



2022 SME COUNTRY FACTSHEET'S EVIDENCE BACKGROUND DOCUMENT


Lithuania

This document faithfully reproduces evidence from various relevant sources, thus providing SME-focused “pure facts” in the form of concise facts. This factual information arises from national evidence, data and insights, such as the SME-relevant recent national studies, surveys, publications, policy measures, etc. (including those published only in the national language) as well as relevant international studies and other relevant sources, indicators and statistics.

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Factual SME-related evidence	Source
KEY NOWCASTS & FORECASTS	 KEY NOWCASTS & FORECASTS
<p>In contrast to most EU Member States, Lithuanian SMEs achieved positive growth rates in employment (1.4%) in 2020. In 2021, SMEs in Lithuania continued to grow strongly, with value added increasing by 11.2% and employment by 2.1%.</p>	<p>Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.</p>
<p>The <i>tourism</i> ecosystem, the only ecosystem in Lithuania that experienced a significant downturn in 2020, generated strong recovery growth in SME value added in 2021, at 8.7 %, following a decline of 10.6% in 2020. However, SME employment declined by a further 3.1% in 2021, after a drop of 3.0% in 2020.</p>	<p>Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short Term Business Statistics Database.</p>
<p>The <i>construction</i> ecosystem grew significantly in both 2020 and 2021, with SME value added increasing by 12.0% in 2020 and 7.6% in 2021 and SME employment growing by 3.7% and 3.3% respectively.</p>	<p>Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short Term Business Statistics Database.</p>
<p>Based on data from early 2022, it was expected that SME value added and SME employment in Lithuania would continue to grow strongly by 9.6% and 3.5% respectively, but the war in Ukraine will affect these estimates.</p>	<p>Estimates and forecasts produced by JRC, based on figures from the Structural Business Statistics Database, provisional data for 2020-2021 from the National Accounts Database and the Short Term Business Statistics Database and forecasts from the AMECO database.</p>
<p>In 2021, SMEs in Lithuania accounted for 68.3% of employment and 60.5% of value added, exceeding the corresponding EU averages of 64.4% and 51.8%.</p>	<p>Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.</p>
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	 ENVIRONMENTAL ASPECTS OF SUSTAINABILITY
<p>On 30 June 2021, the Lithuanian Parliament adopted the National Climate Change Management Agenda. It aims to develop a long-term vision for Lithuania's climate change management policy to achieve climate neutrality of the country's economy, to ensure the resilience of the country's economic sectors and ecosystems to climate change impacts. It envisages support for industry to become energy-producing consumers through waste-free and low-waste production, circular economy models, rational use of resources, secondary and more climate-friendly raw materials. It also foresees incentives for projects that reduce energy consumption, industrial reorientation, and digitalization.</p>	<p>Lietuvos Respublikos Vyriausybė, Vyriausybė patvirtino Nacionalinę klimato kaitos valdymo darbotvarkę. 2021. https://lrv.lt/lt/naujienos/vyriausybe-patvirtino-nacionaline-klimato-kaitos-valdymo-darbotvarke</p>
<p>The Lithuanian Government has decided that, from 2023 onwards, all public procurement will have to be green procurement. The Government resolution foresees that during the transitional period – from 1 July to the end of December 2021 – they must account for at least 10% of the total value of public procurement, at least 50% in 2022, and 100% starting 2023. This</p>	<p>Aplinkos apsaugos ministerija. Naujienos, Lietuvoje per dvejus metus visi viešieji pirkimai turi tapti žalieji, 2021. https://am.lrv.lt/lt/naujienos/lietuvoje-per-dvejus-metus-visi-viesieji-pirkimai-turi-tapti-zalieji</p>

