

Daugavpils

GEOGRAPHICAL LOCATION

Daugavpils is Latvia's second largest city and has national significance, being the largest city in the Latgale planning region. The city of Daugavpils is located near Latvia's eastern border and it is a significant Baltic social and economic development centre ([see Annex 1](#)).

The city's advantageous geographical location has enabled it to develop into a significant regional service centre with influence on areas in Latvia, Lithuania and Belarus.

The city has a total area of 7 248 ha. In terms of planning, the city is divided into several boroughs or communities, of which 13 are on the north-east bank of the Daugava River (including the historic town centre and the Fortress),

The south-west bank of the Daugava River is home to the other four boroughs. Daugavpils shares borders with the rural municipalities of Likсна, Naujene, Tabore, Laucese, Kalkuni, which will become part of the Daugavpils district.

TRANSPORT INFRASTRUCTURE

The Latgale region is crossed by two European routes, E22 (Holyhead – Ventspils – Riga – Velikie Luki – Moscow – Vladimir – Nizhniy Novgorod) and E262 (Kaunas – Ukmerge – Daugavpils – Rezekne – Ostrova). These routes follow the national routes below:

- A6 Riga – Daugavpils – Kraslava – Belarus border (Paternieki) (part E22 route);
- A12 Jekabpils – Rezekne – Ludza – Russian border (Terekhovo), (part E22 route);
- A13 Russian border (Grebnevo) – Rezekne – Daugavpils – Lithuanian border (Medumi), (part E262 route).

The street-layout of the city is complicated by the various railroad lines (TEN-T) crossing in different directions, so that connection between some boroughs can be inconvenient. Consequently, one of the most important transport infrastructure projects is the construction of a new transport nodal point (passage) to ensure the safety of traffic within the city, connection of the city's infrastructure (by road) to the TEN-T, reduction of the impact of rail-freight transportation on the urban transport system, as well as providing interconnection between city boroughs.

According to information provided by [Latvijas Dzelzceļš](#) (Latvian Railroads), the following investments have been planned for the period 2007-2013:

- Introduction of automatic traffic-control systems in the Rezekne-Krustpils and Daugavpils-Krustpils sections
- Construction of a second railway track in the Indra-Bigosova section
- Development of the Daugavpils freight hub

At present, two passenger rail services are being run in the Latgale region: Riga-Daugavpils and Riga-Zilupe (Rezekne). There are four trains daily from Riga to Daugavpils.

During 2008, 962 880 tonnes of freight were reloaded at Daugavpils railway stations and 337 111 passengers began or ended their journeys at Daugavpils ([see Annex 2](#)).

In 2006, the *Daugavpils lidosta* (Daugavpils Airport) company purchased a 231.77 ha parcel of land of for LVL 1 074 million for the purpose of reconstructing the airport at Lociki, Naujiena rural municipality, Daugavpils region.

CITY STATISTICS

At the beginning of 2008, Daugavpils had 105 958 residents ([see Annex 3](#)) of whom 71 853 were of active working age ([see Annex 4](#)). Population density was 1 471.6 people per km². Daugavpils is home to 30.4% of all the people resident in the Latgale region.

In 2007, Daugavpils had 7 157 higher education students.

At the end of 2008, the city's unemployment rate reached 6.3%.

REGIONAL STATISTICS

At the start of 2008, 38 574 people lived in the Daugavpils region ([see Annex 5](#)), of whom 24 896 were of active working age ([see Annex 6](#)). Population density in the region was 15.3 people per km². The trend for people from rural districts to move to Daugavpils or other cities and towns continued.

In October 2008, the unemployment rate in the Daugavpils region was 8.4%.

The number of commercial enterprises in the Daugavpils region was 8 061 as at 12 November 2008, 4 819 of which were operating. According to *Lursoft* data, 369 new enterprises were incorporated in 2008, but 130 were liquidated.

BUSINESS ACTIVITIES

The city of Daugavpils has enterprises active in the following sectors: metal working, food processing, civil engineering, chemicals and light industry. Having regard to the geographical location of Daugavpils, logistics and associated services are recognised as having excellent development potential.

The largest foreign enterprises operating in Daugavpils are:

- [AXON CABLE](#) is a subsidiary of a Swedish company, producing ultra-high-frequency coaxial cables, cables for the *TELEKOM* base station, and information channels for *RJ45 VDI* local networks.
- [GLASKEK LATGALE](#) is a branch of an Estonian enterprise, engaged in the production of PVC windows and doors.
- [SKINEST LATVIJA](#) is an Estonian, Latvian and Russian joint venture involved in railway-carriage engineering and repair.

