





Business service structure in Kurzeme planning region



Contractor:

Industriālo tehnoloģiju aģentūra

Ventas iela 2a, Sigulda, Siguldas novads, Latvija, LV-2150

Phone: +371 29275325

Year: 2011

CONTENTS

SUMMARY	3
INTRODUCTION	6
1. GENERAL INFORMATION ABOUT KURZEME PLANNING REGION	7
1.1. Geography	8
1.2. Administrative regions and its description	8
1.3. Population	. 14
1.4. Infrastructure	. 14
1.5. Employment	. 16
1.6. Business environment	. 17
2. BUSINESS PROMOTION AND SUPPORT INSTITUTIONS AND ORGANIZATIONS IN KURZEME PLANNING REGION	
2.1. Regional institutions and organizations	. 20
2.2. Local institutions and organizations	. 21
2.2.1. Municipalities	. 21
2.2.2. Nongovernmental organizations	. 22
2.3. Business incubators	. 40
2.4. Ports	. 46
2.4.1. Ventspils Free Port	. 46
2.4.2. Port of Liepāja	. 48
CONCLUSIONS	. 50
RECOMENDATIONS	. 51
COLIDCES	E 2

SUMMARY

General information

Kurzeme Planning Region is situated on the West of Latvia; it borders with Lithuania on the South and has a long sea border (the Baltic Sea, Gulf of Riga). The location of the Region, infrastructure and natural resources have a direct impact on the economic structure of the region. Business development is facilitated by both – the public and private entities: on one hand the municipal and regional authorities play a significant role in provision of relevant infrastructure, while the private entities are those applying the infrastructure in delivering relevant services.

Having reviewed the published information, it can be concluded that there are several best practices, along with bottlenecks in the business support structure in the region: while the periphery rural municipalities are less developed, there are two very strong regional centres (Liepaja City and Ventspils City), and several smaller, but still significantly developed towns (e.g. Kuldīga, Saldus, Talsi).

In Ventspils City and Liepāja City are large number of various businesses and therefore higher employment opportunities. The cities could in future expand their range of industries seated there.

Saldus and Brocēni have a high development potential as well. Kuldīga and Talsi town play also a relevant role for the smooth and even development of the region, whereas Grobiņa, Aizpute and Roja, having introduced some incentives for their development, could grow up to 'regional significance centres'.

Ventspils works far more than other cities and towns towards the settlement and development of new plants, thus the city is renowned as a high value added production centre. Ventspils has a significant potential of becoming the most important city of the region in future.

Tourism as a separate industry is well developed in Ventspils and Liepāja cities, as well as in Kuldīga. Considering the density of hotels and sightseeing objects, Ventspils and Liepāja may be well called regional tourism centres.

Largest companies of the region are located in Liepāja and Ventspils, as well as in the vicinity of Saldus and Talsi.

In Kurzeme Region there are two main ports, which are linked via railway and roads with other regions and the capital city of Latvia; there are several business parks/industrial areas, tax benefits are provided and information about available properties for business development are provided. Some of the cities and towns in Kurzeme have established cooperation with twin cities from other countries, and municipalities promote entrepreneurs' meetings and trips to these cities.

Business support and environment

Municipalities and cities/ towns of the region have various views of business support: in some websites there is no information about start-up activities, available national or EU funds for businesses.

Best practice: most sophisticated information is published on the website of Ventspils City, Saldus, Liepaja City and Kuldiga.

Cross-border cooperation: some of the cities and towns in Kurzeme (Ventspils City, Saldus, Liepaja City and Skrunda) have established cooperation with twin cities from other countries. Municipalities promote entrepreneurs meetings and trips to cooperation cities.

Information about available real estate, non-living premises and land plots is published only on the websites of Kuldiga and Saldus municipalities' websites.

Municipal officers working with business development issues: there are only few municipalities, where there is a designated municipal officer, which provides advisory services or deals with foreign relationship matters (Nica, Liepaja). In Skrunda municipality there is a Development Department, where there is a municipal officer, who provides advisory services to businessmen and farmers; in Talsi municipality – an officer advising businesses is working in the Development Planning Department.

Ventspils municipality Development Department ensures attraction of investments to Ventspils municipal development projects and organises elaboration and implementation of the local development strategy, it promotes development of entrepreneurship in the municipality and deals with environment protection and use of nature resources' issues.

Information about taxes and tax benefits: on the websites of Ventspils and Liepaja cities, Kuldīga, Priekule and Talsi municipalities there is wide information about tax benefits, including tax benefits in special economic zones and tax reliefs by the municipalities.

Non-governmental organisations: there are a number of NGOs, which are active in the municipalities (*Grobinas novada uzņēmēju klubs, Ziemeļkurzemes biznesa asociācija, Kurzemes tūrisma asociācija, Darīsim paši, Liepājas rajona partnerība, Mērsraga reģiona uzņēmēju asociācija, Talsu komersantu klubs, Vaiņodes novada iniciatīvas grupa, Latvijas Uzņēmēji, Ziemeļkurzemes NVO atbalsta centrs, Ventspils augsto tehnoloģiju parks)*, which consult businesses in helping to find business partners, assisting in project development, organising various events for businessmen and developing joint projects with foreign businesses.

Websites: on the websites of the smaller municipalities of Kurzeme there is few information about business support; only in few cases the information is available in English or any other foreign language (if there is any information, often these are only titles, but the content is "under reconstruction", or the information is out-of-date).

Recommendations:

- 1. Information access and clarity on the websites:
 - a. Publish information on municipalities' websites specially for businesses/ investors, e.g. information about tax benefits, available properties, any links, etc.;
 - b. Information should be published at least in Russian and English;

- c. Brief information about business in Kurzeme also on the website of Kurzeme Planning Region.
- 2. Coordination activities by Kurzeme Planning Region administration (in cooperation with either local municipalities, or business incubators, or universities):
 - a. Business forums for locals:
 - Experience exchange trips for businesses from twin cities cooperation network based on existing cooperation between the cities and towns;
 - Informing local NGOs/ municipal officers responsible for business development (thus distributing information as wide as possible).
- 3. A permanent officer (promotion of entrepreneurship) in the municipality should be employed OR the tasks of an existing municipal officer working in the development department should be extended.

INTRODUCTION

The limited liability company "Industriālo Tehnoloģiju Aģentūra" was commissioned to elaborate a survey of the business structure of Kurzeme. The survey of business structure in Kurzeme is elaborated within the Central Baltic Interreg IV A Programme's project - BASIS (Building up Availability of SME Internationalisation Services).

The survey included the following steps:

- 1. Review of overall situation of the Region;
- 2. Review of municipal and regional incentives in the Region (note: national incentives were intentionally not reviewed!);
- 3. Review of non-governmental institutions and their aims in relation to business internationalisation:
- 4. Review of the operational activities of business incubators;
- 5. Conclusions and recommendations.

In order to gather the information and considering the short time available for the survey during December 2011, the following sources were reviewed:

- Official websites of the municipalities and other public institutions;
- Official websites of non-governmental institutions;
- Published policy planning documents/ internal municipal documents.

1. GENERAL INFORMATION ABOUT KURZEME PLANNING REGION

Regional institutions began formation 1997 according to municipial initiatives on the planning of common development. Following legislation on regional development, the planning regions were created according to the 5 May 2009 decision no.391 of the Cabinet of Ministers of Republic of Latvia: "Decision on Territories of the Planning Regions".

Kurzeme Planning Region (Latvian: *Kurzemes plānošanas reģions*) is one of five planning regions of Latvia, situated in the western part of Latvia, at the shores of the Baltic Sea and Gulf of Riga (see Picture 1.1.).



Picture 1.1. Kurzeme Planning Region location and administrative reģions (municipalities).

Note: Kurzeme Planning Region territory differs from historical regions of Latvia which have the same name as planning regions.

Kurzeme Planning Region is third bigest region by territory and by population (see Table 1.1.) in Latvia.

Table 1.1. General information about planning regions.