measure will serve as a tool for promoting sustainable consumption and production.	
In 2020, the environmental expenditure of Lithuanian industrial enterprises amounted to EUR 243.3 million, or 10.4% more than in 2019. Protection of water resources accounted for the largest share of environmental expenditure, increasing by 17.8% last year to EUR 174.6 million, representing 71.8% of the total expenses on the environment of industrial enterprises.	Lietuvos statistikos departamentas, (STATISTICS LITHUANIA), Service Statistics. 2021. https://osp.stat.gov.lt/informaciniai-pranesimai?eventId=246355
According to a 2021 survey from the Swedbank, only 11% of companies say that customer choice is significantly affected by sustainability issues and 6% believe that these criteria will be of great importance for brand or service choice soon. Only one in five companies in Lithuania sees sustainability as a criterion for choosing business partners. As many as 57% of the surveyed businesses say sustainability does not make any difference for the choice of business partners.	SAGATAUSKAS A, Antanas Sagatauskas: kaip šalies verslui išlikti pirmuoju pasirinkimu. 2021. https://www.15min.lt/verslas/naujiena/finansai/antanas-sagatauskas-kaip-salies-verslui-islikti-pirmuoju-pasirinkimu-vartotojams-662-1557450?copied&copied
More than half of all Lithuanian firms (55%) have invested or plan to invest in measures to address the impact of weather events and reduction of greenhouse gas emissions: one-third (33%) for micro and small companies and twice as many for large companies (66%). The EU average of all firms is 67%.	European Investment Bank, EIB Group Survey on Investment and investment finance 2020. Country overview Lithuania, 2020. https://www.eib.org/attachments/efs/eibis_2020_lithuania_en.pdf
SOCIAL ASPECTS OF SUSTAINABILITY  SOCIAL ASPECTS OF SUSTAINABILITY	
In 2021, the Lithuanian national promotional institution Investment and Business Guarantees INVEGA launched a new financial measure - Startuok (Start-Up) loans for funding SMEs. One of the target groups of the measure is for enterprises implementing projects that have a social impact, provided they have been operating for less than five years. Start-up loans support both investments and working capital. INVEGA will provide investment loans for up to 10 years, while the maximum funding available to one applicant will be EUR 3 million.	INVEGA, Business. Business Start. Soft loans, 2021. https://invega.lt/en/financiers/soft-loans/180/startuok-106
According to a study carried out by SEB Bank in 2021, 79% of Lithuanians aged 18-25 believe it is crucial to be sustainable when starting or planning to start their own business. Almost a third (28%) of young people intend to become entrepreneurs, 3% already are building or expanding their companies.	SEB BANKAS, SEB tyrimas: tvarus verslas – jaunųjų verslininkų dėmesio centre, 2021. https://www.seb.lt/en/node/100642
DIGITALISATION  DIGITALISATION	
In response to the COVID-19 crisis, 37% of Lithuanian SMEs accelerated the digitalization of their businesses.	INTRUM, European Payment Report 2021 (Lithuania), 2021.




