

ECONOMY OF PANEVĖŽYS COUNTY

According to the level of economic development, Panevėžys county lags behind the national average. Panevėžys county produced 5.9 % of country's gross domestic product (GDP). GDP per capita, on average, in the county made LTL 20.4 thousand, which is by 30 % less than the national average in 2007. Nominal GDP per capita in 2007 in the county grew by 13.3 % (national average – 20.2 %). According GDP per capita, Panevėžys county may be classified under the mediocre ones.

As compared with the general structure of the national economy, Panevėžys county has better-developed industry and construction, where 35.3 % of the county's gross value added (GVA) is generated (national average – 32.8 %).

In 2007, the enterprises of Panevėžys county paid LTL 70.5 million of the profits tax, which is by 10 % more than in 2006. The most considerable growth in the amount of the profits tax paid was recorded in Biržai municipality, where in 2007, against 2006, Profits tax grew by 72.2 %. The amount of the social tax paid by the county's enterprises in 2007 made LTL 14.7 million.

Profits tax paid, 2004–2007

LTL thousand

	2004	2005	2006	2007
Panevėžys county	51268.1	61200.6	64122.4	70511.1
Biržai d. mun.	2775.0	1493.6	1539.4	2651.5
Kupiškis d. mun.	1968.9	2407.0	2085.9	2053.0
Panevėžys t. mun.	33049.4	40679.5	46913.0	50961.3
Panevėžys d. mun.	4573.6	3400.9	3156.8	5031.3
Pasvalys d. mun.	1315.3	890.9	934.6	1436.3
Rokiškis d. mun.	7585.9	12328.7	9492.7	8377.6

Revenue of local authorities received from collected taxes grew as well. In 2007, the largest amount of revenue of local authorities was received from the income tax paid.

Taxes paid to and included in local budgets, 2007

LTL thousand

	Taxes paid, total	of which					
		income tax	land tax	inheritance tax	immovable property tax	pollution tax	charges and fees
Panevėžys county	233218.3	212917.9	6117.9	224.8	11123.1	1618.7	1215.9
Biržai d. mun.	29035.8	26945.9	1041.8	14.2	776.0	101.6	156.3
Kupiškis d. mun.	21126.1	19600.2	673.7	9.0	653.0	83.3	106.9
Panevėžys t. mun.	80206.5	70991.1	780.4	144.0	6923.1	831.4	536.5
Panevėžys d. mun.	39239.7	36208.2	1504.8	34.6	1017.2	311.7	163.2
Pasvalys d. mun.	28671.6	26420.8	1321.7	13.8	671.7	95.1	148.5
Rokiškis d. mun.	34938.6	32751.7	795.5	9.2	1082.1	195.6	104.5

In 2006, investment in tangible fixed assets in Panevėžys county made LTL 933.6 million, or LTL 3238 per capita (national average – LTL 5861 per capita). In Panevėžys town, per capita investment was by LTL 1234 higher than in the county, and by LTL 1389 lower than the national average. The county average of per capita investment was also exceeded in Panevėžys district municipality (by LTL 160). In the rest of municipalities, per capita investment in tangible fixed assets over 2004–2006 was increasing; however, it did not reach the county average. The lowest total and per capita investment in tangible fixed assets in 2006 was in Biržai (LTL 61.1 million and LTL 1813) and Rokiškis (LTL 76.1 million and LTL 1915) district municipalities.

Per capita investment in tangible fixed assets, 2004–2006

LTL

	2004	2005	2006
Lithuania	3523	4540	5861
Panevėžys county	2204	2362	3238
Biržai d. mun.	1184	924	1813
Kupiškis d. mun.	1249	1207	2258
Panevėžys t. mun.	3527	3312	4472
Panevėžys d. mun.	1477	2498	3398
Pasvalys d. mun.	1547	2381	2477
Rokiškis d. mun.	1165	1374	1915

Foreign direct investment (FDI) in Panevėžys county as of 1 January 2008 made LTL 588.5 million (as of 1 January 2007 – LTL 522.1 million) and grew by 13 %, while against 1 January 2001 – by 54 % per cent (as of 1 January 2001 – LTL 381.5 million).

