HOW TO DO BUSINESS IN THE BALTICS - FOCUS ON LITHUANIA

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Doing business in the Baltic region:
Lithuania in focus

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What we are going to talk about?

✦ Who is talking to you?
✦ The business environment in the Baltic countries
  – Economical aspects
  – Mental aspects
✦ The tools which are good to use for successful business
✦ Questions

SWEDISH TRADE COUNCIL
Vilnius office

✦ Five years in Lithuania
✦ Swedish, Lithuanian, English and Russian speaking office
✦ TWO SIDES OF Swedish Trade Council
  – Business information (Exportservice)
  – Business development
✦ Offices in Estonia, Latvia, Lithuania, Poland, Russia, Czech Republic, Slovakia, Hungary and Bosnia
What can STC Vilnius do for you?

✦ Providing information on doing business in Lithuania.
✦ Signposting: provide guidance on establishing operations in Lithuania
✦ Matchmaking: help provide suitable Lithuanian partners
✦ Sourcing: help source components and products in Lithuania
✦ Recruitment and head hunting
✦ Provide one-stop-shopping for Swedish companies

Doing business in the Baltic region
Economical aspects
Economical indicators

- GDP
- GDP growth
- Inflation
- Purchasing power
- Salary level etc.

GDP Growth (%)

Source: L SA

Lithuania  Latvia  Estonia
Lithuanian GDP is the Largest in the Region

GDP per capita in the region
GDP per capita in Purchasing power parities

Labour costs in the region

Source: Ministry of Finance of the Republic of Lithuania

Mantas Zalatorius, Lithuania
The economical aspects of business environment are more or less common for all Baltic countries

- GDP growth: 3 - 4%
- GDP per capita: 200 - 270 USD
- Inflation: 10 - 15%
- Workforce: 200 - 300 USD
- Trade balance: negative in all countries

Good reasons to start up and invest

- Rapid and positive pace of reforms
- No minority problems
- Well educated and not expensive workforce
- 7.5 million inhabitants in the region
- Stable and convertible currency
- Strategic location: gateway to Russian market
- Excellent transport infrastructure
Baltic countries is ONE REGION economically

Doing business in the Baltic region

Mental aspects
Factors, which are forming the mentality of the nation

- History
- Religion
- Geographic position
- Language

Mentality factors are different

<table>
<thead>
<tr>
<th></th>
<th>Lithuania</th>
<th>Latvia</th>
<th>Estonia</th>
</tr>
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<tbody>
<tr>
<td>Language</td>
<td>NO</td>
<td>NO</td>
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<tr>
<td>Religion</td>
<td>NO</td>
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<td>History (1200-1940)</td>
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<tr>
<td>Geografic position</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>
Is it the one region mentally?

Different mentality - different tools

Lithuania - in focus
Study the country carefully

✦ History & culture
✦ Books & studies
✦ Swedish Trade Councils market information services
✦ Internet
✦ VISIT LITHUANIA. Spend "the extra day" in the country. LISTEN TO THE PUSS!

Spread the information around and create a network

✦ Visit
   – Embassy of Sweden
   – Swedish Trade Council
   – Lithuanian Development Agency
   – Lawyers
   – Lithuanian Investment Agency
   – Swedish companies
Find reliable local partners

✦ You have a right to choose
✦ Establish relations with a potential partner
✦ Try to get "up-close and personal" with the potential partner
✦ ! You are not only doing business together!

Show respect to your business partner

✦ Listen to her / him carefully and try to learn everything about the market
✦ Use his / her network
✦ Try too increase the trust between you and the partner
✦ (!) Lithuanians are suspectfull (!)
Respect the local conditions

+ All business is local
+ Never say "We, in Sweden, do it this way..." (!) You are in Lithuania not to teach, but to do business (!)
+ Learn about "Lithuanian way of doing business"

Use Media

+ "70% of Lithuanian population strongly believe in media" - BI Research, May 1996
+ Make a positive impression on journalists
+ Do not "go out" in media too early
Establish good relations with the Lithuanian authorities

* Ministries
  - Ministry of Economy
  - Ministry of European Affairs
  - Bransch Ministries

* Governmental institutions

* Agencies
  - Lithuanian Development Agency
  - Lithuanian Investment Department
  - Lithuanian Privatisation Agency

Don't wait - ACT!!!
Don’t want to get a quick result

- Don’t give up!
- Don’t be angry!
- The new establishment always takes time!
- All 3 markets are only 7 years old.

Ask us!
We are "on the spot" to help you!

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