

# RIGA

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## **economic profile**

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Population (end of 2009)

**706.413**

Area

**304.05 km<sup>2</sup>**

City status

**since 1201**

National currency

**lats or LVL**

(1 EUR = 0.702804 LVL)

Time zone

**GMT +2**

## **Accessibility**

Riga can be reached by plane from 82 cities, 38 countries,  
by train – from Russia, Belarus, Ukraine and Estonia,  
by ferry – from Germany and Sweden,  
by bus – from more than 100 European cities.

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**Riga is a city with great development potential. It is the driving force of Latvia's economy, as well as an important metropolis in the Baltic Sea Region.**

## **RIGA CITY STATUS, TERRITORY AND CLIMATE**



Riga is the capital of Latvia and the largest city in the three Baltic States. It gained its status as a city in 1201.

At the end of 2009, the population of Riga was 706,413. Riga covers 304.05 square kilometres in area; its territory has been divided into six administrative units.

Riga's geographical position has always played an important role in the city's development. It occupies a strategic position on an international scale, as Riga is located:

- in the centre of the three Baltic States;
- by the Baltic Sea;
- in an EU country bordering Russia and Belarus.

The city's climate is moderately warm and damp, and is strongly influenced by the temperate air streams (cyclones) of the Atlantic Ocean and the Baltic Sea. The Sea air streams dominate 220 – 230 days per year and therefore summers are relatively cool and cloudy (more than 40% of days each year are cloudy), while winters are rather mild with a lot of thaws (up to 10 days per month). Riga's location by the sea gives it a mild maritime climate which makes it popular for recreation and resorts.

**Riga is a city with an educated and qualified labour force. It is an important educational centre both in Latvia and on an international scale.**

## POPULATION. EDUCATIONAL OPPORTUNITIES AND EMPLOYMENT

### Population

Almost one third (32%) of the country's population lives in Riga. Riga is the largest city, not only in Latvia, but also in the Baltic States. Data from the Central Statistical Bureau of the Republic of Latvia (LR CSB) shows that there were 706,413 residents in Riga at the end of 2009, whereas the other Baltic capitals, Vilnius has 547,000 residents (2009) and Tallinn has 399,000 (2010).



### Population by nationality and gender

Riga has a multinational population. The percentage of other nationalities in Riga is larger than the average for the country and Latvians are outnumbered there.

The following nationalities live in the capital city: Latvians – 42.3%, Russians – 41.3%, Byelorussians – 4.3%, Ukrainians – 3.9%, Poles – 2%, Lithuanians – 0.9%, and other nationalities – 5.3%.

### Population by nationality at the beginning of 2009

Source: LR CSB



**42.3%**  
Latvians



**41.3%**  
Russians



**4.3%**  
Byelorussians



**3.9%**  
Ukrainians



**2%**  
Poles



**0.9%**  
Lithuanians



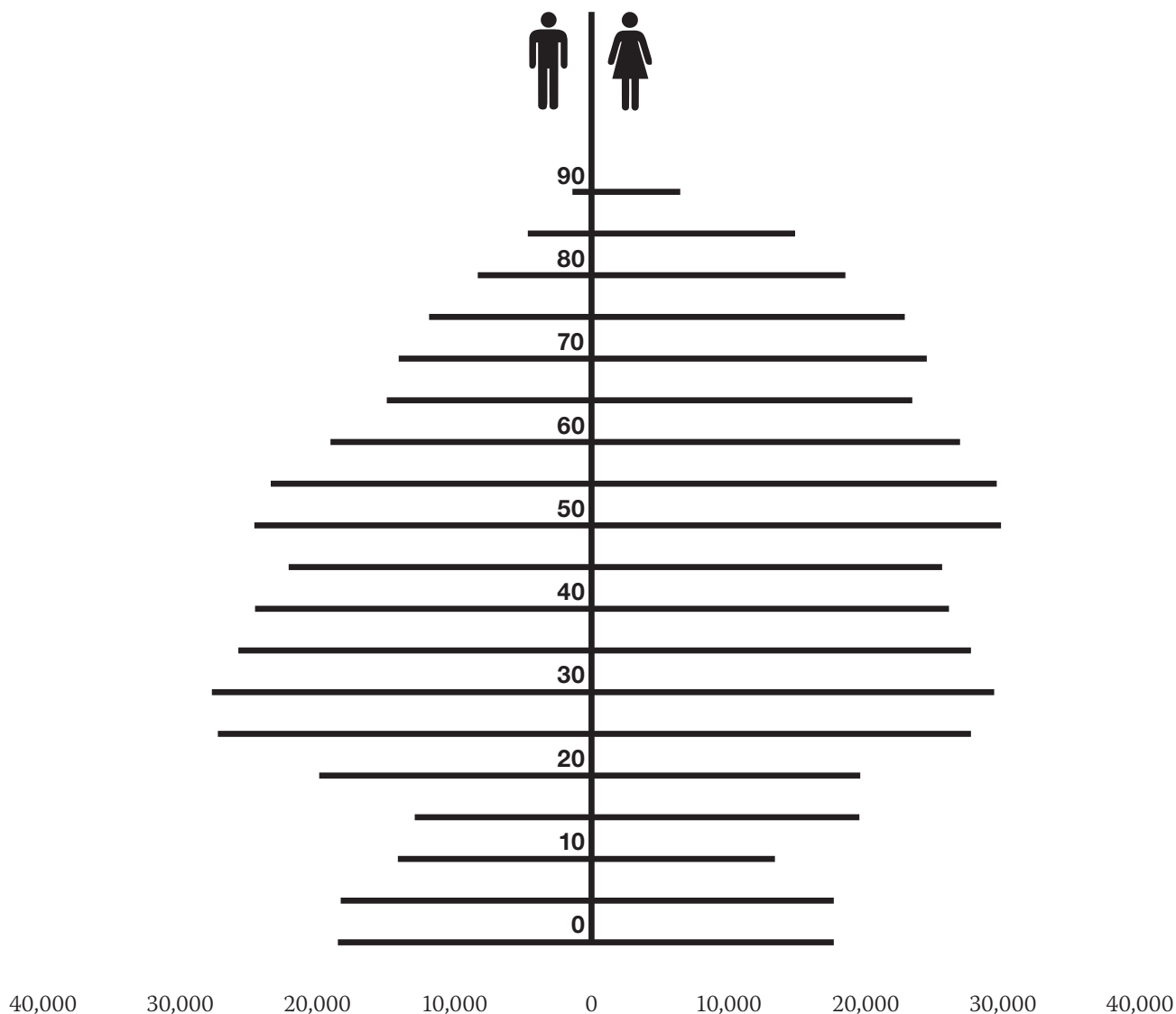
**5.3%**  
Other nationalities

Overall, there are 316,707 males (or 44.4%) and 396,309 females (or 55.6%) living in Riga; females outnumber males in Riga by 79,602. However, all in all the percentage of males in Latvia is slightly larger than that in Riga (46.1%).



### Age structure of Riga's population in 2009

Source: LR CSB



## Educational opportunities

Riga is the educational centre of Latvia, and in addition to Riga's residents, people come from other parts of Latvia to study there. The educational opportunities in Riga, from pre-school up to the highest level of education and life-long learning, are provided by the municipality and state, as well as foreign and private institutions.

In 2010, there were 13 state and 14 private (including two foreign branches) higher educational institutions in Riga (34 in Latvia in total), as well as 10 state and 14 private colleges (26 in Latvia in total). 79% of all students in Latvia were studying in Riga at the beginning of 2008.

Totally in Latvia there are 592 students per 10,000 inhabitants, which is not any more one of the highest indicators in Europe and the world, as it has been up to this moment (there were 552 students per 10,000 inhabitants a year ago; there are 580 students per 10,000 inhabitants in Canada and 520 students – in the USA). The number of persons studying in Latvia decreased by 10.2% during the academic study year 2009/2010.

Several higher educational institutions and colleges provide the opportunity to study in a foreign language and therefore people from other countries also study in Riga. In 2010, 1662 foreign students studied in Riga which is almost 100 more than the previous year. According to information provided by the Ministry of Education and Science, the majority studied at the Baltic International Academy (344), the University of Latvia (259), the Information Systems Management Institute (244), the Aviation Institute of Riga (197) and the Rīga Stradiņš University (196).

## Number of educational institutions in Riga

Source: [www.izm.gov.lv](http://www.izm.gov.lv)

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Higher educational institutions	28
Colleges	20
Comprehensive schools	158
<b>including</b>	
Primary schools	8
Basic schools	25
Gymnasiums	25
Secondary schools	100

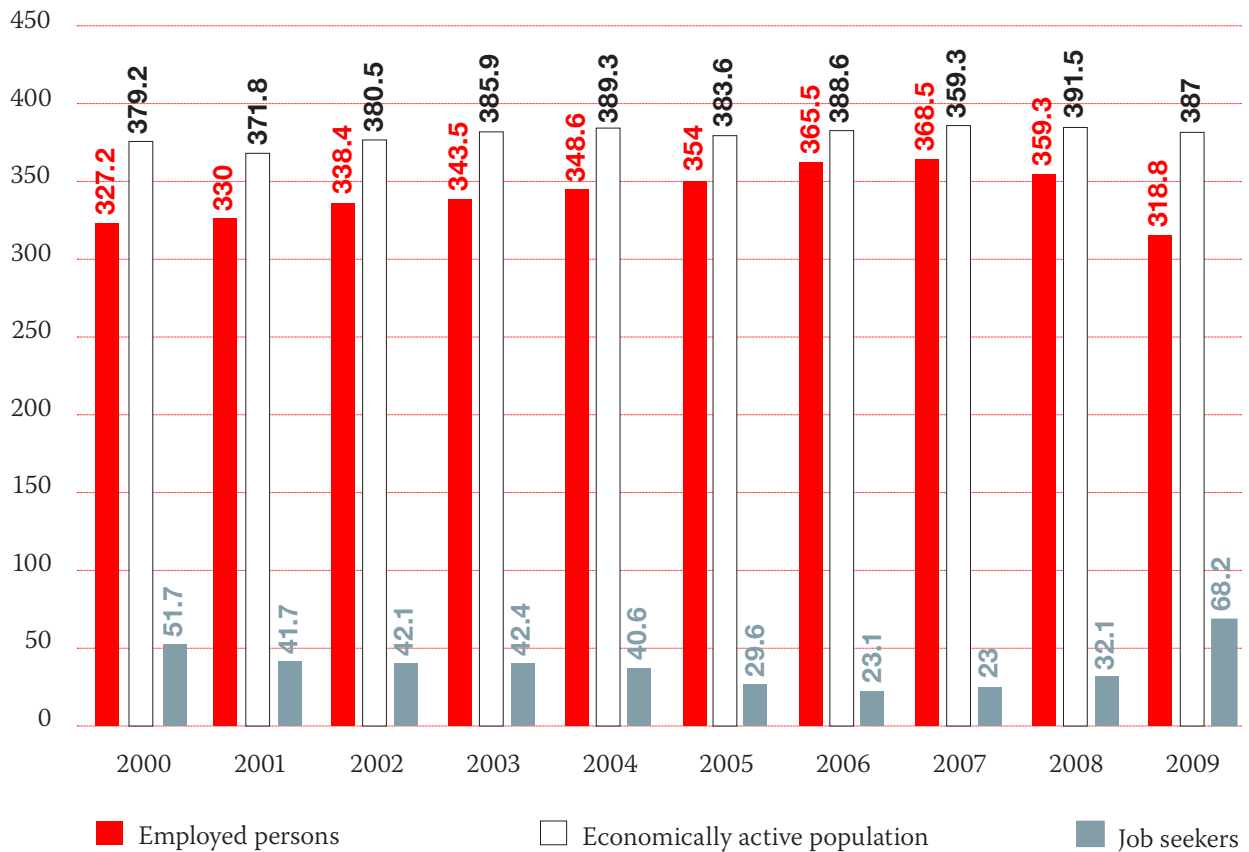
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## Economic activity

