

Ventspils

GEOGRAPHIC LOCATION

The city of Ventspils is located in the north-west of Latvia where the Venta river flows into the Baltic Sea, 189 km from capital city Riga.

Ventspils covers an area of 5 536.7 ha of which 47.8% is built-up, the rest being water (13.1%) and green areas (24.9%). 2 623.9 ha (47.3%) of the Ventspils city is occupied by a special economic zone – the Ventspils Free Port. ([see Annex 1](#))

Weather conditions in Ventspils are determined by its coastal location. The climate is unequivocally coastal with relatively mild winters and autumns and cool summers and springs.

TRANSPORT INFRASTRUCTURE

Ventspils city possesses a developed and diverse transport infrastructure, comprising almost all transport types, i.e., a port, a railway, roads, an airport and a bulk pipeline, as well as other transport-related infrastructure.

Port

[Ventspils Port](#) is one of the deepest ports on the Baltic Sea (maximum depth is 17.5 m) and is ice-free throughout the year. The port covers an area of 2 623.9 ha and hosts large-capacity terminals handling various cargoes – oil products, liquid chemical products, mineral fertilizers, metal, timber and fish products, coal, containers and Ro-Ro cargo.

Railway

Ventspils also holds a leading position in Latvia in terms of rail freight. Overall, Ventspils has an annual capacity of 37 million tonnes of rail freight, the highest in the Baltic region. Currently, around 20 million tonnes of this capacity is taken up ([see Annex 2](#)). The Ventspils rail network is a branch of the East-West transit railway corridor.

2008 saw the resumption of the passenger train route between Ventspils and Riga. (www.ldz.lv)

Roads

Road traffic is an important part of the Latvian and Ventspils transport systems. Ventspils, thanks to its advantageous geographical location and ice-free port, has already been an important component of the East-West corridor for many years. Ventspils is part of the IX European transport corridor of the E22 European route which crosses Latvia in an east-west direction (Great Britain – the Netherlands – Germany – Sweden – Latvia (Ventspils) – Russia).

Airport

Air transport is available at the [Ventspils Airport](#). The Airport services private flights, commercial flights and regular flights by aircraft not exceeding 30 tonnes (MTOW).

Pipelines

The Ventspils oil and oil-product transit corridor comprises trunk pipelines together with terminals. The trunk pipeline system consists of one oil pipeline and one oil-product pipeline. The oil pipeline, Polozk-Ventspils, has an annual capacity of 16 million tonnes

and the parallel oil-product pipeline can handle 5 million tonnes per year. The Latvian oil-transit corridor to Ventspils can be considered one of the most cost-effective, technically advanced and environmentally safe oil-transit corridors available.

CITY STATISTICS

In terms of number of residents Ventspils is the sixth largest city in Latvia having a population of 43 299 at the beginning of 2008. The last few years have seen Ventspils trend towards a reduction in numbers of residents ([see Annex 3](#)).

The proportion of Ventspils city residents of active working age is higher than the Latvian average ([see Annex 4](#)).

The unemployment rate in Ventspils was the second lowest in Latvia in October 2008, when it was 3.9%.

Currently, Ventspils is home to 1342 economically active enterprises.

About 40% of residents of active working age have either higher or secondary-vocational education. Ventspils hosts approximately 1400 students.

REGIONAL STATISTICS

Residents of the region tend to work in the nearest town. A large proportion of the regional population works in Ventspils and frequently these people move to the city for work reasons. At the beginning of 2008, the population of the Ventspils region was 13 818 ([see Annex 5](#)).

At present, around 500 enterprises provide employment in the region.

Similarly to Ventspils, the proportion of people of active working age in work is higher than the Latvian average ([see Annex 6](#)).

The Ventspils region has the third lowest unemployment rate in Latvia, being 4.8% in October 2008.

BUSINESS ACTIVITY

Ventspils's location, as well as the presence of the port within the city, have significantly influenced the structure of the city's economic sectors, as well as its overall economic development. Ventspils is one of the most economically developed and active Latvian regions.

The most significant economic sector in Ventspils is transport and communications, whose proportion of value-added generated reaches 40%. The largest enterprises, well-known outside the city, such as [Ventspils nafta](#), Ventspils tirdzniecības osta and [Ventbunkers](#), all operate in the transport sector.

The second most important economic sector is trade (wholesale, retail, vehicle and household appliance repairs), whose proportion of value-added generated exceeds 6.4%. In recent years, the trade sector has become the city's most rapidly growing. It is expected that the proportion of the trade sector in the city's economy will continue to grow. The largest trade enterprises in Ventspils are Diāna and official dealers of the leading automobile manufacturers, for example, [Domenikss](#) is the official dealer for Mercedes Benz, The largest foreign enterprises operating in Ventspils are [Rimi Latvia](#) . (Sweden) and [Volvo Trucks Latvia](#) (Sweden).

