



# Baltic Business Opportunity Survey

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*Estonia, Latvia, Lithuania*

**August 2020**

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*Business in good hands.*

## Dear Reader,

The Klauberg BALTICS Baltic Business Opportunity Survey provides information about upcoming and ongoing investment projects in the Baltic States.

With offices in Estonia, Latvia, Lithuania, Klauberg BALTICS covers this region in all relevant areas of business law, including corporate/M&A, commercial and contract law, litigation and arbitration, tax and administrative/procurement. For further information on the projects presented, please contact our local offices. This publication is for information only; Klauberg BALTICS does not represent the project initiators.

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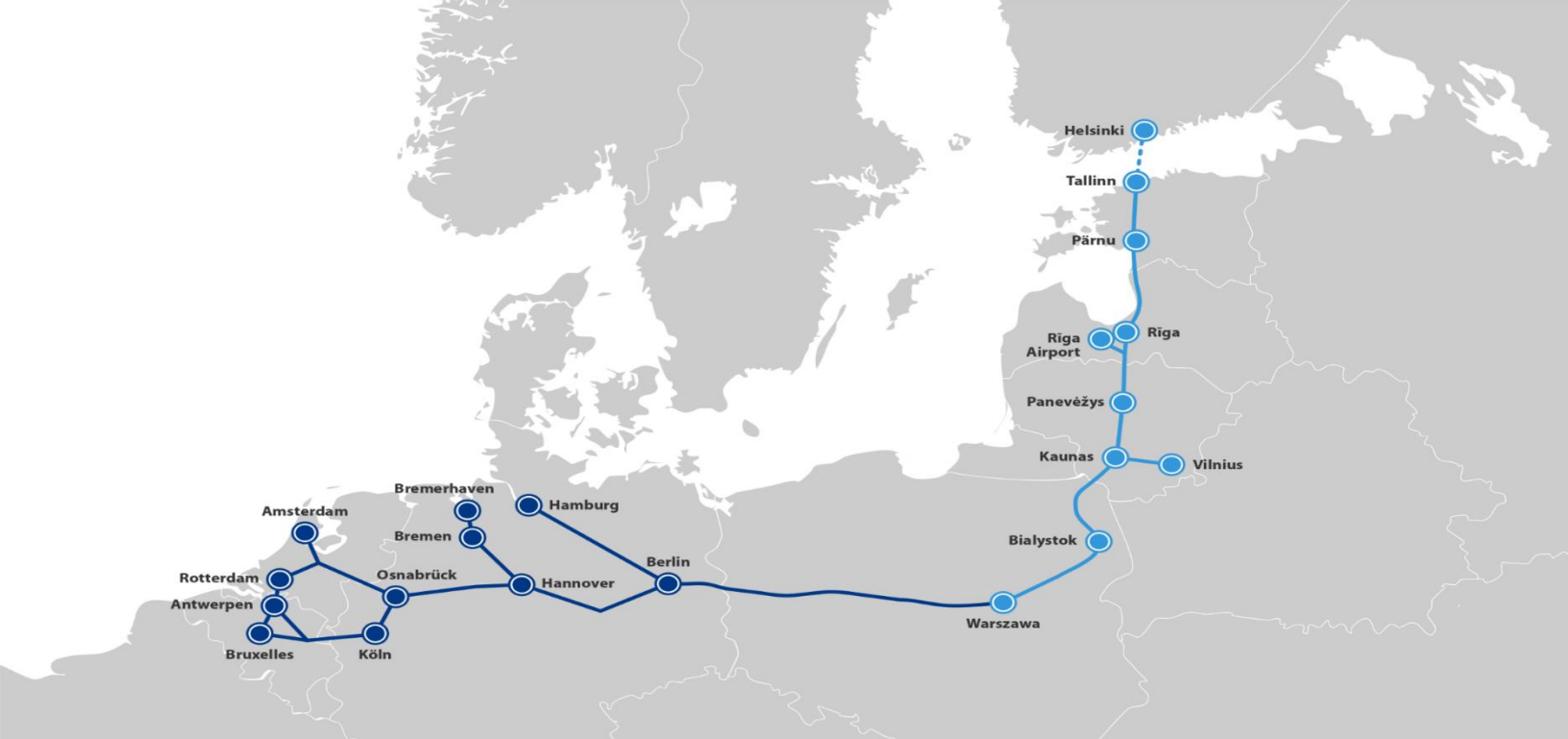


Photo: Rail Baltica

## News on Rail Baltica

### Executed by:

Estonia, Latvia  
and Lithuania

### Investment est.:

EUR 5.8 billion

### Completion:

2026

### Project Description

Rail Baltica is a greenfield rail transport infrastructure project aiming to integrate the Baltic States in the European rail network. It includes five European countries- Poland, Lithuania, Latvia, Estonia and indirectly Finland. The total length of line shall be 870 km.

The trains will be powered environmentally friendly by electricity and reach up to 240 km/h for passenger- and up to 120 km/h for freight transport.

The project will be funded 85 % by EU. The first train launch at the newly constructed railway line is planned for 2026.

### News

Rail Baltica has announced an open competition on reliability, availability, maintainability and safety (RAMS) consultancy services. All interested parties are encouraged to submit their proposals via the E-Tenders system until 14 September 2020 (3 pm).



