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BALTIC SEA REGION - INVESTOR'S GUIDE

*The BSR Investor's Guide
introduces and highlights
business and investment
opportunities in the Baltic Sea
Region, brought to you by the
cities of Berlin, Copenhagen,
Helsinki, Malmö, Oslo, Riga,
Stockholm, St. Petersburg,
Tallinn, Vilnius and Warsaw.*

The BSR Investor's Guide is divided into two sections. The first section introduces and describes the Baltic Sea Region and the 11 Baltic Metropoles. The second section describes the Baltic Sea Region through seven key investment drivers.

Contact information to investment organisations and experts in the Baltic Metropoles as well as to parties involved in the making of this Guide can be found in the end of the report. The main sources of factual information are also listed in the end of the publication.

This publication is an output of a partly EU-funded project *BaltMet Promo - Creating promotional Baltic Sea Region products for tourists, talents and investors in the global markets*, lead by City of Helsinki.

www.baltmetpromo.net



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FOREWORD

Dear Reader,

The Baltic Sea Region (BSR) is a large and vibrant European market with about 100 million customers. The region combines great potential for growth and dynamic innovation with wide intellectual resources, creating an area that is highly competitive on global markets.

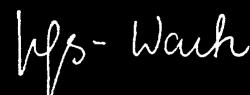
From a global perspective, the Baltic Sea Region has pre-eminent characteristics. The excellent international connections, stability of the societies, well-functioning infrastructure, vibrant business communities, highly-educated citizens and the high quality of life together with a strong cultural and historical heritage offer international investors and businesses outstanding opportunities.

The Baltic Sea Region – Investor's Guide, produced by the BaltMet Promo Project, introduces the Baltic Sea Region and provides compact information on the economic landscape of the Baltic Metropoles: Berlin, Copenhagen,

Helsinki, Malmö, Oslo, Riga, Stockholm, St.Petersburg, Tallinn, Vilnius and Warsaw. The Investor's Guide stresses both the combined strengths of the region as well as highlights the individual advantages of the cities.

We hope the Baltic Sea Region – Investor's Guide provides you with interesting and relevant information of the Baltic Sea Region and gives you the spark to invest or set up a business in one of Europe's most promising markets.

On February 10th 2011,



Hanna Gronkiewicz-Waltz
The Mayor of Warsaw

Dear Reader,

This publication, the Baltic Sea Region – Investor's Guide, is the outcome of the BaltMet Promo Pilot Project. The Project aims to strengthen the common Baltic Sea Region identity and build a transnational and multi-sectoral community of professionals in order to attract tourists from other continents, talents from the creative sector as well as major international investment projects to the Baltic Sea Region.

The BaltMet Promo Project is based on the cooperation of the Baltic Development Forum and the Baltic Metropoles Network, who both promote internationally the Baltic Sea Region as an integrated, sustainable and prosperous growth region.

The BaltMet Promo Project coordinates horizontal activities related to regional identity building as part of the EU Strategy for the Baltic Sea Region – the first macro-regional strategy which covers several EU policies in an integrated approach.



Uffe Ellemann-Jensen
Chairman of Baltic Development Forum
Fmr. Minister for Foreign Affairs of Denmark

The funding comes partly from The European Union Baltic Sea Region Programme.

Undoubtedly, it is important for the regions of Europe to position themselves better on an international scene so as to attract global investors that are in search for business opportunities, representing excellence and high-tech. It is not least important for the Baltic Sea Region to take coordinated actions since it is comprised of several smaller - but very dynamic and open - markets. The Baltic Sea Region can offer investors some of the most innovative countries and metropolis in Europe and indeed in the world.

The Baltic Sea Region – Investor's Guide is a very useful and concrete tool, which hopefully can serve as a model for other regions in Europe on transnational cooperation on an international level.

We wish you a good read.



Dirk Ahner
Director-General, DG Regional Policy
European Commission

THE BALTIC SEA REGION

AN INTEGRATED, SUSTAINABLE AND DYNAMIC
MARKET OFFERS YOU THE WORLD'S BEST WORKFORCE

THE 11 CITIES OF NORTHERN EUROPE CONSTITUTE
ONE OF THE MOST COMPETITIVE ECONOMIC AREAS
IN THE WORLD

A GREEN, CLEAN AND FAMILY-FRIENDLY REGION
WHERE INNOVATION BLOOMS AND ENTREPRENEURSHIP
FLOURISHES

EASY ACCESS FROM ANY CORNER OF THE WORLD

Los Angeles
12 h 25 min

New York
8 h 25 min

London
2 h

Paris
2 h 55 min

Tokyo
10 h 45 min

Beijing
8 h 50 min

Seoul
9 h 45 min

Rio de Janeiro
13 h 30

Dubai
6 h

Nairobi
8 h 30 min

Sydney
19 h 40 min

Johannesburg
12 h 20 min

THE BALTIC SEA REGION /

AN INTEGRATED, SUSTAINABLE AND DYNAMIC MARKET OFFERS YOU THE WORLD'S BEST WORKFORCE

The Baltic Sea Region in Northern Europe is one of the most competitive economies in the world. The region has about 100 million inhabitants and GDP growth above the EU average. The countries in the area are packed with highly-skilled and competitively-priced workforce. The innovative and entrepreneurial spirit of the region is backed up by politically stable and business-friendly societies. Excellent air, sea, road and rail connections both to international and national locations make the region easily accessible from any corner of the world. Not only an alluring place for business, the region also offers a very high quality of life for people of all ages.

The Baltic Sea Region comprises the Baltic states Estonia, Latvia and Lithuania, the Nordic countries of Denmark, Finland, Norway and Sweden as well as Poland, Northern Germany and Russia's coastal districts close to the Baltic Sea.

The Baltic Metropoles are the heart of the Baltic Sea Region: The combined strength of Berlin, Copenhagen, Helsinki, Malmö,

Oslo, Riga, Stockholm, St.Petersburg, Tallinn, Vilnius and Warsaw create a pool of innovation, talented workforce, active business communities, effective infrastructure, political stability, cultural and historical heritage as well an unrivalled quality of life.

The workforce is highly-skilled and talented

One of the greatest advantages of the Baltic Sea Region is the large, highly-skilled and competitively-priced workforce. It is one of the main factors behind the high level of competitiveness of the region. In fact, the BSR serves the knowledge economy with a higher share of its people than any other in Europe. The people of the BSR are highly educated.

In fact, in many areas, a very high percentage of the working population has completed tertiary education (university degree or equivalent); for example, 35 percent in Finland, 33.5 percent in Denmark and 33.3 percent in Estonia. Many businesses depend on the competencies of the region's steady flow of university graduates to gain a competitive edge.



The supply of highly-educated people is made possible by the abundance of higher learning institutions in the region. The BSR countries host 64 out of the TOP200 universities in Europe according to the Webometrics Ranking of World Universities. Many of these institutions offer education of the highest quality – on par with any in the world. Businesses in the region depend on its highly-educated workforce.

The large number of educational institutions produces a lot of students. While students certainly give their cities a liveliness and creative buzz, they also benefit business. Knowledge-intensive and technology-focused companies in particular make use of the young, talented and open-minded student pool.

Another important aspect to the well-functioning business environment is the good foreign language skills of BSR residents. They are very good both in terms of the number of languages spoken as well as the level to which they can be used. English is the de facto business language throughout the region.

Innovation blooms and entrepreneurship flourishes

The Baltic Sea Region is business-friendly and there is a tangible innovative culture and spirit in the region. Innovation is supported by good cooperation between private companies, public authorities and universities. In addition, there are a wide variety of excellent business clusters and centers of expertise throughout the region. All this enables innovation to bloom and entrepreneurship to flourish.

Innovation capacity is a very important factor for the competitiveness of the BSR. Public expenditure on R&D activities is high; Berlin, Copenhagen, Helsinki and Stockholm are among the regions in the EU with the highest share of GDP spent on R&D. The BSR countries also gain high rankings in INSEAD's Global Innovation Index (2009-2010). For example, out of 132 countries examined, the BRS puts 5 countries in the top 30 (Sweden, Denmark, Finland, Germany and Poland).

Easy access from any corner of the world

The Baltic Sea Region is very well internationally connected with world-class international airports and many airlines serving most any destinations in Europe as well as key destinations in North America, Asia, Africa and the Middle East. The region as a whole has a modern and technologically advanced air, sea, road and rail transport system.

The Baltic Sea is one of the maritime areas with the densest traffic in the world. Both the number and the size of ships have been growing in recent years and this trend is expected to continue. There are many short-haul, cross-border ferry connections that allow the mobility of persons and the integration of regional workforce markets. Ferry connections are also used by trucks to transport goods across borders. Maritime transportation is also well developed for longer journeys, essential for connecting cities and regions located on the shores of the Baltic Sea.

Fast and modern trains serve both passengers and cargo and there is a ongoing heavy investment in rail systems, which is steadily improving cross-border infrastructure and facilities, thus drastically shortening travel times. For instance, the recently launched high-speed Allegro train shortens the travel time between St Petersburg and Helsinki from 5.5 hours to only 3 hours.

The countries in the Baltic Sea Region have high-capacity road infrastructure, such as motorways, permitting connections among the main metropolitan areas, as well as secondary transport networks that facilitate intra-regional travel and connect rural areas to the primary networks.

Urban public transport is well-developed and well-organised in the region. Buses, trams, subways and commuter trains serve passengers throughout the Baltic Metropoles, which ensures that growth can remain brisk yet sustainable.

A mobile phone in every pocket

Excellent broadband, fiber networks, wireless internet and mobile communications systems encompass the entire region. The high-speed broadband network is expanding rapidly and wireless communication in general is very advanced, which is perhaps why most people in the region have mobile phones.

The Baltic Metropoles offer different kinds of real estate and property solutions for businesses. Office, warehouse, manufacturing and retail space is available in numerous locations at competitive prices. The cities also have well-functioning

support services that assist investors and businesses in finding the optimal kind of space as well as other required products and services.

Green, clean and family-friendly

The BSR is a family-friendly, safe region with good education and health care for all. There are numerous schools, day-care centers and elderly homes serving close and extended families. Health care is provided by both public and private institutions and the overall level of care is high.

The BSR has a natural affinity for nature. There are many parks and other recreational areas even within urban areas. The cities are clean and well-maintained. Respect for nature can be felt in the region's approach towards the environment and sustainable development.

The creative spirit is evident throughout the region with a wide variety and abundance of cultural events and activity. Theatre, music, opera, dance, architecture and design are present in daily life. The cities in the area have been internationally recognized for their cultural and design aspects. For example, Vilnius was the official European Capital of Culture in 2009, and Helsinki was designated World Design Capital 2012.

The Baltic Sea Region is a safe place to live. Societies are politically stable and have well-established legal systems. There is a high level of respect for law, justice, democracy and human rights throughout the area.

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BERLIN / ALL THE MAKINGS OF A TRUE BUSINESS HUB

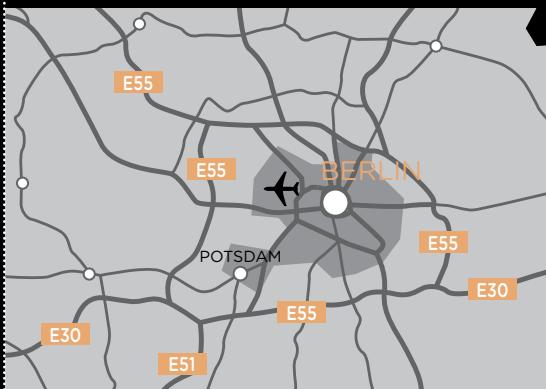
The German capital, Berlin, is a vibrant metropolis in the heart of Europe and one of the most unique and attractive business locations imaginable. Thanks to its exceptional location and transport options, prime real estate and workforce as well as seamless cooperation between science and industry, it attracts interested investors from near and far.

BERLIN / GERMANY

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Excellent location and connections

One of Berlin's major advantages as a business location is its state-of-the-art transportation system. Berlin boasts ten main-line railway routes and a comprehensive public transport system, making the city an ideal and convenient traffic hub.



In 2012, after work on the Berlin Brandenburg International Airport is finished, Berlin will be served by one major airport providing an excellent passenger and cargo capacity and a wide range of connections throughout the world.

The city's location at the heart of Europe is another key factor promoting the penetration of new markets. Businesses will find it hard to resist Berlin's inexpensive real estate in prime locations, its efficient and highly qualified workforce and ever-expanding group of future-oriented industries. Whether it's the media or the solar industry – they're all putting down roots in Berlin.

Quality of life

Berlin is able to offer its residents high standards both in terms of their professional lives and their overall quality of life. This allows the metropolis to continue to attract not only young and creative people, but also decision-makers at international corporations.

DISTANCES (KM):



The city has a unique mix of urban life and countless cultural and leisure opportunities. Roughly 30 percent of the area is made up of public and natural spaces—forests, parks, lakes, rivers and canals.

Berlin's urban landscape has undergone a substantial transformation over the past 20 years, during which entire districts have been renovated and renewed. Complete city quarters, such as the business district around Potsdamer Platz, have developed on what used to be no-man's-land. Today, Berlin has a brand new face which suits both business and personal life.

Science and industry in unison

Investors will find Berlin's strategic cross-linking of science and industry both profitable and efficient. The configuration includes close and effective cooperation

between the business community and the city's four major universities, 11 technical colleges and more than 80 research institutes. The density, quality and diversity of Berlin's many science and research institutes is unique in Europe. More than 200,000 people are currently teaching, researching and working in the field of science in Berlin.

Berlin enjoys particular popularity among students, but researchers, young scientists and professors also consider Berlin the place to be.

In addition to the city's booming market for trade fairs and conventions, Berlin is also home to a number of leading federations, associations and organizations known the world over. Together with Berlin's many other advantages, these factors help generate an extremely investor-friendly climate.

COUNTRY: GERMANY

CAPITAL CITY: BERLIN

TOTAL POPULATION: 81.8 MILLION (GERMANY), 3.4 MILLION (BERLIN)

GDP PER CAPITA (NOMINAL): € 29 300 (GERMANY 2009)

OFFICIAL LANGUAGE: GERMAN

LOCAL CURRENCY: EURO

MEMBER OF THE EUROPEAN UNION

(SINCE 25.03.1957, A FOUNDING MEMBER)

KEY ECOSYSTEMS IN BERLIN: MEDIA, INFORMATION & COMMUNICATION TECHNOLOGIES, OPTICAL & MICROSYSTEMS TECHNOLOGY, LIFE SCIENCES, CLEAN TECHNOLOGIES, TRAFFIC AND MOBILITY, SERVICE INDUSTRIES

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COPENHAGEN 11.30 AM

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COPENHAGEN / A HAVEN OF INNOVATION

Copenhagen is strategically located at the crossroads of Scandinavia and the Baltic Region. The city is today a business, financial and commercial hub of the Nordic countries and the Öresund Region. The business community is playing a more and more important role in the progression of the region and the community has only begun its blossoms.