Regions	Largest City	Area	Population (2011)
Rīga Region	Rīga	10,132 km²	1 089 767
Kurzeme Region	Liepāja	13,596 km²	296 529
Latgale Region	Daugavpils	14,549 km²	335 013
Zemgale Region	Jelgava	10,733 km²	277 265
Vidzeme Region	Valmiera	15,246 km²	231 067
Latvia	Rīga	64,256 km²	2 229 641

Source: Central Statistical Bureau

Kurzeme Planning Region includes - Aizpute, Alsunga, Brocēni, Dundaga, Durbe, Grobiņa, Kuldīga, Nīca, Pāvilosta, Priekule, Roja, Mērsrags, Rucava, Saldus, Skrunda, Talsi, Vaiņode, Ventspils municipalities, as well as Liepāja and Ventspils cities.

1.1. Geography

Nearly the whole of the region of Kurzeme is located in the western part of Latvia and is bordered by the Baltic Sea to the West and the Gulf of Riga to the East. More than half of Latvia's total coastline lies in Kurzeme region. The farthest inland point is only 100 km from the sea and a strong maritime influence is evident throughout the region.

Kurzeme region covers 21%, of the Latvia's total area. Forests occupy more than half of the Kurzeme region's territory. The northern part is characterised by pine stands while spruce and birch trees tend to predominate in the South. While just over one third of the region is given over to agricultural cultivation, in relation to the total agricultural area of Latvia this represents less than one fifth.

The Coastal Lowlands stretch along the coastal zone of the region while the plains of the Kursa Lowland (the Ugale Plain, the Venta Valley Plain) are located inland. These plains are virtually flat or gently undulating, with sandy and swampy soils of low fertility, overgrown with forests and rather sparsely populated. There are three uplands in the region intersected by plains and lake and river valleys.

Most of Kurzeme's rivers have flat valleys; the width of the Venta valley reaches 2 km and the primeval valley of its largest tributary, the Abava, is up to 1.5 km wide. The most well known Latvian waterfalls are in Kurzeme - the waterfall on the Venta called Ventas Rumba (at a width of 110m it is the widest waterfall in Europe) and Abavas Rumba. Lakes are concentrated in the Usma area, and Lake Usma itself is the largest in the region (38.9 km²). There are several lagoon-type lakes along the seashore that are popular migratory destinations for waterfowl.

In Kurzeme the stock of explored deposits (dolomite, sand, gravel, etc.) is comparatively small. Furthermore, the region has no energy resources of its own so using resources satisfies the rising demand for energy imported either from abroad or from other regions.

1.2. Administrative regions and its description

There are two main centres in the region – Ventspils City and Liepāja City, where there is a large number of various businesses and therefore higher employment opportunities. The cities could in future expand their range of industries seated there.

Saldus and Brocēni have a high development potential as well. Kuldīga and Talsi town play also a relevant role for the smooth and even development of the region, whereas Grobiņa, Aizpute and Roja, having introduced some incentives for their development, could grow up to 'regional significance centres'.

Ventspils works far more than other cities and towns towards the settlement and development of new plants, thus the city is renowned as a high value added production centre. Ventspils has a significant potential of becoming the most important city of the region in future.

Tourism as a separate industry is well developed in Ventspils and Liepāja cities, as well as in Kuldīga. Considering the density of hotels and sightseeing objects, Ventspils and Liepāja may be well called regional tourism centres.

Largest companies of the region are located in Liepāja and Ventspils, as well as in the vicinity of Saldus and Talsi (detailed description of business and overview of biggest companies in the municipalities see in Table 1.3).

Table 1.2. Municipalities of Kurzeme Planning Region and their home page addresses.

Aizpute www.aizputesnovads.lv	Alsunga www.alsunga.lv	Brocēni www.broceni.lv
Dundaga www.dundaga.lv	Durbe www.durbe.lv	Grobiņa www.grobina.lv
Kuldīga www.kuldiga.lv	Liepāja www.liepaja.lv	Nīca www.nica.lv
Pāvilosta www.pavilosta.lv	Priekule www.priekule.lv	Roja www.roja.lv
Mērsrags www.mersrags.lv	Rucava www.rucava.lv	Saldus www.saldus.lv
Skrunda www.skrunda.lv	Talsi www.talsi.lv	Vaiņode www.vainode.lv
Ventspils municipality www.ventspilsnovads.lv	Ventspils City www.ventspils.lv	uras: Municipalitias homo pagas

Source: Municipalities home pages.

Table 1.3. Description of business in administrative regions.

Region	Territory (km²)	Business	Notes
Aizpute	640,2	Most companies work in agriculture sector and food processing. There are possibilities to grow up metal working sector.	
Brocēni		Manufacturing	Brocēnu keramika
		Biggest companies:	
		- CEMEX	
		Cemex is one of the world's leading producers of building materials. CEMEX started operating in Latvia after acquisition of the international supplier of building materials RMC Group o.l.c. in 2005 thereby becoming also the owner of the cement plant in Brocēni. The Europe's most modern CEMEX plant has been built in Brocēni; the company has invested more than 275 million Euros in its development, which is the largest investment in Latvia's production and industrial sector since the country regained its independence.	
		www.cemex.lv	
		- BALEX METAL KURZEME	
		Balex Metal Kurzeme ir representative of Balex Metal which is one of the biggest steel building material producers. Balex Metal Kurzeme deals with construction works and roof construction.	
		www.balexkurzeme.lv	
		- Brocēnu ceļš	
		Main area is public transport services bit company offers other services: territory cleaning, greening, communal services, railway maintenance.	
		www.brocenu-cels.lv	
		- Smuku muiža	
		Leisure complex Smuku manor.	
		www.smukumuiza.lv	
Dundaga	674	The most important sectors of region are forestry, agriculture and fishery. Tourism industry is growing sector in Dundaga, especially rural tourism and ecotourism.	
Durbe		Mostly companies which produces agricultural production: milk products, grain etc. Some of them deal as biological agriculture farms.	

Region	Territory (km²)	Business	Notes
Kuldīga	1756,7	The main branches of business in Kuldīga town are trade, wood- processing, construction and different services.	Kuldīga is an attractive place to work and live in ,but it will probably never become a large industrial town. Its charm and uniqueness is created by its environment of a medieval town, tile roofs, the widest waterfall in Europe, one of the longest brick bridges in Europe, the historical centre in the Venta Valley which is included in the UNESCO World Heritage Tentative List.
Nīca		Biggest companies: - ARSA-1	
		Construction works, woodworking, transport services etc.	
		www.arsa1.lv	
		- O RIKA	
		Vegetables processing.	
		- Otaņķu dzirnavnieks	
		Transport and storage services, grain farming.	
		www.otankudzirnavnieks.eu	
		- TONUS ELAST	
		The company manufactures a wide variety of elastic medical products, ranging from elastic bandages to complex corsetry, both stylish and functional, for pregnant women and nursing mothers.	
		www.tonus.lv	
		- PIEJŪRA	
		Main products are: sprats in oil; cod liver; sprats in tomato sauce. Product is ecologically pure. Piejūra also produces goods upon outsource contracts.	
		www.piejura.lv	
Pāvilosta	515	Main sectors are fishery and tourism. Most of the companies are SME (less that 9 employees).	

