

# Rezekne

## **GEOGRAPHICAL LOCATION**

Rezekne lies in the east of Latvia, at the centre of the Latgale region. Rezekne is a city of national significance because its position at the intersection of two strategically important road and rail routes (Riga - Moscow and Saint Petersburg - Warsaw) creates excellent preconditions for further successful development.

In geographic terms, Rezekne is close to the Russian, Lithuanian and Belarus borders. The city is located 242 km from Riga, 685 km from Moscow, 450 km from Saint Petersburg and 860 km from Warsaw ([see Annex 1](#)).

## **TRANSPORT INFRASTRUCTURE**

Rezekne lies at the intersection of the Trans European traffic network (TEN) of the E22, E262 road routes and the Riga - Moscow and Saint Petersburg - Warsaw rail routes. The city's internal transport network is integrated with vehicular traffic on the said routes. Traffic intensity has been increasing annually, both in terms of transit freight vehicles and car numbers.

Rezekne hosts one of the most significant railway junctions in the eastern part of the Latvian railway system where the main Riga - Moscow line crosses the Saint Petersburg - Warsaw route. It consists of two yards, with branch lines from Rezekne I Station to the engine depot, whereas Rezekne II Station has numerous branch lines to enterprises and the warehouse complex in the city's industrial zone. In 2006, the freight acceptance and distribution centre Rezekne III was constructed outside the administrative borders of the city. Railway traffic is the basis for logistics-services development in the city, taking advantage of the Rezekne Special Economic Zone.

In 2008, 622 200 tonnes of freight were reloaded at Rezekne's railway stations and 223 399 passengers commenced or completed their journeys here ([see Annex 2](#)). Railway services are provided by [Latvijas Dzelzceļš](#) (Latvian Railways).

The airport, which is under the jurisdiction of the Ministry of Defence, is located 8 km from Rezekne and its development for civilian use is planned to commence in 2013.

## **CITY STATISTICS**

The city takes up 1748 ha of which 1211 ha or 69% is built-up, 214 ha (12%) is parkland, and 250 ha (14%) is the industrial zone. Within the city's borders there are a number of unoccupied land plots reserved for public, business and residential construction.

Rezekne city centre includes residential buildings, retail and service outlets, and public administration buildings. Some industrial and utility sites are located on the southern bank of the Rezekne River, but the largest industrial facilities are in the northern part of the city.

Rezekne has 35 883 residents ([see Annex 3](#)) of whom 24 002 are of active working age ([see Annex 4](#)).

The city's population density in 2008 was 1 993.5 people per km<sup>2</sup> (CSB data, November 2008).

In September 2008, Rezekne had 5 250 students (Rezekne City Council data).

Rezekne's unemployment rate at the end of 2008 reached 11.8%, which is a little above the national average.

The number of enterprises in Rezekne, as at December 2009, was 1,624.

According to Central Statistical Bureau data, average gross salary in the second quarter of 2008 was LVL 341, which is lower than the national average (LVL 538).

## **REGIONAL STATISTICS**

The population of the Rezekne region is 39 784 ([see Annex 5](#)) of whom 24 002 are of active working age ([see Annex 6](#)).

Population density in the Rezekne region in 2008 was 14.2 people per km<sup>2</sup> (CSB data, November 2008).

The unemployment rate for the Rezekne region was 16.6%, relatively high compared to the national average (State Employment Agency data, October 2008). The recent increase in the unemployment rate (by 0.1% since September 2008) can be explained by decreases in the number of employees of Rezekne enterprises.

## **BUSINESS ACTIVITIES**

Looking at the distribution of enterprises by national economic sectors, in Rezekne a significant part is taken up by retail companies, followed by various services, financial intermediation and real estate. Rezekne also hosts significant business activity in the industrial, construction, transport and communications sectors.

According to Lursoft statistical data, 4 946 enterprises were registered in the Rezekne region as at November 2008, of which 3 343 were active. In 2008, 201 new enterprises were registered, but 78 were liquidated, both less compared to 2007 and 2006. In 2007, figures were 233 new and 155 liquidated enterprises and in 2006, 218 and 101 respectively.

