

SWOT-analyses, Seagull WP 4, March 2003

The Klaipėda region in Lithuania

Summary:

Development of the balanced nature exploitation is the main priority trend in the efficient and, in the long run, effective usage of natural resources of the Klaipėda region.

Apart from the obvious good geographical location in the Baltic Sea area, the biggest **strengths** can be found in the specialization in agriculture and farming. The landscape is diverse and the region has sufficient water and fish resources.

Unfortunately, the water is also a **weakness**, as it is unevenly distributed and sometimes of low quality. Even the fishing industry is on the decay. The farms, in turn, are small-scale with poor opportunities to be financially prominent. The products are often low quality and there is a lack of qualified manpower. However, so far, there is no alternative business to agriculture.

There may be an **opportunity** to increase forestation by using fertile and re-cultivated land or in modernisation of agricultural production, creating an effective marketing system and creating an effective infrastructure of agricultural businesses creating a modern system of non-traditional agriculture in order to ensure the efficiency of the economy activity and a higher standard of living. SAPARD is an example of a programme that hopefully will help the region in finding financial alternatives to agriculture. The location and the closeness to seaside resort markets and Russian consumer markets brings other opportunities.

The Russian market does, however, also pose as a **threat**, as trading with the east involves problems with visa. A, perhaps, bigger threat is a hydro-meteorological disaster due to climate change, or becoming a dumping site for Western Europe. Increased integration with the European Union and NATO may bring external complications that will influence the present industries. Lastly, there is the threat of a drain of rural manpower to the cities.

Geography and Natural Resources, Klaipėda region

S	W	O	T
<p>GEOGRAPHY AND NATURAL RESOURCES:</p> <p>Convenient geographical location in the Baltic Sea area</p> <p>Great biological and landscape diversity</p> <p>Mild marine climate</p> <p>Sufficient water and fish resources</p> <p>Big energy and raw construction materials resources</p> <p>Grain and meat processing industries</p>	<p>GEOGRAPHY AND NATURAL RESOURCES:</p> <p>Uneven distribution of water resources and low quality of some water</p> <p>Uneven distribution of forests</p> <p>Increased aggressiveness of the climate factors</p> <p>Decayed fishing industry</p> <p>Big areas of relatively acidic soil</p>	<p>GEOGRAPHY AND NATURAL RESOURCES:</p> <p>Increase forestation by using unfertile and re-cultivated land</p> <p>Develop usage of renewable resources</p>	<p>GEOGRAPHY AND NATURAL RESOURCES:</p> <p>Incidences of hydro-meteorological disasters due to the changes in the climate</p> <p>Reckless usage of un-renewable resources and urbanisation</p> <p>Becoming a dumping site for Western Europe</p> <p>Expansion of pollution industries</p>

Trade and business (tourism), Employment, Educational level, Klaipėda

S	W	O	T
BUSINESS:	BUSINESS:	BUSINESS:	BUSINESS:
The amounts of fishery, country tourism, ecological agriculture, breed of forbearing animals and non-traditional poultry are bigger than in other regions	Insufficient integration of the landscape and biological diversity into the regional development	Ecoagra certifying will provide a possibility to export ecological products	Selling prices will remain relatively low
Great experience of the specialists in implementation of international pilot projects	Insufficient infrastructure	Closeness to Kaliningrad region and its consumer market	The eastern market, the most potential consumer market, is restricted by a complicated visa issuing procedure
Specialization on agriculture and farming	Poor co-operation between producers and traders	Good geographical location, close to seaside resort markets	Insufficient investment into the primary level of agriculture
Great attention of international institutions	Commodity economies of non-traditional agriculture are not developed	Increase the transit role	Reckless use of unrenowable resources
A great reserve of cheap manpower	Uneven attention of international institutions to different part of the region	Increase the role of the preserved area in the balanced development of the Baltic sea area	Rise of the energy prices
Industry production is significantly increasing	Low quality of agricultural goods, bad presentation to the market, inability to produce big shipments of one kind of goods.	Increase forestation by using unfertile and re-cultivated land	Growth of international competition while integrating into the EU market
The rural areas have strong traditions of production and processing of agricultural products	Small farms without development potential are prevailing	Participation in EU investment projects	Migration of the capital to the neighbouring regions (Kaliningrad region), where man power is cheaper
Attention of municipalities to the development of	Productivity level is relatively low	Favourable possibilities of collaboration with Northern, Central and	