	https://www.intrum.lt/verslo-sprendimai/analitika-ir-izvalgos/publikacijos/european-payment-report/european-payment-report-2021/
Following the FinTech sandbox success, Lithuania has launched a funded GovTech Sandbox Programme in 2021. From now on, public authorities can receive funding for piloting a GovTech solution to solve their challenges. This measure will encourage public institutions to experiment more freely and motivate start-ups and innovative companies to step in.	SABALIAUSKAITĖ G, „GovTech“ sprendimų finansavimu viešajam sektoriui siekia paskatinti jų kūrimą, 2021. https://www.vz.lt/smulkusis-verslas/2021/06/06/govtech-sprendimu-finansavimu-viesajam-sektoriui-siekia-paskatinti-ju-kurima
On 17 November 2021, the Government approved the state digitization development programme for 2021-2030 prepared by the Ministry of Economy and Innovation. It provides the main directions for the development of innovative technological solutions for business and people. The program focuses on the state's ability to adapt to rapid technological changes - ensuring the efficient management of state information resources and the interoperability of state information systems and registers, consolidation of state information resource management, and the transition to centralized IT services. However, the development of state information systems, various e-services, tools, and technological solutions operating on the principles of artificial intelligence, data analytics will provide numerous opportunities for businesses. The program also includes measures for increasing digital skills and opening public sector data.	Lietuvos Respublikos Vyriausybė (The Government Of The Republic Of Lithuania), Bus didinamos valstybės skaitmeninimo galimybės, 2021. https://lrv.lt/lt/naujienos/bus-didinamos-valstybes-skaitmeninimo-galimybes
<div> <div>INNOVATION</div> <div>  <div>INNOVATION</div> </div> </div>	
R&D business expenditure by Lithuanian companies in 2020 increased by 34.5% or by EUR 53.6 million, up from EUR 208 million in 2019 to EUR 272.5 in 2020, according to the Department of Statistics.	DELFI, Lietuvoje padidėjo išlaidos mokslinių tyrimų ir eksperimentinės plėtros veikla, 2021. https://www.delfi.lt/mokslas/mokslas/lietuvoje-padidejo-islaidos-moksliniu-tyrimu-ir-eksperimentines-pletros-veiklai.d?id=88380765
According to the data of the Department of Statistics, the ratio of business R&D expenditure to gross domestic product (GDP) in 2020 was 0.56%, compared to 0.43% per cent in 2019.	DELFI, Lietuvoje padidėjo išlaidos mokslinių tyrimų ir eksperimentinės plėtros veikla, 2021. https://www.delfi.lt/mokslas/mokslas/lietuvoje-padidejo-islaidos-moksliniu-tyrimu-ir-eksperimentines-pletros-veiklai.d?id=88380765
The Organization for Economic Co-operation (OECD) in 2021 has launched a project to support Lithuania's effort to increase the effectiveness of innovation policy and system. According to the Government Strategic Analysis Center (STRATA), Lithuania's innovation system is fragmented, lacks a strategic approach and coordination both within the system itself and with other areas of the economy. Consequently, the use of the results of the science and innovation system is limited, which impacts the growth	STRATA, OECD will analyse and help to improve Lithuania's innovation system, 2021. https://strata.gov.lt/en/news/29-news/770-oecd-will-analyse-and-help-to-improve-lithuania-s-innovation-system

of the economy, the efficiency of public administration, and other aspects of public life. The project will provide recommendations for improving the innovation system and public policy, better implementation of existing measures, initiation of new actions, and more effective change management	
SKILLS  SKILLS	
The Government Strategic Analysis Centre's (STRATA) 2020 survey reveals that 53% of the population aged 50-59, 48% of the 60-69 years old people, and 26% aged 70-74 consider their digital literacy level as good or very good. By comparison, in younger age groups (15-49 years old), the number of those surveyed who rate their digital skills good or very good is higher, exceeding 70% of those surveyed.	STRATA, Tik pusė vyresnio amžiaus gyventojų turi gerus skaitmeninius įgūdžius, 2021. https://strata.gov.lt/lt/naujienos/8-naujienos/775-tik-puse-vyresnio-amziaus-gyventoj-turi-gerus-skaitmeninius-igudzius
The Organization for Economic Co-operation (OECD) in 2021 has published the OECD Skills Strategy Lithuania. It assesses Lithuanian skills challenges and opportunities and identifies policy priorities to help target investment. The strategy identifies four priority areas: developing young people's skills for careers and life, involving adults and businesses in learning, more efficient use of skills in the workplace, and managing the skills system. It also identifies opportunities and provides recommendations for improving outcomes in each area.	Organisation for Economic Co-Operation and Development (OECD), OECD Skills Strategy Lithuania, 2021. https://www.oecd-ilibrary.org/sites/14deb088-en/index.html?itemId=/content/publication/14deb088-en
According to the 2021 survey of the Employment Service, over 56% of Lithuanian job seekers lack digital skills. At the same time, more than half of the employers in their advertisements for job seekers mentioned computer skills as a prerequisite for the position. Some job advertisements do not even name the digital literacy requirement because it is naturally associated with the competencies required for a particular job.	VERSLO ŽINOS, Daugiau nei pusė ieškančių darbo stokoja skaitmeninių įgūdžių, 2021. https://www.vz.lt/verslo-valdymas/personalo-valdymas/2020/07/23/daugiau-nei-puse-ieskanciuju-darbo-stokoja-skaitmeninio-rastingumo-igudziu
ADMINISTRATIVE BURDEN  ADMINISTRATIVE BURDEN	
According to the Ministry of Economy and Innovation, public authorities reduced the administrative burden by EUR 7.6 million in 2021. Since 2014, it has decreased by EUR 136 million.	Ekonomikos Ir Inovacijų Ministerija (Ministry of Economy and Innovation), Metinės Administracinės naštos mažinimo stebėsenos ataskaitos, 2021. https://eimin.lrv.lt/lt/veiklos-sritys/verslo-aplinka/geresnis-reglamentavimas/geresnis-reglamentavimas-lietuvoje/svarbiausi-pasiekimai/metines-administracines-nastos-mazinimo-stebesenos-ataskaitos
The Ministry of Economy and Innovation in 2021, offered to introduce a small entrepreneur's account - a model where an entrepreneur has a dedicated bank account. The income received is taxed at a fixed rate and automatically transferred to the tax authorities. Transaction data is included in	Verslo Žinios, Dalis naštos nukristų nuo smulkiųjų pečių. 2021. https://www.vz.lt/izvalgqos/2021/06/18/dalis-nastos-nukristu-nuo-smulkiuju-peciu

