



MAGNETIC  
**LATVIA**

# Manufacturing industry in Latvia

Investment and Development Agency of Latvia

[www.investinlatvia.org](http://www.investinlatvia.org)



# Taxation comparisson between LV, EE, LT, PL

	<b>LATVIA</b>	<b>ESTONIA</b>	<b>LITHUANIA</b>	<b>POLAND</b>
Tax on reinvested profit	0%	0%	15%	0%
Dividends (withholding tax)	25% (CIT) 0% ( withholding tax, personal income tax) 20% (PIT in other cases)	20% ( general rate) 14% ( for regularly payable dividents)	15% 0% ( if paid to legal entity owning more than 10% of shares for more than 12 months)	19% (CIT) 19% (WHT)
VAT	21% 12% 5%	20% 9% 0%	21% 9% 5%	23%
Personal income tax	20-23%	20% +1.6% ( unemployment insurance from gross salary)	20% 32% ( for employment income exceeding 81 000 EUR)	17% - 32%
Social tax paid by the employer	24%	33% +0.8% (unemployment insurance)	1.77% (general rate) 2.49% ( fixed-term contracts)	20.08%
Employee's social security tax	10.50%		19.5%	13.71%

# Freeport of Ventspils

- Area ~2450ha.
- Available area for industrial development ~ 600ha
- Non-freezing, deep-water harbour (17m)
- Yearly turnover ~20mln t of cargo
- Main commodities: oil products, coal, timber, metals, mineral fertilizers, food etc.
- Ro-Ro cargo centre of Latvia
- Closed and open storage facilities.
- Total number of companies in the port area 118, out of which 34 special economic zone companies and 14 port terminals

Channel depth and maximum harbour depth: 17,5 m

Maximum draught:

- liquid cargo, dry bulk cargo: 15m
- general cargo, ro-ro, containers: 14,2 m
- Maximum ship length:
- liquid cargo, dry bulk cargo: 275 m
- general cargo, ro-ro, containers: 240 m





# Liepaja Special Economic Zone – Incentives

The location is part of the **Liepaja Special Economic Zone** offering long-term (till 2035) business environment for investors. Special tax discount policy ensures particularly beneficial conditions and economic benefits for entrepreneurs:

## **80% rebate on applicable Corporate Income Tax**

(which makes the tax rate as low as 4%, as opposed to the standard tax rate of 20% in the country) From year 2018 Corporate Income Tax rate for reinvested profit is 0%, but 80% Corporate Income Tax is applied to dividends.

## **80% rebate on applicable Property Tax**

(which makes the tax rate as low as 0.3%, as opposed to the standard tax rate of 1.5% in the country)





# LIEPĀJA - site

**Zoning:** Industrial (for manufacturing and warehousing).

**Estimated value:** 8-10 EUR/m<sup>2</sup> (based on historic sales activities). Owned by the Special Economic zone.

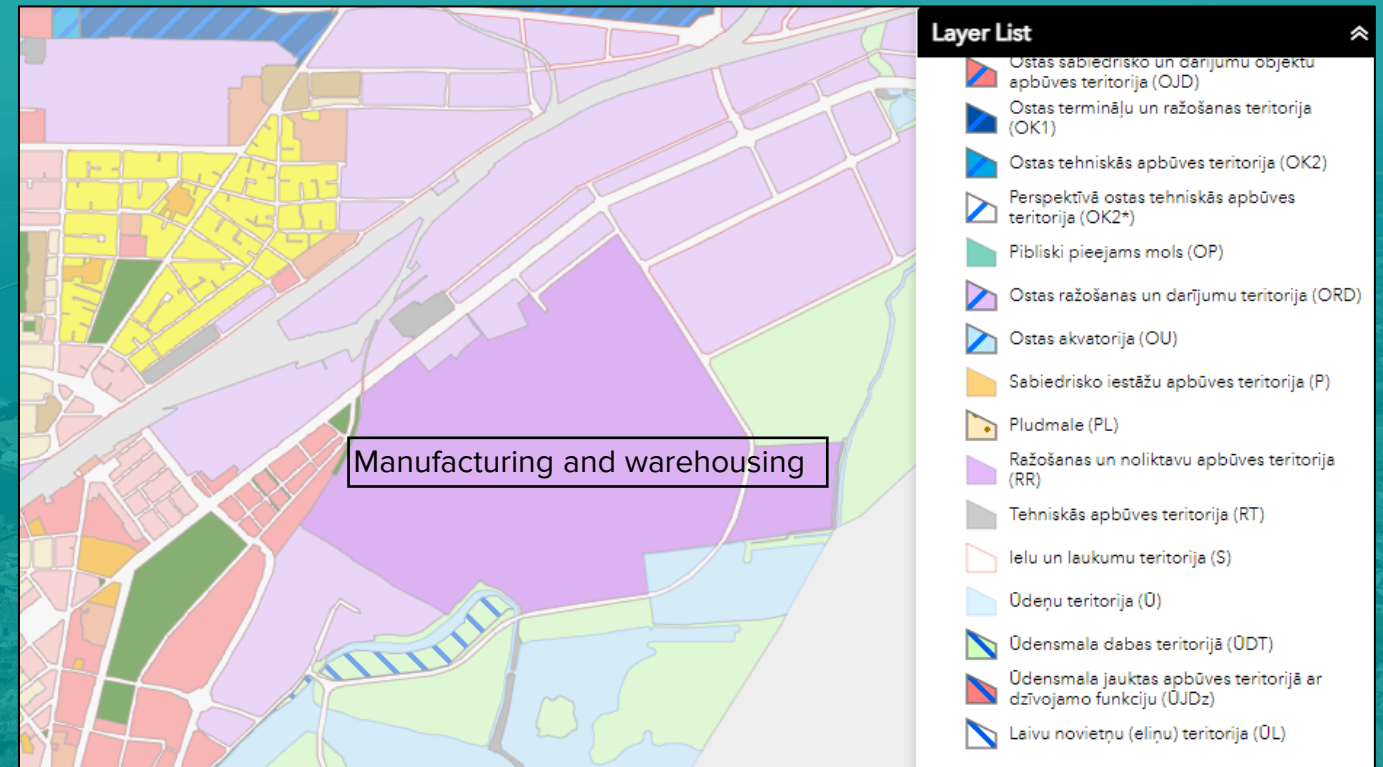
**Plot addresses:**

Brīvības iela 94C, Liepāja (cadaster No. 17000220151).

**Estimated construction costs:**

- 500-550 EUR / m<sup>2</sup> (+VAT 21%).

**Environmental permitting:** class B, 60 days.



We have consulted the Environment Service and with the information given they have confirmed it is class B. We are happy to further discuss more in detail the environmental aspects of permitting.



# dommopark

## Great access

Reach the Baltic States and beyond from a single location near Riga, Latvia

### 58 ha territory

Dommo Industrial I Logistics Park offers up to 55 ha of land for your logistics or industrial project

### On-site infrastructure

The territory has core infrastructure, approved zoning launch of new development.

### 200,000 m<sup>2</sup> built-up area

Following approved zoning, total built-up area of new industrial, logistic and office facilities exceed 200.000 m<sup>2</sup>