businesses		Eastern European regions	
	Insufficiently developed modern technology		
	Lack of ecological products		
EDUCATION:	EDUCATION:	EDUCATION:	EDUCATION:
Kretinga higher agricultural school	Shortage of specialists of high qualification in balanced usage of natural resources	Study programs for alternative rural development studies	Brain-drain of the intellectual resources to the west
Klaipeda labour market training centre, which train adults, provide qualification raising courses and retraining	Lack of managerial skills and experience.	Training center establishment	Big drain of qualified rural manpower to cities
	Lack of qualified manpower in agriculture		Bad material base of educational institutions and the programs, which do not correspond to the requirements of the market
TOURISM:	TOURISM:	TOURISM:	TOURISM:
Great landscape diversity	Non-developed infrastructure	Main inland water tourism rout in Europe	Decrease of safety and privacy in rural areas due to an increase in the number of tourists
Great fishing areas	Non-educated providers of potential agro-tourism services	Developing tourism information and marketing system	Complex situation in formation and development of co-operative system in the sector of non-traditional agriculture
Cultural heritage	Small range of the non-traditional agricultural products, the marketing possibilities are not used	Bicycle route network creation	Due to the lack of variety in economic activities in the rural area and restricted migration to cities, the majority of manpower in the country is absorbed by the traditional

			farming
Resort area	The consulting institutions do not have specialists for consulting on non-traditional farming	Country tourism is tax exempt	
Rural tourism is developing		Development of the country tourism will create more favourable conditions for improving the state of the objects of cultural heritage, development of rural crafts and services	

Living, public services, commercial services, Klaipėda region

S	W	O	T
LIVING AND PUBLIC SERVICES:	LIVING AND PUBLIC SERVICES:	LIVING AND PUBLIC SERVICES:	LIVING AND PUBLIC SERVICES:
The amounts of fishery, country tourism, ecological agriculture are bigger than in other regions	Insufficiently developed infrastructure of transport communication	Development of country tourism will create favourable conditions for improving the development of rural crafts and services	Increase of the incidence of hydro-meteorological disasters due to changes in the climate
Convenient geographical location	Increased aggressiveness of climate factors	Advantages of seaside resort and seaport area, which encourages multilingual communication and fast development of the service sector	May become a dumping site for Western Europe
Mild marine climate	Big areas of relatively acidic soil		Big drain of qualified rural manpower to cities

Social economy, democracy (NGOs), Klaipėda region

S	W	O	T
DEMOCRACY:	DEMOCRACY:	DEMOCRACY:	DEMOCRACY:
Great experience in implementation of international pilot projects	Lack of wider organizations to be involved	There are new possibilities provided by SAPARD and other international programs, supporting non-traditional	Possible worsening of the geopolitical situation of the region causes by external complications due to integration into the

		agriculture and development of financial alternatives to agriculture	European Union and NATO
Active part in public planning process	NGO is weak themselves as representatives of public opinion	Involve NGO sector in providing public services	There is no legal and institutional background for the activation of the agricultural market
SOCIAL ECONOMY	SOCIAL ECONOMY	SOCIAL ECONOMY	SOCIAL ECONOMY
A wide net of nature research and environment protection institutions	Not developed infrastructure of social services	To create Daily centres for integration in social life	Limited economic and social possibilities to stimulate natural growth of population

Demography/ flow of people, Klaipėda region

S	W	O	T
DEMOGRAPHY:	DEMOGRAPHY:	DEMOGRAPHY:	DEMOGRAPHY:
According to the age groups of the farmers the region is in a better situation; the potential of the agricultural land is not sufficient to employ all manpower in the traditional agriculture	Not many people earn their living or have extra-income from crafts.	Young people moving back from foreign countries with investments	Due to the lack of variety in economic activities and restricted migration to cities, the majority of manpower is absorbed by traditional farming
There are regional labour markets and private employment agencies in the region.	Growing level of unemployment	To enhance equal opportunities	Decrease of safety and privacy in rural areas due to an increase in the number of tourists
	There is no mechanism of increasing the motivation of an employer to co-operate in the field of professional education and invest into teaching technologies	Requirement for specialists of high qualification is growing in the region	Big drain of qualified rural manpower to cities

Infrastructure (access to electricity, supply of clean water), Klaipėda

S	W	O	T
INFRASTRUCTURE	INFRASTRUCTURE	INFRASTRUCTURE	INFRASTRUCTURE
Developed port	Insufficiently developed infrastructure of transport communication	Increase the transit role of the region in the South-east area of the Baltic Sea	Undeveloped combined transportation inside the region and lack of adequate infrastructure
International airport	The infrastructure of fishing port and fish market is not developed, there is deficiency of fish freezing facilities	Possibility to apply modern technologies and marketing techniques	Supply with natural gas is restricted by the technical properties of the gas main, and the development of the gas distribution net is complicated.
ELECTRICITY AND WATER:	ELECTRICITY AND WATER:	ELECTRICITY AND WATER:	ELECTRICITY AND WATER:
Big energy and raw construction materials resources in the region	Insufficiently developed modern technological potential of energy and construction industry	A developed and reliably functioning system and infrastructure of electricity transmission and distribution, ensuring the needs of all users	The quality of the supplied drinking water and wastewater treatment level are not sufficient
Sufficient water resources	Uneven distribution of water resources and low quality of some water	Sufficient resources of drinking and industrial water and volumes of the water supplying and wastewater treating enterprises, satisfying the needs of the consumers	Production of energy from renewable resources and local fuel is not developed