



Norwegian business and Innovation Norway in the Baltics

Roberts Misurovs,
Associated Consultant for Latvia

We give local ideas global opportunities

Innovation Norway

- Contributing to the societal economical profitable development of Norway
- Ca 8 billion NOK for the reinforcement of Norwegian industry
- 750 employees. Offices in all Norwegian counties and over 30 countries abroad. The head office is located in Oslo.
- Official Norway's commercial representation abroad
- Innovation Norway office in Tallinn and associated consultants in Latvia and Lithuania

Vision

“We give local ideas global opportunities”



One contact point – where businesses are



KONTORER I ALLE FYLKER



KONTORER I OVER 30 LAND

Innovation Norway team in the Baltics



- Director the Baltics, Station Manager Tallinn Tiina Link
- Senior Adviser the Baltics (Tallinn) Urmas Lepik
- Assistant (Tallinn) Annely Prommik

- Associated Consultant Latvia Roberts Misurovs
- Associated Consultant Lithuania Rita Boguzaitė

Innovation Norway assistance to Norwegian business in the Baltics

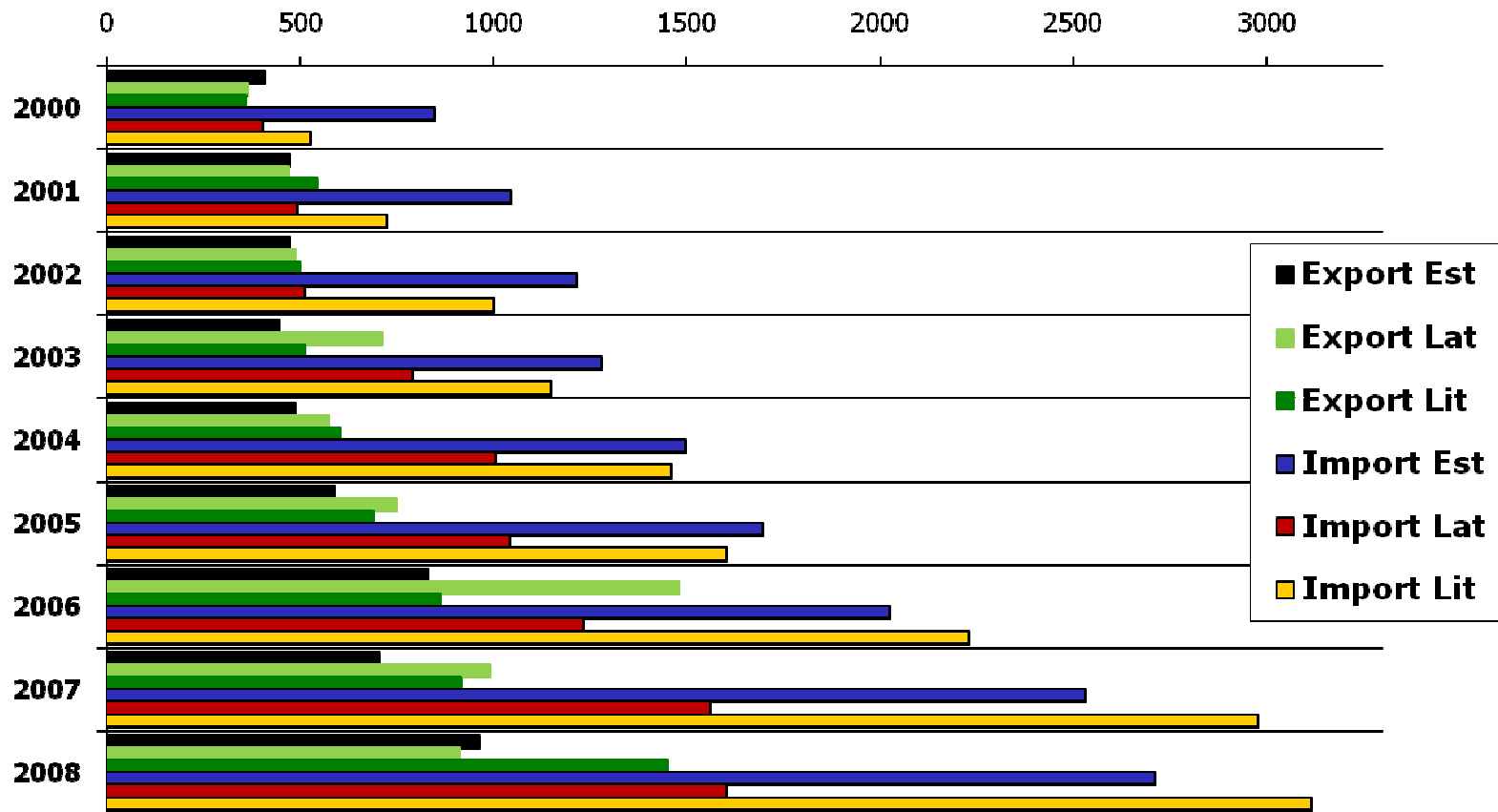
- Identification of suppliers and subcontractors
- Market scans, market research (including sector based free of charge reports), identification of importers and clients
- Corporate establishments, incl. recruitment, company formation, strategic advisory and practical assistance
- Identification of potential financing sources
- Networking (events)

