

KLAIPEDA

2011

IT'S ALL ABOUT PEOPLE



KLAIPEDA

IT'S ALL ABOUT BUSINESS

Positive and forward-thinking, generous and optimistic, Klaipeda is on its way to continuing transformation and regeneration. With eyes set firmly on the future, Klaipeda knows exactly what it wants to be: clean, green, sustainable, friendly, creative, collaborative, energetic, progressive and liveable!

Klaipeda provides a strategic location to serve markets within Europe and CIS countries. The unique geographical position of Klaipeda, combined with accessibility and an excellent infrastructure are only some of the reasons why numerous companies have established their facilities in Klaipeda. We believe that it's all about people. This is what makes Klaipeda so great.

People connect your expanding business to emerging markets.

You will find in Klaipeda:

- » a place where ideas and industry are nurtured;
- » a place for corporations and dreamers;
- » a place for debates, discussions and discoveries.

This kit provides the essential tools to help you evaluate and prepare for setting up a business in Klaipeda.

- 5** Klaipeda is planning for the future. Be part of it
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- 29** This is Klaipeda. A carefree city with unique experiences that make for memorable moments
- 31** Look forward to welcoming you in Klaipeda soon



W E L C O M E
W E L C O M E
OPPORTUNITIES
TO KLAIPEDA



FAST FACTS AND FIGURES

KLAIPEDA

IS PLANNING FOR THE FUTURE. BE PART OF IT

LOCATION

- » Klaipėda seaport is the northernmost ice-free port on the eastern coast of the Baltic Sea and the only one in Lithuania.
- » Klaipėda has excellent road, rail and sea links to Latvia, Kaliningrad region (federation of Russia), Scandinavia and Central Europe.
- » Klaipėda is in the center of Western Lithuania situated between Scandinavia and Central Europe.
- » Common borders with Latvia in the North and Kaliningrad region (federation of Russia) to the South.
- » Klaipėda's city land area in square kilometers – is 98.35.
- » Klaipėda's county agricultural land covers 54 % of the whole territory of the county, forestry land – 25 %, inland waters – 10 %, built-up territory – 3 %, roads – 2 % and other land – 6 %.
- » Coast line of the Baltic Sea shore is 90 km.

CLIMATE

- The climate is transitional between oceanic and continental. Summers are cool to mild and rather wet. Winters are cold, temperature usually dropping below freezing.
- » The average annual temperature is 8.1 degrees.
 - » Average temperature in July is + 18.7° degrees.
 - » Average temperature in January is - 0.3° degrees.
 - » Annual precipitation rate – 707 mm.

MONEY

- » Litas (LTL or LT) is pegged to Euro at a rate of 3.4528 LTL/EUR. 100 cents = 1 LTL.
- » ATMs/cash machines: Automatic teller machines (ATMs) are located throughout the city and recognize cards issued by most banks.
- » Credit cards: MasterCard, Visa, American Express are accepted across the city by most outlets.

PEOPLE

- » County Population – 376.549 (2010 Population Estimate).
- » City Population – 182.752 (2010 Population Estimate).
- » Klaipėda is the 3rd ranking city in Lithuania in terms of the country's population. It's a young and diverse community with the average resident aged 39.4 years.
- » Lithuanian is the official language of Klaipėda but many residents speak foreign languages including English, German and Russian. Lithuania is ranked among five EU countries with the highest percentage of people speaking at least one foreign language.
- » Most of the population is Roman Catholic, but there are also Evangelical Lutherans, Russian Orthodox, Evangelical Reformers, Old Believers, Jews and Sunni Muslims.

TAXATION STRUCTURE

- » Corporate profit tax – 15 %.
- » Personal income tax – 15 % (+ 6 % health insurance contribution).
- » Value added tax – 21 %.
- » Property tax – 1 %.
- » Social security tax for employer – 31 % (+ employee's contribution of 3 %).

ECONOMY

- » Historically, Klaipėda has been one of the fastest growing municipalities in Lithuania.
- » Klaipėda city – the strongest business leader in the county is raising the entire region's economy and business.
- » Lithuania's port city and the surrounding coastal area have been a magnet for foreign investors, ranking second to the capital of Vilnius in attracting inward investment.
- » Klaipėda's seaport itself makes a significant contribution to the growth of the city and is set to develop hand in hand with the Free Economic Zone.
- » More than 800 companies are directly bound with the port-related activities.
- » The port and the enterprises related to its operations provide more than 23.000 jobs and 4.5 % of the Lithuanian GDP.
- » Handling more goods than all the ports of Ireland combined; container handling capacity is the greatest among the Baltic ports.
- » City budget maintains stability due to the successful implementations of port operations and development.

GETTING TO KLAIPEDA

- »» The closest airport – Palanga International Airport is located on the northern boundary of Klaipeda, within a 30 minute drive. The airport and Klaipeda are connected by the internationally significant road that extends from Liepaja to Klaipeda. Scheduled and charter flights are served throughout the year.
- »» International Ferry Port in Klaipeda connects Klaipeda with the ports of Kiel, Sassnitz in Germany and Karlshamn in Sweden.
- »» Klaipeda bus station provides passenger transport on regular routes within the city area, local area and between the cities. The company serves 4 international routes: to Erfurt, Kaliningrad, Riga, and Tallinn.

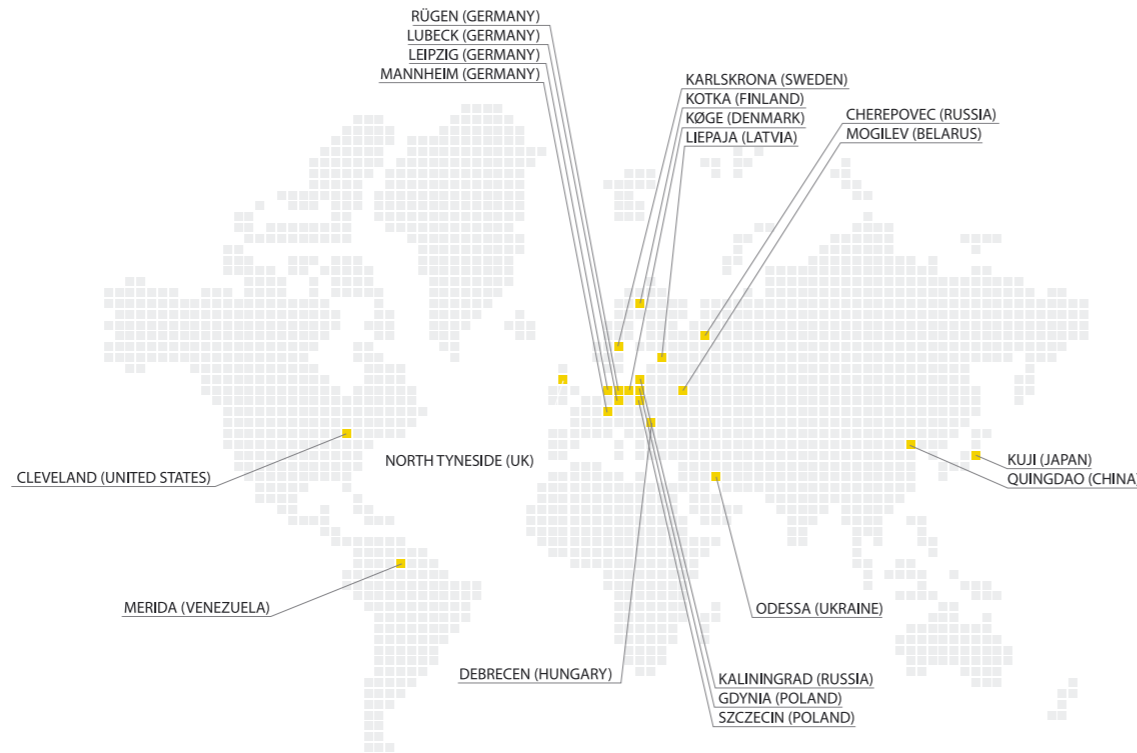
FORM OF GOVERNMENT

Klaipeda city municipality council is the governing body of the Klaipeda city municipality. It is responsible for municipality laws. The council is composed of 31 member elected for four-year terms.

FOREIGN RELATIONS

Klaipeda is involved in regular and systematic co-operation relations with other cities in the form of ongoing contacts, exchange of experience, joint projects and transfer of know-how.

THE CITY OF KLAIPEDA HAS ACTIVE CO-OPERATION AGREEMENTS WITH THE FOLLOWING CITIES:



Klaipeda is also a member of the Baltic cities association and a member of EUROCITIES.

QUALITY OF LIFE

- »» The city's entertainment offering has been boosted in recent years by a wealth of new hotels, restaurants and bars as well as an improved shopping experience. On the accommodation front, Klaipeda offers over 2.700 beds in a range of options from five-star to private accommodation. There are 23 hotels in the city accommodating over 1.700 beds.
- »» Klaipeda's reputation for excellent, quality conference and exhibition facilities has developed significantly. It offers over 18 con-

ference halls in the city which provide all the necessary conference services: microphone, internet connection, graph/multimedia projectors, screen, television, video, laptop, and simultaneous translation.

»» Rent Rates and Land Costs. Rental prices for business space depend on the office location and building amenities. The price of the commercial land depends greatly on access, planning level and the type of potential development.

