



Manufacturing Industry in Latvia



Location



Territory: 64.6 ths.sq.km
Capital: Riga
Population: 1.9 million
Language: Latvian
Currency: euro (EUR)
S&P Credit Rating: A+
Moody's Rating: A3



Latvia – where investors meet opportunities

#10

by number of projects per 1 million population in Europe (EY, 2022)

#5

by jobs created per 1 million population in Europe (EY, 2022)

58%

of investors think digital economy will drive growth in Latvia (EY, 2022)

40

new investment projects in 2022 (LIAA, 2022)

473 M

EUR worth of investment in 2022 (LIAA, 2022)

308 M

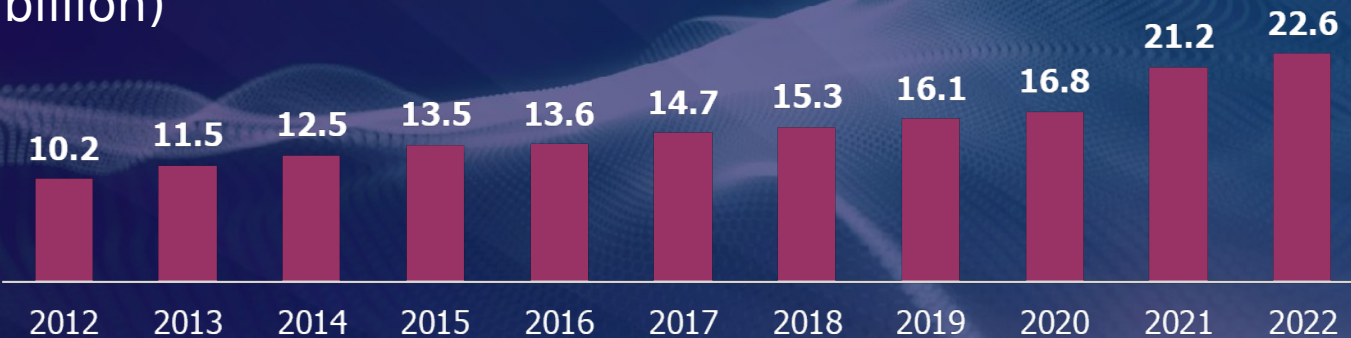
EUR worth projects accepted for fast-track «Green Channel» (LIAA, 2023)

The economy is growing and FDI is increasing

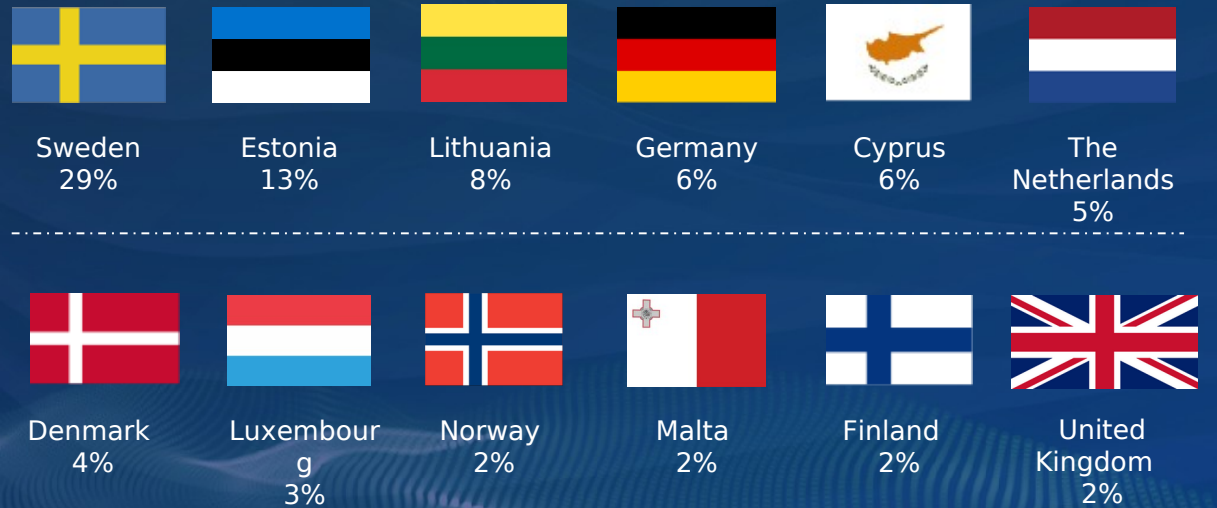
GDP GROWTH

- -2.2% (2020)
- +4.1% (2021)
- +2.0% (2022, source: CSB)

Cumulative FDI into Latvia (EUR billion)



Major investors (2022; % of the total FDI stock)



EU FDI share 18.5 billion EUR or 82% of FDI

Export and import

Overall statistics

EU countries ensure **74%** of trading turnover

Export markets

Lithuania, Estonia, Germany, Russia, Sweden

Export goods

wood & its articles, machinery & equipment, agriculture & food

Import markets

Lithuania, Estonia, Germany, Poland, Russia

Import goods

machinery & equipment, food products, vehicles, chemicals, fuels

Export value



Taxation comparisson – LV, LT, EE, PL

	LATVIA	ESTONIA	LITHUANIA	POLAND
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% 8% 5%
Personal income tax	20-23%	20% +1.6% (unemployment insurance from gross salary)	20% 32% (for employment income exceeding 81 000 EUR)	12%-32%
Social tax paid by the employer	24%	33% +0.8% (unemployment insurance)	1.77% (general rate) 2.49% (fixed-term contracts)	19.44%-22.14%
Employee's social security tax	10.50%		19.5%	13.71%

Freeport of Ventspils

Area ~2451ha

Available area for industrial development ~ 700ha

Non-freezing, deep-water harbour (17,5m)

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: 14,1 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



Liepāja Special Economic Zone – industrial areas

[Liepāja Special economic zone](#) offers versatile development options, which included opportunities for business development both in well-equipped industrial parks and areas prepared for development.

Premises

- [“Lauma Fabrics”](#), Ziemeļu Str. 19.
- [“Liepāja Business centre”](#), Kapsedes Str. 2.
- [“Old levee business centre”](#), Veca ostmala 10.