- ZIEGLERA MASINBUVE is a subsidiary of a German enterprise, engaged in the production of farm machinery, as well as airbag wires and other products.
- [Daugavpils Lokomotivju Remonta Rupnica](#) /Locomotive Maintenance Depot/ is an Estonian, Latvian and Russian joint venture working in locomotive maintenance.

The largest Latvian enterprises operating in Daugavpils:

- [Ditton pievadkezu rupnica](#) manufactures power transmission chains for the automotive industry, various industrial equipment and farm machinery.
- Svente Holding is a construction and building renovation company.
- [Fedak](#) manufactures films widely used in agriculture and civil engineering.
- Daugavpils Dzirnavnies is a food processor.
- [Belmast](#) operates in the metal-working sector.

FOREIGN INVESTMENT PROJECTS

The most significant foreign investment projects in Daugavpils in the last five years:

- [NP Properties Industrial Park](#), an industrial property developer, acquired a part of a territory of the Daugavpils Chemical Fibre Plant, where it plans to establish an industrial park. At present, the park is being set up for utilisation by a number of enterprises. The company plans to invest EUR 9.8 million in the development.
- The [Nexis Fibres](#) investment fund acquired *Rodia Industrial Yarns*, the Latvian unit of the international *Rodia* group. The new company, with 150 employees, will continue the production of chemical fibres.
- Italian-owned [F.A.C Baltic](#) has set up a unit producing spare parts for electric fork-lift trucks, employing 30 people.

INFRASTRUCTURE DEVELOPMENT PROJECTS

Most significant infrastructure development projects implemented:

- Design and construction of Daugavpils city transport nodal point (Vidzemes, Piekrastes, Pumpura and Visku ielas);
- Connection of Valnu iela to Daugavas iela in Daugavpils;
- Modernisation of Daugavpils Rugelu borough, low-rise residential-district streets and development of a sports arena, connection of private houses to water supply network;
- Re-organisation of road traffic in Daugavpils historical centre (communication and transport traffic scheme optimisation, establishing of cycling lanes);
- Renovation of tramlines and of surfacing between rails;
- Preparation of Daugavpils Business Park territory.

Most significant infrastructure development projects being planned:

- Construction of Daugavpils transport nodal point passage on Vidzemes, Piekrastes, A. Pumpura and Visku ielas. Planned implementation period 2008-2010.
- Construction of Daugavpils transport nodal point passage on Kandavas and Smilsu ielas. Planned implementation period 2010-2012.

- Development of international regional airport. Planned implementation period 2008-2013.
- Renovation of city traffic infrastructure. Within the framework of the project, many of the city's roads will be repaired. Planned implementation period 2008-2010.
- Development of the Business Park territory. Planned implementation period 2008-2011.
- Development of a business incubator. Planned implementation period 2009-2011.
- Development of Technological Park. Planned implementation period 2009-2011.

HUMAN RESOURCES

The courses offered by Latgale's education institutions are focused on subjects that do not require major investment (such as the purchase of expensive laboratory equipment). The outcome for the Daugavpils labour market is a large supply of lawyers, psychologists, economists and teachers.

In terms of employment, manufacturing was the leading sector in Daugavpils in 2007 with around 9 000 people or 20% of the total active workforce. Wholesale and retail trade was second with around 8 000 employees or 17%, followed by transport, storage and communication, employing some 6 000 Daugavpils residents or 13% of those employed. ([see Annex 7](#))

While the Daugavpils labour market offers an extensive range of job choices, the great majority are comparatively low paid enabling day-to-day expenses to be met, but insufficient for significant investment to improve quality of life.

Average gross salary in the Daugavpils public sector was EUR 671.59 (LVL 472) a month in the 4th quarter of 2008, but in the private sector, EUR 493.73 (LVL 347).

The city's employers outsource workers from other regions, towns and neighbouring countries. The positions available require highly skilled workers with sufficient education and experience in certain professions.

In Daugavpils, human resources with either higher education, or secondary-special, or secondary education are available. The majority of those employed in Daugavpils are skilled, service-sector and unskilled workers. The remainder comprises qualified specialists, accountants, office workers and managers.

Information on prevailing salaries is presented in [Annex 8](#).

EDUCATION INSTITUTIONS

In 2007, 23 comprehensive secondary schools were under the management of the Education Authority (13 schools providing secondary educational programmes – 11 secondary schools and 2 gymnasiums, and 10 schools providing basic education programmes) as were 28 pre-schools.