Rezekne has a Special Economic Zone, a territory of 1220 ha spread between the city and the [Veremi](#) and [Griskani](#) rural municipalities. Enterprises that have obtained [Rezekne Special Economic Zone](#) status and carry on business within the territory of the RSEZ are entitled to significant real estate and corporate income tax allowances. There are opportunities to develop vacant land plots, enabling enterprises to obtain excise tax and VAT exemptions on import and export operations.

The [Latgale Equipment-manufacturing Technology Centre](#) operates in Rezekne and is also the home of the [Rezekne Business Incubator](#).

The largest enterprises with foreign capital operating in Rezekne are:

- [LEAX Baltix](#) is a branch of a Swedish company the [LEAX Group](#), engaged in metal processing.
- Latvian-Belgian joint venture [Baltiks East](#) is engaged in the export of flax fibres, linen ribbons, linseed, and the manufacture of ready-to-wear linen clothing.
- [K-Rauta](#) retails construction, gardening and household equipment and is a branch of Finnish company, the Kesko Group.
- Latvian-Russian joint venture Kaskad retails furniture, lighting fixtures and other household appliances.
- [Hansas maiznīca](#) – branch of Finnish company, food processing.

The largest Latvian companies operating in Rezekne are:

- Rēzeknes Dzirnāvieks – food processing.
- Rekor Ltd – production of timber and PVC windows, furniture.
- Verems, a woodworking enterprise, which is a branch of [Latvijas Finieris](#).

#### **FOREIGN INVESTMENT PROJECTS**

The largest foreign investment projects in Rezekne:

1. [Baltiks East](#) is a Latvian-Belgian joint venture exporting flax fibres, linen ribbons, linseed and manufacturing ready-to-wear linen clothing. Currently 93 people are employed but no information was available on the amount of investment.
2. [LEAX Baltix](#) is a branch of a Swedish company LEAX Group, engaged in metal processing. At present 50 people are employed at the Rezekne branch where EUR 5 million has been invested.
3. The [K-Rauta](#) retail centre in Atbrīvošanas aleja opened in 2008 and has 45 employees . A total of up to EUR 2.5 million was invested.
4. The [Selver](#) retail centre at Atbrīvošanas aleja 138 opened in 2008 and has 50 employees. A total of around EUR 1.5 million was invested.
5. The [Maxima](#) retail centre opened in 2005 and has 50 employees. A total of around EUR 2.5 million was invested

#### **INFRASTRUCTURE DEVELOPMENT PROJECTS**

The most significant infrastructure development projects implemented in the city of Rezekne:

- Construction of a centralised water supply system – construction of a water-main network within the city. Implementation of the project resulted in the supply of high-quality water to residents in conformity with national standards, removing iron from drinking water.
- Reconstruction of the bridge across the Rezekne River on N. Rancana iela.

The most significant city infrastructure development projects at the planning stage:

- Reconstruction of Atbrīvošanas aleja and traffic flow, ensuring access to Rezekne as the centre of East Latvian culture and education. The planned implementation period is 2008-2010. The project will see the reconstruction of two kilometres of the street, reconstruction of traffic flow anticipating construction of a 4-lane vehicular and pedestrian tunnel.
- Reconstruction of Raiņa iela in Rezekne. The planned implementation period is 2008-2010.
- Construction of a pedestrian path in Rezekne's underdeveloped territories . The planned implementation period is 2008-2010. The path will connect strategic sites – the East European creative services centre, concert halls, bus station and bridges across the Rezeknes iela – landscaping will be improved, street lighting upgraded, the necessary communications constructed, as will be recreation areas – park benches, pedestrian bridges across the Rezekne River.
- Construction of a pedestrian bridge across the Rezekne River on Krasta iela. The planned implementation period is 2009. The construction of the bridge will increase the potential for the development and facilitate entrepreneurship in the historic centre of the city.
- Reconstruction of Zilupes iela, i.e., the city's through traffic route. The planned period of implementation is 2009-2010, and 2.6 km of road within the city will be upgraded to improve freight-transportation road infrastructure.

## **HUMAN RESOURCES**

The population of Rezekne is 35 883 (2008) and 24 002 are of active working age.

