



MAGNETIC
LATVIA

Woodworking

Investment and Development Agency of Latvia

www.investinlatvia.org

2022





**LATVIA –
HEART OF
THE NEW
NORDICS**



**A NATURAL
PLAYGROUND TO
EXECUTE IDEAS**



**MISSION 2030 –
CLEAN BALTIC SEA**



**CONNECTED
SOCIETY &
LIFESTYLE**



Riga

#1

Drone-friendly city in
the world

#2

Best ESG/sustainability
in the world

REASONS TO CHOOSE LATVIA



Location as the heart of the Baltics



Territory: 64.6 ths.sq.km
Capital: Riga
Population: 1,9 million
Language: Latvian
Currency: euro (EUR)
S&P Credit Rating: A+

#1

as the most startup-friendly
country in the world
(Index Ventures, 2021)

#30

in the world in
Propesperity index
(The Legatum Prosperity Index, 2021)





COMPETITIVE TAX POLICY

#2

among OECD countries in
the International Tax
Competitiveness Index

0%

zero corporate income
tax on reinvested profit

Diverse pool of talent



EDUCATED

- 79 000 student pool
- 20 000 STEM students
- the highest foreign student share in the Baltics (13%).



MULTILINGUAL

- 95% speaks at least 1 foreign language
- 54% speaks at least 2 foreign languages (English and Russian)



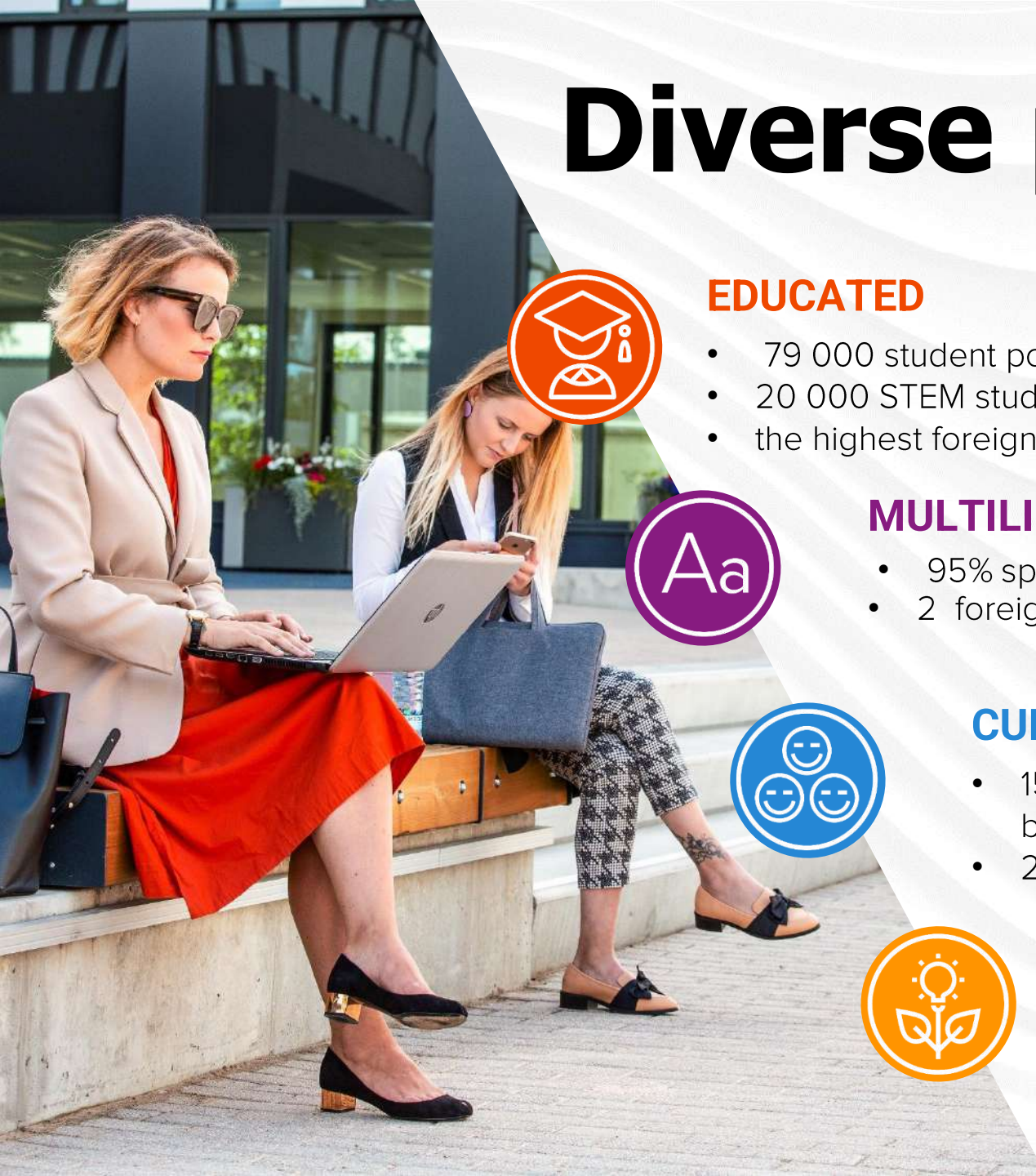
CULTURE FIT

- 150 nationalities, and 38% of the population is represented by minorities.
- 26% of FDI from Nordics



UPSKILLING

- Companies receive up to € 200 000 for training
- Competitive operational and labor costs





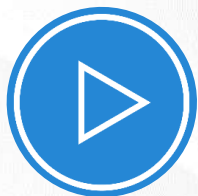
40+ investment incentives

for innovations and smart business development



Equal treatment

of foreign investors and direct dialogue with government institutions



Easy and quick

company registration in 1-3 days, access to digital government services with eID and eSignature

