



# Lithuania

Overview

## EIB INVESTMENT SURVEY

# 2021



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# Lithuania

Overview

## **EIB Investment Survey Country Overview: Lithuania**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

### **About this publication**

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

**Download the findings of the EIB Investment Survey for each EU country or explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).**

### **About the Economics Department of the EIB**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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# EIBIS 2021 – Lithuania

## KEY RESULTS

### Investment Dynamics and Focus

EIBIS 2021 shows that while fewer firms in Lithuania invested during 2020, they have clearly become more optimistic for 2021, with more firms expecting to increase investment rather than decrease it. This represents a substantial positive shift from EIBIS 2020.

On average, firms across Lithuania spent more than half (57%) of their investment on the replacement of buildings and equipment, compared to 50% at the EU level. The largest share of investment went into machinery and equipment (56%).

### Impact of COVID-19

COVID-19 had a strong impact on Lithuanian firms, with 52% reporting a decline in sales or turnover compared to the beginning of 2020. COVID-19 had an impact on investment for some firms, with more than a quarter (28%) revising their investment plans downwards and 5% revising their plans upwards.

Asked about their short-term actions due to COVID-19, digitalisation stood out with a third of firms (37%) reporting to have taken action or made investment to become more digital.

### Investment Needs and Priorities

COVID-19 will undeniably have a long-term impact on needs and priorities. The majority of firms indicate that they expect COVID-19 to lead to an increased use of digital technologies in the long-term (61%).

The majority of Lithuanian firms do not perceive gaps in investment. In spite of difficult circumstances, six in ten Lithuanian firms (60%) believe their investment over the last three years was about the right amount. However, more firms report investing too little in the last three years, rising from 31% in EIBIS 2020 to 37%. This is above the EU average of 14%.

Looking ahead, replacing existing buildings and equipment is the most commonly cited investment priority among Lithuanian firms (42%) and the share of firms reporting it as a priority has increased since EIBIS 2020 (27%).

### Innovation Activities

Innovation activity declined: over two-thirds of all Lithuanian firms (67%) did not invest in developing or introducing new products, processes or services, a lower share than the one reported in EIBIS 2020 (56%) but broadly in line with the EU average (64%). More than half (56%) of firms have implemented at least one of the advanced digital technologies they were asked about.

### Drivers and Constraints

Firms are more optimistic about the overall economic climate than they were in EIBIS 2020, however, more firms still expect a deterioration than an improvement in the short-term outlook. Firms are consistently more negative than positive about the economic climate.

Availability of staff (80%) and uncertainty about the future (83%) are the most frequently cited barriers to investment.

### Investment Finance

Access to finance conditions in Lithuania are more worrisome than in the EU overall: 14% of firms in Lithuania can be considered as finance constrained, above the EU average of 5%. On balance, firms having received external finance in 2020 report to be satisfied with it. Nevertheless, Lithuanian firms (14%) are more likely than the average EU firm (6%) to be dissatisfied with the collateral needed to access finance.

As a result of the crisis, more than a quarter of firms (26%) have increased their debt. Public support was important in Lithuania, with more than half of all firms (59%) having received financial support in response to COVID-19, the most common form of support being via subsidies or any other type of financial support that will not have to be paid back (52%).

### Climate Change and Energy Efficiency

A relevant share of Lithuanian firms feel the effect of climate change: 65% of firms believe that climate change and the related changes in weather patterns are currently having an impact on their business. In addition, Lithuanian firms are starting to internalize the risks associated with the transition to net zero. Firms are more likely to see this transition as a risk rather than an opportunity (47% compared to 20%).

On average, 49% of Lithuanian firms have already invested to deal with climate change, and 52% plan to do so in the next three years. Around a quarter (23%) of firms invested in measures to improve energy efficiency in 2020, below the EU average (37%). Moreover, Lithuanian firms were less likely than the EU average to set and monitor internal targets on carbon emissions (and energy consumption 29% versus 46%)

### Managerial Targets

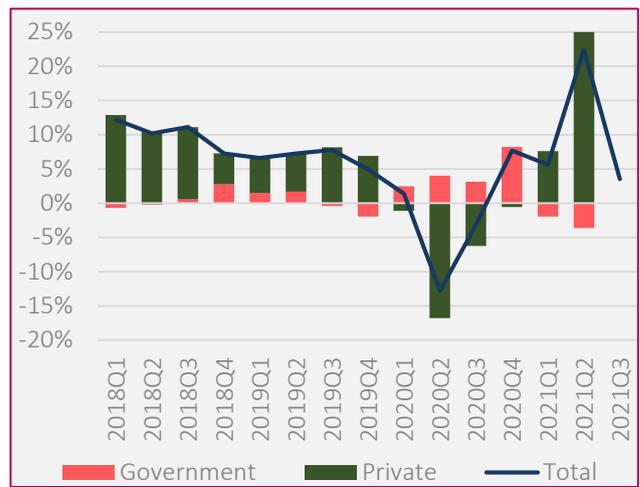
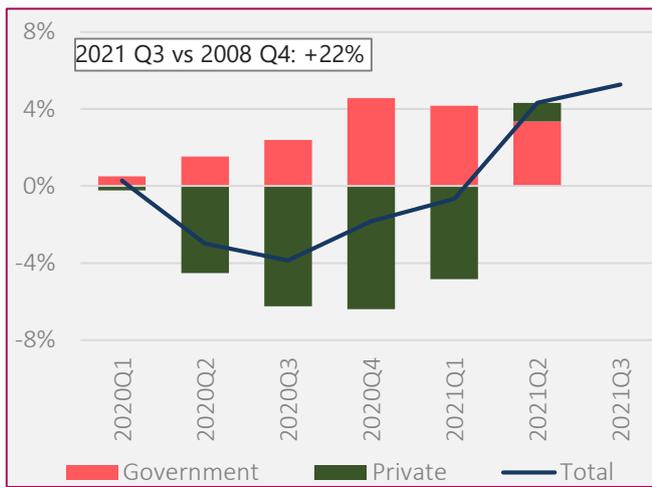
Four out of ten (44%) Lithuanian firms indicate making use of a strategic monitoring system in 2020, while three-quarters (75%) of Lithuanian firms linked individual performance to pay and 31% strove for gender balance. Overall employment in Lithuania has decreased by 0.4% since the start of the pandemic, in line with the stable trend in the EU overall.

# Investment Dynamics and Focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

Investment in Lithuania declined at the beginning of the pandemic, when the COVID-19 crisis affected the economy, dropping to 4% below the level in the pre-crisis period at its deep. Investment started to recover in Q4 2020, backed by strong public

investment. From Q2 2021 onwards, private investment turned positive again relative to pre-crisis levels and total investment rose to 5% above pre-pandemic levels in the third quarter of 2021.



The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat  
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

EIBIS 2021 shows that while fewer firms in Lithuania invested during 2020, they have clearly become more optimistic for 2021, with more Lithuanian firms expecting to increase investment rather than decrease it. This represents a substantial positive shift from EIBIS 2020.