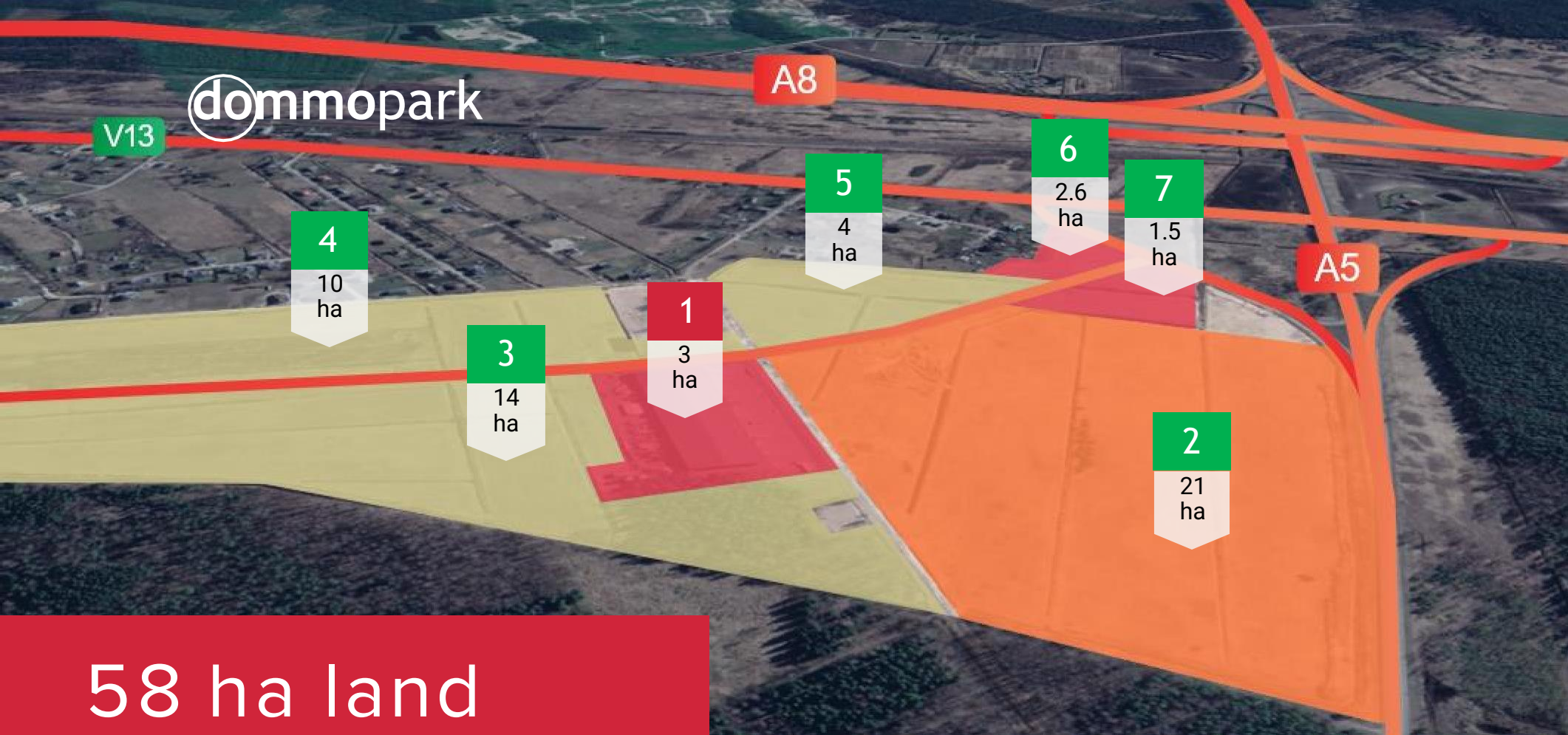
### 12-16 months from start

Start the operations in 12-16 months from signing the

# Dommopark infrastructure







Territory

<b>1</b>	<b>Operating property</b>	<b>2</b>	<b>Development site (industrial)</b>	<b>3</b>	<b>Development site (industrial)</b>	<b>4</b>	<b>Development site (industrial)</b>	<b>5</b>	<b>Development site (industrial)</b>	<b>6</b>	<b>Development site (office)</b>	<b>7</b>	<b>Development site (office)</b>
	Land area: 3 ha		Land area: 21 ha		Land area: 14 ha		Land area: 10 ha		Land area: 4 ha		Land area: 2.6 ha		Land area: 1.5 ha
	Density: 42%		Density: up to 67%		Density: up to 67%		Density: up to 67%		Density: up to 67%		Density: up to 67%		Density: up to 67%
	Building 12,782 m <sup>2</sup>		Footprint: 86 000 m <sup>2</sup> *		Footprint: 49 000 m <sup>2</sup> *		Footprint: 35 000 m <sup>2</sup> *		Footprint: 16 000 m <sup>2</sup> *		Footprint: 16 800 m <sup>2</sup> *		Footprint: 8 400 m <sup>2</sup> *

\* as to preliminary sketch fit-out

# ECO Industrial zone Birznieki

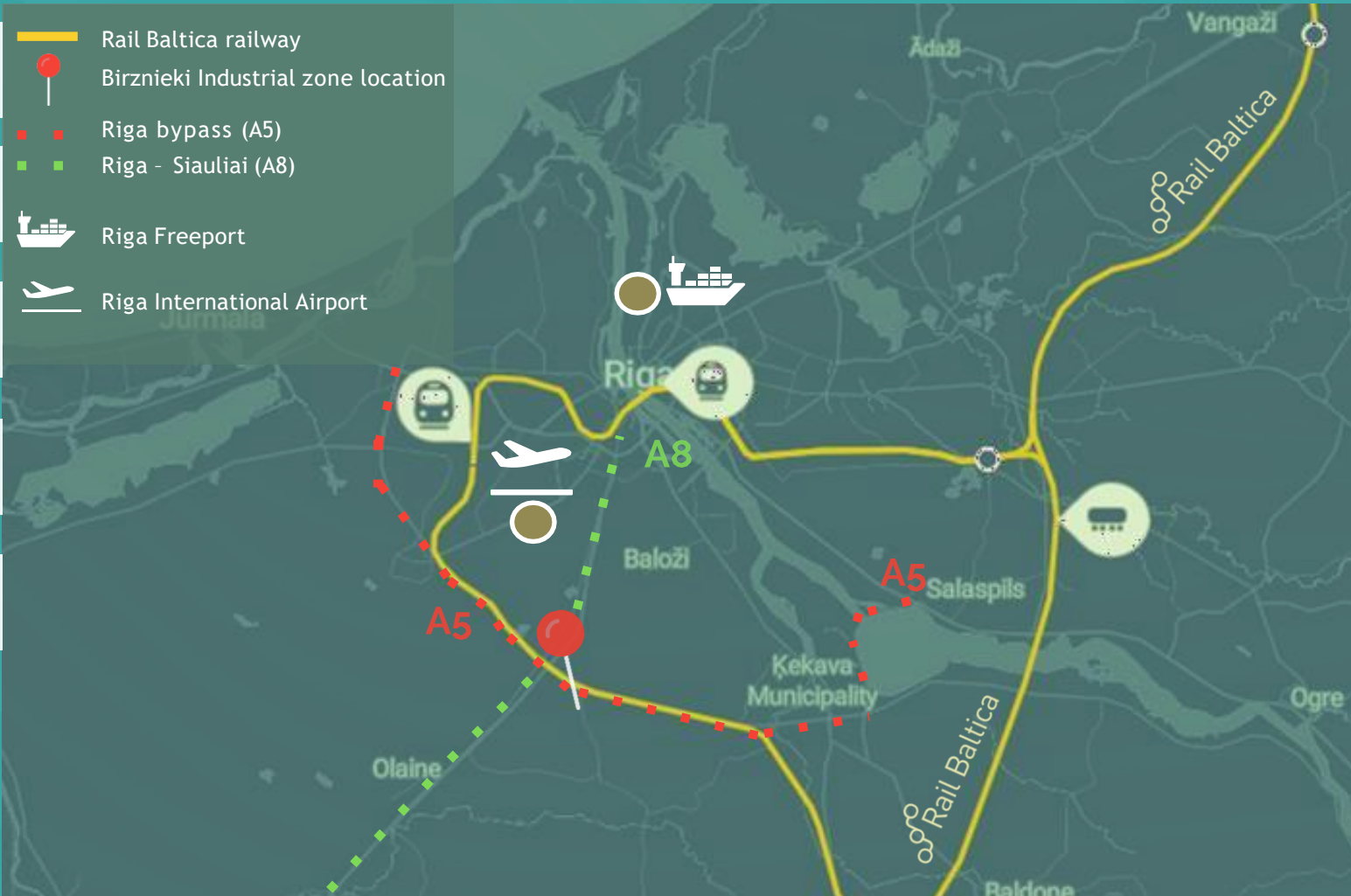
17 Km to the Riga City center

18 Km to the Riga International Airport

20 Km to the Riga Freeport

Next to highways Riga – Siauliai (A8) Riga bypass (A5)

Rail Baltica railway connection (2028)





