

2 / 2019

### CONTENTS

- 2 Why *Magnetic Latvia*? / Andris Ozols, former director of the Investment and Development Agency of Latvia (LIAA)
- 4 Physicists define magnetism as the capacity to attract. For everyone else, magnetism manifests as the desire to have a link with Latvia / What is *Magnetic Latvia*?
- 6 Connect with the world and with Latvia / Calendar of events organised by LIAA
- 8 How can LIAA help?
- 10 Festival iNOVUSS
- 12 The World Bank's ease of doing business index has ranked Latvia No. 19 in the world, but where to invest?
- 18 China meets Europe in the Baltics. An interview with Wang Jing, the co-founder and chairman of BGI
- 22 'Riga has demonstrated itself as a place where people are excited to work and achieve big things.' Foreign investment experiences in Latvia
- 24 The six coolest Latvian companies you need to know about
- 36 Linking design and technology
- 42 Latvia surprisingly rich in places to zen out
- 50 Latvia: a heavyweight cultural hub all year round Why there are no separate words for mountain and hill in Latvian – Where paganism is subtle and beautiful. Three essays on unique experiences in Latvia
- 56 Your city guides: explore Riga, Alūksne, Liepāja, and Daugavpils, this winter!
- 64 What do Instagram stars think about Latvia?

### Frank's House

Published by Frank's House, Ltd Stabu iela 17, Riga frankshouse.lv

Editor in chief: Ilze Pole Managing editor: Zane Nikodemusa Copy editor: Amanda Zaeska Design: Marika Kossatz Layout: Inta Kraukle

Cover photo by Arvīds Barānovs A view over Murjāņi in Vidzeme



### ANDRIS OZOLS, Former director of the Investment and Development Agency of Latvia



### Anticipating the future

You'd better be prepared for the future! Have it all figured out. That's the fastest route to success. So they say.

But progress rarely happens overnight. This is why trying to find the recipe for success is a never-ending pursuit. And a little help comes in handy. We've therefore prepared a road map to your success that we're happy to share. So enjoy exploring it in the magazine.

We believe that the world needs great stories. Stories filled with inspiration, smart decisions, and hard work. We always take pleasure in looking at the achievements of Latvian companies. Because seeing those who work with dedication towards turning their dreams into reality is what motivates us to do our own job even better.

But speaking of the future, we think a lot about it. And this year, again, we've combined the efforts of our team to build something that should not be missed by start-ups, entrepreneurs, scientists, new technology geeks, or just people needing a little push from the outside to become great. It's the iNOVUSS festival. We'd like to think of it as an event where innovation starts. Because often it all begins with a useful thought or the good fortune of meeting the right people. Get to know this festival and join us next year! But Magnetic Latvia is not only about trying to outrun the future; it's also about being right here and right now. Engaging all your senses. Exploring the beauty of Latvia. Don't miss it.

I encourage you to have a look at what we've done, what we plan to do, and what we can do for you and together with you. Enjoy!

# MAGNETISM





You might wonder about it, but it does work.

Latvia attracts, and strongly. Physicists define magnetism as the capacity to attract. For everyone else, magnetism manifests as the desire to have a link with Latvia, whether that be through business, culture, recreation, entertainment, or personal relationships. What's more, Latvia is also able to connect seemingly polar opposites. Latvia may be small. But that makes everything closer. We don't have a huge population, but there is no shortage of talent. Not so many orators, but many movers and shakers. No great mountains, but great minds. Latvia is known for world-renowned musicians and equally for renowned quantum physicists. Latvians may be hesitant huggers, but they never shy away from hard work. We have both the oldest oak trees and the latest technology. We have lots of storks – and a surprising number of robots. Some think Latvians are predictable. We call it well-disciplined. Responsible, reliable, qualified partners, fluent in several languages. We keep our promises. We abide by decisions and act on them. That, too, is Latvia's attraction. Or, as they

say elsewhere – magnetism.