The following vocational education institutions and their branches operate in Daugavpils:

- Daugavpils 1st Vocational Secondary School

- Daugavpils 38th Vocational Secondary School
- Daugavpils Medical College
- Daugavpils Trade School
- Latgale Technical School of Transport and Communication
- College of Baltic International Academy

Annex 9 presents the numbers of graduates of Latgale vocational education institutions by specialisation in 2008.

Daugavpils possesses considerable academic potential (second only to Riga), as there are 12 higher education institutions (three are state-run ; two – Daugavpils University and the Transport and Telecommunication Institute – offer courses at all academic levels), some being local branches of other institutions:

- Daugavpils University (DU)
- Baltic International Academy (BIA)
- Higher School of Economics and Culture
- Information Systems Management Institute (ISMI)
- University of Latvia (LU)
- Transport and Telecommunication Institute (TTI)
- Higher School of Psychology (PSA)
- Riga Technical University (RTU)
- Higher School of Social Work and Social Pedagogy *Attīstība*
- Institute of Social Technologies (IST)
- Moscow State Industrial University (MSIU)
- Riga International School of Economics and Business Administration (RISEBA)

Daugavpils University is the largest higher education institution in Daugavpils and Annex 10 presents the number of its graduates in 2008.

In order to prepare and specialists and attract them over the long-term, large enterprises are establishing cooperation with Latgale education institutions, coordinating the scope of training programmes, helping to attract EU funding for laboratory development, under certain conditions partially covering costs for training their employees, offering work-experience opportunities, also building employees' loyalty by increasing salaries, encouraging the Daugavpils City Council to develop, in cooperation with enterprises, a construction programme for less expensive apartments intended for graduates, etc.

RESEARCH AND COMPETENCE CENTRES

Daugavpils University (DU) has the advantage over its rivals in that it offers doctoral studies in various scientific fields and has research institutions in natural sciences, pedagogy and social science. These institutes offer creative young people opportunities to participate in research in cooperation with the university's numerous foreign partners. New technologies are actively being developed at the DU through participation in EU-funded projects. One of the most illustrative examples is the DU Physics Department's Innovative Microscopy Centre, which is

one of the very few high-tech natural science laboratories not only in the Latgale region, but in the whole of Latvia. The laboratory is equipped so as to enable research into living organisms, with microscopy, in combination with laser impulses, providing the acquisition of information a million times more quickly than previously possible. In the long term, the Innovative Microscopy Centre will enable information on biological systems to be obtained at the cellular level, leading to opportunities to develop artificial biological materials.

A number of projects promise to make a major contribution in the future: the development of the Latgale Academic Park on the basis of the TTI competence centre and the DU and a technological park with cooperation between higher education institutions and the private sector.

The overall objective of these projects is the creation of the fundamental infrastructure for an innovative environment targeted at business development and support. Major elements include knowledge and business structures applying high technology solutions, the creation of an environment of cooperation; scientific structures engaged in further elaboration and academic structures preparing specialists for these fields

INVESTMENT INCENTIVES

In order to encourage investment, on 15 May 2008 the Daugavpils City Council approved Binding Regulations on the application of real estate tax reliefs in Daugavpils, under which real estate tax allowances can be as much as 50%.

Over the period 2008-2011, the Daugavpils City Council plans to construct the city Business Park and Technology Park, creating the infrastructure necessary for conducting business.

2009 sees the development of the Daugavpils Business Incubator to provide support to potential entrepreneurs and newly founded enterprises.

Daugavpils education institutions are cooperating with local businesses to adjust the content of their courses so that the enterprises can employ students whose skills and competencies have been tailored to spheres where these have been lacking.

CULTURAL LIFE AND RECREATION OPPORTUNITIES

The Daugavpils Fortress, built in the 19th century, is the only military construction in the Baltic region that has been preserved without major changes. Thus it is a unique urban historical monument featuring 80 sites of cultural and historic interest, buildings from the Late Classic to *Jugendstil*(*Art Nouveau*) eras which amaze with their stylistic diversity, particularly the red-brick facades and unique, filigree balconies.

In its day, the Daugavpils *Vienības nams* (Unity House) was the most modern multi-functional building in Latvia. It is also home to another symbol of the city – the Daugavpils Theatre, re-born and restored during the *Perestroika* era, where Latvian- and Russian-language troupes work side by side – as well as to the Latgale Central Library and the Daugavpils District Tourism and Information Centre.

The church ensemble *Jaunbūve* features churches of four confessions: St. Boris and Gleb Orthodox Cathedral (built in 1905, the largest orthodox church in Latvia), Martin Luther Church (1893), the Roman Catholic Church of Immaculate Conception of Virgin Maria (1902) and the Old Believer Church of the Nativity of the Theotokos and St. Nikola (1908/28).

