



... innovation does not wait

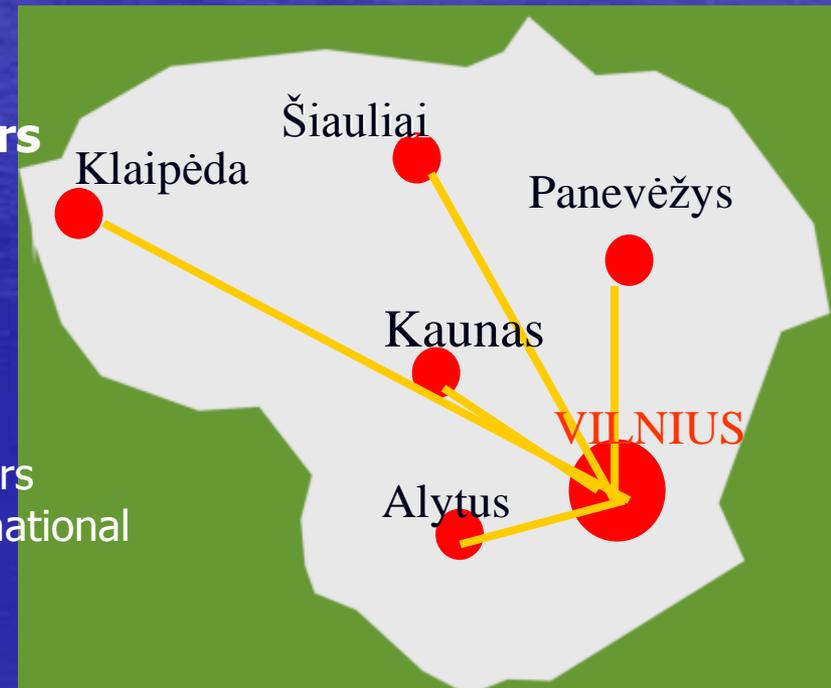
# Schemes to increase demand for innovation in business

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**Lithuanian Innovation Centre**

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# LIC – your innovation advisor

- **Lithuanian Innovation Centre** – innovation support services since 1996
- Non-profit – business support
- **Shareholders**
  - Min of Economy, Min of Education and Science, Lithuanian Confederation of Industrialists
- **Country-wide** operations
- **Public consultants – innovation advisors**
  - 1800+ clients – SMEs, R&D labs, public administrations
- Staff - 28, with head office in Vilnius and 5 representative offices across Lithuania
- **Project-based** (work) organisation
  - More than 60 projects, more than 300 partners
  - FP5-FP7, CIP, Structural Funds (ERDF, ESF), national funds, INTERREG III-IV, PHARE, UNDP, etc.
- **Networked** approach
  - 300+ partners abroad, member of T.I.I.
  - 20+ partners in Lithuania



# Business Activities-Innovation Support Expertise

## **Innovation&Technology Diffusion – To increase supply for innovation**

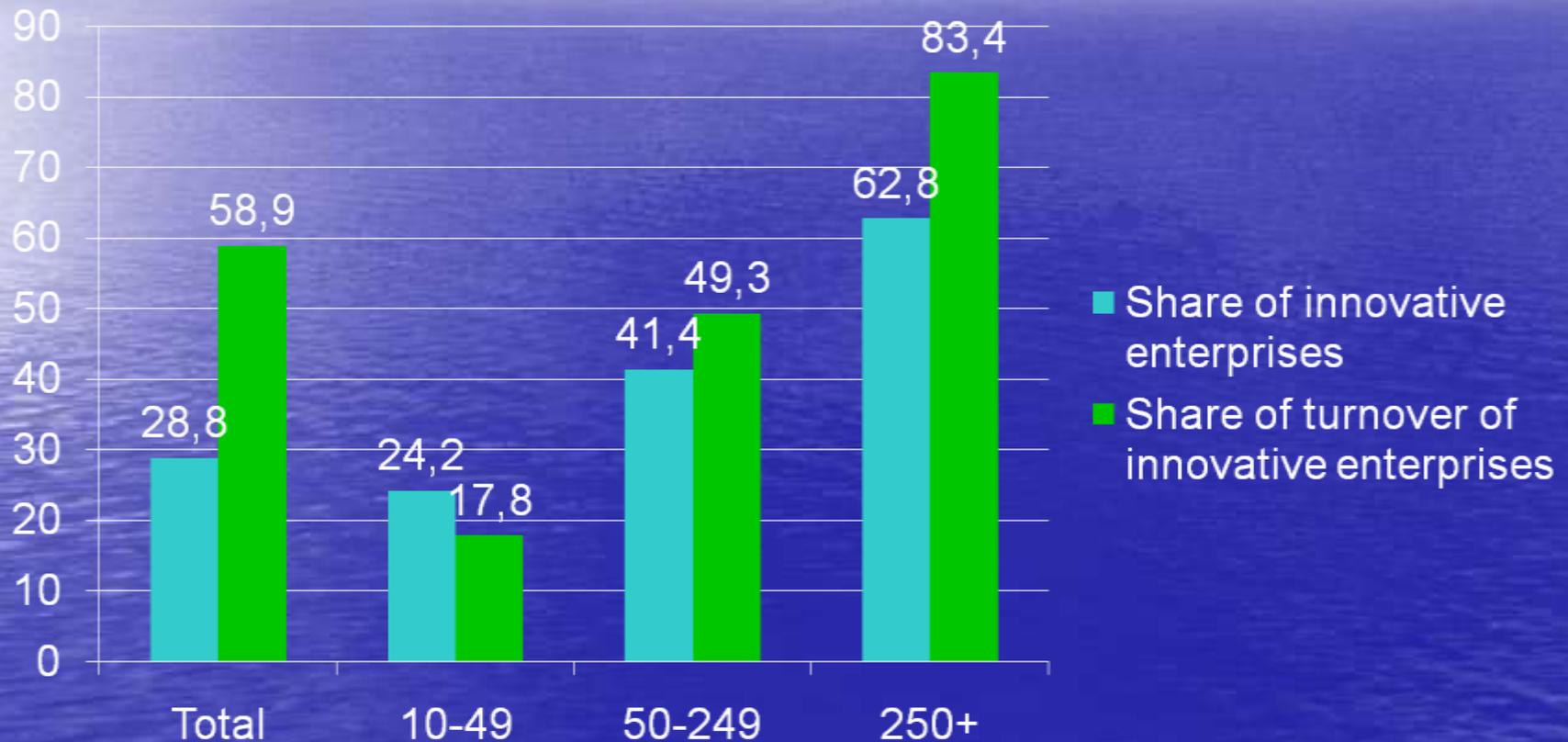
- Transnational technology transfer and partnership – *FEMIRC Lithuania (1997-2000)*, *IRC Lithuania 2000-2008*, Member of the *Enterprise Europe Network 2008-2014*
- Innovation partnership & networking (catalogue - [www.gate2inno.lt](http://www.gate2inno.lt))
- EU program participation and promotion
- ~1300 clients: SMEs & R&D laboratories

