

LATVIA / LITHUANIA / ESTONIA

Baltic Weekly Brief

14-19 SEPTEMBER 2026

Aviation reshuffles.
Diesel rises.
Defence capacity grows.

Aircraft capacity, energy costs and investment are moving on different terms across the three Baltic markets. This week's brief connects the developments that matter.

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01 / AVIATION

Capacity is now up for negotiation

€350m

airBaltic DIP financing commitments

Up to 16

based aircraft in Ryanair's proposal

11m

annual seats in the five-year proposal

airBaltic filed for Chapter 11 protection on 14 September after its attempt to secure emergency financing outside court failed to produce a workable solution. Flights continue. The airline aims to complete restructuring around June 2027.

According to airBaltic, the debtor-in-possession facility carries SOFR plus 8%, around 12%, compared with 25% annually in the pre-filing proposal. Funding remains subject to court approvals and conditions.

The regional question is already wider: what happens to the capacity airBaltic gives up? Its Winter 2026/27 programme removes several Riga routes and reduces frequencies on others. The fleet is expected to shrink from 54 aircraft to around 36 by year-end.

Three days after the filing, Ryanair presented a five-year Baltic proposal for up to 16 based aircraft and 11 million annual seats. Its \$1.6 billion headline is the airline's valuation of the aircraft, roughly \$100 million each. It is not a commitment to invest that sum in Baltic airports or local fixed assets.

The offer comes with a negotiating message.

Earlier this year Ryanair cut Riga capacity after attacking airport charges and other costs. For winter, Riga is now the exception: the airline says it will add around 40,000 seats, or 6%, after a new airport incentive scheme.

According to Ryanair, Estonia and Lithuania together will lose around 550,000 of its seats, or 25%. Aircraft can move towards the market offering the better operating economics.

Passenger demand has not disappeared. In August, Tallinn handled around 390,000 passengers, up 16% year on year; Vilnius reached 570,000, up 11.7%. Lithuania's three airports together handled a record 777,000 passengers, up 10%.

Riga remained the largest individual airport at around 700,000 passengers, but preliminary data indicated growth of only about 1%. The demand map and the capacity negotiations are moving at different speeds.

SIGNAL

A hub carrier is restructuring while mobile airline capacity becomes more selective. The question is who replaces lost seats, and on what commercial terms.

READ THE FULL COVERAGE

[airBaltic: Chapter 11 and financing](#)
[Ryanair: the Baltic bargaining round](#)

[August airport data](#)

Diesel is still rising. Wholesale begins to turn.

€2.128

Riga / +2.4% in one week

€2.254

Vilnius / +3.4% in one week

€2.159

Tallinn / +5.9% in one week

DIESEL PER LITRE / COMPARABLE CIRCLE K STATIONS / 18 SEPTEMBER

By Friday, diesel prices had risen again in all three Baltic capitals. Petrol behaved differently: prices fell slightly in Riga and Vilnius and rose only modestly in Tallinn. This is increasingly a diesel story, rather than a uniform rise across all motor fuels.

Upstream, the direction had started to change.

ORLEN Lietuva's published diesel price for one-off road-loading transactions at the OKSETA terminal in Kaunas climbed from €1.870 per litre on 28 August to €2.209 on 16 September.

On 17 September it fell to €2.183. That was still almost 17% above the late-August level, but it marked the first decline after the September surge.

Northwest European diesel prices also eased after a mid-month peak, while the October forward moved lower. Baltic retail prices were still rising as parts of the upstream market moved in the opposite direction.

Cheaper diesel is not automatic. Retail prices react with a lag to replacement costs, contracts, logistics, taxes and margins. One decline upstream is not yet an established trend.

ORLEN is also adjusting crude supply after disruption to Saudi deliveries. It bought 16 additional cargoes from alternative sources for refineries in Poland, Lithuania and the Czech Republic.

The company says its refineries remain fully supplied. The published coverage found no evidence that production at Mažeikiai had been reduced.

Pressure extends beyond crude oil. European diesel supply has been tight, with low inventories and strong refining margins. That matters in the Baltics because diesel is a major cost for road freight, agriculture, construction and regional logistics.

SIGNAL

The fuel chain is moving at different speeds. If the upstream retreat holds, the next test is how quickly it reaches Baltic consumers and businesses.