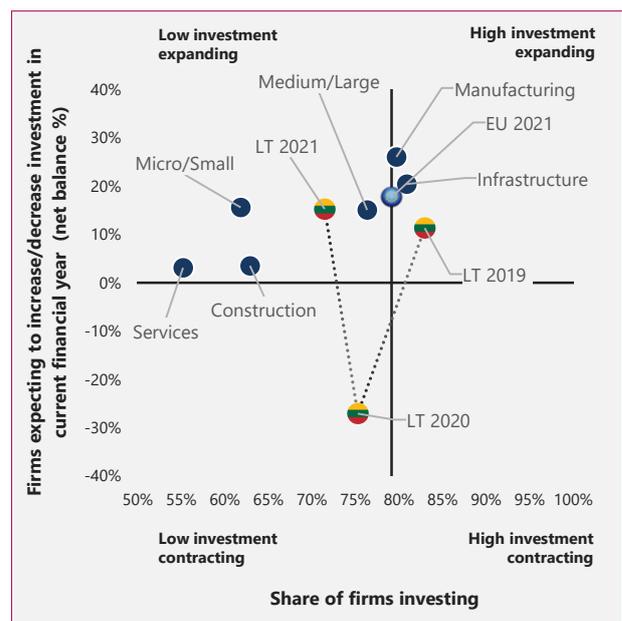
On balance, firms in the manufacturing and infrastructure sectors are more likely to have increased investment in 2020 than firms in other sectors.

Investment expectations have bounced back to EIBIS 2019 levels.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021..

Base: All firms (excluding don't know/refused responses)

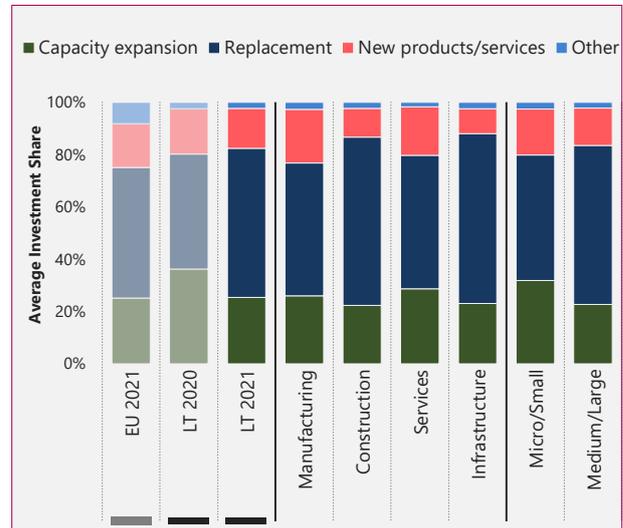
# Investment Dynamics and Focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

On average, firms across Lithuania spent more than half (57%) of their investment on the replacement of buildings and equipment in 2020, more than they did in 2019 (44%).

Investment in capacity expansion accounted for a quarter (25%) of the total investment allocated by Lithuanian firms, and the share of investment allocated to capacity expansion has declined since EIBIS 2020 (36%).

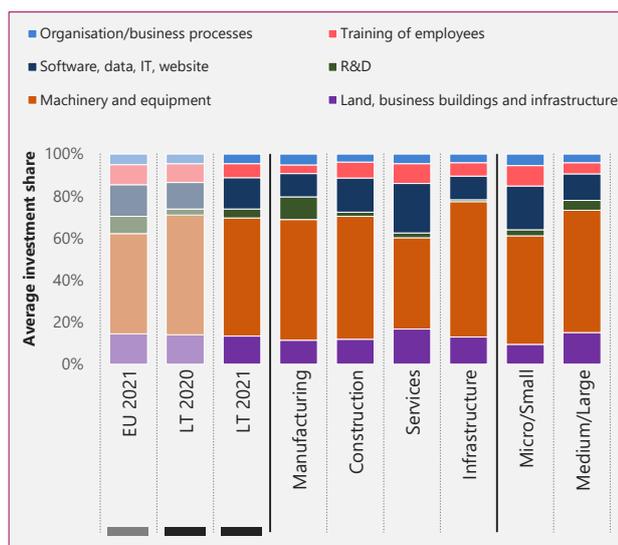
Firms in the construction and infrastructure sectors were more likely than firms in other sectors to allocate a higher share of their investment to replacement (64% and 65% respectively). In contrast, manufacturing and services firms were more likely than other sectors to report a higher share of investment for introducing new products, processes or services (21% and 19% respectively).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

## INVESTMENT AREAS



Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Out of the six investment areas considered, the largest share of investment in 2020 by Lithuanian firms went into machinery and equipment (56%), followed by software, data, IT and website activities (15%), land, business buildings and infrastructure (13%) and training of employees (7%). The investment pattern in EIBIS 2021 is broadly in line with the EIBIS 2020 findings.

Manufacturing firms allocated a larger share of their investment to R&D than firms in other sectors. Services sector firms allocated a larger share of their investment to software, data, IT, websites than other sectors.

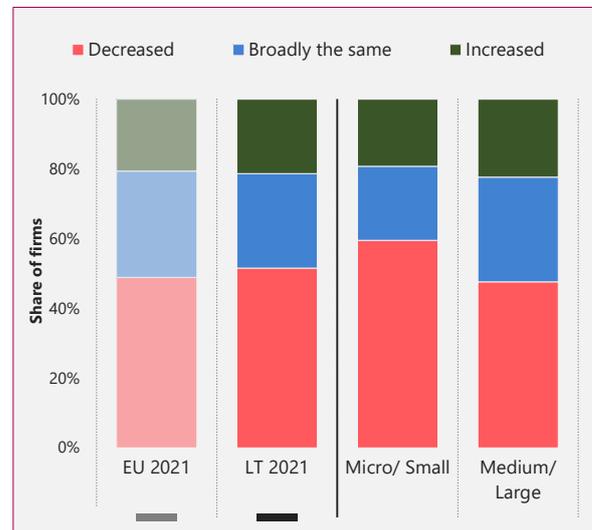
Micro/small firms were more likely to allocate a higher share of investment to training of employees (10%) and software, data, IT and website activities (21%) than medium/large firms (4% and 13% respectively).

# Impact of COVID-19

## IMPACT OF COVID-19 ON SALES

COVID-19 hit firms in various ways. When asked about the impact on sales, around half (52%) of firms in Lithuania report a decline in sales or turnover due to COVID-19 compared to the beginning of 2020. This is broadly in line with the EU average (49%).

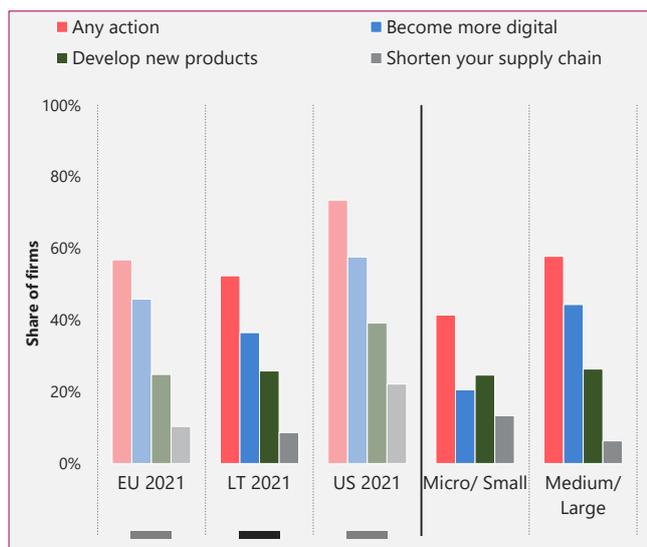
Micro/small firms report a greater impact, with three in five (59%) reporting a decline in their sales or turnover compared to 48% of medium/large firms.



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

Base: All firms (excluding don't know/refused responses)

## SHORT-TERM ACTIONS AS A RESULT OF COVID-19



Just over half of firms in Lithuania (52%) have taken action or made investments in one of the aspects they were asked about, as a result of COVID-19, broadly in line with EU firms (57%).