## Industrial zones in Latvia



42 industrial parks in total



The largest park in Latvia has 120 ha



Wood production in four locations



Limited electricity capacity



Limited access to high voltage network

## ECO industrial zone BIRZNIEKI ADVANTAGES



Largest in Latvia



Conveniently located and easily accessible



Access to high voltage network



Lower electricity costs  
due to solar energy production



Focus on wood and biotechnologies



Excellent labor potential



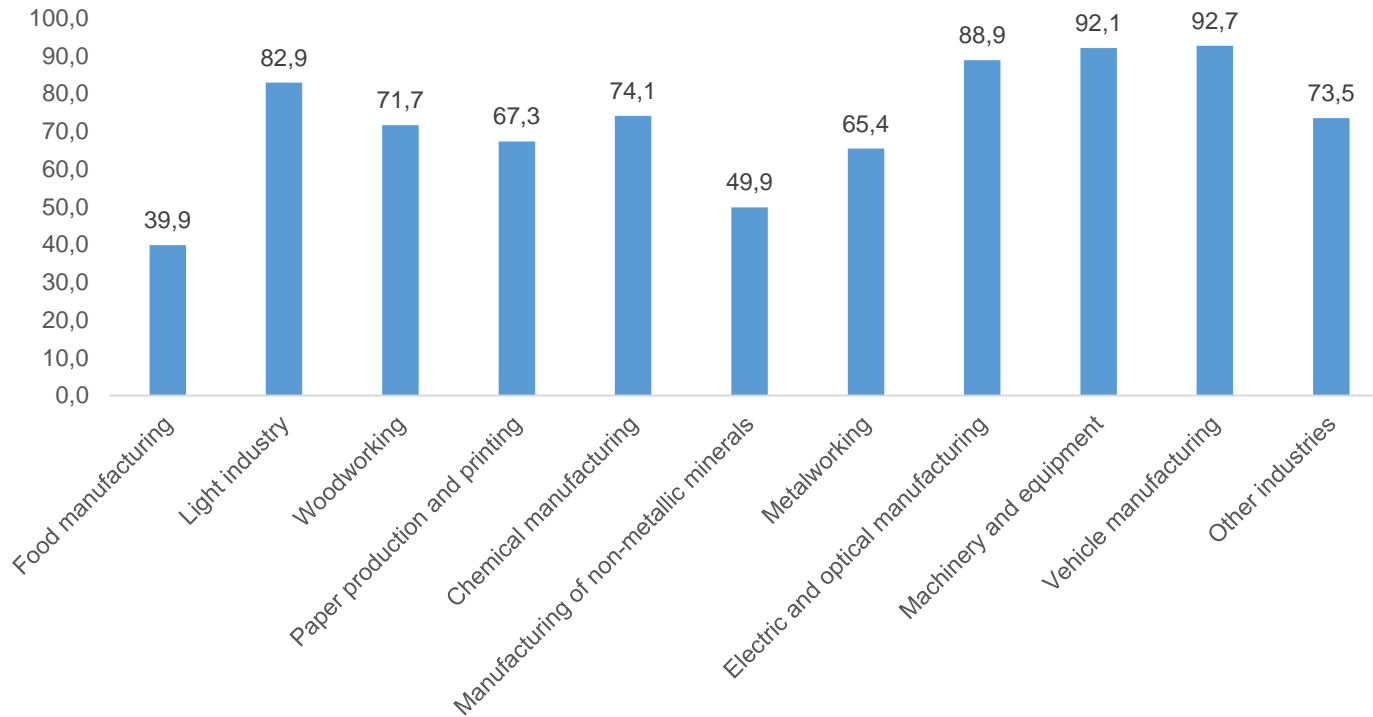
# MANUFACTURING IN LATVIA



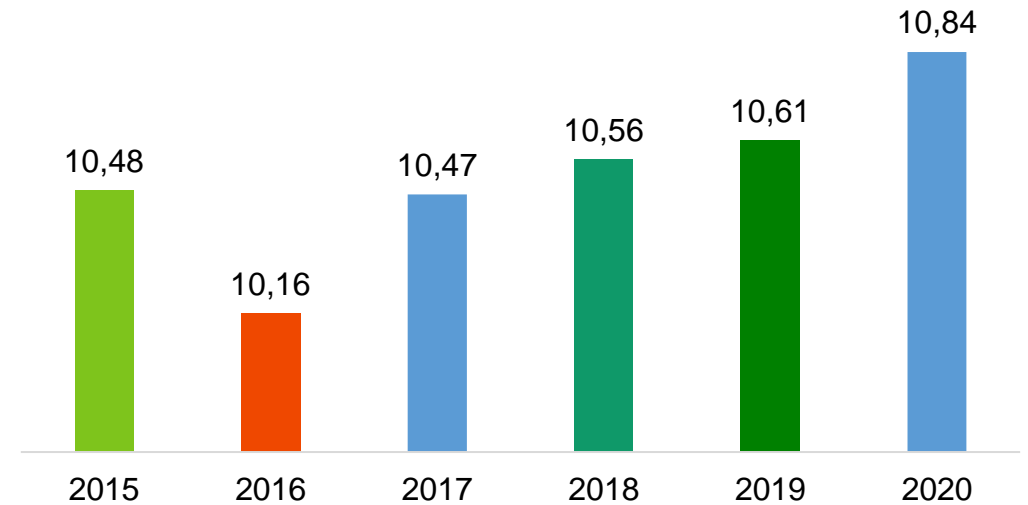


# Manufacturing industry in data

**Export % in realization, 2021 I-X**

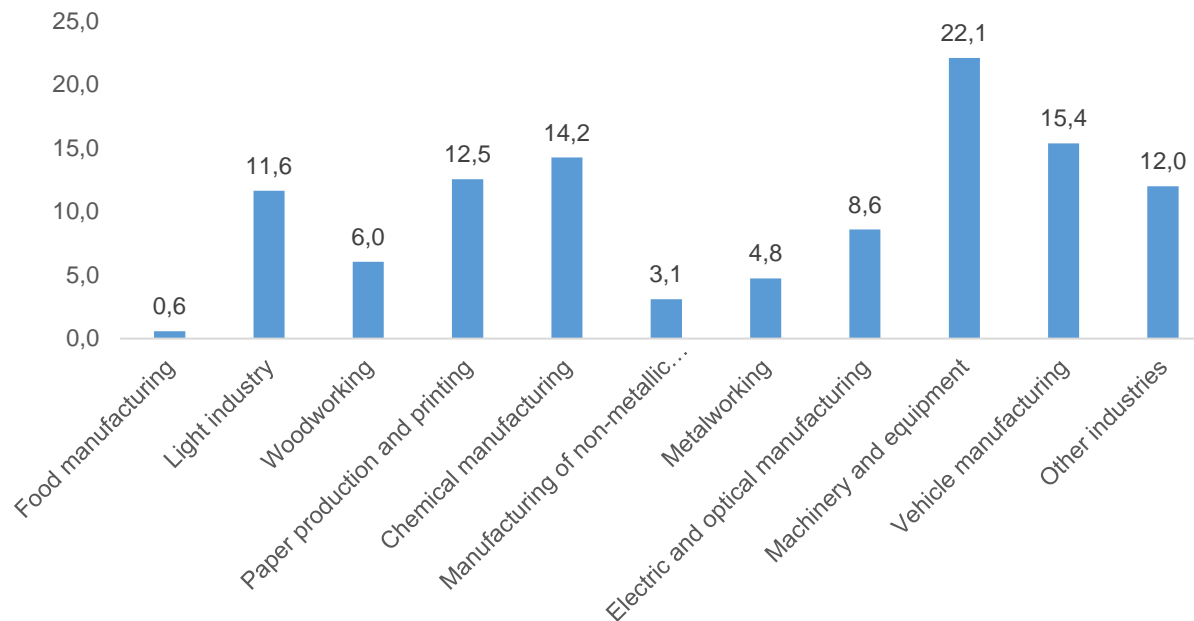


**Manufacturing, value-added (% of GDP)**

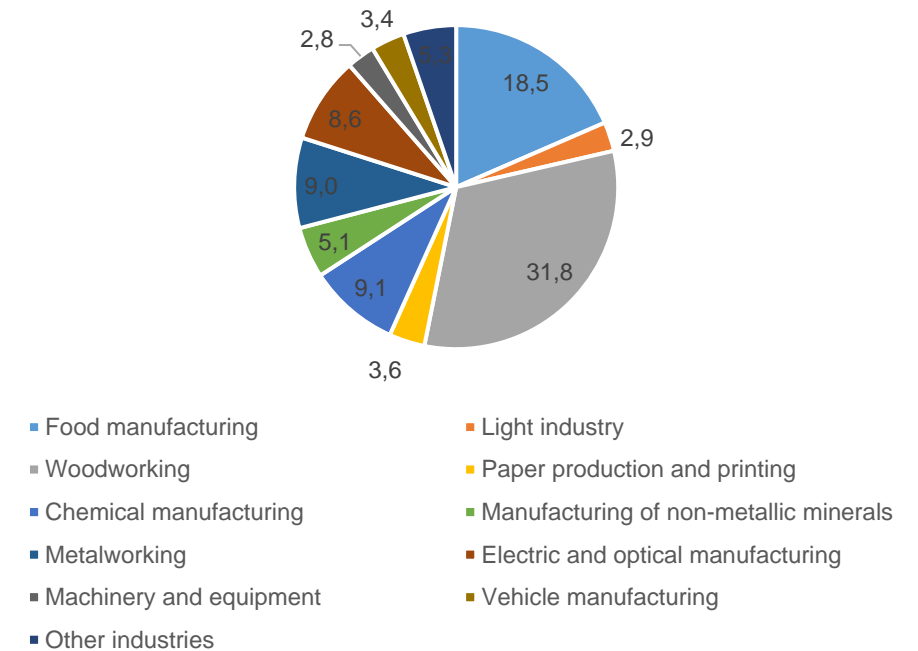


# Manufacturing industry in data

Change in %, 2020-2021



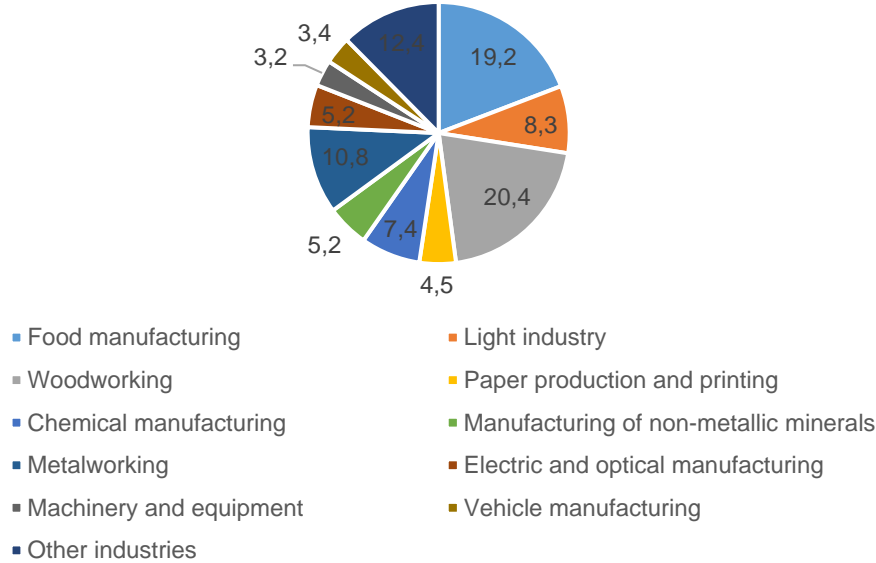
2021, Manufacturing Structure



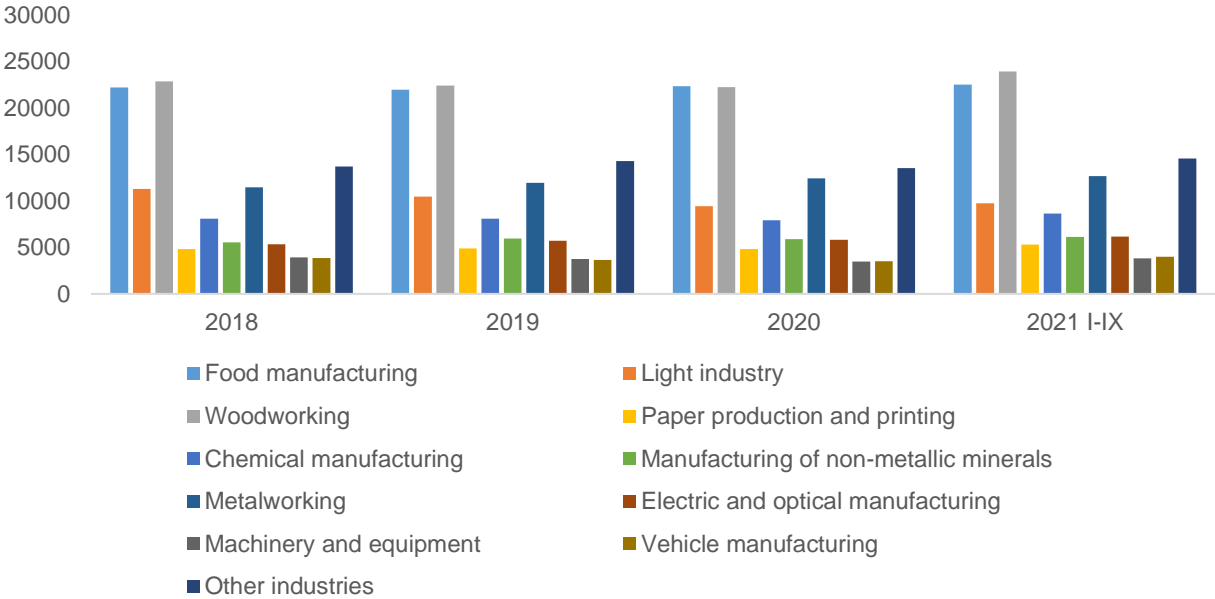


# Employment in manufacturing

Employment in manufacturing sub-sectors, 2021 I-X













Workplaces in manufacturing, 2018-2021



# Key Players in Manufacturing by Revenue

Businesses using Latvia as playground for their ideas

