

# Lithuania

## November 2021

### Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for Lithuania. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Lithuania in relation to the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Lithuania and South Africa. The key highlights are provided below:

### Economy

- Lithuania experienced the mildest contraction in Europe during the pandemic, benefiting from a strong economic position and decisive policy responses. As a result, output fell by a mere 0.87% in 2020. For 2021, output is expected to exceed pre-pandemic level and is estimated at 4.07%. Domestic demand is expected to drive the recovery, as pent-up demand and European funds are set to boost private consumption and investment.

### Trade

- Lithuania recorded a trade deficit throughout the period under review, with this shortfall widening from a value of -ZAR26.84bn in 2011 to a deficit of ZAR37.65bn in 2019.
- In 2020, the country's global exports increased 12.24% y-o-y to ZAR537.01bn (up from ZAR478.47bn in the year prior), while imports increased at relatively slower 5.65% to a value of ZAR545.30bn (from ZAR516.12bn the year prior). The net effect being a significant narrowing of the trade deficit from ZAR37.65bn in 2019 to ZAR8.29bn in 2020.
- Machinery and mechanical appliances were the largest export from Lithuania, valued at ZAR46.80bn (8.71% share) in 2020, while refined petroleum oils were the largest imported good into the country 2020, at a total import value of ZAR61.38bn, which was equivalent to a 11.26% share.
- Russia was Lithuania's largest export market, with exports reaching a total value of ZAR71.73bn in 2020, while Poland ranked as the nation's largest import partner in 2020, with imports reaching total value of ZAR71.08bn.
- Lithuania held a relative trade advantage in the exports of electric storage heating radiators, given that it was the largest global exporter of these traded goods in 2020.
- The Western Cape was a net importer with Lithuania from 2014 to 2020, with the province's trade shortfall widening from a value of -ZAR18.01m in 2014 to ZAR547.14m in 2020.
- Western Cape exports to Lithuania were highly concentrated in 2020 with the export of citrus fruit accounting for 40.16% of total exports to the country (ZAR12.61m), while the import of wheat and meslin dominated imports by the Western Cape from Lithuania in 2020 at a cost of ZAR325.69m.

### Investment

- A total of 617 FDI projects, representing a total capital expenditure of R170.48 billion, were recorded into Lithuania between January 2011 and September 2021.
- Over the same period, Lithuania recorded 204 outward FDI projects and a total capital outflow of R75.72 billion.
- Only 1 FDI project, representing a total capex value of R2 billion, was recorded from South Africa to Lithuania.

### Tourism

- Lithuanian passenger movement through Cape Town International Airport plummeted in April 2020, after the nationwide lockdown commenced on 26 March 2020. Passenger movement was almost non-existent between April and September 2020.
- Passenger movement rose with the re-opening of air travel in October 2020 and has been climbing slowly with a peak in July 2021, although the numbers remain small.

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## 1. ECONOMIC OVERVIEW

The Lithuanian economy entered the COVID-19 crisis on a solid footing with strong growth and ample buffers, improved private sector financial positions, and a well-capitalised, profitable banking system. These developments reflected years of prudent fiscal and financial sector policies. The strong starting position coupled with the government's decisive policy response and the benefits of euro area membership positioned the Lithuanian economy as one of the best performers in Europe in 2020 and have set the stage for a strong recovery.

Subsequently, Lithuania's output fell by only 0.8% in 2020 compared to an average decline of 6.7% in the euro area in the said year. Growth recovered strongly in the third quarter of 2020 as containment measures eased, and momentum picked up in the first quarter of 2021 despite renewed containment restrictions. The impact on labour has varied across sectors, and trade, transport and accommodation sectors were the hardest hit in 2020, with hours worked rather than employment absorbing most of the shock in the labour market. As the recovery quickly gathers pace, policies need to prioritise quality over quantity through more targeted support to the most affected sectors. Further, Lithuania should confront its long-standing challenges—including high social disparities and demographic pressure through the decisive implementation of structural reforms. This is the only way to achieve sustained improvements in productivity and high wage growth going forward.<sup>1</sup>

TABLE 1: ECONOMIC INFORMATION	
GDP, constant prices (national currency) (2021 est.)	EUR44.92bn
Real GDP growth (2021 est.)	4.6%
GDP per capita, constant prices (2021 est.)	EUR16, 073.82
Inflation, consumer average prices (2021 est.)	3.03%
Benchmark refinancing rate (ECB) (18 September 2019)	0.00%
Unemployment rate (2021 est.)	6.5%
Total Exports (2020)	USD32.84bn
Total Imports (2020)	USD33.34bn

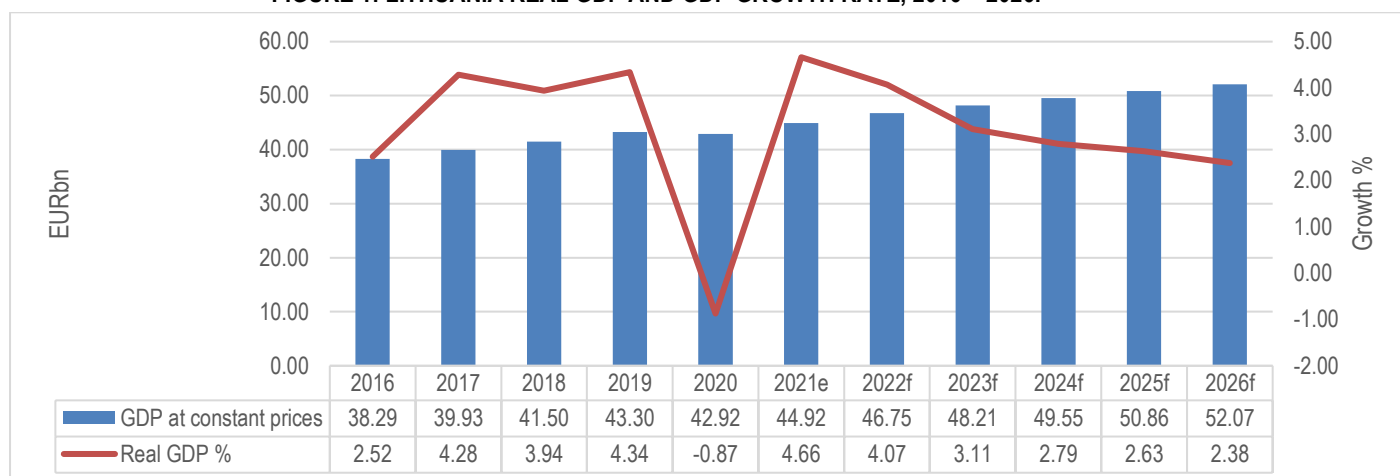
Sources: IMF 2021; ECB, 2021; Trade Map 2021.

Lithuania experienced the mildest contraction in Europe during the pandemic, benefiting from a strong economic position and a decisive policy response. As a result, output fell by only 0.87% in 2020. For 2021, output is expected to exceed pre-pandemic level and is estimated at 4.07%. Domestic demand is expected to drive the recovery, as pent-up demand and European funds are set to boost private consumption and investment.