The most cited area of action or investment concerns digitalisation: around two in five (37%) Lithuanian firms have taken action or made investments to become more digital due to COVID-19, lower than the EU average (46%).

Medium/large firms are more likely than micro/small firms to have become more digital (44% versus 21%). Micro/small firms are twice as likely to have shortened their supply chain compared to medium/large firms (13% versus 6%).

Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

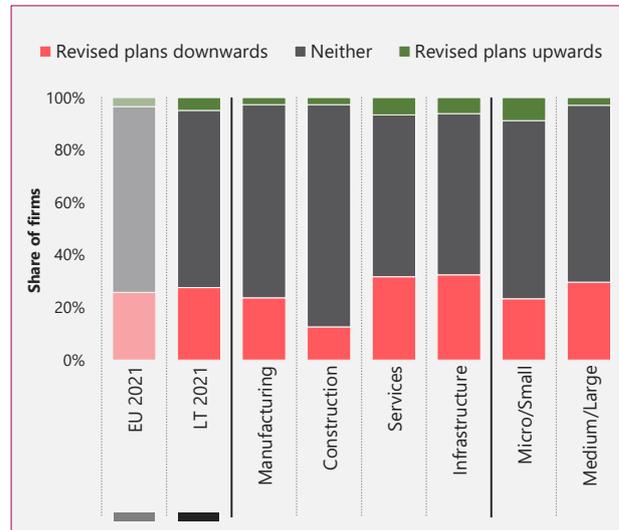
# Impact of COVID-19

## IMPACT OF COVID-19 ON INVESTMENT

COVID-19 had an impact on investment for 32% of the firms in Lithuania. For two-thirds (68%) of firms the COVID-19 pandemic had no impact on their investment plans, while more than a quarter (28%) of firms revised their investment plans downwards and 5% revised their plans upwards. This pattern is in line with the EU overall.

Firms in the services and infrastructure sectors are the most likely to have revised their investment plans downwards, as reported by 32% of them.

Firms in the construction sector are the least likely to have been impacted, with more than four-fifths (85%) not changing their investment plans due to COVID-19.

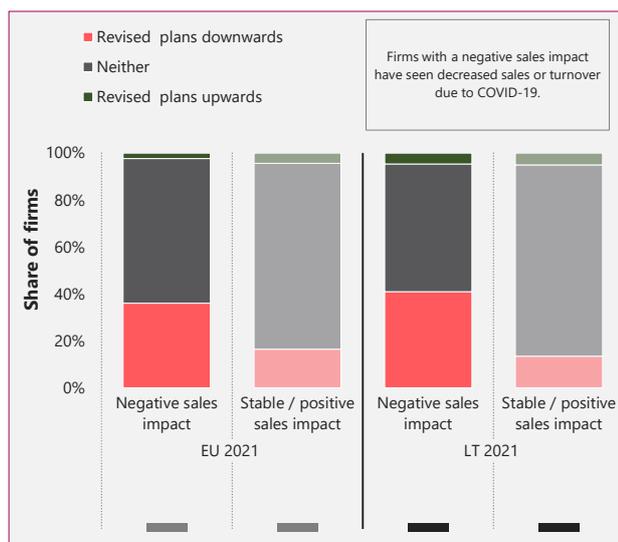


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

Base: All firms (excluding don't know/refused responses)

## DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



Overall, Lithuanian firms whose sales or turnover had been negatively impacted by COVID-19 are more likely to have revised their investment plans downwards compared to firms whose sales or turnover had been buoyant.

Two-fifths (41%) of firms in Lithuania who had experienced a negative sales impact revised their investment plans downwards, similar to the EU overall (36%).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

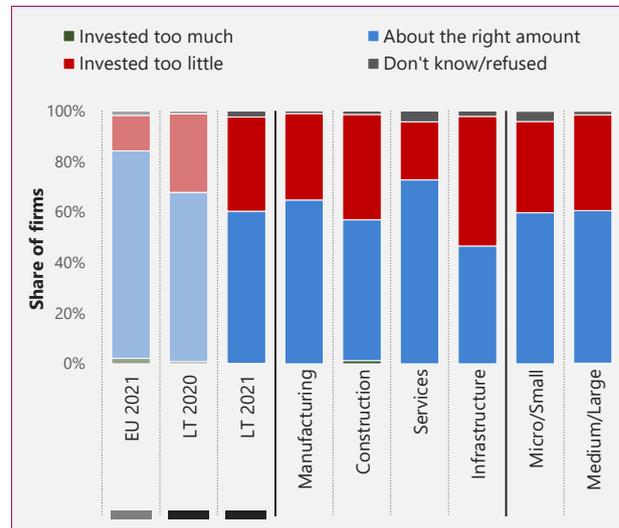
Base: All firms (excluding don't know/refused responses)

# Investment Needs and Priorities

## PERCEIVED INVESTMENT GAP

The majority of firms in Lithuania do not perceive a major investment gap. In spite of difficult circumstances, six in ten Lithuanian firms (60%) believe their investment over the last three years was about the right amount, a lower share compared to the EU average (82%) but broadly similar to EIBIS 2020 (67%).

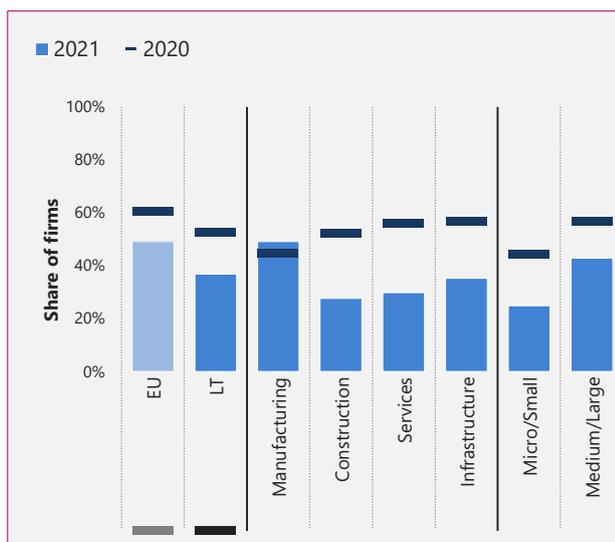
Firms in Lithuania are more likely to feel that they invested too little compared to the EU average (37% versus 14%). Firms in the services sector have the lowest share reporting that they invested too little (23%).



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

In 2020, the share of Lithuanian firms that were operating at or above full capacity has declined compared to 2019 (37% in EIBIS 2021 versus 53% in EIBIS 2020). This pattern is also evident among EU firms but firms in Lithuania were much less likely to operate at or above full capacity (37% versus 49% in the EU overall).

Firms in the manufacturing sector were more likely to operate at or above full capacity (49%), than firms in other sectors.

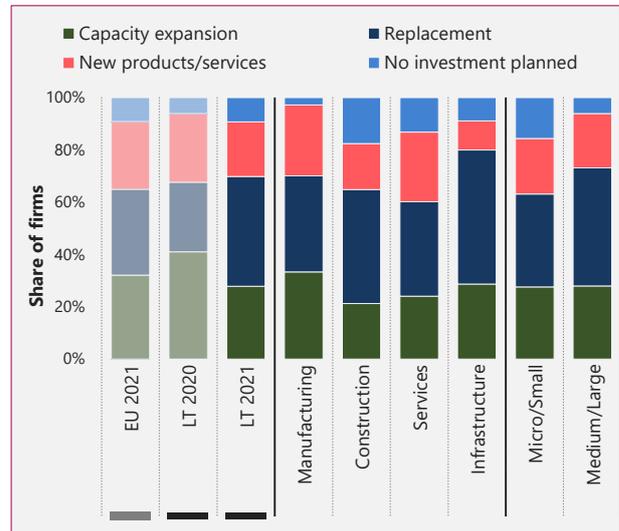
Micro/small firms were much less likely to operate at or above full capacity than medium/large firms (25% versus 43%).

