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THE SWEDISH TRADE & INVEST COUNCIL



BALTIC STATES FACT PACK

BUSINESS SWEDEN

2017 May

Baltic States Unit



ESTONIA, LATVIA AND LITHUANIA



Members of NATO
since 2004



Members of EU
since 2004











































Eurozone members
since:
Estonia – 2011
Latvia – 2014
Lithuania – 2015

2016 key indicators	Estonia	Latvia	Lithuania
GDP, current prices, billions €	21	25	38
GDP per capita, thousands €	15,9	12,8	13,5
Population, millions	1,3	2,0	2,8
Capital	Tallinn	Riga	Vilnius




Swedish investments and presence	Estonia	Latvia	Lithuania
Swedish capital companies, no.	1900	800	200
Accumulated FDI from Sweden, billions € (share)	4,7 (26%)	2,1 (16%)	2,5 (19%)
Sweden's export of goods, bSEK, 2016	9,6	3,8	7,8
Sweden's import of goods, bSEK, 2016	18,6	6,4	10,4



OVER 2000 SWEDISH COMPANIES HAVE LOCAL ESTABLISHMENT IN THE BALTIC STATES

Major business activities	Local production activities	Shared service centres	Other large companies present in the Baltics
▶ ABB 	▶ ABB 	▶ Evolution Gaming 	▶ Alfa Laval
▶ Albert Bonnier 	▶ AQ Group 	▶ Flygpoolen 	▶ Assa Abloy
▶ Bergvik Skog 	▶ Dinair Group 	▶ SEB 	▶ Atlas Copco
▶ H&M 	▶ Ericsson 	▶ Paroc 	▶ Electrolux
▶ Handelsbanken 	▶ IKEA 	▶ Skandia 	▶ Marginalen
▶ ICA 	▶ ITAB Shop Concept 	▶ Stora Enso 	▶ SAS
▶ MTG 	▶ Lantmännen 	▶ Swedbank 	▶ SCA
▶ Nordea 	▶ Lesjöfors 	▶ TaxiKurir 	▶ Securitas
▶ Scania 	▶ Ragn-Sells 	▶ Tele2 	▶ SKF
▶ SEB 	▶ Santa Maria 	▶ Transcom 	▶ Sweco
▶ Stena Line 	▶ Sapa 		
▶ Swedbank 	▶ Systemair 		
▶ Tele2 	▶ Södra 		
▶ TeliaSonera 	▶ Stoneridge Electronics 		
▶ Volvo Trucks 	▶ Trelleborg 		

Flags mark presence in:

-  Estonia
-  Latvia
-  Lithuania

EACH YEAR BUSINESS SWEDEN DELIVERS MORE THAN 100 ASSIGNMENTS FOR SWEDISH COMPANIES IN THE BALTICS



BUSINESS OPPORTUNITIES IN VARIOUS SECTORS

PRODUCTION SOURCING



The Baltic states are cost effective locations for business development that have the talent pool and access to both western and eastern markets.

There are subcontracting and own production investment opportunities within:

- ▶ Mechanical engineering
- ▶ Electronics
- ▶ Textile industry
- ▶ Food processing
- ▶ Construction services

TIMBER AND FURNITURE

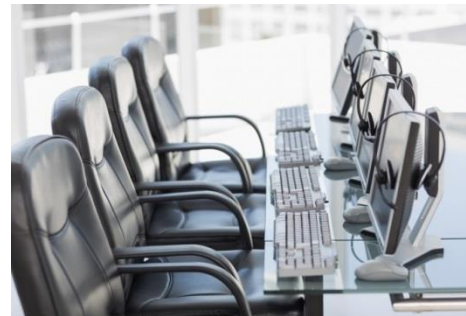


Vast areas of forests cover the Baltic states – half of Estonia and Latvia and a third of Lithuania. Long forestry traditions open opportunities for investments into forest land.

Easy access to raw material and abundance of skilled labour offer opportunities in production of:

- ▶ Timber
- ▶ Biomass
- ▶ Furniture
- ▶ Wooden houses

ICT / SHARED SERVICES



Good mix of accessibility, language skills, IT infrastructure, education level, closeness to Swedish business culture and attractive cost levels offer business opportunities within:

- ▶ Customer support centres
- ▶ Financial and accounting centres
- ▶ ICT development
- ▶ Other global business services
- ▶ Gaming industry

ENERGY / CLEANTECH



Estonia, Latvia and Lithuania each face different issues in energy, but all of the Baltic states have business opportunities in energy and cleantech sector.