As of 1 January 2008, according to the FDI indicator, Panevėžys county ranked fifth in the country (after Vilnius, Telšiai, Kaunas and Klaipėda counties). 87 % (LTL 512.9 million) of the total FDI in Panevėžys county was invested in Panevėžys town, 6 % (LTL 34.3 million) – in Biržai district municipality.

The per capita FDI in the county, on average, made LTL 2071, or by 14 % more than as of 1 January 2007 (LTL 1818). According to this indicator, Panevėžys county ranks sixth in the country; however, the indicator of Panevėžys county is as much as 5 times lower than the national average (LTL 10 547).

The highest per capita FDI in Panevėžys county was in Panevėžys town municipality – LTL 4511, i.e. 2.2 times higher than the county and 2.3 times lower than the national average. The lowest total and per capita FDI was in Rokiškis (LTL 1.6 million and LTL 42), Panevėžys (LTL 2.7 million and LTL 62) and Pasvalys (LTL 4.6 million and LTL 142) district municipalities.

The bulk of investment in Panevėžys county was made by the investors from Denmark (LTL 136.6 million, or 23 % of the total FDI), Germany (LTL 97.4 million, or 17 %), Norway (LTL 89.0 million, or 15 %) and Poland (LTL 76.9 million, or 13 %).

The bulk of investment was made in manufacturing (LTL 445.0 million, or 76 % of the total FDI) and construction (LTL 74.2 million, or 13 %).

In manufacturing, the bulk of the FDI was made in the manufacture of food products and beverages – LTL 211.5 million (48 % of the total FDI in manufacturing), motor vehicles and transport equipment – LTL 70.0 million, or 16 %, and mineral products – LTL 48.6 million, or 11 %.

The number of operating enterprises in Panevėžys county (6127 economic entities) has not grown since 2005. As of 31 December 2007, there were 6105 economic entities in the county. By kind of economic activity, the highest number of operating economic entities was in wholesale and retail trade, a lower number – in manufacturing, real estate, renting and other business activities. Economic entities having up to 9 employees, against the total number of operating economic entities, made up 77 %, while those having 250 and more employees – just 0.6 %.

Entrepreneurship, industry, construction

By the level of entrepreneurship Panevėžys county is outpaced only by Vilnius, Kaunas and Klaipėda counties. In 2007, the national average was 18.8, while in Panevėžys county – 15.2. Based on this indicator, Panevėžys county may be classified under the mediocre ones.

The country's extractive industry and manufacturing are multiform; there are industries that are characteristic to certain municipalities: in Biržai district municipality (which in 2007 accounted for 6 % of the value of production manufactured in the county) – manufacture of meat and meat

products, as well particular brands of beer; in Kupiškis district (4 %) – peat mining and manufacture of wood products; Panevėžys town (54 %) – manufacture of flour, starch, beer and malt, insulated wires and cables, isothermal bodywork and trailers; Panevėžys district (7 %) – meat and meat products, compound feedingstuff; Pasvalys district (10 %) – high-fat cheese; Rokiškis district municipality (19 %) – milk and dairy products, freight transport assembly. More than half (57.2 %) of total industrial production was that produced by enterprises manufacturing food products and beverages. In food industry, the most rapid growth was observed for milk, beer, meat and grain production. In 2007, exports of production manufactured in the county made up about 58.6 %.