<p>the tax return. Similarly, wages would be transferred to a specialized account for an employee, from which taxes are deducted automatically. Such bank accounts have advantages: it is a convenient instrument that saves time for small businesses and reduces the administrative costs associated with paying taxes. It is also a step towards reducing the shadow economy in the small business sector.</p>	
REGULATORY OBSTACLES	
<p>According to experts from the Organisation for Economic Co-operation and Development (OECD), who have carried out a study on evidence-based governance in Lithuania, flawed practices in the management of Lithuanian legislative processes can create conditions for so-called legislative inflation. During the last term (2016 -2020), the parliament adopted 3440 legal acts, or 2.3 daily. A total of 5413 draft laws and amendments to the legal acts have been registered in four years, significantly higher than in neighbouring countries.</p>	 REGULATORY OBSTACLES <p>STRATA, Perteklinis reglamentavimas: ką daryti, kad neatsidurtume aklavietėje?, 2021. https://strata.gov.lt/lt/naujienos/8-naujienos/854-perteklinis-reglamentavimas-ka-daryti-kad-neatsidurtume-aklavieteje</p>
<p>Noting the problematic points of the Lithuanian legislative process, the Government prepared the first legislative plan for the medium term (until 2024). Ministries often suggest minor and tactical rather than systemic and complex regulatory changes. Planning will help avoid frequent amendments to legislation. The Legislative Plan of the Government for 2021-2024 is a list of legal acts, such as laws, resolutions of Parliament, Government resolutions, which are planned to be prepared by ministries and the Government Office.</p>	<p>Lietuvos Respublikos Vyriausybė, (The Government of the Republic of Lithuania), Vyriausybės 2021–2024 metų teisėkūros planas, 2021. https://lr.lt/lt/aktuali-informacija/xviii-vyriausybe/vyriausybes-2021-2024-metu-teisekuros-planas</p>
ACCESS TO FINANCE	
<p>During the first three quarters of 2021, the national development agency Investment and Business Guarantees INVEGA provided a worth of EUR 301.27 million of funding in loans, guarantees, subsidies, and venture capital investments to 5435 Lithuanian SMEs. Unlike in 2020, the largest share (87%) of funding comprised regular, non-COVID financial instruments designed to support businesses that experience difficulties getting funding from other financial sources.</p>	 ACCESS TO FINANCE <p>INVEGA, Nine-month results: INVEGA provided businesses with over EUR 300 million of state funding, 2021. https://invega.lt/en/news/108/nine-month-results-invega-provided-businesses-with-over-eur-300-million-of-state-funding:1202</p>
<p>On 30 September 2021, Lithuanian national promotional institution Investment and Business Guarantees INVEGA signed a guarantee agreement with the European Investment Fund. The guarantee – made available under the European Guarantee Fund, an initiative of the EIB Group and EU Member States – will support a portfolio of new SME financing by INVEGA of up to EUR 57 million. Specifically, it will help start-ups</p>	<p>DELFI, Invega uses European Guarantee Fund to support Lithuanian businesses in wake of COVID-19 pandemic, 2021. https://www.delfi.lt/en/business/invega-uses-european-guarantee-fund-to-support-lithuanian-businesses-in-wake-of-covid-19-pandemic.d?id=88317965</p>

