

# Lithuania: The Start-up Nation

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**Freedom'90: 1924-2014**

# “The US of the Middle Ages”

- 1009: First record of the name ‘Litua’
- Grand Duchy of Lithuania (12th C.-1795): tradition of ecumenism, tolerance, ethnic and cultural diversity
- 1791: First written Constitution in Europe



*Inundatio.* Subita ex nostris operibus insolita aquarum refluxio facta est.  
 111. Id. Ianuarij, feria secunda, Luna x. multis damnum  
 inferens, vii. diebus in sua valle persistit. Obijt Recharius  
 Patherbrunensis episcopus. Cui successit Mattemoverck. Sanctus  
 Bruno qui cognominatur Bonifacius archiepiscopus et  
 monachus xi. sue conversionis anno in confinio Ruscie  
 et Litue a paganis capite plexus cum suis xviii,  
 vii. Id. Martij petijt coelos. Obijt Vuigbertus Merseburgen-  
 sis episcopus: Cui successit Thiatmarus. Sed et domi-  
 nica die palmarum gutta sanguinis in quibusdam locis  
 vestimentis hominum instillabant. Sol nebula horribili  
 ex calore stupida mutatus, morantibus interuentum



# Non-Recognition Policy: Chicago, Marquette Park





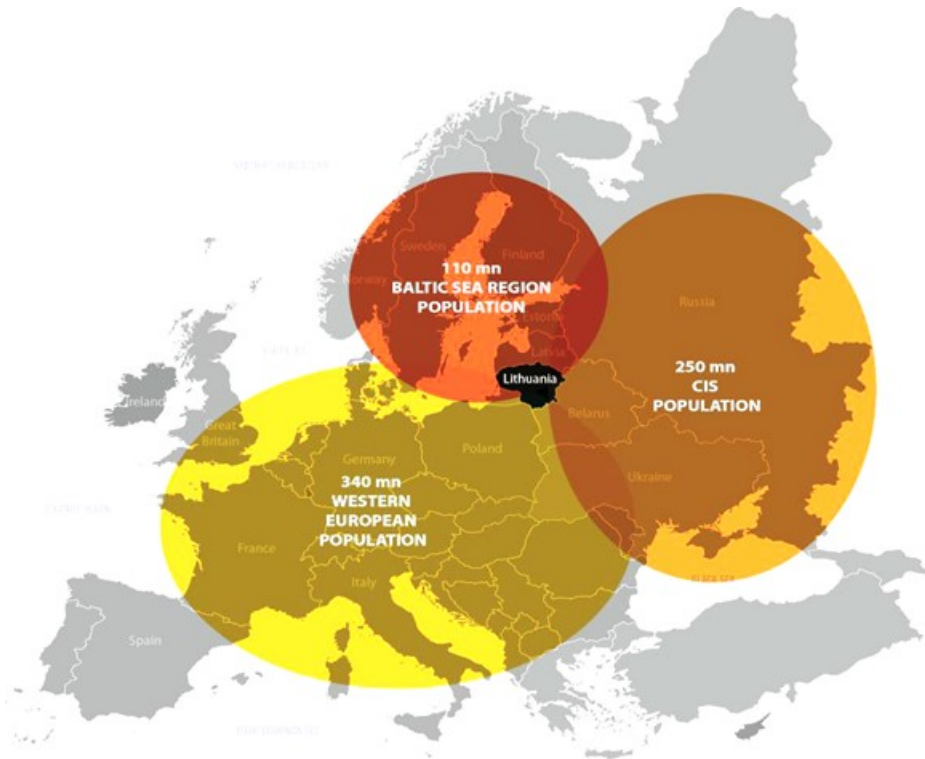
# Startup nation



- During the recent years Lithuanian startup ecosystem has been expanding rapidly and we even have people coming from abroad to establish their startups in Lithuania
- Expansion is seen horizontally across all the stages of startup development starting from participation in the events to team formation and launch of the actual products and companies followed by attributable investments

