

UAE-Baltic Cooperation in Electronics and IoT Trade: An Anonymized Historical Case-Based and Contemporary Policy Analysis

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Abstract: Background: Electronic manufacturing has become a strategic sector for economies seeking export-led growth, technology transfer and supply-chain resilience. The original thesis examined business relations between the United Arab Emirates (UAE) and the Baltic countries in relation to electronic product manufacturing and export. **Aim/Purpose:** This article converts that thesis into a publishable, anonymized study and updates its relevance by treating the 2018 evidence as a historical baseline for current UAE-Baltic industrial cooperation. **Methodology:** The study uses a qualitative, case-based research design supported by documentary analysis, comparative analysis and strategic interpretation. The empirical discussion draws on an anonymized Baltic electronics exporter, UAE-Germany bilateral cooperation, and UAE-Baltic institutional developments. **Key Findings:** The findings indicate that UAE demand for electronic products, Baltic technical capability, EU-based production standards and nearshoring advantages create a credible foundation for stronger cooperation. Market entry, however, requires clear certification pathways, predictable regulatory guidance, sector-specific platforms and institutional coordination. The updated current scenario shows that UAE Operation 300bn, growth in non-oil trade, CEPA-led trade policy and advanced manufacturing priorities strengthen the relevance of the original argument. **Conclusion:** UAE-Baltic cooperation can progress through coordinated marketing, quality assurance, communication and governmental strategies. **Practical Implications:** Baltic electronics and IoT firms should frame the UAE not only as an export market but also as a gateway for advanced manufacturing, smart mobility, logistics technology and MENA regional expansion.

Keywords: International Business Relations; Electronic Manufacturing; Export Development; UAE; Baltic Countries; Nearshoring; IoT.

1. INTRODUCTION

Electronic technology is now embedded in almost every sector of economic and social life. Consumer electronics, telecommunications equipment, medical devices, transportation technologies, safety systems and industrial automation products have become essential to modern production and service delivery. As demand for electronic products expands, countries increasingly depend not only on domestic production capacity but also on international supply chains, export networks and cross-border business relationships. The ability of firms and governments to build reliable international business relations therefore becomes a strategic condition for growth in technology-intensive industries.

The United Arab Emirates provides a particularly important setting for this issue. The UAE has built a global reputation as a logistics, trade, tourism and smart-city hub, and its economic diversification agenda has increased interest in advanced manufacturing, digital infrastructure and technology adoption. The country has a strong appetite for consumer electronics, security technology, telecommunication solutions, automotive tracking systems and smart government applications. At the same time, the Baltic countries - Lithuania, Latvia and Estonia - possess capabilities that are relevant to electronic manufacturing and export. Their strengths include European Union market access, developing innovation ecosystems, multilingual human capital, competitive labour and operating costs, and growing expertise in information technology, telecommunications and electronics-related services.

Despite this apparent complementarity, the thesis on which this article is based identifies that UAE-Baltic electronic manufacturing cooperation was still at an early stage in 2018. The original research problem is that business relations were not yet sufficiently formalised to support electronic manufacturing firms that wished to export products, establish partnerships or develop nearshoring arrangements. Firms may face certification requirements, documentation procedures, market-entry uncertainty, limited sector-specific support and insufficient government-to-business coordination. These issues can raise transaction costs, delay exports, reduce competitiveness and discourage companies from entering otherwise attractive markets.

The research gap addressed in this article is the limited academic and practical attention given to UAE-Baltic cooperation in electronic manufacturing and export. Previous international business discussions often examine large trade partners or broad regional relationships, while smaller but technologically capable economies such as Lithuania, Latvia and Estonia receive less attention in relation to Gulf markets. Similarly, nearshoring is frequently discussed in relation to Western Europe, North America or large outsourcing destinations, but less is known about its relevance for UAE companies seeking cost-effective European production and innovation partnerships. This study is important because it connects international business relations, electronic manufacturing, export development and nearshoring into a single strategic framework.