The development of human resources is one of the main preconditions for Riga's long-term economic development and an improvement in the standard of living. The number of employed in the City of Riga increased considerably during recent years. However, due to the rapid economic downturn, the rate of unemployment increased. The negative trend in employment indicators started in the second half of 2008. In 2008, 464,400 residents were employed, that is 3.7% or 17,900 less than in the previous year. The level of employment decreased during the year by 7.6% and in 2009 it reached 64.5%. In 2009, there were 68,200 job seekers in total or 13.8% of economically active residents.

### Economic activity in Riga (thousand people)

Source: LR CSB

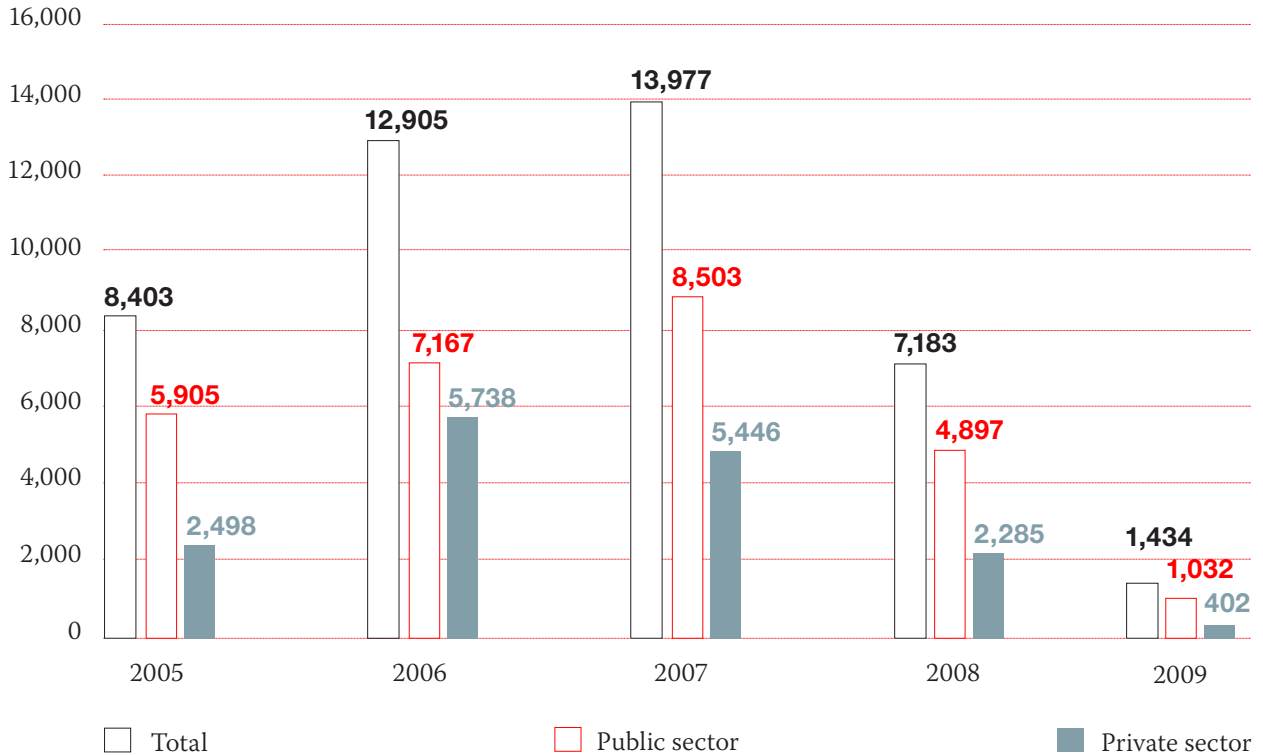


## Employment, salaries and wages

The decreasing number of vacancies reflects the sharp reduction in the demand for labour. The number of vacancies diminished five times during the year. In 2009, there were only 1,434 or 0.3% vacant positions. The figure decreased to 402 vacancies or 0.1% of the total number of positions in the city's private sector, and in the public sector – to 1,032 positions or 0.7% of the total number of positions in the public sector.

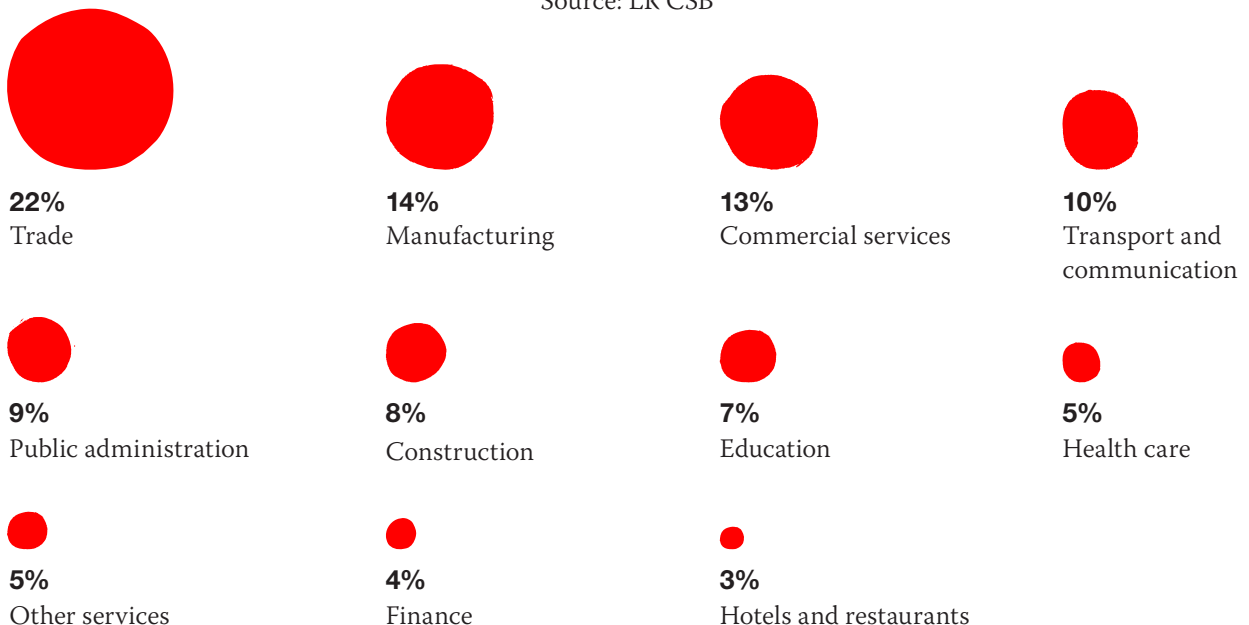
### Number of vacancies in Riga

Source: LR CSB



### Number of employed persons, by economic sectors in Riga (%)

Source: LR CSB

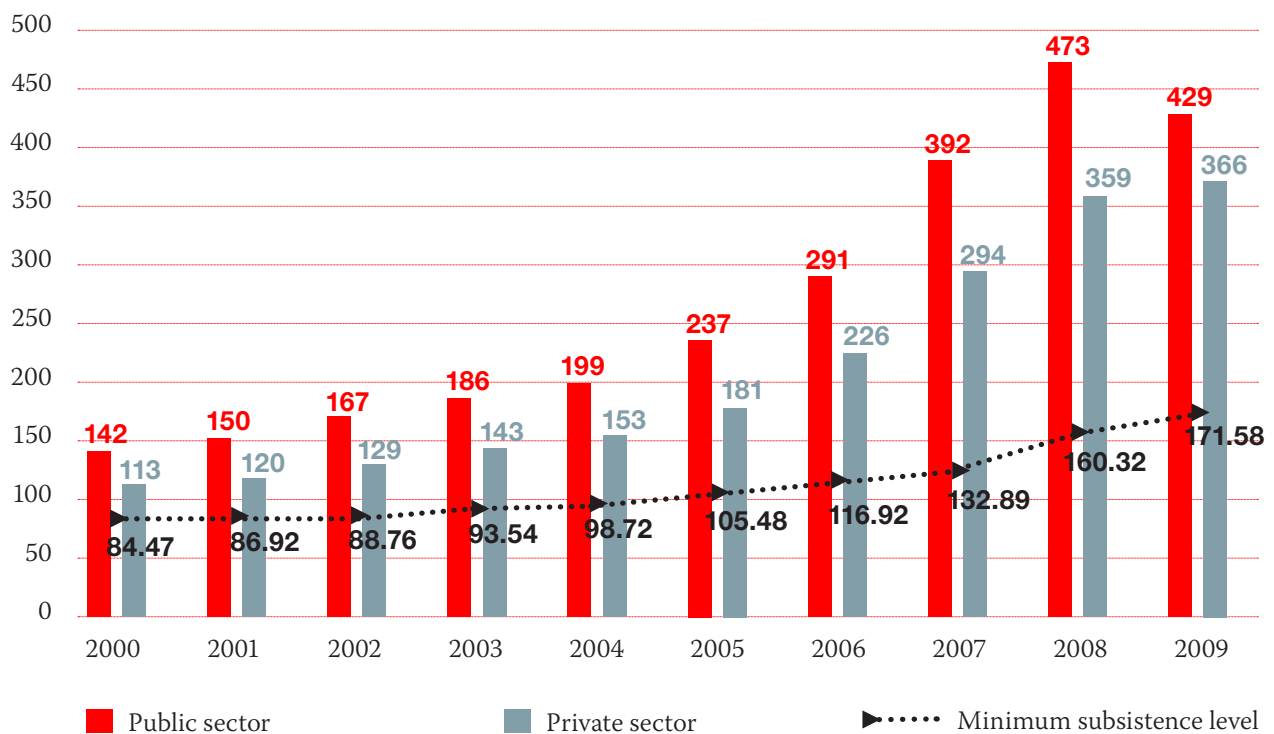


The largest number of people are employed in trade (102.300 or 22%), commercial services (64.600 or 14%), manufacturing (64.300 or 13%), and the transport and communication sector (47.000 or 10%). The majority of state administrative institutions are located in Riga, as it's the capital city, providing jobs for 7.2% of employees.

