The Baltic Sea Region – the top of Europe

A model region for sustainable growth, innovation and competitiveness

Flemming Stender, director
Non-profit network for regional collaboration, cross-border dialogue and public-private partnerships

Regional think tank providing latest thinking on the region’s economic, political and digital performance

Mission: to promote sustainable growth, innovation and competitiveness in the Baltic Sea Region
Regional cooperation in key growth sectors - ICT, energy and blue growth/water
Baltic Sea Region – strengths

• One of the most prosperous macro-regions in Europe and globally

• Very solid underlying competitiveness

• Strong macro-economic fundamentals

• High degree of social cohesion and environmental sustainability
Baltic Sea Region - *weaknesses*

- “New normal” of permanently lower growth rates due to slow growth in labour productivity & labour mobilization

- Weakening position in global trade & foreign direct investments

- Innovation systems - output from R&D only on par with other regions and dominated by a few very large companies

- Universities – not in the European / global top
Baltic Sea Region – *threats*

- Other competitive regions and hubs catching-up fast

- Difficult political environment (e.g. Russia, Brexit)

- Demographic challenge in the Baltic States
Baltic Sea Region - opportunities

• Small open economies with many similarities in terms of culture, society and language etc.

• A market of 65+ million

• A unique regional cooperation framework (NCM, CBSS, NB8, BDF, ND etc)

• Long tradition for public-private cooperation
• promotes Baltic Sea Region as a leader in the digital economy
• analysis and recommendations for policymakers
• facilitates cross-border dialogue and public-private initiatives
• inspires transnational digital collaboration
• a joint initiative of Baltic Development Forum and Microsoft
A Regional Digital Single Market (DSM)

• A bottom-up, regional approach to complement and support EU & national efforts towards DSM

• Nordic-Baltic are frontrunners – potential to learn from each other and work together cross-border

• A region well placed to overcome fragmentation due to culture, language, borders etc.

• Enable growth by *regional cooperation* and world-leading cross-border solutions

• *First movers* gain competitive advantage
A Regional Digital Single Market

- Significant economic potential from regional digital single market - €29 bn. within 1-2 election cycles


- Moving beyond traditional perception of gap between countries in the Baltic Sea Region
There is a gap…

Cross-border EU business to consumer purchases
(DIGITAL AGENDA SCOREBOARD)
Percentage of people that has never used Internet in 2014 and 2015.

(DIGITAL AGENDA SCOREBOARD)
…but the gap is not constant
Key Observations

• Nordics lagging ahead

• Norway brings a lot to the table

• Estonia mastering change – fastest mover in the region

• Poland – a very important part in a regional digital single market, but needs to pick up pace (also Latvia and Lithuania)
Top of Digital Europe

- A unique regional initiative
- Serve as inspiration for other parts of Europe
- We are ready to share experiences with you
Thank You!

Nytorv 3, 1st floor,
1450 Copenhagen, Denmark
Twitter: @bdforum.org
Facebook: facebook.com/bdforum.org
www.bdforum.org