SUPPORTIVE INVESTMENT ENVIRONMENT





DIGITAL & INNOVATIVE

#1

in the Baltics in innovations
(Bloomberg Innovation Index,
2021)

eID

digital ID for signing documents
and remote access to 120+
government services

#10

in the EU in eGovernment
Benchmark 2020
(EC, 2020)

#14

in connectivity in the EU (DESI,
2020)



GENDER BALANCE

#1

in the EU with the largest share of women in management – 45% (Eurostat, 2020 Q3)

#2

highest share of women obtaining Master's degrees (OECD, 2020)

Superior Connectivity

Quick and easy access from Riga to the whole Europe

RIX airport

airBaltic most punctual airline in Europe

100+ direct flights

20 min to the city center

1,5-hour flight to Berlin, Copenhagen, Kyiv, Minsk, Moscow, Oslo, Prague, Stockholm, Warsaw

2,5-hour flight to Amsterdam, Brussels, Frankfurt, London, Milan, Munich, Paris, Stuttgart, Zurich

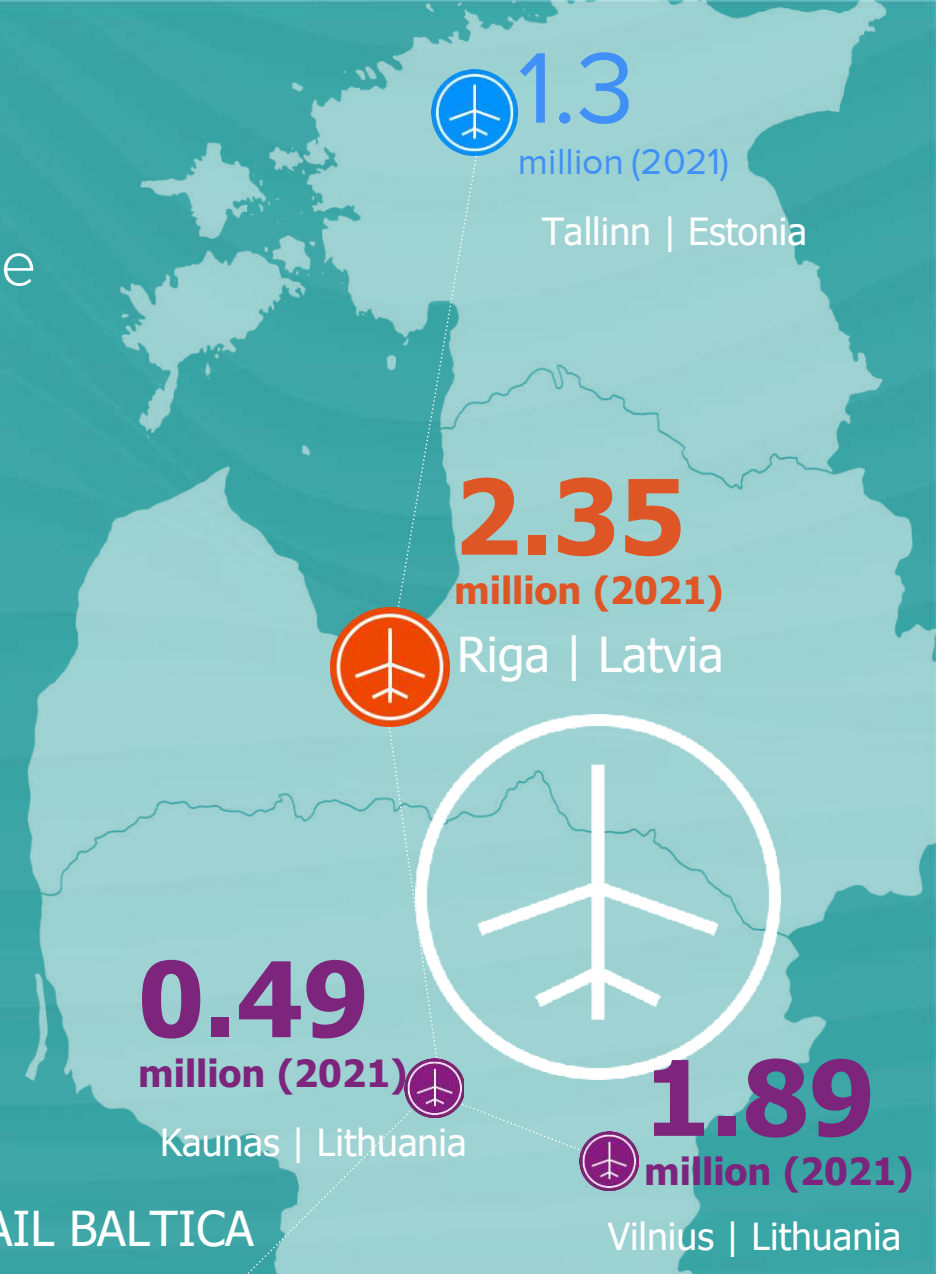
Rail Baltica

249 km/h speed for passenger trains

5-hour trip Riga – Warsaw

by 2026 - the railway connection Tallinn-Riga-Kaunas

RAIL BALTICA



The Ecosystem Approach

Launching the ecosystem approach — a dynamic process of identifying prospective, knowledge-intensive value chains and mapping out the ecosystems. 3 ecosystems so far, more to come.

Identifying prospective, knowledge-intensive value chains & mapping out the ecosystems

Bringing together ecosystem's expertise, defining common goals & challenges

Benchmarking ecosystem results, improving the approach, finetuning processes (process development with the OECD)

Proactively facilitate reach of these goals with the available support incentives.



