

ECONOMY OF TAURAGĖ COUNTY

According to the level of economic development, Tauragė county is classified under the small ones. Tauragė county produced 1.8 % of country's gross domestic product (GDP). GDP per capita, on average, in the county made LTL 13.7 thousand, which is 47 % of the national average in 2007. According per capita, Tauragė county is the weakest in Lithuania.

As much as 59.1 % of the county's gross value added (GVA) is generated by the service sector (national average – 62.7 %), industry and construction – 25.8 % (national average – 32.8 %). Agriculture occupies a special place in the structure of the county's economy. In agriculture, forestry and fishing, as much as 15 % of county's GVA is generated (while the national average – just 4.5 %).

However, the improving economic situation has been demonstrated by the growth in the profits tax paid by the county's enterprises. In 2007, the enterprises of Tauragė county paid LTL 18.3 million of the profits tax, which is by 46.9 % more than in 2006. The most considerable growth in the amount of the profits tax paid was recorded in Jurbarkas municipality, where in 2007, against 2006, profits tax increased by 75.3 %. The amount of the social tax paid in 2007 made LTL 4.9 million.

Profits tax paid, 2004–2007

LTL thousand

	2004	2005	2006	2007
Tauragė county	10965.2	8025.6	12483.9	18337.7
Jurbarkas d. mun.	4224.1	1456.5	3385.8	5936.2
Pagėgiai mun.	65.7	354.8	1727.1	1723.4
Šilalė d. mun.	2237.8	1346.9	2018.4	2939.3
Tauragė d. mun.	4437.7	4867.3	5352.6	7738.7

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
Tauragė county	106948.6	102010.5	2028.3	113.7	1878.4	483.5	434.2
Jurbarkas d. mun.	30287.0	28759.3	897.1	68.4	318.9	125.5	117.8
Pagėgiai mun.	9965.5	9591.5	137.3	2.4	137.6	49.3	47.4
Šilalė d. mun.	26096.1	25153.3	526.5	7.5	210.0	91.6	107.2
Tauragė d. mun.	40600.0	38506.4	467.4	35.4	1211.9	217.1	161.8

In 2006, investment in tangible fixed assets in the county made LTL 266.9 million, or LTL 2063 per capita (national average – LTL 5861).

By the indicator of investment in tangible fixed assets per capita, Tauragė county significantly (as much as 2.8 times) lags behind the national average.

Per capita investment in tangible fixed assets, 2004–2006

LTL

	2004	2005	2006
Lithuania	3523	4540	5861
Tauragė county	1136	1268	2063

	2004	2005	2006
Jurbarkas d. mun.	687	765	1544
Pagėgiai mun.	1964	1439	2379
Šilalė d. mun.	1332	1314	1482
Tauragė d. mun.	1144	1555	2709

Foreign direct investment (FDI) in Tauragė county as of 1 January 2008 made LTL 63.5 million (as of 1 January 2007 – LTL 32.4 million) and grew by as much as 96 %, while against 1 January 2001 – as much as 2.9 times (as of 1 January 2001 – LTL 21.6 million).

On the national scale, by the FDI indicator, Tauragė county occupies the last position. 83 % of total foreign direct investment in Tauragė county was invested in Tauragė district municipality (LTL 53.0 million).

The per capita FDI in the county, on average, made LTL 499, or 2.0 times more than as of 1 January 2007 (LTL 252). According to this indicator, Tauragė county ranks last in the country (LTL 499 per capita); the indicator of Tauragė county is as much as 21 times lower than the national average (LTL 10 547).

The highest per capita FDI in Tauragė county was in Tauragė district municipality – LTL 1046, i.e. 2.1 times higher than the county and 10 times lower than the national average. The lowest total and per capita FDI was in Pagėgiai (LTL 46 thousand and LTL 4), Šilalė (LTL 0.1 million and LTL 4) and Jurbarkas (LTL 10.4 million and LTL 295) district municipalities.

The bulk of investment in Tauragė county was made by the investors from Sweden (LTL 28.6 million, or 45 % of the total FDI) and Norway (LTL 14.0 million, or 22%).

