

A modern interior space, possibly a museum or exhibition hall, featuring a large, bright red cube suspended in the air. The background consists of large digital screens displaying abstract, blue-toned images. The ceiling is dark with several spotlights hanging from it. The overall atmosphere is high-tech and contemporary.

RIGHT PLACE FOR YOUR BUSINESS

Rēzekne Special Economic Zone

www.rsez.lv

RIGHT PLACE, RIGHT PEOPLE FOR YOUR BUSINESS

LATVIA



DISTANCES TO MAJOR CITIES

Riga - 242 km
Vilnius - 264 km
Tallinn - 432 km
Warsaw - 723 km
Moscow - 685 km
St. Petersburg - 457 km

DISTANCES TO MAJOR PORTS

Freeport of Riga - 242 km
Freeport of Ventspils - 422 km
Port of Liepaja - 448 km
Port of Klaipeda - 495 km

DISTANCES TO MAJOR INTERNATIONAL AIRPORTS

Riga - 251 km
Vilnius - 281 km
Kaunas - 298 km

STRATEGIC LOCATION



LOCATIONAL ADVANTAGE

Direct access to international markets with more than **500 million** consumers in the European Union (EU) and **270 million** consumers in Russia and CIS countries

TRANSPORT INFRASTRUCTURE

East-West transit corridor - gateway to the East and the West

- Crossroads of the Trans-European Network motorways and railways Modern embarkation park at the railway station “Rēzekne-2”
- Railroad integrated into the railroad systems of Russia and the CIS



PROFILE OF RĒZEKNE AND RĒZEKNE MUNICIPALITY

**ECONOMIC, HISTORICAL,
CULTURAL AND
EDUCATION CENTRE OF
LATGALE REGION**

THE MAIN INDUSTRIAL SECTORS

Woodworking
Metalworking
Food processing industry
Warehouse management

POPULATION

Rēzekne City: **26 839 (in 2020)**
Rēzekne Municipality: **24 244 (in 2020)**
Surrounding municipalities: almost **90 000**
Latgale region: **330 000 (in 2019)**

RĒZEKNE SPECIAL ECONOMIC ZONE



ABOUT RĒZEKNE SEZ

Founded in **23 April, 1997**

Legal form

Joint Municipal Institution of
Rēzekne City Council and Rēzekne
Municipality Council

Term of operation **till 2035**

RĒZEKNE SEZ 1155 HA INVESTMENT AREAS

Rēzekne SEZ is the largest multi-sectoral industrial territory in Eastern Latvia, where business activity may be conducted under preferential terms of state aid provided by the Latvian government:

- Existing industrial facilities
- Areas equipped with technical infrastructure, but without buildings
- Greenfield areas

SIX REASONS TO CHOOSE RĒZEKNE SEZ



LOCATION

Location in the crossroads of international transport corridors with direct access to international markets

COSTS & RESOURCES

Competitive operating costs and availability of resources

HUMAN RESOURCES

Skilled and well-educated labour force

TAX INCENTIVES

Tax incentives available in Rēzekne SEZ and other state aid measures

OWNERSHIP OF LAND

Possibility to acquire land in ownership in the territory of Rēzekne SEZ

RĒZEKNE SEZ AUTHORITY SERVICES

Tailor-made and aftercare services of Rēzekne SEZ Authority for zone enterprises

SUPPORT FOR INVESTORS INCENTIVES

100%

**Real estate tax relief
up to 100%**

80%

**Corporate income tax
relief of 80%**

55%

**Return of investment costs
in tax incentives up to 55%**

TAXATION IN LATVIA:

Corporate Income Tax applicable on dividends **20%**
Immovable Property Tax **1.5%**

Since 2018 corporate income tax for reinvested profit in Latvia is 0%

TAXATION IN RĒZEKNE SEZ:

Corporate Income Tax applicable on dividends **4%***
Immovable Property Tax **0.3-0%****

80% immovable property tax is guaranteed by the law, additional 20% discount can be granted by the local municipality

SUPPORT FOR INVESTORS PROCEDURE

Submission of
application

Re-registration of
the enterprise

Granting of
permit to apply
direct tax relief

Investments in
the territory of
Rezekne SEZ

FOLLOWING INVESTMENTS QUALIFY AS ELIGIBLE COSTS, WHICH RĒZEKNE SEZ COMPANIES MAY RETURN IN FORM OF TAX INCENTIVES:

- Long-term material assets (buildings, structures and machinery)
- Non-material assets (cost of acquisition of patents and acquiring of new technologies)
- Estimated salary costs for a period of two years