As Ventspils has been actively undertaking the improvement and streamlining of the city's infrastructure, as well as constructing extensive new infrastructure and industrial facilities, for more than ten years, the third most important economic sector is construction. This sector generates 5.6 % of value-added in the city. As the construction of new facilities is planned, this sector is expected to grow considerably in the near future. The largest construction firms in Ventspils are [Venceb](#), [BMGS](#), Arbo, [DCM-Montāža](#) and Ventceltnieks. Overall, more than 50 Ventspils enterprises operate in construction and repair services.

Currently, industry generates about 2.3% of value-added in Ventspils. An industrial development strategy for the territory of [Ventspils Free Port](#) was adopted in 2004 and this sector continues to be a high priority for the municipality.

The largest processing industries in Ventspils are food processing, wood processing, metal working and machine manufacturing, with the largest enterprises being Arbo, [Ventspils Elektronikas Fabrika](#), [Baltic Supplying Group](#) and [Bio-Venta](#). The largest foreign enterprise operating in Ventspils is [Bucher Schoerling Baltic](#) (Switzerland).

FOREIGN INVESTMENT PROJECTS

The last five years have seen several manufacturing-development projects attracted to Ventspils, the most significant being:

- [Bucher Schoerling Baltic](#), a branch of one of the leading Swiss machine manufacturing enterprises, was founded in 2004. During the first phase of operation, the enterprise employed 50 people. In summer 2008, the company commenced the second phase and launched production in new premises, increasing the number of people employed to 81. The amount of investment was around EUR 200 000.
- [Malmar Latvia](#) is a branch of Belgian company De Pecker Holding. Malmar Latvia is engaged in the production of metal structures for machine manufacturers. The company commenced operations in 2006 and created 15 new workplaces, but this number may gradually increase to as many as 2 000 if development continues as planned.
- [Froli Baltic](#) is the first production unit of German enterprise [Froli Kunststoffwerk](#) outside Germany. Froli Baltic designs and manufactures innovative, high-quality plastic articles for various sectors. For the present, the enterprise employs 22 people. The amount invested was close to EUR 350 000.

In Ventspils, the service sector connected with the transport and communications sphere is particularly well developed. The most significant recent developments by companies in this sector include:

- The [Ventspils grain terminal](#) began operating in autumn 2005. Its activities include grain handling and storage, and grain wholesaling. The enterprise employs 63 people. In autumn 2008, the quantity of freight handled attained 1 million tonnes. The amount of investment was nearly EUR 17.5 million
- The [Baltic Coal Terminal](#) company was founded in 2005. At the end of 2008, the enterprise opened a modern, environmentally safe terminal, using enclosed coal handling technology, in the territory of the Ventspils Port. The amount of investment was close to EUR 75 million and 19 people are employed.
- [Siemens](#) has located its IT support service in the [Technology Park](#) the company's first structural unit to be sited outside Riga. Currently, the unit employs 15 people, but plans are to grow to 120 people within two years.

INFRASTRUCTURE DEVELOPMENT PROJECTS

The objectives of the project **Reconstruction of the Access Road to Ventspils Free Port Terminals** are the development of the city and the Free Port and the resolution of communication problems to provide access to port terminals by reconstructing access roads, facilitating cargo delivery and dispatch by road, as well as reorganisation of the existing road network, opening up further areas of the Ventspils Free Port for development. The project is based on the reorganisation of infrastructure for the E22 corridor.

During the first stage of development of the port territory, it is planned to restore the bridge across the Venta river, thereby opening up the area between the railway bridge and the road bridge for industrial development ([See Annex 7](#)).

During the second stage of development of the port territory, it is planned to use sand dredged during harbour-deepening operations for the construction of a new berth behind the Northern wharf.

Design and construction of the **Ventspils co-generation plant** within the framework of a project co-financed by the European Union Cohesion Fund **Development of the Ventspils District Heating System**. A co-generation plant based on boiling-bed technology with approximate electrical capacity of 20 MW and thermal energy capacity of 40 MW will be constructed, as will a connecting canal to link separate heating systems on both banks of the Venta river, as well as an emergency backup boiler.

HUMAN RESOURCES

The number of officially registered residents in Ventspils is around 43 000, of whom about 20 000 people are of active working age. The largest proportion of economically active residents (approx. 30%) is employed at enterprises connected with port activities and transport, one of the city's fundamental business sectors. 13% are engaged in the trade sector. Construction firms employ about 10% of the labour force, but 10% are engaged in the manufacturing sector.

The leading sector in Ventspils, in terms of numbers employed in 2007, was transport, storage and communications, engaging about 4 500 people or 24% of the total number employed. Second was wholesale and retail trade which in 2007 engaged about 3 000 people or 14% and third largest was construction, engaging about 2 600 residents of Ventspils or 13% of those employed. ([see Annex 8](#))

The rate of unemployment in Ventspils at the end of 2008 was 6.1%.

