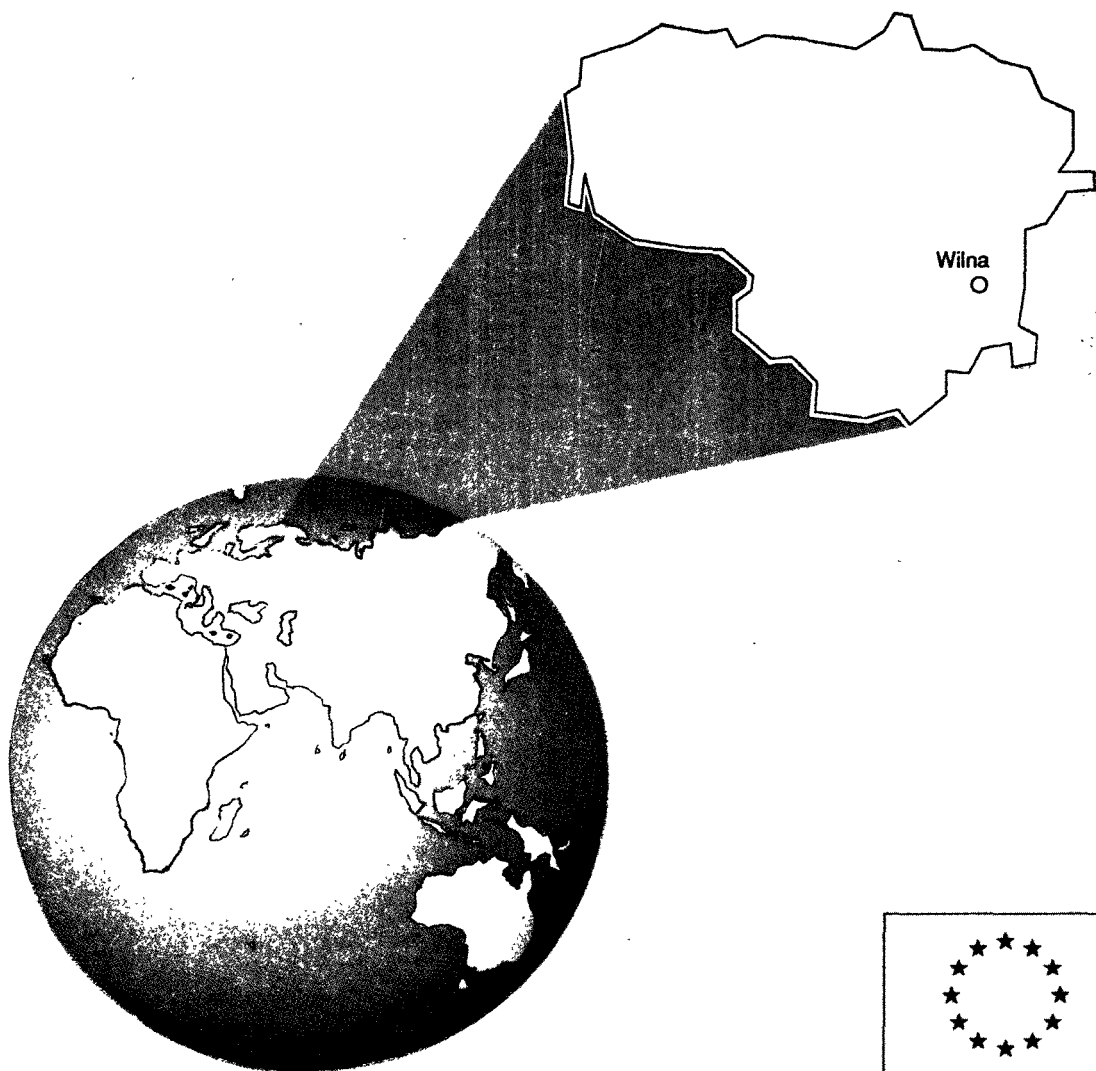


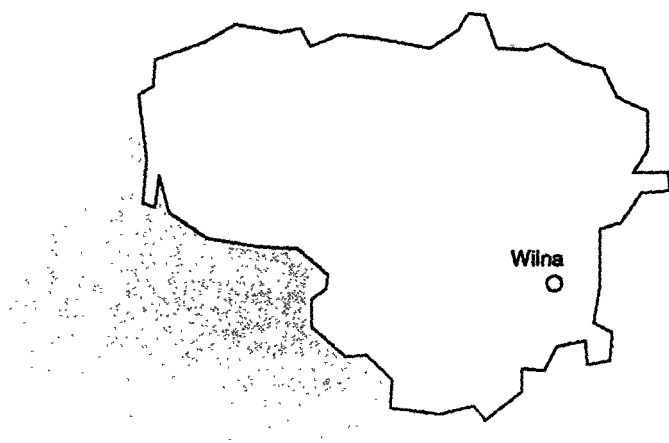
Country profile

Lithuania 1993



Country profile

Lithuania 1993



Information on the country profile
can be found in the country profile
booklet for Lithuania 1993

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EXPLANATION OF SYMBOLS

0	=	Less than 0,5 and more than zero
-	=	Magnitude zero
	=	General break in the series affecting comparison over time
.	=	Figure unknown
x	=	Tabular group blocked because information is not meaningful

SELECTED INTERNATIONAL WEIGHTS AND MEASURES

1 inch (in)	=	2.540 cm
1 foot (ft)	=	0.305 m
1 yard (yd)	=	0.914 m
1 mile (mi)	=	1.609 km
1 acre (ac)	=	4,047 m ²
1 cubic foot (ft ³)	=	28.317 dm ³
1 gallon (gal.)	=	3.785 l
1 imperial gallon (imp. gal.)	=	4.546 l
1 barrel (bl.)	=	158.983 l
1 ounce (oz)	=	28.350 g
1 troy ounce (troy oz)	=	31.103 g
1 pound (lb)	=	453.592 g
1 short ton (sh t)	=	0.907 t
1 long ton (l t)	=	1.016 t

GENERAL ABBREVIATIONS*

g	=	gram	kW	=	kilowatt (10^3 Watt)
kg	=	kilogram	kWh	=	kilowatt- hour (10^3 Watt-hour)
q	=	quintal (100 kg)	MW	=	megawatt (10^6 Watt)
t	=	tonne (1,000 kg)	MWh	=	megawatt-hour (10^6 Watt-hour)
mm	=	millimetre	GW	=	gigawatt (10^9 Watt)
cm	=	centimetre	GWh	=	gigawatt-hour (10^9 Watt-hour)
m	=	metre	p	=	piece
km	=	kilometre	P	=	pair
m ²	=	square metre	Mill.	=	million
ha	=	hectare (10,000 m ²)	Mrd.	=	thousand million (USA: billion)
km ²	=	square kilometre	p.a.	=	per annum
l	=	litre	By	=	beginning of year
hl	=	hectolitre (100 l)	My	=	mid-year
m ³	=	cubic metre	Ey	=	end of year
tkm	=	tonne kilometre	Ya	=	year average
GRT	=	gross registered tonne	Qy	=	quarter
NRT	=	net registered ton	Hy	=	half year
tdw	=	tons dead-weight (t = 1,016.05 kg)	A	=	average
ekr	=	kroon	Ma	=	monthly average
Rbl	=	rouble	h	=	hour
Skr	=	Swedish Krona	cif	=	cost, insurance freight included
US-\$	=	U.S. dollar	fob	=	free on board
DM	=	Deutsche Mark			
SZR	=	Special Drawing Rights			
NA	=	Not available			

*) Special abbreviations are allocated to the respective sections. With only few exceptions, provisional, revised and estimated figures are not marked as such. Detail may not add to total because of rounding.

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FOREWORD

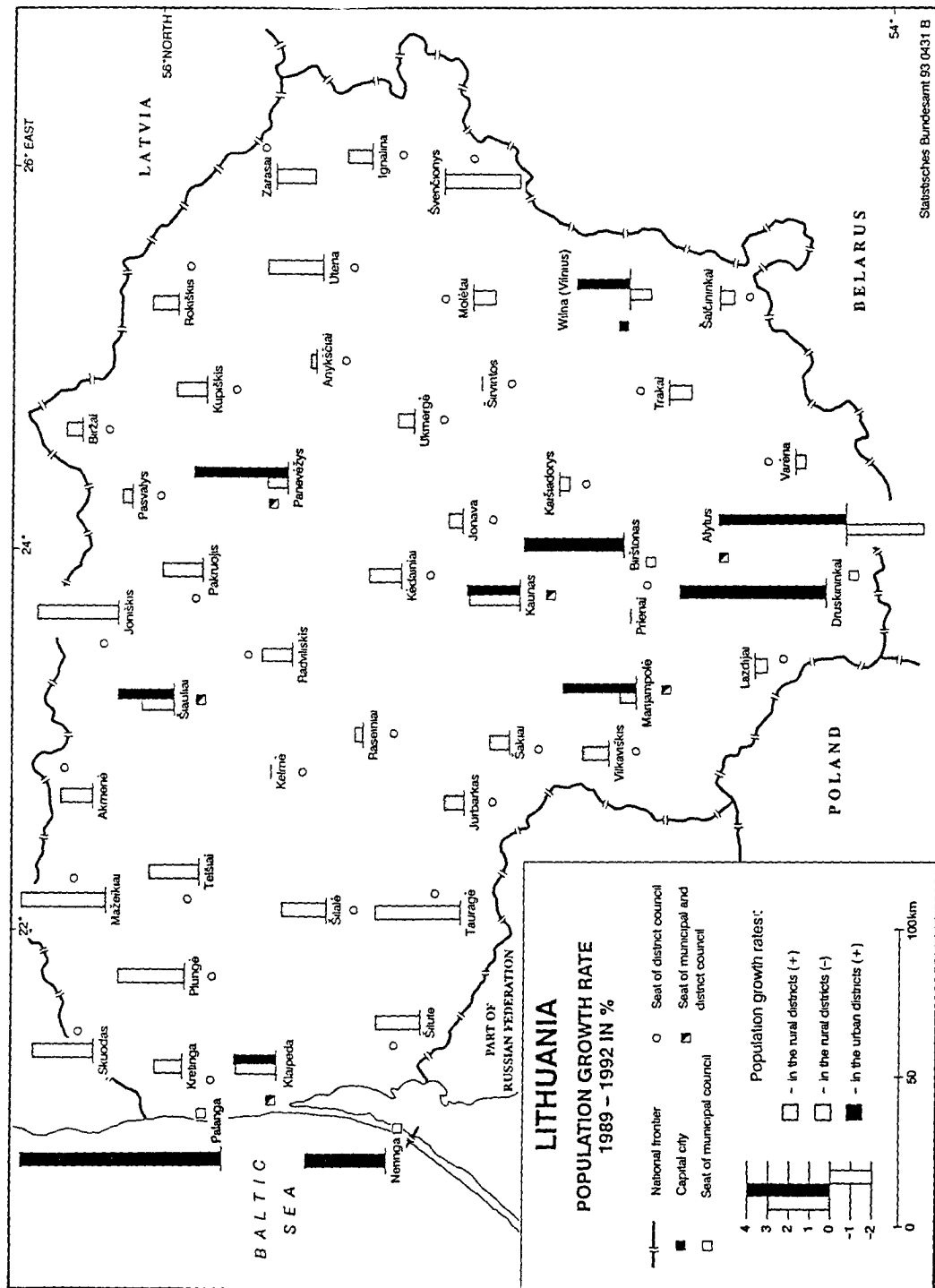
The country profiles published in the "Statistik des Auslandes" series contain a compilation of statistical data on the demographic and, more particularly, economic structure and development of individual countries, based on statistical publications produced by both the countries concerned and international organizations. The most important sources are given at the end of the report.

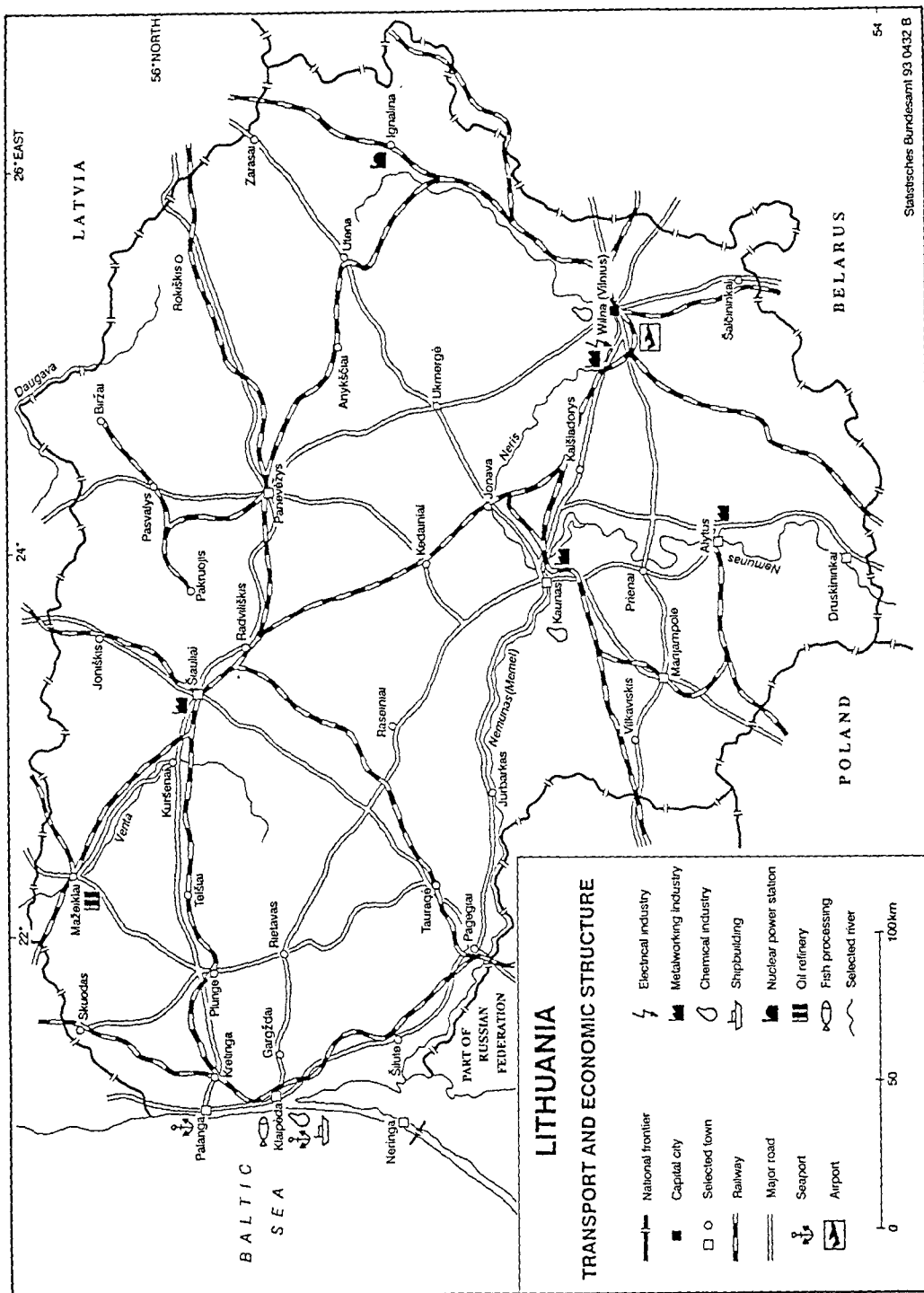
The statistical methods and classifications of the former socialist countries are still, in many cases, different from those commonly used elsewhere, and this makes it difficult - or even impossible - to compare existing data. A detailed discussion of this problem is outside the scope of this publication.

The original publications held by the Statistisches Bundesamt, Wiesbaden and the Information Service of the Berlin branch of the Statistisches Bundesamt are available to those users who need the figures in a more detailed breakdown by subject or over time or further information on methodological questions.

More detailed information on foreign trade statistics, particularly trade with European Union, can be obtained from the European Community's Statistical Office in Luxembourg.

The maps in this report have been provided solely for illustrative purposes. In using the designations and borders shown, the Statistisches Bundesamt is not passing judgment on the legal status of any of the territories or confirming or recognizing any borders.





1. GENERAL SURVEY

Country and Government

Name of country

In full: Republic of Lithuania.

Short form: Lithuania.

Statehood/Independence

Declaration of sovereignty on 18 May 1989. Independence declared by the Lithuanian Parliament on 11 March 1990 after almost 50 years of belonging to the Soviet Union. Independence recognized by the Soviet State Council on 6 September 1991.

Constitution

of 25 October 1992.

Form of State and Government

Parliamentary democracy.

Head of State

Algirdas Brazauskas since 14 February 1993, elected for five years.

National Legislature

The Seimas, which has 141 members elected for four years.

Head of Government

Adolfas Slezevicius, Prime Minister since March 1993.

Parties/Elections

Elections to the Sjem held on 25 October and 15 November 1992.

Breakdown of the 141 seats:

Democratic Labour Party: 73

Sajudis Popular Front Movement/ Citizens' Charter: 30

Christian Democratic Party: 9

Social Democratic Party: 8

Association of Political Prisoners and Deportees: 5

Democratic Party: 4

Polish Union: 4

Other parties and movements: 8

Administrative Divisions

44 districts.

11 municipal councils.

International Membership

United Nations, International Monetary Fund (IMF), World Bank.

1.1 INTRODUCTION

Lithuania forms part of what are known as the "Baltic States" and lies, in cartographic terms, at the heart of Europe. It is situated at one of Europe's most important crossroads, with various east-west and north-south axes for trade and manufacturing cooperation traversing the land: from Paris and Berlin across to Moscow via the capital, Vilnius, and from Helsinki down through to Athens. Its geographical location and historical development make it more a part of central than of eastern Europe.

The origins of the Lithuanian State date back to the end of the 12th century, although it was only able to maintain its independent status until the end of the 16th century. Since then, with the exception of the short period between the two World Wars, it has always been under foreign rule. In the recent past, the Soviet Union used force to annex it during the Second World War, and this has shaped Lithuania's economic development right up to the present day. The first move towards reattaining national independence came on 18 May 1989 with Lithuania's declaration of sovereignty. Independence was declared by the Lithuanian Parliament ten months later on 11 March 1990, a move supported by the vast majority of the population. It was another year and a half before the Council of State of the former Soviet Union recognised Lithuania's independence on 6 September 1991, and that same month Lithuania was accepted as a member of the United Nations.

Once independent, the country set out on the difficult path of transition from a centrally-planned economy to a market economy. Over the last two years this process has led to radical changes in almost all aspects of social life, most notably in the economic and social spheres. The situation was exacerbated by the collapse of the unified economic area of the former Soviet Union, forcing Lithuania into a complete reorganisation of its foreign trade relations and presenting it with additional problems associated with its almost total dependence on imports of raw materials.

Although Lithuania exercised more caution than its two Baltic neighbours in taking the necessary steps towards a market economy, starting with the introduction of legal conditions governing the privatisation process before price restraints were removed and the financial and monetary system was completely reorganised, it sank into a deep economic crisis in 1992 which showed no sign of lifting in 1993. Provisional estimates for 1992 put gross domestic product at constant prices down 35-39 % on the previous year, industrial output down by 50 % over the same period and agricultural production at around 30 % less. With inflation running at 1,160 % in 1992 as against average wage increases of around 400 %, the population has had to accept a drastic reduction in real income.

These and other trends are examined in greater detail in the different chapters of this Report, with statistical material being used as the basis for these analyses. What now follows is a general summary of selected key economic data and a table of important economic and social indicators comparing Lithuania with other European countries.

1.2 BASIC DATA

Area	<u>Unit</u>				
Total area	km ²	1992:	65,300		
Utilized agricultural area	km ²		35,116		
Population					
Total population					
Results of population censuses	1,000	1979:	3,398	1989:	3,690
Beginning of year	1,000	1992:	3,746		
Population increase	%	1979-89:	8.6	1989-92:	1.5
Average annual growth rate	%		0.83		0.50
Population density	Inhabitants per km ²	1979:	52.0	1992:	57.4
Births	per 1,000 inhabitants	1980:	15.1	1991:	15.0
Deaths	per 1,000 inhabitants		10.5		10.9
Deaths in 1st year of life	per 1,000 live births		14.4		14.3
Life expectancy at birth					
Males	Years	1974/75:	67.0		66.3
Females	Years		75.0		76.1
Health					
Hospital beds	1,000	1980:	41.2	1991:	45.9
Inhabitants per hospital bed	Number		83		82
Doctors	Number		11,453		14,464
Inhabitants per doctor	Number		299		259
Dentists	Number		1,924		2,120
Inhabitants per dentist	Number		1,779		1,767
Education					
Illiteracy rate	%	1989:	1.2		
Students at general secondary schools	1,000	1980/81:	599.3	1991/92:	517.1
Students at specialist technical schools	1,000		47.8		46.2
Students at universities or equivalent	1,000		71.0		60.5
Employment					
Employees	1,000	1980:	1,778.6	1991:	1,897.6
% of potential labour force	%		90.6		89.8
Unemployed	1,000	Dec. 1991:	9.6	Feb. 1993:	50.0

Agriculture, forestry, fisheries

Index of agricultural production	1980 = 100	1985:	128	1990:	126
Crop production	1980 = 100		144		133
Animal production	1980 = 100		121		124
Harvest volumes					
Winter wheat	1,000 t	1980:	336	1991:	841
Spring barley	1,000 t		787		1,693
Potatoes	1,000 t		1,178		1,508
Yields :					
Winter wheat	dt/ha		16.4		31.5
Spring barley	dt/ha		13.9		32.5
Potatoes	dt/ha		85		142
Cattle stock	1,000	1981:	2,215	1992:	2,197
Timber extracted	1,000 m³	1980:	2,734	1991:	3,302

Production industries

Production index	1980 = 100	1985:	120	1991:	149
Electricity production	Mill. kWh	1980:	11,666		29,363
Production of :					
Cement	1,000 t	1985:	3,383		3,126
Alternating current motors	1,000		444		331
Cotton fabric	Mill. m²		121		106
Canned foods	Mill. cans		249		203

Foreign trade

Imports	Mill. Rbl	1988:	7,279.7	1992:	77,142.8
Exports	Mill. Rbl		6,017.4		107,754.4
Import surplus- (-) or export surplus (+)	Mill. Rbl		- 1,262.3		+ 30,611.6

Transport and communications

Length of railway network	km	1980:	2 890	1991:	3,033
Length of road network	1,000 km		32.3		44.5
Motor cars per 1,000 inhabitants	Number	1987:	105		137
Air passengers	Mill.	1980:	0.7		0.8
Telephone connections	1,000		428		871
Television and radio licenses	1,000		2 223	1990:	3 433

Tourism

Foreign visitors	1,000	1989:	550		
former Soviet Union	1,000		480		

Money and credit

Official exchange rate, middle rate	TAL per DM 1	JE 1992:	236.00	Mar. 1993:	303.10
-------------------------------------	--------------	-----------------	--------	-------------------	--------

Money supply

M1	Mrd. Rbl	JE 1987:	6.3	JE 1991:	20.6
M2	Mrd. Rbl		13.4		31.2

Public finance**State budget**

Income	Mrd. Rbl	1988:	4.2	Estimate 1992:	19.9
--------	----------	--------------	-----	-----------------------	------

Expenditure	Mrd. Rbl		5.0		22.0
-------------	----------	--	-----	--	------

Prices

Retail prices index	1985 = 100	1988:	112.0	1991:	402.6
---------------------	------------	--------------	-------	--------------	-------

Change from previous year	%		+ 2.4		+ 224.7
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National accounts**Produced national income**

at current prices	Mill. Rbl	1980:	5 867	1991:	24 791
-------------------	-----------	--------------	-------	--------------	--------

at 1989 prices	Mill. Rbl		6 308		7 830
----------------	-----------	--	-------	--	-------

per capita	Rbl		1 853		2 095
------------	-----	--	-------	--	-------

1.3a IMPORTANT SOCIAL INDICATORS FOR EUROPEAN COUNTRIES*

Indicator	Nutrition		Health		Education	
	Calorie intake per capita/day		Life expectancy at birth	Hospital beds per 100,000 inhabitants	Percentage of	
					Literacy in the population (aged 15 and over)	Pupils in the population of primary school age
		1988-90 A		1991	1990	
Country	Kcal ²	% of requirement	Years	Number	%	
Albania	2,761 (89)	115 (89)	73	562	75 (86)	98
Belgium	3,925	149	76	509 (89)	99 (88)	102
Bulgaria	3,694	148	73	980	98 (88)	96
Denmark	3,639	135	75	565 (91)	99 (88)	98 (89)
Germany	.	.	77	.	.	.
Ex-F.R.G.	3,472	130	76 (90)	864	99 (88)	105 (89)
Ex-GDR	3,711	142	75 (90)	.	99 (88)	106 (89)
Estonia	.	.	71	1,185 (91)	.	.
Finland	3,067	113	76	1,350	81 (85)	99
France	3,592	143	77	1,295 (88)	99 (88)	111
Greece	3,775	151	77	516 (88)	93 (90)	100 (88)
United Kingdom	3,270	130	76	592	99 (88)	107 (89)
Ireland	3,951	157	75	610	98 (86)	100 (89)
Iceland	3,473	131	78	1,376 (88)	100 (85)	101 (89)
Italy	3,498	139	78	740	97 (90)	97
Yougoslavia ³	3,545	140	72	603 (89)	93 (90)	95
Latvia	.	.	71	1,266 (92)	.	.
<i>Lithuania</i>	.	.	73	<i>1,178 (92)</i>	.	.
Luxembourg	3,925	149	75	1,350	100 (88)	93
Malta	3,169	128	74	937 (91)	84 (86)	109 (89)
Moldova	.	.	69	1,277 (89)	.	.
Netherlands	3,078	114	77	585 (91)	99 (88)	117 (89)
Norway	3,220	120	77	550	100 (88)	99

(continued on next page)

1.3a IMPORTANT SOCIAL INDICATORS FOR EUROPEAN COUNTRIES* (continued)

Indicator	Nutrition		Health		Education	
	Calorie intake per capita/day		Life expectancy at birth	Hospital beds per 100,000 inhabitants	Percentage of	
					Literacy in the population (aged 15 and over)	Pupils in the population of primary school age
		1988-90 A		1991	1990	
Country	Kcal ²	% of requirement	Years	Number	%	
Austria	3,486	133	76	990	99 (88)	103
Poland	3,427	131	71	690	99 (86)	98
Portugal	3,342	136	75	430	85 (90)	119 (89)
Romania	3,081	116	70	930	98 (88)	91
Russian Federation	.	.	72	1,375	.	.
Sweden	2,978	111	78	650	99 (88)	107
Switzerland	3,508	130	78	830	99 (88)	100 (83)
Spain	3,472	141	76	460	95 (90)	109 (89)
Former Czechoslova- kia	3,573	145	72	996	99 (88)	93
Turkey	3,196	127	67	210	81 (90)	110
Ukraine	.	.	73	1,355	98 (89)	.
Hungary	3,608	137	71	960	99 (90)	94
Bélarus	.	.	73	1,354 (89)	.	.
Cyprus	.	.	77	738 (87)	94 (87)	103
Token entry:						
Ex-USSR	3,379	132	72	1,390 (91)	98 (89)	87

*) Figures in brackets indicate the year in question

1) Figures over 100 % occur as result of the survey method based on educational stages, some pupils being recorded in the wrong age group.

2) 1 kilocalorie = 4,187 kilojoules.

3) Including Croatia, Slovenia, the Former Yugoslav Republic of Macedonia and Bosnia-Herzégovina.