COPENHAGEN / DENMARK

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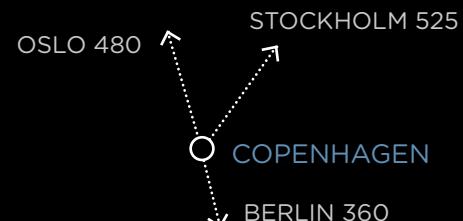
Innovations in life science

The Copenhagen region is home for R&D, research and development. Many international and Danish companies are settling down in the area and several research centers can be found here. The Danes are way ahead and well-known for their pharmaceutical and biotechnological products and research in environmental technology.

The quality and the wide range of research institutions make the country a leader in the world of R&D.

Medicon Valley, the Danish-Swedish life science cluster is a widely known name. The concept includes both sides of the Öresund and co-operation between the two countries is increasing as is the number of biotech and healthcare companies. The Medicon Valley's R&D holds a strong position in the world and was ranked as the third in Europe in the biomedicine field, exceeded only by London and Paris.

DISTANCES (KM):



The Danish way of work

The Danish labour market is very flexible, and at the same time offers a unique social security system that safeguards and supports employees. This combination of security and flexibility enables a work and leisure balance which creates very high quality of life.

The Danish working environment is attractive to companies seeking employees who can take responsibility and work in teams that transcend traditional functions. The work culture is a rare mix of a lean, efficient work style whilst looking for new ideas and ways to optimize business processes.

A concentration of ICT knowledge

Denmark has built up a telecommunications infrastructure during the last 20 years that has become one of the most advanced in Europe. There are more than 2.8 million telephone lines, and more than 6.2 million cellular phones in use.

In 2007, 83 percent of the population had Internet access from their home. Broadband is available to more than 99 percent of citizens and businesses. The new Frequency Bill will allow expanding the wireless services for TV, broadband and telephones. TDC, with headquarters in Copenhagen, is the biggest telecommunication company in Denmark. Several other suppliers of telecommunication like Telenor, TeliaSonera, and Sonofon have settled down in the country too.

COUNTRY: DENMARK

CAPITAL CITY: COPENHAGEN

TOTAL POPULATION: 5.4 MILLION (DENMARK),

1.7 MILLION (GREATER COPENHAGEN)

GDP PER CAPITA (NOMINAL): € 40 300 (DENMARK 2009)

OFFICIAL LANGUAGE: DANISH

LOCAL CURRENCY: DANISH KRONE DKK (1 EURO = 7.46 DKK)

MEMBER OF THE EUROPEAN UNION (SINCE 1.1.1973)

KEY ECOSYSTEMS IN COPENHAGEN:

LIFE SCIENCE, ICT, CREATIVE AND ENTERTAINMENT, CLEANTECH

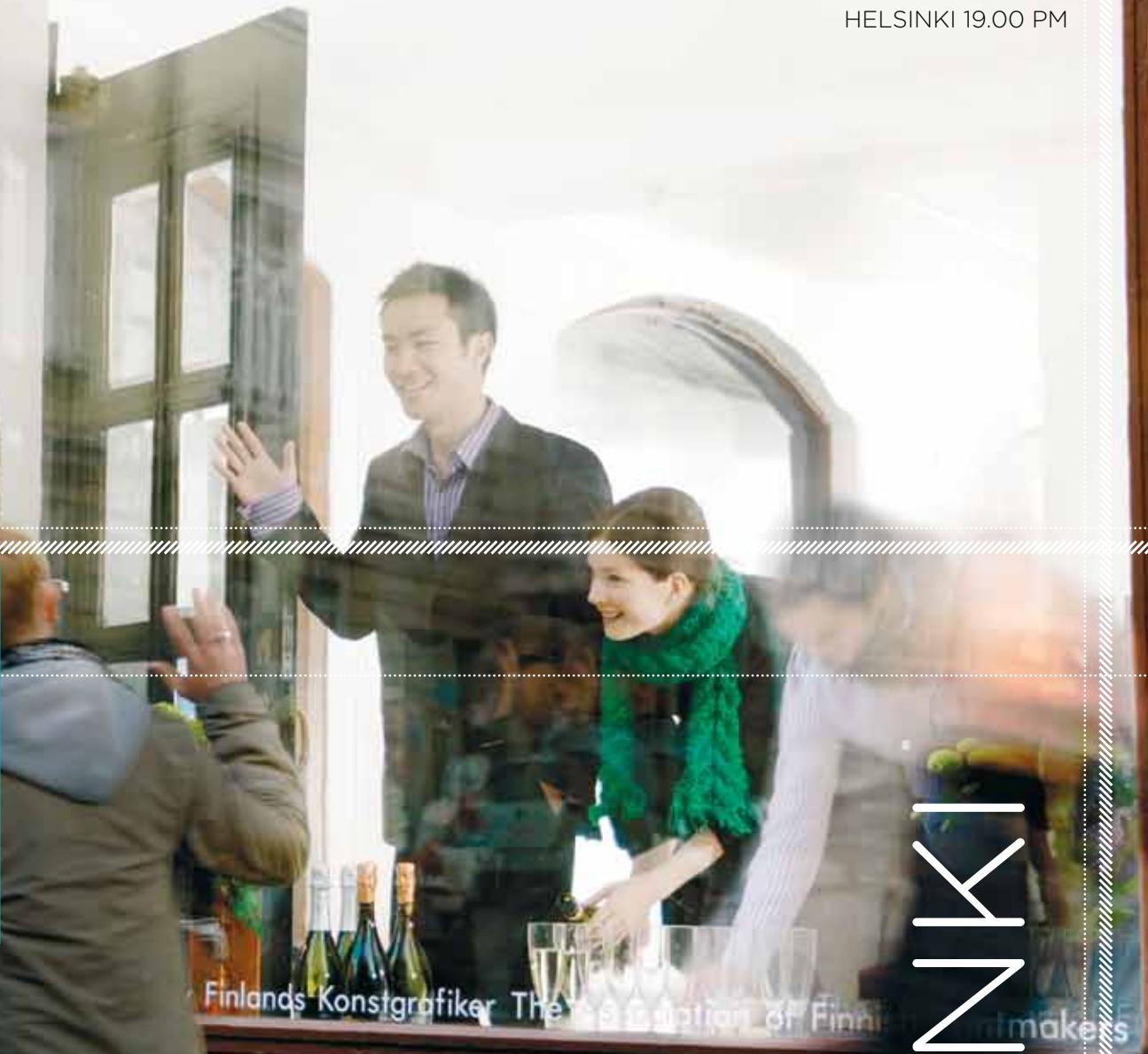
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PIENI ROBERTINKATU
LILLA ROBERTSGATAN

HELSINKI 19.00 PM

HELSINKI / A GREEN AND DYNAMIC BUSINESS HUB FOR SMART PEOPLE

Helsinki is a dynamic hub for international business at the geographical and cultural crossroads between East and West. Finland has a long history of doing business in the Baltic States and Russia. Helsinki is also quickly becoming an important business hub between Europe and Asia due to fast and convenient flights and Helsinki's award-winning airport.



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HELSINKI / FINLAND

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Strategic location between East and West

The capital of Finland, Helsinki, is in the heart of the Baltic Sea Region. Its strategic location makes it an easily accessible hub for businesses and a perfect place to locate regional headquarters – especially if access to Russia and the Baltic states is important. Helsinki has excellent air and ferry connections to Tallinn and other points south as well as air, sea, road and high-speed rail connections to the largest



city in the region, St. Petersburg. Moreover, Helsinki international airport offers some of the fastest and most convenient routes between Asia and Europe further making Helsinki one of the region's most important business hubs.

Highly educated professionals

More than a third of Helsinki inhabitants have higher-level education, which is more than anywhere else in the world. The Finnish school system provides world-leading universal education, as confirmed by PISA studies over and over again. In general, the workforce in Finland has very good ICT and language skills and is known for its high ethics and productivity.

Finland's world renowned, \$12 billion (p.a.) innovation system owes its success to the researchers and other professionals working in Finland. R&D-intensive companies from around the world are taking advantage of Helsinki's innovation eco-system and the international community is well-established with a strong presence in the city.

DISTANCES (KM):



Effective infrastructure

Finnish infrastructure excels in terms of physical transportation as well as telecommunications. Helsinki is very accessible by plane and ship and its road and rail networks are modern and highly functional. Technology infrastructure is one of the best in Europe, and almost the entire population has access to fibre optic networks.

Office space is increasing and is much more affordable than in many locations in Western Europe. Utilities are competitively priced and function well, as does society itself. Finland's public sector provides quality healthcare, education, transportation, housing as well as cultural services. Finland is famous for its transparency, straightforwardness and low levels of bureaucracy.

COUNTRY: FINLAND

CAPITAL CITY: HELSINKI

TOTAL POPULATION: 5.4 MILLION (FINLAND),

1.3 MILLION (GREATER HELSINKI)

GDP PER CAPITA (NOMINAL): € 32 100 (FINLAND 2009)

OFFICIAL LANGUAGE: FINNISH AND SWEDISH

LOCAL CURRENCY: EURO

MEMBER OF THE EUROPEAN UNION (SINCE 1.1.1995)

KEY ECOSYSTEMS IN HELSINKI: CLEANTECH, CONSTRUCTION & REAL ESTATE, DESIGN & CREATIVITY, ICT, KIBS (KNOWLEDGE INTENSIVE BUSINESS SERVICES), LEISURE & ENTERTAINMENT, LIFE SCIENCES, LOGISTICS, RETAIL & WHOLESALE

A compact, green and healthy city

Helsinki offers a very high standard of living in all aspects. Life expectancy is very high at 83 years for women and 76.3 years for men. Greater Helsinki is home to 1.3 million people. Thanks to its compact size, structure and status, services are plentiful and easily accessible.

Helsinki is a green city with plenty of natural public spaces, parks, playgrounds and other recreational spaces. The Finnish affinity for nature and sustainability also manifests itself through an effective public transportation system, pro-recycling mentality and use of renewable energy sources.

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MALMÖ 14.20 PM

MALMÖ / MEDICON VALLEY ON THE SEA FRONT

Malmö is the financial center of southern Sweden and gives access to 3.7 million consumers. The city is a significant location of life science expertise. It is a world-class business and investment location with all the benefits and attractions of a vibrant modern European city, yet retaining the small town friendliness.

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MALMÖ / SWEDEN

Malmö is the financial center of southern Sweden and gives access to 3.7 million consumers. The city is a significant location of life science expertise. It is a world-class business and investment location with all the benefits and attractions of a vibrant modern European city, yet retaining the small town friendliness.

A natural gateway

An exceptionally well-developed infrastructure makes Malmö very easy to reach, whichever means of transport you use: boat, plane, train or car. Malmö has an international harbour and Copenhagen Airport and Malmö Airport are only half an hour's journey from the centre of Malmö. The motorway reaches right into the city centre and Malmö has excellent rail connections with the rest of Sweden and Europe.

Multilingual and international

Malmö is the commercial centre of southern Sweden and an international city. This is expressed, not least, by the fact that Malmö has nearly 300,000 residents who speak some 100 languages and belong to about 170 different nationalities. The number of foreign-owned workplaces in Malmö has increased steadily in the past decade; the growth rate was 131 percent in between 1998 and 2008. Danish ownership is greatest, followed by the UK, Norway and Germany.

DISTANCES (KM):



Expertise in life science

The Öresund Region comprises the southernmost part of Sweden and greater Copenhagen in Denmark. This new metropolitan area with a population of 3.7 million is one of Europe's most vibrant regions and has everything companies need to invest and grow.

An area called the Medicon Valley is a leading bi-national life-sciences cluster in Europe, spanning the Öresund Region of eastern Denmark and southern Sweden. Today Medicon Valley comprises a dense cluster of universities, hospitals and companies within life science, biotech, medtech and pharma, many of which are R&D-based. Malmö, with its concentration of skilled researchers and the presence

of numerous innovative life science companies, is one of the important centres for life sciences in the Medicon Valley cluster area. Malmö can offer localization of the entire chain from research to production. An estimated area of 145,000 square metres has been set aside in the Medeon area, next to Malmö University Hospital, for the development of research, office and lifestyle projects.

Besides life science, the strongest sectors in Malmö are logistics, retail and wholesale trade, construction, and property. There are also a number of well-known companies within environmental technology, IT, and digital media fields. Co-operation between colleges, science parks, and companies provides a sound basis for entrepreneurs and creative development in Malmö.

COUNTRY: SWEDEN

CAPITAL CITY: STOCKHOLM

TOTAL POPULATION: 9.3 MILLION (SWEDEN), 300 000 (MALMÖ)

GDP PER CAPITA (NOMINAL): € 31 100 (SWEDEN 2009)

OFFICIAL LANGUAGES: SWEDISH

RECOGNIZED MINORITY LANGUAGES: SAMI (LAPP), FINNISH, MEÄNKIELI (TORNEDALEN FINNISH), YIDDISH, ROMANI CHIB

LOCAL CURRENCY: SWEDISH KRONA SEK (1 EURO = 8.79 SEK)

MEMBER OF THE EUROPEAN UNION (SINCE 1.1.1995)

KEY BUSINESS SECTORS IN MALMÖ:

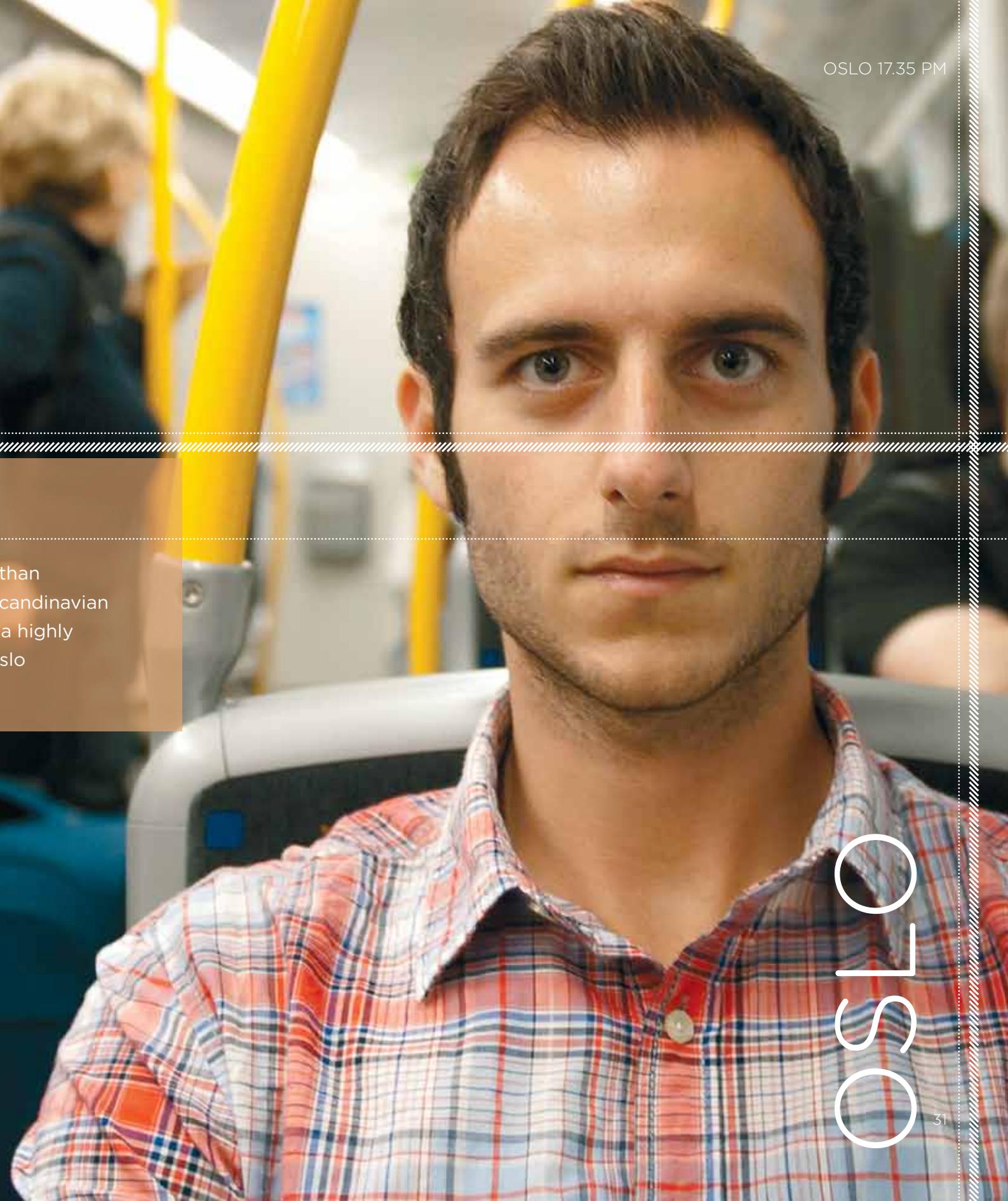
LIFE SCIENCE, LOGISTICS, ICT, CLEANTECH, RETAIL AND WHOLESALE TRADE

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OSLO 17:35 PM

OSLO / EUROPEAN MARITIME CAPITAL AND CITY OF KNOWLEDGE

The Oslo region is a fast-growing knowledge region with more than 1.1 million people in southeastern Norway, at the centre of the Scandinavian countries. A unique mix of knowledge-based business clusters, a highly educated workforce and the highest quality of life makes the Oslo region an attractive place to invest and work.



OSLO / NORWAY

The Oslo region is a fast-growing knowledge region with more than 1.1 million people in southeastern Norway, at the centre of the Scandinavian countries. A unique mix of knowledge-based business clusters, a highly educated workforce and the highest quality of life makes the Oslo region an attractive place to invest and work.

Strong economy that invests in R&D

The World Bank has ranked Norway among the top performers in the ease of doing business. Political stability and good governance are key descriptors of the Norwegian business environment. Norway invests strongly in research and development and its expertise is clustered around the Oslo region. Almost half of Norway's R&D activity is located here. The University of Oslo holds four Nobel Prizes and is the largest knowledge institution in the region,

with 30 000 students and 4600 employees. It is easy to set up a business in Norway and Norwegians are seen as open-minded with a high proficiency in foreign languages. In the City of Oslo alone, more than 20 per cent of the population is of non-Norwegian origin. People have outstanding knowledge of foreign languages and welcome different people and cultures.

The Norwegian economy is strong, open and globally integrated with a high level of trade and foreign investments, and a favorable international competitiveness. Norway is not a member of the European Union, but through the European Economic Area (EEA) Agreement all businesses set up in Norway have full access to the European Union's internal market, regulated by EU law.

The best country to live in

The United Nations' Human Development Index has ranked Norway as the best country in the world to live in for many years in a row. It is a safe and stable country, and has a well functioning and

DISTANCES (KM):



transparent welfare sector as well as a leading record in equal opportunity employment.

Also the lifestyle attractions of the region's unique blend of metropolitan life and tranquil rural surroundings are strong. Oslo is home to a large international community with more than 25 percent of its citizens of foreign origin, and offers a rich diversity of music, cuisine, design and art. Justly famous for its clean air, stable climate and spectacular scenery, the region is a haven for all outdoor pursuits, including a wide range of sports.

Oslo is a compact city with short distances. It is easy to move around by public transportation and you can access rentable city bikes all over the city centre. By air, it takes less than 2 hours to reach all the major cities in Northern Europe.

A European maritime capital with long history

Norway's maritime industry is built on the expertise gained from centuries as a shipping nation, with Oslo at the main centre. Maritime companies locate in Oslo to be part of a complete and innovative cluster of shipping companies and a range of specialized maritime services. For investors and partners, the strength and the international position of the maritime cluster in Oslo offers many attractive opportunities.

The seascape shows strongly also in the city image of Oslo. Oslo is continuing on its most adventurous harbour renewal project ever as part of The Fjord City Plan. The project aims to reconnect the city with the sea, providing residents and visitors alike with a unique and sustainable quality of life.

Fulfilling the vision of Oslo as the Fjord City will help meet the city's need for more housing, business, recreation and cultural space, as well as improving and concentrating Oslo's commercial ports.

COUNTRY: NORWAY

CAPITAL CITY: OSLO

TOTAL POPULATION: 4.9 MILLION (NORWAY), 1.1 MILLION (OSLO REGION)

GDP PER CAPITA (NOMINAL): € 56 500 (NORWAY 2009)

OFFICIAL LANGUAGE: NORWEGIAN

LOCAL CURRENCY: NORWEGIAN KRONE NOK (1 EURO = 5.72 NOK)

MEMBER OF THE EUROPEAN UNION (EEA)

KEY ECOSYSTEMS IN OSLO: SHIPPING AND MARITIME SERVICES, ENERGY AND ENVIRONMENTAL TECHNOLOGY, INFORMATION AND COMMUNICATION TECHNOLOGY, LIFE SCIENCE

RIGA / A BUSINESS-FRIENDLY TRADING HUB BETWEEN EAST AND WEST

Riga, the capital of Latvia, is an essential hub for international trade in the Baltic States. Due to its geographical location on the Baltic Sea, Riga has been an important centre of trade, finance and culture for centuries. In Riga foreign investors are greeted by a highly-educated workforce and low taxation.

Saldus ģimnāzija
JK Sonare

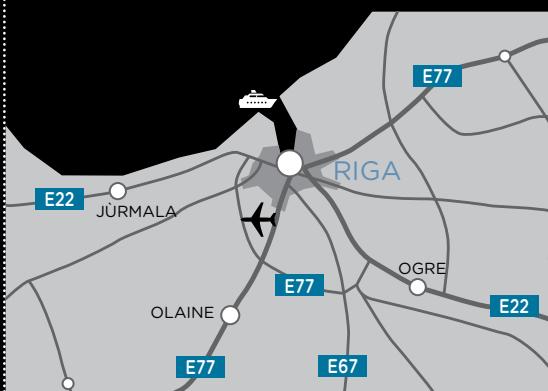
RIGA / LATVIA

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Where the East meets the West

The Baltic Region is one of the most expanding regions in Europe. Riga plays a determining role in the building of this new and competitive business region. With a pro-business strategy Riga is well prepared and particularly keen to welcome companies in most business areas. Because of Riga's geographical location, it also has an extensive business knowledge and experience with Russia and the CIS.

With Latvia's strategic location among the Baltic States, the city of Riga is the perfect gate for business in the Eastern hemisphere. With a port to the Gulf of Riga and the Baltic Sea, and borders with Estonia, Russia, Belarus and Lithuania, Latvia offers a most convenient place to establish your business in northern Europe.



DISTANCES (KM):



Open for investment

Riga is Latvia's political, economic and cultural centre. Low taxes combined with minor bureaucratic obstacles and a transparent legal and judicial system makes it an ideal option for foreign investments.

Riga Free Port offers Corporate Income Tax and Real Estate Tax allowances. Several industrial parks are available in Riga and Riga region that can be used for rapid business development. The city's infrastructure is continuously developing with important projects underway such as the highway connecting Riga Free Port to Via Baltica.

Riga International Airport is also further developing its infrastructure in order to achieve the target of 20 million passengers by 2025. "Rail Baltic" line project is being designed in order to connect all three Baltic States with European railway network.

Highly educated Europeans in medieval surroundings

Riga has a highly-educated and multilingual workforce, with a Northern European culture and work ethic. With 52 higher education institutions in Riga, the labour market is supplied with variety of competent and motivated specialists, often having gained their first employment experience already during the first two years of studies. Riga is also home to several research institutions, majority of which are associated with the University of Latvia and Riga Technical University.

The historic centre of Riga has been recognised by the World Heritage List of UNESCO. Riga has unique medieval architecture in the heart of the city combined with Art Nouveau, 19th century wooden architecture as well as urban architecture. Over centuries, the creative atmosphere of Riga has inspired composers, poets and artists.

COUNTRY: LATVIA

CAPITAL CITY: RIGA

TOTAL POPULATION (2009): 2 248 374 (LATVIA), 706 000 (RIGA)

GDP PER CAPITA (NOMINAL): € 8 200 (LATVIA 2009)

OFFICIAL LANGUAGE: LATVIAN

LOCAL CURRENCY: LATVIAN LATS LVL, 1 EUR = 0,702804 LVL

MEMBER OF THE EUROPEAN UNION (SINCE 1.5.2004)

KEY ECOSYSTEMS IN RIGA: COMMERCIAL SERVICES, FINANCE, MANUFACTURING, REAL ESTATE, TOURISM, TRANSPORT

B C H
M O R
S S T
V W

STOCKHOLM 6:15 AM

STOCKHOLM / WORLD-CLASS SKILLS IN A GLOBALLY CONNECTED LOCATION

Stockholm and its surroundings offer a diverse and innovative business environment topped off with an excellent location in the heart of the Baltic Sea region. Often referred to as the “Capital of Scandinavia,” the city is bustling with talented people and highly regarded know-how in numerous fields.



S T O C K H O L M

STOCKHOLM / SWEDEN

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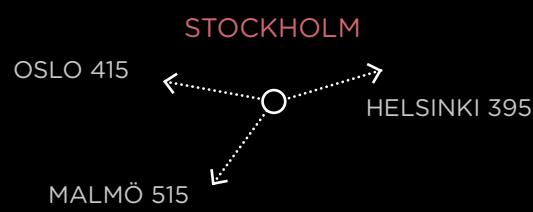


Home of skills, research and tech

Stockholm is among the most knowledge-intensive and innovative regions in the world and has a very impressive history as a leading global supplier of innovative solutions and products in various industries. Swedes are known for their open-minded culture. This, combined with their ability to work across scientific disciplines and bring together corporate and academic research puts Stockholm in a superb position to deliver results in any given situation. These strengths are backed by a highly skilled workforce.

Investment opportunities bloom in sectors including—but not limited to—life science, ICT, cleantech, financial services and automation. Sweden is home to some of the world's most advanced users of ICT technology. 67 percent of Forbes 2000 IT software and hardware companies established in Scandinavia have chosen Stockholm as their base.

DISTANCES (KM):



Easy access to growing markets and advanced customers

Stockholm is currently one of the most important consumer areas in the Baltic Sea Region. It is also growing quickly. By 2030, the region will have about 4 million inhabitants. Residents in the Stockholm region have a high level of disposable income, which is readily spent on diverse activities.

Like other Nordic countries, Sweden is often considered a leader in adopting state-of-the-art technologies and setting new consumer trends. Thanks to its cosmopolitan atmosphere, Stockholm is a popular choice for many internationally operating companies looking for a test market.

COUNTRY: SWEDEN

CAPITAL CITY: STOCKHOLM

TOTAL POPULATION: 9.3 MILLION (SWEDEN),

1.9 MILLION (GREATER STOCKHOLM)

GDP PER CAPITA (NOMINAL): € 31 100 (SWEDEN 2009)

OFFICIAL LANGUAGE: SWEDISH

RECOGNIZED MINORITY LANGUAGES: SAMI (LAPP), FINNISH, MEÄNKIELI (TORNEDALEN FINNISH), YIDDISH, ROMANI CHIB

LOCAL CURRENCY: SWEDISH KRONA SEK (1 EURO = 8.79 SEK)

MEMBER OF THE EUROPEAN UNION (SINCE 1.1.1995)

KEY ECOSYSTEMS IN STOCKHOLM: ICT, LIFE SCIENCE, CLEANTECH, FINANCIAL SERVICES, AUTOMATION, TRAVEL & TOURISM, LOGISTICS, CONSTRUCTION

A Scandinavian hub with established international connections

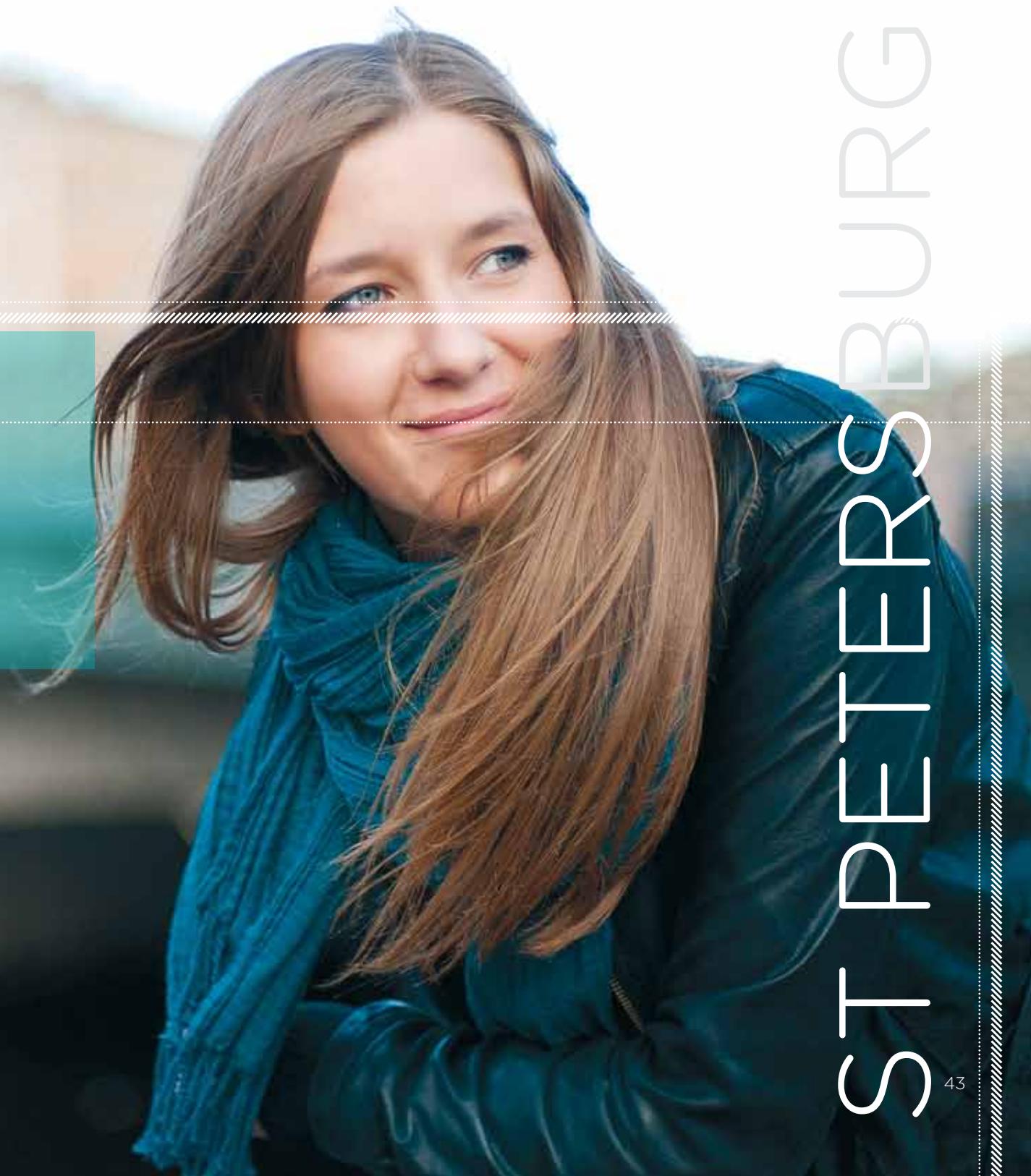
In addition to operating in Sweden, Stockholm is located ideally for doing business in the rest of Scandinavia and Northern Europe as well. Stockholm accounts for a significant share of both consumers and economic activities in the region. The Stockholm region offers fertile soil for growing your business, because the geographic position makes Stockholm the only location where overnight delivery services can reach capitals and major cities in Scandinavia and the Baltic Sea region by truck.