## **Innovation Capacity Building – To increase demand for innovation**

- Innovation Capacity Building
  - Advisory services in innovation project design and access to finances (grant schemes)
  - Awareness raising (publications, Innovation Portal, etc.)
  - Annual National Contest "Innovation Prize"
- National innovation system (InnoNet) and Innovation policy development (national innovation programs)
- Innovative cluster & networks (competence) support
- ~1500 clients: SMEs + Science and Technology Parks + business associations + public authorities

# Innovative enterprises and their turnover

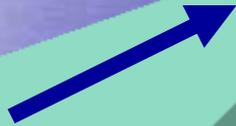
(LT, 2006-2008, % of all enterprises)



Source: Development of Innovation Activity, Department of Statistics, Lithuania, 2010

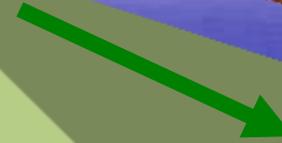
# KNOWLEDGE IDEAS

RESEARCH



EDUCATION  
RESEARCH  
SCIENCE  
(INVESTMENTS)

INNOVATION



NEW PRODUCTS  
OR  
SERVICES  
(PROFIT)

IF SCIENCE IS THE TRANSFORMATION OF *MONEY* INTO  
*KNOWLEDGE*, INNOVATION IS THE TRANSFORMATION  
OF *KNOWLEDGE* INTO *MONEY*

EUREKA

# Innovation. Two (policy) approaches

## R&D-based innovation

- Technology push
- Technology transfer = exploitation of R&D results in near
- Absorption capacity in businesses, incl. R&D capacity
- Technological innovation dominates
- Innovative enterprises = knowledge-intensive (high-tech,...)
- “Vertical” priority areas – e.g. ICT, biotech, ... – “breakthrough”

