



Embassy of Sweden
Vilnius

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Business Climate Survey 2026 | Lithuania

Acknowledgements

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Introduction

We live in serious times with growing geopolitical uncertainty. Sweden is a driving force in the increasingly important Nordic-Baltic cooperation, which has never been deeper.

The 2026 Baltic Business Climate Survey gives a direct account of how Swedish companies view conditions in Estonia, Latvia and Lithuania. As security, business resilience, and economic growth become ever more interdependent, companies across the Baltic states continue to perform well. Swedish companies remain committed to the Baltic markets.

We hope this report on Lithuania supports constructive dialogue between business and government across the region on how the business environment can become yet stronger.

Team Sweden

Methodology

Fieldwork took place from April to June 2026. The questionnaire was distributed online using contact lists held by the Swedish embassies and chambers of commerce, with telephone follow-up. More than 3,000 contacts were approached and more than 300 responses were received.

The final Baltic sample contains 214 responses with fewer than eight unanswered questions: 56 from Lithuania, 85 from Estonia and 73 from Latvia. The survey covered companies with Swedish capital, local companies with Swedish management and other companies with links to Sweden. Responses were anonymous and analysed in aggregate.

Company-size results refer to local employment. Lithuania has no respondent companies with more than 1,000 local employees. The group with 500 to 1,000 employees contains three companies and is reported as descriptive. The single company with minority Swedish investment is not shown separately. Industry findings are generally reported where at least five companies responded.

The previous survey included 31 companies in Lithuania. The surveys are separate cross-sections, and some questions used different scales. Where needed, earlier results have been converted proportionally to the five-point scale used in 2026. The direction of change is more reliable than its exact size.



Vilnius Old Town

Theme 1: Financial Performance

Lithuania records the highest profitable share in the Baltic survey

Seventy-one per cent of surveyed companies report a profit in 2025, up from 62 per cent in the previous survey made in 2021. A further 9 per cent break even, 13 per cent report a loss and 7 per cent cannot answer. The loss share has fallen from 25 per cent.

Profitability rises sharply with company size. It is 50 per cent among companies with 0 to 9 local employees, 88 per cent among those with 10 to 49 and 92 per cent among those with 50 to 249. Losses are concentrated among the smallest companies.

Companies with majority Swedish ownership report the highest profitable share, at 75 per cent, followed by subsidiaries and branches at 73 per cent. Companies with another Swedish connection report 56 per cent profitable and 33 per cent break even.

Financial performance 2025	0–9 (24)	10–49 (17)	50–249 (12)	500–1000 (3)	Lithuania (56)
Profitable	50%	88%	92%	67%	71%
Break-even	17%	0%	8%	0%	9%
Loss	21%	12%	0%	0%	13%
Don't know / not applicable	12%	0%	0%	33%	7%

Among industries with at least five responses, Construction and Building records the highest profitable share at 83 per cent. Business Services and Forest Products and Paper record the lowest profitable shares, at 29 per cent each. Forest Products and Paper also has the highest loss share among the larger industry groups, at 43 per cent.

The Lithuanian result is positive, while smaller companies and some export-oriented sectors remain under greater pressure.

Investment intentions remain stable

Eighty-three per cent of companies plan to increase or maintain investment during the next 12 months. Lithuania is the only Baltic market where investment intentions remain broadly unchanged. The result indicates continuity and selective expansion.

The share of companies planning to increase investments rises from 29 per cent among those with 0 to 9 employees to 41 per cent among those with 10 to 49 employees, and to 50 per cent among those with 50 to 249 employees. The two larger groups also have the only meaningful reduction rates, at 18 and 17 per cent.

Geopolitical experience is a weaker predictor of investment than in Estonia or Latvia. Among companies whose business increased after 2022, 41 per cent plan to invest more. Among companies whose business decreased, 43 per cent still plan an increase, although 21 per cent plan a reduction.

Investment plans, next 12 months	Business decreased (14)	No change (19)	Business increased (17)
Increase investments	43%	32%	41%
No change	29%	68%	41%
Reduce investments	21%	0%	12%
Don't know / not applicable	7%	0%	6%

Current profitability also has a limited relationship with investment. Forty-two and a half per cent of profitable companies plan to invest more, compared with 29 per cent of loss-making companies. Longer-term plans appear to matter alongside recent performance.

Skills and relationships now sit close to cost efficiency

When asked which areas have helped them maintain competitiveness, 64 per cent of respondents select cost efficiency, almost unchanged from 65 per cent in 2021. Staff development and training now ranks close behind, rising from 23 to 57 per cent.

Partnerships and local relationships rise from 23 to 47 per cent, sales competence from 19 to 42 per cent, collaboration with customers from 16 to 40 per cent and brand awareness from 10 to 40 per cent. Product and service development each reach 36 per cent.

The results show a broader basis for competition. Companies continue to control costs and place much greater weight on people, relationships, products and services.