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<sup>1</sup> IMF, 2021

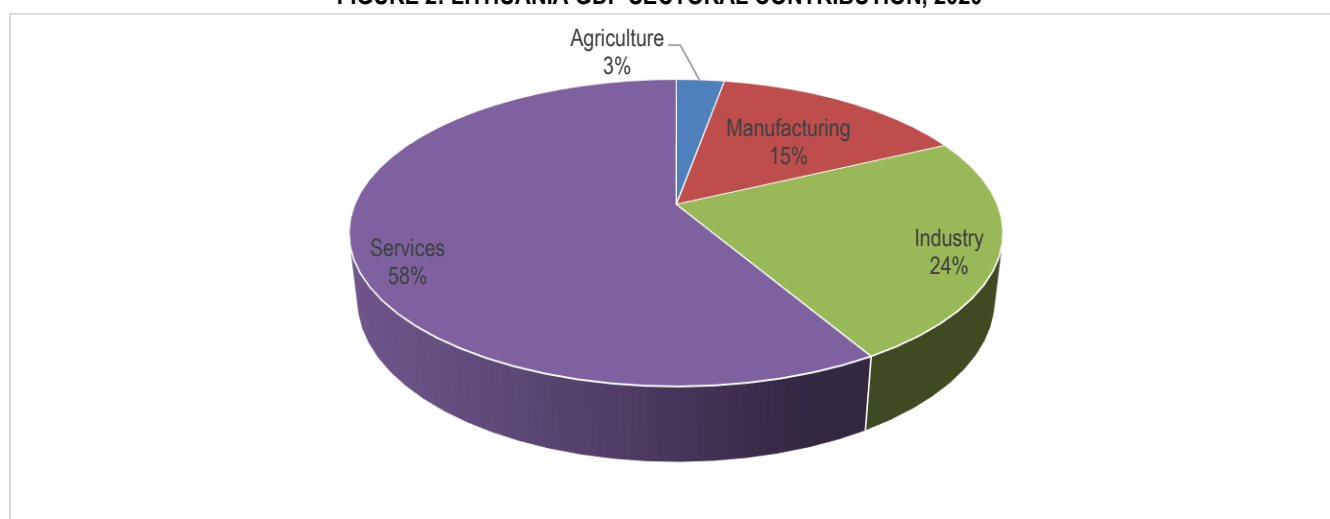
**FIGURE 1: LITHUANIA REAL GDP AND GDP GROWTH RATE, 2016 – 2026F**



Source: IMF, 2021.

Figure 2 below shows the distribution of the GDP across economic sectors in Lithuania in 2020. In 2020, agriculture is estimated to have contributed around 3.0% to the GDP of Lithuania, 15.0% came from the manufacturing, 24.0% from the industry and 61.55% from the service sector.

**FIGURE 2: LITHUANIA GDP SECTORAL CONTRIBUTION, 2020**



Source: Global EDGE, 2020

Note: Although Manufacturing is included in the industry figures, it is also separately reported because it plays a critical role in economy.

## 1.1 LITHUANIA SOVEREIGN CREDIT RATING

“A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and include political risks. At the request of the country, a credit rating agency will evaluate the country’s economic and political environment to determine a representative credit rating” (Investopedia, 2020).

The most recent credit ratings for Lithuania were by **Fitch Ratings** on 9 July 2021. The rating agency affirmed Lithuania's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A' with a Stable Outlook. Lithuania's 'A' rating reflected a credible policy framework supported by EU membership, and governance indicators that are above the median of 'A' category peers. Lithuania is a small and open economy, but the resilient export sector and a lack of macroeconomic imbalances have helped limit the impact of the pandemic on the economy. The stable outlook reflected a degree of confidence that authorities will adopt policies consistent with long-term sustainability of public finances.

On 12 February 2021 **Moody's** upgraded the Government of Lithuania's long-term issuer and senior unsecured ratings to A2 from A3. The outlook was changed to stable from positive. The key drivers of the decision included Lithuania's strong medium-term growth prospects, supported by increased EU-funded investment, structural reforms to raise productivity growth and improved migration and demographic trends, and exemplified by the economy's relative resilience to the pandemic shock. Moody's expected that Lithuania's debt burden will remain lower than that of most A2 rated peers notwithstanding the impact of the crisis, with fiscal strength supported by strong debt affordability metrics and a reduction of foreign currency debt. The stable outlook reflects expectations that the Lithuanian economy will remain relatively resilient to the impact of the coronavirus and will return to robust rates of growth in 2021 and beyond. It also reflects expectations that the government debt burden will broadly stabilize from 2022 onwards as the economy and public finances improve in the wake of the crisis. Moreover, Moody's expected that geopolitical risks stemming from Lithuania's tense relations with Russia remain stable over the coming 12-18 months after the rating.

**S&P Global Ratings'** last rating of Lithuania was on 23 February 2020. The rating agency upgraded Lithuania's long-term foreign- and local-currency sovereign credit ratings to A+ from A, citing the country's track record of balanced economic growth and fiscal discipline. S&P Global Ratings also affirmed Lithuania's short-term ratings at A-1 and maintained its stable outlook on the long-term ratings. The ratings also considered the country's eurozone membership, modest wealth levels compared with peers in the European Union and long-term demographic challenges. Lithuania's credit ratings from the major agencies are as following:<sup>2</sup>

TABLE 2: LITHUANIA'S SOVEREIGN CREDIT RATINGS, 2021			
CREDIT RATING AGENCY	STANDARD & POORS	MOODY'S INVESTOR SERVICES	FITCH RATINGS
CREDIT RATING	AA	Aa2	AA
OUTLOOK	Stable	Stable	Negative
DATE OF LAST CHANGE	2016-10-21	2020-02-21	2020-05-15

Sources: Fitch Ratings, 2021; Moody's, 2021; S&P Global Ratings, 2021

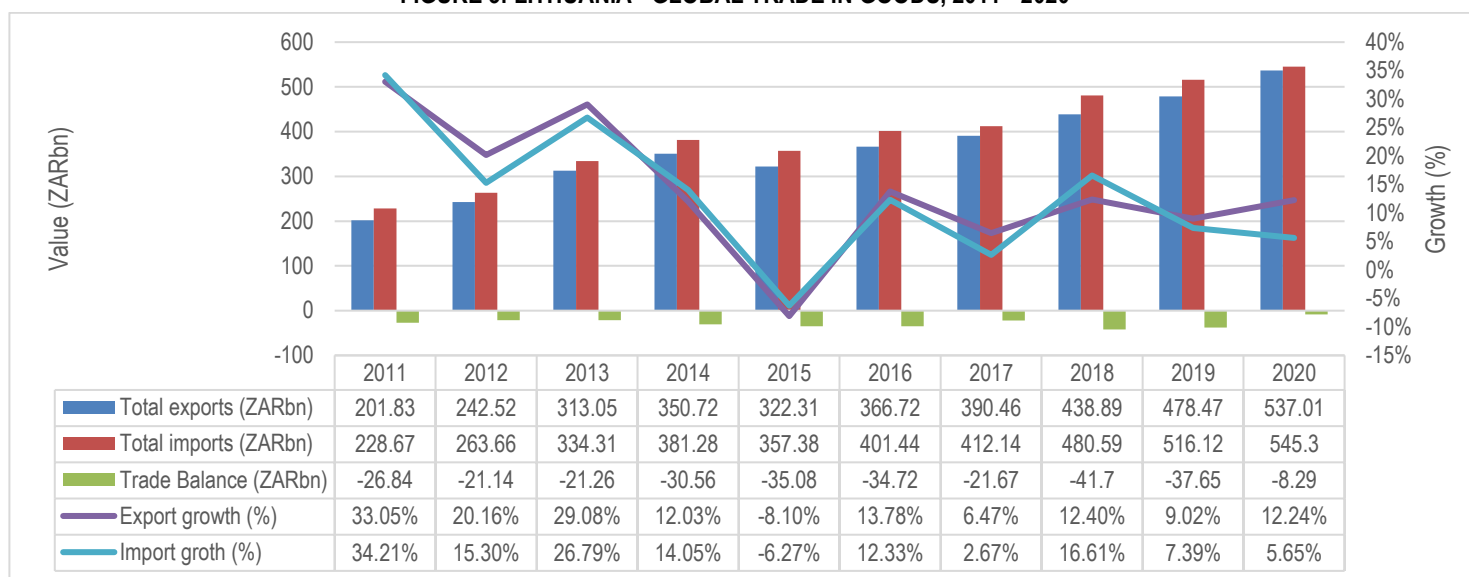
<sup>2</sup> Sources: Fitch Ratings, 2021; Moody's, 2021; S&P Global Ratings, 2021

## 2. TRADE

### 2.1 LITHUANIA TRADE IN GOODS

As reflected below, Lithuania trade balance remained in deficit throughout the period under review, with this shortfall widening from a value of -ZAR26.84bn in 2011 to a deficit of ZAR37.65bn in 2019. In 2020 however, export earnings increased at a faster rate than import costs incurred, with exports increasing at a y-o-y rate of 12.24% to ZAR537.01bn (from ZAR478.47bn the year prior), while imports increased at 5.65% y-o-y to ZAR545.30bn (from ZAR516.12bn the year prior). The net effect being a significant narrowing of the trade deficit from a shortfall of ZAR37.65bn in 2019 to -ZAR8.29bn in 2020. This outcome is particularly interesting, given the global economic shut down that occurred in 2020 due to the Covid-19 pandemic. It may suggest that when cross-border trade opened toward the second half of 2020, the Lithuanian economy experienced a robust demand for its goods. Further, there has been an overall upward trend in total trade, with both imports and exports from Lithuania increasing simultaneously over the last decade as shown below.

