infobalt
LIETUVA

The Baltic Advantage:

Can We Be the Regulation-Compliant, Cyber-Secure Backbone of European Advancement?

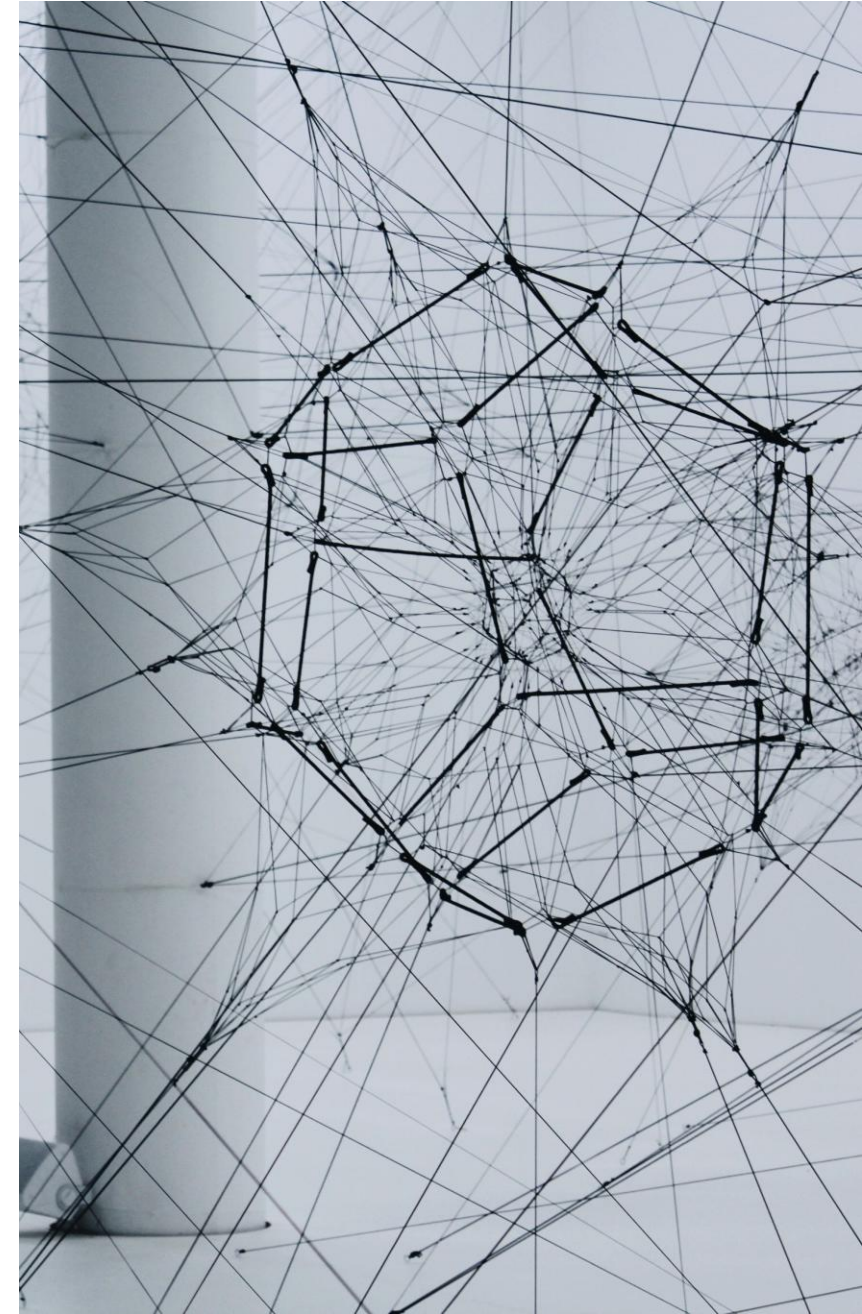**25 September 2025**
Miglė Petkevičienė

Vilnius

SORAINEN

Trust as Infrastructure

- **Infrastructure** today is more than **pipes and packets**

- In Europe, that foundation is increasingly defined not just by performance or cost, but by **regulation, compliance, and cybersecurity**

- This is where the **Baltic region** has an edge

The Shifting European Landscape

○ **The regulatory drivers**: GDPR, NIS2, Cyber Resilience Act (CRA), DORA, Data Act, AI Act

○ These rules no longer sit in the **legal department**

○ **Network operators** are no longer just **"connectivity providers"**

The Baltic Foundation:
Why We're Well Positioned

- **Regional** strength

- Impact of **ICT sector** on the **Baltic Economy**

Evolution of ICT Sector Revenue

Based on data from 2018 to 2023 (full 2024 revenue declarations were not available at the time of analysis), the total revenue generated by Lithuania's ICT sector across its four main activity categories increased from €2.51 to €5.94 billion.
This represents an overall sector growth of 136% over six years.