The leading sector in Rezekne in terms of numbers employed in 2007 was manufacturing, engaging about 3 500 people or 18% of those employed. Second was wholesale and retail which in 2007 employed around 3 000 people or 17% and third was transport, storage and communication with more than 2 000 people or 13% of all employed. ([see Annex 7](#))

Employees in the following professions are available in Rezekne: managers, senior specialists, specialists, civil servants, service and commercial employees, skilled agricultural and fisheries employees, skilled workers and craftsmen, equipment and machine operators and production fitters, etc.

The average monthly gross salary in Rezekne's public sector, in the final quarter of 2008 was EUR 695.78 (LVL 489), but in the private sector – EUR 507.96 (LVL 357).

A Table with average salaries in the Rezekne region by employee category can be seen in [Annex 8](#).

## **EDUCATION INSTITUTIONS**

The city of Rezekne is a regional education centre with all levels of education represented, including special-interest, vocational and higher education institutions.

The city has ten general education institutions, eleven pre-schools, a Schoolchildren's Special-interest Centre, a Sports School and a Regional Computer Centre. There are five higher education institutions, six colleges and vocational education institutions.

### **Vocational education**

The Rezekne Art Secondary School offers eight accredited four-year education programmes: fashion design, ceramics, woodwork design, applied art, visual and plastic arts and restoration.

The [Rezekne Vocational Secondary School](#) and the 14<sup>th</sup> Industrial School are the largest vocational training institutions in east Latvia in terms of the number of trainees. The Rezekne Vocational Secondary School offers the following training programmes: computer systems (qualification: computer system technician), hotel service (qualification: hotel service specialist), catering (qualification: catering service specialist) and food technology and equipment (qualification: food technologist). In turn, the 14<sup>th</sup> Industrial School is more oriented to the construction and woodworking sectors and offers training programmes as follows: furniture making (qualification: cabinet-maker), construction, financial management, office work organisation and management, plastering and transport.

The Rezekne Music Secondary School offers the following education programmes: choir conducting, string instruments, wind instruments, music theory, piano and academic singing.

The [State Border Guard College](#) is a state-funded education institution, subordinate to the State Border Guard, offering the opportunity to acquire graduate-vocational education and the fourth level of vocational education. Upon the successful completion of their studies, all cadets are employed by the State Border Guard.

### **Higher education institutions**

The city has six higher education institutions – the [Rezekne Higher Education Institution](#), [Baltic International Academy](#), the Rezekne branch of the [Higher School of Social Work and Social Pedagogy Attīstība](#), the Rezekne branch of the [Riga Aeronautical Institute](#), the Latgale branch of the [Latvian Academy of Arts](#) and a [branch of Daugavpils University](#).

The [Rezekne Higher Education Institution](#) is the largest higher education institution and qualifications can be obtained through full- and part-time study in four faculties: Economics, Humanities and Law, Engineering and Pedagogy. In the 2008/2009 academic year, 3 033 students attended courses. For statistics regarding graduates in 2008 see [Annex 9](#).

## **RESEARCH AND COMPETENCE CENTRES**

Scientific research is carried out at four of the six higher education institutions: [Rezekne Higher Education Institution](#), [Baltic International Academy](#), the Latgale branch of the [Latvian Academy of Arts](#) and the [State Border Guard College](#).

Four scientific research institutes operate at the [Rezekne Higher Education Institution](#), each of their major research fields being linked to a specific faculty.

- Research fields of the scientific research institute of the Faculty of Economics: optimisation of Latgale's economic and social development, economic and

social-psychological innovation and their impact in Latgale, tourism development opportunities in Latgale, attraction of financial resources, analysis and management.

- Faculty of Humanities and Law scientific research institute's research fields: text reception: theory and practice, comparative study of Baltic languages, history, modern legal system development problems.
- Faculty of Engineering scientific research institute's research fields: integrated research of environmental-protection and control-efficiency enhancement problems, modelling and study of the properties of substances, materials and physical processes, heuristics, mechanics, alternative energy sources, eco-technologies.
- Faculty of Pedagogy scientific research institute's research fields: improvement of education quality, teaching methods for domestic science and economics, research into the psychological aspects of human migration in Latgale, development of a support system for children with special needs at secondary schools.

