

# HOW TO DO BUSINESS IN THE BALTICS - FOCUS ON LITHUANIA

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*Lithuania*



Doing business in the Baltic region:  
Lithuania in focus



## 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, Check 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



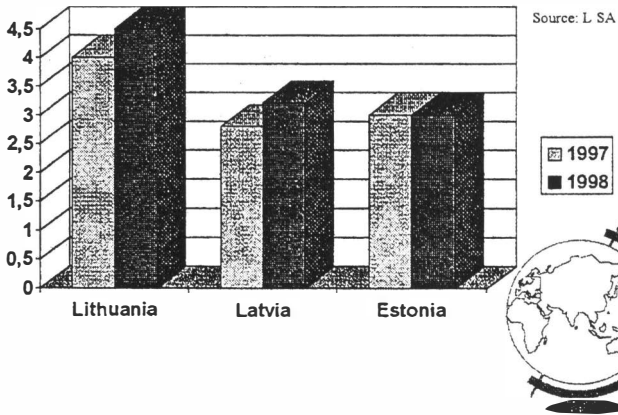
## Doing business in the Baltic region Economical aspects

## Economical indicators

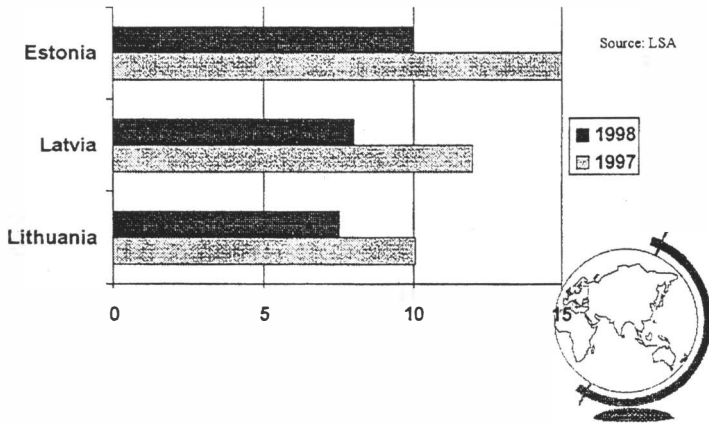
- ✦ GDP
- ✦ GDP growth
- ✦ Inflation
- ✦ Purchasing power
- ✦ Salary level etc.



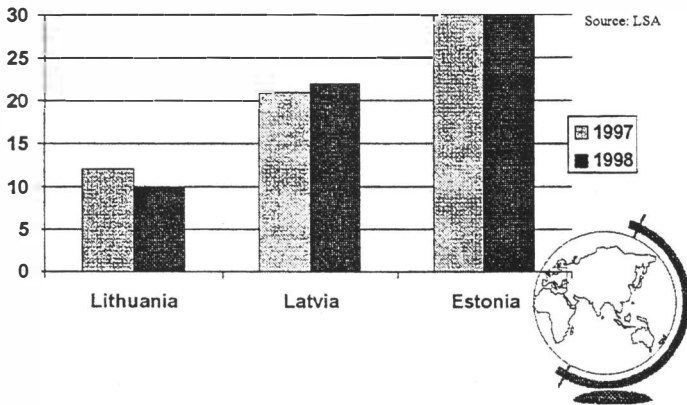
## GDP Growth (%)



