Digital Economy and Society Index[1] 2016[2]

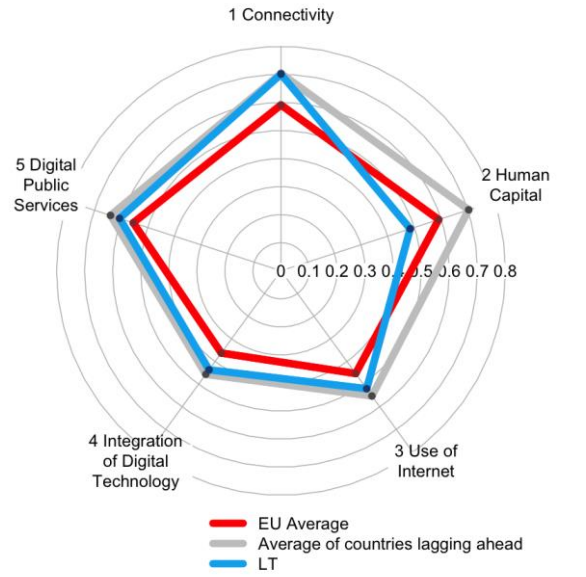
Country Profile

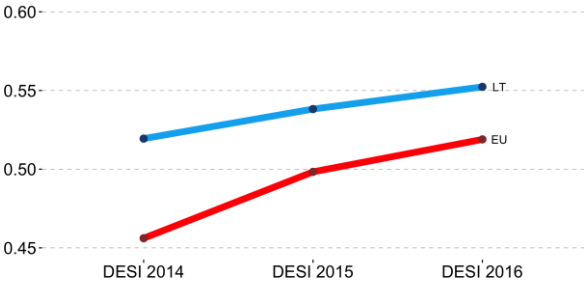
Lithuania

In DESI 2016, Lithuania has an overall score[3] of **0.55** and ranks **13th** out of the 28 EU Member States. Lithuania is one of the leaders in NGA rollout. Fast broadband (+30 MBps) is available to 98% of homes. Despite this, take-up of broadband services remains relatively low (60% of households) and 1 in 4 Lithuanians never used the Internet. Those Lithuanians who use the Internet seem to exploit it well, with the notable exception of online shopping. Entreprises seem to make good use of digital technologies, including for eCommerce. Despite some good examples for the digitisation of public services, progress is still needed in the specific area of Open Data.

Lithuania performs better than the EU average but it has improved at a slower rate than the EU as a whole, which places it in the **lagging ahead**[4] cluster of countries, where it scores below the cluster average.

DESI	Lithuania		Cluster	EU
	rank	score	score	score
DESI 2016	**13**	**0.55**	**0.62**	**0.52**
DESI 2015	11	0.54[5]	0.6	0.5





[1] The Digital Economy and Society Index (DESI) is a composite index developed by the European Commission (DG CNECT) to assess the development of EU countries towards a digital economy and society. It aggregates a set of relevant indicators structured around 5 dimensions: Connectivity, Human Capital, Use of Internet, Integration of Digital Technology and Digital Public Services. For more information about the DESI please refer to http://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard

[2] The DESI 2016 is constructed from indicators referring mostly to the calendar year 2015 (except when data is not available for that calendar year, in which case the latest prior data was used).

[3] DESI scores range from 0 to 1, the higher the score the better the country performance.

[4] In the DESI 2016, Lithuania is part of the lagging ahead cluster of countries: countries who score above the EU average but whose score grew slower than that of the EU as a whole (in comparison to the DESI 2015). Other lagging ahead countries are Belgium, Finland, Denmark, Ireland, Luxembourg, Sweden and the UK.

[5] The DESI 2015 was re-calculated for all countries to reflect updates and corrections to the underlying indicator data (which took place between May 2015 and January 2016). As such, country scores and rankings may have changed from the previous publication. For further information please consult the DESI methodological note.

