



Clusters meet Baltic Sea regions 26-27 April 2022 – Concept Paper

(Note: all hours indicated in the concept note are in **Brussels time CET** – time in Vilnius: CET+1)

The EU companies are facing currently challenges as a result of Covid pandemic and geopolitical situation. Often, they need to reshape existing value chains or build new ones. Further integration of the EU companies in the EU Single Market will help overcome and mitigate issues related to loss of markets or inputs and disruption of supply chains.

The European Commission, in collaboration with the Lithuanian Ministry of the Economy and Innovation, European Cluster Collaboration Platform, AgriFood Lithuania DIH, Smart Food Cluster and Agency for Science, Innovation and Technology (MITA) organises the workshop in Vilnius/Lithuania followed by the virtual matchmaking.

Objective:

- Discuss responses to the economic challenges, such as the supply chain disruptions and loss of markets and inputs
- Enable EU companies get in touch with each other and develop business cooperation and investments.

Target group:

EU companies, cluster organisations, EEN, other business support organisations and EU, national/regional public authorities mainly from the Baltic Sea regions but also from the EU Member States/regions interested in cooperation.

When, where, what?

- **26 April**

9h00-18h00 CET – onsite and web streamed

The **workshop** will include interventions and panel discussions on:

- role of business collaboration in reshaping and strengthening the value/supply chains for regional development and its resilience,
- measures to mitigate supply chain disruptions in the EU Single Market,
- implementation of the industrial policy objectives: green and digital transition,
- design and implementation of the smart specialization strategy within the Baltic Sea regions.

- **27 April –**

9h00 – 11h00 CET pitching and testimonials

11h30 – 16h30 CET matchmaking online

The **virtual matchmaking** on the B2Match Platform will include pre-scheduled one-to-one meetings (20 min. each). The targeted participants come from the following key **areas of activity**: Agri-food, Automotive, Chemicals (mainly plastics), Engineering (mainly lasers and photonics), Health technologies (mainly biotechnologies), Industrial Information and Communication Technologies, Wood (incl. furniture).

Draft Agenda

Clusters Meet Regions: Lithuania	
26 April 2022 – Clusters meet Regions	
Time	Activity
9.00 – 9.15	<p>Opening: Clusters as key drivers of regional development and growth: repair and prepare for the future</p> <ul style="list-style-type: none"> Address by Thierry Breton, European Commissioner for the Internal Market Address by Aušrinė Armonaitė, Minister of the Economy and Innovation of the Republic of Lithuania <p>The opening of the workshop: <i>Clusters meet Regions</i> will demonstrate the need for the involvement of clusters and business networks in regional and European economic governance, in policy design and implementation, in particular in time of supply chain disruptions</p> <p>Opening high level discussion:</p>
9.15-10.00	<p>Moderator: Antonio Novo, European Clusters Alliance President</p> <ul style="list-style-type: none"> Jovita Neliupšienė, Vice Minister of the Economy and Innovation of the Republic of Lithuania Maive Rute, Deputy Director General of DG GROW, European Commission
10.00 – 10.30	<p>Setting the scene</p> <ul style="list-style-type: none"> Giedrius Bagušinskas, Lithuania Clusters Network President, European Clusters Alliance Board member, Smart Food Cluster coordinator Clusters' Ecosystem in Lithuania Ričardas Valančauskas, Director of the Innovation and Industry department, Ministry of the Economy and Innovation of the Republic of Lithuania Input paper for the Lithuanian workshop Dr. Jan-Philipp Kramer – ECCP
10.30– 10.50	Coffee Break
10.50 – 12.20	<p>Clusters impact on economic development: challenges and opportunities in the region</p> <p>Moderator: Mantas Vilyš, Director, Lithuanian Innovation Center, EEN in Lithuania</p> <ul style="list-style-type: none"> Jakub Boratynski, Director, Network & Governance Directorate, DG GROW, European Commission, Kristina Šermukšnytė-Alešiūnienė, Lithuania Cluster Network Director, AgriFood Lithuania DIH Director