The aim of the study is to identify strategies that can strengthen international business relations between the UAE and the Baltic countries for the production and export of electronic products. The study pursues five objectives: first, to examine the current situation and problems of the electronic manufacturing industry; second, to explain the benefits of export, particularly for Baltic electronic companies targeting the UAE; third, to analyse theoretical and practical literature relevant to international business relations and export development; fourth, to examine selected case evidence from electronic manufacturing and bilateral cooperation; and fifth, to propose business relation development strategies for firms and policymakers.

The article is guided by the following research questions. How can the UAE and the Baltic countries develop stronger international business relations in electronic manufacturing? What market-entry and institutional factors currently limit export and production cooperation between these regions? What lessons can be learned from an anonymized Baltic electronics exporter and the UAE-Germany bilateral partnership? Which strategies are most relevant for improving market access, strengthening trust and supporting long-term cooperation?

The contribution of this study is threefold. Theoretically, it applies international business and strategic management logic to a relatively underexplored trade relationship. Empirically, it brings together anonymized historical case evidence from a Baltic electronic manufacturer and a benchmark bilateral partnership. Practically, it offers a strategy framework based on marketing, quality, communication and government-level support that can be used by companies, trade agencies, business associations and policymakers seeking to develop UAE-Baltic technology cooperation.

Because the original empirical work was completed in 2018, this article treats the thesis evidence as a historical baseline rather than as a statement of current company or regulatory conditions. Company identifiers, exact export revenue and firm-specific strategic details have been anonymized to reduce commercial sensitivity. A current-scenario update is incorporated to connect the original findings with the UAE's post-2021 industrial diversification agenda, non-oil trade expansion and advanced manufacturing priorities.

2. LITERATURE REVIEW

The literature and conceptual foundation of the study is organised around four themes: electronic manufacturing, export-led development, nearshoring and international business relationship development. Together, these themes explain why electronic manufacturing firms require both internal capabilities and external institutional support when entering foreign markets.

Electronic manufacturing services (EMS) include the design, production, testing, assembly and sometimes repair of electronic products and components. EMS firms may operate through original design manufacturing (ODM), original equipment manufacturing (OEM), contract manufacturing and related production models. These arrangements allow companies to use specialised production capacity, engineering expertise, laboratories, printed circuit board assembly, surface mount technology, through-hole technology, automated inspection and supply chain coordination. The sector is important because electronic products are used across healthcare, telecommunications, transport, education, defence, construction, automation and consumer markets. The thesis presents EMS as a capability-intensive activity in which production quality, engineering skills, supply chain reliability and customer support strongly influence international competitiveness.

Export is another central theme. Export activity allows firms to reach larger markets, exploit demand beyond domestic borders and improve revenue growth. For countries, export development contributes to GDP, employment, foreign exchange earnings and industrial upgrading. The thesis uses examples such as Singapore, the United States, Malaysia and the European Union to show that import-export flows are closely linked to economic performance. Although these examples are descriptive rather than econometric, they support the wider point that export is a strategic route through which smaller economies can scale technology capabilities. For Baltic firms, the UAE represents an attractive export destination because of purchasing power, technology adoption, infrastructure investment and its position as a gateway to the Gulf and wider MENA region.

Nearshoring is used as a strategic concept for explaining how geographic, cultural, linguistic, temporal and institutional closeness can influence outsourcing and production decisions. Traditional offshoring assumes that technology reduces the relevance of distance, allowing firms to coordinate activities from almost anywhere. Nearshoring challenges this assumption by arguing that distance still matters. Proximity can reduce communication problems, travel burdens, cultural misunderstanding and coordination costs. The thesis draws on the nearshoring argument of

Carmel and Abbott, highlighting constructs such as geographic closeness, shared time zones, cultural similarity, language compatibility, political-economic stability and historical connections. In the UAE-Baltic context, nearshoring is not geographically close in the narrow sense, but the Baltic countries offer regulatory credibility, European infrastructure, multilingual skills and cost advantages compared with many Western European locations.