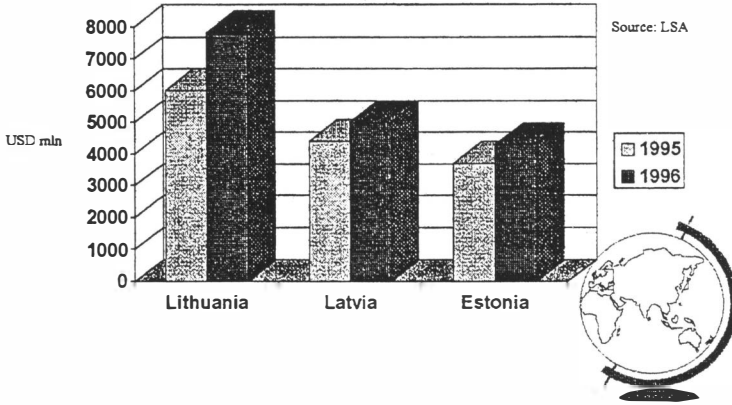
## Inflation



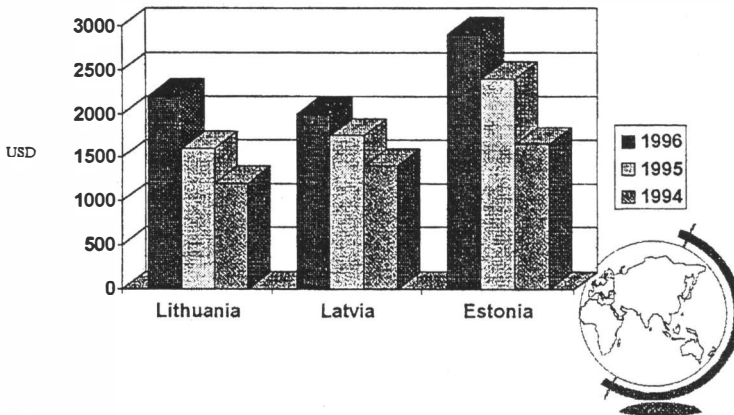
## Trade Deficit as Percentage of GDP



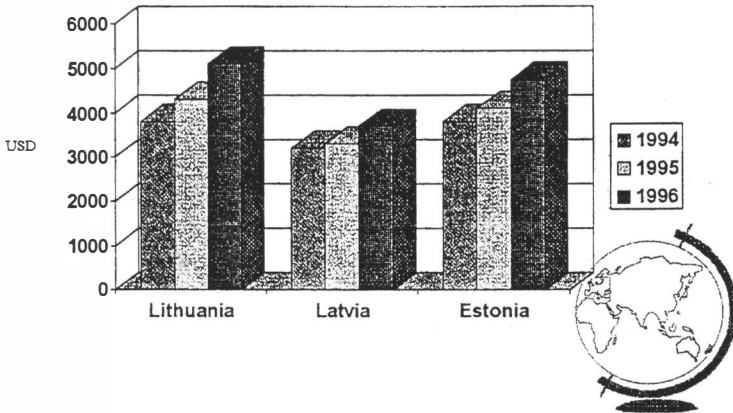
## Lithuanian GDP is the Largest in the Region



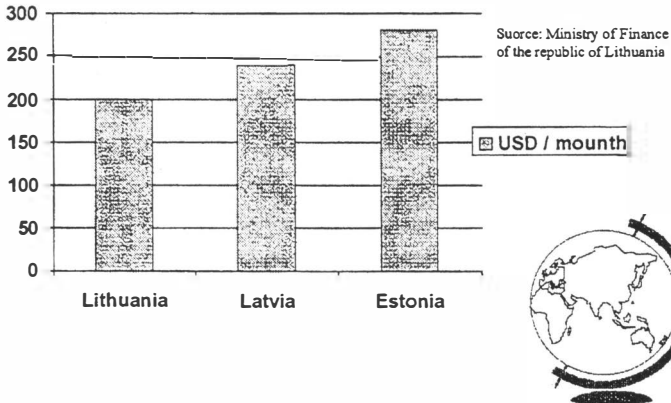
## GDP per capita in the region



## GDP per capita in Purchasing power parities



## Labour costs in the region



## 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 ballance: 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
- ◆ Exellent transport infastructure







## 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

	Lithuania	Latvia	Estonia
<b>Language</b>	NO	NO	NO
<b>Religion</b>	NO	YES	YES
<b>History (1200-1940)</b>	NO	NO	NO
<b>History (1940-1991)</b>	YES	YES	YES
<b>Geografic position</b>	YES	YES	YES





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 PUES!



## 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 belive in media" - BI Research , may 1996
- ◆ Make a possitive impression on journalists
- ◆ Do not "go out" in media too early

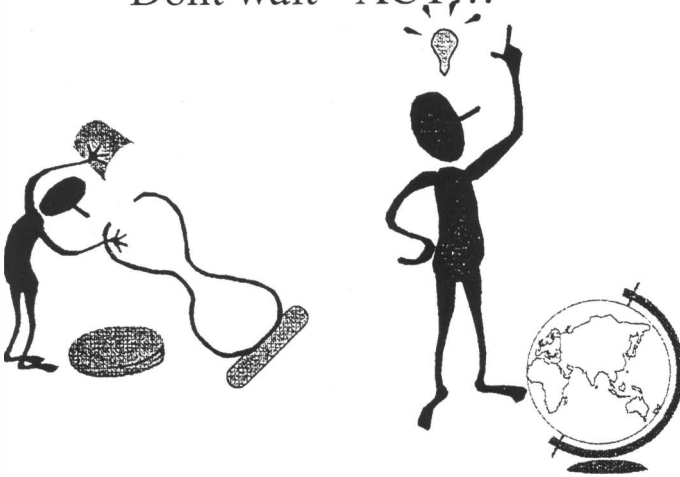


## Establish good relations with the Lithuanian authorities

- ◆ Ministries
  - Ministry of Economy
  - Ministry of European Affairs
  - Bransch Ministries
- ◆ Governmental institutions
- ◆ Agencies
  - Lithuanian Development Agency
  - Lithuanian Investment Department
  - Lithuanian Privatisation Agency



Dont 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!

**SWEDISH TRADE COUNCIL**



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