# Estonia Eesti

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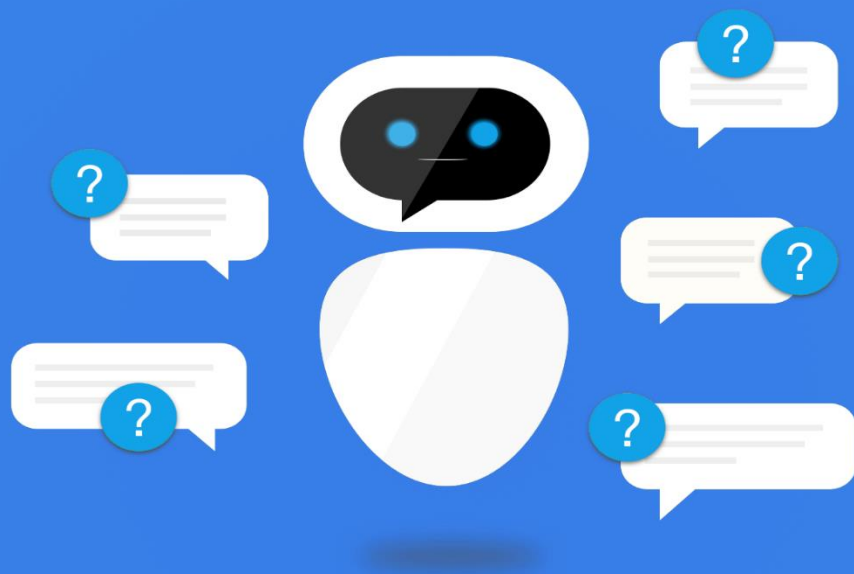


Photo: chatbotslife.com

## Estonia introduces the first state-approved automated chatbot to help people during the COVID-19 outbreak

### Executed by: eeBot

Despite the emergency situation caused by COVID-19, Estonia did not suspend its digital growth and went even further: Suve – an automated chatbot approved by the government – was introduced in order to answer the most commonly asked questions in emergency situation.

The government of Estonia has emphasized that today, as never before, it is important to provide people with accurate and trustworthy information. Suve speaks both Estonian and English, and operates on several the most visited Estonian websites, for example, such as Government of Estonia, Estonia's Health Board, Ministry of Social Affairs, etc.

The main goals of Suve are to find official information during the crisis situation, keep various emergency phone lines free for those in need of information that she cannot provide and help prevent the spread of fake news.

With the help of Suve, Estonia tries to find quick and impactful IT-solutions to minimize the effects of the crisis.





Photo: investestonia.com

## Self-driving hydrogen cars are going to become the continuation of Estonian success

**Executed by:**  
University of Tartu  
and Auve Tech

**Completion  
expected by:**  
Mid-2021

Not so long ago, Estonia became the first country in Baltics which introduced driverless moto transport. Now, it aims to continue its success.

University of Tartu working in close cooperation with Auve Tech, are in the process of development of hydrogen-powered self-driving vehicles. This would be not only one more proof of Estonian tech capabilities, but also a big step towards bringing environmentally friendly transport in mass production.

The first cars are expected to be introduced by mid-2021.

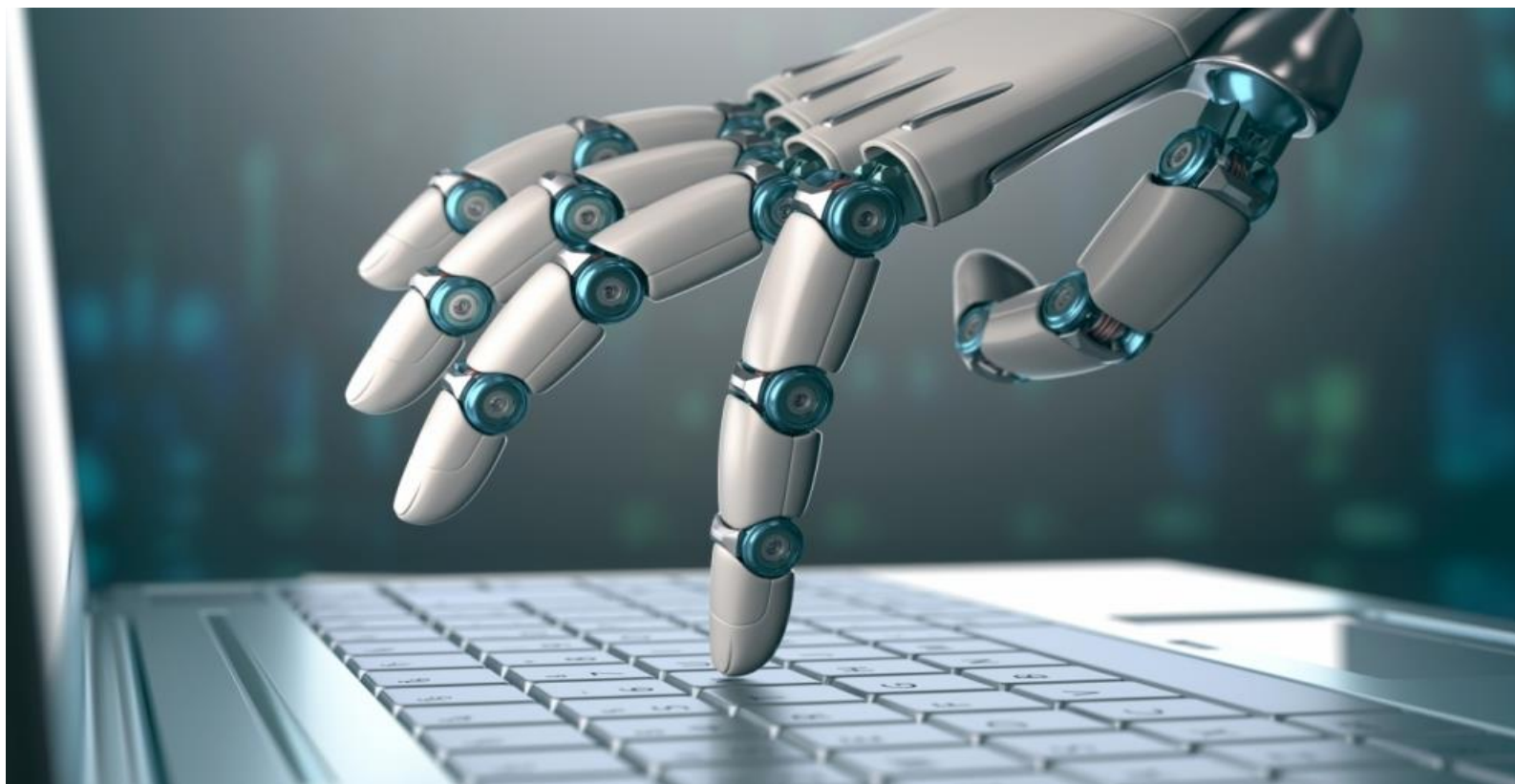


Photo: emerging-europe.com

## Artificial Intelligence becomes a ground for cooperation between Estonia and Germany

**Initiated by:**  
Government of  
Estonia and  
Artificial  
Intelligence Center  
(ARIC) Hamburg

Estonia and Artificial Intelligence Center (ARIC) Hamburg have signed a memorandum of cooperation for enhancing collaboration between Estonian and German businesses operating in the fields of AI, robots, smart cities and digitalization.