Main products manufactured, 2001–2007

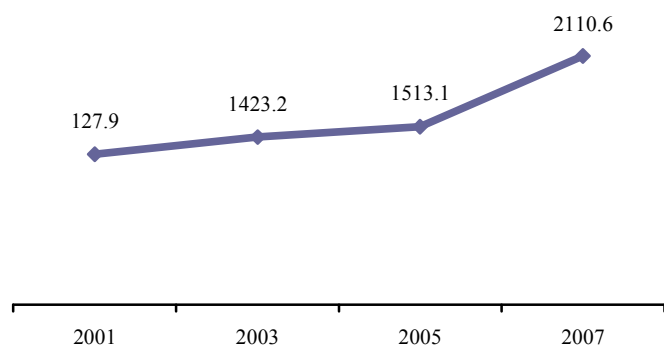
	2001	2003	2005	2007
Meat and meat products, thousand t	8.1	20.2	17.8	22.6
Beer, thousand dal	5843.0	4720.0	6428.0	9329
Sugar, thousand t	57.9	63.5	47.8	7.3
Flour, thousand t	57.0	80.5	104.8	146.1
High-fat cheese, thousand t	31.5	31.3	40.5	32.1
Peat mining (relative humidity), thousand t	61.6	34.0	152.4	100.5

The largest and better-known county's industrial enterprises – public company Rokiškio sūris, branches of the public company Pieno žvaigždės Pasvalio sūrinė and Panevėžio pienas (milk and dairy products), public company Kalnapilio Tauro grupė (beer), public company Malsena (grain mill products), private company Agaras and public company Krekenavos agrofirma (meat and meat products), private company Viking Malt (malt), public company Krekenavos pašarai (feedingstuff), public company Lietkabelis (insulated wires and cables), private company Schmitz Cargobull Baltic (isothermal bodywork and trailers), public company Panevėžio stiklas (glass and products thereof), private company Dūrpėta (peat mining), general partnership of A. and R. Baumila Klasikinė tekstilė and public company Siūlas (textiles).

Increasing production volumes in the county's enterprises determined a more rapid growth in exports. In 2007, about 58.6 % of production manufactured in the county was exported. In total, goods manufactured in Panevėžys county account for 7.1 % of exports of Lithuanian goods. The bulk of exported goods falls within dairy products (cheeses), insulated wires, grain crops, components of bodywork, trailers and semi-trailers.

Exports of goods manufactured, 2001–2007

LTL million

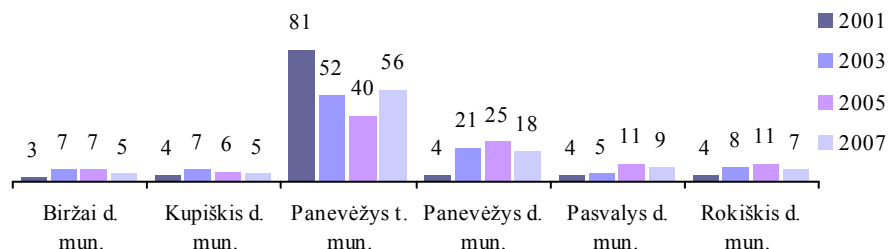


Own-account construction work carried out in Panevėžys county accounts for 6.4 % of total own-account construction work carried out within the country. In 2007, construction work carried out by construction enterprises in the county accounted for LTL 690.6 million. New construction is concentrated in Panevėžys town (56 % of total construction work carried out in the county) and

district (18 %) municipalities. The increase in the volume of construction work was determined by the rapidity of new construction and reconstruction work.

Construction work carried out, 2001–2007

Total construction work carried out in Panevėžys county – 100 per cent



In 2007, 115 residential buildings were completed in the county, with 202 dwellings equipped there. The average useful floor area per dwelling reached 117.0 m² (national average – 102.6 m²). Construction of 1–2 dwelling buildings has been prevalent in the county; in 2007, 114 private houses were built; their useful floor area made 17.5 thousand m². The highest number of dwellings was completed in Panevėžys town (121), Panevėžys (24) and Rokiškis (20) district municipalities. The largest houses in terms of the average floor area per dwelling were built in Panevėžys district municipality (178.4 m²).

In 2007, 323 building permits for the construction of 333 residential buildings were issued in Panevėžys county, with 489 dwellings (i.e. by 89 dwellings more than in 2006) planned to be equipped there.