	Routers and wireless ISP Sales Revenue: \$418 M <a href="http://www.mikrotik.com">www.mikrotik.com</a>		Largest biodiesel production complex in the Baltics Sales Revenue: \$127.15 M <a href="http://www.bioventa.com">www.bioventa.com</a>
	Birch plywood Sales Revenue: \$259.98 M <a href="http://www.finieris.lv">www.finieris.lv</a>		High-quality pharmaceutical manufacturer Sales Revenue: \$ 115.38 M <a href="http://www.grindeks.eu">www.grindeks.eu</a>
	Wood panel manufacturing Sales Revenue: \$209.77 M <a href="http://www.Kronospan-express.com">www.Kronospan-express.com</a>		Latvian pharmaceutical company. Developed meldonium. Sales Revenue: \$ 109.89 M <a href="http://www.olainfarm.com">www.olainfarm.com</a>
	Largest food manufacturer in Latvia Sales revenue: \$201,21 M <a href="http://www.dzirnavnieks.lv">www.dzirnavnieks.lv</a>		Leading manufacturer of building materials. Sales Revenue: \$ 108.69 M <a href="http://www.schwenk.lv">www.schwenk.lv</a>
	Largest dairy and ice-cream producer in Latvia. Sales revenue: \$ 127.15 M <a href="http://www.Kronospan-express.com">www.Kronospan-express.com</a>		Latvia-based producer of wood pellets Number of employees: 100 Sales revenue: \$ 101.63 M <a href="http://www.latgran.com">www.latgran.com</a>