As of 1 January 2008, the bulk of investment in Tauragė county was made in manufacturing (LTL 52.4 million, or 83 % of the total FDI). In manufacturing, the bulk of the FDI was made in the manufacture of textiles, wearing apparel, leather articles – LTL 31.7 million (60 % of the total FDI in manufacturing) and mineral products – LTL 8.3 million, or 16 %.

The number of operating enterprises in Tauragė county has been increasing since 2005. As of 31 December 2007, there were 1994 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, agriculture, transport and storage. Economic entities having up to 9 employees, against the total number of operating economic entities, made up 72 %, while those having 250 and more employees – just 0.4 %.

Entrepreneurship, industry, construction

By the level of entrepreneurship Tauragė county is outpaced by most of the counties of Lithuania. In 2007, the national average was 18.8, while in Tauragė county – just 11.8. Based on this indicator, Tauragė county ranked third from the end.

The value of country's extractive industry and manufacturing, against other counties of Lithuania, makes up 1 %. More than 70 % of industrial production falls within food production; however, there are industries that are characteristic to certain municipalities: in Jurbarkas municipality (in 2007, 8 % of the value of total county's production) – manufacture of prepared or canned vegetable and fruit products, wearing apparel; in Pagėgiai municipality (34 %) – milk and meat products; in Šilalė district municipality (24 %) – meat and wood products; in Tauragė district municipality (34 %) – peat mining, fish and meat products, ice-cream, nets and ropes, building materials, timber and furniture.

Main products manufactured, 2001–2007

	2001	2003	2005	2007
Sausages and smoked meat products, thousand t	7.6	8.1	8.7	12.4
Prepared or canned vegetable and fruit products, t	548.0	1194.0	1655.0	1561.6
High-fat cheese, thousand t	6.7	6.0	8.4	8.1

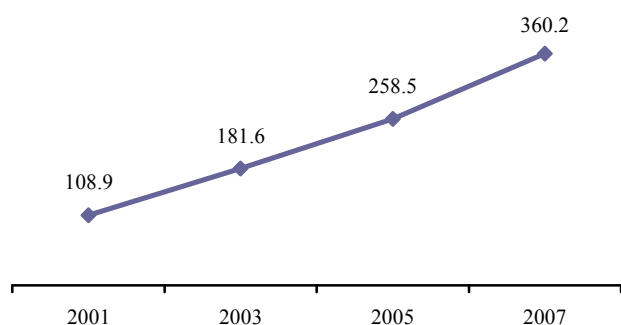
	2001	2003	2005	2007
Overcoats, thousand units	39.5	22.0	20.9	29.0
Jackets, thousand units	13.9	19.2	28.6	33.9
Ceramic blocks, thousand m ³	8.4	10.1	25.6	27.9
Chairs, thousand units	14.6	34.2	41.2	15.7
Peat mining (relative humidity), thousand t	7.6	8.1	8.7	16.0

The largest and better-known county's industrial enterprises – private company Vilkyškių pieninė, private company Modest (milk products), private company Baltoji snaigė (ice-cream), private company Natanga ir Rovisa, agricultural company Kontautėliai, public company Tauragės maistas, private company Grimeda (meat and meat products), private company Molupis ir Ko (bread and bakery products), private company Švytis (wearing apparel), private company Netmark and private company Enersund Net (nets and ropes), public company Tauragės medis, Šilalės mediena and agroservice cooperative company Pynauja (timber and products thereof), private company Kristensen & Kristensen and private company Alantas (furniture).

Increasing production volumes in the county's enterprises determined a more rapid growth in exports. In 2007, about 37 % of production manufactured in the county was exported. In total, goods manufactured in Tauragė county account for 1.2 % of exports of Lithuanian goods. The bulk of exported goods falls within dairy products (cream, cheeses, cheese products), electronic and pump components.

