KLAIPĖDA DISTRICT MUNICIPALITY

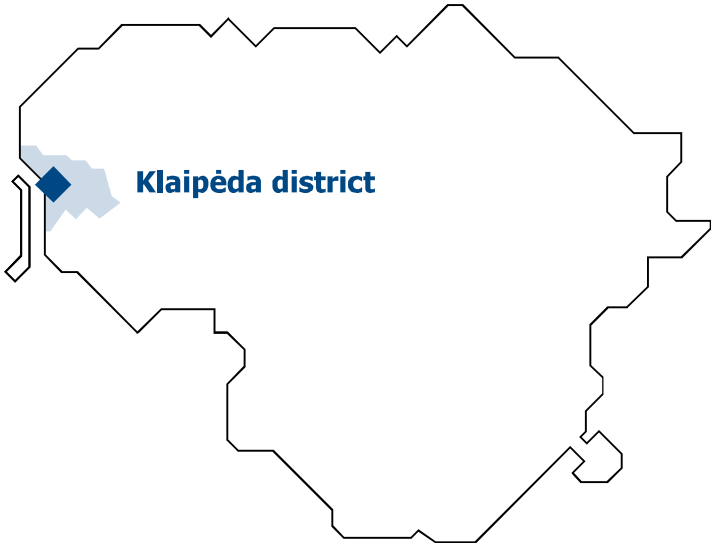


Lithuania

- GDP growth – **2.9%** [1]
- Inflation – **0.2%** [1]
- **4th** lowest profit taxes in the EU [2]
- **#1** for industry-university collaboration in the CEE region [3]
- **#2** most favourable country for investment in Europe and **#16** in the World [4]
- **1st** in the CEE for quality of roads [5]

Source 1: Ministry of Finance, 2014
Source 2: KPMG, 2014 / BNP Paribas European Office Market, 2014
Source 3: European Commission, 2013 / WEF Global Competitiveness Report 2014-2015
Source 4: Foreign Policy's Baseline Profitability Index 2014 / Centre of Registers, 2014
Source 5: FTTH Council, 2013 / WEF Global Competitiveness Report 2014-2015

Klaipėda district municipality



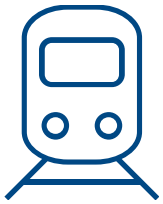
Klaipėda District Municipality is situated in the Western part of Lithuania and surrounds the city of Klaipėda.

- Population – **52 350**
- Labour pool – **33 500**

Source: Statistics Lithuania, 2014-2015

Effective transport chain

Maximizing rail, sea, land and air links



Rail



Seaports



Roads



International Airports

Rail

A conveniently developed rail infrastructure guarantees continuous and reliable cargo transportation from Klaipėda to CIS countries.

Cargo freights:

- *Saulė*
  Runs from China to Belgium. Delivery time from Almaty (KZ) to Kaunas is 8 days.
- *Vikingas*
  Connects the Baltic and Black seas, offering up to 30% reduction on logistics costs compared to road transport.
- *Merkurijus*
  Connects Klaipėda with the port of Kaliningrad.