**FIGURE 3: LITHUANIA - GLOBAL TRADE IN GOODS, 2011 - 2020**



Source: TradeMap, 2021

The Lithuanian export basket was for the most part diverse in 2020, with machinery and mechanical appliances topping the list at a value of ZAR46.80bn, accounting for an 8.71% share of total exports last year. Furniture followed closely in second place at a total export value of ZAR43.32bn (8.06% share), while electrical machinery and equipment ranked third with an export value of ZAR37.91bn (or 7.06% share of exports). The export of miscellaneous chemical products had the highest growth over the last five years, increasing at an average annual rate of 48.57% over the period 2016 to 2020. Other fast-growing exports from Lithuania over the same period were cereals (23.70%); optical, photographic and cinematographic measuring apparatus (18.89%), and vehicles, parts and accessories, which grew at an average annual rate of 18.20% from 2016 to 2020 as shown in the figure below:

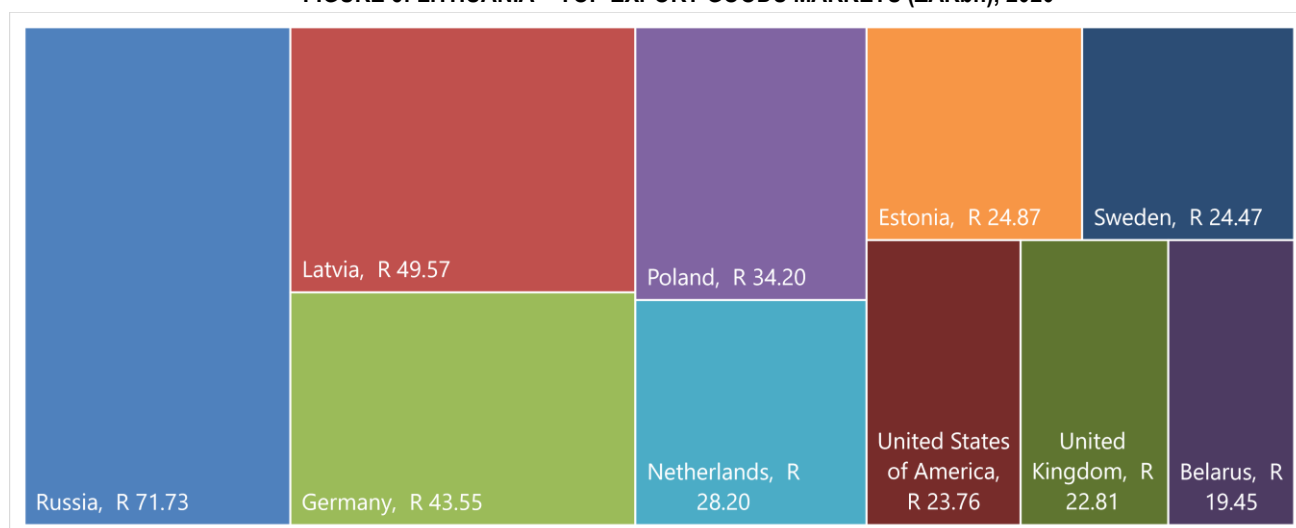
**FIGURE 4: LITHUANIA – TOP 10 EXPORTED GOODS, 2020**

	Exported value (ZARbn), 2020	Share (%), 2020	Ave Annual Growth (%), 2016-2020
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	46.80	8.71	11.96
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	43.32	8.07	13.89
Refined oils	37.91	7.06	-4.08
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, etc	36.53	6.80	11.60
Plastics and articles thereof	30.88	5.75	11.15
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	26.67	4.97	18.20
Miscellaneous chemical products	22.31	4.15	48.57
Wood and articles of wood; wood charcoal	19.97	3.72	10.92
Cereals	18.33	3.41	23.70
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	17.14	3.19	18.89
All products	537.01	100.00	10.78

Source: TradeMap, 2021

Trade between Russia and Lithuania was robust over the last decade, with 2020 being no exception. Russia was Lithuania's largest export market, with exports reaching a total value of ZAR71.73bn in 2020. Second to Russia was Latvia, due largely to its close proximity to the Baltic state. Exports to Latvia reached a value of ZAR49.57bn in 2020, while exports to Germany followed in a close third place with a value of ZAR43.55bn in 2020. In parallel, exports to the Netherlands had the highest growth rate, increasing at an average annual rate of 19.13% over the period 2016 to 2020. Other high growing export destinations were Sweden (14.48%); USA (13.03%); and Germany, which grew at an average rate of 11.67% per annum over the period under review. Interestingly, although the largest export destination, exports to Russia only grew by 10.33% per annum over the period 2016 to 2020.

**FIGURE 5: LITHUANIA – TOP EXPORT GOODS MARKETS (ZARbn), 2020**



Source: TradeMap, 2021

Turning to imports, refined petroleum oils were the largest imported good into Lithuania in 2020, reaching a total import value of ZAR61.38bn and comprising a 11.26% share of the entire import basket. Machinery and mechanical appliances ranked in a close second place with a value of ZAR61.23bn (11.23%), while vehicles, parts and accessories ranked in third with a value of ZAR49.32bn in 2020 (holding a 9.05% share). Completing the top five largest imports into Lithuania were the import of electrical machinery and equipment (ZAR46.71bn), while the import of plastics and articles thereof ranked in fifth place with a value of ZAR26.89bn and accounted

for 4.93% of Lithuania's import basket in 2020. Impressively, 90% of the top 10 imported products experienced double-digit growth rates, with vehicles, parts and accessories experiencing the highest average annual growth rate of 15.72% over the period 2016 to 2020. Other high growing imports were wood and articles of wood (15.52%); iron and steel (15.37%); and optical measuring apparatus (14.30%) as shown in the figure below:

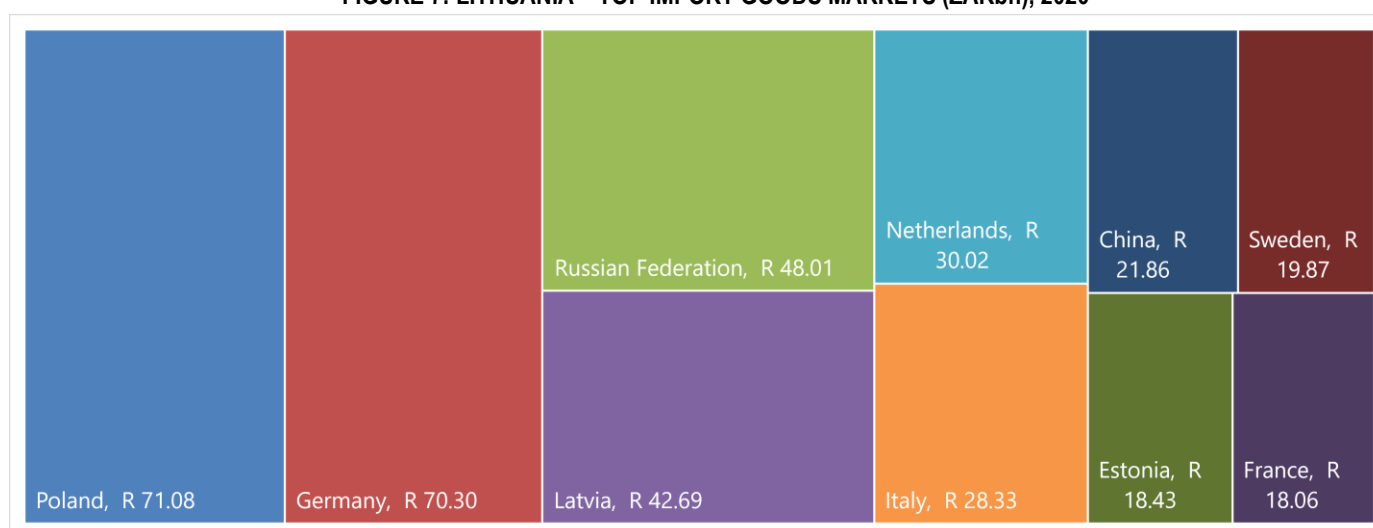
**FIGURE 6: LITHUANIA – TOP 10 IMPORTED GOODS, 2020**

