

Estonia – good opportunities for UK businesses

Country Facts :

Population : 1.5M

Main Exports : machinery, textiles and wood products

Main Imports : machinery, chemical products, textiles, transport equipment, foodstuffs and metals.

Trade links between Estonia and the UK have existed for centuries, initially via the Hanseatic trading network. Today the UK is one of Estonia's major trade partners ranking 6th in terms of total trade volume.

The volume of Estonia's exports to the UK has grown steadily during the recent years. In 2002 Estonian exports to the UK were approximately £117m, which made up 4.7% of Estonia's total export volume. Among Estonia's export partners, the UK is placed 5th. The main imports from the UK in 2002 and 2003 were timber, (32.5%), textiles (27.8%), machinery (9.9%), other industrial products (8.1%), metals (7.7%) and chemical products (5.5%).

UK's exports to Estonia in 2002 were about £84m, which positions the UK in 10th place among Estonia's import partners. In recent years, the main imports into Estonia have been machinery (40.5%), chemical products (11.2%), textiles (10.4%), transport equipment (8.7%), metals (7.2%), and plastics (4.6%).

The UK was the 7th largest foreign direct investor into Estonia as at 31 March 2003 with direct inward investments amounting to £75m. The sectors attracting the biggest British investments are fuel retail, transport and utilities. The British Embassy in Estonia has identified priority areas where British businesses are well placed to compete. These are light engineering, construction materials and processes, ports and logistics, tourism, consultancy and training, and innovative industries e.g. biotech. Estonia has a highly skilled low cost workforce, with high productivity and there are investment incentives for inward investors.

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 Tallinn, Riga, Vilnius and Helsinki. Sorainen lawyers work closely with Temple & Co Commercial, Solicitors in Daventry, (who were awarded the East Midlands Business News Legal Services Award 2004) in assisting UK businesses to enter the Baltic markets or trade with Baltic companies.

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