**To increase supply for innovation**

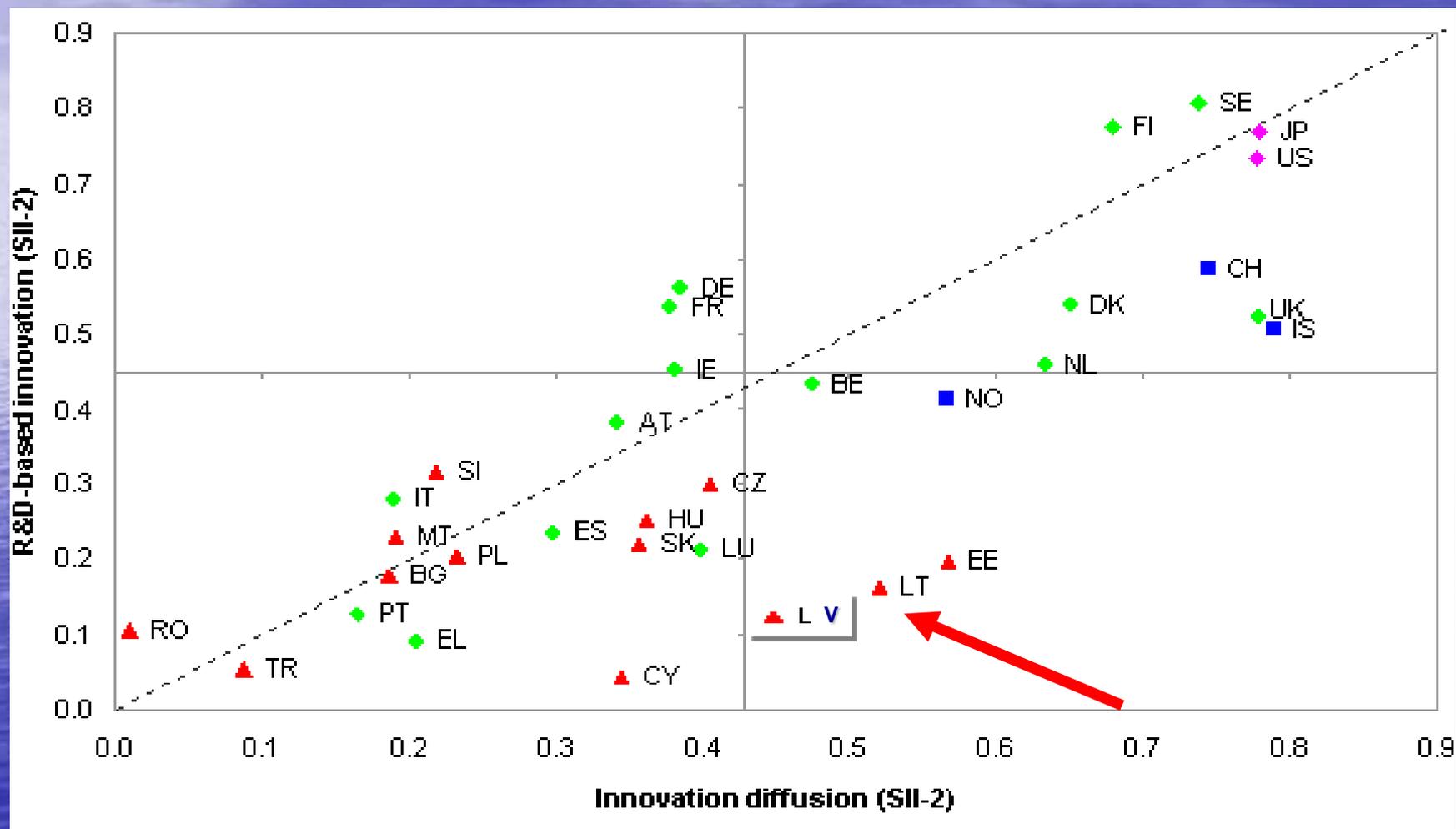
## Innovation management

## Innovation ecosystem

- Market pull value innovation
- Technology transfer = technology partnerships
- Innovation capacity in businesses, incl. R&D capacity
- Technological and non-technological innovation
- Innovative enterprises = any (“Innovation everywhere”)
- Horizontal priority areas
- Infrastructure and support services
- Networking, clustering

