



By **Indrek Pällö**  
UKTI Regional Trade Manager for Baltics

British Embassy Tallinn, Estonia

**Q1.** Can you provide some examples of what Estonia, Latvia and Lithuania have done recently to improve the business climate for overseas companies?

**A1.** Estonia, Latvia and Lithuania have been members of the EU (and NATO) since 2004, which has made huge impact on the ease of trading with these countries. The countries have always run a liberal and business-friendly economic policy, which has attracted a great deal of Foreign Direct Investments. It should also be mentioned that local and foreign companies are treated on equal terms, which has created a healthy business environment.

During the recent financial and economic turbulence, the Governments have actively sought solutions to tackle outstanding issues. Due to their exposure to globalisation the Baltic countries have been hit quite hard, but hopefully their flexibility will help them bounce back faster than larger countries.

**Q2.** What do local partners appreciate about working with British companies?

**A2.** The UK has been an important partner for Estonian, Latvian and Lithuanian companies for a long time. This dates back to the interwar period, in the 1920-30s, when the UK was the biggest export market for local agricultural products. Today, the UK is one of the top 10 trading partners for all three countries.

Local companies acknowledge that UK products/services usually offer very good quality (although also a higher price) and therefore UK companies are highly regarded. Also, UK expertise and know-how in various areas (education, tourism, public projects, industry, etc) are highly recognised and sought after.

English is widely spoken here and local companies have a western business culture, which simplifies business relations between the Baltics and the UK.

**Q3.** Are there any hidden opportunities in the Baltics that British companies should know about?

**A3.** The Baltics are a good market for SMEs and companies new to export because it is not huge in size and is relatively easy to do business in. Therefore, a lot of SMEs from the UK have managed to build a good business here.

Many companies also use Estonia, Latvia and Lithuania as a bridgehead into Russia. Local companies have good knowledge of the Russian market and have contacts there. In addition, the majority of local people speak Russian. Therefore, a lot of UK companies that don't have the scope or willingness to be directly present in the Russian market use Estonian, Latvian or Lithuanian companies for that purpose.

Estonia, Latvia and Lithuania will receive £9.5 billion in EU Structural Funds in 2007-2013. This money will be invested into different areas, including infrastructure, entrepreneurship, human resources and better administration. All UK companies are eligible to bid for these projects, supply equipment and provide know-how.

Baltic companies are also very talented in developing IT solutions, making them frontrunners in e-government, mobile solutions, Internet usage and e-commerce.

**Q4.** Can you give us a success story? What kind of company was it and how did UK Trade and Investment (UKTI) help them?

**A4.** While we have worked with 'big names' like GlaxoSmithKline, Tetley, Lotus Cars, RSA (Royal Sun Alliance), BAE and others, where we add the most value is in providing market entry assistance to SMEs. The UKTI Baltics team provides a single point of entry option for the three countries, which makes access easy and efficient.



For example, we've been working with Instarmac Group (a manufacturer of cement, resin and bitumen based products) for over a year now. First, we found them a partner in Latvia and arranged a successful on-site demonstration for officials and contractors. Next, the company moved into Lithuania, where we provided a similar service. The next step is Estonia. The Baltics market has brought a steady stream of business to Instarmac Group.

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## Thinking of expanding your business in the Baltic Region?

UK Trade & Investment is the government organisation that helps UK-based companies succeed in an increasingly global economy. Its range of **expert services** are tailored to the needs of individual businesses to maximise their international success.

For further information contact:

**UK Trade & Investment**

Baltics Regional Head Office – British Embassy Tallinn

Tel: +372 667 4712

Email: [ukti.tallinn@fco.gov.uk](mailto:ukti.tallinn@fco.gov.uk)

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