Areas

- [Karosta industrial park.](#)
- [Meldru Str. industrial park.](#)
- [Other development areas.](#)



dommopark

Great access

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

58 ha territory

Dommo Industrial | 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 m² built-up area

Following approved zoning, total built-up area of new industrial, logistic and office facilities exceed 200.000 m²

12-16 months from start

Start the operations in 12-16 months from signing the

Dommo park infrastructure



dommpar

V13

k

A8

6

2.6
ha

7

1.5
ha

A5

4

10
ha

5

4
ha

1

3
ha

3

14
ha

2

21
ha

58 ha land

Territor

1 Operating property

Land area: 3 ha

Density: 42%

Building 12,782
m²**2 Development site (industrial)**

Land area: 21 ha

Density: up to 67%

Footprint 86 000 m²
:**3 Development site (industrial)**

Land area: 14 ha

Density: up to 67%

Footprint 49 000 m²
:**4 Development site (industrial)**

Land area: 10 ha

Density: up to 67%

Footprint: 35 000
m² ***5 Development site (industrial)**

Land area: 4 ha

Density: up to 67%

Footprint: 16 000
m² ***6 Development site (office)**

Land area: 2.6 ha

Density: up to 67%

Footprint: 16 800 m² to
* out :**7 Development site (office)**

Land area: 1.5 ha

Density: up to 67%

Footprint: 8 400 m²
*

ECO Industrial zone Birznieki

17 km to the Riga City centre

Jūrmala

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 (2008)







- Rail Baltica railway
- Birznieki Industrial zone location
- Riga bypass (A5) Riga - Siauliai (A8)
- Riga Freeport



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

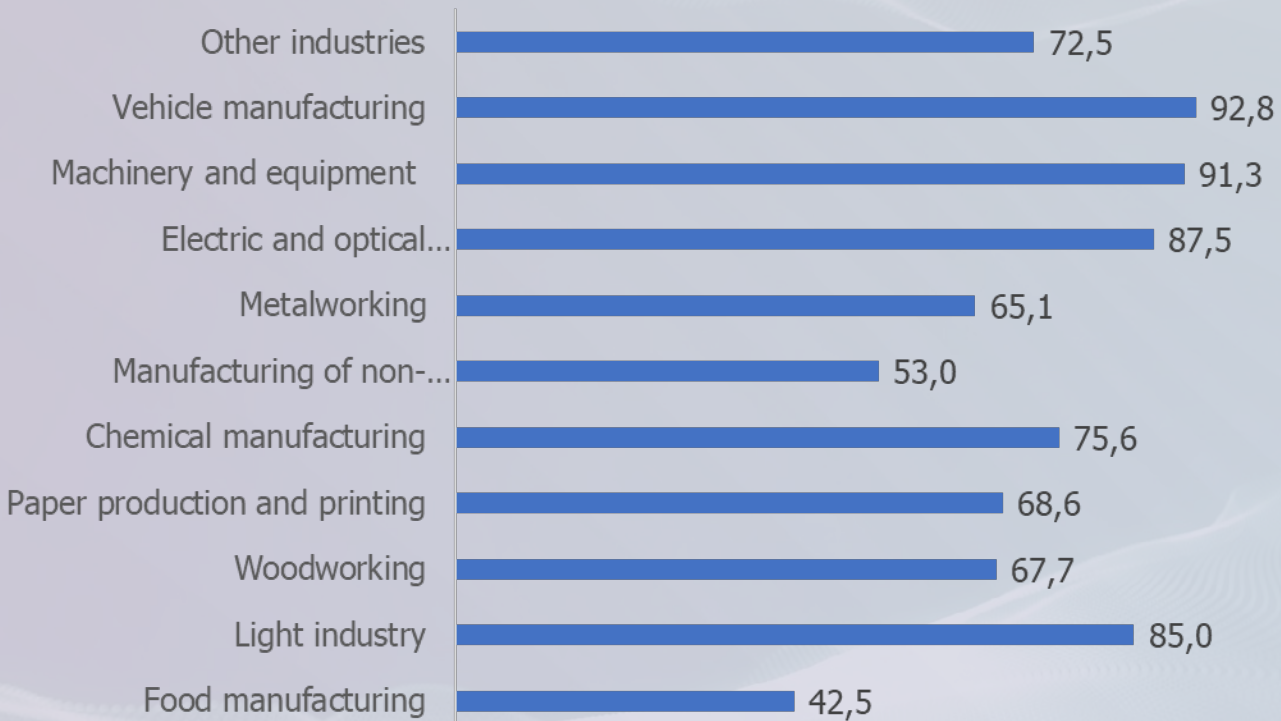
 Largest in Latvia
 Conveniently located and easily accessible
 Access to high voltage network
 Lower electricity costs due to solar energy production
 Focus on wood and biotechnologies
 Excellent labor potential