	<p>Panel discussion: (60 min)</p> <ul style="list-style-type: none"> • Jakub Boratynski, Director, Network & Governance Directorate, DG GROW, European Commission • Jovita Neliupšienė, Vice Minister of Economy and Innovation of the Republic of Lithuania • Stanislaw Szultka, Director, Economic Development Department, Pomorskie Region, Poland • Kristina Ananičienė, Cluster manager Laser & Engineering Technologies Cluster, LITEK, Lithuania • Triinu Varblane, International Business Developer at Technology Centre MERINOVA/Energy Vaasa Cluster, Finland • Ola Svedin, CEO Mobile Heights, Chairman of the Board Clusters of Sweden
12.20 – 14.00	Networking lunch
14.00 – 15.30	<p>Cluster driven interregional collaboration in the framework of the priorities of Lithuania</p> <p>Moderator: Teodora Jilkova</p> <p>Linkages and cooperation with clusters from other regions require identification of partners and building common ground for collaboration. Experiences from other regions will be shared, as well as information on value chains and clusters partnerships, and guidance on searching for collaboration areas.</p> <p>Presentations: (30 min)</p> <ul style="list-style-type: none"> • Slawomir Tokarski, Director European Territorial Cooperation, Macro-regions, Interreg and Programme Implementation I, DG REGIO, European Commission • Anders Bergström, Policy Area Coordinator, EU Strategy for the Baltic Sea Region (EUSBSR) <p>Panel discussion: (60 min)</p> <ul style="list-style-type: none"> • Slawomir Tokarski, Director European Territorial Cooperation, Macro-regions, Interreg and Programme Implementation I, DG REGIO • Eglė Markevičiūtė, Vice Minister of Economy and Innovation of the Republic of Lithuania • Giedrius Bagušinskas, Lithuania Clusters Network President, European Clusters Alliance Board member, Smart Food Cluster coordinator • Skirmantė Baležentienė, Cluster coordinator at Photovoltaics Technology Cluster FETEK

	<ul style="list-style-type: none"> Susanne Baden Jørgensen, Senior International Manager at Food & Bio Cluster Denmark, member of the cluster group at the Enterprise Europe Network Anders Bergström, Policy Area Coordinator, EU Strategy for the Baltic Sea Region (EUSBSR)
15.30 – 15.40	Coffee break
15.40 – 16.40	<p>Funding opportunities and financial schemes for the clusters</p> <p>Moderator: Kristina Šermukšnytė-Alešiūnienė, Lithuania Cluster Network Director, AgriFood Lithuania DIH Director</p> <p>European level overview</p> <p>Marco Francini - Head of Regional EIB Group Office for the Baltic States</p> <p>Panel discussion:</p> <ul style="list-style-type: none"> Marco Francini - EIB representative Gerda Sakalauskaitė, Managing Director at Lithuanian Private Equity and Venture Capital Association Armands Lejas-Krumins, Cluster manager at Food Products Quality Cluster Latvia, Chairman of Latvian Clusters Network Johan Wasberg, Development Director at Merinova OY Daniel Acs, CEO at Pronunion and President of the Union of Slovak clusters
16.40 – 17.50	<p>Lithuania Round Table: discussion on clusters policy development in Lithuania</p> <p>Moderator: Marek Przeor, Team Leader Cluster Policy, DG GROW, European Commission</p> <p>Round table discussion on cluster development strategy implementation in Lithuania:</p> <ul style="list-style-type: none"> Ričardas Valančiauskas, Director, Innovation and Industry Department, Ministry of Economy and Innovation, Lithuania Mindaugas Sinkevičius, President of the Association of Local Authorities in Lithuania (tbc) Andrius Rakickas, Director at Lithuanian Automotive Export Association (LAUGEA) Darius Sakalauskas, Baltic Film & Creative Tech cluster partner Jolita Razumienė, Inolink Project Manager, Lithuanian Agency for Science, Innovation and Technology



	<ul style="list-style-type: none">• Diana Vertelkienė, Health technology iVita cluster manager (in person confirmed)• Giedrius Bagušinskas, Lithuania Clusters Network President, European Clusters Alliance Board member, Smart Food Cluster coordinator• Arūnas Junevičius, Cluster coordinator at Lithuanian prefabricated wooden house cluster – PrefabLT
17.50 – 18.00	<p>Clusters meet Regions - Lithuania: conclusions and takeaways</p> <p>Moderator: Kristina Šermukšnytė-Alešiūnienė, Lithuania Cluster Network director, AgriFood Lithuania DIH Director</p>