Almost half of all multinationals with operations in Scandinavia, and a majority of Swedish companies, have their headquarters in Stockholm. Due to the transparent and consistent business establishment system, setting up shop in the Stockholm region is a smooth and straightforward process.

ST PETERSBURG
Санкт-Петербург

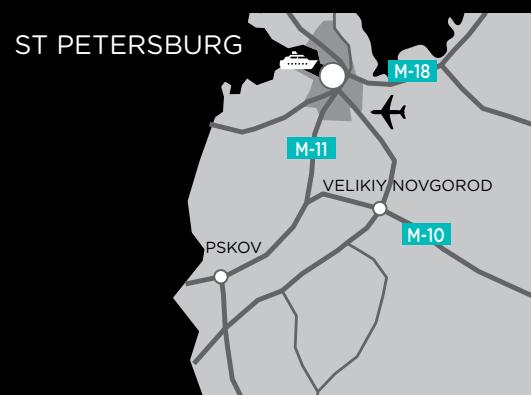
ST PETERSBURG / FROM RUSSIA WITH LOVE

Saint Petersburg is one of the largest European cities by population. The biggest strategic resource of the city is the large number of highly educated and professional workers present in all sectors of the economy. Furthermore, St Petersburg is the centre for attracting professionals from the entire North Western region of Russia. This allows the companies to select the best personnel to suit their needs.



ST PETERSBURG / RUSSIA

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Supporting foreign investments

A system for supporting investment activity has been created in St Petersburg. Work is ongoing on the reduction of administrative barriers and the simplification of the procedures for the fulfillment of investment activity — including obtaining building permits and the registration of property rights, among other areas.

St Petersburg was first among the Russian regions to establish a legal foundation in the area of public private partnerships by having passed the law of St Petersburg On the participation of St Petersburg in public private partnerships. This framework allows for a more flexible approach than the one on the federal level.

Investors are guaranteed transparent rules for conducting business, equal access to land plots and to transport and energy resources. For those who are ready to participate in its development, St Petersburg provides all the necessary conditions for effective, stable and safe conducting of business.

DISTANCES (KM):

HELSINKI 305
STOCKHOLM 695
VILNIUS 660

Economic powerhouse

St Petersburg is one of the most important economic centres of the Russian Federation. In 2008, the level of gross domestic product (GDP) reached 57.3 billion dollars, equaling to 4.1 percent of the total Russian GDP.

In 2009, foreign direct investment to the city amounted to 5.5 billion dollars. The leading investing countries are Belarus, Switzerland, Germany, Cyprus, Great Britain, Finland, Kazakhstan, China, Sweden, the USA, The Republic of Korea, and Belgium. St Petersburg has been favorably evaluated by some 2000 foreign companies that operate within it.

The gateway to Russia

The city is also one of the most important transportation centers, and is located on the intersection of the transport routes connecting Scandinavia and Europe, the central regions of Russia and the countries of the Baltics. The motorways of St Petersburg connect Finland, Estonia and Belorussia with Moscow and central Russia. One of the largest ports of the Russian Federation, the seaport of St Petersburg, operates in the city, and it processes 65 percent of the entire exports of the country. The center of Europe can be reached in only 2.5 hours from St Petersburg airport.

COUNTRY: RUSSIA

CAPITAL CITY: MOSCOW

TOTAL POPULATION: 141 MILLION (RUSSIA),

10.6 MILLION (MOSCOW), 4.8 MILLION (ST PETERSBURG)

GDP PER CAPITA (NOMINAL): € 6 700 (RUSSIA 2009)

OFFICIAL LANGUAGE: RUSSIAN

LOCAL CURRENCY: RUSSIAN RUBLE RUB (1 EURO = 40.73 RUB)

KEY ECOSYSTEMS IN ST PETERSBURG: SHIPPING AND TRANSIT, CONSTRUCTION INDUSTRY, OIL AND GAS TRADE, BREWERY AND DISTILLERY INDUSTRY

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TALLINN 10.15 AM

TALLINN / NEW INNOVATIONS IN THE OLD CITY

Tallinn is the centre of Estonian political and business life. With its population of nearly half a million, the capital is the driving force of the country's economy. More than half of the companies operating in Estonia on foreign capital are located in Tallinn. The economy is closely connected with the neighboring Scandinavian countries. This has attracted extensive foreign investments, facilitated the acquisition of modern expertise and boosted trade.



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TALLINN / ESTONIA

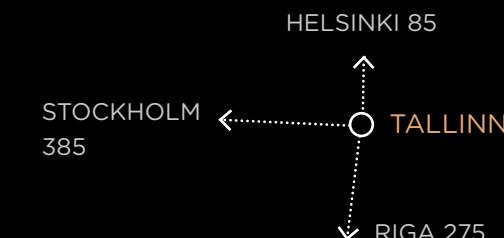
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Supporting foreign investments

Estonia is one of the most direct and favorable transit corridors between the developing Eastern markets, Europe and North America. Large investments in infrastructure have brought the ports of



DISTANCES (KM):



Tallinn up to international standards and the logistics services are fast and of high quality. Tallinn is one of the biggest ports of the Baltic Sea. The Port of Muuga has the status of a free zone and this enables transit and distribution companies to use more flexible customs procedures. Tallinn International Airport is one of the largest airports in the Baltic States both by passenger and cargo volumes.

Early adaptors of new technology

Within a short time, modern means of communication have become an inseparable part of the daily life of Estonians and the use of mobile telephones and the Internet is more widespread than in some other EU member states. Different formats of e-commerce and e-government are gaining ground. To date, an e-government system has been developed for the Government of Estonia, enabling it to work and process information electronically.

There will no longer be a need to use large amounts of paper and the movement of documents will speed up considerably.

In banking, the percentage of Internet bank users is 98 percent. Several innovative technical solutions and applications have been developed locally, for instance a mobile parking system of payment for parking by mobile telephone, MPS (mobile positioning system) and e-ticket in public transport. The attitudes of the population and the size of the country make Tallinn an ideal place for testing new technologies.

Tallinn, at your service

Several favorable factors have attracted direct foreign investments to Estonia. The most active sectors are financing (50.4 percent), other business activities (16.8 percent) and transport and travel agencies (16.0 percent). The service sector dominates the economy of Tallinn both

with regard to profits and the number of people employed. Seven out of ten inhabitants of Tallinn work in the service sector.

Business services account for 70 percent of all service sector revenues. The providers of consultancy, accounting, advertising and design services include representatives of international and local companies. Real estate development has been progressing on a par with the general fast pace.

Tallinn's industrial output makes up almost a third of the total national output. Tallinn has both traditional and new branches of industry. Some of the machine building, metal processing, textiles, food and furniture industries date back more than a hundred years and their production lines continue to be competitive abroad. Electronics and apparatus plants represent the new industrial generation, strongly oriented to exports.

COUNTRY: ESTONIA

CAPITAL CITY: TALLINN

TOTAL POPULATION: 1.3 MILLION (ESTONIA),

410 000 (TALLINN)

GDP PER CAPITA (NOMINAL): € 13 102 (ESTONIA 2009)

OFFICIAL LANGUAGE: ESTONIAN

LOCAL CURRENCY: EURO (SINCE 1.1.2011)

MEMBER OF THE EUROPEAN UNION (SINCE 1.5.2004)

KEY ECOSYSTEMS IN TALLINNA: SERVICE SECTOR,
TOURISM, COMMUNICATION, FINANCING

B C H
M O R
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V W

VILNIUS 1.15 AM

VILNIUS / A BOOMING BUSINESS CITY WITH TALENT AND EFFICIENCY

The Lithuanian capital city, Vilnius, is also the centre of the country's political, economic, social and cultural life. Dubbed the City of Eastern Europe's Future by the Foreign Direct Investment magazine, Vilnius has surprised the world with its strength and rapid growth in all spheres of business. Vilnius is an exceptional starting point for doing business in Lithuania as well as the rest of the Baltic countries.

V I L N I U S

VILNIUS / LITHUANIA

The Lithuanian capital city, Vilnius, is also the centre of the country's political, economic, social and cultural life. Dubbed the City of Eastern Europe's Future by the Foreign Direct Investment magazine, Vilnius has surprised the world with its strength and rapid growth in all spheres of business. Vilnius is an exceptional starting point for doing business in Lithuania as well as the rest of the Baltic countries.

Expanding business opportunities

Vilnius is one of the region's most rapidly expanding cities in the economic sense. The new business city center along the river Neris is notable for its skyscrapers and modern venues. Orderly and modern, Vilnius has displayed its potential by expanding rapidly since the year 2000.



As businesses demand more space, new office buildings are being built in Vilnius, and the expansion does not appear to be ending soon.

Lithuania has an organized and developed financial and banking market and a well established stock exchange, all of which base their key operations in Vilnius. The Vilnius region itself generates one third of Lithuania's GDP, which demonstrates its importance to the entire national economy of Lithuania.

From long history to innovations

Vilnius was the official European Capital of Culture in the year 2009. It was also the first city in Eastern Europe and among the Baltic states to attain the coveted title. Thanks to its long history and cultural background, the city is a notable travel destination. This is also evident in the structure of the economy: the travel industry is in the top three fields of business in Vilnius.

DISTANCES (KM):



Vilnius University, established in 1579, is the oldest of its kind in the Baltic countries. Strong scientific traditions have given the city an edge in research and development work. Vilnius has a very sophisticated biotechnology sector, and the business concentration in Santara Valley gathers pharmaceutical companies, scientists, researchers, and educational institutions for medical research. The Lithuanian government has also declared the development of high tech industry a top priority.

Growing skills and resources

Since its establishment, Vilnius has always been a prosperous city that has welcomed all cultures and ideas. The dynamic city is renewing every day, as Vilnius utilizes its old tradition of European culture and

turns it into a new creative force. The city's population is growing steadily. More and more people are also discovering the capital of Lithuania on their travels: approximately 1.5 million tourists visited Vilnius in 2009.

Vilnius' most important natural resource is its population with the excellent multilingual skills and one of the best educated workforces throughout the region. The labor market is being supplied by more than 40,000 multi-lingual graduates each year and another 200,000 are in the pipeline as these students are currently studying at the country's 23 universities and 23 colleges. 90 percent of Lithuanians speak at least one foreign language, and 50 percent of the people speak two foreign languages.

COUNTRY: LITHUANIA

CAPITAL CITY: VILNIUS

TOTAL POPULATION: 3.3 MILLION (LITHUANIA),

549 000 (VILNIUS)

GDP PER CAPITA (NOMINAL): € 7 900 (LITHUANIA 2009)

OFFICIAL LANGUAGE: LITHUANIAN

LOCAL CURRENCY: LITHUANIAN LITAS LTL (1 EURO = 3,45 LTL)

MEMBER OF THE EUROPEAN UNION (SINCE 01.05.2004)

KEY ECOSYSTEMS IN VILNIUS: FINANCIAL SERVICES, SHARED SERVICES AND BUSINESS PROCESS OUTSOURCING, TRAVEL & TOURISM, LIFE SCIENCES, ICT AND LASERS, REAL ESTATE, LOGISTICS AND STORAGE

B C H
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V W

WARSAW 7.25 AM

WARSAW / IN THE HEART OF CENTRAL EUROPE

Poland's capital Warsaw is one of the fastest growing cities in Europe. Investors choose Warsaw for its central location in Europe, convenient international travel connections, a developed telecommunication network as well as economic and political stability. Warsaw offers an attractive business environment with a full range of modern business services and well-trained and competitively-priced professionals familiar with western standards. The city embraces its glorious past and is at the same time whole-heartedly changing into a modern metropolis.

W A R S A W

WARSAW / POLAND

Poland's capital Warsaw is one of the fastest growing cities in Europe. Investors choose Warsaw for its central location in Europe, convenient international travel connections, a developed telecommunication network as well as economic and political stability. Warsaw offers an attractive business environment with a full range of modern business services and well-trained and competitively-priced professionals familiar with western standards. The city embraces its glorious past and is at the same time whole-heartedly changing into a modern metropolis.



The key point of Central Europe

Warsaw is located in the midst of trans-European transport corridors with a well-developed railway network and the largest airport in the country, ensuring connections with the other big cities in the country and in Europe.

It is also a central location at the crossroads of commercial routes. Warsaw has seen major infrastructural improvements over the past few years amidst increased foreign investment and economic growth.

Building potential

The construction sector of Warsaw has a huge potential. During the past few years, the value of Warsaw's development projects has surpassed USD 5 billion. Most of them were made possible by the involvement of foreign capital. The office and commercial buildings commissioned in the recent years accommodate hundreds of business, research institutions, banks and international organizations.

DISTANCES (KM):



The demand for high-class office space is still enormous. Future development plans in Warsaw offer many investment opportunities.

Many of these plans are based on infrastructure development, regarding roads, railways and airports.

Besides construction and real estate, the most lucrative sectors of economy for investment are renting and business activities, wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods. New hypermarkets and shopping centers are opened yearly.

Most of foreign companies also invest in Warsaw Business Processing Outsourcing sector. Warsaw has become the focal point of foreign investments and a driving force in the development of the entire country's economy.