Five Smart Specialization Sectors



Incentives and Support Mechanisms

Local companies have access to a broad range of 40+ incentives



IDEA DEVELOPMENT (4)

The Idea Cup
Business Incubators
Accelerators
Events and support
of municipalities



BUSINESS AND INNOVATIONS (24)

Startup benefits
Innovation vouchers
Cluster programmes
Financing programmes
Norwegian grants
Employee training



EXPORT DEVELOPMENT (7)

Export promotion
activities
Cluster programmes
Export credit
guarantees
LIAA network support



SPECIAL ECONOMIC ZONES (5)

80% CIT and RE tax
rebates in five special
economic zones in
Latvia



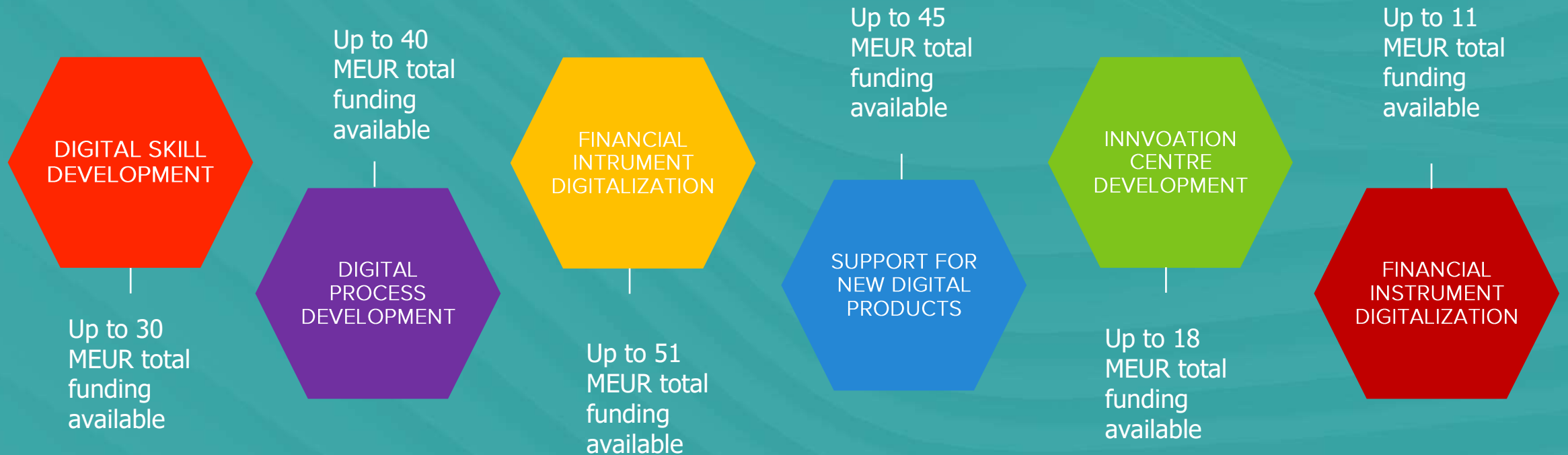
ADMINISTRATIVE FAST- TRACK

Twice faster procedures
for high priority FDI
projects



Incentives and Support Mechanisms

Grants from RRF and ERAF funds for digital transformation



Incentives for Innovation and Growth



EMPLOYEE TRAINING AND KNOWLEDGE TRANSFER
Up to 200,000 EUR per company
50-60% intensity



INNOVATION VOUCHERS
Up to 25,000 EUR for designing prototyping, testing etc.
45-100% intensity



PROMOTION OF INTERNATIONAL COMPETITIVENESS
Up to 40,000 EUR per year
50% intensity



STARTUP BENEFITS
Up to 200,000 EUR for employee salary co-financing, or tax benefits.
Startup visa for 5 founders and family



INCENTIVES BY INDUSTRY ASSOCIATIONS
Various projects and training programmes co-financed by the EU



LOANS AND GRANTS
Various programmes for business and individuals by state financial institution
“Altum”

Green corridor to enable new investment

Benefits: twice shorter administrative procedures including territorial planning, construction permits, foreign workforce relocation.

CRITERIA: 3 OUT OF 4 FOR A POSITIVE EVALUATION

1.

5 M €
investment
in 3 years

2.

50-75
jobs

3.

Exports worth
over 3 M €
in 3 years

4.

Over 250 000 €
R&D or employee
development



International Rankings and Infrastructure

Latvia provides world-class ICT infrastructure and secures high rankings in ICT

93%

is the broadband (NGA) coverage, and 71% are fibre connections (OECD & EC, 2020)

#3

in the world in mobile data usage (OECD, 2021) and fastest internet speed (Cable, 2021)

#10

in the European Union in Digital public services (DESI, 2021)

23%

Of ICT specialists are females, twice higher than in the EU (19%) (Eurostat, 2021)

90%

share of households with Internet access in Latvia in 2020 (CSP, 2020)

1st

5G military test site in Europe





Woodworking

Latvia is probably the greenest country in Europe

#5

most forested country in Europe
(Eurostat, 2020)

53%

of country's territory is
covered by forests

19%

forest sector's
contribution to Latvia
exports

5.3%

share of forestry, wood
processing and furniture in GDP

50%

of forests are owned by the
state & certified

#1

in the Baltics in wood
pellet export



Sustainability

- Latvian forests take 3.412 million hectares and cover 53% of the total territory.
- The forest area keeps expanding – it occurs both naturally and through afforestation. The accumulated wood stock grows 3x faster than the forest area. Each year around 11 million m³ of wood are obtained; therefore, it is considered to be sustainable.



Wood processing

- Currently, forestry is one of the main country's economic cornerstones. Forestry, woodworking, furniture manufacturing had its gross domestic product 5.1% in 2019, while exports amounted 2.6 billion EUR – 20% of country's total export.



Source: zm.gov.lv (2021)



Biological diversity

- Latvia's forest biodiversity has been created and maintained by the Latvian forestry.
- Protected areas are 28.2% of the total forest area. Some of the territories are included in the single Natura 2000 network of protected areas of European importance.



Forest and society

- About half of Latvia's forests belong to the state, while the largest part is owned by private landowners, the total number is 135 thousand.
- Every year, recreational facilities in the forests increases, and areas for recreation occupy 8% of country's total forest area.