without credit history to improve their borrowing opportunities.	
The 2021 survey of the Bank of Lithuania shows that most companies (independently of whether they borrowed or not) think that business lending is partially restricted. It is often available after applicants meet additional conditions. In particular, service companies emphasized this point. According to the survey, 66% of those who tried to borrow managed to get funding.	Lietuvos Bankas (The Bank of Lithuania), Įmonių apklausos apžvalga (2021), 2021. https://www.lb.lt/uploads/publications/docs/33288_1fb88712b970bdadf59cdb6c68158433.pdf
LATE PAYMENTS  LATE PAYMENTS	
The European Payment Report 2021 reveals that the payment delays in Lithuania have narrowed compared with the previous year. The gap in payment terms offered and actual payment duration for public sector customers has fallen from 17 to 11 days. The current payment gap for B2B customers is 12 days (previously 16 days), while consumers on average miss the payment date by 10 days, the same as the year before.	INTRUM, European Payment Report 2021 (Lithuania), 2021. https://www.intrum.lt/verslo-sprendimai/analitika-ir-izvalgos/publikacijos/european-payment-report/european-payment-report-2021/
ACCESS TO MARKETS  ACCESS TO MARKETS	
In 2021, Lithuania rose from position 31 to 30 among 64 countries in the global competitiveness rankings compiled by the Swiss International Institute for Management Development (IMD). Lithuania ranks higher in international trade competitiveness and rose from 7 th to 5 th in the world. High competitiveness of international trade is attributed to excellent export diversification (2 nd) in the world, a high share of business services exports compared to GDP (6 th), a well-rated share of goods exports compared to GDP (11 th), and a good share of the total volume of international trade compared to GDP (12 th).	Versli Lietuva (<i>Enterprise Lithuania</i> , Lithuania among world's TOP5 most competitive countries in terms of international trade, 2021. https://enterpriseliethuania.com/en/news/lithuania-among-worlds-top5-competitive-countries-terms-international-trade/
Exports of goods of Lithuanian origin grew every month of 2021, while the total growth rate was 25.9%. Exports of goods of Lithuanian origin (excluding mineral products) grew by 20.7%. Exports of goods to EU countries accounted for 57.7% of total exports of goods, while third countries accounted for 42.3%.	Lietuvos Statistikos Departamentas (Statistics Lithuania), Foreign trade in goods in December 2021, 2021. https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9675253
According to Enterprise Lithuania, the value of exported goods increased by 20.5% in 2021, compared to 2020, or by EUR 5.9 billion. In IV quarter 2021, exports of services increased by 23.9 % compared to IV quarter 2020.	Lietuvos prekių eksporto apžvalga, 2021. https://www.verslilietuva.lt/wp-content/uploads/2022/03/2021_Preki%C5%B3-eksporto-ap%C5%BEvalga.pdf Lietuvos Statistikos Departamentas (Statistics Lithuania). International trade in services in IV quarter 2021