	Imported value (ZARbn), 2020	Share (%), 2020	Ave Annual Growth (%), 2016-2020
Refined oils	61.38	11.26	-1.05
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	61.23	11.23	10.77
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	49.32	9.05	15.72
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, etc	46.71	8.57	11.75
Plastics and articles thereof	26.89	4.93	11.68
Pharmaceutical products	23.99	4.40	12.58
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	14.04	2.57	14.30
Wood and articles of wood; wood charcoal	13.70	2.51	15.52
Articles of iron or steel	12.89	2.36	12.34
Iron and steel	12.56	2.30	15.37
All products	545.30	100.00	8.93

Source: TradeMap, 2021

Due to strong bilateral relations between Poland and Lithuania, Poland ranked as the nation's largest import partner in 2020, with imports reaching total value of ZAR71.08bn in 2020. Imports from Germany, Lithuania's second largest import partner ranked in a close second place at ZAR70.30bn, while imports from Russia (ZAR48.01bn), Latvia (ZAR42.69bn) and the Netherlands (ZAR30.02bn) ranked in third, fourth and fifth place, respectively in 2020. Although not displayed, China as a source market for imports had the highest growth rate, increasing at an average annual rate of 17.22% from 2016 to 2020. Other high growing import markets were Poland (14.67%); Italy (12.51%); and France (11.87%).

**FIGURE 7: LITHUANIA – TOP IMPORT GOODS MARKETS (ZARbn), 2020**

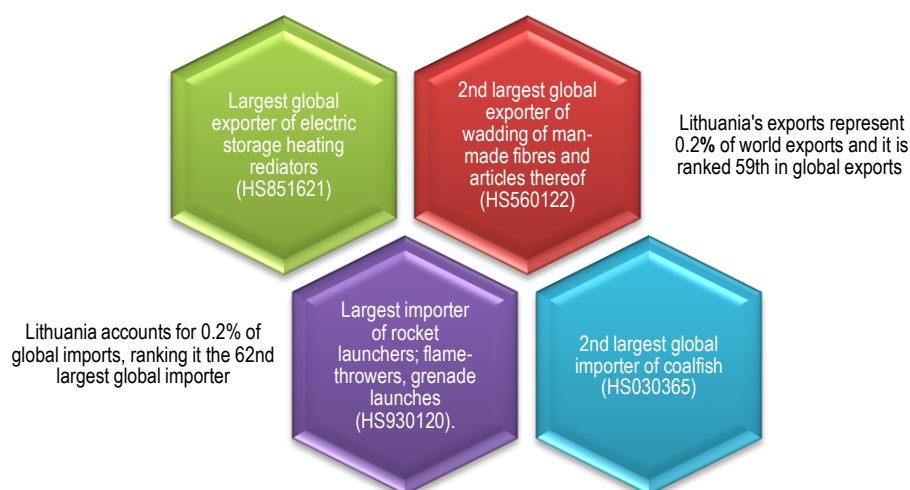


Source: TradeMap, 2021



The figure below illustrates Lithuania's dominance on the global trade front. In 2020, despite global disruptions to cross-border trade and disruptive supply chains, Lithuania accounted for 0.2% of global exports and 0.2% of global imports, making it the 59<sup>th</sup> largest global exporter and the 62<sup>nd</sup> largest global importer in 2020. Furthermore, Lithuania held a relative trade advantage in the exports of electric storage heating radiators, given that it was the largest global exporter of these traded goods in 2020. Moreover, Lithuania was the largest global importer of rocket launchers, flame-throwers and grenade launches (HS930120), and the second largest global importer of coalfish (HS030365) products as shown in Figure 8 below:

**FIGURE 8: LITHUANIA'S COMPETITIVE TRADE ADVANTAGE (HS6), 2020**

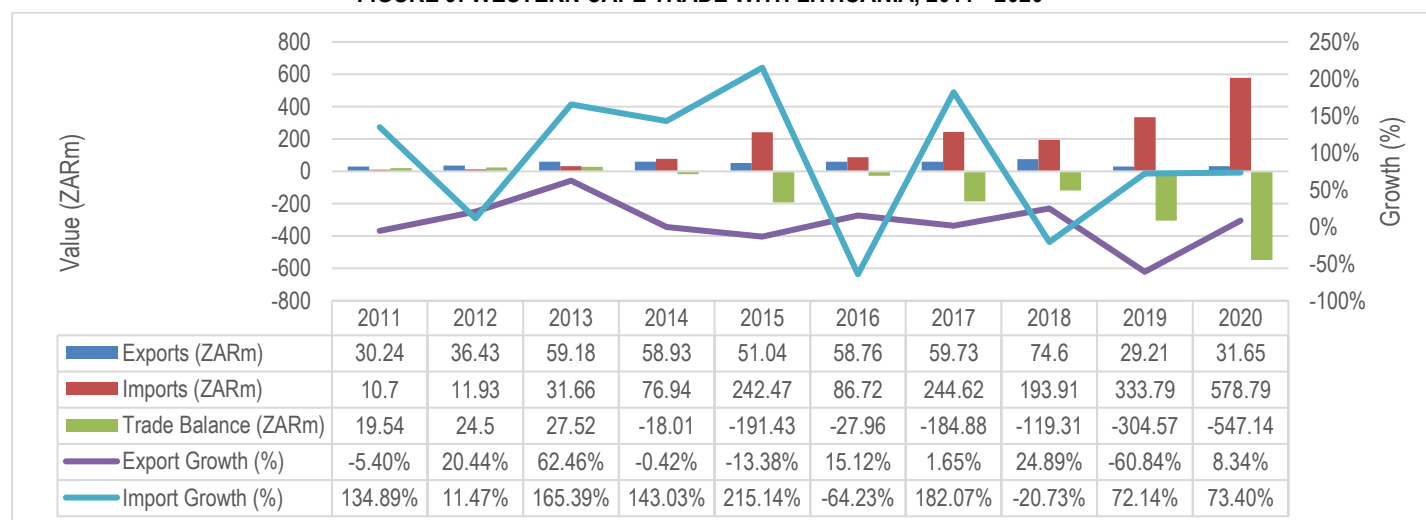


Source: TradeMap, 2021

## 2.2 WESTERN CAPE TRADE WITH LITHUANIA

Turning to trade between the Western Cape and Lithuania, the province recorded a trade surplus with the country from 2011 to 2013, whereby associated export earnings outpaced import costs from trade with Lithuania. This trend reversed in 2014 and has remained that way since with imports far outpacing export receipts over the latter part of the decade. More specifically, import costs grew from ZAR10.70m in 2011 to ZAR578.79m in 2020, while export earnings fluctuated in a band of between ZAR30.20bn and ZAR74.7bn over the period reviewed. The net effect being a large deterioration of the trade balance, from a trade surplus of ZAR19.54m in 2011 to a trade deficit of ZAR547.14m in 2020 as shown in the figure below.