The Baltic region's attractiveness is supported by several structural factors. Lithuania, Latvia and Estonia have relatively small domestic markets but export-oriented economies and strong incentives to attract foreign investment. The thesis highlights Lithuania's information technology capacity, broadband infrastructure, fibre-optic penetration, lower commercial rents, and competitive tax and wage conditions. It also notes Estonia's reputation in digital government and technology, Latvia's machinery and electrical appliance exports, and the presence of international service and technology companies in the region. These features align with resource-based view logic, which argues that firm and location-specific resources can become sources of competitive advantage when they are valuable, rare, difficult to imitate and effectively organised.

The study also uses strategic analysis frameworks. The resource-based view (RBV) supports internal analysis by focusing on capabilities, assets, expertise and organisational strengths. SLEPT analysis extends the perspective to social, legal, economic, political and technological conditions. SWOT logic is used only at an aggregated level; firm-specific weaknesses, exact commercial figures and internal strategic assessments are not reproduced in this anonymized article.

Previous research and documentary evidence suggest that international business relations are strengthened when formal mechanisms exist. The UAE-Germany example illustrates the role of strategic partnership agreements, bilateral chambers of commerce, embassy support, investment protection, double taxation arrangements, air transport agreements and joint commissions. These mechanisms reduce uncertainty, increase trust and provide institutional channels for firms. The gap is that similar mechanisms have historically been weaker

between the UAE and Baltic countries, although recent developments such as Lithuania-UAE economic and technical cooperation, Latvia's diplomatic expansion and Estonia-Dubai smart government cooperation indicate emerging momentum.

The literature review therefore suggests that market opportunity alone is insufficient. For electronic manufacturing exports to grow, firms require quality capabilities, market communication, regulatory knowledge, certification support, government cooperation and platforms for long-term trust building. The gap addressed by this study is the lack of an integrated UAE-Baltic strategy for connecting these factors into actionable business relation development.

3. CURRENT SCENARIO AFTER 2018: UAE-BALTIC ELECTRONICS COOPERATION IN A NEW INDUSTRIAL CONTEXT

The original thesis was prepared in 2018, when UAE-Baltic business relations in electronics were still relatively underdeveloped and the study identified limited formal platforms, certification complexity and early-stage sector-specific coordination. The post-2018 environment is materially different. The original findings should therefore be interpreted as historical evidence that helps explain how cooperation can be strengthened under current industrial and trade priorities.

The UAE has since launched Operation 300bn, a national industrial strategy designed to increase the industrial sector's contribution to GDP to AED 300 billion by 2031. The strategy identifies electrical equipment and electronics, advanced manufacturing and Fourth Industrial Revolution technologies as priority areas (Ministry of Industry and Advanced Technology [MoIAT], n.d.; UAE Government Portal, n.d.). This creates a stronger policy fit for Baltic electronics, IoT, smart mobility and industrial technology firms than existed at the time of the original thesis.

The trade environment has also expanded. Reuters reported that UAE non-oil goods trade

reached approximately AED 3 trillion in 2024, a 14.6% increase from the previous year, reflecting the country's focus on trade-driven diversification (Reuters, 2025). In addition, the UAE's Comprehensive Economic Partnership Agreement programme is designed to deepen international trade links and strengthen the country's role as a global logistics and trade hub (UAE Ministry of Economy, n.d.). These developments support the article's argument that the UAE should be viewed as both an end market and a regional platform for wider MENA expansion.

For the Baltic countries, the current opportunity is not limited to traditional export promotion. Lithuania, Latvia and Estonia can position themselves around EU-compliant electronics manufacturing, cybersecurity, IoT hardware, industrial automation, supply-chain resilience and smart infrastructure. Their advantages identified in the original thesis - technical capability, multilingual labour, EU regulatory environment and lower relative operating costs - remain useful, but they now need to be connected to the UAE's current industrial and technology priorities.

The anonymized historical case should therefore be read carefully. It demonstrates that a Baltic IoT and electronics manufacturer was able to develop commercial activity in the UAE market despite market-entry and institutional complexity. However, the article does not present the case evidence as current company performance, official corporate position or present regulatory status. Instead, it uses the case as a historical illustration of how firm capabilities and institutional support interact in cross-border electronics trade.