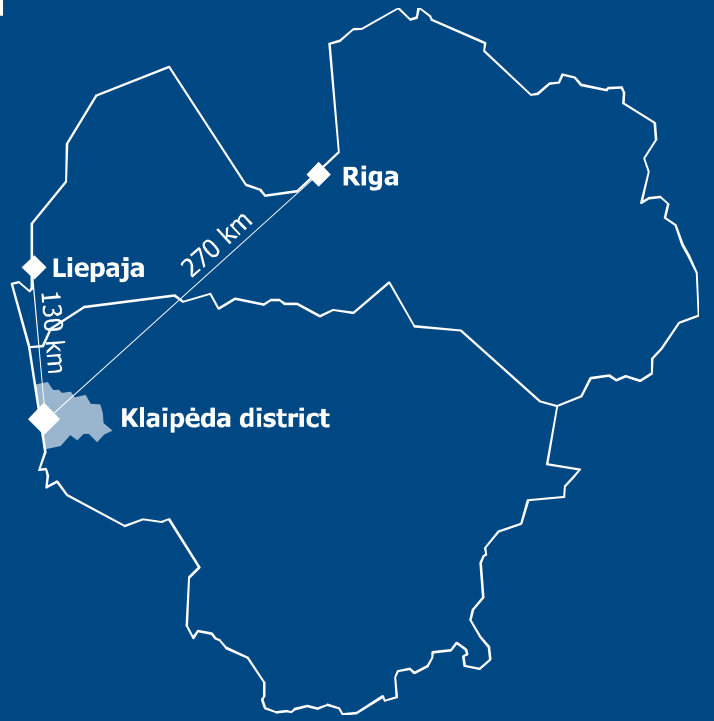
More at **www.intermodal.lt**



Source: Lithuanian Railways, 2015

Seaports

Klaipėda State Seaport is the most important and the biggest Lithuanian transport hub, connecting sea, land and railway routes from the East to the West.



Cargo handled in 2014

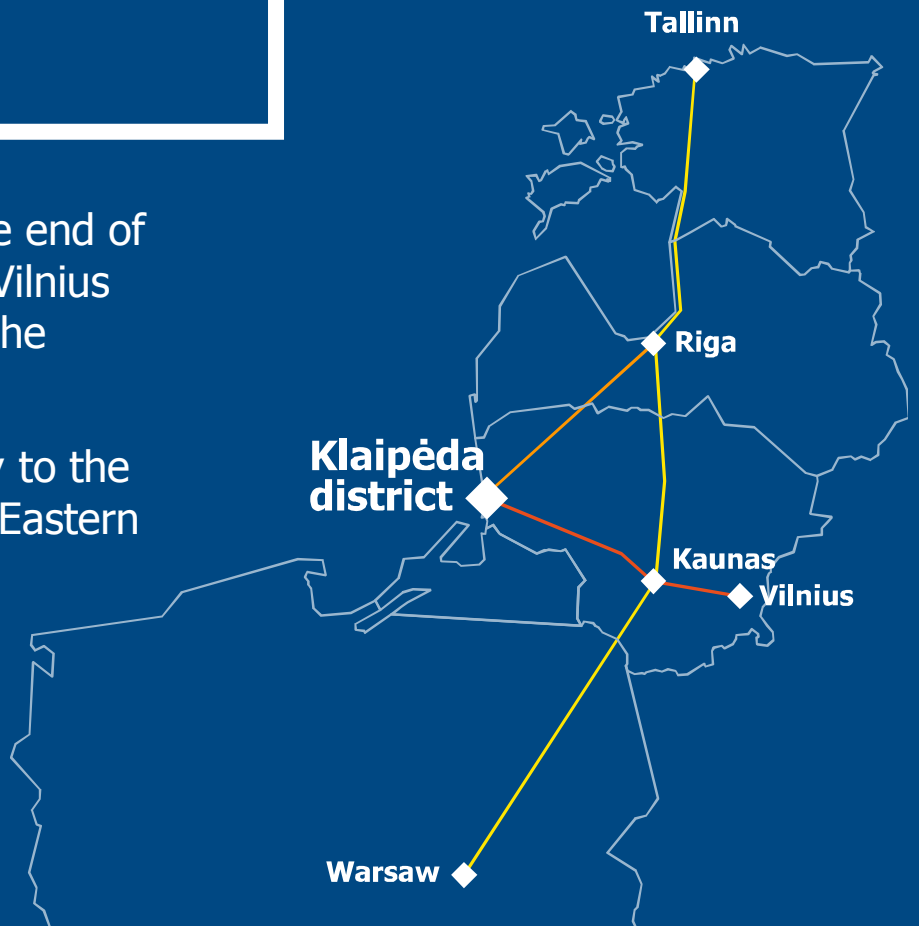
- Klaipėda – **36.4 million tons**
- Riga – **41 million tons**
- Liepaja – **5.5 million tons**

Source 1: Port of Klaipėda, 2014
Source 2: Freeport of Riga, 2014
Source 3: Port of Liepaja, 2014

Roads

Klaipėda district municipality is at the end of the 311 km *A1 (E85)* highway from Vilnius and is also connected with Riga via the *A13 (E272).*

A1 links Klaipėda district municipality to the *Via Baltica* highway, which connects Eastern Europe with Western Europe and Scandinavia.