1.3b IMPORTANT ECONOMIC INDICATORS FOR EUROPEAN COUNTRIES*

Indicator	Agriculture		Energy	Foreign trade	Transport	Communications		National Product
	% share of		consumption per capita	% of total exports accounted for by fuels, minerals and metal	Motor cars	Main telephone connections	TV sets	Per capita gross national product at market prices
	GDP	Total labour force						
	1991	1992			1991	1991	1990	
			1992	1991 ¹	per 1,000 inhabitants			1991 ²
Country	%		kg oil unit	%	Number			US-\$
Albania	36 (90)	47.7	879 (90)	.	5	14	75	520
Belgium	2	1.7 ^a	5 496	8 ^a	398	416	330	19,300
Bulgaria	13	11.8	3,540 (91)	.	147	250	250	1,840
Denmark	5	4.5	3,701	5	320	576 ^b	535	23,660
Germany	.	.	4,138	.	409 (92)	418	.	20,310
Ex-FRG	2	3.4	.	4	436 (92)	.	514	23,650
Ex-GDR	11 (89)	7.9	.	.	301 (92)	.	788	6,790
Estonia	15	12.8 ^c	.	.	167	239	.	3,830
Finland	6	7.8	4,313	7	380	542	497	24,400
France	3	5.0	4,090	5	416	501	406	20,600
Greece	17	23.6	2,398	15	173	408	196	6,230
United Kingdom	2	1.9	3,667	10	352	457	435	16,750
Ireland	11	13.1	2,408	2	235	298	276	10,780
Iceland	12	6.5	4,231	.	466	521	320	22,580
Italy	3	6.7	2,647	3	456 (89)	399	424	18,580
Jugoslavia ⁴	12	20.8	2,296 (91)	9	140 (89)	.	198	2,940 (90)
Latvia	18	17.7 ^c	.	.	122	279	422 (91)	3,410

(continued on next page)

1.3b IMPORTANT ECONOMIC INDICATORS FOR EUROPEAN COUNTRIES* *(continued)*

Indicator	Agriculture		Energy	Foreign trade	Transport	Communications		National Product
	% share of		consumption per capita	% of total exports accounted for by fuels, minerals and metal	Motor cars	Main telephone connections	TV sets	Per capita gross national product at market prices
	GDP	Total labour force						
	1991	1992	1992	1991 ¹	1991	1991	1990	
					per 1,000 inhabitants			1991 ²
Country	%		kg oil unit	%	Number			US-\$
<i>Lithuania</i>	30	17.8 ^c	.	.	137	236 (92)	.	2,710
Luxembourg	2	^d	^d	^d	498	511	255	31,080
Malta	4	3.7	1,422 (90)	94 (87)	323 (90)	383	742	6,850
Moldova	36	24.2 ^d	.	.	48	114	.	2,170
Netherlands	4	3.5	5,138	12	373 (92)	480 (92)	360 (92)	18,560
Norway	3	5.0	4,056	58	354	516	425	24,160
Austria	3	5.5	2,998	4	394	427	481	20,380
Poland	14	20.1	2,529	20	160	93	293	1,830
Portugal	9 (89)	15.6	1,661	5	183	255	177	5,620
Romania	20	19.4	3,048 (91)	.	56	96	194	1,340
Russian Federation	17	3.4 ^d	5,447	.	59 (90)	138	364	3,220
Sweden	3	3.7	4,764	6	419	690	474	25,490
Switzerland	3 (85)	3.9	3,467	3	457	595	407	33,510
Spain	5	10.2	2,336	7	317	340	396	12,460
Former-Czechoslovakia	8	9.0	3,391	4	214	156	412	2,450
Turkey	18	47.2	883	7	37	141	175	1,820

(continued on next page)

1.3b IMPORTANT ECONOMIC INDICATORS FOR EUROPEAN COUNTRIES* (continued)

Indicator	Agriculture		Energy	Foreign trade	Transport	Communications		National Product
	% share of		consumption per capita	% of total exports accounted for by fuels, minerals and metal	Motor cars	Main telephone connections	TV sets	Per capita gross national product at market prices
	GDP	Total labour force						
	1991	1992	1992	1991 ¹	1991	1991	1990	1991 ²
Country	%		kg oil unit	%	per 1,000 inhabitants			US-\$
Ukraine	24	19.6 ^d	3,747	.	63 (90)	130	328	2,340
Hungary	12	11.0	2,300	8	187 (90)	107	410	2,690
Bélarus	16	15.9 ^d	.	.	.	163	268	3,110
Cyprus	6	20.2	1,767 (91)	59 (87)	326	391	150	8,640
<i>Token entry</i>								
Ex-USSR	17	12.4 ^d	4,684 (90)	3	57 (90)	143 (90)	322	2,700

*) Figures in brackets indicate the year in question.

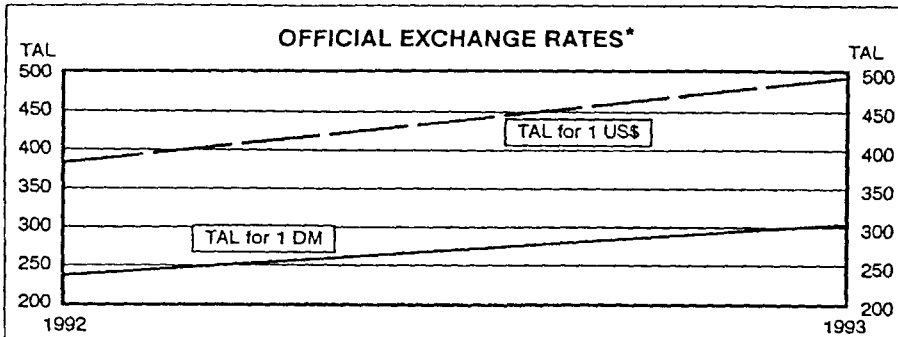
1) SITC headings 27, 28 and 68.

2) World Bank data.

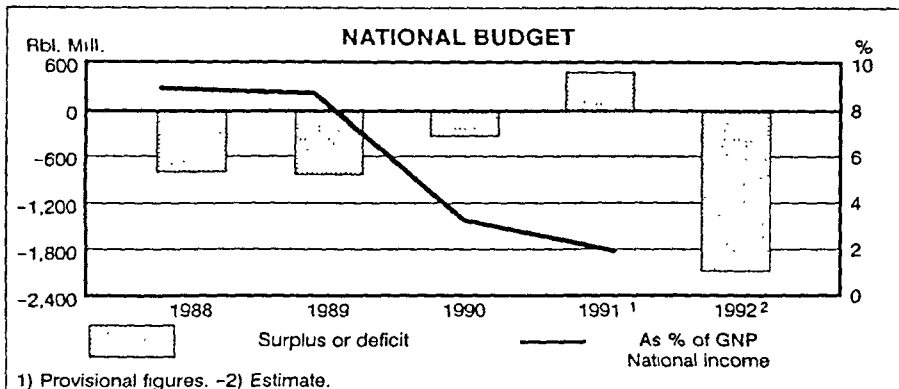
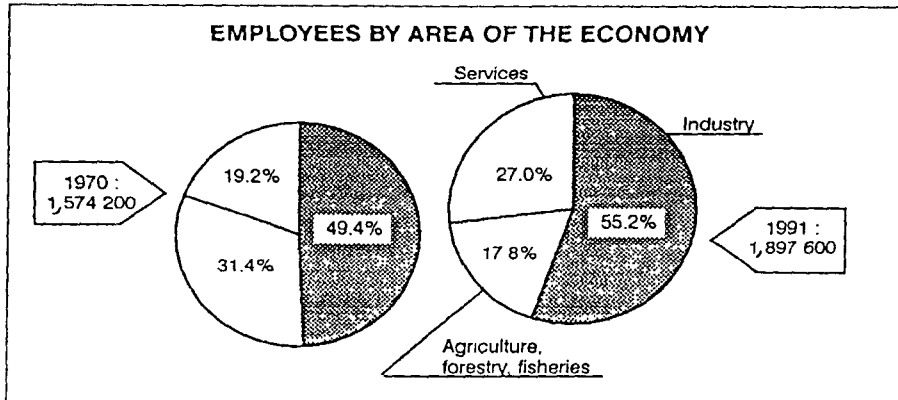
3) 1 kg oil unit = 0,043 gigajoules = 0.043 · 10⁹ joules.

4) Including Croatia, Slovenia, the former Yugoslav Republic of Macedonia and Bosnia-herzegovina.

a) Including Luxembourg. - b) incl. Faroe Islands - c) Active population. - d) see Belgium.

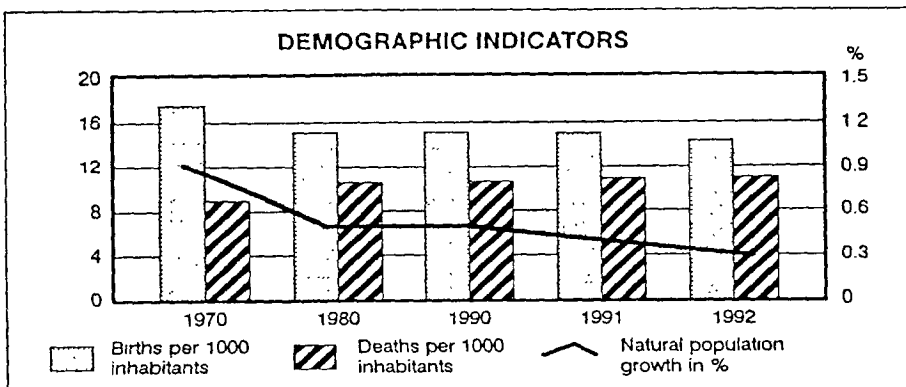
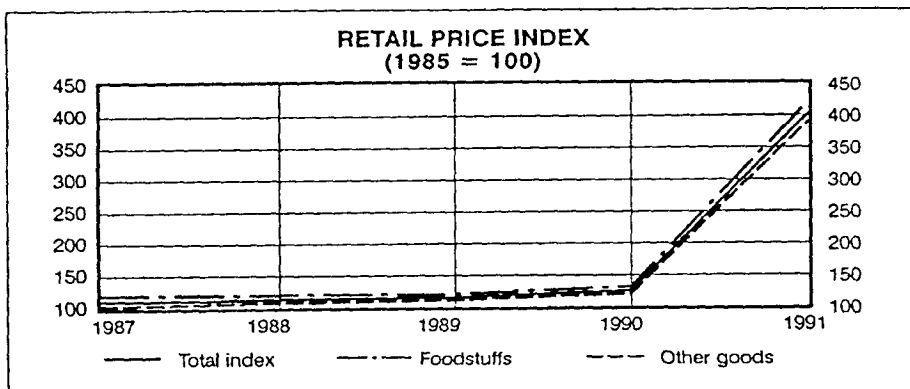
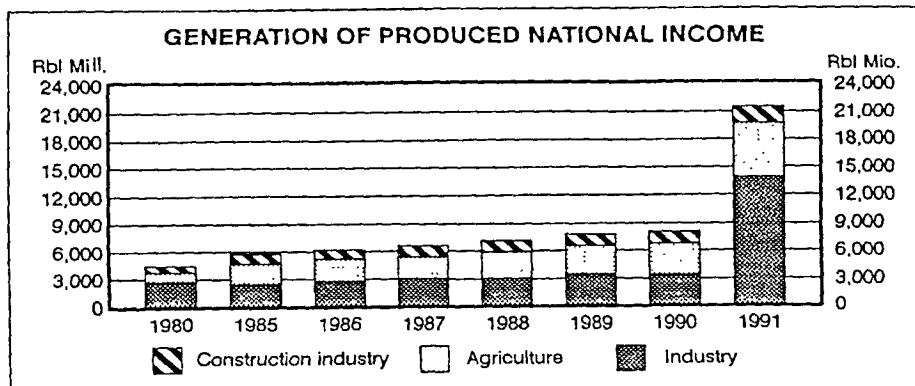


*) 1992 : As at end of year, 1993 : March.



1) Provisional figures. -2) Estimate.

Statistisches Bundesamt 93 0433 B



Statistisches Bundesamt 93 0434 B

2. GEOGRAPHY

Lithuania is the largest of the three Baltic Republics, occupying a total surface area of 65 300 km² between 54° and 56°30' north and 21° and 27° east. In area it is approximately the size of the two German Länder of Lower Saxony and Saxony.

Lithuania is bordered by Latvia in the north (610 km), Belarus in the east and south-east (724 km), and Poland (110 km) and the Kaliningrad region of the Russian Federation (303 km) in the south-west. In addition to these 1,747 km of land borders, it also has a 99 km coastline onto the Baltic Sea. The furthest distance from east to west is 373 km and from north to south 276 km.

Lithuania forms part of the great North European Plain and the land alternates between hillier areas and flat plains. It has three more elevated regions - the Baltic Ridge, the Aukstaiciai Uplands and the Eastern Uplands - and three plains - the Pajuris Lowlands, the Central Lowlands and the Eastern Lowlands. The highest point in Lithuania is Kruopine at 293 m.

Lithuania is in the transitional zone between maritime and continental climates. Whilst the climate on the coast is maritime, the prevailing conditions in the east of the country are continental. The weather is very unsettled as damp air masses from the Atlantic alternate with either cold or warm continental air. The following climatic data were calculated for Kaunas as averages over a number of years:

2.1 SELECTED CLIMATIC AREA

Month/Year	Station Location Height above sea level	Kaunas 55°N 24°O 75 m
	(Air temperature (°C), mean daily temperature)	
Coldest month: January		- 5.1
Warmest month: July		18.1
Year		6.6

(continued on next page)

2.1 SELECTED CLIMATIC AREA *(continued)*

Month/Year	Station	Kaumas
	Location	55°N 24°O
	Height above sea level	75 m
(Air temperature (°C), mean daily maxima)		
Coldest month: January		- 2.4
Warmest month: July		23.3
Year		10.6
(Air temperature (°C), mean daily maxima)		
Coldest month: January		- 7.4
Warmest month: July		13.3
Year		2.9
(Relative humidity (%), average value (in the morning))		
Wattest month: October		93
Driest month: July		84
Year		87
(Precipitation (mm), average value)		
Wattest month: July		98
Driest month: March		29
Year		625
(Hours of sunshine, average value)		
Sunniest month: July		272
Least-sunny month: December		30
Year		1,790

The following table provides an overview of climatic conditions in various towns in 1992:

2.2 CLIMATIC DATA FOR SELECTED TOWNS IN 1992*

Survey item	Klaipeda	Lavkuva	Kybartai	Panevezys	Utena	Varena	Vilnius
(Average air temperature (°C))							
January	1.9	- 0.6	- 0.6	- .5	- 1.3	- 1.6	- 1.8
July	18.0	17.5	19.2	18.7	18.3	18.6	19.0
Year	8.5	7.0	8.1	7.6	7.2	7.3	7.2
Absolute maximum (°C)	32.8	34.6	35.0	35.5	35.3	35.6	31.2
Absolute minimum (°C)	- 13.1	- 13.0	- 14.3	- 18.4	- 19.2	- 22.1	- 19.0
Annual precipitation (mm)	735	651	552	516	589	704	661

*) More detailed climatic data are held by the Central Office of the German Meteorological Service, Postfach 10 04 65, 63004 Offenbach am Main. These data are generally available only on payment of a fee.

There are 722 rivers in Lithuania. The longest is the Nemunas, although only around half (475 km) of its total 927 km flow through Lithuanian territory. 1.5 % of the total surface area is covered by over 4 000 lakes, the largest of which are the Druksiai (4,480 ha), the Dysnai (2,439 ha) and the Dusia (2,334 ha). 28 % of the country is forested, with pines (40 %), spruce (20 %) and birch (18 %) predominating. Swamps and marshland account for about 7 % of the total area.

Lithuania is on Central European Time (CET) + 1 hour.

3. POPULATION

At the beginning of 1993, Lithuania was both the most populous of the three Baltic Republics with 3,751,400 inhabitants (figure arrived at by extrapolation) and the most densely-populated with 57.5 inhabitants per km². 47.3 % of the population was male and 52.7 % female.

The last census took place on 12 January 1989, when the resident population was determined at 3,689,800. Since the January 1979 census had recorded 3,398,000 inhabitants, this meant that the resident population rose by 291,800 (8.6 %) between 1979 and 1989. Although the average annual growth rate for this period was 0.83 %, the pace of growth has slowed down considerably over the last few years (0.25 % on average for 1989-1993).

3.1 POPULATION DEVELOPMENT AND DENSITY*

Survey item	Unit	1970	1979	1989	1990	1992	1993
Population		3,128 ^a	3,398 ^b	3,690 ^c	3,723	3,761	3,751
Male	1,000	1,468	1,604	1,747	1,765	1,774	1,774
Female	1,000	1,660	1,794	1,943	1,958	1,972	1,977
Population density, referred to total area ⁱ	Inhab., per km	48.0	52.1	56.6	57.1	57.7	57.5
		1970-79		1979-89		1989-93	
Average annual growth rates							
Total	%	+ 0.92		+ 0.83		+ 0.25	
Male	%,	+ 0.99		+ 0.86		+ 0.24	
Female	%	+ 0.87		+ 0.80		+ 0.25	

*) As at the beginning of the year.

1) The Statistical Yearbook of Lithuania records a total surface area of 65,200 km² until 1990 and 65,300 km².

a) Results of the census of 15 January. - b) Results of the census of 17 January. - c) Results of the census of 12 January.

The natural population growth rate is calculated as the balance between the number of births and deaths. Between 1970 and 1992 the number of live births per 1,000 inhabitants dropped from 17.6 to 14.3, whilst the number of deaths per 1,000 inhabitants rose from 8.9 to 11.0 over the same period.

This means that the natural population growth rate fell from 0.9 % in 1970 to 0.3 % in 1992.

Over 30,000 marriages were recorded in 1992, producing a marriage rate of 8.0 per 1,000 inhabitants. This is the lowest figure for 10 years and is down again on the previous year. Divorces numbered 14,000, a rate of 3.7 per 1,000 inhabitants, which was down a little on Lithuania's highest-ever recorded divorce rate of 4.1 in 1991.

3.2 NATURAL POPULATION MOVEMENTS, MARRIAGES AND DIVORCES

Survey item	Unit	1970	1980	1990	1991	1992
Live births	1,000	55.5	51.8	56.4	56.2	53.6
Birth rate	per 1,000 inhabitants	17.6	15.1	15.1	15.0	14.3
Deaths	1,000	28.0	35.9	39.7	41.0	41.4
Mortality rate	per 1,000 inhabitants	8.9	10.5	10.6	10.9	11.0
Natural population growth.	%	0.9	0.5	0.5	0.4	0.3
Marriages	1,000	29.9	31.5	36.3	34.2	30.1
Marriage rate	per 1,000 inhabitants	9.5	9.2	9.7	9.1	8.0
Divorces	1,000	6.9	11.0	12.7	15.3	14.0
Divorce rate	per 1,000 inhabitants	2.2	3.2	3.4	4.1	3.7

Between 1970 and 1990, the number of infants who died in the first year of life fell from 19.4 per 1,000 live births to 10.3, but this figure rose again dramatically in 1992 to 16.5. Although the infant mortality rate for the rural population (17.4 per 1,000 live births) was still higher than for the urban population, the difference between the two narrowed considerably during the period 1970 to 1992 (down from 6.6 to 1.4).

Life expectancy at birth for males has fallen over the last few years, standing at 65.1 years in 1992. The life expectancy of females in that same year was 76.1 years, 11 more than for the male population. The difference in the life expectancy at birth between males and females is therefore over three years higher than it was in 1970.

3.3 INFANT MORTALITY AND LIFE EXPECTANCY

Survey item	Unit	1970	1980	1990	1991	1992
Deaths in first year of life	per 1,000 live births	19.4	14.4	10.3	14.3	16.5
Town	per 1,000 live births	16.3	13.0	10.1	13.5	16.0
Country	per 1,000 live births	22.9	17.3	10.6	15.8	17.4
Life expectancy at birth						
Total	Years	71.1	70.5	71.5	70.7	70.5
Males	Years	67.0	65.5	66.6	65.3	65.1
Females	Years	74.9	75.4	76.2	76.1	76.1

a) 1969-70

When estimating population trends, it is important to take migratory flows into consideration alongside natural growth rates. The progressive industrialisation of Lithuania was accompanied by an influx of immigrants from some of the neighbouring republics, particularly Russia. In the 1980s these net migration gains were, admittedly, fairly insignificant (just under 150,000 from 1980 to 1990) and were exclusively limited to the urban regions. The rural areas all, without exception, recorded net migration losses. Since Lithuania started making moves towards independence, the number of emigrants has surpassed the number of immigrants: over 73,000 persons leaving the country since 1990, whilst only around 33,000 immigrants were recorded over the same period. The main net migration losses were recorded with Russia, Belarus and Ukraine, these three countries alone accounting for 96 % of Lithuania's emigrants. Migration from and to countries outside the former Soviet Union was minimal. In 1992 there were 434 immigrants from such countries as against 1,531 persons leaving Lithuania in the opposite direction, giving a net emigration figure of 1,097 persons. The main countries of destination for emigrants were Israel (451), the USA (428), Germany (307) and Poland (181).

3.4 POPULATION MOVEMENTS BY SELECTED COUNTRIES OF ORIGIN AND DESTINATION

Survey item	1980			1990		
	Immigrants	Emigrants	Balance	Immigrants	Emigrants	Balance
Total	22,093	17,075	5,018	14,744	23,592	8,848
Former Soviet Union	21,097	15,385	5,712	13,197	19,827	6,630
Russian Federation	10,2473	8,307	2,166	7,670	10,782	3,112
Ukraine	2,455	2,198	257	1,726	3,221	1,495
Belarus	3,969	1,839	2 130	1,530	3,709	2,179
Uzbekistan	337	154	183	149	171	22
Kazakhstan	811	344	467	366	373	7
Azerbaijan	172	100	72	154	121	33
Moldova	149	149	0	170	184	14
Latvia	2,091	1,750	341	1,001	908	93
Estonia	314	302	12	165	145	20
Other countries	996	1,690	694	1,547	3,765	2,218
	1991			1992		
	Immigrants	Emigrants	Balance	Immigrants	Emigrants	Balance
Total	11,828	20,703	8,875	6,640	28,855	22,215
Former Soviet Union	10,709	18,085	7,376	6,206	27,324	21,118
Russian Federation	6,329	9,746	3,417	3,439	15,726	12,287
Ukraine	1,229	2,754	1,525	623	4,248	3,625
Belarus	1,285	4,072	2,787	747	6,230	5,483
Uzbekistan	158	137	21	83	140	57
Kazakhstan	246	304	58	223	266	43
Azerbaijan	124	78	46	69	72	3
Moldova	118	140	22	63	139	76
Latvia	834	614	220	666	327	339
Estonia	131	70	61	82	49	33
Other countries	1,119	2,618	1,499	434	1,531	1,097

There have been no significant changes in the age structure of the Lithuanian population over the last few years. In 1992, 22.5 % of the inhabitants were under 15 years old, 66.4 % were aged between 15 and 64 and 11.3 % of the population was over 64 years old.

The share of Lithuanian males aged 65 and over is remarkably low (3.8 %) compared to the corresponding percentage share of females. Given that the working age in Lithuania is from 16 to 59 for males and from 16 to 54 for females, in 1992 for every 100 Lithuanians of working age there were 76 inhabitants aged under 15 or of retirement age.

3.5 POPULATION BY AGE GROUP

(percentage of total population)

Aged from to	1985		1990		1992	
	Total	Male	Total	Male	Total	Male
Under 5	7.8	4.0	7.9	4.0	7.6	3.9
5 - 10	7.4	3.8	7.6	3.9	7.8	4.0
10 - 15	7.8	4.0	7.1	3.6	7.1	3.6
15 - 20	7.8	4.0	7.5	3.8	7.1	3.6
20 - 25	8.4	4.0	7.5	3.9	7.5	3.8
25 - 30	8.1	4.0	8.4	4.3	7.9	4.1
30 - 35	7.0	3.4	7.8	3.9	8.4	4.2
35 - 40	6.3	3.0	6.7	3.3	6.8	3.4
40 - 45	6.3	3.0	6.0	2.9	6.3	3.0
45 - 50	6.5	3.0	5.9	2.8	5.6	2.6
50 - 55	6.2	2.8	6.0	2.8	5.9	2.7
55 - 60	5.7	2.4	5.6	2.5	5.6	2.5
60 - 65	4.4	1.7	5.3	2.1	5.3	2.2
65 - 70	2.6	1.0	4.1	1.4	4.2	1.5
70 - 75	2.9	1.0	2.3	0.7	2.4	0.9
75 - 80	2.5	1.0	2.1	0.7	2.0	0.6
80 - 85	1.5	0.5	1.6	0.6	1.6	0.5
85 and over	0.9	0.3	1.1	0.3	1.1	0.3
Children (under 15) ¹	.	.	24.1	11.5	23.9	11.5
Persons of working age ²	.	.	56.8	82.7	56.8	82.5
Persons of retirement age ²	.	.	19.1	5.8	19.3	6.0
Age dependency ratio ³	.	.	76	21	76	21

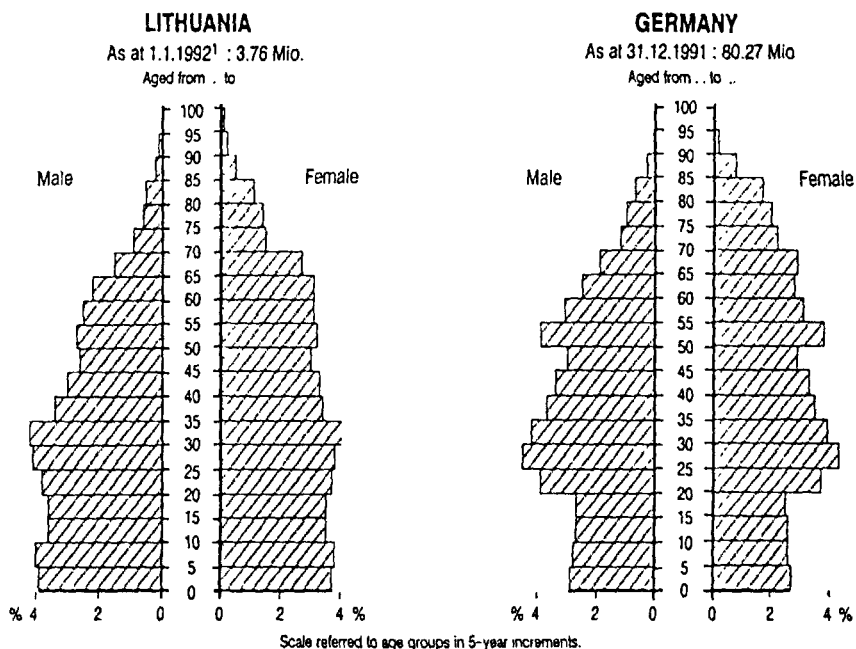
1) The population of working age can only be calculated approximately using this breakdown by age group: males: 15-59 years old, females: 15-54.

2) Population of retirement age: males: 60 and over, females: 55 and over.

3) Ratio of the number of persons (in the total population of the respective sex) aged under 15 or of retirement age (non-working age) per 100 persons (in the total population or of the respective sex) of working age.

AGE STRUCTURE OF THE POPULATION IN LITHUANIA AND GERMANY

Age groups as % of the population



1) Estimate.

Statistisches Bundesamt 93 0435 B

Lithuania is divided up into 44 administrative districts, as well as 11 municipal councils which are under the direct control of the Republic's institutions. As the following table shows, there is a clear process of urbanisation under way in Lithuania. Whilst the population of some of the areas covered by the municipal councils has increased significantly, it has remained level in many of the districts and actually fallen in some regions which were already among the more sparsely-populated. On the other hand, densely-populated industrial centres such as Mazeikiai and Taurage are still attracting members of the potential labour force.

