

Lithuanian Bioeconomy Strategy

Dalia Miniataitė

Senior adviser

Lithuanian Ministry of Agriculture



THE MINISTRY OF AGRICULTURE
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Lithuanian bioeconomy sector (2016)

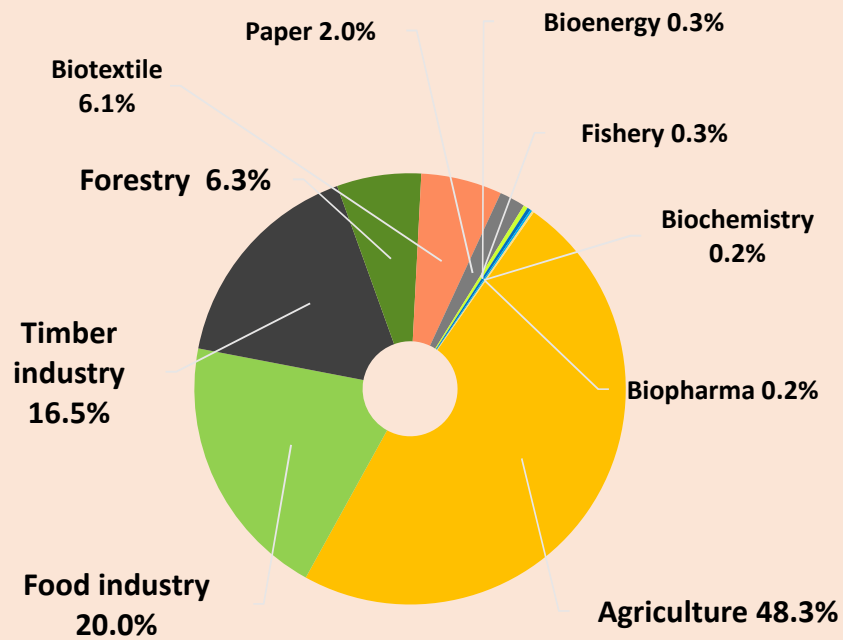
Lithuanian Bioeconomy Development Feasibility Study

- **Gross value added (GVA): EUR 4.7 billion or 12.8% of GDP. Bioeconomy's share of GDP stable since 2005.**
- **Employment down by a third (from 358.3 to 243.5 thou employees).**
- **Significant fall in primary agricultural sector (from 24.8% to 17.6%).**

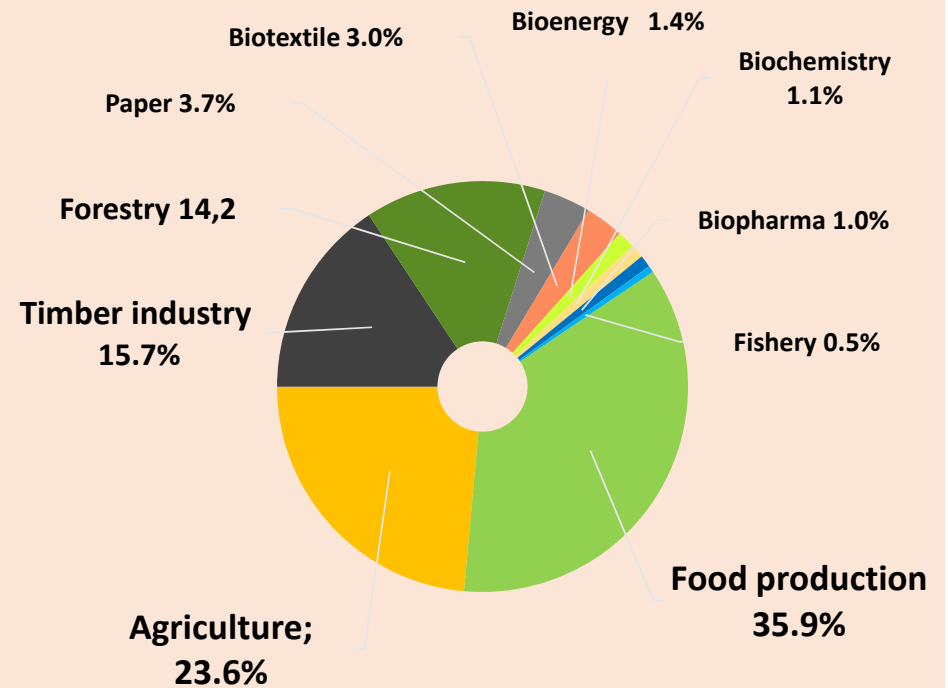


Lithuanian bioeconomy sector in 2016

Employees, per cent



Turnover, per cent



Potential of the agri food sector

The largest sector of Lithuanian bioeconomy (around 60% of GVA) determined by:

- rapidly growing demand for food in the world markets due to the increasing population and its purchasing power. (i.e. LT exports around 50% of its dairy products).
- Rapidly growing demand for aquaculture products due to rapidly depleting sea fish has increased the development potential of aquaculture.
- Modern and upgraded facilities, innovative technologies.
- Untapped potential offered by utilisation of the abandoned agricultural land and productivity growth.

Potential of the forest and forest-based sector

Second-largest sector of the Lithuanian bioeconomy, producing over a third of the GVA of the bioeconomy.

Forest biomass mainly used to produce timber and its products, furniture, paper and cardboard, as well as bioenergy.

To unlock the potential, it is necessary to promote :

- production of sustainable forest biomass (including waste);
- use of biomass for production of higher value added innovative products, e.g. chemicals and textiles, plastics, second generation biofuels, etc.;
- sustainable use of wood in chemical, plastics and textile industry, construction;



Potential of bio-based manufacturing sector

Low share of biochemical and biopharmaceutical production – about 4% of GVA (or 0.5% of GDP).

Projections for 2030: the **highest growth potential**.

Key drivers of growth:

- fast-growing biotechnology sector which covers R&D in biotechnology;
- increased production of bio-based chemical products and bio-based pharmaceuticals.

Another driving force could be transition of PET producers to bio-PET. LT produces 550 thou t of PET plastics or nearly 20% of EU's total production.



Necessity for bioeconomy-driven cross-sectoral relations

Bioeconomy-related sectoral policies in LT: agri food, forestry, fisheries, energy, environment, R&D and innovation, biotechnology development.

Links between certain sectoral policies only:

forestry ↔ energy, forestry ↔ wood industry

agriculture ↔ food industry, agriculture ↔ energy.

Closer intersectoral relations inevitable due to the need for waste reduction and transition to the circular economy.



The objectives of Lithuanian bioeconomy

- To generate sustainable economic growth by increasing high value added production;
- To create well-paid jobs, esp. in rural areas;
- To promote application of innovative approach to technologies and management of bio resources and business;
- Sustainable use of resources;
- To increase use of high value added bio products on the market;
- To facilitate the development of circular economy;
- To use of bio-waste.



Lithuanian bioeconomy strategy: needs, gaps, steps

- Cross-sectoral cooperation (no inter-ministerial working group set up)
- Body representing the position of social partners

Steps taken:

- Working on CAP post 2020 strategic plan
- Active cooperation with research institutions, i.e. Vytautas Magnus University, Kaunas Technology University;
- Participation in BIOEAST initiative and EU SCAR activities.
- Baltic Sea region strategy activities.
- Information campaign, knowledge, training, consultancy.