**FIGURE 9: WESTERN CAPE TRADE WITH LITHUANIA, 2011 - 2020**



Source: Quantec, 2021

Western Cape exports to Lithuania were highly concentrated in 2020 with the export of citrus fruit accounting for 40.16% (ZAR12.61m) of the total export basket to Lithuania in that year. Dates, figs etc placed in distant second at an export value of ZAR4.43m (14.01%), followed by other plates and sheets at an export value of ZAR4.28m (13.54%) in 2020. The Western Cape's fastest growing export product categories over the six-year period leading up to and including 2020 were wine of fresh grapes, which grew at an average annual rate of 30.35% from 2016 to 2020.

**FIGURE 10: WESTERN CAPE TOP 10 EXPORTS TO LITHUANIA, 2020**

	Exported value (ZARm), 2020	Share (%), 2020	Ave Annual Growth (%), 2016-2020
Citrus fruit, fresh or dried	12.71	40.16	-14.13
Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens	4.43	14.01	
Other plates, sheets, film, foil and strip, of plastics	4.28	13.54	
Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products etc	2.69	8.50	
Wine of fresh grapes	2.62	8.27	30.35
Grapes, fresh or dried	1.12	3.55	-6.17
Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations	1.06	3.36	-0.79
Mixtures of nuts or dried fruits	1.04	3.28	
Prepared enzymes	0.66	2.08	
Salt (including table salt and denatured salt) and pure sodium chloride	0.22	0.71	
Total Exports	31.65	100.00	-2.17

Source: Quantec, 2021

In turn, wheat and meslin dominated products imported by the Western Cape from Lithuania in 2020 at a cost of ZAR325.69m. This was equivalent to 56.27% of all import costs incurred by the Western Cape with Lithuania in the same year. Other large but less significant imports from Lithuania were polyacetals (ZAR54.86m); trailers (ZAR54.59); and pasta (ZAR54.53m) which ranked in second, third and fourth place, respectively. Interestingly, the import of telephone sets had the highest growth, increasing at an average annual rate of 2028.89% over the period 2016 to 2020, while the import of prepared enzymes (569.53%) and cheese and curd (25.49%) had the second and third highest growth rates over the period 2016 to 2020 as shown in the figure below:

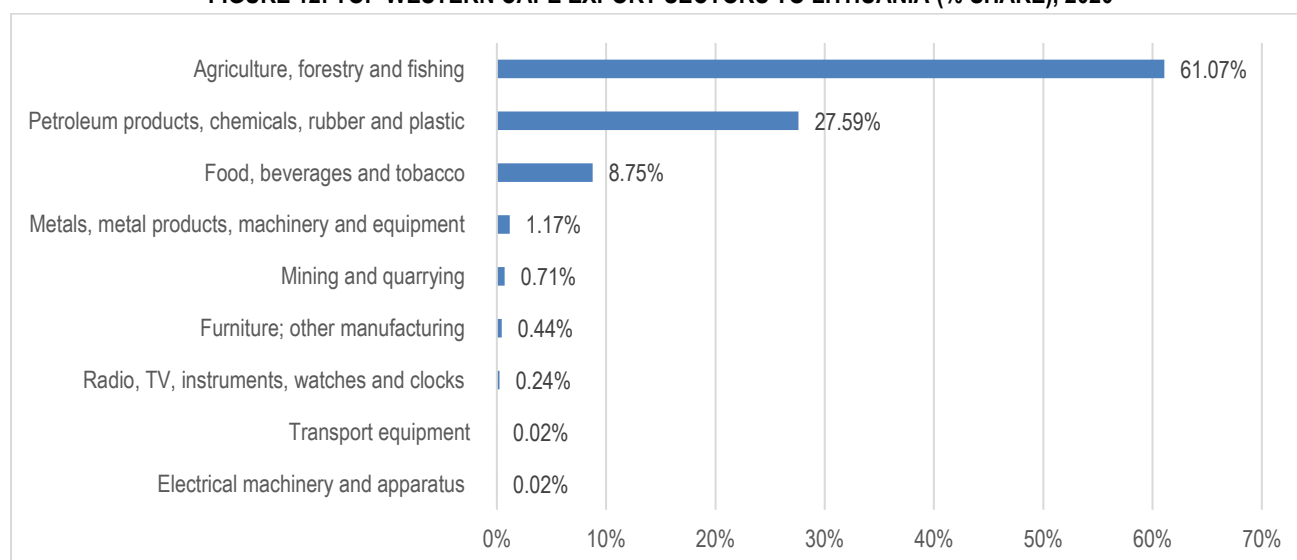
**FIGURE 11: WESTERN CAPE TOP 10 IMPORTS FROM LITHUANIA, 2020**

	Imported value (ZARm), 2020	Share (%), 2020	Ave Annual Growth (%), 2016-2020
Wheat and meslin	325.69	56.27	
Polyacetals, other polyethers and epoxide resins, polycarbonates in primary forms	54.86	9.48	
Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof	54.59	9.43	
Pasta, whether or not cooked or stuffed or otherwise prepared	54.53	9.42	4.37
Cereal grains	30.25	5.23	
Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines	18.68	3.23	
Telephone sets, including telephones for cellular networks or for other wireless networks	7.79	1.35	2028.89
Prepared enzymes	4.84	0.84	569.53
Cheese and curd	3.74	0.65	25.49
Clasps, frames with clasps, buckles, buckle-clasps, hooks, eyes, eyelets and the like	2.19	0.38	
Total imports	578.79	100.00	48.53

Source: Quantec, 2021

Trade between the Western Cape and Lithuania is relatively concentrated. The two diagrams below are reflective of this and provide an overview of key trade flows between the Western Cape and Lithuania on a *sector level*. As indicated in the graphs below, the agriculture, forestry and fishing sector were the Western Cape's top sector in terms of export receipts earned from trade with Lithuania in 2020, accounting for 61.07% of export earnings. This was followed by exports from petroleum sector, which placed in a distant second and accounted for 27.57% of all Western Cape's export receipts from Lithuania, while the food, beverage and tobacco sector accounted for a miniscule 8.75% in third position in 2020.

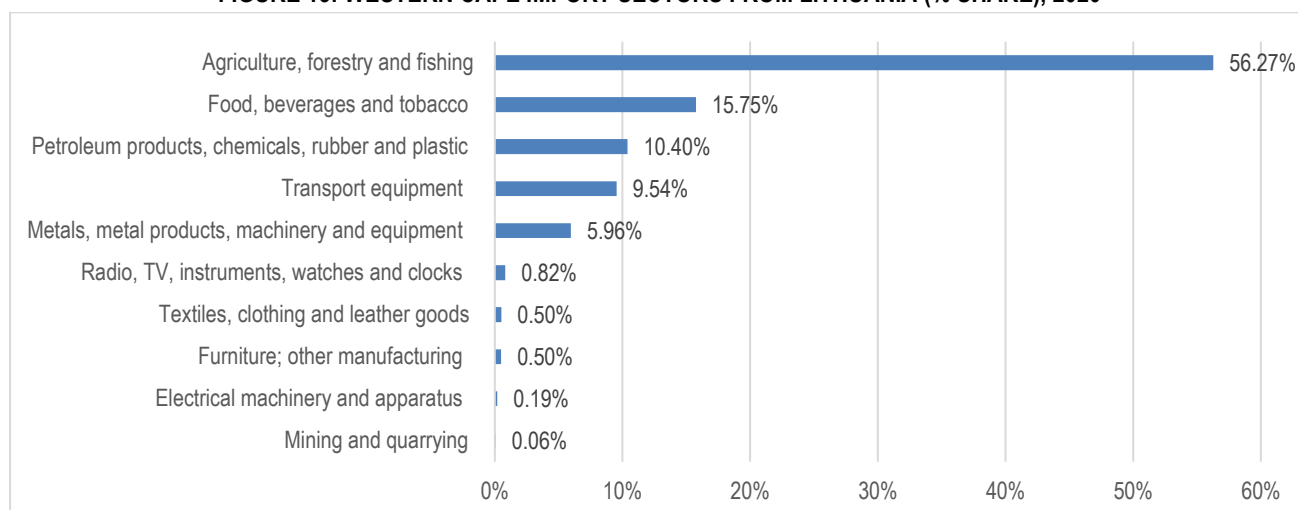
**FIGURE 12: TOP WESTERN CAPE EXPORT SECTORS TO LITHUANIA (% SHARE), 2020**



Source: Quantec, 2021

In turn, the Western Cape's top import sectors (ranked by associated cost) with Lithuania last year revealed that the agriculture, forestry and fishing sector dominated imports from Lithuania, accounting for 56.27% of all import costs incurred in 2020. Other large but less significant importing sectors were the food, beverage and tobacco industry (15.75%) in second place; petroleum sector (10.40%) in third, while the transport equipment industry (9.54%) and the metals industry (5.96%) ranked in fourth and fifth place in 2020.