3.6 AREA, POPULATION AND POPULATION DENSITY BY DISTRICT AND MUNICIPAL COUNCIL*

District/ municipal council	Area km ²	1989 ¹	1992	1989	1992	Change
		Population		Inhabitants per km ²		1989/92 %
		1,000				
Districts:						
Akmene	1.055	37.8	38.4	35.8	36.4	1.6
Alytus	1.410	32.7	31.5	23.2	22.3	3.7
Anyksciai	1.765	38.3	38.4	21.7	21.8	0.3
Birzai	1.476	38.6	38.9	26.2	26.4	0.8
Ignalina	1.505	59.0	59.7	39.2	39.7	1.2
Jonava	944	54.0	54.4	57.2	57.6	0.7
Joniskis	1.152	32.9	34.2	28.6	29.7	4.0
Jurbarkas	1.508	40.2	40.6	26.7	26.9	1.0
Kaisiadorys	1.167	40.2	40.0	34.4	34.3	0.5
Kaunas	1.530	85.5	87.6	55.9	57.3	2.5
Kedainiai	1.677	69.4	70.5	41.4	42.0	1.6
Kelme	1.705	42.9	42.9	25.2	25.2	0
Klaipeda	1.366	45.0	45.9	32.9	33.6	2.0
Kretinga	991	44.1	44.7	44.5	45.1	1.4
Kupiskis	1.080	25.9	26.3	24.0	24.4	1.5
Lazdijai	1.541	33.4	33.2	21.7	21.5	0.6
Marijampole	1.544	49.2	49.6	31.9	32.1	0.8
Mazeikiai	1.009	61.2	63.8	60.7	63.2	4.2
Moletai	1.368	27.3	27.0	20.0	19.7	1.1
Pakruojis	1.316	30.7	31.3	23.3	23.8	2.0
Panevezys	2.199	41.9	42.3	19.1	19.2	1.0
Pasvalys	1.289	36.8	37.0	28.5	28.7	0.5
Plunge	1.691	53.9	55.7	31.9	32.9	3.3
Prienai	1.142	39.5	39.5	34.6	34.6	0
Radviliskis	1.635	54.8	55.6	33.5	34.0	1.5
Raseiniai	1.573	46.1	46.3	29.3	29.4	0.4
Rokiskis	1.807	47.8	48.4	26.5	26.8	1.3
Sakiai	1.613	41.6	42.0	25.8	26.0	1.0
Salcininkai	1.492	41.5	41.2	27.8	27.6	0.7
Siauliai	1.819	49.9	50.7	27.4	27.9	1.6
Silale	1.188	31.7	32.4	26.7	27.3	2.2
Silute	2.243	69.0	70.5	30.8	31.4	2.2

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3.6 AREA, POPULATION AND POPULATION DENSITY BY DISTRICT AND MUNICIPAL COUNCIL * (continued)

District/ municipal council	Area km ²	1989 ¹	1992	1989	1992	Change	
		Population		Inhabitants per km ²		1989/92	
		1,000				%	
Sirvintos	906	21.5	21.5	23.7	23.7		0
Skuodas	911	26.6	27.4	29.2	30.1		3.0
Svencionys	1,692	37.8	36.4	22.3	21.5		3.7
Taurage	1,179	52.6	54.8	44.6	46.5	+	4.2
Telsiai	1,439	59.2	60.7	41.1	42.2	+	2.5
Trakai	1,659	81.7	81.8	49.2	49.3	-	1.1
Ukmerge	1,395	52.5	52.9	37.6	37.9	+	0.8
Utena	1,229	52.3	53.7	42.6	43.7	+	2.7
Varena	2,417	38.5	38.3	15.9	15.8	-	0.5
Vilkaviskis	1,286	52.2	52.9	40.6	41.1	+	1.3
Vilnius	2,220	93.8	92.9	42.3	41.8	-	1.0
Zarasai	1,334	25.9	25.4	19.4	19.0	-	1.9
Municipal councils :							
Alytus	34	73.1	77.5	2,150.0	2,279.4	+	6.0
Birstonas	13	4.1	4.3	315.4	330.8	+	4.9
Druskininkai	22	22.5	24.1	1,022.7	1,095.5	+	7.1
Kaunas	123	422.6	433.6	3,435.8	3,525.2	+	2.6
Klaipeda	71	204.0	208.3	2,873.2	2,933.8	+	2.1
Marijampole	20	50.5	52.3	2,525.0	2,615.0	+	3.6
Neringa	90	2.5	2.6	27.7	28.9	+	4.0
Palanga	74	19.4	21.3	262.2	287.8	+	9.8
Panevezys	30	126.5	132.3	4,216.7	4,410.0	+	4.6
Siauliai	70	145.0	149.0	2,071.4	2,128.6	+	2.8
Vilnius	287	582.4	596.9	2,029.3	2,079.8	+	2.5

*) As at beginning of year.

1) Census results.

The urban population has risen overall from 50.2 % of the total population in 1970 to 68.5 % in 1993. When one considers that the rural population stood at 77 % of the total population before the outbreak of the Second World War and accounts for just 31.5 % nowadays, it becomes quite clear from these figures just how enormous the structural change has been in Lithuania, transforming it from a distinctly agricultural nation into one with a highly-developed industrial sector, one of the most industrially, advanced States in the former Soviet Union.

3.7 URBAN AND RURAL POPULATION*

Survey item	Unit	1970 ¹	1979 ¹	1989 ¹	1992	1993
In towns	1,000	1,571.7	2,062.0	2,509.3	2,589.3	2,570.9
	%	50.2	60.7	68.0	68.8	68.5
In rural districts	1,000	1,556.5	1,336.0	1,180.5	1,172.1	1,180.5
	%	49.8	39.3	32.0	31.2	31.5

*) As at beginning of year.

1) Census results.

Lithuania has five towns with over 100,000 inhabitants. The largest is the capital Vilna (Vilnius) which recorded 590,100 inhabitants in 1993, making it much the same size as Stuttgart or Dortmund. It is followed by Kaunas which, with 429,000 inhabitants, is slightly larger than Bochum. Klaipeda has 206,400 inhabitants, roughly the same as Erfurt, whilst Siauliai (147,800 inhabitants) is on a par with Neuss or Salzgitter and Panevezys (132,000) is comparable to Bremerhaven or Schwerin. The population of Vilnius has risen by over 200,000 since 1971, the highest increase of all these towns in absolute terms.

3.8 POPULATION IN SELECTED TOWNS*

(in thousand)

Town	1971	1980	1990	1992	1993
Vilnius	385.6	492.0	592.5	596.9	590.1
Kaunas	314.0	376.8	429.7	433.6	429.0
Klaipeda	143.4	177.8	206.2	208.3	206.4
Siauliai	94.3	121.0	147.6	149.0	147.8
Panevezys	76.4	104.0	129.0	132.3	132.0
Alytus	30.3	57.4	74.9	77.5	77.6
Marijampole	.	39.8	51.4	52.3	52.1
Druskininkai	.	17.2	23.0	24.1	24.3
Palanga	.	14.1	20.0	21.3	21.5
Neringa	.	2.3	2.5	2.6	2.7
Birstonas	.	3.5	4.2	4.3	4.3

*) As at beginning of year.

The vast majority of the total population is Lithuanian (almost 80 %). In contrast to Estonia and particularly Latvia, only 9.4 % of the inhabitants are Russian, with the result that the problems caused since independence by the ethnic composition of the population have been comparatively minor. A disproportionately high percentage of the Russians do, however, live in the towns, primarily as a consequence of the massive influx of Russian labour to the developing industrial centres, and they account for 12.3 % of Lithuania's urban population.

In the capital, Vilnius, approximately 20 % of the inhabitants are Russian and 19 % are Polish. Poles account for 7 % of the total population, and the only other ethnic minorities of any great size are the Belorussians (1.7 %) and the Ukrainians (1.2 %).

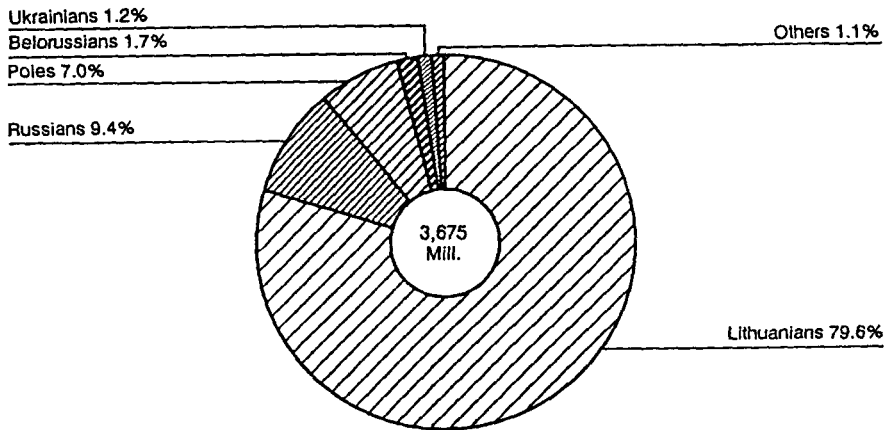
3.9 POPULATION BY ETHNIC GROUP*

Ethnic group	1970		1979		1989	
	1,000	%	1,000	%	1,000	%
Total	3,128.2	100	3,391.5	100	3,674.8	100
Lithuanians	2,506.8	80.1	2,712.2	80.0	2,924.3	79.6
Russians	268.0	8.6	303.5	8.9	344.5	9.4
Poles	240.2	7.7	247.0	7.3	258.0	7.0
Belorussians	45.4	1.5	57.6	1.7	63.2	1.7
Ukrainians	25.1	0.80	32.0	0.94	44.8	1.20
Latvians	5.1	0.16	4.4	0.13	4.4	0.12
Tatars	3.5	0.11	4.0	0.12	4.4	0.12

*) Census results.

There are no exact data available on the religious beliefs of the Lithuanian population, only that in 1990 there were religious communities belonging to 13 different denominations. As a result of being linked with Poland for a number of centuries, most believers in Lithuania belong to the Roman Catholic church. Besides this, there are fairly sizeable communities of Russian Orthodox believers, Lutherans, reformed Protestants and Old Catholics.

POPULATION BY ETHNIC GROUPS 1989



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4. HEALTH

Under the regulations in force in the former Soviet Union, health care in Lithuania was almost exclusively the responsibility of the State and its governing bodies. All citizens were guaranteed free medical care from check-ups right through to the dispensing of medicine, and employees were entitled to full-wage payments in case of sickness. Nevertheless, the general health of the population has deteriorated over the last decade due to various factors, but especially changes in living habits and environmental damage.

The number of medical establishments fell dramatically during the 1970s and has levelled off since 1980 at around 200 hospitals. However, the provision of medical equipment and appliances in hospitals is unsatisfactory, as is the supply of medicines and pharmaceutical products in many establishments. Despite this, the number of hospital beds has risen substantially over the same period to the present 44,000, producing a ratio of one hospital bed per 85 inhabitants in 1992.

Although this is quite respectable in international terms, there are not enough beds available in certain areas to offer everyone the in-patient treatment required.

4.1 HOSPITALS AND HOSPITAL BEDS*

Survey item	Unit	1970	1980	1990	1991	1992
Hospitals	Number	273	204	197	202	197
Hospitals beds	1,000	32.4	41.2	46.2	45.9	44.2
Inhabitants per bed	Number	98	83	81	82	85

*) As at end of year.

The number of doctors more than doubled between 1970 and 1990, and then dropped by almost 11 % by 1992. 13,272 doctors were employed by the health service in 1992, an average of one doctor tending to 283 inhabitants. This ratio is also remarkably high by Western standards, but says nothing about the quality of the medical care. It should be borne in mind that in principle all doctors, regardless of their expertise and number of patients, receive the same pay, which on average is still lower than that of a skilled worker.

There has also been a considerable increase in the number of dentists, who numbered 2,026 in 1992, an average of one dentist per 1,851 inhabitants. The number of chemists and nursing staff followed the same pattern, rising appreciably from 1970 to 1990 before falling back again slightly.

4.2 DOCTORS, DENTISTS AND OTHER MEDICAL STAFF*

Survey item	Unit	1970	1980	1990	1991	1992
Doctors	Number	7,263	11,453	14,891	14,464	13,272
Inhabitants per doctor	Number	435	299	251	259	283
Dentists	Number	1,418	1,924	2,236	2,120	2,026
Inhabitants per dentist	Number	2,228	1,779	1,671	1,767	1,851
Chemists with higher qualifications	1,000	2.4	3.0	4.0	4.2	
	1,000	1.1	1.4	2.0	2.0	
Nursing staff	Number	12,589	20,540	30,075	29,189	39,795
Midwives	Number	3,514	4,193	3,965	1,972	

*) As at end of year.

Diseases of the circulatory system were by far the largest single cause of death, followed by malignant neoplasms. Of the 41,013 deaths recorded in 1991, over half (55.3 %) were caused by heart diseases and almost one-fifth (17.3 %) by cancers. The suicide rate of 30 per 10,000 inhabitants in 1991 was very high in comparison to other European countries.

There was a considerable fall in the recorded number of pregnancies terminated between 1980 and 1991, down from 45,200 abortions in 1980 to 26,600 in 1991. This works out at 47 interrupted pregnancies per 100 births.

4.3 MORTALITY BY SELECTED CAUSE OF DEATH

Cause de décès	1970	1980	1990	1991
Infectious and parasitic diseases	753	469	339	377
Tuberculosis	559	297	253	294
Malignant neoplasms	4 438	5 457	6 959	7 089
Endocrines, metabolic diseases and immune system disorders	77	150	261	314
Mental illnesses	80	289	297	382
Diseases of the nervous system and sensory organs	238	271	278	333
Diseases of the circulatory system	13 012	19 400	23 011	22 686
Diseases of the respiratory system	4 232	3 101	1 818	1 705
Pneumonia	490	367	163	156
Bronchitis and asthma	1 529	1 229	1 538	1 422
Diseases of the digestive system	648	756	863	908
Diseases of the urogenital system	382	443	556	533
Congenital abnormalities	346	461	370	379
Certain diseases arising during the perinatal period	151	145	237	426
Suicides	787	1 206	969	1 142

5. EDUCATION

The State education system in Lithuania covers pre-school education, secondary education, vocational education, higher education and vocational training, continuing vocational training after the completion of an initial training course, and retraining.

Up until the end of the 1980s, most children attended pre-school establishments, as the high percentage of females in the working population (54 %) meant that young children had to be cared for in crèches and day nurseries. Between the end of the Second World War and 1991, a total of 251,300 new places were created in pre-school establishments, although the figure for the period between 1986 and 1990 (31,300) was substantially lower than the 55,700 new places created between 1981 and 1985. This slowdown in the creation of new pre-school establishments continued in 1990 (3,300 new places) and 1991 (2,700), leading to a reduction in both the number of pre-school establishments and the number of users. The main reason for this is the change in social policy. Rather than further extending the network of crèches and day centres, the government offered mothers the possibility of taking maternity leave until the child reached the age of three and thereafter being exempted from work until the child's eighth birthday. As a result of these measures, more and more parents decided to bring their children up at home, which led to the percentage of children aged 1 to 6 attending pre-school establishments falling from 62 % in 1985 to 37 % in 1991. The figures for rural areas fell from 34 % to 16 %. On the other hand, in 1991 there were 4,600 children who could not get a place in pre-school establishments.

4,200 mentally or physically handicapped children were cared for in special pre-school establishments.

School is compulsory in Lithuania from the age of six. By far the largest number of children attend junior secondary schools, which constitute the backbone of the educational system.

5.1 DATA ON THE PRE-SCHOOL SYSTEM*

Survey item	Unit	1970	1980	1990	1991
Pre-school establishments	Number	794	1,116	1,681	1,422
Town	Number	567	684	813	795
Country	Number	227	432	868	627
Children cared for	1,000	80.1	152.1	163.2	128.8
Town	1,000	74.2	135.6	137.1	112.0
Country	1,000	5.9	16.5	26.1	16.8
Coverage ratio ¹	%	24.9	49.9	47.6	37.2
Town	%	47.5	68.9	58.1	50.3
Country	%	3.6	15.2	24.3	15.5

*) As at end of year. - 1) Proportion of children of pre-school age attending pre-school establishments.

The school-leaving certificate can be taken at junior secondary schools, vocational schools, grammar schools, "lycées" (institutes of pre-university secondary education), night schools, residential schools, special schools for physically and mentally handicapped children and out-of-school educational establishments. The general education programme is conducted through primary schools (1st to 4th classes), junior secondary schools with no leaving certificate (4th to 9th classes), junior secondaries with a leaving certificate and upper secondary schools (4th to 10th and 4th to 12th classes respectively).

5.2 GENERAL SCHOOLS*

Establishment	1970/71	1980/81	1990/91	1991/92
General schools	3.759	2.364	2.157	2.147
Day schools	3.611	2.257	2.098	2.115
Primary schools	2.297	986	778	799
Junior secondary schools with no leaving certificate	793	635	590	576
Junior secondaries with a leaving certificate and upper secondary schools	493	584	674	685
Schools for physically and mentally handicapped children	28	52	56	55
Night schools	148	107	59	32

*) As at beginning of school year.

Between 1946 and 1991 a total of 1,368 new schools were built in Lithuania for 676,500 pupils.

This construction work has tailed off over the last few years with 18 schools being built in 1990 and 11 in 1991. This trend was echoed by the number of pupils, which fell from around 600,000 in the 1980/81 school year to 512,400 in 1992/93.

5.3 PUPILS IN GENERAL SCHOOLS*

(in thousand)

Établissements	1970/71	1980/81	1990/91	1991/92
Total	572.2	599.3	525.2	517.1
Day schools	539.6	535.5	513.1	509.8
Primary schools	64.5	18.1	14.8	19.5
Junior secondary schools with no leaving certificate ¹⁾	118.2	76.8	48.8	48.1
Junior secondaries with a leaving certificate and upper secondary schools	351.9	429.4	438.1	432.1
Schools for physically and mentally handicapped children	5.0	11.2	11.4	10.1
Night schools	32.6	63.8	12.1	7.3

*) As at beginning of school year.

1) Nine schools years. Up until 1985/86 = eight school years.

Alongside the general schools, there are also a large number of out-of-school establishments for schoolchildren, such as cultural centres for children and young people which offer a range of leisure activities, centres for young technicians and natural scientists, music, art and sports schools, summer holiday camps and student libraries. These establishments were frequented by a total of 176,000 schoolchildren in 1991. Under the Lithuanian educational system, mixed-language or foreign-language instruction is provided in a number of schools. In the 1992/93 school year, Lithuanian was the language of instruction in 1,887 schools, there was mixed-language teaching in 104 schools, Russian was the language of instruction in 87 schools and Polish in 53 schools. Almost 14 % of all pupils were educated in Russian and a further 3 % in Polish.

Whilst 60 % of all pupils took part in religious education, the figure was 91 % in Polish-speaking schools, but only 12 % in Russian-speaking schools.

There was an increase of almost 10,000 in the number of teachers in general schools between 1970/71 and 1990/91. With total staff numbers currently at around 43,400, the average number of pupils per teacher has fallen over this period from 17 to 12.

Despite this positive trend, in the 1991/92 school year teaching was still being carried out in shifts at 45,3 % of urban day schools, 16,1 % of all pupils at these schools being affected. The main reason for this is a lack of classrooms and modern teaching materials.

5.4 INSTRUCTION IN SHIFTS AT GENERAL SCHOOLS*

Survey item	1970/71	1980/81	1990/91	1991/92
(Number)				
Schools with instruction in shifts	410	234	293	245
Town	242	164	255	220
Country	168	70	38	25
(1,000)				
Pupils taught in shifts	109	51	73	62
Town	98	46	70	59
Country	11	5	3	3
(Percentage)				
Schools with instruction in shifts	11.4	10.6	14.3	11.9
Town	66.9	41.0	55.3	45.3
Country	5.2	3.9	2.4	1.6
Pupils taught in shifts	20.4	9.8	15.1	12.8
Town	33.2	13.0	18.3	16.1
Country	4.6	3.0	2.7	2.2

*) As at beginning of the school year. Excluding schools for mentally and physically handicapped children

In 1991, 41,500 pupils left school without any qualifications (at the end of the 9th class of junior secondary school), substantially less than the 1970 figure of 51,400 (when pupils could leave after the 8th class).

Over this same period there was very little change in the number of students leaving junior and upper secondary schools with school-leaving certificates. This said, however, the figure of 22,500 in 1991 is well down on the 54,500 school-leavers who obtained leaving certificates in 1980. Upon completion of their secondary studies, school-leavers have the possibility of acquiring further training and education in vocational colleges, technical colleges or universities before they enter the labour market. These establishments are also open to persons in employment who wish to follow continuing education or retraining courses.

In 1992/93 there were 104 vocational colleges with 42,200 students, 63 technical colleges with 29,800 students and 15 universities with 55,300 students. Over two-thirds of these were full-time students, about a quarter were following correspondence courses and 6 % were attending evening classes.

5.5 DATA ON VOCATIONAL COLLEGES, TECHNICAL COLLEGES AND UNIVERSITIES

Survey item	Unit	1970/71	1980/81	1990/91	1991/92	1992/93
Vocational colleges ¹	Number	65	87	105	108	104
Students	1,000	28	55	48	46	42
Technical colleges	Number	81	70	64	65	63
Students	1,000	65	68	46	37	30
Universities	Number	12	12	13	14	15
Students	1,000	57	71	67	61	55

1) As at end of 1970, 1980, etc.

The number of graduates from technical colleges in 1991 was the same as in 1970 (13,300), although this figure had been up at 19,300 in 1980. In 1991, 9,219 students graduated from universities - 25 per 1,000 inhabitants. Well over half (57.7 %) had studied either education (1,360 graduates), arts and humanities (1,354), agriculture and forestry (934), economics (929) or the natural sciences (740).

With approximately 43,000 inhabitants unable to read or write, the illiteracy rate in Lithuania is 1.2 %.

6. EMPLOYMENT

Lithuania's return to independence and its adoption of free market reforms are bringing about radical changes in the labour market, though these have still not assumed the scale of the upheavals in other States which have emerged since the split-up of the Soviet Union. The right to work was enshrined in the constitution of the former Soviet Union and every citizen of working age was entitled to a job. Although there was a very considerable level of concealed unemployment and underemployment, officially there were no unemployed. In Lithuania, a law entered into force in 1991 which did make unemployment legally possible, but the existing legislation still offers the employee much greater protection from dismissal than in the neighbouring Baltic states and other former Soviet republics.

In 1992, the economically active population of Lithuania stood at around 1.88 million, an increase of 107,000 (6 %) on 1980 and 33,000 (1.8 %) on 1990. Given the dramatic fall in Lithuania's gross national product since 1990, the positive trends for employment can only be explained by State intervention to prevent large-scale redundancies, with many enterprises having to resort to short-time working and unpaid leave. The employment rate in 1992 stood at 88.7 % of the population of working age, although it should be borne in mind that the regulations governing the working age are still those from the Soviet era, i.e 16-54 for females and 16-59 for males. In 1992, the proportion of the total population made up by persons of working age was 56.7 %.

6.1 DATA ON THE LABOUR MARKET

Survey item	Unit	1970	1980	1990	1991	1992
Persons of working age	1,000	1,669.4	1,963.7	2,107.7	2,112.2	2,126.0
As proportion of total population	%	53.5	57.5	56.8	56.5	56.7
Active population	1,000	1,574.2	1,778.6	1,852.7	1,897.6	1,886.0
As proportion of those of working age	%	94.3	90.6	87.9	89.8	88.7

According to data for 1989, the highest activity rates were for males aged between 30 and 35 (97.8 %) and females aged from 35 to 45 (94.8 %). 44 % of females aged 55 to 60 and almost 45 % of men between the ages of 60 and 65 were still economically active beyond the age of retirement, and the activity rate was still over 9 % for males aged over 70.

6.2 ECONOMICALLY ACTIVE POPULATION AND ACTIVITY RATES IN 1989 BY AGE GROUP*

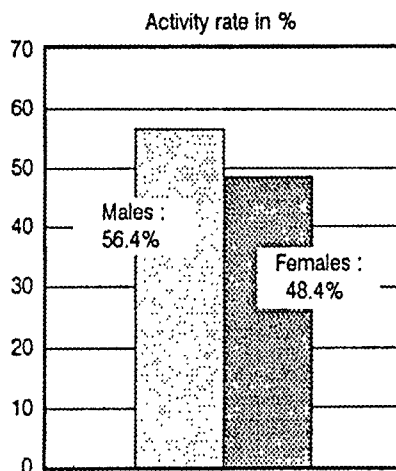
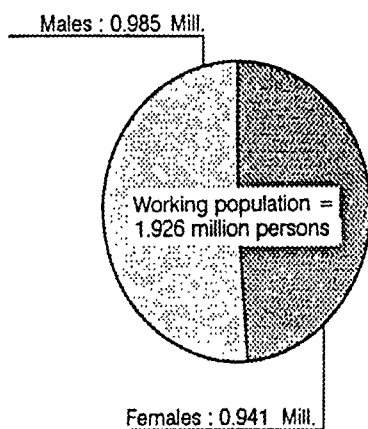
Age (from ... to ...)	Economically active population			Activity rate ¹		
	Total	Males	Females	Total	Males	Females
	1,000			Share in %		
Total	1,926.0	985.0	941.0	52.4	56.6	48.6
15-20	68.0	40.0	28.0	24.2	27.5	20.7
20-25	215.0	114.0	101.0	76.9	79.4	74.3
25-30	291.0	152.0	139.0	93.3	96.5	89.9
30-35	265.0	135.0	130.0	95.5	97.8	93.1
35-40	236.0	117.0	119.0	96.1	97.5	94.8
40-45	202.0	98.0	104.0	95.9	97.2	94.8
45-50	214.0	102.0	112.0	94.4	95.3	93.5
50-55	198.0	93.0	105.0	89.9	92.5	87.7
55-60	132.0	80.0	52.0	62.4	85.8	44.0
60-65	63.0	33.0	30.0	33.7	44.6	26.6
65-70	26.0	13.0	13.0	19.6	26.3	15.6
70 and over	16.0	8.0	8.0	6.2	9.3	4.6

*) Persons aged 15 and over. Partial results from the census held in the former Soviet Union on 12.1.1989.

1) Related to the total population.

When one looks at the trend in economic activity by form of enterprise, it is clear that there has been considerable structural change since 1990. Whereas the number of persons employed in the private sector stood at just 3.7 % in 1990, the figure rose to 15.5 % in 1991 and soared to 23.8 % by 1992. The other side of the coin was a fall in the percentage of active persons employed in State enterprises and organisations from 77.7 % in 1990 to 63.0 % in 1992, whilst the number of those working for cooperative enterprises and establishments dropped over the same period from 18.5 % to 13.2 %.

WORKING POPULATION AND ACTIVITY RATES 1989



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In 1991, 41 % of the working population was employed in the services sector compared to only 30 % in 1970, and a further 40 % worked in industry (1970: 37 %). There has been a substantial reduction in the numbers working in agriculture and forestry, down from over 31 % in 1970 to just under 18 %.

6.3 WORKING POPULATION BY FORM OF ENTERPRISE*

Enterprise	1980	1990	1991	1992	1980	1992
	1,000				Share in %	
Total	1,778.6	1,852.7	1,897.6	1,886	100	100
State enterprises and organisations	1,418.2	1,440.2	1,332.9	1,188	79.7	63.0
Kolkhozes (collective farms)	236.8	227.1	209.4		13.3	
Consumer cooperatives	63.1	66.6	61.1	249	3.6	13.2
Cooperatives	-	49.7	-		-	
Private enterprises and companies	3.8	9.0	250.3		0.2	
Individual forms of economic activity	56.7	60.1	43.8	449	3.2	23.8

*) Annual average.

The following table details changes in the structure of employment:

6.4 WORKING POPULATION BY BRANCH OF ECONOMIC ACTIVITY*

Branch of economic activity	1970	1980	1990	1991	1980	1991
	1,000				Share in %	
Total	1,574.2	1,778.6	1,852.7	1,897.6	100	100
Agriculture, forestry, fisheries	495.4	401.2	350.2	337.5	22.6	17.8
Industry	583.8	694.9	764.1	749.6	39.1	39.5
Manufacturing industry ¹	437.1	532.5	555.1	566.9	30.0	29.9
Construction industry	146.7	162.4	209.0	182.7	9.1	9.6

(continued on next page)

6.4 WORKING POPULATION BY BRANCH OF ECONOMIC ACTIVITY* *(continued)*

Branch of economic activity	1970	1980	1990	1991	1980	1991
	1,000				Share in %	
Services	480.2	658.5	694.1	777.4	37.0	41.0
Distributive trades, hotels and catering	101.3	142.5	152.3	188.6	8.0	9.9
Banking, insurance and real estate	4.9	8.8	12.0	10.7	0.5	0.6
Transport and communications	113.0	141.9	105.0	132.5	8.0	7.0
Local authority, social and personal services	261.0	365.3	424.8	445.6	20.5	23.5
Other unspecified branches ²	14.8	24.0	44.3	33.1	1.3	1.7

*) Annual average.

1) Including energy and water, mining, quarrying and soil extraction.

2) Other branches of material production, including computer services.

Given that the activity rate in Lithuania is still astonishingly high, it is little wonder that the number of unemployed is extremely low in comparison with other countries switching over to a market economy. At the end of 1991, only 9,600 persons were registered as unemployed, two-thirds of whom were women. The following year, women made up 60 % of the unemployment figure. The vast majority of the unemployed were formerly salaried employees, and just 35 % had been manual workers.

At the end of December 1992, the jobless total stood at 20,700 and by March 1993 the number had risen to 29,000, an unemployment rate of only 1.3 %. According to press reports, however, the figure was already nearer 50,000 and it can be assumed that concealed unemployment is several times higher than the official figures. Experts in the field estimate that at the end of the first quarter of 1993 there were a further 250,000 persons working short time or forced to take unpaid leave. When these numbers are included, the actual unemployment rate rises to over 10 %. Independently of these different methods of calculation, it is likely that as the Lithuanian economy continues to contract, the situation on the labour market will become more and more difficult and will lead to an increasing number of redundancies.

7. AGRICULTURE, FORESTRY, FISHERIES

There is a long tradition of agriculture in Lithuania. Up until its incorporation into the Soviet Union during the Second World War, it had been a distinctly agricultural nation with around 160,000 private agricultural holdings. Whilst industry gained in importance over the following decades, agriculture continued to play a key role in the economy as its economic units were grouped together into large collective or nationalized farms. In 1990, agricultural production still accounted for around one-third of produced national income (PNI). Approximately one-quarter of all State investment flowed into agriculture between 1985 and 1990 and almost 20 % of the active population worked in this sector. Since 1990, the emphasis has switched more towards other sectors of the economy, due to factors such as the political and social changes in Lithuania and prolonged periods of drought. At the beginning of 1993, 54 % of the country's surface area was used for agricultural purposes: of this, 85.4 % was used for arable land and grassland, 13 % for meadows and pastures and 1.6 % for permanent crops.

