



DISCLAIMER: Please note that SME Fact Sheets are not standalone instruments, do not constitute a comprehensive assessment of Member States' policies and should be regarded as a supplement to, and not a substitute for, available national publications. **Please refer to the methodological note before reading this SME Fact Sheet.**

1. SMEs in Lithuania – a brief fact check:

There are approximately 31 SMEs per 1000 inhabitants in Lithuania, which is below the EU-27 average of ca 40. However, due to a smaller overall number of businesses this discrepancy vis-à-vis the EU-average is much smaller in relative terms. In fact, the contribution of Lithuanian SMEs exceeds that of their EU peers, driven by the small and medium segments.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	93.227	87,2%	91,8%	190.441	21,8%	29,6%	1.001	12,1%	21,1%
Small	11.065	10,3%	6,9%	222.076	25,5%	20,6%	1.807	21,9%	19,0%
Medium	2.358	2,2%	1,1%	229.715	26,3%	16,8%	2.196	26,6%	17,8%
SMEs	106.650	99,7%	99,8%	642.232	73,6%	67,1%	5.004	60,6%	57,9%
Large	2.358	0,3%	0,2%	230.240	26,4%	32,9%	3.252	39,4%	42,1%

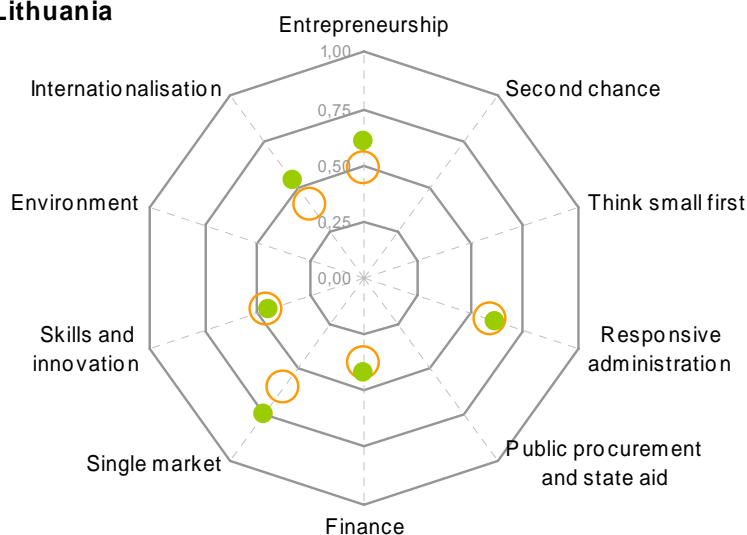
Source: Eurostat SBS data base, 2004 and 2005 data.

2. Lithuania's SBA profile¹

Lithuania outperforms in most categories the EU-average. "Entrepreneurship", "Single Market" and "Internationalisation" are the areas at which the country remarkably excels compared to the EU. On the other hand in "Responsive administration", "Finance" and "Skills and innovation" reveal performance in line with that observed in the EU on average. Also, with the exception of "Environment" in the four sections where no category-average could be calculated the existing indicators predominantly beat the EU-average.

○ EU average

● Lithuania



¹ It should be noted that the different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act.



I. Entrepreneurship: Lithuania's performance in this category is well above the EU-average. Some indicators beat the EU average by a particularly large margin, including strong desire to become self-employed and the indicator measuring participation in entrepreneurship education. Still, despite the strong desire to become self-employed in the country, relatively few see entrepreneurship as an opportunity (46% versus 58% for the EU).

II. Second chance: For the one available indicator in this category – the degree of support for allowing a second chance – the performance was slightly above the EU average (83 to almost 80%).

III. Think small first: For the available indicators in this section – the time it takes to comply with administrative obligations and the share of support among SMEs - results are mixed. In the first case Lithuania beats the EU-average (6% of total working time as opposed to 8%), while for the second one it scores lower as regards the support for current regulations than their average EU-counterparts.

IV. Responsive administration: Overall, Lithuania is on a par with the EU average. The above-average results on some indicators cancel out the negative figures in others. Lithuania does well on cost-related indicators (starting-up and closing a business, registering property). On the other hand, the results are less positive on e-government (such as many other new Member States) and the cost of enforcing contracts (24% of the claim as opposed to 19%).

V. Public procurement and State aid: On both indicators in this section, the share of SMEs in public procurement contracts and the proportion of state aid devoted to SMEs, Lithuania's performance is higher than the EU-average, slightly in the first case and substantially in the second one. In fact, Lithuania ranks among the top performers in the EU as regards the latter (30% as opposed to 11% for the EU-average).

VI. Finance: Overall, Lithuania performs above the EU average in this category, although with some notable exceptions at the level of individual indicators. On the positive side there is a relatively high extent of guarantees for SMEs and a high share of EAFRD funds dedicated to support measures for business creation and development. Additionally, Lithuania leads EU countries with

regards to depth of credit information index. On the downside, SMEs have to deal with a slightly longer delay in payments. Also, a larger share of SMEs argues that they experience problems in finance as compared to the EU average (28% as opposed to 21%).

VII. Single market: Lithuania is among the top performers in this category. All individual indications in this section are well above the EU average. The high share of SMES exporting within the EU among all SMEs is particularly striking, although it is not unusual for a relatively small sized economy (4,4% as opposed 2,8%).

VIII: Skills and innovation: Figures in this area position Lithuania just below EU-average. On the level of individual indicators, however, the picture is more complex. While there is a number of innovation-related indicators that beat the EU-average, the education- and skills-related ones are below that average. In three of the indicators measuring the innovative capacity of Lithuanian SMEs the country is well above its average EU peers, most notably as regards innovative SMEs cooperating with each other and the share of SMEs that have new products, or income from new products. Almost all of the training and skills indicators are below the-average, especially those regarding the provision of training by SMEs. There is only one remarkable exception: the share of SME staff that have tertiary education, where the country takes the top spot within the EU (55% as opposed to 26%).

IX: Environment: This category does not come with an overall average given that only three indicators are available. It only can be stated that in general performance was higher than the EU-average. Strikingly, on the expenditures on environmental protection Lithuanian SMEs are found to outspend substantially their average EU-counterparts (more than €1.000 as opposed to almost €900).

X: Internationalisation: Lithuania's performance in this category is positive for all indicators and in tune with the single market performance. It is noteworthy that the country outperforms the EU not only on indicators measuring the complexity of administrative trading procedures, but also on the actual internationalisation performance of its enterprises in terms of exporters outside the single market (5,8% to 3,8%).



Example for a good practice in SME policy

To illustrate the efforts of the Government to promote SMEs, the statistical information of the fact sheet is enriched by an example of a good practice in SME policy - as singled out in the European Commission's Communication on "Think small first – A Small Business Act for Europe":

Title of the Project: Public-awareness raising in standardisation

The purpose is to foster awareness of standardisation and Lithuanian Standards Board (LSB) activities among Lithuanian SMEs and local government authorities and to involve a higher number of Lithuanian enterprises in training on standardisation.

The project was launched by the LSB in an effort to increase awareness on standardisation (ISO, CEN, CENELEC, DIN, NEN, LST), in particular in the regions. To achieve this goal the LSB has organised awareness raising seminars for SME managers and provided training on voluntary standardisation, benefits of standards, New Approach directives, harmonised standards and global approach. Awareness raising seminars for local policy-makers were held in two regions, and also attracted representatives from neighbouring local authorities. Local government authorities have been introduced to the costs and benefits of standardisation.

For further information: www.lsd.lt