



PANEVĖŽYS ■  
FREE ■  
ECONOMIC ■  
ZONE ■

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MANAGED BY OGMIOS GROUP

Panevezys -  
Leading Hub  
of Modern  
Manufacturing

# Your Gateway to 3 Major Markets

PANEVĖŽYS  
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## Logistics

Population <sup>1</sup>	<b>2.9 million</b>
Labour pool <sup>1</sup>	<b>1.5 million</b>
Capital	<b>Vilnius</b>
Official language	<b>Lithuanian</b>
Dominant foreign languages	<b>English Russian German Polish</b>
Real GDP growth <sup>2</sup>	<b>3.0% (2014) 1.6% (2015) 2.9% (2016)</b>
Member of the Schengen Area	<b>since 2004</b>
Inflation <sup>3</sup>	<b>0.2% (2015)</b>

Legend:

Three main markets

Roads transport



1 - Source: Statistics Lithuania, 2015

2 - Source: European Commission, 2016

3 - Source: Lithuanian Ministry of Finance

4 - Source: Girtėka Logistics, 2014. Estimates based on two-driver shared shift model

# Strategic location

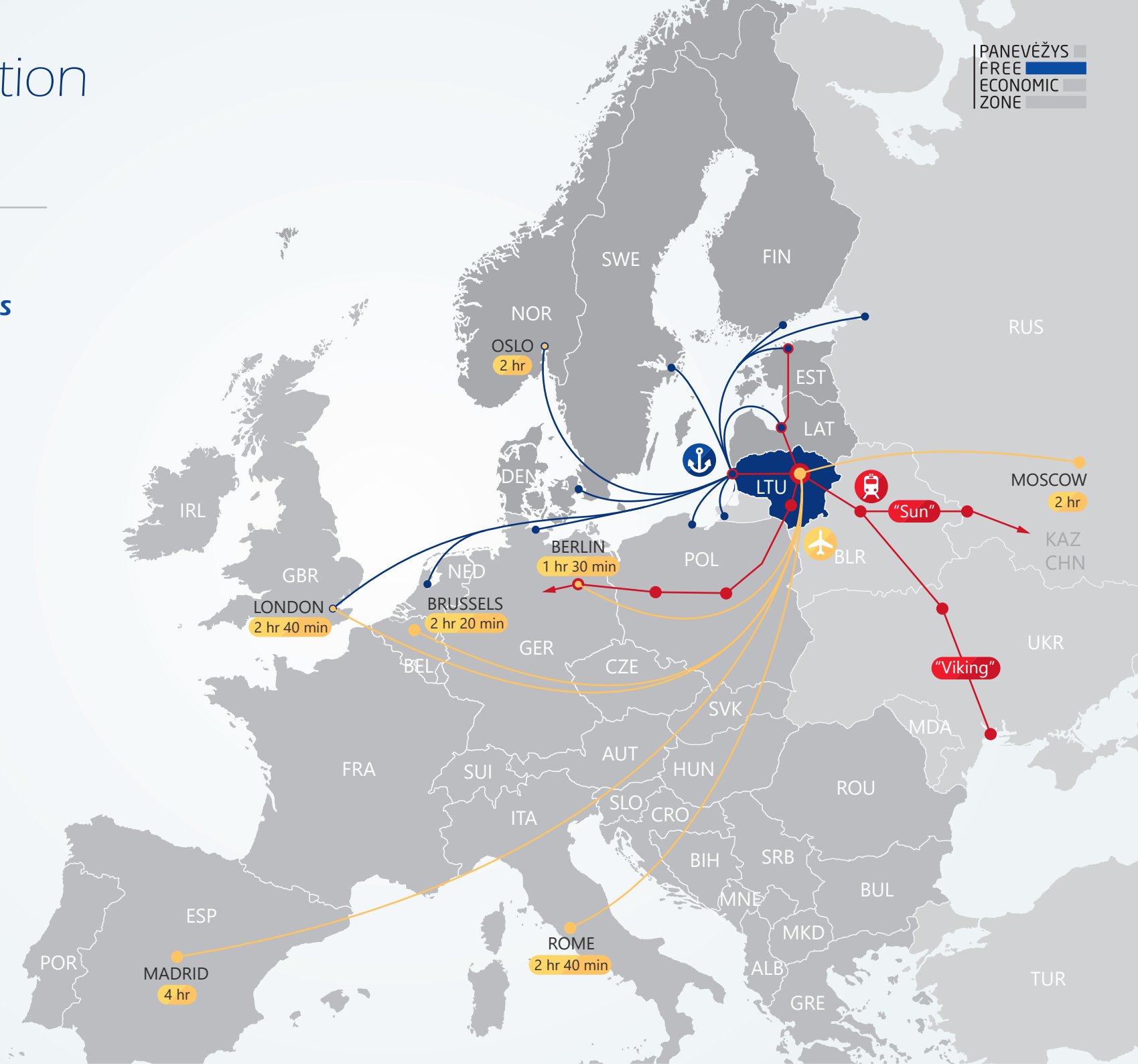
## Logistics

Klaipeda port  
**up to 65 million tons**

Railways  
**48,1 million tons**

Trucks  
**58,3 million tons**

Truck fleet  
**25.800**



# Facts about Lithuania

## FDI and business in Lithuania



Some of the  
lowest **office  
rental costs** in CEE

Source: BNP Paribas European  
Office Market, 2014



**90,41 bln**  
**Total FDI**  
in Lithuania  
(EUR, 2008-2015)

Source: Statistics Lithuania  
2015



**6,7 bln**  
in **EU Cohesion Policy**  
**funding** allocated to  
**Business support**  
(EUR, 2014-2020)

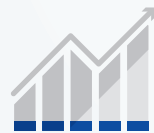
Source: Ministry of Economy  
2015

## Economy



**up to 15 %**  
**Low corporate**  
taxes

Source: Lithuanian Ministry  
of Finance, 2015



**2.9 %**  
Forecast of  
**GDP growth**  
in 2016

Source: European Commission, 2016



**# 1**  
Real **labour**  
**productivity**  
growth in the EU



**# 4**  
**Lowest profit**  
taxes in the EU

Source: KPMG, 2014



since **2015**  
Member of the  
**EURO zone**

# Facts about Lithuania

## Infrastructure



# 1

In the CEE for  
**quality of roads**



# 1

In the EU for  
**fibre-to-home**  
penetration



# 4

Globally in **fulfilling**  
**business needs** for  
**ICT\***

Source: FTTH Council, 2014 / WEF Global Competitiveness Report 2014-2015  
\*based on IMD Global Competitiveness Index