Monthly rental of office space (EUR m ²)	A-Class 5.20–10.40	B-Class 2.90–5.20
Monthly rental of retail space (EUR m ²)	High street 4.3–7.2	Shopping centres* 4.3–11.6
* Average retail units of 200 m ²		
Monthly rental of newly constructed warehouse space (EUR m ²)	2.3–4.0	
Land sales price (EUR m ²)	Central areas 160–500	Outskirts 40–150

Source: www.businesslithuania.com

»» CONTEMPORARY QUALITY HOUSING:

- Many Klaipeda residents prefer living in a natural setting, further from the noise of the town. "Romai", "The Town of the Sun", "The Green valley", "The new Kalote" are the new quarters of individual houses in the suburbs surrounding Klaipeda.
- »» Younger generation prefers modern, multi-story residential areas for the living. A number of newly built sky-scrapers are going to change the flat landscape of Klaipeda.

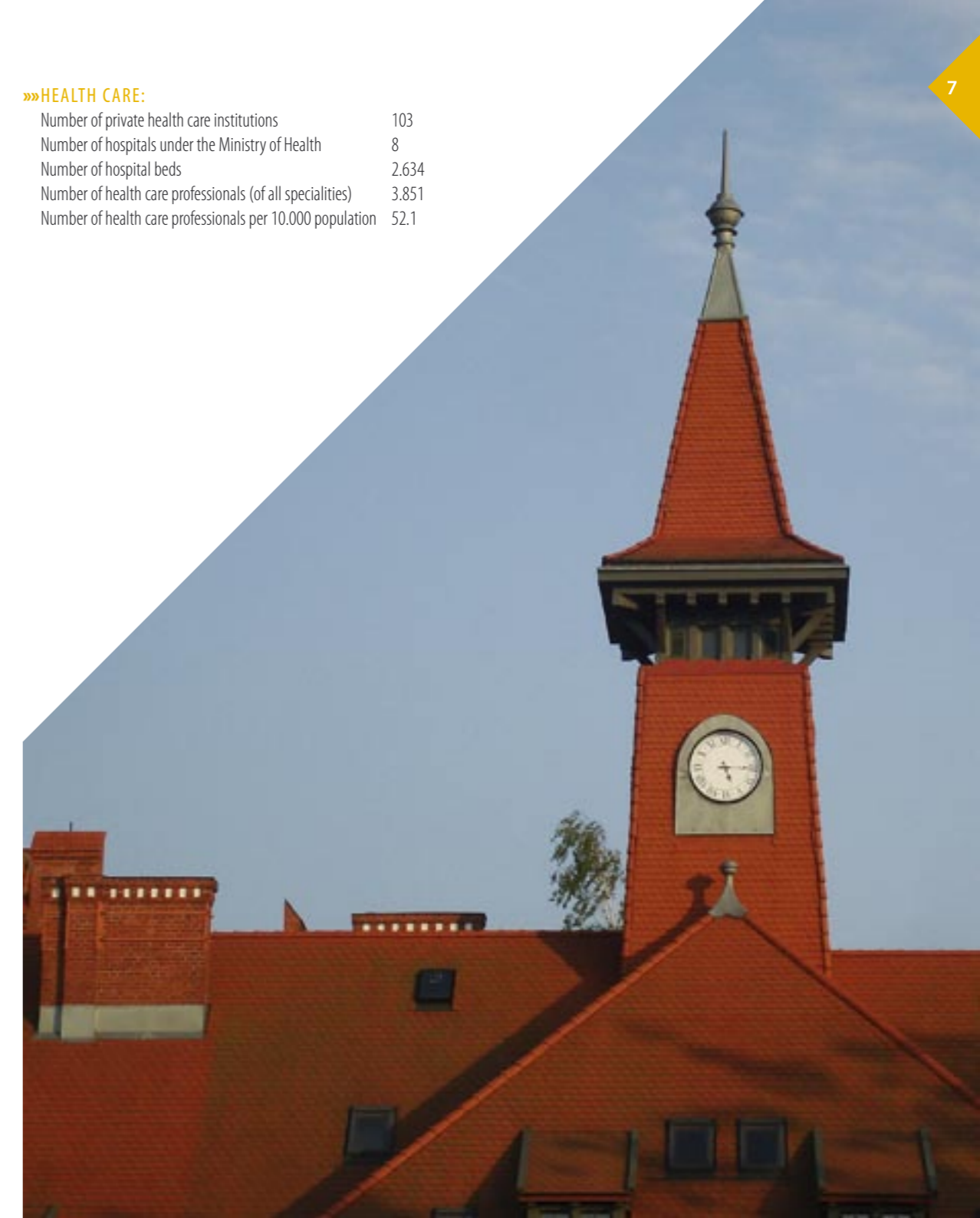
»» Average flat prices (EUR/sqm):

	New construction (without fit-out)	Old construction
Average flat prices in old town, city centre, prestigious districts	€ 1.500	€ 1.250
Average flat prices in residential districts	€ 1.100	€ 850

Source: Ober-Haus

»» HEALTH CARE:

Number of private health care institutions	103
Number of hospitals under the Ministry of Health	8
Number of hospital beds	2.634
Number of health care professionals (of all specialities)	3.851
Number of health care professionals per 10.000 population	52.1



COMPANY NAME	DFDS Lisco
MANAGER	Jonas Nazarovas
POSITION	CEO
ORIGIN COUNTRY	Denmark
ACTIVITY	Shipping and logistics



DFDS started its operations in Lithuania in 1996. Today Klaipeda is a hub port for DFDS in the Baltic Sea business. In 2010, DFDS after a merger with Norfolkline is the largest ferry and logistic operator in Northern Europe.

Klaipeda port could be interesting for investors because it is an ice-free port.

GOD'S GIFT – THE GEOGRAPHIC LOCATION OF THE CITY. Secondly – the infrastructure is already quite developed, the port has sufficiently diversified its activities and is able to handle a wide range of cargo. Currently Klaipeda port keeps the price-performance ratio at its best positions.



BUSINESS CLIMATE

Over the past few years Klaipeda has become a leading investment attraction centre in the eastern Baltic Sea Region. The main reasons for choosing Klaipeda for your business:

- »» the convenient geographical position;
- »» stable and strong production springboard to the neighbouring vast Eastern markets;
- »» highly-skilled and inexpensive labor as compared to Western countries;
- »» low production costs;
- »» stable national currency;
- »» business friendly environment.

BUSINESS SET UP COSTS AND TIME:

- »» up to 145 EUR;
- »» up to 26 days.

In terms of the ease of doing business, the World Bank positively ranked Lithuania at 26th out of 181 countries in the 2010 Doing Business Survey. Within the twenty-five countries categorized as Eastern Europe/Central Asia in the survey, Lithuania ranked third easiest place to do business.

NUMBER OF ENTERPRISES:

- »» 6.114 economic entities were in operation in Klaipeda city at the beginning of 2010 (5.918 were registered in 2008).
- »» TOP 10 branches of economic activities in Klaipeda city (2010):

BRANCHES	UNITS
Real estate activities, rental and other business activities	1.434
Wholesale and retail trade; repair of motor vehicles and motorcycle	1.397
Transportation and storage	762
Construction	618
Manufacturing	436
Education, health and social work and other social service activities	351
Accommodation and food service activities	233
Information and communication	100
Agriculture, forestry and fishing	57
Financial and insurance activities	49

»» Top Foreign Investors in Klaipeda (in 2010):

INVESTOR	ORIGIN	COMPANY	INDUSTRY SECTOR
DFDS Seaways	Denmark	DFDS LISCO, AB	Sea transport
Philip Morris International	Switzerland	Philip Morris Lietuva, UAB	Tobacco products
Indorama Ventures	Thailand	Orion Global PET, UAB	PET
BLRT Grupp	Estonia	Vakarų Baltijos laivų statykla, AB	Shipbuilding
SCT Lubricants	Germany	Aransa, UAB	Oil and lubricants
Heidelberg Cement	Germany	Heidelberg Klaipeda	Cement distribution facility
NEO GROUP	Ukraine	NEO GROUP, UAB	PET resin manufacturing
Statoil	Norway	Mestilla	Biodiesel production
Terminal Investment Limited	Netherlands	Klaipėdos Smeltė	Stevedoring company

ROBUST

AND DIVERSE ECONOMY

TOP ECONOMY SECTORS

- »» **Shipbuilding and repair** – the ship building and repair industry takes up a rather stable position in the general market. Since 1994, Lithuanian shipbuilding and repair companies have successfully integrated into the world shipbuilding and repair market and feel equal partners in it, successfully competing with the companies of Western and Northern Europe. Our competitiveness is guaranteed by a good geographical location, high quality of works, attractive prices, and the successful activity of Klaipeda's port. It is more practical to repair ships in their navigation areas while they carry cargo.
- »» **Transport & logistics** – excellent geographical location and infrastructure; transport centre connecting sea, land and railway routes from East and West; main shipping lines to the ports of Western Europe, South-East Asia and the continent of America pass through the port. The country's transport and logistics sector generates 13.5 % of Lithuania GDP.
- »» **PET/Plastics** – export-oriented plastics industry is a leading regional producer. Klaipeda manufacturing plants are equipped with the latest technologies and are one of the first in Eastern Europe to start producing multiple layer PET packaging.
- »» **Furniture & wood processing** – one of the largest factories in Eastern Europe; among most important suppliers for IKEA. Three out of 12 biggest country's wood & furniture manufacturers are located in Klaipeda. Company "Klaipėdos baldai" is the largest exporter of wood products in the country.

- »» **Food and beverage** – internationally acknowledged and high-demand production. Klaipeda's major food and beverage sector branches: bread and baked products; confectionery; meat and meat products; fishery; oil, fats and mayonnaises. The oldest operating brewery in Lithuania is located in Klaipeda. The ŠVYTURYS brewery is assessed by the experts of prestigious competitions – the World Beer Cup and the World Beer Championship.
- »» **Tourism** – untouched ecological surroundings (charming resorts, magnificent dunes, white sand beaches and pine forests), well developed countryside tourism network, high quality accommodation, modern up-to-date SPA resorts, and entertainment services. More and more tourists come to Klaipeda every year on passenger ferries and cruise ships.