Thanks to high wages at port terminals and at companies servicing the terminals, the average wage in Ventspils is one of the highest in Latvia. According to statistical data, skilled and unskilled labour force rates in the manufacturing sector are lower than the Latvian average ([see Annex 9](#)).

EDUCATION INSTITUTIONS

Ventspils provides a broad range of education and training at the following education institutions:

- [Ventspils University College](#)
- Ventspils 20th Vocational Secondary School
- [Baltic International Academy, Ventspils Branch](#)
- [Riga Teacher Training and Education Management Academy, Ventspils Branch](#)
- [Riga Technical University, Ventspils Branch](#)

Ventspils University College

[Ventspils University College](#) was founded with the purpose of facilitating the intellectual development of the region and to train highly skilled specialists. The University College offers studies in three faculties: Translation Studies, Economics and Business Administration, and Information Technologies.

In the Faculty of Information Technologies, students can study the first-level professional education course Information Technologies, or for bachelor's degrees in Computer Science or Electronics. In the Faculty of Economics and Business Administration, students can study for a bachelor's degree in management, specialising in financial administration, accountancy, marketing, logistics management or business management in the Baltic Sea region. Graduates of the Faculty of Translation Studies obtain a bachelor's degree in Translation into/from English-Latvian-Russian or German.

The University College also offer master's programmes in business management, information technologies, translation and terminology, the translation of legal texts, as well as a doctoral degree programme in business management. The University College also has a Department of Continuing Education that offers local residents both vocational training and personal development courses.

The Ventspils 20th Vocational Secondary School offers vocational education to 9th grade school leavers. Particular attention is also given to adult continuing education and re-qualification programmes. The Ventspils Vocational Secondary School offers

education opportunities in such sectors as power engineering, business, catering services, metalworking and motor transport, training electricians, hospitality-service staff, catering specialists, cooks, turners and motor mechanics so as to be competitive on the labour market.

Baltic International Academy

The [Baltic International Academy](#) offers studies in Latvian, Russian and English and has branches in the main Latvian cities. The Ventspils branch offers studies in two programmes:

- Professional higher education study programme in law. Students acquire second-level education as legal advisers with deeper knowledge in civil, international and European law.
- Professional higher education study programme in Entrepreneurship. Students acquire second-level education in corporate financial management, commerce, tourism, insurance and IT.

Riga Technical University

The Ventspils branch of [Riga Technical University](#) offer both specialised secondary and higher education programmes.

Courses in the science of commerce offer secondary education with deeper knowledge in marketing, economics, entrepreneurship, finance, the analysis of economic processes and foreign languages (English, German and Russian).

The Ventspils branch of Riga Technical University offers degree courses in:

- Computer Systems
- Electronics
- Vehicle Computer Management, Information and Electronic Systems
- Energy and electrical engineering
- Telecommunications
- Electro technology computer management
- Engineering, Mechanics and Mechanical Engineering
- Total quality management

The first three semesters are studied in Ventspils and the remainder in Riga.

Riga Teacher Training and Education Management Academy

[Riga Teacher Training and Education Management Academy](#) offers the following study programmes:

- Business and business administration
- Business organisation
- Pre-School teaching
- Pre-school and Primary teaching

Currently, 200 students attend the Riga Teacher Training and Education Management Academy.

The Ventspils International Radio Astronomy Centre (VIRAC) was founded as an academic structural unit of the Latvian Academy of Sciences in 1994, but in 2004 the Irbene VIRAC, was incorporated into the Ventspils University College, and a scientific institute was founded on its basis.

Since then, two research groups have been founded at the VIRAC: a basic research group engaged in universe exploration and an applied research group engaged in the detection and processing of satellite images for applications in various economic spheres, for example, environmental monitoring to ensure the efficient utilisation of forest and agricultural areas, logistics, information support to security systems, regional planning, etc. Senior students are also involved in the work of the latter research group. ([see Annex 10](#))

The **Engineering and Research Centre** of Ventspils University College (ERC) was founded as a scientific institute of the college's IT Faculty. The main objective of the ERC is to provide enterprises with high-level applied scientific services and to promote the development of the scientific and technical potential of the region's electronics and electrical engineering sectors.

One of advantages of the ERC is the integration of business and applied sciences, i.e., using and trying out knowledge acquired at the higher school (the centre staff is supplemented by students and graduates of the college), and carrying out fundamental research in economics, finance and business-process modelling.

The Kurzeme Technology Transfer Centre (TTCK) was founded at the beginning of 2006 at the Ventspils University College in order to actively participate in the elucidation of the technological needs of entrepreneurs in the Ventspils and Kurzeme region, and to raise the interest of entrepreneurs in active participation in the technology transfer process.

One of the TTCK's missions is to promote cooperation between scientists at the Ventspils University College and entrepreneurs, offering them access to the results of research carried out at the Ventspils University College.