### **INVESTMENT INCENTIVES**

In order to increase interest in investment, the [Rezekne Special Economic Zone \(RSEZ\)](#) was founded in 1997 with a territory of 1220 ha spread across the city of Rezekne and the Veremi and Griskani rural municipalities. Enterprises that have obtained Rezekne Special Economic Zone status and carry out business in the RSEZ are entitled to significant real estate and corporate income tax allowances. There are opportunities to develop vacant land plots, enabling enterprises to receive excise tax and VAT exemptions for import and export operations.

### **CULTURAL LIFE AND RECREATION OPPORTUNITIES**

The city of Rezekne embodies a multi-cultural environment. There are four national associations – Poles, Belarusians, Ukrainians and Russians – each of which run Sunday schools to teach children their languages and conserve traditions and customs.

Being in the centre of the Latgale region, Rezekne has established a tradition of choir festivals. Since 2005, Rezekne has also hosted the International Baroque Days, when choirs sing with the Swiss Chamber Orchestra and record well-known compositions.

In Rezekne, theatre is well represented by the Russian Folk Theatre, theatrical studio *Joriks* and the Rezekne Folk Theatres; there are also seven amateur theatres in the Rezekne district.

Rezekne has a state-accredited museum, the Latgale Culture and History Museum. The exposition has acquired regional significance, with a significant proportion of national cultural and historical heritage being on view.

The city has a network of libraries including 18 special-interest, four public and one scientific library.

The construction of large concert hall is planned to be commenced shortly, with a capacity of more than 1000 seats.

For photos of the Rezekne city, please see [Annex 10](#).

#### **CONTACT INFORMATION ON BUSINESS DEVELOPMENT ISSUES**

**Rezekne City Council  
Development Department**

Phone: (+371) 646 07660

Fax: (+371) 646 07606

[dome@rezekne.lv](mailto:dome@rezekne.lv)

[www.rezekne.lv](http://www.rezekne.lv)

**Ms. Sandra Ezmale**

Member of the Board

Rezekne Special Economic Zone

Phone: (+371) 646 25941

Fax: (+371) 646 25941

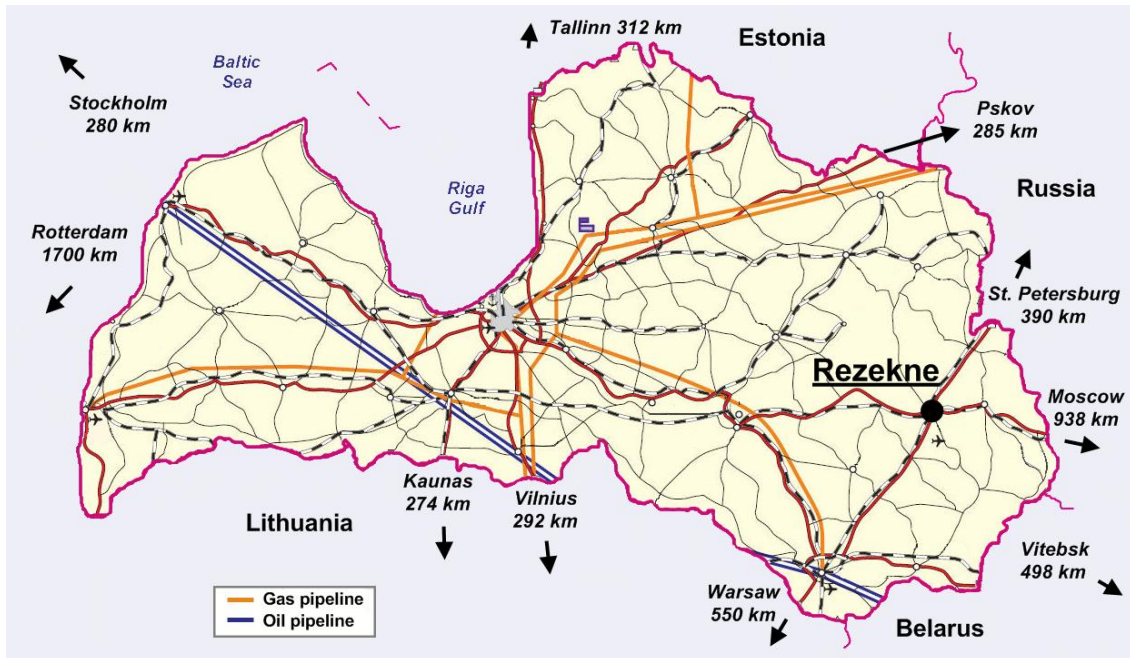
[info@rsez.lv](mailto:info@rsez.lv)

