

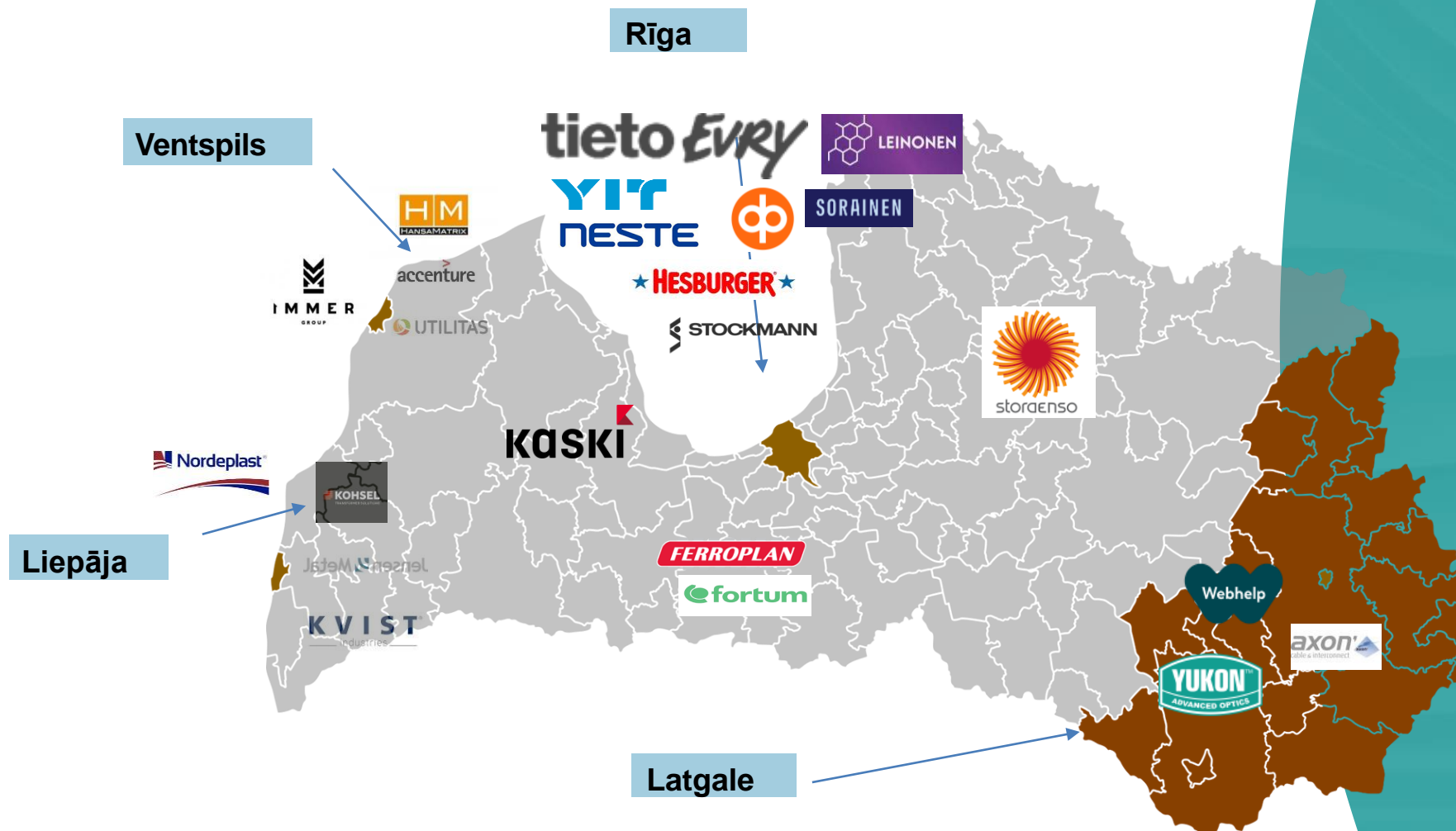


# What Finnish companies should know about the Latvian economic trends and the EU Recovery and Resilience fund in 2022

Investment and Development Agency of Latvia

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

6th of October, 2021



**1.2 bn EUR**  
goods & services turnover

**8th**  
most important partner of Latvia

**2.6%**  
of Latvia`s exports

**4%**  
of Latvia`s imports

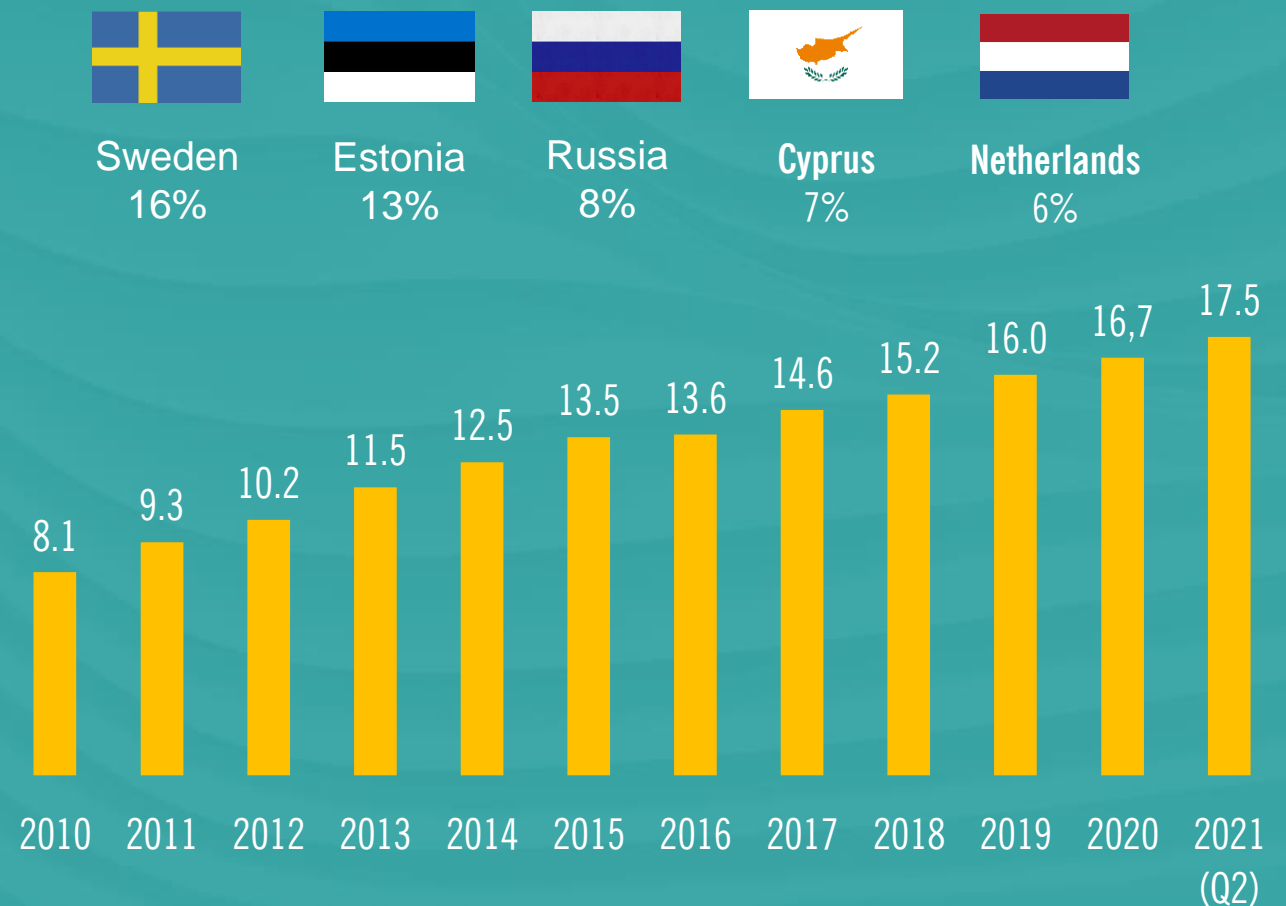
**320+**  
Finnish companies in Latvia

# The economy is growing, and investments are increasing

	Latvia	Estonia	Lithuania
Population, mln	1.92	1.32	2.7
Unemployment Q1, 2021	8.1%	7.1%	8.9%
GDP Growth in 2020	-3.6 %	-3.0%	-0.9%
Expected GDP Growth, % 2021	+ 5.3%	+4.9%	+3.8%
Export growth in 2020	-2.7%	-5.0%	0.0%
Deficit, % of GDP	-4.5%	-4.9%	-7.4%
Debt, % of GDP in 2021*	45.9%	22.5%	50.7%
Average gross salary in 2020 (+increase)	1143 (+6.2%)	1448 (+2.9%)	1429 (+10.2%)

Source: Debt Sustainability Monitor 2020, Eurostat, LIAA intelligence

## Positive FDI trends in Latvia



# 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 over  
3M €  
in 3 years

4.