Exports of goods manufactured, 2001–2007

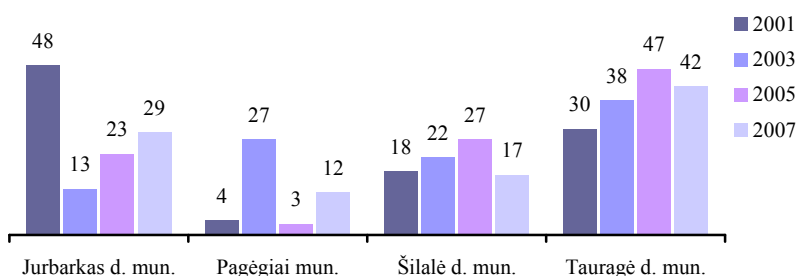
LTL million



Own-account construction work carried out in Tauragė county accounts for 1.9 % 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 208.6 million, of which 42 % fell within Tauragė district municipality.

Construction work carried out, 2001–2007

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



In 2007, 61 1-2 dwelling buildings were constructed in the county, with 65 dwellings equipped there. The average useful floor area per dwelling reached 113.8 m² (national average – 102.6 m²). The total useful floor area of the new dwellings made 7.4 thousand m², which is by 2.0 thousand m² more than in 2006. Almost half of the new dwellings completed in the county fell within Tauragė district municipality. In 2007, building permits were issued for the construction of 152 one-dwelling residential buildings, with the useful floor area planned of 23.7 thousand m².

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
Tauragė county	102	68	74	65	11.7	7.8	9.1	7.4
Jurbarkas d. mun.	16	13	20	17	2.0	1.6	3.0	2.0
Pagėgiai mun.	5	3	1	1	0.5	0.4	0.2	0.2
Šilalė d. mun.	39	16	21	16	4.0	1.9	2.4	1.8
Tauragė d. mun.	42	36	32	31	5.2	3.9	3.5	3.4

In 2007, 164 non-residential buildings were completed in the county, with the total area of 38.4 thousand m² (against 2006, the area built up with non-residential buildings in the county increased by 12.6 thousand m²). The bulk of new non-residential construction in Tauragė county in terms of the total area fell within trade, hotels and public catering enterprises (6.1 thousand m²) and agricultural buildings (3.4 thousand m²).

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
Tauragė county	44	38	218	164	19.9	11.1	28.6	38.4
Jurbarkas d. mun.	4	9	87	66	1.7	2.6	10.7	12.3
Pagėgiai mun.	11	3	2	4	2.3	2.0	1.8	6.5
Šilalė d. mun.	7	18	76	37	4.8	4.0	11.3	6.8
Tauragė d. mun.	22	8	53	57	11.1	2.5	4.8	12.8

In 2007, 105 building permits for the construction of 114 non-residential buildings with the total floor area of 39.1 thousand m² were issued in Tauragė county.

Services

In 2007, against 2005, passenger transport by bus in Tauragė county decreased by 11.8 %; passengers were serviced by 11 passenger transport enterprises, of which 3 belonged to bus companies. The largest share of carriers were individual enterprises. In 2007, the turnover of passenger transport by buses made 56.8 million passenger kilometres; against 2005, it decreased by 4.7 %. In 2007, the average distance of passenger transportation made 19.1 km and was almost twice as high as the national average (10 km).

Bus trips per capita, 2001–2007

	2001	2003	2005	2007
Lithuania	69.1	81.6	89.6	94.2
Tauragė county	16.3	24.2	25.9	23.3
Jurbarkas d. mun.	19.5	21.0	24.2	27.2
Pagėgiai mun.	-	4.3	-	-
Šilalė d. mun.	10.7	37.1	36.2	26.2
Tauragė d. mun.	21.2	23.3	26.8	24.1

Over 2007, national transport by road in Tauragė county made 977.4 thousand tonnes, or 2 % of goods loaded in the country. The average distance of transportation of a tonne of goods in the county made 51.1 (by 3.7 km less than the national average).