INVESTMENT INCENTIVES

Ventspils city with its developed infrastructure and municipality support to investment projects is attractive to investors who wish to develop their business in Latvia.

Public Private –Partnership in the investment field. By concluding an agreement, On Investment in the Public Infrastructure of the Ventspils Free Port, businesses gain the opportunity to attract co-investment from the Ventspils Free Port which is open to discussions on options to finance preparatory works such as the construction of drainage, levelling of construction sites (if necessary), surveying, geological exploration, the construction of road and rail infrastructure (access roads), parking lots, utility and communications services, etc.

Municipal support Industrial development in the city has been set as one of the main objectives of the Ventspils municipality. Thus, the Ventspils City Council, in cooperation with the Ventspils Free Port Administration, support industrial and manufacturing

development and welcome companies who would like to establish their businesses in Ventspils.

Qualified project coordinators from the municipality are assigned to every investment project and they are available to companies free of charge to provide assistance in the resolution of all issues pertaining to the requirements and regulations of the municipality. This helps companies save time and expense at the early stage of projects.

Special Economic Zone (SEZ) Since 1997, Latvia has had four special economic zones and the [Ventspils Free Port](#) is one of them. It is a specified zone within Ventspils city with a total area of 2 623.9 ha, of which 265.9 ha is under water, but the remaining 2 358 ha is land. Companies which operate within a SEZ are subject to fewer restrictions than those in force in the rest of the country. If a company decides to set up in a SEZ, it can obtain a licence for operations in the SEZ and receive the tax concessions prescribed by the law On the Application of Taxes in Free Ports and Special Economic Zones. Licensed companies receive direct and indirect tax allowances.

SEZ Tax Allowances

Direct taxes are considerably reduced:

- real estate tax is reduced by 80%, i.e., to 0.2%;
- corporate tax is reduced by 66%, i.e., to 5%.

These tax allowances are applicable to a value of, up to half (50%) of the total invested (for small enterprises this proportion is 70%, for medium ones – 60%).

Indirect tax allowances refer to Value Added Tax, Excise Tax and Customs duties.

The [Ventspils High-Technology Park](#) (VHTP) was developed in 2005. The VHTP has an area allocated in the city of Ventspils, where the required infrastructure, premises and services are provided to high-technology companies specialising in the fields of electronics, electrical engineering, machine manufacturing, equipment manufacturing and industrial automation. An area of about 30 ha is available for industrial development.

The Ventspils Business Incubator (VBI) is one of activities of the Ventspils High-Technology Park and was founded to support and develop new companies. The Business Incubator is located at the Ventspils University College.

The major mission of the Business Incubator is to support the establishment and development of new companies, to provide them with office and production space on preferential conditions, also, when required, to offer various support services such as accountancy, legal advice, and marketing. The activity of the VBI is targeted at the support of new enterprises, which, after leaving the incubator, would be financially and economically self-sufficient, as well as the creation of new jobs, the promotion of public and economic activities, and the commercialisation of technologies. Enterprises' incubation periods can be up to three years.

The vacant territory within Ventspils airport (about 10 ha) is also available to accommodate new enterprises, infrastructure units and manufacturing facilities.

CULTURAL LIFE AND RECREATION OPPORTUNITIES

Ventspils is a family- and recreation-friendly city offering a broad spectrum of recreation opportunities – from cultural events to outdoor activities and sports.

The most best-known tourism sites in Ventspils are the Old Town and the Livonian Order Castle (see Annex 10), the monument to the founder of Latvian seafaring – Krisjanis Valdemars, the Coastal Open-air Museum with its unique narrow-gauge railway and tiny carriages, the Seaside Park and the Jungle Pathway, Ventspils Blue Flag beach, the Children's Village, Children's Park *Fantazija*, sightseeing ship *Duke Jacob*, the Floral Clock, the Lop-eared Pathway created in Renka Gardens with apparently lost Lop-eared hat, boots, buttons and keys.

Overall, the city has seven water features – *Saules laiviņas* (Sun boats), *Kuģu vērotājs* (Ship observer), *Kāpu priede* (Dune pine), the floating fountains in Vidumupite and in the Renka Gardens' pond, and this year the fountain in Dzirnau Laukums was reconstructed.

Devotees of out-door activities gather at the Olympic Centre's *Ventspils* skate park, skating rink, swimming pool and the Ventspils water park; in winter at the artificial skiing slope, which in summer turns into an Amusement Theme Park.

Every year Ventspils creates new sightseeing and recreation sites, the newest ones being a modern Sports Hall used to train military personnel, a services building constructed at the Amusement Theme Park, a BMX track and a Frisbee football pitch. Trampolines, a climbing wall, games facilities and kicking swings have been installed, but the artificial skiing slope has been raised by 5 metres., Ten outdoor fitness apparatuses have been installed at Renka Gardens, free to use for all interested. Reconstruction of the largest Ventspils swimming pool was scheduled to be completed at the end of 2008.