Over 250 000€  
R&D or employee  
development



# Currently available 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



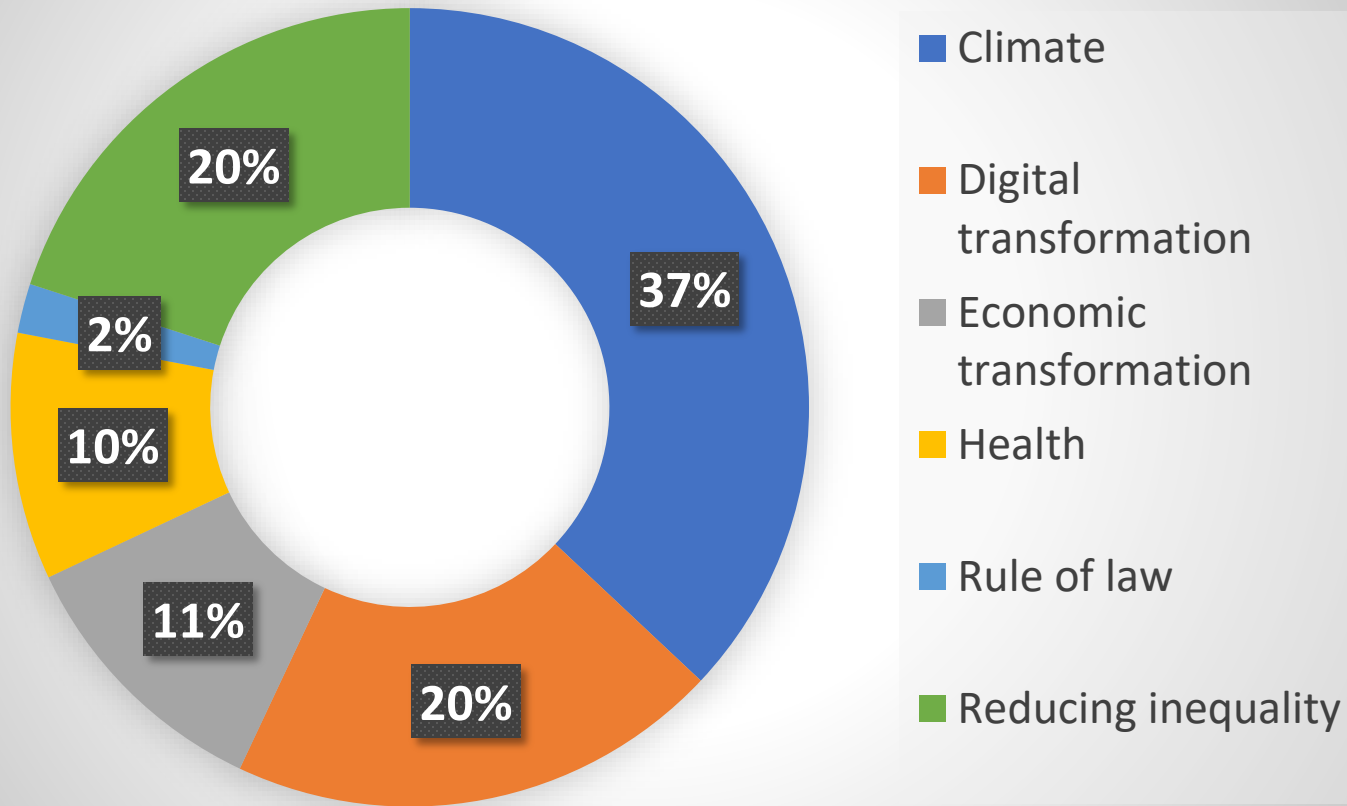
## LOANS AND GRANTS

Various programmes for business and individuals by state financial institution "Altum"

# Sectors for high added value cooperation



## Recovery and Resilience Fund



1,82 bln € in grants to be used by 2026



6 components



85 measures

24 reforms

61 investments

214 milestones & targets

2021.

2022.