Overall, the updated scenario changes the strategic framing of the article. In 2018, the core issue was early-stage UAE-Baltic business coordination for electronics export. In the current environment, the stronger contribution is that UAE-Baltic cooperation can be reframed as an advanced manufacturing and technology partnership. This includes IoT, smart mobility, cybersecurity, industrial automation, EU-compliant production and supply-chain diversification.

Table 1: Current Scenario Update and Strategic Implications

Current Development	Strategic Relevance	Implication for the Article
Operation 300bn and advanced manufacturing priorities	Creates stronger policy alignment for electronics, IoT and industrial technology cooperation.	Updates the original 2018 export argument into a broader industrial partnership argument.
Record UAE non-oil trade growth	Confirms the UAE's shift toward trade-driven diversification and regional gateway positioning.	Supports treating the UAE as both market and MENA platform.
CEPA-led trade policy and logistics-hub strategy	Indicates growing preference for formalized trade partnerships and predictable market access.	Strengthens the recommendation for sector-specific UAE-Baltic institutional mechanisms.
Baltic EU-compliant technology capabilities	Supports positioning around quality, compliance, cybersecurity, IoT and smart infrastructure.	Connects Baltic strengths to current UAE demand and localization priorities.

4. METHODOLOGY

This study uses a qualitative research design. The purpose is exploratory and strategic rather than statistical. The research does not attempt to test a numerical hypothesis; instead, it examines existing literature, company evidence, trade information and bilateral relationship examples to identify strategies for improving international business relations between the UAE and the Baltic countries.

The population of interest consists of electronic manufacturing companies, trade institutions, investors and government-related bodies involved in production, export and international business cooperation between the UAE and the Baltic region. Because the study is qualitative, it uses purposive sampling rather than statistical sampling. The selected evidence includes an anonymized Baltic electronics exporter, the UAE-Germany bilateral partnership and UAE-Baltic institutional developments.

The data collection method was based on secondary data and anonymized case evidence. Sources included scientific literature, technical material on electronic manufacturing, export and trade documents, government and embassy materials, business news, statistical tables, trade databases and policy sources. The article deliberately avoids reproducing exact firm-level revenue figures or commercially sensitive case details.

The data analysis technique combined thematic analysis, comparative analysis and strategic

analysis. Thematic analysis was used to organise evidence around electronic manufacturing, export, nearshoring, UAE market demand, Baltic production capacity and institutional cooperation. Comparative analysis was used to examine the UAE-Germany partnership as a benchmark for institutionalised bilateral cooperation. Strategic analysis was used to convert case evidence into general themes without reproducing company-specific weaknesses or confidential business data.

Ethical considerations were addressed through reliance on publicly available documentary sources, anonymization of the company case and responsible treatment of thesis evidence. The research does not involve human participants, personal data or experimental intervention. Because the article is based on a thesis and includes a historical company case, the safest publishable version avoids exact company identifiers, exact export revenue and internal strategic assessments. The analysis does not represent the official position, current performance or regulatory status of any company, regulator, government body or trade partner.

5. RESULTS AND FINDINGS

The findings are organised according to the study's objectives and research questions. The most important results relate to market opportunity, market-entry requirements, Baltic competitiveness, anonymized case evidence, lessons from the UAE-Germany partnership and the proposed strategic framework.

First, the UAE is a promising market for electronic products. The thesis identifies strong demand for consumer electronics, telecommunication products, smart infrastructure, CCTV systems, vehicle tracking, two-way communication systems, safety technologies and smart-city applications. The UAE's ambition to diversify beyond oil and strengthen manufacturing also supports demand for technology-based partnerships. The country is not only an end market but also a regional gateway to Gulf and MENA markets. This creates an opportunity for Baltic firms that can provide reliable, innovative and competitively priced electronic products.

Second, Baltic countries have relevant production and export advantages. Lithuania, Latvia and Estonia combine EU regulatory standards with lower labour and operating costs than many Western European economies. They also possess technical infrastructure, multilingual labour and growing innovation capacity. The thesis particularly highlights Lithuania's information technology infrastructure and Estonia's digital governance experience. These factors make the region attractive both for Baltic exports to the UAE and for UAE companies considering European nearshoring, outsourcing or joint development projects.