LOCAL DEVELOPMENT (FDI, trade-import, export)

According to the data of 2010, foreign companies have invested more than 656 million Euros in Klaipeda city. In terms of per capita foreign direct investments accounting to 3.590 Euros, Klaipeda is the second next to Vilnius (10.654 Euros), and by far exceeds the country's average (2.895 Euros).

Foreign direct investments, 2010 (EUR million)

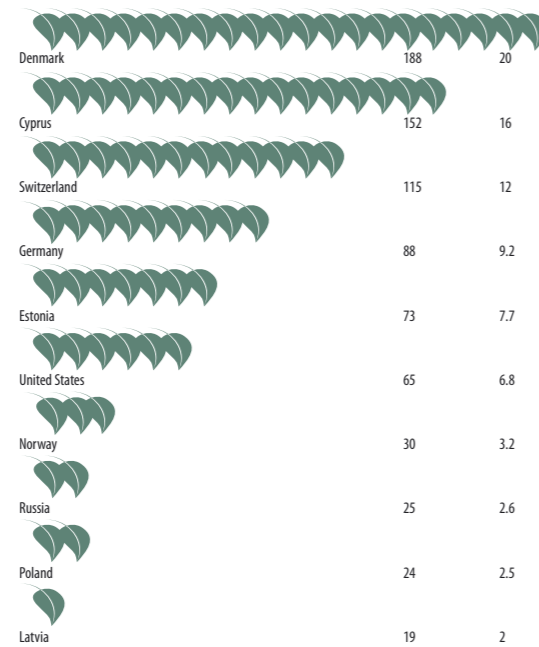


Foreign direct investments per capita, 2010 (EUR thousand)



According to the data of 2010, foreign companies have invested up to 950 million Euros in Klaipeda region. Danish businessmen occupy the leading positions, as their investments make up to 20 % of the total figure. Next come Cyprus (16 %), Switzerland (12 %), Germany (9.5 %), Estonia (7.7 %), the USA (6.8 %), etc.

TOP 10 Foreign direct investors at the beginning of 2010 (Klaipeda county) INVESTMENTS BY COUNTRY



SME: "Little fish in a big pond"

Small and medium size enterprises (SME) make nearly 80 % of all economic entities operating in Klaipeda County. Klaipeda County largely remains engaged in the wholesale and retail trade (2.399), 1.667 enterprises are working in real estate and rent business.

Over the recent years, most of the assets have been invested in manufacturing, refined petroleum, chemical products, food, beverages and tobacco production, transport and storage sector, transport equipment production, wholesale and retail trade.

TOP 10 Exports of goods of Lithuanian origin Klaipeda county, 2010 Q2 EXPORTED GOODS



The county remains largely engaged in the wholesale and retail trade (2.399), real estate, rent and the number of affiliate to 1.667. The transport and storage sector (1.098) is also at a great importance.



COMPANY NAME	Klaipeda FEZ management company
HEAD OF THE COMPANY	Eimantas Kiudulas
POSITION TITLE	General director
COUNTRY	Lithuania

For potential investors we, as Klaipeda Free Economic Zone, are capable to offer the city of Klaipeda with two Universities, the surrounding resorts, port services, tax incentives and of course the adaptability, flexibility, speed and support in making necessary decisions. Fast response to customer's needs, and adapting to whatever each individual customer may require, is important. Every investor wants to settle as quickly as possible, whether it is an industrial or a logistics company. Currently we own 412 hectares of land. We welcome both large and small, and, narrowly-focused or specific projects, because we have prepared the entire necessary infrastructure, we lease production and storage facilities, we can build for an investor a building he needs to manage the project from the beginning to the "turn of the key". We have long-term partners who provide services of logistics, construction, legal, engineering and other together with us.

WE

WORK AS ONE TEAM.

This year, the *Financial Times* magazine *FDI Magazine* recognized Klaipeda Free Economic Zone as one of the best five according to the offered business climate in the world of economic zones, and also of the 20 most attractive economic area worldwide. I think it is quite good for a zone which only functions since 2002.

Klaipeda has everything Lithuania, the port and the coast have, and then a bit of something what other cities do not have. People here are flexible, creative, fast and productive; wages are still lower than in the old west European countries. If you cannot find a required profession specialist in



Klaipeda, I think it is easy to invite him to come to live in Klaipeda. We are not a country to mass production, but if an investor wants to produce reliable products to the EU market with more cost efficiency, and if they must be delivered quickly and on time, if he is interested in our neighbouring markets in Scandinavia, Russia and Ukraine, Klaipeda is definitely the best place. We are closer to the end user in Western Europe and Scandinavia, and we can supply products much faster than the Asian countries.

I think we should utilise what is best in Lithuania. This is manufacture, which can be done more creatively and more effectively in this specific place. I am talking about niche projects. Due to the cost minimisation, the change in government policy with respect to investments, currently Klaipeda and Lithuania are the most appropriate places among all European Union countries. However, the first step is to come, to look around, to feel the atmosphere, to stay in the city for a while, get familiar with it, and then quickly make business decisions. Tell us what you need, and we will find for you a solution in Klaipeda.

COMPANY NAME	BNTP GROUP
MANAGER	James Andrew Clarke
POSITION	CEO
ORIGIN COUNTRY	Ireland
ACTIVITY	Real-estate development and investment

I wanted to start my own business in real estate. It was before EU and Lithuania looked like it had a lot of potential. It seemed like there was more development potential here than in other parts of Europe, so that's one of the reasons why I came. I saw potential for renting out quality business premises here in Klaipeda, as there were only old soviet buildings at the time.

The City is still underdeveloped in many areas and consumer consumption is expected to grow considerably from its current low level. For production companies it is not only due to the reduced labour costs. Direct labour cost can be only 10–20 % of the total cost of a product. Some people forget that. But the other costs is the rent of premises, administration costs, management costs, utilities costs, raw material costs, transport costs, etc. That's why Lithuania still has potential to be competitive with large production countries like China for certain products and in certain industries, because if the market is in Western Europe then Lithuania has the advantage because it's more adaptable and closer to the market, whereas China is two months away from the market.

How suited Klaipeda is for you will depend on what business you are in. There is a port for export. It is a distribution centre for all the west of Lithuania, with its population of 200.000 there is a good workforce, and counting the surroundings there are 350.000 potential customers for retail and distribution.

Klaipeda in Lithuania is a particularly good link in the supply chain because it has a port which can be used to easily ship products and component



materials; for example from China to Klaipeda, where value can be added to the product by assembling / processing, and then goods can be redistributed from Klaipeda.

There are lots of bars and restaurants and entertainment is as good as in any other similar city in the world. I'm playing golf in a newly opened golf course in Klaipeda, playing tennis, squash in the winter, walking around the City with my family so that type of things. In winter I go to saunas on the weekends and in the summer I am riding my bicycle to Neringa and the beaches, swimming in the sea. So there are lots of things to do and I think it's much easier to do it because it's a small city. There's no need to rush, there are no big problems with traffic, you don't have to book restaurants in advance;

EVERYTHING IS EASY TO DO.

COMPANY NAME	Glassbel Group
MANAGER	Dr. Dmitri Sobolevski
POSITION	CEO
ORIGIN COUNTRY	USA
ACTIVITY	Glass processing



We are the group of companies specialized in glass for architecture, interior, transport, marine application. We offer complex solutions including design, consultancy, R&D, logistics. Glass processing is the most important part of our business concept.

We decided to invest in EU, Lithuania because of the logistic opportunities and ambitions to create the most sophisticated glass processing factory

CLOSER TO TRADITIONALLY BIG MARKETS OF WESTERN EUROPE AND FAST GROWING PERSPECTIVE MARKETS OF CENTRAL & EASTERN EUROPE.

Klaipeda was chosen emotionally because of our historical sympathy to Lithuania and rationally because of good geographical location and services offer given by FEZ Administration.

GLASSBEL Group always specialized on sophisticated products with high added intellectual value.

GLASSBEL Baltic was a green field investment. We had to spend a lot for training personnel also inviting key specialists from EU, USA and Belarus. Now 82 mostly young specialists got a job in GLASSBEL Baltic with investment cost of each nearly EUR 250.000.

GLASSBEL looks at its investment to Lithuania as at a very good opportunity to create regional

educational, technological and research center. We can offer our cooperation to Universities with perspective to develop educational and research programs for construction engineering, architecture, thermo physics, solar energy, glass processing technology etc. Many of our machines are unique and could be used both for scientific research and new products development.

We in UAB GLASSBEL Baltic are proud to announce that after less than 2 years of operation in Klaipeda FEZ the company can present unique projects realized in United Kingdom, Italy, Austria, Poland, Romania, Sweden, even Dominican Republic and Israel. Now glazing for the main Sport Arena for Sochi Olympic Games will be produced in Klaipeda. Located in Free economic zone in Lithuania and Belarus GLASSBEL Group has unique knowledge, technological competence and logistic experience looking on Europe with no borders from Portugal to Sakhalin.