This time, the cooperation was initiated by Germany. Taking into account their recent visits to Estonia and already established fruitful cooperation within scientific and political sectors, ARIC has expressed its interest in extending the scope of cooperation.

"Estonia is a digital pathfinder in the world, showing the way in using digital technologies for the benefit of citizens." – said Christian Pfromm, Chief Digital Officer of Hamburg.

Now, two countries plan to exchange knowledge and work on common projects. Such large German companies as Airbus, Lufthansa and Bosch already have expressed their interest in working together with Estonia.

Estonian side believes that cooperation with Germany will benefit both parties and move up the value chain towards higher value-added products and services, in order to remain competitive and increase productivity.





Photo: bercman.com

## Estonian spin-offs are about to make a splash in 2020

### Initiated by:

The Tartu University

### Executed by:

The Tartu University, as well as the other biggest universities and enterprises in Estonia

**Year of execution:**  
2020

During 2019, Estonian spin-offs were barely covered in the media – and that is a big shortcoming.

The University of Tartu prefers to put knowledge into economic use, thus, it has highly contributed to the emergence of various spin-offs and projects which are about to be implemented during 2020.

As one of its initiatives, the University of Tartu emphasizes the present and future potential of biotechnologies and argues that Tartu already now “It is a town with a clean and academic environment that attracts many smart people from Estonia and abroad” but there still are plenty of future development opportunities.

Overall, Estonia cares about scientific growth and encourages its promotion widely. Thus, the first smart pedestrian crosswalk which makes crossing the street safer mostly for pedestrians, but also for cyclists was opened in Tallinn. The uniqueness of it is that it notifies the drivers and pedestrians of danger via artificial intelligence, interaction with self-driving vehicles and sensors, and combination of more than 30 different functions.

Additionally, Estonian spin-offs include but are not limited to such areas as space, statistics, environment, biodiversity etc.

Investment Agency of Estonia provides broader explanation on each of the mentioned areas and offers various investment opportunities for interested parties.





Photo: ulemistecity.com

## Ülemiste City – the first smart city in Baltics

### Object:

Ülemiste City

Lately, Ülemiste City in Estonia attracts a lot of attention. Now, the reason is obvious - Ülemiste City is very closed to be called the first smart city in Baltics.

Only thirteen years ago, the area which is now known as Ülemiste City was nothing but a garbage dump next to some dilapidated housing. However, as it can be seen today, this area is a location of the most exciting and innovative business campuses not only in Estonia but also in Europe. This is a place where more than 10 000 people work and more than 400 companies are located.

The changes started about four or five years ago, when the first enterprises started their businesses in that area. Firstly, there were hundreds, then thousands of employees.

At the same time, despite its rapid development, Ülemiste City tries to remain eco-friendly by incorporating electricity cars and by making flexible decisions which would not damage neither the customers, not the environment.

Still, Ülemiste City develops gradually and sets very clear framework. At this point, however, it is almost evident that Ülemiste City has a high potential to be officially called the first smart city in Baltics.



## Tallinn Airport`s operator plans a terminal expansion by 2035

<b>Object:</b> Tallinn Airport	Tallinn Airport`s operator state owned AS Tallinna Lennujaam is planning to add a business campus to the existing structures and raise the capacity of the passenger terminal.
<b>Possible Start:</b> -	By 2035, up to 150,000 square meters of business, service and accommodation premises are planned to be built on the airport campus.
<b>Planned Completion:</b> 2035	Tallinn Airport management board member and CFO Anneli Turkin said, that within the last five years they had grown practically by 50 percent or 1 million passengers. In total, the line of 3 million passengers was exceeded by the end of 2018. The current passenger terminal has been built for 2.6 million passengers though. Therefore the expanded passenger terminal of Tallinn Airport will be able to serve 6 to 8 million passengers per year by 2035.



## New large scale project at Muuga Harbour

**Estimated business start:**  
2020

**Completion expected:**  
2024

**Estimated cost:**  
EUR 200 million

On June 28th 2018, the Port of Tallinn ("Tallinna Sadam") and MPG AgroProduction OÜ ("MPG") signed a cooperation agreement and a building title agreement. These contracts have been concluded for a term of 99 years and lay the legal basis for the development of an oilseed processing and logistics complex at Muuga Harbour.

Tallinna Sadam is one of the largest cargo and passenger port complexes in the Baltic Sea region, servicing 10.6 million passengers and 19.2 million tons of cargo in 2017; MPG is an Estonian company, established in 2017 by European investors.

According to the agreements, MPG will construct a plant for processing oilseed, a superstructure for loading and unloading raw material and end products on the quays, as well as loading facilities for transporting raw material and end products to and from Muuga Harbour using the railway and road network. The project will be located in the eastern part of the harbour and cover an area of about 50ha. MPG's investment is estimated to total around € 200 million.

The project is estimated to have a processing capability of about 1.5 million tons a year, which could result in total additional annual cargo volume of 2.5 million tonnes for Tallinna Sadam. In terms of employment, the project is expected to create 300 direct and around 1,000 indirect jobs.