Region	Territory (km²)	Business	Notes
Venstpils (inc. city)		Approximately 1000 companies and their representative offices operate in Ventspils.	Ventspils is a modern city of about 45 000 people, situated in the middle of the Baltic Sea region, which makes it an optimal hub for economic co-operation with other countries. It covers 55 km², of which 47% is a Special Economic Zone (SEZ). Over the centuries Ventspils has been known as the major transport destination for
			transport destination for Russian cargo such as oil products, liquid chemicals, various metals, fertilizers and wood products. Nowadays Ventspils is involved in the container and ro-ro traffic, as well as supporting value-added activities within the port.
			Information about investment and entrepreneurship possibilities in web site: www.investinventspils.lv
Grobiņa	490,2	Biggest companies:	
		- Driada Prim	
		Driada Prim is a woodworking company established in 1995. It produces softwood sawn timber for building and packaging timber. Currently, total output amounts to 24000 cubic meters a year.	
		www.driadaprim.lv	
		- G.M. Koks	
		The company was established in 1993. Main directions are: forest development, management, and production of saw-timber, impregnation, transportation and tourism.	
		www.gmkoks.com	
		- VIA-S	
		Business is production of modular houses, its rent and sale.	
		www.via-s.lv	

Region	Territory (km²)	Business	Notes
		- RK Metāls	
		RK METĀLS Group is one of the leading producers of metal construction elements in the Baltic States. Metal structures and metal designing services, production and assembling, as well as efficient logistics and export. Combinations with wood, glass and aluminium. Computer aided design technology. Large-scale turnover. High quality.	
		www.rkmetals.lv	
		- Aviosabiedrība Liepāja	
		Is regional airport in the west of Latvia that is certified for international air traffic. It is situated 7 km of Liepaja town centre. Technical possibilities of the airport are adjustable to establish an industrial and technological park, transport logistical centre as well to locate different training bases. I	
		www.liepaja-airport.lv	
Kuldīga	1756	Main sectors are agriculture, construction, services and tourism.	
Liepāja	60,4	Liepaja is a major manufacturing centre possessing Latvia's largest enterprises in two of the top three export industries (Liepajas Metalurgs (http://www.metalurgs.lv/) in metal working and Lauma (http://www.lauma.lv/) in textile). Furthermore, the city's manufacturing productivity exceeds that of any other Latvian city by 20%.	
Mērsrags	109	One of the biggest small ports' are located in Mersrags. Main sectors are fishery, forestry and port transit services.	
Roja	200,5	Main sectors are forestry, agriculture and fishery. Growing sector is tourism.	
Saldus	1683,3	Main sectors are service sector, retail, manufacturing, agriculture and forestry.	
Talsi		Business development is connected with natural resources. Biggest companies: - Vika Wood Vika Wood is one of Latvia's leading, and largest, sawmills with a total annual production of about 280 000 m3 of sawn timber. www.vikawood.lv	

Region	Territory (km²)	Business	Notes
		- PINSDRUP LATVIA	
		Peat industry.	
		www.pindstrup.com	
		- JAUNALKO	
		Jaunalko is one of the largest producers of alcoholic beverages in the Baltic States. The company was founded as a joint venture with the Finnish company "Primalco".	
		www.jaunalko.lv	
		- Jaunpagasts PLUS	
		The company focuses on the following areas: production of bioethanol and high quality food spirit from grain; production of alcoholic beverages; production of forage supplements for agricultural sector, on the basis of by-products.	
		www.jpplus.lv	

1.3. Population

Liepaja, the country's third biggest city by population size and Ventspils, the sixth, are situated in the region of Kurzeme.

Population density in Kurzeme Planning Region is one of the lowest in Latvia, while the overall demography and socio-economic development trends are similar to the genera; situation in the country.

During the last years, people from smaller towns and villages tend to move to the bigger towns and cities (especially – to Riga), where they find better jobs, higher salaries and wider education options. In general this means that the density and number of inhabitants increases in urban areas.

1.4. Infrastructure

The road network in the region is well developed, although there are slight differences in respect to the road density between the larger and smaller municipalities, which is mainly due to the location of settlements, density of forests and water bodies, historic development and distance to roads of higher category.

The largest cities and towns of the Region (Liepaja, Ventspils, Talsi, Saldus and Kuldiga) are well connected to the main road network.

The two big ports of Liepāja and Ventspils, guarantee good access to and from foreign countries. The infrastructure for maritime and overland transport is well developed. Transport axes connect Liepāja and Ventspils with the capital city and there is also an extensive network of local roads. The emphasis placed on the two major cities has resulted in the northern coastal area, the frontier region with Lithuania and some parts

in the central part of the region becoming somewhat marginalised. Ventspils Port is the largest port in Latvia with nearly 30 m tons cargo turnover.

Air transport is available at the Ventspils and Liepāja Airport.

Ventspils Airport is a technologically developed regional airport, which is situated in the South – East part of the Ventspils city, just 5 km from the city centre. Up-to-date and functional passenger terminal, air traffic control information (AFIS), meteorological information (ATIS) and refuelling facilities are available. With the existing infrastructure Ventspils Airport corresponds to the standards of European Union and international civil aviation. Today Ventspils Airport specializes in servicing charter flights. More information is available in www.airport.ventspils.lv

Liepaja International Airport is regional airport in the west of Latvia that is certified for international air traffic. It is situated 7 km of Liepaja town centre.

Industrial development territories and premises in Ventspils and Ventspils Free Port

One of the main goals of Ventspils is to develop industrial activity within the city. Therefore Ventspils City Council and Ventspils Free Port Authority are supporting and promoting industrial development and have designated more than 1000 ha for the development of industrial projects, including the implementation of several industrial park projects. Several land lots, ranging from 1 to 200 ha, have been prepared for construction, providing expansion possibilities if required.

Ventspils Free Port Authority is open to public-private partnership and can perform some additional investments on the site if needed. Ventspils Free Port Authority also offers long-term land lease agreements for any available sites.

Two industrial parks – *Ventspils High Technology Park* and *NP Ventspils Business Park* (www.industrial-park.lv) are being developed, thus providing companies the necessary premises for rent.

NP Ventspils Business Park is one of the latest ventures from *NP Properties* (the largest developer of industrial parks in Latvia). Currently the park occupies 20 hectares, but *NP Properties* has plans to expand by another 16 ha in the coming years. Future developments will see the park occupy at least 50 000 m² of modern industrial and warehouse space within 5 years.

Any goods produced can be easily moved via the Ventspils Free Port where regular ferry connections to Germany, Sweden, Estonia, and container traffic to Sweden, the United Kingdom and the Netherlands are in operation. Altogether there are 19 weekly departures from Ventspils. Ventspils also has excellent hinterland links, which allow both time and cost efficient deliveries to Russia and other CIS countries. The powerful railway system with a 34 million ton per year capacity connects Ventspils to the transport systems of Russia. The E22 road is of the European significance and has its route through Ventspils. Furthermore, Ventspils Airport comprising of a modern passenger terminal is an essential part of the transport system.

Kuldīga

Lack of railway, the main motorways do not cross the territory of Kuldīga region, lack of oil and gas pipelines.

Logistics Services in Liepāja

Transport and logistics services are largely centred on the port of Liepaja itself and continue to grow in line with the port's freight throughput. The logistics cluster in Liepaja's *Special Economic Zone* consists of a number of forwarding agencies, shipping agencies, stevedores and custom brokers, each specialising in a certain type of goods. Value added logistics operations such as re-packing, blending or technical surveying play an increasing role in the local economy. The railway and road transport

play equal roles in connecting the port to the rest of Latvia, the Baltic States and countries beyond the EU border. The transport infrastructure is in sufficiently good condition to serve both the domestic and international transportation needs, and is scheduled to receive significant investment from national and EU funds to gradually upgrade it to EU levels.

Industrial parks in Liepāja

For investors requiring swift establishment, simple start-up and co-operation with other tenants, there are several industrial park projects providing rental options. These include the privately owned "Transit & Industrial" park with indoor and outdoor facilities, and "Liepaja Business Centre" owned and operated by a Danish investor. In addition there are municipality owned Greenfield and Brownfield locations available in the city.

1.5. Employment

Availability of human resources in Ventspils

The operations of the Ventspils Free Port ensures the availability of highly qualified port specialists with high competencies in port operations, liquid cargo, dry bulk, general cargo as well as container handling and related other fields. Ventspils has long-standing and rich traditions in wood processing, fish processing and metalworking.

Education, Innovation and R&D are crucial for the development of Ventspils. Ventspils City Council contributes to the continuous upgrading of the educational system where Ventspils University is the main player. Ventspils University ensures the education of high quality specialists in information technology, business administration, translation and the new engineering sciences department. Additional support is also obtained from its research institutes like the VIRAC (specializing in fundamental research in astrophysics, applied research in satellite technologies, space engineering) and the ERC (Engineering Research Center).

Also the Ventspils branch of Riga Technical University is one of the corner stones of human resources development in Ventspils offering studies in electronics, power engineering, electrical engineering, computer systems and other technical programs.

To strengthen engineering research capacity ERC was established in 2005 now employing 28 researchers and technical specialists with competencies in economic, financial and industrial mathematic modeling, applied electronics and bluetooth, telecommunication product development and CAD/CAM engineering.