[www.rsez.lv](http://www.rsez.lv)

## ANNEXES

### 1. GEOGRAPHICAL LOCATION OF THE CITY (MAP)

#### Rezekne location on the map of Latvia



[Back ↑](#)

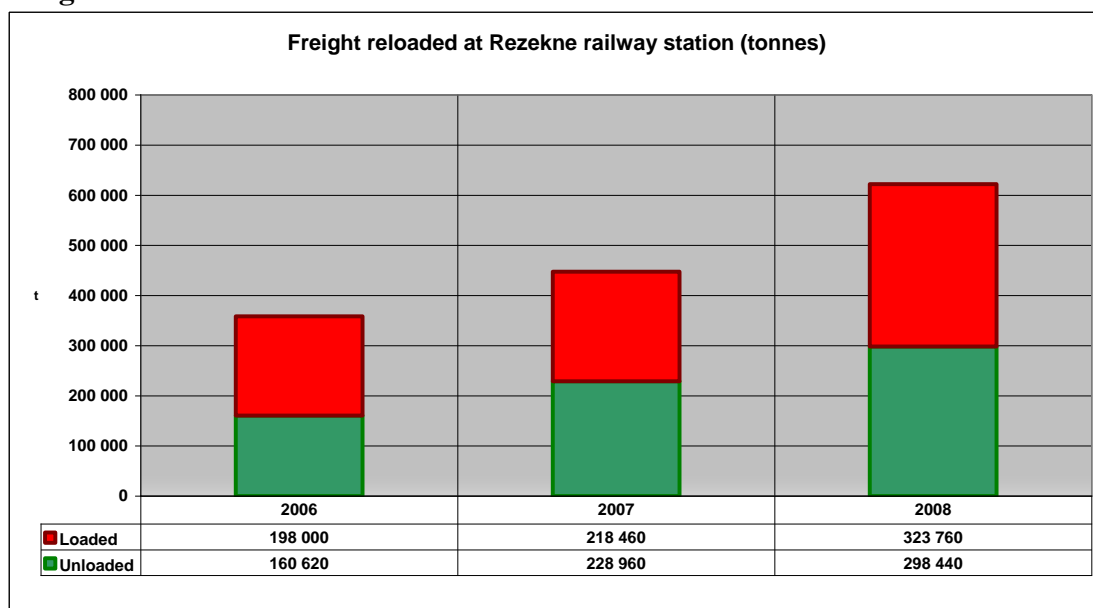


Source: ZL Hotline web page ([www.zl.lv](http://www.zl.lv))

[Back ↑](#)