READ THE FULL COVERAGE

[Baltic diesel: retail, wholesale and ORLEN supply](#)

Spending becomes industrial capacity

Factories, R&D centres and state equity are adding an industrial layer to Baltic security spending.

Lithuania: a larger production base. Drone and defence-systems producer RSI Europe plans to invest up to €50 million in a new facility in Panevėžys district. Construction is expected to begin in early 2027, with the main works completed by the end of that year.

Lithuania is also putting more state capital into Rheinmetall's ammunition plant project in Radviliškis district. State-controlled EPSO-G and Valstybės investicinis kapitalas are contributing another €33.6 million through EPSO-G Invest.

The significance is less the individual amount than the direction: government support is being converted into direct capital participation in production assets.

Latvia: procurement economics. The government abandoned its earlier plan to buy 18 Swedish Archer self-propelled howitzers and moved towards Czech-made Morana systems. The Defence Ministry cited lower costs and faster delivery. Latvian industrial participation is also expected.

The decision illustrates the choices behind larger defence budgets: equipment is needed quickly, but price, delivery time and domestic participation matter alongside military capability.

An engineering layer. NestAI targets €10 million of investment over the next few years in a Latvian R&D centre. It plans a team of around 30 scientists and engineers working on adaptive AI for unmanned and command systems.

Estonia: security in the investment cycle. Its initial position for the 2028-2034 EU funding period would direct 19% of an indicative €6.5 billion package to security and crisis preparedness. The allocation is not yet agreed.

The proposal shows how far defence and resilience have moved into mainstream economic planning.

The security pressure was also visible directly. NATO fighters shot down an unidentified drone entering Lithuania from the direction of Belarus. Vilnius Airport operations were temporarily affected, with alerts around civilian and energy infrastructure. Authorities had not established the drone's purpose by the end of the week.

SIGNAL

Factories, R&D, state equity and proposed EU allocations are creating an industrial layer around the security economy. Plans and operating capacity remain different stages.

READ THE FULL COVERAGE

RSI Europe: planned €50m plant
Rheinmetall: additional state capital
Latvia: Morana replaces Archer plan

NestAI: Latvian R&D centre
Estonia: next EU funding package
Lithuania: drone and airspace disruption

Baltic assets attract capital. Borrowing remains expensive.

€110m

Dolomitas acquisition agreement

Up to 58 MW

Teltonika electricity connection

10%

Storent annual bond coupon

Industrial assets and logistics. London-listed SigmaRoc agreed to acquire Lithuanian dolomite producer Dolomitas for €110 million, with another €8 million for associated non-core assets.

Dolomitas produces around 3.5 million tonnes annually and generated €70 million in revenue and €18 million in EBITDA in 2025. The additional assets include industrial land close to Klaipėda port, potentially usable for aggregate imports, exports and processing.

SigmaRoc is acquiring reserves, production and a possible logistics foothold within an existing platform spanning all three Baltic countries.

Lithuanian capital scales up. Prosperus Asset Management agreed to buy the Ozas shopping and entertainment centre in Vilnius for €200 million. Ozas is intended to anchor a new regional property platform targeting at least €1 billion in assets within 18 months.

Power arrives ahead of schedule. Lithuania completed an electricity connection providing up to 58 MW for Teltonika's planned €3.5 billion High-Tech Hill park in Vilnius almost a year ahead of the original deadline.

The connection removes one constraint on future manufacturing capacity. Investment policy depends on power, land and network capacity arriving alongside the project.

Funding remains expensive. Latvia-based equipment-rental group Storent raised €12.96 million from investors across the three Baltic states, above its €10 million target. Around 70% of demand came from retail investors.

The bonds pay a fixed 10% annual coupon for 3.5 years. Storent still had €5.24 million of its previous issue to repay on 21 September, after only part of the old bonds were exchanged into the new issue. Strong demand coexists with a high cost of capital.

SIGNAL

Baltic investment has not frozen. Capital is moving into assets and corporate bonds, but electricity, logistics and the cost of funding shape what can be delivered.

READ THE FULL COVERAGE

SigmaRoc / Dolomitas
Prosperus / Ozas

Teltonika: 58 MW connection
Storent: bond placement and refinancing

Export growth hides different economies

+14.9%

Latvia / €1.78bn

+13.6%

Lithuania / €3.35bn

+3.0%

Estonia / €1.46bn

JULY GOODS EXPORTS / YEAR-ON-YEAR CHANGE / GROSS TRADE VALUES

The headline ranking makes Latvia and Lithuania look dramatically stronger than Estonia. Composition tells a more complicated story.

