

IN·SEC·M

MARKET FACT SHEET

Lithuania



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INTRODUCTION

Lithuania represents a significant opportunity for cybersecurity companies looking to expand their global presence, driven by its rapidly growing digital economy and strong emphasis on technological innovation. The nation boasts a highly skilled workforce in information technology, fintech and cybersecurity, providing valuable resources for firms aiming to establish a foothold in the region. The Lithuanian government is actively investing in the cybersecurity sector through various initiatives and funding programs, which can greatly support companies in their expansion endeavors.

Understanding the evolving regulatory framework governing the cybersecurity market in Lithuania is essential for successful operations. Compliance with these regulations is critical for companies to navigate the market effectively and ensure sustainable growth.

MAIN DATA

GENERAL DATA¹

Area	› Lithuania is in the Baltic region of Europe. It is one of three Baltic states and lies on the eastern shore of the Baltic Sea, bordered by Latvia to the north, Belarus to the east and south, Poland to the south, and the Russian semi-exclave of Kaliningrad Oblast to the southwest, with a maritime border with Sweden to the west. › 65,284 square kilometers
Capital	Vilnius
Time Zone and Time Difference with Ottawa	› UTC+02:00 (EET) › UTC+03:00 (EEST) Summer (DST)
Languages	Lithuanian
Population	2.89 million (2024)
Religions	According to the 2021 census, 77 percent identify as Roman Catholic, and 17 percent identify with other religious groups, including Orthodox, Old Believers, Evangelical Lutherans, Evangelical Reformed, Jews, Muslims, Greek Catholics, Karaites, Jehovah's Witnesses, members of the Full Gospel Word of Faith Movement, Pentecostals/Charismatics, Old Baltic faith communities, Baptists, Seventh-day Adventists, Methodists, and members of the New Apostolic Church and The Church of Jesus Christ of Latter-day Saints (The Church of Jesus Christ). The number of Orthodox Christians increased in recent years, due in part to an influx of refugees fleeing Ukraine after the 2022 Russian invasion. According to the census, 6 percent do not identify with any religious group. ²

1. [Lithuania - EU country profile | European Union](#)

2. [Lithuania - United States Department of State States Department of State](#)

Major Holidays	› New Year's Day (January 1) › Defenders of Freedom Day (January 13) › Independence Day (February 16) › Restoration of Lithuania's Statehood (March 11) › Easter (March or April) › Day of Mourning and Hope (June 14) › Coronation of King Mindaugas and Statehood Day (July 6) › Black Ribbon Day (August 23) › Day of the Nation (September 8) › All Saints' Day (November 1) › Christmas Eve and Christmas Day (December 24 and 25)
Typical Working Hours	In Lithuania, the standard working week is 40 hours, typically spread across five days (Monday to Friday), with a standard workday of 8 hours, including an unpaid one-hour lunch break.
Entry Requirements	› Passport Validity: Your passport must be valid for at least 3 months beyond the date you expect to leave the Schengen area. › Visa Requirements for Canadians³: Lithuania is a Schengen area country. Canadian citizens do not need a visa for travel to countries within the Schengen area. However, visa-free travel only applies to stays of up to 90 days in any 180-day period. Stays are cumulative and include visits to any Schengen area country.
Tax Treaties	The "Convention Between the Government of Canada and the Government of the Republic of Lithuania for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital" ⁴ is a bilateral agreement aimed at fostering economic cooperation and ensuring fair tax treatment between the two nations. This convention seeks to eliminate the double taxation of income and capital gains that may arise when individuals or entities are subject to tax laws in both Canada and Lithuania. By clearly defining the tax obligations and rights of taxpayers in both countries, the agreement helps prevent fiscal evasion and promotes transparency. The convention outlines the allocation of taxing rights, establishes mechanisms for resolving tax disputes, and facilitates the exchange of information between Canadian and Lithuanian tax authorities.
POLITICAL DATA	
Type of Political System	Lithuania is a parliamentary republic with a president who is the head of state. The president appoints the prime minister who is the head of government. The Parliament is a single-chamber legislative body. The country is divided into 60 municipalities, with directly-elected mayors.
Leaders	The president of the Republic of Lithuania (Lithuanian: Lietuvos Respublikos Prezidentas) is the head of state of the Republic of Lithuania.
Regime Stability	Stable
ECONOMIC DATA (MAIN ECONOMIC INDICATORS)	
Economic Situation	Entire economy: › USD \$ 79.79 billion GDP (2023)⁵ › Lithuania is fast on its way to becoming a truly digital society. 95 percent of public sector services have been digitized and public uptake is huge, with more than 87 percent of the country's citizens using e-government services. Meanwhile, for business that penetration is at 96 percent.⁶
Financial Situation	› Currency: Euro › 1 Euro equals 1.54 Canadian Dollar (as of March 2025) › Inflation Rate: 2% (as of March 2025)⁷