## 2. RAILWAY STATISTICS

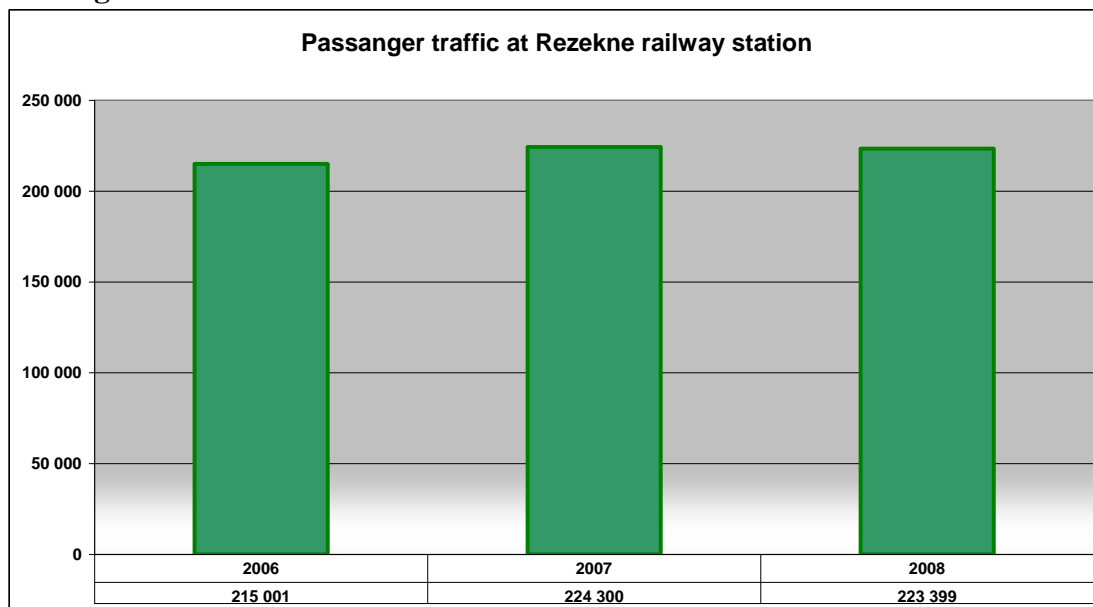
### Freight



Source: SJSC Latvijas Dzelzceļš ([www.ldz.lv](http://www.ldz.lv))

[Back ↑](#)

### Passenger traffic

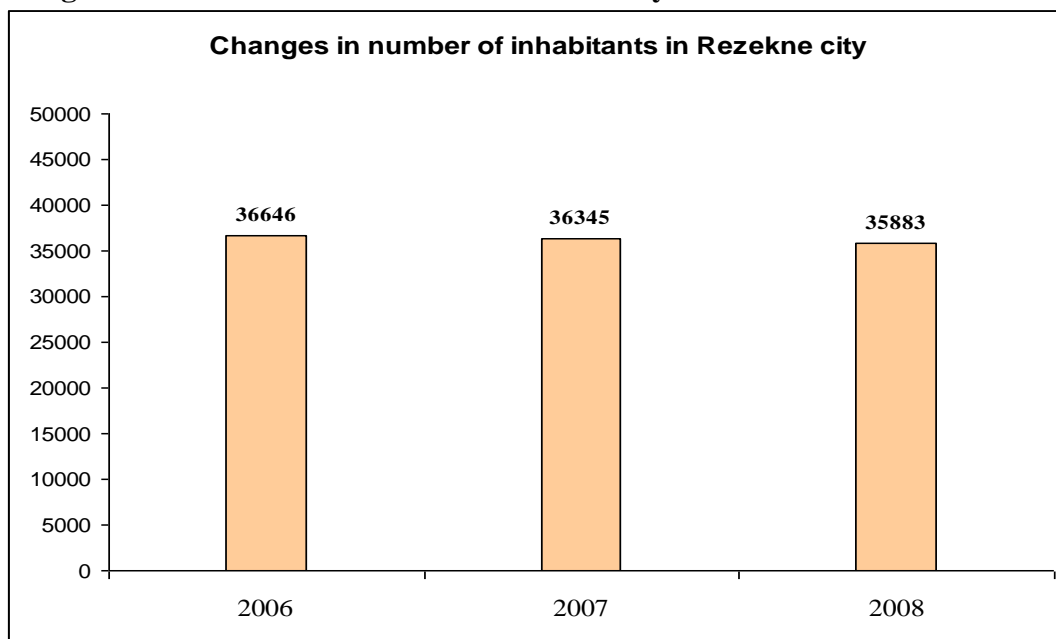


Source: SJSC Latvijas Dzelzceļš ([www.ldz.lv](http://www.ldz.lv))

[Back ↑](#)

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

#### Changes in number of inhabitants in Rezekne city



Source: Central Statistical Bureau of Latvia ([www.csb.gov.lv](http://www.csb.gov.lv))

[Back ↑](#)