Important for maintaining competitiveness	2026	2021	Change
Cost efficiency	64%	65%	-1
Staff development/training	57%	23%	+34
Partnerships/local relationships	47%	23%	+24
Sales competence	42%	19%	+23
Collaboration with/feedback from customers	40%	16%	+24
Brand awareness	40%	10%	+30
Service development/adaptation	36%	16%	+20
Product development/adaptation	36%	13%	+23
Digitalisation & e-commerce	26%	7%	+19
Public affairs/relations with government	19%	10%	+9

Company size shapes these priorities. Cost efficiency rises from 50 per cent among the smallest companies to 83 per cent among those with 50 to 249. Staff development rises from 33 to 75 per cent. Partnerships and local relationships are selected most often by the smallest companies, at 54 per cent.

Smaller firms depend more on local networks. Growing companies place greater weight on skills, systems and cost control.



Theme 2: Relations with government

Licensing and administration receive favourable ratings

Companies were asked how fully licences, taxation and regulation meet their business needs, on a five-point scale from 1, “not at all”, to 5, “fully”. Licences, permits and approvals receive the highest average rating, at 4.1. Corporate taxation receives 3.9 and regulation 3.8.

Licences and permits show the largest improvement since the previous survey, rising from 3.1. Corporate taxation remains broadly stable, up from 3.7. The ratings indicate a generally favourable administrative environment.

Taxation shows the clearest company-size difference. Companies with 10 to 49 employees rate it at 3.5, while companies with 0 to 9 and 50 to 249 employees give it 4.0. Licences and regulation vary less across the main size groups.

The reported effect of corruption has fallen

Companies were asked how much corruption affects their business, from 1, “not at all”, to 5, “to a great extent”. The average rating is 1.7, down from 2.3 in the previous survey. This is the largest improvement in the Baltic region.

The reported effect rises from 1.4 among companies with 0 to 9 local employees to 1.7 among those with 10 to 49 and 2.2 among those with 50 to 249. Differences by connection to Sweden are small.

Open responses focus more on the pace and predictability of tax and regulatory change than on corruption. One respondent also calls for stronger practical enforcement of sanctions against Russia.

Theme 3: Market conditions

Lithuania performs well across a broad range of conditions

Companies rated how fully eight parts of the operating environment meet their business needs, from 1, “not at all”, to 5, “fully”. Seven conditions receive an average rating of 4.2: work culture and business mindset, digitalisation, market access, the financial system, physical infrastructure, access to service providers, and access to suppliers and distributors.

All eight conditions have improved since the previous survey. The consistency of the ratings is a strength. Companies report favourable conditions across infrastructure, finance, digitalisation, market access and business culture.

How well the operating environment meets business needs	2026	2021
Work culture and business mindset	4.2	3.6
Level of digitalisation	4.2	3.6
Market access	4.2	3.7
Financial system	4.2	3.7
Access to service providers	4.2	3.7
Physical infrastructure	4.2	3.6
Access to suppliers and distributors	4.2	3.4
Access to specialists and key personnel	3.8	3.2

Access to specialists and key personnel is the only condition below 4.0, at 3.8. It has improved from 3.2 and remains the lowest-rated area.

The skills constraint becomes more visible as companies grow. Companies with 0 to 9 local employees rate access to specialists at 4.1, compared with 3.6 among those with 10 to 49 and 50 to 249.

Work culture and business mindset is a particular strength. Lithuania records the highest rating among the three Baltic states. The main limit on expansion is the supply of skilled people.

Swedish brand

Companies rated how much the Swedish brand contributes to their business, from 1, “not at all”, to 5, “to a great extent”. The average rating is 3.7, up from 3.5 in the previous survey.

Companies with 50 to 249 local employees value it most, at 4.3. Subsidiaries and branches rate it at 3.8, companies with majority Swedish ownership at 3.3 and companies with another Swedish connection at 4.4. The value of the brand varies with the company’s market position as well as its ownership.

Theme 4: Geopolitics

Lithuania records a small positive balance

Thirty-four per cent of companies report no change to their business from geopolitical developments since 2022. Thirty per cent report an increase and 25 per cent a decrease. Lithuania is the only Baltic market where gains exceed losses.

Companies with 50 to 249 local employees report the most positive outcome: 50 per cent report an increase and 33 per cent a decrease. Among companies with 0 to 9 employees, 17 per cent report a decrease, while 21 per cent cannot assess the effect.

Effect of geopolitical change since 2022	0–9 (24)	10–49 (17)	50–249 (12)	500–1000 (3)
Business has decreased	17%	29%	33%	33%
No change	33%	47%	17%	33%
Business has increased	29%	24%	50%	0%
Don't know / not applicable	21%	0%	0%	33%

Subsidiaries and branches report the most favourable balance, with 32 per cent recording an increase and 14 per cent a decrease. Companies with another Swedish connection are more exposed in both directions, with 44 per cent reporting an increase and the same share a decrease.

Energy and raw materials affect companies in both directions

Industry differences are larger than differences by company size or ownership. Two thirds of Construction and Building companies report increased business. Forest Products and Paper is the most negatively affected sector, while IT and Electronics is the most stable.