# Investment Needs and Priorities

## FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, replacing existing buildings and equipment is the most commonly cited investment priority among Lithuanian firms (42%) and the share of firms reporting it as a priority has increased since EIBIS 2020 (27%). Capacity expansion for existing products and services is the priority for more than a quarter (28%) of firms, followed by the development or introduction of new products, processes or services (21%).

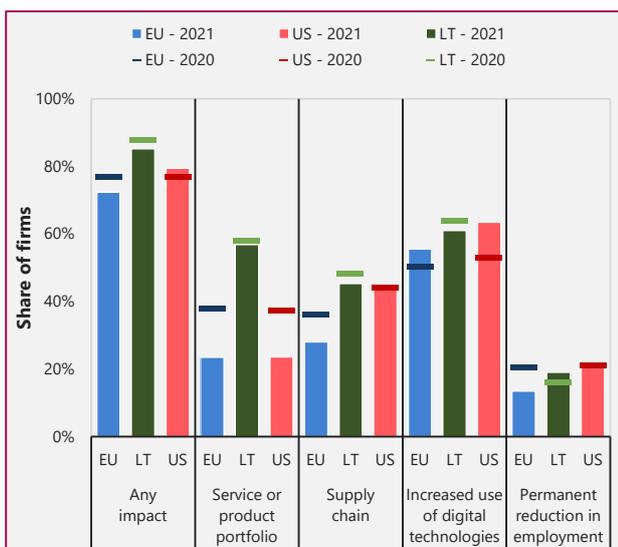
The share of Lithuanian firms prioritising capacity expansion has declined (28% in EIBIS 2021 versus 41% EIBIS 2020). Infrastructure sector firms are more likely to prioritise replacement (51%) than firms in other sectors.



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

## COVID-19 LONG-TERM IMPACT



COVID-19 will undeniably have a long-term impact on needs and priorities, as reported by 85% of firms in Lithuania. This is higher than the EU average (72%).

A large share of Lithuanian firms (61%) believe that COVID-19 will result in an increased use of digital technologies in the long-term, broadly similar to EU firms (55%).

Firms in Lithuania are more likely than EU firms to think that there will be a long-term impact on their services or product portfolio (57% versus 23%), supply chain (45% versus 28%) and a permanent reduction in employment (19% versus 13%).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Base: All firms

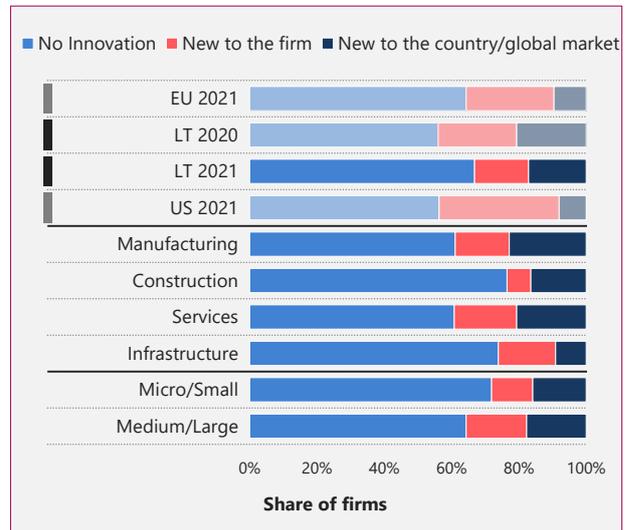
# Innovation Activities

## INNOVATION ACTIVITY

Over two-thirds of all Lithuanian firms (67%) have not allocated any investment to innovation activities in 2020, a higher share than what was reported in EIBIS 2020 (56%), but broadly in line with the EU average (64%).

Firms in the manufacturing and services sector were the most likely to innovate (both 39%).

Medium/large firms were more likely than micro/small firms to innovate (36% versus 28% respectively).

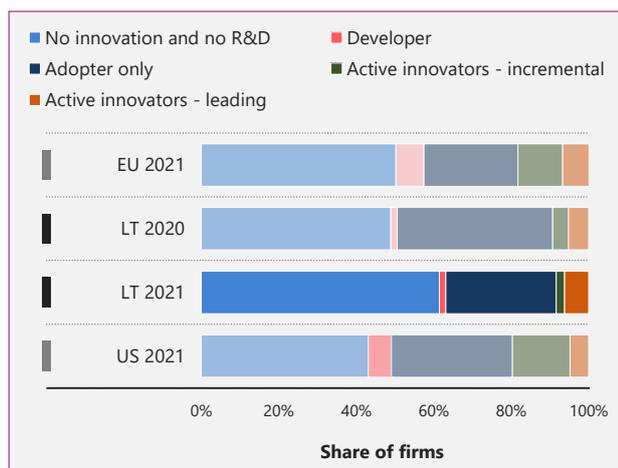


Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

## INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, 8% of firms in Lithuania can be classified as 'active innovators', and a further 2% of firms as 'developers'. This is less than the EU average of 18% for 'active innovators' firms and 7% for 'developer' firms.

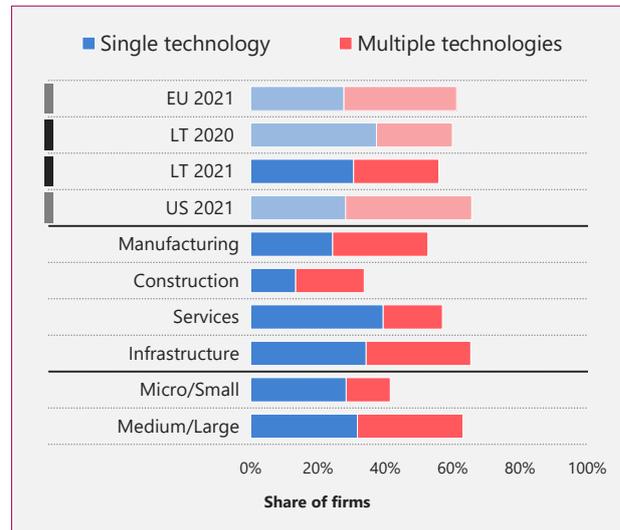
The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world.

# Innovation Activities

## IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

More than half (56%) of firms have implemented at least one of the advanced digital technologies they were asked about, broadly in line with what was reported in EIBIS 2020 (60%) and the EU average (61%).

Firms in the construction sector are the least likely to have implemented at least one advanced digital technology within their business (34%). Large firms are more likely than SMEs to have implemented at least one advanced digital technology (63% versus 41%).