Third, the study identifies the importance of regulated market-entry processes. Electronic products exported to the UAE may require approval, conformity assessment or certification from relevant authorities depending on product type and use. Where formal sector-specific support channels are limited, firms can experience documentation burdens, longer certification timelines and uncertainty about procedures. This finding suggests the need for clearer guidance, certification support and institutional communication rather than criticism of any regulatory body.

Fourth, the anonymized case demonstrates that UAE export growth is feasible for Baltic electronics firms. The case company is treated as a historical example of a Lithuanian IoT and electronic manufacturing business with relevant production capability, international export experience and UAE market exposure. Instead of reproducing exact export revenue, the article records the general finding that historical UAE

sales increased over time, indicating that Baltic electronic products can gain traction when product capability and market demand align.

Fifth, the UAE-Germany case demonstrates the value of institutionalised bilateral relations. Germany and the UAE have a strategic partnership supported by chambers of commerce, diplomatic institutions, economic commissions, investment arrangements and sectoral cooperation. Germany's exports to the UAE were reported at US\$16.33 billion in 2016, including electrical and electronic equipment. This case does not imply that Baltic countries can immediately replicate Germany's scale, but it offers a model of how formal structures can support trade expansion.

Sixth, recent UAE-Baltic developments show that the relationship is moving in a positive direction. Lithuania and the UAE signed an agreement for economic and technical cooperation in 2017. Latvia expanded diplomatic engagement with the UAE and highlighted science and technology priorities. Estonia and Dubai cooperated on smart government and smart-city knowledge exchange. These developments suggest that the institutional foundation for future cooperation exists but needs to be converted into sector-specific support for electronic manufacturing and export.

Overall, the findings support four strategic directions. Marketing strategy is needed to increase awareness of Baltic electronic capabilities in the UAE and to promote UAE investment opportunities in the Baltic region. Quality strategy is needed to build trust through certification, after-sales support, technical reliability and continuous improvement. Communication strategy is needed to maintain cooperation between firms, agents, government bodies and business associations. Governmental strategy is the most important because formal agreements, trade facilitation, certification channels and diplomatic support can reduce market-entry requirements and make business relations sustainable.

Table 2: Summary of the Research Design

Component	Article-Format Description
Research Design	Qualitative, exploratory, case-based and documentary research design.
Population of Interest	Electronic manufacturing firms, investors, trade institutions and government-related bodies involved in UAE-Baltic business relations.
Sampling Technique	Purposive case selection based on relevance to the research aim.
Cases Analysed	An anonymized Baltic electronics exporter as historical case evidence; UAE-Germany relations as a benchmark bilateral partnership.
Analytical Tools	Thematic analysis, comparative analysis, RBV logic, SLEPT logic and aggregated SWOT-style interpretation without firm-specific disclosure.
Ethics	Use of public documentary evidence, anonymization of firm-specific case details and responsible treatment of thesis evidence.

Table 3: Key Evidence from the Case Analysis

Evidence Area	Main Finding	Strategic Meaning
UAE Market	Demand exists for consumer electronics, telecommunications, vehicle tracking, CCTV, smart city and safety technologies.	The UAE is a relevant target market and regional gateway for Baltic electronic firms.
Baltic Region	Baltic countries offer technical infrastructure, EU standards, multilingual capacity and lower operating costs than many Western European locations.	The region can be positioned as both an export base and nearshoring destination.
Anonymized Baltic Exporter Case	The historical case indicates that a Baltic electronics and IoT firm developed commercial activity in the UAE over time. Exact company identifiers and revenue figures are intentionally omitted.	Baltic electronic manufacturers can gain market traction in the UAE when product capability, support quality and market demand align.
UAE-Germany Benchmark	Germany-UAE relations are supported by formal agreements, chambers, diplomatic support and economic cooperation mechanisms.	Institutional architecture can reduce uncertainty and strengthen business relations.
UAE-Baltic Developments	Lithuania, Latvia and Estonia have begun strengthening diplomatic and economic engagement with the UAE.	Emerging cooperation should be converted into sector-specific electronic manufacturing support.