### LOCAL EVENTS

LIAA PROVIDES AN EXTENSIVE LIST OF LOCAL EVENTS, INCLUDING HIGH-LEVEL CONFERENCES, FORUMS, AND DISCUSSIONS. HERE ARE SOME OF THE MOST SIGNIFICANT UPCOMING EVENTS IN LATVIA. Publicity photos and by iStock

#### DEEP TECH ATELIER – A TECHNOLOGY CONFERENCE BY MAGNETIC LATVIA April 3–4, Riga

April 3–4, Riga Deep Tech Atelier focuses on the creation and development of international scientific start-ups. At this conference, business meets science as start-ups, research organisations, entrepreneurs, industry representatives, and public administration representatives all come together in one place. In 2019, Deep Tech Atelier featured more than 50 speakers (on three stages) from a variety of countries and attracted 650 conference participants. deeptechatelier.liaa.gov.lv

### NATIONAL SELECTION FOR CREATIVE BUSINESS CUP 2020 Throughout March

For already the sixth time, Latvia will organise a national selection process for the Creative Business Cup, a business idea competition for young entrepreneurs in the creative and interdisciplinary industries. The competition is a global initiative aimed at supporting creative ideas and fostering innovation. creativebusinesscup.com

#### DIGITAL MARKETING AND NETWORKING EVENT WITH LIAA REPRESENTATIVES December 17

Every year entrepreneurs have a great opportunity to meet LIAA representatives abroad to gain valuable information for business improvement. We constantly follow the latest trends, and therefore this year's event will also include a digital marketing workshop for maximising your company's performance on digital media channels. liaa.gov.lv

BALTTOUR 2020 INTERNATIONAL TOURISM TRADE FAIR January 31 –

February 2, Riga Balttour 2020, the 27<sup>th</sup> International Tourism Trade Fair takes place at the Kīpsala International Exhibition Centre. This annual event, the largest and most significant tourism expo in the Baltics, opens the new tourism season in the region and brings together industry professionals and travel enthusiasts. The fair also hosts the Balttour tourism business forum to discuss current issues and trends in the industry's development. balttour.lv



Main Stage Ignition Stage Cooperation Stage

Workshop Room

Studio (2nd Floor)



# EVENTS ABROAD

CONNECT WITH THE WORLD AT SOME OF THE MOST IMPORTANT BUSINESS VISITS ABROAD ORGANISED BY LIAA.



#### LATVIAN STAND AT ITB BERLIN 2020 March 4–8 Berlin, Germany

ITB Berlin (short for Internationale Tourismus Börse) is the world's largest travel trade fair. Cities, tour operators, booking system developers, airlines, hotels, and other businesses concerned with tourism introduce themselves and their services and inspire wanderlust. Sixteen Latvian tourism businesses and organisations will be represented at the Latvian national stand. itb-berlin.com

### LATVIAN STAND AT VAKANTIEBEURS UTRECHT 2020

January 16-19 Utrecht, The Netherlands Visited by prospective tourists, this is one of the biggest tourism fairs in the world. Visit the Latvian stand to meet tourism specialists and industry entrepreneurs eager to tell about the rich opportunities for tourism in Latvia. vakantiebeurs.nl

#### LATVIAN STAND AT SALON INTERNATIONAL DE LA LINGERIE January 18–20 Paris, France

The Salon International de la Lingerie is the leading global show for the intimate apparel and swimwear market. Representatives of Latvian businesses will be happy to meet you and demonstrate their products as well as establish far-reaching contacts and begin new partnerships.

saloninternationaldelalingerie.com

### LATVIAN STAND AT NY NOW 2020 February 1–5

New York City, United States At this leading trade show for interior design items, entrepreneurs showcase current trends in the industry. It is one of the most important meeting places in the United States for designers and manufacturers, combining the best in lighting, accessories, textiles, and the latest in the realm of technology. The most important criteria to be selected for participation in the exhibition are high-quality products, innovative solutions, and trends that include modern nuances as well as creative and individual solutions. nynow.com

### EXCELLENT STOPPING POINT

When your flight plans take you to Sector C at Riga International Airport, take the opportunity to visit the Magnetic Latvia Business Information Centre established by LIAA, where you can not only learn more about Latvia but also hold business meetings or presentations.