## Talent



**91.4 %**

of Lithuanians  
have a **secondary**  
**education**



**53.3 %**

of Lithuanians  
have a **higher**  
**education**



**50 %**

of Lithuanians are  
**fluent** in at least **2**  
foreign **languages**



**4,590**

**engineering** trades  
graduates from  
**vocational schools**

Source: European Commission, 2014

Source: Eurostat 2014

# Facts about Lithuania

## Business Environment

**1st**

In the EU for **ease of starting business**.  
Only 3 days to start a new company.

Source: World Bank  
Doing Business Report, 2016

**2nd**

**Most favourable country for investment in Europe.**  
17th in the World

Source: Foreign Policy's  
Baseline Profitability Index, 2015

**13th**

in **Economic Freedom Index**

Source: Heritage Foundation,  
Economic Freedom Index, 2016

**# 20**

Ranked out of 189 economies  
**by Doing Business**  
in 2016

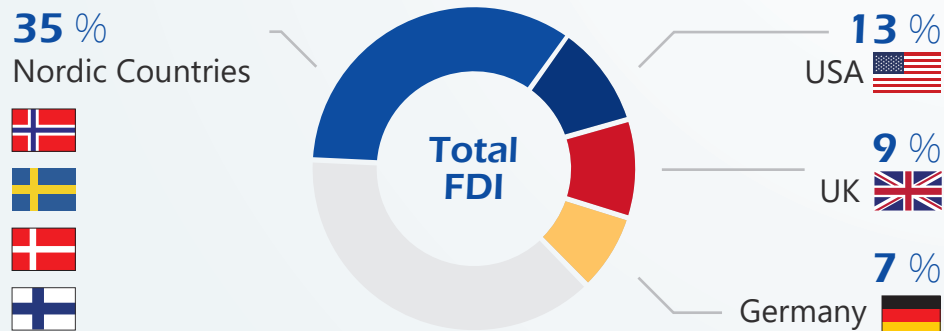
Source: World Bank  
Doing Business Report, 2016

**# 30**

In World  
**Competitiveness Ranking**  
in 2016.

Source: The IMD World  
Competitiveness Yearbook, 2016

## Top Investing Countries (2010-2014)



Source: Financial Times FDI monitoring database, 2015 / Invest Lithuania, 2015

## Top industry for FDI - Manufacturing

**30%** share of total FDI projects

*Albright*  
INTERNATIONAL

PHILIP MORRIS

systemair

MOOG

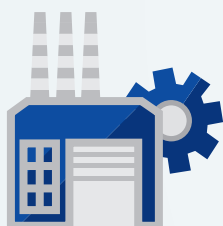
MARS

peikko<sup>®</sup>  
group

# Panevezys region

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## FDI in the region (mln. EUR)