Opportunities in all three countries exists in:

- ▶ Energy efficiency in public and private buildings
- ▶ Expanding energy generation from renewable sources
- ▶ Waste management

YOU WILL FIND FAVOURABLE TAX SYSTEM AND LABOUR COSTS JUST ACROSS THE BALTIC SEA

MAIN TAXES SNAPSHOT IN THE BALTICS, 2017

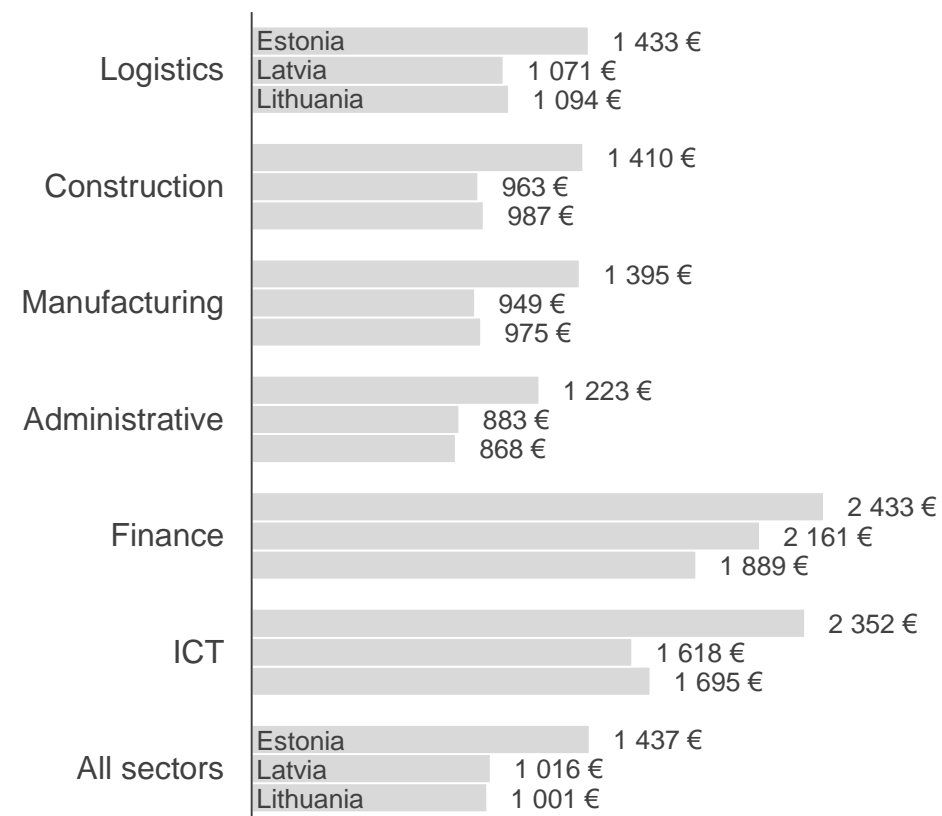
Taxes	Estonia	Latvia	Lithuania
Corporate	0%/20%*	15%	15%
VAT	20%	21%	21%
Dividends (withholding)**	0%	0%	0%
Personal Income	20%	23%	15%
Social security (employee's share)	0%	10,5%	9%
Social security (employer's share)	33%	23,59%	31,18%
Property tax***	Up to 2,5%	Up to 1,5%	Up to 3%

* Only distributed profits in all forms are taxable in Estonia

** 0% rate to EU and other EEA countries, different rates may apply to other countries

*** Estonia applies Land tax, while Latvia and Lithuania apply real estate tax

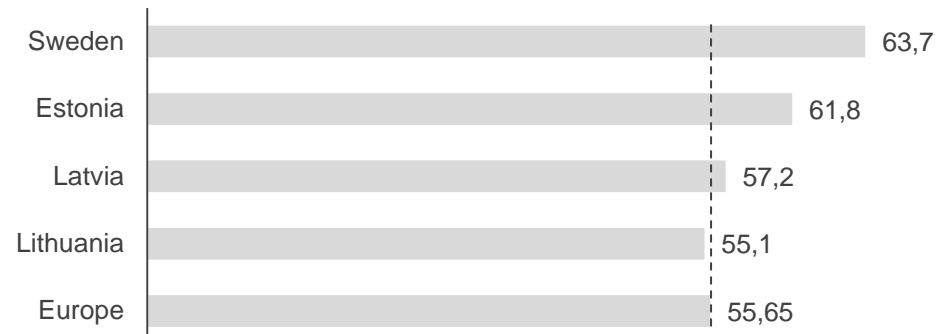
AVERAGE MONTHLY EMPLOYEE TOTAL COST IN 2016