The centre is especially convenient for travellers who have to spend a longer time at the airport before their flight. LIAA has created a relaxed atmosphere by way of tree silhouettes that reflect the Latvian landscape and two directly adjacent seminar rooms for meetings and presentations.



Magnetic Latvia is open to anyone who wishes to use it as an office, and it is equipped with free high-speed internet access. Local producers are encouraged to meet with potential investors and clients to discuss export possibilities and view presentations using the centre's 3x10-metre screen. Every day from 9:00 to 18:00, LIAA staff are on hand to provide information about Latvia, cooperative business opportunities, and interesting sights to see while in Latvia. It is also possible to make an appointment to meet with LIAA specialists in a variety of fields and get the latest in-depth information on business topics such as investments, innovations, state support programmes, and more.

### HOW CAN LIAA HELP?

### IDEA

YOU HAVE A BUSINESS IDEA, BUT YOU DON'T KNOW WHAT TO DO NEXT?

### DEVELOPMENT

YOU'VE ALREADY STARTED A BUSINESS AND ARE LOOKING FOR DEVELOPMENT OPPORTUNITIES?

#### BUSINESS INCUBATORS (PRE-INCUBATION PROGRAMME)

A business incubator provides the right support on your path to a powerful and exportoriented company. The aim of the incubator is to support individuals wanting to start a business and existing companies (not registered for more than three years) by providing the necessary environment for business start-up and development, consultations, training and activities on general business issues, mentor support, and grant co-financing. During the pre-incubation phase, people with business ideas can use the incubator's coworking premises and office equipment, consultations, training, and mentor support for six months free of charge in order to validate their ideas and viability. They may also qualify for incubation at a later stage.

### BUSINESS INCUBATORS (INCUBATION PROGRAMME)

A business incubator is a combination of infrastructure and personnel designed to help develop young, viable, and competitive merchants. The aim of the incubator is to support individuals wanting to start a business and existing companies (not registered for more than three years) by providing the necessary environment for business start-up and development, consultations, training and activities on general business issues, mentor support, and grant co-financing. In addition to the opportunities provided by the pre-incubation programme, incubation offers the possibility of receiving 50% co-financing for the purchase of services required for the development of your business, for example, accounting, premises lease, design, marketing, technology consultations, prototype development, certification, laboratory costs, etc. LIAA provides aid for the purchase of these services. As a part of the incubation programme, participants may receive a grant (with 50% co-financing) of up to 10,000 euros and up to 5000 euros to cover the cost of equipment purchases.

#### START-UP SUPPORT

A company that meets the definition of a new business under the Law on Aid for the Activities of Start-up Companies may qualify for the following aid: Aid programme for attracting highly qualified employees. Aid in the amount of 45% for attracting highly qualified employees to address specific research activities, technological problems, or to develop new or significantly improved products or technologies.

### Aid programme for fixed-wage payment.

Support up to the amount of two minimum monthly wages for staff costs.

#### Personal income tax relief. An employee of the startup company is exempt from personal income tax.

### START-UP VISA

Offered to all non-EU startup founders who are willing to come and kick off their start-up ideas in Latvia. One start-up may have up to five founders with start-up visas. The application process takes one month. The visa is granted for a period of three years maximum and also applies to a spouse and children.



labsoflatvia.com/en/support Customer services department Phone: +371 67039499 E-mail: jautajumi@liaa.gov.lv

### **EXPORT**

ARE YOU READY TO OFFER YOUR SERVICE OR PRODUCT ABROAD?

#### INNOVATION VOUCHER

This programme provides aid to companies for the development of new products or technologies. Aid of up to 25,000 euros with a 45-100% intensity can be obtained for the following activities: feasibility studies, applied research, experimental development including prototyping, development of a product's industrial design, registration of industrial property rights, certification and testing services, and attraction of highly qualified employees.