International Airports

Klaipėda district municipality is served by the International **Palanga Airport**, which is approximately 20 min from Klaipėda district.

Airport handles flights to Copenhagen, Oslo, Riga and Moscow*.

- Passengers carried in 2014 – **132 931**



***Moscow during the summer**

Source 1: Lithuanian Airports, 2015
Source 2: Riga International Airport, 2015

Largest manufacturers

The biggest **8** companies employ **14%** of all working age people.

Mars Lietuva
Manufacture of petfood
EMP: 785

Litana ir Ko
Manufacture of metal constructions
EMP: 669

Sakuona
Manufacture of wood products
EMP: 616

Neo Group
Manufacture of PET granules
EMP: 167

Liskandas
Manufacture of wooden houses
EMP: 162

Mida LT
Manufacture of polymer bitumen roofing products
EMP: 104

Agrovet
Meat processing company
EMP: 81

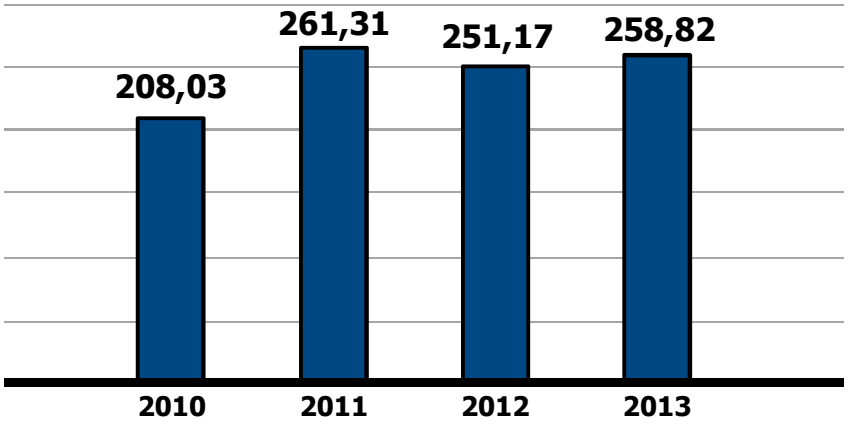
Dolena
Manufacture of wooden houses
EMP: 75

Source: Rekvizitai.lt, 2015

Foreign Direct Investment (FDI)

- **258,82 m EUR** of FDI
- **24.4%** FDI growth in three years

FDI in Klaipėda district municipality
(mln EUR)