The number of visitors to the city was considerably increased with the setting up of ferry lines Ventspils-Saaremaa (Estonia), Ventspils-Rostock (Germany) and Ventspils-Karlshamn and Nineshamn (Sweden).

The Ventspils Cultural Centre manages cultural activities within the city, one of its main missions being to execute the wishes of the Ventspils City Council as regards cultural events, their management, programmes and projects. The Cultural Centre organises various festive events in the city: concerts, touring theatre performances and other events.

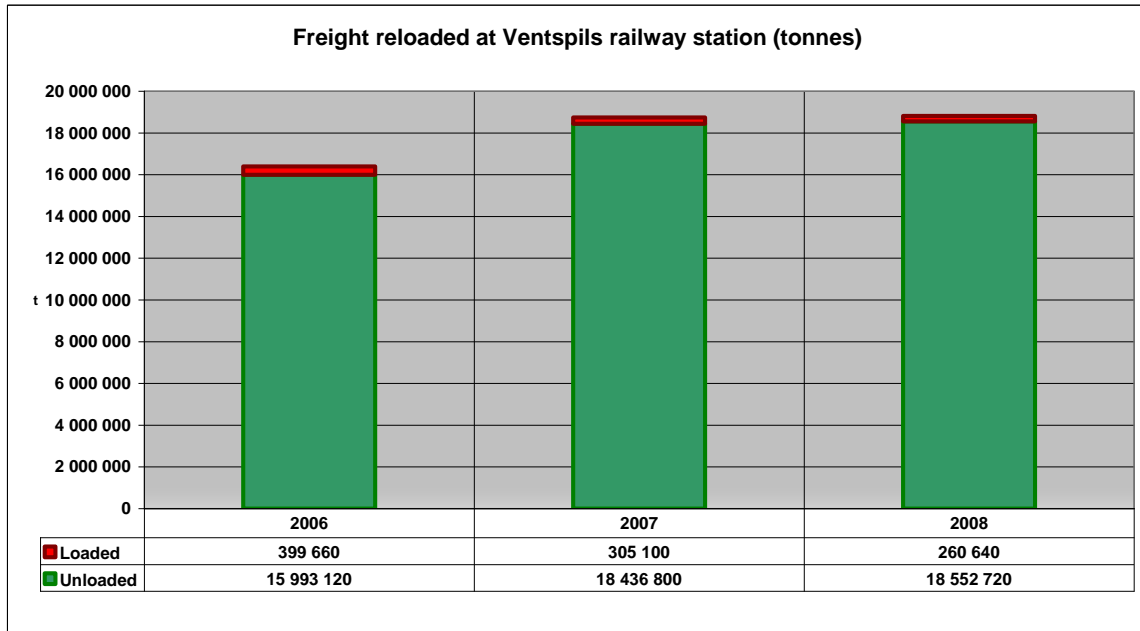
For photos of Ventspils city, see [Annex 11](#).

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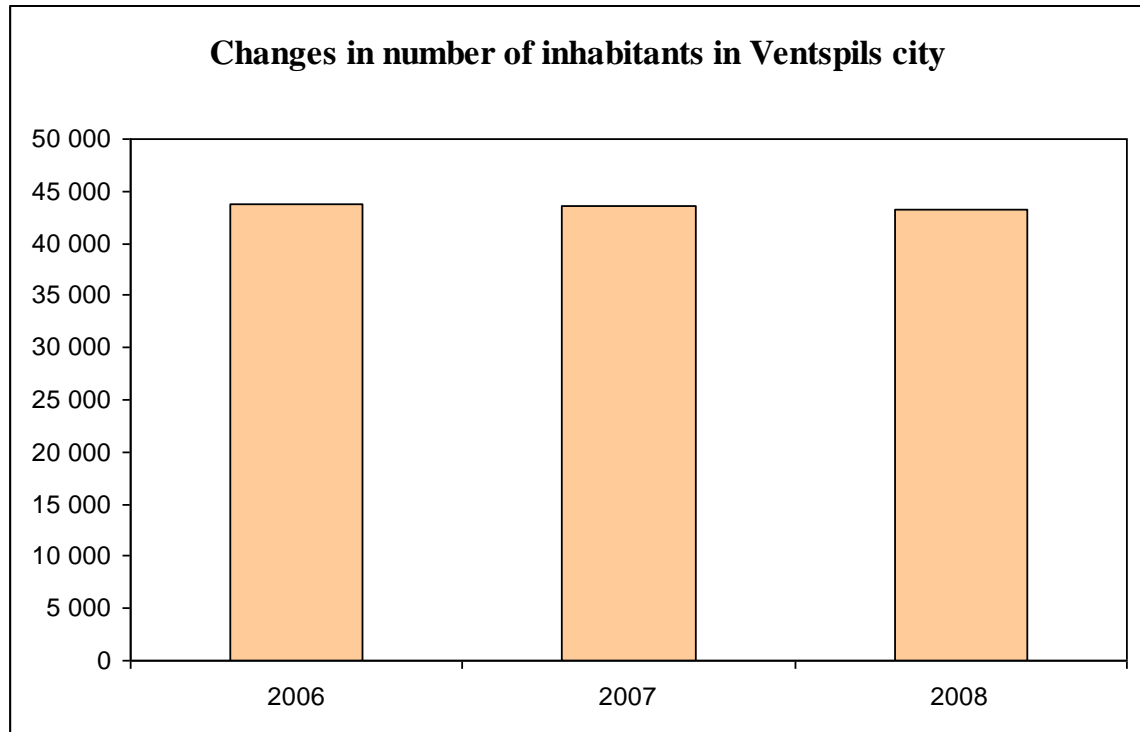
2. RELOADED FREIGHT 2006 – 2008



