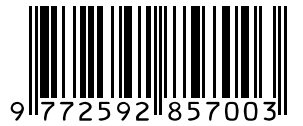


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BAVARIA - PARTNER STATE 2021



EMÖKE SOGENBITS

CEO OF HANZA CLUSTER BALTICS

“I am a sunshine-loving person”, Emöke tells us in the lobby of the Nordic Hotel Forum in Tallinn, which is illuminated by the sun. A place reminiscent of where the CEO of HANZA Cluster Baltics gets some of her work done, being frequently on the road. Over the years, Emöke has worked all over the world, including Malaysia, China, Hungary, Slovakia and Poland. When she joined HANZA in Estonia, the factory in Tartu was struggling. Within just a few years, Emöke turned things around: Tartu is achieving a decent profit, today. The Cluster Baltics is making over 30 percent of the HANZA Group’s revenue. What is the secret behind this successful leadership? “For me, it is all about people”, says Emöke, “and it is about giving them a vision and motivation.” She is also referring to building a strong and diverse management team united in taking the same path forwards. “Of course, in the management team meeting, we can argue like hell, but when we step out, we have to be on the same page”, the CEO elaborates. However, it is of the essence for the team to consist of a broad range of different personalities and

experiences. A topic that Emöke Sogenbits is very passionate about is education – specifically vocational education. “A good vocational student might be much happier, having a steady job, a solid education and occasionally a much higher salary than the average graduate. These ‘low salaries in manufacturing’ are a myth”, Emöke reveals. Emöke has been in management for many years, mostly in the manufacturing of electronics and mechanical sectors. Specializing in supply chain management paved the way for her path in the technical industries. Over the last couple of years, the restrictions due to the pandemic have reduced her travels. However, she is still constantly commuting between Tartu, Narva and Tallinn, where she lives. The CEO also does not have a separate office room. “Running around and finding remote places might seem a little bit boring. But it’s nice and I really don’t care too much about having one particular room.” Emöke’s priority is to connect with the people she works with, saying “I can answer my e-mails in a hotel room.”

PHOTO: MARISE MERTIKOVICH

“You have to have this gut feeling, which is called experience. You can feel that something is in the air. Then, you have to be half a year or a year ahead of your team. So, from time to time, you have to swim upstream.”

HANZA is a global knowledge-based manufacturing company. It was founded in 2008 and currently has sales exceeding SEK 2 billion, with operations in Sweden, Germany, Finland, Estonia, Poland, the Czech Republic and China. Their clients include renowned companies such as ABB, Epiroc, Getinge, Oerlikon, Saab and Siemens. HANZA’s production facilities with various manufacturing technologies are grouped into local clusters such as the Baltics cluster, operating in Tartu and Narva. Emöke Sogenbits has been President of Cluster Baltics for over three and a half years.

DANCER bus is the lightest 12m electric bus currently on the market. It is developed and manufactured in Klaipeda (Lithuania)

by CHARLOTTE HILL



Green and light

the company Vėjo projektai UAB was founded in 2006. It was the first Lithuanian company to build and service wind farms in Lithuania. The idea of creating a fully electric city bus was born out of the ambition to develop a healthier and more sustainable city life. Since 2011, Vėjo projektai UAB has been developing, designing, and manufacturing the Lithuanian electric bus known as DANCER. Due to the success the company had with DANCER, it grew dynamically and doubled its number of employees in the last 3 years from 36 in 2018 to 74 employees in 2021. DANCER bus is the lightest 12m electric bus currently on the market. It is developed and manufactured in Klaipeda. The first prototype was certified in 2018 and the first commercial vehicle in 2019. In April 2020, the first DANCER buses started servicing regular public transport routes in Klaipeda. The total mileage of DANCER electric city buses since April 2020 amounts to more than 200 thousand kilometres, and during this time they have saved more than 225 tons of CO2 emissions. Since it takes only up to 10 minutes to fully charge the batteries, the buses can be recharged periodically during

driver breaks at the final station and can therefore operate the same routes as non-electric buses. DANCER electric buses have numerous advantages in comparison to non-electric buses. Due to their low energy consumption (an average of 0.72 kWh/km), they have up to 30% lower operating costs compared to fossil-fuelled city buses. Furthermore, the energy the DANCER buses use is generated from renewable energy sources, thereby moving closer to a circular economy and ensuring zero CO2 emissions. The fact that the modules are made from recycled PET plastic makes the buses even more sustainable. About half the components are created and manufactured in Lithuania, while the others are supplied by leading European manufacturers, including German automotive leaders such as “ZF”, “Aradx” and “KEB”. DANCER bus is now entering a phase of small-scale production, while a larger scale semi-serial production facility is planned for 2023, and a production scale-up is planned for 2025. Vėjo projektai UAB offers a reliable, zero-emissions transport solution to public transport operators called the Dancer Mobility solution. Besides the DANCER electric city