Among the 31 companies whose business changed, raw-material costs and energy prices are each selected by 58 per cent. Customer demand and investment plans follow at 48 per cent, supply chains at 39 per cent, and security concerns and tariffs and trade barriers at 26 per cent each.

Companies reporting a decrease cite energy prices most often, at 64 per cent. Companies reporting an increase cite raw-material costs most often, at 59 per cent. Security concerns are twice as common among companies whose business decreased.

Lithuania has gained business in construction and related sectors, while energy and material costs remain common pressures. The effect depends on the company's sector, customers and place in the supply chain.



View on Vilnius City Centre

Theme 5: CSR

Labour rights receive a particularly high rating

Companies rated the importance of climate and environmental responsibility and labour rights for their business, from 1, “not at all”, to 5, “to a great extent”. Labour rights receive an average rating of 4.2, while climate responsibility receives 4.0.

Among the main company-size groups, labour-rights ratings range from 4.1 to 4.4. Climate responsibility is rated 4.0 by the smallest companies, 3.6 among those with 10 to 49 and 4.3 among those with 50 to 249.

Subsidiaries and branches rate labour rights at 4.6 and climate responsibility at 3.8. Larger companies appear more likely to manage these issues through formal policies and reporting.

Gender equality

Equal pay for equal work is the most frequently selected priority, chosen by 49 per cent of respondents. Work-life balance follows at 38 per cent, gender balance in leadership at 32 per cent, career progression at 30 per cent and gender balance in recruitment at 28 per cent.

Thirty-two per cent select none of the listed issues. Companies with 50 to 249 local employees identify the widest range of priorities: 67 per cent select leadership balance, 58 per cent select equal pay and work-life balance, and 50 per cent select career progression.

Among companies with 0 to 9 employees, 46 per cent select none of the listed issues.

Most important gender equality issue to address	0–9 (24)	10–49 (15)	50–249 (12)	500–1000 (2)	Lithuania (53)
Equal pay for equal work	50%	40%	58%	50%	49%
Work-life balance and caregiving	25%	40%	58%	50%	38%
Gender balance in leadership	21%	20%	67%	50%	32%
Career progression and promotion	21%	33%	50%	0%	30%
Gender balance in recruitment	33%	20%	25%	50%	28%
Sexual harassment at work	12%	7%	8%	50%	11%
Retention of women employees	8%	13%	0%	0%	8%
None of these	46%	13%	25%	50%	32%

Business Climate

What makes the business climate attractive

Workforce is the most frequently cited strength of the Lithuanian business climate. Respondents describe employees as educated, skilled, hard-working, and professional. They often connect these qualities with cost, referring to a favourable balance between competence and wage levels.

Work culture and business mindset form a second strength. Respondents describe a transparent and market-oriented business culture, which is consistent with Lithuania's high quantitative rating on this condition.

Regulation and EU membership form a third cluster. Companies value a familiar framework, access to the single market and generally approachable public authorities.

Location and logistics are also important. Respondents cite proximity to Sweden and the Nordic region, export connections, infrastructure and digital services. Competitive costs and a growing market provide further support.



What practical measures would improve the business climate

Tax is the most common area for improvement. Companies call for a simpler and more stable system, lower taxes and changes to the taxation of reinvested profit. Predictability helps companies plan over a longer period.

Administrative efficiency forms a second theme. Respondents ask for faster permits, clearer urban-planning rules across municipalities and less documentation. One practical concern is that electronic identification does not work consistently across government websites.

Companies also call for greater electricity-grid capacity, better transport and easier access to business credit. Labour supply is another recurring concern, with requests for more engineering skills and opportunities to retrain workers from IT towards technical fields.

The comments focus on practical improvements that would make Lithuania's existing advantages easier to use as companies invest and expand.



Vilnius Business District

Conclusions

Lithuania combines the highest profitable share of respondents in the Baltic survey with stable investment intentions. 71 per cent report a profit, while 38 per cent plan to increase investment. The investment share remains close to the previous survey.

The operating environment is a clear strength. Seven of the eight assessed conditions receive an average rating of 4.2. Access to specialists remains the main exception, at 3.8, and the constraint becomes more visible as companies grow.

Competitiveness now depends on a broader set of factors. Staff development, local partnerships, customer relationships and brand awareness have gained importance alongside cost efficiency.

Geopolitical change has produced a small positive balance among companies in the sample. Construction reports gains, while Forest Products and Paper faces greater pressure. Energy and raw-material costs affect companies in both directions.

The findings identify four practical priorities for an improved business climate:

1. A stable tax and regulatory framework.
2. Faster and more consistent administration.
3. Stronger technical and engineering skills.
4. Continued investment in energy, transport and access to finance.

Lithuania offers Swedish companies favourable conditions across skills, business culture, infrastructure and EU market access. Further growth will depend on the supply of people, reliable infrastructure and predictable rules.

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