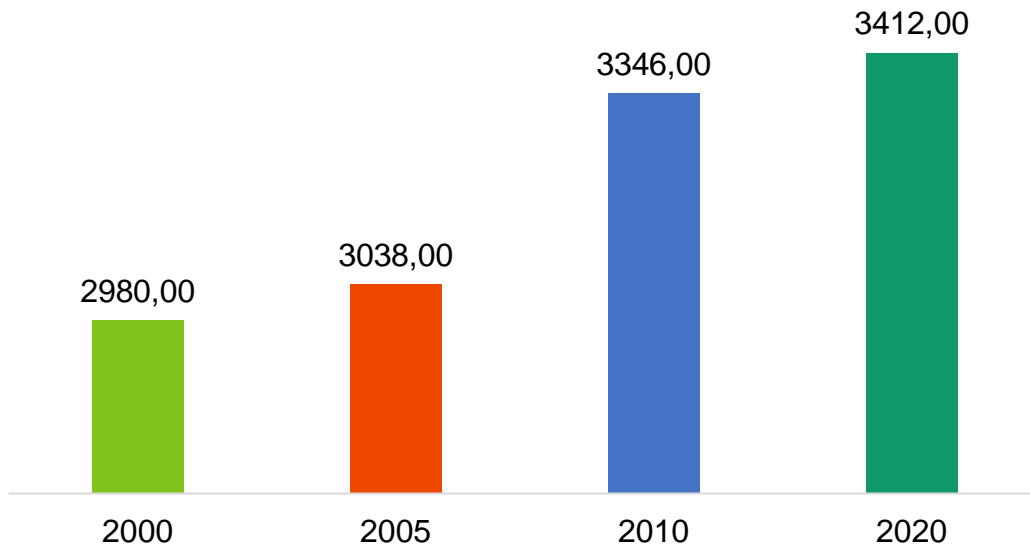


Source: zm.gov.lv (2021)



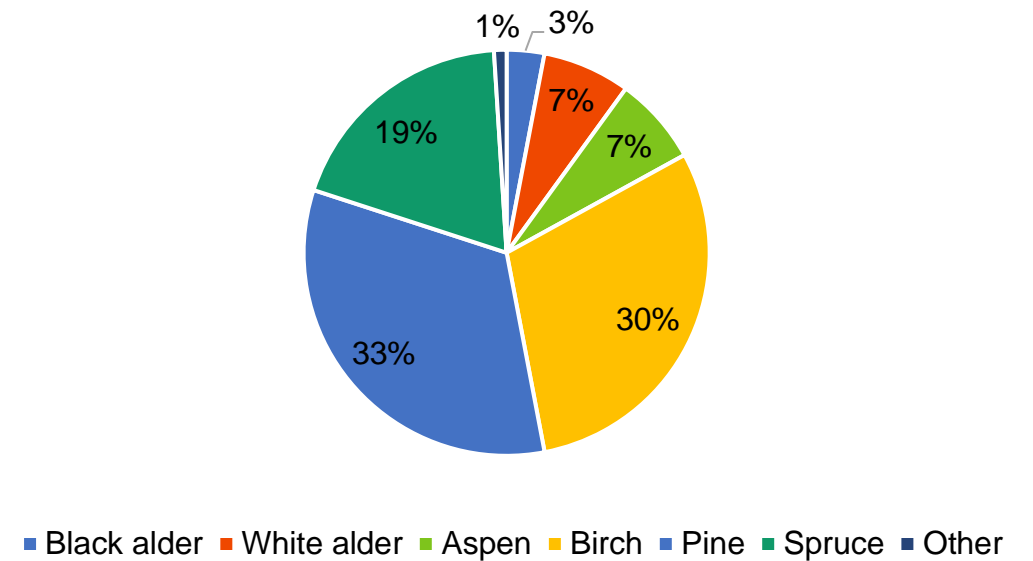
Forest industry in data

Forest area in Latvia, ha



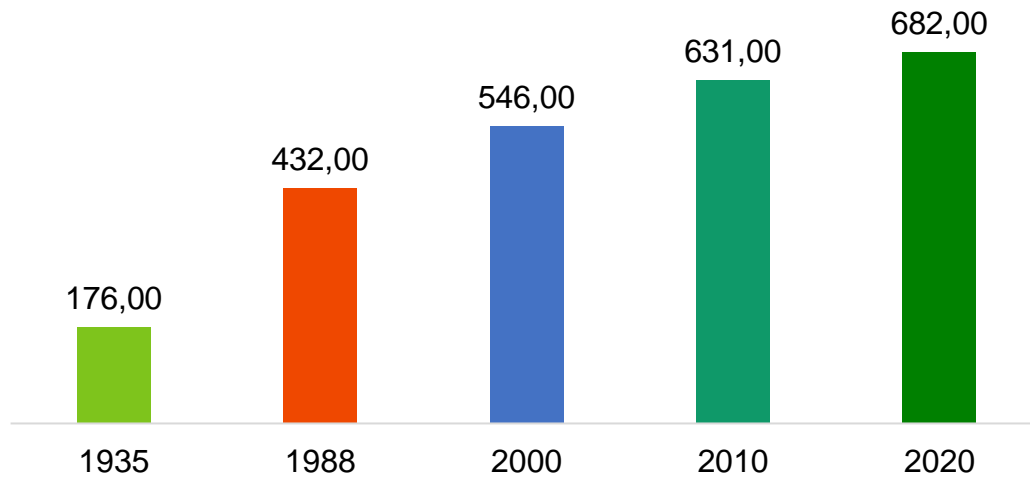
Source: zm.gov.lv (2021)