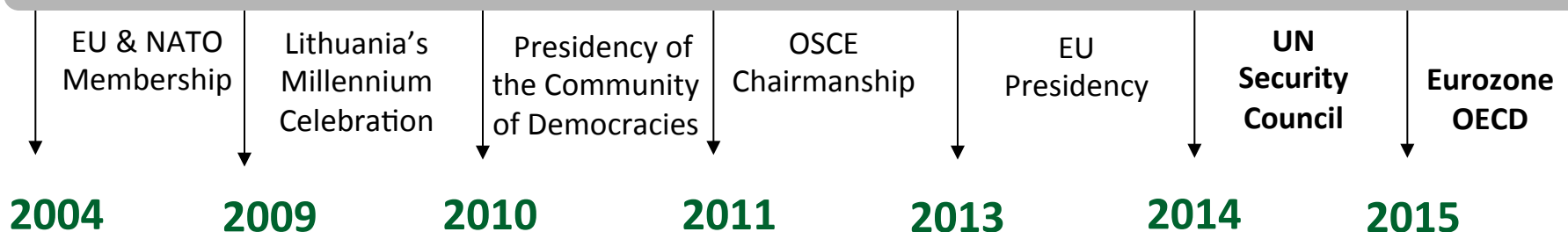


# Most Successful Example of Transformation: Facts and Figures



- Territory - 65 300 km<sup>2</sup>
- Population – 3.0 million
- Capital - Vilnius
- Official language – Lithuanian
- Currency – EURO

## Recent milestones



ROAD:

FROM FIGHT FOR FREEDOM TO INTERNATIONAL  
RECOGNITION TO A WORLD PLAYER

Restoration of  
Independence



Admission to  
the United Nations

NATIONS OF  
ASIA AND AFRICA  
DON'T FORGET  
ENSLAVED  
LITHUANIA

03 11  
1990

09 17  
1991

10 17  
2013

COMMUNIST  
OCCUPATION IS  
Terror, Deportation  
Hunger & Slavery  
LITHUANIA

U.N.  
SCHEDULE FOR  
DISCUSSION  
COLONIALISM IN  
BAL TIC REPUBLICS!

A  
COMMUNIST  
STATE  
IS A  
SLAVE  
STATE

Baltic Rally in front  
of the U.N. in New York, 1965

Election to the U.N.  
Security Council

# LITHUANIA AND THE U.N. SECURITY COUNCIL 2014-2015

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# Consistent Growth, Promising Future



- Average **GDP growth** 1995-2007: **9.8% per year**, 2014-2015: 3,1% GDP per capita has doubled since the EU accession: 4<sup>th</sup> in the world for real GDP growth per capita **#1 for GDP growth in EU**
- Share of the **private sector**: from ~0% GDP to more than **80%** in the last 20 years, more than **80% GDP for export. 21<sup>rd</sup> freest economy** in the World (Heritage Found.)
- **#1 in the EU for use of eGovernment solutions**
- **#11** for ease of **starting businesses**
- **#1** globally for conditions for **Business Process Outsourcing**
- **0% tax rates** for 6 years in special Economic zones and **50% profit tax deduction** afterwards, **triple tax deduction for R&D**

## *Remarkable Leap<sup>1</sup>*

	1995	2011
GDP (\$ billion)	6.3	39.6
GDP per capita (\$)	1,716	12,230
Cumulative FDI (\$ million)	326	13,225
FDI per capita (\$)	88	4,110