WHILE LABOUR COSTS ARE HIGHER IN ESTONIA COMPARED TO OTHER BALTIC STATES, THEY ARE STILL SIGNIFICANTLY LOWER THAN SWEDISH AVERAGE TOTAL COST OF CA. 5000 EUR, AND OFFSET BY AN EASIER TAX SYSTEM AND ZERO CORPORATE TAX RATE

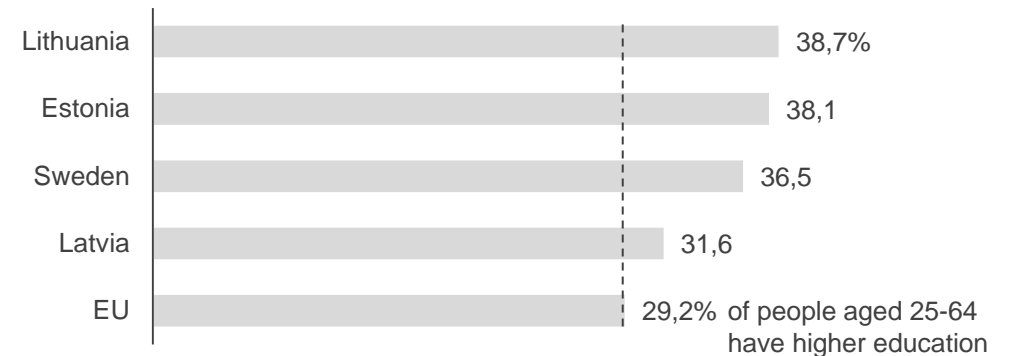
ON TOP OF ALL PREVIOUSLY MENTIONED, ESTONIA, LATVIA AND LITHUANIA ALSO HAVE:

ENGLISH PROFICIENCY ON OR ABOVE EU AVERAGE



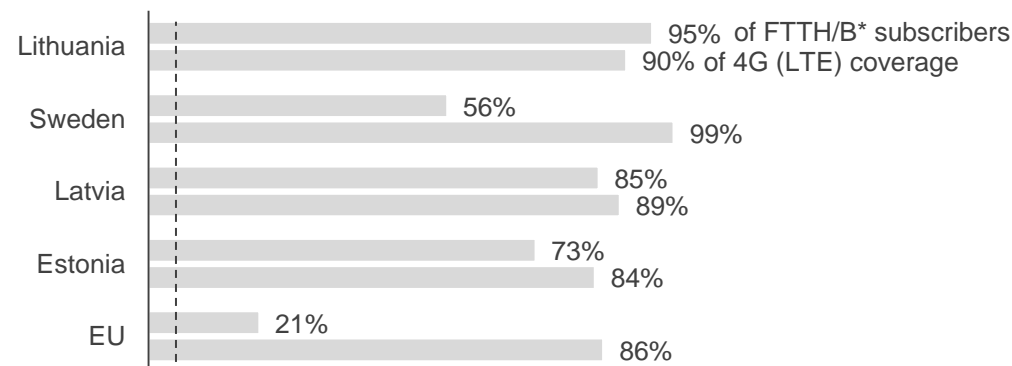
Source: EF English Proficiency Index 2015

HIGH LEVEL OF HIGHER EDUCATION ATTAINMENT



Source: Eurostat, 2015

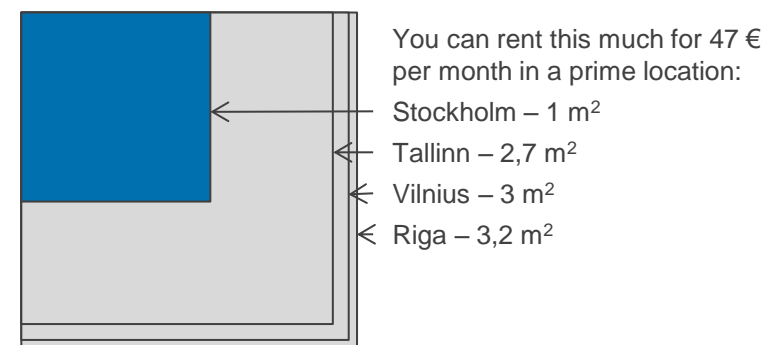
EASY ACCESS TO FAST INTERNET CONNECTIONS



*FTTH/B – Fibre to the Home/Building – broadband network using optical fibre to provide telecommunications

Source: Fibre to the Home Council, 2014 December;
European Commission: Broadband coverage in Europe, 2014

MORE OFFICE SPACE FOR THE SAME PRICE



Source: BNP Paribas Real Estate, European Office Market 2017



WE HELP SWEDISH COMPANIES TO REACH THEIR FULL INTERNATIONAL POTENTIAL

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