2023.

2024.

2025.

2026.

# Green transition

37% / 676,2mln euro

Overhaul of the Riga Metropolitan area transport:

- Opportunities of supply: creating a multimodal public transport network with single ticketing system.
- Clean transport – railways, trams, electric buses and cycle lanes.

Energy efficiency in residential, business and public buildings:

- Opportunities for companies in construction/insulation/smart housing.

Modern and green electricity networks.

Opportunities for companies building up infrastructure for electric cars.

Climate adaptation measures against fires and

- floods.

# Digital transition

20% / 365,2 mln euro

- Upgrading public IT platforms and Infrastructure:
  - Opportunities in providing IT systems and services;
- Digitisation of businesses:
  - Opportunities in providing digital mentoring and process digitalization;
  - Digital technologies for manufacturing.
  - Digital upskilling
- 5G deployment:
  - Contributing to various cross-border projects on 5G, Cloud, microprocessors and semiconductors. A 5G corridor infrastructure along the Via Baltica highway.
  - Opportunities for innovative solutions for road safety/mobility

# Resilience (health/economic and inequality reduction) 747 mln euro

Support for regional development:

- Investing in affordable housing in the regions;
- 5 new industrial parks in the regions;
- Modernization of school networks.

Education and research:

- Innovation cluster programs for new product development;

Health (181,5 mln euro):

Modernising hospitals and secondary ambulatory care;

- Opportunities in providing services and healthcare supplies;
- Oncology management improvement.

# Finnish companies can benefit from the EU funds if being in the market

Introductions via Teams and organizes fact finding missions to create contacts in Latvia with:

- Companies;
- Innovation clusters;
- Associations;
- R&D partners;
- Other consulting partners.

□

State institutions involved:

**The Central Finance and Contracting Agency (<https://www.cfla.gov.lv/en>): The main agency distributing funds.**

It is responsible for supervision of implementation of EU funding and other financial instrument projects. It is a direct management institution subordinated to the Minister of Finance.

Ministry of Finance

Ministry of Economics

Ministry of Transport

Ministry of Regional Affairs

Ministry of Education and Science

Ministry of Justice

Ministry of Interior

Ministry of Welfare

State Control

**LIAA** = Investment and Development Agency of Latvia is a state agency with the mandate by the Government of Latvia to facilitate economic growth through interaction with foreign investors and trade partners.

We work for Your Success to create new growth from the Baltics!



**FACILITATE PARTNERSHIPS  
WITH STAKEHOLDERS**

- Subcontracting
- M&A;
- R&D;
- Other.



**RELEVANT INFORMATION**

- Business opportunities;
- Incentives.



**LOCATION**

The most suitable for:

- Production;  
(green and brownfield);
- Logistics;
- Offices.



**CONNECTING TO  
SERVICE PROVIDERS:**

- Legal;
- Construction;
- HR;
- Accounting and financing.



<https://mechanical.liaa.gov.lv/>



[PROGRAMME / REGISTER](#)

[WHY ATTEND](#)

[SPEAKERS](#)

[PARTNERS](#)

[PREVIOUS FORUMS](#)

[CONTACTS](#)

# 4th Mechanical Engineering and Metalworking Business Forum 24 – 25 november, 2021

# Thank you!



**Alise Barvika**  
**Head of the Representative Office**  
**in Finland**

**Alise.Barvika@liaa.gov.lv**  
**+358 465260943**



Latvijas Investīciju un attīstības aģentūra  
Investment and Development Agency of Latvia



# Legal and cultural differences between Finland and Latvia- what to expect and how to act to be successful

6.10.2021

**Liene Krumina**  
LKOS Law Office  
Partner

# About LKOS Law Office



- Business savvy law office, established in Helsinki, Finland
- Lawyers with Finnish and Latvian legal qualifications
- Legal services in Finnish, Latvian, English and Russian languages
- We focus on providing high quality legal services in business, international trade, transport law and dispute resolution
- We take care of and provide precise and simple answers to complex legal matters, which allows our clients to concentrate on their business and to succeed

# Setting up a company in Latvia. Which form?



- Limited liability company (SIA) - similar to Osakeyhtiö (Oy)
- Individual Merchant (IK) – similar to Toiminimi (tmi)
- Joint stock company (AS) - similar to Julkinen osakeyhtiö (Oyj)
- The most popular form of business so far is LLC (SIA)