# MANUFACTURING SUB-SECTORS

## Technologies



EuroLCDs



## Food processing



## Woodworking



## Life science

Grindex



OlainFarm



MÁDARA  
organic skincare

STENDERS

# MANUFACTURING SUB-SECTORS

## Automotive



## Construction



## Metalworking



## Printing & Paper



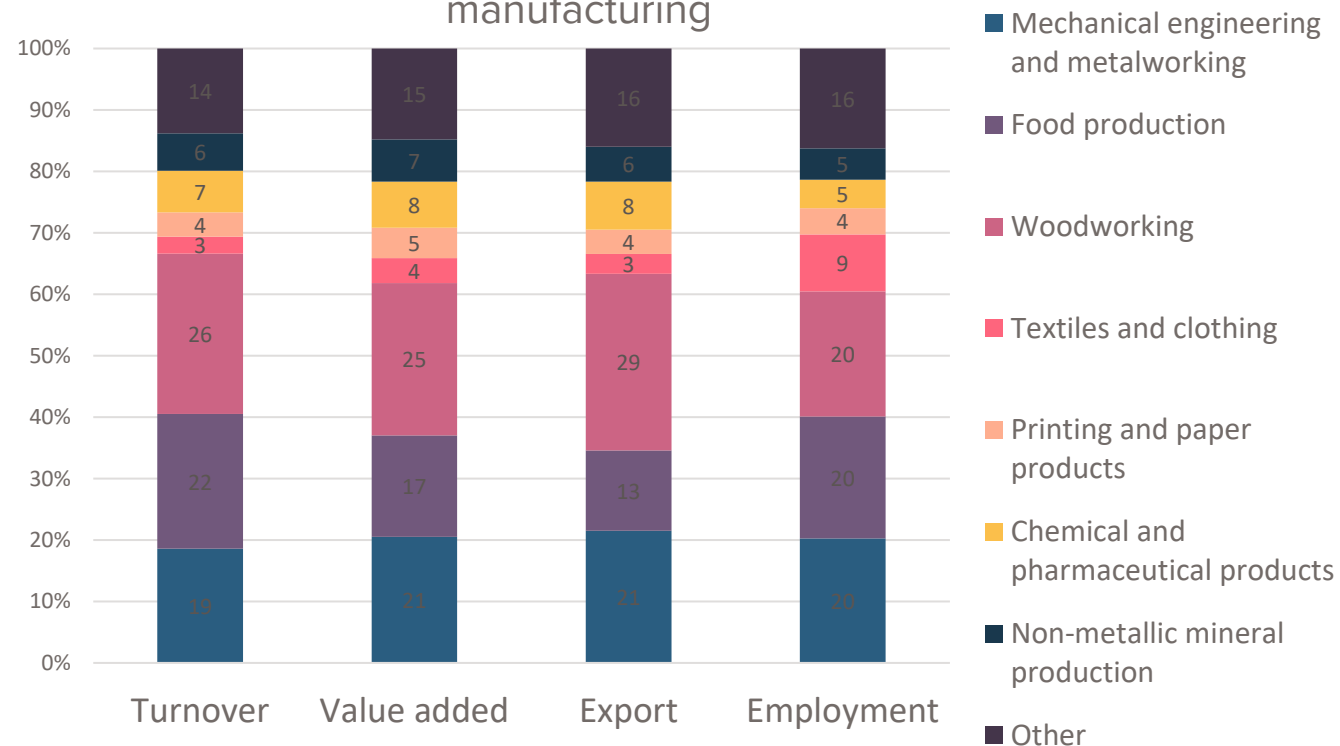


**AUTOMOTIVE  
INDUSTRY AND  
METALWORKING**

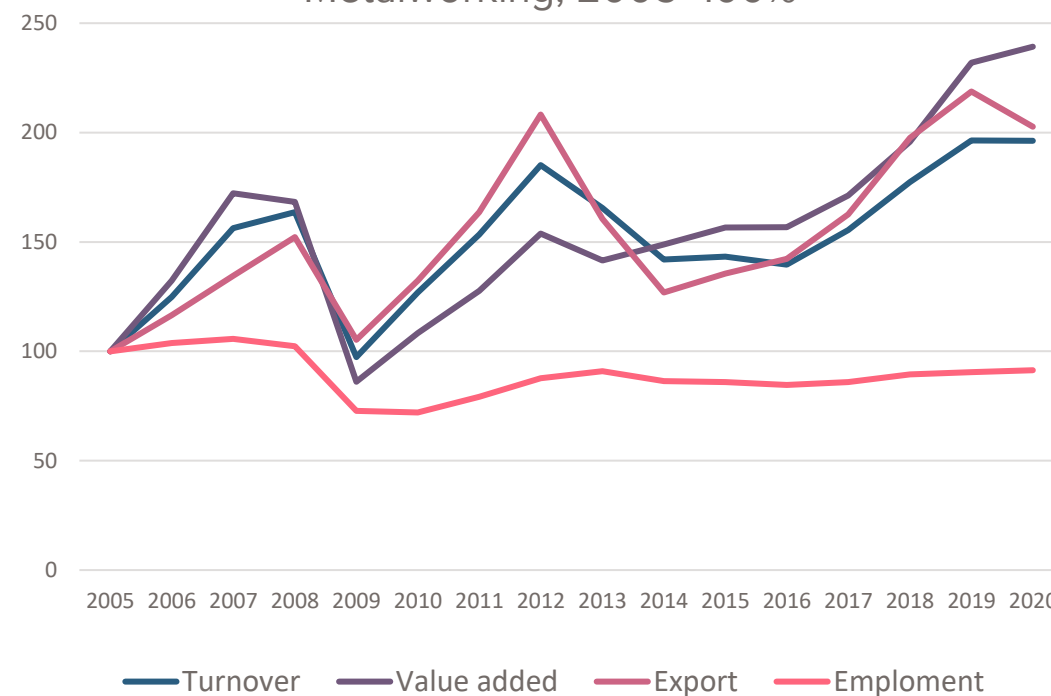


# Engineering & Metalworking: Main indicators

Structure of Manufacturing in Latvia, 2020, % of total manufacturing

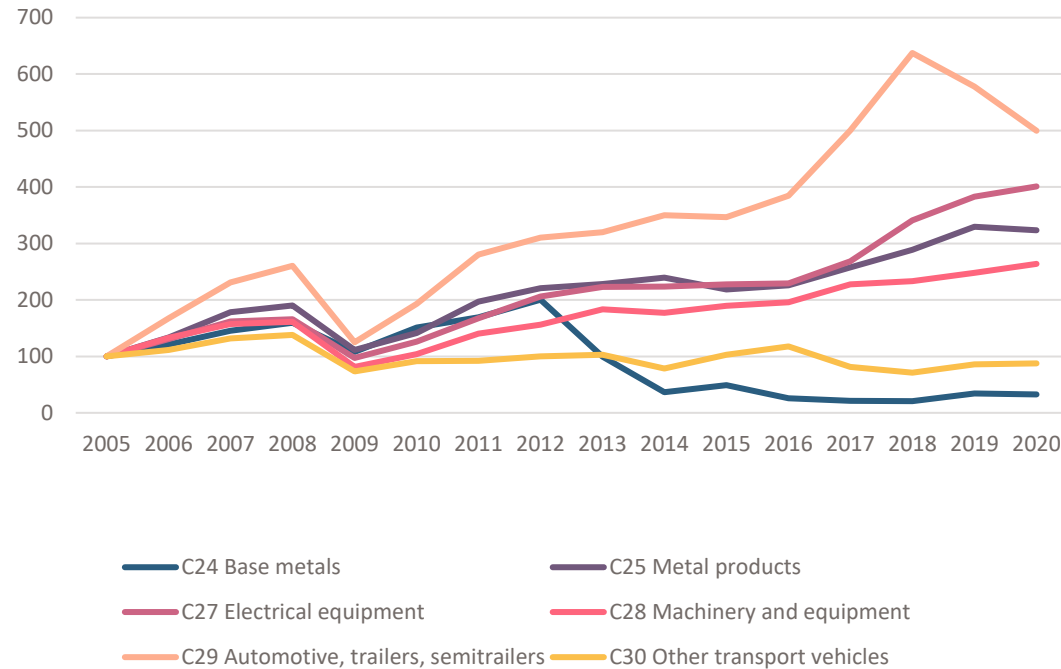


Main indicators. Mechanical Engineering and Metalworking, 2005=100%

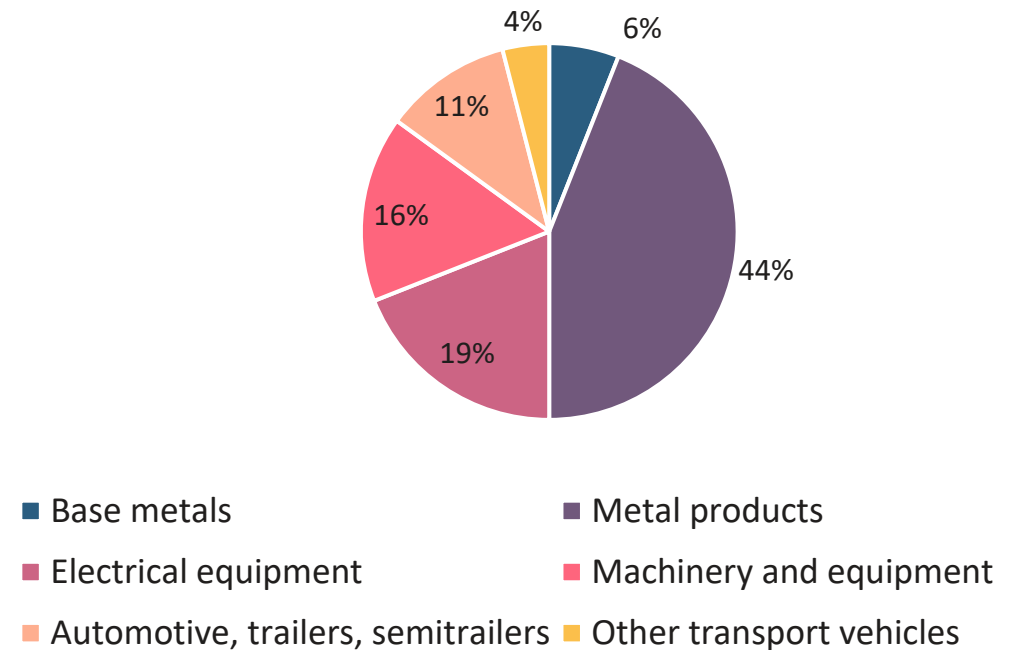