The most fertile soil is in the centre of Lithuania and the least productive area is in the east. Only 70 % of the area to be sown could be drained by the removal of water from large tracts of waterlogged and swampy ground, primarily in the north and the south of the country. Irrigation, on the other hand, plays a minor role, with just 1.2 % of the utilized agricultural area (mainly meadows and pastures) being irrigated in 1990. The following data are available on the trends in land use between 1985 and 1990.

7.1 LAND USE*

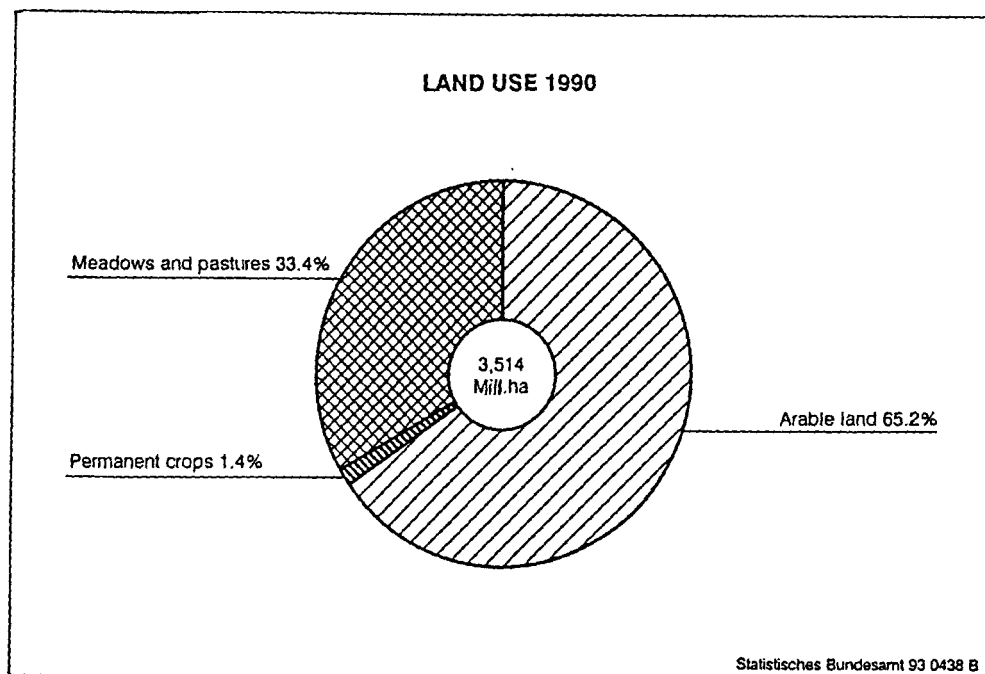
(in thousand ha)

Type of use	1985	1987	1988	1990	1993
Utilized agricultural area	3,684.1	3,654.1	3,650.4	3,513.5	3,524.1 ^a
Arable land	2,438.1	2,406.1	2,378.0	2,292.1	
Permanent crops	53.0	50.3	50.8	49.3	
Meadows and pastures	1,193.0	1,197.7	1,221.6	1,172.1	
Drained surface area ¹	2,542.4	2,524.4	2,562.8	.	
Irrigated surface area ¹	37.2	40.6	42.1	42.7	

*) As at 1 November.

1) Excluding private holdings.

a) As at 1 January.



Agriculture in Lithuania is still dominated by large State and cooperative farms. On average, the State farms cover over 2,700 ha and the cooperative farms 2,500 ha of utilized agricultural area, they have an extensive range of technical equipment and in 1990 employed 322,000 agricultural workers. These State-owned farms and agricultural production cooperatives are characterised by the following important indicators:

7.2 DATA ON SELECTED AGRICULTURAL HOLDINGS

Survey item	Unit	1985	1987	1988	1989	1990
(Cooperatives (Kolkhozes))						
Holdings ¹	Number	737	737	749	834	882
Employees	1,000	230	224	221	227	228
Utilized agricultural area	1,000 ha	2,240	2,226	2,228	2,246	2,260
Cultivated area	1,000 ha	1,460	1,450	1,442	1,500	1,475
(Cooperatives (Kolkhozes))						
Livestock population ¹						
Cattle	1,000	1,347	1,362	1,328	1,365	1,343
Dairy cows	1,000	385	382	374	382	380
Pigs	1,000	1,380	1,389	1,391	1,455	1,309
(State farms (Sovkhozes))						
Holdings ¹	Number	311	310	311	275	253
Employees	1,000	127	124	122	107	94
Utilized agricultural area	1,000 ha	1,023	1,011	1,001	827	691
Cultivated area	1,000 ha	644	636	625	533	465
Livestocks population ¹						
Cattle	1,000	552	557	536	463	402
Dairy,cows	1,000	163	160	155	134	118
Pigs	1,000	437	443	438	379	299

*) As at end of year.

Following the introduction of legislation which promoted the setting up of individual farms (e.g. by means of a law on land reform), the fledgling privatisation process took off. At the end of 1989, 1 162 farmers ran private businesses; three years later this figure had soared to 73,000, accounting for almost 20 % of the utilized agricultural area.

7.3 PRIVATE AGRICULTURAL HOLDINGS (FARMEN)

Survey item	Unit	1990	1991	1992
Farms	Number	2,892	5,904	72,958
Surface area	1,000 ha	48.7	94.0	683.3
Average size of holding	ha	1.7	1.6	9.4
Share of utilized agricultural area	%	1.1	2.0	18.3

In 1990, there were also still 77 so-called "intermediate" agricultural establishments and organisations with around 6,500 employees.

There was only a very slight increase in agricultural machinery during the 1980s. Most of the machines in operation are old and in dire need of repair, and the supply of spare parts often leaves much to be desired. All this despite the fact that the level of mechanisation in Lithuanian agriculture was much higher than in most of the other former Soviet republics.

7.4 MACHINES AND EQUIPMENT*

(in thousand)

Type of machine	1980	1985	1986	1988	1990
Tractors	45.9	48.4	48.6	49.1	48.8
Combine harvesters	10.3	12.2	12.2	11.5	10.9
Heavy goods vehicles ¹	.	27	.	30	.

*) As at end of year.

1) Kolkhozes only.

7.5 SUPPLY OF CHEMICAL FERTILIZERS TO AGRICULTURE*

(in thousand tonnes pure nutrient content)

Type of fertilizer	1985	1987	1988	1989	1990
Total	689	689	807	722	661
Nitrogenous	284	277	296	270	214
Phosphatic	143	159	169	174	175
Potash	262	253	342	278	272

*) Including chemical nutrients.

The index of agricultural production rose on average to 112 % in the period from 1986 to 1990 compared to the base period of 1981-1985, with animal production going up faster than crop production (114 % as against 108 %). Agricultural production in 1990 was down 9 % on the previous year and this slide continued in 1991 and 1992, primarily as a result of the prolonged period of drought and major problems with the supply of feedstuffs.

7.6 INDEX OF AGRICULTURAL PRODUCTION

(1985 = 100)

Type of index	1986	1987	1988	1989	1990
Total production	105	105	107	109	99
Per inhabitant	104	103	104	105	95
Crop production	107	105	108	112	92
Animal production	103	104	106	107	102

The available arable land is mainly used to grow cereals, forage crops and potatoes, the 1991 figures for these products being 49 %, 39 % and 5 % respectively. The remaining land was divided up between pulses, industrial plants and vegetables.

It is clear from this breakdown that crop production is geared towards livestock farming, the high percentage of fodder crops, along with pasture plants, accounting for around 40 % of the annual total for fodder. In addition, a substantial slice of the cereals crop is used for fodder supplies.

Whilst the total area under crops fell in 1991 to 89 % of the 1985 figure, the figures for winter wheat and spring barley rose to 103 % and 109 % respectively. The largest fall was recorded for pulses (down to 53 %).

7.7 AREAS UNDER SELECTED CROPS

(in thousand ha)

Product	1985	1987	1989	1990	1991
Total	2,348	2,346	2,292	2,214	2,095
Cereals and pulses	1,147	1,120	1,125	1,084	1,087
winter rye	169	157	180	168	138
winter wheat	261	227	319	347	268
spring barley	478	492	406	399	521
oats	101	93	89	77	81
pulses	122	139	119	82	65
Sugar beet	35	35	34	32	30
Potatoes	131	131	120	113	106
Fodder crops	981	1 000	955	933	823
perennial grasses	579	595	620	610	545
annual grasses	130	111	109	106	83
green maize and silage					
maize	85	84	77	78	66
silage ¹	128	147	89	83	71
fodder roots ²	59	61	58	54	56

1) Excluding silage maize.

2) Including sugar beet for feeding livestock.

The quantities of cereals harvested rose by 41 % between 1985 and 1991, increases being recorded by all varieties. On the other hand, there were appreciable falls in the harvest volumes for pulses, sugar beet, potatoes and some fodder crops.

The 3 % growth in cereal production in 1991 on the previous year's figure was mainly due to the substantial increase in spring barley (42 %). This year also saw a large rise in vegetable production, whilst the harvest volumes for most other products fell in 1991 from their 1990 level.

7.8 HARVEST VOLUMES FOR SELECTED CROPS

(in thousand tonnes)

Product	1985	1987	1989	1990	1991
Cereals and pulses	2,468	3,063	3,272	3,265	3,348
Winter rye	310	379	510	470	345
Winter wheat	613	749	1,152	1,176	841
Spring barley	1,090	1,334	1,129	1,191	1,693
Oats	180	241	201	196	233
Pulses	236	328	253	200	194
Sugar beet	938	838	1,075	912	811
Potatoes	1,851	1,397	1,927	1,573	1,508
Vegetables	331	317	326	295	398
Fodder roots ¹	2,184	2,380	3,118	2,679	2,446
Green maize and silage maize	2,609	2,552	2,823	2,171	1,712
Annual grasses ²	395	393	372	367	304
Hay from annual grasses	4.3	10.7	9.5	6.7	9.1
Perennial grasses ²	1,856	2,144	2,147	1,964	1,910
Hay from perennial grasses	765	930	992	842	842
Hay from natural pastures	981	1,023	1,034	956	1,000

1) Including sugar beet for feeding livestock.

2) Converted into hay.

In 1992, the cereals harvest was down to just 2.2 million tonnes (down by a third on the previous year), the potato harvest fell to 1.1 million tonnes (-28.4 %), sugar beet to 0.6 million tonnes (-23.3 %) and vegetables to less than 0.3 million tonnes (-34.7 %).

The yields per hectare in Lithuania were still much higher in 1991 than in most other former republics of the Soviet Union, but the figures for most crops fell well short of those recorded in the industrialised countries of Western Europe.

The main reason for this is undoubtedly the low level of mechanisation, with the bulk of the potato harvest, for example, still being brought in by hand due to a lack of technology and spare parts and the fact that the per-hectare volumes achieved by the machines used are not up to Western levels. Nevertheless, with the exception of green maize and silage maize, the yields per hectare in 1991 for all types of crops were, at times, well up on the 1985 figures, and even improved on the previous year's levels for some of the more important crops such as cereals, pulses, potatoes and vegetables.

7.9 YIELDS FOR SELECTED CROPS

(dt/ha)

Product	1985	1987	1989	1990	1991
Cereals and pulses	21.5	27.3	29.1	30.1	30.8
Winter rye	18.4	24.1	28.4	28.0	25.0
Winter wheat	23.5	33.1	36.1	33.9	31.5
Spring barley	22.8	27.1	27.8	29.9	32.5
Oats	17.8	26.0	22.4	25.3	28.7
Pulses	19.3	23.6	21.2	24.4	29.9
Sugar beet	269	238	313	285	272
Potatoes	141	107	161	140	142
Vegetables	166	153	180	171	185
Fodder roots ¹	387	391	535	492	434
Green maize and silage maize	306	304	367	279	259
Annual grasses (hay)	23.9	42.5	35.5	26.5	36.8
Perennial grasses (hay)	38.8	43.2	42.4	38.0	39.9

1) Including sugar beet for feeding livestock.

The real cornerstone of Lithuanian agriculture is livestock farming. In 1990, animal production accounted for 69 % of agricultural production in 1980 prices. As a result of the exceptionally long dry period and the ensuing serious shortage of feedstuffs, 1992 in particular saw a drastic reduction in the livestock population. According to figures released by the Lithuanian Ministry of Agriculture, around 500,000 cattle, 700,000 pigs and 4.5 million hens had to be slaughtered or sold during this year.

Because of the meat processing industry's insufficient capacity, large quantities of meat were exported to Western nations, amongst others. The cattle population in 1993 was down 30 % on 1990 and the pig population fell by half. Whilst the cattle population on private farms rose by 42,000 and the number of poultry by 3 million between 1990 and 1992, the pig population remained fairly constant over the same period at 515,000. By 1992, private farmers owned 27.7 % of the cattle population, 23.6 % of all pigs, 86.2 % of sheep and 35.3 % of poultry. Virtually the whole goat population was privately owned.

7.10 LIVESTOCKS POPULATION*

Type of animal	Unit	1986	1989	1990	1991	1992
(All holdings)						
Cattle	1,000	2,513	2,435	2,422	2,322	2,197
Dairy cows	1,000	876	850	848	842	832
Pigs	1,000	2,710	2,705	2,730	2,436	2,180
Sheep	1,000	99	75	65	57	58
Goats	1,000	4	4	4	5	6
Horses	1,000	80	78	78	80	83
Poultry	Mill.	16.6	17.2	17.5	16.8	17.0
(Private farms)						
Cattle	1,000	583	542	567	553	609
Dairy cows	1,000	320	312	324	336	364
Pigs	1,000	519	491	516	470	515
Sheep	1,000	68	49	47	45	50
Goats	1,000	4	3	4	5	6
Horses	1,000	5	6	8	12	16
Poultry	Mill.	6.0	5.8	5.7	5.8	6.0

*) As at beginning of year.

The full force of the crisis in Lithuanian agriculture was felt in the production of the most important animal products. Per capita production of meat (carcass weight), for example, slumped from 142 kg in 1990 to 120 kg in 1991 and 103 kg in 1992.

Per capita milk production also fell from 847 kg in 1990 to 776 kg in 1991 and 600 kg in 1992. The per capita production of eggs and wool was subject to the same worrying trends.

7.11 PRODUCTION OF SELECTED ANIMAL PRODUCTS AND AVERAGE YIELDS PER ANIMAL

Product/yield	Unit	1986	1988	1989	1990	1991
Meat ¹	1,000 t	514	545	534	530	450
Pork	1,000 t	229	246	250	241	194
Milk	1,000 t	3,051	3,209	3,235	3,157	2,916
Eggs	Mill. P	1,207	1,347	1,331	1,273	1,235
Wool ²	t	200	189	160	141	128
Milk per cow	kg	3,482	3,721	3,806	3,714	3,460
Eggs per hen ³	P	248	252	246	243	230

1) Carcass weight.

2) Virgin (grease) wool basis.

3) Only for kolkhozes, sovkhoses and "intermediate" establishments.

Many of the recently privatised agricultural holdings also suffered badly as a result of the long dry spell. Despite the fact that they recorded above-average yields and performed well - e.g. the milk output per cow of 4,208 kg in 1991 was still much higher than the overall average of 3,460 kg -, crop losses and serious problems with feedstuffs made it virtually impossible for many farmers to pay off the loans incurred in purchasing land and equipment. The government therefore introduced a support programme for agriculture, whose measures included setting up a fund containing 15 thousand million roubles (approx. DM 165 million) to help farmers in difficulty and building up the State's stocks of cereals.

Although forests cover over a quarter of the total territory of Lithuania, forestry plays only a minor role. Whilst due in part to the fact that the timber yield from these mixed forests is generally fairly low, the main reason is the limited capacity of the forestry holdings. The volume of trees felled has therefore remained fairly constant since 1985 at around 3 million m³, although in 1991 it was up 9 % on the previous year.

The removal of timber for industrial processing and export, on the other hand, has declined since 1987 and the 1991 figure remained at its 1990 level of 2.6 million m³.

7.12 TIMBER-FELLING AND REMOVAL

(in thousand m³)

Survey item	1980	1985	1987	1990	1991
Timber felled	2,734	3,008	3,059	3,038	3,302
Timber removed	2,534	2,737	2,843	2,565	2,566
of which: industrial timber	1,882	1,991	2,092	1,892	1,443

Despite some very high local levels of pollution, Lithuania's forests are still home to a wide range of flora and fauna, not least because of its five national parks and four nature reserves. There are stable populations of red deer, elks and beavers, and 450 wolves were counted in 1991. On the other hand, the hare population has fallen steadily over the last 15 years and the 1991 figure of 55,000 was only a quarter of its 1976 level.

Although there are over 4,000 lakes and 722 rivers in Lithuania, inland fishing is of negligible importance, with catches totalling just 8,000 - 9,000 t per year. Its Baltic Sea coastline puts it in a relatively good position to develop its deep-sea fishing industry, and in 1992 its Baltic Sea fishing fleet numbered 144 vessels (of 100 GRT and over) with a total tonnage of 209,000 GRT. The total catches in 1989 came to 418,000 t, which were used to produce around 220,000 t of mainly frozen fish products.

8. INDUSTRY

Industry is made up of the following sectors: "energy and water supply", "mining", "manufacturing industry" and "construction".

Lithuania only really started to become industrialised following its incorporation into the former Soviet Union at the end of the 1940s. Although the country has no natural resources, with the exception of some building materials (gravel, quartz sand, dolomite), amber and low-calorific-value deposits of peat and shale, the last four decades were marked by heavy investment in large industrial enterprises. The process of industrialisation was, however, carried out in accordance with a global strategy for the Soviet Union and made Lithuania heavily dependent upon the Soviet market. Much of the resulting industrial structure was made up of specialist large enterprises which had an average labour force of 850 persons, required constant supplies of raw materials and semi-finished goods and acted in accordance with the economic policy guidelines set by the central government in Moscow. On the other hand, Lithuania's industry was not just directed towards the manufacture of finished products, but produced a large volume of intermediate products for further processing in other republics of the Soviet Union. As a result, Lithuania had a virtual monopoly within the former Soviet Union of the manufacture of electronic counters, petrol pumps, tuners for television receivers and certain types of small motors, and accounted for 70 % of the Soviet Union's total production of compressors for pneumatic brakes.

The roots of many of the economic problems which have arisen since Lithuania became independent lie in the fact that the country was so closely interlinked with the former Soviet republics for supplies of raw materials and as markets for its products. 90 % of all Lithuania's exports and 80 % of all its imports were carried out with these now independent countries, producing a sizeable import surplus. Only around 60 % of the goods manufactured in Lithuania remained on the internal market, with 30 % being delivered to the former Soviet Union republics and 10 % going to other countries. With the collapse of its traditional market relationships and the disappearance of the central control and planning authorities, purchasing and sales have now become key elements in the new direction taken by the economy.

In 1990, industry accounted for 34 % of produced national income (at current prices). The index of industrial production rose that same year to 118 % compared to 1985, although the capital goods industry expanded at a slower pace than the consumer goods industry. Overall, the 2.3 % average annual growth rate for industrial production between 1986 and 1990 was around half of that for the period from 1981 to 1985.

8.1 INDEX OF INDUSTRIAL PRODUCTION*

(1985 = 100)

Type of index	1986	1987	1988	1989	1990
Total	105	110	116	121	118
Consumer goods	105	111	118	124	121
Capital goods	106	110	115	120	115

*) Excluding the construction industry.

Industrial production in 1991 was 98.7 % of its 1990 level, but there was a catastrophic collapse in output in 1992 with the index slumping to 48.4 % of the 1991 figure. Apart from the drop in demand and the loss of important markets, the main reason for this was that supplies failed to arrive, particularly from Russia (temporary interruptions in energy supplies, the transition from settling invoices internally in roubles to paying world market prices for raw materials). 20 % of the large State enterprises still in existence were operating at less than 30 % of their full capacity and only 15 % of enterprises could reach capacity levels of around 80 %.

These trends do not show up in the following table on the development of gross industrial production by economic sector, as the inflationary price trends have distorted the real changes in the individual branches and for industry as a whole.

8.2 GROSS INDUSTRIAL PRODUCTION BY SELECTED ECONOMIC SECTOR*

(in million roubles)

Economic sector/branch	1985	1987	1989	1990	1991	1992
Total¹	11,224	12,358	13,689	13,554	36,726	360,301
Energy sector	372	526	600	584	2,157	63,890
Fuel industry	467	524	552	428	1,287	21,869
Chemical and petrochemical industry	466	519	522	485	1,072	14,908
Mechanical engineering and metalworking	2,554	2,882	3,423	3,450	6,557	54,266
Woodworking and processing, cellulose and paper industry	636	694	722	691	2,066	19,428
Building materials industry	587	636	677	857	1,864	17,411
Glass and porcelain industry	23	23	36	35	130	1,831
Light industry	2,442	2,598	2,797	2,865	7,627	56,142
Food industry	2,766	2,930	3,033	2,846	11,147	95,914
Feedstuffs industry	578	610	719	734	1,448	9,076

*) At current wholesale prices.

1) Excluding the construction industry.

The differing price trends also influence the changes in the structure of production by branch. For example, energy's share soared from 4 % to almost 18 % between 1989 and 1992, whilst mechanical engineering and metalworking saw their share fall from 25 % to 15 % over the same period. The strongest sector in 1992 was the food industry with 27 %, whilst light industry fell by 5 % from its 1985 level to become the third most-important sector with just under 16 %.

The vast majority of the 629 industrial enterprises in existence in 1990 operated in the mechanical engineering and metalworking, food industry and light industry sectors. These sectors combined accounted for approximately 70 % of all employees in industry.

8.3 ENTERPRISES AND EMPLOYEES IN INDUSTRY BY SELECTED ECONOMIC SECTORS*

Economic sector	1989	1990	1989	1990	1989	1990
	Enterprises		Employees ¹		Share of total production ²	
	Number		1,000		%	
Total	604	629	509	488	100	100
Energy sector	20	20	16	17	4,6	4,6
Fuel industry	12	12	5	5	4,0	4,0
Chemical and petro-chemical industry	15	15	18	17	3,8	3,8
Mechanical engineering and metalworking	139	140	193	183	25,7	26,6
Woodworking and processing, cellulose and paper industry	59	74	41	40	5,3	5,2
Building materials industry	64	64	39	37	5,0	4,9
Glass and porcelain industry	4	4	4	3	.	.
Light industry	106	107	97	95	20,8	21,9
Food industry	122	127	62	60	21,9	21,0
Feedstuffs industry	20	20	4	4	4,2	4,2

*) Excluding the construction industry.

1) Employees in material production only.

2) In 1982 wholesale prices.

At the end of 1992, the basic structure of Lithuanian industry was still determined by 450 large State enterprises employing over 300,000 persons. In addition to these, there were around 130 limited companies of above-average size which had over 50,000 employees. The total number of manual and non-manual workers in industry in 1992 came to 422,700, almost 41,000 less than the previous year (91.2 % of the 1991 figure). Given that the volume of production fell much further over the same period (to 48.4 %), it is clear that, unlike in other countries, the collapse in production in Lithuania has not yet been accompanied by a similar volume of job losses.

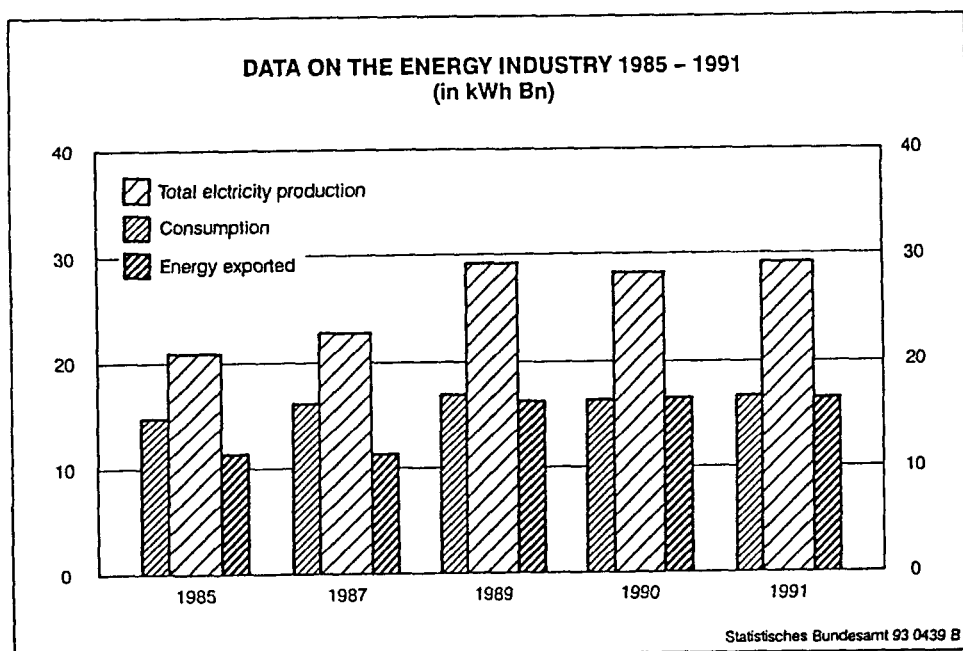
The crisis in the Lithuanian economy has affected the different industrial centres and branches of industry in different ways. The energy sector has no indigenous fuel resources and is almost totally dependent on imports of all sources of energy. Crude oil, natural gas, nuclear energy and coal in particular have to be imported, mainly from Russia, Belarus and Ukraine. On the other hand, the existing energy production capacity provided by the Ignalina nuclear power station, the hydro-electric power station in Kaunas and the three thermal power stations in Vilnius, Kaunas and Mazeikiai is more than enough to satisfy the country's own requirements. As a result, over half of the electricity generated can be re-exported, the main customers being Belarus, Latvia and the Kaliningrad exclave. The use of energy in Lithuania is nevertheless characterised by a per capita consumption figure which is very high by international standards (1991: 7 817 kWh) and the fact that it is extremely energy intensive. The existing district heating system, for example, is still operating at a considerable loss. According to estimates made by energy experts, Lithuania consumes approximately 60 % more energy than it should in comparison to its overall economic performance. Lithuania generated a total of 29.4 thousand million kWh of electricity in 1991, about a third of which were produced at the Ignalina nuclear power plant. This controversial power station with a capacity of 6 000 MW is of the Chernobyl type and is currently operating with two reactors. Despite the environmental pollution caused and serious concerns about its safety, operation of the plant is at present essential for the energy supply and will remain so for as long as the economy does not have sufficient foreign currency reserves to purchase the supplies of crude oil and natural gas it requires on the world market, or to extract its own reserves of crude oil which are known to exist.

Industry was the main client for the electricity produced in 1991 with a 47 % share, whilst agriculture consumed 21.9 % and network losses accounted for 10.3 %. The following table contains important data on Lithuania's energy sector.

8.4 DATA ON THE ENERGY SECTOR

(Mill. kWh)

Survey item	1985	1987	1989	1990	1991
Electricity generation	20,962	22,755	29,158	28,405	29,363
Hydroelectric power stations	394	359	379	414	338
Imports	4,993	4,534	4,245	4,539	3,725
Consumption	14,742	16,108	17,024	16,430	16,614
Industry	7,462	8,322	8,855	8,291	7,814
Agriculture	3,064	3,321	3,667	3,674	3,631
Transport	254	276	261	247	253
Other branches	2,377	2,600	2,604	2,668	3,202
Network losses	1,585	1,590	1,636	1,552	1,714
Exports	11,213	11,181	16,378	16,513	16,475



The leading roles within the industrial sector are played by mechanical engineering, light industry and the food industry. The main products of the mechanical engineering industry are machine tools, agricultural machinery, equipment for the production of animal feedstuffs, electric motors, and electronic consumer goods and household appliances. Some of the ranges of consumer goods had a large share of the market in the former Soviet Union. It must, however, be said that the machine tools in particular fall short of current requirements in the world market, primarily because of their high consumption of materials and energy and their low level of automation. The main centres of the mechanical engineering industry are Vilnius (machine tools) and Kaunas (electrical engineering).

Light industry is one of the other distinctive branches of Lithuania's industrial sector, with over 100 enterprises manufacturing textiles, clothing and footwear in particular. The production of all types of fabrics, carpets and rugs made up much of the total output by this branch, although overall production in 1991 was well down (- 58 %) on the previous year. Here too, the largest enterprises were to be found in Lithuania's larger towns.

The production units in the food industry are much less centralised than in other branches of industry and their main products are milk and dairy products, meat and sausages and animal fats. Despite inadequate production capacity and mainly antiquated machinery, the per capita production of important foodstuffs was relatively high compared to that of other former Soviet republics, although the figures have fallen appreciably over the last few years (e.g. meat: down from 121 kg in 1989 to 70 kg in 1992; butter from 21 kg in 1989 to 13 kg in 1992).