# Straightforward registration (SIA)



- Minimum equity is: 2800 EUR (cash or property contributions)
- Founders may be both natural and legal persons
- Documents can be submitted electronically
  - in a near future foreigners will have a possibility to apply for an eID card; that will also to use digital services fully
- Registration within 1-3 days
- Fee: 75-225 EUR

# Start up ecosystem



- Startup law- two benefit scenarios:
  - 1) a special flat tax regime regardless of salary paid, combined with the 0% individual income tax rate, or
  - 2) 45% co-financing for the highly qualified specialists
- Certain criteria to qualify for Startup Law benefits
- Certain criteria for Investor qualification

# Human Resources



- Typically skilled and multilingual labour force
- The minimum wage: 500 EUR gross (for low-skilled workers)
- Relatively low number of public holidays
- Collective bargaining: generally binding collective agreements are only in railway, glass fibre and building industry
- Small and medium size private companies are typically not affected by collective bargaining

# Attractive taxation system



- Corporate income tax: 0% on reinvested profit; 20% on dividends or if used for other purposes not directly related to business development
- Special taxation regimes in five Special Economic Zones (SEZ) Liepaja, Ventspils, Riga, Rezekne and Latgale, for example,
  - Up to 80% rebate on real estate tax (1.5% in Latvia)
  - 80% rebate on corporate income tax (dividends)
  - 80% rebate on withholding tax for dividends, management fees and payments for the use of intellectual property for non-residents (rates for each type of withholding tax vary)

# What to remember



- Place for business is not only Riga - depending of your business area, SEZ might be a better choice
- Latvia is rather small, taking into account distance work possibilities, quality workforce can be attracted also to areas outside Riga
- eID enables possibility to use state services electronically
- Trusted partners like accountants and lawyers, who speak your language and know the local market, will make your life significantly easier



# Thank you!

**Liene Krumina**

LKOS Law Office

Partner

[Liene.krumina@lkoslaw.fi](mailto:Liene.krumina@lkoslaw.fi)



# Removing ~~language barriers~~

*How the Finnish Prime Minister Office, Stockmann and Statistics Finland overcame language challenges with Tilde's machine translation.*

**Kristīne Metuzāle**

Client Relationship Manager

kristine.metuzale@tilde.com



# Language diversity

European value,  
European challenges

24

Official EU languages

80

Languages widely spoken

Source: META-NET



A black and white photograph of a man with a beard, wearing a dark t-shirt, holding a smartphone in his hands. The image is partially obscured by a large, semi-transparent maroon graphic on the right side, which contains white text and a percentage symbol.

# 42

# %

of Europeans **never**  
**purchase** products  
or services in a  
language other than  
their own



## Specialized in Multilingual AI

Deep Learning and Artificial Neural  
Networks

## Market leading products and technologies

Tilde Machine Translation, Tilde Virtual  
Assistants, Tilde Speech Solutions



## TOP80 Company

TOP80 Global Language Service Provider  
9.2 M EUR turnover



## 500+ clients worldwide

Including the European Commission,  
Finland Prime Minister Office, Estonian  
Government, SAP, Microsoft, IBM,  
Oracle and many others



## Offices in all 3 Baltic capitals

155 employees



## Excellence in research & innovation

11 PhDs, 220+ scientific publications  
Cooperation with with 30+ universities



# Trusted partner for clients worldwide

Some of our clients ->



**STRABAG**

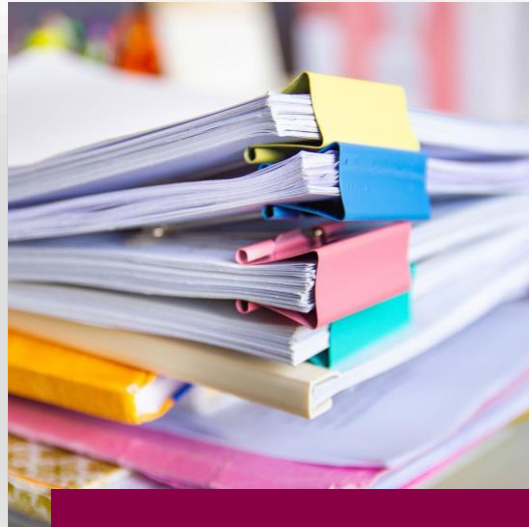


And many more  
([url](#))