Latvia's increase included strong machinery and electrical-equipment exports, but also a significant gasoline re-export component. Lithuania's growth was heavily driven by mineral fuels, with domestic processing playing a larger role because of the Mažeikiai refinery.

Estonia's headline was held back by declining re-exports. Estonian-origin exports excluding mineral products still increased by 5.45%. Gross trade does not provide a clean ranking of underlying export performance.

Lithuania upgrades its outlook. Lietuvos bankas raised its forecast for 2026 goods and services exports from 0.4% in June to 4.8%, while leaving GDP growth unchanged at 2.7%. It pointed to stronger manufacturing in rubber and plastics, wood products and furniture.

A Nordic-Baltic production link. Vilniaus Duona, owned by Sweden's Lantmännen Unibake, invested around €750,000 in a portion-bread line now producing three new products for Denmark.

Capacity on the line has almost tripled to as much as 170 tonnes per month. The company reports interest from Sweden and Norway. It remains unclear whether the Danish volumes are additional group production or partly replace output made elsewhere.

Turnover is not profitability. Estonian restaurant sales rose in nominal terms in the first half of 2026, but closures increased amid higher labour, food, energy and tax costs.

Food and beverage service turnover reached €265.2 million in Q2, from €256.0 million a year earlier. Industry representatives report very low profitability. Revenue can grow while the economics of operating a business deteriorate.

SIGNAL

Separate domestic production, processing and re-exports before ranking performance. At company level, rising turnover is also no guarantee of comfortable margins.

READ THE FULL COVERAGE

[Baltic exports: behind the headline ranking](#)
[Lithuania: revised export forecast](#)

[Vilniaus Duona: production for Denmark](#)
[Estonia: restaurant margins](#)

06 / ALSO THIS WEEK

Four signals beyond the headlines

LATVIA / FINANCE

One supervisor for more of the credit market

From 1 January 2027, Latvijas Banka will take over supervision of 38 non-bank consumer lenders and 36 credit intermediaries and representatives. Deferred-payment providers enter the system earlier, on 20 November 2026. Latvia moves closer to a single financial-sector supervisory model.

[Full signal →](#)

ESTONIA / TECHNOLOGY

One in three companies now uses AI

Statistics Estonia says 34% of enterprises use at least one AI technology, up from around 23% a year earlier. Among individuals, use has reached 65%.

[Full signal →](#)

LATVIA / AGRICULTURE

A good crop is not yet a harvested crop

After favourable growing conditions earlier in the season, waterlogged fields are preventing machinery from reaching parts of Latvia's potato crop. Final losses are not yet measurable. Growers expect less locally produced supply to reach shops.

[Full signal →](#)

ESTONIA / REGULATION

More time for industry under the EU ETS

Tallinn supports a Commission proposal to slow the reduction of free carbon allowances for industrial heat and fuel processes and wants similar treatment for oil shale. Estonia estimates about 20,000 additional allowances, worth roughly €1.5 million annually. These are negotiating positions, not adopted EU rules.

[Full signal →](#)

What to watch next

The week ahead is about the terms, timing and delivery behind the announcements.

01 airBaltic: from announcement to court documents

The final terms and priority of the €350 million DIP financing; treatment of existing creditors and leases; the depth of changes to the fleet and ownership structure.

02 Fuel: where do diesel and petrol go next?

Track both diesel and petrol across the three Baltic markets: whether easing upstream diesel prices reach filling stations, and whether petrol continues to follow a different path. Watch wholesale movements and their pass-through to retail prices.

03 Rail Baltica: the timetable meets the budget

Watch Estonia's 2027 budget talks and the balance between national and EU funding. A shift from 2030 to 2034 is under discussion, not an agreed deadline. The question is which construction stages and completion dates the financing decisions would change.

04 Storent: the remaining refinancing step

The remaining €5.24 million of the previous bond issue falls due on 21 September. The new issue has been placed; completion of the repayment is the next observable milestone.

ABOUT THIS BRIEF

A weekly synthesis of Baltic Focus coverage published on 14-19 September 2026. Article links provide the underlying reporting, data and source context.