Table 4: Proposed International Business Relation Development Strategies

Strategy	Purpose	Recommended actions
Marketing strategy	Increase awareness, demand and investment interest.	Joint exhibitions, UAE-based promotional campaigns, local-language marketing in Baltic countries, sector-specific business forums and investor outreach.
Quality strategy	Build trust in electronic products and services.	Certification support, after-sales service, continuous feedback, technical training, quality management systems and compliance alignment.
Communication strategy	Strengthen cooperation between firms, agents and institutions.	Regular partner meetings, distributor development, trade association links, shared technical events and structured market intelligence.
Governmental strategy	Improve predictability and formalise long-term cooperation.	Economic cooperation mechanisms, trade facilitation measures, certification guidance, joint commissions, investment protection and diplomatic support.

6. DISCUSSION

The findings indicate that UAE-Baltic electronic manufacturing cooperation is best understood as an opportunity that depends on institutional development. The UAE market has demand, purchasing power and regional connectivity. The Baltic countries have technical capability, cost advantages and EU credibility. Yet market potential does not automatically become trade growth. The results show that formal business relations, regulatory guidance pathways and trust-building platforms are needed to convert complementarity into measurable export and production outcomes.

The current scenario reinforces this interpretation. UAE industrial policy has moved from general diversification toward a clearer manufacturing and advanced technology agenda. This means that Baltic companies should not frame cooperation only as export selling; they should connect their value proposition to localization, industrial capability-building, smart infrastructure, regulatory compliance and regional supply-chain resilience.

The anonymized case is important because it links the strategic argument to firm-level evidence without exposing sensitive company information. Historical growth in UAE activity indicates that a Baltic electronic manufacturer can build a successful position in the UAE market. This supports the resource-based view because internal resources - experience, product quality, technical support, integration capability and customised solutions - can contribute to competitive advantage. However, the same case also shows that internal strengths are not sufficient. Local presence, certification support and institutional facilitation can strongly influence export performance. In this respect, RBV and SLEPT perspectives complement each other: companies must develop valuable capabilities, while governments and institutions must improve external support conditions.

The discussion also supports the relevance of nearshoring, although the UAE-Baltic relationship differs from classic nearshoring examples. The Baltic countries are not geographically adjacent to the UAE, but they offer other forms of proximity that matter in international business: regulatory proximity to EU standards, cultural and linguistic

adaptability, time-zone manageability, technical education and cost efficiency. For UAE companies seeking a European production or development base, the Baltic region may offer a middle position between higher-cost Western Europe and more distant offshore alternatives. This is consistent with the nearshoring literature's argument that distance is multidimensional rather than purely geographic.

The UAE-Germany comparison strengthens the argument that institutional architecture matters. Germany's strong trade position in the UAE is not only a result of firm capability; it is also supported by bilateral agreements, chambers of commerce, diplomatic services, economic commissions and legal arrangements. For Baltic countries, the implication is not to imitate Germany's industrial scale, but to adapt its institutional logic. A dedicated UAE-Baltic business platform, sector-specific trade missions, electronic product certification support, investment protection arrangements and regular government-business forums could reduce uncertainty and accelerate exports.

The findings also connect to export development theory. Exporting allows small economies to overcome domestic market limitations and scale specialised capabilities. Lithuania, Latvia and Estonia are small economies; therefore, export orientation is essential for technology-intensive firms. The UAE provides a valuable target market because electronic products are linked to infrastructure, smart services, public safety, logistics and consumer demand. If Baltic firms can use the UAE as an entry point to Gulf and MENA markets, export growth may extend beyond bilateral trade and become a wider regional strategy.

Quality strategy deserves particular attention. In electronic manufacturing, price competition alone is risky because lower-cost manufacturers may compromise reliability, support and long-term trust. The anonymized case evidence suggests that quality, technical support and integration capability are important differentiators. Baltic companies should therefore avoid positioning themselves only as cheaper alternatives. Their stronger value proposition should combine European quality, technical support, customisation, compliance and competitive cost. This positioning can help them compete with both high-cost Western European suppliers and low-cost Asian competitors.