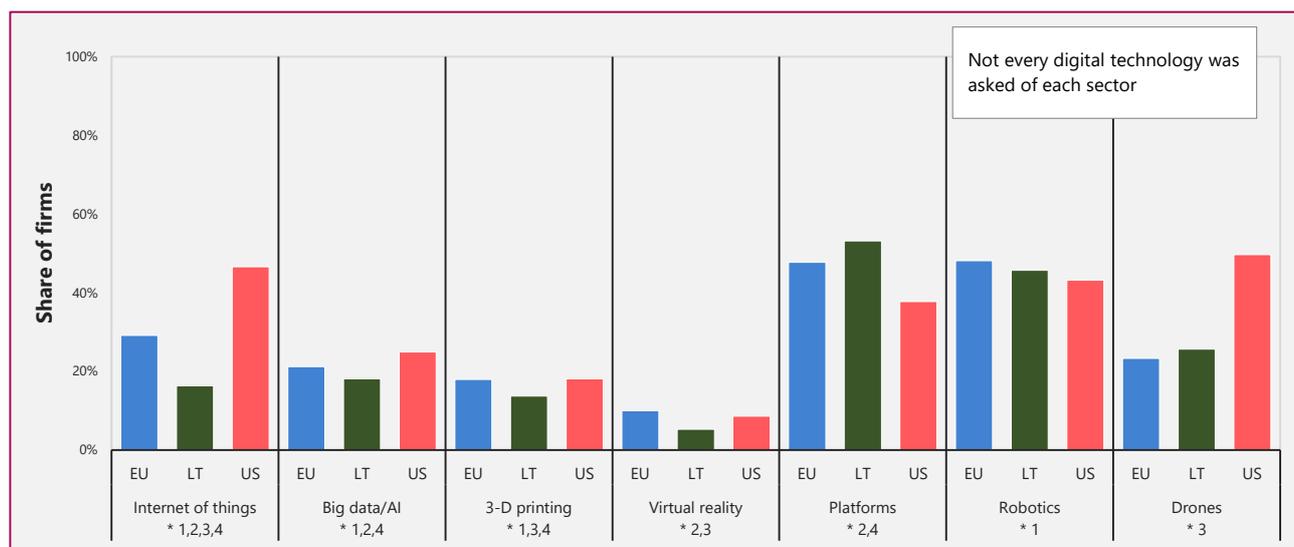


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of infrastructure firms

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

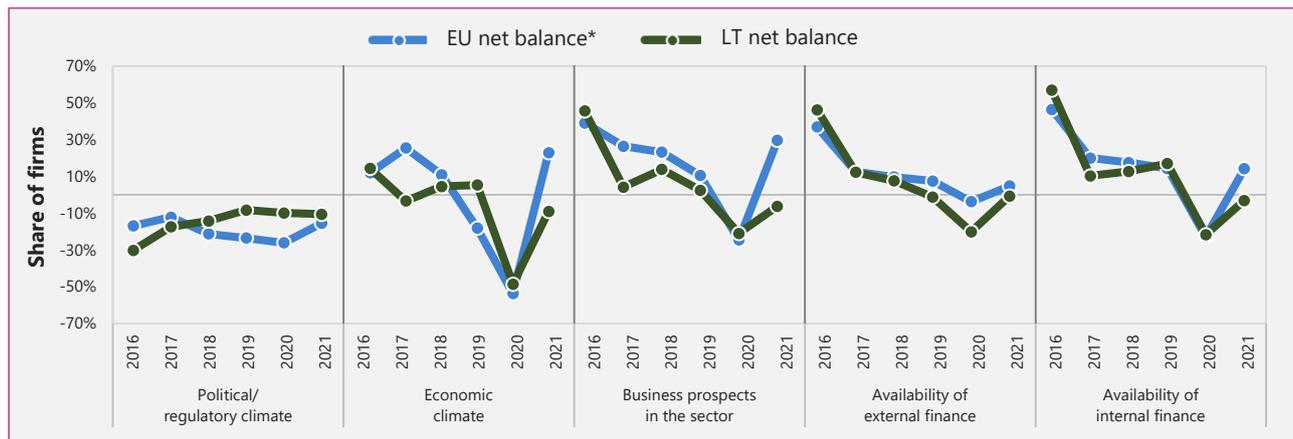
Base: All firms (excluding don't know/refused responses);  
Sample size LT: Manufacturing (92); Construction (98); Services (89); Infrastructure (115)

# Drivers And Constraints

## SHORT-TERM FIRM OUTLOOK

Firms in Lithuania remain on balance pessimistic about nearly all the short-term outlook measures, with firms still expecting a deterioration rather than an improvement.

This contrasts sharply with the overall EU picture, where firms have become optimistic and generally expect an improvement, with the exception of the political/regulatory climate.



Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Lithuanian firms across all sectors have, on balance, a more negative than positive outlook on the economic climate. All firms, except in the construction sector, are on balance negative about the political / regulatory economic climate.

Firms of all size classes have a negative outlook on the political / regulatory climate and the economic climate. Medium and large firms are more likely to have a negative outlook on business prospects and internal finance than micro/small firms.

The most negative outlook overall is the one of infrastructure firms on their business prospects (24%).

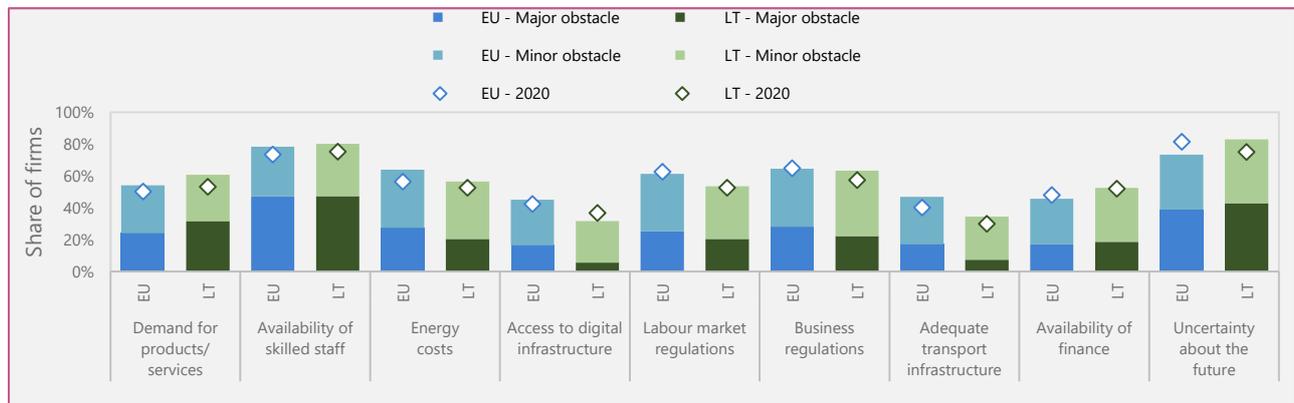
# Drivers And Constraints

## LONG-TERM BARRIERS TO INVESTMENT

The availability of skilled staff and uncertainty about the future remain the two most frequently mentioned barriers to investment in Lithuania (80% and 83% respectively).