Forest area by the number of tree species, 2020



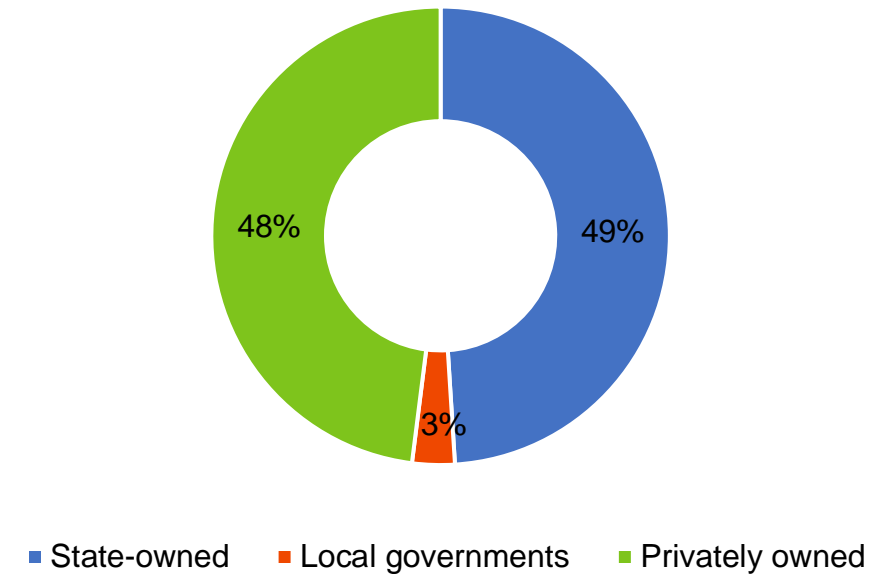
Forest industry in data

Total growing stock volume (Million m³)



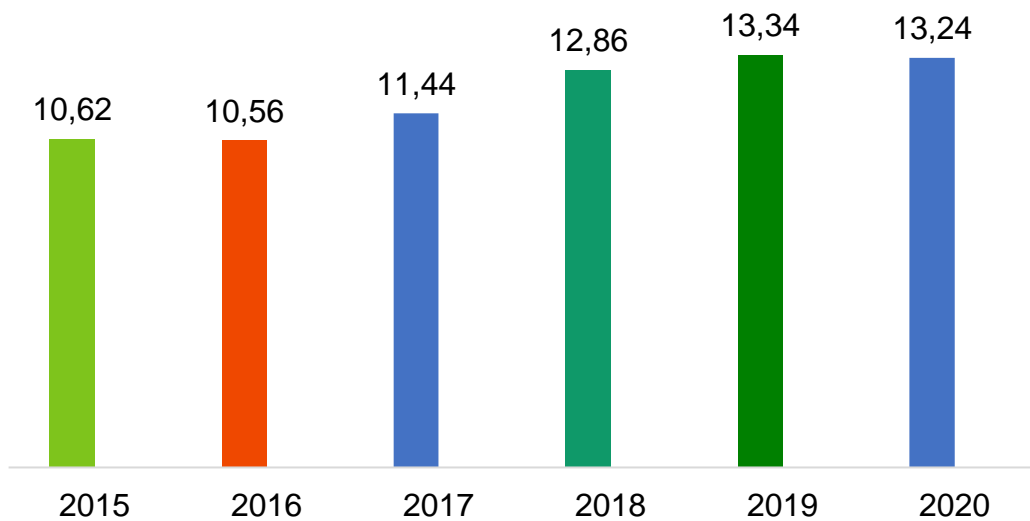
Source: zm.gov.lv (2021)

Forest ownership by status, 2020

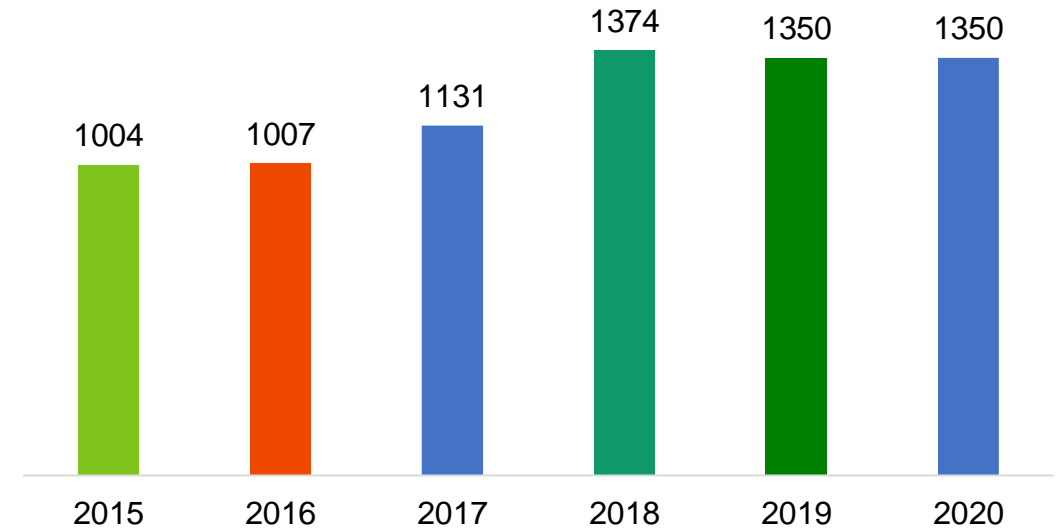


Forest industry in data

Timber production (Million m3)



