



**ACTIVITY REPORT  
OF THE NATIONAL INDUSTRIAL COMPETITIVENESS  
COMMISSION 'PRAMONĖ 4.0'  
OF 2017**

**PRAMONĖ  
4.0**

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Vilnius

## I. Introduction

On 19 April 2016, The European Commission (hereinafter referred to as 'the Commission') published Communication No COM (2016)180 'Digitising European Industry. Reaping the full benefits of a Digital Single Market' (hereinafter referred to as 'the Communication on the Industry Digitisation'), which comprises a set of policy measures aimed to help Europe take advantage of digital opportunities offered by digital technology and thus ensure competitiveness and welfare in Europe in the medium and longer term.

The creation of national industry digitising platforms is among the measures of digitising industry applied by the European Union (hereinafter referred to as 'the EU') Member States to make use of the opportunities offered by digital innovations in industry. Currently, 15 EU Member States have set up national platforms, including the Republic of Lithuania. It should be noted that we are the first Baltic country to organise a platform on the digitisation of industry.

In order to keep up with global tendencies and to make use of the opportunities provided by the new industrial development phase the Ministry of the Economy of the Republic of Lithuania (hereinafter referred to as 'the Ministry of Economy') along with other public authorities, business, industry and academic institutions took active steps in implementing the national industry digitising Initiative Pramonė 4.0 (hereinafter referred to as 'the Pramonė 4.0 initiative') from mid-2016 onwards.

In Lithuania, industry generates more than one fifth of Lithuania's total GDP and 83 percent of exports; the introduction of digital technologies is therefore to be considered as a particularly relevant and prioritised industrial process in Lithuania to help increase industrial efficiency and productivity and thus ensure economic sustainability and growing export volumes.

To implement the Communication on the Industry Digitisation in Lithuania, the National Industrial Competitiveness Commission 'Pramonė 4.0' (hereinafter referred to as 'the Commission') was established by Resolution No 344 of the Government of the Republic of Lithuania of 10 May 2017 'Concerning the establishment of the National Industrial Competitiveness Commission 'Pramonė 4.0', which brought together high level representatives of the Government, associations, industry and science. This Commission is a strategic body in digitising the Pramonė 4.0 Platform ('the Platform'), one of the main objectives of which is the monitoring and coordination of the Platform in Lithuania.

The Platform is aimed to harmonise the actions of representatives of industry, academic society and public authorities to promote increase in productivity and the competitiveness of businesses. In the light of this and seeking to ensure the effective functioning of the Platform, the Coordination Group of the Platform (hereinafter referred to as the 'Coordination Group') was set up by Order No 4-510 of the Minister of Economy of the Republic of Lithuania of 4 September 2017 'Concerning the Establishment of the Pramonė 4.0 Co-ordination Group of the National Industrial Competitiveness Commission'.

## II. THE ACTIVITIES OF THE PLATFORM „PRAMONĖ 4.0“ IN 2017

After publishing the Communication on the Industry Digitalisation by the Commission on 19 April 2016, a steering working group was established under an order of the Minister of Economy to address issues related to the establishment and development of the national platform. The group established the basis for starting the Commission activities and thus enabled the use of the measures covered under the Communication in Lithuania. These measures are intended to help Europe take advantage of the digital opportunities offered by progress in digital technology and thus ensure competitiveness and well-being for the EU Member States, including Lithuania, in the medium and long term.

In August 2017, the Commission organised the first meeting, during which the development possibilities of the fourth industrial revolution in Lithuania were discussed, the Platform development trends were approved, objectives and tasks of the coordination group were introduced and the consent was given to develop financial support measure ‘the Digitisation of the Industry LT’.

In November 2017, the first meeting of the coordination group was held, during which the activity planning possibilities of the “Industry 4.0” initiative were discussed and the proposed chair candidatures for the Platform thematic working groups were approved. Following the evaluation of the proposals put forward by the chairs of the thematic working groups and other stakeholders the thematic working groups of the Platform — the Digital Manufacturing Working Group, the Services Promoting Digitisation Working Group, the Human Resources Working Group, the Standardisation and Legal Regulation Working Group and the Cyber Security Working Group — were established. The targets and objectives of the working groups were also set.

The Ministry of Economy together with the expert appointed by the Commission and with other interested parties developed the report on ‘Digitising European Industries — Member States profile: Lithuania’ and submitted to the Commission in October 2017. The report contains detailed information on the digitisation activities and initiatives carried out in Lithuania as well as on progress in digitisation. In the light of the information provided in the report, the EC has assessed Lithuania as the leader in the Baltic Region that made a significant statement in industrial digitisation.