**FIGURE 13: WESTERN CAPE IMPORT SECTORS FROM LITHUANIA (% SHARE), 2020**



Source: Quantec 2021

### 3. FOREIGN DIRECT INVESTMENT

This section analyses inward and outward Foreign Direct Investment (FDI) flows to and from the Lithuania between January 2011 and September 2021.

#### 3.1 INWARD FDI INTO LITHUANIA

Between January 2011 and September 2021, Lithuania recorded a total number of 617 projects, which generated a total capital expenditure of US\$170.48 billion and created about 58 736 jobs. The largest number of projects was announced in 2018, with 95 projects that year. Moreover, the largest capex (18% of total capex) and the highest number of jobs (16% of total jobs) were recorded in 2018.

**FIGURE 14: INWARD FDI INTO LITHUANIA, JAN 2011 – SEP 2021**

	No. of projects	Capex	Jobs created	No. of companies
2011	40	R9.1bn	3936	39
2012	45	R15.01bn	3141	41
2013	48	R13.4bn	4443	41
2014	46	R8.49bn	3064	41
2015	51	R11.52bn	4325	47
2016	53	R9.21bn	4332	49
2017	69	R17.61bn	8701	68
2018	95	R30.29bn	9129	87
2019	71	R27.59bn	6753	64
2020	66	R15.55bn	7784	61
2021 (Jan-Sep)	33	R12.7bn	3128	32

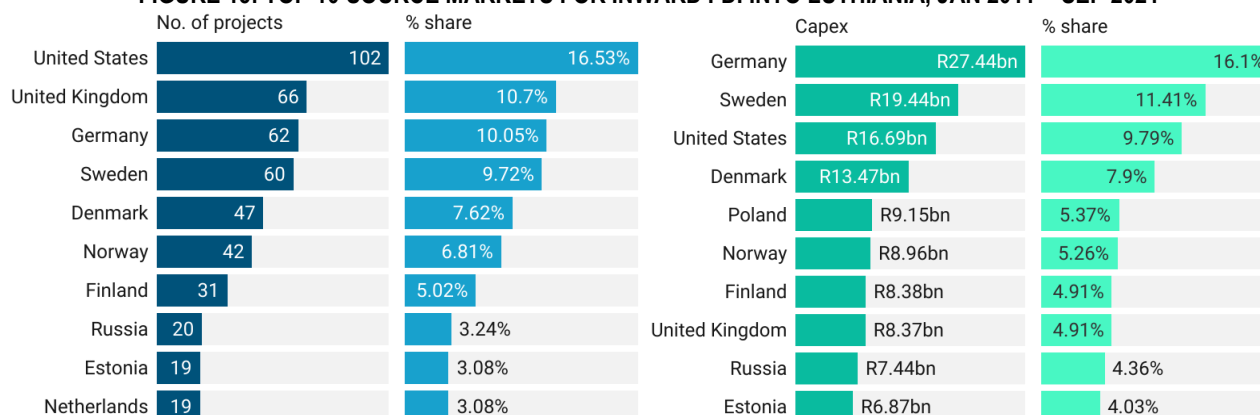
Source: FDI Intelligence (2021)

Western Europe accounted for the highest number of FDI projects as well as the largest capex into Lithuania. During the period under review, 63% of inward FDI projects and 61% of capex into Lithuania were from Western Europe.

Figure 15 contains the top 10 countries with investment in Lithuania in terms of both the number of FDI projects and the amount of capital expenditure from the first month of 2011 to the ninth month of 2021. The United States (16.5%) and the United Kingdom (10.7%)

were the top two countries with the highest number of FDI projects in Lithuania, while Germany (R27.44 billion) and Sweden (R19.44 billion) recorded the largest capex in Lithuania.

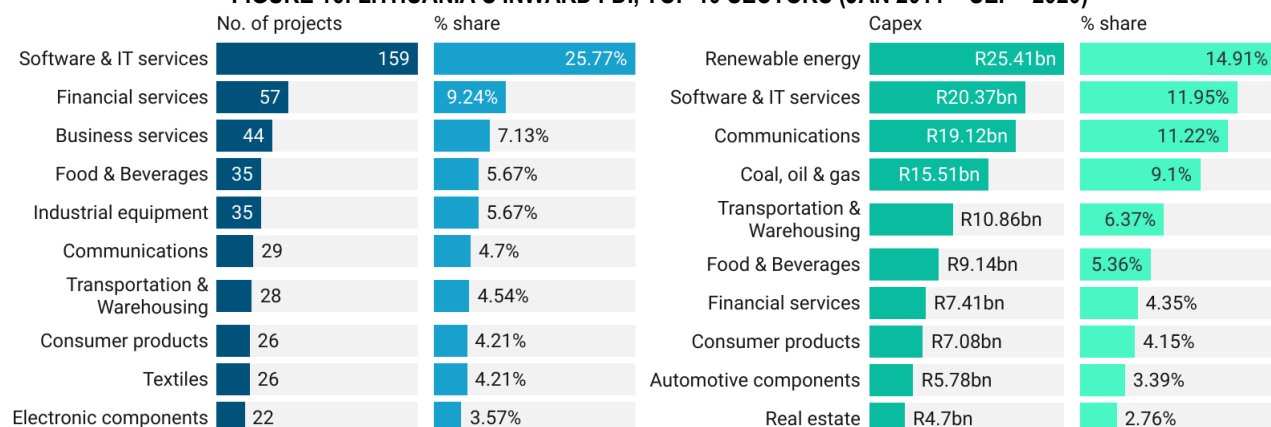
**FIGURE 15: TOP 10 SOURCE MARKETS FOR INWARD FDI INTO LITHUANIA, JAN 2011 – SEP 2021**



Source: FDI Intelligence (2021)

As shown in Figure 16, most of the capital inflows into Lithuania were destined for the following industries: renewable energy (accounting for 14.9% of total capex); software and IT services (accounting for 11.6% of total capex); and communications (representing 11.2% of total capex). Similarly, Software and IT services (159 projects), financial services (57 projects) and business services (44 projects) recorded the highest number of inward FDI projects in Lithuania between January 2011 and September 2021.

**FIGURE 16: LITHUANIA'S INWARD FDI, TOP 10 SECTORS (JAN 2011 – SEP - 2020)**



Source: FDI Intelligence (2021)

A total of 464 companies invested in Lithuania between January 2011 and September 2021, out of a total 77,929 companies investing in FDI globally. Figure 17 shows the top 10 companies with the highest number of FDI projects in Lithuania from January 2011 to September 2021. The top 10 companies accounted for approximately 9.6% of total projects. Devbridge tops the list with 9 projects, followed by Tele2 Lithuania, Talia Lietuva and Lidl Lietuva with 7 projects each. Within the past 12 months, four of the top 10 companies have announced projects, with Devbridge being the top investor for this period with three projects.