**61 %**  
 of total FDI in  
 the region is in  
**manufacturing**

## Top investing countries

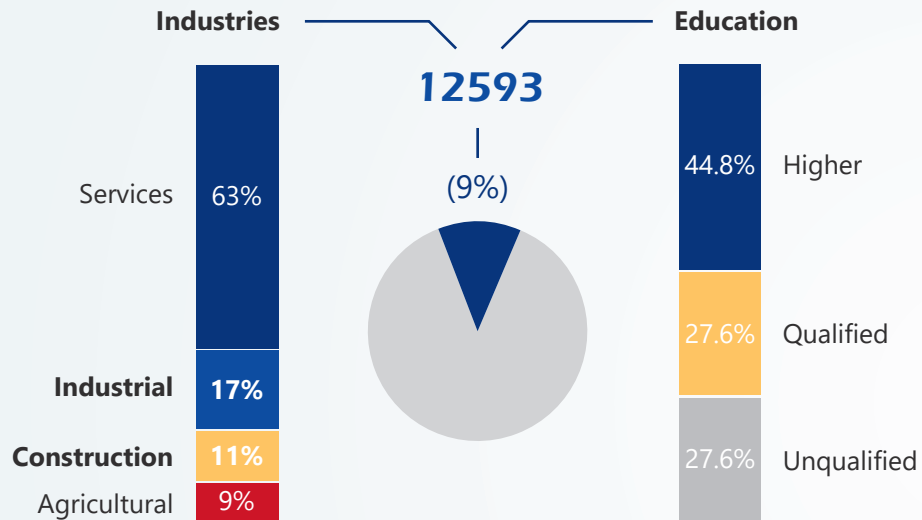


Source: Statistics Lithuania, 2014

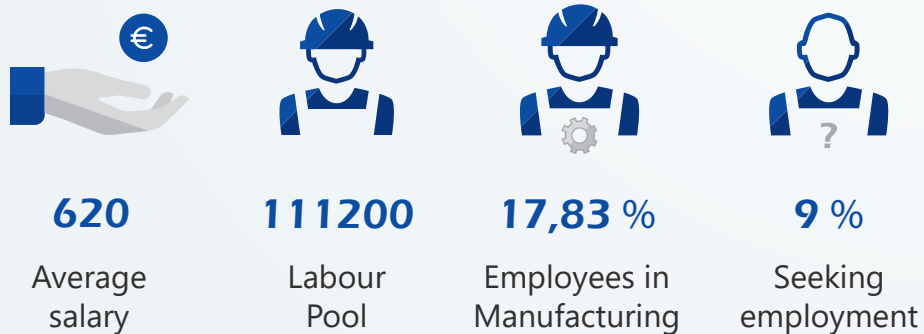


# Facts about Panevezys region

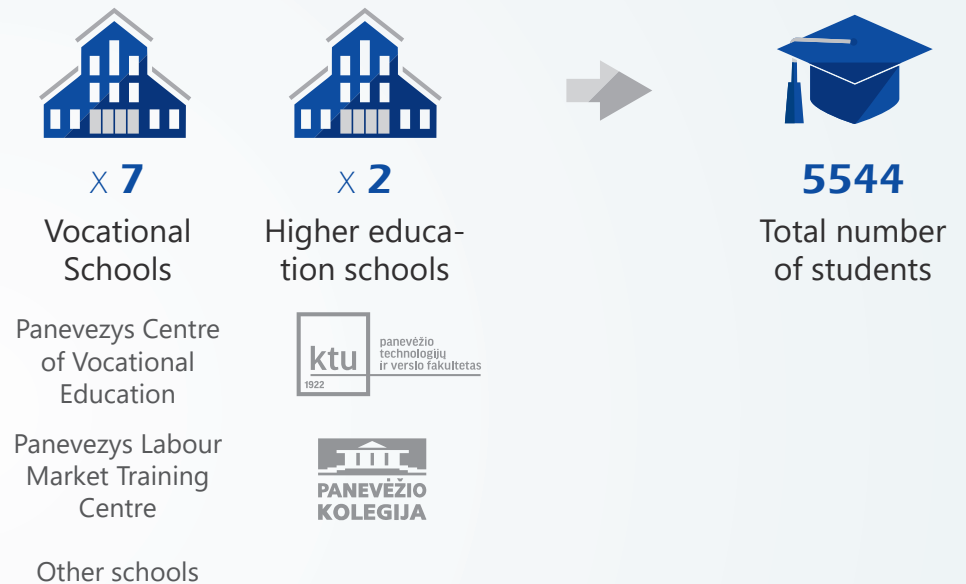
## Unemployed workforce structure (2014)



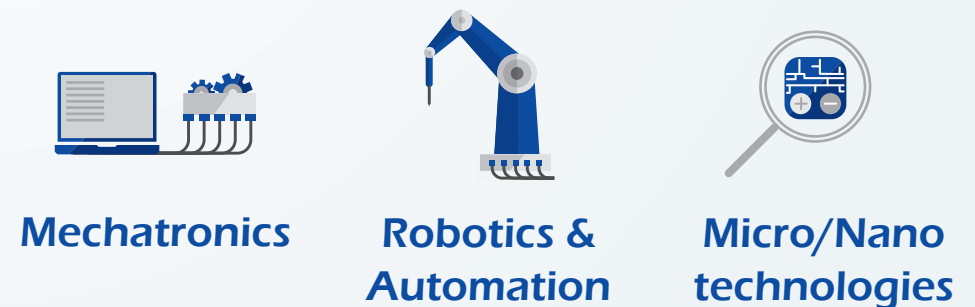
## Labour



## Educational Institutions

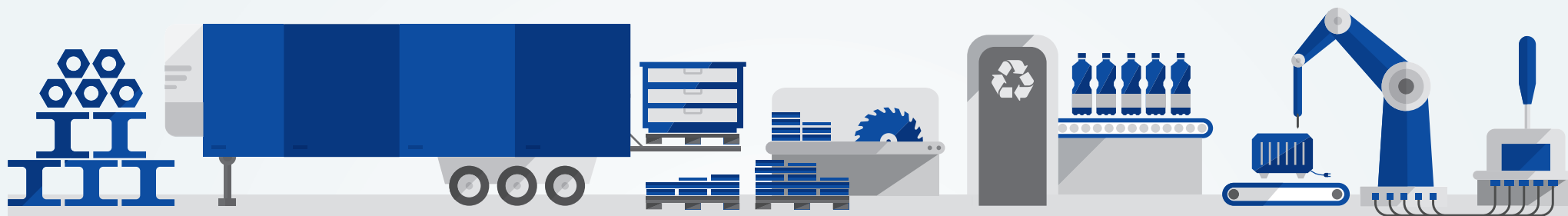


## Main R&D services



# Main Industries in Panevezys

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## Metal processing and Mechanical engineering

Metal components and structures, stamping, welding, laser cutting and interior systems for cruise ships, ferries



Turnover: € 20 - 30 mln.  
Employees: 330



Turnover: € 8 mln.  
Employees: 159



Turnover: € 3.2 mln.  
Employees: 80

## Automotive

Refrigerated trailers, semi-trailers, wiring systems, electromechanical products and auto compressors.



Turnover: € 58 mln.  
Employees: 414



Turnover: € 20 - 30 mln.  
Employees: 675



Turnover: € 10 - 20 mln.  
Employees: 1425

## Wood and Furniture

MDF panels, door and window frames, mass production and individual design furniture, moulded flexible foam, wooden and metal furniture components



Turnover: € 6.4 mln.  
Employees: 60  
Member of the Södra group



Turnover: € 5 - 10 mln.  
Employees: 120



Turnover: € 3 - 5 mln.  
Employees: 27

## Plastic Processing

Rigid and flexible plastic packaging, plastic components and rubber products, flexographic printing and packaging materials; reflective products, automobile accessories.



Turnover: € 9.3 mln.  
Employees: 166



Turnover: € 7.8 mln.  
Employees: 105



Turnover: € 3 - 5 mln.  
Employees: 74

## Electronics

Wiring systems and electro-mechanical products, power distribution and electric control systems, electric heating equipment.