27 April 2022 – Matchmaking event

Time (CET)	Activity
08.30 – 09.30	<p>EU Clusters Talks</p> <p>Moderator: Antonio Novo, European Clusters Alliance President.</p>
09.30 – 10.30	<p>Opening and Pitching session: Cooperation proposals forum</p> <p>Moderator: Teodora Jilkova. Managing Partner. Cluster Veritas.</p> <p>The Clusters meet Regions organization provides a space for the clusters and regions to present themselves, their collaboration proposals and expand their network partners. Participation as a panellist in this part of the conference is open to any event delegate and by previous registration as a panellist to pitch.</p>
10.30 – 11.30	<p>Matchmaking Events as boosters of business opportunities</p> <p>Moderator: Agnė Jaraitė, Head of International Relations and Protocol Department Kaunas Chamber of Commerce, Industry and Crafts, EEN in Lithuania (in person confirmed)</p> <p>Testimonials, inspirational practical cases, and previous experiences in Matchmaking Events with Baltic/Lithuanian organisations.</p>
11.30 – 12.30	Networking Lunch / Lunch Break
12.30 – 14.00	Matchmaking Meetings
14.00 – 14.30	Coffee-Break
14.30 – 16.00	Matchmaking Meetings
16.00 – 16.30	<p>Debriefing Session / Online Survey</p> <p>Moderator: Agnė Jaraitė, Head of International Relations and Protocol Department Kaunas Chamber of Commerce, Industry and Crafts, EEN in Lithuania (in person confirmed) (in person confirmed)</p>



Context

The war in Ukraine is causing negative effects on economic growth in the Baltic Sea region, and across the whole of Europe.

Growing price pressures, especially higher energy prices, disruptions in supply chains, general uncertainty over the impact and outcome of the war, as well as, sanctions imposed on Russia and Belarus, will inevitably weaken consumer confidence, affect investment decisions, and create supply and demand shocks.

EU regions need to stay resilient in the face of pandemic, geopolitical or any other crisis. They need to be able to compete with other more advanced and emerging economies in a dynamic economic and social environment.

Location matters, particularly for clusters. They develop more easily in urban and regional ecosystems with a favorable administrative and regulatory environment and access to skilled labor, markets, financial and business support services.

Integration of clusters in economic governance, policy design and implementation at the regional level is essential

Regional authorities need to know their clusters and understand how they can shape, improve and effectively help in the design and the implementation of regional development policies.

Cluster organisations and their members should take actions and implement projects that are relevant for the economic development of their local communities. They should engage in collaboration with other European clusters in the same or related economic activities and thus complement regional assets and reinforce capacities to lead green transition, accelerate digital transition and build resilience.

This event is one of the **15 “Clusters meet Regions” regional workshops** that are being organised in EU regions in 2022-2023. Organisations around the EU are invited to express their interest in hosting these events. The workshops will bring together clusters and policymakers of the EU, national, regional and local level to learn from each other how to better use clusters to strengthen industrial ecosystems, serve national/regional economic development and liaise with other regions with similar transition challenges. Further workshops in this series can continue to focus on supply disruptions caused by the war.

Conference Overview

The conference in Lithuania consists of two parts:

- 26 April: a workshop of the **Clusters meet Regions** series
- 27 April: a **Clusters Matchmaking** event.

The event will be preceded with an introductory webinar to promote and raise awareness about the event and a preparatory webinar to explain how the B2Match platform functions.

Objectives



The primary objective is to explore how policies can be more effectively implemented in the Baltic region in order to make local, regional and European supply and value chains more resilient.

The event will engage Baltic region clusters, European clusters and governmental authorities and help mitigate the economic impacts of recent the ongoing war for the region.

This event is intended to support cluster managers, cluster members and policy makers. It is designed to create stronger engagement of clusters in rebalancing affected value chains in the region as well as strengthening their resilience through closer collaboration with EU value chains.

The workshop will focus on the Baltic region's strategic sectors and Lithuania's Smart Specialisation Strategy (S3). The matchmaking session is intended to facilitate the strengthening of connections and to promote cooperation among Lithuanian, Baltic region, and European clusters, organizations, companies, and institutions.

