



# LITHUANIA: FOSTERING INNOVATION AND INDUSTRY 4.0

**MANUFACTURING PERFORMANCE DAYS 2019**

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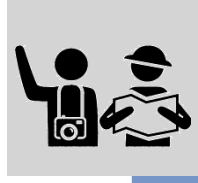
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# FINLAND & LITHUANIA: A VALUED PARTNERSHIP



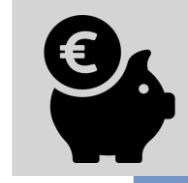
## Export/import

- Doubled since 2010
- Finland is Lithuania's 11<sup>th</sup> biggest import/export partner in EU



## Tourism

- Lithuania gets more visitors from Finland than any other Scandinavian country



## Investments

- Finland is 8<sup>th</sup> biggest investor in Lithuania
- Finland is considered to be 1 of 7 priority markets for attracting FDI to Lithuania



## Innovation

- Learning and partnering with TOP 3 EU innovator



# LITHUANIA'S ECONOMY: FAST GROWING & GLOBALLY COMPETITIVE



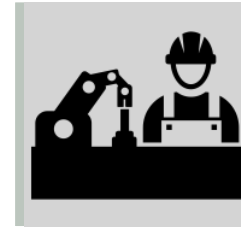
## Business friendly

- #4 for the Ease of starting Business in EU<sup>1</sup>
- #5 in fulfilling ICT business needs globally<sup>2</sup>
- 5x more startups in 5 years<sup>3</sup>



## Largest Baltic economy

- 45.2 bil EUR in GDP: largest economy in the Baltics<sup>4</sup>
- +3.6% GDP growth in 2018<sup>5</sup>
- + ~60% growth in cumulative FDI since 2018<sup>5</sup>



## Great for manufacturing

- #2 most attractive destination for manufacturing globally<sup>6</sup>
- 20.9% GDP from manufacturing<sup>5</sup>

An aerial photograph of a large, forested island in a lake. The water is dark blue, and the forest is a lighter blue-green. A small boat is visible on the water near the island. The overall scene is serene and natural.