Turnover: € 14 mln.  
Employees: 193  
Part of Otterlei Group



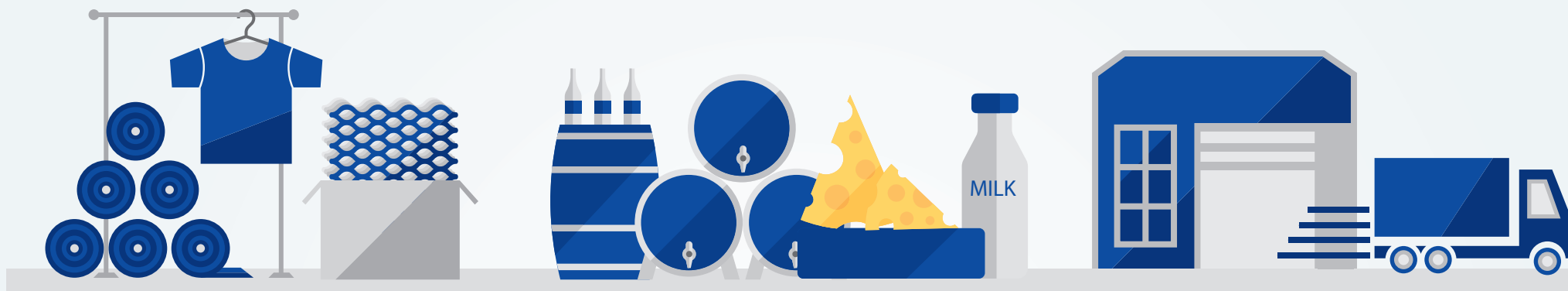
Turnover: € 9 mln.  
Employees: 106



Turnover: € 8.1 mln.  
Employees: 88

# Other Industries in Panevezys

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## Textile

Woolen garments, underwear, mid layer clothes and socks, linen textile production, fabric dyeing.

**DEVOLD®**  
WOOL UNDERWEAR

Turnover: € 10 mln., Employees: 272

**LINAS**

Turnover: € 12 mln., Employees: 365

## Food & Beverages

Beer, biorefining & starch manufacturing, meat processing, dairy products and milk proteins.

**amilina**

Turnover: € 138.4 mln., Employees: 411  
Member of the Roquette Group

**ROKISKIO**  
SŪRIS

Turnover: over € 100 mln., Employees: 1018

**Kalnapilis**

Turnover: € 50 - 100 mln., Employees: 334

**VIKING MALT**

Turnover: € 20 - 30 mln., Employees: 34

## Logistics and Storage

Storage and distribution of food and other goods, internal tank washing.

**iki**

Turnover: € 597,7 mln., Employees: 7 000

**SIRA**

Turnover: € 10 - 20 mln., Employees: 148



# Metal Processing Industry in Lithuania

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## Number of companies



756

## Employees



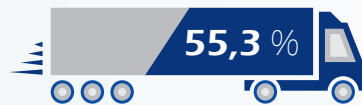
13811

## Total Export



952 861 900  
(EUR)

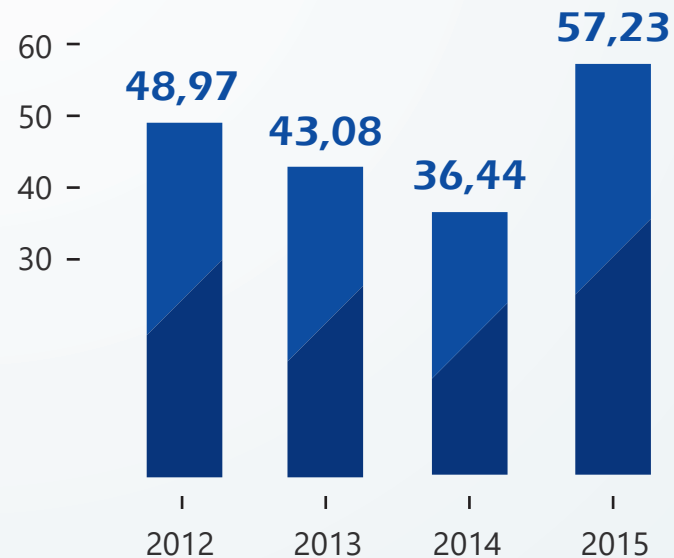
## Export share and main destinations



(of total output)



## Growth of FDI (MLN. EUR)



Source: Statistics Lithuania 2016, Foris consulta 2013



# Metal Processing Industry in Panevezys

PANEVĖŽYS  
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## Services/Products

- Stamping, welding, pressing
- Tooling
- CNC Milling, CNC Turning, stamping CNC
- Sheet metal processing
- Laser, plasma cutting
- Deep drawing
- Stainless steel fastening elements
- Furniture fittings
- Custom-made metal products
- Tools design and production

## Certificates

Most of the companies have:

**ISO 9001:2008** **ISO 14001:2004**

**OHSAS 18001:2007**

Some of the companies have:

**LEAN** **ISO 3834-2** **ISO 1090-1**

## Advantages

- Wide variety of services and products
- Fast local supply
- Small quantities available
- Flexibility and customisability
- World-class quality

## Main Companies

**Metalistas**

**JUTIX**

**LANK META**

**VOLVO**



**Rolls-Royce®**



## Main Clients



# Plastic Processing Industry in Lithuania

PANEVĖŽYS  
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ECONOMIC  
ZONE

## Number of companies



370

## Employees



8863

## Total Export



859 288 500  
(EUR)

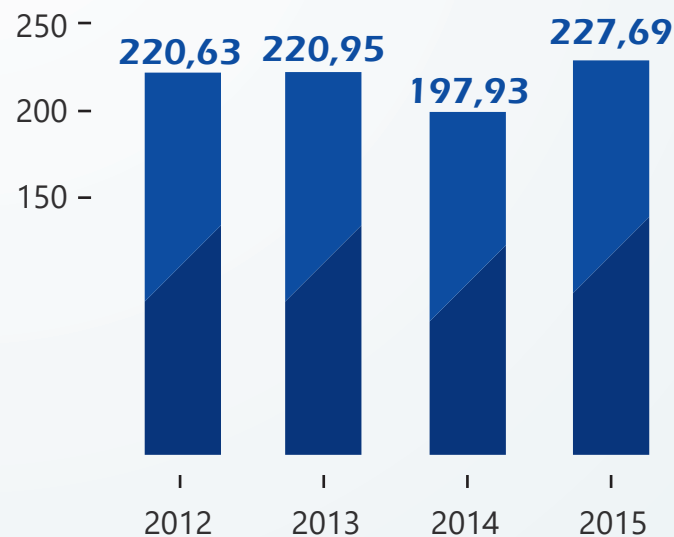
## Export share and main destinations



(of total output)