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

[Back ↑](#)

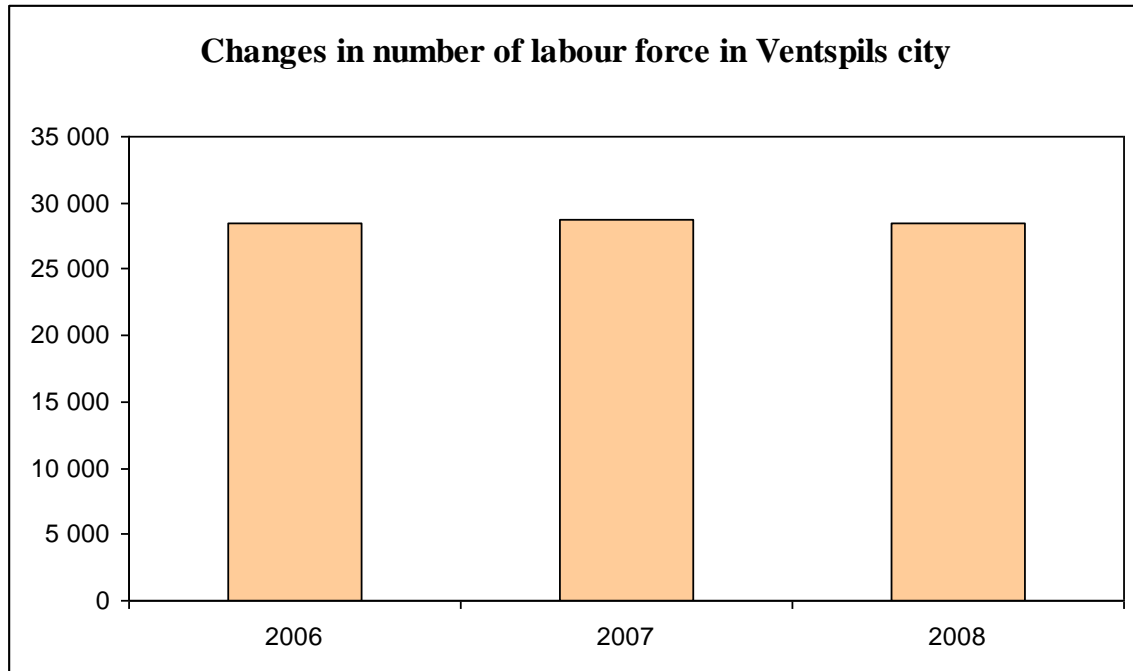
3. POPULATION CHANGES 2006-8



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

[Back ↑](#)