Number of new dwellings completed and their useful floor area, 2001–2007

	Number of dwellings				Useful floor area, thousand m ²			
	2001	2003	2005	2007	2001	2003	2005	2007
Lithuania	3785	4628	5933	9286	385.3	491.4	651.6	953.2
Panevėžys county	181	139	147	202	22.6	20.8	23.2	23.6
Biržai d. mun.	36	18	12	11	3.5	2.9	1.5	1.2
Kupiškis d. mun.	12	11	5	12	1.6	1.4	0.8	1.6
Panevėžys t. mun.	77	41	72	121	9.6	6.4	11.8	11.9
Panevėžys d. mun.	31	41	27	24	5.1	6.5	4.7	4.3
Pasvalys d. mun.	6	12	9	14	1.0	1.5	1.9	2.2
Rokiškis d. mun.	19	16	22	20	1.8	2.1	2.5	2.4

Over 2007, 261 non-residential buildings were completed in the county, with the total area of 135.5 thousand m² (against 2006, the area built up with non-residential buildings in the county increased by 47.5 thousand m²). The bulk of new non-residential construction in Panevėžys town municipality in terms of the total area fell within trade, hotels and public catering enterprises (38 % of total non-residential construction in Panevėžys county), industrial buildings and warehouses (37 %); in Panevėžys and Pasvalys district municipalities – industrial buildings and warehouses; in other municipalities of Panevėžys county – agricultural buildings.

Number and total floor area of non-residential buildings completed, 2001–2007

	Number of buildings				Total floor area, thousand m ²			
	2001	2003	2005	2007	2001	2003	2005	2007
Lithuania	940	1348	5623	5250	672.5	773.7	1300.2	1607.3
Panevėžys county	84	78	287	261	29.6	51.1	86.1	135.5
Biržai d. mun.	10	9	10	15	4.7	9.0	5.5	1.8
Kupiškis d. mun.	10	10	15	29	2.8	3.8	8.1	12.7

	Number of buildings				Total floor area, thousand m ²			
	2001	2003	2005	2007	2001	2003	2005	2007
Panevėžys t. mun.	26	39	49	32	12.2	30.3	53.2	94.7
Panevėžys d. mun.	3	7	137	117	2.2	4.0	10.2	15.1
Pasvalys d. mun.	29	12	44	24	7.0	3.8	15.3	8.4
Rokiškis d. mun.	6	1	32	44	0.7	0.2	3.8	2.8

In 2007, 98 building permits for the construction of 112 non-residential buildings with the total floor area of 189.4 thousand m² (i.e. by 80.9 thousand m² more than in 2006) were issued in Panevėžys county.

Services

In 2007, against 2005, passenger transport by bus in Panevėžys county increased by 0.4 %; passengers were serviced by 64 passenger transport enterprises, of which 5 belonged to bus companies. The largest share of carriers was individual enterprises. In 2007, the turnover of passenger transport by buses made 227.6 million passenger kilometres; against 2005, it decreased by 3.5 %. In 2007 against 2005, the average distance of passenger transportation also decreased and made 12.8 km (in 2005 – 13.3 km).

Bus trips per capita, 2001–2007

	2001	2003	2005	2007
Lithuania	69.1	81.6	89.6	94.2
Panevėžys county	54.3	54.1	60.9	62.3
Biržai d. mun.	26.9	29.1	31.4	30.8
Kupiškis d. mun.	19.8	20.4	21.7	18.9
Panevėžys t. mun.	106.6	103.2	117.5	120.4
Panevėžys d. mun.	9.9	12.8	17.6	22.1
Pasvalys d. mun.	11.8	11.1	9.7	9.6
Rokiškis d. mun.	29.6	33.6	35.9	33.9

Over 2007, national transport by road in Panevėžys county made 3006.7 thousand tonnes, or 6.1 % of goods loaded in the country. The average distance of transportation of a tonne of goods in the county reached 76.8 km, was the longest in the country and exceeded the national average (in 2006 – 54.8 km).