**FIGURE 17: TOP 10 INVESTING COMPANIES IN LITHUANIA: NUMBER OF PROJECTS, JAN 2011 – SEP 2021**

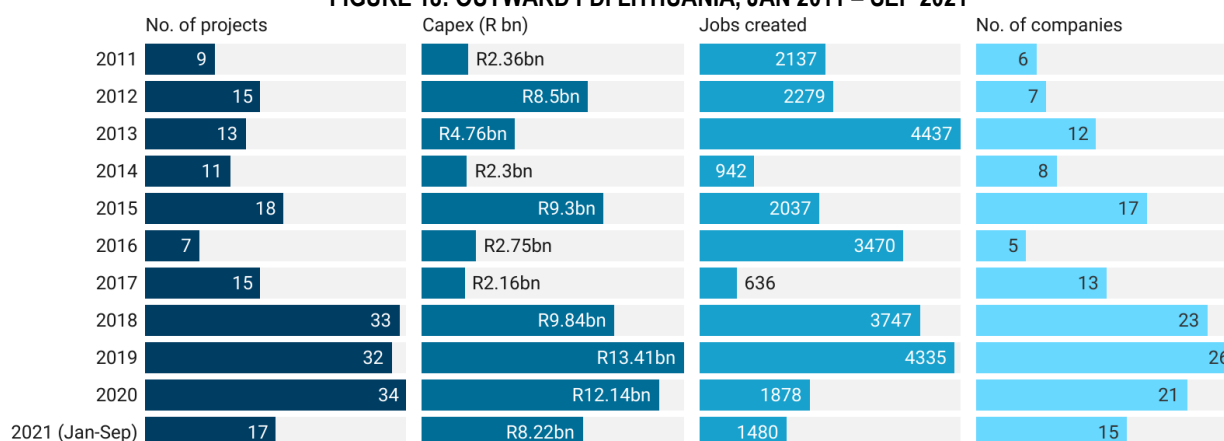
Company name	Source country	No. of projects	Global projects	% of global projects	Projects in last 12 mths
Devbridge	United States	9	15	60	3
Tele2 Lithuania	Sweden	7	7	100	0
Telia Lietuva	Sweden	7	7	100	3
Lidl Lietuva	Germany	7	7	100	1
Revel Systems	United States	5	13	38	1
Danske Bank	Denmark	5	17	29	0
Lidl	Germany	5	721	1	0
Kitron	Norway	5	14	36	0
Omnitel	Sweden	5	6	83	0
Skandinaviska Enskilda Banken (SEB)	Sweden	4	15	27	0

Source: FDI Intelligence (2021)

### 3.2 OUTWARD FDI FROM LITHUANIA

Capital outflows from Lithuania to the rest of the world totalled R75.72 billion during the period under consideration. These investments, which involved 204 projects, created about 27 378 jobs. The largest number of projects was announced in 2020, with 34 projects that year.

**FIGURE 18: OUTWARD FDI LITHUANIA, JAN 2011 – SEP 2021**

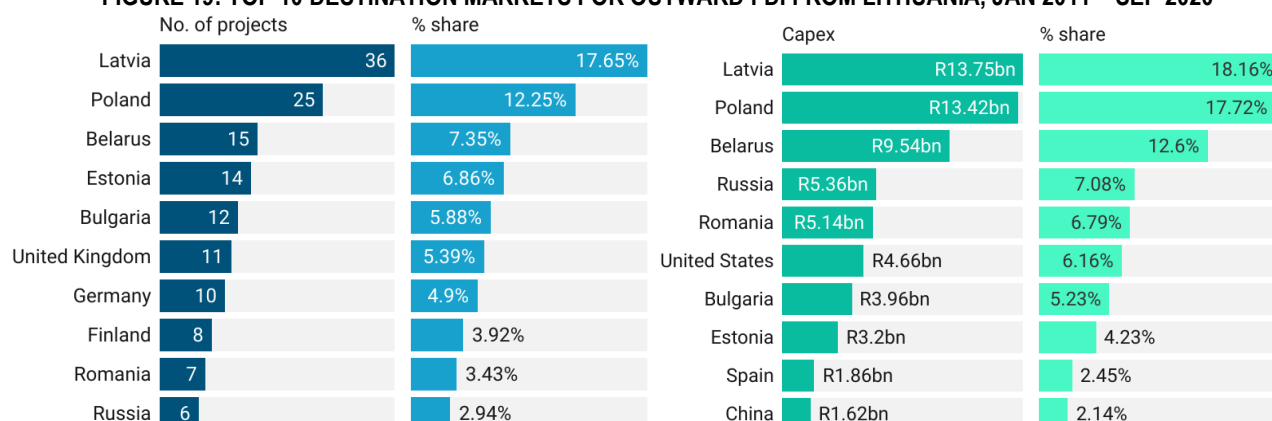


Source: FDI Intelligence (2021)

Emerging Europe was the largest destination region for outward FDI from Lithuania.

In terms of capex, outward FDI from Lithuania was the largest in Latvia (R13.75 billion), followed by Poland (R13.42 billion) and Belarus (R9.54 billion) during the period under review. Likewise, the top 3 countries that received the highest number of FDI projects from Lithuania were Latvia (17.7%), Poland (12.3%) and Belarus (7.4%).

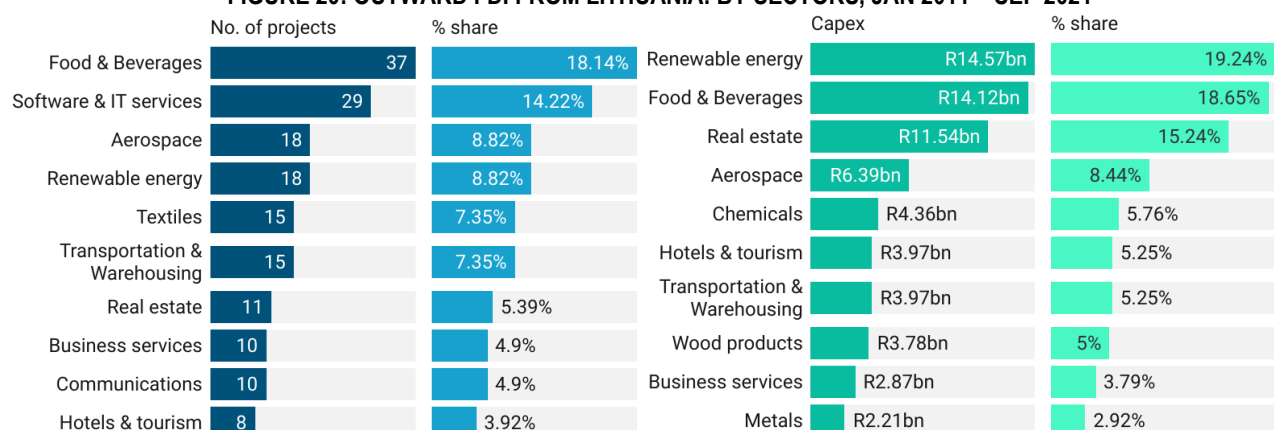
**FIGURE 19: TOP 10 DESTINATION MARKETS FOR OUTWARD FDI FROM LITHUANIA, JAN 2011 – SEP 2020**



Source: FDI Intelligence (2021)

About 19.2% of capex that emanated from Lithuania to the rest of the world, between January 2011 and September 2021, were recorded in the renewable energy industry, followed by food and beverages (18.7%) and real estate (15.2%). In terms of the number of outward FDI project, food and beverages (18.1%) and software and IT services (14.2%) were the leading industries.

**FIGURE 20: OUTWARD FDI FROM LITHUANIA: BY SECTORS, JAN 2011 – SEP 2021**



Source: FDI Intelligence (2021)

The top 10 companies for outward FDI from Lithuania accounted for 41% of total projects. Green Genius was the top investor within the past 12 months. With 16 FDI projects, FL Technics topped the list of the leading 10 companies from Lithuania with investment in the rest of the world between January 2011 and September 2021. Apranga (11 projects), Green Genius (11 projects), Maxima Bulgaria (10 projects) completed the list of the top 4 Lithuanian companies with the highest number of FDI projects across the globe during the period under review.