The Baltics are an important sourcing location for Norway

	Export to	Import from
Poland	14.431	12.199
The Czech Republic	6.665	4.329
The Baltic countries	3.367	7.402
Hungary	465	2.486
Romania	874	2.753
Bulgaria	127	388

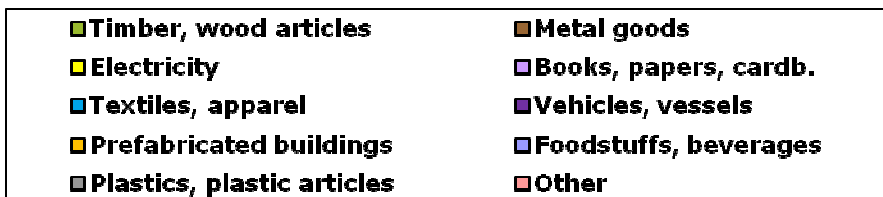
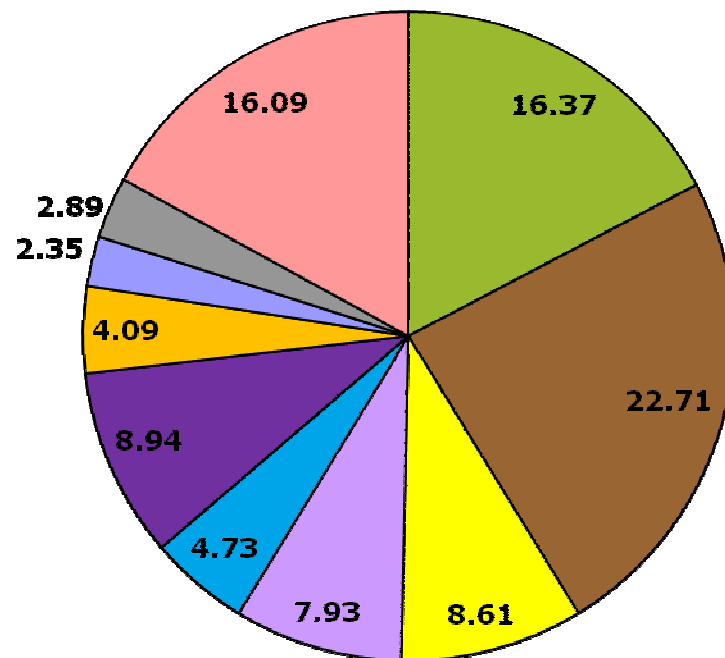
Source: Statistics Norway 2008. Million NOK