National freight transport, 2004–2007

Thousand tonnes

	2004	2005	2006	2007
Goods loaded in Tauragė county, total	1533.6	1013.5	1168.2	977.4
of which unloaded in:				
Alytus county	13.5	33.7	5.0	15.0
Kaunas county	198	47.9	158.4	62.6
Klaipėda county	83.3	155.6	95.7	159.1
Marijampolė county	28.9	79.6	32.7	53.1
Panevėžys county	5.3	2.8	33.9	1.8
Šiauliai county	12.1	21.7	10.3	7.1
Tauragė county	1151.8	635.2	790.0	641.4
Telšiai county	23.4	7.0	11.3	28.4
Utena county	0.0	...	2.5	...
Vilnius county	17.4	29.9	28.4	8.8

At the end of 2007, the number of motor vehicles in Tauragė county reached 65.1 thousand, of which 89 % were cars. The most popular marques were Volkswagen (12.1 thousand, or 21 % of cars in the county) and Audi (10 thousand, or 17.2 %). In 2007, against 2005, the number of cars increased by 9.5 %.

Number of passenger cars, 2001–2007

	2001	2003	2005	2007	2007 (newly registered)
Tauragė county	39852	42784	52710	57715	8580
Jurbarkas d. mun.	12905	13550	15641	16154	2136
Pagėgiai mun.	2495	2049	4423	5209	741
Šilalė d. mun.	7789	9086	11418	12713	1735
Tauragė d. mun.	16663	18099	21228	23639	3968

The turnover of retail trade enterprises in the county in 2007 made LTL 440.8 million, or just 2.3 % of the national total. Retail sales per capita in the county, on average, made LTL 3443 (national average – LTL 5667). It is the lowest indicator across Lithuania. The highest sales per capita were recorded in Tauragės district municipality (LTL 4359), while the lowest – in Pagėgiai municipality (LTL 2519).

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

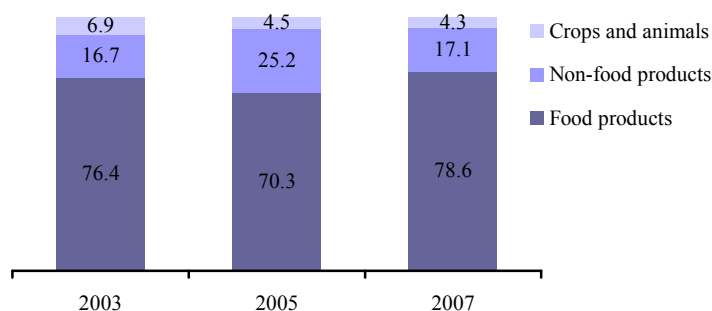
LTL million

	2003	2005	2007
Tauragė county	272.7	318.8	440.8
Jurbarkas d. mun.	63.2	78.9	103.7
Pagėgiai mun.	15.9	20.6	28.9
Šilalė d. mun.	49.5	60.7	86.4
Tauragė d. mun.	144.1	158.6	221.8

In 2007, at Tauragė county markets, sales made LTL 29.2 million, which made up 6.6 % compared to the turnover of retail trade enterprises. The county's markets are dominated by food products, whose share makes up as much as 78.6 %.

Structure of turnover of goods at markets, 2003–2007

Turnover of goods at Tauragė county markets – 100 per cent



In 2007, the turnover of restaurants, bars and other catering enterprises in Tauragė county made LTL 10.6 million, or 1.2 % of the turnover of all analogous enterprises in the country. The per capita turnover of catering enterprises in the county, on average, made LTL 83, i.e. about one-third of the national average (LTL 262). The highest per capita turnover of catering enterprises (LTL 125) was recorded in Šilalė, while the lowest (LTL 48) – in Jurbarkas district municipality.

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

LTL million

	2003	2005	2007
Tauragė county	7.0	8.7	10.6
Jurbarkas d. mun.	0.6	1.2	1.7
Pagėgiai mun.	0.3	0.4	0.8
Šilalė d. mun.	2.8	3.4	3.8
Tauragė d. mun.	3.3	3.7	4.3

By the number of guests who had stayed in the county's accommodation establishments, Tauragė county ranks last in Lithuania. The share of guests who stayed in Lithuanian accommodation establishments falling within Tauragė county and their overnight stays makes up 0.8 and 0.7 % respectively. Despite this fact, a considerable growth has been observed in accommodation services in the region. In 2001–2007, the number of guests who had stayed in the county's accommodation establishments grew 8.7 times (the fastest growth across the country). In 2001–2007, the number of foreigners accommodated in the county grew from 0.4 to 6.9 thousand.