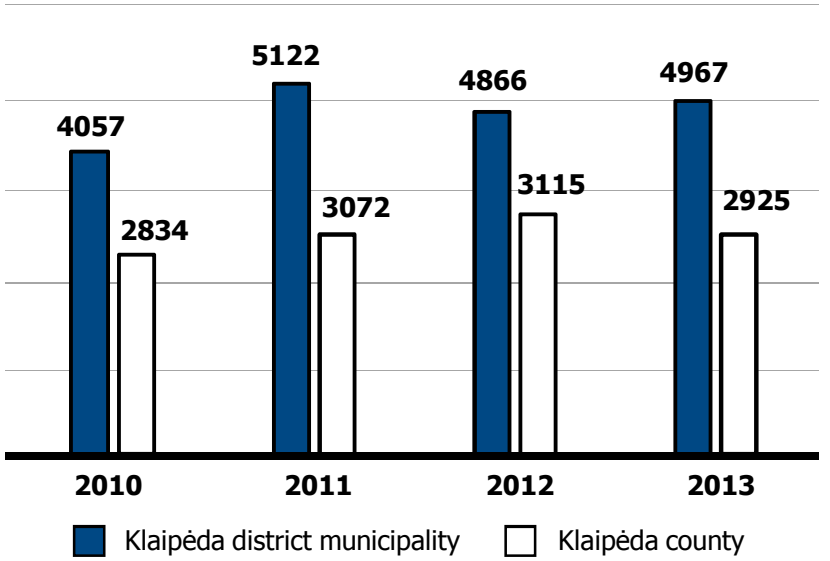


Source: Statistics Lithuania, 2013

Municipality with the highest FDI per capita in the county

- **27%** of all FDI in Klaipėda county is in Klaipėda district municipality
- FDI per capita **4967 EUR** (2013)
- **4th** biggest muncipality in terms of FDI per capita in Lithuania

FDI per capita – Klaipėda district municipality in comparison to Klaipėda county as a whole (EUR)



Source: Statistics Lithuania, 2013

Skilled workforce and attractive labour cost



33,500
Working-age people



6.6%
Seeking employment

74% speak at least one **foreign language**

61% speak **Russian**

32% speak **English**

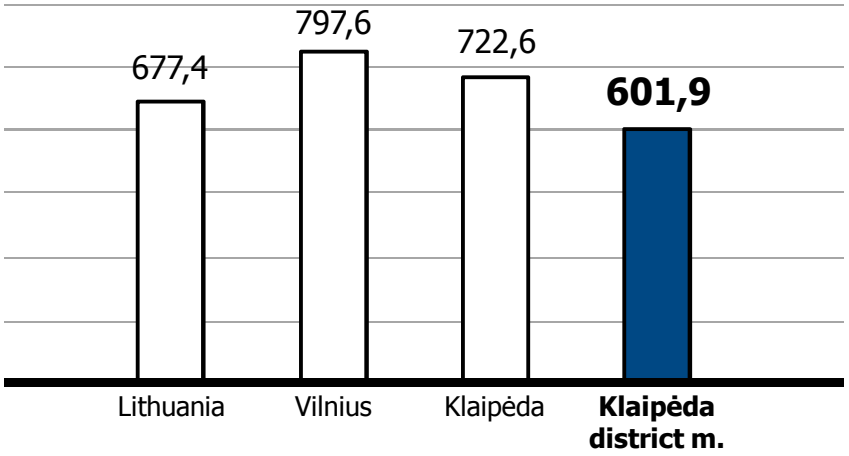
9% speak **German**

Source 1: Statistics Lithuania, 2011-2013
Source 2: Lithuanian Labour Exchange, 2015

Attractive labour cost

Klaipėda district municipality has excellent growth potential thanks to its skilled talent pool and competitive labour costs

Monthly average gross salary (EUR)



Source: Statistics Lithuania, 2014

Qualification and competences. Education in Klaipėda city



- **2** universities, **5** colleges and **9** vocational schools
- Education is focused on maritime, mechanical engineering, logistics, food technology and international business education
- **12 000+** students currently studying
- **2000+** studies engineering, manufacturing and construction programs

Source: Statistics Lithuania, 2014-2015

Klaipėda Free Economic Zone (FEZ) significantly contributes to the prosperity of the regional economy