KEY BUSINESS AND EMERGING SECTORS

FEZ – “Feel free in a free economic zone”

Klaipeda Free Economic Zone welcomes foreign investors and businesses to take an advantage on optimal business environment:

- »» The site is level, pollution – free and directly connected to the industrial infrastructure: just 3 km away from the Port of Klaipeda with direct connections to the road and rail system.
- »» Klaipeda Free Economic Zone encompasses over 412 hectares of employment land.
- »» The area has the essential infrastructure in place. Water, electricity, natural gas and telecommunication supplies are fully available.
- »» Home to national head offices and international manufacturers, including Espersen, BNTP, Orion Global PET, Indorama PET, HeidelbergCement.
- »» FEZ incentives include: exemption from corporate income tax for the first six years and 50 % reduction for the following 10 years; no tax on foreign shareholder’s dividends; no real estate tax.
- »» Provided support services: companies choosing to transfer their productive capacities to the Klaipeda Free Economic Zone will be ready to start operating in the shortest possible period of time. Compared to the territories outside the zone, it is estimated that at least 6 months can be saved.
- »» Able to build or lease the premises according to the client’s desired specifications: regarding the size and shape of a particular site needed for the project.
- »» Klaipeda Free Economic Zone is awarded with Lithuanian exports Award – the traditional

Lithuanian Chamber of Commerce, Industry and Crafts award for business leaders. In 2009, sales revenues from 15 enterprises operating in Klaipeda FEZ reached 248 million Euros. Export share accounted for 93 percent in total sales.

- »» In 2010 Klaipeda Free Economic Zone (FEZ) has been ranked the 5th best Free Zone in the world in the category of “Best Facilities”, and it is also listed among 25 Free Zones of the Future 2010/11 in the overall ranking, by the premier Foreign Direct Investment (fDi) Magazine of Financial Times Ltd.

PET companies

Lithuania’s plastics manufacturers export almost 52 % of production with the largest plastic manufacturing plants (Orion Global PET and NEOgroup) located in Klaipeda. Klaipeda region is home to such industry leaders as:

- »» **Orion Global PET** – one of the world’s largest plastic products manufacturer.
- »» **NEO GROUP** – one of the largest European suppliers of high-quality PET resin for various kinds of consumer packaging.
- »» **“Pack Klaipeda”** – the only producer of foam PS packages for alimentary products in the Baltic States. The plant uses the most modern technologies, introduced based on strict EU standards. Main clients are situated in Lithuania, Latvia, Estonia, Poland, Germany, Sweden, Norway, Czech Republic, Slovakia, Slovenia, Croatia, Belarus and Russia.
- »» **JSC “Terekas”** – producing two interrelated areas: blow moulding machinery and PET containers.

Klaipeda plastic manufacturers:

- »» apply the world’s best PET technologies;
- »» flexible and adaptable to market changes – pre-forms of various colors, weight and shape;
- »» trademark NEOPET® recognized as a premium-quality brand among European customers;
- »» strict procedures of quality control and manufacturers’ orientation to international ISO standards;
- »» major branches: plastic building materials; automotive components from plastic; plastic packaging; plastic household goods, PET machinery.

Wood processing

Over the recent years the local wood, furniture and paper industry has demonstrated a brisk growth and development in the market since production meets the highest quality requirements, design standards and flexibility to fulfill non-standard orders. Competitive prices and good geographical location, assuring short delivery terms, distinguishes Klaipeda companies from other producers. Klaipeda’s largest manufacturers are among the most important suppliers for IKEA.

The leading furniture, wood and paper products companies in Klaipeda:

- »» **Klaipedos Baldai** – the largest furniture manufacturer in Lithuania. Materials used: chipboard of various thicknesses coated with natural veneer, synthetic decorative film or laminate. Products of the company are certified for safety, durability, comfort requirements and hygiene norms. Company produces modern

style frameboard furniture for living rooms, sleeping room furniture, wardrobes and shelves. More than 90 percent of production is exported.

- »» **JSC “Vakarų medienos grupė”** – is among the largest exporter of wooden products in the Baltic States. The company invests in wood industry companies and supplementary businesses, related to this sector, such as energy production and freight services. VMG controls six companies, producing melamine faced particleboard, plywood items, oak panels, and furniture made of particleboard and solid oak.
- »» **SC Klaipedos Kartonas** – one of the oldest companies in Lithuania and the largest company of this type in the region. The company produces raw materials for production of corrugated board – Testliner and Fluting. Besides the main activity, Klaipedos Kartonas SC also produces paper honeycomb. The company’s operation is closely related to ecology – all production is manufactured from waste paper. Trees – a very important element of the ecosystem – are preserved in this way, and waste paper collected in Lithuania and neighbor countries is processed.

COMPANY NAME	BLRT Grupp
MANAGER	Fjodor Berman
POSITION	CEO
ORIGIN COUNTRY	Estonia
ACTIVITY	Shipbuilding and repair
DATE INVESTED	2001



Western Shipyard was acquired in 2001 by BLRT Group. Since then, the company has been developing dynamically. Western Shipyard in Klaipeda is the ship building center for BLRT Group. This year we acquired another company in Klaipeda – Baltic Shipyard. One of the most important projects for the BLRT Group was the development of unique floatable residential and converter platform WINDLIFT1 which is used for construction and maintenance of the offshore wind farm. It will work in the North Sea, 80 km distance from the coast. 400 people were involved in the project, who spoke 10 different languages.

I think that **MY INVESTMENTS ARE SUCCESSFUL IN KLAIPEDA.** Over nine years Western Shipyard became a profitable company which was recognized as the Best Exporter of the Year for several years in a row.

One of the great advantages is a geographical position of Klaipeda and ice-free port. Also – good infrastructure, good staff and professional experts – from the workers, to the engineers and managers.



COMPANY NAME	Klaipedos Smelte
HEAD OF THE COMPANY	Rimantas Juška
POSITION TITLE	Chairman of the Board
ACTIVITY	Stevedoring

We have ambitious plans for the coming year to create an international container distribution centre accepting high seas 6.000–7.000 TEU container ships, bypassing traditional Western European ports. Over the past two years, the Company's strategy is being formed by new shareholders – a Netherlands-based company Terminal Investment Limited, holding 27 container terminals in different continents. Following the TIL's decision, Klaipeda's company management was entrusted to the locals and we are proud that we can boast of a well-balanced, young and experienced team.

With the new shareholders, the company accelerated the implementation of standardised, advanced management principles of accounting and the company, along with modern cargo handling technologies. The new owners are in close contact with the world's second largest shipping company – Mediterranean Shipping Company (MSC) – generate a substantial part of the company's earnings. With joint efforts of managers and shareholders the company's financial results have significantly improved over the past years. Based on the solid story of success of the shareholders and their partners of MSC's in the development of terminals in other countries, it rapidly addresses the issues associated with

the terminal expansion with the country's public institutions, and in particular with the Klaipeda State Sea Port Authority, which took into account the future needs of Klaipedos Smelte and adjusted and supplemented accordingly the plans of investment in the port infrastructure.

Terminal Investment Limited invests in the development of container terminals at ports to which MSC is planning to divert freight traffic. By 2008, TIL had no foothold in the Baltic Sea region, but taking into account the large growth potential of Russia and other CIS countries, as well as good growth prospects of other Baltic Sea countries in the region, the company together with MSC decided that Klaipeda port is an optimal location for the next investment project both geographically and in other aspects. As part of the development of Klaipedos Smelte, Terminal Investment Limited creates opportunities for MSC company to optimise the rotation of ships and fleet composition in the Baltic Sea, while reducing the costs to TIL terminals located in the Western European ports (Antwerp, Bremerhaven, etc.).

I would think there is a number of factors to assist in creating a competitive advantage to foreign companies investing in Klaipeda region:

LOCAL PROFESSIONAL TEAMS OF WORKERS WITH A RELATIVELY HIGH LEVEL OF KNOWLEDGE AND SKILLS, well developed transport infrastructure and logistics services, relatively low costs and, of course, Klaipeda's favourable geographic location,

perfect for bridging the eastern and the western business.

I would suggest giving an advance confidence to the region to an alien wishing to invest in Klaipeda. Business development environment in Klaipeda and in Lithuania is not always easy, but it is easy to forecast. As evidenced by many examples in the world, it is often the most important moment.



SEAPORT

Klaipeda is a multipurpose, universal, deep-water port, providing high quality services. Seventeen large stevedoring companies, ship repair and ship building yards operate within the port along with all types of marine business and cargo handling services. The annual port cargo handling capacity is up to 40 million tons. The port operates 24 hours a day, 7 days a week, all year round.

The shortest distances connect the port with the most important industrial regions of the eastern hinterland (Russia, Belarus, Ukraine, etc.). The main shipping lines to the ports of Western Europe, South-East Asia and the continent of America pass through Klaipeda port.

Klaipeda State Seaport's greatest advantages:

- » **Competitive** – rapidly adjusts to market changes, handles different types of cargo at specialized terminals, applies flexible dues and charges, renders the highest-quality services, and operates round-the-clock.
- » **Crossroad of transport corridors** – acts as a bridge between the markets of the Commonwealth of Independent States and the Asian region on the one hand, and the European Union and other markets on the other hand.
- » **Intermodal** – the leader among the ports of the Baltic States in terms of container handling. It's well-coordinated operations of sea and hinterland transport, the free economic zone, the EU short-sea shipping network, and the wide-range of logistics and industrial service providers, ensure smooth intermodal transportation.

- » **Ice-free** – remains ice-free even during the coldest winters and thus guarantees uninterrupted navigation and stevedoring works.
- » **Deep-water** – the depth of the entrance channel is 15 m. The depth of the inner internal channel is 13–14.5 m. The port is capable of accepting large-tonnage vessels: dry-cargo vessels up to 80.000 DWT, and tankers up to 150.000 DWT.
- » **Innovative** – the latest information system called KIPIS speeds up cargo traffic via the port of Klaipeda, strengthens the competitive advantage of the port, and facilitates the operations of ship's agents and forwarders. The KIPIS system ensures the exchange of electronic data between businesses and institutions operating in the port during the course of cargo-handling procedures. The port operates a GIS (geographic information system), which enables users to use geographic data and facilitate the provision of information efficiently.