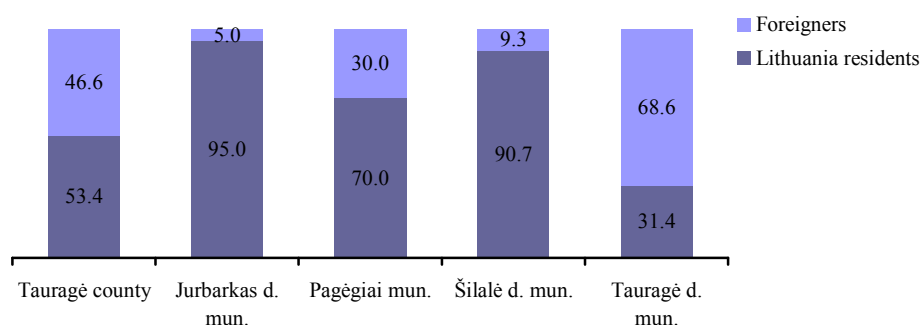
Indicators of accommodation establishments, 2001 and 2007

Thousand

	Number of places		Accommodated guests		Overnight stays	
	2001	2007	2001	2007	2001	2007
Tauragė county	0.1	0.2	1.7	14.8	3.4	37.8
Jurbarkas d. mun.	-	0.1	-	3.8	-	18.1
Pagėgiai mun.	-	0.0	-	0.8	-	2.4
Šilalė d. mun.	0.0	0.0	0.4	0.9	1.0	1.6
Tauragė d. mun.	0.1	0.1	1.3	9.3	2.5	15.7

Structure of guests who stayed in accommodation establishments, 2007

Per cent

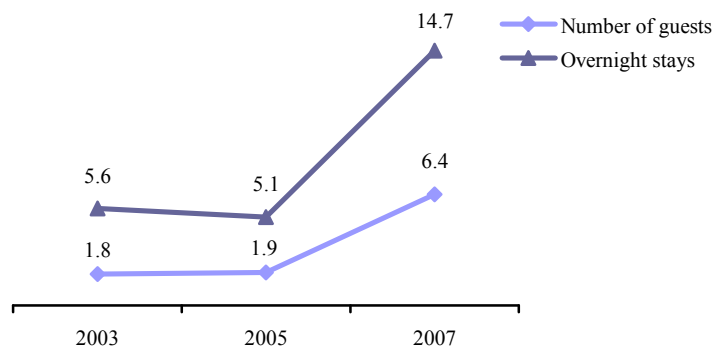


The county's accommodation establishments are concentrated in Jurbarkas and Tauragė district municipalities. 26 % of guests who had stayed in the county's accommodation establishments stayed in accommodation establishments of Jurbarkas, 63 % – Tauragė district municipalities.

Rural tourism is not popular in the county. By the number of rural tourism farmsteads, the region ranks penultimate in the county; rural tourism farmsteads in the county receive just about 2 % of guests of all Lithuanian rural tourism farmsteads.

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

Thousand



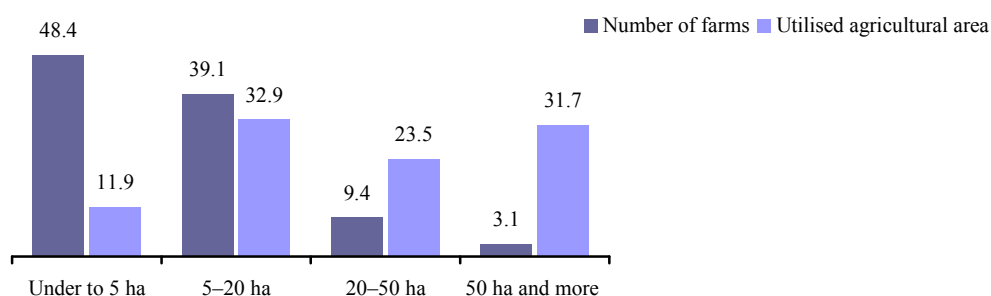
Agriculture

The area of agricultural land of Tauragė county makes up 8 % of the total area of agricultural land of Lithuanian farms producing agricultural products. 60 % of agricultural land is made up of arable land, 39 % – meadows and pastures; just 1 % of agricultural land is under perennial crops. In some localities (water meadows by the Nemunas River), conditions of agricultural production are very specific. However, a large share of productive meadows and pastures allows successful development of animal production.