Communication strategy is equally important because international business relations depend on repeated interaction. Exhibitions, trade fairs, business forums, distributor relationships, local agents and government-backed delegations can generate trust and market knowledge. The thesis evidence suggests that regional exhibitions and promotional activity can support market development. In practice, communication should be structured and continuous rather than occasional. Firms need clear channels for regulatory updates, customer feedback, technical support, distributor training and partner development.

Governmental strategy is the strongest theme across the findings. The study suggests that some market-entry issues cannot be solved only through private effort. Certification timelines, import documentation, investment protection and official recognition of cooperation priorities often require government or institutional support. This finding aligns with international business literature that emphasises institutions, rules and policy environments as determinants of cross-border trade. For the UAE and Baltic countries, formal agreements and specialised support mechanisms could reduce transaction costs and make electronic manufacturing cooperation more predictable.

The research questions can therefore be answered as follows. Stronger UAE-Baltic business relations can be developed through a combined strategy involving market promotion, quality assurance, structured communication and government-level facilitation. Current limiting factors include early-stage sector-specific platforms, limited awareness, certification complexity, lack of local presence and competition from low-cost manufacturers. The anonymized case shows that export success is possible, while the UAE-Germany case shows that institutional depth magnifies trade potential. The most relevant strategies are those that reduce uncertainty, increase trust and align firm-level capabilities with government-supported trade infrastructure.

7. THEORETICAL AND PRACTICAL IMPLICATIONS

The theoretical implications of the study are meaningful because the UAE-Baltic relationship

illustrates how international business performance is shaped by the interaction between firm capabilities and institutional environments. A purely firm-centred view would suggest that product quality, price and technical capability are enough to enter a foreign market. The findings show that this is incomplete. Electronic manufacturing is often affected by certification systems, import rules, safety approvals, distributor relationships and government-level trust. The study therefore supports a combined perspective in which RBV explains why technology firms can compete, while SLEPT explains why external legal, political and economic conditions can either enable or restrict that competitiveness. For international business scholarship, this confirms that smaller economies can create competitive export niches when their technological capabilities are connected to supportive diplomatic and commercial infrastructure.

The study also contributes to nearshoring theory by showing that proximity should not be interpreted narrowly. Baltic countries are not next-door neighbours of the UAE, yet they may still function as a strategically proximate production and innovation base because they provide EU standards, reliable business practices, skilled technical labour and manageable communication conditions. In this sense, nearshoring can include institutional and capability proximity. This is particularly relevant for Gulf-based firms that may want access to European engineering capacity without the higher cost structure of major Western European economies.

For practitioners, the study suggests that Baltic companies should enter the UAE market through a deliberate positioning strategy. They should not compete only on price. Their stronger message should be based on reliable European production, technical support, integration flexibility, product customisation, compliance readiness and long-term after-sales service. This positioning is especially important in electronic products where failure can affect safety, transport, communications or public services. Baltic firms should also build local UAE partnerships rather than relying only on remote exporting. Local distributors, service centres, technical training partners and participation in UAE exhibitions can reduce customer uncertainty and improve market responsiveness.

For UAE companies and investors, the findings suggest that the Baltic region can be explored as a practical technology partner. UAE firms seeking electronic product development, IoT manufacturing, software-linked hardware, smart-city components or specialised engineering services may benefit from joint projects with Baltic companies. These arrangements could take the form of outsourcing, contract manufacturing, joint ventures, research cooperation or distribution partnerships. The Baltic region can also serve as a European base for innovation projects that require EU business standards and access to technical labour at lower operating cost than many Western European centres.

For policymakers, the study highlights the need to move from general diplomatic goodwill to sector-specific implementation. Economic cooperation agreements are valuable, but electronic manufacturing requires operational mechanisms: product approval guidance, conformity support, trade documentation support, investor matchmaking, technology forums and regular contact between chambers of commerce. A UAE-Baltic electronics working group could identify priority subsectors such as IoT devices, vehicle telematics, smart infrastructure, security technology and e-government hardware. Such a platform would help firms understand market rules, reduce duplication of effort and create a shared pipeline of projects.

In the updated context, policymakers should prioritise practical instruments such as UAE-Baltic technology forums, certification support desks, pilot-project platforms, joint innovation programmes, and investment promotion focused on electronics, IoT, cybersecurity and advanced manufacturing. These instruments would translate diplomatic cooperation into measurable industrial and export outcomes.