City of high education and culture

Warsaw has a large pool of qualified labor. Warsaw holds some of the finest institutions of higher education in Poland. It is home to four major universities and over 74 smaller schools of higher education. The high level of education of the city inhabitants makes Warsaw a multilingual city. English, Russian and German are the most spoken foreign languages among the workforce in Warsaw.

The city has an enchanting history and a rich cultural offering. The architecture and buildings are representatives of nearly every European architectural style and historical period. The city has examples of architecture from the gothic, renaissance, baroque and neoclassical periods, all of which are located in the town centre.

COUNTRY: POLAND

CAPITAL CITY: WARSAW

TOTAL POPULATION: 38 173 000 (POLAND), 1 714 000 (WARSAW)

GDP PER CAPITA (NOMINAL): € 8 100 (POLAND 2009)

OFFICIAL LANGUAGE: POLISH

LOCAL CURRENCY: ZŁOTY PLN (1 EURO = 3,87 PLN)

MEMBER OF THE EUROPEAN UNION (SINCE 1.5.2004)

KEY ECOSYSTEMS IN WARSAW: FINANCIAL AND INSURANCE SERVICES, REAL ESTATE, PROFESSIONAL SERVICES, SCIENTIFIC AND TECHNICAL ACTIVITIES, ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES, EDUCATION, HUMAN HEALTH AND SOCIAL WORK ACTIVITIES, ACCOMMODATION AND CATERING

INVESTMENT DRIVERS / ARE FACTORS THAT HAVE STRONG INFLUENCE ON DECISION-MAKING WITH REGARD TO INTERNATIONAL INVESTMENT PROJECTS.

Political and legal stability/

The Baltic Sea Region is politically stable and has well-established legal systems. The political and legal systems around the BSR are business friendly and handle investing in the region in a clear and transparent manner.

Domestic market/

The Baltic Sea Region is Europe's fastest growing area. Global competitiveness of the BSR countries is high – proven also by the steady growth of foreign direct investments into the region.

Business community/

The Baltic Sea Region is business friendly and there is a tangible innovative culture and spirit in the region. There are a wide variety of excellent business clusters and centers of expertise throughout the region.

Workforce/

One of the greatest advantages of the Baltic Sea Region is the large, highly skilled and competitively priced workforce. It is one of the main factors behind the high level of competitiveness of the region.

Infrastructure/

The Baltic Sea Region is very well internationally connected with world-class international airports and many airlines serving numerous destinations in all continents. Excellent broadband, fibre optic networks, wireless internet and mobile communications systems encompass the entire area.

Taxes and support services/

The Baltic Sea Region offers competitive personal and corporate tax rates as well as tax benefits, tax breaks and support from structural funds to businesses. Business support services are comprehensive and there are a large number of business, science and technology parks and business incubators in the area.

Quality of life/

The Baltic Sea Region is safe, clean and very family friendly in many ways. Services are provided from the youngest to the very oldest of family members. The area has a natural affinity for nature. Creativity and culture are also highly appreciated.

Political and legal stability /

The Baltic Sea Region is politically stable and has well-established legal systems. Throughout the region, there is a high level of respect for law, justice, democracy and human rights. The political and legal systems around the BSR are business friendly and handle investing in the region in a clear and transparent manner. Corruption levels are very low in the majority of the Baltic Sea Region countries.

All Baltic Sea Region countries, with the exception of Russia and Norway, belong to the European Union. EU membership requires transparency, an effective and well-functioning legal system and a level of economic stability.

The EU countries all belong to the Schengen Area. The Schengen Area operates like a single state for international travel purposes, with border controls for travellers travelling in and out of the area, but with no internal border controls. Estonia, Finland and Germany are part of the European Monetary Union (EMU).

Estonia joined EMU on January 1st, 2011. According to Bloomberg, the entry of Estonia to the euro region combined with the country's recent entry to the OECD has attracted a wave of foreign-investor interest. Euro adoption removes currency risks and exchange costs for exporters and investors. Latvia and Lithuania plan to join the EMU in 2014 and Poland is to follow in 2015.

Countries and their membership in international organisations

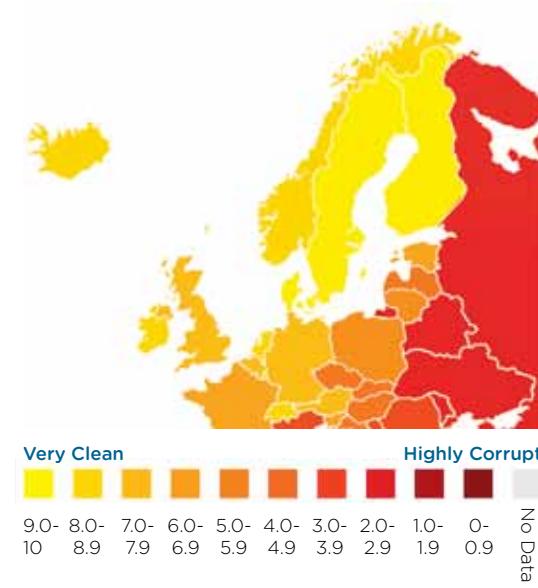
	EU	SCHENGEN	OECD	WTO	NATO	UN	Currency	Value against Euro
Denmark	•	•	•	•	•	•	Danish krone	1 Euro = 7.46 DKK
Estonia	•	•	•	•	•	•	Euro	
Finland	•	•	•	•		•	Euro	
Germany	•	•	•	•	•	•	Euro	
Latvia	•	•	•	•	•	•	Lat	1 EUR = 0.70 LVL
Lithuania	•	•	•	•	•	•	Litas	1 EUR = 3.45 LTL
Norway			•	•	•	•	Norwegian krone	1 EUR = 7.89 NOK
Poland	•	•	•	•	•	•	Zloty	1 Euro = 3.87 PLN
Russia			•			•	Rouble	1 Euro = 40.73 RUB
Sweden	•	•	•	•		•	Swedish krona	1 Euro = 8.79 SEK

LOW LEVELS OF CORRUPTION

In international comparisons, the Baltic Sea Region countries have a transparent and non-corrupt political system and business environment. According to Transparency International's Corruption Perceptions Index (CPI), the region hosts many of the most non-corrupt nations in the world.

Corruption Perceptions Index* 2010

Source: Transparency International.



*Transparency International (TI) defines corruption as the abuse of entrusted power for private gain. This definition encompasses corrupt practices in both the public and private sectors. The Corruption Perceptions Index (CPI) ranks countries according to perception of corruption in the public sector. The CPI is an aggregate indicator that combines different sources of information about corruption, making it possible to compare countries.

Corruption Perceptions Index 2010, ranks and scores

European Union and Western Europe (Russia added)
Source: Transparency International

ST. PETERSBURG FIGHTS CORRUPTION

Russia's track record in the CPI index is worse than for most of the BSR countries. However, Russia and the city of St.Petersburg have started a serious battle to eradicate corruption and reduce bureaucracy for business.

In March 2006, the State Duma passed legislation to move Russia's Constitutional Court (Supreme Court) from Moscow to St. Petersburg with the official aim of encouraging a greater separation of power in the Russian government and helping to curb corruption in St. Petersburg.
In 2008, the State Duma passed a bill intended to reduce the multitude of inspections and red tape that companies are subjected to.

The bill seeks to further limit the number and total duration of planned state inspections of a company as well as ban law enforcement agencies from carrying out tax inspections without a request from tax authorities and from confiscating documents without providing companies with stamped photocopies.

In December 2008, the Duma passed a package of anti-corruption legislation, including a more simplified Criminal Code to make it easier to bring corrupt judges to account.

In April 2010, the President approved an Anti-Corruption Strategy for 2010-2011, which includes a paragraph on criminalising foreign bribery.

The Baltic Sea Region is Europe's fastest growing area. The total population in the area is around 100 million and it is the best educated in Europe. The region's GDP is growing and inflation levels are relatively low. Global competitiveness of the BSR countries is high – proven also by the steady growth of foreign direct investments into the region.

TOTAL POPULATION

The BSR has a population of around 100 million, equivalent to one fifth of the EU's population. The total land area is approximately 3.2 million km², resulting in a population density of about 30 inhabitants per km².

The Baltic Metropoles have a total population of approximately 18 million people. Most of the cities continue to attract new national and international inhabitants. Birth rates have been rising in, for example, Helsinki and Stockholm bringing about growth in total population.

City	Total population
Berlin	3.4 million
Copenhagen	1.7 million
Helsinki	1.3 million
Malmö	300 000
Oslo	1.1 million
Riga	706 000
Stockholm	1.9 million
St. Petersburg	4.8 million
Tallinn	410 000
Vilnius	549 000
Warsaw	1.7 million

Overall population change in BSR cities 2002-2006

Source: Nordregio

Annual average population change in the period 2002-2006 showing the diverse pattern of both growing and shrinking cities around the Baltic Sea.



HIGHLY EDUCATED WORKFORCE

The population in the Baltic Sea Region countries is highly educated. The educational level of the workforce is one of the main factors explaining the high competitiveness of the BSR economic area.

The BSR includes three countries with the highest share of highly educated workforce in the EU (Finland, Denmark, Estonia). The high level of education of the workforce is reflected in the fact that the Baltic Sea Region has one of the largest shares of people employed by the knowledge economic area in the EU.

EUROPE'S FASTEST GROWING MARKET

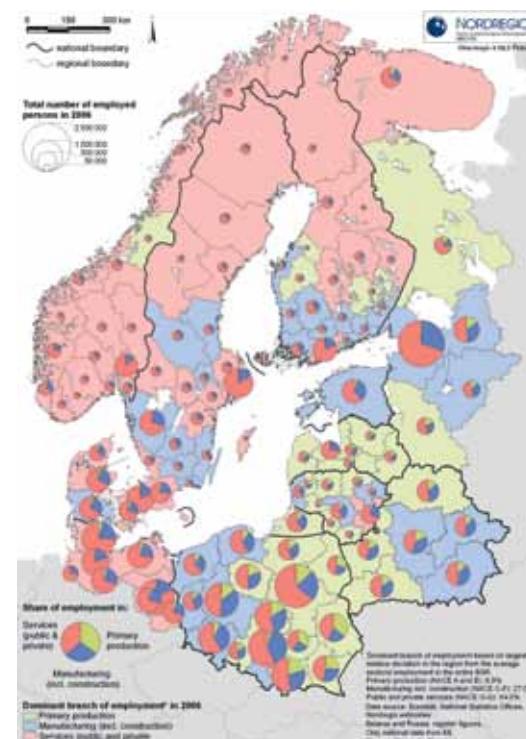
Real GDP growth has been above the EU average, and according to some measures the region has been one of the world's top performing macro-regions. There are several key factors behind the region's attractiveness and competitiveness, such as strong productivity and workforce mobilisation.

Despite the economic turmoil of the past years, the Baltic Sea Region remains among the most competitive economies in the world. The region is set to grow 3.1 percent in 2011. There are naturally differences between the different countries, but in the long run, growth trends look good and the GDP outlook is positive.

Dominant branch of employment in the BSR at the regional level 2006

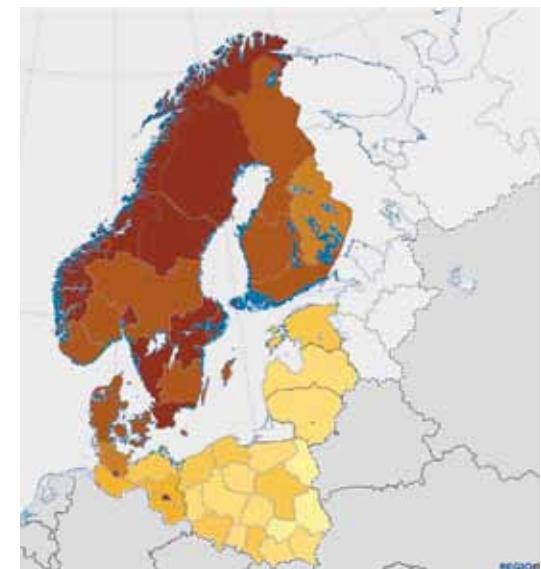
Source: Nordregio

Dominant branches of employment (primary production, manufacturing and services) depicting the 2006 employment structure across the BSR.



Employment in knowledge intensive economy 2005-06

Source: EU Strategy for the Baltic Sea Region Background and Analysis, 2010

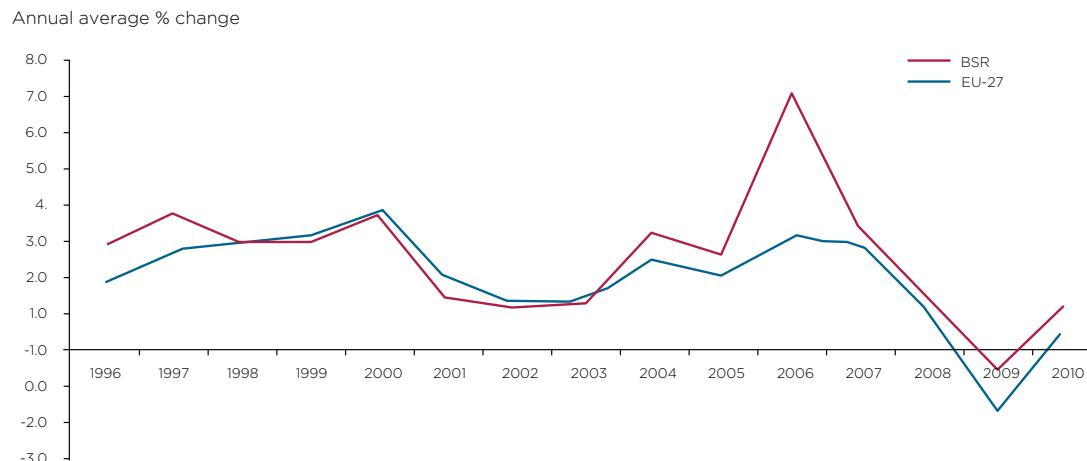


Total population change, 2000-05
Annual average % change

	BSR border	EU27	BSR	Sources:
< 25				Eurostat and NSI
25 - 30				
30 - 35				
35 - 40				
40 - 45				
45 - 50				
> 50				
No data				

GDP Growth in BSR countries 1996-2010*

Source: EU Strategy for the Baltic Sea Region.
Background and Analysis, 2010, Eurostat



Notes: No data for EU regions

* Data for 2007-10 are forecasts of the Directorate-General for Economic and Financial Affairs from 19 January 2009.

Data for Norway are forecasts from autumn 2008.

Three out of the ten Baltic Sea Region countries belong to European Monetary Union and have Euro as their currency: Estonia, Finland and Germany. The other countries have national currencies as listed here:

Inflation rates throughout the BSR have been and remain relatively low. This is good for the region's economy as consumers and businesses are better able to make long-range plans because they know that the purchasing power of their money will hold.