Investments – the catalyst of successful port activity:

Proportionate state and private funding allows Klaipeda's port to reconstruct and build infrastructural objects, terminals and warehouses, implement the latest technological installations, improve its human recourse qualification, and to expand and render the highest quality services. The successful activity of Klaipeda's port has been achieved thanks to the efficient funding system, which allows it to rapidly carry out the port development projects. The state funding is provided by Klaipeda State Seaport Authority; its income is generated by port dues (about 80 %) and port land lease

(about 20 %), makes up to over 120 million Litas per year. This amount of money, as well as bank credits and EU funding, comprise the total share of state funding, which is allocated for the development of port infrastructure, access roads and railways, maintenance and capital dredging of the port waters, implementation of the latest IT technologies, and improvement of port security.

Major stevedoring companies

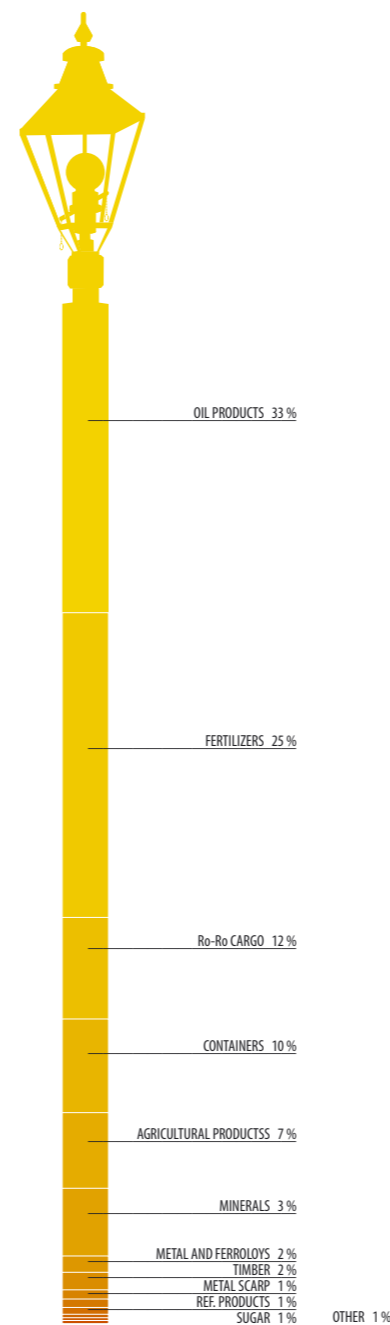
(in terms of cargo-handling turnover):

- » Klaipėda Stevedoring Company KLASCO
- » Klaipėdos Konteinerių Terminalas
- » Vakarų Krova, UAB
- » Klaipėdos Šaldytuvų Terminalas, UAB
- » Klaipėdos Smeltė
- » Klaipėdos Nafta
- » Birių Krovinių Terminalas
- » Stevedoring Company Kabotažas
- » Malkų Įlankos Terminalas
- » MABRE LPC
- » Klaipėda Stevedoring Company BEGA
- » Krovinių Terminalas
- » Klaipėdos Keleivių ir Krovinių Terminalas

Major shipping companies:

- » Baltlanta, UAB
- » DFDS Seaways
- » Lietuvos jūrų laivininkystė, AB
- » Būtingė Terminal
- » Containership, UAB
- » Limarko laivininkystės kompanija, AB

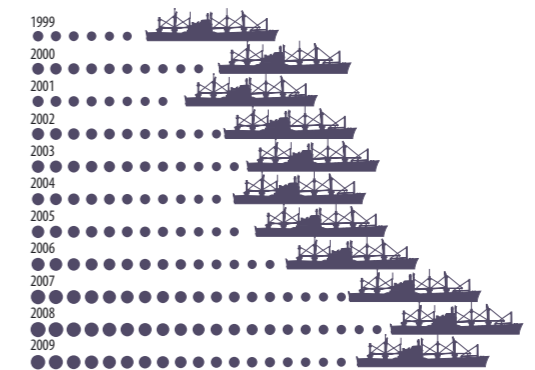
STRUCTURE OF HANDLED CARGO IN KLAIPEDA PORT IN 2009



CARGO HANDLING IN 2009 AND 2010 IN AUGUST IN TONS

CARGO	VOLUMES		CHANGE IN PERCENT
	2009 AUGUST	2010 AUGUST	
TOTALLY	2 458 802.7	2 536 935.5	+3.2
GENERAL CARGO	627 048.1	865 075.4	+38.0
BULK AND DRY CARGO	927 438.2	935 225.4	+0.8
LIQUID CARGO	904 316.4	736 634.7	-18.5
CONTAINERISED CARGO (TEU)	17 932	23 718	+32.3
RO-RO CARGO (UNITS)	16 769	22 009	+31.2
SHIPS	547	560	+2.4
PASSENGERS INCLUDING	36 477	47 525	+15.8
PASSENGERS OF CRUISE SHIPS	5 930	8 615	+45.3
BŪTINGĖ TERMINAL	800 824.1	900 624.9	+12.5

ANNUAL CARGO TURNOVER OF KLAIPEDA PORT (Min. tones)



SHIPBUILDING AND REPAIR

Currently, 229 port enterprises operate in Klaipeda, 46 companies provide functions in repair, building, and technical services, 26 companies provide stevedoring services and 26 shipping companies operate in Klaipeda State Seaport. The most modern shipbuilding and ship repair companies are located in Klaipeda:

- » "Baltija" Shipbuilding Yard (1.200 employees) – one of the largest industrial enterprises in Lithuania and one of the few shipyards in the Baltic States with full newbuilding capabilities and rich shipbuilding history. The core production of the shipyard has been the fabrication of ship blocks and turn-key superstructures. "Baltija" has also gained a reputation for being a reliable builder of tug boats and supply vessels, meeting the high European standards.
- » Western Shipyard JSC (1.400 employees) – main activity fields: ship repair and modification, ship building, stevedoring and storage services, metal construction production, metal processing, hot galvanization, transport services, procurement, etc. The company has prime priorities when competing with global ship repair and ship building companies due to its geographical position and high quality of works. For the clients' convenience, the company offers to make a product from its own materials, process it technically, and make its quality assessment in its own laboratories, store the product and deliver it using company transport. Western Shipyard started the construction of the world's largest gas-powered ferry in 2010 September.
- » "Klaipeda Ship Repair" – the first company of ship repair and construction in the territory of Lithuania. The company repairs heat-engines and makes spare parts, it is the monopolist in the Baltic region grinding and renovating the crankshafts of heat-engines and other engines, it is the main producer and supplier of snifting and admission valves. Until nowadays the company takes its place as the repair company of small and medium ships in Klaipeda port. In 2003 the company started to act as an executive of newly opened cruisers terminal.

Logistic – “Gateway between EU and CIS”

- »» With a strategic location, land availability, lower operating costs and significant labor advantages, Klaipeda is the ideal logistical location.
- »» Businesses and other commercial/industrial sites within Klaipeda enjoy the existing infrastructure network. The well-developed system has created excellent opportunities for logistics, transport and warehousing providers.
- »» There are around 85.000 m² of logistics and warehousing facilities in Klaipeda. The growth in the supply of new, modern warehousing facilities in Klaipeda city is about 49 %.
- »» Klaipeda is a crucial Lithuanian gateway and distribution hub connecting sea, land, and rail routes from East and West. The port operates 24-hours a day. As the global trend to shorten supply chains continues, Klaipeda is in a unique position to offer fast access to national and international markets.
- »» A variety of warehouses and storage areas are available for storing frozen, liquid, agricultural and reefer products, packed goods, tumbled, bulk, cement and other cargoes. Business seekers will benefit from larger sized buildings that are located near port, major roads and have large bay areas, tall ceilings, truck docks and rail-sidings. Both large and small sized buildings provide businesses with the opportunity to locate or expand their operations in a flexible manner.
- »» The combined train “Viking” carries 20 and 40-foot containers as well as semitrailers and trailer-trains (contrailers) to Klaipeda port by sea transport from Scandinavia and Western Europe as well as via Mukran–Klaipeda ferry-line, and then carry on to Ukraine, Belarus, the near east, and Caucasus via Ilyitchovsk and Odessa sea ports. “Viking” is a joint project of Lithuanian, Belarusian and Ukrainian railways, seaport cargo companies, and Klaipeda, Ilyitchovsk and Odessa seaports.