Two examples of how this can help a company are *Froli Baltic* and the development of *Bucher Schoerling Baltic*, both subsidiaries of German investors in Ventspils. In the first case ERC provided customized solutions in telecommunications, in the second research consultants designed integrated smart-house technology for business management systems.

Today ERC has become part of a larger network consisting of other University/College structures including; *Ventspils High Technology Park, NP Business Park Ventspils*, Business Incubator, Ventspils Free Port Authority, Ventspils Digital Center, Ventspils City Council and approximately 30 business customers, including the Ventspils branch of Siemens, forming a mutually beneficial network.

Kuldīga

Inhabitants of Kuldīga have a possibility to get a very good and comprehensive education. It is planned that the network of schools and other educational establishments can provide possibilities to get good education starting with preschool establishments to secondary schools, also offering possibilities to get University degree as well further education and supplementary education.

Liepāja

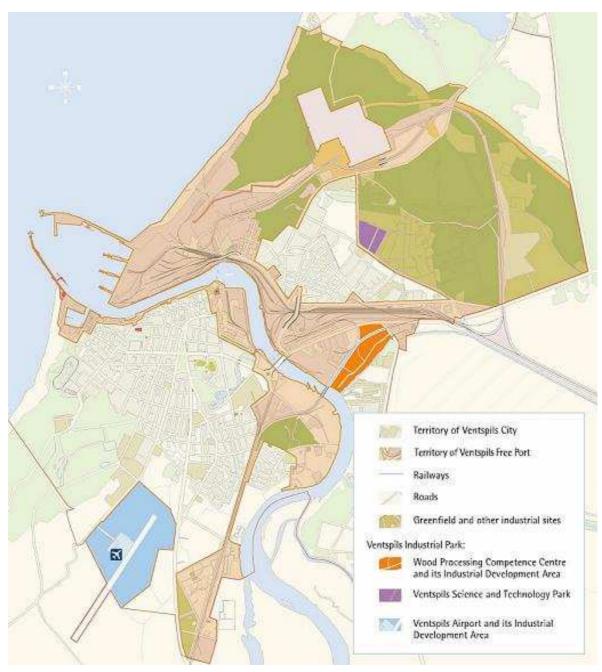
People are the most important economic asset and highly skilled labour with a positive work ethic has always been a product of Liepaja. The local educational establishments in Liepaja provide a complete education cycle for professional careers in manufacturing and logistics, from high school to vocational diploma or university degree. In Liepaja there are three vocational technical schools, a technical university branch, Liepaja University, business and law schools and several private colleges. Besides that entrepreneurs are welcome to work with the State Employment Agency, which offers various opportunities to re-qualify employees and might be able to help you in the recruitment process. A widespread knowledge of Russian also gives Latvians an advantage when dealing with CIS and Russia.

1.6. Business environment

Ventspils

47 % of Ventspils territory is a Special Economic Zone (SEZ) which offers favourable business incentives in terms of tax rebates

SEZ status gives additional advantages to the companies located in Ventspils. According to the law, companies can receive considerable indirect tax (value added tax, excise tax and customs duty) reductions, as well as direct tax (corporate income tax and real estate tax) reductions of up to 50% of the initial investment. In addition the free port / SEZ status grants the possibilities of re-exporting.



Picture No 1.1. Territory of Ventspils City, Free Port and Industrial Park.

Source: Ventspils City

Kuldīga

The advantages of Kuldīga are the following: clear economic development priorities and strategy. The town can offer territories for economic activities, skilled employees, advantageous geographical location and opportunities to make use of these advantages to develop main branches of entrepreneurship.

Kuldīga District Council cannot support entrepreneurs directly but can create favorable conditions for entrepreneurship. Kuldīga tries to encourage entrepreneurs to restore old buildings in the historical centre. Municipality invites entrepreneurs to develop production, establish Business Park and create new jobs and offer to build a street in the common territory.

Municipality would like to organise a Public Private Partnership in Kudīga. Investments are necessary for old, historical buildings, for creating the live museum and historical environment, workshops for artists and craftsmen, cafes, hotels, a combined heat and power cogeneration station, private kindergartens and other things.

Liepāja

To make Liepāja even more attractive to business, a *Special Economic Zone* has been established, guaranteeing one of the most favourable tax environments in the Baltic Sea region at least until 2017.

In order to facilitate rapid and targeted development, the City Council has set three development directions:

- development of the manufacturing sector;
- development of city infrastructure;
- development of human resources.

The Liepāja City Council Development Department works directly with local and foreign entrepreneurs and investors to provide all the necessary information and guidelines to set up a company in Liepaja. It is our policy to make everyone coming to our city feel welcome, whether they are tourists or business people.

2. BUSINESS PROMOTION AND SUPPORT INSTITUTIONS AND ORGANIZATIONS IN KURZEME PLANNING REGION

2.1. Regional institutions and organizations KURZEME PLANNING REGION



Kurzeme Planning Region is one of the five planning regions of Latvia and it is responsible for regional and economic development of the region.

Main functions of Kurzeme Planning Region:

- Establish long-term development by the main fundamental principles, aims and priorities in the Kurzeme Planning Region;
- Coordinate and elaborate Kurzeme Planning Region development according to under the main established fundamental principles, aims and priorities;
- Evaluate and implement programs and territorial planning of Kurzeme Planning Region
- Confirm Kurzeme Planning Region development program and territorial planning;
- Coordinate and promote cooperation with others municipalities in Kurzeme region and Kurzeme Planning Region cooperation with national and international institutions to realize regional development;
- Evaluate consistency of national planning, national development plan and united documentary of program and other national and sectors development program according to development program and territorial planning in the Kurzeme Planning Region;
- Develop and implement projects.

2.2. Local institutions and organizations

2.2.1. Municipalities

Nearly every municipality has a Development department, which deals with local development, business promotion, employment, real estate and other issues, etc. The relevant persons should be contacted for further help, if you are looking for particular resources (land, staff, any support). Often rural municipalities place information about further education, courses, trade fairs, fundraising opportunities for "rural-related industries".

The following municipalities should be stressed as "best practice", considering their benefit to the entrepreneurial support:

Kuldīga

- 1. Real estate tax benefits, including tax relief for investment and created jobs;
- Entrepreneurship Support Commission (one representative from catering, hotels/ tourism, commerce/ services, woodworking, crafts, construction, agriculture industries) – reviews strategies, development concepts, reviews bottlenecks for entrepreneurial development and initiates proposals, etc.
- 3. "Entrepreneurs' breakfast" and other meetings with entrepreneurs: "summit" meeting of the municipal officers and businessmen:
- 4. Organisation of free-of-charge seminars and courses; advisory services about fundraising by Adults' Education Centre;
- The Tourism Information Centre provides services (consulting, promotion) to local tourism entrepreneurs (usually this service is provided also by other tourism information centres);
- Kuldīga Restoration and Crafts Centre advisory services to businesses, owners and local inhabitants seated/ living in the old town:
- 7. Real estate data base for potential investors (contact: Viktors Gotfridsons, <u>Viktors.gotfridsons@kuldiga.lv</u>, ph. +371 63350100).

On Kuldiga website information is published also about land plots (available for construction) offered for lease in nearby parishes (contact: Līga Akermane, liga.akermane@kuldiga.lv, ph. +371 63323839).

Liepāja City

- 1. Information about twin cities;
- 2. Liepaja Special Economic Zone.

Saldus

- 1. Information about twin cities;
- 2. Information about premises (for non-living and living) offered by municipality for rent.

Skrunda

1. Information about twin cities.

Talsi

- 1. Information about the European Business network;
- 2. Information about the business incubators located in Talsi and starting own business

Ventspils City

- 1. Information about twin cities;
- 2. Special section on the website "Business in Ventspils";
- 3. Special Economic Zone tax benefits. Special Economic Zone is in operation from 1997 till 2017.

Tax benefits – VAT, fuel tax, real estate tax, and corporate income tax.

Tax benefits are decided by Ventspils Free Port Authority,

4. Information about support to investors;

Ventspils City is interested in industrial development. In cooperation with Ventspils Free port Authority it supports any industrial/ processing operation and it invites companies to establish their paint in the city. Every industrial project is offered a project manager (services are free of charge) from the Free Port Authority, helping to deal with any issues related with the municipality.