	https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9847121
In 2021, compared to 2020, exports increased by 20.5 %. Exports of goods of Lithuanian origin increased by 25.9 %, mineral products excluded – 20.7 %.	Lietuvos Statistikos Departamentas (Statistics Lithuania), Foreign trade in goods in December 2021, 2021. https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9675253
According to the press release of Versli Lietuva (Enterprise Lithuania), published on July 13, 2021, foreign public procurement can generate considerable business opportunities for Lithuanian companies. European trends are favourable - contracting authorities are increasingly using foreign rather than local suppliers. Many businesses do not consider tendering in other countries because of the language and cultural barriers or lack of knowledge about the local market. Many think that international public procurement is too complex. Enterprise Lithuania has initiated a program in which Lithuanian companies strengthen their competencies in international sales. A total of 70 companies from the IT services, furniture, food and beverage, electronics, biotechnology, and scientific instruments sectors have already participated in the program over the past two years.	Versli Lietuva (<i>Enterprise Lithuania</i>). Press Release, 2021. https://www.elta.lt/lt/pranesimai-spaudai/dabar-pats-metas-dalyvauti-tarptautiniuose-viesuosiuose-pirkimuose-217129
START-UP ENVIRONMENT 	
In 2021, Lithuania ranked 16 th in the global start-up ecosystem and 2 nd in the Eastern European region, ranking presented by Startup Blink, a start-up ecosystem map and research center.	STARTUP LITHUANIA, An Overview of a Record Year and Exceptional Startup Awards at the 'Wrap Up of 2021 & Startup Awards' Event, 2021. https://www.startuplithuania.com/news/an-overview-of-a-record-year-and-exceptional-startup-awards-at-the-wrap-up-of-2021-startup-awards-event/ https://www.startupblink.com/
According to the 2021 survey conducted by the SEB Bank, more than one-third (36%) of Lithuanians say that they are considering becoming an entrepreneur in the next one to three years. One-third of these respondents have serious intentions - they test a business idea, register a company, and are about to start operations. Some already had business and intend to start it again.	SEB BANKAS, SEB banko tyrimas: per artimiausius trejus metus Lietuvoje bent trečdaliu padaugės nuosavų verslų, 2021. https://www.seb.lt/infobankas/verslui/seb-banko-tyrimas-artimiausius-trejus-metus-lietuvoje-bent-trecdaliu-padauges
During the pandemic year, Lithuania's life sciences sector grew by 87% and generated revenues of EUR 2 billion. In 2020, 40 new start-ups were founded. Looking to the future, Lithuania has a goal to have over 500 biotech start-ups with a combined turnover of EUR 3-4 billion by 2030.	ENTERPRISE LITHUANIA, Lithuania: the future hub of life sciences?, 2021. https://www.verslilietuva.lt/en/news/lithuania-future-hub-life-sciences/
The number of start-ups in the Startup Lithuania database has remained more or less stable in 2021, yet the number of employees increased by 31% and taxes paid by start-ups increased by 50% over a year.	STARTUP LITHUANIA, An Overview of a Record Year and Exceptional Startup Awards at the 'Wrap Up of 2021 & Startup Awards' Event, 2021. https://www.startuplithuania.com/news/an-overview-of-a-record-year-and-exceptional-startup-awards-at-the-wrap-up-of-2021-startup-awards-event/