National freight transport by road, 2004–2007

Thousand tonnes

	2004	2005	2006	2007
Goods loaded in Panevėžys county, total	2026.6	2198.5	2703.1	3006.7
of which unloaded in:				
Alytus county	2.4	23.0	21.7	37.2
Kaunas county	78.1	126.9	156.9	209.5
Klaipėda county	114.5	97.3	115.1	102.5
Marijampolė county	6.6	32.6	31.9	15.7
Panevėžys county	1418.8	1589.5	1935.9	2196.2
Šiauliai county	152.1	128.2	142.9	101.4
Tauragė county	13.2	2.1	9.2	12.8
Telšiai county	40.5	40.4	45.6	58.0
Utena county	96.4	54.3	82.3	104.8
Vilnius county	104.2	104.2	161.7	168.7

At the end of 2007, the number of motor vehicles in Panevėžys county reached 412.8 thousand, of which 89.1 % were cars. The most popular marques were Volkswagen (25.9 thousand, or 20.4 % of cars in the county) and Audi (19.1 thousand, or 15 %). In 2007, against 2005, the number of cars increased by 7.3 %.

Number of passenger cars, 2001–2007

	2001	2003	2005	2007	2007 (newly registered)
Panevėžys county	94654	103721	118577	127279	16586
Biržai d. mun.	10106	11059	12957	13751	1790
Kupiškis d. mun.	7319	8159	9724	10246	1198
Panevėžys t. mun.	41454	44919	49524	52492	7166
Panevėžys d. mun.	12841	14721	18176	20191	2484
Pasvalys d. mun.	10029	10701	12157	13131	1744
Rokiškis d. mun.	12905	14162	16039	17468	2204

The turnover of retail trade enterprises in the county in 2007 made LTL 1271.9 million, or 6.7 % of the national total. The highest turnover in the county was recorded in Panevėžys town municipality (61.9 %). Retail sales per capita in the county, on average, made LTL 4452, which is by 21.4 % less than the national average (LTL 5667). The highest sales per capita were recorded in Panevėžys town (LTL 6896), while the lowest – in Panevėžys district (LTL 1436) municipality.

Turnover of retail trade enterprises (VAT excluded), 2003–2007

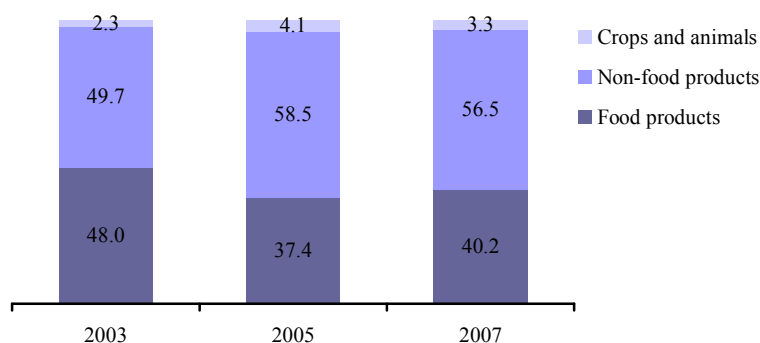
LTL million

	2003	2005	2007
Panevėžys county	744.9	974.9	1271.9
Biržai d. mun.	65.4	78,3	117.0
Kupiškis d. mun.	46.9	58,5	77.6
Panevėžys t. mun.	449.4	624,2	787.0
Panevėžys d. mun.	40.3	43,9	61.8
Pasvalys d. mun.	51.3	63,6	99.5
Rokiškis d. mun.	91.6	106,4	129.0

In 2007, at Panevėžys county markets, sales made LTL 100 million, which made up 7.9 % compared to the turnover of retail trade enterprises. The markets of Panevėžys county are small, with an average of 281 workplaces per market. More than half of their turnover is comprised of non-food products, while since 2003 such turnover grew by 56.5 %.