- Germany
- United Kingdom
- Denmark

## Growth of FDI (MLN. EUR)



Source: Statistics Lithuania 2014



# Plastic Processing Industry in Panevezys

PANEVĖŽYS  
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## Services/Products

- PET, PP and PE bottles, jars
- Thermo-shrink film
- Moulds for plastics blowing and injection moulding
- Moulding of plastic, rubber products
- 3D scanning, rapid prototyping - 3D printing
- printed flexible polymeric web packaging
- High-Vis garments
- Reflective products

## Certificates

Most of the companies have:

**ISO 9001:2001** **ISO 14001:2001**

Some of the companies have:

**LEAN** **ISO / TS 16949:2009**

## Advantages

- New product development, from the design to the mass production
- High customisability of packaging and products
- Small batches save space and time
- World-renowned clients
- Wide variety of services and products

## Main Companies



## Main Clients





# Oppenheim & Jansson Good Case Practice

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## Local supply chain - World-class products



### Tendency of moving production from Asia-Pacific region

- Scandinavian companies moving parts of production from Asia-Pacific
- Concentration of all production processes in Lithuania
- Finding local suppliers and switching from Asia-Pacific sub-contractors
- Saving time and money

### Consultations and support for moving production

#### PFEZ offers:

- Support in moving production
- Temporary production premises at favourable costs
- New building construction management
- Post-investment after-care



# Automotive Industry in Lithuania

PANEVĖŽYS  
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ZONE

## Number of companies



95

## Employees



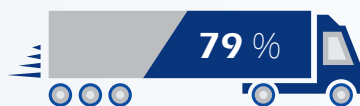
5713

## Total Export



1 024 964 200  
(EUR)

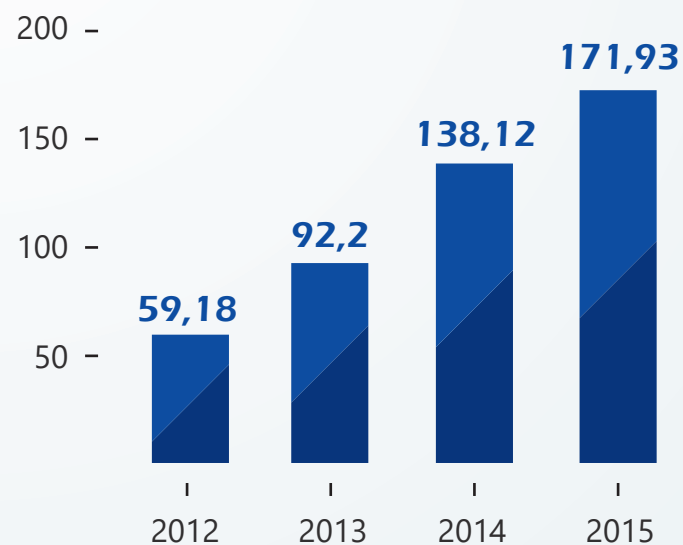
## Export share and main destinations



(of total output)



## Growth of FDI (MLN. EUR)



Source: Statistics Lithuania 2014



# Automotive Industry in Panevezys

PANEVĖŽYS  
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ECONOMIC  
ZONE

## Services/Products

- Trailer, semi-trailer production
- Tipper semi-trailers production
- Container trailer carrier systems
- Cable harness manufacturing
- Electromechanical modules and systems

## Certificates

Most of the companies have:

**ISO 9001:2001** **ISO 14001:2001**

**OHSAS 18001**

Some of the companies have:

**LEAN** **EN 15085/2** **ISO 1090-1**

**ISO/TS 16949**

## Advantages

- World-class companies and experience
- Local supply of components and services
- Continuous growth of investments in equipment
- High standards - LEAN production and management
- Various fastening bolts, plates and other elements

## Main Companies





# Furniture and Wood Industry in Lithuania

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## Number of companies



2184

## Employees



48633

## Total Export



2 094 921 000  
(EUR)

## Furniture export share and destinations



(of total output)



Sweden



USA



Germany

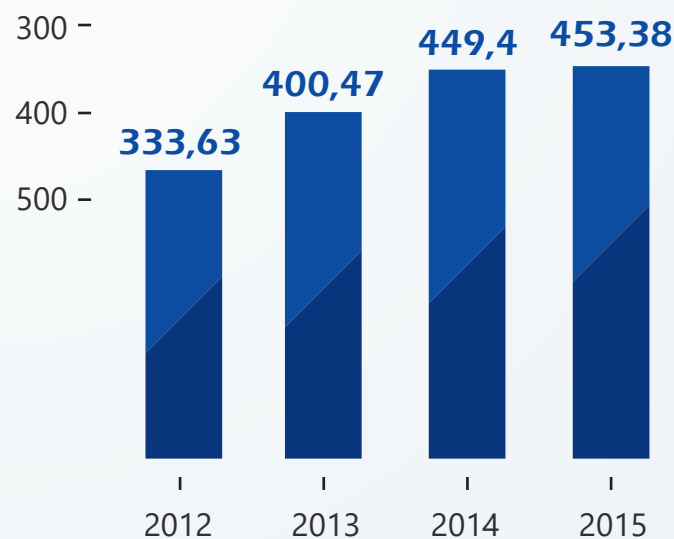


Denmark



United Kingdom

## Growth of FDI (MLN. EUR)





# Furniture and Wood Industry in Panevezys

PANEVĖŽYS  
FREE  
ECONOMIC  
ZONE

## Services/Products

- Mass production of sofas, tables, chairs
- Individual furniture design and production
- Moulded cold cure foam
- Regular foam production
- MDF ceiling, wall panels
- Various moldings from MDF