Vėjo projektai UAB

is the only Lithuanian company with the status of a globally issued manufacturer and was granted the status of innovative company by the Lithuanian government's Agency for Science, Innovation and Technology in 2020. It cooperates closely with the University of Klaipeda and builds some of its products at the electric transportation technical laboratory in the Klaipeda Free Economic Zone.

bus, this comprehensive package includes a smart charging station system, an online monitoring system, full service and maintenance to ensure operational availability 24/7, and the option to finance via a lease. This allows operators to run new electric buses without having to purchase them, while the payment model is based on the actual bus use, i.e. total kilometres. For the Lithuanian market, the purchase of buses is financed by the European Energy Efficiency Fund with €15 million. Vėjo projektai UAB plans to have its fleet deployed across all of Lithuania and major European cities by 2023. In future, the company also plans to broaden its bus model variety to a wider range, including an 18m long triaxle bus and tailor-made buses for private companies.

by LĪVA MELBĀRZDE

Not harder, but smarter

Malmar is a family-owned automotive supply chain company with headquarters in Belgium and production facilities in Latvia, Lithuania, Poland and Belgium. In the next five years, the company will focus on growth and R&D projects to develop better cooperation between robots and human beings.

“**M**almar has been growing 15% on an annual basis. The biggest difficulty in the Baltics is to recruit enough people for our expansion plans and, if I’m honest, this problem is everywhere in Europe now. At Malmar, we always say that anyone can buy buildings and machinery, but what makes a company strong is the people. Therefore, we are focusing on how to keep people at Malmar, trying to make them feel happy. We are also trying to attract new employees. Our second major topic is to reduce CO2 emissions, so we are exploring the possibilities to use green energy like solar panels and keep an eye on keeping our trucks’ CO2 emissions low”, says Arnaud de Buyscher, the Sourcing Manager of Malmar Group BV as he explains the company’s main focus in the current circumstances. He states that the company is very satisfied with its locations in the Baltics for two main reasons: the good and direct ferry connection to Germany is very convenient, and the Baltic people have a good work mentality.

Strong in good and bad times

The beginning of the COVID-pandemic in 2020 was not easy for Malmar. In just one day, our customer’s needs fell from 100% to 30% because they had to close their factories for 1.5 months due to the restrictions. “Because of COVID, we also experienced never seen market fluctuations and needed to be very

agile to make sure that our company could react to the transition. It has been a very unstable period, but we believed that if we could survive it, we would remain a very strong company”, says de Buyscher. He points out the different situation regarding vaccination between western and eastern Europe. “Everyone is vaccinated at our plant in Belgium, but it’s a different story in the Baltics, where there is more criticism and people are more afraid. I hope the Baltic governments can change this because vaccination is really a “MUST”. It’s difficult to predict our production output if more people fall ill here, especially considering the actual high level of demand”, he emphasizes.

Together with robots

In total, Malmar employs about 315 people in the Baltics, of whom 230-240 work in Latvia and 80 in Lithuania. “Since January 2021, we have doubled the number of our employees in Lithuania, while in Latvia we have hired 20-25 more people this year.

In Latvia, we produce sheet metal parts and have an in-house paint shop. The focus is on smaller batch sizes combined with a higher complexity of painted parts. In Lithuania, however, we focus on higher volume batches of simple products, as well as on assembling projects of semi- and complete finished parts.

MALMAR Group BV

Sector: Automotive supply chain company
Founded: 1947, the “De Buyscher”-family owns the company since 2005
Planned net turnover 2021: €28 million
Investment: €2.5 million annually
Employees: 315 in the Baltics
Main export markets: Scandinavian countries, Germany, Poland, Netherland, Belgium, France and Spain
Production facilities: Latvia, Lithuania and Belgium
Logistic Hubs: Lithuania, Poland and Belgium

Within our customer’s base we have automotive companies from the truck and bus business as well as some large construction machinery companies. We don’t have many customers, but they are all “the best” in their fields”, De Buyscher points out, explaining that the company’s expansion plans are not linked to new customers or markets, but to the expansion of MALMAR’s portfolio by offering services and logistics in addition to specific parts. “The only market we would be additionally interested is the agricultural market. In Latvia, we also want to invest more in robotization, but we don’t believe in a company that only works with robots. We think that robots should work together with skilled human employees. Saying this, we have an ongoing EU-project at Malmar to develop a kind of system in which staff can work together with robots to increase our productivity. As we always say, you don’t have to work harder, but smarter”, he adds.