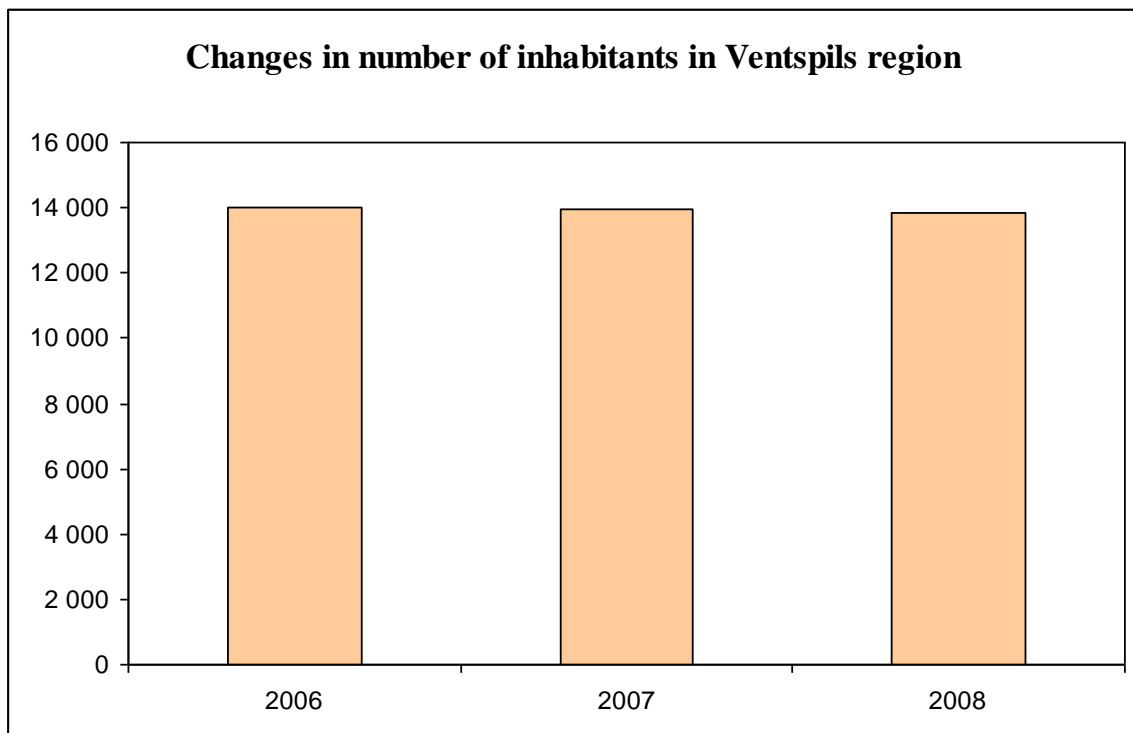
4. CHANGES IN LABOUR FORCE NUMBER 2006-8



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

[Back ↑](#)

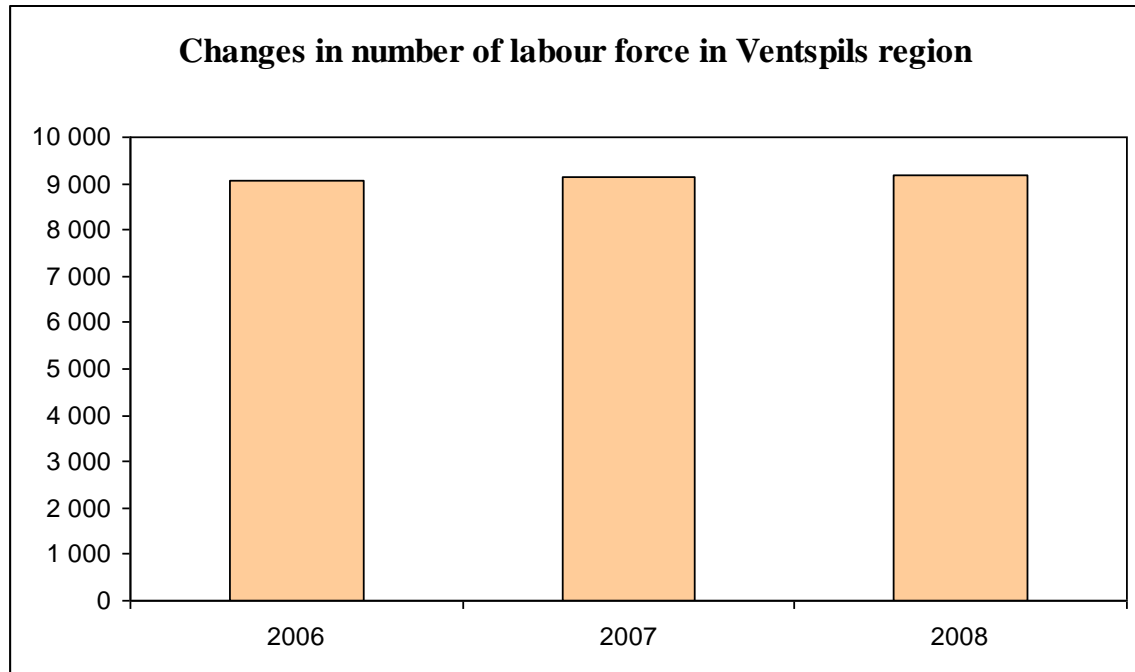
5. CHANGE IN NUMBER OF INHABITANTS 2006 – 2008



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

[Back ↑](#)