MANUFACTURING IN LATVIA

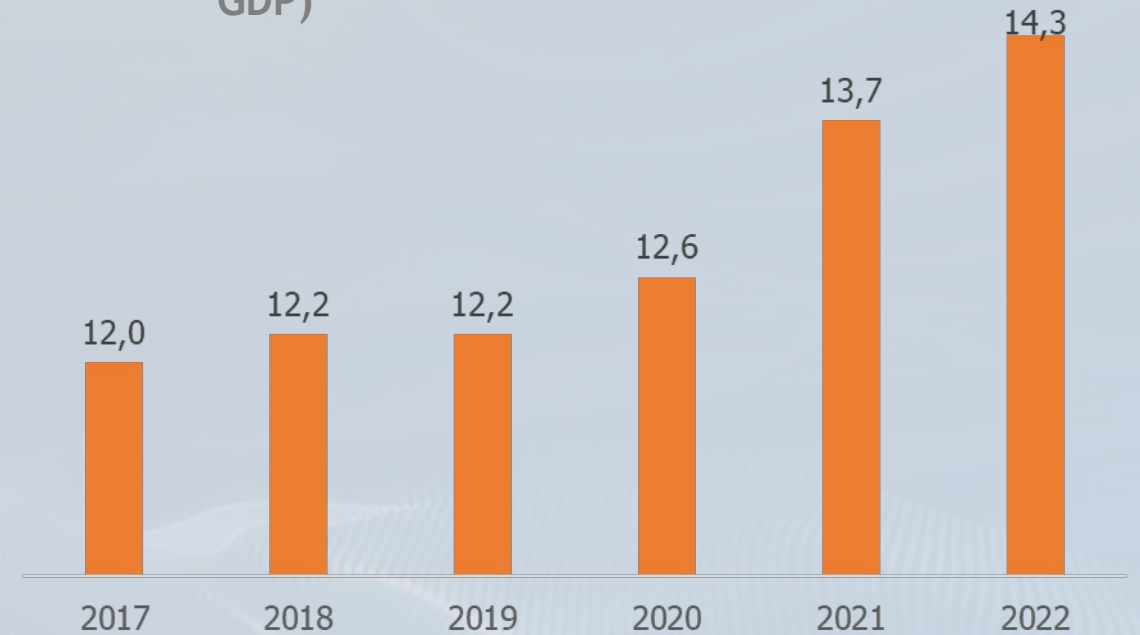


Manufacturing industry in data

Export % in realization, 2022

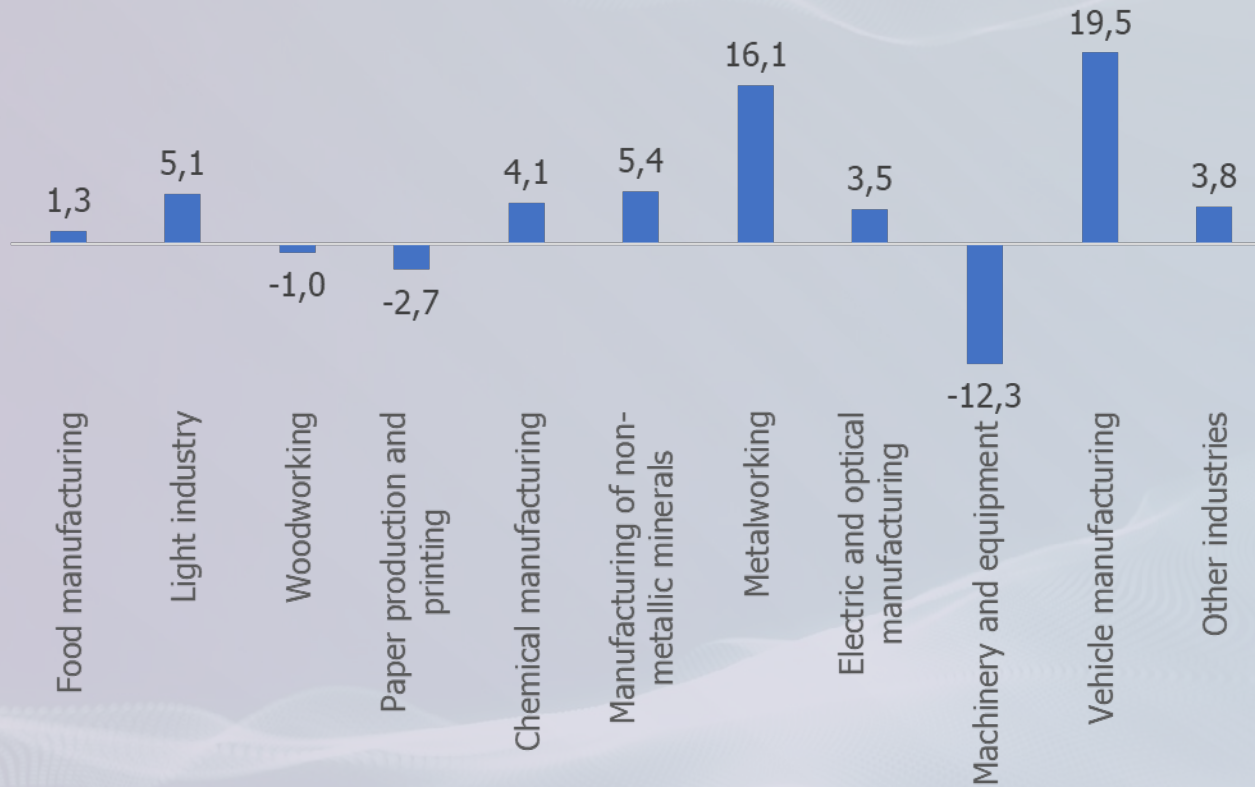


Manufacturing, value-added (% of GDP)

