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Kus näen Eesti ettevõtete jaoks kasvuvõimalusi?  
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**GLOBAL MEGATRENDS**  
**that will increasingly direct business development going forwards**

## Growing Population – Food Challenges



## Climate change – Energy challenges



Scientific progress – Exponential growth of innovation



Globalization – Increasing Competition With Other Nations



## **WHAT DO THESE TRENDS MEAN FOR ESTONIA?**

## Competitive advantages:

- Transparent and simple regulatory environment
- Stable, business-friendly government
- Flexible and open economy
- Credibility:
  - Euro membership
  - Member of EU & OECD
  - Rising credit ratings
- Abundance of high-quality forest and agricultural land
- Cutting-edge IT-sector know-how
- Excellent primary and secondary educational system
  - ...but weak universities
- Good English language skills
- Relatively clean environment
- Likely to be one of the few beneficiaries of Global Warming



## **RECOMMENDATIONS**

**How do I believe Estonian production-based businesses should improve their profit and sales growth prospects**



- Ride the global megatrends
  - „The trend is your friend“
- Link up traditional manufacturing with the excellent software know-how that can be found in Estonia so as to:
  - Differentiate your products
  - Increase your value-added
- Invest into international sales
  - The best people to manage production-based companies in Estonia are people with international sales experience

# **EXAMPLES OF COMPANIES RELATED TO TRIGON COMPLYING WITH THE RECOMMENDATIONS**

## **Dairy Farming**

- Estonia is maybe the most efficient producer of fresh milk in Europe
- Room for further efficiency improvements via modern technologies and consolidation
- Estonia's neighbors face production and cost constraints
- Potential for dairy processors to increase efficiency and keep more of the value chain in Estonia

## **Also consider:**

- Energy crops (needs support from government policy)
- Organic food
- Other specialty foods / niche subsectors
- Plant nurseries



- Climate change is significantly speeding up the growth rates of northern forests
- Forest growth rates significantly exceed harvesting volumes in Estonia
- Forests make up roughly half of Estonia's area
- 40% of all forest land belongs to the state.
- Wood ties up CO<sup>2</sup>

## **Wood-based products with significant value-added potential:**

- Building materials
- Houses
- Substitutes for other materials



## **ESTONIAN BUSINESSES NEED TO DEVELOP NICHE WHERE THEIR KNOW-HOW AND COST COMPETITIVENESS CAN BE CUTTING-EDGE ON A GLOBAL COMPARISON.**

IT is not only a stand-alone sector, it is becoming a part of almost every product

- Make use of Estonia's strength in the IT-sector to differentiate your product(s), adding value in the process

Specialization and differentiation is key

- Estonia's corporate success stories will be companies that combine niche product know-how with international sales capabilities

Enormous need for improvement in international sales and marketing

- The best people to manage production-based companies in Estonia are people with international sales experience

University-level education deficiencies need to be tackled as a matter of urgency. Estonian businesses should take a pro-active approach to:

- lobbying the government for better quality university level education
- finding ways to apply scientific advances in the development of their products by co-operating with universities