

# Introduction

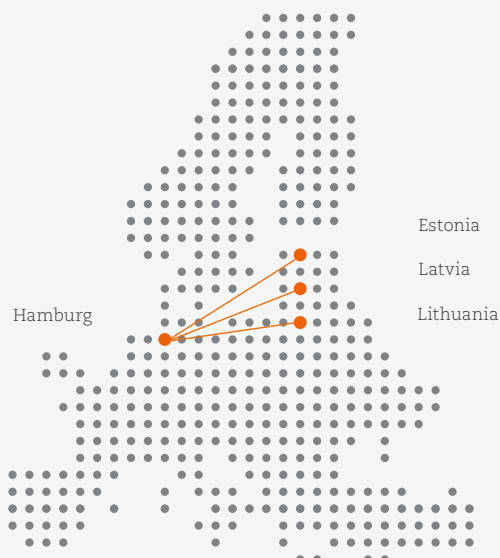
Germany is closely connected to the Baltics through culture, politics, trade and the history of the Hanseatic League. With Hanseatic Cities in Latvia (Riga, Kuldiga), Lithuania (Kaunas), Estonia (Tallin) and Germany (e.g. Hamburg, Lübeck, Bremen, Rostock, Wismar), the countries can look back at a thriving history of trade and commerce on land and at sea of hundreds of years.

Today, trade and commerce are more intertwined than ever before and grounded on the membership to the European Union.

Clyde & Co Germany has always been conscious of this connection and fostered their relationship with their clients in the region. Therefore, Clyde & Co has gained unique knowledge of the Baltics and in the core sectors that connect the Baltics and Germany.

We have been working closely with local law firms in Tallinn, Riga and Vilnius for many years.

Clyde & Co has also been part of the Baltic Arbitration Days from their very beginning. We look forward to this years' conference and are proud to be a part of it as sponsor and as speaker.



## Key contacts



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## Key Sectors to watch out for in the Baltics

### Transport and Logistics

In the next decade the western link with Europe will be the focus for further connections and trade routes. Traditionally being connected to the Russian rail system, Rail Baltica reaches west. Until 2025, 870km of rails in European standard railway gauge will be placed from Tallin via Kaunas and Riga to ultimately reach Berlin. In 2030, this rail network will reach Warsaw. This will offer a tremendous time advantage for any trade with Europe and the North Sea – Baltic Corridor which in the future will stretch from the modern harbour of Helsinki before passing south through the three Baltic States and north eastern Poland and onto Warsaw. From there it follows the traditional east-west corridor through Lodz, Poznań and Berlin, continuing to the major ports on the North Sea coast in the west (Hamburg, Bremen, Bremerhaven, Amsterdam, Rotterdam, Moerdijk and Antwerp). The railway projects are complimented by multiple expansion plans regarding the road network in the Baltic states and its link to Poland and western Europe.

#### Our Expertise

Our team covers all aspects of the carriage of goods by road, sea, rail and air, both domestic and global. Our clients are transport and logistics organisations, cargo owners and insurers across Europe, Asia Pacific, the Middle East and the Americas. We regularly represent clients in transactional, dispute resolution, regulatory and compliance matters and deal with small, medium and large claims and casualties on daily basis. We specialise in the enforcement of claims and the management of taking recourse for insurers. Advising on transport related matters is one of our core competencies, benefitting also from the vast expertise and experience within the global network of Clyde & Co.

### Commodities

The Riga Free Port is a significant part of global and regional cargo supply chains and passenger traffic network in the Baltic Sea region. In 2019, 3489 vessels with a total tonnage of 45.7 million GT called the port (in comparison: 136.6 million tons were handled at the port of Hamburg in 2019). Around 53% of Latvia's sea bound cargo is handled here. Most traded cargos are coal, timber, containers, oil products, cereals, metals and fertilizers. Whereas some is intended for Latvia or trade within the Baltic states, as much as 50% of the cargo is transit cargo due to Riga's favourable position and link between Europe and Asia. In 2020, the railway cargo sent to and received from the port of Riga accounted for about 35% of the total traffic of the SJSC "Latvijas dzelzceļš". Finally, Riga's unique geographical situation also offers the possibility to access the markets of Russia, Ukraine, Belarus, Kazakhstan, Central Asia and China by means of the Russian standard railway gauge of 1,520 mm.

#### Our Expertise

We advise international commodity and agricultural producers, commodity trading companies, shipping companies, banks and financial institutions on all legal aspects of the international sale of goods. Our expertise includes both transactional matters and disputes. We have extensive experience in handling large scale cross-jurisdictional disputes and our team has represented clients in litigation as well as in arbitrations under all the major international rules as well as before commodity trade tribunals, such as FOSFA, GAFTA and the Hamburg-Warenverein Arbitration Rules. Clyde & Co also has considerable experience in business transactions and dispute resolution with parties in the CIS region.