**PART I**

**LITHUANIA'S INNOVATION  
ECOSYSTEM & REFORM**

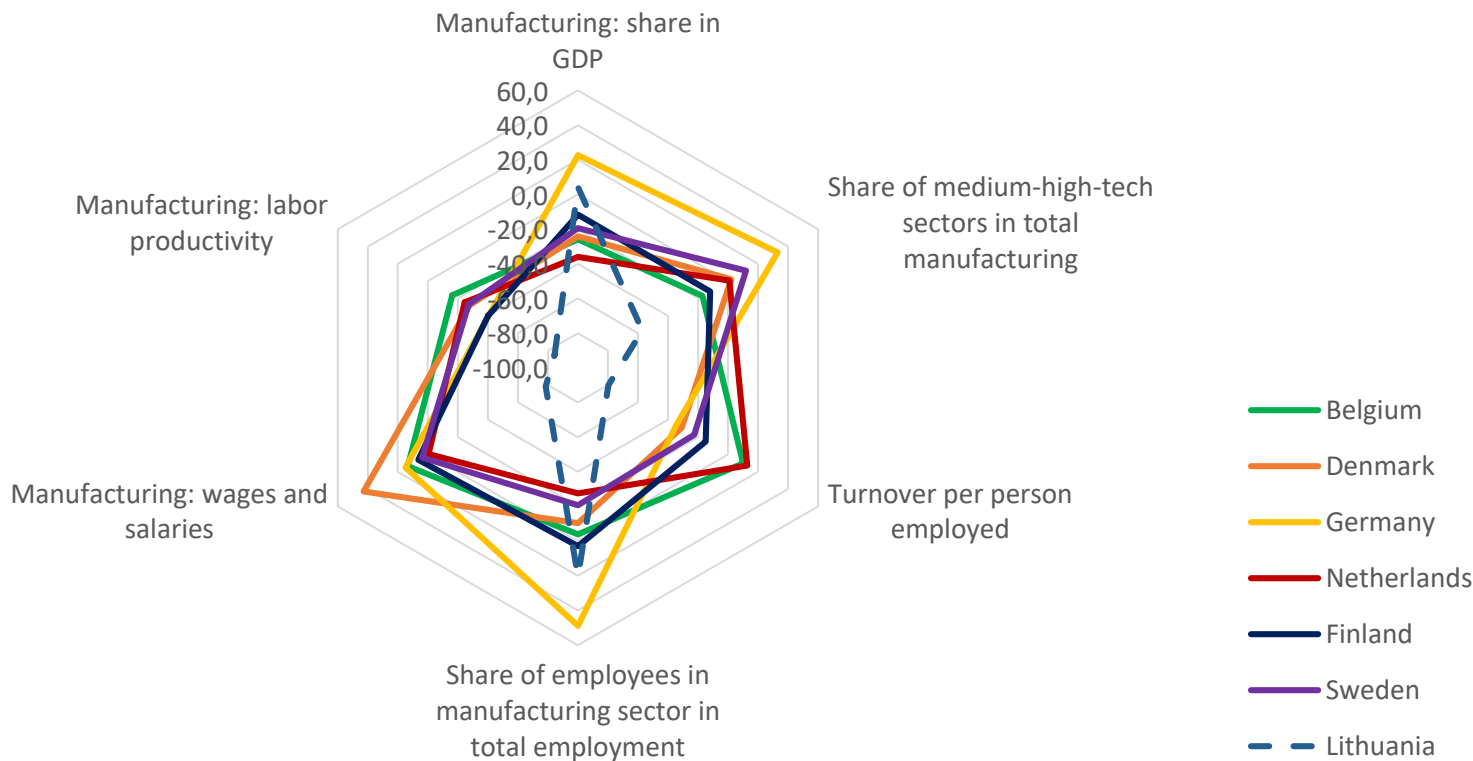


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# MANUFACTURING HAS BIG IMPACT ON ECONOMY, BUT LACKS INNOVATION

Summary of benchmark analysis (deviation from indicator average, %)