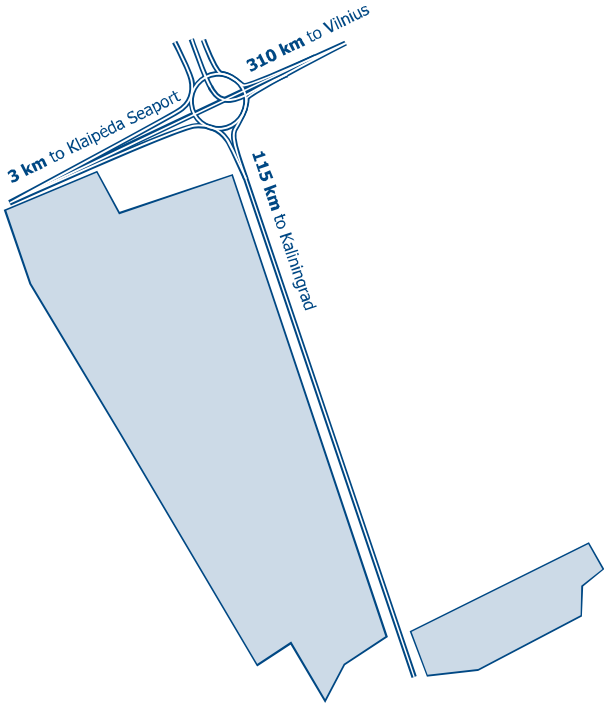


Source: Klaipeda FEZ, 2014

Klaipėda Free Economic Zone (FEZ) significantly contributes to the prosperity of the regional economy

The main facts about the Klaipėda FEZ

Officially opened:	**2002**
Total area:	**412 ha**
Area fully prepared for business activities:	**260 ha**
Fully functioning companies:	**19**
Under construction companies:	**9**
Investments:	**522 m EUR**
Total annual turnover of Klaipeda FEZ investors:	**893 m EUR**
Total annual export of Klaipeda FEZ investors:	**726 m EUR**



Source: Klaipeda FEZ, 2014

Business friendly environment

- Ease of starting Business / World ranking – **11th** [1]
- Ease of doing business / World ranking – **24th** [1]
- Time for establishing a business – **3 days** [2]
- VAT – **21%** [2]
- Personal income tax – **15%** [2]
- Social security tax paid by employer – **30.98%** [3]
- **15%** corporate tax rate – **4th** lowest corporate tax in EU [2,4]
- Real Estate tax – **0-1%** [5]
- Land lease tax for commercial areas – **0-1.5%** [5]

Source 1: Forbes, 2014
Source 2: State Tax Inspectorate Under the Ministry of Finance of the Republic of Lithuania, 2014
Source 3: State Social Insurance Fund Board of the Republic of Lithuania under the Ministry of Social Security and Labour
Source 4: KPMG, 2014
Source 5: Klaipėda District Municipality, 2015

A place to visit, enjoy, discover and invest in



Klaipeda district boasts a unique ethnic background and **rich cultural heritage**; standing at the crossroads between the historical Lithuanian Major and Lithuania Minor, the region is also home to the distinctive Samogitian (or Lowland) culture.



The area is also abundant in **tourist attractions**: Drevernos small craft harbor, kite surfing centre in Svencelė, golf courses, Seaside Regional Park, Dinosaur Park, Klaipeda Zoo minizoo center, Minija ichtiological Reserve, as well as an abundance of historical man made mounds.



Washed over by the calm waters of the Baltic Sea and the Curonian Lagoon, as well as the gentle ripple of its many beautiful rivers and lakes, Klaipeda district is justly renowned as **"the edge of the four waters"**.

Testimonials

Mars Lietuva is one of the twenty biggest export companies in Lithuania. It exports over 99% of its production made in Lithuania. Currently it ships products to 32 European countries with the United Kingdom being a top destination. For its production Mars Lietuva chose Klaipėda district as it has a perfect geographical location and strong ability to handle high volumes of export. During one year the factory located in Gargždai produces over 70 thousand tons of pet food which is exported to other European countries. The biggest part of the production is being transported by ships via Kaipėda seaport.

Mars Lietuva	**Aušra Žemaitienė**
Headcount:	752
Est.:	1993

Testimonials

Located near the port of Klaipėda, we are one of the biggest manufacturers of polyethylene terephthalate (PET) granules in Europe. We produce over 300 thousand tons a year, almost 12 per cent of all European production, and we have recently moved into the field of the chemical recycling of industrial PET waste into Aromatic Polyester Polyols. None of this would have been possible without our dedicated and skilled team of experienced professionals. What's more, Klaipėda district provides us with the perfect logistical links to optimize raw material sourcing and to distribute our products to customers all over the world.

Neogroup	**Paulius Ambrazaitis**
Headcount:	167
Est.:	2003

neogroup

KLAIPĖDA DISTRICT

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