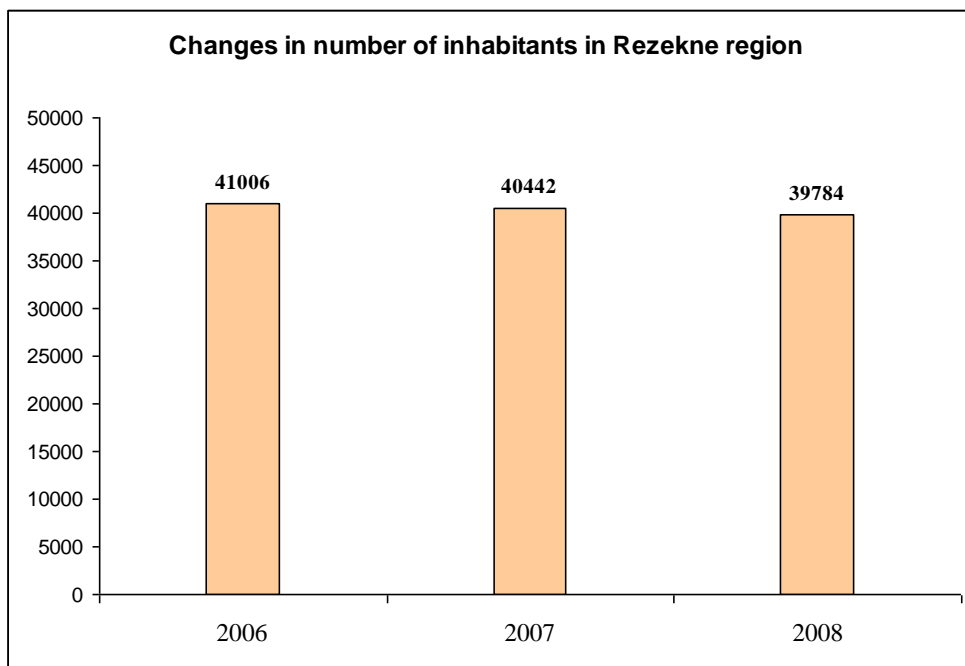
### 4. CHANGES IN NUMBER OF LABOUR FORCE 2006. - 2008.



Source: Central Statistical Bureau of Latvia ([www.csb.gov.lv](http://www.csb.gov.lv))

[Back ↑](#)

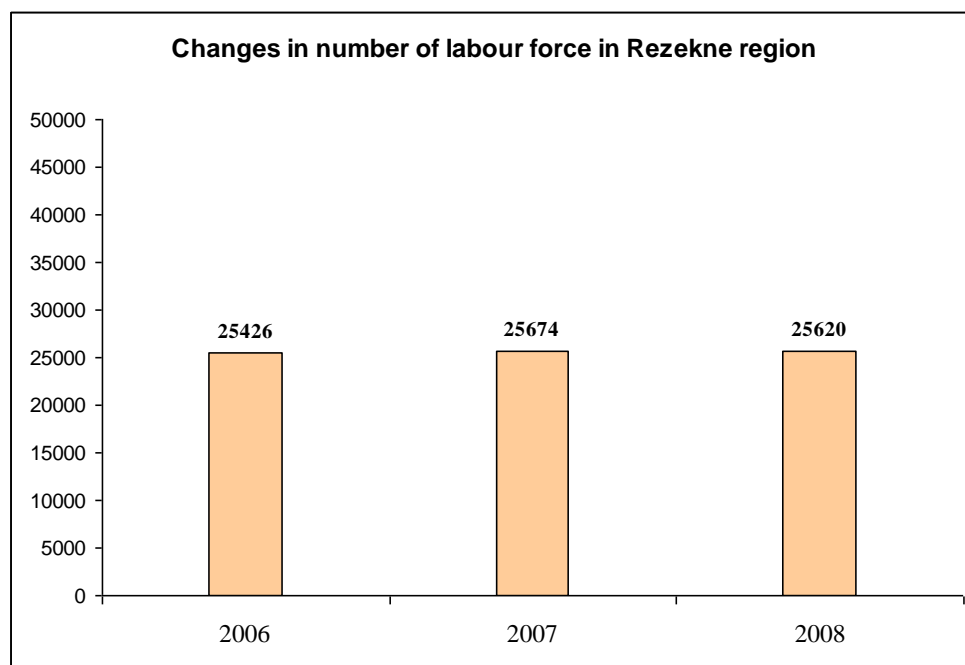
## 5. CHANGES IN NUMBER OF INHABITANTS 2006. – 2008.