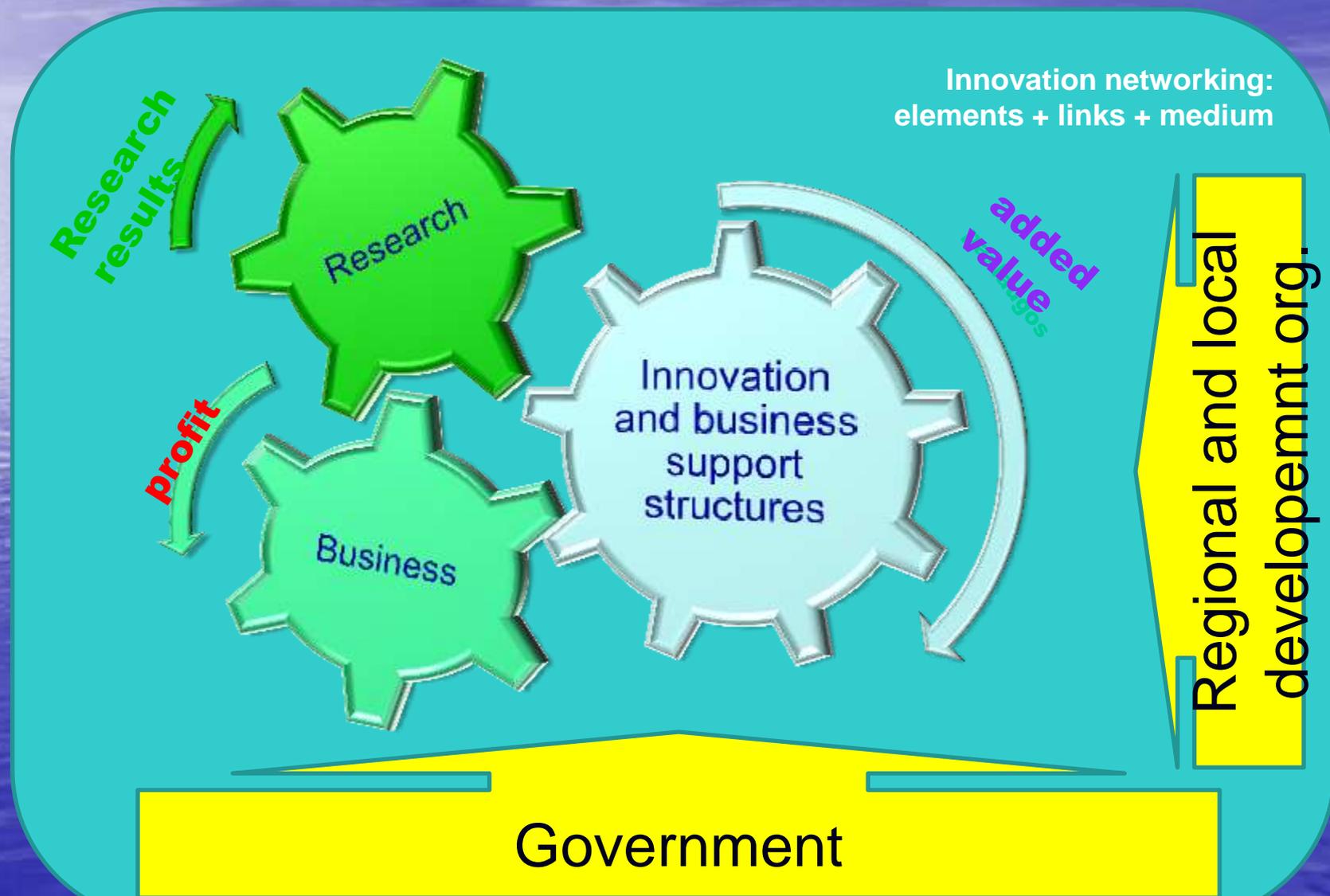
**To increase demand for innovation**

## *R&D-based innovation vs. innovation diffusion*

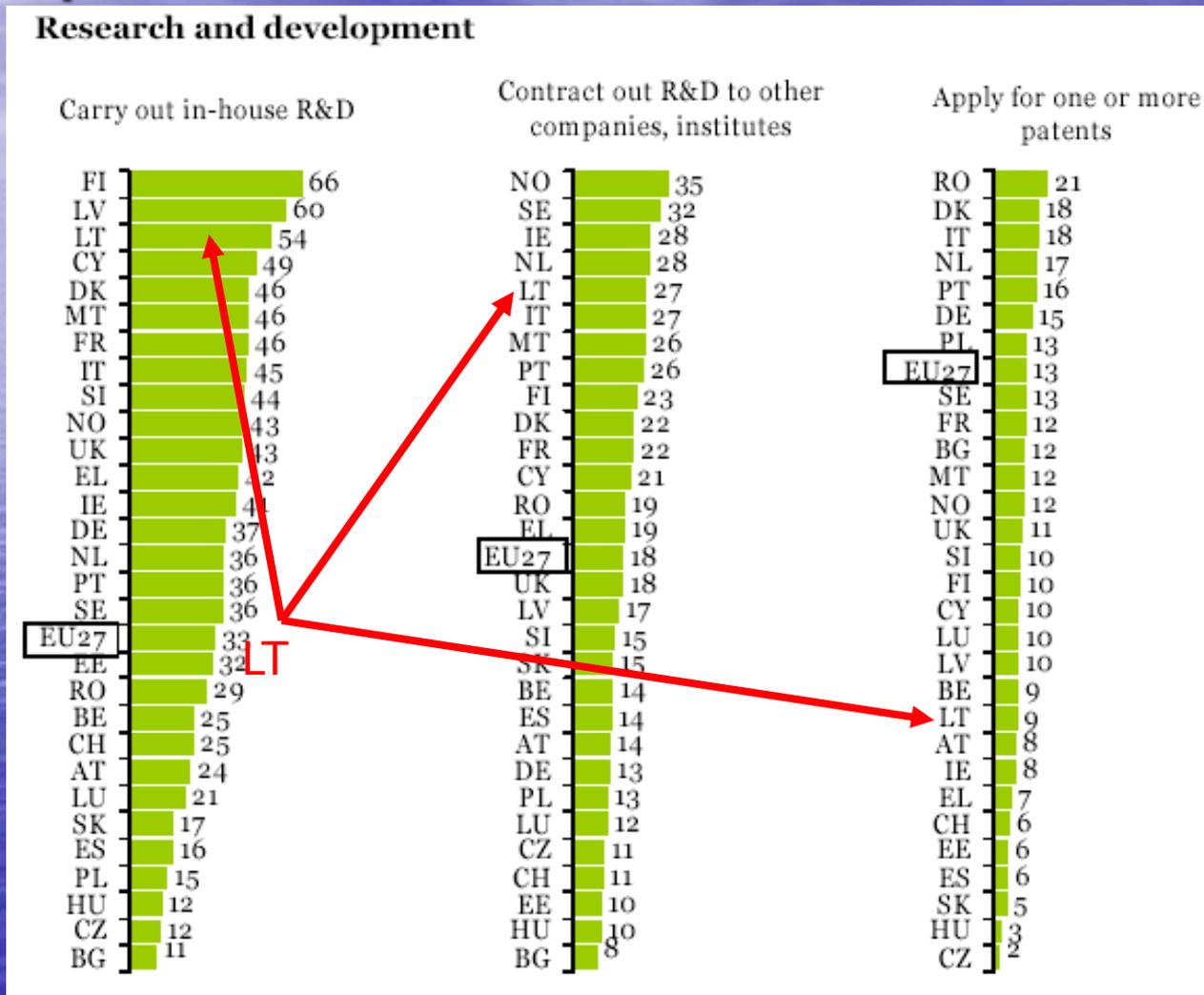


Source: European Innovation Scoreboard' 2003

# Knowledge economy engine – the three drivers



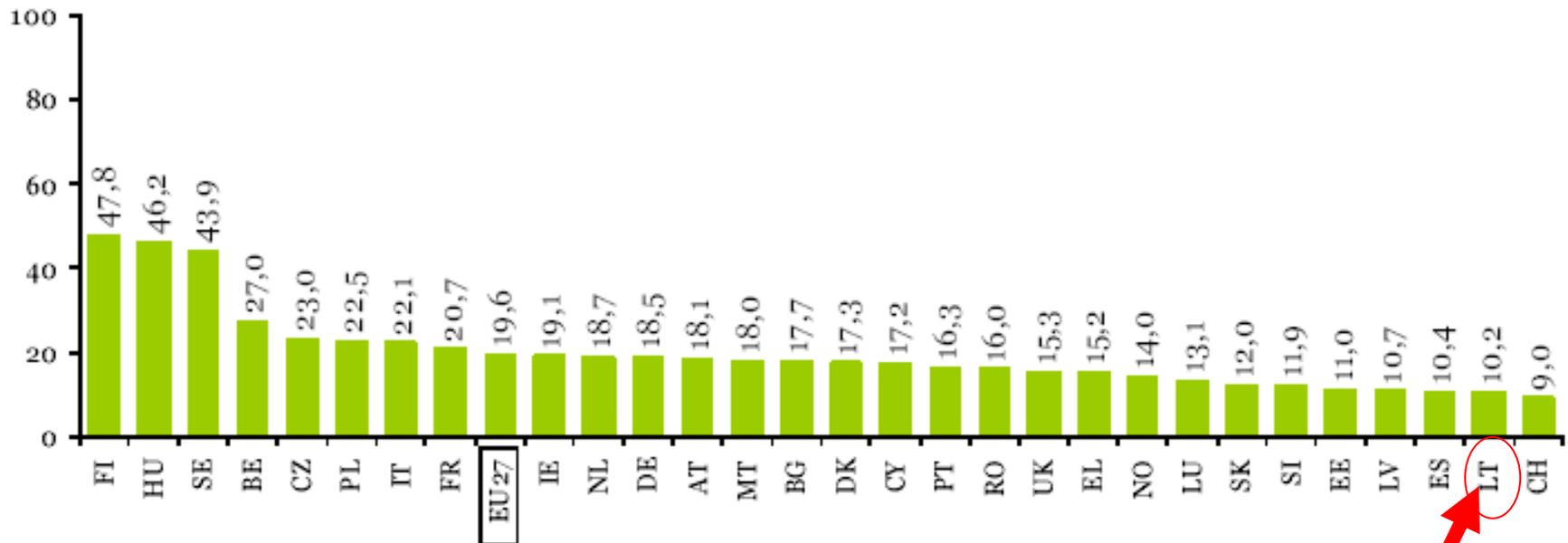
# RTD activity in business, % of asked companies



Source: Innobarometer'2007

# R&D expenditure

R&D's share in total spending for innovation



Source: Innobarometer'2007

# Direct support to innovation in business. I.

## Technological innovation

- 1. Idea LT – Identification of possibilities for the product innovation – feasibility studies
- 2. Intellect LT – Development of new products – R&D activities.
- 3. Intellect LT + – Investment in company R&D infrastructure.
- 4. Leader LT – investment into new manufacturing technologies
- 5. Innovation vouchers – access to R&D consultancy
- 6. Support to Industrial Property
- 7. Support to researchers' mobility to business