**FIGURE 21: TOP 10 INVESTING COMPANIES FROM LITHUANIA: NUMBER OF PROJECTS, JAN 2011 – SEP 2021**

Company name	No. of projects	Global projects	% of global projects	Projects in last 12 mths
FL Technics	16	17	94	0
Apranga	11	25	44	0
Green Genius	11	11	100	3
Maxima Bulgaria	10	12	83	0
Maxima Latvija	7	7	100	0
Apex Alliance	7	7	100	2
Affise	7	7	100	2
Syno International	5	5	100	3
B GROUP Nordic steel	5	5	100	0
JSC Lithuanian Railways (Lietuvos Gelezinkeliai)	5	5	100	1

Source: FDI Intelligence (2021)

### 3.3 FDI FLOWS BETWEEN SOUTH AFRICA AND LITHUANIA

This sub-section focuses on FDI flows between Lithuania and South Africa from January 2013 to September 2021. During this period, only 1 FDI project was recorded from South Africa to Lithuania. This project, which was in the transportation and warehousing industry, generated a capex of R2 billion and created 250 jobs. No FDI projects were recorded from Lithuania to South Africa.

**FIGURE 22: FDI FROM SOUTH AFRICA TO LITHUANIA, JAN 2011 – SEP 2021**

Month	Projects	Capex	Source State	Industry Sector	Investing company
Jun 2015	1	R2bn	Gauteng	Transportation & Warehousing	Global Airways (Global Aviation)
<b>Total</b>	<b>1</b>	<b>R2bn</b>			

Source: FDI Intelligence (2021)



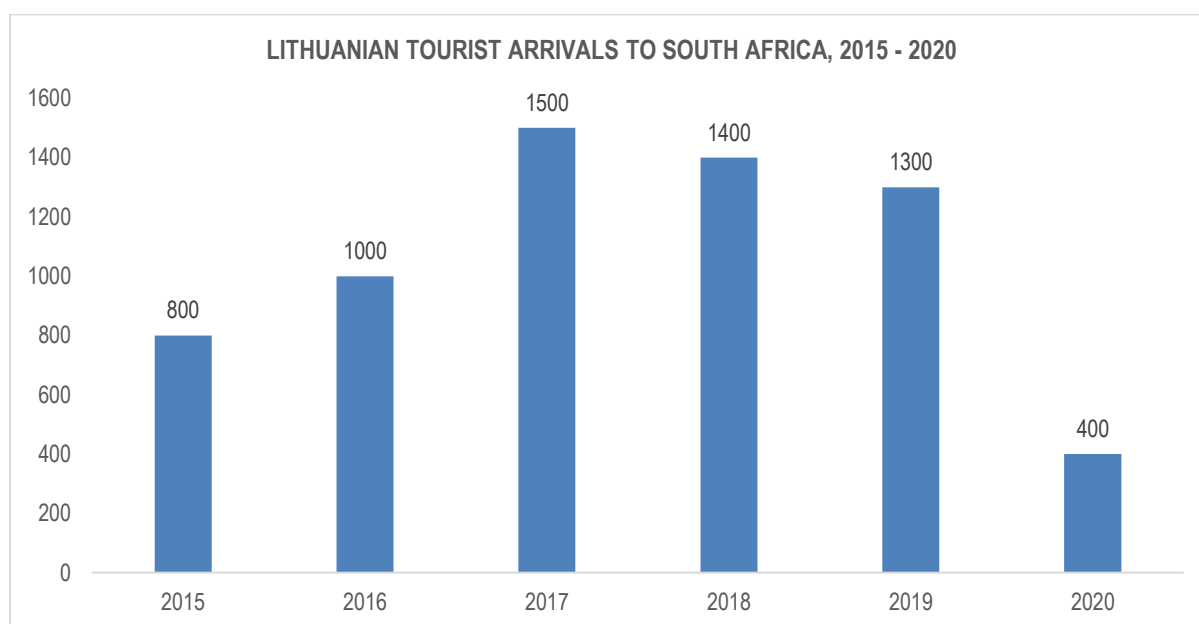
## 4. TOURISM MARKET OVERVIEW

As with the rest of the world, the COVID-19 pandemic has caused major declines in both inbound arrivals and outbound departures for Lithuania. According to Euromonitor International, a significant proportion of Lithuanian holidaymakers shifted to domestic travel in 2020, but there is still a sizeable proportion heading abroad following ease of travel restrictions. Neighbouring countries, Latvia, and Estonia, which form part of a 'travel bubble' with Lithuania will likely be the first destinations to recover.

Since travel restrictions have eased globally, the number of flights with major connections has increased significantly. However, with travel restrictions and imposed quarantines still in place in many countries, along with a distrust of the in-flight hygiene and safety measures offered by airlines, the aviation industry is expected to remain unstable, and will take a long time to reach pre-pandemic levels. (Euromonitor, 2021)

### 4.1 LITHUANIAN TOURIST ARRIVALS TO SOUTH AFRICA

The graph below depicts total tourist arrivals from Lithuania into South Africa from 2015 - 2020. A -69,2% decline in Lithuanian tourist arrivals was experienced in 2020 due to the impact of the pandemic on international travel.



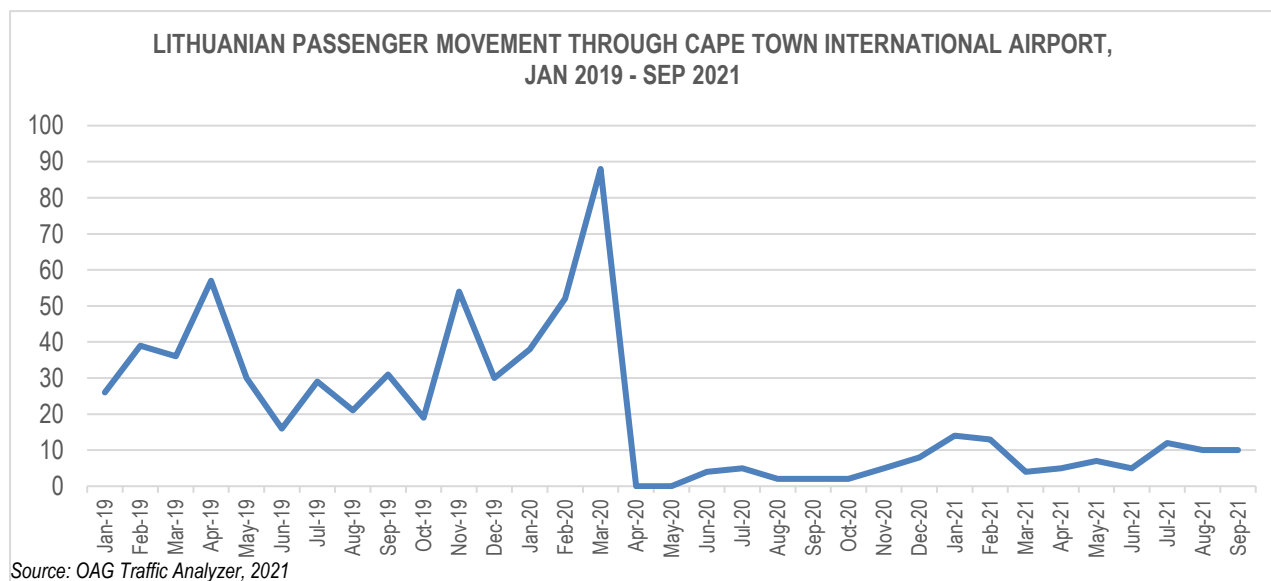
Euromonitor International, 2021

Source:

### 4.2 LITHUANIAN PASSENGER MOVEMENT THROUGH CAPE TOWN INTERNATIONAL AIRPORT

According to the latest OAG Traffic Analyzer data, Lithuanian passenger movement through Cape Town International Airport plummeted in April 2020, after the nationwide lockdown commenced on 26 March 2020. Passenger movement was almost non-existent between April and September 2020.

Passenger movement rose with the re-opening of air travel in October 2020 and has been climbing slowly with a peak in July 2021, although the numbers remain small.



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