# Engineering & Metalworking: Industry structure

Production Output in Subsectors, 2005=100%

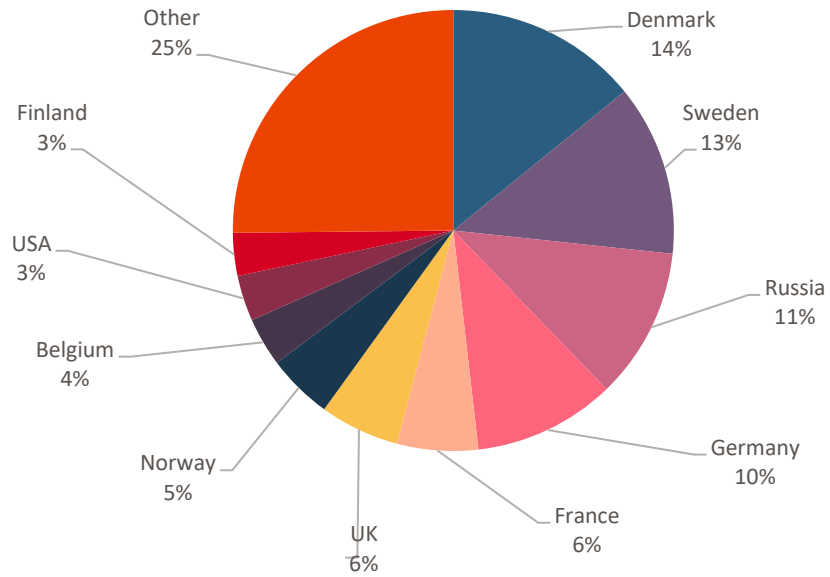


Engineering and metalworking, by turnover, 2020, %

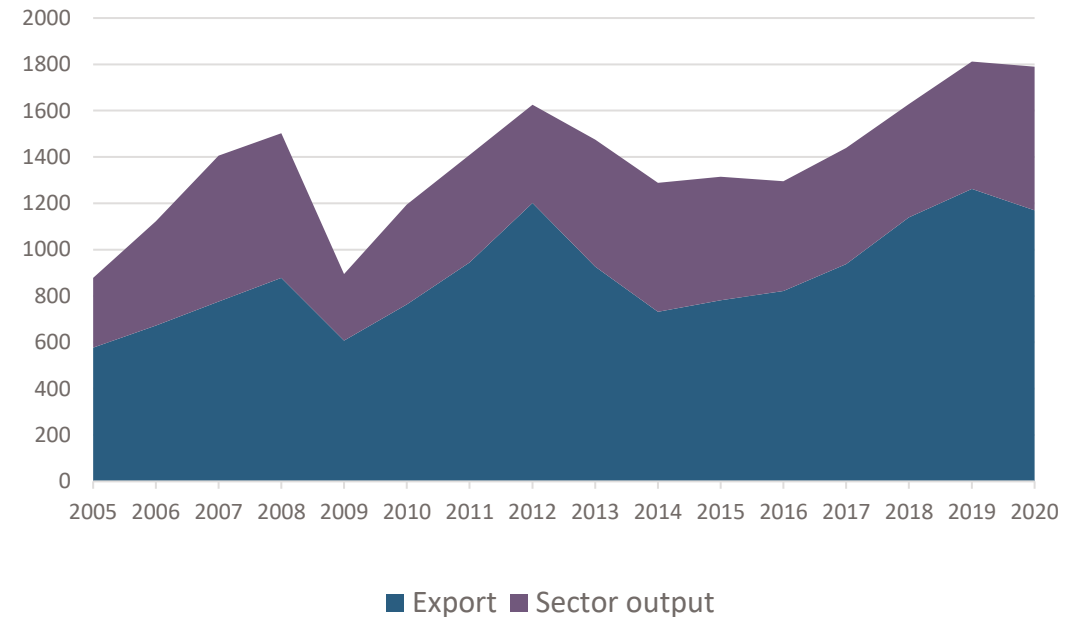


# Engineering & Metalworking: Export

Main Export Markets (Mechanical Engineering and Metalworking) in 2020, %



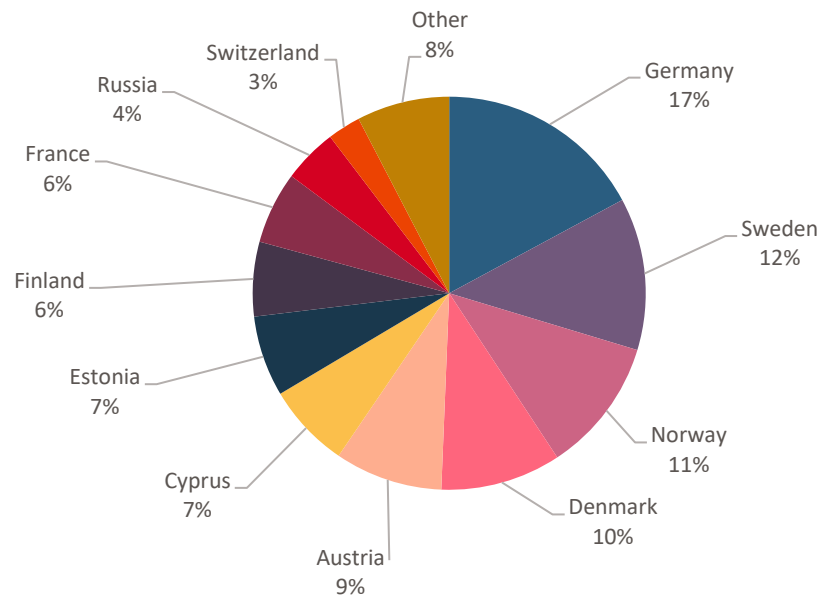
Sector Output and Export, million EUR



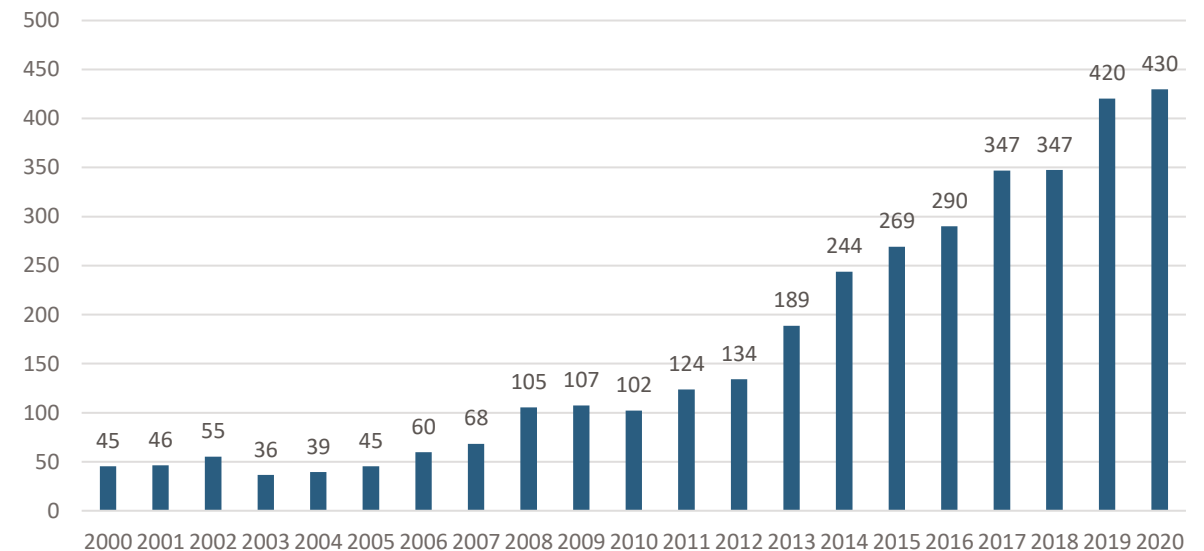


# Engineering & Metalworking: FDI stock

FDI Stock in Mechanical Engineering and Metalworking Industry of Latvia by Country at the end of 2020, %



FDI Stock in Mechanical Engineering and Metalworking Industry of Latvia, million EUR