Only investments performed after conclusion of agreement on investment in the territory of Rezekne SEZ are eligible as investments in the territory of Rezekne SEZ

INVESTMENT PROJECTS



INVESTMENTS ARE MADE:

- for creation of a new enterprise;
- for increase of production capacity of existing enterprise;
- for diversification of production of existing enterprise with new products;
- for performance of essential changes in production processes in existing enterprise

EXPECTED SALARY COST PROJECT

From June 2020, Rezekne SEZ offers tax rebates for the newly created work places in the SEZ capital companies created as a result of the initial long - term investment. They include gross salary and the employer's compulsory social security contributions and are calculated over a two-year period

COSTS AND RESOURCES



COMPETITIVE LABOUR COSTS AND PRODUCTIVITY

Latvia has **4th lowest labour costs per hour in the EU**, furthermore labour costs in Rēzekne are among the most competitive in Latvia

QUALITY OF LABOUR

95 % being able to speak at least one more language other than mother tongue

54 % being able to speak at least two more languages other than mother tongue

One of the highest university enrolment rate in the world (67%, gross enrolment rate)

HUMAN RESOURCES



RĒZEKNE ACADEMY OF TECHNOLOGIES

Bachelor, master and doctoral study programs

55 curriculas, **1700** students

Particular specialization in technical sciences -
36% of full time students study in engineering faculty

One of the most modern study laboratories in Latvia and the Baltic states in areas of laser technologies and mechatronics

RĒZEKNE TECHNICAL SCHOOL

Vocational education

18 curriculas including wooden article manufacturing, motor transport, construction works, marketing, food product technology, IT systems, programming, energy industry and electrical engineering, administrative and secretary services, interior design, hotel services

Around **900** students



WHY

RĒZEKNE SEZ?

REMARKABLE GROWTH FOR RĒZEKNE SEZ ENTERPRISES

20,5 % annual increase of turnover

25,4 % annual increase of profit

16 % of international enterprises
plan to expand their presence within
next two years

RĒZEKNE SEZ AUTHORITY SERVICES

Rēzekne SEZ Authority provides support and personalized services to **more than 100 enterprises per year**

- Consultations on state and regional business incentives
- Site selection and visits
- Connection to regional service providers
- Information on the business environment and incentives in Rēzekne SEZ

INFRASTRUCTURE UPGRADES



REZEKNE CITY COUNCIL

During 2017-2020 with the assistance of EU Structural Funds Rēzekne City Council invested around **20 million EUR** in development of business infrastructure in Rēzekne SEZ

Building of 6748 m² production facility for potential investor with access to all communications and infrastructure

Reconstruction of roads and streets in providing existing enterprises and potential investors with access to all utilities (water supply, sewage, lighting, electricity, gas)

- Maskavas Street (0.95 km)
- Komunāla Street (1.19 km)
- Noliktavu Street (0.88 km)
- Viļakas Street (0.714 km)
- Varonu Street (1.27 km)

On going project in the road section from Maskavas Street to the railway (0.76 km)



PRODUCTION COMPLEX VIŁAKAS STREET 1

Construction completed in **2019**

Total area- **6784 m²**

Production building area- **4961,90 m²**

Office facilities, utility and technical facilities
1806,70 m²

Access roads and parking lots of total area
3778,50 m²

Total building costs **EUR 4 715 689,70**

Reconstructed streets, utilities and the
connections in the industrial zone

The complex has 3 parking lots

One for trucks (9 cars) and two parking lots for
light cars (90 cars)

3 companies operating now



WAREHOUSE - OFFICE PREMISE ATBRĪVOŠANAS ALEJA 155A

Office space and production building total area -
3818,8 m²

1st floor warehouse area – **2011,13 m²,**

2nd floor total area – **788,70 m²**

3rd floor total area – **573,09 m²**

Rebuilding costs – **EUR 1 673 997,26**

Asphalted pitches with parking lots for cars

1 company operating now

An aerial photograph of the Rēzekne region, showing a mix of urban areas with buildings and parking lots, and surrounding green fields. Five red location pins are placed on the map, indicating specific areas of interest. The text 'RĒZEKNE SEZ INVESTMENT TERRITORIES' is overlaid on the map in white and yellow.