Due to the decreasing demand for labour, remuneration has also been decreasing gradually since 2009. In 2008, a gradual growth in salaries could be observed, but in the first half of 2009, a reduction in salaries took place. The average net salary decreased by 0.6% in the first half of 2009 when compared to the same period in 2008, and being 438 lats. The reduction in the average net salary was caused mainly by the salary reduction in the public sector (3.6% in the first half of 2009 when compared to the first half of 2008). At the same time, the average net salary in the private sector increased by 1.6%. This can be explained by the fact that private sector companies tend to lay off their employees when budget expenditure has to be reduced, with the remaining employees retaining their previous salaries. However, in the public sector, pay rates are reduced, causing a reduction in the average salary. In the second half of 2009, work remuneration decreased by an additional 3%.

### Average net salary in Riga (LVL)

Source: LR CSB



Overall, employees in the areas of finance, computer programming, water transport and telecommunications had the largest salaries, while the leather manufacturing industry had the lowest pay.

## The City of Riga is the driving force in Latvia's economy.

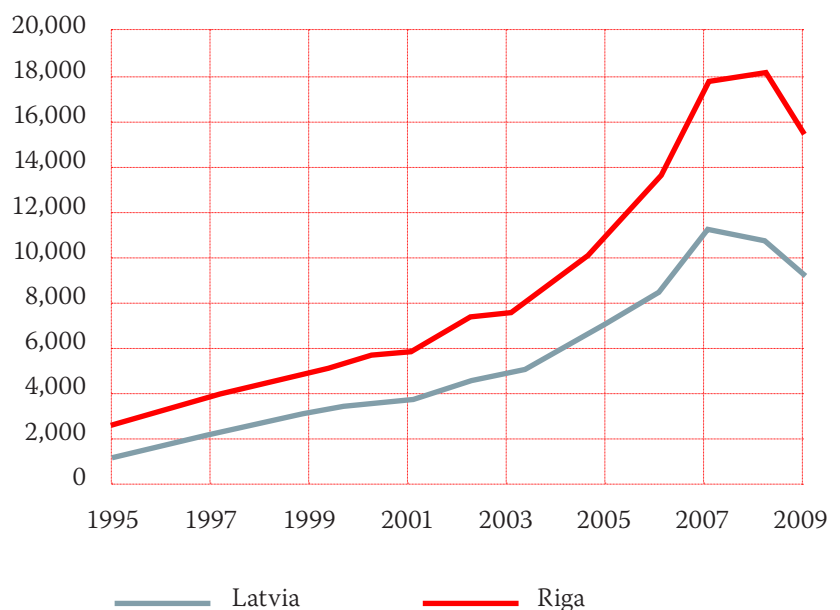
# ECONOMY AND SECTOR DEVELOPMENT

### Characteristics of the city economy

The years 2008 and 2009 were characterized by a slowdown in economic activity when the gross domestic product of the country decreased by 18%, when compared to the previous year. Value added in the City of Riga diminished by 17% during this period (compared to the previous measurement). Although there was a larger slowdown in economic activity in the construction, trade, hotel and restaurant sectors as compared to the city economy as a whole, the level of economic activity in the largest sectors in Riga – commercial services, rent and real estate transactions - remained the same in the reporting period as it was in the previous year. According to the evaluation done by “Data on Riga 2008 – 2009”, Riga’s share of the gross domestic product of the country increased from 47% to 55%.

### GDP per capita in real prices (LVL), 1995 – 2009

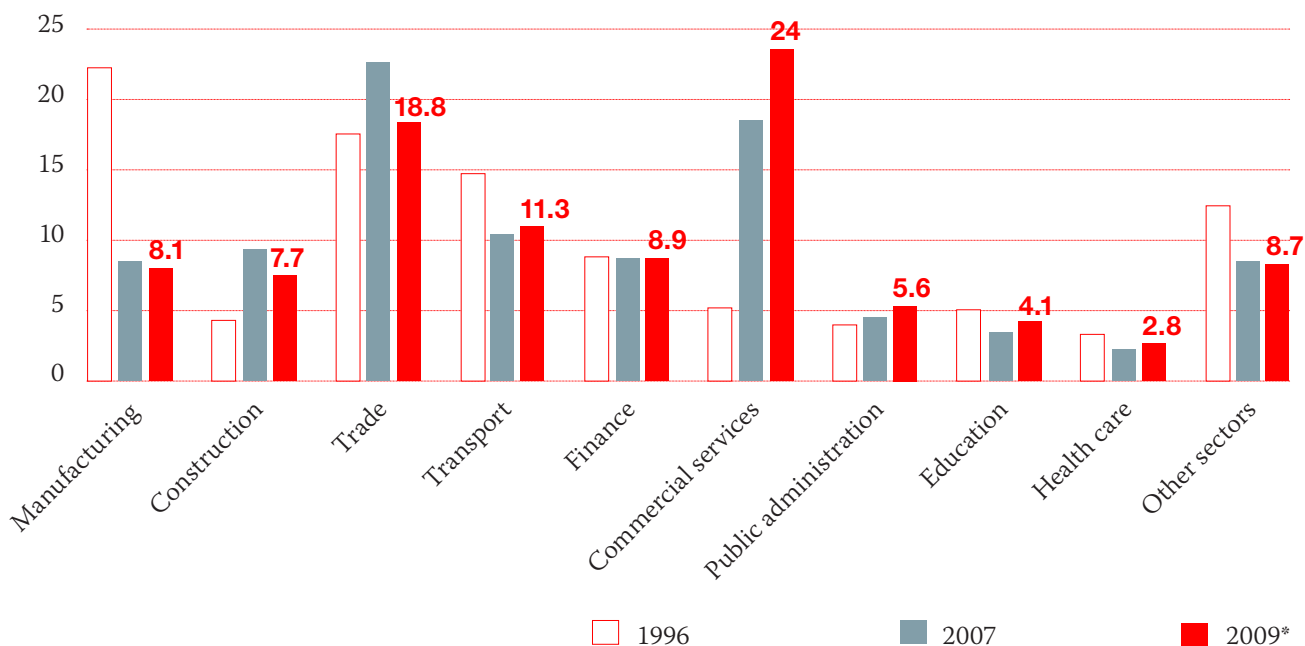
Sources: Riga City Council Department of Finance, “Data on Riga 2008 – 2009” evaluation



The diagram shows constant growth in the GDP. It has increased by more than three in the given time period. In 2009, it was 13.2 billion LVL, i.e. almost 20% less than in 2008.

## Comparison of Riga's economic sectors by total value added (percentage)

Source: Riga City Council Department of Finance



□ 1996      ■ 2007      ■ 2009\*

\* Assessment of the Year 2008

## Structure by Sector

There have been a number of changes in Riga's economic sectors over the last decade. Fifteen years ago the processing industry was the largest sector in the capital's economy; it created around 23% of the value added in the city. During the following years, the development of the processing industry in Riga, and nationally, became slower than that of other sectors: its proportion decreased by 8.7% in 2007. From 2004 to 2007, development of the trade, construction and commercial services domestic market sectors was especially rapid, and, in 2007, these sectors constituted 52% of the city's total value added. The economic downturn has made corrections to the structure of the capital's economic sectors. Due to a radical decrease in activity in the domestic economic sectors, especially trade and construction, the proportion of both of these sectors within the structure of the city's total value added diminished by 6.5% over the last two years. Although the proportion of production has not yet increased, the orientation of Latvia's economy towards the production of goods for export could increase the importance of this sector in the structure of Riga's economy in the coming years. The proportion of the transport sector in the city's economy has also slightly increased over the last two years.

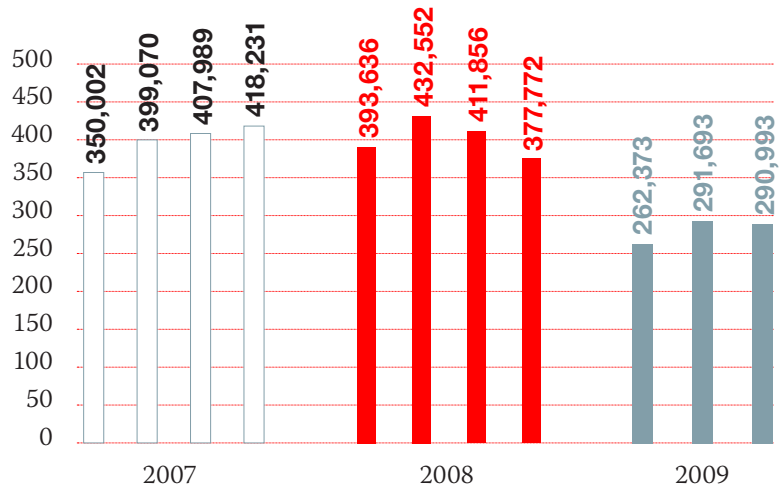
## Manufacturing

In 2009, there was a considerable decrease in industrial output in the processing industry. The size of manufactured industrial production was 1.1 billion LVL, i.e. 30% (according to the evaluation in real prices) less than in 2008. Producers' reduction in prices by 4.7% impacted significantly on the industry, and the volume of output decreased by more than 25% per year. Riga's share of the total output of Latvia's processing industry diminished from 43% in 2008 to 41% in 2009. Approximately 50% of products manufactured in Riga were exported.