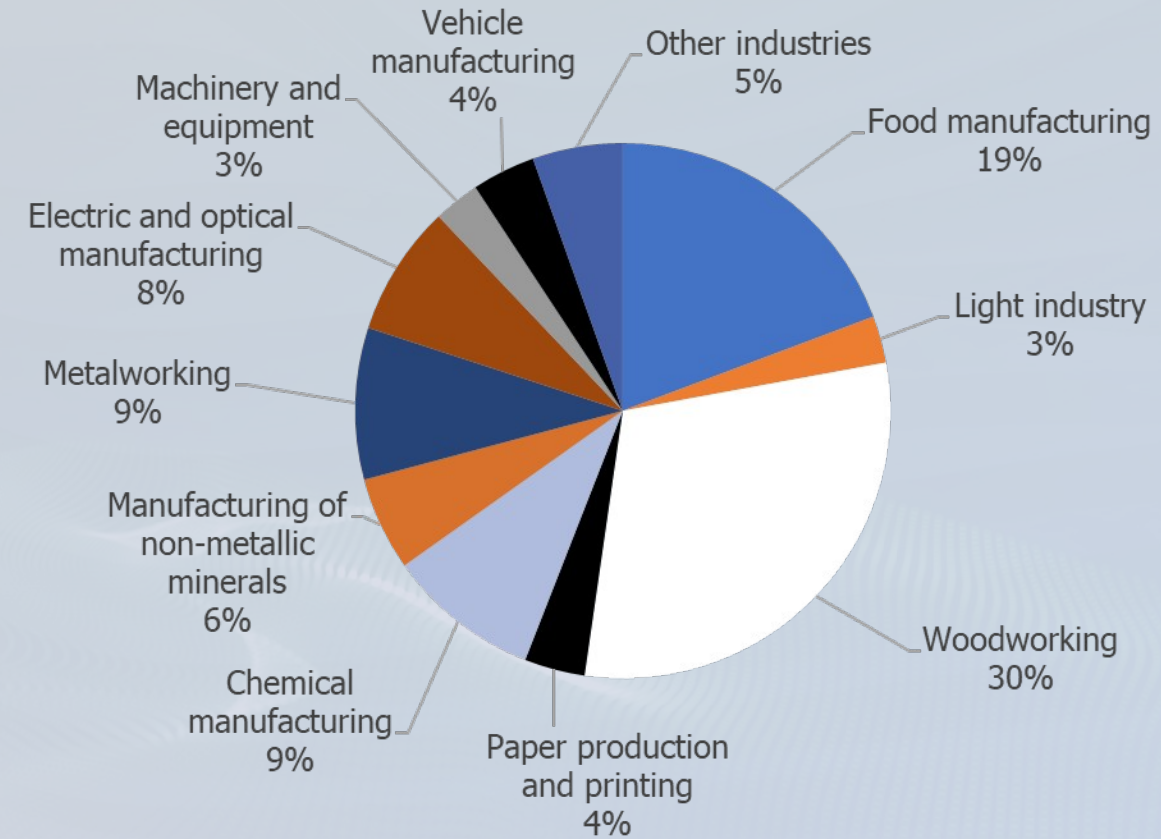


Manufacturing industry in data

Change in %, 2022/2021

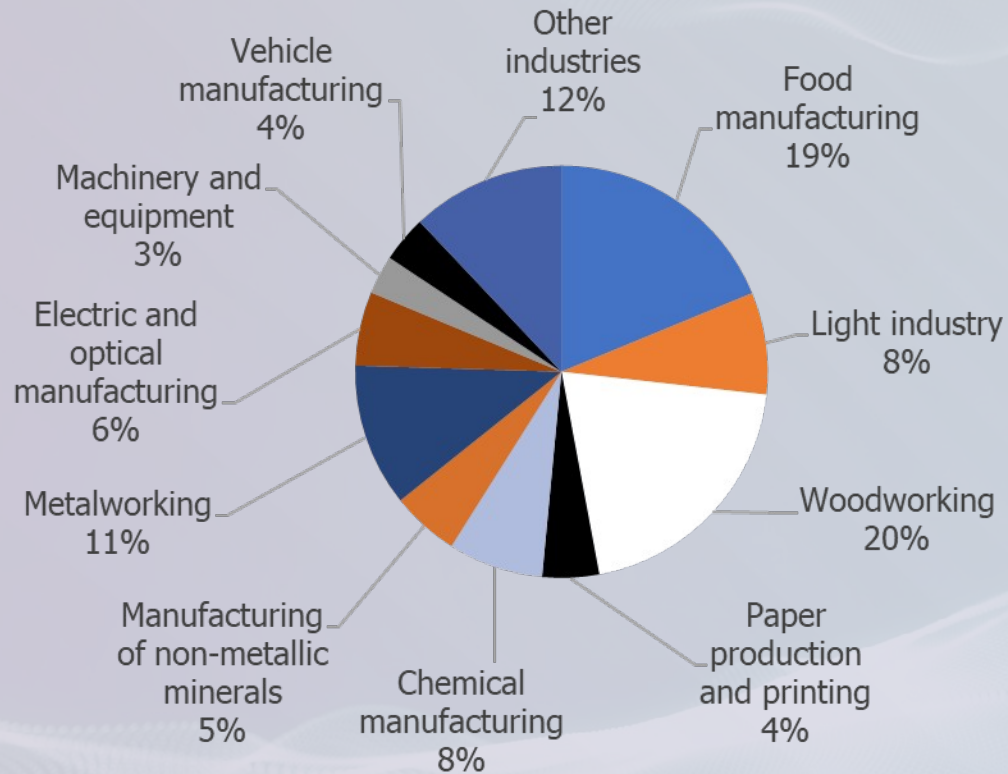


Manufacturing Structure, 2022

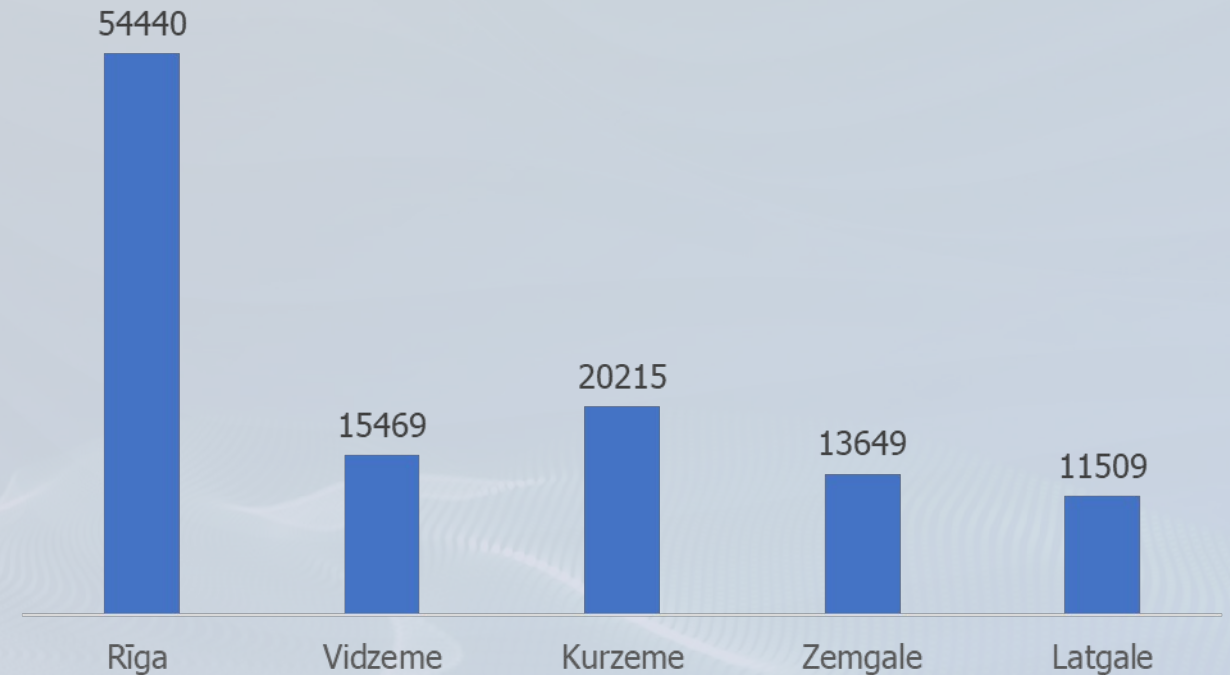


Employment in manufacturing

Employment in manufacturing sub-sectors, 2022



Workplaces in manufacturing by region, 2022



Key players in manufacturing

Businesses using Latvia as playground for their ideas



Routers and wireless ISP
Revenue: \$443 M
www.mikrotik.com



Largest biodiesel production complex in the Baltics
Revenue: \$221 M
<https://bioventa.lv/>



Birch plywood
Revenue: \$300 M
www.finieris.lv



High-quality pharmaceutical manufacturer
Revenue: \$165 M
<https://grindeks.eu/>



Wood based panels
Revenue: \$361 M
<https://kronospan.com/>



OlainFarm

Pharmaceutical company, meldonium developer
Revenue: \$125 M
<https://lv.olainfarm.com/>



Largest food manufacturer in Latvia
Revenue: \$204 M
<https://dobelemill.eu/>



Leading manufacturer of building materials
Revenue: \$114 M
<https://schwenk.lv/en/>



Largest dairy and ice-cream producer in Latvia
Revenue: \$130 M
<https://foodunion.lv/>