# Locations of manufacturing centres in Latvia

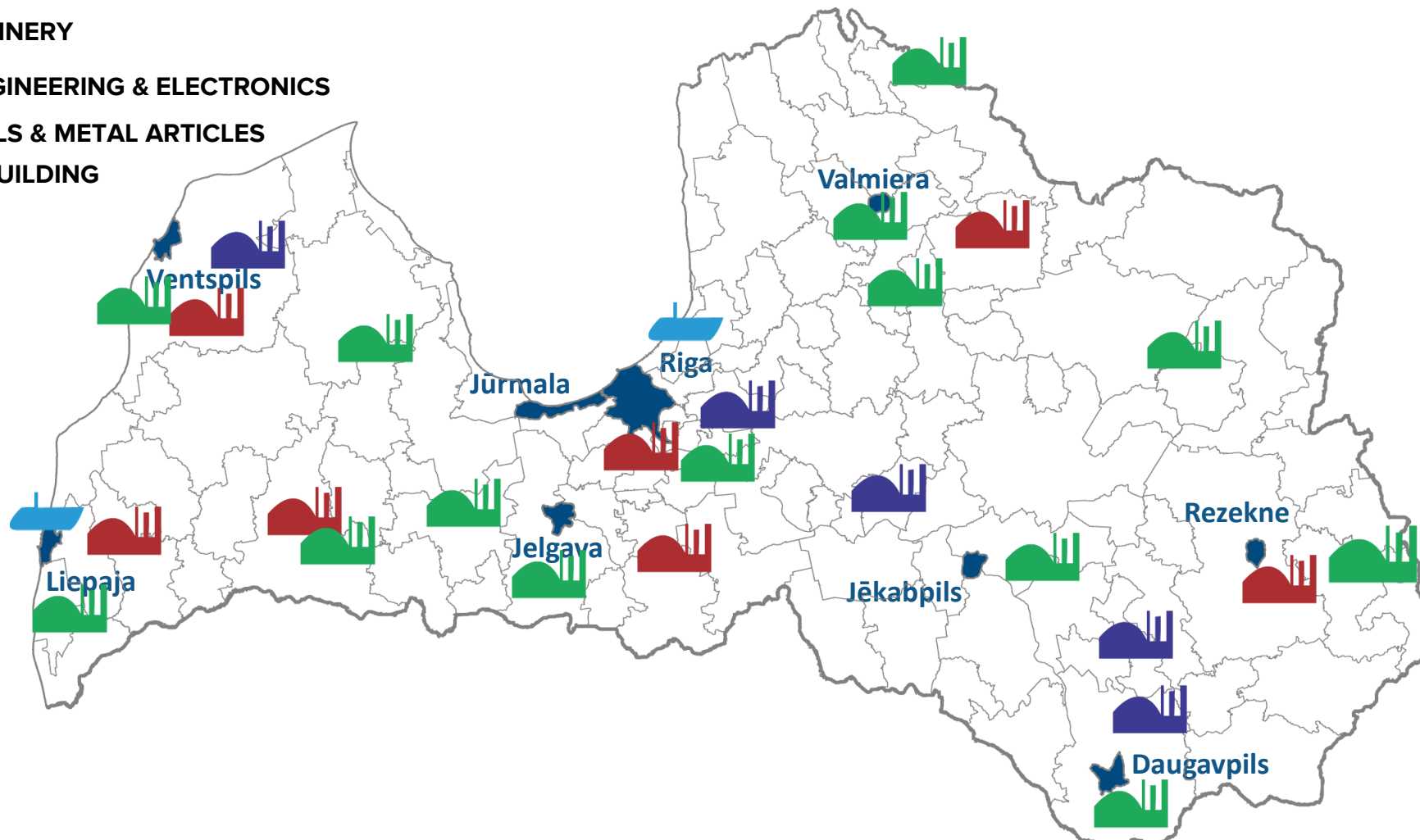


**MACHINERY**

**EL. ENGINEERING & ELECTRONICS**

**METALS & METAL ARTICLES**

**SHIPBUILDING**



# Automotive industry in Latvia

Then



Riga Bus Factory (1975-1989)



Ford Vairogs (1937-1940)

Now



Bucher Schorling Baltics



OSCar rally car



# Automotive industry in Latvia

Then



Russo-Baltic Wagon Factory (1876)



Soviet minibus factory (1975-1989)

Now

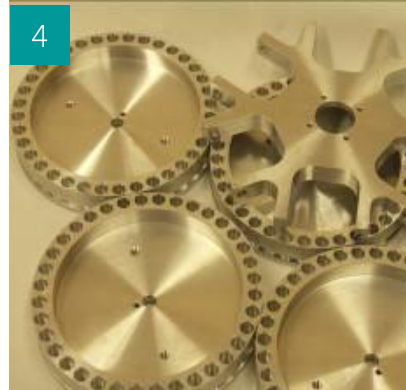


Mitsubishi WRC



Prombron cars

# Use-cases and Application



1. Manufacture of basic metals: **ADN Castings, Dīlers, Krāsainie Lējumi, Sperre Baltic**
2. Manufacture of machined components: **Leax Baltix**
3. Manufacture of machined components: **Metālmeistars**
4. Manufacture of metal products, **Dambis**
5. Manufacture of metal products: **Dinex, AKG Thermotechnik Lettland**
6. Manufacture of metal products: **Malmar Latvia**

# Use-cases and Application



1. Manufacture of metal products:  
**Ditton Pievadķēžu Rūpnīca**
2. Manufacture of metal products:  
**Lesjofors Gas Springs, Trelleborg Wheel Systems**
3. Manufacture of trailers and semitrailers: **Mono-Transserviss**
4. Manufacture of of trailers and semitrailers: **Zieglers mašīnbūve**
5. Manufacture of trailers and semitrailers: **Russo-Baltic, Var C**
6. Manufacture of rubber components:: **Baltijas Gumijas fabrika, Elk Plus**



# Use-cases and Application



1. Manufacture of interior components: **Artex**
2. Manufacture of interior components: **Froli Baltic, Rochling Automotive Mīlzkalne**
3. Manufacture of glass-fibre: **Valniera Glass Fibre, Culimeta Baltic, Padtex Insulations**
4. Manufacture of plastic components: **Skan-Tooling**
5. Supply to industry: **TTS, SFM Latvia**
6. Supply to the industry: **Madara containers, Rubate**

# Success story — Bucher Municipal

Bucher Municipal is an international manufacturer of cleaning and clearing solutions

*«We are aware of our responsibility to society and the environment for ensuring roads and public spaces are kept clean and safe, and we live up to it by focusing on functional engineering, environmental integrity, and driving comfort.» – Aurelio Lemos, Bucher Municipal Division President*

**Subsidiary ‘Bucher Schoerling’** is producing tanks for street sweeper trucks in Ventspils since 2011. [www.bucherindustries.com/en/](http://www.bucherindustries.com/en/)

► **19** sites across 5 continents

► **2 327** employees

► **180+** customer service centres

► **462 million CHF** revenue in 2020

**BUCHER**



# Success story — Axon cable

French company that has established a daughter company Axon Cable Latvia in Daugavpils

Axon' design and manufacture innovative cabling, interconnect solutions, cable assemblies, connectors and mini systems for high tech applications.

In Latvia, the assembly of harnesses and connectors is carried out to meet the needs of the European market, with more than 80% of products being exported.

[www.axon-cable.com](http://www.axon-cable.com)

► **50** years of innovation

► **200** engineers specialised in metallurgy & electronics

► **500** employees

► **103 million USD** revenue in 2020





# Success story — Artex AB

Swedish company with a subsidiary in Latvia manufacturing automotive interior parts and components

Artex AB manufactures textiles. The Company provides fabrics for the automotive, furniture, and marine industries. Artex serves customers throughout Sweden. Artex AB has 50 employees at this location and generates \$15.79 million in sales (USD). There are 4 companies in the Artex AB corporate family.

[www.artex.se](http://www.artex.se)

► 6 production units

► **250** employees

► 200 000 metres fabrics/ year

► 250 000 seats refurbished



# Success story — AKG Group

German company that has a daughter company in Jelgava, manufacturing heat exchange units/radiators

Development and production of high-performance heat exchangers and complete cooling modules for application in construction equipment, compressed air equipment, industrial coolers, agricultural and forestry equipment, vehicle construction, railroad vehicles, aviation, household appliances and special applications.