RĒZEKNE SEZ INVESTMENT TERRITORIES

INDUSTRIAL BUILDING TERRITORIES

Land plots with total area more than 50 ha with necessary infrastructure (electricity, gas pipeline, water supply, sewage system)

Industrial land plots for lease up to 99 years with the right to acquire the land in ownership

AVAILABLE OBJECTS IN REZEKNE SEZ

- Atbrīvošanas aleja, Rēzekne (Total area 3.96 ha)
- Noliktavu Street, Rēzekne (Total area 23.75 ha)
- Zilupes Street, Rēzekne (Total area: 4.32 ha)
- Varonu Street, Rezekne (Total area: 3.15 ha)

RĒZEKNE SEZ **AWARDS** AND EXAMPLES OF EXCELLENCE



RĒZEKNESEZ ENTERPRISES

19 companies (2021)

1273 employees (2020)

109 million euro overall turnover (2020)

16.9 million euro long term investments made (2020)

EXAMPLES OF EXCELLENCE

“VEREMS”

Plywood mill “VEREMS” produces unique large format birch plywood

“LEAX Rēzekne”

“LEAX Rēzekne” produces spare parts for automotive, mining and machine building industries

“NewFuels”

One of the largest producer of industrial wood pellets in the Baltic States

REZEKNE SEZ COMPANIES:

VEREMS



COMPANY PROFILE

Sector: **Woodworking**

Operating in Rezekne SEZ since **2000**

Number of employees: **338 (2020)**

Turnover- **31 million EUR (2020)**

The main product type is unique, the world's largest large-format birch plywood in the size of 2.15 m x 3.85 m. Investing more than 60 million euros in development since 2000, its production facilities are equipped with state-of-the-art woodworking technological equipment, which is one of the most modern in the industry in Europe. The company with more than 350 employees is one of the largest employers in the Latgale region, which implements many corporate social responsibility projects and ensures the promotion of good business practices.

REZEKNE SEZ COMPANIES:

LEAX RĚZEKNE



COMPANY PROFILE

Sector: **Metalworking** Operating
in Rezekne SEZ since **2011**

Number of employees: **241 (2020)**

Turnover- **25 million EUR (2020)**

In 2019, the company started operations in a new field - the production of parts for electric cars. At the beginning of 2018, a production building with an area of 1800 m² and a warehouse building with an area of 1000 m² were built, which is equipped with high-tech equipment to ensure the production of electric car details. The company has invested around € 12 million in 2018-2019 to start manufacturing parts for Volvo's electric cars. The company's specialists are constantly working to expand the range of products by introducing new raw materials and the latest technologies.

REZEKNE SEZ COMPANIES: **NEWFUELS**



COMPANY PROFILE

Sector: **Woodworking**

Operating in Rezekne SEZ since
2011

Number of employees: **74 (2020)**

Turnover- **34 million EUR (2020)**

In just under ten years' time, NewFuels RSEZ Ltd. has grown from a small regional enterprise to one of the largest producers of industrial wood pellets in Europe. In the future, the role of environmentally friendly renewable energy sources, such as wood pellets from forest industry waste, will only increase. NewFuels RSEZ is ready to grow and expand production.

In 2019 the company increased its production capacity by 20% and became Latvia's largest wood pellet producer with a production capacity of over 260 000 tonnes a year.

POWERFUL LATGALIAN IDENTITY



RĒZEKNE CITY AND MUNICIPALITY – HEART OF LATGALIAN CULTURE

Longstanding traditions of craftsmanship, pottery, woodcarving, strong faith and diligence - these are the traditional values of our region



First acoustic concert hall in Latvia - the **Embassy of Latgale “GORS”**, which is considered the best by many world-known musicians

Centre of creative services “Zeimuļs” for children and youth activities with unique architecture and one of the largest green roofs in the Baltic States

Lūznava Manor - Art Nouveau gem of Latgale region offers permanent and temporary exhibitions, concerts for all tastes, space for creative workshops and guided tours for visitors



QUALITY OF LIFE



NATURE'S TREASURES

Over 40 % territory is covered by forests, a vast network of free-flowing rivers and **1000 lakes**

The largest lake in Latvia - **Lake Lubāns** (82,1 km²) and the second largest - **Lake Rāzna** (57,6 km²) often referred to as the Sea of Latgola

PLACES TO VISIT

Water Tourism Centre «Bāka» in Lake Lubāns wetland - new and facilitated place for enjoying sports and culture activities such as tennis, volleyball, water skiing, kite surfing, fishing, swimming bird watching etc.

Lake Rāzna and the third highest hill of Latvia **Lielais Liepukalns** (289 m above sea level) are tourist attraction objects of the national scale with their stable position on the tourism map of Latvia

THANK YOU FOR ATTENTION!



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