## Development of Kopli Liinid in Tallinn

**Start:**  
2018

**Developer:**  
Fund Ehitus OU

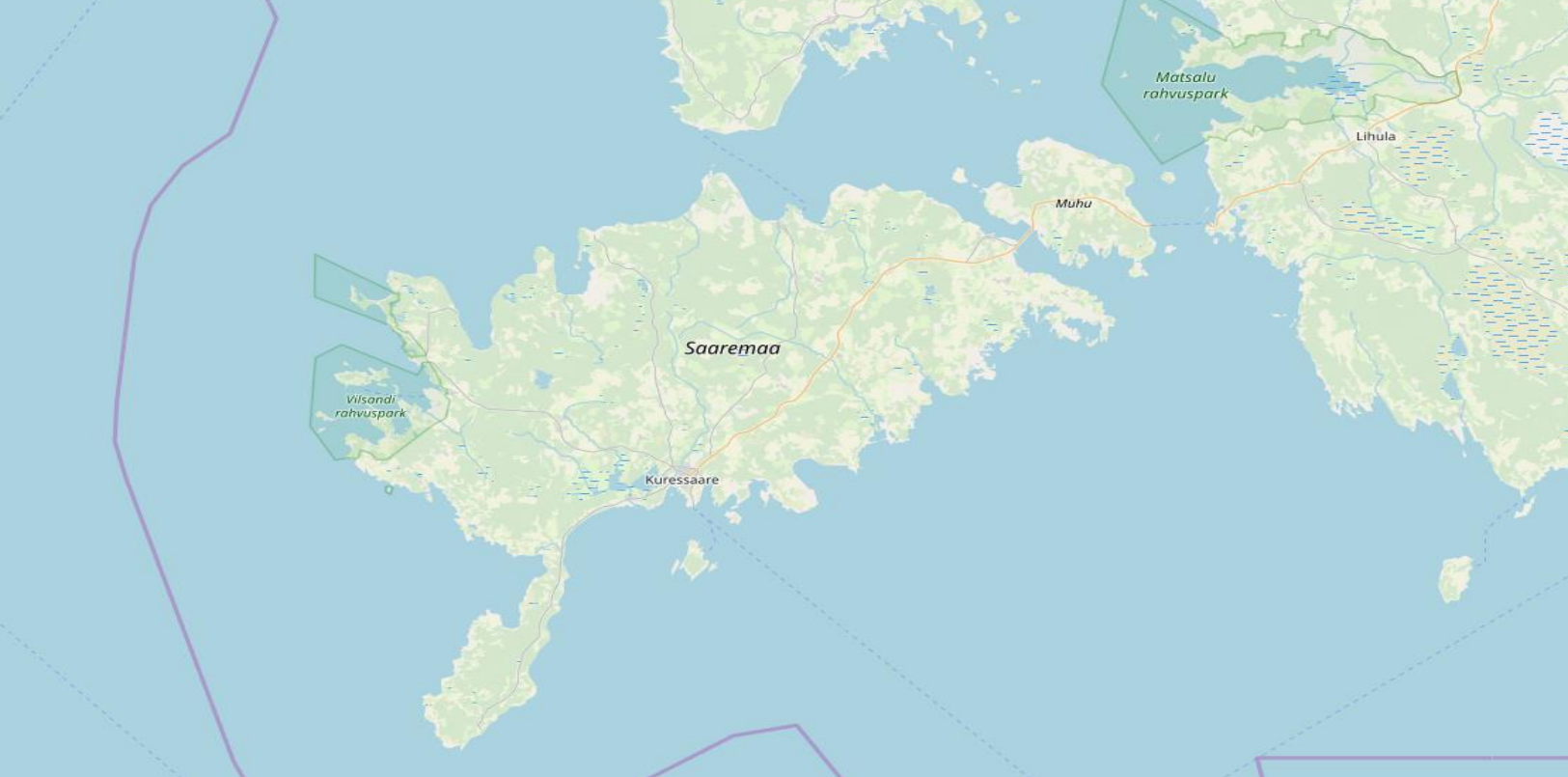
**Estimated costs:**  
Ca EUR 65 million

**Completion expected:**  
Not indicated

After years of failed attempts to find an investor and developer for the plot on the Kopli peninsula in northern Tallinn, development of the area has begun. Construction company Fund Ehitus OÜ will invest 60-65 Million Euros to turn the run-down area into a modern residential quarter. This part of northern Tallinn was for decades notorious as a place for drug addicts living in abandoned houses and with regular house fires in winter. But now at last the area's natural beauty and historical background is to get the dignity it deserves and will become an integral part of the city.

The developer will renovate the local infrastructure, including a public beach. The site will have over 500 apartments and around 40 single-family homes. Construction starts with coastal quarters at the end of the peninsula. The development's first apartments are for sale already.





