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Agreements signed: Rheinmetall and Lithuania begin construction of modern artillery ammunition production plant

Lithuania and Rheinmetall are beginning construction of a modern production plant for 155mm artillery ammunition. The necessary contracts, including a land lease agreement and a supply contract for the procurement of 155mm ammunition, were signed at a ceremony held on 29 November 2024. The Prime Minister of Lithuania, Ms Ingrida Šimonytė, the Lithuanian Minister for the Economy and Innovation, Ms Aušrinė Armonaitė, and the Lithuanian Minister of National Defence, Mr Laurynas Kasčiūnas, attended the event.



With the start of construction in Baisogala, Lithuania is taking a further step towards strengthening its defence sector. A state-of-the-art production facility, including a shell manufacturing and load assembly pack, is being built in the municipality on an area of around 340 hectares. The facility will begin operations from mid-2026 and, once completed, will be able to produce tens of thousands of 155mm calibre artillery shells per year. 180 million euros are invested directly in Lithuania. Around 150 jobs will be created locally. Local companies and the local economy will be integrated into the value chain.

“From day one, the dialogue between the Lithuanian Government and Rheinmetall has been based on a mutual understanding of this project’s necessity and urgency. I am very pleased that today, this cooperation has enabled the beginning of construction of the artillery ammunition production plant. Our defence needs, the importance of the shortest possible supply chains, and strong allied partnership between Lithuania and Germany underscore the need to maintain the momentum as we continue to work in the same spirit of cooperation,” says Ingrida Šimonytė, Prime Minister of Lithuania.

“We at Rheinmetall are very grateful for the trust Lithuania has placed in us. It is and remains our aspiration at Rheinmetall to be one of the pillars of national and international security provision. This long-term partnership with Lithuania confirms this once again,” says Armin Papperger, CEO of Rheinmetall AG.

“In light of the growing security challenges, we must move beyond words and take concrete steps to strengthen our nation’s defence capabilities. By fostering large-scale investment projects and enabling local production of weaponry, we not only address national security needs but also reduce our dependence on arms procured from international markets. I have no doubt that Lithuania is

► Key facts

- Rheinmetall and Lithuania start construction of a modern ammunition production facility in Lithuania
- 180 million euros investment volume
- 150 jobs on site; integration of local industry
- Production capacity of several tens of thousands of artillery shells per year

► Contact

Oliver Hoffmann
Head of Public Relations
Rheinmetall AG
Tel.: +49-(0)211 473 4748
oliver.hoffmann@rheinmetall.com
rheinmetall.com

Dr. phil. Jan-Phillipp
Weisswange
Deputy Head of Public Relations
Rheinmetall AG
Tel.: +49-(0)211 473 4287
jan-philipp.weisswange@rheinmetall.com
rheinmetall.com

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moving in the right direction, and it is promising to see global leaders like Rheinmetall choosing to be part of this progress,” says Aušrinė Armonaitė, the Minister of the Economy and Innovation.

“The establishment of the German defense industry company Rheinmetall’s ammunition factory in Lithuania is not only significant in the context of the defense industry’s development but will also address the needs of our armed forces. It was quite a complex process, but I am pleased and grateful to my colleagues that, through joint efforts, we managed to reach an agreement on this historic and important project for our national security,” notes Laurynas Kasčiūnas, the Minister of Defence.

As recently as June 2024, Rheinmetall and the Lithuanian Minister of Economy and Innovation Armonaite signed an agreement regulating the establishment of the German defence company Rheinmetall in Lithuania. The project was granted the status of ‘state significance’. As a result, the Lithuanian Centre of Excellence for Ammunition will benefit from special investment and business conditions to speed up the construction of the plant.