Structure of turnover of goods at markets, 2003–2007

Turnover of goods at Panevėžys county markets – 100 per cent



In 2007, the turnover of restaurants, bars and other catering enterprises in Panevėžys county made LTL 48.7 million, or 5.5 % of the turnover of all analogous enterprises in the country. The highest turnover of such enterprises was recorded in Panevėžys town, where it made up as much as 81.7 % of the turnover of county's catering enterprises. The per capita turnover of catering enterprises in the county, on average, made LTL 170, which is by about one-third less than the national average (LTL 262). The highest per capita turnover of catering enterprises was recorded in Panevėžys town (LTL 348).

Turnover of restaurants, bars and other catering enterprises (VAT excluded), 2003–2007

LTL million

	2003	2005	2007
Panevėžys county	24.2	38.6	48.7
Biržai d. mun.	0.8	1.3	1.8
Kupiškis d. mun.	0.5	1.0	1.4
Panevėžys t. mun.	19.2	31.7	39.8
Panevėžys d. mun.	1.0	1.5	1.9
Pasvalys d. mun.	0.6	0.9	1.3
Rokiškis d. mun.	2.1	2.2	2.5

By the number of guests who had stayed in the county's accommodation establishments, Panevėžys county ranks seventh in Lithuania. The share of guests who stayed in Lithuanian accommodation establishments falling within Panevėžys county and their overnight stays makes up 1.8 and 2.1 % respectively. In 2001–2007, the number of guests who had stayed in the county's accommodation establishments grew 2.6 times (national average – 2.5 times). In 2007, foreigners made up 37 % of guests who had stayed in the county's accommodation establishments, while their number grew from 2.4 thousand in 2001 to 11.5 thousand in 2007. The major share of foreign guests was from Estonia (12 %), Germany (11 %), Finland (10 %), Poland (9 %), and Latvia (8 %).

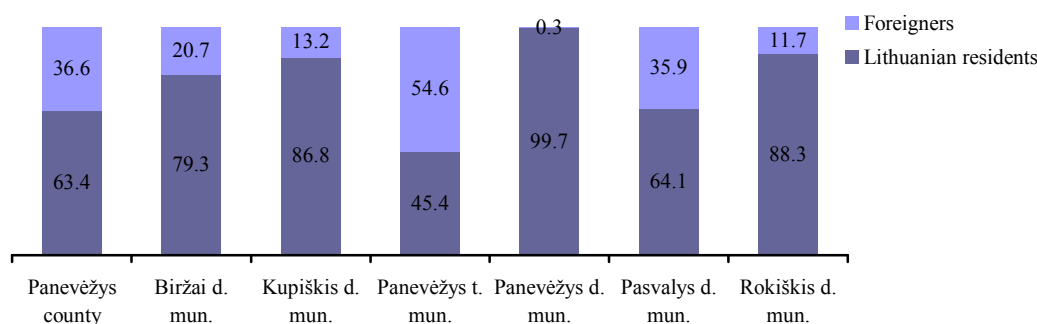
Indicators of accommodation establishments, 2001 and 2007

Thousand

	Number of places		Accommodated guests		Overnight stays	
	2001	2007	2001	2007	2001	2007
Panevėžys county	1.2	1.7	12.1	31.4	86.0	109.5
Biržai d. mun.	0.2	0.2	2.4	3.6	41.1	33.0
Kupiškis d. mun.	0.0	0.1	0.2	0.9	0.3	3.7
Panevėžys t. mun.	0.2	0.3	4.4	16.4	8.7	27.6
Panevėžys d. mun.	0.6	1.0	3.1	3.9	31.3	24.3
Pasvalys d. mun.	0.0	0.1	0.6	3.7	0.9	12.5
Rokiškis d. mun.	0.1	0.1	1.5	2.9	3.9	8.4