SCALE-UP ENVIRONMENT		 SCALE-UP ENVIRONMENT
In 2021, Lithuanian start-ups have already attracted more than EUR 420 million in investments, compared to EUR 190 million in the previous record year, 2019.	BUDREIKIENĖ, J., GRINKEVIČIUS P, Lietuvos startuoliai šiemet pritraukė 420 mln. Eur investicijų, 2021. https://www.vz.lt/inovacijos/2021/10/29/lietuvos-startuoliai-siemet-pritrauke-420-mln-eur-investiciju/	
According to Enterprise Lithuania, in the first half of 2021, the total sales of Lithuanian start-ups and scale-ups reached EUR 1.33 billion and grew by 162%, i.e., 2.6 times compared to the same period in 2020. Exports of high value-added goods and services in the first half of this year performed even better, reaching EUR 966.8 million, up 192 percent, or 2.9 times, compared to the first half of 2020.	BUDREIKIENĖ, J., GRINKEVIČIUS P, Lietuvos startuoliai šiemet pritraukė 420 mln. Eur investicijų, 2021. https://www.vz.lt/inovacijos/2021/10/29/lietuvos-startuoliai-siemet-pritrauke-420-mln-eur-investiciju/	
Index Ventures, a venture capital firm, placed Lithuania, together with other Baltic countries, at the top of the attractiveness of the stock option treatment index. The ranking comprised 22 countries, including the United States, Britain, Israel, France, and Germany. Lithuania significantly advanced by an amendment to the Law on Personal Income Taxes that came into force in February 2020, expanding the base of non-taxable income.	LITHUANIAN VENTURE CAPITAL ASSOCIATION (VCA), Baltics Rank #1 in the Index of Attractiveness of the Stock Option Treatment, 2021. https://vca.lt/en/naujiena/baltics-rank-1-in-the-index-of-attractiveness-of-the-stock-option-treatment/	
IMPACT OF THE COVID-19 CRISIS		 IMPACT OF THE COVID-19 CRISIS
Since March 2020, 52 485 companies have benefited from COVID-19 pandemic mitigation measures. They constitute around half of all operating companies. In March 2020, when the pandemic began, the number of employees in these enterprises amounted to 626.9 thousand. By June, it fell to 604.1 thousand but reached 627.8 thousand at the end of October 2021.	NAPRYS, E. Ar valstybės parama verslui padėjo: darbuotojų algos augo 24 proc., bet kas šimtoji įmonė – neišgyveno, 2021. https://www.delfi.lt/verslas/verslas/ar-valstybes-parama-verslui-padejo-darbuotoju-algos-augo-24-proc-bet-kas-simtoji-imone-neisgyveno.d?id=88649877	
In total 516 or 1% of the companies that benefitted from COVID-19 pandemic mitigation measures are currently in the bankruptcy or restructuring process or already liquidated.	NAPRYS, E. Ar valstybės parama verslui padėjo: darbuotojų algos augo 24 proc., bet kas šimtoji įmonė – neišgyveno, 2021. https://www.delfi.lt/verslas/verslas/ar-valstybes-parama-verslui-padejo-darbuotoju-algos-augo-24-proc-bet-kas-simtoji-imone-neisgyveno.d?id=88649877	
The manufacturing industry, which experienced fewer COVID-19 related constraints in 2020, increased the value-added by 0.8%. Agriculture has also shown positive results (+5.4%). Information and communication and real estate activity increased by 6% and 0.4%, respectively.	Finansų Ministerija. (Ministry of Finance), Ekonominė apžvalga, 2021. https://finmin.lrv.lt/uploads/finmin/documents/files/Ekonomikos_apzvalga_2021_kovas.pdf	
NATIONAL RECOVERY AND RESILIENCE PLAN		 NATIONAL RECOVERY AND RESILIENCE PLAN
On July 26, 2021, the European Council endorsed Lithuania's Recovery and	Finansų Ministerija (Ministry of Finance), Naujos kartos Lietuva (New Generation Lithuania), 2021.	

<p>Resilience Plan: New Generation Lithuania. Lithuania will benefit from EUR 2.225 billion in grants and up to EUR 3 billion in loans under the Recovery and Resilience Facility (RRF) for 2021–2026.</p> <p>The Plan includes reforms and investments to accelerate the digital transformation, investments in the green transition, measures to improve public governance, healthcare, and social services, and promotion of research & innovation.</p>	https://finmin.lrv.lt/lt/es-ir-kitos-investicijos/naujos-kartos-lietuva
<p>Specific measures for SMEs in the Lithuanian Recovery and Resilience Plan include financial support for renewable energy production and storage installations. Start-ups and spin-offs will benefit from incentives to develop products and solutions for artificial intelligence, blockchain technologies, and robotics process automation.</p>	<p>Finansų Ministerija (Ministry of Finance), Naujos kartos Lietuva (New Generation Lithuania), 2021.</p> https://finmin.lrv.lt/lt/es-ir-kitos-investicijos/naujos-kartos-lietuva
<p>In 2021, New Generation Lithuania will allocate a total of EUR 149 million to fund the installation of 200 MW energy batteries, modernizing general education – so-called millennium school, the development of digital innovations in education, as well as to expand the Innovation Fund's financial instruments focused on start-up programmes.</p>	<p>LIETUVOS RADIJAS IR TELEVIZIJA (LRT), Lithuania to inject EUR 149m into economy under recovery plan approved by EU, 2021.</p> https://www.lrt.lt/en/news-in-english/19/1457480/lithuania-to-inject-eur149m-into-economy-under-recovery-plan-approved-by-eu
<p>NATIONAL INDUSTRIAL ECOSYSTEMS *</p>	
<p>Service sectors experiencing the highest levels of COVID-19 restrictions have been hardest hit. In 2020, the added value of artistic, entertainment and recreational activities contracted by 11.2%, while trade, transport, accommodation and catering activities together fell by 2.8%, and had the greatest negative impact on Lithuania's annual GDP (-0.9 percentage points).</p>	<p>Finansų Ministerija (<i>Ministry of Finance</i>), Ekonominė apžvalga, 2021.</p> https://finmin.lrv.lt/uploads/finmin/documents/files/Ekonomikos_apzvalga_2021_kovas.pdf
<p>In Q3 2021, further reduction of operational constraints related to the COVID-19 pandemic led in particular to a 2.8 and 2.1-fold increase in turnover of travel agencies, tour operators, reservation services and related activities, and accommodation companies, respectively.</p>	<p>Lietuvos Statistikos Departamentas (Statistics Lithuania), Service Statistics. 2021.</p> https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9447199
<p>In Q3 2021, accommodation establishments received 1.176 million guests, or by 15.2% more than in the same period of 2020. The number of foreign tourists totalled 227.7 thousand (by 19.2% more), the number of Lithuania's residents – 948.6 thousand (by 14.2% more). In July 2021, the country's accommodation establishments received 15.7% more tourists, in August – 11%, in September – 21.6% more than over the respective months in 2020. However, from January to September 2021, Lithuanian accommodation establishments had 1,2 % of</p>	<p>Lietuvos Statistikos Departamentas (Statistics Lithuania), Statistics on Accommodation Services, 2021. https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9436231</p>