Work has been started on the EU financial instrument for the ‘Industry Digitisation LT’, which will speed up the digitisation and automation of industry and thereby contribute to productivity growth. This measure will support two types of activities:

1. The conduct of technology audit of industrial micro, small and medium-sized industrial enterprises (hereinafter referred to as ‘the SMEs’), which audit is intended to assess the digitisation possibilities and perspectives for manufacturing processes in these companies. The recommendations for performing the technology audit have been developed with the help of experts from the Standardisation and Legal Regulation Working Group;
2. The introduction of production processes equipment with integrated digital technologies, including robotics, artificial intelligence, automation and automation technologies, smart sensors, cloud computing, the Internet of Things, cyber physics systems, etc. in industrial SMEs.

A detailed list of technologies to be supported and their definitions have been developed with the help of experts from the Services Promoting Digitisation Working Group and the Standardisation and Legal Regulation Working Group. A total amount of EUR 38,8 million has been planned for the compensation of the said activities. In the framework of the ‘Industry Digitisation LT’ instrument the share of digital technology the acquisition of which is compensated from the EU structural support funds will make 35% when the applicant is a medium-sized enterprise and 45% when the applicant is a micro and small enterprise. In this context, it is planned that the attracted private investment will make about EUR 75 million.

In order to increase the visibility of the Platform activities and share relevant information with all stakeholders the Platform webpage has been developed: <http://www.industrie40.lt/platform/>.

### III. PARTICIPATION IN THE EUROPEAN UNION INITIATIVES

In 2017, 2 applications for support for the implementation of projects which promote the digital transformation of industry (i.e., to develop an action plan for strategic implementation of the national industry digitisation initiative and to develop Lithuania's industry transformation strategy) were prepared and submitted to the EC. The application concerning the development of Lithuania's industry transformation strategy was filled together with representatives of the Agency for Science, Innovation and Technology and experts from the Digital Manufacturing Working Group and the Services Promoting Digitisation Working Groups. In the light of the available implementation agendas, the first project will be implemented at the end of 2018 and the second — during the first half of 2019.

The digital innovation centres (hereinafter referred to as 'the DICs') play an important role in speeding up the digital transformation of enterprises and in contributing to increasing their competitiveness. Such centres are essential to bring together stakeholders and to contribute to the preparation to meet the challenges of digital transformation by the SMEs. In the light of the benefits such centres bring it is particularly important for Lithuania to contribute to the further development of the DICs in Lithuania and to supporting such centres. The PricewaterhouseCoopers report reveals that eight DICs are currently operating in Lithuania already. In order to speed up the DIC development in Lithuania as well as to enhance their cooperation and participation in cross-border and cross-sectoral value chains the Ministry of Economy is actively communicating with the DIC representatives in Lithuania.

In order to strengthen the functioning of DICs in thirteen new EU countries as well as to broaden cooperation, the sharing of ideas and best practices the EC launched the 'Smart Factories in New EU Member States' project in March 2017; DICs selected under this project will be given the possibility to participate in the training programme established by the PricewaterhouseCoopers company and Oxford Innovation University (Oxentia). From all applicant organisations 34 DICs have been selected to take part in specially for them developed training programmes aimed to develop and/or implement business plans of digital innovation centres. Applications to take part in this project were submitted by eight organisations from Lithuania; the Monitoring Committee set up by the EC and also including a representative from the Ministry of Economy of Lithuania, has selected two DICs (the DIC of the Sunrise Valley and the DIC of the Smart Production) which, within the framework of the project, will be offered a possibility to be integrated to the European digital innovation hub network, to establish useful business links, to implement sustainable innovation solutions and to contribute to improving the competitiveness of Lithuania.

Representatives from the Ministry of Economy, the Lithuanian Engineering Industry Association Linpra (hereinafter referred to as the 'Linpra') and the Lithuanian Confederation of Industrialists are actively involved in a number of high-level governance (ministries, representatives of national industry digitisation initiatives and various associations from all EU Member States) meetings of the European Platform of National Initiatives on Digitising Industry. These meetings together with the annual European Stakeholder Forum are the most important management structure factors, provided for in the Commission's Communication of April 2016, and aiming, in particular, to facilitate the coordination of the EU and national initiatives on digitisation, building on existing multi-stakeholder dialogues, including Round Tables on digitising industry, forums, etc., to mobilise stakeholders and resources across the value chain, to orient them towards the completion of the digital single market and, finally, to exchange best practices.