### AID FOR EMPLOYEE TRAINING

The aim of this programme is to provide support for employee training to facilitate the attraction of investors. The programme is intended for companies that establish businesses in Latvia. Within this programme, a company may receive support of 50–60% of employee training costs.

#### TECHNOLOGY SCOUTS

Technology scouts are a team of people who spend time among researchers in Latvia so that they can give companies the most up-to-date information about the directions in which research organisations are working and how companies can collaborate with them.

## PROMOTING INTERNATIONAL COMPETITIVENESS

This programme provides support ranging between 25-50% of the costs for participation in international exhibitions, trade missions, conferences, and seminars abroad with an individual stand as well as for conformity assessment or certification of production sites and products. Entrepreneurs can also receive information and consultations on foreign markets as well as a selection of contacts of potential cooperation partners abroad. At present, LIAA has 20 foreign economic representation offices in 18 of the most promising markets for Latvian goods and services. In cooperation with foreign representatives, LIAA organises the participation of companies in international exhibitions (via national stands), trade missions, and visits of public officials abroad. It also provides support for individual visits to potential cooperation partners.

#### ENTERPRISE EUROPE NETWORK (EEN)

The Enterprise Europe Network provides the following services free of charge: international partnerships (organisation of trade missions and brokerage events, the Business Cooperation Database, a selection of contacts of potential cooperation partners), advice on aspects of legislation (goods and services requirements, standardisation issues, CE labelling, the posting of workers abroad, etc.), and also advice on access to finance (Horizon 2020. Erasmus, Creative Europe, Interreg, etc.). The EEN also provides innovation and technology audits for SMEs and helps with international technology transfer.

### INOVUSS: A PLATFORM FOR INNOVATION

FRESH IDEAS, NEW PERSPECTIVES, INNOVATIVE SOLUTIONS – ALL THIS AND MORE CAN BE FOUND AT ONE OF EUROPE'S LARGEST OPEN-AIR FESTIVALS DEVOTED TO INNOVATION AND TECHNOLOGY.



iNOVUSS was recently named the 2<sup>nd</sup> place winner in the Public Institution Event category at BEA World – International Festival of Events and Live Communication, one of the most prestigious festivals in the event industry.

This summer, for already the second time, the iNOVUSS open-air festival of innovation and technology organised by LIAA took place on the banks of the Daugava River in Riga. Over three days, more than 16,000 participants took part in 50+ events, all free of charge, featuring local and foreign experts, entrepreneurs, scientists, and investors. The uniqueness and attractiveness of iNOVUSS lies in its guiding theme, namely, to talk about serious and often complex issues in an unusual atmosphere so that each and every participant can find inspiration for his or her growth and development. The festival's seven different stages hosted discussions about a variety of topical issues, including the future of education, disappearing and completely



new occupations, artificial intelligence, tourism, science, and the future of medicine. In addition to various business, education, and innovation topics, festival-goers were also treated to an extensive programme of cultural and entertainment events, including fun activities for the whole family. inovuss.lv













▲ The Business Terrace featured personal experience stories and consultations with LIAA representatives about various business topics.

▲ One of the events at the Business Incubators tent was the 'Quantified self: self-knowledge through numbers' panel discussion, which explored the cultural phenomenon of self-tracking with technology.

▲▲▲ LIAA's Business Incubators Coworking Terrace was developed for those who love to work in the fresh air and surrounded by an exciting atmosphere. It was a great place to meet friends, customers, and company partners.



▲ The informal atmosphere of the Smart Café served as a backdrop for conversations about how to encourage collaboration between science and commerce as well as the role of research as an element of innovative businesses.

▲▲ Can classical music be genuinely entertaining and its performances full of clever humour? Festivalgoers made up their own minds as they watched and listened to the Sansusī Battle of the Pianists.

▲▲▲ Festival-goers learned about how LEGO® can be an educational tool not only for children. The LEGO® SERIOUS PLAY® methodology is an innovative process designed to enhance innovation and business performance.