Structure of guests who stayed in accommodation establishments, 2007

Per cent

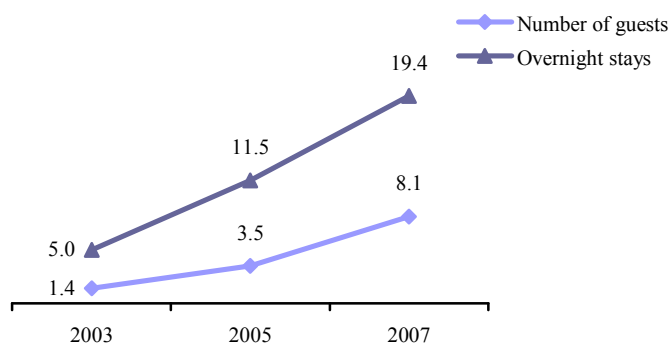


In 2007, 52 % of guests who had stayed in the county's accommodation establishments stayed in accommodation establishments of Panevėžys town. The rest of guests distributed almost evenly among accommodation establishments of Biržai, Panevėžys, Pasvalys and Rokiškis district municipalities.

Over the recent four years, rural tourism services have been developing in the county. The number of rural tourism farmsteads in the region over 2003–2007 grew from 13 to 26, the number of guests – 6 times. Rural tourism farmsteads in the county received 2.8 % of guests of all Lithuanian rural tourism farmsteads.

Guests accommodated in rural tourism farmsteads and their overnight stays, 2003–2007

Thousand



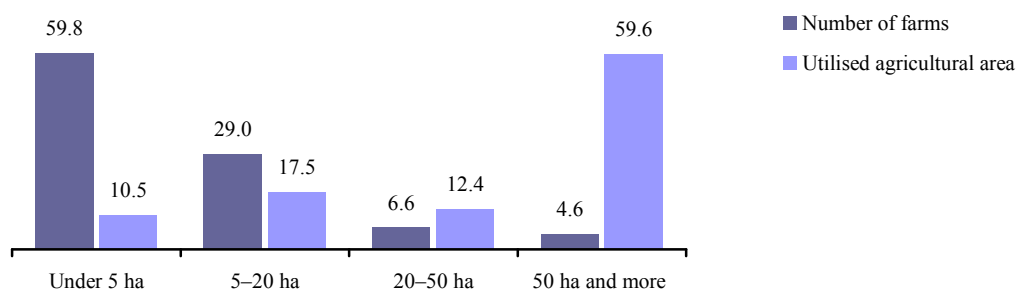
Agriculture

The area of agricultural land of Panevėžys county farms producing agricultural products is one of the largest in the county, and makes up 14 % of the total area of agricultural land of Lithuanian farms producing agricultural products. 78 % of agricultural land is made up of arable land, 21 % – meadows and pastures; just 1 % of agricultural land is under perennial crops.

In 2007, there were 23.9 thousand farms producing agricultural products and having more than 1 ha of agricultural land in Panevėžys county. Out of this number, 90 were agricultural companies and enterprises. The average size of a farm was by 35.3 % larger than the national average. Although small (having less than 5 ha of agricultural land) farms are predominant in the county, they own just 10.5 % of utilised agricultural area in the county. The major share of agricultural land (59.6 % of the county's agricultural land) is owned by large farms (having 50 and more ha of agricultural land). Farms have been constantly growing in size: in 2003, the average size of a farm in Panevėžys county was 12.1 ha, while in 2007 – 15.7 ha, the largest farms being in Biržai and Pasvalys district municipalities (average size in 2007 – 18.1 ha).