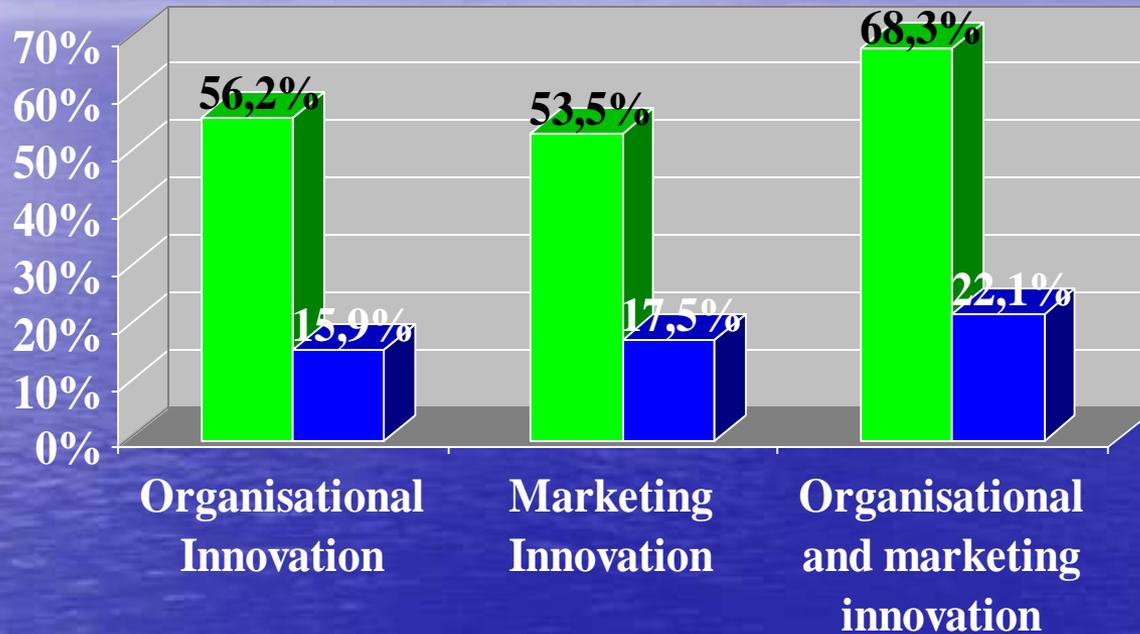
# What is more important and useful

- Technological innovation

- Non-technological innovation



# Non-technological innovation, 2006-2008



■ Technological innovation enterprises

■ All enterprises

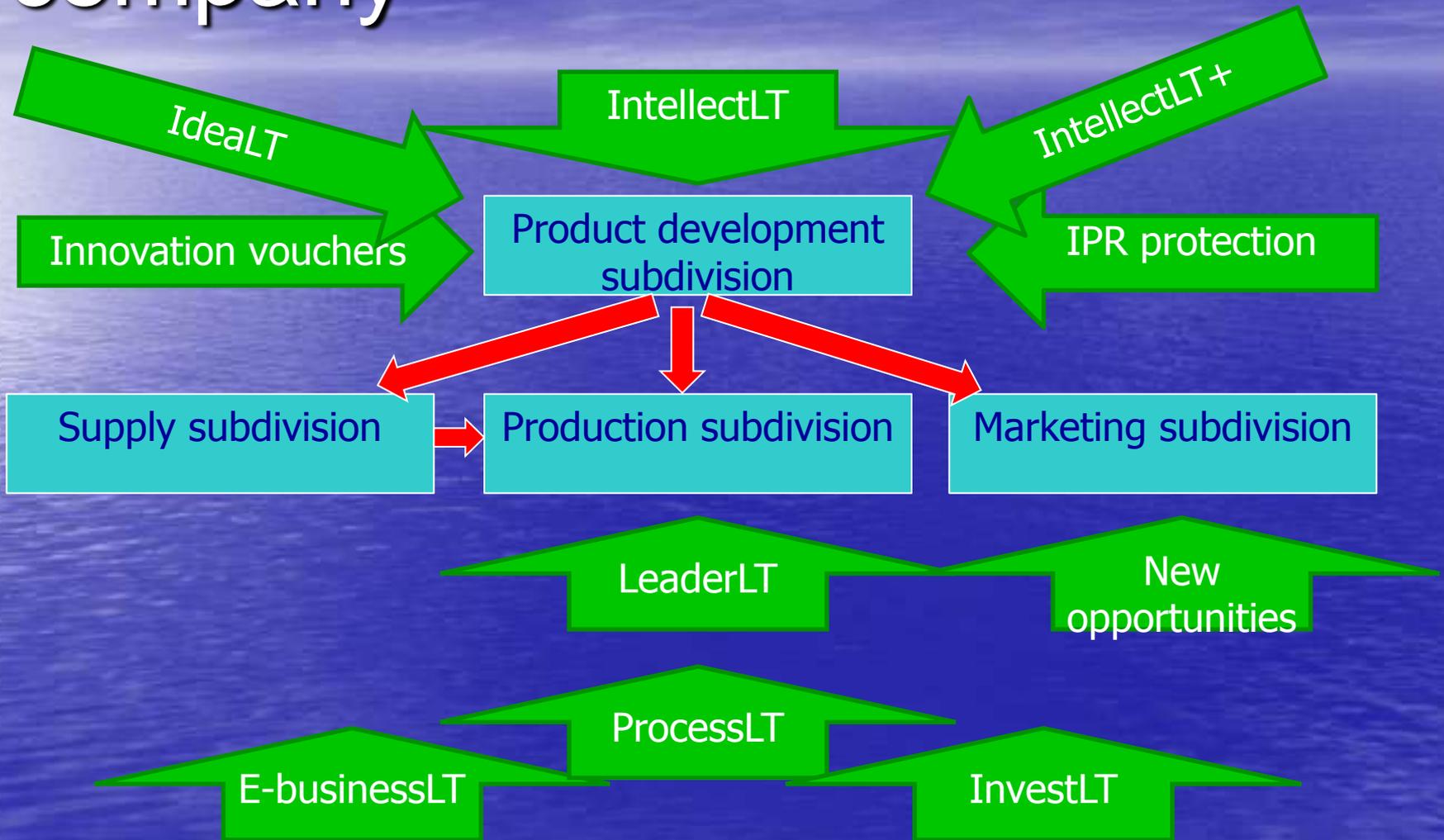
Source: Innovation Development, Dept. Statistics Lithuania, 2010