© OpenStreetMap contributors

## Bridge to Saaremaa: Financing to come from private investors

### Estimated value:

Approx.  
EUR 500 million

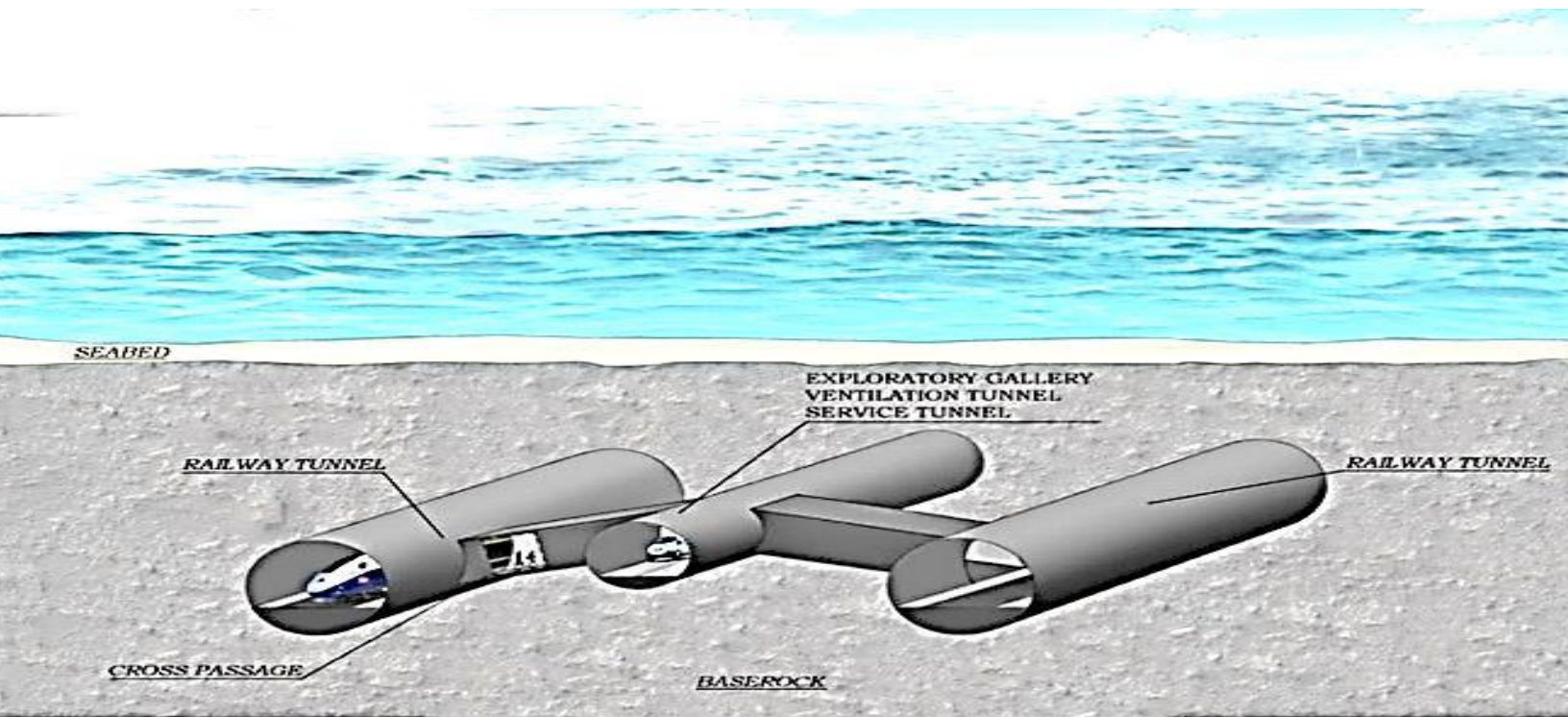
**Possible  
Completion:**  
2026

Estonian businessmen Raivo Hein and Raivo Kütt plan to construct a bridge using investments from the private sector and to break the current stalemate.

The plan to replace the ferry connection with a bridge or a tunnel between the mainland and the biggest Estonian island is not new. The project was discussed several years ago but remained unrealized because of financial and environmental obstacles. Today, the construction of a bridge across the Suurväin Strait seems to be more realistic as – according to Raivo Hein and Raivo Kütt – the bridge project will no longer require governmental funds but will be carried out by private investors with the support of pension funds and bank loans. Future maintenance of the bridge will be covered by crossing fees, which will not exceed the price of ferry tickets.

According to the project, the bridge will be built parallel to the ferry route and its construction will allow ferries to pass under it. The length of the bridge will be 7 kilometers and the maximum height 30 meters above sea level. According to preliminary estimates, construction of the bridge will take three years and will cost ca 500 million euros.

Now, the new coalition agreement has put the proposed Saaremaa bridge back on the agenda. In Mr Hein`s opinion the bridge would be open to use by 2026, if he would plan the building project.



## Tunnel from Tallinn to Helsinki

**Completion expected:**  
2030 – 2035

**Executed by:**  
City Municipality of Tallinn  
City Municipality of Helsinki  
Finnish Transport Agency

**Value est.:**  
EUR 15 billion

**Dubai engineering company ARJ Holding Ltd will invest EUR 100 million.**

According to Mr. Vesterbacka, chief at FinEst Bay Area, the group behind the project, Dubai engineering company ARJ Holding Ltd will invest EUR 100 million in the undertaking.

The tunnel is suppose to connect Tallinn and Helsinki. It´s length would be around 90 km, depending on the route taken. It would significantly increase the carriage of passengers as well as goods between the two states and connect the whole of Scandinavia into a single railway network. A submarine tunnel would reduce the travel time between Tallinn and Helsinki to 20 minutes, while it takes between two and three hours by ferry.

Mr. Vesterbacka estimates the total costs at EUR 15 billion. A preliminary study estimates the period of return to be around 35-40 years. About 40-50 per cent of the construction costs should fall on the shoulders of the Estonian and Finnish governments and the EU. The rest is expected from private investors.

Upon completion, the Tallinn-Helsinki tunnel would be the longest submarine tunnel in the world.