Trade between Norway and the Baltics has been in fast growth

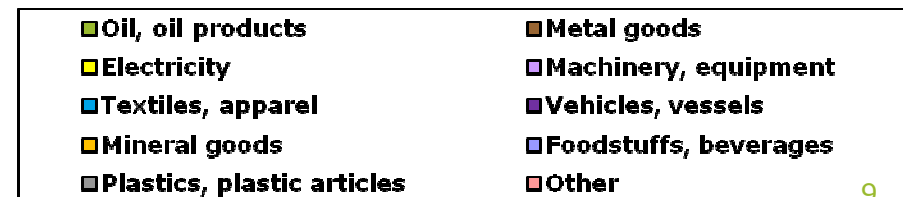
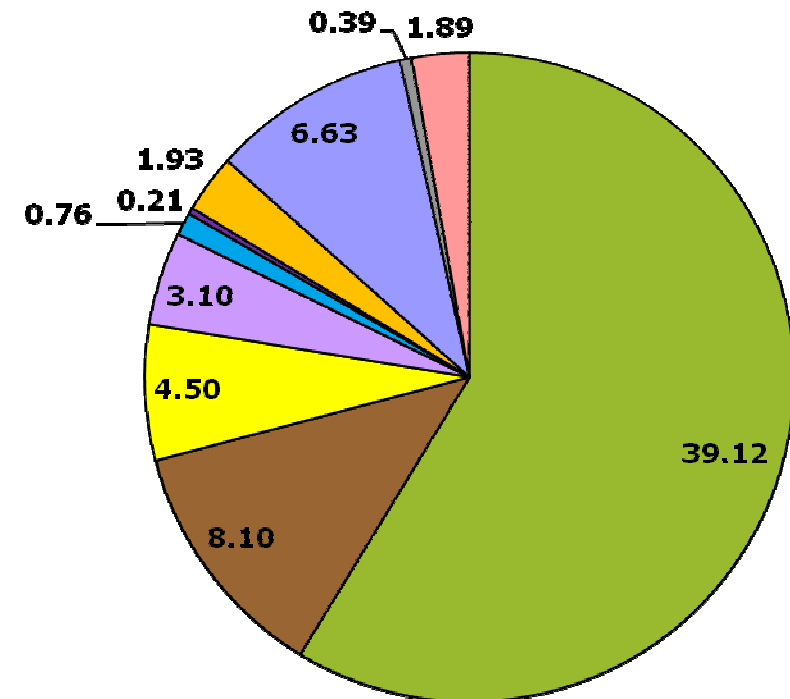