## *Credit Rankings*

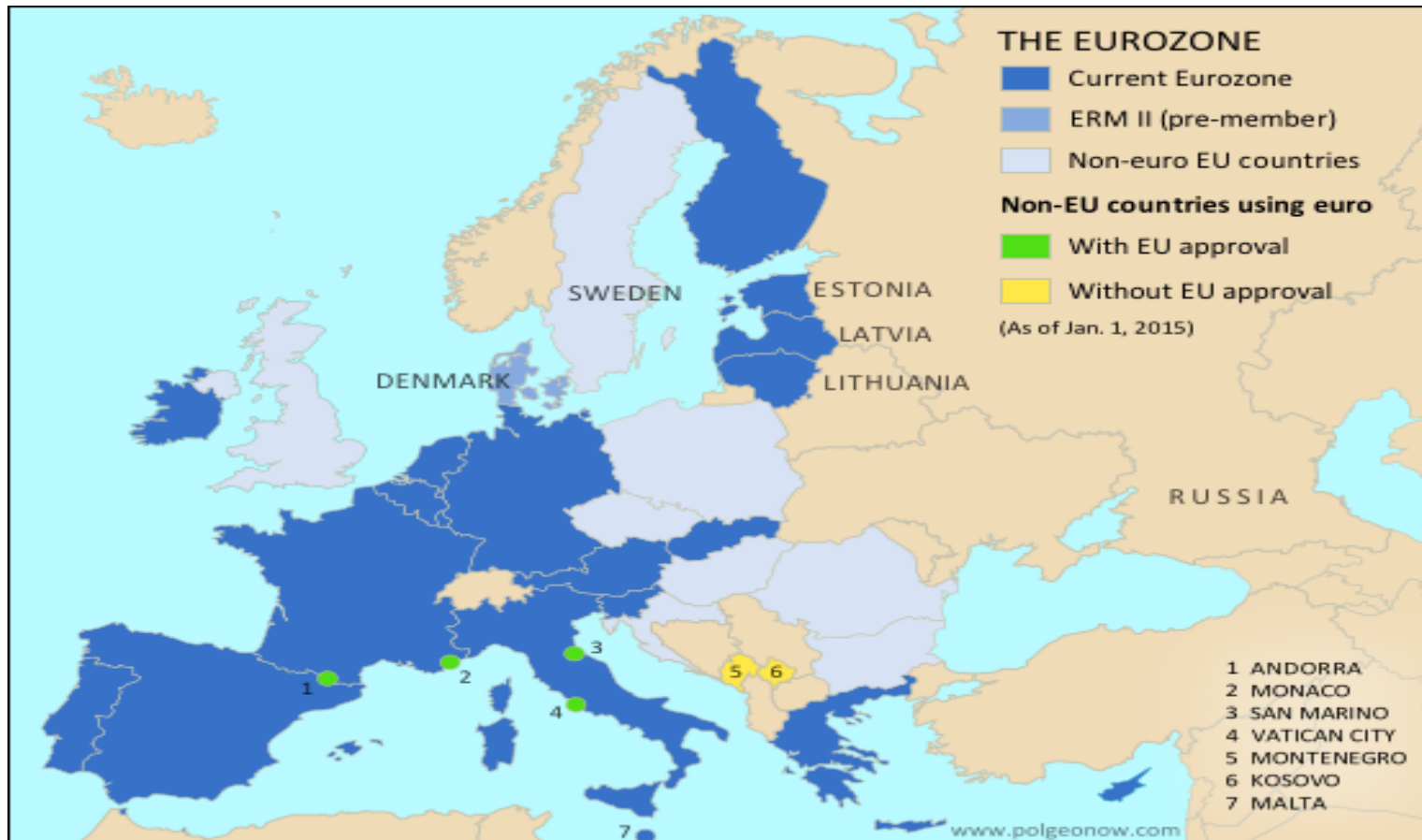
<b>Moody's</b>	A3
<b>Standard &amp; Poor's</b>	A-
<b>Fitch</b>	A-/ stable



Lithuania – 19th member of € zone:



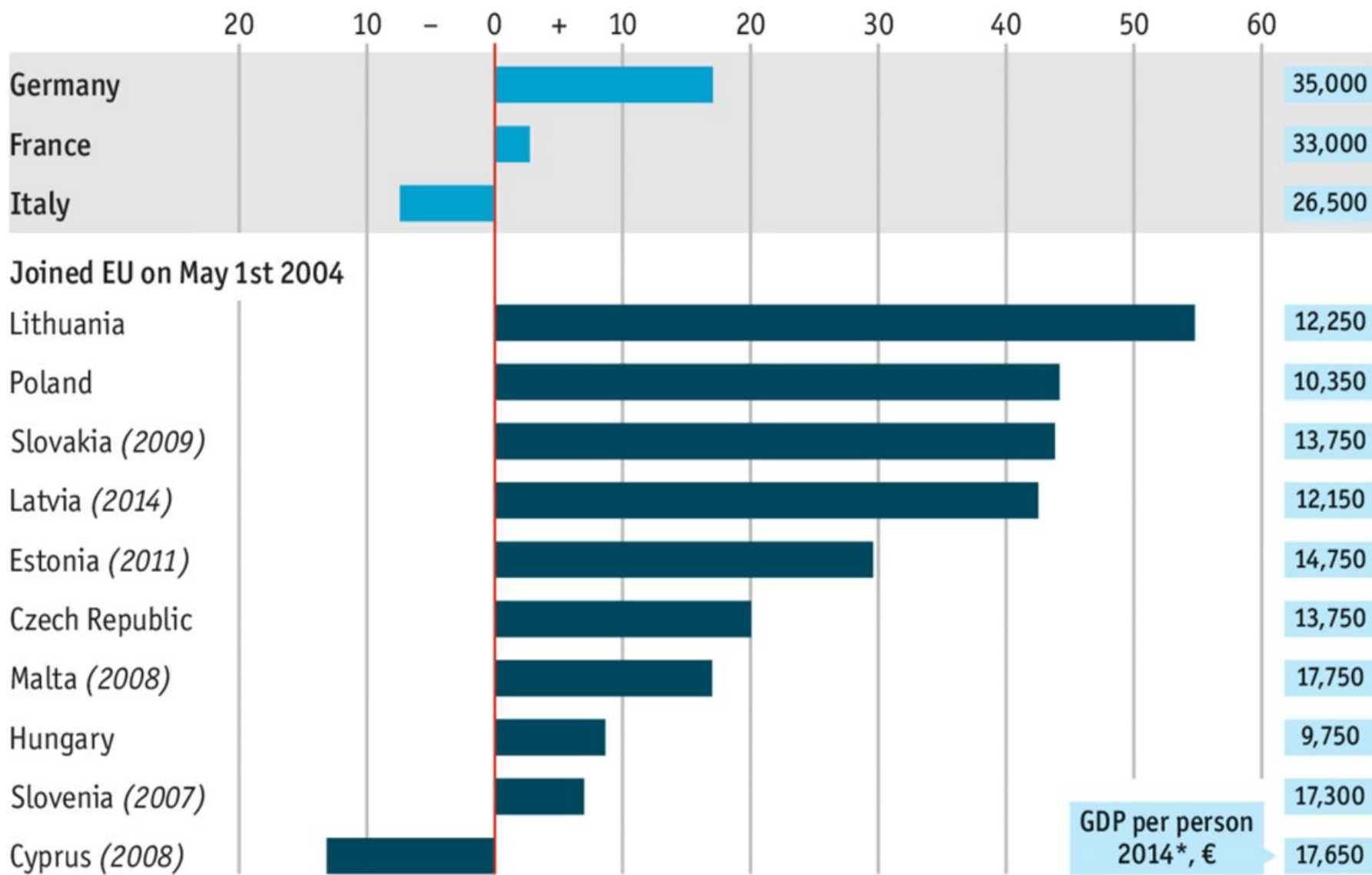
**All three Baltics - at the core of European family**