1 Connectivity

1 Connectivity	Lithuania		Cluster	EU
	rank	score	score	score
DESI 2016	**7**	**0.7**	**0.7**	**0.59**
DESI 2015	8	0.67	0.7	0.57

With an overall score of 0.69, Lithuania ranks 7th among EU countries in terms of Connectivity. Lithuania has one of the best NGA coverage in Europe. Lithuanians also have to spend a smaller part of their income on broadband than the rest of Europe. Despite this, take-up of fixed broadband is below average.

	Lithuania					EU
	DESI 2016			DESI 2015		DESI 2016
	value		rank	value	rank	value
1a1 Fixed BB Coverage % households	98% (June 2015)	→	15	98% (December 2014)	15	97% (June 2015)
1a2 Fixed BB Take-up % households	60% (2015)	↑	24	58% (2014)	24	72% (2015)
1b1 Mobile BB Take-up Subscribers per 100 people	64 (June 2015)	↑	20	60 (December 2014)	19	75 (June 2015)
1b2 Spectrum % of the target for spectrum to be harmonised at EU level	89% (December 2015)	↑	4	84% (December 2014)	5	69% (December 2015)
1c1 NGA Coverage % households, out of all households	97% (June 2015)	→	4	97% (December 2014)	4	71% (June 2015)
1c2 Subscriptions to Fast BB % of subscriptions >= 30Mbps, out of fixed BB subscriptions	58% (June 2015)	↑	4	52% (December 2014)	7	30% (June 2015)
1d1 Fixed BB Price % individual gross income spent for the cheapest standalone Fixed Broadband subscription (lower values are better)	0.71% (Access cost: 2015; Income: 2014)	↓	1	0.68% (Access cost: 2014; Income: 2014)	1	1.3% (Access cost: 2015; Income: 2014)

In Lithuania broadband is available to 98% of homes, and all connections are fast, e.g. they provide at least 30 Mbps, placing Lithuania among the European leaders in NGA deployment. Telecom operators focussed on FTTP deployments rather than upgrades to VDSL. FTTP coverage has already reached 95%, the highest in the EU. Lithuanian consumers also benefit from the most affordable broadband in Europe, when compared to their income: an average EU consumer has to spend almost twice as much of their income on broadband than Lithuanian residents.

Despite the widespread availability of high speed and relatively affordable Internet, Lithuania has one of the lowest shares of households actually subscribing to broadband (60%), lagging significantly behind the 72% European average.

2 Human Capital

2 Human Capital	Lithuania		Cluster	EU
	rank	score	score	score
DESI 2016	**19**	**0.48**	**0.7**	**0.59**
DESI 2015	19	0.49	0.67	0.58

With a Human Capital score of 0.48, Lithuania ranks 19th among EU countries, the same as in the previous year.

	Lithuania					EU
	DESI 2016			DESI 2015		DESI 2016
	value		rank	value	rank	value
2a1 Internet Users % individuals (aged 16-74)	69% (2015)	→	21	69% (2014)	19	76% (2015)
2a2 Basic Digital Skills % individuals (aged 16-74)	51% (2015)		16	n.a.	-	55% (2015)
2b1 ICT Specialists % employed individuals	1.9% (2014)	→	26	2% (2013)	26	3.7% (2014)
2b2 STEM Graduates Graduates in STEM per 1000 individuals (aged 20 to 29)	21 (2013)	↓	6	23 (2012)	1	18 (2013)

Lithuania needs to engage its citizens in the use of the Internet. Currently, the share of regular Internet users is below the EU average and it does not show any year-on-year growth. As a result, Lithuania has fallen even more behind in this dimension, ranking only 21st. Barely half of Lithuanians aged 16 to 74 have basic digital skills. Furthermore, one in four Lithuanians aged 16 to 74 has never used the Internet which is significantly worse than the EU average (around 1 in 6).