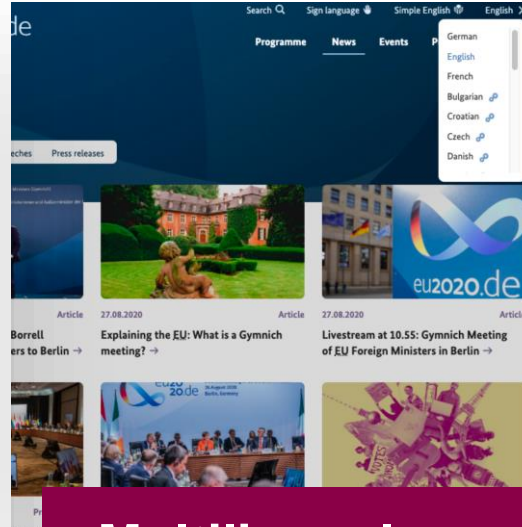
# Tilde Machine Translation breaks down language barriers



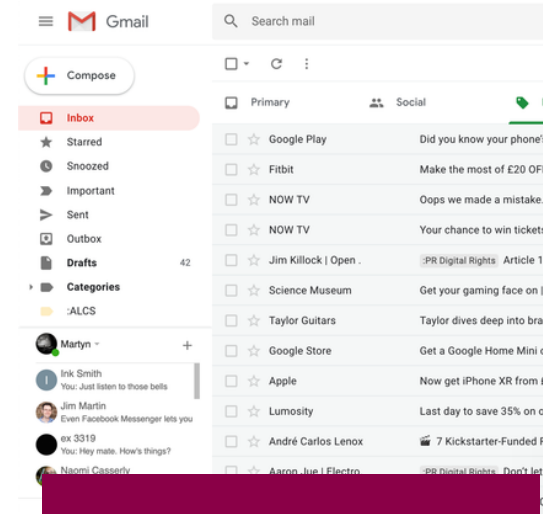
Instant, fluent and  
secure



Documents, texts,  
pdf-s



Multilingual  
Websites

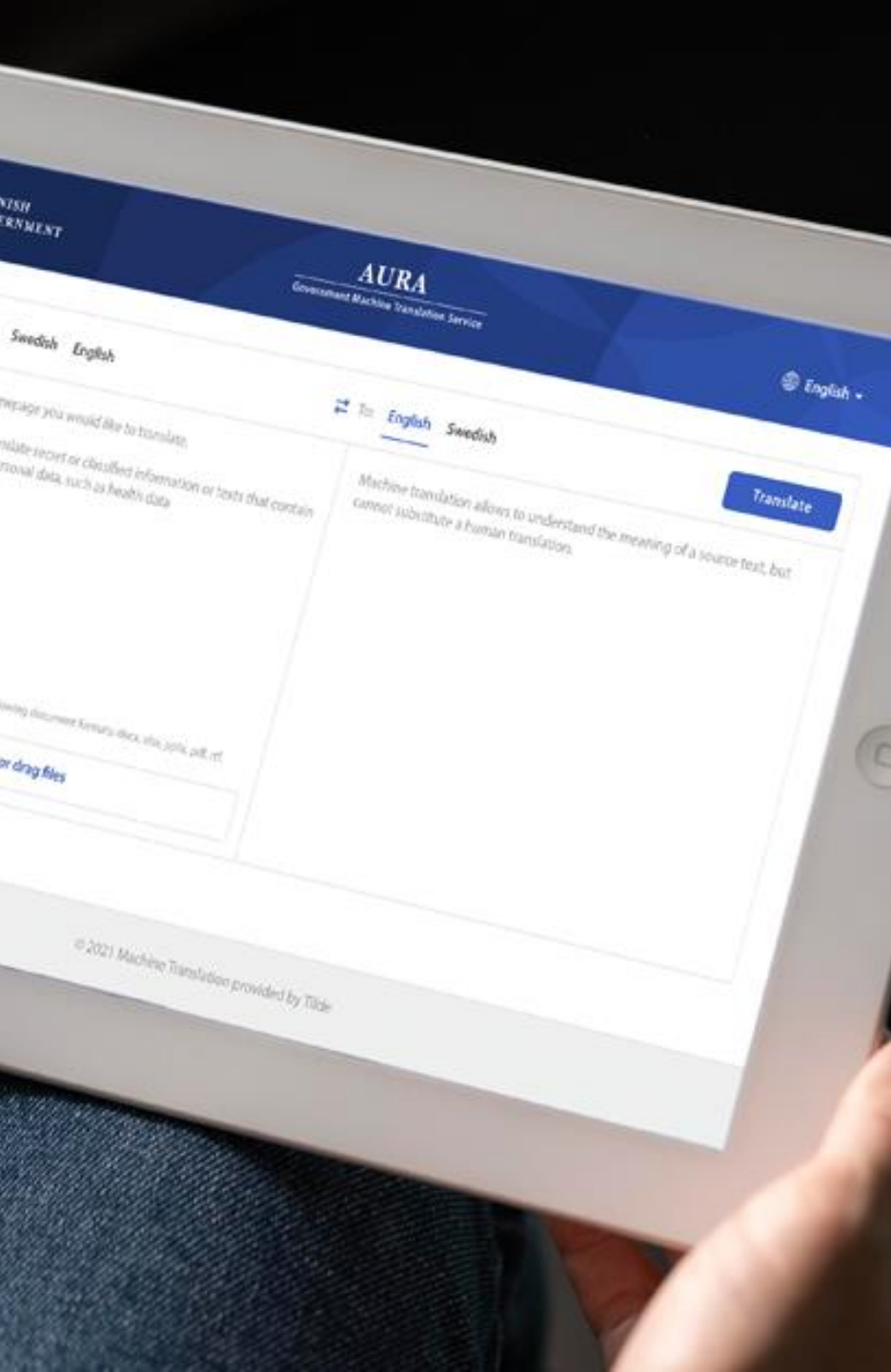


Emails



etc

AI-based state-of-the-art **technology** that thinks, performs and learns



# Finnish Prime Minister Office

## Government wide machine translation

### Challenge:

- Bilingual country with growing translation needs
- Large volume of multilingual information
- The need to improve translator efficiency

### Solutions:

- State-of-the-art cloud-based machine translation platform AURA
- Secure translations of documents and texts
- Dynamic terminology integration
- Supports 70 in-house translators and terminologists
- Available to all government officials (more than 2,500)

# Statistics Finland

## Custom machine translation

### Challenge:

- Provide continuous, efficient and up-to-date statistics in both Swedish and English
- Fast-paced environment with quick information flow
- Slow translation turnaround time

### Solution:

- Custom machine translation systems tailored to the specific needs of Statistics Finland
- Finnish-English and Finnish-Swedish MT engines
- Translators can access them in secure cloud—based translation platform or in their translation environment through CAT tools





# Stockmann

## Machine Translation for e-commerce

### Challenge:

- Stockman ordered large translation project for Crazy Days in 2019 for Finnish – English language pairs with more than 200 000 words
  - 1 translator = 100 days

### Solutions:

- Tilde used translation memories from this project to create a custom MT system for Stockmann to speed up translation process and reduce costs
- Currently they have a private translation platform where they can instantly translate product descriptions and all the necessary documentation
  - For further quality, they send it to Tilde translators for review

# Machine Translation

## benefits



New opportunities



Saves time and money



Ensures smooth information flow



Enables multilingual communication



Better translator productivity and efficiency



Opens access to multilingual information



# AIRBALTIC

airBaltic

**BLEISURE – THE BEST TO  
EXPERIENCE FROM LATVIA WHEN  
PLANNING YOUR BUSINESS TRIP**

**06.10.2021**

**JAN NYHOLM  
HEAD OF SALES  
FINLAND, SWEDEN, NORWAY**



# GREAT CONNECTIONS

airBaltic offers great connections between Riga and Finland

Helsinki 3 flights a day

Turku twice a week

Tampere twice a week

Kittilä once a week from 18.12.