# Latvia Latvija

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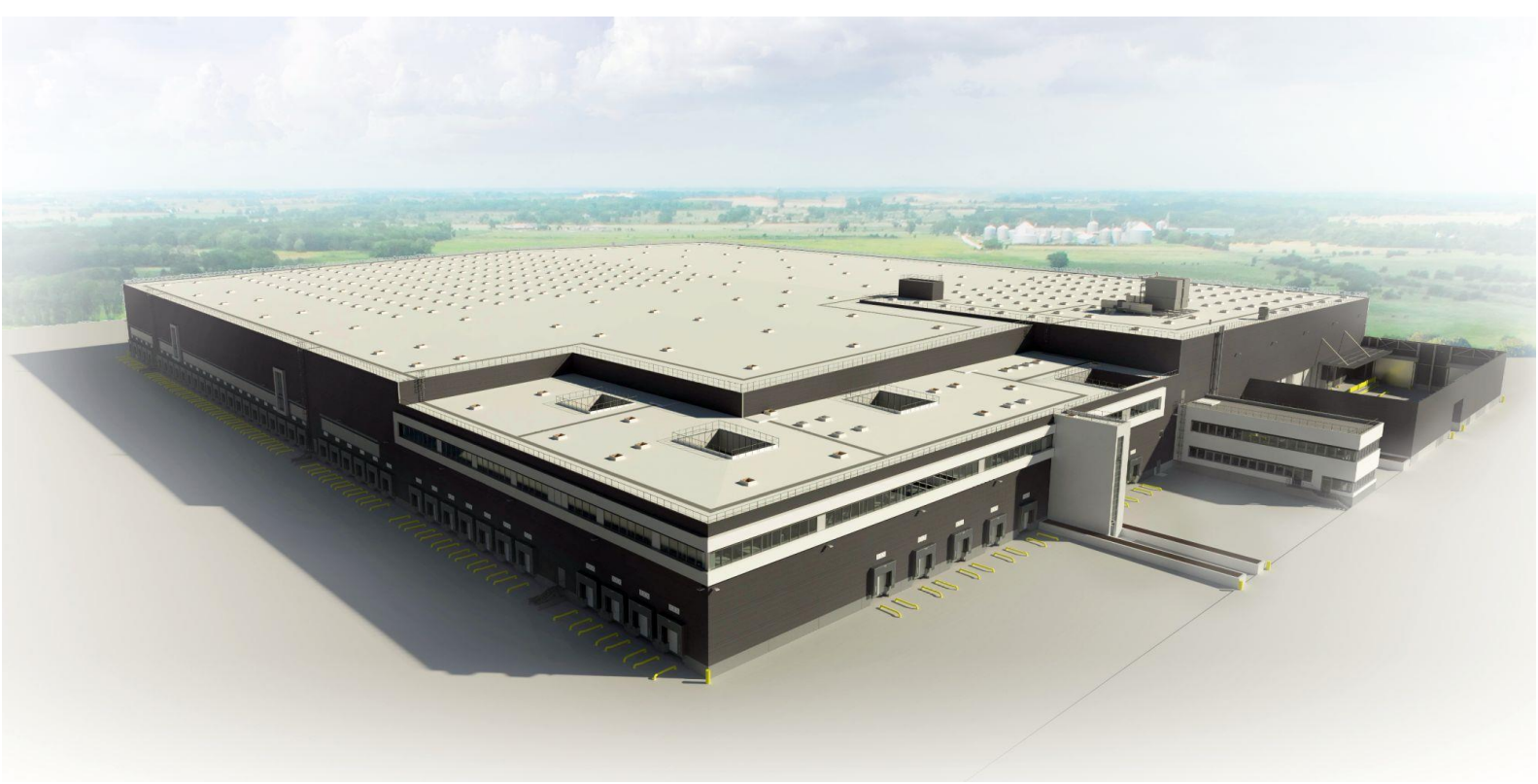


Photo: merks.lv

## "Lidl" is coming to Latvia

### **Object:**

Lidl Store on  
Ulbrokas Street,  
Riga

**Completion  
excepted by:**  
2020

Retail company "Lidl" and construction company "Merks" have concluded a contract on the construction of a new logistics centre in Riga, on Ulbrokas Street in september 2018. The contract stipulates the construction of a 47,000 m<sup>2</sup> logistics centre by investing 42.5 million euros plus value added tax

It is a sustainable and modern building in a historical centre of Riga, which is an important milestone for the development and growth of Riga.

The plan is to create a building that not only fully meets the needs of the client today, but will also be relevant tomorrow, as "Merks" buildings are sustainable and open to future developments".

along with the launch of the EUR 55 mln logistics center in Ulbrokas Street, Lidl plans to open at least 10 stores in Latvia.





Photo: buvinzenierusavieniba.lv

## The New Riga Theater is going to be reconstructed

**Completion of the construction phase expected:**  
2021

**Executed by:**  
RERE BŪVE 1

The historic house of the New Riga Theater on Lāčplēša iela 25 have been passed to the construction company "RERE BŪVE 1" which is going to renovate the building. Tender for development, author supervision, construction and maintenance of engineering communications for the construction project has been issued recently.

The historical importance of the building is evident – it was founded in 1922 and became a starting point for many famous Latvian actors<sup>6</sup> film and art directors. Already for a long time, the Theater is counted as an inventible part of Latvian cultural heritage, thus, is highly valuable for citizens of Riga and Latvians in general.





## 15 Business Incubators have been established

**Period of the programme:**

October 2016-End  
of 2023

**Executed by:**  
LIAA

**Value est.:**

EUR 30.8 million

The Latvian Investment and Development Agency (LIAA) has established 15 Business Incubators throughout Latvia to fund new regional companies and startups.

The incubators provide support to natural persons and merchants, that are not registered for more than three years, with the necessary environment for business start-up and development, consultations, training and activities on general business issues, mentor support and grant co-financing.

The EU provides around EUR 26.2 million, EUR 4.6 million will be paid from the state budget.

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## Planning of bypass road for A7 highway

### Designing and Building Phase:

2020-2030

### Executed by:

State Joint Stock Company "Latvian State Roads"

### Value:

EUR 80-100 million

### Bypass road to be built for one of Latvia's most traffic-congested and busiest highways.

While the A7 highway is one of the busiest roads leading to Riga, it remains highly congested and inconvenient for the residents of Kekava, a small town that the highway passes through. In fact, over 17,000 vehicles use the highway on a daily basis, while the number of heavy transport vehicles exceeds the optimal figure three times, thus substantially advancing road surface decay.

In efforts to alleviate traffic problems and eliminate heavy traffic flow through the town of Kekava, lawmakers are planning to build a 17-kilometer long bypass with numerous traffic hubs, tunnels and a bridge. The overall cost of the project is expected EUR 80- 100 million.

The Public Procurement process started in October 2018. The winning bid will be announced in December 2019. The actual designing and building phase shall start in 2020 and shall be completed in 2023.





## Planning and development of multimodal transport hub

**Completion expected by:**  
2024

**Executed by:**  
Ministry of Transport

**Value:**  
EUR 11 million

### **A new multimodal transport hub infrastructure project is being developed in Riga**

Following a proposal set forth by the Ministry of Transportation, a new multimodal transport hub project is currently under development. Taking into account the infrastructure changes caused by upcoming construction works for the completion of the Rail Baltica project, an area amounting to over 40,000 square meters has been allocated for the purposes of setting up such infrastructure center.

Consequently, local citizens will gain much needed access to various public transportation options, thus curbing carbon emissions and substantially eliminating other harm caused to the environment due to the heavy use of private vehicles. With a projected parking lot taking up almost 12,000 square meters, the planners expect to meet projected demand for years to come. Similarly, the center will include numerous commercial spaces to increase its attractiveness to investors from various industries.

