



# LATVIA — THE NEXT GREAT INVESTMENT DESTINATION



## International companies choose LATVIA

### IKEA

With planned investments EUR 60 million, the furniture store **IKEA** (Paul Mason Properties, Iceland) is scheduled to open on the outskirts of Riga in August 2018.

### KVIST

**Kvist Industries** (Denmark) is one of the leading suppliers of high quality furniture in wood for the furniture industry. With continuous investments in the manufacturing plant in Mālpils, Kvist Latvia has now become the leading factory in the group.

### WEBHELP

Leading global business process outsourcing and customer experience expert **Webhelp** (France) has announced plans to expand its business with the addition of a new site in Riga employing more than 200 people.



## Strong international presence



In addition to a well-developed network in Europe, Russia and the CIS countries, LIAA foreign representative offices have also been opened in Asia. Moreover, a new representative office based in the USA will be opened in 2017 to expand the existing network of 20 locations worldwide.



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## Latvia's economy at a glance

FDI stock in 2016 –  
**€13.52 bn**  
54% of GDP

The **largest** foreign investors in **2016**  
(% of the total FDI stock):

- Sweden (16%)
- Russia (10%)
- Cyprus (10%)
- the Netherlands (7%)
- Estonia (7%)

**GDP growth** in **2016** – **2.0%**, the forecast for **2017** – **3.2%**, for **2018** – **3.4%**.  
(Ministry of Finance of The Republic of Latvia)

**74.9%** of GDP generated by service sectors (2016)

Exports equal to **58%** of GDP (2016)

In **March 2017** Latvian foreign trade turnover amounted to **€2.15 bn**, which was **14.3%** higher than in March 2016 (at current prices), while exports of goods rose by **13.2%**.

Source: Bank of Latvia, CSB, Ministry of Finance of the Republic of Latvia



Latvijas Investīciju un attīstības aģentūra  
Investment and Development Agency of Latvia



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## Favourable Business Environment

Ranks **14th** in the **Ease of Doing Business Report (2017)**

The **lowest total tax rate** for businesses in the Baltic States

\*According to the latest edition of the Paying Taxes report from the World Bank Group and PwC

Among the world's **top 20** freest economies

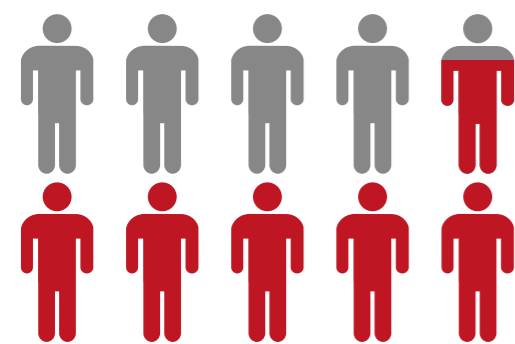
\*Index of Economic Freedom 2017

**3rd** for tax competitiveness among OECD member states



Fast-emerging start-up ecosystem and the **3rd largest fintech cluster** in Europe

## Qualified talent pool

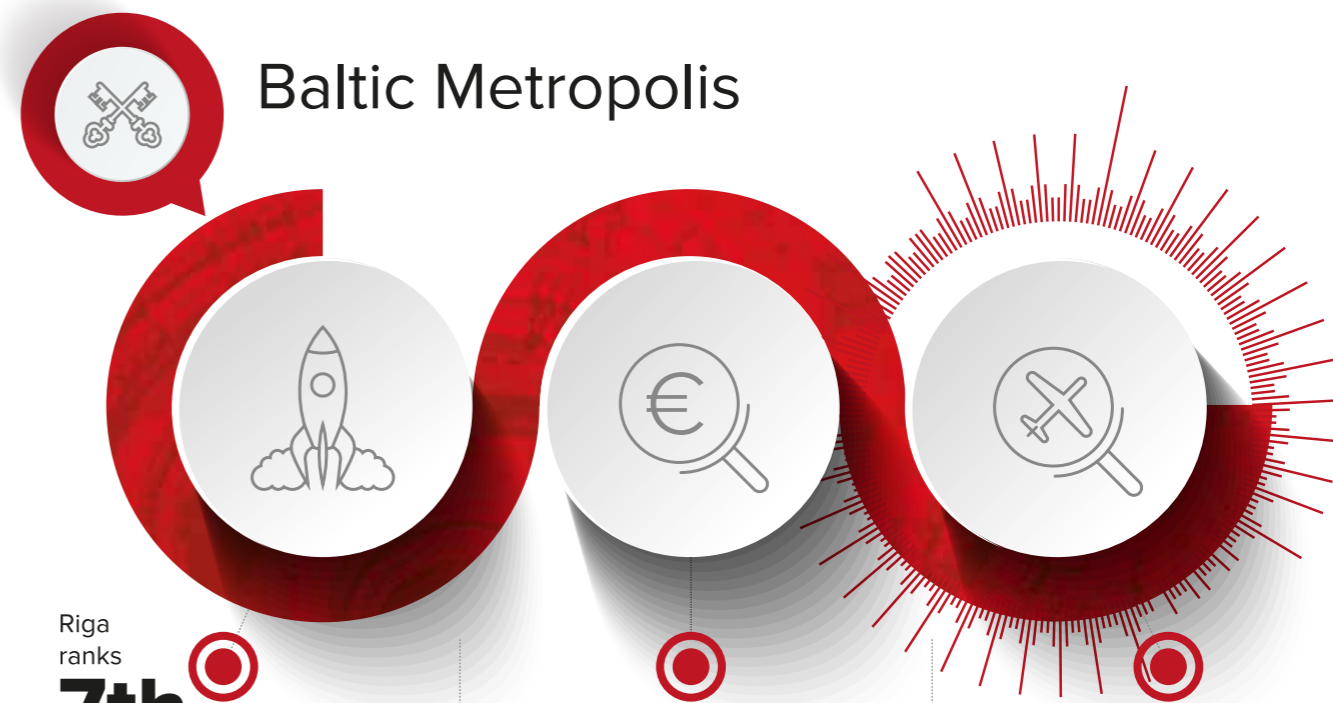


**57%** of people in the 25 – 34 year old age group know at least **two foreign languages**

High rates of **university attendance (67%, gross enrolment ratio)**

**10%** Large proportion of **international students**

Large proportion of **international students**



## Baltic Metropolis

Riga ranks **7th** on the list of **fastest growing European cities** by number of companies with high growth rates  
\*According to Inc. 5000 Europe 2017

**Riga International Airport** exceeded the threshold of **5.4 m** passengers in 2016

**44%** **Riga International Airport** serves **almost 1/2** of all Baltic capital airport passengers

## Building a strong start-up ecosystem

**1 Start-up Law** – Latvia has become the first country in the Baltic States adopting a special law for start-ups

**Special Tax Regime** – flat start-up tax: flat rate all-inclusive social tax €259 per employee plus 10% private pension fund contribution

**Acceleration Funds** – Latvia's Ministry of Economics has approved the Acceleration Fund, seed and growth fund programmes executed by the financial institution ALTUM making an extra EUR 60 million available to the market



## Fostering innovation and enhancing its economic impact

- Available support for innovation development: **€195.5 million**
- **Technology transfer grants** for public research institutions to turn academic research results into market-ready technologies and products
- **Innovation vouchers** for SMEs to encourage cooperation between research and industry
- **Activities** aimed at boosting the technology transfer ecosystem