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**ECONOMIC COMMISSION FOR EUROPE**

COMMITTEE FOR TRADE, INDUSTRY AND  
ENTERPRISE DEVELOPMENT

**Working Party on Industry and Enterprise Development**

Second session, 21 and 22 March 2001  
(Item 2 of the provisional agenda)

**INDIVIDUAL PROJECT PROPOSALS FROM MEMBER STATES**

Note by the secretariat

This proposal has been received from Lithuania.

This document is presented for information to delegates. It is reproduced in the form in which it was received by the secretariat.

## **MEDIUM-TERM INDUSTRIAL DEVELOPMENT POLICY AND ITS IMPLEMENTATION STRATEGY IN LITHUANIA**

The medium-term industrial development policy and its implementation strategy have been developed on the basis of the *Lithuanian Government Action Programme for 1999-2000* and the general principles of the EU industrial policy. The Strategy is the continuation of the policy formulated in the Programme for the Restructuring of Industry and Conversion of Large-scale Enterprises drawn up in 1993. Since then the situation in domestic and international markets has changed considerably, entailing radical changes in the industrial development policy.

The goals of the Lithuanian industrial policy and strategy are to increase the role of internationally competitive clusters and networks of enterprises in the economy and to reduce social, regional, environmental and other negative effects caused by implementation of the industrial competitiveness policy.

Below, some extracts from the Medium-Term Industrial Development Policy containing potential for immediate concrete activities are presented:

### International Competitiveness of Industry

- Combination of macro-stability and micro-mobility
- Creation of regulative and economic environment and organisational structures increasing Lithuania's attractiveness to local and foreign investors
- Ensuring structural changes in industry and its infrastructure
- Creating favourable business environment and promoting fair competition
- Expanding possibilities for enterprises to make use of investment sources
- Increasing company awareness
- Development of high value added industries
- Development and transfer of technologies, introduction of innovations
- Strengthening current and developing new factors of competitive advantage
- Promotion of the international and local co-operation and clusterisation
- Development of business services sector
- Improvement of quality management
- Restructuring of enterprises
- Regional
- Using regional potential for industrial development
- SME development
- Promotion of environment –friendly production

### Harmonisation of Macro-Stability And Micro-Mobility; Development of Business-Friendly Environment

- Settle taxation and incentive systems and ensure their stability; create favourable conditions for stable, innovative and profitable corporate activities.
- Create favourable conditions to activate capital market.
- Further liberalise foreign investment market

- Reduce regulation of business and bureaucracy
- Improve export conditions
- Create conditions for the development of electronic commerce
- Create an efficient system for enhancing enterprise awareness

#### Enhancing Competitive Advantage Factors of Industry

- Improve and support corporate governance training system
- Encourage and support research and development of competitive products
- Develop proposals concerning the restructuring of state research institutes and research laboratories and training centres
- Develop certification bodies and testing laboratories.

#### Restructuring of Enterprises

- Draft a law on the Bankruptcy of Enterprises

#### Development of Business Services Sector as an Important Factor of The Enhancement of Industrial Competitiveness

- Prepare the strategy of the development of business services sector

#### Ensuring Sustainable Development of Industry

- Develop and implement the programme of sustainable industry development