A stylized map of the Baltic region. Lithuania is shown in light blue, and Latvia is shown in light purple. A black dot is located in the southern part of Latvia.

# Lithuania Lietuva

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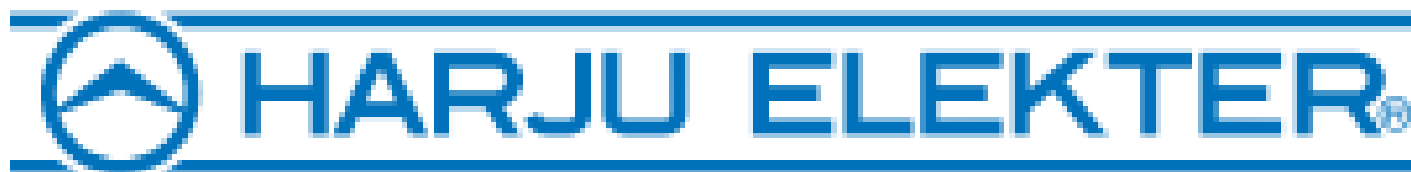


Photo: rifas.lt

## Harju Elekter UAB creates 100 new workplaces in Lithuania

**Completion expected by:** 2021

**Executed by:**  
Harju Elekter

**Value est.:**  
EUR 6 million

The Harju Elekter UAB, a Lithuanian subsidiary of AS Harju Elekter with headquarters in Estonia, announced to expand its factory in Panevezys.

Harju Elekter is a company which deals mainly with manufacturing of electrical equipment. In MV/LV electrical and engineering devices, Harju Elekter group is a leading producer both in the Baltic countries and in Scandinavia.

The total investment volume is estimated to be as much as 6.000.00 €. After the construction, the factory area will have almost doubled from 8.765 m<sup>2</sup> to 16.761 m<sup>2</sup>, as well as the revenues. As construction company, Harju Elekter hired the company Kaminta, which is supposed to finish works until March 2021.

Vytis Kapočius, head of manufacturing team at Invest Lithuania, stated, that the investment proves the attractiveness of Lithuania for foreign investors. Furthermore, it is remarkable that the investment was not subject to cancellation due to Covid-19. The investment is supposed to strengthen the region of Panevezys, as specialist employees will be attracted to move and stay there.





Photo: akmene.lt

## After investment of 146 million euros: VMG starts plant in Akmenė

**Completion expected by:**  
2022

**Executed by:**  
VMG (Vakaru Medienos Grupe)

**Investment value:**  
EUR 146 million

VMG (Vakaru Medienos Grupe), one of the largest wood processing and furniture production groups in the Baltic states, could finally start their production after a delay due to coronavirus which had hindered the final installments at the factory from being completed before. VMG is owned 100 percent by the Cypriot VMG Holding.

The new factory took its place in the Akemenė Free Economic Zone. Its annual production capacity will reach 600.000 cubic meteres of particle board and is planned to be even increased in the future. 140 new jobs are created.

That is not the only good news for the region. As Sigitas Paulauskas, VMG Holding's sole shareholder stated, also a furniture production facility will be constructed nearby, with an investment volume of as much as 60 million euros. He emphasized that coronavirus has not affected this project so far. The production volume of VMG even increased compared to before coronavirus crisis.



Photo: lithuaniatribune.com

## Vilnius City Municipality presents the idea of reconstruction of Vokiečių street

**Beginning of the first phase:** 2020

**Executed by:**  
Vilnius City Municipality and Lithuanian Union of Architects

**Value est.:**  
EUR 2 million

18 participants submitted ideas for the international architecture competition initiated by Vilnius City Municipality and Lithuanian Union of Architects for the restoration of Vokiečių Street.

The aim of competition was to create a representative, sustainable and easy to use city public space for all year round: to renovate public space and street elements, e.g. multi-layered historical surroundings, to highlight ways to perpetuate local history, to create conditions for the development of service infrastructure in public space and surrounding buildings.

The task of contestants also included a necessity to propose scenarios for use of available space for different seasons, assessing the possibility of using this public space for urban and trade events, celebrations, etc. The 18 project proposals submitted for the competition can already be seen live - exhibited in the building of the Lithuanian Union of Architects.





Photo: medical-schools-europe.com

## The largest private fund manager in the Baltic States signs an agreement on renovation of educational facilities in Kaunas district

**Completion expected by:**  
2022

**Executed by:**  
BaltCap  
Infrastructure  
Fund and Kaunas  
district  
municipality

**Value est.:**  
EUR 13.6 million

BaltCap Infrastructure Fund and Kaunas District Municipality have signed a 15-year public-private partnership (PPP) agreement on renovation of schools in Kaunas district.

This project should have an impact on the accelerated process of improving the educational infrastructure throughout the country and substantially enhance capacity of school premises.

This is BaltCap's third investment in educational infrastructure in two years. Prior to Kaunas district project, it has invested in kindergarten in Vilnius district and two schools in Poland.



Photo: scitecheuropa.eu

## Lithuania on its way to supremacy in AI field

**Executed by:**  
Satalia

**Planned  
Completion:**  
2022

It is expected that shortly Lithuania will join the supreme countries specializing in Artificial Intelligence.

Satalia, a British AI company that acquired Data Dog UAB in 2019, has now announced its two-years plans to expand its operations and add more experts to its Kaunas office. The expansion of the Kaunas office will most likely establish Kaunas as Satalia's core location in regard to development and R&D projects.

Satalia plans to actively contribute to Lithuania's continued development in the tech and computer science fields emphasizing Lithuania's importance for Satalia's development activities due to its strong footprint in computer science as well as in tech and academic research.

Mantas Katinas, managing director of Invest Lithuania, hopes that the expansion of Satalia's Kaunas office will further strengthen Lithuania's competencies in the Artificial Intelligence working field.