In case of need Ventspils Free Port Authority, having agreed with the company (investments would be deducted in the form of rent fees), is ready to invest in specific public utilities/ infrastructure; basic infrastructure (access roads and utilities) are provided up to the border of the land plot.

5. Information about business incubator and Ventspils High Technology Park.

2.2.2. Nongovernmental organizations

There are quite many non-governmental organisations in Kurzeme, which deal with various issues – most of the NGOs are focussed on local development by involving human and financial resources from various funds and thus promoting and facilitating local development.

ASSOCIATION OF GROBIŅA BUSINESSMEN (ENG)/ GROBIŅAS UZŅĒMĒJU KLUBS (LV)

Operational area: Grobina municipality

Mission: promotion of members, establishment of business contacts, and systematization of national and foreign management experience.

Aims:

- teaching management culture;
- establishing business contacts;
- promotion of members;
- acquiring and disseminating professional information;
- collating national and foreign management experience;
- Promoting human resources development.

Members: legal and natural entities acting or planning actions in Grobina municipality.

Budget sources: 100% member fees.

Contacts: Normunds Brucis, Head of the

Board

Address: Lielā Str. 76, Grobiņa, Grobiņa

municipality, LV-3430

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "NORTHERN KURZEME BUSINESS ASSOCIATION" (ENG)/ ZIEMEĻKURZEMES UZŅĒMĒJU ASOCIĀCIJA (LV)

Operational area: Northern Kurzeme (Ance, Puze, Tārgale, Pope, Usma, Ugāle, Dundaga, Kolka, īve, Lube and Valdgale)

Mission: stable, balanced and sustainable development of Northern Kurzeme through increased quality of life, improved entrepreneurship environment and strengthened competitiveness.

Aims:

- increase of accessibility and quality of public services;
- protection and use of nature resources and heritage;
- reduce adverse impact on environment;
- protection of heritage, access of culture infrastructure and qualitative services;
- access of information and know-
- promotion of home production.

Members: Ance, Puze, Tārgale, Pope, Usma, Ugāle, Dundaga, Kolka, īve, Lube un Valdgale municipalities.

Budget sources: 100% member fees.

Contacts: Gunta Abaja, Head of the board Phone: +371 3237856; +371 3237857;

+371 29172814

E-mail: psa@ziemelkurzeme.lv;

gunta@dundaga.lv

Address: Pils Street 14, Dundaga, LV – 3270

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

KURZEME TOURISM ASSOCIATION (ENG)/ KURZEMES TŪRISMA ASOCIĀCIJA (LV)

The non-governmental organisation "Kurzeme Tourism Association" was founded in 2001. While it is seated in Kurzeme, its members are from all over the Region.

Since it is a regional association, which represents the interests of its members on national and international level, members enjoy the benefits of being included within a wide network and promote their products & services, thus strengthening their capacity, competitiveness and ensuring growth.

Operational area: seated in Kuldiga, activities cover whole Kurzeme region

Mission: development of tourism industry in Kurzeme

Aims:

- development of favourable conditions for the tourism development in Kurzeme
- representing Kurzeme tourism stakeholders on national and international level;
- marketing of Kurzeme tourism products;
- creating and promoting a positive image of Kurzeme and raise awareness of local and international visitors;
- promoting development of small and medium tourism enterprises and provide advisory services;
- promoting education and research of tourism industry in Kurzeme;
- identification, development and promotion of Kurzeme tourism products;
- EU fundraising and fundraising from other financial sources for the development of tourism industry in Kurzeme.

Members: tourism experts, businesses, municipalities and other tourism organisations.

Budget sources: member fees, donations from legal and physical entities, income from commercial operations, municipal payments, financing from EU and other funds

Contact: Artis Gustovskis, director

Address: Baznicas Street 5, Kuldiga, LV-3301

Phone: +371 63322259 E-mail: kta@kuldiga.lv

Information on the website shall be provided in Latvian, English and Russian shortly.

Business promotion and support services:

See "Other".

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business networking/ partnerships	
4.	Consultations on EU matters and/or EU fundraising	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other:	
	8.1. Advisory services about fundraising from other financial mechanisms	
	8.2. Organisation of promotional and educational events for the purpose of capacity building of tourism stakeholders (national and international tourism fairs and shows, training courses about project management, business management, elaboration of business plans, etc., experience exchange trips to various countries);	
	note: members are offered discounts	
	8.3. Promotion services (through publications, trade fairs, etc.);	
	8.4. Development of tourism action plans;	

ASSOCIATION "LET'S DO IT BY OURSELVES" (ENG)/ "DARĪSIM PAŠI" (LV)



Operational area: Kuldīga, Skrunda, Alsunga

Mission: increased quality of live for the locals through economic development of the rural area, access to services and improved service quality

Aims:

- providing access to qualitative social environment infrastructure and services;
- investing in environmental infrastructure for the purpose of maintaining local nature values and resources;
- development of an active civic society;
- promotion of entrepreneurship and develop partnerships;
- elaboration of local development strategy.

Members: 27 members

Budget sources: member fees and entry fees; donations; income from commercial activity; purpose payments; project funds; grants.

Contacts: Dace Strazdiņa, Head of the board

Phone: +371 26991192

E-mail: biedriba@darisimpasi.lv

Address: Pilsētas laukums 3, Kuldīga, LV-

3301

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	\boxtimes
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "FROM AN IDEA TO REAL DEVELOPMENT" (ENG)/ "NO IDEJAS LĪDZ ATTĪSTĪBAI" (LV)

Operational area: Pāvilosta

Mission: development of Pavilosta

municipality

Aims:

- increase of competitiveness of Pāvilosta tourism activities and raise capacity;
- human capacity building and building capacity of local entrepreneurs;
- support of local tourism incentives and tourist attraction;
- environment protection;
- fundraising.

Members:

Budget sources:

Contacts:

Phone: +371 26406938

Address: Priežu Street 8-6, Pāvilosta,

Pāvilosta municipality, LV-3466

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "LOCAL INITATIVE GROUP OF KALĒTI" (ENG)/ "KALĒTU VIETĒJĀ INICIATĪVAS GRUPA" (LV)

Operational area: Kalētu Municipality

Mission: development of Kalētu

municipality

Aims:

- promotion and support of involvement of locals in the development of the municipality;
- promotion of cooperation with governmental and municipal bodies, NGOs, businesses and other authorities;
- fundraising.

Members:

Budget sources:

Contacts: Agrita Purviņa, manager

Phone: +371 63461547 E-mail: elitajaun@inbox.lv

Address: "Liepavoti", Kaletu parish, Priekule

municipality

Business promotion and support services:

- Organisation of capacity building events;
- Fundraising through project applications.

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "SWEDISH FRIENDS" (ENG)/ "ZVIEDRU DRAUGU KOPA" (LV)

Operational area: Virgas parish

Mission: development of democratic

and civic society

The NGO works in close cooperation with Torsa Kommun in Sweden for the purpose of local development.

Aims:

- experience exchange for the purpose of capacity building (municipal officers, staff from culture bodies, librarians, public utilities' experts, youth, teachers, firefighters, etc.);
- experience exchange for culture purposes;
- fundraising for local development.

Members:

Budget sources:

Contacts: Ruta Balode, Head of the Board

Phone: +371 63454848 E-mail: baloderuta@inbox.lv

Address: "Pagastmāja", Paplaka, Virgas parish, Priekule municipality LV-3433

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "LIEPAJA DISTRICT PARTNERSHIP" (ENG)/LIEPĀJAS RAJONA PARTNERĪBA (LV)

Operational area: Liepāja municipality

Mission: local development

Aims:

- promotion and support of involvement of local society;
- elaboration of local development strategy;
- promotion of cooperation with governmental and municipal bodies, NGOs, businesses and other authorities in Latvia and abroad;
- promotion of networking and partnerships;
- representation of rural society on national and international level;
- fundraising.

Members: physical and legal entities from Liepāja region.

Budget sources: member fees and entry fees; donations; income from commercial activity; purpose payments; project funds; grants.