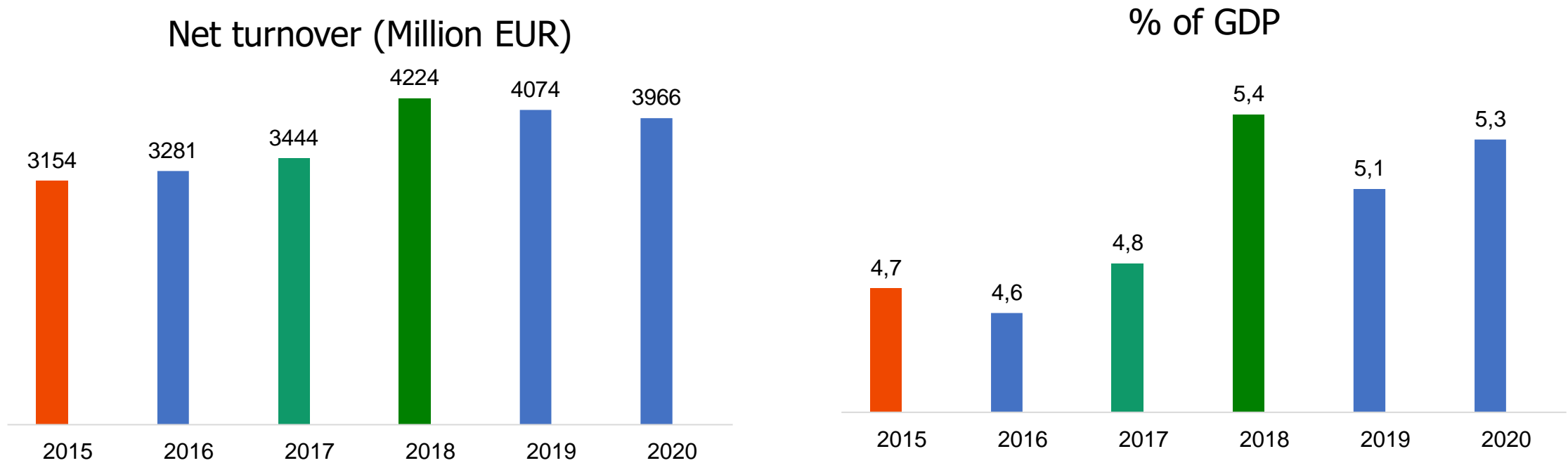
Added-value of forestry (Million EUR)



Source: zm.gov.lv (2022)



Forest industry in data

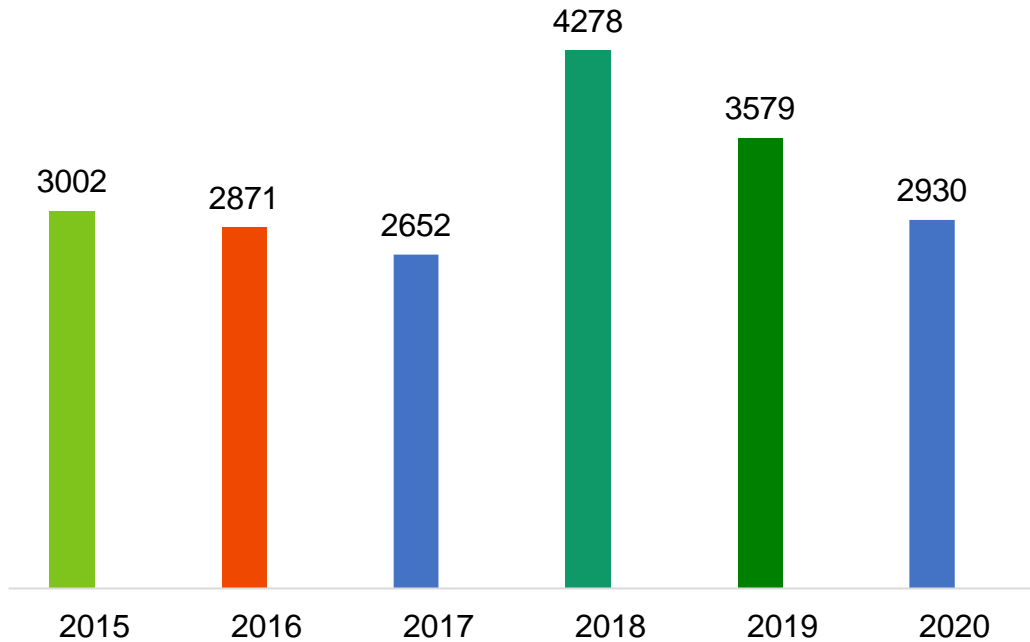


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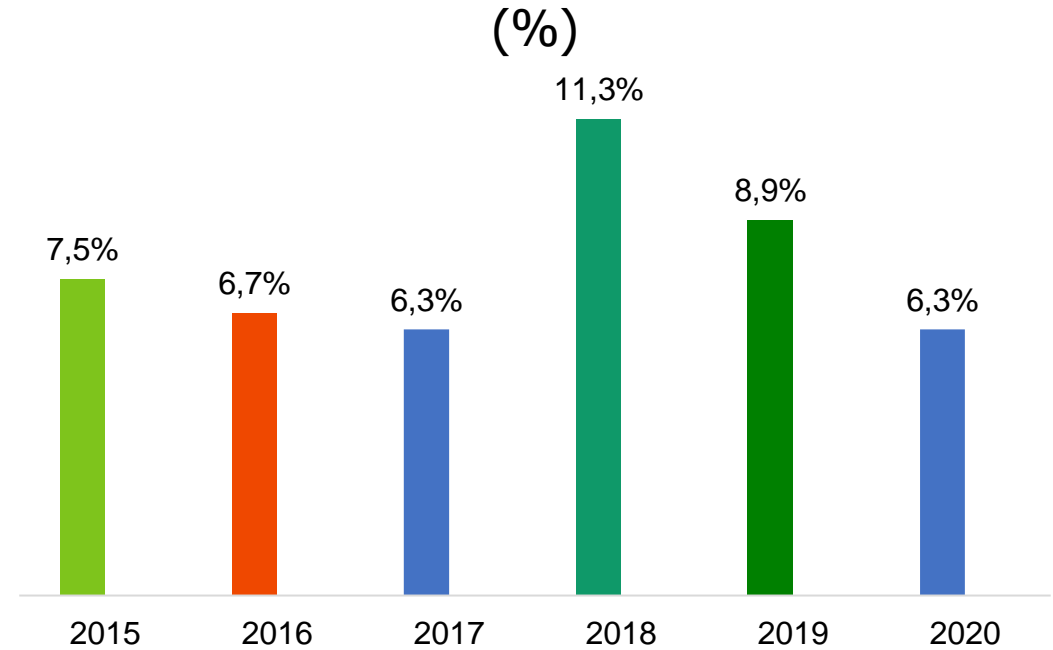