As regards the remaining branches of industry, there are some large and heavily-polluting chemical works to the north of Kaunas whose importance extends beyond regional level. The capacity of the only oil refinery in the Baltic at Mazeikiai is almost double Lithuania's own requirements. The armaments industry has also been fairly important up until now, mainly in the shipbuilding and electronics sectors. Shipbuilding is centred around Klaipėda, which is also home to a large number of enterprises involved in the timber and paper industry and fish

processing. One enterprise of great importance to the building materials industry is the cement works at Akmene, whose production capacity of 3.4 million t more than covers Lithuania's domestic requirements. Given that Lithuania possesses its own raw materials for the building materials industry, in contrast to many other sectors of industry this branch is virtually unaffected by bottlenecks in imported supplies.

The following table on the production of selected products shows that the downward trend in output since the end of the 1980s continued into 1992 for most of the goods listed, and in some cases even plummeted.

8.5 PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY

Product	Unit	1985	1987	1989	1990	1991
Minerals processing products						
Cement	1,000 t	3,383	3,394	3,410	3,359	3,126
Bricks	Mill.	1,250	1,277	1,462	1,439	1,439
Asbestos-cement boards	Mill.	106	108	114	114	114
Reinforced concrete sections	1,000 m ³	2,296	2,467	2,627	2,433	2,128
Mechanical engineering						
Alternating current motors	1,000	444	474	441	415	331
Low-output electric motors	1,000	5,777	6,477	7,218	7,471	7,772
Electric welding equipment	1,000	71.8	71.6	76.9	77.9	75.3
Metal cutters	1,000	28.3	18.7	13.3	8.6	10.9
Electric meters	1,000	3,301	3,420	3,612	3,177	2,399
Equipment for animal and feedstuffs production	Mill. Rbl	72.9	73.5	72.4	64.4	.
Boilers	MW	1,035	1,056	835	818	871

(continued on next page)

8.5 PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY *(continued)*

Product	Unit	1985	1987	1989	1990	1991
Woodworking and processing, cellulose and paper industry						
Industrial timber ¹	1,000 m ³	1991	2092	2047	1892	1443
Sawn timber	1,000 m ³	934	985	938	776	664
Particle boards	1,000 m ²	1403	1860	1838	1763	1639
Fibreboards	1,000 m ²	26933	28132	27622	26078	24815
Paper	1,000 t	1203	1196	1172	1007	1012
Paperboard	1,000 t	1452	1462	1389	1169	1133
Products of the chemical industry²						
Fertilizers	1,000 t	747	819	632	483	469
Sulphuric acid	1,000 t	440	440	512	412	368
Chemical fibres and yarns	1,000 t	13.8	14.3	14.4	11.3	6.1
Linoleum	1,000 m ²	1,102	1,122	1,624	1,400	1,291
Glassware						
Window glass	1,000 m ²	4,021	3,245	4,172	3,300	4,044
Products of the textile industry						
All fabrics	Mill. m ²	2220	2332	2177	2036	2043
Cotton fabric	Mill. m ²	1213	1274	979	985	1061
Wool fabric	Mill. m ²	21.7	21.9	22.7	21.7	21.5
Silk fabric	Mill. m ²	40.5	41.9	51.6	40.0	34.5
Linen fabric	Mill. m ²	28.5	29.6	30.9	28.1	27.1
Carpets and carpeting	1,000 m ²	6,736	6,855	6,953	6,551	2,739
Hosiery	Mill. P	99.3	101.6	105.0	82.2	81.2
Women's, men's and children's underwear	Mill. St	45.4	44.7	44.1	40.9	36.8
Outer garments	Mill. St	15.9	16.5	18.1	17.9	17.3
Shoes	Mill. P	10.7	10.9	11.9	11.9	11.2

(Continued on next page)

8.5 PRODUCTION OF SELECTED PRODUCTS OF MANUFACTURING INDUSTRY *(continued)*

Product	Unit	1985	1987	1989	1990	1991
Products of the food industry						
Meat and meat products ³	1,000 t	396.9	419.7	447.0	431.5	338.3
Sausages	1,000 t	68.2	73.5	75.7	76.2	70.2
Animal fats ³	1,000 t	71.8	77.1	77.5	73.9	67.2
Milk products ³	1,000 t	730	790	814	831	714
Canned foods	Mill.	326.5	373.2	423.4	369.0	376.5
meat	Mill.	27.3	39.3	45.3	44.1	34.5
fish	Mill.	96.3	92.2	85.3	81.0	68.6
vegetables ⁴	Mill.	56.9	71.8	62.0	57.6	43.6
fruit	Mill.	68.5	67.8	80.3	65.4	56.6
dairy products	Mill.	67.2	92.4	96.8	89.3	77.5
Refined sugar	1,000 t	221.8	238.9	238.6	158.6	150.5
Alcohol-free drinks	Mill. hl	6.3	9.8	11.9	10.5	8.1
Fine ceramic products	1,000 St	400	478	479	536	563
Electrotechnical products						
Television sets	1,000	609.5	657.6	614.7	558.2	516.2
Colour television sets	1,000	134.9	167.8	294.4	364.8	361.4
Tape recorders	1,000	237.9	158.2	186.6	192.7	154.8
Cassette recorders	1,000	127.9	57.7	74.9	81.1	67.9
Household refrigerators	1,000	310.3	335.0	350.2	263.4	264.6
Vacuum cleaners	1,000	146.1	155.7	185.8	230.6	249.7

1) Timber felled.

2) Pure nutrient content.

3) Industrial production only.

4) Excluding fruit juices.

During the 1980s, the construction industry contributed an average of between 12 % and 14 % (in current prices) to Lithuanian PNI, before dropping back to 7.4 % in 1991. Although the number of enterprises rose from 278 in 1990 to 333 in 1991, the number of persons employed in the construction sector fell by almost 30,000 over the same period. The fall in construction output in 1991 was accompanied by a marked increase in the number of unfinished buildings.

Whereas in 1990 unfinished buildings made up 98 % of building projects (already double the 1975 figure), in 1989 this figure had been 189 %. The rise in the number of uncompleted projects affected all areas, with the highest ratio being recorded in the energy sector (835 %).

Approximately one million dwellings covering over 55 million m² have been constructed in Lithuania since 1951. Although the available housing stock has risen constantly to 1.2 million units in 1991, it has still not been possible to eliminate the shortage of housing, particularly in the towns, and there has also been a noticeable drop in the construction of new housing over the last few years. Only 15,300 new dwellings went up in 1991, about half the 1987 figure of 32,100 completed dwellings, and this figure sank to 11,700 in 1992. This is mainly the result of spiralling building costs, 99.2 % of the dwellings built in 1991 were connected to the mains water supply, 98.2 % had central heating and 97.4 % had a bath or shower. 10 % of the new dwellings were one-room apartments, 32 % had two rooms, 39 % three rooms and 22 % four or more rooms. The average size of the dwellings in the State and public housing sector was 58.9 m², as against 59.5 m² for the housing cooperatives and 111 m² in the private sector. 42 % of the total housing stock in 1991 was privately owned, with this figure rising to 70 % in rural areas.

The following table contains selected details on trends in the Lithuanian construction industry.

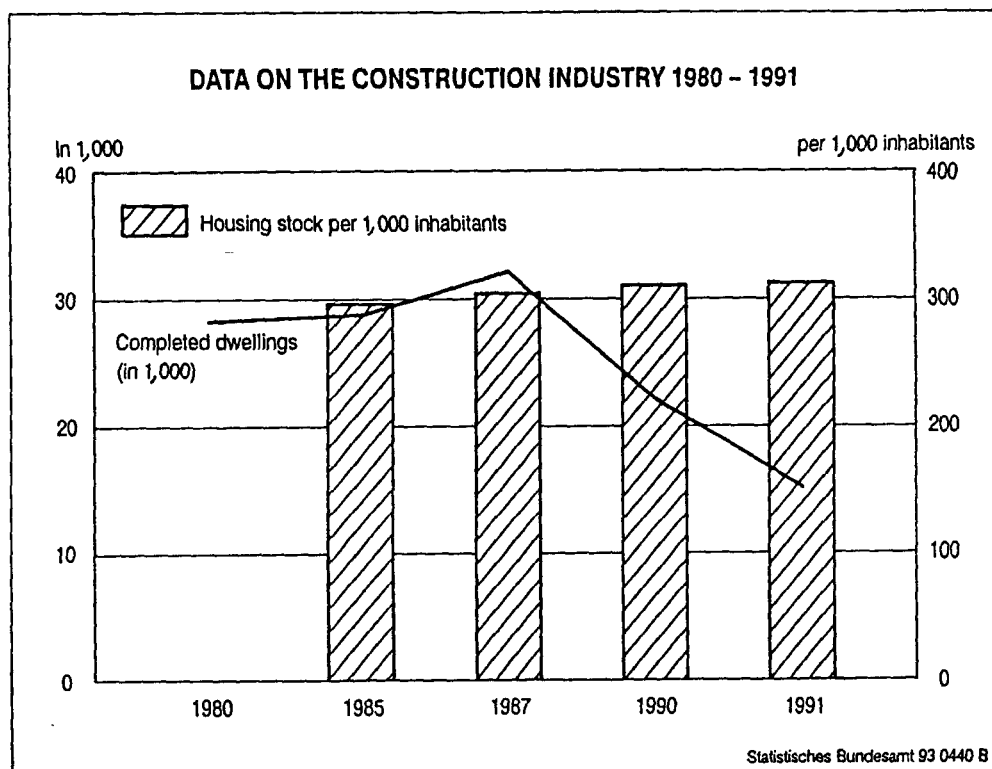
8.6 DATA ON THE CONSTRUCTION INDUSTRY

Survey item	Unit	1980	1985	1987	1990	1991
Enterprises	Number	301	307	275	278	333
Completed dwellings						
number of living area	1,000	28.3	28.8	32.1	22.1	15.3
living area	1,000 m ²	1.686	1.841	2.013	1.452	1.015

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8.6 DATA ON THE CONSTRUCTION INDUSTRY *(continued)*

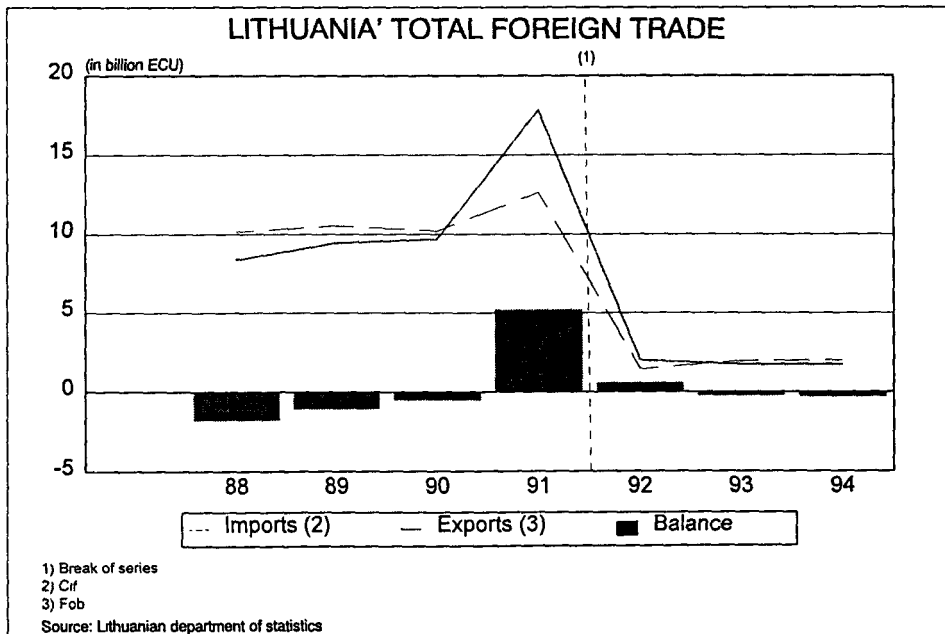
Survey item	Unit	1980	1985	1987	1990	1991
Housing stock						
number	1,000		1,066	1,121	1,159	1,166
useful floor area						
total	Mill. m ²	55.1	62.9	66.4	72.0	71.0
per inhabitant	Mill. m ² per 1 000	.	296	305	310	311



9. FOREIGN TRADE

The information used in this Chapter comes from the Lithuanian Department of Statistics and the Statistical Office of the European Union (Eurostat). The sometimes substantial differences between the figures from the two sources can be explained by the use of different concepts or methodologies.

The Lithuanian national statistics cover the national territory of Lithuania and describe the flows between Lithuania (the reporting country) and the rest of the world (the partner country). Since they refer to general trade, they also include warehouse traffic. These data contain entries for re-exports and re-imports.



Attention should be drawn to the fact that the pre- and post-1991 national figures are not comparable. The break in the series recorded in 1992 can basically be explained by the monetary changes introduced that same year. Lithuania had an administered exchange rate system up until 1 October 1992, when it finally left the rouble zone and adopted the talonas, whose rate was determined by the market. On 25 June 1993, this currency was then replaced by the litas.

In real terms, however, both imports and exports fell substantially between 1991 and 1992, due to severe cutbacks in industrial and agricultural production along with the suspension of deliveries and the boycott imposed by the country's main trading partner, Russia.

Eurostat's figures have been taken from the Comext database and describe the flows between the EU countries (reporting countries) and Lithuania (the partner country). They refer to "special trade", which does not cover warehouse traffic. The area covered by the statistics is the customs territory of the European Union, with the exception of the French Overseas Departments.

For both sources, imports are recorded in cif values and exports in fob values. The goods nomenclature used is the Harmonized System (HS)¹, but for some tables in this chapter the 21 HS sections have been grouped together into eight large groups of products.

When Lithuania declared independence in 1990, the country's economy was still heavily dependent upon those of the republics which emerged from the ex-Soviet Union, and 85 % to 90 % of its foreign trade was with these countries. This was not just because Lithuania formed part of the CMEA (Council for Mutual Economic Assistance) centralised trade system which was based upon production specialisation, but was also due to the fact that it had virtually no own resources in terms of raw materials and fuels.

¹ The Harmonized System is a nomenclature with many different applications, which is used in particular for customs tariffs and statistical classifications. It was introduced internationally in 1988 and is now used by 130 countries (accounting for around 90% of world trade).

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9.1 LITHUANIA' TOTAL FOREIGN TRADE

(in million ECU)

Flux	1988	1989	1990	1991	1992	1993	1994
Imports ¹	10153,0	10548,1	10192,5	12650,6	1425,9	1942,4	1978,4
Exports ²	8392,5	9475,1	9694,2	17826,2	1991,8	1729	1706
Trade Balance	-1760,5	-1073,0	-498,3	5175,7	565,8	-213,4	-272,4

1) Cif

2) Fob

Source: Lithuanian department of statistics

One of the consequences of the Russian boycott was the appearance of Lithuania's first trade surplus in 1991, followed by another in 1992. These results were recorded despite the fact that Lithuania generally had a trade deficit with the other post-Soviet republics in petroleum products, natural gas, iron, ferrous metals, machinery and chemical products.

Lithuanian imports of raw materials became more expensive after 1993, as goods were henceforth valued on the basis of world market prices. In addition, the policy of price liberalisation undertaken by the Lithuanian authorities resulted in an inflationary surge in the price of local products which led to many Lithuanians switching to foreign products (particularly Ukranian and Belarusian). The upshot of this was that, in 1993 and 1994, the country was faced once again with balance of trade deficits. The scale of the deficit remained much the same over the two years (ECU 213.4 million in 1993 and ECU 272.4 million in 1994), as there was relatively little fluctuation in the level of both imports and exports during this period.

9.2 LITHUANIA' TOTAL FOREIGN TRADE BY GROUP OF TRADING PARTNERS, 1994

(in million ECU)

Partner countries	Imports ¹		Exports ²		Trade Balance	
	Value	Growth 1994/93 (%)	Value	Growth 1994/93 (%)	Value	Growth 1994/93 ³
WORLD	1978,4	1,9	1706,0	-1,3	-272,4	-59,0
CIS	994,8	-21,0	797,2	-15,9	-197,6	113,4
Russia	777,5	-24,7	481,4	-16,3	-296,1	162,1
Ukraine	99,3	-21,2	105,2	-47,0	5,9	-66,8
Belarus	75,2	16,9	112,0	-11,4	36,8	-25,3
Kazakhstan	12,7	NA	35,7	NA	22,9	22,9
Uzbekistan	14,4	60,6	14,6	5,6	0,2	-4,7
Other	11,4	-57,9	37,7	8,7	26,3	18,7
EU	521,5	44,0	439,0	49,2	-82,5	-14,7
Germany	272,1	43,9	195,4	66,8	-76,7	-4,7
Netherlands	53,6	19,8	89,1	85,8	35,6	32,3
Italy	54,3	54,6	32,4	-18,3	-21,8	-26,4
Denmark	51,4	17,6	29,6	8,8	-21,8	-5,3
United Kingdom	27,8	49,6	39,5	44,4	11,6	2,9
Other	27,3	56,8	32,7	58,0	5,4	2,1
CEEC	236,4	209,4	310,9	59,5	74,5	-44,0
Latvia	53,8	NA	143,9	NA	90,1	90,1
Poland	79,4	82,9	85,4	-28,7	6,0	-70,4
Estonia	31,9	101,2	43,5	-0,9	11,6	-16,4
Czech Republic	28,9	NA	10,3	NA	-18,6	-18,6
Hungary	16,5	70,0	14,6	-6,2	-1,9	-7,8
Other	18,6	577,1	6,8	24,7	-11,7	-14,5

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9.2 LITHUANIA' TOTAL FOREIGN TRADE BY GROUP OF TRADING PARTNERS, 1994 *(continued)*

(in million ECU)

Partner countries	Imports ¹		Exports ²		Trade Balance	
	Value	Growth 1994/93 (%)	Value	Growth 1994/93 (%)	Value	Growth 1994/93 ³
EFTA	154,4	64,7	90,6	48,7	-63,8	-31,0
Sweden	47,0	119,4	53,1	73,8	6,1	-3,0
Finland	57,6	129,4	16,4	9,0	-41,3	-31,2
Switzerland	23,9	-10,1	3,9	-43,5	-19,9	-0,3
Norway	13,3	429,9	10,4	212,7	-2,9	-3,7
Austria	11,9	-31,9	4,7	34,1	-7,2	6,8
Other	0,7	10,5	2,1	35,8	1,3	0,5
OTHER	71,3	-52,7	68,2	-70,4	-3,0	-82,7

1) Cif

2) Fob

3) In absolute value

Source: Lithuanian department of statistics

The CIS was the only one of Lithuania's main trading partners to register a drop in its volume of trade with this country in 1994 (-21 % for Lithuanian imports, -15.9 % for exports).

That same year, Lithuania's deficit with Russia (ECU 296.1 million) was higher than its deficit with the rest of the world (ECU 272.4 million). The European Union was responsible for 30.3 % of this deficit and the EFTA countries 23.4 %. The only area where Lithuania managed to record a surplus (+ ECU 74.5 million) was in trade with the countries of Central and Eastern Europe (CEECs).

LITHUANIA' TOTAL FOREIGN TRADE BY GROUP OF TRADING PARTNERS, 1994



As with the other Baltic countries, the policies of liberalisation resulted in the geographic reorientation of Lithuanian trade. In 1994, the CIS's share of Lithuanian trade had fallen to just 50.3 % of imports and 46.7 % of exports. That same year, the European Union accounted for a quarter of Lithuanian trade.

The introduction of free trade on 1 January 1995 and the signature of the association agreement between Lithuania and the European Union on 12 April 1995 should act as a further boost to trade between these two economies. The contents of these agreements are described in the second half of this chapter, which is devoted to an analysis of European Union trade with Lithuania.

On a slightly different tack, trade between the Baltic states is likely to increase in the future, and the signing of the free trade agreement between Estonia, Latvia and Lithuania on 13 December 1993 was a major step towards the creation of a common market in the Baltic.

The conclusion of this long-awaited agreement had been delayed by certain political circumstances in each of the three countries and by the fact that they had left the rouble zone at different times. The agreement abolishes virtually all import duties and similar taxes for most groups of goods. It also removes all customs duties on exports for most products and all quantitative restrictions on external trade. The agreement lays the foundations for the development of trade among the three countries and for the establishment of a large common market which could be more enticing to foreign investors.

9.3 LITHUANIA' TOTAL FOREIGN TRADE BY MAJOR PRODUCT GROUPS, 1994

(in million ECU)

Major product groups ¹	Imports ²		Exports ³		Trade Balance ⁴	
	Value	Growth 1994/93 (%)	Value	Growth 1994/93 (%)	Value	Growth 1994/93 (%)
Total	1978,4	1,9	1706,0	-1,3	-272,4	-59,0
Agricultural products (raw & processed) ^a	198,1	22,9	411,1	65,2	213,0	125,4
Mineral products (including oil) ^b	648,5	-21,7	285,2	-36,4	-363,3	16,5
Chemical products (including Plastics) ^c	234,6	20,9	208,3	66,6	-26,3	42,8
Leder, Textile and miscellaneous manufactured products ^d	194,3	33,9	288,4	1,3	94,1	-45,6
Wood, Stone, Metal products ^e	210,3	2,4	220,3	25,9	10,0	40,5
Machinery & devices (mechanical electrical, optical) ^f	370,3	48,4	229,1	-37,7	-141,2	-259,6
Vehicles (for air, land, water) ^g	119,1	-15,3	63,0	-7,6	-56,1	16,4
Other products ^h	3,2	-82,5	0,6	-94,7	-2,6	4,7

(1) The major products groups correspond to the following combinations of sections in the Harmonized system:

(a) I-IV; (b) V; (c) VI-VII; (d) VIII, XI, XII, XX; (e) IX, X, XIII, XIV, XV; (f) XVI, XVIII; (g) XVII; (h) XIX, XXI.

(2) Cif

(3) Fob

(4) In absolute value

Source: Lithuanian department of statistics

The breakdown by main groups of goods shows that mineral products (96.4 % of which were fuels) were the largest import item in 1994, accounting for 32.8 % of Lithuania's total purchases. The figures returned for this item had a huge influence on the country's balance of trade deficit, since if mineral products were excluded from the Lithuanian trade figures it would have an external trade surplus of ECU 150.3 million.

In 1994, Lithuania's imports of machinery and equipment were worth ECU 370.3 million and its exports of the same item totalled ECU 229.1 million, producing a deficit for these products of ECU 141.2 million.

Agricultural products were Lithuania's largest export item in 1994, valued at ECU 411.1 million. The ECU 213 million surplus recorded here was the best performance by any of Lithuania's export items.

9.4 LITHUANIA' MAIN IMPORTS¹, BY GROUP OF PRODUCTS ACCORDING TO THE HARMONIZED SYSTEM, 1994

(in million ECU)

HS Code	Descriptions	Value	Growth 1994/93 (%)
TOTAL	Total	1978,4	1,9
27	Mineral fuels	625,0	-23,7
84	Machinery and mechanical appliances; nuclear reactors ...	229,9	55,9
87	Vehicles other than railway or tramway rolling-stocks ...	103,0	-13,6
85	Electrical and electronic machinery and equipment...	96,1	24,4
30	Pharmaceutical products	63,1	60,5
72	Iron and steel	55,6	-23,4
39	Plastics and articles thereof	48,2	-14,0
90	Miscellaneous instruments and apparatus, parts and accessories thereof	42,7	78,5

(continued on next page)

9.4 LITHUANIAN' MAIN IMPORTS¹, BY GROUP OF PRODUCTS ACCORDING TO THE HARMONIZED SYSTEM, 1994 *(continued)*

(in million ECU)

HS Code	Descriptions	Value	Growth 1994/93 (%)
48	Paper and paperboard; articles thereof	38,4	19,8
73	Articles of iron or steel	37,2	26,4
52	Cotton	33,4	33,0
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit ...	24,7	569,6
28	Inorganic chemical ...	23,9	2,2
25	Salt; sulphur, earth and stone; plastering materials, lime and cement	23,4	160,3
08	Edible fruit and nuts; peel of citrus fruits or melons	23,0	171,5
55	Man made staple fibres	22,9	30,6
32	Tanning or dyeing extracts, tannings and their derivatives ...	20,5	124,4
62	Articles of apparel and clothing accessories, knitted or crocheted	20,1	36,4
94	Furniture, medical and surgical furniture, lighting apparatus ...	18,7	57,4
22	Beverages, spirits and vinegar	17,7	-5,5
Other	Other products	410,9	6,9

(1) Cif

Source: Lithuanian department of statistics

At a more detailed level, it should be noted that, on account of the shortages afflicting the Lithuanian economy in 1994, fuels accounted for almost one-third of the country's total purchases in value terms. This group of products, which was well up on the previous year (+60.5 %), was followed by "mechanical equipment and appliances" (11.6 % of total imports) and "motor vehicles and other land vehicles" (5.2 % of total imports).

9.5 LITHUANIAN' MAIN EXPORTS¹, BY GROUP OF PRODUCTS ACCORDING TO THE HARMONIZED SYSTEM, 1994

(in million ECU)

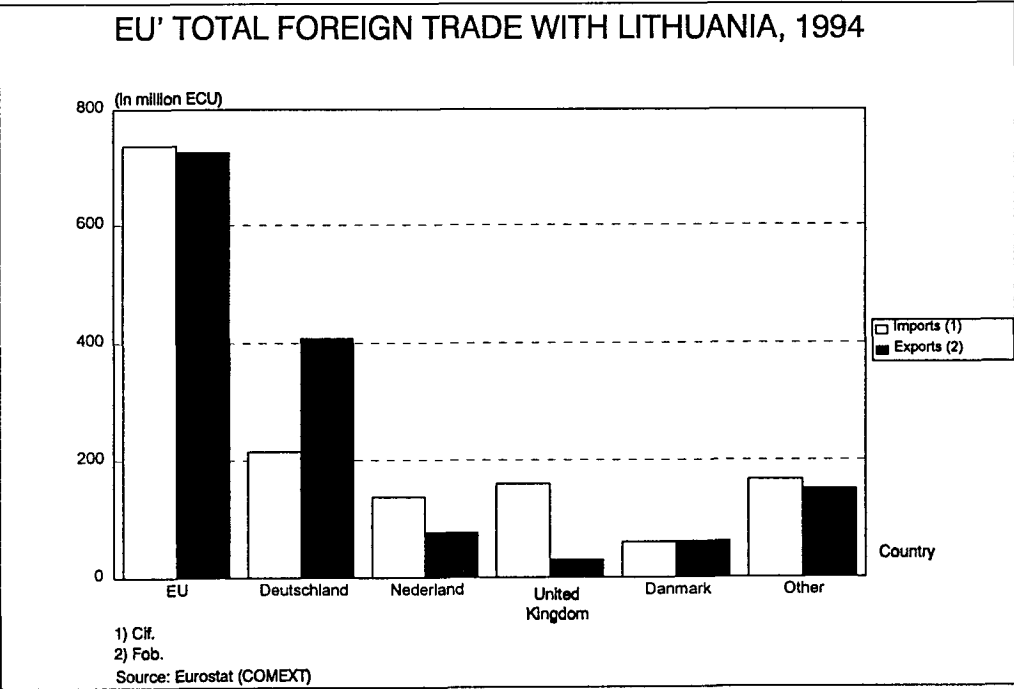
HS Codes	Descriptions	Value	Growth 1994/93 (%)
TOTAL	Total	1706,0	-1,3
27	Mineral fuels	271,0	-37,7
85	Electrical and electronic machinery and equipment ...	109,2	-31,7
84	Machinery and mechanical appliances; nuclear reactors ...	95,9	-46,4
04	Dairy produce; birds' eggs; natural honey ...	92,0	-4,8
22	Beverages, spirits and vinegar	88,4	830,0
31	Fertilizers	76,8	98,2
44	Wood and articles of wood; wood charcoal	68,9	130,0
72	Iron and steel	61,3	45,8
62	Articles of apparel and clothing accessories, not knitted or crocheted	51,4	94,8
87	Vehicles other than railway or tramway rolling-stock ...	50,0	55,7
61	Articles of apparel and clothing accessories, knitted or crocheted	37,2	-17,1
52	Cotton	34,8	86,7
24	Tobacco and manufactured tobacco substitutes	34,7	292,8
94	Furniture, medical and surgical furniture, lighting apparatus ...	32,9	-1,0
35	Albuminoidal substances; modified starches; glues; enzymes	30,5	61,6
30	Pharmaceutical products	27,4	307,0
02	Meat and edible meat offal	25,7	-28,5
90	Miscellaneous instruments and apparatus, parts and accessories thereof	23,7	-17,1
39	Plastics and articles thereof	23,5	40,0
01	Live animals	22,4	6,7
Other	Other products	448,4	0,3

(1) Fob

Source: Lithuanian department of statistics

15.9 % of Lithuania's total exports are fuel products sold abroad mainly in the form of re-exports. The second-largest item is "electrical and electronic machinery and equipment" (6.4 % of exports), followed by "mechanical equipment and appliances" (5.6 %). All three of these items dropped significantly from their 1993 levels.