Producer of wood pellets
Revenue: \$190 M
<https://latgran.com/>

Manufacturing sub-sectors

Technologies



EUROLCDs



Food processing



Woodworking



Life science

Grindex



OlainFarm



MÁDARA
organic skincare

STENDERS

Manufacturing sub-sectors

Automotiv



Constructio n



Metalworkin g



Printing & Paper



AUTOMATIVE INDUSTRY AND METALWORKING

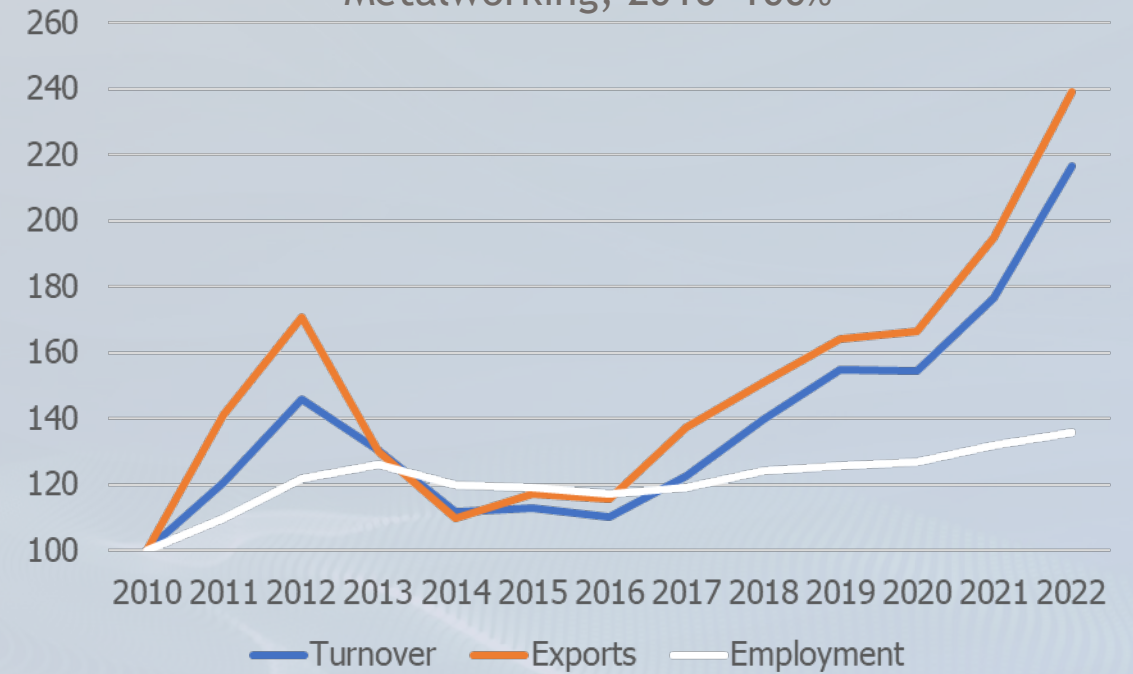


ENGINEERING AND METALWORKING: MAIN INDICATORS

Structure of manufacturing industry in Latvia, 2022

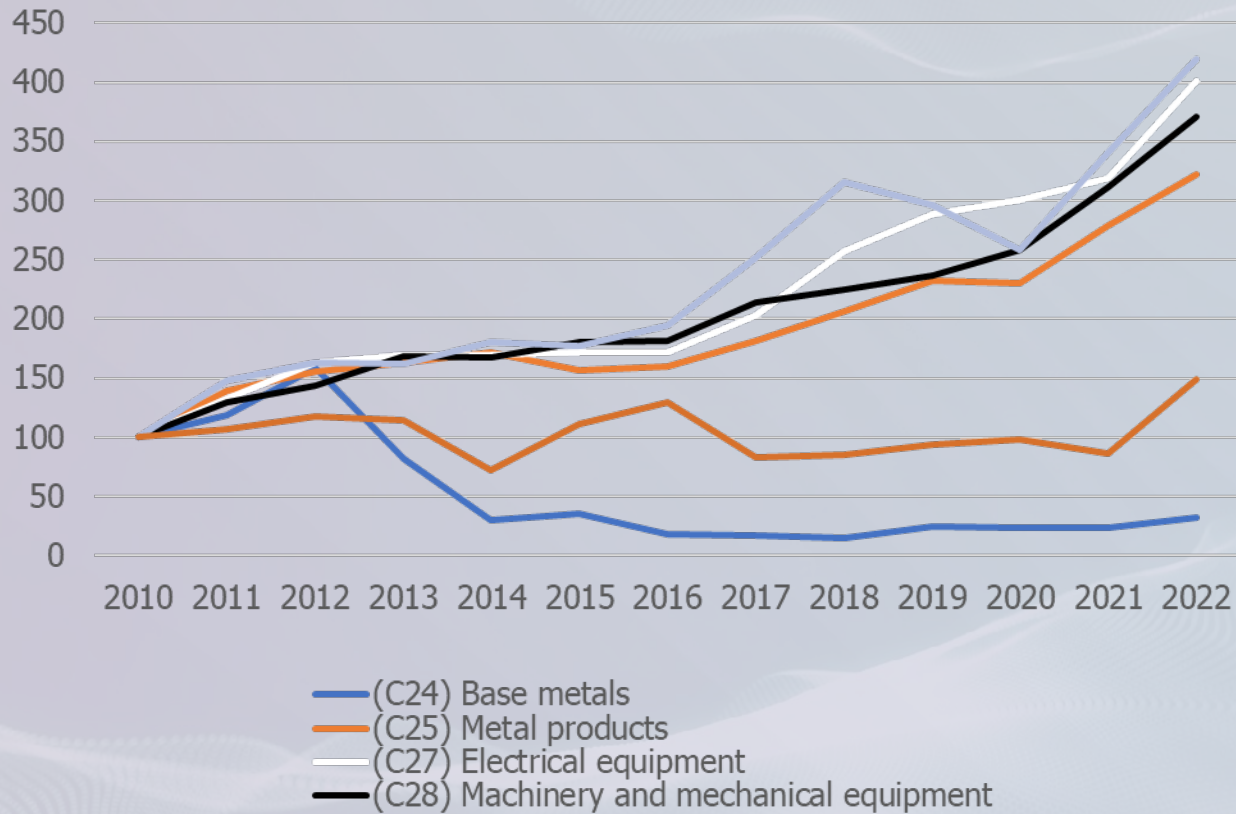


Main indicators. Mechanical Engineering and Metalworking, 2010=100%

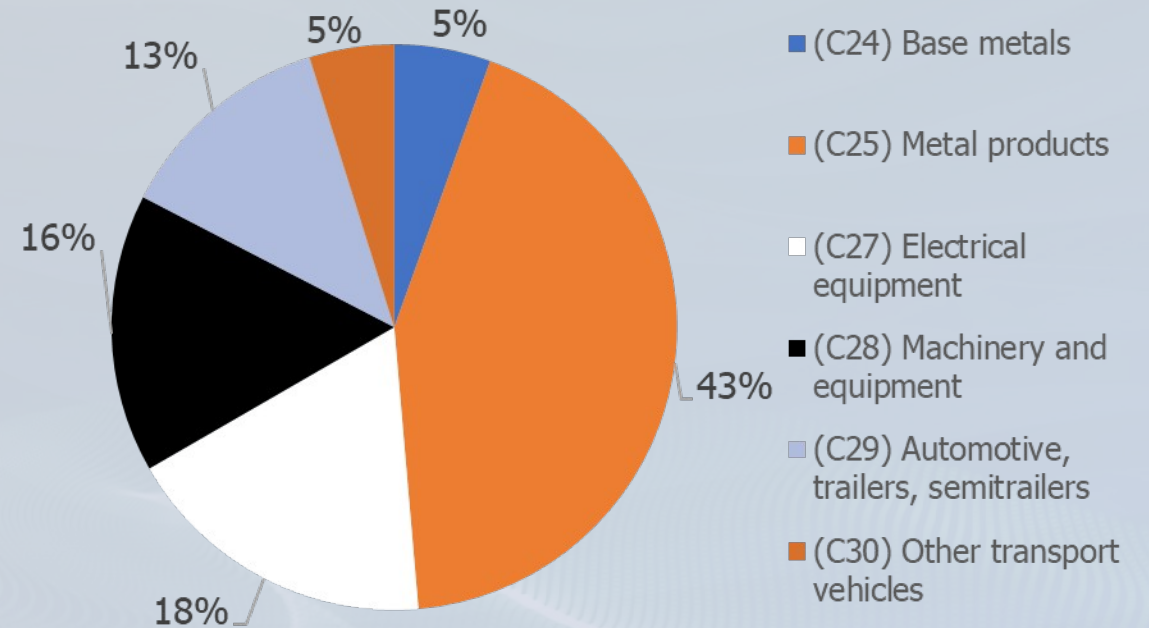


ENGINEERING AND METALWORKING: MAIN INDICATORS

Production Output in Subsectors, 2010=100%