Publicity Photos

by VERA FULLER

Ready to face challenges in the automotive sector

Founded in 1986 to produce nonwoven carpets for the Soviet automotive industry, the Estonia-based company Mistra-Autex AS has come a long way, and is now one of the front runners in developing interior compositions in the automotive sector.

The Estonia based company Mistra-Autex AS has come a long way and since 1986 is producing nonwoven, tufting and other carpet products for the automotive industry

the company's clients include renowned car brands such as BMW, Chevrolet, Mercedes Benz, Volkswagen and Volvo. With their nonwoven, tufting and other carpet products, Mistra manufactures essential goods for the automobile industry internationally. The automotive interior producer focuses on exports, as most of its clients are based abroad. Due to the company's compact size of around 230 employees and its long-term expertise, it can cater to the individual needs

of its clients. Mistra follows a flexible approach, including a time-efficient testing strategy for the products. Two things that Mistra-Autex is not afraid of are challenges and learning something new. Continuous investments towards innovation are fundamental to the company.

Future with eco-friendly materials

The recent years have been shaped by changes, as the automotive industry is increasingly going electric. After many years of

development, Mistra has finalized its new sustainable and CO2-reduced tufted carpet design. This new design is all about polyester: in comparison to PA6, it is easier to recycle and needs less energy to process. Mistra has developed 100% polyester car accessory mats which fulfil the automotive technical requirements and are 100% recyclable. Keeping the focus on the circular economy, Mistra supports the automotive industry to become more sustainable and better for the environment.

Besides the car mats, it has launched low-weight and CO2-reduced tufted carpets meant for the car interior in general. The polyester-based product line is called OptiPES and offers a better alternative to the PA6 carpets that are still mainly used in today's automotive sector. Due to the eco-friendly mono-design, OptiPES carpets from Mistra can also be recycled at much lower cost.

Mistra operates according to the principle, "Our future is now! We need to start acting instead of thinking. If we choose the right materials and processes, we can reduce our impact on nature significantly."



Mistra Products: OptiPES - Polyester based tufted carpet, low weight and reduced CO2 for the car interior, which successfully passed OEM prescribed tests and molding trials in the Company laboratory.



by LĪVA MELBĀRZDE

We will always have something to do

“If there was no pandemic, we would probably never have had the chance to sign such a long-term service agreement with a major US pharmaceutical company. That is how the pandemic has actually helped IT services”, says Janis Rocens, the President of Latvian IT services company SWH Sets, to the Baltic Business Quarterly.

Please tell us briefly about your company and what you do for the automotive industry?

We work as a white label IT services company and export IT engineering services from Latvia. We export globally via Sweden. In Germany, we have been working with the second largest IT company over 20 years now. The clients of the system we provide from Riga are German government entities. We have also been working with the automotive industry for a couple of years. Our Linux engineers focus on infrastructure for cars in Germany, making it possible to buy data from telecommunication companies and have dedicated Wi-Fi in the car. We started with this service for one major German automotive company and it is currently being used by almost all German automotive industry brands and other non-German major car manufacturers. We do application monitoring 24/7 and are doing it

pretty much remotely from Riga. Before the pandemic, we had to travel for a while to Germany and our people could work face to face with German colleagues. Now everything is done remotely. Some of our employees work from the office in Riga and some from home. The partnership with our German colleagues has grown over last two years, with more and more top level specialists from Riga getting involved. Our German partners look for people with a certain level of expertise, and demand is rising. We are very happy that we have found this partnership and cooperation with several German companies from the automotive industry and enjoy being part of it.

How many employees do you have in Riga?

We have around 50 people in-house, while there are 160 people on contracts in our ecosystem.

We are focusing on Scandinavia and Germany. But we also now have two projects in Africa via our partners in Sweden, Janis Rocens, the President of SWH Sets

Has the coronavirus affected your business?

It did when nobody knew what Covid-19 was, but when the vaccinations started and the commercial world started to feel more secure, things began to improve again for us. It was just a small dip, like for everyone else, when the world was shocked by the lockdowns and many things were put on hold. But now we are looking for more local partners to meet the rising demand.

Has the pandemic changed your customer portfolio, your export markets, or your planned investment projects?

Some investment projects were postponed but not many. Our industry is growing because all other industries need systems, and systems need maintenance. We will always have something to do.

What are your prospects for 2021 and 2022 in terms of sales and markets?

We have to grow next year for sure, but our markets are still the same. We are focusing on Scandinavia and Germany. But we also now have two projects in Africa via our partners in Sweden. What's more, we have projects in the USA and have signed a contract with a major global pharmaceutical company there. If there was no pandemic, we would probably never have had the chance to sign such a long-term service agreement because we are just a small company from Riga. However, our specific niche of big data management for large organisations led to this huge company taking an interest in us too. That is how the pandemic has actually helped IT services.