Country	Currency	Value against Euro
Denmark	Danish krone	1 Euro = 7.46 DKK
Estonia	Euro	
Finland	Euro	
Germany	Euro	
Latvia	Lat	1 EUR = 0.70 LVL
Lithuania	Litas	1 Euro = 3.45 LTL
Norway	Norwegian krone	1 Euro = 7.89 NOK
Poland	Zloty	1 Euro = 3.87 PLN
Russia	Rouble	1 Euro = 40.73 RUB
Sweden	Swedish krona	1 Euro = 8.79 SEK

Economic conditions around the Baltic Sea¹⁾

Source: Swedbank, June 2010, Economic indicators

	GDP growth ²⁾ (%)			Inflation (CPI, %)			Current account balance ³⁾ (% of GDP)			Fiscal balance (% of GDP)		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Poland	1.7	2.9	3.2	3.4	3.0	2.7	-1.5	-2.0	-2.5	-7.0	-5.5	-4.5
Estonia	-14.1	1.5	4.5	-0.1	1.5	2.5	7.4	8.5	8.0	-1.7	-1.4	-1.0
Latvia	-18.0	-2.5	4.0	3.5	-2.0	0.0	11.8	12.4	9.7	-9.0	-8.5	-6.0
Lithuania	-15.0	-2.0	3.0	4.5	1.0	1.0	7.2	4.2	3.0	-9.1	-8.0	-6.0
Russia	-7.9	4.3	4.5	11.7	9.0	8.0	3.9	3.0	2.0	-6.0	-3.0	-2.0
Germany	-4.9	1.5	2.0	0.3	0.8	0.9	4.8	5.5	6.0	-3.3	-6.0	-5.1
Denmark	-4.9	1.3	1.6	1.3	2.0	1.7	4.1	2.4	2.4	-2.8	-5.5	-4.4
Norway	-1.5	2.1	2.7	2.1	2.2	2.7	13.8	15.2	12.0	19.6	11.0	13.0
Finland	-7.8	1.1	2.1	0.0	1.5	2.5	1.5	1.9	1.7	-2.4	-4.2	-2.3
Sweden	-5.1	2.5	2.8	-0.3	1.4	2.2	7.2	6.2	6.5	-0.8	-1.9	-1.7

GDP for Baltic Sea countries in total ⁴⁾	2009	2010	2011
-5.9(-3.3)	-2.6(0.8)		3.1

1. The report also covers Ukraine, not reported here.

2. Not calendar-adjusted.

3. Includes the capital account for Estonia, Latvia and Lithuania.

4. Percentage increase using 2008 GDP weights (PPP).

The figure from the March 2009 forecast is in parentheses.

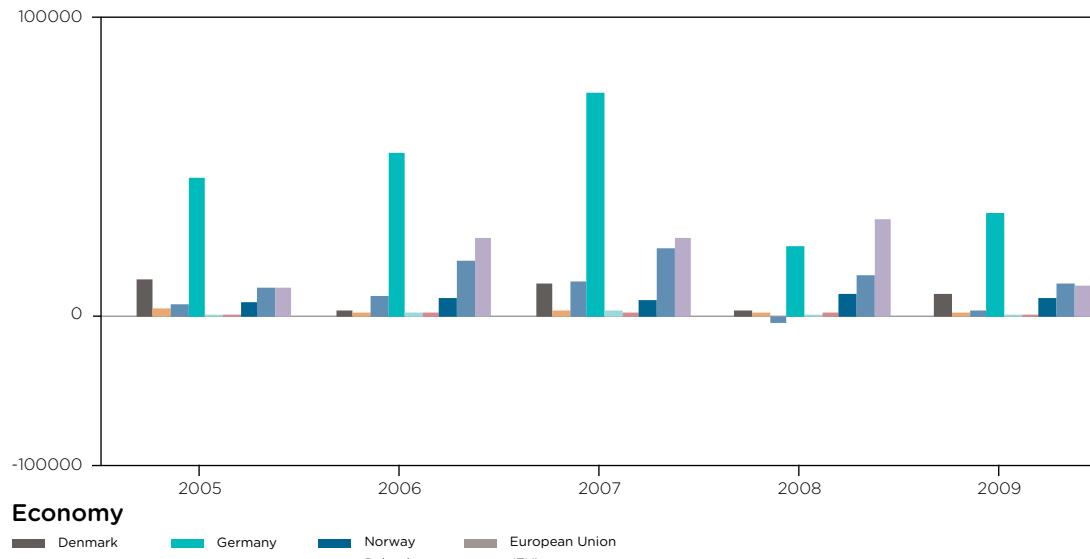
Business community /

A STEADY INCREASE OF FOREIGN DIRECT INVESTMENTS

The BSR countries have attracted growing levels of foreign direct investments (FDI). The presence of foreign companies strengthens competition on the domestic market, leads to an inflow of knowledge and capital, and creates better linkages to foreign locations. Foreign investors have become a significantly more important part of the region's economy.

FDI flows 2005-2009 to BSR countries (excluding Russia)

Source: UNCTAD



MEASURE: US Dollars at current prices and current exchange rates in millions
DIRECTION: Direct investment in reporting economy (FDI Inward)
SERIES: Foreign direct investment flows

All Baltic Sea Region countries experienced the nominal value of inward foreign investments increase in 2007. In the Baltic countries, particularly in Estonia and Latvia, inward FDI stocks increased by 25 – 30 percent. Finland was the one with the largest improvement in FDI inflows and inward stock values. Russia and Denmark experienced the highest absolute year-to-year increase in FDI inflows. When examining FDI numbers for 2008-09, in spite of the global Economic downturn, the BSR remains an attractive region for investors.

The Baltic Sea Region is business friendly and there is a tangible innovative culture and spirit in the region. Innovation is supported by a highly talented workforce and cooperation between private companies, public authorities and world-class educational facilities. In addition, there are a wide variety of excellent business clusters and centers of expertise throughout the region. All this enables innovation to bloom and entrepreneurship to flourish.

Innovation capacity is a very important factor for the competitiveness of the BSR. The large share of people with tertiary education is crucial in innovation economy. Many of the most dynamic activity sectors depend on the ability and know-how of university graduates and their capacity to absorb new knowledge and learn new skills. In fact, the BSR serves the knowledge economy with a higher share of its people than any other region in Europe.

The BSR countries gain high rankings in INSEAD's Global Innovation Index (2009-2010). For example, out of 132 countries examined, the BSR puts six countries in the top 30 (Sweden, Denmark, Finland, Norway, Germany and Estonia).

INSEAD Global Innovation Index 2009-2010

Source: INSEAD

The Global Innovation Index (GII) examines how countries benefit from innovation through the use of enablers that stimulate innovation and outputs that are the results of innovation activities.

There are five enabler pillars including Institutions, Human Capacity, General and ICT Infrastructure, Market Sophistication and Business Sophistication and two output pillars of Scientific Outputs and Creative Outputs and Well-Being.

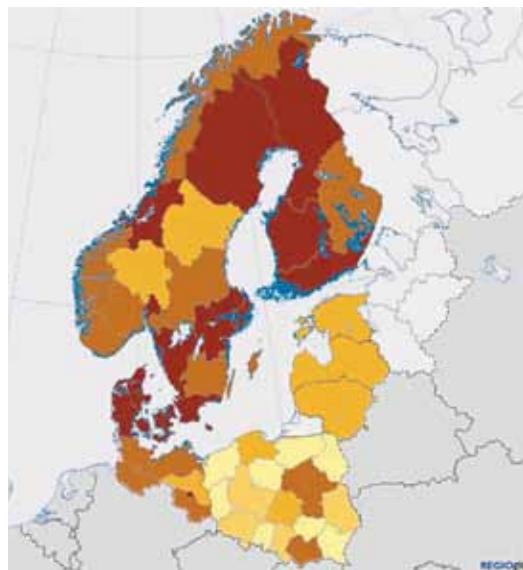
GII 2009-2010 Overall Rankings

Iceland	1
Sweden	2
Hong Kong, China	3
Switzerland	4
Denmark	5
Finland	6
Singapore	7
Netherlands	8
New Zealand	9
Norway	10
United States	11
Canada	12
Japan	13
United Kingdom	14
Luxembourg	15
Germany	16
Belgium	17
Australia	18
Ireland	19
Korea, Rep.	20
Austria	21
France	22
Israel	23
United Arab Emirates	24
Taiwan	25
Slovenia	26
Czech Republic	27
Malaysia	28
Estonia	29
Spain	30

Societies in the BSR have high respect for research and development (R&D). Public expenditure on R&D activities is high; Berlin, Copenhagen, Helsinki and Stockholm are among the regions in Europe with a very high share of GDP spent on R&D. On average, the countries in the BSR spend 2.2 percent of their GDP on R&D, which is above the EU 27 average of 1.9 percent.

R&D expenditure in BSR countries in 2005

Source: EU Strategy for the Baltic Sea Region. Background and Analysis, 2010



R&D expenditure, 2005

% of GDP



HIGH LEVEL OF PATENTING

Patenting is an important indicator of innovative capacity, both from companies and research institutions. Most researchers consider patents a useful indicator for innovation in general, even though innovation occurs in many forms that do not involve patents. Patents in the United States are particularly important indicators, because the US is the most attractive market for patent use. Patenting also contributes to a location's knowledge stock and thus increases the opportunities for local companies to further improve their productivity.

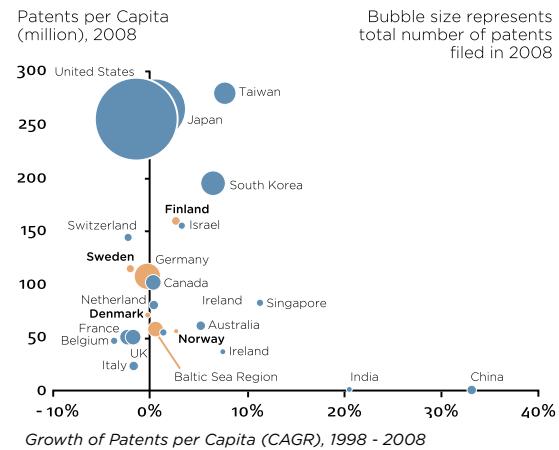
In patenting, the Baltic Sea Region remains one of the most important innovation hubs in the global economy. In 2008, the Baltic Sea Region accounted for 4.2 percent of patents filed in the US by non-US based institutions. This puts the BSR 5th in the international country ranking.



Tekes, the Finnish Funding Agency for Technology and Innovation, is the most important public organization for funding R&D&I in Finland with an annual budget of 600 million euros. © TEKES, Pasi Hytti.

Level and growth rate of patenting in the US

Source: State of the Region report 2009
Baltic Development Forum



WELL-FUNCTIONING BUSINESS CLUSTERS AND PRODUCTIVE CENTERS OF EXPERTISE

There are a wide variety of excellent business clusters and centers of expertise throughout the region. The cooperation between the public sector, universities and companies ensure that society is using resources from different areas in order to share knowledge and create effective, sustainable and future-oriented solutions.

Cooperation between the different sectors brings many benefits; improved products and services, new jobs and a thriving local economy. An example is Medicon Valley, a life sciences cluster that spans the island of Zealand in Eastern Denmark, including Copenhagen, and the Skåne Region of Southern Sweden. Medicon Valley is one of Europe's strongest life sciences clusters. It attracts great attention from international investors, mainly because of the well-driven biotech companies producing a steady flow of new products.

Berlin Adlershof is one of the most successful high-tech locations in Germany. Embedded in an overall urban development concept, this integrated Science, Business and Media location has been growing on an area of 4.2 km² since 1991. At the core of the concept is the WISTA Science and Technology Park with 400 companies, 11 non-university research institutes and six scientific institutes of the Humboldt University in Berlin.

THE BALTIC METROPOLES' MAIN BUSINESS ECOSYSTEMS ARE:

- Berlin:** Media, Information & Communication Technologies, Optical & Microsystems Technology, Life Sciences, Clean Technologies, Traffic and Mobility, Service Industries
- Copenhagen:** Life Science, ICT, Creative and Entertainment, Cleantech
- Helsinki:** Cleantech, Construction & Real Estate, Design & Creativity, ICT, KIBS (Knowledge Intensive Business Services), Leisure & Entertainment, Life sciences, Logistics, Retail & Wholesale
- Malmö:** Life Science, Logistics, ICT, Retail and wholesale trade
- Oslo:** Shipping and maritime services, Energy and environmental technology, Information and communication technology, Life Sciences
- Riga:** Commercial services, Finance, Manufacturing, Real estate, Tourism, Transport
- Stockholm:** ICT, Life science, Cleantech, Financial services, Automation, Travel & tourism, Logistics, Construction
- St Petersburg:** Shipping and transit, Construction industry, Oil and gas trade, Brewery and distillery industry
- Tallinn:** Logistics, Service sector, Tourism, Communication, Financing
- Vilnius:** Financial services, Shared services and business process outsourcing, Travel & Tourism, Life Sciences, ICT & Lasers, Real estate, Logistics & storage
- Warsaw:** Financial and insurance services, Real estate, Professional services, Scientific and technical activities, Administrative and support service activities, Education, Human health and social work activities, Accommodation and catering

World rankings of financial market development 8th Pillar – Financial Market Development

Source: *Global Competitiveness Report 2010-2011, World Economic Forum*

Attribute	Fin	Nor	Swe	Den	Pol	Ger	Est	Lat	Lit	Rus
Availability	12	9	6	28	62	8	43	86	74	109
Affordability	6	9	12	35	63	18	49	76	65	92
Local equity market	48	16	20	60	64	49	68	116	83	107
Access to loans	5	7	11	28	59	69	50	125	112	107
Venture Capital	4	2	7	29	56	52	30	101	103	95
Capital flow restrictions	2	26	4	36	67	15	11	55	66	119
Banks	11	17	26	85	73	112	72	127	87	129
Securities Exchanges	7	4	2	14	31	35	44	99	57	118
Legal rights	39	39	75	6	6	39	60	6	75	103
World ranking (of 139)	4	5	13	18	32	36	45	86	89	125

STABLE FINANCIAL INSTITUTIONS IN MODERN ECONOMIES

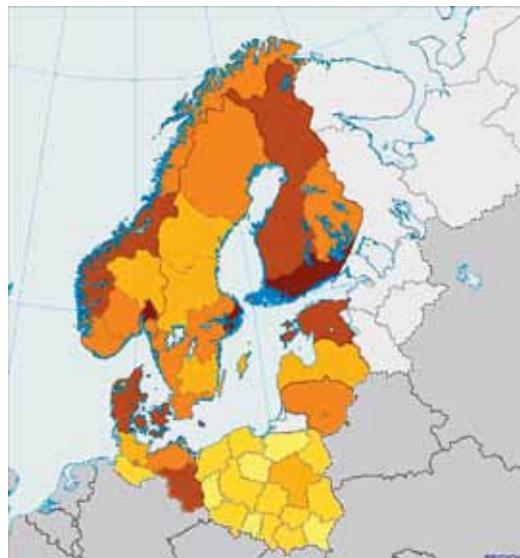
A sound and well-functioning financial sector is a prerequisite for sustainable growth in today's world and the Baltic Sea Region offers exactly that. An efficient financial sector allocates resources saved by a nation's citizens, as well as those entering the economy from abroad, to their most productive uses. It channels resources to entrepreneurial or investment projects with the highest expected rates of return. The banking sector needs to be trustworthy and transparent, and financial markets need

appropriate regulation to protect investors and other actors in the economy at large. In general, the economies in the Baltic Sea Region are open, structured and well-regulated. The efficient banking sector ensures daily operations and sound financial institutions (stock exchange, investment banks, insurance companies) further support businesses.