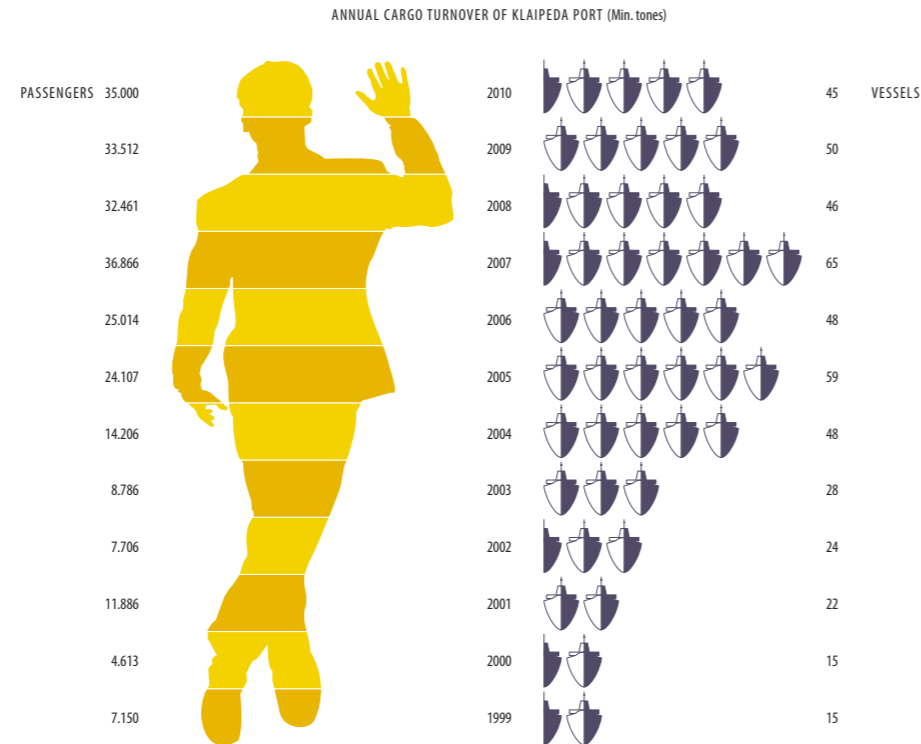
»» Palanga International Airport is located near the Baltic Sea, just 35 km from Klaipeda. Scheduled and charter flights are served throughout the year. Major Baltic airlines SAS, AirBaltic, Norwegian Air Shuttle and the Russian airline UTAIR operate their flights in Palanga International Airport. Charter flights to the Turkish resort Antalya operate during the summer season. The airport was expanded and adapted the requirements of the Schengen passenger terminal in 2007. The take off and landing path was also extended. Currently Palanga International Airport can allow operation of medium and small class aircraft without any limitation. It plans to install a new fuel base, to expand and reconstruct the Schengen country passenger service terminal and to build a new emergency rescue center in the year 2009–2011.

Train “Viking”

Common railway and seaport loading project in Lithuanian, Belarus, Ukrainian companies and Klaipeda, Belarus, Iljichiovsk seaports.

Transports 20 and 40 feet universal and specialized containers and truck-tractors (contrailers).

Train route: Iljichiovsk–Kiev–Minsk–Vilnius–Klaipeda and back.



TOURISM

Klaipeda attracts visitors with various indoor and outdoor activities: recreational fishing, swimming, diving, yachting, parachuting, scenic flights, bowling and billiard clubs, nightclubs, casinos, bars, restaurants, and countless museums and galleries.

Cruise liners are extremely important for Klaipeda since more and more tourists visit every year on passenger ferries and cruise ships. Therefore both the port and municipal authorities take all the necessary steps for its development. For many years, the port and city representatives have participated in the international cruise exhibitions; Klaipeda is also a regular host of the industry events: cruise business conferences, workshops, and seminars. Since 2002, Klaipeda has been an active member of the *Cruise Europe* association. The port maintains close cooperation with cruise lines, travel agencies, local and international media. Striving to further develop cruise shipping in the port, the *Regulations on Klaipeda Port Dues* were revised. According to the revised regulations, the port dues are reduced for cruise vessels and passengers, and discounts on *vessel* and *navigation dues* are applied for multiple cruise calls.

CREATIVE ECONOMY

The Klaipeda creative industries map consists of more than 600 creative businesses principally across music and performance art, architecture, visual arts and design, media and digital arts, film, TV, radio and photography. These contributed almost 3 % of value added to Klaipeda city's GDP in 2009.

Klaipeda city hosts around 30 cultural and creative festivals annually, which contribute to the city's cultural richness, as well as its economy. The most popular are the Sea Festival, Lithuania's largest summer event which regularly attracts over half a million attendees, and the Klaipeda Castle Jazz Festival, now approaching its seventeenth edition, which has hosted performances by international artists such as Belgian harmonica maestro, Toots Thielemans, to US stars like Billy Cobham and Victor Bailey and UK stars such as Soweto Kinch.

In common with many economies around the world, Klaipeda's property sector has been badly hit by the economic downturn in recent years. In Klaipeda, the cultural and creative sectors have been used to (albeit partially) fill this economic gap by establishing new communities of creative industries in industrial areas.



COMPANY NAME	Orion Global PET
MANAGER	O. P. Mishra
POSITION	General director
ORIGIN COUNTRY	India
ACTIVITY	PET polymers producer

This is 4th year. I came in April 2007. My first impression was – Fantastic! I came from Bangkok, Thailand, infamous for regular heavy traffic jams whereas in Klaipeda it is smooth. When I landed at Palanga on day one and drove towards Klaipeda the serene beauty of trees on both sides of the road was very pleasant and soothing.

Usually, during my free time I read current news, watch TV, movies and go for a long walk. If weather permits go to the beach and sit for meditation. Sometimes arrange get together with colleagues and friends. Many weekends we drive to Palanga and spend good time there.

Nature has been very kind to the city of Klaipeda with clean coastal area, the park of Curonian Lagoon, sandy Curonian Spit and Nemunas River delta. It depends on individual interest – if you are a nature lover you are in “the right place”. And now you also have golf courses.

Beautiful and intelligent folks who live in Klaipeda and the serene beauty surrounding the place. It's a very unique combination of industrial and tourist attraction.

FOR A POTENTIAL INVESTOR, I WOULD SAY – JUST DO IT. Good place, loving people, well developed support systems, logistic advantage.



Heritage buildings and landscapes are going to be the physical platform for the Creative City of the future. Creative use of the structures of the past will set the framework for the whole Creative City. What's old is new again!

Much planning and effort is put into the improvement and maintenance of Klaipėda's old town. Among the investment projects involved in the city development are the following:

- »» **The city of Memel in Klaipėda.** "The city of Memel" – its title is a tribute to the name of the city which was known for almost 700 years. A ship building yard "Laivite" plans to transform waterfront area into an exclusive zone with excellent waterfront apartments, office buildings, hotels, shops, etc. – a first for Klaipėda. Near the piers, small entertainment vessels and medium size cruise liners will moor. A newly built residential-commercial complex will cover the area up to 6, 7 hectares.
- »» **The Dane River harbour.** This project aims to refurbish the territory of the Dane River valley from the Birza Bridge up to Palanga road. Developments in this region will include conversion and modernization of disused sites, improvements to current infrastructure, and establishment of water and cultural tourism in the area. It is hoped that these conversion and development projects will create opportunities for city residents and guests to enjoy this exceptional territory as a great place to live and relax.

»» **Klaipėda Castle reconstruction and adaptation for conference and tourism needs.** The Castle marina and the Dane embankment reconstruction is carried out by the city and comprises part of the whole very large Old Castle Place regeneration plan, called "The Sea Gate" also implemented by private investors, the value of which will reach several hundred million Litas. The former ship building and repair yards will be withdrawn, redundant buildings demolished, and instead – a number of modern hotels, restaurants, high-fly office and quality apartment buildings will appear. The new constructions and public spaces will be created in harmony with the historical heritage. In the whole "Sea Gate" area, tourists and visitors will be provided all possible cultural – entertainment services. Small workshops for yacht building and repair will be left just to serve the immediate needs of sailors and satisfy visitors' curiosity.

»» **Culture Factory.** Jonas Hill encompasses the territory of an abandoned tobacco factory in the eastern part of Klaipėda's Old Town, on the left bank of the Dane River. Reconstruction plans for the factory include establishing a centre which will attract a wide-ranging spectrum of artists and creative businesses. New facilities will host theatre and cinema halls, dance, record and movie studios, rehearsal rooms, workshops and offices for the development of Creative Industries.

»» **Infrastructure Investments.** The Jakai roundabout project, reconstructing the crossroad to a different level crossing is in the completion process. The reconstruction works also include the construction of a 610 meter long overpass, lightning installation, the pipe bridge upgrade and the reconstruction of the water supply system and the gas pipeline. Project value is 29 million EUR.



COMMUNITY

ORGANIZATION	Klaipeda International Business Club
NAME	Nicole Coutts
POSITION	Board member
ORIGIN COUNTRY	Australia

COMPANY NAME	LCC International University
MANAGER	Dr. Marlene Wall
POSITION	Academic Vice President
ACTIVITY	University

COMPANY NAME	Philip Morris Lietuva
MANAGER	Scott Coutts
POSITION	Director Operations
ORIGIN COUNTRY	Switzerland
ACTIVITY	Tobacco Manufacturing

A lot of things are becoming more westernized. There are good shops, restaurants in town, you can get anything what you want. In summer time we do a lot of outdoor activities. I do horse riding, we play golf. In winter we go to sauna, gym. I have been to few concerts. In general on the weekends we go out for dinner or some drinks. There are many places to go.

Also I am a board member in Klaipeda International Business club. The main purpose of the club is social networking, both for business and personal. Meetings really consist of just meeting each other, get to know each other better. We talk about how business is going, talk about personal issues, like where to find a dentist, doctor and etc. At the moment there are 25 members in the club. It would be much easier for new people in town, when they know there is a club.



Klaipeda is an excellent city to live in – with the beauty and activity of the Baltic Sea, together with all the amenities of a large city. I enjoy walking along the Baltic Sea sands of the Curonian Spit, navigating the cobblestone streets of Old Town, enjoying the seasonal changes in Sculpture Park, watching the activity at the cruise-ship terminal, enjoying a drink or a meal with friends at the many outdoor restaurants in the summers, mellowing out with jazz at Kurpiiai on Tuesday nights.

Cultural Events – concerts at the Concert Hall, the extraordinary Tall Ship Races in 2009 as well as Europeade, the annual Sea Festival each July (which I plan my vacations around!), the annual Jazz Festival each June. I enjoy walking through Klaipeda, taking photos of everything (from small to large). I'm sure I have 10's of thousands of photos of this city by now.

IT'S MY HOME, AND I ENJOY CAPTURING ITS BEAUTY.

I find that the students at LCC International University are eager to learn, and understand the value of learning how to learn. We emphasize critical thinking as a core student outcome. Students are prepared to see connections, to ask questions, to discuss implications. And because of this, I believe that they have strong potential in the labor market.