Among the subsectors, computer programming, consultancy and related services accounted for the largest share. Revenues in this category nearly tripled—from €991 million in 2018 to €2.912 billion in 2023—making up approximately 50% of total ICT sector turnover in the latest recorded year.

This strong revenue growth reflects a broader market shift toward specialization in niche digital services, the contribution of a highly skilled workforce, foreign direct investment, and increasing competitiveness in international markets. Information service activities nearly doubled in size, growing from €642 million to €1.117 billion, representing about 20% of sectoral revenues. However, the growth rate here was significantly more moderate compared to the computer programming subsector.

Telecommunications showed slower expansion, increasing from €588 to €883 million, around 50% growth, suggesting a maturing market or intensified competition. In contrast, publishing activities experienced the most dramatic relative growth, with revenues rising 3.5 times—from €293 million in 2018 to €1.031 billion in 2023. This surge is likely linked to the rapid expansion of Lithuania's game development industry, which falls under this subsector.

Annual Revenue by ICT Subsectors (EUR million)

- Computer programming
- Information services
- Telecommunications
- Publishing activities

Source: Centre of Registers
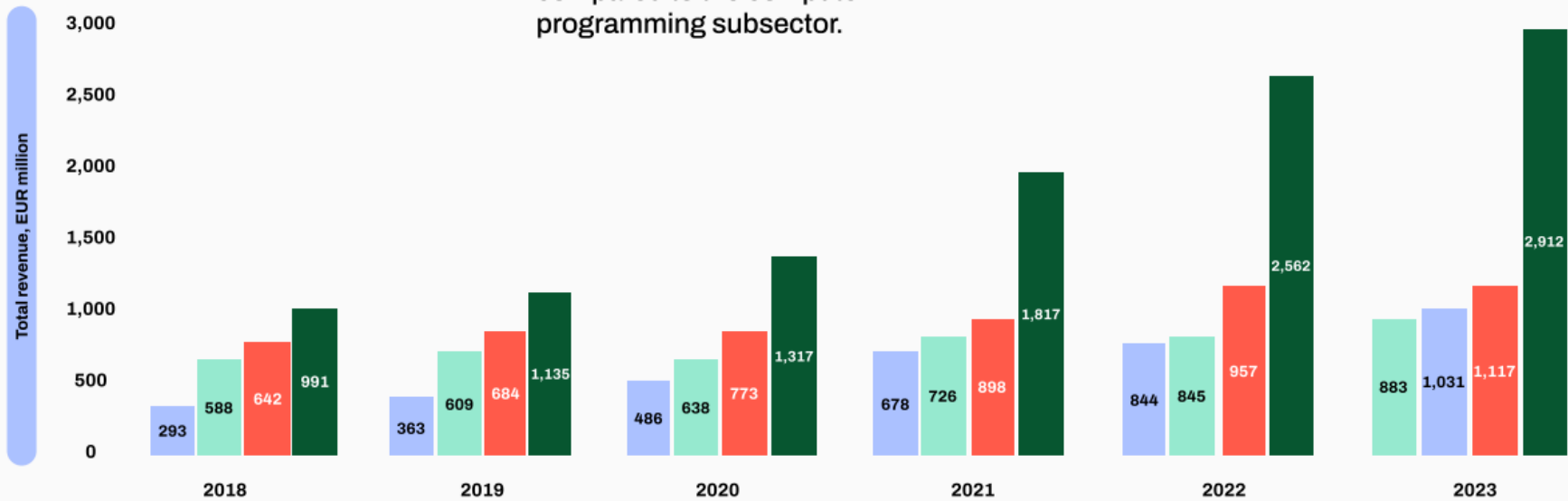
Key Drivers of ICT Sector Growth