One of the greatest advantages of the Baltic Sea Region is the large, highly-skilled and competitively-priced workforce. It is one of the main factors behind the high level of competitiveness of the region. In addition to the high educational level, the population in the Baltic Metropoles has excellent language skills ensuring smooth and effective daily business encounters.

Working age population with tertiary education in BSR-countries 2005

Source: EU Strategy for the Baltic Sea Region
Background and Analysis, 2010



Population aged 25-64 with tertiary education (ISCED 5 and 6), 2005
% of local population 25-64

< 15	30 - 35	BSR border
15 - 20	> 35	EU27: 22.20
20 - 25	No data	BSR: 23.73
25 - 30		Sources: Eurostat

The people of the BSR are highly educated. In fact, in many areas, a very high percentage of the working population has completed tertiary education (university degree or equivalent); for example, 35 percent in Finland, 33.5 percent in Denmark and 33.3 percent in Estonia. Many businesses depend on the competencies of the region's steady flow of university graduates to gain a competitive edge.

TOP CLASS EDUCATIONAL FACILITIES

The supply of highly-educated people is made possible by the abundance of higher learning institutions in the region. Many of these institutions offer education of the highest quality – on par with any in the world. According to Webometrics, The Baltic Sea Region countries have 76 universities in the TOP 500 of the Webometrics Ranking of World Universities. Examples of these universities include:

- The Aalto University in Helsinki was created from the merger of three Finnish universities: The Helsinki School of Economics, Helsinki University of Technology and The University of Art and Design Helsinki. The new university was established in 2010, and it hosts six schools in total. The combination of six schools opens up new possibilities for strong multi-disciplinary education and research.



Riga has a highly-educated and multilingual workforce, with a Northern European culture and work ethic.

- The KTH Royal Institute of Technology in Stockholm was founded in 1827. Education and research cover a broad spectrum from natural sciences to all the branches of engineering as well as architecture, industrial engineering and management, urban planning, work science and environmental engineering. In addition to the research carried out by KTH's Schools, a large number of both national and local Competence Centres are located at KTH. It accounts for one-third of Sweden's technical research and engineering education capacity at university level.
- Poland's largest university is the University of Warsaw (UW), established in 1816. The University of Warsaw has throughout its history played a major role in the intellectual, political and cultural life of Poland, and has been recognized throughout the world as a leading academic centre in this part of Europe.

Each year about 17,000 young people enroll as students at the University of Warsaw. The presence of educational institutions results in high numbers of students. Warsaw, for example, has 162 students per 1000 inhabitants. The Baltic Metropoles not only host a large number of students, but also a large number of academic staff at universities and teachers of higher education.

While students certainly give their cities a liveliness and creative buzz, they also benefit the business ecosystem. Knowledge-intensive and technology focused companies especially make use of the young, talented and open-minded student pool. Businesses in the region depend on its highly-educated workforce.

EXCELLENT LANGUAGE SKILLS

Another important aspect to the well-functioning business environment is the good foreign language skills of BSR residents. They are very good both in terms of the number of languages spoken as well as the level to which they can be used. English is the de facto business language throughout the region.

The most widely known languages in BSR Countries (excluding Russia and Norway)

Source: Special Eurobarometer,
Europeans and their languages, 2006

Three most widely known languages - % country

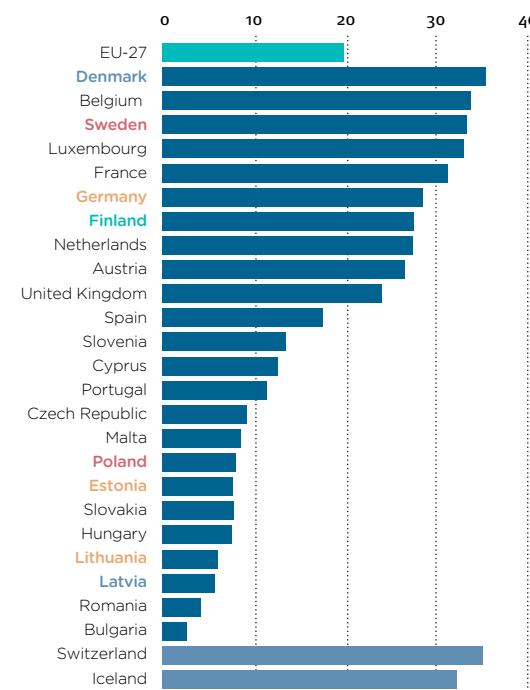
Denmark	English	86%
	German	58%
	French	12%
Estonia	Russian	66%
	English	46%
	German	22%
Finland	English	63%
	Swedish	41%
	German	18%
Germany	English	56%
	French	15%
	Russian	9%
Latvia	Russian	70%
	English	39%
	Polish	23%
Lithuania	Russian	80%
	English	32%
	Polish	15%
Poland	English	29%
	Russian	26%
	German	19%
Sweden	English	63%
	German	30%
	French	11%

COMPETITIVELY PRICED WORKFORCE

The cost of workforce varies between the Baltic Sea Region countries, but on a global scale the price of the highly educated and highly skilled labour is competitive.

Average hourly labour costs in Euros in business economy* of full time employees 2008 (excluding Russia)

Source: EUROSTAT



* Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organisations; Ireland, Greece and Italy, not available.

The “gold and oil” of Vilnius is its population with the best multilingual skills and one of the best educated workforces throughout the European Union. The labour market is being supplied by more than 40,000 multi-lingual graduates each year. Another 200,000 are in the pipeline as these students are currently studying at 23 universities and 23 colleges of the country.

90 percent of Lithuanians speak at least one foreign language, every second person speaks two foreign languages, and every third speaks English.

In the BSR countries, employers are responsible for social security payments of their employees, on top of the normal salary. The level of these payments varies between 12 and 30 percent. Other labour costs vary from 0.2 percent to 9.6 percent.

In the Baltic Metropoles, the average salaries are somewhat higher than the national averages. Below are some examples of average salaries in the cities:

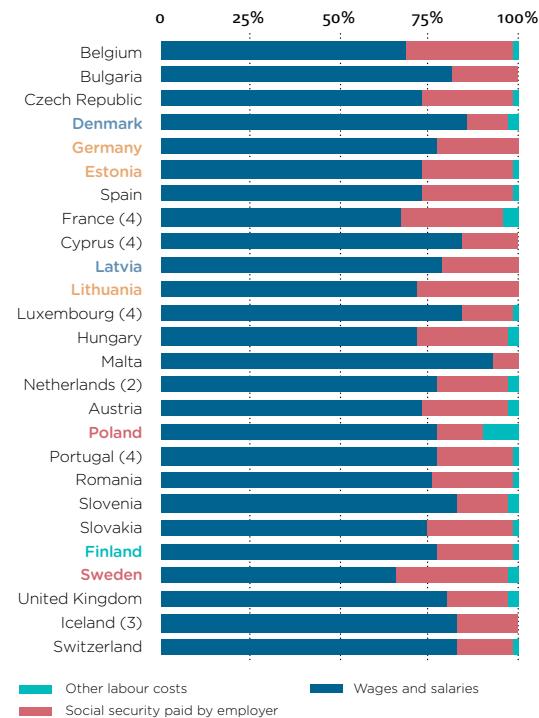
- Average gross salary in Riga in 2009 was 755 EUR per month which was approximately 100 EUR higher than the Latvian average.
- Average salaries in Vilnius in 2009 amounted to 1 009 EUR per month, 18 percent higher compared to the national level.

- Average salaries in Tallinn in 2009 amounted to 868 EUR per month and were 12 percent higher comparing to national level.
- Average salaries in Warsaw in 2009 amounted to 1 063 EUR per month and were 38.8 percent higher compared to the national level.
- Average salaries in Helsinki in 2008 amounted to 3 202 EUR per month and were 11.3 percent higher compared to the national level.

Source: Analysis on investment drivers in 11 cities of the Baltic Sea Region. Kantor Doradczy w Zarządzaniu Sp. z o.o., 2010.

Breakdown of labour costs in business economy 2008, % share of total labour costs (excluding Russia)

Source: EUROSTAT



The Baltic Sea Region is very well internationally connected with world-class international airports and many airlines serving most destinations in Europe as well as key destinations in North America, Asia, Africa and the Middle East. Urban public transport is well-developed and well-organised with buses, trams, subways and commuter trains serving passengers throughout the region. Excellent broadband, fibre optic networks, wireless internet and mobile communications systems encompass the entire area. The region hosts a wide array of competitively-priced real estate and property solutions.

Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy. Well-developed infrastructure reduces the effect of distance between regions, integrates the national market and connects it to markets in other countries and regions.

EXCELLENT AIR, SEA, RAIL AND ROAD TRANSPORT SYSTEMS

High quality infrastructure and extensive transport networks are characteristic to the Baltic Sea Region. The region as a whole has a modern and technologically advanced air, sea, road and rail transport system, which enables businesses and entrepreneurs to get their goods and services to market in a secure and timely manner and facilitate the movement of workers to the most suitable jobs.

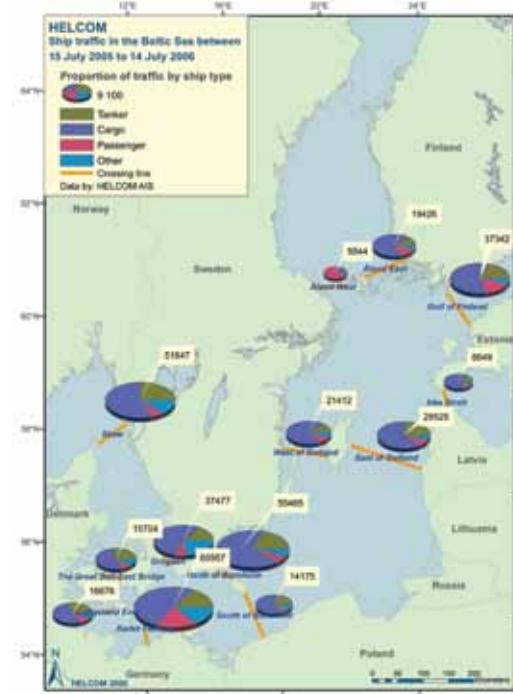
Fast connections between the Baltic Metropoles are a welcome convenience for international business. All major cities in the region have a large number of flights between themselves and some have special, high-speed rail connections. Also, the connections between the airports and the city centres are comprehensive and accessible.

The Baltic Sea is one of the maritime areas with the densest traffic in the world. Both the number and the size of ships have been growing in recent years and this trend is expected to continue. There are many short-haul, cross-border ferry connections that allow the mobility of persons and the integration of regional workforce markets.

Ferry connections are also used by trucks to transport goods across borders. Maritime transportation is also well developed for longer journeys, essential for connecting cities and regions located on the shores of the Baltic Sea.

Maritime routes or ship traffic in the Baltic Sea 2007

Source: HELCOM



Riga is a well-developed centre of transport infrastructure. The city is the main transport junction between the east and west.

Fast and modern trains serve both passengers and cargo and there is a ongoing heavy investment in rail systems, which is steadily improving cross-border infrastructure and facilities, thus drastically shortening travel times. For instance, the recently launched high-speed Allegro train shortens the travel time between St Petersburg and Helsinki from 5.5 hours to only 3 hours.

The countries in the Baltic Sea Region have high-capacity road infrastructure, such as motorways, permitting connections among the main metropolitan areas, as well as secondary transport networks that facilitate intra-regional travel and connect rural areas to the primary networks.

Examples of international flight connections to the BSR

London	2 h
Paris	2 h 55 min
New York	8 h 25 min
Los Angeles	12 h 25 min
Rio de Janeiro	13 h 30 min
Tokyo	10 h 45 min
Beijing	8 h 50 min
Seoul	9 h 45 min
Sydney	19 h 40 min
Dubai	6 h
Nairobi	8 h 30 min
Johannesburg	12 h 20 min

RELIABLE PUBLIC TRANSPORT MAKES THE CITIES WORK

A reliable and extensive public transport network not only makes things work, but increases the quality of life in the cities. In all cities public transport is well-developed and well-organised. Buses, trams, subways and commuter trains serve passengers in the Baltic Metropoles. Most of the region remains free from burdensome traffic jams – largely because of excellent public transportation. Each city has a long-term plan for infrastructure development (road, railways, airports) including public transport.

A WIDELY-SPREAD COMMUNICATIONS NETWORK

An extensive and reliable telecommunications network allows for a rapid and free flow of information, which increases overall economic efficiency by helping to ensure that businesses can communicate quickly and smoothly.

The Baltic Sea Region has excellent broadband, wireless internet and mobile communications networks that encompass the entire region.



Thanks to the most extensive fibre optic network in Europe and a city-wide coverage of UMTS mobile broadband, Berlin keeps you connected to the world. © Berlin Partner GmbH/Scholvien

Many BSR countries are leaders in ICT. In Sweden and Finland, this is a result of the presence of Ericsson and Nokia. Denmark, Germany and Norway have rapidly developed good hard and soft infrastructure for their respective economies.

In every city the number of mobile phone users is growing, and simultaneously the number of landline users is declining. Access to the Internet is spreading fast. Denmark, Norway and Sweden have the greatest number of regular Internet users in Europe.

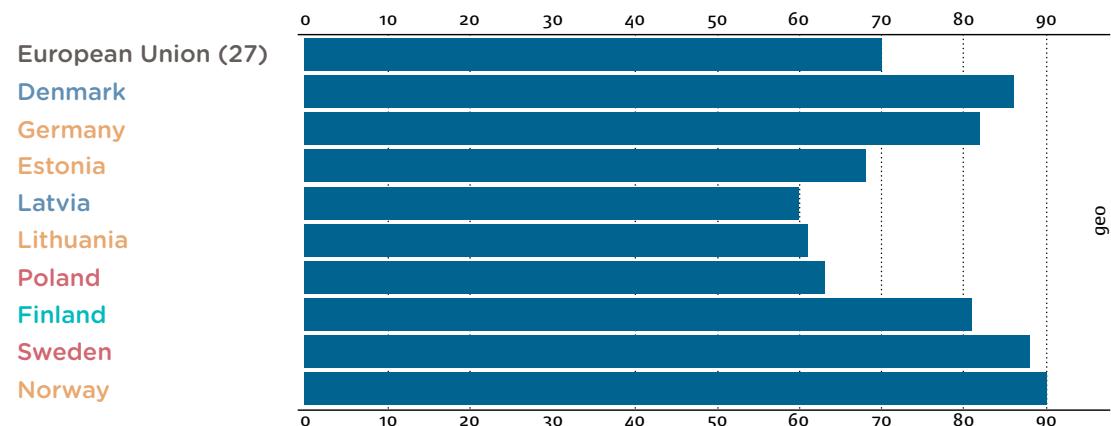
REAL ESTATE AND PROPERTY SOLUTIONS AVAILABLE FOR EVERY NEED

The Baltic Sea Region has a vast array of office, warehouse and other space available. Prices vary according to city and type of space and they are competitive especially when compared to general Western Europe price levels. For example, in Vilnius in 2009, there was 26 700 m² total office space available with 15 – 19 percent vacancy rate, and lease price of 5.8-12.20 EUR/m².