Firms in Lithuania are more likely than EU firms to cite uncertainty about the future as a barrier to

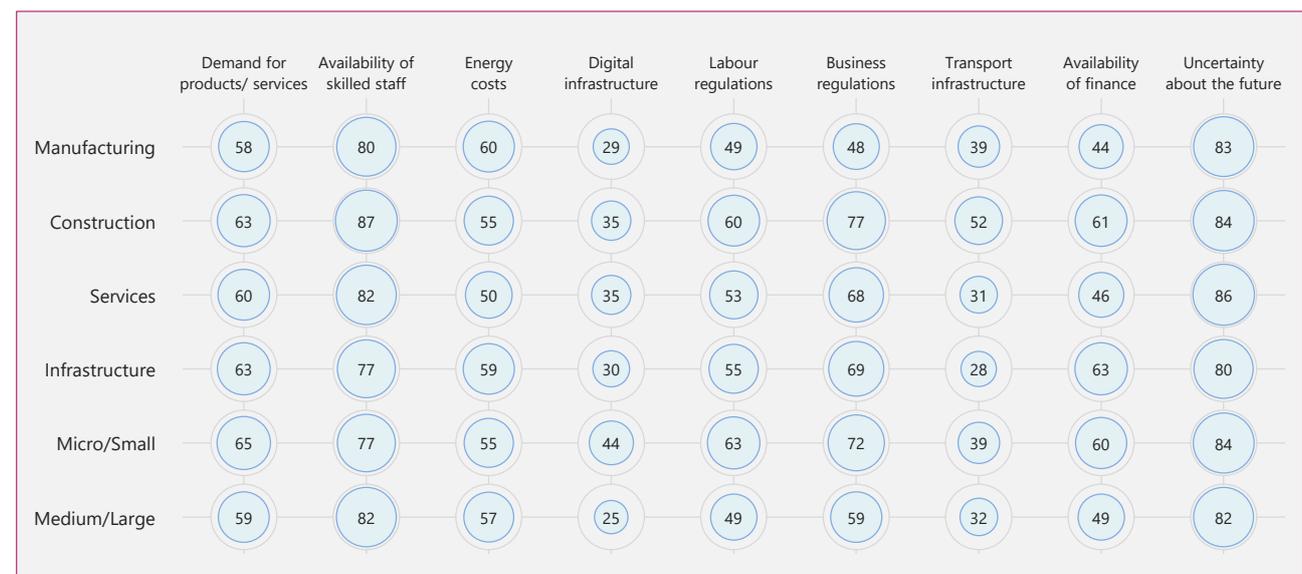
investment (83% versus 73% respectively). In contrast, firms in Lithuania are less likely than EU firms to see access to digital infrastructure (32% versus 45% respectively) and availability of adequate infrastructure (35% versus 47% respectively) as a barrier to investment.



Q. Thinking about your investment activities in Lithuania, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

## LONG-TERM BARRIERS BY SECTOR AND SIZE



Q. Thinking about your investment activities in Lithuania, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

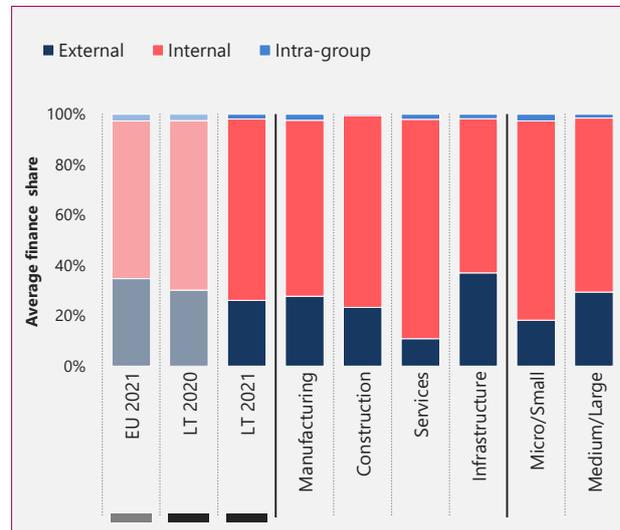
# Investment Finance

## SOURCE OF INVESTMENT FINANCE

Firms in Lithuania continued to fund around three-quarters (72%) of their investment in 2020 through internal financing. This is similar to what was reported in EIBIS 2020 (67%) but higher than in the EU overall (63%).

Firms in the services sector used a larger share of internal investment finance (87%) than any other sector, while firms in the infrastructure sector obtained the largest share of external finance (37%).

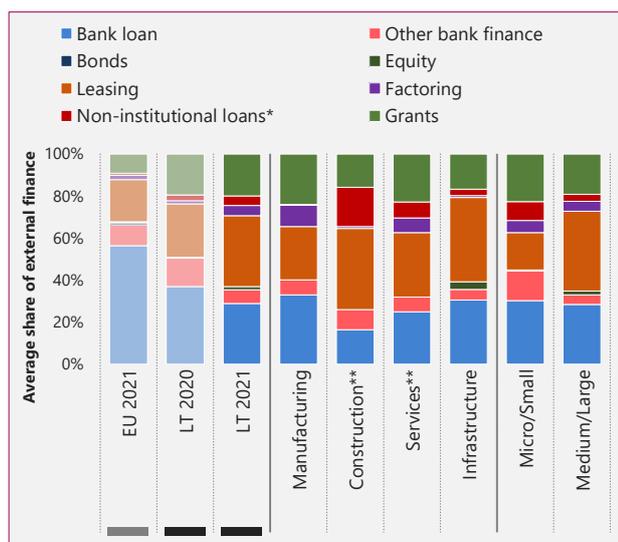
Intra-group finance accounted for only 2% of investment overall.



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



The pattern of external finance used in 2020 in Lithuania is very different from the EU average and varies by sector and size of firm.

The share of external finance in form of bank loans has declined in Lithuania in EIBIS 2021 compared to the year before (29% versus 37% in EIBIS 2020). Leasing made up the highest share of external finance (34%) in 2020.

Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

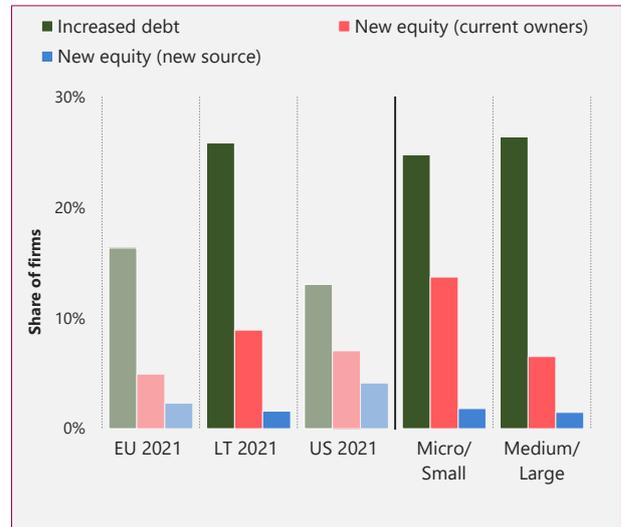
\*\* Caution low base size

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

# Investment Finance

## ACTIONS TAKEN AS A RESULT OF COVID-19

As a result of the COVID-19 pandemic, a quarter (26%) of Lithuanian firms have increased their debt and 9% of firms have raised new equity from current owners, both higher than the EU average (16% and 5% respectively).



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

## SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Public support was important: around six in ten (59%) Lithuanian firms received financial support in response to COVID-19. The most common form of support was provided in form of subsidies or other financial support that does not need to be paid back in the future (52%).

Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

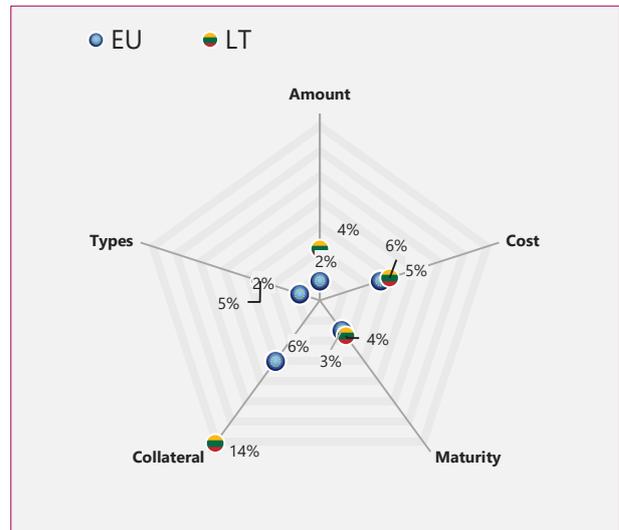
Base: All firms (excluding don't know/refused responses)

# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Lithuanian firms having received external finance in 2020 are on balance far more likely to be satisfied than dissatisfied with the external finance received. These very low levels of dissatisfaction are similar to those reported in EIBIS 2020.