A further practical implication concerns sequencing. The relationship should begin with low-risk and visible activities, such as trade missions, joint seminars and distributor training, before moving toward larger investments or production relocation. Early successes can create credibility and demonstrate demand. Once trust is established, the partners can expand into joint product development, shared research centres and manufacturing partnerships. This phased approach

is suitable because electronic manufacturing cooperation requires technical confidence, regulatory clarity and commercial trust. It also allows governments to observe what market-entry constraints firms actually face and then design targeted support rather than broad but ineffective policy statements.

The study also implies that data collection should become part of the cooperation process. Governments and business associations should track export volumes at aggregated sector level, certification timelines, market-entry questions, distributor coverage, after-sales service needs and investment enquiries. These indicators would allow both sides to measure whether business relation development strategies are working. Without measurement, cooperation may remain symbolic. With measurement, policymakers and companies can identify which actions create the strongest export and production impact while avoiding disclosure of sensitive firm-level data.

The article's originality lies in its focus on a relatively under-researched trade relationship. Instead of examining a dominant economy or a conventional outsourcing destination, it positions the Baltic countries as potential strategic partners for a high-income Gulf market. It also uses a dual case logic: an anonymized Baltic exporter demonstrates firm-level feasibility, while the UAE-Germany partnership demonstrates the value of institutional support. By combining these two perspectives, the study offers a practical framework that can guide both business strategy and government policy.

8. CONCLUSION

This article examined how international business relations between the UAE and the Baltic countries can be developed to support electronic manufacturing and export. Based on qualitative case analysis, documentary evidence and strategic interpretation, the study concludes that there is a strong but underutilised opportunity for cooperation. The UAE offers demand, investment capacity, smart infrastructure ambitions and access to Gulf and MENA markets. Lithuania, Latvia and Estonia offer technical capabilities, export orientation, EU standards, skilled labour and cost competitiveness.

The main finding is that electronic manufacturing cooperation requires both company capability and institutional support. The anonymized historical case indicates that Baltic electronic products can succeed in the UAE market. However, certification requirements, limited sector-specific agreements and early-stage business platforms can slow market entry and increase costs. The UAE-Germany case shows that mature bilateral relations supported by chambers, agreements and government commissions can improve trade performance. Recent UAE-Baltic developments suggest that the foundation for deeper cooperation is emerging, but sector-specific mechanisms are still needed.

The theoretical contribution of the study lies in connecting RBV, SLEPT, SWOT and nearshoring perspectives to a specific UAE-Baltic electronic manufacturing context. It shows that internal resources such as product quality and technical expertise must be aligned with external factors such as regulation, diplomacy, market demand and institutional trust. The study also extends nearshoring thinking by showing that proximity can include regulatory, cultural, linguistic and strategic dimensions, not only geography.

Practical implications are clear. Baltic governments and business associations should promote electronic manufacturing capabilities in the UAE through trade missions, exhibitions, business councils and targeted investment forums.

UAE companies should explore Baltic nearshoring, joint ventures, research cooperation and technology partnerships. Both sides should develop formal agreements, certification support channels, investor protection arrangements, training exchanges and joint innovation projects. Firms should position Baltic electronics not merely as low-cost products but as reliable, compliant and technically supported solutions.

The study has limitations. It is based mainly on secondary data and anonymized case evidence, and several trade figures originate from the 2018 thesis period. The current-scenario update improves the article's relevance but does not replace the need for fresh primary interviews, updated sector-level export data and current bilateral trade statistics. Future research should test the proposed strategies through interviews with UAE regulators, Baltic trade agencies, electronics manufacturers, distributors and investors.

Despite these limitations, the study provides a useful strategic framework. The central recommendation is that UAE-Baltic cooperation in electronic manufacturing should be built through four integrated strategies: marketing, quality, communication and governmental coordination. In the current scenario, these strategies should be aligned with the UAE's industrial localization agenda, non-oil export growth, smart mobility, IoT, cybersecurity and advanced manufacturing priorities.

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