The total volume of industrial output in manufacturing companies reached 1,112 million lats in 2009. Industrial output decreased by 39% as compared to 2008.

## Industrial output in Riga City (real prices, million LVL)

Source: LR CSB



In 2007, half of the total industrial output of Latvia was manufactured in Riga. In 2009, the proportion decreased to 41%. However, the share of exports of products manufactured in Riga, within the total distribution volume of production, tended to increase, and it was on average 48% in 2009.

## Trade

The proportion of trade within the structure of Riga's economic sectors has decreased by 4.5% over the last two years. However, trade (wholesale, retail business and repairs of household appliances) is still the second largest sector of the city economy, creating around 19% of the total value added in the city and providing jobs for approximately 88,000 (22% of the total number of employed).

## Commercial services

Economic activity in the largest sector of the city's economy—"transactions involving real estate, rent and commercial services" did not decrease in 2009. On the contrary, this sector radically increased its proportion as compared to other sectors, and reached 24% of the total value added in the city. 60% or the largest part of the value added in this sector was created by real estate transactions. In spite of the remarkable decrease in real estate prices and the slowdown of activity in this area, the value added by the sub-sector has not diminished during the last years. As well as real estate transactions, this sector also includes a variety of commercial services: hire of vehicles, cars and equipment, computer services, scientific research and others.

**Riga is a well-developed centre of transport infrastructure. The city is the main transport junction between the east and west.**

# IV TRANSPORT INFRASTRUCTURE

Riga is a hub not only of local, but also of international importance. Its location at the junction of international railways and highways, as well as its access to an international airport and port, are essential preconditions for Riga's economic competitiveness on a world scale.

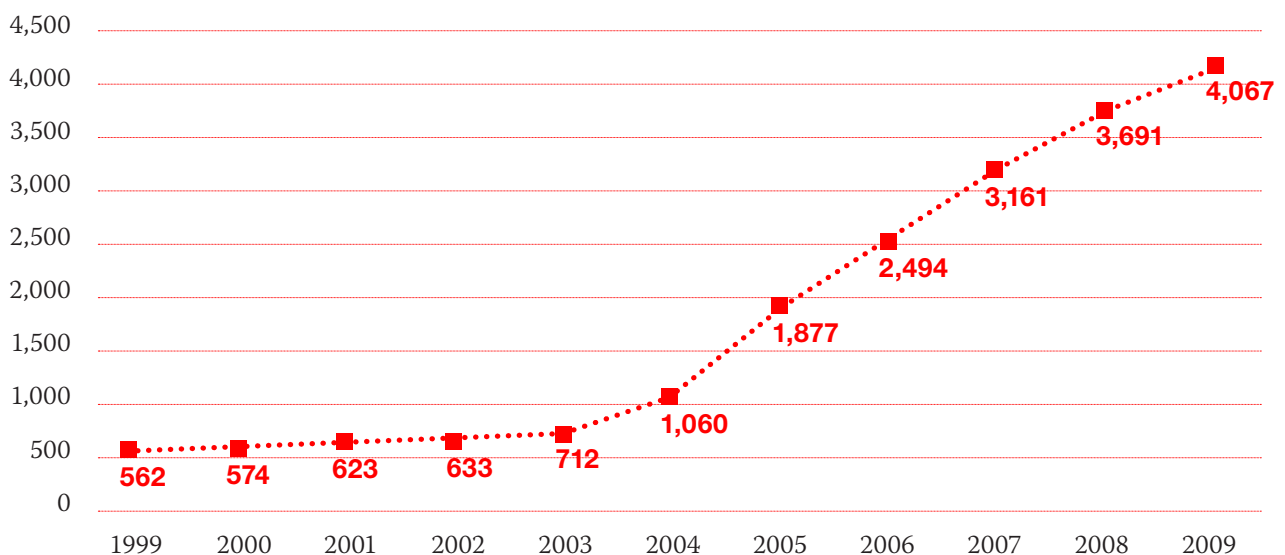
## Riga International Airport

Although Riga International Airport is not located within the administrative territory of the city, it plays an important role in the economy of the city, especially in the transport sector; therefore its development is discussed within the context of Riga's economic development. Riga International Airport is the largest international aviation company in the Baltics and the main air traffic hub of this region providing regular passenger traffic, cargo and mail transport through airlines to the rest of Europe and the world. It serves both local and international airlines and has become one of only a few European airports serving full-service and low-cost airlines.

In 2009, Riga International Airport provided service to more than 4 million passengers, i.e. 10.2% more than in 2008.

## Passenger turnover at Riga International Airport (thousand passengers)

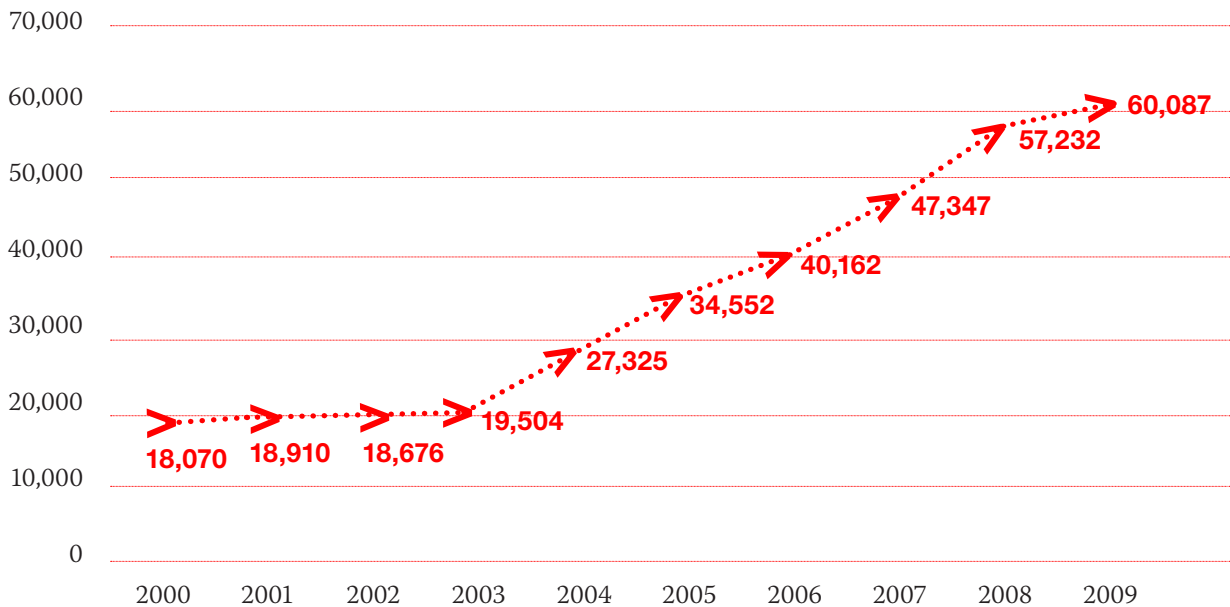
Source: Riga International Airport, [www.riga-airport.com](http://www.riga-airport.com)



Currently 11 airlines operate at the Riga International Airport, and it is possible to reach 82 destinations from Riga. 60,087 flights were served in 2009 which is 2,855 or 5% more than the previous year.

## Number of flights via Riga International Airport

Source: Riga International Airport, www.riga-airport.com



In 2008, the Riga International Airport completed the reconstruction of its lighting system and runway, extending it by 650 metres and reaching a length of 3200 metres. The extended runway means any type of aircraft can be served which is a precondition for the commencement of intercontinental flights. Riga International Airport was the winner of the prestigious 2009 World Routes and OAG (Official Airline Guide) Airport Marketing Award. Riga has in this way been recognized as the best airport of the Scandinavian and Baltic region, ahead of Copenhagen and Stockholm Airports. With 66,427 available seats on international departing flights in the week from August 24 – 30, for the first time the Riga International Airport ranked as the 98th busiest world airport in the OAG top 100 rating.<sup>1</sup> The arrival of a Japan Airlines charter flight for the first time in the history of the Riga International Airport has to be mentioned as one of the most important events of the year. The Japan Airlines Boeing 747 aircraft brought a group of tourists and representatives of leading Japanese tourism organizations and public institutions to Latvia.

<sup>1</sup> OAG Aviation Solutions (OAG) Aviation industry market research and analysis publication

## Freeport of Riga

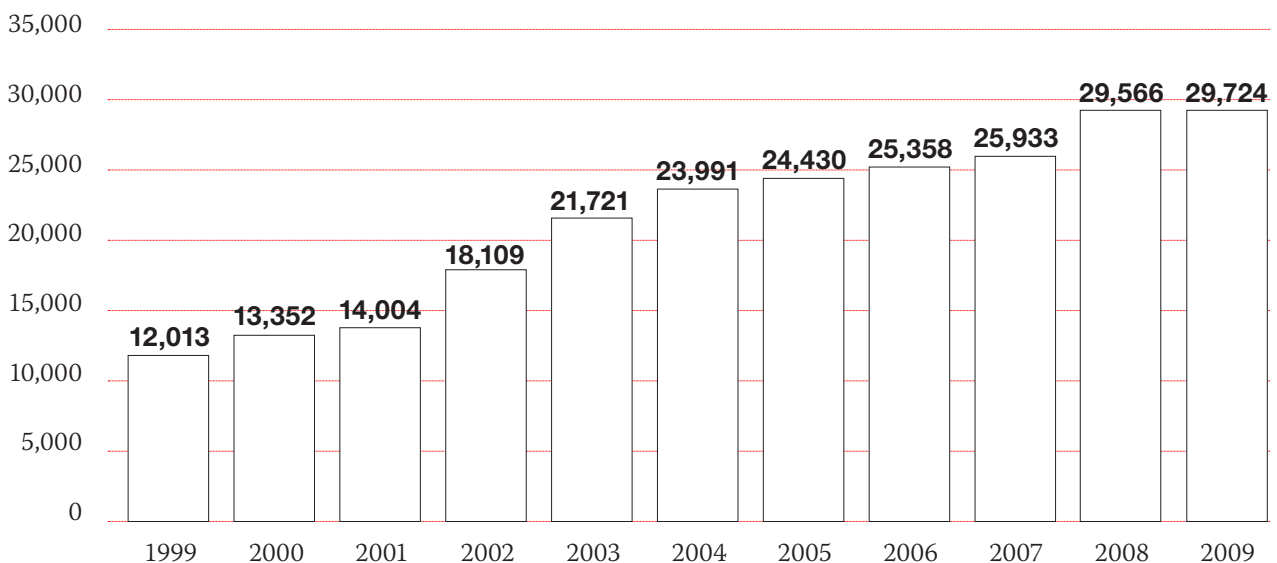
The Freeport of Riga, which covers both banks of the Daugava River's lower reaches, occupies a considerable part of the Riga City territory. It covers an area of 63.48 km<sup>2</sup>, consisting of 19.62 km<sup>2</sup> (30.9%) dry land territory, 12.71 km<sup>2</sup> (20%) of inland water territory and 31.15 km<sup>2</sup> (49.1%) of the outer reaches of the port. Taking into account that the outer reaches of the port's aquatory are not situated in Riga City, the real area of the Freeport of Riga is 32.33 km<sup>2</sup> or 10.6% of the total area of the city.

