

DOING BUSINESS ABROAD

Lithuania – good opportunities for UK businesses

Country Facts:-

Population : 3.6M

Main Exports : textiles, clothing, fertilisers, agricultural machinery

Main Imports : mineral products, machinery and equipment, chemicals and transport equipment

Lithuania has one of the most rapidly developing economies among the new EU Member States: In 2003 GDP growth was 8.9% and yearly growth of 6.5% is forecasted for 2004 and 2005. Economic growth is stimulated by a rising domestic market, inward foreign investments and exports.

The UK is one of its main inward investors. In 2003, direct UK inward investments (130) amounted to £129M representing 5.4% of total foreign direct investments.

In 2003, UK exports to Lithuania amounted to £191M representing 3.3% of total imports. The fastest growing sectors of the Lithuanian economy are construction and I.T. (due to businesses' need to modernise their infrastructure), and interest rates are low. Lithuania has a hard-working, highly-skilled, low-cost workforce, with high productivity, and there are investment incentives for inward investors.

Imports from Lithuania into the UK amounted to £267M in 2003. This constituted 6.4% of Lithuanian total exports. The most popular UK imports from Lithuania are refined oil products, textiles, clothing and knitwear, leather and leather products, timber, wooden furniture, agriculture and foodstuffs.

Every prudent business carries out market research and evaluation before attempting to break into a market. Acquiring knowledge of local laws, regulations and trading practices is an important element in order to obviate potential risk and maximise opportunity.

Sorainen Law Offices is a pan-Baltic law firm with offices in Vilnius, Riga, Tallinn, and Helsinki. Sorainen lawyers work closely with Temple & Co Commercial, Solicitors of Daventry in assisting UK businesses to enter the Baltic markets or trade with Baltic companies.

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