In January 2017, representatives of Lithuania participated at the first European Stakeholder Forum in Essen (Germany), during which they presented the Lithuanian industry and its achievements as well as the achievements in the development of the national platform 'Pramonė 4.0'. In March 2018, the second European Stakeholder Forum was held in Paris, in which a public panel debate on national initiatives was held and high-level representatives from Lithuania, France, Italy, Finland, Portugal and Germany presented their achievements in implementing national initiatives in the digitising of industry and shared best practices.

Nomination of High-level Representatives of Ministry & National Policy Initiatives on Digitising Industry (include with due regard to the country's proposals)				
Country	High-level representatives of Ministry	High-level representatives of the national initiative	Contact Person in the National Platform/Initiative („Sherpas“)	National Policy Initiative on Digitising Industry
LT	<p>Gintaras Vilda Vice-Minister of Economy (<a href="mailto:Gintaras.Vilda@ukmin.lt">Gintaras.Vilda@ukmin.lt</a>)</p> <p>Vaidas Gričius Head of the Industry and Trade Department (Ministry of Economy) (<a href="mailto:vaidas.gricius@ukmin.lt">vaidas.gricius@ukmin.lt</a>)</p>	<p>Mr Gintaras Morkis Chief Representative in International Organizations (Lithuanian Confederation of Industrialists (LPK)) (<a href="mailto:Gintaras.Morkis@lpk.lt">Gintaras.Morkis@lpk.lt</a>)</p> <p>Mr Gintaras Rimša Vice-President of Lithuanian Engineering Industries Association (LINPRA) (<a href="mailto:gintaras@baltec-cnc.com">gintaras@baltec-cnc.com</a>)</p> <p>Mr Edgaras Leichteris CEO of Lithuanian robotics association (<a href="mailto:edgaras@lrobotics.eu">edgaras@lrobotics.eu</a>)</p>	<p>Laura Brigytė (Ministry of Economy) (<a href="mailto:laura.brigyte@ukmin.lt">laura.brigyte@ukmin.lt</a>)</p>	<p>Pramonė 4.0</p>

This discussion was evaluated by the EC as one of the best presentations in the Forum. Lithuania's progress in implementing the Pramonė 4.0 initiative was also discussed at the Lithuanian stand.

Table 1. The list of high-level representatives from the Ministry of Economy and the Platform delegated by the EC

Moreover, Lithuania has delegated a representative to the EC who is elected to take part in the activities of the Working Group on Standardisation in Support of Digitising European Industry (MSP/DEI WG) set up by the EC. This Working Group is set seeking to contribute to ensuring the standardisation of the digitising of the European industry. The main objective of the Working Group is to define the main standardisation issues resulting from the digitising of the European industry, to develop an action plan and propose specific steps to be taken at EU level to address issues like these ones as well as to present them during the EU High-Level Governance Meeting of the European Platform of National Initiatives on Digitising Industry, which is to be held at the end of 2018.

#### IV. EVENTS IN RELATION TO INDUSTRY 4.0 AND OTHER EDUCATIONAL ACTIVITIES

In order to increase stakeholder awareness about the digitising of industry and to exchange best practices the German–Baltic Chamber of Commerce, the Lithuanian Confederation of Industrialists and the Linpra, supported by the Ministry of Economy and other interested parties, have arranged the second annual conference ‘Getting Ready for Industry 4.0: Transformations Needed, 2017’, devoted to the fourth industrial revolution. During these annual conferences, discussions are being held on how manufacturing will change over the coming years, what measures are important to be taken to get ready for these changes; also, achievements in digitising the Lithuania industry are discussed. At the Conference of 2017, the digitising policy of both Lithuania and the EU, the European digital competences and the infrastructure of innovation centres, technology revolution and education transformation was discussed as well as good practices were exchanged in order to present examples of the leading European companies and consider possibilities of cooperating with them.

On 12 October 2017, the Economic Forum arranged by the Lithuanian Confederation of Industrialists was held, which was focused on the fourth industrial revolution, its challenges and benefits. The Lithuanian and foreign business, science, politics, society and the non-governmental sector leaders took part in the conference debates. Besides, Prof. Klaus Schwab who is the founder and Executive Chairman of the World Economic Forum took part in this forum and presented his book *The Fourth Industrial Revolution*. The Lithuanian version of the book drawn up under the initiative of the Linpra, the Lithuanian Confederation of Industrialists and other partners, was also introduced at the forum. This book is one of the most recent industrial and technological international bestsellers, which have become an industry digitisation primer to many industrial undertakings.