The Freeport of Riga plays an important role in providing the functions of multi-modal Western-Eastern and Northern-Southern transport corridors. Thanks to the well-developed network of motorways and railways, the Freeport of Riga is directly linked with the main cargo consumption centres and output/processing regions in the CIS and Russia.

In 2009, 3953 ships visited Riga with cargo turnover volume reaching 29.7 million tons. Compared to 1999, cargo volume increased 2.5 times, and it was the highest ratio/showing in the 805 year long history of the port.

### Cargo turnover in Riga port (million tons)

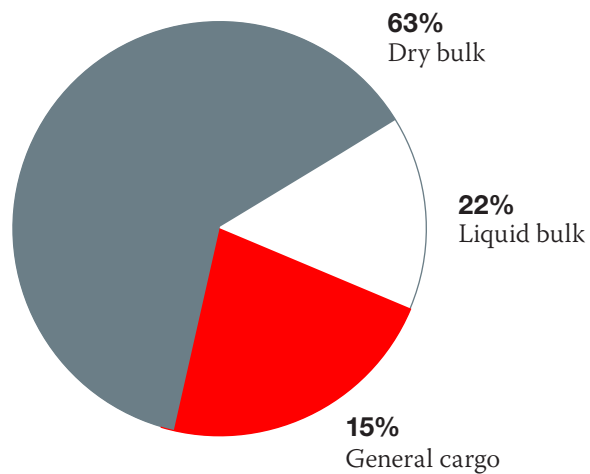
Source: LR CSB



Cargo turnover increased by 0.5% overall in 2009. Compared to the 2008 figures, the largest volume increase was observed in liquid bulk, i.e. 22%, and this increase compensated for the decrease in volume of other dry cargo and dry bulk.

## Types of cargo in 2009

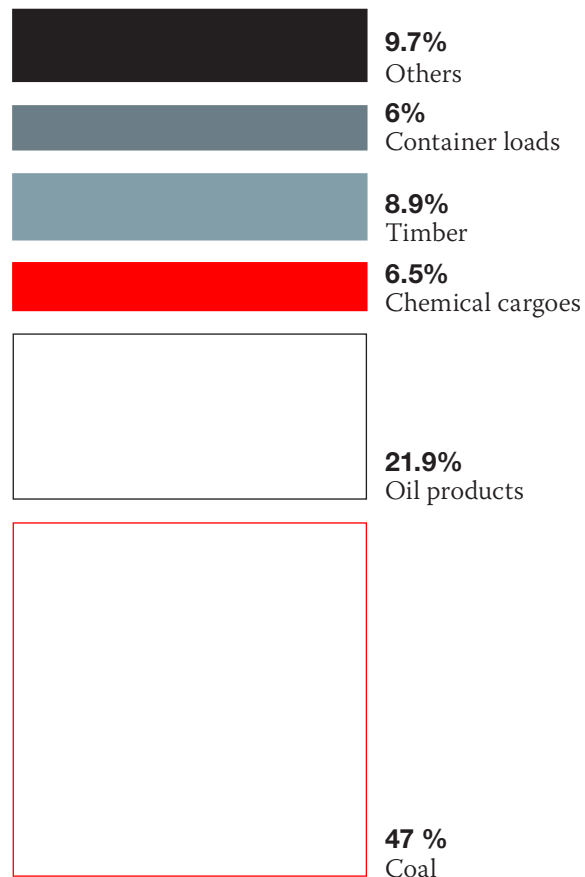
Source: Freeport of Riga



Coal still has an important place in cargo shipment. In 2003, Europe commenced a campaign to prohibit atomic energy and for the use of natural resources, so the demand for coal increased. However, almost none of the European ports were ready to handle the increased volumes of coal cargo. The Riga Port had certain advantages in this situation, as there was already a specialized coal terminal and it was able to adjust quickly for coal handling at other port terminals.

## Cargo structure in 2009

Source: Freeport of Riga

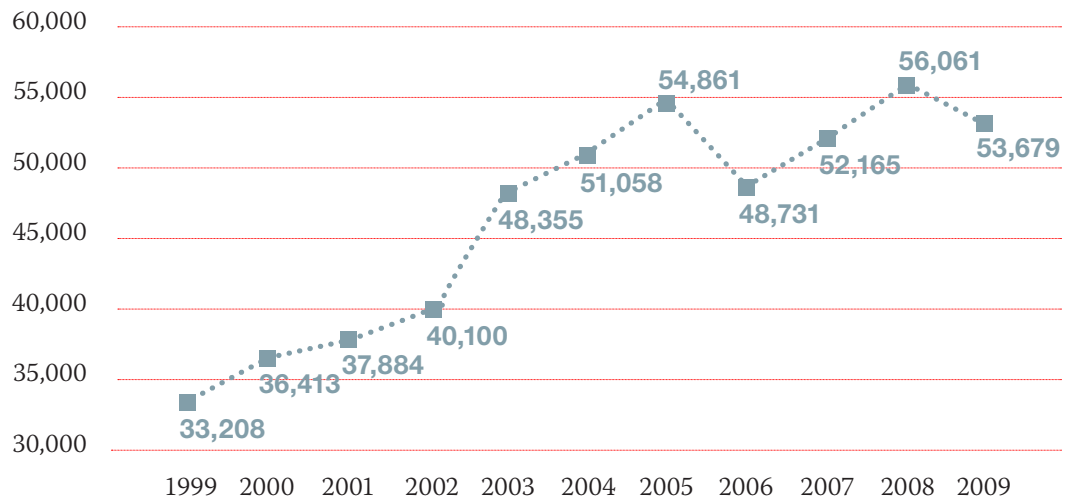


## Railway transport

Railway is still the main means of cargo transport in Latvia. Riga is the largest railway junction in the Baltic States where trains provide cargo turnover between Western Europe and Russia, Belarus, Ukraine and Kazakhstan. In 2009, the railway company transported 53.68 million tons of cargo in total, which is 4.2% less than in 2008.

### Cargo transport by railway (million tons)

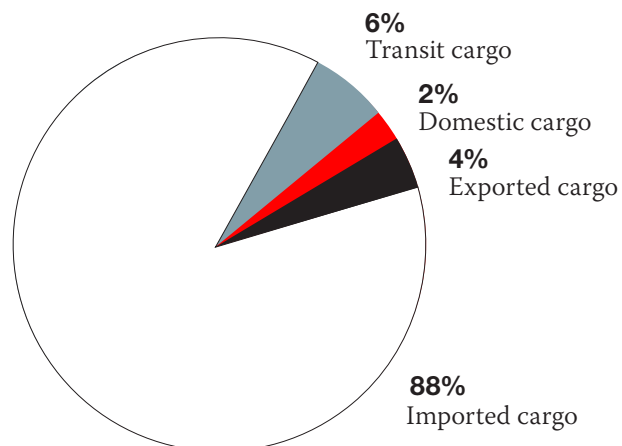
Source: LR CSB



In total 52,759 TEU<sup>13</sup> container units were transported. 84% of all transported cargo was imported, mostly from Russia and Estonia (783,000 t), followed by 8.2% of land transit. The share of exports was only 4.7% of all cargo transported.

### Types of cargoes transported in 2009

Source: www.csb.lv



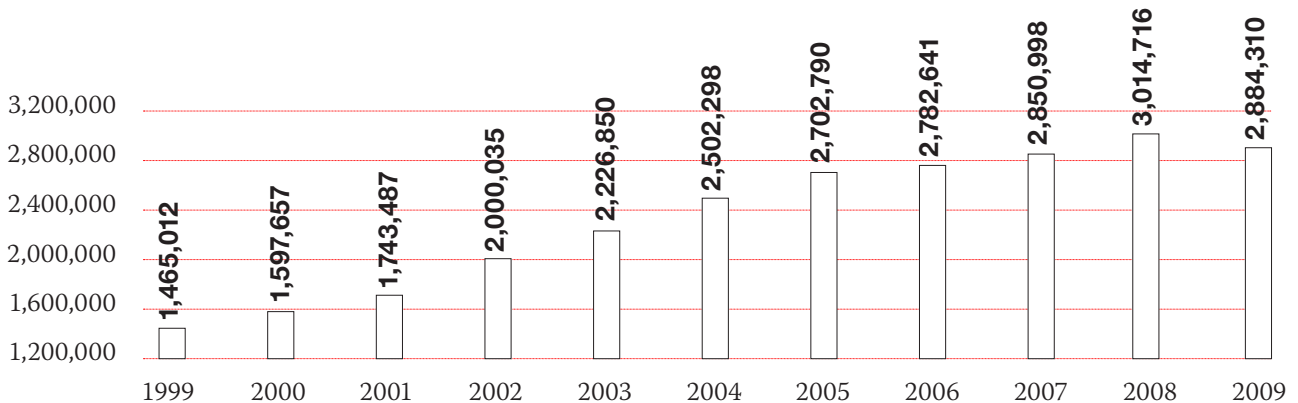
## Riga International Coach Terminal

Since 1998, the JSC Riga International Coach Terminal has been developing very dynamically. According to Riga International Coach Terminal data, the coach terminal served on average, 458 trips per day, 408 being domestic trips, with 50 being international. The ticket value paid by the bus terminal to transport providers was 5.85 million lats. 2.281 million passengers received a service at the Riga International Coach Terminal in 2009.