LV-NO trade: key groups of goods

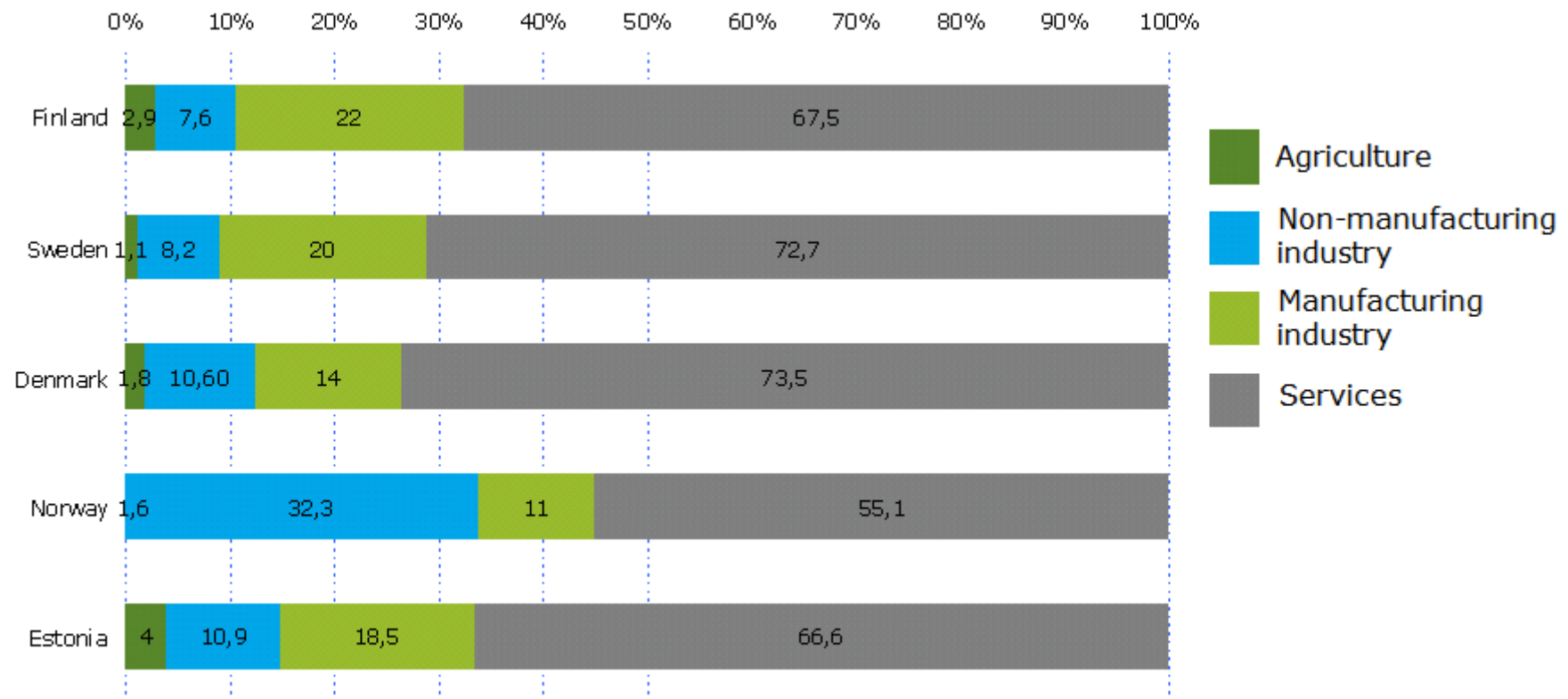
Export of goods from Latvia to Norway
(2009, mLVL)



Import of goods from Norway to Latvia
(2009, mLVL)