## Offshore/Energy

The energy sector in the Baltic states is growing as is the infrastructure. With the Harmony Link project giving all three Baltic states access to the European power grid, the offshore market will be the most interesting to watch in the Baltic region. Estonia and Latvia signed a Memorandum of Understanding on 18 September 2020 aiming at expanding the offshore power grid and enabling future private investments to reach their 1000 MW goal of offshore energy. In order to achieve that goal, there are plans for joint auction procedures for future offshore wind farms in Estonian and Latvian waters. Lithuania also passed steps towards the assessment of different offshore areas and aims at its first energy auction in 2023 to kick-start the offshore market. Looking at the procedural aspects, procurement procedures similar to the relevant German procedures are planned. Of course, such offshore windfarms could also be subject to European procurement regulations.

Another Memorandum of Understanding has been signed on a European level. The signees such as Lithuania, Latvia, Estonia, Poland, Denmark, Sweden, Finland and Germany declared their vision to strengthen the Baltic offshore market and their turn towards green energy. This is strongly encouraged and supported within the Baltic states. All in all, the European Union aims for an impressive offshore energy capacity of 12 GW by 2050 through their endeavours in the Baltic market.

### Our Expertise

Our Energy Group is renowned for advising and representing clients across the power (gas, coal, nuclear) and renewables (wind, PV, CSP, hydropower) sector worldwide combining multidisciplinary expertise. Our specialists are fully equipped to provide legal support on disputes regardless of the generation type.

We regularly advise clients during all stages of onshore and offshore wind projects worldwide. Our expertise ranges from accompanying clients during the tendering phase to advising on the contract drafting and negotiation, as well as the project management during the execution phase. We also assist our clients in resolving their disputes out of court, in state courts and in arbitration. Due to our extensive experience and possibility to offer the full range of services, we have been involved in almost all major windfarm projects in the German North and Baltic Sea, projects in Danish, UK and Dutch territorial waters and recently in the first project being developed off the coast of Taiwan.

## Digitalisation and Cyber Security

The Baltic states have a pioneering role in addressing cyber security and especially Estonia is known for its advanced security standards in the public sector. In addressing these security concerns, Estonia achieved a big step towards becoming a digital state. They are the first in Europe to experience the advantages of a digital administration and a fully digitalised education and health care system. The digital market beyond security systems in the Baltic states offers potential for investors. There is an increasing government focus on providing digital infrastructure which is exemplified by the comprehensive expansion of the 5G network, starting in Vilnius.

With the move towards digitalisation and increasingly flexible and online working environments, cyber-attacks pose a serious threat to corporations generally and those involved in energy, shipping, transport and logistics sectors are no exception. Data privacy and protection is fundamental due to the increasing threat of malicious hackers with the ability to leverage and monetise commercial and personal data.

In the current cyber landscape multi-national organisations face a web of complex and conflicting laws and regulations surrounding the collection, use, retention, and disclosure of information. This requires careful attention to data privacy at every stage of the business cycle to avoid the negative publicity surrounding data breaches.

### Our Expertise

The Cyber Risk team at Clyde & Co has worked on over 3,000 data breaches and cyber incidents including a number of the largest, most high-profile incidents globally to date. These cases and incidents have encompassed the full range of global business interests, and Clyde & Co is particularly well placed to understand and assist in relation to the sharply increasing cybercrime risks posed to the energy, shipping and transport sectors.

We provide valuable assistance to clients in each of the “readiness”, “response” and “recovery” phases of a cyber breach. In terms of readiness and preparation, Clyde & Co has significant experience in advising on and assisting in scoping exercises so that companies can identify and understand the specific risk profiles they face, for example by providing pre-incident preparedness packages, full cyber security health checks, data mapping, third party contract reviews, horizon scanning and assistance in reviewing data privacy regulations.

In the response & recovery phase, various factors need to be considered when restoring business operations. This may include engaging forensic experts to ensure that the threat is contained, and systems are secure to prevent a further recurrence and to manage threat actor engagement and negotiation.

# Clyde's Participation in the 2021 Baltic Arbitration Days

## 12-13 August 2021 in Riga & Jurmala

- Clyde & Co invites you to our Satellite event “Virtual Hearings - from a temporary necessity to a real alternative” on 12 August 2021 at 1 pm at the National Library of Latvia (NLL).

### We are delighted to be joined by

- **Giacomo Rojas Elgueta** (Partner at D|R Arbitration & Litigation and Professor at Roma Tre University)
- **Dr. Christian Aschauer** (Independent Arbitrator and Professor at the University of Graz)
- **Andrew Skim** (FTI Consulting)
- **Jamey Johnson** (FTI Consulting)
- **Anna Falk** (Moderator, Clyde & Co)
- **Cornelia Kunze** (Moderator, Clyde & Co)
- **Georg Scherpf** (Clyde & Co)

FTI will also show-case the technical possibilities available for virtual hearings. Participants will receive a link for virtual participation before the event.

**We kindly ask you to note that the attendance of our event in person requires a negative Covid-19 test or a Covid-19 vaccination certificate. Thank you for your understanding**

- Clyde is delighted to be an Amber Sponsor of the Baltic Arbitration Days 2021.
- **Georg Scherpf** will speak on Panel IV: Investment Arbitration Update on 13 August 2021 at 3:30 pm.