## GDP per person

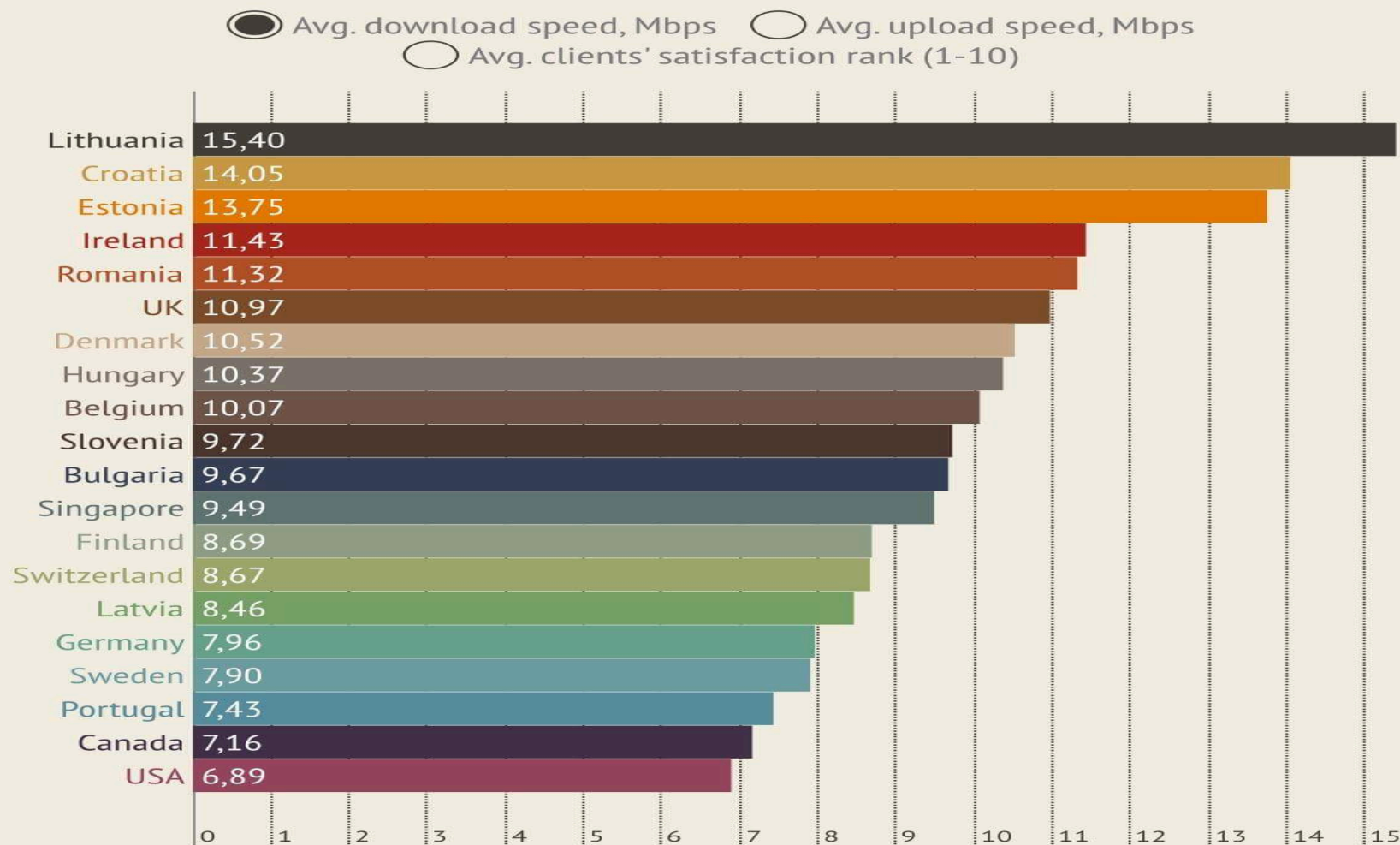
% change, 2004-14\*, (*date joined Euro*)



Source: IMF

\* Forecast

# Countries with the best public WiFi



Data source: [www.rottenwifi.com](http://www.rottenwifi.com)



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# U.S. Trade with Baltic States

—— ECONOMIC TIES GET STRONGER ——

## LITHUANIA

### U.S. IMPORTS

**\$637 million (2010) - \$1.5 billion (2013)**

#### MAJOR IMPORTS:



- furniture and fixtures
- chemicals
- fuels

### U.S. EXPORTS

**\$628 million (2010) - \$853 million (2013)**

#### MAJOR EXPORTS:



- transportation
- processed food
- machinery

U.S. FOREIGN DIRECT INVESTMENT (FDI)

**\$186 MILLION\***



### MAJOR U.S. INVESTORS

Thermo Fisher, Moog Inc., Kraft, IBM,  
Philip Morris, Mars Inc.