Lithuanian firms are more likely than the average EU firm to be dissatisfied with the collateral needed to access finance. In fact, the highest level of dissatisfaction reported regards the collateral required (14%), which is more than twice the EU average of 6%.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

## DISSATISFACTION BY SECTOR AND SIZE (%)



With the exception of collateral, firms from all sectors and of all size classes are generally rather satisfied with the amount of external finance received and the terms attached to it.

Dissatisfaction with collateral is relatively high, as reported by at least one in five firms in the services (22%) and manufacturing (21%) sectors, and by micro/small firms (20%) that used external finance.

Overall, dissatisfaction with external finance is the lowest for firms in the infrastructure sector and the highest for firms in the services sector.

Q. How satisfied or dissatisfied are you with ...?

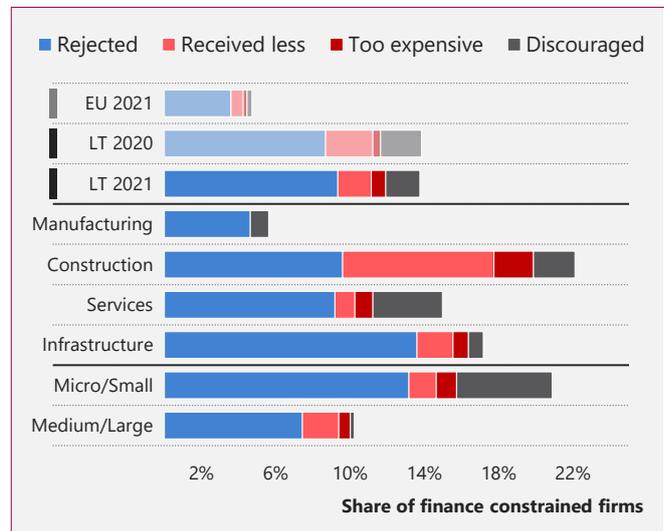
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

14% of firms in Lithuania can be considered as finance constrained, unchanged from EIBIS 2020, but above the EU average of 5%.

Firms in the construction sector (22%) and micro/small firms (21%) are the most likely to be finance constrained.



*Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)*

*Base: All firms (excluding don't know/refused responses)*

## FINANCING CONSTRAINTS OVER TIME



The proportion of Lithuanian firms that are finance constrained has barely changed since EIBIS 2020. Firms in Lithuania are almost three times as likely to be finance constrained compared to the EU average.

*Base: All firms (excluding don't know/refused responses)*

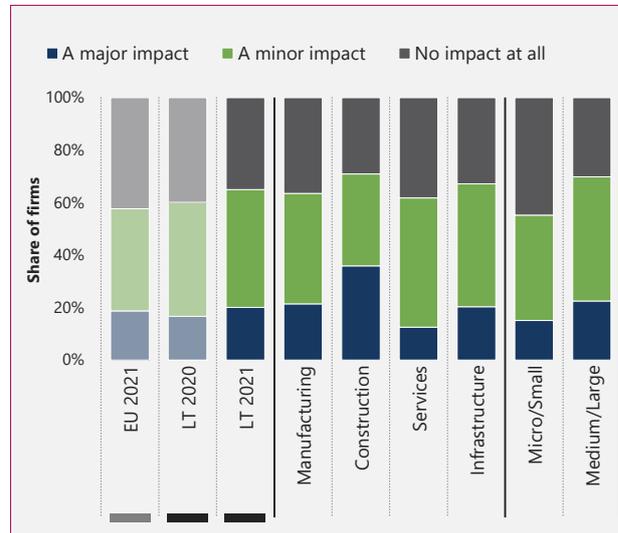
# Climate Change and Energy Efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

A sizeable share of Lithuanian firms feel the effects of weather events: around two-thirds (65%) of firms believe that climate change and the related changes in weather patterns are currently having an impact on their business, in line with the EU average (58%).

Construction firms are the most likely to believe that climate change and the related changes are having an impact on their business (71%), including around a third (36%) who believe it has a major impact.

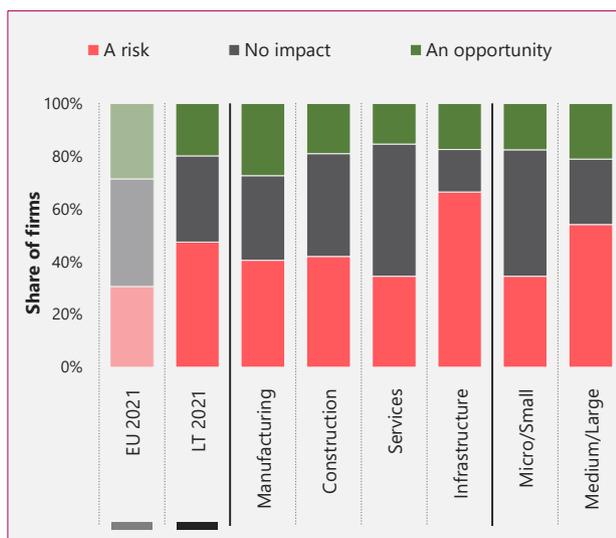
Medium/large firms are more likely than micro/small firms to say that climate change and the related changes are having an impact on their business (55% versus 70% respectively).



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

## IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS



Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know / refused responses)

Lithuanian firms are starting to internalise the risks associated with the transition to net zero. A third (33%) of firms in Lithuania think that the transition to stricter climate standards and regulations will have no impact on their company over the next 5 years, a much lower share than the EU average of 41%. However, firms thinking it will have an impact are more likely to see it as a risk rather than an opportunity (47% compared to 20%).

Firms in the infrastructure sector are the most likely to see a transition to stricter climate standards and regulations as a risk (67%); conversely, the service sector is the most likely to expect no impact (50%) and more than a quarter (27%) of firms in the manufacturing see the transition to a net zero emission economy as an opportunity.

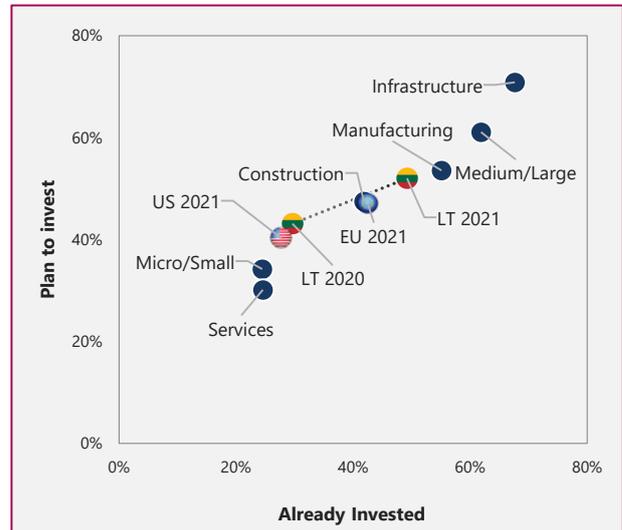
Medium/large firms are more likely to view the transition as a risk than micro/small firms (54% versus 35% respectively).