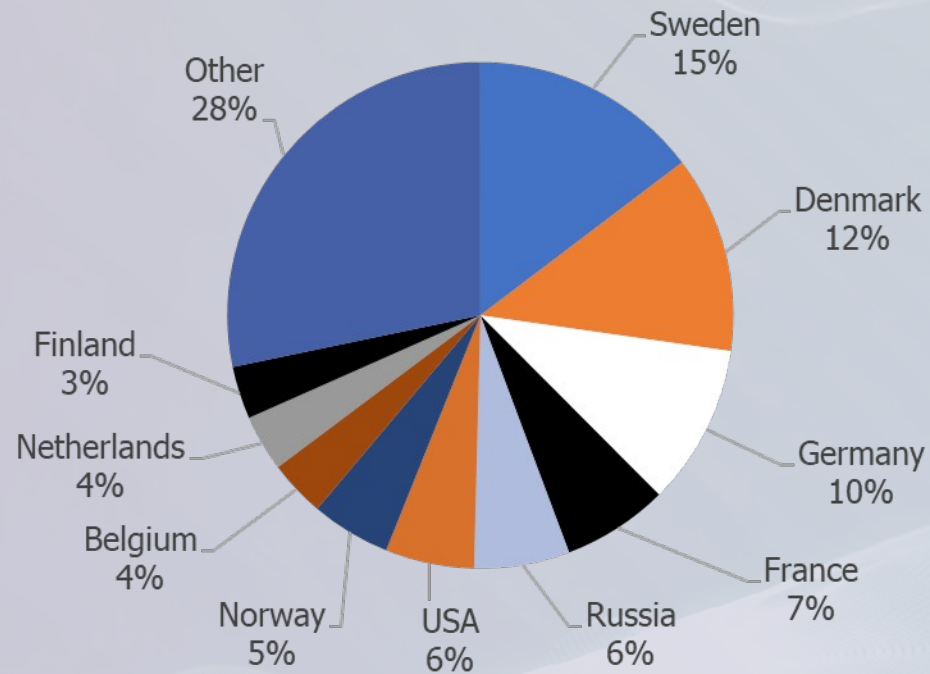


Engineering and metalworking, by turnover, 2022, %

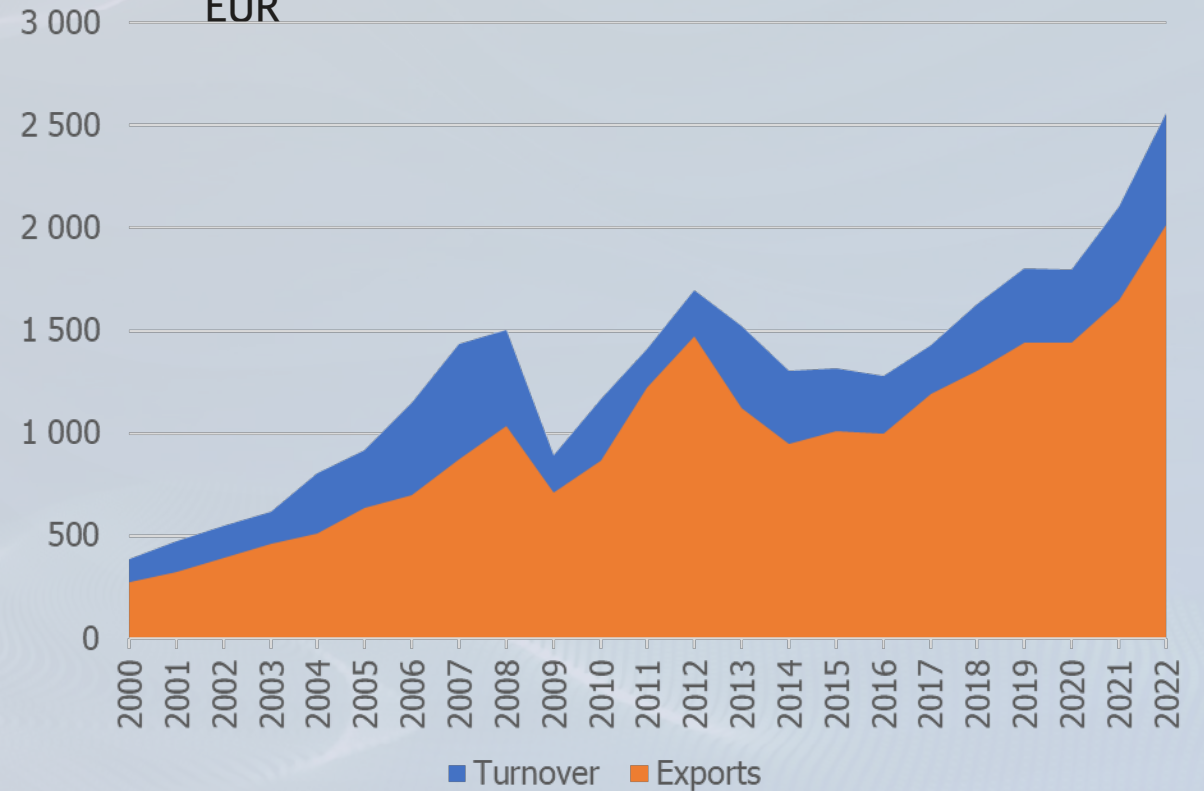


ENGINEERING AND METALWORKING: MAIN INDICATORS

Main Export Markets
(Mechanical Engineering and Metalworking) in 2022, %



Sector Turnover and Export, million
EUR



Location of manufacturing centres in Latvia

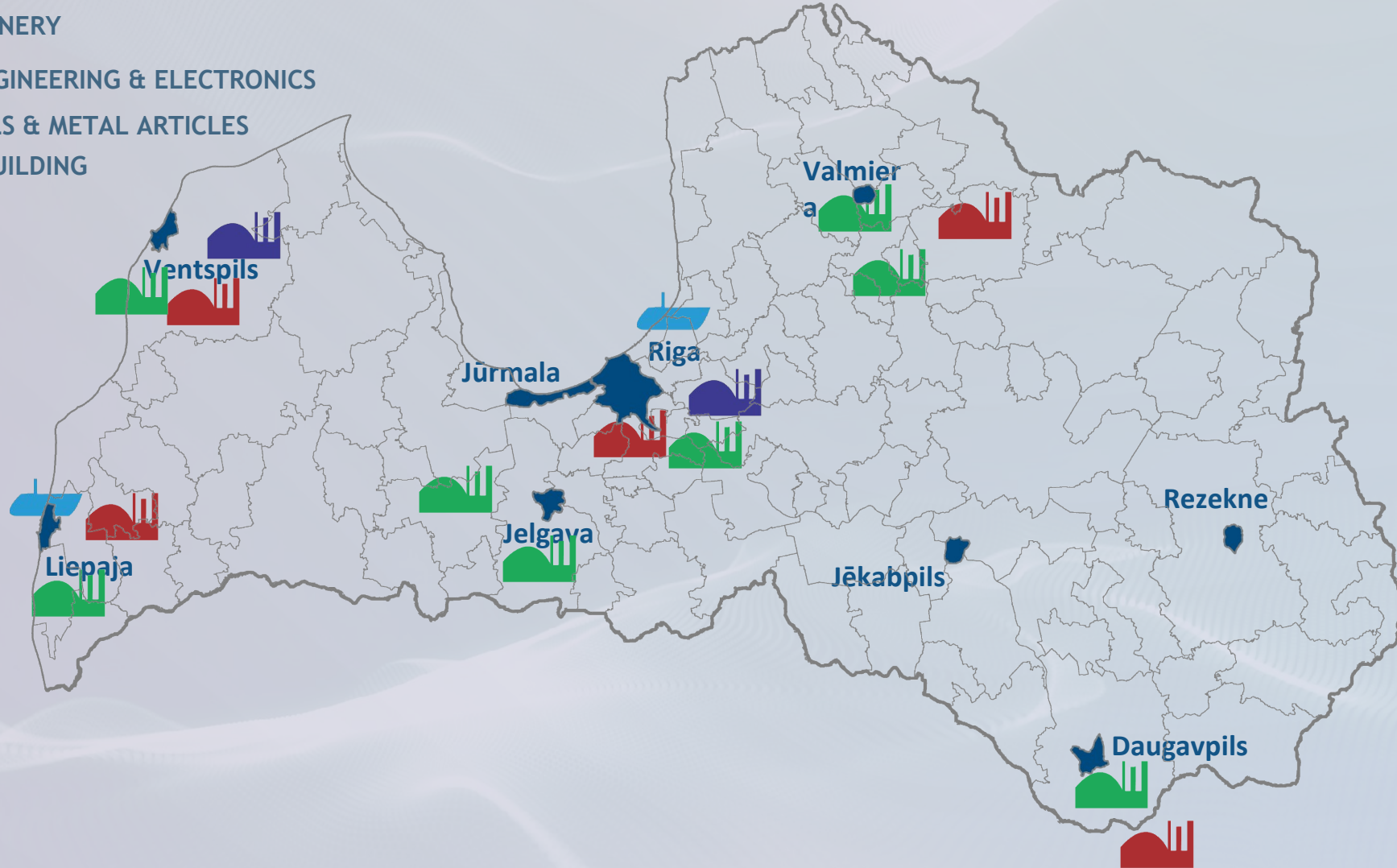


MACHINERY

EL. ENGINEERING & ELECTRONICS

METALS & METAL ARTICLES

SHIPBUILDING



Then



Riga Bus Factory (1975)



Ford Vairogs (1937)

Now



Bucher Schorling Baltics



OSCar rally car

Then



Russo Baltic Wagon Factory (1876)



Soviet minibus factory (1975)

Now

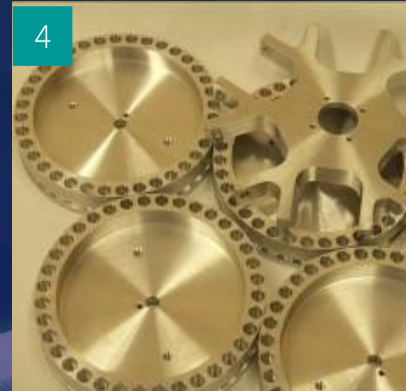


Mitsubishi WRC



Prombron cars

Use cases and Application



1 Manufacture of basic metals: ADN Castings, Dīlers, Krāsainie Lējumi, Sperre Baltic

2 Manufacture of machined components: Leax Baltic

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 trailers and semitrailers: **Zieglera 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



3



5



2



4



6

- 1 Manufacture of interior components: **Artex**
- 2 Manufacture of interior components: **Froli Baltic, Rochling, Automotive Milzkalne**
- 3 Manufacture of glass-fibre: **Valmiera Glass Fibre, Culimeta Baltic, Padtex Insulations**
- 4 Manufacture of plastic components: **Scan-Tooling**
- 5 Supply to the 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