**airBaltic**  
Destination <sup>2025</sup> CLEAN



# AIRBUS A220-300 FLEET



ch-aviation  
THE YOUNGEST  
AIRLINE FLEET IN  
EUROPE 2021

**airBaltic**  
Destination <sup>2025</sup> CLEAN



## FLEET AGE:

→ 38 PLANES  
(PRE-COVID FLEET):  
6,2 YEARS OLD

→ 32 PLANES  
(POST-COVID FLEET):  
**1,5 YEARS OLD**

→ 7 PLANES RECEIVED IN  
2021 LAST 15SEP21

→ 50 PLANES BY 2025

# AIRBUS A220-300 FLEET

**airBaltic**  
Destination <sup>2025</sup> CLEAN

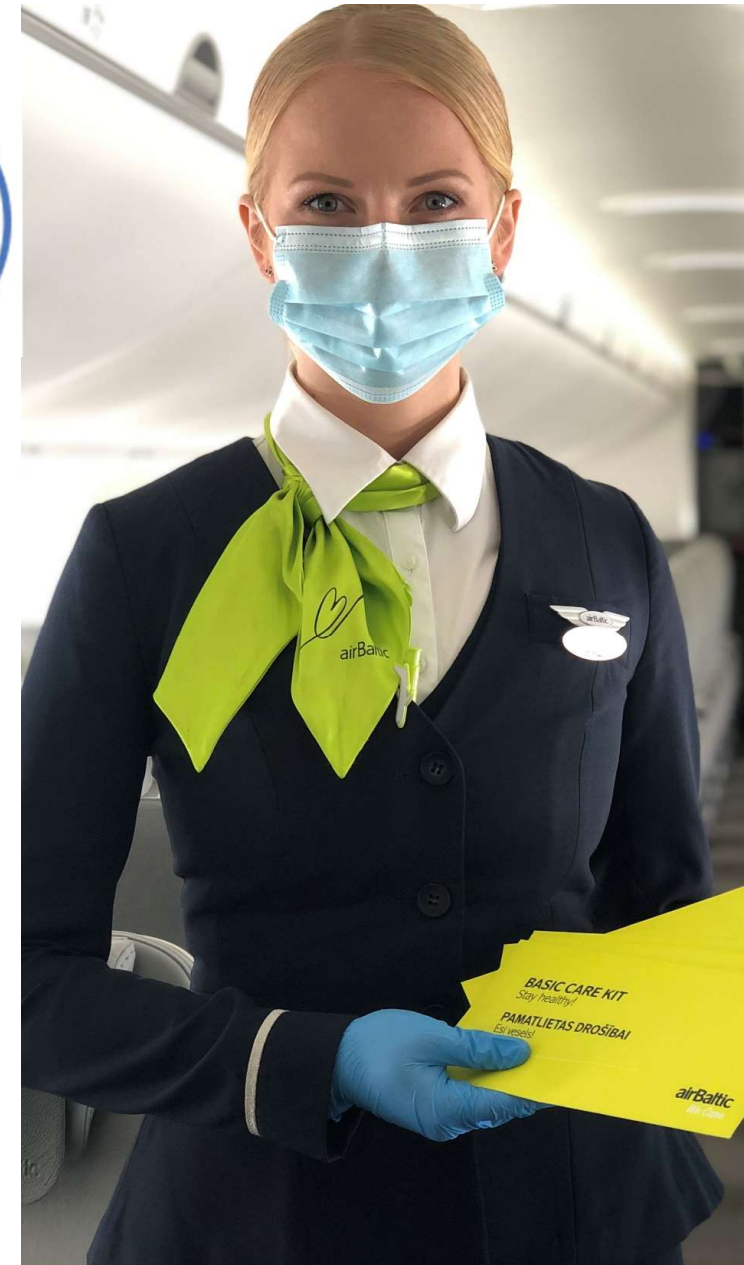


# SAFETY IS OUR PRIORITY



- airBaltic – the **first** airline to receive **5-star** Skytrax COVID-19 safety rating
- We received the award for having achieved an excellent standard of health and hygiene safety measures to keep customers and staff safe during the pandemic. More information:

<https://www.airbaltic.com/en/health-measures>



# **— BLEISURE – make your business count**



**Business + Leisure = Bleisure**

**Combine your upcoming business trip with a wide range of relaxing and energizing activities.**

**Get more out of the trips you are doing!**

# Running or biking around city centre



Kipsala Island

Kalniciema Quarters



Riga canal bank

Old town streets



# Golfing with Nicklaus in Jurmala



## Hidden gems in Riga



Horse riding  
center Kleisti



Baltā pirts / White Sauna

Tallinn  
Street  
Quarter



# Night at the Opera



# Taste the fruit and malt



# Dining your own food



# THANK YOU!

TOGETHER WE MAKE SURE THE  
TRAVEL IS SAFE AND HEALTHY