Forest industry in data: export

Roundwood export (Thousand m3)



Roundwood proportion in wood export (%)

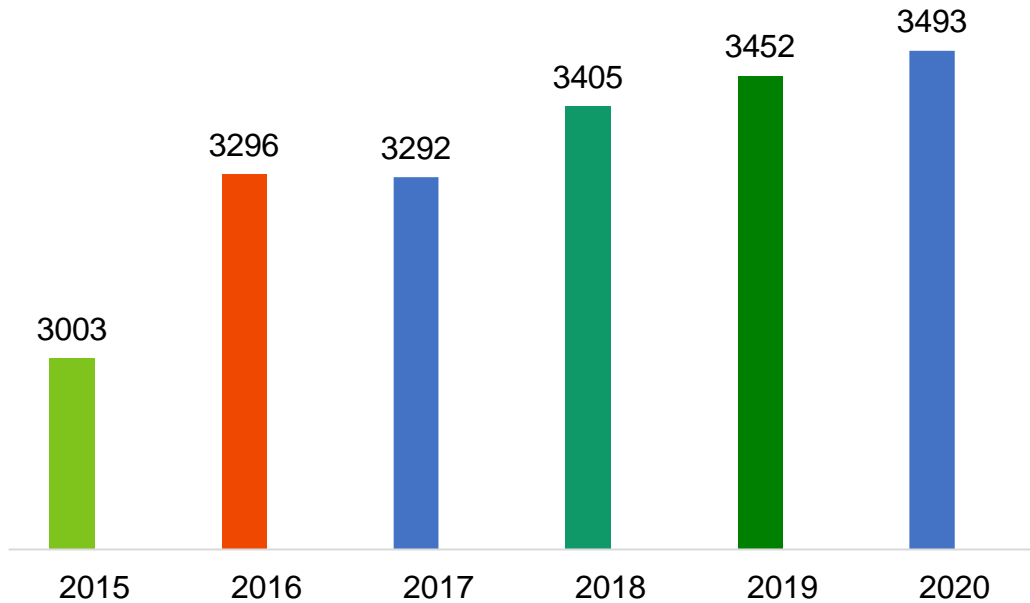


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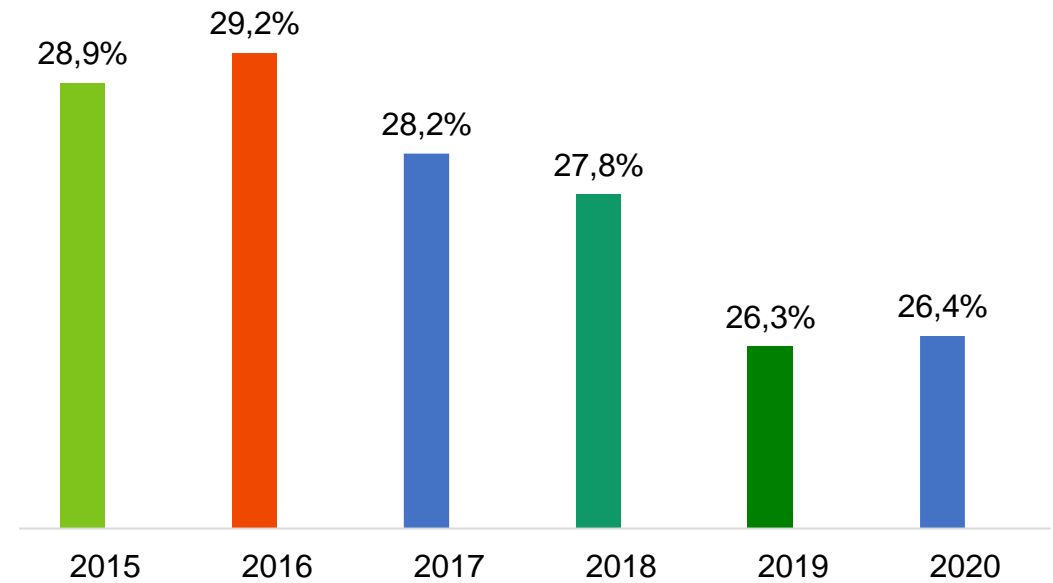


Forest industry in data: export

Sawnwood export (Thousand m3)



Sawnwood proportion in wood export (%)

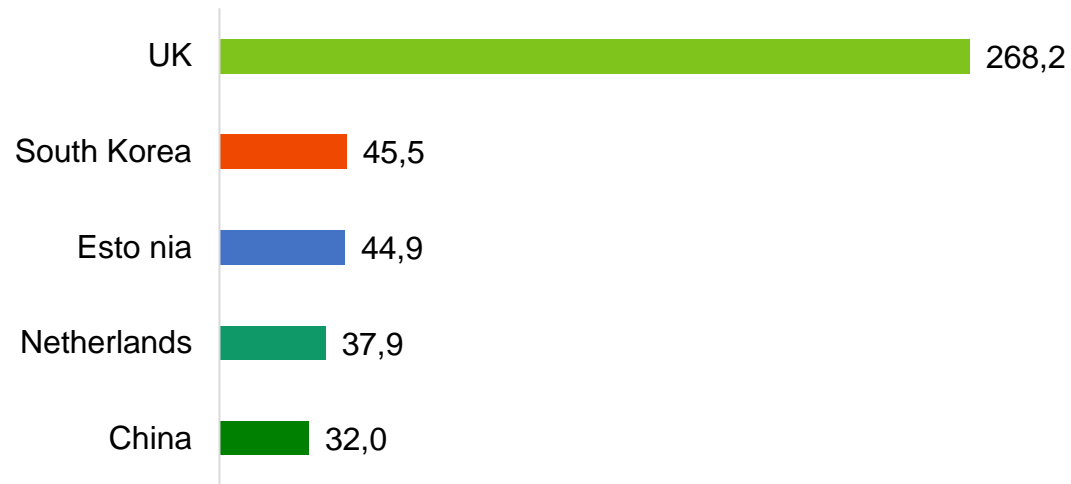


Source: zm.gov.lv (2022)