# Climate Change and Energy Efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

On average, half (49%) of Lithuanian firms have already invested to deal with climate change, and 52% have plans to invest over the next three years. The share of firms who have already invested has increased since EIBIS 2020 (30%).

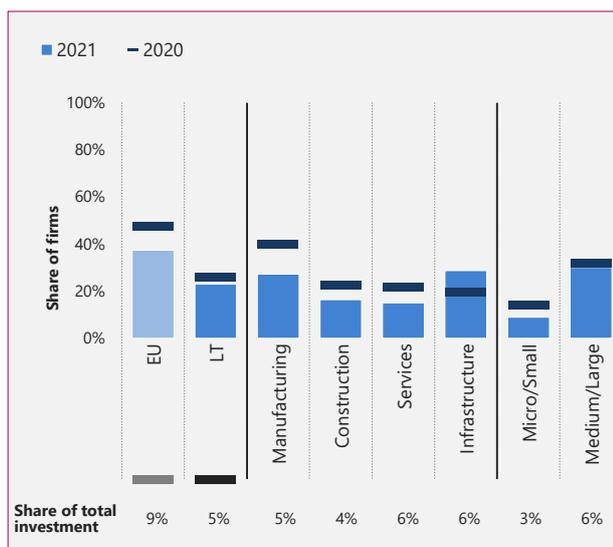
Infrastructure firms are more likely than other sectors to have already invested in measures that tackle climate change impact (68%) and they are also more likely to plan to do so (71%).



Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



Around a quarter (23%) of firms invested in measures to improve energy efficiency in 2020, similar to the share reported the year before (26%) but below the EU average (37%). The share of total investments in energy efficiency in 2020 by Lithuanian firms (5%) was slightly below the share of investments in the EU (9%).

Firms in the manufacturing and infrastructure sectors are the most likely to have invested in measures to improve energy efficiency (27% and 29% respectively).

Medium/large firms are more likely than micro/small firms to have invested in energy efficiency (30% versus 9%).

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms (for share of firms investing)

Base: All firms who have invested in the last financial year (excluding don't know/refused responses) (average share of investment)

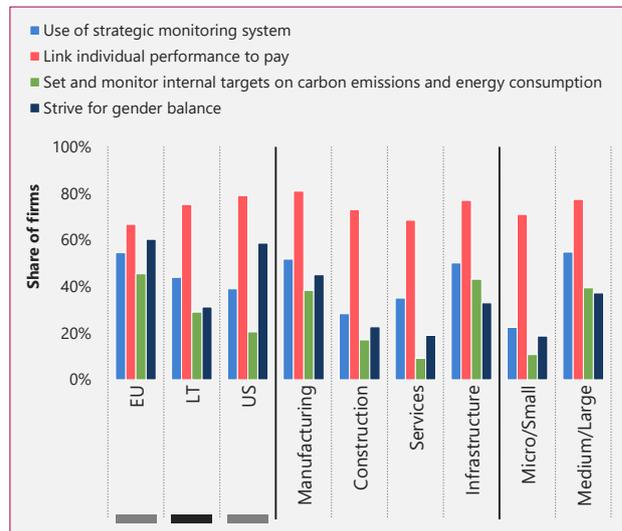
# Firm management, climate targets, gender balance and employment

## FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

75% of Lithuanian firms linked individual performance to pay in 2020 and they are more likely to have done so than EU firms (75% versus 67%).

Lithuanian firms (44%) were less likely than the EU firms (55%) to use a strategic monitoring system, to set and monitor internal targets on carbon emissions and energy consumption (29% versus 46%) and to strive for gender balance (31% versus 60%).

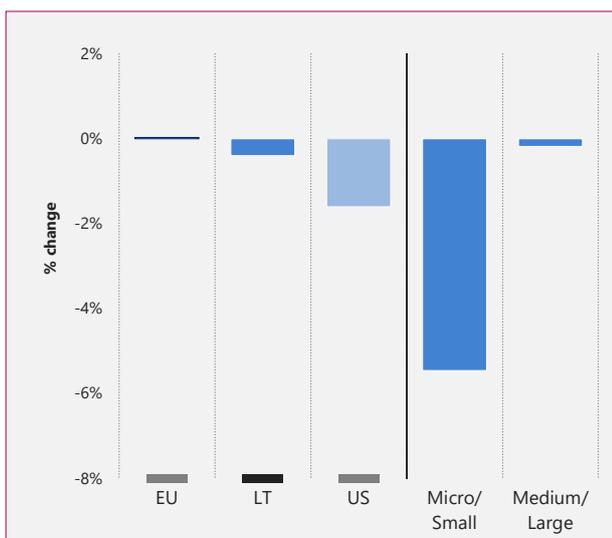
Firms in the services sector and micro/small firms were the least likely to set and monitor internal targets on carbon emissions and energy consumption (9% and 11% respectively).



Q. In 2020, did your company...?

Base: All firms (excluding don't know/refused responses)

## CHANGE IN EMPLOYMENT DURING COVID-19



Employment in Lithuania has decreased by 0.4% during the COVID-19 pandemic, compared to a stable pattern in the EU.

Micro and small firms have seen a much larger decline in employment (-5.5%) than medium and large firms (-0.2%).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2020, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

# EIBIS 2021 – Country Technical Details

## SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Lithuania, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	LT	Manufacturing	Construction	Services	Infrastructure	Micro /Small	Medium /Large	EU vs LT	Manuf vs Constr	Micro/ Small vs Medium/ Large
	(11920)	(802)	(400)	(92)	(98)	(89)	(115)	(245)	(155)	(11920 vs 400)	(98 vs 92)	(245 vs 155)
10% or 90%	1.1%	3.5%	3.8%	8.0%	7.4%	6.5%	7.1%	3.7%	5.4%	3.9%	10.9%	6.5%
30% or 70%	1.7%	5.3%	5.8%	12.2%	11.3%	10.0%	10.8%	5.6%	8.2%	6.0%	16.6%	9.9%
50%	1.8%	5.8%	6.3%	13.3%	12.4%	10.9%	11.8%	6.2%	9.0%	6.6%	18.1%	10.9%

## GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (Manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (Construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

*Note: the EIBIS 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.*

# EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 400 firms in Lithuania (carried out between March and July 2021).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2021/2020	US 2021	LT 2021/2020	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	400/400	92	98	89	115	245	155
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	397/398	92	96	88	115	242	155
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	390/392	89	95	85	115	240	150
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	396/NA	91	96	88	115	242	154
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	399/NA	92	98	88	115	244	155
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	394/400	91	96	87	114	241	153
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	390/0	90	94	86	114	238	152
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	391/386	91	94	88	112	240	151
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	390/385	90	94	87	113	237	153
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	317/331	73	75	67	96	178	139
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	400/399	92	98	89	115	245	155
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	399/NA	92	97	89	115	244	155
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	398/NA	92	98	88	114	244	154
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	393/393	91	95	88	113	241	152
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	396/396	90	96	89	115	243	153
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	376/NA	84	94	81	111	234	142
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	392/395	90	96	87	113	242	150
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	378/NA	84	95	84	109	237	136
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	381/375	87	93	83	112	234	147
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	331/351	76	79	70	100	187	144
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	337/359	76	82	70	103	192	145
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	317/330	71	78	63	99	185	132
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	400/400	92	98	89	115	245	155
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4003/4354	284	133/145	33	27	18	51	61	72
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	112/119	26	24	15	44	52	60





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# Lithuania

Overview

## EIB INVESTMENT SURVEY

# 2022