In order to contribute to the dissemination of information about the Prmaonè 4.0 Initiative, to improve competences and to foster creative solutions, to share knowledge and best practices in different branches of industry, the Linpra together with the public body Intechcentras have organised practical knowledge and experience exchange Factory Floor Net forums devoted for those who lead different units (responsible for sales, purchases, production, etc.) at industrial establishments. Such forums were organised for more than 10 times in 2017. Moreover, workshops covering topics ‘Achieve manufacturing and operational excellence with SAP Industry 4.0 & Digital Manufacturing’ were organised for undertakings, in which workshops experts from Germany shared their knowledge.

From June 2017, training courses are being held on the ‘Industry 4.0 Driver License’ subject. These 3-phase training courses are organised by the public body Intechcentras, which is an official representative for trainings of the German Innovation Centre for Industry 4.0”) in Lithuania. The training is intended for leaders and other staff of manufacturing undertakings who wish to understand the challenges resulting from industry digitisation and the ways of tackling them. The knowledge acquired during the training is assessed by taking the final examination, which is followed by the issue of the ‘Industry 4.0 Driver License’ certificate.

The German–Baltic Chamber of Commerce have organised 3 events on the topic of Industry 4.0:

- the Forum on the topic ‘Automation and Industry 4.0 in the Baltics — meet the experts’ was organised during the Hannover Messe 2017 exhibition in Hannover; the forum was attended by more than 40 participants.
- Representatives of two Baltic companies (there were 15 individuals from Lithuania) visited some German industrial enterprises and R&D centres for learning purposes.

## V. THE MAIN TASKS IN 2018

To continue the works started in the field of industry digitisation in 2017 and to create conditions for the growth of productivity there are plans to launch a call for proposals under the 'Industry digitisation LT' instrument during QII 2018.

In March 2018, the Ministry of Economy signed 2 contracts with the European Commission concerning the support for implementing projects promoting industry digitisation. Implementing the first project which under the 2017–2020 Structural Reform Support Programme for Lithuania was allocated the funding of EUR 0,03 million an action plan for implementation of the national industry digitisation initiative will be developed and recommendations for the Ministry of Economy on how to strengthen and increase industrial competitiveness through digitization will be made. The Strategic Action Plan will be developed in the light of the approved trends for the Platform activities, including digital production, services promoting digitisation, human resources, standardisation and legal regulation and cyber security. The estimated duration for the project implementation is 6 months.

When implementing the second industrial transformation project ('EU Pilot on industrial transition') representatives of Lithuania and the Commission will cooperate in addressing issues relating to industry digitisation. In the framework of implementing this project, Lithuania will receive the support of up to EUR 0,2 million, which will cover consultancy services of external experts for the preparation of the industrial transformation strategy. Following the successful completion of the first phase, in 2019, another share of up to EUR 0,3 million will be allotted for the implementation of specific actions foreseen in the above-said strategy. The industry transformation strategy of the Republic of Lithuania will be drawn in cooperation of the Ministry of Economy and experts from the Platform and the European Commission as well as representatives of the Organisation for Economic Cooperation and Development and the European Observatory for Clusters and Industrial Change. It is planned that the project implemented together with experts from the European Commission and other institutions will provide the basis for the preparation of the National Strategy for Industrial transformation for 2020–2026.

During the meetings of the thematic working groups of the Platform it is planned to define and set objectives to be pursued by the working groups as well as the general objectives for all the working groups and group-specific targets.

In order to continually increase stakeholder awareness on industry digitisation and to share good practices educational events on 'Industry 4.0' topic are planned. The German–Baltic Chamber of Commerce is organising a Round Table on Industry 4.0 on 25 April 2018, which will take place during Hannover Messe 2018, the world's industrial automation and innovative technology show. During this discussion, the representative of the Ministry of Economy together with the German–Baltic Chamber of Commerce will present the achievements of the Platform in implementing the industry digitisation initiative in Lithuania and the planned follow-up works.

Also, on 17 May 2018, during Balttechnika 2018, the international exhibition of manufacturing, innovation and engineering solutions, an international conference on industry digitisation will be organised for the third time by the Linpra, the German–Baltic Chamber of Commerce and the INFOBALT association. The theme of this year's conference is 'Industry 4.0. Added Value'.

In order to create a formal platform logo to be used to represent the Lithuanian platform in the European context, the Ministry of Economy together with the LINPRA have initiated a competition during which students of Vilnius College of Technologies and Design presented 17 projects, from which the jury, formed during the selection process in March 2018, selected the winner.