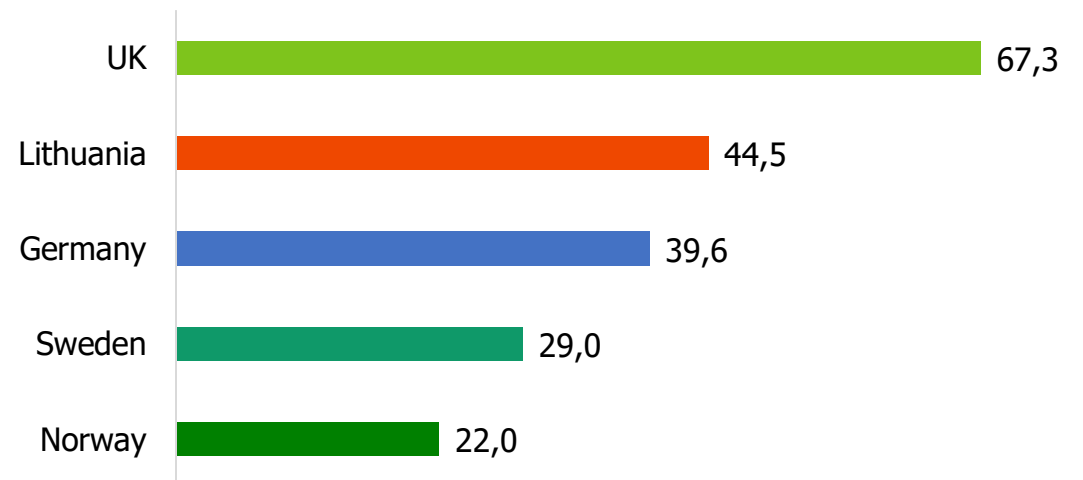


Forest industry in data: export

Export Markets for Sawnwood in 2020 (Million EUR)



Export Markets for Boards - plywood, veneer, particle board, fibreboard (Million EUR)



Source: zm.gov.lv (2022)

Key Players in Woodworking sector

Businesses using Latvia as playground for their ideas



Key areas are production and sales of birch plywood
Export countries: 60+
www.finieris.lv



Cross laminated timber technology
www.crosstimbersystems.com



Puruse state interests in forestry and sustainability
Number of employees: 1000+
www.lvm.lv



One of the largest sawmills in Latvia
www.akz.v



Latvia-based producer of wood pellets
Number of employees: 100
www.latgran.com



Sustainable forest resource management
www.vikawoodlv



One of the world leaders in wood and biomass solutions.
Number of employees: 26 000 globally
www.storaenso.com



Wood manufacturing logistics and trade company
www.pata.lv



World leader in wood panel manufacturing.
Number of employees: 14 000 globally
www.Kronospan-express.com



Wood furniture and pellets
www.avoti.lv



Forestry Education

Internationally recognized education to match the demand of the industry

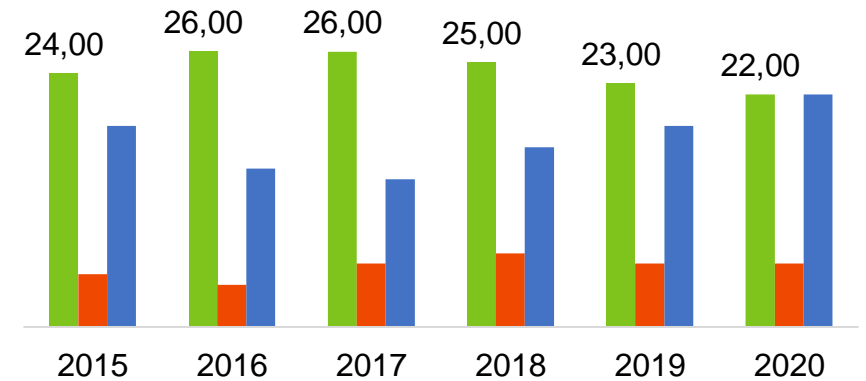
17 professional educational institutions

3 universities

39K people employed in the woodworking sector

533 students

Number of employees in the woodworking sector, K



Latvian State Institute of Wood Chemistry is the main centre of wood science in Latvia



Latvian State Forest Research Institute 'Silava' promotes sustainable development of forest sector



Forest Faculty of the Latvian Agricultural University (LLU)



Textile Technology and Design Institute of Riga Technical University, Material Science and Applied Chemistry

The Latvian Chamber of Craftsmanship - informal wood processing training sessions taught by experienced



Partnership of Latvian Constructors



Wood is in the right place at the right time, climate change is promoting people-friendly building materials. There is a need to promote the wider use of CLT and GLT panels. The main direction of development must be the industrial production and use of wood to achieve the goals of the EU and provide more sustainable construction and insulation of buildings.

- Gints Miķelsons, Head of Partnership of Latvian Constructors



#2 greenest country in the EU
45% of Latvia covered in forests
20 min away from the nature
500 km of sandy beaches

LATVIA





LOW COMPETITION

EASY TO ENTER & SCALE

TRAINING INCENTIVES

FAST-TRACK PROCEDURES

EXCELLENT VALUE FOR MONEY

SUPERIOR ACCESSIBILITY

MODERN ICT INFRASTRUCTURE

Welcome on board

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MAGNETIC
LATVIA

Investment and Development Agency of Latvia

Government agency with 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.



Successful LIAA FDI Cases