Contacts: Inita Ate Phone: +371 26595623

E-mail: <u>inita.ate@Irpartneriba.lv</u>

Address: Krasta Street 12, Grobiņa, Grobiņa

municipality, LV - 3430

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION OF MĒRSRAGS' ENTREPRENEURS (ENG)/ MĒRSRAGA REĢIONA UZŅĒMĒJU ASOCIĀCIJA (LV)

Operational municipality	area:	Mērsrags
Mission: local of	development	
Aims:		
- promotion of improvement environment	nt of en	eurship and trepreneurial

- project development and coordination;
- promotion of cooperation between businesses and governmental and municipal authorities;
- charity;
- organisation of various events, advisory and other services;
- teaching and informing businesses, organisation of various training courses;
- promotion of Mersrags port development and raising investments;
- coordination of the operation of Mersrags Port Industrial Park.

Members:

Budget sources:

Contacts:

Phone: +371 29246949

Address: Brūkleņu 28, Mērsrags, Mērsraga

novads, LV-3284

http://www.mersragsport.lv/?cat=127&lang=lv

Business promotion and support services:

The NGO currently implements a project "Development of a sustainable science centre in Mersrags area", part-financed by the Norwegian Financial Mechanism/ EEZ.

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "VĒRGALES KATES"

Operational area: Pāvilosta **Mission:** local development

Aims:

- promotion of social welfare of locals;
- promotion of civic activity and involvement, and education;
- charity;
- cooperation with other Latvian and foreign NGOs;
- development of cooperation with businesses, municipal and governmental authorities.

Members:

Budget sources:

Contacts:

Phone: +371 63490991

Address: Vērgale local municipality

administration (Pagasta Eka), Vergale parish,

Pāvilosta municipality, LV-3463

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "VENTAS KRASTI"

Operational area: Skrunda

Mission: local development

Aims:

- cross-border cooperation in social care, culture, education and sports;
- promotion of healthy lifestyle;
- organisation of experience exchange trips;
- charity.

Members:

Budget sources:

Contacts: Inese Ivāne Phone: +371 29427990 E-mail: ventaskrasti@inbox.lv Address: Kalēju Street 4, Skrunda

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION OF TALSI' ENTREPRENEURS (ENG) /"TALSU KOMERSANTU KLUBS" (LV)

alon Komersantu Klubs

Operational area: Talsi municipality

Mission: local development

Aims:

- representation of the interests of Talsi entrepreneurs;

- cooperation with governmental and municipal authorities, and international organisations;
- development of entrepreneurship in Talsi;
- involvement in civic activities; organisation of events, etc.

Members: limited liability companies, municipal companies, municipal authorities, commercial institutions, farms

Budget sources:

Contacts: Jana Grauda Phone: +37129107826

E-mail: <u>talsukomersantuklubs@inbox.lv</u> Address: Talsi, Krišjāņa Valdemāra Street

17A, LV-3201

http://www.talsi.lv/talsu-komersantu-klubs

Business promotion and support services:

- Cooperation with local municipality at the elaboration of local development strategy;
- Cooperation with Employment Agency.

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	\boxtimes
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "VAINODE LOCAL INITIATIVE GROUP"

Members: legal and physical entities **Budget sources:** Contacts: Inese Freiberga Phone: +371 29196937, +371 63484912 E-mail: vnigrupa@inbox.lv Address: Raina Street 5, Vainode, Vainode Operational area: Vainode parish, Vainode municipality, LV-3435 Mission: Development of Vainode municipality Aims: - promotion and support of involvement of society in local development; - elaboration of local development strategy; - development of cooperation with governmental and municipal authorities and non-governmental organisations in Latvia and abroad; - promotion of development of sectoral networks; - fundraising; - representation of the interests of locals on national and international level.

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	





Operational area: Ventspils

Mission: improvement of the legal, culture and professional environment of small and medium-sized businesses.

Aims:

- promotion of business development;
- promotion of cooperation of businesses;
- Information exchange and business environment surveys;
- promotion of development of entrepreneurial environment.

Members: legal and physical entities

Budget sources: member fees

Contacts: Italo Freimanis Phone: +371 28607220 E-mail: info@uznemeji.lv

Address: Karlīnes Street 28, Ventspils, LV-

3601

Business promotion and support services:

- Online profile of member businesses;
- Discounts and networking between the businesses;
- Regular information update about events organised by the NGO in respect to facilitation and development of business environment;
- Participation in informative and educational events organised by the NGO;
- Representation of members on municipal level, at national and municipal authorities.

The NGO is in close contact with the Ventspils Municipality and national entities working in the field of business facilitation etc.

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	

ASSOCIATION "BIZNESA UN PROFESIONĀLO SIEVIEŠU KLUBS – BPW KURZEME"

Operational area: Ventspils Mission: Promotion of women in business and politics Aims: - increase social and economic level of women; - promotion of the representation and lobby of the rights and interests of women; - support women in respect to capacity building and life-long education; - increase self-confidence of women; creating favourable conditions for the development of new businesses and jobs.

Members: legal and physical entities

Budget sources:

Contacts:

Anna Marčaka

Phone: +371 29464979

Address: Lielais Prospekts 21-5, Ventspils

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other:	
	- Lectures, seminars and courses;	
	- Experience exchange trips;	
	- Electronic trade platform;	
	- Promotion of club members;	
	- Networking with other NGOs.	



ASSOCIATION "SUPPORT CENTRE FOR THE NGOs OF NORTHERN KURZEME"

Operational area: Kurzeme					
Mission:					
Aims:					
 promotion of the capacity of Kurzeme NGOs and develop mutual cooperation; informing the NGOs of Kurzeme about recent issues of the non-governmental segment; provision of premises and advisory services free of charge for the local inhabitants; 					
- development of a cooperation network of Kurzeme NGOs by					
organising a NGO cooperation forum "KURZEMES ZELTS".					

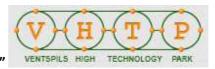
Members:

Budget sources:

Contacts: Inese Siliņa Phone: +371 29811722 E-mail: info@zkcentrs.lv, inese.silina@zkcentrs.lv

Address: K. Valdemāra Street 17a, Talsi

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other	



ASSOCIATION "VENTSPILS HIGH TECHNOLOGY PARK"

Operational area: Ventspils municipality

Mission: promotion of technology-based businesses and products and raise the competitiveness by ensuring qualitative infrastructure of the business incubator and technology park, as well as services and advise for the business development.

Budget sources:

Members: Ventspils Free Port Authority, Ventspils University College, "Industriālās investīcijas" Ltd., "Siemens" Ltd., Association of Electrical Engineering and Electronics of Latvia, Association of Mechanical Engineering and Metal-Working industry businessmen and Zernike Group B.V.

Contacts: Ivars Eglājs, Chairman of the Board

Phone: +371 63664934 E-mail: info@vatp.lv

Address: Kaiju Street 9, Ventspils, LV-3602

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business connections	\boxtimes
4.	Consultations on EU matters and/or EU funds attraction	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other:	
	 Access to modern laboratories and research institutions; 	
	 Support in forming the initial team and staff recruitment; 	
	 Training programmes for engineers and technicians; 	
	 Development projects and international marketing; 	
	 Collaboration with partners in the specific field 	

2.3. Business incubators

There are two business incubators In Kurzeme Planning Region (see figure below):

- 1) Limited liability company "Kurzemes Biznesa Inkubators" (*Kurzeme Business Incubator*), which includes business incubators in four sites Liepaja (2 sites) City, Kuldiga and Saldus;
- 2) Non-governmental organisation "Ventspils High Technology Park", which includes business incubators in three sites Ventspils City (2 sites) and Talsi.



Picture No 2.1. Business incubators in Latvia.

Source: Investment and Development Agency of Latvia

There are two main types of business incubators in Latvia – those financed by municipalities and/or private entities (R&D, technology parks, competence transfer and similar), and those financed by European Regional Development Fund (ERDF). Business incubators in Kurzeme Planning Region are those financed from ERDF via Investment and Development Agency of Latvia (LIDA); agreements with LIDA have been signed in 2009 for five years (until 2014).

The general idea of business incubators is to promote the creation of new businesses and thus facilitate the local (and regional) economic development.