### Passenger turnover at JSC Riga International Coach Terminal

\* The numbers in the Diagram correspond to the number of the tickets sold at the Coach Terminal booking-office

Source: JSC Riga International Coach Terminal



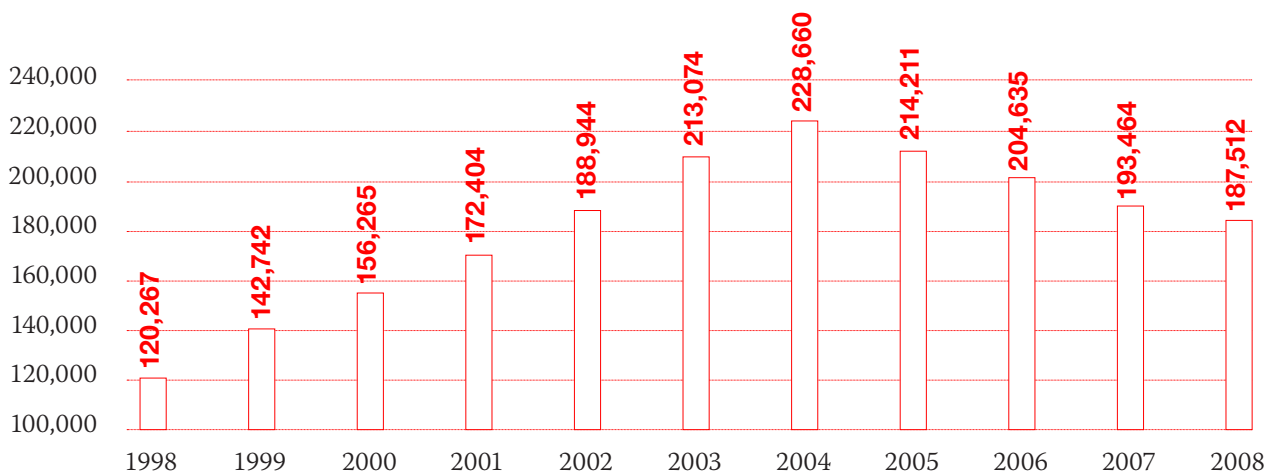
To provide a service to passengers, JSC Riga International Coach Terminal cooperates with 33 passenger transport companies. Twelve of them serve domestic routes, 3 companies serve both domestic and international routes, 18 companies provide service for international routes, and 11 of these companies are foreign. JSC Riga International Coach Terminal cooperates with 3 travel agencies selling tickets for international routes and 31 at the coach terminal are linked to the "Baltic Lines" ticket sales programme.

### Number of trips performed

\* Number of trips performed

from the Riga International Coach Terminal since 2005

Source: JSC Riga International Coach Terminal



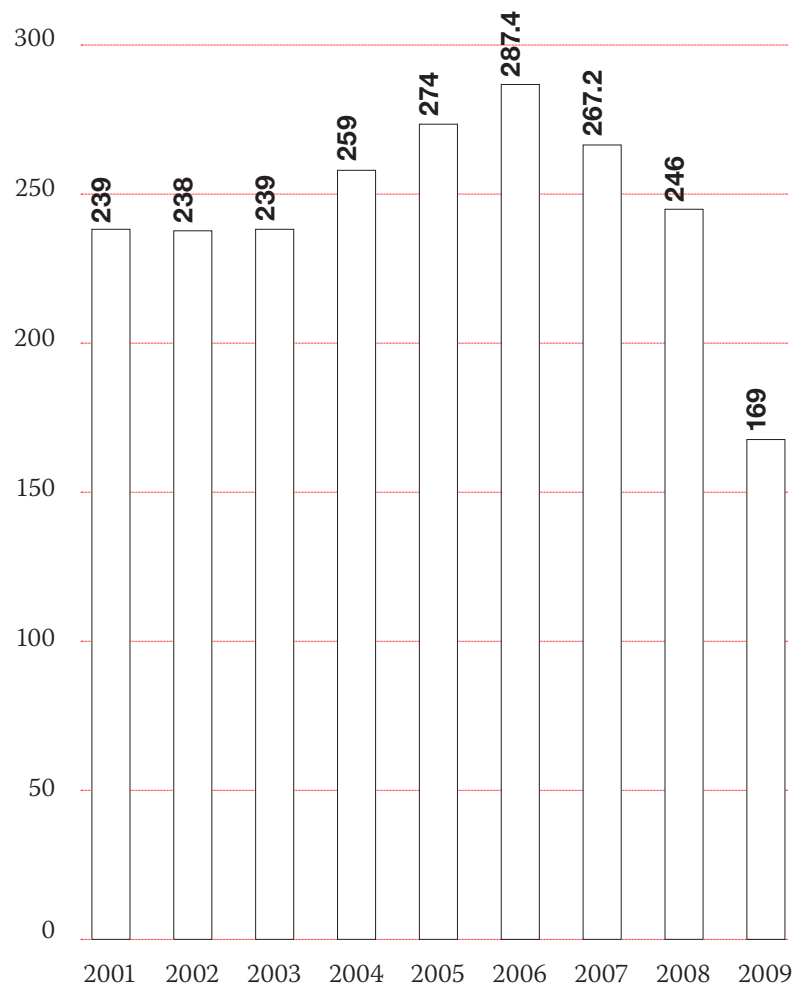
## City public transport

The “Rīgas satiksme” company provides service for passengers on 53 bus routes, 9 tram and 20 trolleybus routes. In 2009, the company owned 478 buses, 328 trolleybuses, including 214 ones with the low floor, and 252 trams.

41 routes in Riga are served by minibuses. The number of minibuses carrying passengers per day is 228 transport units.

## Passenger turnover in Riga public transport (million persons)

Source: Traffic Department, Riga City Council



## Railway passenger transport

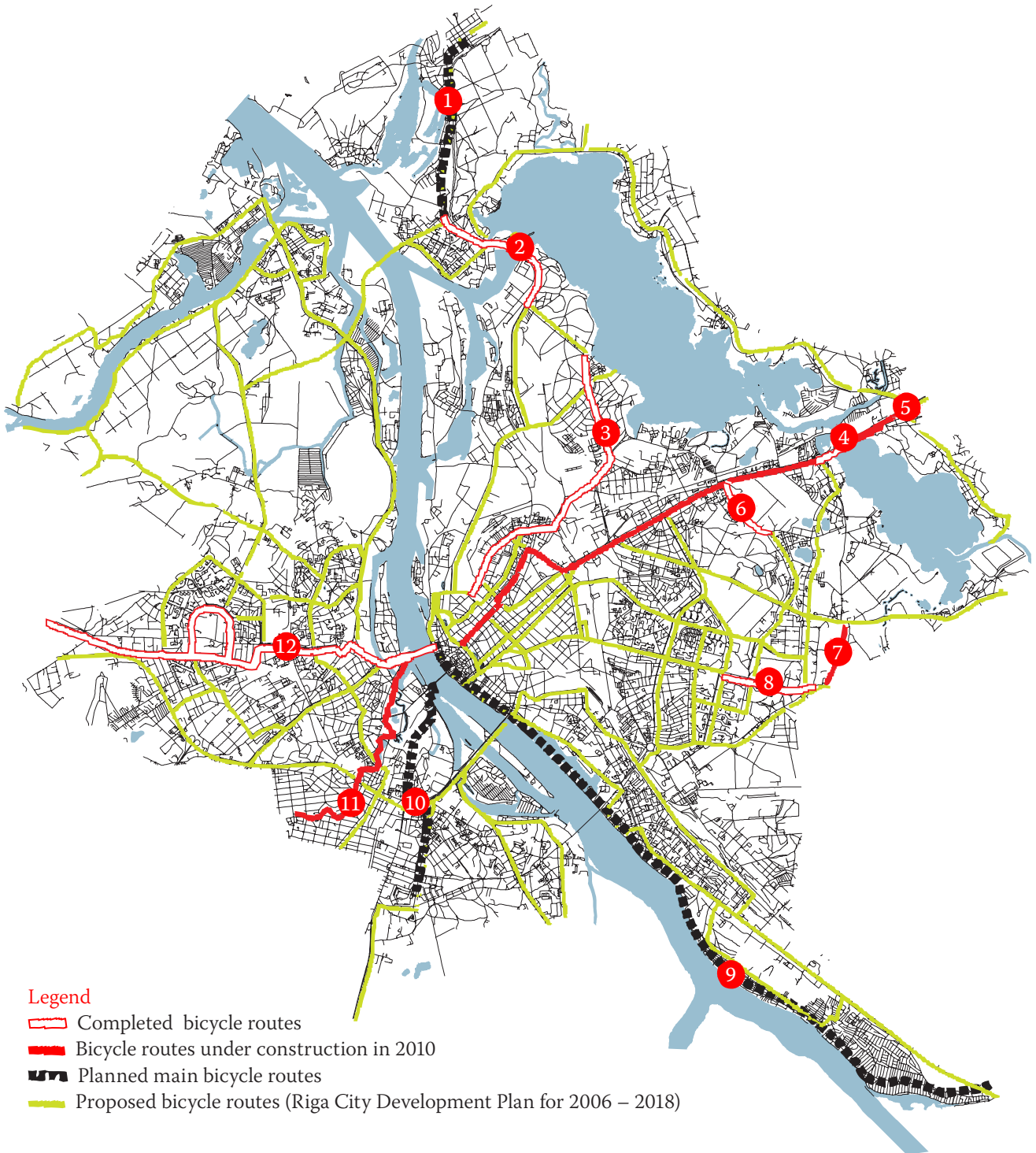
Electric trains transport passengers on 4 local railway routes. Diesel trains provide transport for passengers on 8 routes linking different regions of Latvia and the capital.

## Bicycle routes

Currently there are five bicycle routes in Riga: Centre–Mežaparks, Mežaparks–Vecmīlgrāvis, Vecrīga–Imanta, Augusta Deglava iela bike route and the Šmerļa iela bike route. Work to create new and to extend existing routes goes on constantly.