The institutional conditions governing the liberalisation of trade between the European Union and Lithuania were made possible firstly through the *extension of the SGP*¹ to Lithuanian exports in 1992, and then through the entry into force on 1 February 1993 of the *trade and cooperation agreement* between these two economic partners.



¹ The SGP (System of Generalised Preferences) is a serie of tariff reductions granted unilaterally by the European Union.

This agreement provides for the mutual granting of the most-favoured nation clause, non-discrimination in trade issues, and the removal by the EU of any specific restrictions on the volume of imports from Lithuania. On 18 July 1994, the two parties signed a free trade agreement which came into effect on 1 January 1995. An association agreement (or Europe agreement), which encompasses the free trade agreement, was initialled on 12 April 1995 and signed on 12 June 1995. The contents of the free trade agreement and the association agreement are presented in the final section of this chapter.

The EU was Lithuania's second-largest trading partner after the CIS in 1994, accounting for a quarter of all its trade.

9.6 THE EUROPEAN UNION'S TOTAL FOREIGN TRADE WITH LITHUANIA, 1994

(in million ECU)

Reporting countries	Imports ¹		Exports ²		Trade Balance	
	Value	Growth 1994/93 (%)	Value	Growth 1994/93 (%)	Value	Growth 1994/93 ³
EU	734,9	14,7	723,2	51,8	-11,7	152,6
Belgique/België,						
Luxembourg	74,7	78,2	26,5	21,5	-48,2	-28,1
Danmark	59,2	66,2	60,3	131,9	1,1	10,7
Deutschland	215,2	30,5	408,1	57,2	193,0	98,2
Hellas	1,3	-5,7	2,2	2,4	0,8	0,1
España	30,2	-31,0	10,7	86,1	-19,5	18,5
France	21,1	-53,3	56,6	-4,1	35,5	21,7
Ireland	0,7	79,0	1,0	-32,6	0,3	-0,8
Italia	32,6	65,7	46,7	56,0	14,1	3,9
Nederland	136,1	12,2	75,2	41,7	-60,9	7,3
Portugal	5,3	124,4	6,0	7538,8	0,7	3,0
United Kingdom	158,5	-3,5	30,0	69,6	-128,6	18,1

1) Cif

2) Fob

3) In absolute value

Source: Eurostat (COMEXT)

According to Eurostat statistics, the European Union had an ECU 11.7 million deficit in trade with Lithuania in 1994, indicating a return to a balanced trading position from the ECU 164.3 million deficit in 1993.

The liberalisation of trade between Lithuania and the EU has had the dual effect of raising both exports (+51.8 %) and imports (+14.7 %) by the EU.

In 1994, Germany accounted for 42.7 % of EU trade with Lithuania - 56.4 % of its total exports and 29.3 % of its imports. Germany's trade surplus was twice that of the previous year, at ECU 193 million in 1994.

Lithuania's other main European trading partners are, in descending order, the Netherlands (14.5 %), the United Kingdom (12.9 %) and Denmark (8.2 %).

9.7 THE EUROPEAN UNION'S TRADE WITH LITHUANIA, BY MAJOR PRODUCT GROUPS, 1994

(en millions d'écus)

Major products groups*	EU	Growth 1994/93 (%) ²	Deutsch- land	Neder- land	United Kingdom	Dan- mark	Other
TOTAL							
Imports	734,9	14,7	215,2	136,1	158,5	59,2	165,9
Exports	723,2	51,8	408,1	75,2	30,0	60,3	149,7
Trade Balance	-11,7	152,6	193,0	-60,9	-128,6	1,1	-16,2
Agricultural product (raw & processed)^a							
Imports	33,5	-16,1	16,5	6,4	0,3	5,1	5,2
Exports	178,7	220,6	101,5	31,8	1,9	16,4	27,1
Trade Balance	145,2	27,0	84,9	25,4	1,7	11,2	21,9
Mineral products (including oil)^b							
Imports	271,3	-14,3	12,4	80,9	87,4	23,2	67,4
Exports	3,9	-22,5	1,7	0,4	0,2	0,4	1,1
Trade Balance	-267,4	44,3	-10,7	-80,4	-87,1	-22,8	-66,2

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**9.7 THE EUROPEAN UNION'S TRADE WITH LITHUANIA,
BY MAJOR PRODUCT GROUPS, 1994** *(continued)*

(en millions d'écus)

Major products groups*	EU	Growth 1994/93 (%) ²	Deutsch- land	Neder- land	United Kingdom	Dan- mark	Other
Chemical products (including Plastics)^c							
Imports	78,7	35,8	29,1	19,0	19,1	2,3	9,2
Exports	76,3	272,9	41,7	4,4	9,4	3,3	17,5
Trade Balance	-2,4	22,4	12,6	-14,6	-9,7	1,0	8,3
Leather, Textile and miscellaneous manufactured products^d							
Imports	151,6	102,1	72,2	10,5	10,0	19,7	39,3
Exports	100,2	188,7	54,2	6,2	6,6	15,6	17,6
Trade Balance	-51,4	-39,0	-17,9	-4,3	-3,4	-4,1	-21,6
Wood, Stone, Metal products^e							
Imports	163,7	26,2	67,0	16,9	39,5	6,8	33,6
Exports	48,4	478,9	24,2	2,2	5,1	4,4	12,4
Trade Balance	-115,4	-9,7	-42,8	-14,7	-34,3	-2,4	-21,2
Machinery & devices (mechanical electrical, optical)^f							
Imports	19,4	181,9	7,0	1,0	1,9	0,1	9,4
Exports	162,0	222,8	88,9	9,4	5,1	12,4	46,2
Trade Balance	142,6	71,0	81,9	8,3	3,2	12,3	36,8
Vehicles (for air, land, water)^g							
Imports	8,6	-4,5	7,2	0,8	0,4	0,0	0,2
Exports	123,9	61,4	73,8	20,3	1,3	2,5	25,9
Trade Balance	115,3	47,5	66,6	19,5	1,0	2,5	25,8

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9.7 THE EUROPEAN UNION'S TRADE WITH LITHUANIA, BY MAJOR PRODUCT GROUPS, 1994 (continued)

(en millions d'écus)

Major products groups*	EU	Growth 1994/93 (%) ²	Deutsch- land	Neder- land	United Kingdom	Dan- mark	Other
Other^h							
Imports	8,1	46,3	3,8	0,6	0,1	1,9	1,8
Exports	29,8	415,2	22,1	0,4	0,2	5,2	1,8
Trade Balance	21,7	-11,0	18,3	-0,1	0,2	3,3	0,0

* The major products groups correspond to the following combinations of sections in the Harmonized system:

(a) I-IV; (b) V; (c) VI-VII; (d) VIII, XI, XII, XX; (e) IX, X, XIII, XIV; (f) XVI, XVIII; (g) XVII; (h) XIX, XXI.

1) Imports: Cif; Exports: Fob.

2) Absolute values as regards trade balance.

Source: Eurostat (COMEXT)

The fact that mineral products (primarily fuels) made up 37 % of the EU's total imports from Lithuania in 1994 confirms the importance of re-exports of fuels by this country. One of the main Lithuanian fuels imported by the EU is "petroleum oils and bituminous mineral oils other than crude oils", to a value of ECU 242.7 million for the period in question.

The deficit recorded by the EU for this item alone was enough to balance the trade figures between the two economic partners.

22.3 % of Community imports from Lithuania belonged to the product group "wood, stone products and basic metals", and another 20.6 % to the group comprising "textiles, footwear and various manufactured products". This last group recorded the most substantial increase of all the main items of Community imports in 1994.

EU exports to Lithuania fall into three main categories: "agricultural and food products", "electrical machinery and apparatus, optical instruments and photographic equipment", and "vehicles, aircraft and transport equipment". These products between them accounted for almost 65 % of EU sales to Lithuania, and the first two groups recorded an exceptionally high growth rate of over 200 % in 1994.

9.8 THE EU'S IMPORTS¹ FROM LITHUANIA, BY GROUP OF PRODUCTS IN ACCORDANCE WITH HS, 1994

(en millions d'écus)

Codes SH	Description	Valeur	Variation 1994/93 (%)
TOTAL	Total	734,9	14,7
27	Mineral fuels	257,7	-16,9
62	Articles of apparel and clothing accessories, not knitted or crocheted	61,1	85,1
31	Fertilizers	52,3	47,5
72	Iron and steel	45,5	118,6
44	Wood and articles of wood; wood charcoal	44,2	154,2
71	Natural or cultured pearls, precious or semi-precious stones ...	22,5	215,2
41	Raw hides and skins (other than furskins) and leather	22,0	71,6
35	Albuminoidal substances; modified starches; glues; enzymes	21,4	27,3
74	Copper and articles thereof	20,8	-28,4
61	Articles of apparel and clothing accessories, knitted or crocheted	19,1	107,8
85	Electrical and electronic machinery and equipment ...	11,7	268,0
94	Furniture, medical and surgical furniture, lighting apparatus ...	11,4	68,7
75	Nickel and articles thereof	8,3	-50,6
52	Cotton	7,8	209,3
76	Aluminium and articles thereof	7,6	-70,1
73	Articles of iron and steel	7,2	56,9
53	Other vegetable textile fibres; paper yarn ...	7,0	319,5
87	Vehicles other than railway or tramway rolling-stock ...	6,9	-16,7
25	Salt; sulphur, earth and stone; plastering materials, lime and cement	6,9	5,6

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9.8 THE EU'S IMPORTS¹ FROM LITHUANIA, BY GROUP OF PRODUCTS IN ACCORDANCE WITH HARMONIZED SYSTEM, 1994 *(continued)*

(en millions d'écus)

Codes SH	Description	Valeur	Variation 1994/93 (%)
07	Edible vegetables and certain roots and tubers	6,7	-59,2
Other	Other products	86,8	52,6

1) Caf

Source: Eurostat (COMEXT)

In terms of the divisions in the Harmonized System, the main EU imports from Lithuania, other than fuels, are "clothing and clothing accessories, excluding knitwear", fertilizers, and iron and steel products. However, despite the considerable increases recorded in 1994, they still only accounted for under 10 % of the EU's total imports.

9.9 THE EU'S EXPORTS¹ TO LITHUANIA, BY GROUP OF PRODUCTS IN ACCORDANCE WITH HARMONIZED SYSTEM, 1994

(in millions ECU)

HS Codes	Descriptions	1994	Growth 1994/93 (%)
TOTAL	Total	723,2	51,8
87	Vehicles other than railway or tramway rolling-stock ...	100,7	36,1
84	Machinery and mechanical appliances; nuclear reactors ...	99,3	81,6
22	Beverages, spirits and vinegar	65,8	316,6
85	Electrical and electronic machinery and equipment ...	41,8	192,6
24	Tobacco and manufactured tobacco substitutes	28,2	82,4
39	Plastics and articles thereof	26,4	154,9
90	Miscellaneous instruments and apparatus, parts and accessoires therof	20,4	119,7

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9.9 THE EU'S EXPORTS¹ TO LITHUANIA, BY GROUP OF PRODUCTS IN ACCORDANCE WITH HARMONIZED SYSTEM, 1994 *(continued)*

(in millions ECU)

HS Codes	Descriptions	1994	Growth 1994/93 (%)
55	Man made staple fibres	14,7	40,9
88	Aircraft, spacecraft, and parts thereof	14,1	506,7
94	Furniture, medical and surgical furniture, lighting apparatus ...	12,5	73,4
33	Essential oils and reinoids; perfumary, cosmetic or toilet preparations	11,3	98,7
38	Miscellaneous chemical products	10,4	118,2
30	Pharmaceutical products	10,2	121,7
08	Edible fruit and nuts; peel of citrus fruits or melons	9,7	267,9
15	Animal or vegetable fats and oil ...	9,3	92,3
86	Railway or tramway locomotives ...	8,6	1855,1
73	Articles of iron and steel	8,4	233,1
61	Articles of apparel and clothing accessories, knitted or crocheted	8,4	57,1
62	Articles of apparel and clothing accessories, not knitted or crocheted	8,4	57,2
18	Cocoa and cocoa preparations	8,2	1,7
Other	Other products	206,3	-5,6

1) Fob

Source: Eurostat (COMEXT)

It can be seen that "motor vehicles and land vehicles", "nuclear reactors, mechanical equipment and appliances", and "electrical machinery and equipment" make up one-third of EU exports to Lithuania. It is also worth highlighting the 316.6 % growth in "beverages, alcoholic fluids and vinegars" in 1994, which gave this item a 9 % share of total EU sales to Lithuania.

The entry into force of the free trade agreement in January 1995 should make a positive contribution towards improving trade flows between the European Union and Lithuania.

This agreement establishes free trade in industrial products, but at two different speeds.

The European Union has granted concessions to Lithuania since 1 January 1995, whereas the latter has been given 6 years in which to gradually introduce reciprocal treatment for EU goods. The two parties have abolished all quantitative restrictions on industrial products (with the exception of textiles) since the agreement came into effect. Whereas the EU has removed all taxes, Lithuania was allowed to do so gradually. In reality, whilst Lithuania abolished all import taxes with effect from 1 January 1995 for most products, the process will take two to six years for some of the more sensitive products. Certain export taxes will not be completely abolished until six years after the entry into force of the free trade agreement. This is the case for the following products: raw hides; semi-finished leather products; raw furskins; raw woods from deciduous trees; waste and scrap from steel and non-ferrous metal products.

Trade in textile products is subject to special provisions. With regard to tariffs, the EU proposed that the SGP regime be consolidated. The quantitative aspects are subject to the textiles agreement of 1993, which forms a protocol to both the free trade agreement and the Europe agreement.

The two parties grant each other mutual concessions for agriculture, processed agricultural products and fishery products.

The EU has taken into account and supported the efforts made by the three Baltic countries for greater cooperation, in particular their trilateral free trade agreement which came into force on 1 April 1994. The EU-Lithuania free trade agreement therefore provides for the diagonal cumulation of the rules of origin between the EU and the Baltic countries.

The other provisions of the free trade agreement deal with trade protection instruments such as the general safeguard clause, a specific safeguard clause for agriculture, fisheries and textiles, and the anti-dumping clause.

Lithuania can apply an "infant industries" clause. The agreement also contains provisions regarding payments, competition rules, monopolies, customs cooperation and the harmonisation of trade and customs legislation.

These provisions are similar to those of the interim agreements which the EU concluded earlier with the other central and eastern European countries. On 12 April 1995, the EU and Lithuania initialled an *association agreement (or Europe agreement)*. This agreement will establish a close long-term association between the two parties. After signing the agreement on 12 June 1995, Lithuania was placed on the same footing as the six other associate countries in the region (countries considered as potential future members of the European Union). This includes full participation by Lithuania in the pre-accession strategy adopted by the Heads of State and Government in Essen, in the structured dialogue and in the implementation of the White Paper.

The Europe agreement will govern economic and commercial relations between the EU and Lithuania, thus replacing the agreement on trade and economic and commercial cooperation. The Europe agreement incorporates the free trade agreement in its entirety and adds some new elements, particularly in a number of areas of economic cooperation.

10. TRANSPORT AND COMMUNICATIONS

Lithuania has a comparatively well-developed transport network due to the fact that it was previously an important staging post on the way from the former Soviet hinterland to central Europe and the Baltic region. Its significance as a transit region did, however, mean that the transport routes ran mainly from east to west and other links were partially neglected. Transit traffic received a further boost in 1986 with the opening of the ferry link between Klaipeda and Mukran. The transport sector has been subject to the same trends as the economy as a whole over the last few years, with a sharp fall being recorded by all carriers involved in transport services.

In 1992, the total length of the Lithuanian rail network was 2,996 km: a network density of 45.9 km per 1,000 km². The State network is 2,002 km in length and is in poor condition. There are still a number of different gauges and insufficient links to the international railway network. The 122 kilometres of electrified line in existence in 1991 has been at the same low level for years.

Whilst only 21 % of total goods traffic was transported by railway in 1992 (road haulage accounting for 76 %), the figure of 11,337 million tonne-kilometres of goods transported by railway was only exceeded by sea transport with 11,406 million tonne-kilometres. In terms of public transport, the railways carried 21.9 million passengers in 1992, virtually half the 1990 figure. In 1992, passenger transport amounted to 2,740 passenger-kilometres (down 25 % on 1990).

10.1 RAIL TRANSPORT DATA

Survey item	Unit	1980	1985	1990	1991	1992
Length of track	km	2,890	3,009	3,042	3,033	2,996
State network	km	2,008	2,014	2,007	2,007	2,002
Traffic carried						
Passengers	Mill.	30.3	32.5	43.4	35.0	21.9
Freight	Mill. t	.	.	66.5	63.9	56.2
Passenger-kilometres	Mill.	3,258	3,417	3,640	3,225	2,740
Tonne-kilometres	Mill.	18,237	20,927	19,258	17,748	11,337

The main goods transported by rail are petroleum products and building materials. Contrary to the general downward trend in the volume of goods transported by rail, the volume of cereals and milling products transported in 1992 was almost twice the figure for the previous year.

10.2 RAIL FREIGHT TRANSPORTED BY SELECTED GOODS

(in thousand tonnes)

Freight transported	1985	1989	1990	1991	1992
Total	77,483	79,799	66,487	63,918	56,185
Petroleum products	26,367	28,007	21,868	25,230	14,112
Peat	82	72	87	64	50
Ferrous metals (incl. scrap)	5,060	6,024	4,039	2,286	1,570
Agricultural machinery and automobiles	484	478	321	210	101
Timber	2,110	2,440	1,578	1,325	2,760
Building materials	21,013	21,447	18,678	17,138	11,297
Cement	4,928	5,210	4,949	4,598	2,697
Chemicals and fertilizers	6,917	5,586	3,889	3,163	2,406
Paper	383	477	340	268	730
Cereals and milling products	5,538	4,831	3,686	3,081	6,111
Sugar beet	517	540	613	593	190

Lithuania is currently the only Baltic country to have two-lane motorways, even if these do amount to a rather modest 376 km (1991). At present these motorways only cover the stretch between Vilnius and Klaipeda and sections of the Vilnius-Riga and Klaipeda-Riga roads. There are, however, plans to build a 260 km-section of two-lane motorway on Lithuanian territory as part of the Via Baltica, a 660 km motorway linking Estonia and Poland via Latvia and Lithuania. In 1991 there were 35,800 km of asphalt roads in Lithuania, two and a half times more than in 1970, as well as 8,500 km of dirt roads.

The public road network in 1992 extended to 21 100 km, a density of 323.3 km per 1,000 km², which is second only to Estonia of all the former Soviet republics. Compared to western industrialised nations, the density of the road network is fairly modest (e.g. Great Britain has 1 444 km per 1,000 km² and the United States 601 km per 1,000 km²), and it should also be borne in mind that these data say nothing about the quality of the road surface or the existence of petrol stations, garages, motels, etc.

10.3 ROAD NETWORK

Road category	Unit	1970	1980	1985	1990	1991
Total	1,000 km	33.5	32.3	39.0	44.2	44.5
Public network	1,000 km	20.0	20.0	20.9	20.9	20.9 ^a
Other	1,000 km	13.5	12.3	18.1	23.3	23.6
Paved roads	1,000 km	14.5	20.4	26.6	35.5	35.8
Public network	1,000 km	12.6	16.8	19.9	20.9	20.9
other	1,000 km	1.9	3.6	6.7	14.6	14.9
Motorways	km	.	.	360 ^b	.	376

a) 1992: 21,1. - b) 1986.

In 1991, 119,100 tonnes of goods were transported on public highways, producing a goods transport figure of 2,537 tonne-kilometres. This figure also fell in 1992.

The number of passengers carried by public transport buses was down again on the previous year to approximately 647 million persons in 1992. The transport performance figure for buses also fell again to 5 213 million passenger-kilometres in 1992.

Urban transport accounted for over 70 % of all passengers carried by public buses. Whilst the number of passengers carried by international and inter-city buses fluctuated over the last few years between 48.7 million (1985) and 42.2 million (1990), the annual number of bus passengers on suburban routes fell by over 43 million between 1985 and 1991. The same period also saw a drop of almost 40 % in the number of persons using taxis, the total figure falling to 15.4 million.

10.4 PASSENGER TRANSPORT BY PUBLIC BUSES

(in million)

Survey item	1980	1985	1990	1991	1992
Total	718.2	778.8	686.1	726.1	646.9
International and inter-city transport	48.1	48.7	42.2	46.8	.
Suburban transport	195.9	206.0	169.5	162.6	.
Urban traffic	474.2	524.1	474.4	516.7	474.7

In terms of the average distance travelled per day, the highest figure was for taxis with 280 km (1991), followed by buses (249 km) and trolley buses (224 km). In 1992, each inhabitant used the bus an average of 172 times.

The number of buses in service remained virtually stable over the last few years at 4,900, whilst the number of heavy goods vehicles fell steadily to 9,600 in 1991. The average age of the buses was estimated at over 10 years, which is very high by international standards. The number of cars rose each year, reaching a total of 542,500 in 1992. This produces a ratio of 145 cars per 1,000 inhabitants.

10.5 NUMBER OF MOTOR VEHICLE AND CAR DENSITY*

Survey item	Unit	1987	1988	1989	1990	1991
Cars	1,000	380.8	406.8	440.4	479.9	512.4
Cars per 1,000 inhabitants	Number	104.8	110.7	118.8	128.4	136.8
Buses	1,000	4.9	5.0	5.0	4.9	4.9
Heavy goods vehicles ¹	1,000	10.9	10.7	10.6	10.4	9.6
Motorcycles and scooters	1,000	208.3	206.9	201.4	192.1	196.1

*) As at end of year.

1) Including combined vehicles and delivery vans.

As traffic density rises, so too does the risk of road accidents. In Lithuania, these reached a peak in 1989 when almost 5,500 accidents involving injury to persons were recorded. 942 people were killed in these accidents and a further 5,961 suffered injuries.

10.6 ROAD ACCIDENTS

Survey item	1986	1987	1988	1989	1990
Accidents involving injury to persons	4,254	4,287	4,778	5,481	5,135
Injured persons	4,626	4,690	5,285	5,961	5,491
Deaths	617	623	765	942	933

The total length of Lithuania's navigable inland waterways was put at 628 km up until 1990, rising to 788 km thereafter. In 1992, the inland waterways transported 1.4 million tonnes of goods - roughly half the amount carried in 1985. The number of passengers carried over the same period fell by almost 60 % to 1.5 million in 1992.

10.7 DATA ON INLAND WATERWAYS

Survey item	Unit	1980	1985	1990	1991	1992
Navigable waterways	km	628	628	628	788	788
Freight loaded and unloaded at ports	1,000	2,425	2,669	1,640	1,192	1,048
Transport performance						
Passengers	Mill.	3.2	3.5	3.4	2.7	1.5
Freight	Mill.	2.6	2.7	2.4	2.0	1.4
Passenger-kilometres	Mill.	17	19	7	11	4
Tonne-kilometres	Mill.	150	157	164	141	45

The importance of inland waterway transport is far outweighed by that of maritime transport. Although Lithuania only has the one international seaport at Klaipeda, this handled 20.7 million tonnes of goods in 1988. Since that date, and primarily because of the fall in exports by Russia, the volume of goods handled by the port at Klaipeda has fallen dramatically, standing at just 15.1 million tonnes in 1990.

In 1992, the Lithuanian merchant fleet comprised 52 vessels with a total tonnage of 314,000 GRT. It also had its own oil tanker weighing 1,900 GRT.

The volume of freight shipped overseas was around 10 less in 1992 than for the two previous years. The transport performance figure given for 1992 was 11 406 million tonne-kilometres, which is down by a quarter on 1990 and by almost 18 % on 1991.

10.8 PERFORMANCE IN THE MARITIME TRANSPORT SECTOR

Transport performance	Unit	1980	1985	1990	1991	1992
Freight	Mill. t	3.8	4.0	5.2	5.2	4.7
Tonne-kilometres	Mill.	8,125	12,689	15,293	13,839	11,406

In 1991, around 50,000 flights were recorded over Lithuania, the companies involved being the national airline, Lithuanian Airlines, and an increasing number of foreign airlines. The existing cargo planes and passenger aircraft which were taken over from the Aeroflot fleet are very energy-intensive and are the cause of escalating losses in the air transport sector.

In order to cope successfully with growing competition from foreign airlines, the technical facilities at Vilnius, Klaipeda/Palanga and Siauliai airports need to be improved and the antiquated aircraft replaced by modern, fuel-saving and quieter airplanes. Lithuania has already taken a first step in this direction by leasing an ageing Boeing.

Air freight plays a very minor role in the goods transport sector, the annual volume of goods transported by air falling by 78 % between 1980 and 1992 to just 3,300 t, one-third less than the previous year. The 1992 total of 700,000 air passengers was much the same as in 1980 or 1985, but a full one million less than in 1991.

10.9 PERFORMANCE IN THE AIR TRANSPORT SECTOR

Transport performance	Unit	1980	1985	1990	1991	1992
Passengers	Mill.	0.7	0.7	1.9	1.7	0.7
Freight	1,000 t	14.8	13.4	11.6	9.7	3.3
Passenger-kilometres	Mill.	1,596	1,763	2,540	2,431	950
Tonne-kilometres	Mill.	24	23	17	15	6

In 1992, Lithuania's telephone network was made up of 886,000 telephone connections, which worked out at 236 for every 1,000 inhabitants. These included 227,000 business connections (25.7 %). There are 1,300 telephone lines for public long-distance telephone traffic. Despite the fact that the number of private telephone connections has increased by over 70,000 in the last two years alone, it is estimated that the unsatisfied demand for new lines runs to at least 156,000. Primarily because of a shortage of copper cables, existing requirements can only be met in the longer term, and other negative factors affecting business traffic in particular include the antiquated technical equipment, inadequate back-up services and a lack of spare parts. Telekomas, Lithuania's State telephone company, is therefore trying to improve the present communications facilities in cooperation with foreign partners. An example of this is the new satellite link via Copenhagen, which was set up in Kaunas in the summer of 1992 and offers over 120 lines to all parts of the world except Africa and Asia. At the same time, however, the rates for international phone calls have rocketed by 500 %. Most international calls are made with Poland (30 %), followed by Germany (21 %) and the United States (14 %).

Work also started in 1992 on laying a 100 km-long fibre optic telephone cable between Vilnius and Kaunas. This contains 150,000 telephone channels and should be completed in 1993. The construction of a new telephone link between Siauliai and Klaipeda is planned for 1994.

The following table summarises the development of the Lithuanian telephone network.

10.10 COMMUNICATIONS DATA

Survey item	Unit	1980	1985	1990	1991	1992
Telephone connections ¹	1,000	427,5	592,4	838,0	870,5	886,3
Per 1,000 inhabitants	Number	124,9	166,4	224,2	232,4	236,3
Private	1,000	258,0	381,1	588,5	627,4	658,9

1) As at end of year.

11. TOURISM

Lithuania's picturesque scenery and its wealth of historical and cultural sites attracted large numbers of tourists even before the Second World War. At that time, the Baltic coast was an attractive recreational area boasting clean beaches and impressive sand dunes, and tourism was a fairly important business. After 1940, large tracts of the coast and other areas of scenic beauty were declared prohibited areas for military use only, and development of the tourist infrastructure fell by the wayside over the following decades. On top of this, ecological problems multiplied, with discharges of untreated effluent making large expanses of beach temporarily unusable and causing widespread pollution in the Kurisch Haff. In 1989, Lithuania welcomed approximately 550,000 tourists, 480,000 (87 %) of whom came from the former Soviet Union.

Following independence, more attention has again been paid to the development of tourism given its importance as a potential source of foreign currency, and in 1990 most of the prohibited areas were opened up to the public. The beautiful scenery characterised by national parks and traditional health resorts and the attraction of its sites of historic interest will, however, only be able to generate this much sought-after upturn in tourism if steps are taken as quickly as possible to remedy the current lack of hotels and restaurants and the level of services offered is radically improved. Other measures which might promote the expansion of tourism would include environmental improvements in certain areas and the easing of entry requirements for foreign tourists. At present, there are plans to increase accommodation capacity through projects such as the construction of a four-star hotel in Siauliai (for 300 guests), a motel in Vilnius (for 200 guests) and two luxury hotels in Druskininkai and Klaipeda (for 200 and 300 guests respectively).