Matchmaking Event

The Cluster Meet Regions event will also host a matchmaking session, which will include one-to-one meetings (20 mins each) and pitching sessions to enhance the development of new strategic collaborations among participants.

In-person attendance is not essential as this will be a hybrid conference. For delegates wishing to pitch a matchmaking opportunity and who are attending the event remotely, the conference organisers will arrange for a pre-recorded pitch and the video will be played to delegates at the event and to those attending online.

The matchmaking and pitching session goals are as follows:

- Exploring trade, investment, and cooperation opportunities among European cluster associations, SMEs, Regional Development Agencies and other organizations in order to facilitate and intensify cluster partnerships.
- Establishing connections between Europe's value chains, clusters, and ecosystems.
- Encouraging attendees' debates and connections which would subsequently result in the creation and execution of Letters of Interest, Memorandums of Understanding, and other types of collaborative agreements.

A preparatory webinar will be scheduled one week before the event to provide guidance on how to participate. This webinar will provide insights on prior matching events, on how to present profiles and successfully communicate information about the cluster/company. Successful matching event examples will be featured and displayed. This webinar will also include a practical explanation of how to use the B2Match Platform.

Clusters' policy in Lithuania

Lithuania's clusters policy is undergoing development for the upcoming programming period. In December 2020, the Ministry of Economy and Innovation (EIMIN) approved an updated cluster development concept. Its main objective is to increase the competitiveness of the Lithuanian economy by promoting industrial transformation and



integration into international strategic value chains. The new cluster concept is based on the existing level of cluster maturity in Lithuania and their economic and innovation potential in pursuit of the country's economic growth and competitiveness.

The main objectives of cluster development concept are to promote the formation of local short value-added chains in clusters, to increase the added value created by clusters, to develop cluster research and experimental development (R&D) potential, to promote cluster members' integration into international value-added chains and to promote clusters, their benefits and potential.

Over the last few years, the Lithuanian cluster community has made significant progress. One of the foundations of the new concept is the classification of clusters, by three types of clusters: regional, national and international. Three levels of development have also been identified: evolving, formed, and mature clusters.

The Agency for Science, Innovation and Technology (MITA), which is responsible for facilitating clusters in Lithuania, enables the development of clusters, strengthens their maturity, strategical development, supports innovation professions and other legal matters, it also helps to find allies both inside and outside Lithuania. The country has around 50 operating clusters. The fields with the largest number of clusters are manufacturing, engineering, agrifood, automotive, lasers, creative industries, health technologies and biotechnologies. Around one third of all clusters are cross-sectoral.

Lithuanian Cluster Network Association (LCNA) is the largest organization of its kind in Lithuania. LCNA unites 50 Lithuanian clusters, which brings 777 SME's and enterprises together and. The organization is very active at both national and EU levels.

Smart Specialization Strategy in Lithuania

The Smart Specialisation Strategy (S3) is undergoing development in Lithuania and is not approved by the Government yet.

Planned priority areas:

Health technologies and biotechnology (molecular technologies for medicine and biopharmaceuticals; advanced applied technologies for personal and public health; advanced medical engineering for early diagnosis and treatment; safe food and sustainable agribiological resources).

New production processes, materials, and technologies (photonic and laser technologies; advanced materials and designs; flexible product development, production, and process management technologies; strengthening energy efficiency and intelligence; use of renewable energy sources).

Information and communication technologies (artificial intelligence, big and distributed data, multidisciplinary analysis, processing, and deployment; Internet of Things; cyber security; financial technologies and block chains; audiovisual media, design technologies and social innovation; intelligent transport systems).

The concept plan additionally suggests concentrating on different priorities based on the regional industries development and needs in Lithuania.



Strategic sectors

In September 2021, the Roadmap for the integration of the Lithuanian industry into European value chains was approved by the Ministry of Economy and Innovation (EIMIN). The Roadmap has identified a set of policy interventions that could foster the integration of Lithuanian industry into European value chains in the period 2020-2030. There are six suggested priority sectors:

1. Industrial Information and Communication Technologies.
2. Engineering industry.
3. Health technologies and biotechnologies.
4. Chemicals.
5. Energy and sustainable environment.
6. Innovative and high value-added traditional industries - agrifood, textile, furniture.

Industrial Information and Communication Technologies.