# Direct support to innovation in business. II.

## Non-technological innovation

- 8. E-business LT – support to installation of ICT solutions
- 9. Process LT – support for SMEs employing modern management methods and systems - management innovation
- 10. New opportunities – support to export marketing - marketing innovation
- 11. Invest LT+ – support to FDI

# “Placing” the support into company



# Indirect support

## Innovation support services

- 12. Innogeb LT-1 – Innovation capacity development . Provision of the innovation support services.
- 13. Innogeb LT-2 - Development of the innovation support infrastructure.

## Cluster support

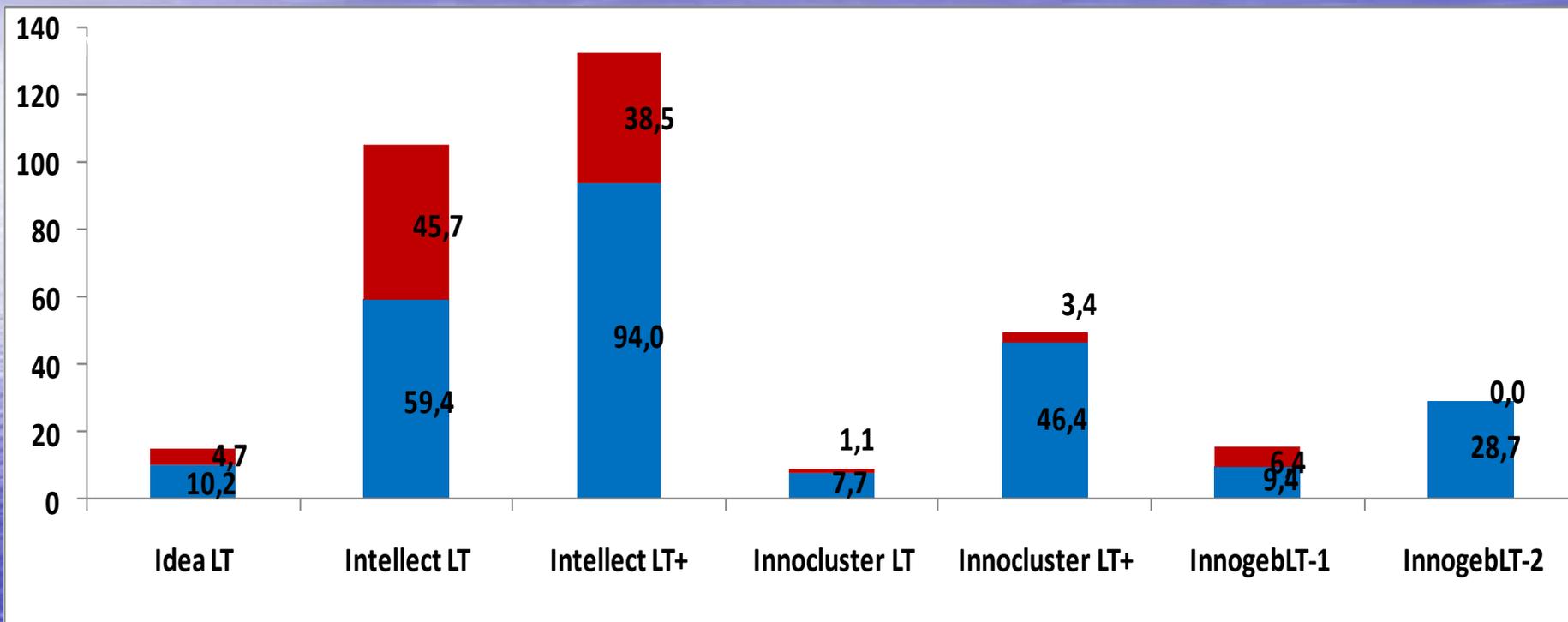
- 14. InnoCluster LT - Establishment and operation of clusters.
- 15. InnoCluster LT+ - Investment into infrastructure of innovative clusters.

## Business support services

- 16. Invest LT – investment into infrastructure of the industrial parks
- 17. Assistant-1 – Support to business associations
- 18. Assistant-2 – Investment into creative industries infrastructure
- 19. Assistant-3 – support for public services for businesses.