KURZEME BUSINESS INCUBATOR – LIEPAJA, KULDIGA, SALDUS

Operational area: Liepaja, Kuldiga and Saldus

Mission: promotion of the development of new, innovative businesses by facilitating knowledge and technology transfer.

Aims:

- promotion of cooperation between educational and scientific institutions on the one hand, and production on the other hand;
- promotion of formation of small companies that produce new, technological and knowledge-based production;
- establishing contacts between research labs and industry;
- promotion of international cooperation among small businesses with the purpose to produce high-quality, competitive products and create new work places for qualified professionals and researchers:
- promotion of formation of society that would be open for innovation.

Members: legal entities – limited liability companies, Liepaja University, Ventspils High Technology Park, Latvian Chamber of Commerce and Industry

Budget sources: 100% ERDF.

Contact: Mārtiņš Vidzenieks, director

Liepaja – main office:

Address: Veca Ostmala 40, Liepaja,

LV-3401;

Phone: +371 63429748 E-mail: info@kbi.lv WWW: www.kbi.lv

Liepaja – second building:

Address: Meldru Street 1, Liepaja, LV-

3401

Phone: +371 63429748 E-mail: info@kbi.lv

Kuldiga

Contact: Madara Zalkovska

Address: Kalna Street 19, Kuldiga, LV-

3301

Phone: +371 29811238 E-mail: madara@kbi.lv

Saldus

Address: Striku Street 2, Saldus, LV-

3801

Phone: +371 63823267 E-mail: sintija@kbi.lv

Information on the website is provided in Latvian, English and Russian.

Business promotion and support services:

See "Other".

Yes
echanisms, um;
of export n of draft
nt of new
products;
high-level events and

Note: All services provided by the business incubator are outsourced; business incubators have allocated a pool of individual experts and companies, which provide the various services at a lower fee to the incubator' tenants.

BUSINESS INCUBATOR OF VENTSPILS HIGH TECHNOLOGY PARK – VENTSPILS AND TALSI

The Business incubator of Ventspils High Technology Park is located in 3 sites, and in Talsi pre-business incubation services are offered¹.

The aim of *Ventspils High Technology Park* is to create and provide infrastructure and support services for the development of high technology industries in the city of Ventspils. The priority areas are ICT, electronics, mechanical engineering, industrial automation, computer aided design and space technology. Professional management team, high strategic goals and a clear development plan are the basis for the operation of the park. *Ventspils High Technology Park* has 2 structural units; a Business Incubator and a Technology Park:

- The Ventspils Business Incubator is designed to support high-tech companies at the beginning of their operational activities. The Business Incubator promotes the establishment and development of new commercial ideas and companies, offering business start-ups, quality infrastructure and office services on reduced tariffs, business consultation on development, financing and organization, and also offers an effective collaborative net during the sale of ideas generated within the incubator. Incubated companies are given all the preconditions to develop rapidly, increase turnover and enter the local and global markets via the collaborative net of the Incubator. The Incubator is located in Ventspils University, where 1000 m² office space will be available for rent at the beginning of 2008, enough space for about 20 companies to operate;
- The Technology Park offers land, premises and business support services to high technology companies and educational and scientific institutions extending or launching operations in Ventspils. Companies that continuously improve their production technologies, creating new products and services require the appropriate specialists, and research and testing facilities. The Technology Park together with its business partners provide strong support in the implementation of business development projects ensuring access to laboratories and research equipment provided by Ventspils International Radio Astronomy Center (VIRAC) and the Engineering Research Center (ERC), as well as training and attracting highly qualified, professional human resources, clustering with relevant industry partners and also international marketing. Altogether there are more than 30 ha of territory available for industrial development within the park.

_

¹ Note: Pre-incubator has been created with an aim to help the authors of business ideas to clearly define their idea offering consultations and infrastructure assistance, www.vatp.lv

Operational area: Ventspils and Talsi

Mission: promotion of the development of new, innovative businesses.

Aims:

- assisting new and small companies to develop and at the early stage of the company;
- provision of support in evaluating and developing the business idea, market research and analysis, as well as creating resources for starting a business;
- ensuring environment, where it would be possible to evaluate the vitality of the business idea before actual foundation of the company and joining the Business Incubator.

Members: legal entities — Ventspils High Technology Park, Ventspils University College, Ventspils City.

Budget sources: 100% ERDF

Contact: Salvis Roga, director

Ventspils:

Address: Ventspils, Inženieru Street

101, LV-3601 (main office);

Ventspils, Kaiju Street 9, LV-3602; Phone: +371 63629661, +371

28663400

E-mail: salvis.roga@vatp.lv

WWW: www.vatp.lv

Contact: Martins Velde, director

Talsi:

Address: Talsi, Miera Street 35, LV-

3200

Phone: +371 63629661, +371

26461188

E-mail: martins.velde@vatp.lv

WWW: www.vatp.lv

Information on the website is provided in Latvian, English and Russian.

Business promotion and support services:

• See "Other".

No.	Business internationalization services	Yes
1.	Basis information about import and export possibilities	
2.	Advanced information about import and export possibilities	
3.	Services on business networking/ partnerships	
4.	Consultations on EU matters and/or EU fundraising	
5.	Consultations on taxes	
6.	Help with documents of the foreign trade	
7.	Consultations on foreign business environment	
8.	Other:	

- 8.1. Information and advisory services about other financing mechanisms,
- e.g. Enterprise Europe Network, National support incentives, Altum;
- 8.2. Legal advisory (preparation of contracts with local suppliers or clients and public sector suppliers and clients for the purpose of export promotion, preparation of labour contracts and preparation of draft agreements in other languages);
- 8.3. Recruitment services;
- 8.4. Advisory services about issues related to development of new products and technology processes;
- 8.5. Prototype tests, certification, design services, testing of new products;
- 8.6. Training courses;
- 8.7. Introduction of IT systems.
- 8.8. Other services mentoring, support from experts and high-level managers, organising contact meetings, experience exchange events and capacity-strengthening etc.

Note: All services provided by the business incubator are outsourced; business incubators have allocated a pool of individual experts and companies, which provide the various services at a lower fee to the incubator' tenants.

Both incubators are primarily focussed on promotion of business ideas/ businesses with a growth potential (innovations, value-added products and services), still less innovative ideas are also highly welcome, since the mission of the incubators is the facilitation of local and regional economics.

Currently both incubators house companies from the following industries: IT-related features, engineering/ design, electronics, textile, design, wood-working and related features, services, etc.

2.4. Ports

2.4.1. Ventspils Free Port

Ventspils port is a significant transit center. Favorable investment climate, various business incentives, clean environment despite the location of the port amid the city, business-minded attitude of the port specialists, these are just a few of the factors placing Ventspils among the leaders of the Baltic Sea Region.

The management structure of Ventspils Free Port is stipulated by the Law On Ports (1994) and the Law On Ventspils Free Port (1997). The Board of Ventspils Free Port consists of 8 members – 4 nominated by the municipality and 4 by the state government.

Ventspils Free Port Authority is the executive body responsible for the following functions:

- maintenance of navigation channels

- navigation safety
- maintenance of hydro technical facilities
- collection of port dues
- control of compliance with port and environmental rules
- issuing of free zone licenses

Ventspils Free Port Authority is entitled to lease out the land owned by either the state or the municipality.

Free Port of Ventspils Authority offers to conclude long-term land lease agreements for available territories. The maximum term of lease agreement is 45 years, with prolongation possibility for another 45 years with the same conditions, as applied on the last day of lease. Basically, this means that there are no time restrictions regarding the lease of land. Moreover, companies have first refusal rights for prolongation of the agreement. The lease fee for an industrial project is 0.25 - 0.5% from cadastral value. Additionally companies pay land tax in the amount of 1,5% of cadastral value.

On the basis of agreement On Investments into Public Infrastructure of Ventspils Free Port, it is possible to discuss public investment by Ventspils Free Port. Free Port of Ventspils Authority is open for discussions about financing such activities as drainage and ground levelling (if necessary), topography, geological research, construction of road and railway infrastructure, parking places, utility infrastructure like water supply, sewerage, electricity, telecommunications, etc. Up to the territory of the company all infrastructure and communications are provided free of charge for the investor. Free port of Ventspils Authority is ready to discuss the possiblity to establish on site user-specific infrastructure, such as construction of production premisses or inner territory roads and parking lots. These investments are splitted on a long term lease period and each year paid as lease.