Daugavpils hosts numerous cultural events on a regular basis: the Mark Rothko Art *Plein Air*, the Latgale Song Festival, a sacred choral music festival *Silver Bells*, Festival of Masks, Jazz Festival, Accordion Music Festival, etc. Daugavpils Ice Rink hosts the coaching of ice-hockey players at the city's Ice School and also international hockey tournaments. The penultimate race of the 2006 World Speedway Grand Prix Championship took place in Daugavpils. Construction of a multi-purpose indoor venue has been commenced.

At the beginning of each year, the sacred music festival *Silver Bells* is held in Daugavpils with the participation of choirs from Latvia, Lithuania, Estonia, Poland, Russia and other countries. In late February, in the intervals between Latvian traditional *Meteni*, Catholic Shrove Tuesday and Russian *Maslenica*, Daugavpils hosts international mask traditional festivals. Spring is time for the international Jazz Festival *Jazz joy spring* and the International Children's Ballet Festival.

Photos of Daugavpils are presented in [Annex 11](#).

CONTACT INFORMATION ON BUSINESS DEVELOPMENT ISSUES

Daugavpils Business Information Centre

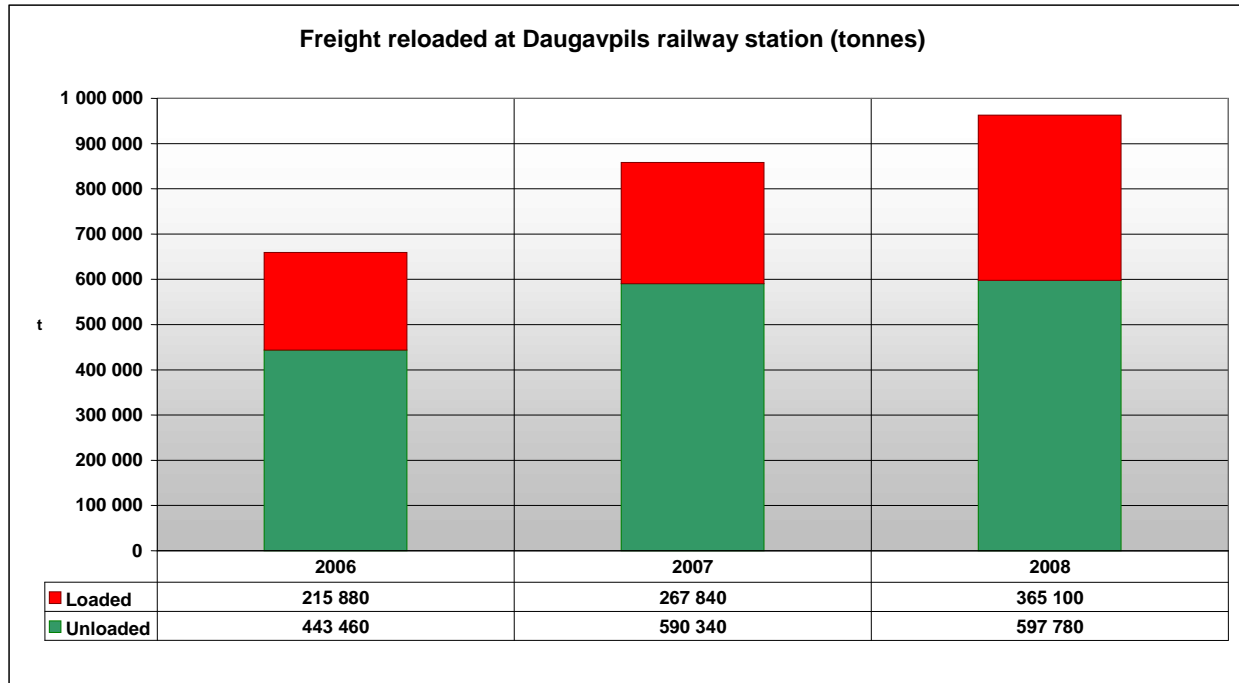
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2. RAILWAY STATISTICS