3. [Travel advice and advisories for Lithuania](#)

4. [View Treaty - Canada.ca](#)

5. [GDP \(current US\\$\) - Mexico | Data](#)

6. [Openness to innovations and digital solutions | Lithuania](#)

7. [World Economic Outlook \(October 2024\) - Inflation rate, average consumer prices](#)

Economic Policies Relating to IT Sector

Lithuania's National Cyber Security Strategy⁸

The National Cyber Security Strategy of Lithuania, approved in August 2018, outlined a five-year plan to enhance the country's cybersecurity. The strategy addresses the rapid evolution of information and communication technology (ICT) and the increasing complexity of cyber incidents, emphasizing the need for timely and innovative responses. Developed by the Ministry of National Defence, the strategy aimed to improve public awareness and resilience to cyber threats affecting national security, government functions, public services, business, personal data, and individual rights.

The strategy's key targets included:

- › Strengthening national cybersecurity and defense capabilities.
- › Preventing and investigating cybercrimes.
- › Promoting a cybersecurity culture and fostering innovation.
- › Enhancing public-private partnerships.
- › Boosting international cooperation and meeting international cybersecurity obligations.

The strategy is based on environmental analysis, research, and input from public and private sectors, aligning with national and international frameworks like the National Security Strategy and EU recommendations. It aimed to develop a comprehensive cybersecurity management system, improve risk assessment, and foster sustainable development of cybersecurity competencies.

Significant changes in 2018, including revisions to the Law on Cyber Security, aimed to enhance the organization and control of the cybersecurity system. The National Cyber Security Centre (NCSC) plays a central role in managing cyber incidents and supporting state institutions, businesses, and residents. Regular national cyber security exercises are conducted to improve practices and readiness.

The strategy also addresses the shortage of cybersecurity professionals and the need for improved education and training. It promotes scientific research, innovation, and public-private partnerships to develop new cybersecurity solutions. Lithuania's regulatory environment supports financial services innovation, particularly in fintech and blockchain.

Digital Transformation

- › Internet penetration rate
- › Digital literacy ranking
- › Cybersecurity investments
- › Other relevant data

› **Internet penetration Rate:** 89% (2023)⁹

› **Other relevant data:** In IMD World Competitiveness Yearbook 2022 Lithuania is 2nd (among 63 countries) in Digital/Technological skills (2 points above the average), with 10th rank in Use of digital tools and technologies (7.55 vs average 6.29) showing that companies are very good at using digital tools to improve performance. Report also states that Digital transformation in companies is generally well implemented (6.79 vs average 5.95) and funding for technological development readily available (rank 25th).¹⁰

POLITICAL AGREEMENTS AND RELATIONS WITH CANADA

Political Agreements and Relations with Canada

- › Canada and Lithuania maintain positive bilateral relations, strengthened by strong people-to-people ties and their status as like-minded NATO Allies.
- › Canada did not recognize the Soviet annexation of the Baltic States and was among the first to recognize Lithuania's restored independence.
- › In July 2023, Canada upgraded its Diplomatic Office in Vilnius to an Embassy and appointed its first resident Ambassador to Lithuania.
- › Lithuania is represented in Canada by an Embassy in Ottawa and Honorary Consulates in Vancouver, Edmonton, Toronto, and Montreal.
- › Canada benefits from preferential market access in Lithuania through the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), ratified by Lithuania in 2018.
- › Canadian merchandise exports to Lithuania recorded \$113.5 million in 2024, a 36.4% decline from 2023 (\$178.4 million).¹¹
- › Canadian merchandise imports from Lithuania totaled \$250.2 million in 2024, a 6.5% decrease from 2023 (\$267.5 million), primarily due to a decline in oil imports.¹²
- › The value of Canadian direct investment in Lithuania was \$5.0 million at the end of 2023, while Lithuanian direct investment in Canada was valued at \$1.0 million.¹³

8. [Lithuania_Cyber-Security-Strategy-2018_English.pdf](#)

9. [Individuals using the Internet \(% of population\) - Lithuania | Data](#)

10. [Lithuania: a snapshot of digital skills | Digital Skills and Jobs Platform](#)

11. Data provided by Global Trade Atlas

12. Data provided by Global Trade Atlas

13. [Canada-Lithuania relations](#)

MAJOR PLAYERS



Government

National Cyber Security Centre (NCSC)¹⁴

The National Cyber Security Centre (NCSC) is tasked with ensuring the security and resilience of Lithuania's national information infrastructure. The NCSC's responsibilities include monitoring and responding to cyber threats, coordinating national cybersecurity policies, and providing guidance and support to both public and private sector organizations. The agency plays a crucial role in safeguarding Lithuania's digital environment by conducting risk assessments, managing incident response, and promoting cybersecurity awareness and education. Through its efforts, the NCSC aims to enhance the country's overall cyber defense capabilities and protect against a wide range of cyber threats.