Number of farms and utilised agricultural area by farm size, 2007

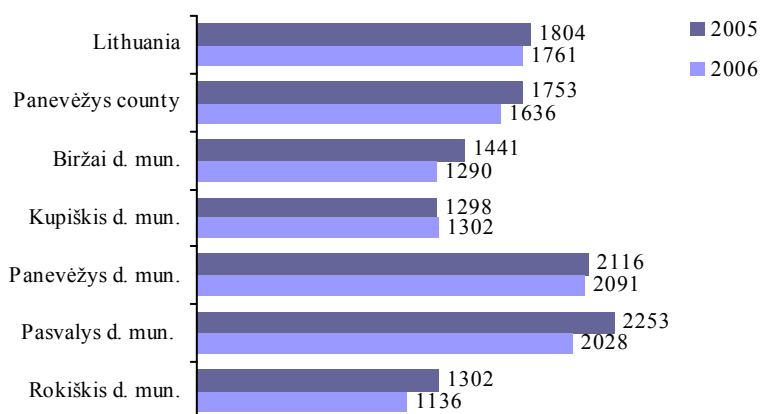
Per cent



In 2006, according to the amount of agricultural products grown, Panevėžys county ranked third in the country. In 2006, 13.1 % of the country's agricultural production was grown in the county. 34.3 % of this amount was grown in Panevėžys, 26.6 % – Pasvalys, 16 % – Biržai district municipality. Animal production made up the larger share of gross agricultural production – 53.8 %. The same trend was observed in all county's municipalities, except for Panevėžys district municipality, where animal production made up as much as 49.6 % of gross agricultural production.

Gross agricultural production per 1 ha of agricultural land, 2005 and 2006

LTL



By crop area, Panevėžys county ranks second in the country. In 2001–2007, crop area in the country increased by 22.4 %. The largest crop area – in Pasvalys and Panevėžys district municipalities. The major share in the crop structure is made up of grain crops (in 2007 – 64.4 %), of which the largest share – 96.6 % in 2007 – cereals. The share of spring cereals (in 2007 – 52.4 % of the total area under cereals) is rather considerable, of which the largest share – barley (by the area under barley, Panevėžys county ranks second in the country). In the structure of winter cereals, the major share is made up of wheat.

Perennial grasses make up 17.1 %, rapeseed – 11.8 % in the crop structure in the county. Although the area under flax has been constantly decreasing, in 2007 this area in Panevėžys county was the largest in the country. By the area of rapeseed grown, the county also ranked second in the country. In 2001–2007, the area under rapeseed in the county increased more than twice.

In 2007, productivity of grain crops in the county was higher than the national average. The highest productivity of grain crops was observed in Pasvalys district municipality. By productivity of grain crops, this district ranked second in the country, and exceeded the national average by 40.8 %.

Livestock kept in the county made up 12.6 % of livestock kept in the country. The county ranks third in the country by the number of livestock, pigs and poultry and second – by the number

of sheep and beehives kept. The highest number of livestock was kept on the farms of Panevėžys and Pasvalys district municipalities – 27 and 22.7 % of livestock kept in the county respectively. The largest share of livestock kept in the county is concentrated on farmers' and family farms, while that of poultry and pigs – in agricultural companies and enterprises. Sheep husbandry is becoming more popular. At the beginning of 2001, the number of sheep kept in the county made 1012, while in 2008 – 6968. The highest number of sheep kept is in Rokiškis and Kupiškis district municipalities. The number of beehives kept has been also increasing. At the beginning of 2008, the number of beehives in the county was by as much as 50.4 % higher than in 2001.

The quality of land in Panevėžys county is favourable for organic production. Based on the data of the public undertaking Ekoagros, the number of farms certified as organic in the county in 2007 made 414 (14.6 % of farms certified in Lithuania). Their area made 23.4 thousand ha, or 19.5 % of the total area certified in Lithuania. The county ranks second in the country by the number of certified farms and area. The average size of a certified farm is the highest in Lithuania and reaches 56.6 ha. The highest number of certified farms – in Biržai district municipality (178). Rules of organic agriculture on their farms have been applied by 81 farms in Rokiškis, 59 – Kupiškis, 57 – Panevėžys and – 39 Pasvalys district municipalities.

Although the level of economic development in the region is mediocre, Panevėžys county has fairly good development possibilities. Favourable geographic location determined the fact that the county's economy is rather well-diversified – representatives of all main economic sectors work here successfully. Construction, trade, electrical engineering and other industrial enterprises, which are well-known in Lithuania and even abroad, are located in Panevėžys. The environment is particularly favourable for developing agricultural activity. This region of Aukštaitija is distinguished by deep-rooted agricultural traditions and strong farmers. Moreover, favourable geographic location allows developing transport and logistics business.