As one of the main goals Ventspils authorities have set the development of industry in the city. Considering that, Ventspils City Council together with Free Port of Ventspils Authority support industrial/manufacturing developments and welcome enterprises willing to set up their businesses in Ventspils. For each project a qualified project coordinator is assigned from city, who is there at company's disposal any time and free of charge to help timely solve all necessary municipal issues. Such assistance helps companies to save time and money while starting up the project.

Contacts:

Free port of Ventspils authority

Jāņa iela 19, Ventspils, LV-3601, Latvia

Phone: +371 636 22586, Fax: +371 636 21297,

E-mail: marketing@portofventspils.lv

2.4.2. Port of Liepāja

The Port of Liepaja provides a solid base for logistics connections with the rest of Europe. Latvia's third largest port in terms of cargo throughput, Liepaja is truly multifunctional, as a port service provider, dealing with most types of cargo.

The Liepaja Special Economic Zone (SEZ) Authority is a non - profit management institution established by the state and the local government for performing the duties, envisaged by the respective Law.

Main functions of the Liepaja SEZ Authority:

- elaboration and implementation of the development plan of the Liepaja SEZ;
- research and evaluation of the Liepaja Special Economic Zone activities, distribution of information and market research to attract investments;
- infrastructure development and;
- provision of services for the Liepaja SEZ companies.

Liepaja port companies ensure a full range of port and cargo shipment services, by providing complex port and logistics services. Two ship repair yards offer services of shipbuilding and ship repair. There are state of the art fish processing companies and manufacturers of complete products in the port.

The Liepaja Special Economic Zone occupies virtually all the non-residential territory of the city, comprising 3 979 ha or about 65% of the total city's territory. The main territories of the Liepaja SEZ are:

- Port with total area 1182 ha
- Industrial area of the city 543 ha
- International airport 251ha
- Former military base Karosta 1763 ha

More than 2000 ha of Liepaja SEZ territory are classified as "free territories", which are available for potential investors for development of business.

In order to attract and to facilitate local and foreign businesses to establish themselves in Liepaja, the Liepaja SEZ Authority (Marketing Department, in particular), serves as "a one stop shop", which means that the potential 'newcomers' are given every assistance in terms of information, coping with the paper work and other bureaucratic procedures.

According to the "Law of the Liepaja Special Economic Zone" there are following forms of performing business activities in the Liepaja SEZ territory:

- Operation receiving direct tax reduction by acquiring Liepaja SEZ company status;
- Operation receiving direct and indirect tax reduction by acquiring Liepaja SEZ and Free Zone company statuses;
- Operation in generally adopted order without acquiring Liepaja SEZ and Free Zone company statuses.

According to the "Law of the Liepaja Special Economic Zone" Liepaja SEZ authority provides leasing out of territories and other properties managed by Liepaja SEZ authority to the SEZ and other companies.

Documents to be submitted for signing a long-term lease contract in the territory of liepaja SEZ:

- 1. Application to the Liepaja SEZ board for the lease of real estate in the Liepaja SEZ:
- 2. Registration card; statute (copies confirmed by notary). List of shareholders and division of shares (if such information is not contained in the Statute);
- 3. Business plan;
- 4. Document, which confirms company's ownership or its previous commercial activities on this territory (a copy of lease contract, City Council decision, etc.);
- 5. Plan of the territory;
- 6. Financial documents (if the company is already registered and operating in Latvia);
- 7. Conclusion by a sworn auditor;
- 8. Balance sheet, cash flow report and profit-loss report for the last two years and at the current moment:
- 9. Certificate from the State Revenue Service on tax debts;
- 10. Document, which confirms financial capabilities of a company and access to credit limits and/or other financial sources which assure the required cash flow for realization of investment:
- 11. Annual report on activities of the main (mother) enterprise;
- 12. Sketch design (can be prepared within the period of the validity of the contract on the reservation of territories).

Contacts:

Liepaja Special Economic Zone authority

Fēniksa iela 4, Liepāja, LV - 3401

Phone: (+371) 63427605 Fax: (+371) 63480252

E - mail: authority@lsez.lv

CONCLUSIONS

Municipalities and cities/ towns of the region have various views of business support: in some websites there is no information about start-up activities, available national or EU funds for businesses.

Best practice: most sophisticated information is published on the website of Ventspils City, Saldus, Liepaja City and Kuldiga.

Cross-border cooperation: some of the cities and towns in Kurzeme (Ventspils City, Saldus, Liepaja City and Skrunda) have established cooperation with twin cities from other countries. Municipalities promote entrepreneurs meetings and trips to cooperation cities.

Information about available real estate, non-living premises and land plots is published only on the websites of Kuldiga and Saldus municipalities' websites.

Municipal officers working with business development issues: there are only few municipalities, where there is a designated municipal officer, which provides advisory services or deals with foreign relationship matters (Nica, Liepaja). In Skrunda municipality there is a Development Department, where there is a municipal officer, who provides advisory services to businessmen and farmers; in Talsi municipality – an officer advising businesses is working in the Development Planning Department.

Ventspils municipality Development Department ensures attraction of investments to Ventspils municipal development projects and organises elaboration and implementation of the local development strategy, it promotes development of entrepreneurship in the municipality and deals with environment protection and use of nature resources' issues.

Information about taxes and tax benefits: on the websites of Ventspils and Liepaja cities, Kuldīga, Priekule and Talsi municipalities there is wide information about tax benefits, including tax benefits in special economic zones and tax reliefs by the municipalities.

Non-governmental organisations: there are a number of NGOs, which are active in the municipalities (*Grobinas novada uznēmēju klubs, Ziemeļkurzemes biznesa asociācija, Kurzemes tūrisma asociācija, Darīsim paši, Liepājas rajona partnerība, Mērsraga reģiona uznēmēju asociācija, Talsu komersantu klubs, Vaiņodes novada iniciatīvas grupa, Latvijas Uznēmēji, Ziemeļkurzemes NVO atbalsta centrs, Ventspils augsto tehnoloģiju parks)*, which consult businesses in helping to find business partners, assisting in project development, organising various events for businessmen and developing joint projects with foreign businesses.

Websites: on the websites of the smaller municipalities of Kurzeme there is few information about business support; only in few cases the information is available in English or any other foreign language (if there is any information, often these are only titles, but the content is "under reconstruction", or the information is out-of-date).

RECOMENDATIONS

- 4. Information access and clarity on the websites:
 - d. Publish information on municipalities' websites specially for businesses/ investors, e.g. information about tax benefits, available properties, any links, etc.;
 - e. Information should be published at least in Russian and English;

The content of the websites should be improved by publishing information about the following issues:

- Laws and regulations stipulating start-up of business activities;
- Available funds from EU, national, regional and local incentives;
- Taxes:
- Non-governmental organisations;
- Available real estate:
- Companies working in the municipality;
- Twin cities;
- Cooperation partners;
- Contacts of relevant staff;
- Recent news in relation to municipality, businesses' projects and incentives.

Information should be updated on a regular basis.

- f. Brief information about business in Kurzeme also on the website of Kurzeme Planning Region.
- 5. Coordination activities by Kurzeme Planning Region administration (in cooperation with either local municipalities, or business incubators, or universities):
 - d. Business forums for locals:
 - e. Experience exchange trips for businesses from twin cities cooperation network based on existing cooperation between the cities and towns:
 - f. Informing local NGOs/ municipal officers responsible for business development (thus distributing information as wide as possible)
- 6. A permanent officer (promotion of entrepreneurship) in the municipality should be employed OR the tasks of an existing municipal officer working in the development department should be extended.

SOURCES

- 1. Websites of municipalities in Kurzeme Planning region;
- 2. Ventspils Hight Technology park www.vatp.lv;
- 3. Kurzeme Business Incubator www.kbi.lv;
- 4. Kurzeme Tourism Association www.kurzeme.lv;
- 5. Investment and Development Agency of Latvia www.liaa.gov.lv;
- 6. Kurzeme Planning region <u>www.kurzemesregions.lv</u>.