Photo: jldata.com

## Germany and Lithuania initiate cooperation in the field of cloud banking platforms

<p><b>Executed by:</b> Mambu</p>	<p>Vilnius will once more be host to an innovative cloud platform for banks provider and this time – in cooperation with Germany.</p>
<p><b>Completion expected by:</b> 2023</p>	<p>Mambu, an innovative cloud platform for banks, Fintechs and financial service providers, which was established in Germany, is ready to open an engineering center in Vilnius.</p> <p>Why Lithuania?</p> <p>Eugene Danilkis, CEO of Mambu, points out that Lithuania’s regulatory flexibility and Fintech-friendliness as well as the current talent pool in the country played a key role in choosing Lithuania as the new location for the engineering center.</p> <p>Mambu is furthermore very excited to start collaborating with local universities and other entities in the Fintech and IT sector, and enhance German-Lithuanian relations.</p>





Photo: [investlithuania.com](https://investlithuania.com)

## German polymer specialist REHAU chooses Klaipėda for its new production site

<b>Executed by:</b> REHAU	<p>The REHAU group, a German family-owned polymer specialist with an annual turnover of around \$3.5 billion, is setting up a new production facility in the Klaipėda Free Economic Zone (FEZ).</p>
<b>Planned Completion:</b> 2022	<p>The facility is set to manufacture microduct systems for optical-fibre cables and to employ 55 specialists with great potential for further expansion in the future.</p>
	<p>The output from REHAU's Klaipėda unit is predominantly going to go to wholesalers, telecommunication companies, and municipalities spread across Europe.</p> <p>Why Klaipėda?  "REHAU was considering a number of locations for its new facility across the CEE region before settling on Klaipėda. The strong pool of qualified talent and their professional attitude and work ethic was a major factor in REHAU's decision, as was the strong cost to quality ratio. In key fields, Lithuania remains highly cost competitive for manufacturers, yet it also boasts some of the most streamlined and business-friendly conditions in the EU," said Dr. Roger Schönborn, head of REHAU's Building Solution division states.</p>

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Photo: eimin.lrv.lt

**New incentives for investors in Lithuania**

**Object:** Green Corridor for Investments

The Parliament of Lithuania has adopted a bunch of laws regarding corporate tax laws and investment law which are supposed to attract more investors from both Lithuania and abroad. The project is known as “green corridor for investments”.

The Lithuanian government stated that through those measures, about 2.000 new jobs are supposed to be created. Minister Žygimantas Vaičiūnas hopes to attract investors both by incentives in corporate tax law and by faster procedures as should be implemented for example in terms of territorial planning, migration and construction.

Mantas Katinas, head of an investment promotion agency, emphasized that together with a well-developed infrastructure, attractive legal regulations are one of the most decisive factors for investors to come to Lithuania. He considers the new package an essential step to keep up with other competing countries.

With the new set laws, Lithuania took a big step to be prepared for more investments in the future.





Photo: defli.lt

**The Rail Baltica tender for Rokai-Palemonas will be re-launched**

<b>Completion expected:</b> 2020	Kaunas railway junction is divided into four sections: Jiesia-Kaunas, Jiesia-Rokai, Kaunas-Palemonas and Rokai-Palemonas. The latest is one of the most important parts of Kaunas railway junction.
<b>Object:</b> Rokai-Palemonas section of Kaunas railway junction	<p>After five companies outbid each other regarding the Rokai-Palemonas section contract, Lithuania Railways announced that it has rejected any bid and re-launched the tender.</p> <p>The contractor will be expected to construct, among other things a 7.6 km European standard track gauge. Part of the 7.6 km are on the territory of the Kaunas hydro power plant.</p> <p>It is planned that the remaining construction works on the Kaunas-Palemonas section will be completed this year.</p>





## Plans for nonsubsidized wind Energy Park revealed

**Investment planned for:**  
2018-2023

**Executed by:**  
E energija group

**Value est.:**  
EUR 150 million

### **E energija group announces plans for a 150 MW wind energy park**

E energija – a holding of 12 companies, already active for more than 20 years in the energy sector – has announced plans to construct a 150 MW wind energy park in Lithuania.

E energija has indicated an intention to carry out the plan without relying on subsidies or other state-dependent measures. If successful, this would be one of the first significant renewable energy projects in Lithuania that does not rely on state support and funding.



## Police Infrastructure PPP projects in Kaunas and Panevezys

**The project is expected to be completed by :**

2032

**Executed by:**

Police Department  
under the Ministry  
of the Interior

Many soviet-era police buildings in Lithuania are out of date and unsuitable for today's police functions. To address this issue, the Police Department, under the Ministry of the Interior, has launched a tender for Police Infrastructure PPP projects in Kaunas and Panevezys.

Potential private partners expressing interest in these PPPs will have to participate in a negotiated procedure. Negotiating the tender consists of two parts: one dedicated to Kaunas police infrastructure PPP and the other to Panevezys police infrastructure PPP. This means that two separate contracts will need to be signed. Total length of the contracts is 15 years. Selected private partners will have responsibilities such as design, construction of buildings, maintenance and financing of the police stations. The fifteen-year contracts will be divided into two parts: the first three years of the total project is dedicated to design and construction of buildings and the remaining twelve years is to be dedicated to building maintenance.

Capital expenditure on the project is set at 12.4 million Euro for the Kaunas project and 14.8 million Euro for the Panevezys project. The deadline for investors interested in taking part in this project to submit participation requests for the Police Infrastructure PPP tender is 11:00 on 16 August.





Photo: Jindřich Běťák

## Railway electrification

**Project is expected to be completed by :**  
2022

**Executed by:**  
Lietuvos  
geležinkeliai AB

**Value est.:**  
EUR 349.1 million

**Lithuanian part of the interstate railway connection with Belarus is set for electrification**

It is expected to electrify the whole railway line section beginning at Lithuania-Belarus border and ending in Klaipėda. Overall project is considered to be worth EUR 349.1 million where EUR 224.1 million should be funded by EU Cohesion Fund and the rest by "Lietuvos geležinkeliai" AB.

The railway part, which is planned to be electrified, is a part of the IXB corridor and, according to "Lietuvos geležinkeliai" AB, use of it constitutes a 3/4 cargo transportation turnover and 2/3 passenger transportation turnover. The Ministry of Transport and Communications expects the project to improve the railway use efficiency even more. Project is expected to be completed by 2022.