The share of ICT Specialists as a fraction of employed individuals is also very low (1.9% compared to the 3.7% EU average). A positive sign for the future is that Lithuania has a relatively high share of STEM (science, technology, engineering and mathematics) Graduates. It is important that this trend continues, because STEM graduates are important adopters of digital technologies. However, it is also important that Lithuania does not become polarised when it comes to the adoption of digital technology. Hence, the challenge remains to engage other residents to enable them to participate in the digital economy and society.

3 Use of Internet

3 Use of Internet	Lithuania		Cluster	EU
	rank	score	score	score
DESI 2016	**10**	**0.52**	**0.55**	**0.45**
DESI 2015	6	0.53	0.54	0.43

Looking at those Lithuanians who use the Internet regularly, they seem ready to engage in a wide range of online activities. In this respect, Lithuania scores 0.52 and ranks 10th among EU countries.

	Lithuania				EU
	DESI 2016		DESI 2015		DESI 2016
	value	rank	value	rank	value
3a1 News % individuals who used Internet in the last 3 months (aged 16-74)	94% (2015) ↑	1	94% (2014)	1	68% (2015)
3a2 Music, Videos and Games % individuals who used Internet in the last 3 months (aged 16-74)	46% (2014)	21	46% (2014)	21	49% (2014)
3a3 Video on Demand % households that have a TV	11% (2014)	23	11% (2014)	23	41% (2014)
3b1 Video Calls % individuals who used Internet in the last 3 months (aged 16-74)	71% (2015) ↓	2	79% (2014)	2	37% (2015)
3b2 Social Networks % individuals who used Internet in the last 3 months (aged 16-74)	65% (2015) →	17	65% (2014)	12	63% (2015)
3c1 Banking % individuals who used Internet in the last 3 months (aged 16-74)	70% (2015) ↓	8	74% (2014)	7	57% (2015)
3c2 Shopping % individuals who used Internet in the last year (aged 16-74)	44% (2015) ↑	24	36% (2014)	25	65% (2015)

Lithuanian Internet users are particularly keen on consuming online news content, and interacting via video calls. They are comparable or above the EU average in exploiting most other typical uses of the Internet as well. Although Lithuanians still seem relatively reluctant to shop online as compared to other Europeans (44% of Internet users shop online as compared to the 65% EU average), there has been a significant increase among Internet users who shop online relative to last year. For residents in a small country, like Lithuania, cross-border shopping could especially bring substantial benefits. However, only about 11% or 1 in 10 Internet users seem to shop cross-border, which is well below other smaller countries in Europe (e.g. Austria with 44%, Estonia 26%, Latvia 20%)[6]. Also, whilst residents in these other countries seem to increasingly make use of cross-border shopping, demand for cross-border online shopping does not seem to pick up in Lithuania.

[6] http://digital-agenda-data.eu/charts/see-the-evolution-of-an-indicator-and-compare-countries#chart={"indicator-group":"ecommerce","indicator":"i_bfeu","breakdown":"IND_TOTAL","unit-measure":"pc_ind","ref-area":["AT","CY","EE","EU27","HU","LV","LT","LU","MT"]}

4 Integration of Digital Technology

4 Integration of Digital Technology	Lithuania		Cluster	EU
	rank	score	score	score
DESI 2016	**8**	**0.44**	**0.46**	**0.36**
DESI 2015	7	0.4	0.42	0.33

In Integration of Digital Technology by businesses, Lithuania scores 0.44 and progressed relative to last year. It places 8th in this DESI 2016 dimension.