We are one of the most effective Philip Morris factories in EU, with modern technologies and equipment. And, of course, it is also our people that make the difference. This combination allows us to work in very high quality, respond flexibly to customer needs and successfully compete for orders. So it shows that our investment was really successful.

Total direct Philip Morris International investments in Lithuania in 1993–2010 are over 150 million EUR.

During the decade factory operating annual capacity has tripled – now the factory produces 20 billion cigarettes per year. It is mid-size factory using the newest technologies. We were the second biggest tax payer in the country in 2009 (after Mazeikiai Oil refinery). Klaipeda factory is managing high complexity: we produce around 600 different brands. Factory produces not only for the Baltic States (Lithuania, Latvia, Estonia) but we also produce cigarettes for such markets as Nordics (Sweden, Norway, and Finland) and PMI worldwide duty-free affiliate.

I think the greatest advantage of doing business in Klaipeda is the

HIGHLY QUALIFIED AND DEDICATED WORKFORCE.

The close proximity of the port which provides good connections to the East and West is also of great advantage.

Yes, Klaipeda is a small town but is a very easy place to live. The environment is pristine with some amazing beaches located close by on the Curonian Spit. All the necessary services are also

for food and clothing along with a reasonable selection of places to eat out. There is also an 18 hole golf course about 15 minutes drive from Klaipeda which is great in summer during the long daylight hours for a round of golf after work. One of the things that have made living here in Klaipeda enjoyable is the great group of foreigners and locals that I regularly socialize with. There are many nationalities living here and the Klaipeda International Business Club also organizes monthly get togethers and regular activities and events.



PEOPLE

»» One of greatest the assets in Klaipeda is its people: highly qualified and capable of adapting themselves to ever changing needs of the labor market. The city has developed a highly skilled workforce with competitive wages and low operational costs, relative to other European cities of comparable size.

»» There are currently 182.752 people living in the city whilst over 376.549 people live countywide (at the beginning of 2010).

»» Klaipeda is unique because of its cultural diversity. The traces of Germanic, Slavonic and Baltic cultures are easily seen. This organic combination makes Klaipeda unique and inimitably charming.

»» At present there are over 123.262 working age people in Klaipeda. It makes about 70 % of the city's total population.

»» The major employment sectors are ships repair and shipbuilding, timber processing, furniture production, tobacco industry, food and drink production.

EMPLOYMENT IN ACCORDANCE TO ECONOMIC ACTIVITY KLAIPEDA COUNTY, 2009

FIELDS OF ECONOMY	PERCENTAGE
Services	61 %
Industry	22 %
Construction	10 %
Agriculture, forestry and fishing	7 %

WAGES, 2010 1Q

WAGES	EUR
Minimal hourly wage	1.4
Minimal monthly wage	232
Average monthly net earnings	466

EDUCATIONAL ATTAINMENT IN KLAIPEDA COUNTY AND LITHUANIA, 2009 (AGED 25–64)

	KLAIPEDA COUNTY	Lithuania
Low educational attainment	8.5 %	8.7 %
Medium educational attainment	61 %	60.4 %
High educational attainment	30.4 %	31 %

NUMBER OF SCHOOLS AND STUDENTS

General schools	50
Number of general school students	22.626
Vocational schools	6
Number of vocational school students	4.162

Higher education is available and easily accessible to those living in Klaipeda, as there are two nationally accredited universities: Klaipeda University and LCC International University and 5 colleges. These two universities account for 9.262 students directly, whilst another 9.317 students can be indirectly linked to 5 colleges.





Each year, both universities produce more than 2,000 graduates in business, the humanities, natural sciences, marine engineering, performing art and technology-related disciplines.

»» **Klaipeda University** offers a developed three level study system: 67 bachelor, 4 specialized vocational, 48 master, and 3 doctoral study programs. Highly skilled professionals are developed in:

»» 7 faculties (Natural Sciences and Mathematics, the Humanities, Marine Engineering, Fine Arts, Pedagogy, Social Sciences, Health Sciences).

»» 2 study institutes (Maritime and Continuing Studies).

»» 5 scientific research institutes (Baltic Coastal Research and Planning, Baltic Regional History and Archaeology, Marine Landscape, Mechatronics, Regional Policy and Planning).

»» Study, scientific research centers, library and the Botanical gardens are established for research of integrated science issues as well as for development of professional activities almost in each faculty.

»» Klaipeda University owns "Brabander", the largest Lithuanian exploratory – training sailors, designed for students' practice and marine expeditions.

Trends of scientific research, artistic and academic activity which are not developed in other Lithuanian universities, remain dominant in Klaipeda University. There is no other University in Lithuania which can offer a degree in study programs as hydrology and oceanography; port technologies and engineering; history and languages of Lesser Lithuania and Baltic region; underwater archaeology; jazz music and other.

»» **LCC International University** is a nationally and internationally recognized liberal arts institution in the city of Klaipeda with classes being taught in English. One-third of LCC faculty is Lithuanian while two-thirds are from Western Europe, Canada and the United States. Students at LCC International University enroll in one of the four bachelor programs of study: Business Administration, English Language and Literature, Psychology and Theology. LCC is also pleased to offer a Master of Arts (M.A.) degree in Teaching English to Speakers of Other Languages (TESOL).

»» **Klaipeda Science and Technology Park (KSTP)** under one roof gather enthusiasts of successful development, progressive thinking students, post-graduates, entrepreneurs who aim to be the creators of the future of the region, to enhance collaboration between science industry and other fields of economy as well as the development of high technologies to sustain and develop the scientific potential. The KSTP is the center of innovation culture and entrepreneurship enhancement in the Klaipeda Region.

»» **Labor Market Training Center** provides people with the possibility to improve their current qualifications or to acquire a new one. The Labor Market Training Center successfully implements various employment-promoting projects supported by international funds.



A CAREFREE CITY WITH UNIQUE EXPERIENCES THAT MAKE FOR MEMORABLE MOMENTS

NAME	Mark Uribe
POSITION	Honorary British Consul
ORIGIN COUNTRY	United Kingdom

COMPANY NAME	Swedish honorary consul Baltic Business Center
MANAGER	Joacim Bernhardsson
POSITION	Director
ORIGIN COUNTRY	Sweden
ACTIVITY	Swedish honorary consul, businessman



I have lived in Lithuania longer than I have lived continuously anywhere else – 16 years! So much has changed, but perhaps most importantly,

THERE HAVE BEEN ENORMOUS IMPROVEMENTS IN THE BUSINESS CLIMATE HERE.

Klaipeda has many advantages; it is logistically very well situated for sea-road-rail transport; The Klaipeda Free Economic Zone is a successful and well managed operation; land and property prices, especially in the areas around Klaipeda, are highly affordable and ideally suited for small to medium sized manufacturing; there is a plentiful supply of skilled and non-skilled labour at very competitive rates.

Klaipeda is an extremely pleasant town in which to live; its size makes it easy to get around and traffic is rarely a problem. Access to the sea and Neringa enables one to “get away from it all” within 15 minutes!

If you are a large organization planning to set up a manufacturing unit overseas then I would say certainly go and see the free Economic Zone. If you are a smaller operation looking for facilities or a small production unit then I would generally advise looking for a good local partner rather than trying to “start from scratch”.

19 years ago it was much easier to start a business in Klaipeda, because there was so much space for any business. Now business culture and environment is the same as in Western Europe. I would absolutely resolve starting business in Klaipeda again! Lithuania is still a developing country. I still see a lot of opportunities in Klaipeda in any business sector.

The port of Klaipeda is the engine. Most businesses here are related to the port. Still there is a lot to do there and it might be quite easy to create something new, because you will be the first.

For a potential investor, I would recommend to ask for assistance, there are many institutions and organizations for that purpose. Then everything will be much easier and faster. But before asking for any assistance,

COME AND VISIT KLAIPEDA. STAY HERE FOR FEW WEEKS.

Look around, feel the atmosphere in Klaipeda.



RECREATION, ARTS AND CULTURE

Known as culturally developing, vibrant and open, Klaipeda offers visitors plenty of creative places to see: art galleries, concert halls, music theatre, libraries, museums and various cultural spaces for all possible cultural activities: cinema, dance, fashion, various kinds of festivals and conferences, educational lectures and interdisciplinary projects.

Klaipeda is proud of its chamber orchestra, Lithuania Minor Symphony Orchestra and many other venues of its kind. Klaipeda University’s sport dance team “Zuvedra” has become world champions six times and in 2009 became European champions for the 7th time. Klaipeda State Musical Theater is the largest collective of professional artists in the entire western region of Lithuania.

FUN AND CELEBRATION

Klaipeda is rich in maritime history: it hosted the greatest world Tall Ships’ Race in 2009 and is planning a series of events in the coming years to keep city residents and guests closer to the sea. Also in 2009, Klaipeda organized the cultural folk festival EUROPEADE. Those two international events attracted about one million city guests and placed Klaipeda on the map as a city capable of hosting major events. Klaipeda city also implements a number of creative projects annually – about 30 traditional festivals. The favorites are the Sea Festival and the Klaipeda Castle Jazz Festival.

The European Basketball Championship of 2011, universally referred to as EuroBasket 2011, will be hosted by Lithuania. Klaipeda was selected among the cities to host several crucial matches that form this prestigious tournament. As the world’s basketball fans turn their attention to Lithuania, this is the perfect opportunity for Klaipeda venues to show that are ready to rise to the challenge of an international tournament of this magnitude. Lithuania has invested over 200 million Euros into the basketball infrastructure preparing for EuroBasket 2011. As part of the preparations for EuroBasket 2011 Klaipeda has started the construction works of a multifunction sports and entertainment complex – a definite boost to the city’s sports facilities. A universal sports arena of nearly 23.000 m² will be able to seat up to 5.786 basketball team fans.