The ICT sector plays an increasingly important role in the Lithuanian economy; however, its relative contribution to the Lithuanian GDP is still rather small compared to other European countries. In 2018 the Lithuanian ICT sector created around EUR 682 million in added value, which is less than 3% of Lithuania's GDP. In relative terms, therefore, Lithuania is among the smallest markets of the European ICT sector. According to various international rankings, Lithuania has one of the best infrastructures for providing digital services: the country was ranked 1st globally in the availability of digital/technological skills in the IMD World Digital Competitiveness Ranking 2019 and 3rd in the EU for mobile 4G availability in 2018. Lithuania's ICT sector is dominated by four types of ICT firms: traditional IT companies, start-ups, business centers and digital innovation hubs.

Engineering industry.

The engineering industry in Lithuania focuses in particular on the following areas: automotive, microelectronics, maritime, electrical and electronic engineering, optics, photonics and laser technologies, mechanical engineering, packaging (also as a part of chemicals industry), additive manufacturing. The companies in the engineering industry create around 25% of the total added value created by all Lithuanian manufacturing companies combined. Their total revenue also makes up around 19% of the total manufacturing industry's revenue.

Health technologies and biotechnologies.

The health technologies, biotechnologies, and life sciences sectors are among the fastest-growing sectors in Lithuania. Since 2015, the number of people employed in the sector increased from a little over 5,800 to over 7,500 in 2019. The total revenue has almost doubled since 2016. In the international markets, Lithuania performs best in terms of laboratory reagents. It is the 9th largest exporter of diagnostic or laboratory reagents in the world (2020), with a 1.4% share of the global reagents' exports. Lithuania is the 20th largest exporter of perfumes and toilet waters in the world. In addition, Lithuania takes 37th place

in global exports of instruments and appliances used in medical, surgical, dental or veterinary sciences.

Chemicals.

The manufacturing companies in the chemicals, chemical products, rubber, and plastics sector constitute around 15% of the overall added value created by Lithuania's manufacturing industry. The total revenue of the Chemicals sectors also makes up around 15% of the total manufacturing industry's revenue (which is around EUR 3.4 billion), in comparison, the EU average is 7.5%. The trade revenue data indicate that the manufacturers of chemical products are visibly integrated into the global value chains. First, Lithuania does not have access to raw materials domestically. The data show that companies in this sector import raw materials and other goods needed for their production. Second, the sector's export revenue accounts for nearly 65% of the total revenue. This means that more than half of Lithuanian-origin chemicals, chemical products, rubber, and plastics are either moved along the international value chain for further processing or reach the final customer abroad.

Environmental protection and renewable energy industry.

As a result of the commitment of the Lithuanian government on fostering the expansion of the renewable energy industry, the companies in this sector have gradually increased its exports. There is a growing leading sector in photovoltaic technologies. The global emerging energy innovation areas such as hydrogen technologies & systems and batteries.

Based on the analysis of the ecosystems industry can already be considered as mature in the following areas: Bioenergy (biomass), Renewable energy (especially solar power), Liquefied natural gas (LNG) applications in energy and transport sectors.

Agri-food industry.

This sector accounts for 7.1% of the Lithuanian GDP and employs a 11% of Lithuania's total employment. The food and beverages industry contributes around 15% of the added value. Agriculture plays a vital role (3% of GDP, around twice the EU average) and is even considered a priority sector larger than industry. Most of the companies that are part of this sector are SMEs. Agrifood plays a vital role in Lithuanian economy. It has been steadily growing in the recent years. Lithuania's food processing sector is diverse, comprising a mix of both large domestic and international companies. However, small companies also operate in the vegetable, fruit, meat processing, and baking sectors across Lithuania. Important sectors of the processing industry include dairy, alcohol, confectionary, food concentrates, fruits and vegetables, juices, and non-alcoholic beverages production.

Furniture.

As the world's sixth largest supplier of IKEA, Lithuanian furniture and woodworking companies have a long tradition of producing high-quality goods. The industry is well-developed, with advanced manufacturing plants and a highly qualified workforce. This sector plays a main structural role in Lithuania's exportations as in 2020 furniture represented about 97.3% of the exported products, having as main destinations Sweden, Germany, Norway, United Kingdom, and Denmark.