[www.akg-group.com](http://www.akg-group.com)

- ▶ 13 production facilities worldwide
- ▶ 40 MEUR investment
- ▶ **280** employees in Latvia
- ▶ 2005 – in Latvia since



# Education

Internationally recognized education to match the demand of the industry

**88** higher education programs

**7638** students in engineering programs

**1 153** graduates

**14** universities and colleges



**Riga Technical University** – Engineering and mechanical engineering

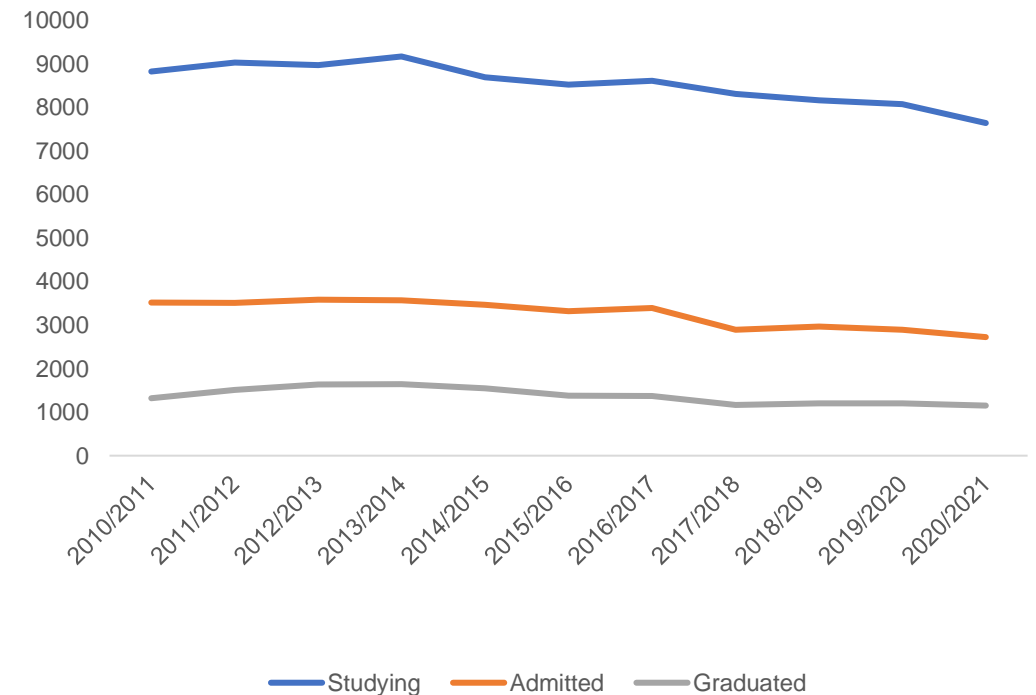


**University of Latvia** – Mechatronics, industrial engineering



**Transport and Telecommunications institute**– Electronics, Aviation transport, Engineering in electronics, logistics

**Higher education in engineering**



Sources:  
Ministry of Education of the Republic of Latvia



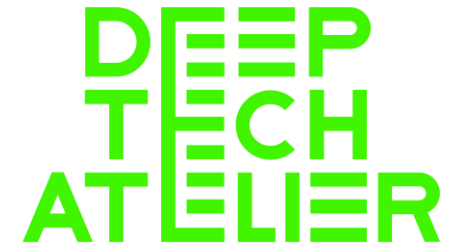
# Technology events in Latvia

Latvia provides various top-notch technology and engineering events

**Deep Tech Atelier** conference and practical workshop for deep tech startup creation

**5G & IoT use-cases** in transportation, infrastructure, military & defence, agriculture & forestry, environmental monitoring at 5G Techritory

**Mechanical and electrical engineering business forum** introduces international companies with the engineering scene in Latvia.



Turn scientific excellence into market success

<https://deeptechatelier.com/>



World's leading 5G event takes place in Riga

[www.5gtechritory.com](http://www.5gtechritory.com)





# Association of Mechanical Engineering & Metalworking Industries in Latvia

- Voluntary, public, non-profit organization
- Activities since 1994
- About 160 members (2020)
- Promotion of the industry/companies & education
- Cooperation with state and public institutions
- Membership in international confederations: ORGALIME (engineering, technical directives), CEEMET (employers), EUROMETAL (traders of metal)
- Sector database and analysis
- Partner match-making



[www.masoc.lv](http://www.masoc.lv)



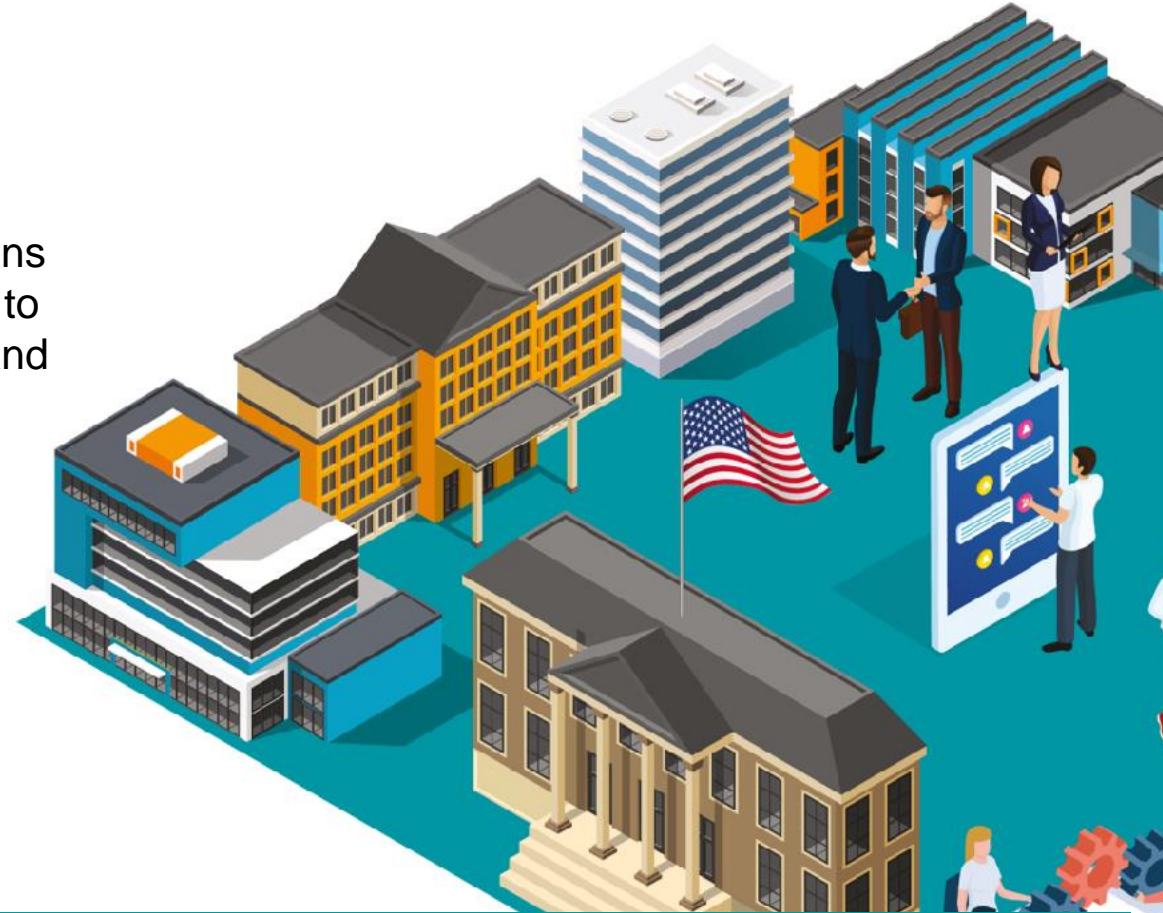
# Industry Associations

## Latvian Electrical Engineering & Electronics Industry Association

- Voluntary, public, non-profit organization
- Activities since 1995
- 94 members
- LETERA unites companies, research and educational institutions registered and operating in Latvia, whose activities are related to industry of electronics and electrical engineering, information and communication technologies
- Cooperation with state and public institutions
- Sector database and analysis
- Partner match-making



[www.letera.lv](http://www.letera.lv)



# International Chambers of Commerce

Trusted partners and professional services for your business



# They chose Latvia







**Latvia.**

Your business playground. And a golf playground too. 😊

*Source: db.lv*

# Welcome on board!

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[www.liaa.gov.lv](http://www.liaa.gov.lv)



MAGNETIC  
**LATVIA**

# Investment and Development Agency of Latvia

Government agency with a global presence

**300** employees

**20** representative offices around the world

**4** departments



Investment



Trade



Innovation



Tourism



# Investment and Development Agency of Latvia

Your personal guide for setting up business operations in Latvia



Assistance with investment location selection & implementation of investment projects.



Provision of all relevant information on business opportunities & business incentives.



Identification of the best property options for manufacturing facilities, offices, & greenfield development.



Assistance in establishing contacts with Latvian business partners, municipalities, & associations.