# EU SF for R&D&I

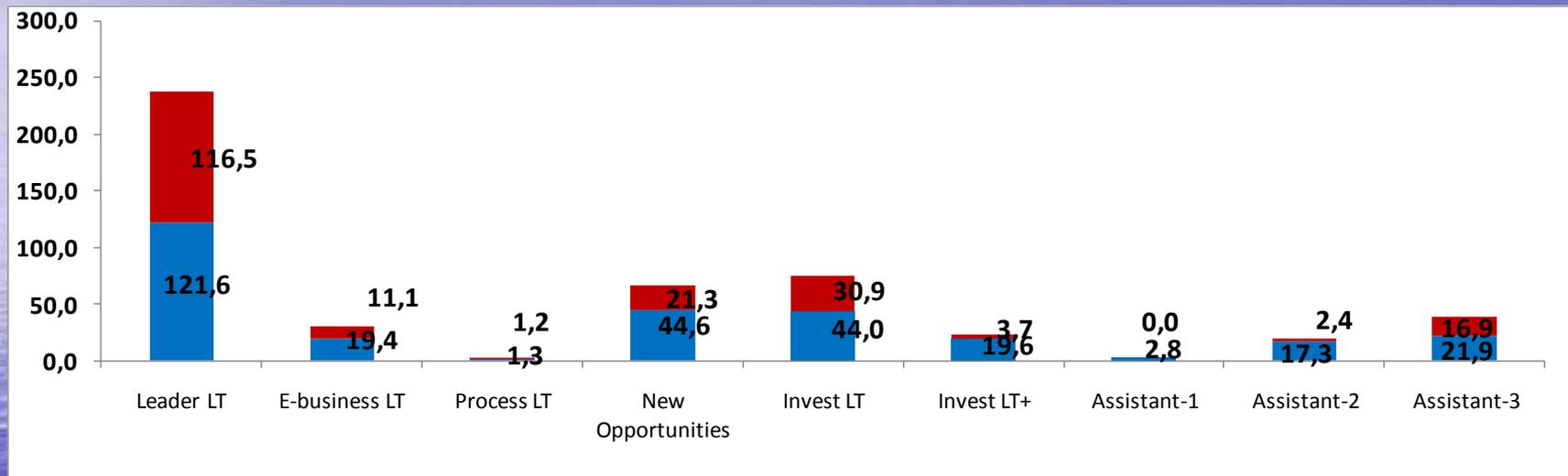
Measures of priority 1 "Research and development for competitiveness and growth of the economy" for 2007 – 2013 (255,8 MEUR)



Source: Ministry of Economy of Lithuania, 2010

# EU SF for Business

Measures of priority 2 “Increasing business productivity and improving environment for business ” for 2007 – 2013 (292,5 MEUR)



Source: Ministry of Economy of Lithuania, 2010

# 21. Innovation vouchers

**21. Financial support for SMEs in order to encourage co-operation between business and research institutions (finance of R&D services)**

In 2010 – 282 thou. Euro for 86 SMEs

## **Value of voucher**

- 10 000 Lt (2 900 Euro) – with no requirement for its own contribution
- 20 000 Lt (5 800 Euro) – SME is required to contribute  $\frac{1}{4}$  of this amount from its own resources

# 22. Tax Incentives for R&D&I investment

## Tax relief to the Law on Corporate Income Tax

### Encourage companies to invest in R&D through financial incentives

- Expenditures for R&D reduce taxable income 3 times
- Depreciation process is reduced to 2 year period

### Tax Relief for Investments into New Technologies

- Assessable profit for the enterprises could be reduced up to 50 % of expenditures incurred by investing into equipment, means of communication, computers, etc.

# 23. National support to Industrial property

Financial support for legal persons and private individuals to secure their IPR...

...covering up to 95 % of eligible costs for European Patent or Patent granted following PCT application procedures

In 2009 – 235 KEuro for 41 international patent (up to 100 % of costs)

In 2010 – 208 KEuro for 43 international patents (up to 95 % of costs)

## 3 ways of support

1. prepayment
2. payment on accounts
3. reimbursement

## Eligible costs

- Filing fee
- Search fee
- Examination fee
- Designation fee
- Fee for grant
- The first 5-year renewal fee (if paid before patent is granted)
- Translation costs
- Patent attorney services

# 24. Support to mobility of researchers and developers to businesses

**State aid for employment of high-skilled personnel in companies**

**Encourage companies to invest in R&D through employment of researchers and developers**

- SMEs only, new workplaces, no restrictions on numbers and/or geographical origin
- Secondment from R&D or large company for up to 36 (+6) months for implementation of company industrial R&D projects
- Eligible costs: Labour costs, travel, administration costs

# 25. Financial engineering

## Credits, risk capital, guarantees

### INVEGA fund:

1. **Small credit scheme.** Max. 350000 LTL. Total - 100 mln. LTL, credit line to the banks.
2. **Open credit fund.tviras kredity fondas** . Max. 2 mln. LTL, Total - 100 mln. LTL., credit line to the banks

### JEREMIE fondas (EIF). :

1. **Loans** . Total - 507 mln. LTL. credit line to the banks. Max - 2 proc. of bank credit line.
2. **Risk capital funds.** Total - 96,7 mln. LTL. Managed by private companies. Max. investment - 10 mln. LTL.
3. **Business angels fund.** Total - 27,6 mln. LTL + the same private. Managed by private company. Max. 1,38 mln. LTL.

**GUARANTEE fund.** Total - 129 mln. LTL. Guarantees to bank loans

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