# INNOVATION ECOSYSTEM: ACHIEVEMENTS

During 2010-2017 among all EU countries Lithuania managed to increase innovation performance the most

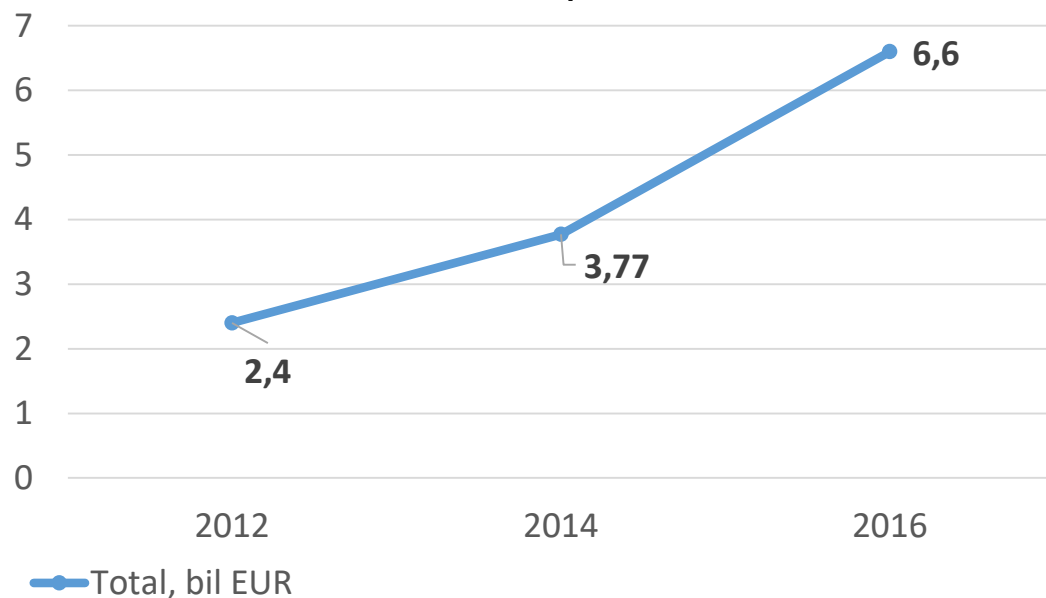
**+20%**

According to EU Innovation Scoreboard, biggest progress achieved in:

- Innovation friendly environment +61%
- Innovative SMEs collaborating with others 72%
- Firm investment 55%
- Venture capital expenditures 53%

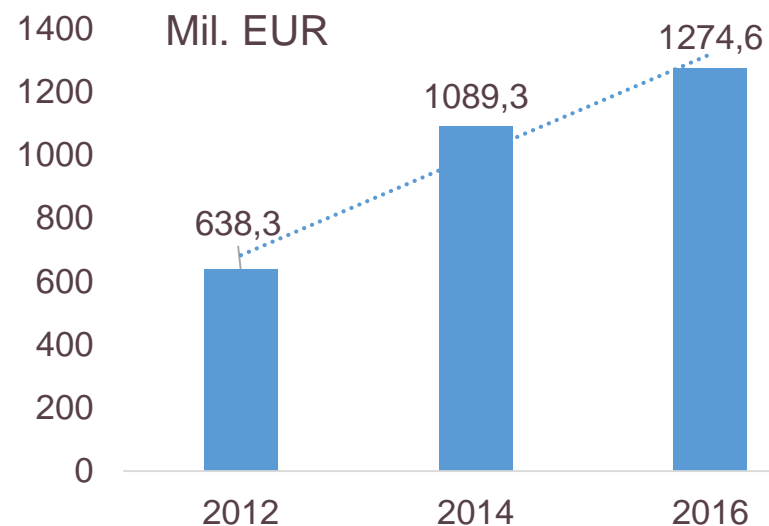
# BUSINESS SECTOR INCREASES INVESTMENTS IN INNOVATION

## Turnover from new products



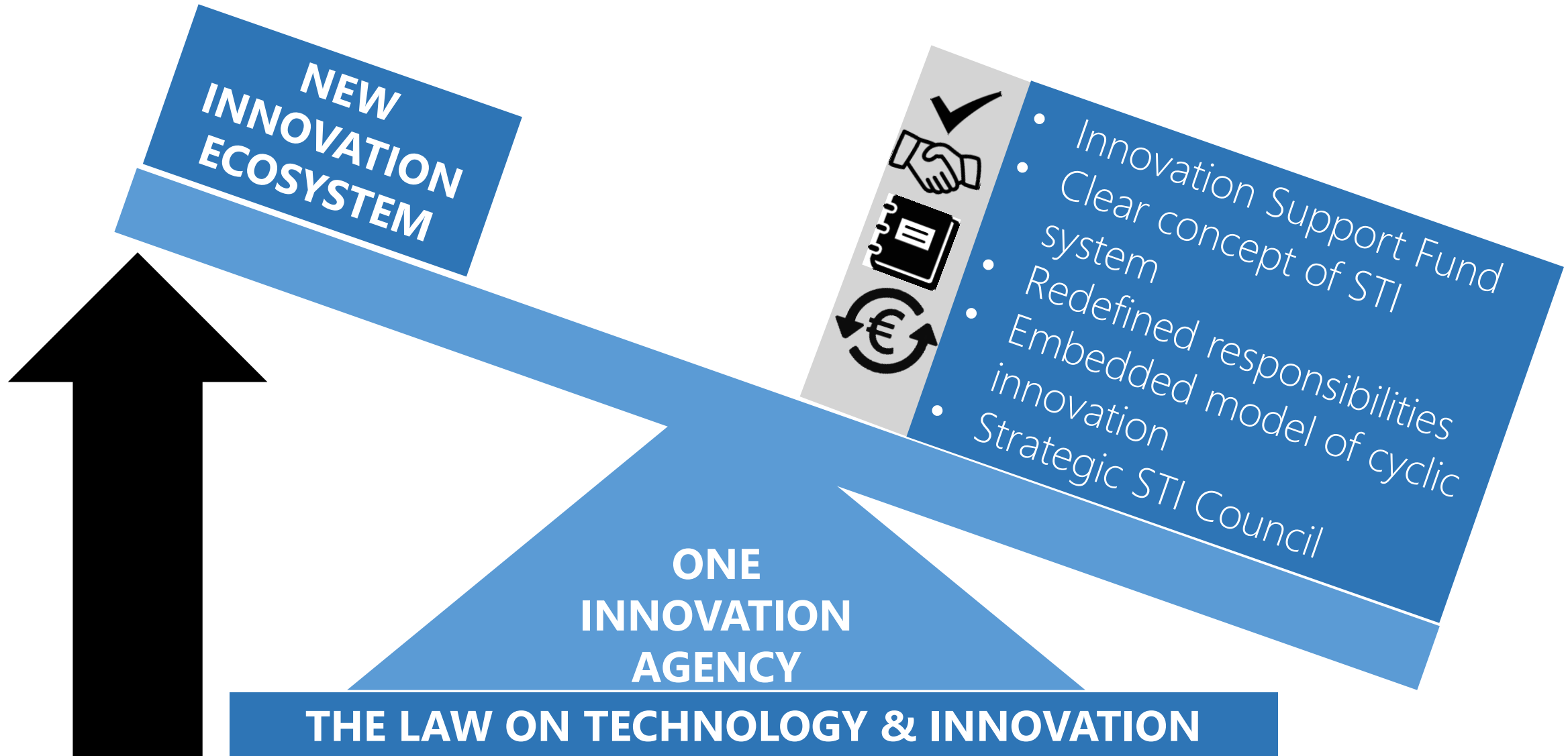
Higher education & public sector  
5.5 mil EUR ■  
Lithuanian companies  
6.6 bil EUR ■

