

Latvian constructors return from Dubai with up to 50 new contacts and cooperation agreements

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THE BIG 5, the construction industry trade fair and a satellite event of EXPO 2020, took place in Dubai, the United Arab Emirates (UAE), from 12 to 15 September. This year, eight companies represented Latvia: Controlit Factory, AM Energy, WWL HOUSES, Tetralia, Groglass, TENAX PANEL, Wood ART.LV and Silk Plaster Group. The result of the fair is quite impressive: between 20 and 50 potential cooperation partners for each company and several already signed cooperation agreements.

THE BIG 5 is the largest and most influential construction trade fair in the Middle East, which has been running since 1982, attracting around 3,000 exhibitors and around 60,000 industry professionals each year. Dubai is a gateway not only to the lucrative Gulf region, but also to India, Africa and Australia. Moreover, this market is very open to innovation, which is also widely used in the construction sector. Latvian entrepreneurs also point to innovation as the most important aspect valued by potential cooperation partners from all over the world, as they have gained both extensive contacts and valuable insights at the fair.

Small on the map, noticeable at international fairs

According to the Central Statistical Office (CSO), in 2020 the share of the construction sector in Latvia was 7% of the gross domestic product. The sector is made up of 11 658 companies, employing around 70 000 people. Timber accounted for the largest share - 39% - of the construction export market last year, followed by metals at 22%, and a range of other materials between 5–10%: furniture and lamps, building materials, various parts and components. Foreign trade in construction services generated EUR 356 million in 2020, and overall this income has increased sixfold in 10 years. What can we do to impress the rest of the world, and why do Latvian construction companies manage to get noticed?

☞ "Of course, Latvia is small compared to the rest of the world, but I have to admit that it looked very good at the fair. We know how to attract attention: visitors liked the design of the stand, which was very different from what other countries had to offer. While other countries used relatively simple constructions, Latvia's stand featured both unusual materials and 3D holograms. The number of contacts obtained by our companies varies between 20 and 50, some have already signed contracts. All the entrepreneurs said that the fair was interesting and valuable, as it helped them to better understand their market, which products are more 'marketable', and what they could potentially offer in addition. However, those who have visited THE BIG 5 in the past point out that this year, despite the Covid-19 restrictions, the fair was particularly well attended, which may be due to the approach of EXPO. "Another conclusion we came to is that it is very important for visitors that the product is made in Europe and not in China, which gives us an advantage," says Toms Sudrabs, Project Manager of the Export Promotion Department at the Investment and Development Agency of Latvia (LIAA).

Go to the other side of the world to meet your neighbours

Eco Terrace are manufacturers of Wood Polymer Composite (WPC), and have a wide range of patio, fence and facade boards designed for harsh weather conditions. They are water, frost and insect resistant, so they can be used for patios, balcony decking, various garden or even casual furniture and more.

☞ Modris Miķelsons, the company's Sales Manager, says that participating in THE BIG 5 has been a good experience, although different from what was expected. "I have not participated in construction industry fairs before, but I have to admit that in one respect this fair is no different from other industries – everywhere, including in Dubai, innovation and IT solutions are highly valued. We were expecting people to be more interested in taking samples of different materials, but reality proved to be a little different. About 10% of the materials were distributed, while the rest of the materials and the stand itself, which we had built from a variety of materials to demonstrate our diversity of profiles, colours and materials, were distributed to

particularly interested potential partners," says Modris Miķelsons.

He admits that after the first day in Dubai, he was a little worried about if they had brought their products to the right place. "I was a bit worried when I saw the weather, the customer response and the finishing materials used by the locals – mostly glass, tiles, and marble. But on the second day of the fair, interest about us grew rapidly – so much that we had to cut the stand in half at the end of the fair and split it between two potential partners, with whom we are still negotiating. However, we must admit that we are probably more interested in the Scandinavian market because of the specificity of the product. We use recycled materials in our production, a field close to Scandinavian hearts, and the boards themselves are designed for harsh weather conditions where sun meets snow, rain and frost," says Modris Miķelsons. "But we still managed to make a contact with a company that produces components – pillars, bolts, and foundations for terraces. Our production season is now coming to an end, so there will be plenty of time to visit our partners in winter. We have high hopes for such cooperation in the future," adds Miķelsons.

The surprising scale of construction in the Middle East

Toms Sudrabs points out that the potential for cooperation between Latvia and the Middle East region is definitely there, although it is slightly different than with European countries, as both cultural and mental differences have to be taken into account, as well as significant differences in climate. However, there is a need for quality goods and services produced in Europe, given the rapid pace of construction in the Middle East region. Some companies have found the product needs to be slightly modified or adapted to be more successful in a given region.

Tetralia, a manufacturer of metal structures of varying levels of complexity, is currently looking for opportunities to prove its product in the field in the Middle East. "One of our areas of work is the production of screw pile foundations for modular and timber frame houses and solar panels," says Jānis Šelegovskis, representative of Tetralia. He points out that THE BIG 5 is a global fair where the Gulf region is only a small niche.

"We didn't expect to have so many new contacts, but not all of them will bring a tangible result. On the other hand, we had completely unexpected cooperation with the Poles, and we also found potential partners in Australia, who are currently using a more expensive local product. Some companies from Africa, Uganda and Nigeria were interested too. Our product is not unique, but we are competitive in Europe because our prices are good. We are not as greedy as our competitors in Canada and the US, and we are not trying to become millionaires within a year," says Jānis Šelegovskis.

He recognizes that one of the success factors is to be noticeable. Preparing for the fair felt like going on a trip to a futuristic, spectacular event. Therefore, Tetralia purchased a 3D hologram for its stand. In reality, the fair was not very different from what we have seen elsewhere, but ours stood out well among the rest.

☞ "Europe is way ahead in terms of innovation. EXPO is more of a sales show, but you can see the trends there. European fairs are more interesting in terms of innovation, but in the Middle East the scale is much more impressive to what we are used to. In Europe, if you send a truck with foundations, it will last several months, but in the Middle East, you need 10 containers for each project, because everything they build is very big," summarizes Janis Šelegovskis.

Contacts should be established before fairs

Controlit Factory is proud of its innovative and internationally patented roof inspection technology developed in Latvia – a material that can be installed during roof construction or renovation to detect even the smallest damage in the roof covering. For the company team, this was their first experience of exhibiting in the Middle East region, although they are no strangers to the Middle East market – they started to explore it immediately after the Covid-19 pandemic.

☞ "We don't have much experience yet, but we already have some contacts in this market. We see that there is no shortage of

interest in our technology in the region, which is why we think of this fair as a valuable platform to meet potential customers and partners and to get a good stepping stone to continue our trade mission within EXPO. My main advice to others – don't expect that you will go to a fair and everyone will come to you. It should be used as a platform to introduce a specific product to already existing customers. We are, however, pleasantly surprised by the contacts we have made at the fair and are planning our first projects and future trips to Dubai," says Ēriks Stankevičs, Member of the Board of Controlit Factory.

EXPO 2020 was opened on 1 October in Dubai, the United Arab Emirates (UAE), and until 31 March 2022, 192 countries will share the latest business and investment opportunities within three thematic quarters - Sustainability, Mobility and Opportunities.

<https://www.liaa.gov.lv/en/article/latvian-constructors-return-dubai-50-new-contacts-and-cooperation-agreements>