## Certificates

Most of the companies have:

**ISO 9001:2001** **ISO 14001:2001**

**OHSAS 18001**

Some of the companies have:

**LEAN** **FSC-STD-40-004 V2**

**PEFCST 2002:2013**

## Advantages

- Full supply chain for furniture production available
- Clusterisation of Scandinavian producers
- Fast delivery times
- Cold cure foam available
- Trusted suppliers - 74% of total export of furniture goes to IKEA

## Main Companies

**DOMINARI**

 **SÖDRA**

**Hjellegjerde**

**SANDELLA**



## Mass and individual production

Mass example:



Individual example:



Biggest client:



Being shipped to:





# Panevezys Norwegian Industrial Park

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ECONOMIC  
ZONE

Number of companies

4

Turnover

7,2  
(mln. EUR)

Employees

85

Production area

6500  
(m<sup>2</sup>)

## Good case practice

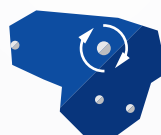
All the companies are Norwegian:

SCAN  
INVESTMENT

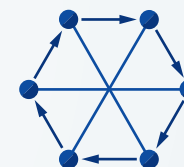
SANDELLA



Moulded flexible HR foam is available  
from local supplier



Clustering - supply of components,  
joint tenders and orders



## Furniture production - full supply chain available



Wooden frame



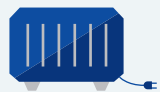
Metal frame



Foam



Textile



# Electronics Industry in Lithuania

PANEVĖŽYS  
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ECONOMIC  
ZONE

## Number of companies



227

## Employees



8253

## Total Export



2 012 335 600  
(EUR)

## Export share and main destinations



(of total output)



Sweden



Switzerland



Germany

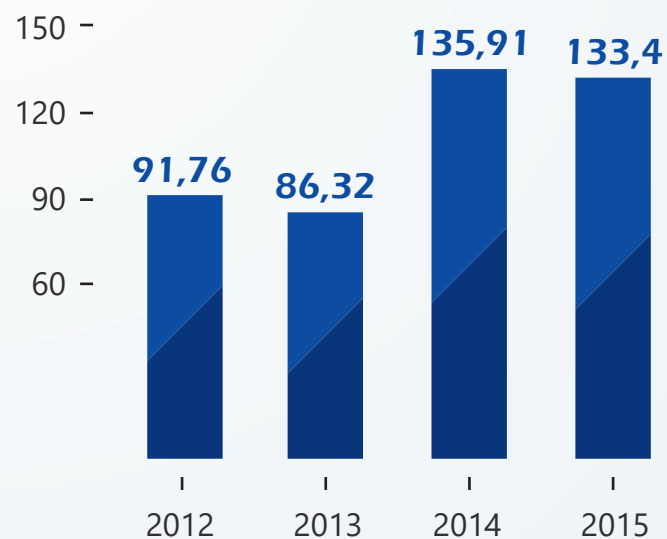


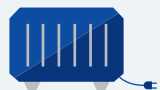
Norway



Finland

## Growth of FDI (MLN. EUR)





# Electronics Industry in Panevezys

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ECONOMIC  
ZONE

## Services/Products

- Low and medium voltage electrotechnical and automation equipment
- Design for indoor and outdoor power supply
- process control and automation
- Variable frequency drive systems
- Electric panel heaters
- Wires and cables manufacturing

## Certificates

Most of the companies have:

**ISO 9001:2001** **ISO 14001:2001**

**OHSAS 18001**

Some of the companies have:

**LEAN**

## Advantages

- Historic electrical engineering competences in Panevėžys
- Local suppliers of wires and cables
- Supplies available in small batches
- Experienced and trusted companies