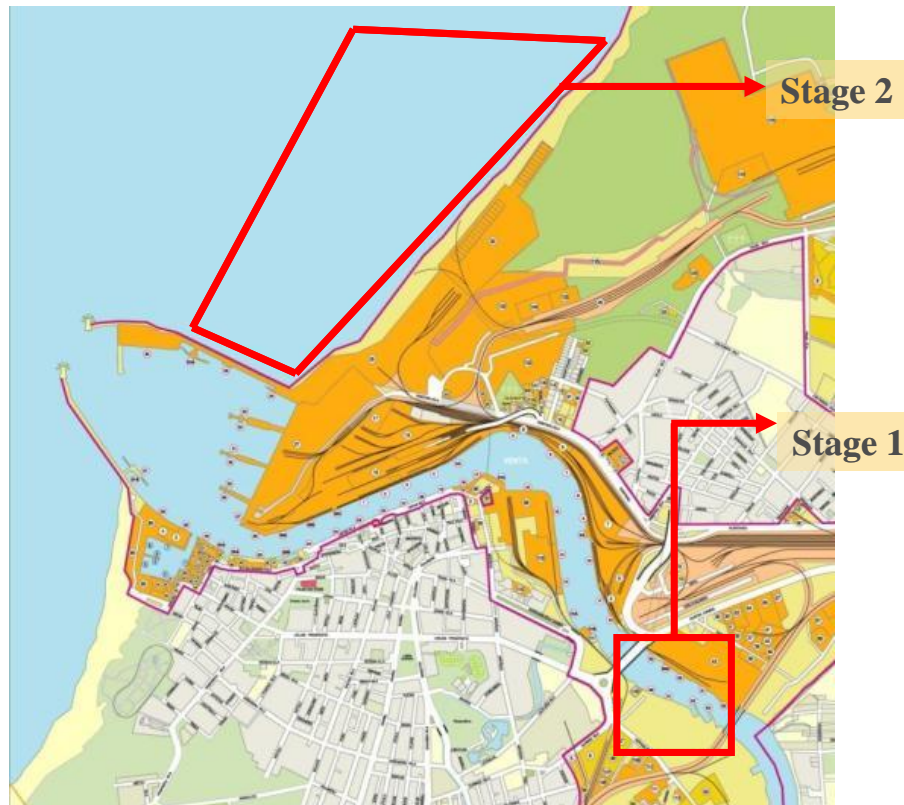
6. CHANGES IN NUMBER OF LABOUR FORCE 2006. - 2008.



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

[Back](#) ↑

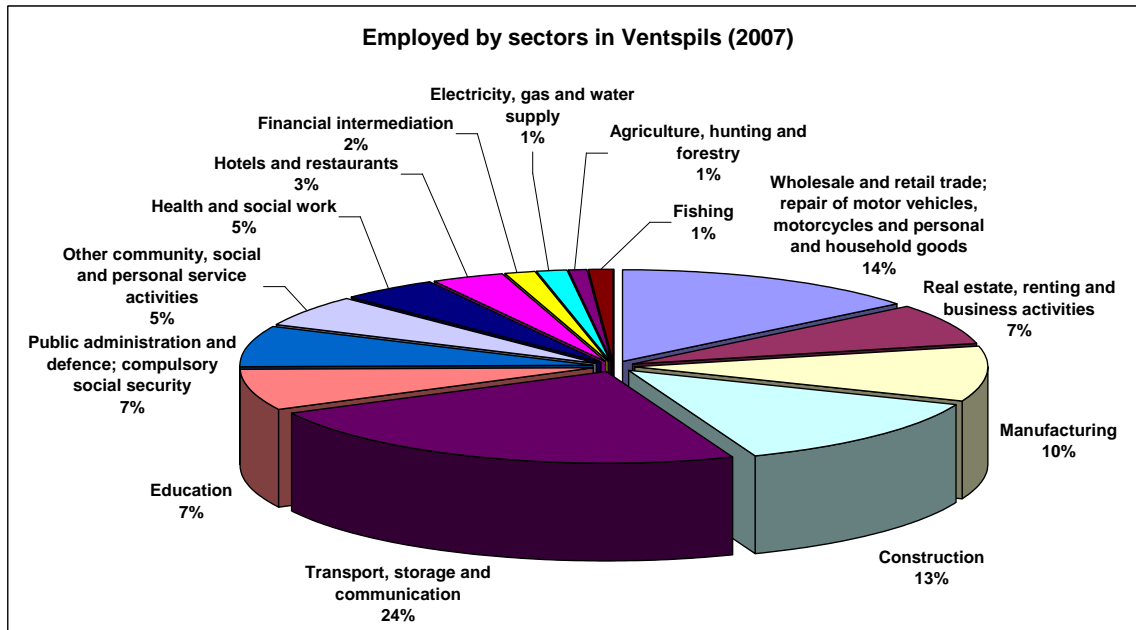
7. INFRASTRUCTURE DEVELOPMENT PROJECTS (PHOTOS)



Source: Port of Ventspils (www.portofventspils.lv)

[Back](#) ↑

8. EMPLOYED BY SECTOR



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

[Back ↑](#)

9. LABOUR FORCE COSTS (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)

[Back ↑](#)

10. PHOTOS

Ventspils International Radio Astronomy centre



Photo: Ainars Meiers

[Back ↑](#)

Ventspils University College



Source: Web page of Ventspils city (www.ventspils.lv)

[Back ↑](#)

Ventspils Castle



Photo: Kārlis Ozoliņš

[Back ↑](#)

Ventspils Freeport



Photo: Ainars Meiers

[Back ↑](#)



Photo: Anda Straume

[Back ↑](#)



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[Back ↑](#)