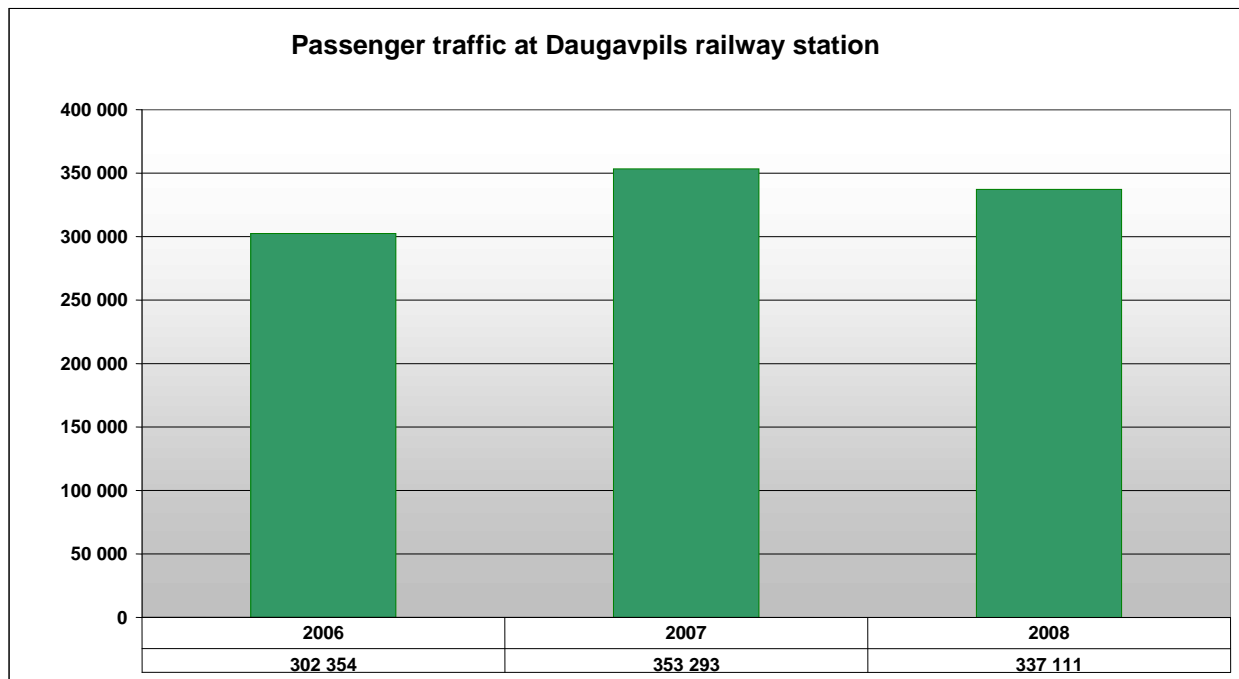
Freight



Source: *Latvijas Dzelzceļš* (www.ldz.lv)

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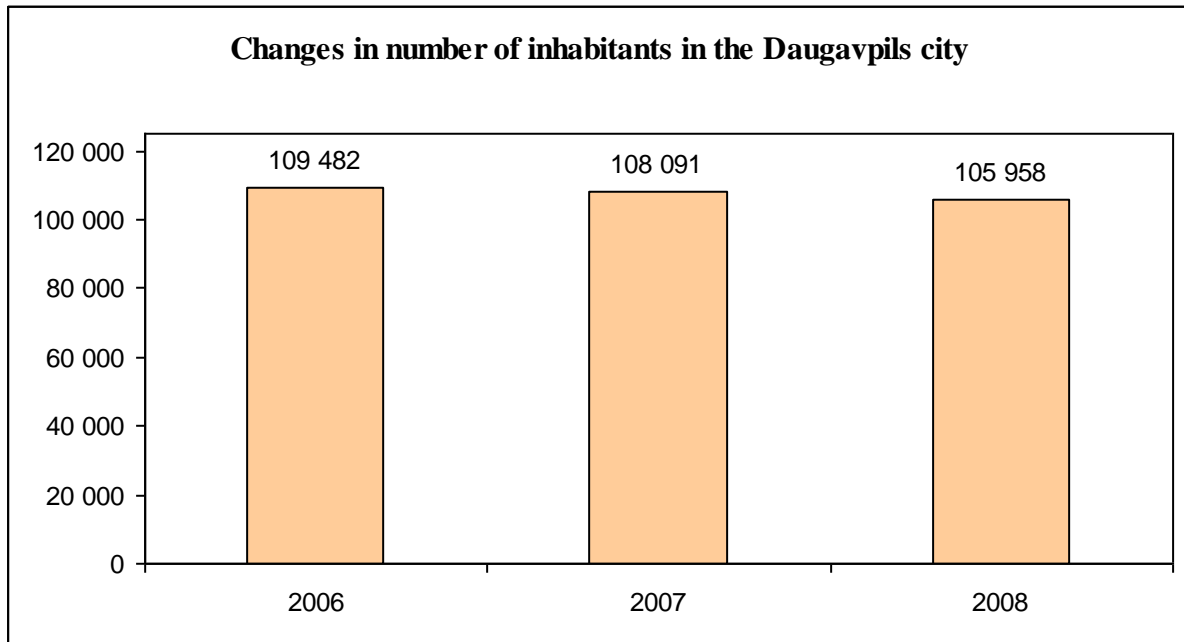
Passenger traffic