Between 2018 and 2024, Lithuania's ICT sector experienced exceptional momentum, playing a key role in the country's economic transformation and growth. Over this period, significant improvements were observed across the sector's core indicators:
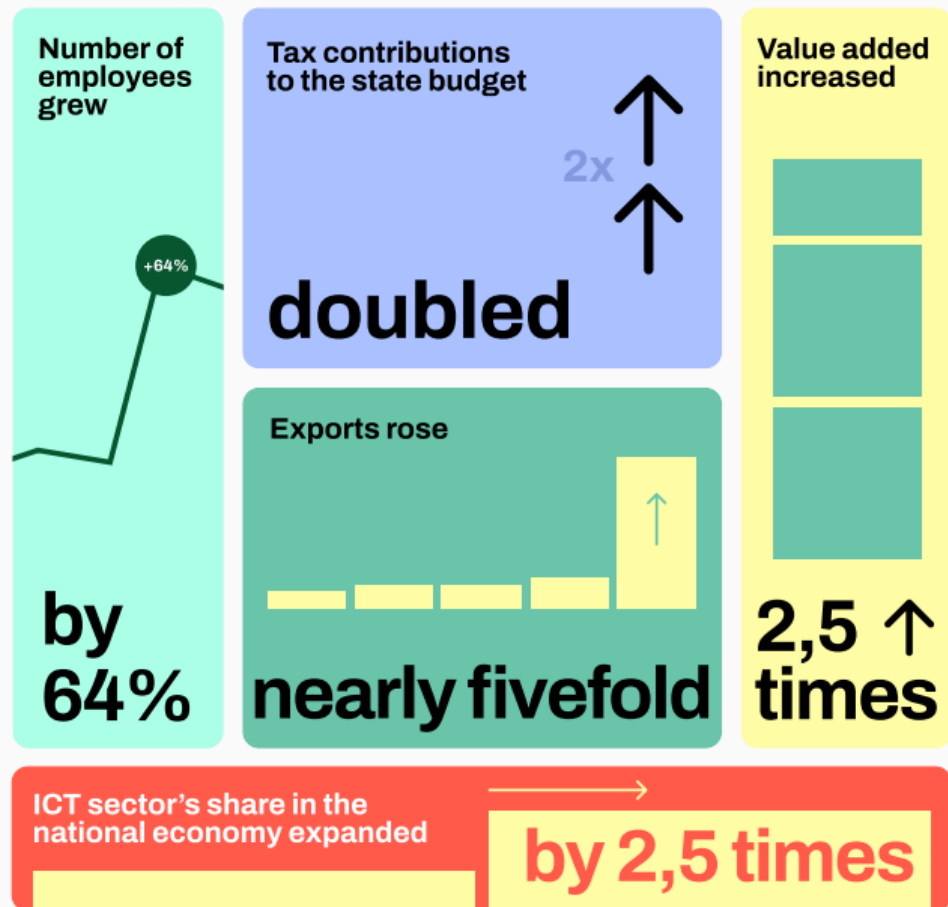
- Value added increased 2.5 times
- Export volumes rose nearly fivefold
- The number of employees grew by 64%
- Tax contributions to the state budget doubled

This growth was partly driven by an expanding workforce—particularly in the software development industry, which saw a nearly 50% increase in employment and acted as a catalyst for the broader ICT sector's expansion.

However, the most notable development was the rise in productivity: value added per employee grew faster than overall employment, signaling qualitative improvements in sector performance.

The key engine behind this rapid growth was the sector's ability to develop competitive products and successfully position them in higher value-added export markets. According to data from the Bank of Lithuania, ICT service exports grew more than fivefold between 2018 and 2024.

This breakthrough was made possible by a combination of factors: increased foreign direct investment, continued growth in workforce expertise, and higher product and service quality.

Number of employees grew
+64%
by 64%

Tax contributions to the state budget
2x
doubled

Exports rose
nearly fivefold

Value added increased
2,5 times

ICT sector's share in the national economy expanded
by 2,5 times

Future ICT Sector Growth Enablers

Breakthrough in Innovation Investment:

Lithuania has a unique opportunity to become the digital innovation hub of the Nordic-Baltic region—if it can further improve access to venture capital and R&D funding.

By applying proven financial instruments, strengthening investor incentives, and expanding the state's role in digital and deep tech product development, Lithuania can create a strong foundation for the growth of early-stage, high value-added businesses.

Technology Talent Ecosystem:

A push to strengthen STEM education — alongside a competitive strategy for attracting both local and international talent — positions Lithuania to not only sustain but accelerate its economic growth. Realizing this potential will depend on how rapidly new technologies are adopted and how effectively they are applied to solve sector-specific challenges and capitalize on emerging market opportunities.

Boosting High-Value Exports and Global Market Presence:

By leveraging the advantages of "backward" foreign direct investment (FDI) that open access to new markets, it is essential to strengthen the export of higher-value products abroad. This requires both active export promotion and building Lithuania's brand identity internationally.

Artificial Intelligence (AI):

AI presents an opportunity for significant leaps in productivity, digitalization of services, and the development of new products and business models. Investments in AI infrastructure—such as AI Factories—access to advanced models, and a favorable regulatory environment for experimentation could position Lithuania uniquely on the European AI map.

The consulting firm Atomico forecasts that within the next decade, Europe could become an $8 trillion technology ecosystem, creating as many as 20 million highly skilled jobs. Lithuania has every potential to become a significant player in this new economic reality.

However, to seize this opportunity fully, it is essential to implement strategic decisions and complete necessary preparations starting today.

Case Studies: Trust-Based Infrastructure in Action

- Case Study 1: **X-Road** and Estonia–Finland Data Exchange

- Case Study 2: **GAIA-X** & Trusted Cloud Federation

What's Next: From Edge to Backbone

○ **Baltic IXPs and transit providers** as regulation-compliant and cyber-resilient partners

○ Baltics as a **trusted alternative to hyperscalers** that may struggle with GDPR or EU sovereignty rules

○ **EU policy and standardization** working groups

○ **Regional alignment**

So...

Can We Be the Regulation-Compliant, Cyber-Secure Backbone of European Advancement?

Thank you

SORAINEN