### Existing and proposed bicycle routes in Riga

Source: Traffic Department, Riga City Council



- 1 Vecmīlgrāvis–Vecāķi 2 Mežaparks–Vecmīlgrāvis 3 Centre–Mežaparks 4 Bicycle route at the intersection of Brīvības gatve and Juglas iela 5 Centre – Bergī 6 Šmerļa iela 7 Juglas iela 8 Augusta Deglava iela bicycle route 9 Centre–Dārziņi 10 Centre–Torņkalns–Ziepniekkalns 11 The Green Bicycle Route 12 Imanta–Vecrīga

**Riga is a city of opportunities with an environment attractive for investment and business development.**

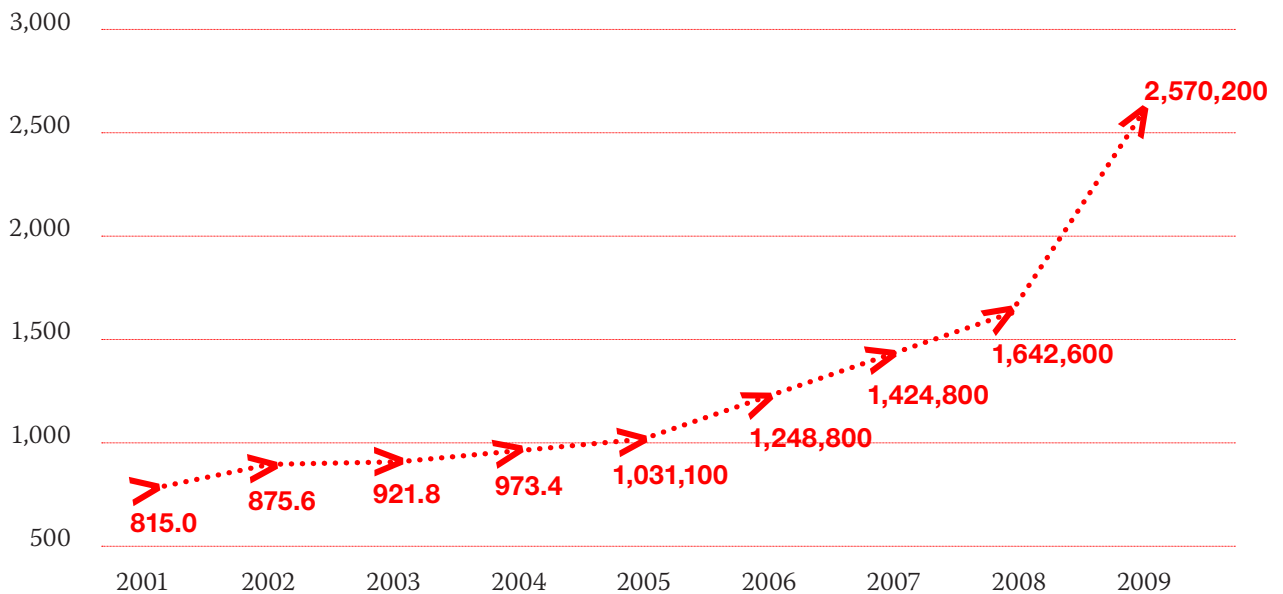
# V INVESTMENT ENVIRONMENT AND BUSINESS

## Foreign investment

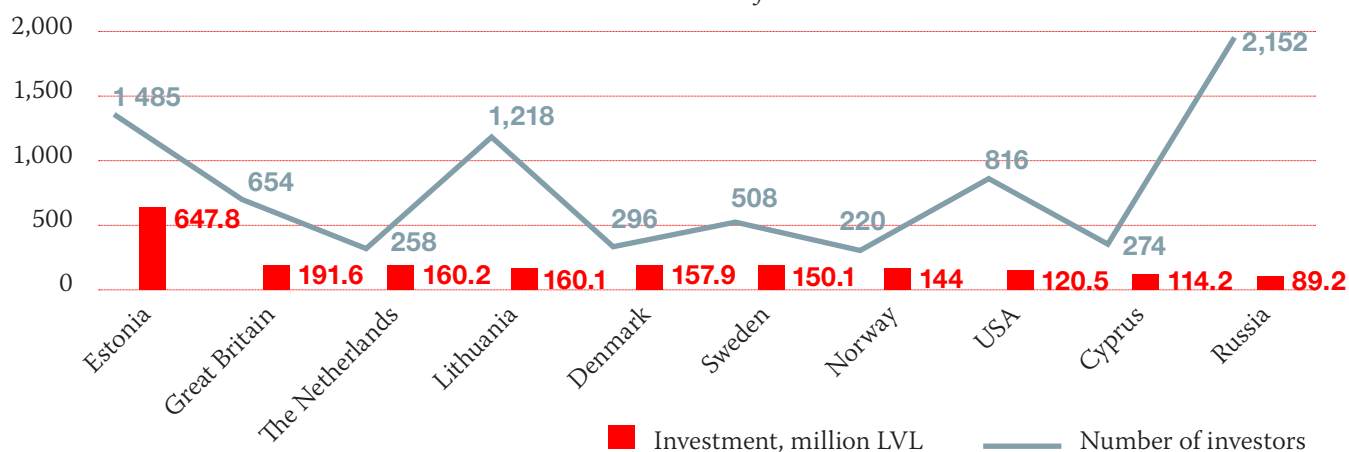
The amount of foreign direct investment (FDI) increases in Riga every year and approximately 78% of the FDI made in Latvia is concentrated in Riga. According to *Lursoft* data, the amount of investment has increased by 149.3% (37.3% per year on average) during the last four years (from 2006 to 2009). At the end of 2009, it was 2.57 billion LVL.

### Accrued foreign direct investment in the share capital of companies registered in Riga (million LVL)

Source: *Lursoft* data base



## Foreign direct investment and investors by country (november, 2009)

Source: *Lursoft* data base

The largest investments in Riga has been made by the following companies: *Aktsiaselts Hansapank* (544.7 million LVL), *JSC Tilts Communications* (71.5 million LVL), *BITE Lietuva UAB* (69.6 million LVL), *PALINK UAB* (60.0 million LVL), *JSC Bank DnBNORD* (56.8 million LVL), *European Bank for Reconstruction and Development* (51.4 million LVL), *Tele2 Sverige Aktiebolag* (50 million LVL), *GE Capital International Financing Corporation* (45.6 million LVL), *Bank Austria Creditanstalt AG* (41.7 million LVL), *New Europe Real Estate LTD* (41.1 million LVL).

JSC Latvenergo electrical power supply company, Rimi Latvia LTD trading company and the JSC Latvijas gāze gas distribution company were the largest companies in Riga by turnover in December 2009.

## The largest companies in Riga by turnover in December 2009 (million LVL)

Source: *Lursoft* data base

JSC Latvenergo	<b>609.75</b> electrical power production and supply
Rimi Latvia LTD	<b>404.39</b> trade
JSC Latvijas gāze	<b>329.71</b> distribution of natural gas for heating
Latvija Statoil LTD	<b>260.47</b> retail sales of fuel
Elko grupa LTD	<b>229.45</b> computer, computer peripherals and software wholesale
LDZ Cargo LTD	<b>216.26</b> freight railway transport
JSC Sadales tīkls	<b>210.54</b> electrical power distribution
Mažeikū nafta LTD	<b>193.97</b> oil products wholesale
JSC Latvijas dzelzceļš	<b>146.46</b> passenger transport
Latvijas mobilais telefons LTD	<b>146.23</b> mobile communications

## Tax review

Direct and indirect taxes in Riga City, as well as in the whole territory of Latvia are determined by legislation.

### Indirect taxes

**Customs duties.** These are usually collected and paid when importing (exporting) goods and included in the cost price of the goods.

**Excise tax.** It is imposed on alcoholic and non-alcoholic beverages, tobacco products, coffee, petrol, diesel fuel and other oil products.

#### The excise tax is paid by:

- importers;
- warehouse keepers;
- approved traders, non-registered traders, distance sellers or representatives of excise duty payers;
- other payers in accordance with the Law on Excise Duties.

**Value added tax (VAT).** This is a consumption tax included in the price of a product or service and is paid by the final consumer of a product or service. The base tax rate is 22%; however, the legislation also allows cases where 0% and 12% tax rates can be applied.

### Direct taxes

**Real estate property tax.** The tax rate is 1.5% of the cadastral value of the real estate.

**Natural resources tax.** It is imposed on:

- any natural resources obtained as a result of economic activity;
- environmental pollution – waste, emissions and polluting substances;
- environmentally hazardous goods and products;
- packaging of imported and domestically produced goods or products.

Taxes have to be paid by all legal persons, individuals or their unions, which if they are permitted to (where legislation provides a possibility of obtaining such permission), perform the following activities:

- extract natural resources in the territory (or on the continental shelf) of the Republic of Latvia, subject to taxation;
- emit pollution, subject to taxation, in the environment of the territory (or on the continental shelf) of the Republic of Latvia;
- import packaged environmentally hazardous goods or products for free turnover in the territory of the Republic of Latvia;
- sell domestically produced environmentally hazardous goods or products, packaged goods or products in the Republic of Latvia.

**Mandatory state social insurance contributions.**

The payment calculated for an employee to whom a salary is paid, and from whom personal income tax has been withheld, and the earnings of a self-employed person. The mandatory contribution rate is 35.09%, 24.09% of which is paid by the employer and 11% by the employee.

**Personal income tax.** This is imposed on the income gained by an individual consisting of:

- tax on salary calculated from the money earned by the employee and paid by the employer;
- fixed income tax on the revenue from operating activities;
- tax on the revenue from operating activities, if corporate income tax is not imposed on it;
- tax on other sources of revenue.

The basic tax rate is 25%. The tax rate imposed on the revenue from operating activities is 15%.

Corporate income tax. The tax is imposed on the profit or loss declared in the company's annual profit and loss statement as amended according to the Law on Corporate Income Tax.

The tax has to be paid by:

- domestic companies performing business, public and religious organizations, and institutions financed from the state or municipal budget gaining revenue from operating activities (residents)
- foreign companies, enterprises, legal persons and other persons (non-residents);
- permanent representations of non-residents, for whom income tax rate is 15%.

Private merchants have to pay the personal income tax of 25%.

**Lottery and gambling tax.** It is paid by companies (enterprises) that, according to an order prescribed by law, have obtained special permission (a licence) for organizing and providing lotteries and gambling.