## Main Companies

**ADAX**

**RIFAS**  
ELECTRIC & AUTOMATION

**AS**  
Automatikos sistemas

AKCINĖ  
BENDROVĖ  
**LIET KABELIS**

## Main Clients

**SIEMENS**

**HYUNDAI**  
HEAVY INDUSTRIES CO., LTD.

**Schneider**  
Electric

**ABB**

**PKC GROUP**

## Business Set-up Services



Lease of land plots and warehouses



One-stop-shop for administration services



Assistance during business setting up process



Project management & EU funding services



Construction permits, detailed plans, permits from municipal authorities



Sub-contractors & Local Business partners network

## Tax Incentives in Panevezys FEZ

### Taxes

Real estate tax  
Tax on dividends  
Corporate tax\*

### Taxes in FEZ

**0%**

### Usual Taxes

**0.31-1 %**

**15 %**

**15 %**

## Our Network



## Full financial flexibility

**Flexible payment conditions**

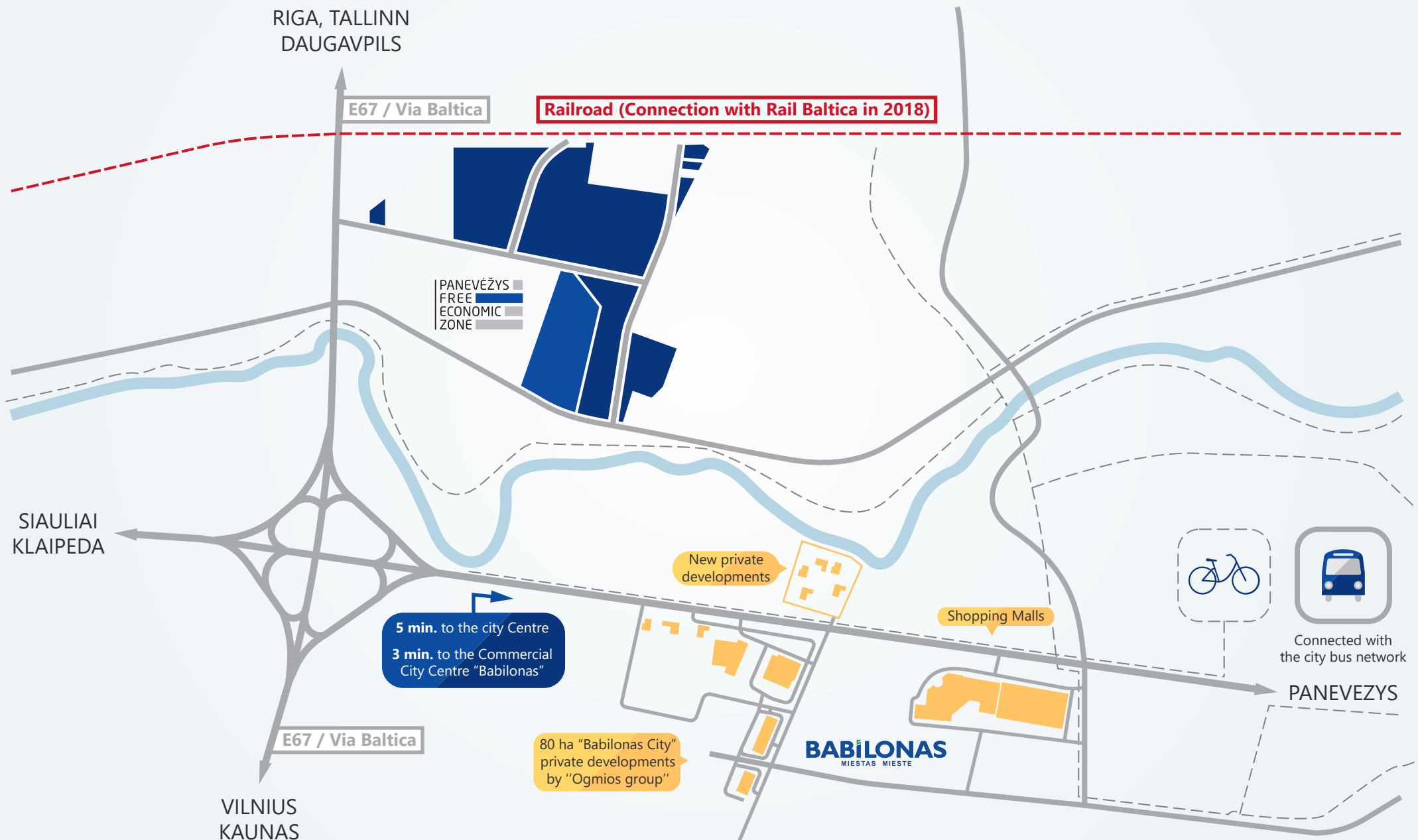
**Financial leasing option**

**Strong network with commercial banks**

\* Investments in assets must be at least 1 million EUR  
6 years exemption from corporate income tax and a 50% discount for the following 10 years.

# Panevezys FEZ Location in the City

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ZONE



# One-stop-shop. Good case practices in Panevezys

## Panevezys Labour Market Training Centre

<http://www.paneveziodrmlt/en>

- provides formal and informal vocational training
- helps businesses get qualified specialists

### Devold case study



## Panevezys Mechatronics Centre

<http://panmc.lt>

- open access R&D and training facility
- training and services to business
  - industrial automation
  - micro and nano technology working proficiency
  - analytic chemistry
  - materials research
  - testing and measurement laboratory

### R&D Services to Business

#### Kriaute

Ineffective panel house elements production line

Developed production line automation software

Increased manufacturing productivity by 30%

#### Medzio technologine iranga

Software development for the belt-saw

Increased device precision

Increased productivity by 30%

#### Blue Ocean Robotics

Development of the cardboard lacquer hardening meter

Ultrasound integration in furniture industry

### Ongoing Projects:

#### AQ WiringSystems

Integrated tester of wiringharnesses

Lasermarkingofwiringharnesses

#### Neurotechnology

Prototype of 3D printer with ultrasonic manipulation

# Territory Plan

PANEVĖŽYS  
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## Infrastructure