Source: *Latvijas Dzelzceļš* (www.ldz.lv)

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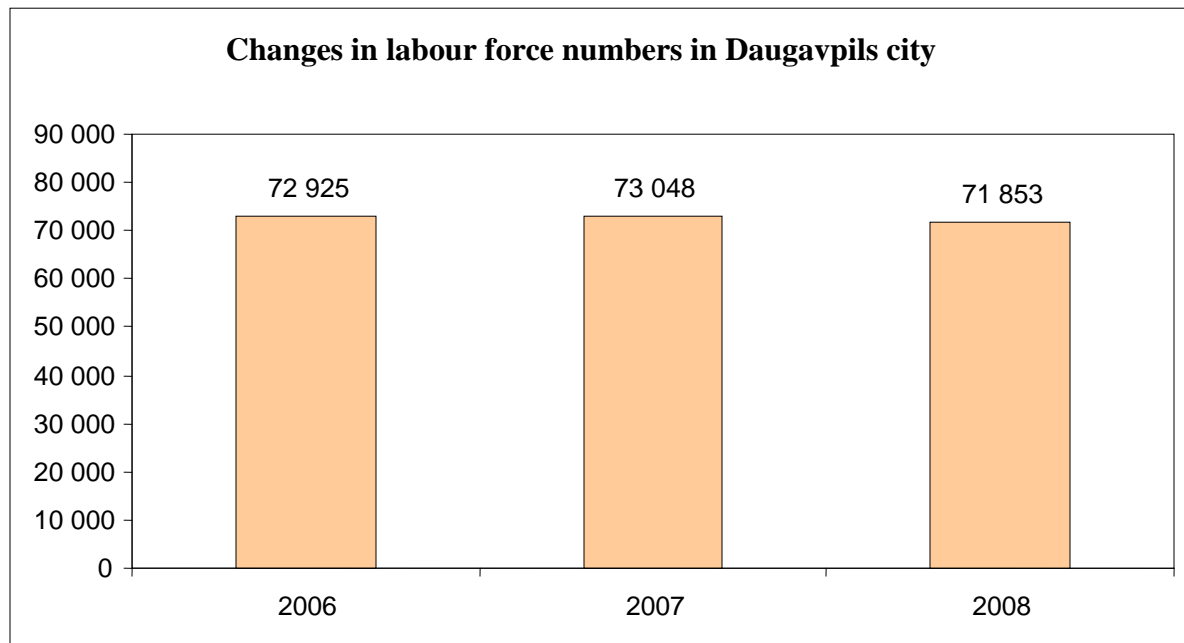
3. CHANGES IN NUMBER OF INHABITANTS 2006. – 2008.



Source: Central Statistical Bureau of Latvia (www.csb.gov.lv)

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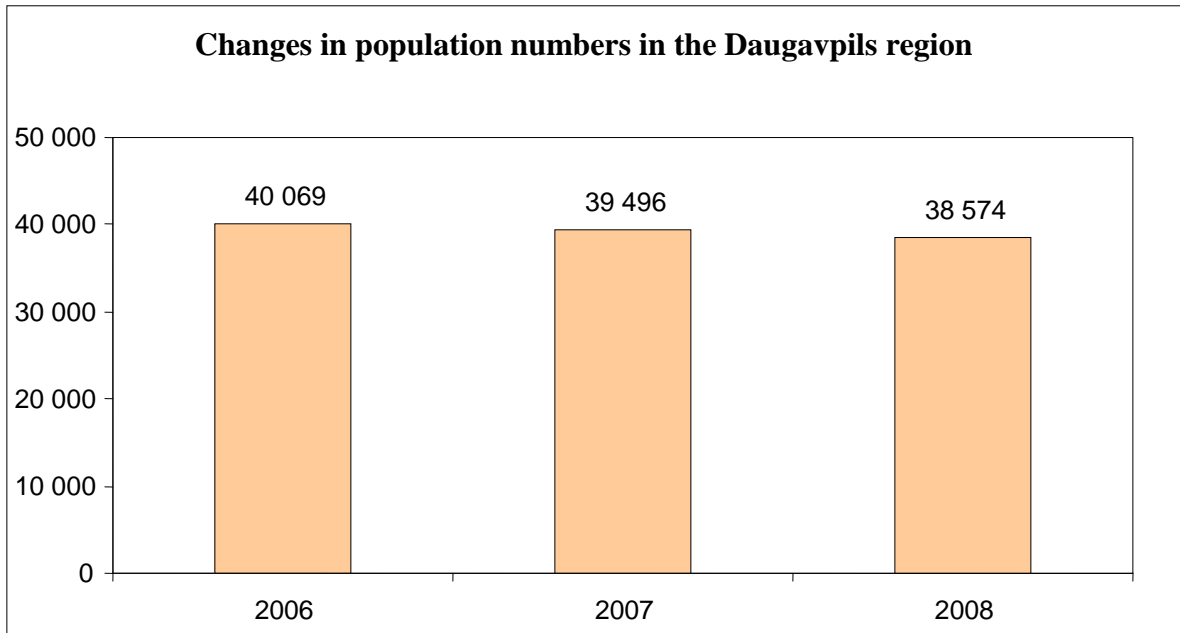
4. CHANGES IN LABOUR FORCE NUMBERS 2006-2008