Contribution (%) of economic sectors to GDP



The Baltics top growers of the last 15 years

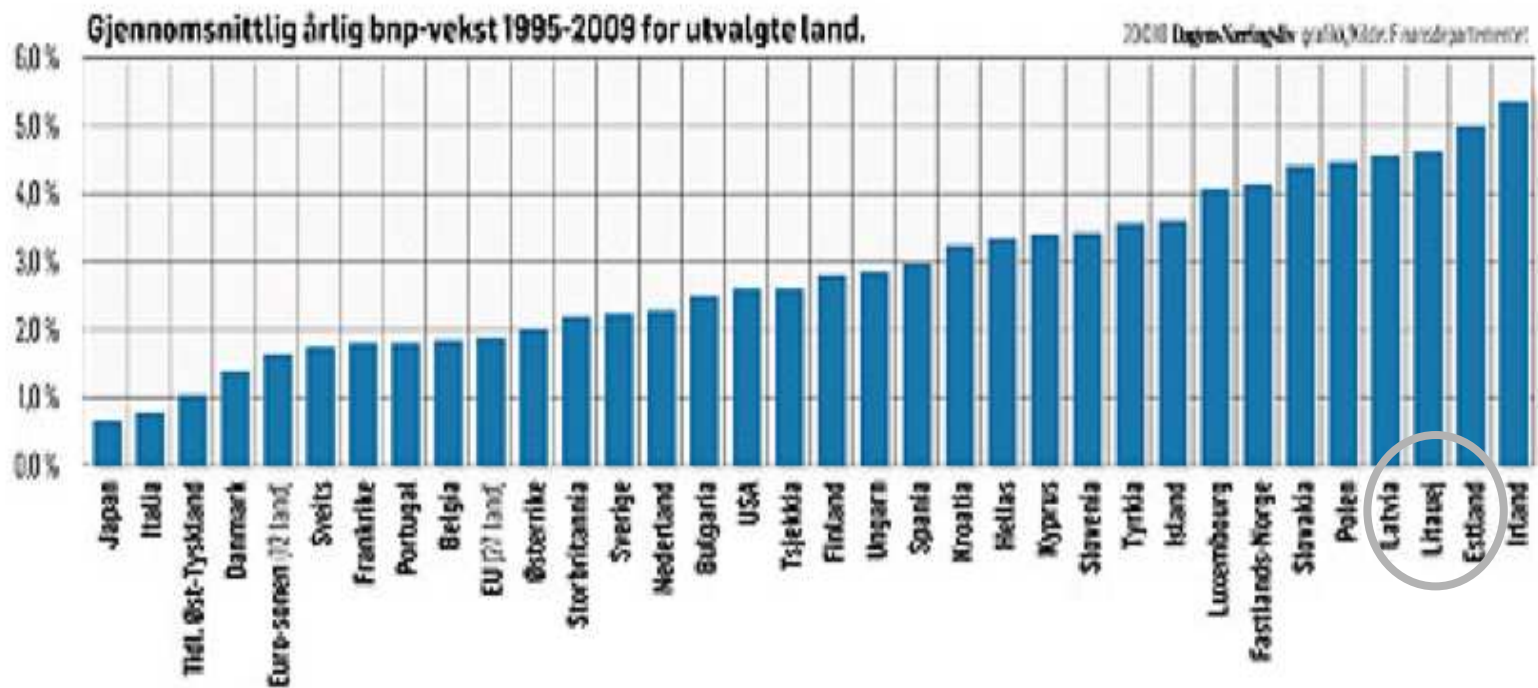


Foto: DN Grafikk

Why do Norwegian companies come to the Baltics?

- Get access to new markets
- Increase profitability/competitiveness
- Extend capacity

Key learnings of Norwegian companies in the Baltics

High quality labour force

- 75% of Norwegian establishments in the Baltics and Poland pleased/extremely pleased with results achieved (survey by Deloitte, 2008)
- 6 out of 10 Norwegian establishments the Baltics and Poland profitable within two years
- A myth of high salary raises – Baltic salaries in average still 20-25% of Norwegian level
- Estimated ca 6,000 Norwegian speakers in Latvia

Good sourcing possibilities

- Size of local companies fits well for Norwegian small and medium size companies
- Other Nordic businesses activities has built experiences and quality needed
- World-class information and communication technology (Estonia)

Good logistics

- Many direct flights between Norway and the Baltics (specifically, Latvia)
- Benefits from proximity to Finland (Estonia) and its advanced international logistics - over 200 ships to Helsinki per week

Many Norwegian owned companies in the Baltics: Estonia 400, Latvia 300, Lithuania 200



Some relevant business cases

ORKLA FOODS

- Acquired largest local vegetables and fruit processing company Spilva in 2004
- Spilva acquired local tea packaging company Latplanta in 2009
- ORKLA also owns LaNordija, a major foodstuffs supplier to Latvian bakeries
- ORKLA was a shareholder in Carlsberg, hence also indirect owner of Aldaris
- Also owner of Latfood, or Ādažu Čipši – largest local potato chips producer

Baltic Pork

- Main owner Mork Engebretsen AS
- Breeds ca 10,000 pigs per year

Business Park Ogre – one of the first industrial parks in Latvia

- Est. by SIVA (the Industrial Development Corporation of Norway) in 2001, opened in 2003
- Since 2008 owned 50-50 by "Ring Mekanikk" un "TMMetal Invest"
- www.bpogre.lv

Norwegian-Latvian Entrepreneurship Development Fund

- Established in 1995 with funding by the State of Norway and Alcatel Telecom Norway
- 2 MLVL invested into 33 projects, e.g. development and sale of Cēsu Alus to Olvi Group
- www.nluaf.lv

Knowledge transfer ICT market and sourcing opportunities in Eastern Europe

- Project initiated jointly by Innovation Norway and IKT Norge
- Markets included: Eastern Europe (EU countries); project manager IN Tallinn office
- Aims
 - To give IKT Norge members an overview of market and sourcing possibilities in the ICT sector in Eastern Europe
 - To increase awareness of business opportunities in the region
 - Increase activities of Norwegian ICT companies in the region
- Key findings of the study
 - <http://www.innovasjon Norge.no/Satsinger/Sektorsatsinger/IKT2/Publikasjoner/>