Private Sector

Tesonet and Nord Security¹⁵

Tesonet is a prominent technology company based in Vilnius, Lithuania, known for its expertise in cybersecurity and digital privacy solutions. The company offers a range of services, including VPN solutions, network security, and data protection. Tesonet is recognized for its innovative approach to safeguarding online privacy and its commitment to developing cutting-edge cybersecurity technologies. The company collaborates with various global partners to enhance its security offerings and ensure robust protection against cyber threats.

Nord Security, based in Vilnius and part of the Tesonet, is a well-known cybersecurity company that offers a suite of security products, including the popular NordVPN. The company's solutions focus on providing secure and private internet access, protecting users from online threats, and ensuring data privacy. Nord Security's products are widely used by individuals and businesses around the world, making it a trusted name in the cybersecurity industry. The company's commitment to innovation and user-friendly design has earned it a strong reputation for delivering reliable and effective security solutions.



Academic

Cyber Security Research Group at Kaunas University of Technology (KTU)¹⁶

The Cyber Security Research Group at Kaunas University of Technology (KTU) focuses on addressing critical security issues in situational awareness, computer network and cyber-physical systems security, service orchestration, computer forensics, and vulnerability assessment. The group develops innovative solutions to tackle these challenges, with a particular emphasis on the visual analysis of heterogeneous data related to cybersecurity threats. Their research spans from network monitoring and intrusion detection systems to the investigation of security threats to critical infrastructure.

Vilnius University Institute of Data Science and Digital Technologies¹⁷

The Digital Defence Centre of Excellence is an innovative unit of the Vilnius University, dedicated to advancing cybersecurity, artificial intelligence and digital resilience. Established to meet the ever-increasing need for cutting-edge digital defence solutions, the Centre of Excellence is both a research hub and an innovation accelerator that brings together experts from across the field to address some of the most pressing cybersecurity and digital defence challenges. The mission is to foster an environment where academic research is compatible with real-world applications by offering comprehensive resources to develop AI-powered cybersecurity solutions, threat intelligence, and digital forensics. By partnering with industry leaders, government agencies, and international technology companies, the Center provides a unique platform to create solutions that not only satisfy, but also anticipate global digital protection needs.

14. [National Cyber Security Centre](#)

15. [About - Tesonet](#)

16. [RG Cyber Security - Kaunas University of Technology | KTU](#)

17. [Vilnius university - Institute of Data Science and Digital Technologies](#)



Association

Lithuanian Cybercrime Center of Excellence for Training, Research & Education (L3CE)¹⁸

The Lithuanian Cybercrime Center of Excellence for Training, Research & Education (L3CE) is a prominent organization dedicated to enhancing cybersecurity capabilities in Lithuania and beyond. L3CE focuses on providing high-quality training, conducting cutting-edge research, and promoting education in the field of cybersecurity. The center collaborates with law enforcement agencies, academic institutions, and industry partners to develop innovative solutions for combating cybercrime. L3CE aims to strengthen the overall cybersecurity posture by fostering a skilled workforce and advancing knowledge in cyber defense and cybercrime prevention.

Lithuanian Information and Communication Technology Association (INFOBALT)¹⁹

INFOBALT is a leading industry association representing the information and communication technology (ICT) sector in Lithuania. While its scope covers a broad range of ICT-related areas, INFOBALT places significant emphasis on cybersecurity. The association works to promote the development and implementation of robust cybersecurity practices among its members, which include companies, academic institutions, and public sector organizations. INFOBALT organizes events, provides training, and facilitates collaboration to address cybersecurity challenges and enhance the resilience of Lithuania's digital infrastructure.

INTERNATIONAL COMPETITION

Since 2021, research has identified seven cybersecurity-related foreign direct investment (FDI) projects in Lithuania. Of these seven projects, five originate from Germany, highlighting a strong German presence in Lithuania's cybersecurity market. The remaining FDI projects come from Italy and the Netherlands.

STRENGTHS AND WEAKNESS OF CYBER SECURITY ECOSYSTEM ^{20 21}



STRENGTHS

- › **Digital Public Services:** Lithuania ranks 10th among EU countries in digital public services, excelling in providing online services for both citizens and businesses.
- › **Gender Balance in ICT:** The country performs above the EU average in terms of gender balance among ICT professionals.
- › **High FTTP Coverage:** Fibre to the Premises (FTTP) coverage has reached 78% of households, significantly above the EU average of 50%.



WEAKNESS

- › **Human Capital:** Lithuania ranks 20th in the human capital dimension of DESI, indicating a need for improvement in digital skills and ICT training.
- › **5G Spectrum Assignment:** The country has assigned only 5% of the spectrum for 5G, far below the EU average of 56%, affecting 5G deployment.
- › **Connectivity Challenges:** Despite good FTTP coverage, Lithuania ranks 23rd in connectivity, with low take-up of 1 Gbps connections and limited 5G coverage.

