia and Lithuania is modest. Australian companies operating in Europe typically service Lithuania from another country:
 - two-way trade between Australia and Lithuania (goods and services) in 2018 was AUD 150 million
 - merchandise exports from Australia to Lithuania in 2018 totalled AUD 6.6 million, including animal feed and machinery and parts, and
 - merchandise imports to Australia from Lithuania in 2018 were \$108.4 million, including fertilisers, wood and wood manufactures, and furniture.
- Niche opportunities could exist in a number of sectors, including:
 - laser/optics, life sciences and financial technologies (Lithuania has a growing Fintech sector), and
 - defence and energy (Given the geostrategic situation in the Baltic Sea region, these sectors could also provide strategic solutions to Lithuania).
- Major infrastructure projects—including the Rail Baltica railway project and the expansion of the port in Klaipeda—are examples of opportunities for major international investors.



connecting Australian business to the world

Trade policy and negotiations

Lithuania is a member of the European Union, which has a wide range of preferential trade agreements (see infographic). Australia is currently negotiating a free trade agreement with the European Union, and solid progress has already made towards an ambitious outcome that will open new opportunities for Australian businesses.



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