➤ **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

➤ **50** years of innovation

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

➤ **500** employees

➤ **103 million USD** revenue in 2020



Success story — Artex AB

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.s

e

► 6 production units

► **250** employees

► 200 000 metres fabrics/ year

► 250 000 seats refurbished

ARTEX

Success story — AKG Group

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

► 13 production facilities worldwide

► **280** employees in Latvia

► 40 MEUR investment

► 2005 – in Latvia since



Education

Internationally recognized education to match the demand of the industry

85 higher education programs

6402 students in engineering programs

1000 graduates

14 universities and colleges



Riga Technical University – Engineering and mechanical engineering

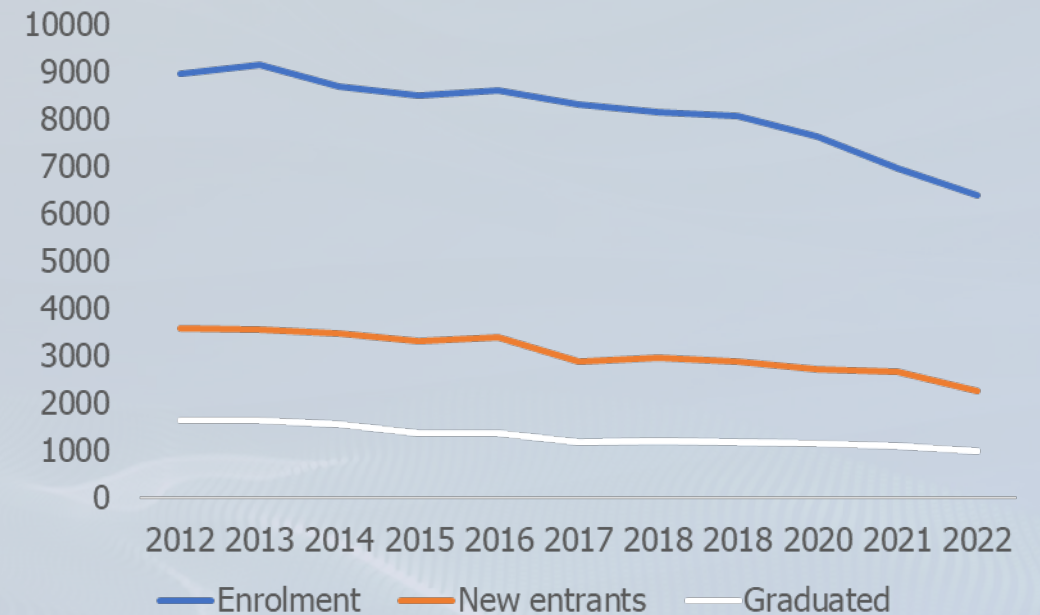


University of Latvia – Mechatronics, industrial engineering



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.

**DEEP
TECH
ATELIER**

Turn scientific excellence into market success

<https://deeptechatelier.com/>

5G TECHRITORY



World's leading 5G event takes place in Riga

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



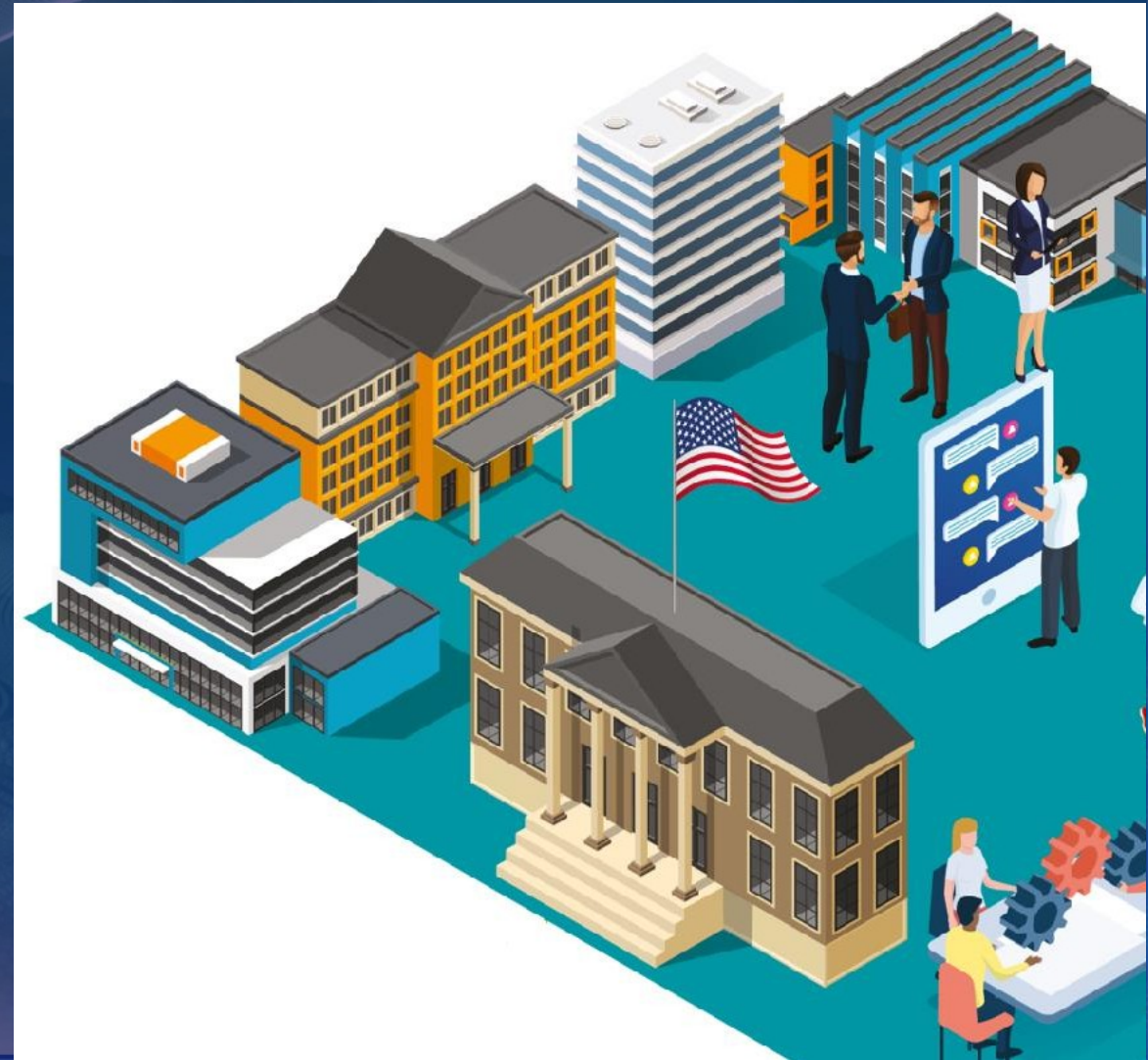
Industry Associations

Latvia 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



International Chambers of Commerce

Trusted partners and professional services for your business





Thank you!

www.liaa.gov.lv
www.investinlatvia.org