In 2007, there were 18.4 thousand farms producing agricultural products and having more than 1 ha of agricultural land in the county. Out of this number, 19 were agricultural companies and enterprises. The average size of a farm was 11.8 ha (national average – 11.6 ha), the largest farms being in Jurbarkas district (13.9 ha) and Pagėgiai (13.6 ha) municipality. Small farms (having up to 5 ha of agricultural land) predominate; however, their number is lower than the national average.

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

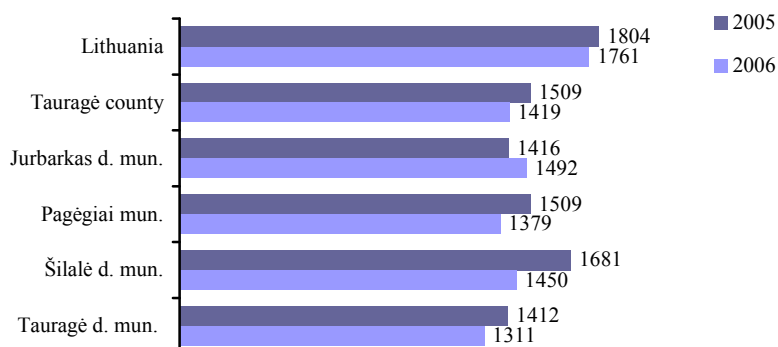
Per cent



In 2006, 6.5 % of the country's agricultural production was grown in Tauragė county. Jurbarkas and Šilalė district municipalities, where 33.6 and 30.4 % of the county's agricultural production respectively was grown, stood out against other municipalities. The share of animal production in the county was substantially higher than that of crop production: income received from animal production made up 63.5 % of income from gross agricultural production, while that from crop production – 36.5 %. The same trend was observed in all county's municipalities.

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

LTL



In the crop structure of the county, the major share is made up by perennial grasses (in 2007 – 45.2 %) and grain crops (in 2007 – 42.1 %). In the structure of grain crops, the major share is made up by spring cereals, making up 52.4 % of the total amount of grain crops in the county. In 2007, productivity of grain crops, as well as most other agricultural crops, was lower than the national average. The area under rapeseed has been rapidly increasing (in 2001 – 644 ha, in 2007 – as much as 8141 ha).

Tauragė county is average in terms of animals kept. At the beginning of 2008, 10.3 % of the total number of livestock, 6.5 % of pigs, 4.5 % of sheep, 4.8 % of goats were kept in the county. The number of poultry kept was the lowest in Lithuania – just 1.6 % of the total number of poultry kept in the country. The highest number of livestock was kept on the farms of Šilalė and Tauragė district municipalities. More than half of the total number of pigs kept in the county was kept in Jurbarkas district municipality (at the beginning of 2008 – 58 % of all pigs kept in the county).

Organic farming becomes more and more popular. In 2007, based on the data of the public undertaking Ekoagros, rules of organic agriculture on their farms have been applied by 69 farms of Šilalė, 66 – Tauragė, 62 – Jurbarkas district municipalities.

Despite a low economic development level in the region, as well as the county being classified as the one having more than averagely serious economic problems, it has certain development possibilities. Favourable location of the county allows developing transport and logistic business.

This region of Lithuania, Characterised by a unique landscape, has great possibilities for developing tourism.

Increasing the level of entrepreneurship, establishment and development of small and medium business enterprises, creation of new goods and services, as well as improvement of image are among the most important tasks in the regional development strategy. It is vital to improve the investment climate, stimulate national and foreign investors to take interest in the development possibilities of the region.