**Electricity tax.** It is paid by the persons supplying electrical power to end-users who have concluded contracts, or agreed in any other way upon the supply of electric power. The tax is imposed on the electric power supplied to the end-user, as well as on electric power supplied for self-consumption.

The tax rate for electric power is 0.71 LVL per megawatt-hour.

## Riga is an attractive tourist destination with a rich cultural heritage and architectural masterpieces.

# VI TOURISM DEVELOPMENT AND CULTURAL HERITAGE

Riga as an ancient city of the Hanseatic Union has all the preconditions for a popular travel destination. Riga has unique urban design, architectural, art and historical monuments.

Various architectural styles can be seen in Riga, having originated during the time of German, Polish, Swedish and Russian rule. They all enrich the architectural heritage of the city.

Riga is a metropolis of “Jugend” style, as almost a third of buildings in the historical centre of Riga represent the style referred to in Europe as *Art Nouveau*. Such a large concentration of *Art Nouveau* buildings cannot be seen anywhere else in Europe. Since 1997, the historical centre of Riga has been included on the UNESCO World Heritage List. A diverse heritage of wooden architecture is also preserved in Riga.

The direct share of the tourism industry in the GDP of Latvia (according to the data on hotels and restaurants from LR CSB) was 1.5% in 2008 (1.6 % in 2007 and 1.7 % in 2006). However, taking into account that tourism is closely linked with other industries, its total input on the economy of the country was 7.5% (every foreign visitor on average left 46.9 LVL in Latvia per day). Export linked with tourism-related services reached 384.4 million LVL in 2008 which is 17.6% of total export volume.<sup>2</sup>

When comparing the number of tourists staying in Riga for several days, in 2007 and 2008 their number increased by 6.9%, reaching 1.4 million in 2008. Yet, in 2009, the number of tourists decreased by 1.1 million, that is 22.7% less than 2008. However, the average length of trip increased a little, reaching 4.1 visitor nights, while it was 4 visitor nights in the previous year.

As a result of the growth in tourist numbers, the number of hotels and other accommodation establishments in Riga has risen quite rapidly over the last years. There has been an increase of 63 establishments during the last 5 years. The total number of places in accommodation establishments is 12,920.

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<sup>2</sup> Data from reports on the development of the Latvian economy by the Ministry of Economics, December 2008, June 2009; Tourism in Latvia 2008. LR CSB, 2009.

## Number of accommodation establishments in Riga

Source: LR CSB



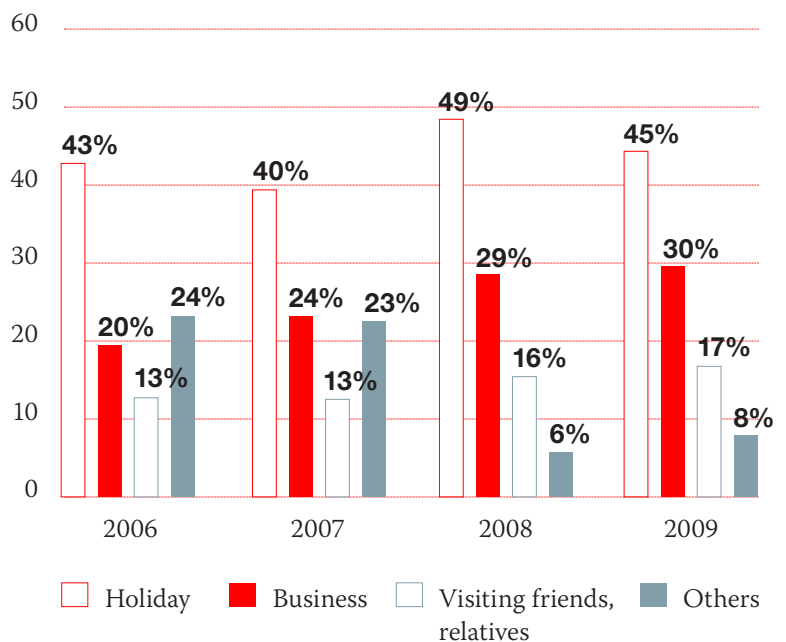
In 2009, 83 of the 121 tourist accommodation establishments were classified as hotels and had 10,416 places. The distribution of the hotels according to categories in 2009 was as follows:

★★★★★	7
★★★★	13
★★★	29
★★	1
★	3
Unclassified	30

14 youth hostels were opened in Riga in 2009. The number of persons served by accommodation establishments in 2009 was 689,000, i.e. 62% of the total number of persons served by accommodation establishments in Latvia. 45% of tourists came to Riga for holiday, 30% - for business, 17% - to visit friends and relatives.

## Visitors served at hotels and other accommodation establishments by purpose of trip (%)

Source: LR CSB



**Riga is a city of new ideas. It is open to creativity and innovation.**

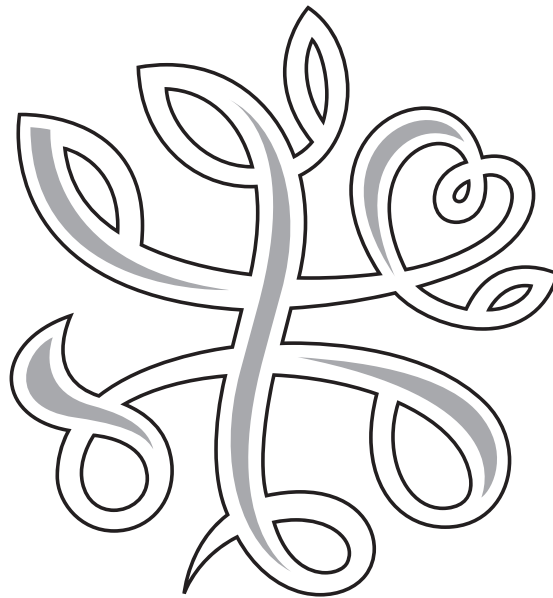
## **VII CREATIVE INDUSTRIES**

Creative industries are defined as activities originating from individual creativity, skills and talent, which have the potential for wealth and job creation through the generation and exploitation of intellectual property

Currently advertising, publishing and polygraphy are economically the most successful industries and show stable development. Based on the results of various international comparative research, future forecasts and the effect generated by the existing support state instruments, there are two creative industries in Riga – design, and audiovisual media and multimedia, that have the greatest potential for export. Although the design products market in Latvia is not yet well-developed, the design industry in Latvia has displayed both the greatest ability to self-organize and gain the most visible results.

*Lattelecom Technology, DD Studio* and film studio *Rija* are among others that have been created and have entered the market of multimedia and audiovisual media in Riga. Companies and branches of creative industries usually have close links with other economic sectors. In addition, creative industries add value to the urban environment. There are several creative areas in Riga: the buildings of the former VEF factory, Andrejsala, Spiķeri and the Kalnciema iela community being the most visible ones.

**Riga is a cultural centre where cultural events of various scales take place. Riga city has been awarded the title of European Capital of Culture 2014.**



**RĪGA | 2014**

**VIII  
CULTURE AND  
EVENTS**

The most important state and municipal, as well as regional and international cultural events take place in Riga – national celebrations, Song and Dance Festivals, the Riga City Festival, cinema, theatre, music, dance, art festivals and projects. In 2009, Riga was awarded the title of European Capital of Culture 2014. The city has in this way received an opportunity to demonstrate its cultural potential to the rest of Latvia, Europe and world for a period of five years until 2014, as well as to create a long-term policy for cultural and creative industries within the context of city infrastructure development and the general development of Riga.

## Events in Riga

Source: [www.rdkp.lv](http://www.rdkp.lv)

<b>2014</b>	Riga – European Capital of Culture <b><a href="http://www.kultrix.lv">www.kultrix.lv</a></b>
<b>Once every 5 years, July 2013</b>	Latvia's Nationwide Song and Dance Festival <b><a href="http://www.dziesmusvetki.lv">www.dziesmusvetki.lv</a></b>
<b>Annually, March – May</b>	Riga Choir Month <b><a href="http://www.avesol.riga.lv">www.avesol.riga.lv</a></b>
<b>Annually, April</b>	International Baltic Ballet Festival <b><a href="http://www.ballet-festival.lv">www.ballet-festival.lv</a></b>
<b>Annually, May 4</b>	Events dedicated to the announcement of the Declaration of the Independence of the Republic of Latvia <b><a href="http://www.4maijs.lv">www.4maijs.lv</a></b>
<b>Annually, May</b>	European Night of Museums Events <b><a href="http://www.km.gov.lv">www.km.gov.lv</a></b>
<b>Annually, June</b>	Riga Opera Festival <b><a href="http://www.opera.lv">www.opera.lv</a></b>
<b>Annually, June</b>	Midsummer Festival events <b><a href="http://www.rdkp.lv">www.rdkp.lv</a></b>
<b>Annually, June – July</b>	“Rīgas ritmi” International Music Festival <b><a href="http://www.rigasritmi.lv">www.rigasritmi.lv</a></b>
<b>Annually, July</b>	International Ancient Music Festival <b><a href="http://www.latvijaskoncerti.lv">www.latvijaskoncerti.lv</a></b>
<b>Annually, August – September</b>	International Sacred Music Festival <b><a href="http://www.koris.lv">www.koris.lv</a></b>
<b>Annually, August</b>	Riga City Festival <b><a href="http://www.riga.lv">www.riga.lv</a></b>
<b>Annually, September</b>	“White Night” Contemporary Art Event <b><a href="http://www.baltanakts.lv">www.baltanakts.lv</a></b>
<b>Annually, September – October</b>	“Golden Mask in Latvia” Theatre Festival <b><a href="http://www.goldenmask.lv">www.goldenmask.lv</a></b>
<b>Annually, October</b>	“Baltic Dance Nights” Traditional Dance Festival <b><a href="http://www.folkdance.lv">www.folkdance.lv</a></b>
<b>Annually, November 18</b>	Anniversary of the Proclamation of Independence of the Republic of Latvia Events <b><a href="http://www.rdkp.lv">www.rdkp.lv</a></b>
<b>Annually, November</b>	Festival of Light “Staro Rīga” <b><a href="http://www.staroriga.lv">www.staroriga.lv</a></b>

**Riga continues to develop in a new quality based on harmony, purposefulness and dynamism.**

[www.investinriga.com](http://www.investinriga.com)