Networking in ICT sector in 2010

- Participation at Innovation Norway datagame sector meeting in Hamar > individual follow up of participating companies
- Participation of Norwegian Space Agency and invitations to Arena Siren to international space technology event Satfuturis.com arranged by Enterprise Estonia in Estonia > follow up (a project proposed with/in the Baltics)
- Invitations to ITS Norge members to International Intelligent Transport Systems event arranged by Lithuanian Ministry of Transport and Norwegian Roads Administration in Lithuania > market development with ITS Norge members
- Meeting with IKT Grenland, MedITNor, NCE Micro- and nanotechnologies in Horten > mapping of ICT clusters in Eastern Europe with IKT Grenland; mapping of e-health opportunities in Europe with MedITNor; potentially mapping of R&D partners in Eastern Europe with NCE Micro- and nanotechnologies
- Participation at Innovation Norway ICT sector meeting in Halden

Project sample; establishment of Indico Systems in Estonia and international expansion

- Indico Systems AS, established in Agder in 2002, develops tailor-made software solutions for reliable recordings of audio and video
- Innovation Norway Tallinn assistance with:
 - Recruitment of the key persons
 - Establishing company
 - Finding premises
 - Practical assistance and strategic advisory
 - Identifying public funding sources
- Financing of the project:
 - Company equity
 - Innovation Norway services at subsidised rates
 - Possibly additional grants from Innovation Norway and Enterprise Estonia



Status

- The company has established R&D unit in Tallinn, won significant contracts with public sector customers in Europe and entered into an aggressive international expansion phase⁸

Project sample; Vardar market entry to the Baltics



- Vardar AS is a hydro and wind power producer owned by Buskerud county.
- Innovation Norway the Baltics assistance with:
 - Mapping of wind energy development projects/potential acquisition targets
 - Door opening
- Financing of the project:
 - Company equity
 - Nordic public equity
 - Nordic commercial banks present in the Baltics
 - European Union (R&D)



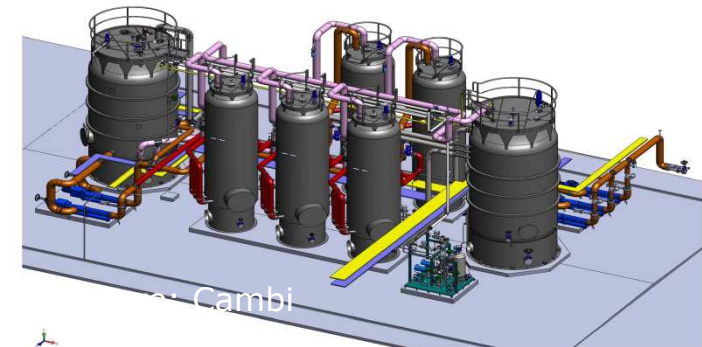
Status:

- Vardar is one of the largest renewable investors with its windparks- and bioenergy investments in the Baltics. Scales its activities in Estonia and Lithuania, and is interested in entering Latvia.

Project sample; Cambi market entry to the Baltic



- Cambi is an SME environmental technology company, specialized in waste water sludge pre-treatment, based in Akershus county.
- Innovation Norway in the Baltics:
 - Mapping of market possibilities in Estonia, Latvia, Lithuania (potential projects)
- Financing of the project:
 - Company equity
 - Innovation Norway services at free of charge and subsidised rates



Status:

- Cambi has won contract for constructing one of the Europe's most advanced sludge treatment plants for the municipal Water- and Wastewater Company of Vilnius in Lithuania. The company plans additional (sales) activities in Estonia, Latvia, Lithuania

Norwegians – a look from the Baltics

- In-formal
- Honest
- Do not discuss prices
- Differentiate between work and free time (finish 16:00)
- Children and family important
- Equality important in society (women=men, superiors>=subordinates)
- Appreciate outdoor activity
- Vikings and pathfinders
- Proud of everything that is Norwegian



Takk!

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