Source: Central Statistical Bureau of Latvia (www.csb.gov.lv)

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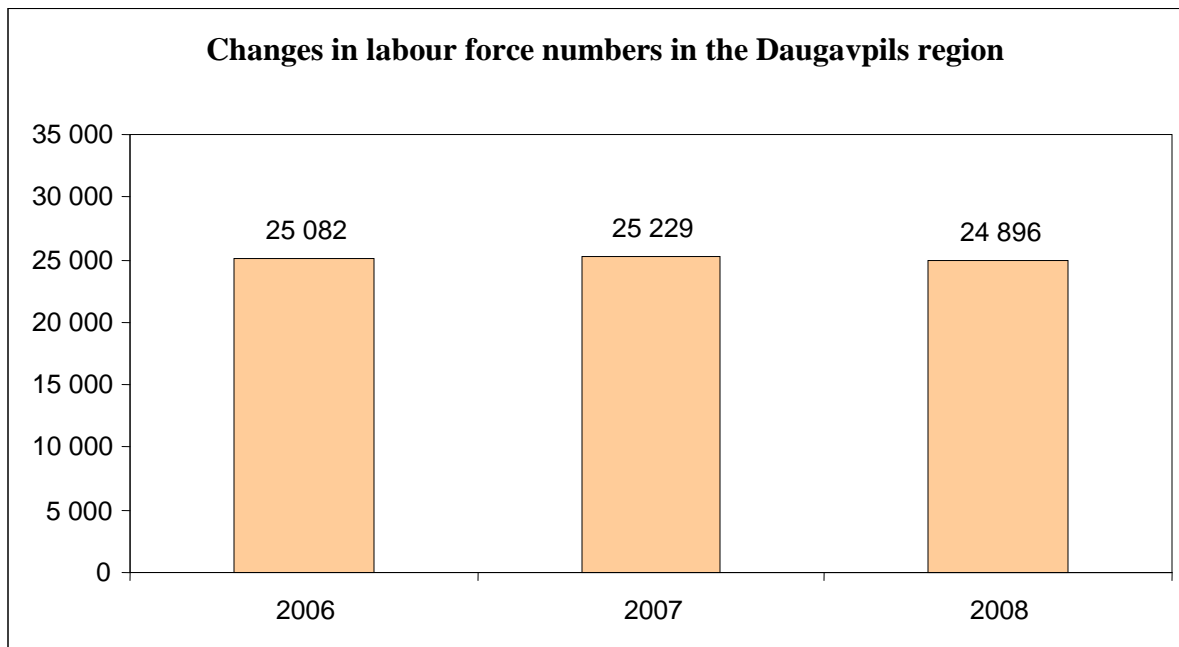
5. CHANGES IN POPULATION NUMBERS 2006-2008



Source: Central Statistical Bureau of Latvia (www.csb.gov.lv)

