

Lithuania: Road towards OECD membership

Lithuania in global and regional perspective

Lithuanian GDP growth in the first half of 2014 remained quite solid at 3.1 % year-on-year. Economic growth is now driven by domestic demand, incl. both capital spending and private consumption. Lithuania is the EU country most severely affected by the Russian sanctions. Despite negative impact of the sanctions, the economy will be capable of resisting external challenges and maintaining stable growth on the back of recovering investment and stronger export demand. An increase of GDP 2.7 % in 2014, 3.2 % in 2015 and 4.0 % in 2016 is expected (SEB bank).

Energy supply security and improved price bargaining position. Possible Russian energy exports restrictions would have much more serious consequences for the Lithuanian economy than food sanctions. Currently country is 100 % dependent on Russian gas. At the end of 2014 gas supply monopoly is to be broken when new liquefied natural-gas LNG terminal is fully operational. Running at full-capacity of almost 4 bn. cubic meters, the terminal could cover over 80 % of natural gas demand of Baltic states.

Data and facts

Lithuania set to join the Euro zone on 1 Jan. 2015.

#11 globally at easiness of starting a business (World Bank Doing business ranking 2015).

European Central Bank's stress test finds the banks operating in Lithuania secure and reliable.

Co-operation calendar (October)

30 Sep. 2014 – Chancellor of the Government of the Republic of Lithuania had a meeting with the OECD Secretary General Á. Gurría in Paris.

5-14 Oct. 2014 – Lithuanian Prime Minister, during his visit to the USA, received assurance by US Vice President J. Biden of strong support for Lithuania's membership in the OECD upon completion of its accession roadmap.

6 Oct. 2014 – Lithuanian Minister of Economy met with the OECD Deputy Secretary General R. Tamaki. The OECD official stated that Lithuania is ready become a full-fledged member of the OECD.

14 Oct. 2014 – Lithuania received an invitation to participate as Invitee in all upcoming meetings of Working Group on Bribery. This achievement will help Lithuania prepare to join the OECD "Anti-Bribery" Convention.

15-16 Oct. 2014 – Speaker of the Lithuanian Parliament during her first official visit to Republic of Korea had meetings with the Prime Minister, and with Speaker of the Korean Parliament. One of the major questions on the agenda – Lithuania's road towards OECD membership. Korea expressed support for Lithuanian candidacy.

21-24 Oct. 2014 – First OECD fact-finding mission took place in Vilnius as part of the Lithuania's Public Governance Review. It involved series of technical meetings of Lithuanian, peer country and OECD experts.

30 Oct. 2014 – International conference "Towards Accession to the OECD Anti-Bribery Convention: Challenges and Best Practices" in Vilnius, which attracted anticorruption experts from Italy, Norway, Poland, the UK, Germany, Latvia, Lithuania and the OECD, including N. Bonucci, OECD Director for Legal Affairs.

31 Oct. 2014 – Visit of the OECD Global Relations Secretariat Director M. Bonturi to Lithuania. GRS Director met with the Minister of Foreign Affairs and the Chancellor of the Government. Together with Mr. Bonucci he also held consultations with representatives of key ministries in order to assess progress of Lithuania-OECD Action Plan, and project necessary steps concerning implementation of expected Accession Roadmap for Lithuania.

High-level meetings, consultations: Netherlands, Australia, Switzerland, Germany, New Zealand.

Status

30 May 2013 – OECD Ministerial Council passes "Resolution on Strengthening the OECD's Global Reach", signals period of enhanced cooperation with Lithuania with a view to potentially beginning accession talks in 2015. **22 Oct. 2013** – Lithuania-OECD Action Plan made public. The Plan is designed to foster close and mutually beneficial cooperation between Lithuania and the OECD.

Major OECD Policy Reviews of Lithuania under way: Public Governance review; Regulatory Reform review. 4 additional reviews set to start in Q1 of 2015.