Percentage of households that have internet access at home in BSR countries in 2010 (excluding Russia)

Source: EUROSTAT

All forms of Internet use are included. The population considered is aged 16 to 74.



Taxes and support services /

FOCUS ON SUSTAINABILITY IN ENERGY PRODUCTION

In the Baltic Metropoles, businesses can depend on interruption-free supply of electricity. The BSR is one the world's leading regions in energy efficiency and in sustainable energy production.

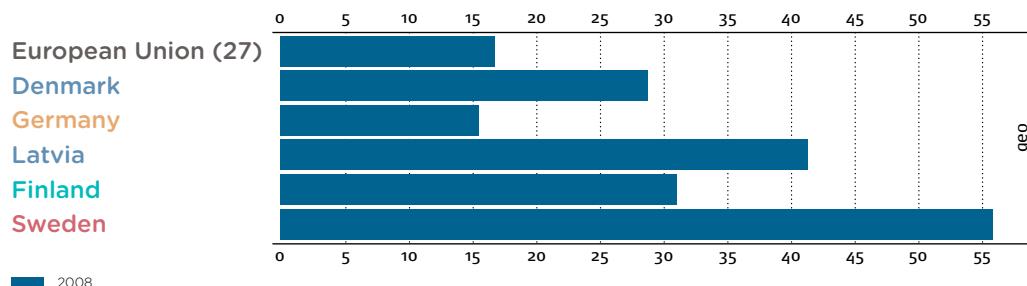
The countries in the region put strong focus on finding solutions to produce energy efficiently and from renewable resources to meet the EU 20/20/20 targets. Production of energy from renewable resources has lower environmental impacts and reduces

greenhouse gas emissions. Also, it improves the energy independency of countries and regions by reducing the need for imports.

The BSR countries have different renewable energy production profiles. Latvia, Norway, Russia and Sweden utilise extensive river basin resources for hydropower. Estonia, Finland and Lithuania mainly rely on biomass for their production of renewable energies. Denmark, Germany and Poland call on a wider variety of sources (wind power, solar power, hydropower, waste, biomass, biofuels).

Electricity generated from renewable sources - % of gross electricity consumption 2008 (selected countries)

Source: EUROSTAT



This indicator is the ratio between the electricity produced from renewable energy sources and the gross national electricity consumption for a given calendar year. It measures the contribution of electricity produced from renewable energy sources to the national electricity consumption. Electricity produced from renewable energy sources comprises the

electricity generation from hydro plants (excluding pumping), wind, solar, geothermal and electricity from biomass/wastes. Gross national electricity consumption comprises the total gross national electricity generation from all fuels (including autoproduction), plus electricity imports, minus exports.

The Baltic Sea Region offers competitive personal and corporate tax rates as well as tax benefits, tax breaks and support from structural funds to businesses.

Starting up a business in the region is fairly smooth. Business support services are comprehensive: legal, financial, HR, administrative, marketing, sales and PR services, just to name a few, are available. The Baltic Metropoles host a large number of business, science and technology parks and business incubators.

Despite a common belief of high tax rates in Europe, personal and corporate taxes are competitive throughout the BSR and in general are considered worthwhile investments. For example, Corporate Income Tax in Berlin and in Riga amounted to only 15 percent in 2009.

Tax systems in general are stable and transparent in the Baltic Metropoles. This helps potential investors evaluate and prepare for business in the region.

Examples of tax rates in Baltic Sea Region Countries

Country	Corporate Income Tax	Personal Income Tax	Capital Gains Tax	VAT
Denmark	25%	Up to 51%	30%	25%
Estonia	20%	21%	21%	20%, 9%, 0%
Finland	27%	Up to 51%	28%	23%, 13%, 9%
Germany	15%	Up to 45 %	25%	19%, 7%
Latvia	15%	25%	15%	22%, 12%, 0%
Lithuania	15%	15%, 5%	15%, 5%	21%, 9%, 5%, 0%
Norway	28%	Up to 47,8%	28%	25%, 14%, 8%
Poland	19%	Up to 32%	19%	23%
Russia	20%	13%	Varies	18%, 10%
Sweden	26,3%	Up to 59%	30%	25%, 12%, 6%

CLEAR PROCEDURES FOR SETTING UP A BUSINESS

The procedures for setting up a business are clear and well structured in all 11 cities. In some cities most of the formalities can be handled via the Internet and electronically. For example, in Tallinn you can start a business via the Internet; all formalities can be handled in this way. The simplified procedures make Tallinn a very friendly city for both large and small investors.

BUSINESS SUPPORT SERVICES TO ANY SITUATION AND NEED

The Baltic Metropoles put emphasis on creating attractive and innovative conditions for investors. Latvia has four special economic zones of which one is in Riga (The Riga Free Port). The special economic zones offer special benefits for businesses; for example a 80 percent rebate on corporate income tax (CIT), 0 percent VAT for most goods and services provided to companies in free zones or exported out of them, 0 percent VAT for most goods and services supplied in the free zones, including construction services.

All the cities host a number of business, technology and science parks, business incubators and offer a wide range on business support services. The business incubators and technology parks assist investors as well as start-ups in the early years of their existence. Science and technology parks support the development

In Finland, ExpertFinder.fi gives quick and easy access to an extensive and validated pool of local experts that provide business support services to satisfy every business need.

of local and regional economy through the promotion of innovative entrepreneurship. A number of organisations offer a wide range of services to support entrepreneurs. These services include, for example, legal advice, financing, recruiting, administrative support, sales and marketing, management and business consulting, ICT, warehousing and facility services.

In Finland, for example, expert advisory services are provided to current and potential entrepreneurs by Employment and Economic Development Centres (TE Centres), regional business services, New Business Centres, business incubators, NYP Business Services in Helsinki and municipal business development services. Invest in Finland and the Finnish Venture Capital Association act as networks to help with financing or other services.



In Warsaw you can find a wide range of business service providers. Need your windows cleaned? Our highly qualified, dynamics workers are on the job! © Paweł Czarnecki

Ease of Doing Business Ranking 2010*

*Starting up a business -attribute**. Source: World Bank.*

Economy	Year	Ease of Doing Business Rank	Starting a Business				
			Rank	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)
Denmark	DB2010	6	27	4	6	0.0	38.6
Estonia	DB2010	17	35	5	7	1.7.	23.2.
Finland	DB2010	11	29	3	14	0.9	7.2.
Germany	DB2010	21	84	9	18	4.7.	0.0
Latvia	DB2010	27	51	5	16	2.1.	14.2.
Lithuania	DB2010	26	98	7	26	2.4.	31.1.
Norway	DB2010	7	34	5	7	1.9.	18.7.
Poland	DB2010	73	115	6	32	17.9.	15.3.
Russian Federation	DB2010	116	104	9	30	2.7.	1.8.
Sweden	DB2010	18	42	3	15	0.6	28.5.

**Economies are ranked on their ease of doing business, from 1 – 183. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of a local firm. This index averages the country's percentile rankings on 9 topics, made up of a variety of indicators, giving equal weight to each topic.*

***Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities. The ranking on the ease of starting a business is the simple average of the percentile rankings on its component indicators.*

Quality of life /

The Baltic Sea Region is safe, clean and very family friendly in many ways. Education and healthcare is available for all. Services are provided from the youngest to the very oldest of family very members. The respect for nature can be experienced in the numerous parks and green areas in the urban metropoles. Creativity and culture are highly appreciated, which is evident in the wide variety and number of cultural events, activities and institutions.

All BSR countries are ranked with Very High Human Development or High Human Development in the UNDP Human Development Index (HDI) 2010. HDI is a summary composite index that measures a country's average achievements in three basic aspects of human development: health, knowledge-, and income. The HDI was created to emphasize that people and their capabilities should be the ultimate

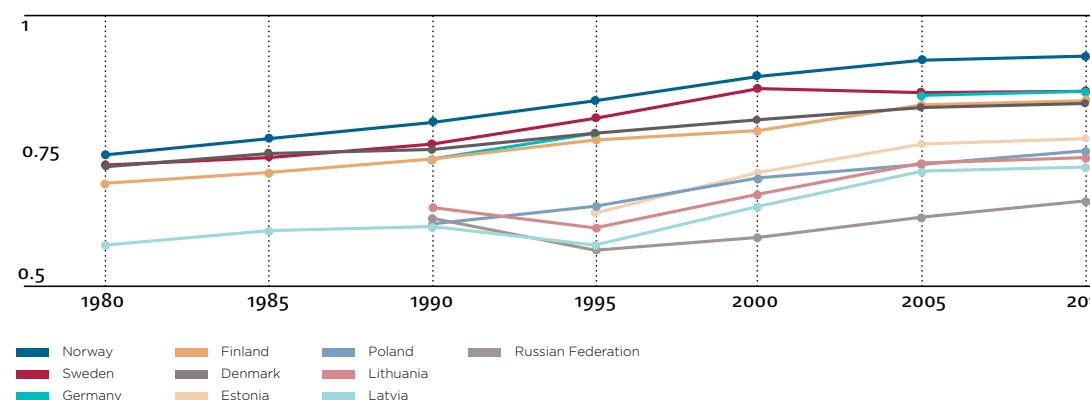
criteria for assessing the development of a country, not economic growth alone. The BSR countries all show major improvements in their rankings between 1980 and 2010.

All children in the BSR countries have access to education. Primary and secondary schools are numerous, and there are also many international or language-focused schools in the Baltic Metropoles. Every city hosts universities, colleges and other schools of higher education that are top of class in the world. It is no surprise that the population of the Baltic Metropoles has the highest education level in the world.

Talented and ambitious youth comes to study in Warsaw's universities and institutes of technology. They bring liveliness to the beautiful city and ensure the steady flow of professional and skilled employees.

The Human Development Index, development in BSR countries 1980 - 2010

Source: Human Development Reports, UNDP



The most important asset of Vilnius: its people, their wisdom, interaction, their dreams, imagination, creativity and happiness. © Effectus.

There are numerous day-care centers and pre-schools for small children. In the other end of the spectrum of human life, there are many elderly peoples' homes serving the more experienced members of society.

In the BSR countries, health care is provided by both public and private institutions. The number of physicians per number of inhabitants is highest in the world and the level of health care is high. The health care systems benefit from the strong focus on research and development in medicine, biotechnology and life sciences in general.

The BSR has a natural affinity for nature. The cities are clean and well-maintained. There are parks and other recreational areas even in the very hearts of the Baltic Metropoles. The inhabitants often choose to spend their free time in these green and refreshing areas.

The respect for nature can be felt in the region's approach towards the environment and sustainable development.

Many of the BSR countries are world leaders in Cleantech and environmental solutions.

The creative spirit and respect for many forms of culture is evident throughout the region. The cities provide a wide variety and abundance of cultural events and activities: theatre, music, opera, dance, architecture and design. Cultural activities are not only organized by official institutions, but also by smaller, alternative citizen initiatives.

The cities in the region have been internationally recognized for their cultural and design aspects. For example, Vilnius was the official European Capital of Culture in 2009, Tallinn holds this position in 2011 and Riga in 2014. Helsinki has been nominated as the World Design Capital in 2012.

The Baltic Sea Region is a safe place to work and live. The societies are politically stable and have well-established legal systems. There is a high level of respect for law, justice, democracy and human rights throughout the area.

DID YOU KNOW ?

The Junibacken story book world in **Stockholm's** Djurgården is based on beloved characters by Astrid Lindgren and other children's authors. The Story Train takes you on an amazing journey through the magical fairy tale world.

Lithuania is historically one of the most prestigious and successful teams in international basketball. The enthusiastic Lithuanian fans follow their team and the sport with true fervor. **Vilnius** hosts the European Basketball Championship in 2011 (EuroBasket 2011).

The Suomenlinna fortress in **Helsinki** is one of the biggest sea fortresses in the world. It was founded in 1748 on islands off the coast of Helsinki. It was included in UNESCO's World Heritage List in 1991 as a unique monument to European military architecture. Suomenlinna is one of Finland's most popular tourist attractions as well as a district of the city of Helsinki, with a permanent population of more than 800.

Berlin is definitely world's number one nightlife city - you can find everything from pubs housed in derelict ruins to funky beach bars and nightclubs. Underground, avant-garde, progressive, hip, electro, pop, indie, rock, and contemporary live music - all in just one city. Especially in the techno department Berlin is recognised as a leading light around the world.

Every summer, the **Riga** Opera Festival marks the end of the Latvian National Opera's performance season with an overview of the best moments of the previous year. The festival is highly anticipated by both Latvian audiences and opera-lovers from abroad.

Holmenkollen in **Oslo** embodies more than a century of skiing tradition. The Ski Museum in Holmenkollen, the world's oldest museum specialising in skis and the history of skiing, is situated inside the actual Holmenkollen Ski Jump.

The World Maritime University (WMU) is situated in **Malmö**. The WMU operates under the auspices of the International Maritime Organization (IMO), a specialized agency of the United Nations. Since it was founded in 1983, over 3,000 students have graduated from WMU. Former alumni have gone on to play leading roles, including ministers. Its programs are taught by leading experts in their specific fields.

Warsaw was home to the famous composer Frédéric Chopin (1819 – 1849). Chopin is remembered today as one of the great masters of Romantic music and a piano virtuoso. The composer's spirit is still felt in the numerous musical festivals in the capital of Poland.

For more than two centuries the Mariinsky Theatre in **St Petersburg** has been presenting the world with a plethora of great artists. The masterpieces of Tchaikovsky, Mussorgsky and Rimsky-

Korsakov, to name a few, have received their premieres in the Mariinsky Theatre. Today, the Mariinsky Theatre is home to the Mariinsky Ballet, Mariinsky Opera and Mariinsky Orchestra.

Copenhagen Fashion Week has during the past few years developed into a large and renowned event with an international scope. Copenhagen Fashion Festival is aimed at not only professionals, industry and press, but also invites the public to experience Copenhagen's transformation into a fashion Mecca of shows, exhibitions, concerts, trend shows, exclusive designer clearance sales and parties.

Tallinn's famous Old Town is a combination of cobblestone lanes and iron street lamps, Gothic spires and medieval markets, alluring cafés and top-class restaurants. Built between the 13th and 16th centuries, the Old City is packaged within a mostly-intact city wall and dotted with guard towers.

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