18. [About L3CE | L3CE](#)

19. [Infobalt](#)

20. [Lithuania_Cyber-Security-Strategy-2018_English.pdf](#)

21. [DESI_2022_Lithuania.pdf](#)



- › **GovTech Sandbox Initiatives:** Lithuania has invested heavily in developing digital government solutions through its GovTech sandbox, driving innovation in public services.
- › **Cybersecurity Strategy and Policy:** The National Cybersecurity Strategy 2018-23 provides a structured approach to cybersecurity, emphasizing public awareness and international cooperation.
- › **Cyber Rapid Response Teams:** Lithuania participates in the EU project for Cyber Rapid Response Teams, enhancing mutual assistance in cybersecurity.
- › **Focus on Resilience and Recovery:** A substantial portion of the Recovery and Resilience Fund is dedicated to digital transformation, including cybersecurity.



- › **Integration of Advanced Technologies:** Lithuania performs below the EU average in integrating advanced technologies like AI, big data, and cloud services.
- › **Lack of Dedicated Digital Skills Strategy:** Although initiatives exist, there is no dedicated digital skills strategy to centralize efforts and improve continuity.

MAIN NEEDS/END CUSTOMERS/MAJOR PROJECTS IN PROGRESS TO COME

- › **Improvement in Digital Skills:** There is a significant need for enhancing digital skills and reskilling/upskilling the workforce to improve human capital rankings.
- › **Expansion of 5G Infrastructure:** Addressing the low level of 5G spectrum assignment and coverage is critical to foster 5G deployment and meet EU targets.
- › **Support for SME Digitalization:** Increasing support for SMEs to adopt digital technologies can enhance competitiveness and integration of advanced technologies.
- › **Development of a Dedicated Digital Skills Strategy:** Formulating a centralized strategy for digital skills, led by the Ministry of Education, could strengthen initiatives and continuity.
- › **Enhancing Cybersecurity Culture:** Promoting cybersecurity awareness and training across public and private sectors can improve resilience against cyber threats.
- › **Partnerships in Semiconductor Development:** Opportunities exist for collaboration with Taiwan and participation in EU projects for semiconductor development.
- › **Innovation in Digital Public Services:** Continued investment in GovTech and AI solutions can further improve e-government services and citizen engagement.

MARKET PENETRATION: OPTIMAL APPROACH AND OTHER CONSIDERATIONS

There are no laws regulating the relationship between a foreign company and its distributors or agents in Lithuania. The provisions of the given distribution agreement define the terms of the relationship. A joint venture with a local partner is usually the best way for a foreign company to start a business in Lithuania.²²

EVENTS

- › **DevOpsDays: Vilnius 2025** September 10, 2025
- › **BSides Vilnius 2025** May 21, 2025
- › **CYBERWISECON EUROPE 2025** May 20, 2025

BUSINESS ENVIRONMENT AND PRACTICAL ADVICE²³

Lithuania's accession to the World Trade Organization (WTO) in 2002 and its subsequent entry into the EU and NATO in 2004 have significantly bolstered its legal and banking systems, as well as its tax and customs regimes. The adoption of the Euro currency on January 1, 2015, further integrated Lithuania into the European economic framework. These developments, driven by Lithuania's determination to meet EU accession commitments, have spurred dramatic economic growth and business development.

Despite global economic challenges, Lithuania has demonstrated remarkable resilience. The country's GDP grew by 3.9% in 2019, outpacing the EU's average growth of 1.5%. Although the COVID-19 pandemic negatively impacted the global economy, Lithuania's economy quickly rebounded, with a GDP growth of 5% in 2021 following a modest decline of 1.3% in 2020. The ongoing geopolitical tensions, particularly Russia's war against Ukraine, have introduced uncertainties, yet Lithuania's economy continues to show resilience, with an estimated growth of 0.5% in 2023. Lithuania's GDP is expected to grow by approximately 2.8% in 2025 and 3.1% in 2026, according to the OECD's economic surveys and the European Commission's economic forecast. The growth is driven by robust private consumption and a recovery in investment, according to the Lithuanian bank.

However, challenges persist in the Lithuanian market. Inefficient government bureaucracy and a lack of regulatory transparency can deter some investors, although the Lithuanian government is actively working to address these issues. Demographic trends, such as an aging population, workforce emigration to higher-wage countries, and a small domestic market, also pose challenges.

22. [Lithuania - Market Entry Strategy](#)

23. [Lithuania - Market Opportunities](#)

Useful Contacts

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Find Out More

- › [Please see footnotes](#)

In-Sec-M's Mission Report 2025