Electricity  
7000 kW



Roads



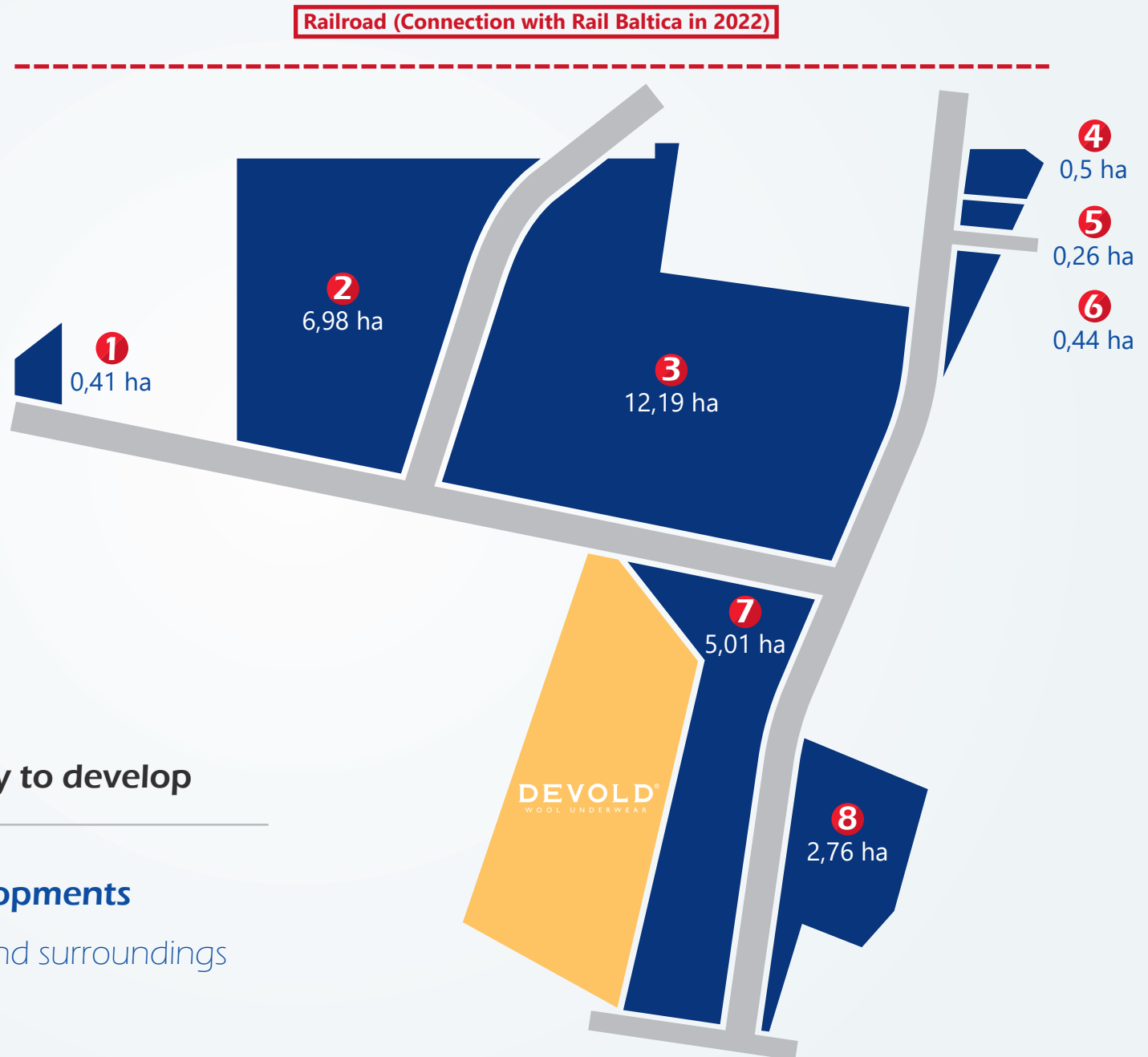
Gas



Water &  
Sewage

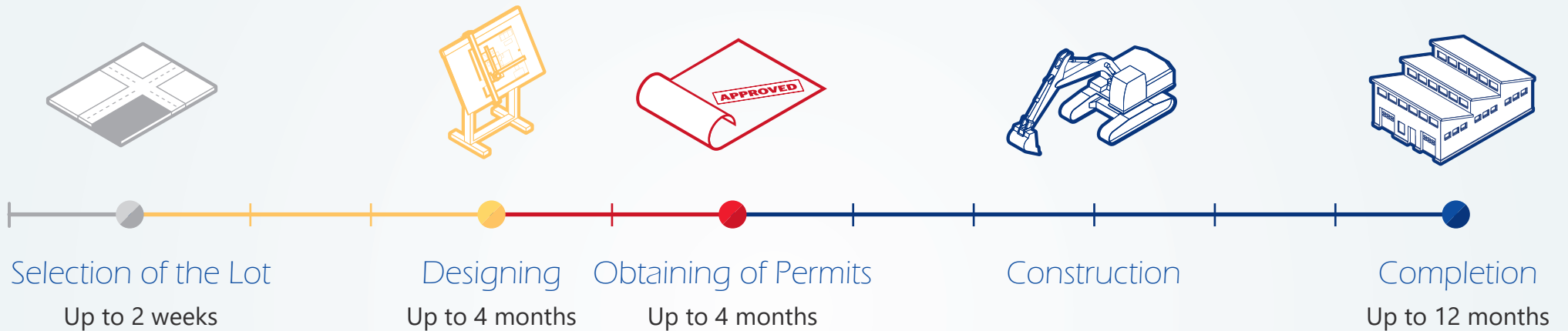
35 ha of industrial land ready to develop

- Land ready for **greenfield developments**
- Well developed **infrastructure** and surroundings
- **Tax incentives**



# How it Works

## Build-to-suit Option by Ogmios Group (Average Timing)



## Greenfield Option



- **Tax incentives apply** to both options
- We offer **construction management** with the Greenfield option
- Pro bono **consultations**

# Manager of the FEZ Portfolio

**The Ogmios Group** is one of the leading real estate developers in Lithuania focusing on industrial and commercial real estate.

**The Ogmios Group** owns or manages more than **300 000 m<sup>2</sup>** of industrial and commercial real estate.

## Companies Who Trust Us



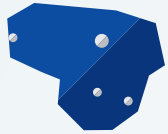
AVON



## Other Projects

Best industrial buildings of 2012 in Lithuania.  
Both built in 8 months.





## Advantages of Lithuania

- Access to 3 major markets
- Constant growth of FDIs
- Well balanced costs and quality
- Business-friendly environment
- Growing share of Nordic investments



## One-stop-shop Advantages

- Step-by-step assistance and consultations
- Strong network of consultants and institutions
- Experienced real estate developer
- Build-to-Suit option available for rent



## Advantages of Panevezys

- Majority of FDIs - in Manufacturing
- Hub of Norwegian Investments
- Well-developed Logistics Infrastructure
- Local R&D Services Available
- Competent and Skilled Workforce



## Tax and business incentives

- 0% on Corporate, Dividend and Real Estate Taxes
- Consultations on acquiring EU support for business
- Split payments over 2-3 years



## Main Industries in Panevezys

- Several strong industry sectors
- Experienced and quality-driven companies
- Wide variety of services available locally
- World-renowned Clients



## Value Offer

- Strong supply chain
- Competent specialists
- Strategic location of Panevėžys
- One-Stop-Shop services
- Favourable financial conditions

# Contact us

## JSC “Panevezys free economic zone”

Address	Verkių str. 29, LT-09108 Vilnius, Lithuania
Phone	+370 5 2741 487
Mobile	+370 652 31466
Fax	+370 5 2300 174
E-mail	info@pfez.lt
Web	www.pfez.lt

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MANAGED BY OGMIOS GROUP

**Rokas Krivonis** *director*

Mobile	+370 652 31466
E-mail	rokas@pfez.lt

**Daumantas Simėnas** *project manager*

Mobile	+370 633 38304
E-mail	daumantas@pfez.lt