	Lithuania				EU
	DESI 2016		DESI 2015		DESI 2016
	value	rank	value	rank	value
4a1 Electronic Information Sharing % enterprises (no financial sector, 10+ employees)	40% (2015) ↑	9	34% (2014)	15	36% (2015)
4a2 RFID % enterprises (no financial sector, 10+ employees)	6.4% (2014)	4	6.4% (2014)	4	3.8% (2014)
4a3 Social Media % enterprises (no financial sector, 10+ employees)	17% (2015) ↑	12	15% (2014)	12	18% (2015)
4a4 eInvoices % enterprises (no financial sector, 10+ employees)	20% (2015) ↑	5	18% (2014)	4	n.a.
4a5 Cloud % enterprises (no financial sector, 10+ employees)	12% (2015) ↑	11	9.7% (2014)	12	n.a.
4b1 SMEs Selling Online % SMEs (no financial sector, 10+ employees)	18% (2015) →	10	18% (2014)	9	16% (2015)
4b2 eCommerce Turnover % turnover of SMEs (no financial sector, 10-249 employees)	11% (2015) ↑	8	7.4% (2014)	16	9.4% (2015)
4b3 Selling Online Cross-border % SMEs (no financial sector, 10+ employees)	9.7% (2015) ↓	9	11% (2013)	5	7.5% (2015)

In 2015 Lithuanian enterprises were embracing the opportunities offered by various digital technologies. There seems to be a steady, though not striking increase in the number of enterprises which make use of several specific applications of digital technology in business activities.

SMEs in Lithuania seem to be more engaged in e-commerce than residents. The share of SMEs selling online is above the EU average. Again, for an SME in a relatively small EU Member State, e-commerce offers access to a much larger market. A significant share of Lithuanian SMEs seems to have realised this. 10% of them sell online to other EU countries, placing Lithuania in the top 10 EU countries with the most SMEs taking advantage of cross-border online sales. This notwithstanding, whilst there has been overall a steady increase in the share of SMEs selling online cross-border in the EU, the corresponding share has been

more or less the same in Lithuania in the past years.[7] There is therefore scope to convince more and more SMEs of the benefit of selling online to other EU markets.

[7] http://digital-agenda-data.eu/charts/see-the-evolution-of-an-indicator-and-compare-countries#chart={"indicator-group":"ecommerce","indicator":"e_aeseu","breakdown":"ent_sm_xfin","unit-measure":"pc_ent","ref-area":[]}

5 Digital Public Services

5 Digital Public Services	Lithuania		Cluster	EU
	rank	score	score	score
DESI 2016	**12**	**0.61**	**0.64**	**0.55**
DESI 2015	14	0.58	0.62	0.54

Digital Public Services is the dimension where Lithuania ranks 12th among EU countries, two places up when compared to the same set of indicators from last year.

	Lithuania				EU
	DESI 2016		DESI 2015		DESI 2016
	value	rank	value	rank	value
5a1 eGovernment Users % individuals returning filled forms, out of Internet users in the last year (aged 16-74)	42% (2015)	8	43% (2014)	8	32% (2015)
5a2 Pre-filled Forms Score (0 to 100)	74 (2015)	8	67 (2014)	10	49 (2015)
5a3 Online Service Completion Score (0 to 100)	88 (2015)	11	76 (2014)	17	81 (2015)
5a4 Open Data Score (0 to 700)	180 (2015)	23	250 (2014)	24	351 (2015)

Modern public services offered online in an efficient manner are a vehicle for efficiency gains for enterprises, citizens, and the public administration itself. Lithuania has made progress towards increasing its uptake of eGovernment. In particular when it comes to the availability of pre-filled forms[8] and online service completion[9] indicators show that there has been evolution in the range and sophistication of offered services, ahead of the European average. The share of Internet users that have exchanged filled-in forms with public administration remains solidly above the EU average. This again demonstrates that once Lithuanians embrace the Internet, they tend to utilise it efficiently.

However, the indicators for Open Data show a very different picture. Lithuania has been lagging seriously behind in this dimension. Efforts could therefore be made here to achieve the same good results and efficiency as in the other areas.

[8] 67/100 in the Pre-filled Forms indicator (measuring the extent to which data that is already known to the public administration is pre-filled in the forms that are presented to the user)

[9] 76/100 in the Online Service Completion indicator (measuring the extent to which the various steps in an interaction with the public administration – life event – can be performed completely online)