guests less than over the same period last year.	
Retail turnover at constant prices was 12.9% higher in 2021 than a year ago.	<p>Lietuvos Statistikos Departamentas (Statistics Lithuania), Turnover of retail trade and catering enterprises, 2021.</p> <p>https://osp.stat.gov.lt/informaciniai-pranesimai?eventId=282595</p>
The construction sector was one of the most COVID-19 affected sectors. After the shock and decline in Q2 and Q3 2020, the construction sector grew in Q4 2020 by 3.4%, compared to Q4 2019. Overall, the value-added in the construction sector decreased by 1.7% compared to 2019. However, it grew by 1.2% in the first half of 2021.	<p>Finansų Ministerija (<i>Ministry Of Finance</i>), Ekonominė apžvalga, 2021.</p> <p>https://finmin.lrv.lt/uploads/finmin/documents/files/Ekonomikos_apzvalga_2021_kovas.pdf</p>
In January–November 2021, the volume of construction work carried out in Lithuania amounted to EUR 3.2 billion. Compared to January – November 2020, it decreased by 0.7%.	<p>Lietuvos Statistikos Departamentas (Statistics Lithuania), Works of construction enterprises, 2021.</p> <p>https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9601795</p>
Investments in information and communication technology systems rose by 21.4% in 2020, and investment in intellectual property products was 11.8% higher.	<p>Finansų Ministerija. (<i>Ministry Of Finance</i>), Ekonominė apžvalga, 2021.</p> <p>https://finmin.lrv.lt/uploads/finmin/documents/files/Ekonomikos_apzvalga_2021_kovas.pdf</p>
In the first half of 2021, industrial production grew by 17 percent. In Q1 industrial production increased by 9.9%, while in Q2 – by 24.5% compared to the corresponding quarter last year.	<p>Finansų Ministerija. (<i>Ministry Of Finance</i>), Ekonominė apžvalga, 2021.</p> <p>https://finmin.lrv.lt/uploads/finmin/documents/files/Ekonomikos_apzvalga_2021_kovas.pdf</p>
<div> <div>OTHER RELEVANT TOPICS</div> <div>  <div>OTHER RELEVANT TOPICS</div> </div> </div>	
On 15 July 2021, amendments to the Law on Insolvency of Legal Entities entered into force. increasing the scope of managerial duties, facilitating the restructuring process, and legalising new instruments that are expected to increase the attractiveness of restructuring. These amendments to the Law were adopted in the implementation of Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019.	<p>15MIN, Įsigaliojo nemokumo įstatymo pakeitimai: kas keičiasi?, 2021.</p> <p>https://www.15min.lt/verslas/naujiena/bendroves/i-sigaliojo-nemokumo-istatymo-pakeitimai-kas-keiciasi-663-1535836?copied</p>

* "National industrial ecosystems" refer to the national aspects of the industrial ecosystems as defined by the EC.

<https://op.europa.eu/en/publication-detail/-/publication/6355326c-ae95-11eb-9767-01aa75ed71a1/language-en>