## Business spending on innovation



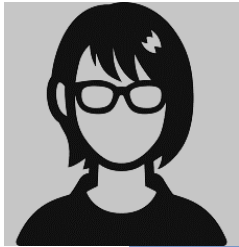
Income from the commercialization of  
new products (2016)

# KEY ACTIONS IN IMPLEMENTING THE REFORM





# BENEFITS OF INNOVATION REFORM by 2020



## Citizen

- +7% avg wage



## Industry

- 53% innovative companies
- Less cases of the *death valley*



## Country

- +3% GDP
- +10% export (+1.4 bil EUR)
- Lithuania's rise in EU Innovation Scoreboard

**+** Synergy in transitioning to industry 4.0 & digitization initiatives



**PART II**

**TRANSITION TO INDUSTRY 4.0 IN  
LITHUANIA**



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# S3 STRATEGY: EMERGING & MOST INNOVATIVE INDUSTRIES



## ICT

- 10% avg annual growth of production value 2012-2017
- 22% exports intensity



## Life sciences

- 27% avg annual growth of production value 2012-2017
- 95% exports intensity



## High-tech engineering industry

- 8% avg annual growth of production value 2012-2017
- 85% exports intensity
- 20% export growth in 2017
- 10% global laser market

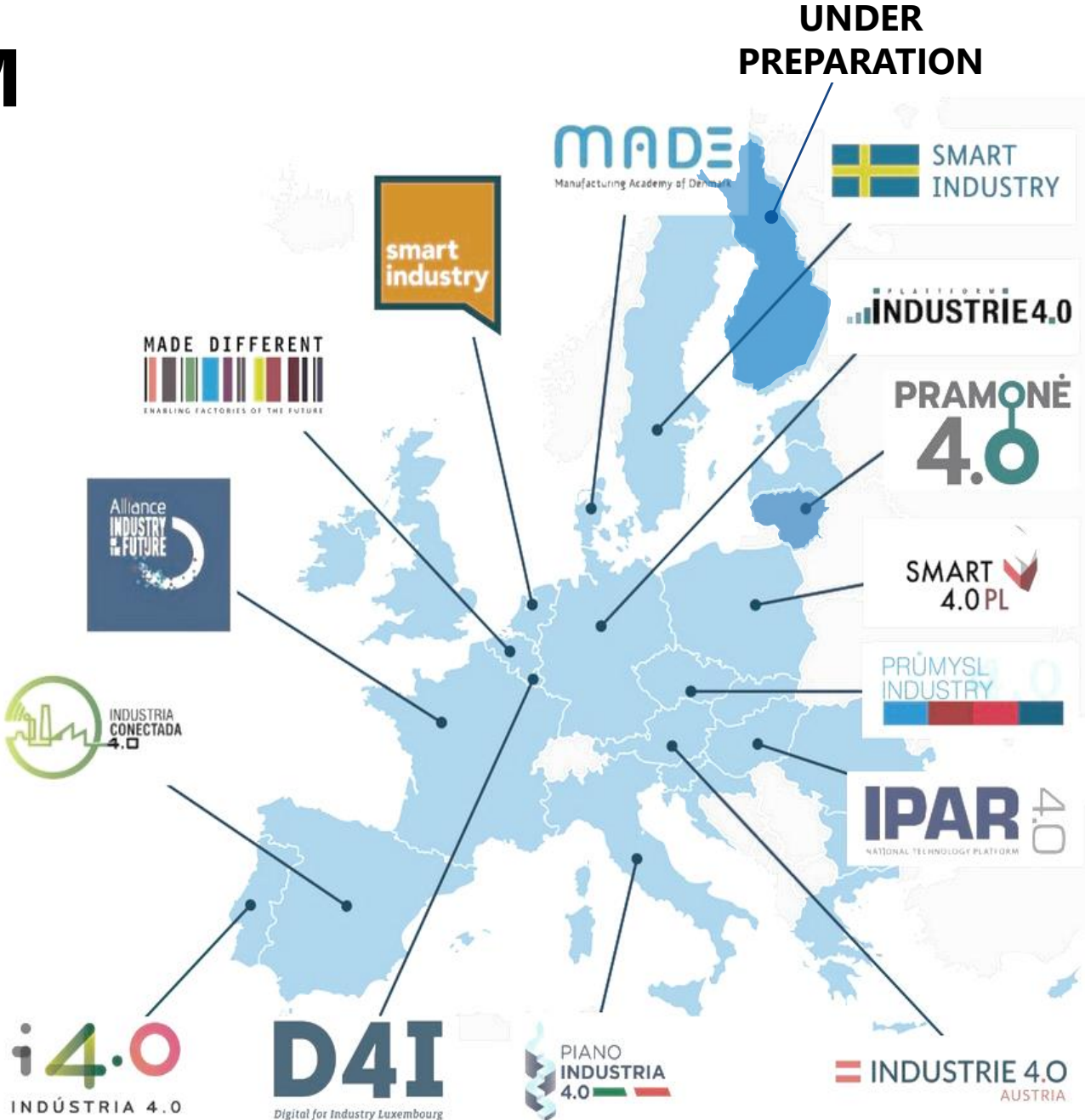