Tourism in Lithuania is advertised and organised by the Lithuanian Association for Tourism, which concentrates mainly on domestic tourism and coordinates the activities of the tourism clubs in the towns and rural districts of Lithuania. The main body responsible for foreign tourists is the Foreign Tourist Board. Some of the 13 travel agencies also help foreign tourists find accommodation and provide other services such as excursions and organised tours lasting a number of days.

To gain entry into Lithuania, foreign tourists require a visa which can be obtained from Lithuanian embassies and consulates and is valid for 90 days. It is also possible to obtain a visa for stays of up to 10 days at the Lazdijai and Klaipeda border crossings and at Vilnius and Kaunas airports. For a visa to be issued, it is still currently a precondition that applicants be invited by a Lithuanian citizen or organisation and complete the relevant application form.

12. MONEY AND CREDIT

In the former Soviet Union, the whole of the monetary and credit system was controlled by the State, and even after Lithuania had achieved independence few changes were initially made to this principle. The rouble was kept on as the currency unit on a temporary basis, which meant that Lithuania was also saddled with the economically-dubious exchange rates set by the Central Bank in Moscow. In practice, however, an important role was played by the so-called commercial rate, as well as the market rate and the bank rate (tourist rate), and these existed alongside the official exchange rate, which was mainly used for statistical purposes and to record foreign loans extended in roubles. The commercial rate was used as the basis for the settlement rate for foreign exchange receipts and expenditure within the State foreign exchange fund. The market rate was freely negotiated by enterprises and companies through the mediation of the Bank of Lithuania for foreign currency transactions between each other. The bank rate was used for the purchase of freely convertible currencies from foreigners and for the sale of foreign currency to the population under prescribed conditions. In addition to these rates, there were also internal settlement rates and the so-called customs rate for converting exports and imports made in roubles into hard currency.

In November 1991, the Lithuanian Parliament passed a Law which aimed to reintroduce the litas, Lithuania's pre-War monetary unit, as the national currency, but a number of essential technical conditions had to be fulfilled before this could be done. Because of the acute shortage of rouble banknotes, coupon money came into use in the spring of 1992 as a transitional currency. Lithuania finally left the rouble area on 1 October 1992 and the rouble was replaced by the talonas on a 1:1 basis as the sole legal means of payment. The intention was to curb inflation imported via the rouble and allow the Lithuanian Central Bank to implement its own monetary policy, with the emphasis on independent control of issuing money. It was not, however, initially possible to stabilise the value of the money. Although the talonas lost its value against hard currencies at a slower rate than the rouble, it still depreciated rapidly.

12.1 EXCHANGE RATES*

Survey item	Unit	1989	1990	1991	1992	1993 ¹
Former Soviet Union						
Official rate						
Buying and selling rate	Rbl per 1 DM	0.3573	0.3671	-	-	-
	Rbl per 1 US-\$	0.6088	0.5640	-	-	-
Special rate						
Buying and selling rate	Rbl per 1 DM	3.5730	3.6710	-	-	-
	Rbl per 1 US-\$	6.0880	5.6400	-	-	-
Commercial rate						
Buying and selling rate	Rbl per 1 DM	-	1.1013	-	-	-
	Rbl per 1 US-\$	-	1.6920	-	-	-
Russian Federation						
Official rate						
Buying and selling rate	Rbl per 1 DM	-	-	0.3642	-	-
	Rbl per 1 US-\$	-	-	0.5571	-	-
Commercial rate						
Buying and selling rate	Rbl per 1 DM	-	-	1.0926	-	-
	Rbl per 1 US-\$	-	-	1.6713	-	-
Central Bank market rate						
Buying and selling rate	Rbl per 1 DM	-	-	-	256.50	-
	Rbl per 1 US-\$	-	-	-	414.50	-
Lithuania						
Official rate						
Middle rate	TAL per 1 DM	-	-	-	236.00	303.10
Middle rate	TAL per 1 US-\$	-	-	-	382.00	493.20

*) As at end of year.

1) As at March.

a) Buying rate: 299.90 TAL, Selling rate: 306.30 TAL.

b) Buying rate: 488.00 TAL, Selling rate: 498.40 TAL.

As the value of the talonas, the currency substitute, continued to fall against hard currencies, there was no choice but to settle foreign trade obligations using stable currencies. The headlong depreciation of the talonas against the dollar and deutschmark is reflected by the fact that the exchange rate relations were adjusted at the beginning of each month.

12.2 MONETARY PARITY OF THE TALONAS

Beginning of month	Talonas	
	per US-\$	per DM
June 1992	120	72
July 1992	131	84
August 1992	141	92
September 1992	208	143
October 1992	246	169
November 1992	254	162
December 1992	271	169
January 1993	376	233
February 1993	400	247
March 1993	450	269
April 1993	490	290
May 1993	522	315

In contrast to this, the relationship between the talonas and the rouble remained relatively stable, although there were significant differences between the buying and selling rates. From November 1992 to April 1993, the buying rate fluctuated between 0.50 and 0.60 talonas to the rouble and the selling rate varied from 0.65 to 0.95 to the rouble.

On 25 June 1993, the litas was finally introduced as the national currency, and since 21 July 1993 it has been the only currency valid in Lithuania. Between these two dates, Lithuanian citizens could exchange unlimited amounts of talonas for litas at a ratio of 100 to 1. The exchange rates announced by the Lithuanian Central Bank in July were 4.50 litas to the US dollar and 2.66 to the German mark. Individuals and institutions were allowed to set up foreign currency accounts and no limits were placed on exchanging litas into foreign currencies.

The inflationary trend in prices and the monetary sector over the last two years is also reflected in important indicators for the monetary and credit system. One of the fundamental causes of the high rate of inflation was the massive extension of credit to save unprofitable State enterprises and reduce payment arrears by businesses.

It was against this background that the cash in circulation doubled in 1991 compared to the previous year, the M₂ money supply (central bank money supply, sight and term deposits) rose by 52 % and loans extended to the economy increased by 128 %.

12.3 SELECTED MONETARY AND CREDIT DATA*

Survey item	Unit	1987	1988	1989	1990	1991
Cash in circulation, notes and coins (excl. bank's holdings)	Mill. Rbl	1,181	1,371	1,687	4,000	8,000
Cash in circulation per capita	Rbl	325	373	455	1,070	2,136
Banks deposits, payable on call	Mill. Rbl	5,149	5,472	6,399	7,471	12,641
Savings and term deposits	Mill. Rbl	1,912	2,115	2,138	2,237	2,239
Savings deposits (savings banks)	Mill. Rbl	5,179	6,114	6,885	6,842	8,311
Money supply						
M ₁	Mill. Rbl	6,330	6,843	8,086	11,471	20,641
M ₂	Mill. Rbl	13,421	15,072	17,109	20,550	31,191
Growth in money supply (M ₂)	%	7,7	12,3	13,5	20,1	51,8
Domestic bank loans	Mill. Rbl	5,399	5,048	5,282	5,866	9,233
Loans to central government (net)	Mill. Rbl	741	797	931	624	- 2,733
Loans to the economy	Mill. Rbl	4,658	4,251	4,351	5,243	11,966
Loans to State enterprises and cooperatives	Mill. Rbl	4,459	3,922	3,952	4,530	9,370
Loans to private individuals	Mill. Rbl	199	329	399	713	2,596

*) As at end of year.

1) Money supply M₁: Cash in circulation and bank deposits payable on call Money supply.

M₂ = Money supply M₁ plus savings and term deposits.

In 1992, the M₂ money supply increased by 353 %, the nominal bank loans to State enterprises and cooperatives rose by much the same (356 %) and loans extended to private individuals grew by a factor of almost twelve. In real terms, they remained at much the same level as in 1991. By applying a strict policy of monetary restraint, some initial progress was made in 1993 in the battle to bring down the rate of inflation.

Up until 1990, Lithuania's financial institutions were completely integrated into the banking system of the former Soviet Union, i.e. they operated as branches of the Moscow Central Bank. The Lithuanian Central Bank was established in the spring of 1990, later to be followed by several other large banks (including the State Commercial Bank, the Lithuanian Investment Bank, the Agricultural Bank and the Savings Bank).

On 2 July 1992, a general law was adopted on commercial banking to lay down the conditions governing the activities of commercial banks. The new commercial banks come under the control of the Bank of Lithuania, but within certain limits they can obtain loans independently (including from abroad) and even grant them. At the beginning of 1993, there was a total of 21 mainly or completely private commercial banks in Lithuania, although only a dozen or so of these are actually in operation. As a result of the high minimum capital requirements set at 50 million roubles, there are at present only 3 commercial banks in which the State does not have a holding, and these account for a relatively small proportion of credit business (under 10 %). The Lithuanian Investment Bank, the Lithuanian Agricultural Bank and the Savings Bank still dominate when it comes to granting loans. Nevertheless, the process of privatising the State banks had barely got under way when it was stopped in mid-1993, and according to press reports privatisation will initially be restricted to savings banks with little real influence on the economy.

On 29 April 1992, Lithuania was the first former Soviet Union republic to become a member of the International Monetary Fund. This means that it can benefit from a considerable volume of financial aid, even if this is linked to concrete requirements regarding the implementation of economic and social reforms or to special projects. The International Bank for Reconstruction and Development has already made approximately 60 million US dollars in foreign currency available to Lithuania, mainly in order to finance desperately-needed imports. Other resources are being provided under the European Communities' PHARE programme.

13. PUBLIC FINANCE

The Lithuanian Government decided on Lithuania's first budget as an independent State in 1991, as up until 1990 the republic's State budget had been drawn up as part of the planned budget for the former Soviet Union.

According to International Monetary Fund data, revenue in the 1991 State budget totalled 9.7 thousand million roubles and expenditure came to 9.1 thousand million, producing a budget surplus for the first time in a number of years. The same source also estimated that with the total budget for 1992 increasing approximately sixfold on account of general inflationary trends, Lithuania would once again record a deficit - this time amounting to 3.1 billion roubles.

13.1 STATE BUDGET*

(in million roubles)

Survey item	1988	1989	1990	1991	1992
Revenue	4,185.8	4,704.6	4,279.6	9,745.0	55,550.0
Expenditure	4,980.9	5,538.1	4,610.4	9,138.0	58,615.0
Deficit (-) or surplus (+)	- 795.1	- 833.5	- 330.8	+ 607.0	- 3,065.0

*) Budget year: calendar year.

The most important source of revenue in the 1992 State budget was taxes on goods and services which accounted for 60.5 %, with income tax and profits tax on companies and individuals making up a further 31.7 %. On the expenditure side, social expenditure and transfers to local authority budgets were the two largest items, each totalling 27.1 %. There was a very noticeable drop in the proportion of expenditure devoted to subsidies, which fell from 23.0 % in 1992 to just 9.2 % as drastic cutbacks were made in all areas except certain types of social assistance, such as for coal and heating oil. On the other hand, there was an increase of almost 90 % in expenditure on State administration compared with 1991, reflecting the fact that an independent State is responsible for some new functions such as defence, domestic law and order and foreign policy (e.g. embassies).

13.2 STATE BUDGET REVENUE*

Item	1988	1989	1990	1991	1992	
	(in million roubles)					Share in %
Total	4,185.8	4,704.6	4,279.6	9,745.0	55,550.0	100
Tax revenue	3,179.1	3,483.0	3,795.4	9,049.0	52,499.0	94.5
Income and profits tax	1,272.2	1,314.6	1,381.5	2,691.0	17,586.0	31.7
Businesses	1,070.6	1,028.6	1,041.6	1,894.0	14,242.0	25.6
Individuals	201.6	286.0	339.9	797.0	3,344.0	6.0
Social security contributions	355.1	412.2	456.4	-	-	-
Taxes on goods and services	1,477.8	1,676.2	1,908.5	5,777.0	33,602.0	60.5
Turnover tax	1,477.8	1,676.2	1,908.5	4,984.0	11,108.0	20.0
Value added tax	-	-	-	260.0	21,582.0	38.9
Special fund	-	-	-	533.0	912.0	1.6
Taxes on property and real estate	-	-	-	139.0	-	-
Foreign trade tax	74.0	80.0	49.0	38.0	195.0	0.4
Other tax revenue	0.0	0.0	0.0	405.0	1,116.0	2.0
Taxes on fixed assets	-	-	-	385.0	963.0	1.7
Non-tax revenue	1,006.7	1,221.6	484.2	695.0	3,051.0	5.5
Transfers from the former Soviet Union	201.7	89.9	291.7	-	-	-
Fines and penalties	-	-	-	60.0	305.0	0.5
Transfers from the local authorities	144.5	197.9	29.9	-	-	-
Other non-tax revenue	660.5	933.8	162.6	635.0	2,746.0	4.9

*) Budget year: calendar year.

13.3 STATE BUDGET EXPENDITURE*

Item	1988	1989	1990	1991	1992	
	(in million roubles)					Share in %
Total	4,980.9	5,538.1	4,610.4	9,138.0	58,615.0	100
Current expenditure	4,636.5	5,180.8	4,370.1	7,887.0	56,251.0	96.0
Social services	777.7	875.6	949.9	2,018.0	15,899.0	27.1
Subsidies	2,008.9	2,132.6	1,817.8	2,100.0	5,394.0	9.2
Road maintenance	72.0	76.9	71.5	95.0	201.0	0.3
State administration	41.9	41.1	126.6	631.0 ^a	7,643.0 ^a	13.0
Transfers to the local authorities	958.4	944.9	464.1	2,281.0	15,887.0	27.1
Transfers to the former USSR	720.4	1,024.9	805.1	-	-	-
Financed by grants	-	-	-	-	2,400.0	4.1
Other current expenditure	57.2	84.8	135.1	762.0	8,827.0	15.1
Capital expenditure	344.4	357.3	240.3	447.0	2,684.0	4.6
National economy	321.4	335.5	222.7	447.0	2,684.0	4.6
Repayments	-	-	-	805.0	- 320.0	- 0.5

*) Budget year: calendar year.

a) Including defence and policing.

When looking at these figures it should be borne in mind that under Lithuania's newly-created budget system the actual State budget only encompasses just under 60 % of the income in the so-called "consolidated national budget". The latter also contains the local authority budgets and four special budgets, the largest of these by far being the social insurance fund which accounts for 24 % of all revenue and expenditure. The other three special budgets - the privatisation fund for businesses, the privatisation fund for housing and the agricultural reform fund - only account for around 1 % of the revenue in the consolidated national budget.

New official statistical data contain information on actual revenue and expenditure in the Lithuanian national budget for 1991 and 1992. They contain detailed breakdowns by main budgetary headings, although the details provided are unable to reveal important economic facts such as the level of subsidies or interest, and the contents of many items are rather unclear.

13.4 STRUCTURE OF THE REPUBLIC OF LITHUANIA'S NATIONAL BUDGET IN 1991 AND 1992*

Survey item	1991		1992	
	Mill. Rbl	%	Mill. Rbl	%
Revenue	12,694.3	100	85,968.7	100
Profits tax on businesses	2,603.2	20.5	19,177.6	22.3
General consumption taxes	259.7	2.0	24,389.6	28.4
Turnover taxes	4,984.0	39.3	11,167.9	13.0
Income taxes	1,986.8	15.7	16,751.9	19.5
State duties	137.2	1.1	993.3	1.2
Revenue from the use and sale of State property	407.6	3.2	176.2	0.2
Special financial reserves	533.0	4.2	911.4	1.1
Expenditure	11,142.4	100	81,132.0	100
Education	1,955.7	17.6	15,308.6	18.9
Culture	298.5	2.7	2,140.7	2.6
Health	1,346.4	12.1	11,805.8	14.6
Social care	759.7	6.8	6,348.4	7.8
Science and research	450.3	4.0	3,356.5	4.1
Financing of economic development	2,302.8	20.7	15,739.0	19.4
Operating costs of State and administrative authorities	225.4	2.0	2,159.9	2.7
Operating costs of bodies in charge of internal affairs	362.4	3.2	4,053.4	5.0
Special State programmes	162.3	1.5	5,303.7	6.5
Compensation and payments to businesses	1,455.6	13.1	5,405.3	6.7
Surplus revenue	1,551.9	-	4,836.7	-

*) Selected headings.

The table above shows that over the last two years there have been three predominant sources of State revenue: turnover and consumption taxes (41 %), profits taxes on businesses (22 %) and income taxes (19 %). One other important item of revenue not shown here is social security contributions made by wage and salary earners.

Value added tax was introduced in Lithuania at the end of 1991 with the intention that it gradually replace turnover taxes, as evidenced by the fact that turnover taxes fell in 1992 as consumption taxes rose.

In 1992, the largest item on the expenditure side (with almost 20 %) was the financing of economic development. This was followed by education with just under 19 % and health (around 15 %). The increase in social expenditure was also reflected by the 1 % rise on the previous year in the proportion of money spent on social welfare, bringing it up to almost 8 %. In contrast to this, a mere 0.2% of all State expenditure went on environmental protection.

Despite initial expectations that the balance for 1992 would be in the red on account of the ongoing economic crisis, several factors, including unexpectedly high revenue from profits taxes on businesses, produced a budget surplus of 4.8 thousand million roubles.

It is, however, anticipated that there will be another budget deficit in 1993 as tax revenue falls and welfare expenditure rises.

14. WAGES AND SALARIES

Up until the end of the 1980s, the Lithuanian population saw incomes rise at a more or less steady rate within the confines of the State's guidelines. During the course of 1991, price restraints were lifted (tentatively at first, and then much more freely) and this, together with the substantial improvements in incomes made in order to offer the population some form of social protection, led to enormous changes in the amounts of money earned and spent by the population. Whilst these were still more or less in line with price increases in 1991, 1992 saw real incomes drop despite much higher nominal earnings.

It is clear from the statistics available on private income and expenditure up until the 3rd quarter of 1991 that there was an annual increase in the excess supply of money since 1985, and by 1990 it already made up 8 % of total revenue. According to unofficial calculations, the per capita figure for savings by the Lithuanian population in 1990 was remarkably high at over 1,800 roubles. All of which leads to the conclusion that the goods and services on offer were unable to satisfy the population's desires for purchases either in terms of quality or quantity.

14.1 PRIVATE INCOME AND EXPENDITURE

(in million roubles)

Survey item	1985	1986	1987	1988	1989	1990	1st-3rd quarter 1991
Total income	6,269.0	6,506.0	6,861.2	7,611.4	8,858.7	10,005.5	13,116.5
Growth ¹ (%)	10.4	3.8	5.5	10.9	16.4	12.9	82.9
Wages and salaries	4,222.8	4,393.6	4,662.3	5,117.3	5,881.9	6,823.7	8,491.7
Welfare benefits	774.6	829.6	899.2	964.7	1,070.0	1,248.1	2,200.5
Total expenditure	6,050.2	6,300.1	6,613.3	7,315.3	8,221.9	9,203.8	12,111.2
Growth ¹ (%)	5.3	4.1	5.0	10.6	12.4	11.9	79.3
purchases of goods	4,841.1	5,024.3	5,245.1	5,777.6	6,488.2	7,193.5	8,900.9
payment of services	495.0	521.9	562.3	631.8	697.0	817.6	1,397.9
taxes and duties	703.6	740.8	784.6	861.9	1,036.7	1,171.8	1,811.2
Excess supply of money	218.8	205.9	247.9	296.1	636.8	801.7	1,005.3

1) Growth on previous year.

Up until 1991, there were no significant changes in the structure of household income and expenditure. It was only in 1992 that inflationary price trends caused spectacular movements in the structure of expenditure in particular. A breakdown of the total expenditure on goods and services reveals that the proportion of expenditure on foodstuffs in 1992 rose from 30.5 % the previous year to 50.3 %, whilst the corresponding figure for expenditure on the purchase of industrial goods went down from 37.5 % to 23.2 % over the same period.

14.2 STRUCTURE OF HOUSEHOLD INCOME AND EXPENDITURE

(in percentage)

Survey item	1989	1990	1991	1992
Total household income	100.0	100.0	100.0	100.0
Income from economic activity	68.7	70.8	67.4	66.4
Income from private farming	9.0	9.3	8.3	9.7
Pensions	8.1	8.8	8.6	13.1
Aid and assistance	3.2	3.1	7.2	5.1
Grants	0.2	0.2	0.2	0.5
Other income	10.8	7.8	8.3	5.2
Total household expenditure	100.0	100.0	100.0	100.0
Foodstuffs	27.9	27.5	30.5	50.3
Industrial goods	36.6	38.5	37.5	23.2
Services	10.7	10.2	7.1	8.4
Alcoholic beverages	4.9	4.9	4.4	2.4
Purchase of means of agricultural production	2.9	2.5	2.8	4.2
Taxes and duties	9.0	8.7	11.0	9.6
Other expenditure	8.0	7.7	6.7	1.9

Recent information shows that real household income in 1992 had fallen on average by 73 % since 1989, with the result that around three-quarters of all Lithuanian households have had to draw on social assistance from the State.

In 1990, the average gross monthly earnings of persons in employment in Lithuania were around 286 roubles, approximately 50 % higher than in 1985 (190 roubles).

In 1991 this figure was already up to 737 roubles (160 % increase on the previous year) and in 1992 average monthly earnings reached 5,615 roubles (a 662 % increase), which was still not enough to offset the enormous price increases. Real wages fell by 48 % between the first quarter of 1991 and December 1992, a trend which continued unabated into the first months of 1993.

Whilst an average monthly salary in December 1991 could still buy 116 kg of meat, 114 kg of butter, 297 kg of sugar, 2,220 eggs or 1 tonne of potatoes, by March 1993 it was worth just 37 kg of meat, 23 kg butter, 88 kg of sugar, 936 eggs or 374 kg of potatoes.

These average earnings conceal enormous differences in the wages paid in the individual branches of economic activity, most of which are a legacy of the wages policy operated by the former Soviet Union. Wages and salaries in the material production sectors were fixed by the central authorities at a much higher level than for other sectors. Whereas in 1990 a skilled worker in industry could earn over 400 roubles a month, the monthly income of teachers, journalists and nursing staff, for example, was only between 150 and 300 roubles, whilst doctors, technicians and engineers were paid between 250 and 400 roubles. The average pension in 1990 was 109 roubles, which represented 38% of the average monthly wage or salary of an economically active person.

Since the beginning of the transition towards a market economy, the differentiation in wages and salaries has become more accentuated. Whilst gross monthly earnings rose on average by a factor of 20 between 1990 and 1992, they were 40 times higher for persons employed in the shipping trade but only 13 times higher for those working in the field of science. The highest monthly wages and salaries in 1992 were recorded in the shipping sector (11,844 roubles) and banking and insurance (9,462 roubles), whilst persons employed in arts and culture-related activities were the lowest earners with 3,933 and 4,035 roubles respectively. The minimum monthly wage rose during the course of 1991 to 500 roubles and had reached 2,350 roubles by March 1993.

14.3 AVERAGE GROSS MONTHLY SECTOR AND BRANCH

(in roubles)

Economic sector branch	1970	1980	1985	1990	1991	1992
Industry	129.6	183.8	208.5	303.1	860.4	6,302
Agriculture	92.3	137.8	187.1	275.1	570.9	4,781
Forestry	83.3	129.6	144.8	187.2	577.1	4,644
Transport	136.0	192.2	209.7	303.5	703.6	5,981
Railways	119.4	163.9	185.8	297.5	710.5	6,276
Shipping	141.4	200.2	209.3	301.7	691.0	11,844
Trolley-buses	130.9	204.0	224.0	352.8	907.0	6,943
Road transport	139.6	200.2	217.5	305.5	691.6	5,002
Communications	95.2	137.3	149.5	237.4	636.9	5,725
Construction industry	149.2	196.4	246.2	393.2	845.3	6,796
Distributive trade	97.1	139.0	151.1	261.2	640.2	4,717
Banking and insurance	107.2	155.5	182.8	399.7	1,053.8	9,462
Data processing	94.2	148.1	165.6	302.8	643.2	5,122
Public utilities	94.7	140.2	160.5	234.9	621.7	5,314
Health, sport and social services	96.9	128.7	135.3	186.7	644.0	4,449
Education	111.4	143.6	155.2	184.9	625.2	4,468
Culture	86.8	119.2	125.0	175.9	617.8	4,035
Arts	104.3	155.1	169.1	245.9	562.7	3,933
Science	128.2	172.0	193.4	332.9	631.2	4,467
Public administration	120.4	159.1	176.7	310.5	842.8	.

An analysis of the gross monthly earnings by economic sector shows that wages and salaries in the private sector have the fastest growth rates, whilst the lowest recorded monthly earnings are those of cooperative farmers.

14.4 AVERAGE GROSS MONTHLY EARNINGS BY SECTOR

(in roubles)

Sector	1987	1988	1989	1990	1991
Total	204.4	222.7	245.8	285.9	737.0
Public sector	204.1	222.6	244.1	283.3	751.0
Private sector	.	173.2	327.9	469.9	850.0
Cooperative farming	207.0	223.9	257.3	302.6	514.0

15. PRICES

In accordance with the objectives of social policy in the former Soviet Union, there were only relatively minor increases in the prices fixed by the State in Lithuania during the 1980s. Price increases were, in principle, only permitted to reflect improvements in the quality of the goods in question, although manufacturers did of course often find ways of getting round this stipulation. Between 1985 and 1990, consumer prices rose by 24 %, with the price of foodstuffs going up faster than the prices for industrial goods. It should be borne in mind when looking at these figures that one item not included in the retail price index is rents, which had remained stable since 1967. This index also only shows price trends for trade in the State and cooperative sectors, whereas the insufficient range of goods on offer obliged many Lithuanians to purchase certain consumer goods on the black market where products were around three times more expensive than in the other shops. The introduction of economic reforms resulted in a complete upheaval in pricing policies from 1991 onwards, leading to a dramatic escalation in consumer price levels (225 % increase in 1991 compared to the previous year).

15.1 RETAIL PRICE INDEX

(1985 = 100)

Indexgruppe	1987	1988	1989	1990	1991
Total	109.4	112.0	114.4	124.0	402.6
Foodstuffs	117.8	119.2	119.9	130.6	420.0
Other goods	101.8	106.8	110.4	119.2	390.0

The same pattern is also reflected by the trends in consumer prices for selected goods. Whilst prices in the State and cooperative trade sectors remained relatively stable up until 1990, the average prices for some products and groups of goods even falling since 1980, they started to rise noticeably in 1991.

15.2 AVERAGE RETAIL PRICES OF SELECTED GOODS*

(in roubles)

Goods	Unit	1980	1985	1990	1991
Foodstuffs					
Meat, fresh	1 kg	1.80	1.83	2.04	9.39
Meat, canned	1 Dose	0.79	0.96	1.57	11.13
Sausages and smoked meat	1 kg	2.11	2.23	2.64	20.99
Fish, fresh	1 kg	0.88	0.87	0.80	6.84
Fish, canned	1 Dose	0.55	0.55	0.70	3.61
Fish, herring	1 kg	1.97	1.16	0.70	7.99
Eggs	10 p	1.02	0.99	0.96	4.62
Butter	1 kg	3.41	3.44	3.43	11.07
Cheese	1 kg	2.25	2.25	2.39	10.48
Edible oil	1 kg	1.66	1.69	1.66	9.41
Bread and bakery products	1 kg	0.28	0.29	0.37	1.77
Potatoes	1 kg	0.11	0.11	0.17	1.34
Vegetables	1 kg	0.34	0.37	0.68	8.64
Sugar	1 kg	0.80	0.78	0.82	4.51
Confectionnery	1 kg	2.54	2.73	2.91	11.89
Consumer goods					
Televisions, colour	1 p	680	634	740	1,514
Televisions, black and white	1 p	273	248	229	486
Cassette recorders, tape recorders	1 p	243	357	445	777
Cameras	1 p	64	70	66	181
Refrigerators and freezers	1 p	275	304	364	1,515
Washing machines	1 p	90	94	100	380
Vacuum cleaners	1 p	42	48	59	218
Clocks and watches	1 p	30	24	30	66
Cotton fabrics	1 m	1.45	2.03	2.59	8.30
Wool fabrics	1 m	19.96	18.27	21.95	82.34
Silk fabrics	1 m	9.41	10.01	9.73	27.13
Underwear	1 p	3.50	3.76	3.25	7.58
Hosiery	1 P	2.13	2.30	2.87	4.86
Shoes, leather	1 P	23.60	27.24	41.60	110.29
Shoes, rubber	1 P	8.44	11.61	12.74	28.44
Shoes, felt	1 P	11.99	13.14	12.37	35.75

*) State and cooperative trade.

This trend was caused by the Lithuanian Government's removal of controls on certain prices and tariffs, although around 20 % of all prices (e.g. for basic foodstuffs, energy, rents, public transport) remained under State control and a further 20 % were indirectly regulated by the imposition of maximum profit margins. Some basic foodstuffs such as flour, butter, sugar and salt were rationed and sold in exchange for vouchers.

Producer prices for agricultural and industrial products followed a similar pattern in 1991, although agricultural prices had, in contrast to consumer prices, already increased substantially during the second half of the 1980s. In general, the State purchasing prices rose much faster for plant products than for animal products between 1980 and 1991.

