

Transport and Storage in Latvia

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Latvia is located at the heart of Europe's fastest-growing area—the Baltic Sea region. The transport and storage sector's success is based on Latvia's favourable combination of an advantageous geographic location, providing access to the Russian and Western European markets; a competitive labour force, and excellent infrastructure with three ice-free ports, the best railway connection to Russia, and a growing air transport sector.

Key Advantages

Historic transport and trade gateway

Access to Russian and European markets

Excellent infrastructure

Diversified alternatives; no bias towards road transport

Three ice-free ports

Development of air transport sector

Riga International Airport is a regional hub serving more than 40% of all Baltic airline passengers

Competitive and multilingual labour force

A transport and trade gateway between east and west since Hanseatic League times, Latvia has managed to successfully revitalise the role of its location as part of its economic success after regaining its independence. Railway, port and road transport have again emerged as important links in the transit of goods between Russia and the countries of east and central Asia as well as Europe. This position was further strengthened by Latvia's accession to the EU. Latvia provides access not only to the European market but also to the border-free Schengen zone.

The transport and storage sector is one of the most promising sectors in the Latvian economy, and today it contributes 8.2 % of GDP (2019). The Latvian transport and storage sector is not biased towards road transport, as is the case with economies of other countries in the region. In contrast, the Latvian transport and storage sector is more diversified, with sea and railway transport being important export services.

Latvian national airline airBaltic has emerged as the leading airline in the Baltic States, transforming Riga International Airport into a major regional hub. The number of flight's annually has increased from 19 504 in 2003 to 87 007 in 2019. This makes Riga International Airport as one of the most rapidly developing airport hub in the whole of Europe. The number of passengers using the airport in 2019 reached 7.8 million, which is a record for the airport. In 2019 Riga International Airport has served 44% of all the passengers in the Baltic States.

Latvia serves as a solid and reliable cornerstone to strengthen One Belt, One Road initiative and is actively involved in the cooperation format 16+1 between China and Central and Eastern European countries. Latvia is chosen to host the Secretariat on Logistics Cooperation, in the 16+1 cooperation format due to its profound experience and knowledge of the sector.

In terms of logistics, Latvia is one of the best locations to establish a business in Northern Europe. Riga itself is the largest Baltic city, and it is located in the middle of the region. In addition, its central location is a historic fundamental of Latvia's economic success—Latvia is one of only three EU countries to share a border with Russia, making it ideal for east/west trade. Thus, Latvia is a natural home for regional headquarters and distribution centres of international companies—Maersk, Unilever, Michelin, Siemens and Nokia are most well-known brands among them.

Competitive labour and favourable government policies aimed at improving road infrastructure, promoting railway freight,

simplifying customs procedures with Russia and promoting the use of ICT and new technologies further contribute to the potential of the sector.

<https://www.liaa.gov.lv/en/invest-latvia/key-sectors/transport-and-storage>