HISTORY HUNTING

Discover the stories, people and places that make the city. From the unique heritage buildings and 18th century Fachwerk-style architecture to ringing carillon bells and the distinctive combination of Germanic, Slavic and Baltic cultural traces, Klaipeda offers history and intrigue on every corner.

Our suggested spots:

- »» The History Museum of Lithuania Minor
- »» The Castle Museum
- »» Museum of Clocks
- »» The Blacksmith’s Museum

RECREATION AND NATURAL ATTRACTIONS

Surrounded by white sandy beaches, natural sand dunes, the Baltic Sea and the Curonian Lagoon, Klaipeda has a bounty of valuable and unique landscapes to enjoy. There is easy access from the city to Lithuania’s most famous seaside resorts – Neringa and Palanga:

NERINGA (~ 50 km from Klaipeda)

A unique narrow peninsula offering a peaceful and soul-cleansing alternative to the hustle and bustle of modern life. Make the most of the opportunity and explore the Curonian Spit – one of the UNESCO’s World Heritage. The highest in Europe, sand dunes of Neringa are a real natural wonder.

PALANGA (~ 30 km)

The biggest and most diverse seaside resort in Lithuania offering a range of services for both active and passive city guests. Those who enjoy active holiday are offered horse-riding, tennis courts, a large variety of pubs, cafes, restaurants, night clubs, and casinos. The resort also attracts visitors with impressive scenes of wild and severe nature, the Amber Museum, which holds a great variety of amber pieces and the biggest in the world collection of inclusions.

Our suggested spots:

- »» The Sea Museum and Dolphinarium
- »» Ornithological station of Vente corn
- »» Curonian Spit

GET ACTIVE

Experience Klaipeda's love of the outdoors and energetic way of life with some of the best activities: recreational fishing, swimming, diving, yachting, parachuting, scenic flights, and more.

Play golf! The National Golf Resort is situated less than 4 km from Klaipeda city and 20 minutes from the Palanga Airport. In the picturesque valley of the Dane River lies a classic 18-hole 72 par golf course, conforming to world standards. The golf course has a practice area and a 3-hole short-game field.

Our suggested spots:

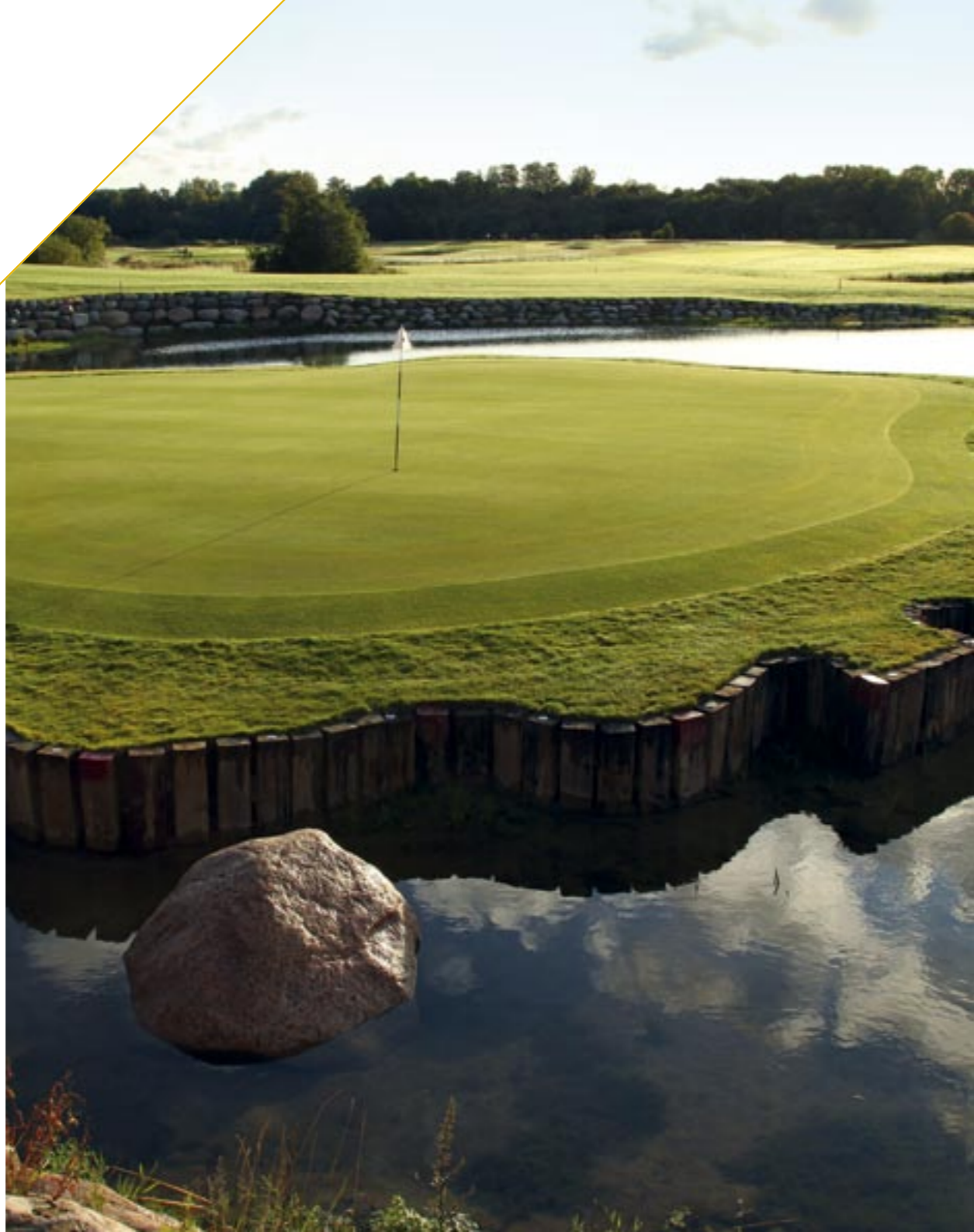
- »» EuroVelo bicycle route spanning 216 km
- »» Klaipeda Parachute Club
- »» Sea fishing Ship voyages in Curonian Lagoon

EATING OUT AND NIGHTLIFE

Klaipeda – city with perfect places to meet, mingle and relax after a long day. There are numerous restaurants and cafes around Klaipeda Old Town where you can taste Lithuanian national dishes. All ethnographic regions use their own old recipes – soups which will warm you up on a windy day. Many dishes are made from potatoes or white curd cheese, which is best with honey and brown rye-bread. For those who like beer, Lithuania should appear a true paradise as this country produces a great variety of high quality beer.

SHOPS, MARKETS AND CRAFTS

Your shopping adventure begins in the small streets of the old town. Antiques and traditional Lithuanian souvenirs of amber, wood, metal, leather and linen can be purchased here. If this is not enough, then over 10 big Shopping Malls and smaller retailers in the surrounding area are ready to present the retail enthusiast with excellent shopping opportunities seven days a week. The largest shopping center, AKROPOLIS, covering more than 75.000 m², offers an immense selection and quality of goods with new brands in more than 150 shops representing the most popular trademarks in Lithuania and Europe.



LOOK FORWARD TO WELCOMING YOU IN KLAIPEDA SOON

Whether you are a business owner, a visitor, a resident or thinking of making Klaipeda a place to realize your ideas, develop your business and get involved in city transformation – Klaipeda Economic Development Agency is here to cooperate, expand and prosper together with you! First Aid services for business is available at: www.investinklaipeda.com.

Meet you in Klaipeda – a carefree city of free ideas, innovators, and industry makers.

»» "There's no need to rush, there are no big problems with traffic, you don't have to book restaurants in advance; everything is easy to do," James Andrew Clarke, BNTP GROUP CEO.

»» "A lot of things are becoming more westernized. You can get anything that you want", Nicole Coutts, Klaipeda International Business Club Board member.

»» "An excellent city to live in – with the beauty and activity of the Baltic Sea, together with all the amenities of a large city", Dr. Marlene Wall, LCC International University Academic Vice President.

»» "When I landed at Palanga on day one and drove towards Klaipeda the serene beauty of trees on both sides of the road was very pleasant and soothing. Fantastic!", O. P. Mishra, Orion Global PET General director.

»» "Just do it. Good place, loving people, well developed support systems, logistic advantage", O. P. Mishra, Orion Global PET General director.

USEFUL WEBSITES:

Klaipeda Economic Development Agency
www.investinklaipeda.com

Klaipeda City Municipality
www.klaipeda.lt

Klaipeda State Seaport Authority
www.portofklaipeda.lt

Klaipeda Free Economic Zone
www.fezone.lt

Palanga International Airport
www.palanga-airport.lt

The Department of Statistics
www.stat.gov.lt

Enterprise Lithuania
www.enterpriselithuania.com

Invest Lithuania
www.verslolietuva.lt

EU Structural assistance to Lithuania
www.esparama.lt

Lithuanian Railways
www.litrail.lt

Ober-Haus Real Estate
www.ober-haus.lt

Klaipeda Tourism and Culture Information Centre
www.klaipedainfo.lt

Klaipeda International Business Club
www.kibc.lt

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Klaipėda Economic Development Agency

H. Manto st. 84-217, LT-92294 Klaipėda

Phone + 370 46 311 010

Phone / fax + 370 46 420 510

info@kepa.lt

www.investinklaipeda.com

Klaipėda City Municipality

Liepu st. 11, LT-91502 Klaipėda

Phone + 370 46 396 066

Phone / fax + 370 46 410 049

info@klaipeda.lt

www.klaipeda.lt