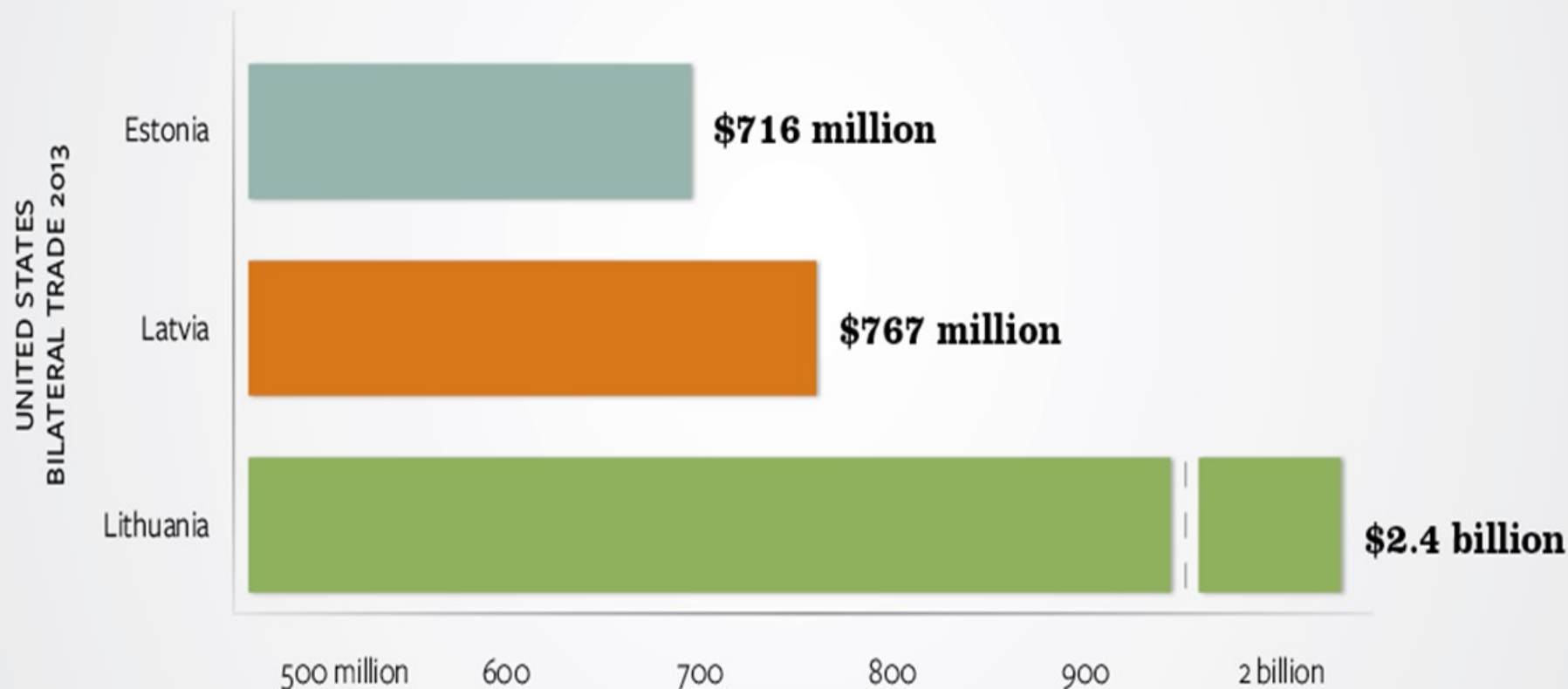
\*FDI data for cumulative stock by the end of 2011.

Sources: U.S. Census Bureau, U.S. Department of State



# U.S. Trade with Baltic States

— ECONOMIC TIES GET STRONGER —



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# AMERICAN-LITHUANIAN



## BUSINESS COUNCIL

## US business presence and new entries

US investors created the most jobs of all FDIs (2011-2014)/  
No1 investor in 2014 (service centers, manufacturing, life sciences) top performers:

**Thermo Fisher** (biotech) \$290M – 430 jobs

**Moog Inc.** (medical devices) \$200M – 100 jobs

**Philip Morris** (tobacco products) \$130M – 430 +40% increase

**Kraft** (confectionary) \$60M – 550 jobs

**Kinze Manufacturing** (planting equipment) \$10M - 270 jobs

**Intermedix** (health care technologies) – \$8M - 200jobs

Latest: **AIG** – 400jobs

<http://www.amlithbc.org/>

twitter: @AmLithBC



Johnson & Johnson intermedix

ThermoFisher  
SCIENTIFIC

FOUNDING MEMBERS

WESTERN  
UNION

FOUNDING MEMBERS



FOUNDING MEMBERS



FOUNDING MEMBERS



FOUNDING MEMBERS



MAERSK

FLUOR®



# International success stories – LT star-ups



\$ 42 million raised



\$ 13,7 million raised



10 million users



# Transatlantic Trade and Investment Partnership (T-TIP)



- **Significant economic gains:** EU (€119billion a year), US (€95billion euro a year) or €545 per family in EU and €655 per family in US;
- **GDP increase:** up to 1% for both sides (for Lithuania – 0,58%);
- **Increasing trade:** global trade increase by almost €100 billion;
- Overall increase of **wages, new employment opportunities;**
- **Innovation growth.**
- **Alaska:** TTIP would increase exports to the EU by 9.3%, could boost net employment by 1770 jobs (in 2011 EU purchased 17% of goods exports, 30% of services exports).

# Europe Whole and Free: Enlargement + Europe's East



- **Enlargement back on agenda?**
  - Croatia joined on July 1, 2013
  - Accession talks w/Turkey restarted (after 3 year break)?
  - Thessaloniki agenda?
- **November 28-29, 2013: Vilnius Eastern Partnership Summit:**
  - June 27, 2014: signing of Association Agreements (Ukraine, Moldova, Georgia)
  - Visa free with Moldova
- **May 21-22, 2015: Riga Eastern Partnership Summit**
  - Visa free with Ukraine and Georgia in 2016?
  - Membership perspective?

# Europe Whole and Free: life after Vilnius: Kyiv versus Moscow?



12/10/2013 @carlbildt:  
“Eurasia versus Europe in  
streets of Kiev tonight.  
Repression versus reform.  
Power versus people”





# Russia: Putin-led KGB coup?

- ❑ Back to 1930-1940? North Korea or revisionist Germany before WWII?
- ❑ Back to dictatorship, empire reconquering “near abroad” till 2016?
- ❑ Destruction of Association Agreements / killing reform process in neighboring countries?
- ❑ Ukrainian economic default / reactionary forces back ?
- ❑ Corrupting and diverting the West.
- ❑ Killing NATO, TTIP transatlantic links ?



# Main Lessons learned:

## Do we have security agenda?

- NATO/US brigade in the **Baltics/Poland?**
- **NATO / EU** enlargement?
- Sectorial **sanctions?**
- **Defensive aid** to Ukraine?
- **Russia policy:**  
accommodation  
**containment?**
- Defending democracy:  
**fighting Putin's**  
**cleptocracy?**



# Main lessons learned:

## Energy Security

Lithuania became the first Central/Eastern Europe nation to have its own LNG import terminal (floating storage and regasification unit).

It has been christened **“Independence”**.

### **Independence by numbers:**

❑  $\leq 4$  Billion cubic meters / y (1.5 bcf)

of regasification capacity, or 75% of combined demand in Lithuania, Latvia, and Estonia.

❑ 2- 4 Weeks of emergency gas supply for Lithuania’s priority customers (citizens, hospitals, etc.).

Lithuania has secured a contract with Norway’s Statoil for the minimum volume of LNG needed.

### **Lithuania still needs US gas - why US has to do it? (LNG exports)**

❑ LNG exports to support EU allies who are bearing the burden of economic sanctions by Russia; support the NATO allies; create global gas market; Ensure alternative and reliable supply route and thus help allies to diversify from Russia.

**EU has to continue: alternative infrastructure, interconnections, unbundling.**





# War for hearts and minds

## Public diplomacy / Cyber

### Main lessons learned:

the fight for the *hearts&minds* in CEE

- Funding
- Existing programs (cultural and educational exchanges, grants, scholarships, etc.)
- Media
- Nation branding efforts

РУССКИЙ МИР



FULBRIGHT



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- President @Grybauskaite\_LT
- Foreign Minister @LinkeviciusL
- On Facebook: Zygimantas Pavilionis  
(in Lithuanian)