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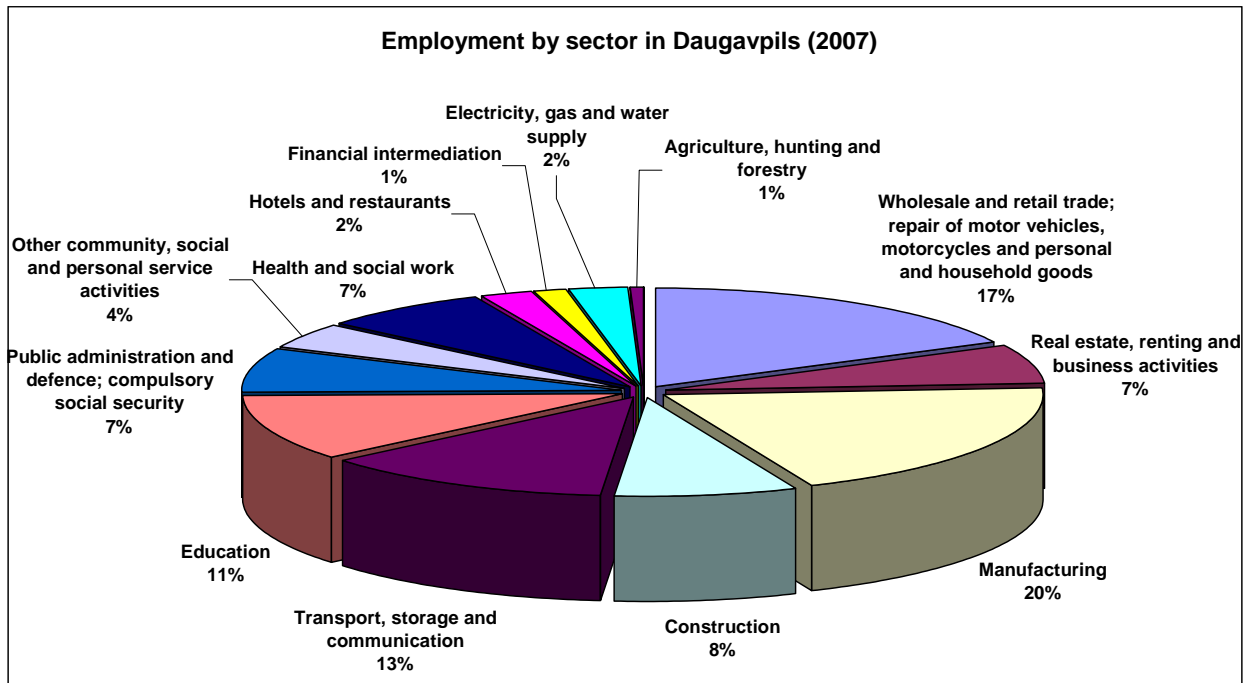
6. CHANGES IN LABOUR FORCE NUMBERS 2006-2008



Source: Central Statistical Bureau of Latvia (www.csb.gov.lv)

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7. EMPLOYMENT BY SECTOR



Source: Central Statistical Bureau of Latvia (www.csb.gov.lv)

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8. LABOUR FORCE MONTHLY SALARIES (TABLE)

Job category	Net Salary (EUR)		Gross Salary (EUR)		Total Employment Costs (EUR)	
	From	To	From	To	From	To
Director of an enterprise	1423	2134	1907	2860	2366	3549
Technical director	711	1423	953	1907	1183	2366
Engineer	569	854	763	1144	946	1420
Shift foreman	569	854	763	1144	946	1420
Skilled operator	356	569	477	763	591	946
Unskilled workers	285	427	381	572	473	710

Source: CVO Recruitment Latvia (www.cvor.lv)

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9. EDUCATION STATISTICS

Numbers of graduates from Latgale vocational education institutions by specialisation in 2008

Specialisation	Number of graduates
Visual Plastic Art	4
Music and Performing Arts	29
Design	84
Craft	3
Wholesale and retail trade	113
Accountancy and Taxes	23
Secretarial and office work	100
Computer Science	130
Mechanics & Metal working	22
Power engineering	117
Mechanics	295
Textile Technology and Manufacturing	49
Wood Technology and Manufacturing	118
Construction and Civil Engineering	301
Agriculture	12
Fishery	5
Veterinary	10
Hotel and restaurant services	290
Tourism and Recreation	32
Beauty Services	42
Transport	67

Source: Ministry of Education and Science (www.izm.gov.lv)

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10. EDUCATION STATISTICS

Specialisation	Number of graduates
Art	24
Biology	33
Computer design	11
Computer science	21
Economics	41
Educational psychology	12
Environmental Science	21
Environmental Planning	12
History	22
Interpreting (English)	15
Intercultural Relations	20
Literature-Science	4
Law-Science	93
Mathematics	16
Languages	79
Physics	5
Psychology	50
Sociology	56
Public and institutional management	162

Source: Ministry of Education and Science (www.izm.gov.lv)

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11. PHOTOS



Photo: Guntars Gedroics

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