# INDUSTRY 4.0 PLATFORM

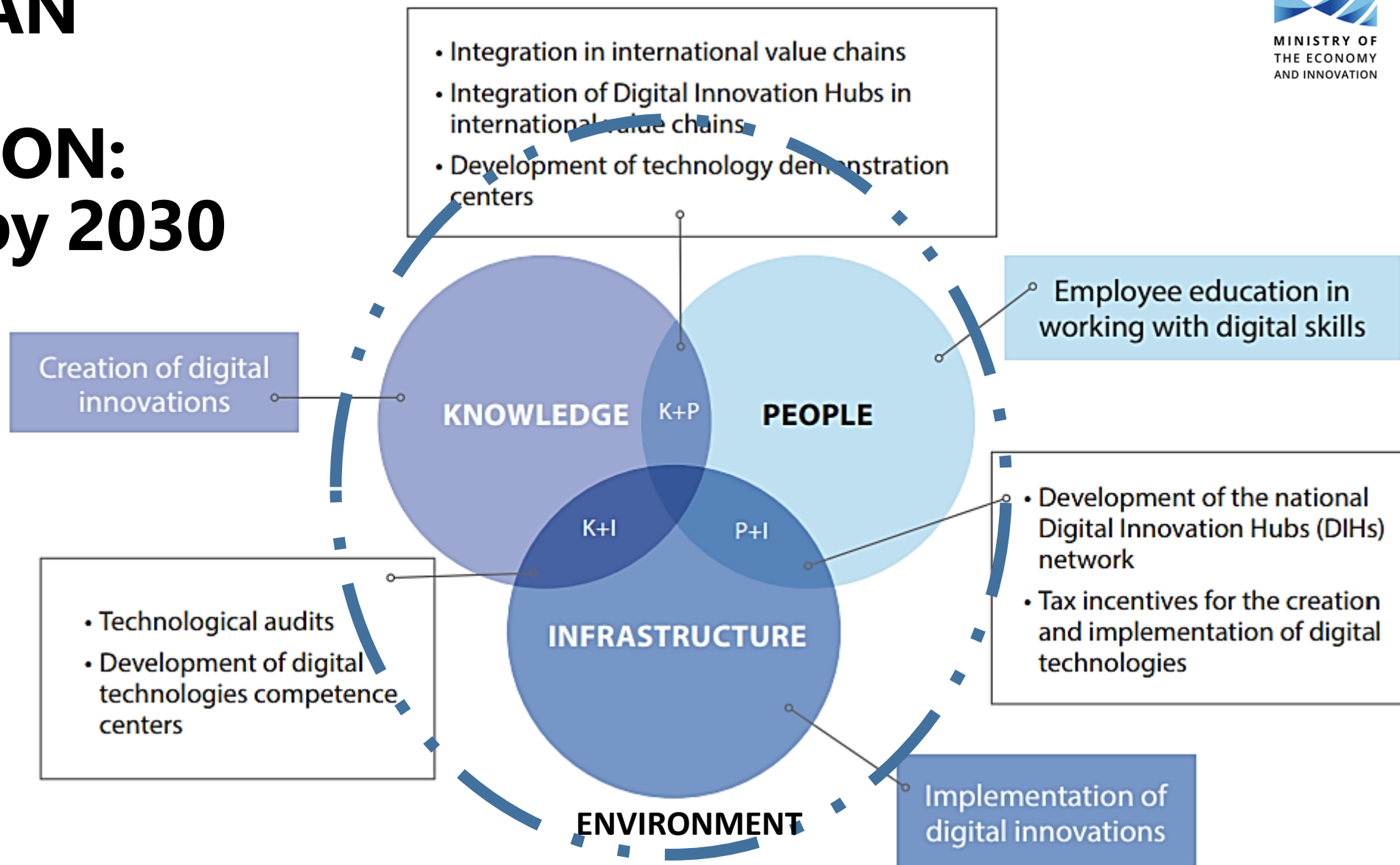
## AMBITION TO LEAD IN DIGITISATION

In a territory covering: Lithuania, Latvia, Estonia, Belarus, North of Poland

Source: European Commission, 2018 November



# LITHUANIAN INDUSTRY DIGITISATION: ACTIONS by 2030



# MAIN BENEFITS OF INDUSTRY 4.0 PLATFORM



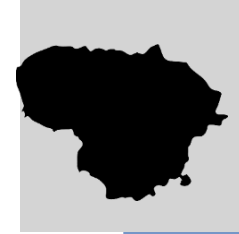
## Academia

- New and interdisciplinary study programmes
- Increased number of PhDs working in the field of industry digitalization
- New scientific and technology demonstration equipment



## Industry

- Companies deeply embedded in international value chains
- Increased generated added value & turnover & productivity
- More innovative companies
- Increased investments in innovation
- Digital Innovation Hubs



## Country

- Increase of exports
- Growing share of GDP generated by high-tech companies
- More effective innovation system & state support for companies
- Higher rankings of state's performance in digitization & innovation





**CHALLENGE ME AND I'LL  
DELIVER!**  
Sincerely yours,  
Lithuania

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