15.3 PRODUCER PRICES OF SELECTED AGRICULTURAL PRODUCTS

(in roubles)

Product	Unit	1980	1985	1990	1991
Plant products					
Cereals	1 t	128	172	283	906
Sugar beet	1 t	46	66	74	346
Flax fibres	1 t	884	1,256	1,883	19,413
Potatoes	1 t	154	132	294	958
Vegetables	1 t	250	251	745	1,715
Animal products					
Livestock and poultry	1 t	1,961	2,713	2,984	6,447
Milk	1 t	249	383	371	597
Eggs	1000 P	96	94	93	295

The price trends in 1992 escalated into hyperinflation. Consumer prices were up 1,162 % on the previous year and foodstuffs were up by as much as 1,400 %. This meant that consumer prices in Lithuania were 65 times higher than in 1989. The largest month-on-month increases were recorded in December 1991 with 53 % and January 1992 with 54 %. Whilst consumer prices in December 1992 were 12.6 times higher than in December 1991, wages and salaries only quadrupled over the same period.

15.4 MONTHLY INCREASES IN CONSUMER PRICES

Month	1991		1992	
	Index	% increase on previous month	Index	% increase on previous month
January	100	.	685	54.0
February	108	8.4	975	42.4
March	127	17.1	1,152	18.2
April	161	27.1	1,271	10.3
May	177	9.6	1,357	6.8
June	189	6.6	1,524	12.3
July	199	5.5	1,939	27.2
August	207	4.2	2,214	14.2
September	215	3.5	2,865	29.4
October	227	6.0	3,407	18.9
November	291	27.8	4,395	29.0
December	445	53.0	5,612	27.7

The rampant inflation could not be stopped in 1993 either. During the first three months, the consumer price index was up 46 % and further drastic price increases entered into force on 1 April 1993 (including a 50 % rise in bread prices, an extra 10-20 % for dairy products and prices for meat and sausages almost doubling in some areas). These price rises are prompting many Lithuanian citizens, particularly in the capital Vilnius where prices are especially high, to buy on the so-called "Chernobyl markets", where foodstuffs from Ukraine and Belarus cost only about half as much as Lithuanian products. Following Lithuania's departure from the rouble area on 1 October 1992 and the introduction of the litas as its own national currency in July 1993, the conditions would appear to be more conducive to pursuing an independent price policy and curbing inflation.

16 NATIONAL ACCOUNTS

Whereas in countries with market economies the national accounts are compiled in accordance with the System of National Accounts (SNA), the data available for Lithuania are still mainly based on the concept of material production (System of Material Product Balances - MPS) formerly used by the centrally-planned economies.

One important difference between the MPS and the SNA lies in the range of branches included. Amongst those branches not included in the MPS are productive activity by the State, private non-profit institutions, non-market domestic services, renting of accommodation, credit institutions, the insurance sector and various other branches producing services. The result is that only branches involved in so-called material production are taken into consideration on the production side (generation of income account), these being agriculture and forestry, industry, trade, transport and communications, hotels and catering and other material production services. It is, however, a requirement of this concept that in order for the generation of income account to be consistent and integrated with the use of income account, the goods produced by material production also appear in the use of income account, if the final users of these do not belong to the material production sector¹.

In order to align this with the SNA concept, experts from the International Monetary Fund have estimated important components of the use of gross domestic product. According to these estimates, gross domestic product in Lithuania in 1990 was around 29 % higher than the produced national income, whereas in 1980 it was only 20 % higher. The following data have been compiled from both national publications based on the MPS and international publications which generally use the SNA and, from 1991 onwards, have had to call on provisional (and in some cases estimated) data.

1) A more detailed explanation of the concepts used in the MPS can be found in the 1990 Statistical Year book for the Federal Republic of Germany, page 668 et seq. The conceptual differences with the SNA are presented in the United Nations document entitled "Comparisons of the System of National Accounts and the System of Balances in the National Economy, Part One, Conceptual Relationships, Studies in Methods", Series F, No. 20, New York 1977.

Up until 1988, the growth in Lithuania's economy was fairly substantial, but the upward trend slowed down considerably in 1989. As Lithuania attained independence and introduced market reforms, it encountered a whole host of economic problems, just as other countries switching over to a market economy, and from 1990 onwards these led to a substantial loss in economic potential. National income calculated in comparable prices was down 6 % in 1990 on the previous year, primarily on account of the slump in agricultural production. By 1991, this downward trend had extended to all the major sectors of the economy, reaching a total of 12.8 %, and the fall was even more accentuated in 1992. According to estimates made by the European Bank for Reconstruction and Development, Lithuania's gross domestic product shrank by 39 % in real terms in 1992, whilst other sources spoke of at least 35 %.

16.1 DEVELOPMENT OF PRODUCED NATIONAL INCOME

Year	Produced national income			Price components	Inhabitants
	Current prices	1989 prices			
		Total	Per capita		
	Mill. Rbl	Rbl	1989 = 100		
1980	5,867	6,308	1,853	93.0	92.6
1985	7,514	7,640	2,165	98.4	96.0
1986	7,922	8,189	2,300	96.7	96.9
1987	8,280	8,561	2,380	96.7	97.9
1988	8,913	9,410	2,589	94.7	98.9
1989	9,550	9,550	2,599	100.0	100.0
1990	10,000	8,976	2,421	111.4	100.9
1991 ¹	24,791	7,830	2,095	316.6	101.7

(Change over the previous year/annual average growth rate, %)

1986	5.4	7.2	6.3	1.6	0.9
1987	4.5	4.5	3.5	0.0	1.0
1988	7.6	9.9	8.8	2.1	1.1
1989	7.1	1.5	0.4	5.6	1.1
1990	4.7	6.0	6.8	11.4	0.9
1991	147.9	12.8	13.4	184.2	0.8
1980/1985 A	5.1	3.9	3.2	1.1	0.7
1985/1991 A	22.0	0.4	0.5	21.5	1.0

1) Provisional data.

According to the US-\$ dollar-based calculations available, Lithuania's gross domestic product in 1991 amounted to US-\$ 1,251.4 million, putting it in 144th place in the world league table. In that same year, the figure for per capita gross domestic product, an important indicator of a country's capacity for economic performance, was calculated at US-\$ 337.3, relegating Lithuania to 166th position out of the 194 countries covered.

The sectoral trends for economic growth varies considerably. Industry's share of produced national income in current prices¹ rose from 45.6 % in 1980 to 56.3 % in 1991, as a result of industrialisation measures implemented over a number of years in order to create substantial production capacity in Lithuania. This capacity was, however, largely dependent on deliveries from other parts of the former Soviet Union and almost all the articles produced were aimed at the markets of other former Soviet republics.

Agriculture's share also rose over the same period from 19.2 % to 23.3 %, although this is down drastically on the 1990 figure (when it had a 33.3 % share). The fall recorded in 1991 in agriculture's proportion of produced national income can mainly be attributed to lower yields of meat and dairy products caused by the appreciable reduction in numbers of livestock, which in turn was the result of difficulties with fodder supplies.

The construction industry saw its share of produced national income fall from 11.5 % in 1980 to 7.4 % in 1991 and transport and communications were down from 4.8 % to 3.3 %. Trade remained at much the same level with around 6 %.

1) These were used as the basis here because there are no data available at constant prices for 1991. The following proportions would differ substantially if they were calculated in fixed prices for 1989.

16.2 GENERATION OF PRODUCED NATIONAL INCOME

Year	National income	Agriculture	Industry	Construction industry	Distributive trades, hotels and catering	Transport and communications	Other branches ¹
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(at current prices (Mill. Rbl))

1980	5,867	1,126	2,673	676	353	279	760
1985	7,514	2,322	2,447	1,026	401	367	949
1986	7,922	2,422	2,780	1,014	419	403	883
1987	8,280	2,379	3,059	1,173	412	384	872
1988	8,913	2,810	3,073	1,225	471	435	899
1989	9,550	3,029	3,481	1,251	530	461	801
1990	10,000	3,330	3,407	1,338	599	586	740
1991	24,791	5,784	13,948	1,830	.	815	.

(Change over the previous year/annual average growth rate, %)

1986	5.4	+ 4.3	+ 13.6	1.2	4.5	9.8	7.0
1987	4.5	- 1.8	+ 10.0	15.7	1.7	4.7	1.2
1988	7.6	+ 18.1	+ 0.5	4.4	14.3	13.3	3.1
1989	7.1	+ 7.8	+ 13.3	2.1	12.5	6.0	10.9
1990	4.7	+ 9.9	- 2.1	7.0	13.0	27.1	7.6
1991	147.9	+ 73.7	+ 309.4	36.8	.	39.1	.
1980/1985 A	5.1	+ 15.6	- 1.8	8.7	2.6	5.6	4.5
1985/1991 A	22.0	+ 16.4	+ 33.7	10.1	8.4	14.2	4.9

(in 1989 prices (Mill. Rbl))

1980	6.308	2.232	1.953	858	370	334	563
1985	7.640	2.641	2.381	1.041	422	382	772
1986	8.189	3.000	2.507	1.103	423	419	737
1987	8.561	3.001	2.736	1.282	417	401	726
1988	9.410	3.074	3.344	1.294	468	453	778
1989	9.550	3.029	3.481	1.251	530	461	801
1990	8.976	2.681	3.492	1.284	544	347	628

(continued on next page)

16.2 GENERATION OF PRODUCED NATONAL INCOME *(continued)*

Year		Agricul- ture	Industry	Construc- tion industry	Distribu- tive trades, hotels and catering	Transport and communi- cations	Other branches ¹
(Change over the previous year/annual average growth rate, %)							
1986	7.2	+ 13.6	+ 5.3	6.0	0.2	9.7	4.5
1987	4.5	+ 0.0	+ 9.1	16.2	1.4	4.3	1.5
1988	9.9	+ 2.4	+ 22.2	0.9	12.2	13.0	7.2
1989	1.5	- 1.5	+ 4.1	3.3	13.2	1.8	3.0
1990	6.0	- 11.5	+ 0.3	2.6	2.6	24.7	21.6
1980/1985 A	3.9	+ 3.4	+ 4.0	3.9	2.7	2.7	6.5
1985/1990 A	3.3	+ 0.3	+ 8.0	4.3	5.2	1.9	4.0

1) Including proportional income from foreign trade.

a) 1985/1990 A.

Using the SNA concept, Lithuania's gross domestic product increased by over 450 % in nominal terms between 1980 and 1991. Calculated in current prices, the year-on-year growth in 1991 alone was 154 %, although there was a 13 % fall in real terms when the figures were based on comparable prices. Despite the fact that the rates of increase in gross domestic product are vastly exaggerated by the effects of inflation, the data available do illustrate some striking changes in the structure of its use.

It is noticeable, for example, that there has been a radical change in the proportion of private consumption over the last decade. Whereas in 1980 the figure was up at 64 %, much the same level as in developed Western European countries such as France and the United Kingdom, the proportion of private consumption in the use of gross domestic product fell steadily to just 46.5 % in 1991. State consumption also fell back from 22.4 % in 1985 to 19.9 % in 1990 and 16.7 % in 1991. When assessing these changes it is important to note that the foreign trade balance was in the black for the first time in 1991, which meant that in this year the quantity of goods which could be used for domestic consumption was less than that produced. The relatively high proportion of gross domestic product which made up gross fixed capital formation is also noteworthy.

16.3 USE OF GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year	GDP at market prices (Col. 6 / 7)	Private consumption	State consumption	Gross fixed capital formation	Change in stocks	Final domestic consumption (Col. 2 to 5)	Foreign trade balance
	1	2	3	4	5	6	7

(at current prices (Mill. Rbl))

1980	7,066	4,535	1,388	2,122	+	80	8,125	-	1,063
1985	9,190	5,232	2,060	2,968	+	182	10,442	-	1,252
1986	9,823	11,157	-	1,334
1987	10,376	5,547	2,322	3,548	+	57	11,473	-	1,098
1988	11,280	6,033	2,328	4,004	+	446	12,810	-	1,530
1989	12,265	6,609	2,496	3,886	+	300	13,291	-	1,026
1990	12,897	7,087	2,572	3,705	+	671	14,034	-	1,136
1991	32,814	15,259	5,480	8,991	+	755	30,484	+	2,330

(Change over the previous year/annual average growth rate, %)

1988	+	8.7	+	8.8	+	0.3	+	12.9	X	+	11.7	X
1989	+	8.7	+	9.5	-	0.2	+	9.7	X	+	3.8	X
1990	+	5.2	+	7.2	+	3.0	-	4.7	X	+	5.6	X
1991	+	154.4	+	115.3	+	113.1	+	142.7	X	+	117.2	X
1980/1985 A	+	5.4	+	2.9	+	8.2	+	6.9	X	+	5.1	X
1985/1991 A	+	23.6	+	19.5	+	17.7	+	20.3	X	+	19.5	X

This remained constant at around 30 %, and only dipped below this mark over the last two years (1991: 27.4 %). The proportion of foreign investors involved in gross fixed capital formation is still very small, although a series of new regulations introduced since 1990 has made it easier to make foreign investment commitments. Joint ventures constitute the most favoured form of foreign investment and the number of these rose from 32 in October 1990 to 1,106 by the end of June 1992, although the majority (around two-thirds) have only been registered and are not yet economically active.

When the 211 companies under foreign ownership are added to this figure, a total of 1,317 projects with foreign participation is produced for June 1992.

The registered share capital of these companies totalled 800 million roubles, 50 (400 million roubles) of which were foreign holdings. This gives an average figure of 300,000 roubles of registered foreign capital per project, although it is very difficult to assess the value of this given the extremely high inflation rates of the last two years.

A large number of joint ventures have been set up involving three or four different parties, and most of these are active in the trade sector. Others operate in the construction industry, the hotel and catering trade, the services sector and the consumer goods sector. German firms have up until now shown particular interest in automobile dealerships and the motor vehicle service sector.

The Lithuanian Government is trying to channel the flow of foreign capital mainly into enterprises which are dependent upon deliveries from Russia, primarily companies engaged in mechanical engineering and the manufacture of equipment. It is also hoped that future foreign capital will flow into research and development, agriculture, the food industry and environmental protection.

In mid-1992, the Russian federation was the largest foreign investor with over 400 projects. Poland had the second-most joint ventures with 252, ahead of Germany with 156. In terms of the amount of capital investment, however, Norway came second behind Russia, and the United States were in third place.

According to information from February 1993, there were 416 registered companies in Lithuania exclusively funded by foreign capital. The number of registered Joint Ventures had increased to 1,741, 702 of which were with Russian partners, 399 with Polish partners and 296 with German partners.

16.4 FOREIGN INVESTMENT IN LITHUANIA FROM JANUARY 1989 TO JUNE 1992

Country	Joint ventures and companies under foreign ownership			
	Number	Registered capital	of which: foreign holding	Share of total capital
		1,000 Rbl		%
Total	1,317	798,654	400,728	50.2
Russian Federation	423	249,296	112,351	45.1
Poland	252	51,825	28,012	54.1
Germany	156	39,196	16,028	40.9
United States	75	134,736	52,168	38.7
Ukraine	51	43,387	15,213	35.1
United Kingdom	28	41,569	16,622	40.0
Norway	8	155,583	79,848	51.3

17 ENVIRONMENT

One of the results of the highly specialised production methods of Lithuania's planned economy over the last four decades was that whilst some pockets of nature remained virtually unspoilt, considerable damage was done to the environment in many areas. Clearing up this damage will, in the short term, be nigh on impossible without assistance from abroad, given the glaring lack of economic resources and capital during this period of transition towards a market economy. The fact that a new policy on the environment exists in Lithuania is borne out by the creation in 1990 of a Department for Environmental Protection, which comes under the direct control of the Parliament and is therefore independent of the Government. This Department is in charge of eight regional environment agencies which are also separate from the local authority administrative structures and have been assigned executive powers. The "polluter pays" and precautionary principles are laid down in the Environmental Protection Act adopted in Lithuania on 21 January 1992, and this also provides the framework for further regulations on all important environmental issues. In addition to the general budget, a State Fund for Environmental Protection has also existed since 1988, and this can be used to promote environmental protection projects, compensate for environmental damage and support research work.

In recent years, Lithuania has concluded a whole series of multilateral and bilateral agreements in the field of environmental protection, such as the convention to protect the marine environment of the Baltic Sea. An intensive programme of cooperation is being carried out with Sweden to reduce the safety risk at the Ignalina nuclear power station. Since 16 April 1993, there has also been an agreement with Germany governing cooperation in important areas of environmental protection between the Federal Ministry of the Environment, Nature Conservation and Reactor Safety and the Lithuanian Department for Environmental Protection.

Despite this, the state of the Lithuanian environment is still giving cause for grave concern, although the problems could easily be solved with international support. The Ignalina nuclear power station, situated about 110 km north-east of Vilnius, presents a particular threat to the environment.

Accidents and temporary shutdowns of the two 1500-megawatt reactors in operation since 1984 were once almost daily occurrences at this Chernobyl-type nuclear plant, but since shutting it down completely is still not a viable alternative, retrofitting work has started in order to increase the operational safety of the two reactor blocks.

Total expenditure on environmental protection was put at 391 million roubles in 1991, almost twice the amount for the previous year. 61.3 of this environmental expenditure went on water pollution control, a further 12.5 on clean air and 6.1 % on the maintenance and repair of environmental protection equipment. In 1992, around 70 % of all expenditure on the environment went on water pollution control and 19 % was devoted to reducing air pollution.

17.1 EXPENDITURE ON ENVIRONMENTAL MEASURES

(in million roubles)

Survey item	1980	1985	1990	1991	1992
Total	66.9	119.3	197.3	390.8	3,821.7
Water pollution control	35.5	75.7	102.0	239.9	2,667.2
Air pollution control	4.9	8.0	13.9	48.9	720.0

The trend shown here in current prices is, however, strongly influenced by the price changes which have taken place, and when State expenditure on environmental protection from 1988 to 1990 is calculated in 1984 comparable prices, a completely different picture emerges for both the pattern and the structure of this expenditure.

17.2 INVESTMENT IN ENVIRONMENTAL PROTECTION IN LITHUANIA IN 1984 COMPARABLE PRICES

(in million roubles)

Survey item	1988	1989	1990
Total	48	64	60
Water pollution control	44	59	56
Air pollution control	0.1	3	2
Soil protection	2	2	1

These investments resulted in the introduction of a number of water and air purification plants, with an appreciable increase in 1992 in measures aimed at the treatment of water.

17.3 INTRODUCTION OF WATER AND AIR PURIFICATION PLANTS

Type of plant	Unit	1981-1985	1986-1990	1991	1992
Waste water purification	1,000 m ³ water per day	114.9	552.6	4.1	40.6
Multiple use and recycling of water	1,000 m ³ water per day	620.9	799.7	18.0	231.9
Reduction of air pollutants	1,000 m ³ gas per hour	30.0	93.5	0.1	

One of Lithuania's main environmental problems is the increasing contamination of its waters. In 1990, over 4 thousand million m³ of waste water were discharged into its lakes and rivers, 348.4 million m³ of which exceeded the permissible levels of pollution. 122 million m³ of this waste water had not been treated in any way. The volume of waste water exceeding maximum pollution levels decreased significantly over the next two years and the level recorded in 1992 was the lowest since the mid-1980s at 265.4 million m³.

17.4 WASTE WATER DISCHARGED INTO SURFACE WATER

Survey item	Unit	1985	1987	1989	1990	1991	1992
Total	Mill. m³	2,571.1	2,970.4	4,075.4	4,040.4	3,902.0	3,531.3
Polluted waste water	Mill. m ³	422.1	411.4	450.2	446.1	.	.
Waste water purified in accordance with regulations	Mill. m ³	87.7	116.1	114.4	97.7	98.6	95.6
% of polluted waste water	%	20.8	28.2	25.4	21.9	24.0	26.5
Waste water exceeding permissible levels of pollution	Mill. m ³	334.4	295.3	335.8	348.4	316.8	265.4

In 1990 Lithuania had 819 waste water purification plants with a total capacity of 1.4 million m³ of waste water per day. Whilst many smaller towns and industrial enterprises are equipped with biological or mechanical treatment plants, the situation in the cities is generally unsatisfactory. The capital, Vilnius, has only one mechanical treatment plant in operation, with a biological plant under construction. 58 % of all the pollutants discharged in Lithuania take the form of municipal waste water from Vilnius and Kaunas. Apart from industry and households, the main polluter is agriculture, where over-fertilisation is responsible for a large amount of water pollution from heavy metals, organic materials, chlorides and sulphates.

17.5 DISCHARGE OF POLLUTANTS INTO SURFACE WATER

Type of pollutant	Unit	1989	1990
BOB ¹	1,000 t	64.1	58.9
Suspended solids	1,000 t	48.0	47.7
Petroleum products	1,000 t	0.5	0.5
Nitrates	1,000 t	.	6.8
Phosphates	1,000 t	0.9	1.7
Iron	t	464	145
Copper	t	32	28
Zinc	t	88	63
Nickel	t	35	23
Chromium	t	51	39

1) Organic pollutants.

The Kurisch Haff is particularly badly affected by heavily polluted waste waters containing petroleum products and phenols and residues from galvanizing processes carried out by metalworking enterprises. It must also be said that much of the pollution in the Haff is also caused by the Sowjetsk paper mills in the Russian exclave of Kaliningrad, which discharge chlorine and sulphite lyes in particular into the river Nemunas. The river Kulpe near Siauliai and the river Sidabra at Joniskis are also heavily polluted.

In some Lithuanian localities, the ground water is already polluted with contaminants such as heavy metals and petroleum products. Radioactive contamination has been recorded in the ground water and some inland waters in the vicinity of the Ignalina nuclear power station.

Data available on the hydrological cycle show that towards the end of the 1980s no major changes took place in the collection and treatment of water. In 1992, however, there was a sharp fall in water collection and consumption. One striking statistic is that of the 4.0 thousand million m³ of water collected in Lithuania in 1992, only around 0.5 thousand million m³ or 13.8 % was used more than once; in 1990 the proportion of recycled water was still up at 65 %.

17.6 WATER COLLECTION, FRESH WATER CONSUMPTION AND THE USE OF RECYCLED WATER

(in million m³)

Survey item	1985	1987	1988	1989	1990	1992
Water collection	2,810.2	3,232.7	3,605.0	4,355.3	4,311.0	3,973.9
Fresh water consumption	2,783.4	3,203.7	3,577.7	4,327.4	4,285.5	3,518.9
Industry	2,168.0	2,553.0	2,896.7	3,612.9	3,566.8	3,111.3
Drinking water	76.5	71.6	94.5	97.5	94.0	45.6
Consumption by residents	272.6	293.9	301.8	295.9	292.9	.
Agriculture	122.8	116.9	125.9	126.0	121.8	.
Irrigation	14.2	7.1	16.4	15.9	11.5	.
Fisheries (aquaculture)	220.0	239.9	253.3	292.6	304.0	104.3
Use of recycled water	2,902	3,048	3,094	3,108	2,803	549

When it comes to stationary sources of pollution in Lithuania, the main culprit in terms of atmospheric pollution is the energy industry, which accounts for 63 % of sulphur dioxide emissions and 54 % of nitrogen oxide emissions. The chemical and construction industries also emit large quantities of pollutants. Air-borne industrial pollutants totalled 385,400 tonnes in 1990, 37 % being in the form of sulphur dioxide, 24 % carbon monoxide, 15.5 % suspended solids, 9 % nitrogen oxides and 8.5 % hydrocarbons. Whereas there was a further increase in the emission of pollutants into the air in 1991, 1992 saw the figure fall significantly to 248,800 tonnes, with a reduction in all types of pollutants. Although traffic emissions are also responsible for a good deal of atmospheric pollution, there are no current data available on these.

17.7 EMISSION OF POLLUTANTS INTO THE AIR, BY TYPE OF POLLUTANT

Type of pollutant	Unit	1985	1987	1989	1990	1991	1992
Suspended solids	1,000 t	56.2	50.4	40.6	59.7	49.9	28.2
Sulphur dioxide	1,000 t	224.3	238.7	188.2	142.6	174.5	95.5
Carbon monoxide	1,000 t	66.6	100.3	98.9	91.5	101.8	61.0
Nitrogen oxides	1,000 t	37.9	47.3	43.7	35.2	39.0	19.6
Hydrocarbons	1,000 t	39.9	34.6	36.7	32.7	35.9	29.8
Sulphuric acid	t	711.0	130.0	45.3	53.1	47.8	24.4
Fluorides	t	260.0	214.0	188.6	138.4	19.9	28.3
Chlorides	t	1 563.0	1 167.0	720.9	5.7	9.4	6.0

By far the largest sources of pollution in Lithuanian industry were the cement works at Akmene, the oil refinery in Mazeikiai, the Elektrenai power station, the Jonava nitrogen company and the chemical works in Kedainiai. The highest concentrations of air pollutants were recorded above the larger towns.

17.8 EMISSION OF POLLUTANTS INTO THE AIR BY INDUSTRY AND MOTOR TRAFFIC IN 1989 IN SELECTED TOWNS

(in thousand tonnes)

Town	Total	Suspended solids	Sulfur dioxide	Carbon monoxide	Nitrogen oxides	Hydrocarbons	Other pollutants
Jonava	25.6	1.3	1.6	14.2	2.4	1.3	4.8 ^a
Kaunas	58.3	4.1	5.3	29.4	5.4	6.6	7.5 ^b
Kedainiai	19.5	1.2	6.1	9.3	0.7	1.8	0.4
Klaipeda	26.8	0.9	7.1	13.3	1.7	3.2	0.6
Mazeikiai	74.8	0.6	27.4	8.2	4.3	30.4	3.9 ^c
Naujoji Akmene	76.9	11.4	10.9	45.4	8.2	1.0	-
Panevezys	30.4	1.7	2.4	21.1	1.6	3.2	0.4
Šiauliai	16.9	0.6	2.5	9.9	1.0	2.3	0.6
Vilnius	80.4	2.0	16.8	42.8	7.0	9.7	2.1

a) Of which: 3,700 t ammonia, 700 t chlorine.

b) Of which: 3,100 t acetone, 2,500 t chloromethane.

c) Of which: 1,400 t xylene (Xylol), 1,000 t toluene.

As one would expect, the forests surrounding the sites of the main air polluters are also the worst-damaged. For example, visible damage can be seen on 2,700 ha of forests around the Jonava nitrogen plant and the trees have already died over an area of 730 ha. The Soviet Army destroyed 60,000 ha of forest in order to build military training areas and airfields. There has been an increase in the number of trees lost through forest fires as a result of the recent run of dry summers, but these have been more than offset by State afforestation programmes.

17.9 BASIC FORESTRY DATA

Survey item	Unit	1985	1987	1989	1990	1991	1992
State afforestation programmes and forest maintenance planting and seeding of trees	1,000 ha	9,048	8,124	8,080	7,850	.	.
New plantations in State forests	1,000 ha	8,747	7,823	7,763	7,604	7,647	6,733
Forest area protected from pests and diseases ¹	1,000 ha	6,966	8,174	7,547	6,718	.	.
Forest fires							
Number		66	56	136	322	171	1,182
Forest area destroyed	ha	12.0	40.3	60.2	187.2	63.8	818.7
Financial losses	Rbl	545	5,195	11,728	13,776	40,151	13,196,443

1) Using biological and chemical methods.

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Lithuania is the largest of the three Baltic republics in both surface area and population. The country lies in the north-east of Europe and borders the Baltic Sea. Its national territory covers a total area of 65 300 km², which is around 18% of the size of Germany. At the beginning of 1993, Lithuania had 3.75 million inhabitants and a population density of 57.5 inhabitants per km². Before the Second World War, Lithuania was one of the least industrialized nations in Europe, being a mainly agricultural country. Following its incorporation into the Soviet Union, a large number of industrial complexes were set up in Lithuania, but these were dependent on the Soviet republics for both raw materials and markets for the goods produced. As a result, in 1990 over 90% of the country's foreign trade turnover was still with countries from the former Soviet Union.

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The restoration of national sovereignty in Lithuania heralded a process of far-reaching change affecting all aspects of social life. In laying the foundations for a free-market economy, the path chosen by the democratically elected government involved a whole range of measures to promote privatization, liberalize prices and reshape the monetary and financial system which have — as in other countries adopting the same methods — initially been accompanied by a sharp downturn in the economy. Since 1990, the total collapse of its traditional trade links, the switchover to paying world market prices for imports of raw materials and energy, together with several other factors have led to a severe decline in all the relevant economic indicators.

The first-ever country report on Lithuania offers a detailed summary of the current situation in the different sectors of the economy alongside a host of information on long-term developments in such fields as demography, education, employment and the environment. It contains colour maps and figures, tables and textual commentaries.

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