Source: Central Statistical Bureau of Latvia ([www.csb.gov.lv](http://www.csb.gov.lv))

[Back ↑](#)

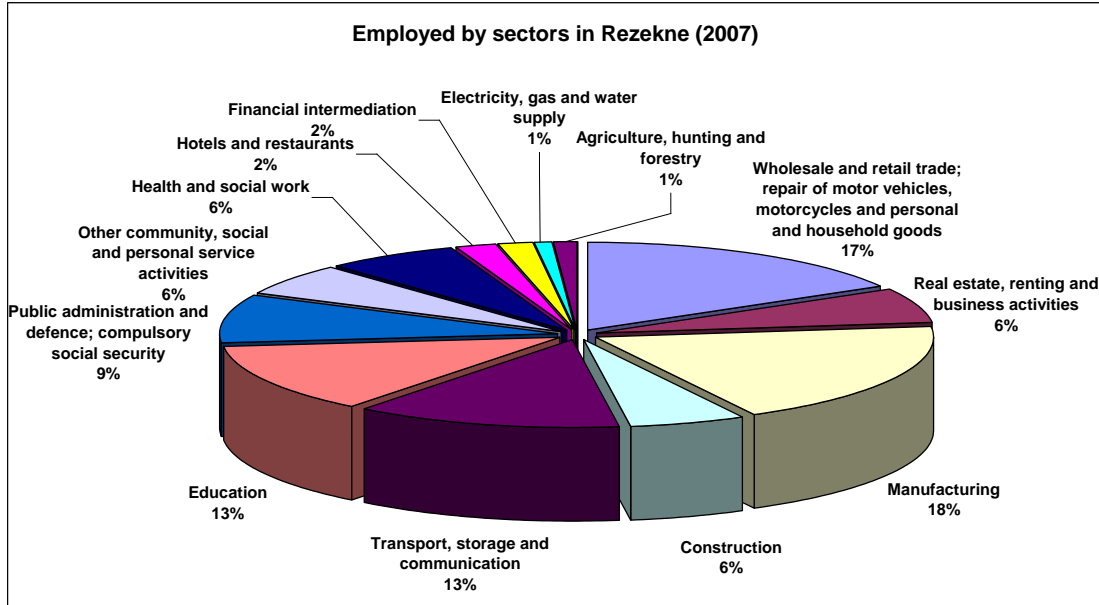
## 6. CHANGES IN NUMBER OF LABOUR FORCE 2006. - 2008.



Source: Central Statistical Bureau of Latvia ([www.csb.gov.lv](http://www.csb.gov.lv))

[Back ↑](#)

## 7. EMPLOYED BY SECTORES



Source: Central Statistical Bureau of Latvia ([www.csb.gov.lv](http://www.csb.gov.lv))

[Back ↑](#)

## 8. AVERAGE LABOUR FORCE EXPENSES (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](http://www.cvor.lv))

[Back ↑](#)

## 9. GRADUATES STATISTICS

### Statistics of graduates in 2008 of Rezekne Higher Education Institution

Specialisation	Number of graduates
Environmental design	12
Philology	11
Business	4
Archive science	7
Computer system	11
Economics	153
Environmental Engineering	50
Environmental Protection	15
Finance	25
Financial management	28
History	13
Law-Science	27
Law	61
Management Science	61
Software Programming	22

Source: Rezekne Higher Education Institution ([www.ru.lv](http://www.ru.lv))

[Back ↑](#)

## 10. PHOTOS



Photo: L. M. Kundzisa

[Back ↑](#)



Photo: Aleksandrs Lebeds

[Back ↑](#)



Photo: Andris Abolins

[Back ↑](#)



Photo: Janis Litavnieks

[Back ↑](#)