Text by Līga Vaļko Publicity photos

### HOT LATVIAN INDUSTRIES TO INVEST IN

THE WORLD BANK'S EASE OF DOING BUSINESS INDEX (2020), WHICH IS WIDELY USED BY COMPANIES WHEN MAKING INVESTMENT LOCATION DECISIONS, HAS RANKED LATVIA NUMBER 19, AHEAD OF SUCH COUNTRIES AS GERMANY AND POLAND.



Latvia's favourable business environment with one of the highest GDP growth rates in the European Union (EU), low costs of operation, and an admirable talent pool have encouraged foreign businesses and international corporations to invest in Latvia. The volume of foreign investments in the country has increased slightly, reaching a high point in 2018 of 15.1 billion euros. Sweden is by far the largest investor in Latvia (at nearly 17%), followed by Russia (11%), Estonia (10%), and the Netherlands (7%). According to LIAA, Latvia is a springboard for high-tech IT companies, an emerging health tourism destination, and a hub for the traditional transport and logistics industry.

### TRANSPORT AND LOGISTICS

These days, transport and logistics make up a substantial portion of the Latvian economy, and the industry continues to grow. According to the Latvian Ministry of Transport (2018), the entire transit, port, rail, and road industry brings in more than 700 million euros a year in revenue and accounts for one third of total service exports. This can be explained by the fact that Latvia has the largest cargo transit industry in the Baltics. A huge amount of cargo moved in Latvia consists of high valueadded products and is dominated by coal and



oil products as well as related outputs such as mineral fertilisers.

The excellent geographic location and transit between the East and the West have played a recurring role in Latvia's history. Scandinavian Vikings used the Baltic Sea and Daugava River to reach the Byzantine Empire. During the Middle Ages, Riga was a large seaport and an influential city of the Hanseatic League. In the 18<sup>th</sup> century, Riga was the second-largest city in the Swedish Empire and later a leading port and powerhouse of commerce and trade under the rule of the Russian Empire. The country's transit infrastructure developed rapidly in the late 19<sup>th</sup> century with the construction of railway tracks connecting Riga with other cities of the Russian Empire.

Nowadays, the railway is of great importance in the freight transport industry, with rail accounting for 70% of the total inland freight transport in Latvia (EU Transport in Figures, 2018). This is well above the average for EU member states. The vast majority of rail traffic in Latvia is transit, which remains a national priority today and in the future. Similarly, like Luxembourg in western Europe, Latvia has all the conditions to be one of the prime logistics hubs in the Nordic region. It is one of the principal routes connecting the EU with the Commonwealth of Independent States (CIS) and Asia. For example, Latvia has the most direct rail route from the Baltics to Moscow. Also. multimodal corridors and the three main seaports of Riga, Liepāja, and Ventspils with a total cargo throughput of 66.17 million tonnes in 2018 (Ministry of Transport, 2019) make Latvia an attractive transit country to access CIS and Nordic markets. It is no coincidence that many Asian countries also leverage Latvia's transit infrastructure. As a member of the EU, Latvia offers several perks,

including effective customs clearance, excellent value for money with a beneficial VAT regime, and discounts on customs guarantees. The current volume of rail freight flowing from China to Scandinavia is relatively small, but the New Silk Road, also known as the Belt and Road Initiative, targets Latvia as a gateway that will connect Xinjiang, Shanghai, other cities of China, and Hong Kong with northern Europe. Apart from the Chinese market, Latvia is also planning to focus on the North-South Corridor to connect with India and other Asian countries The swiftly developing Eurasian network requires an integrated terminal and warehouse infrastructure. Therefore, one of the industry's main priorities is the development of logistics and distribution facilities in Latvia. The existing railway network and three major ports are an attractive backdrop for investors looking to invest in this field. However, to successfully develop logistics centres, warehouses, and distribution services in Latvia, it is important to attract more mass-consumption commodities.

*TFS Trans* is an excellent example in the terminal and warehouse field. The company opened the *Kraftool* logistics centre, the largest and most technologically advanced high-bay warehouse (HBW) in the Baltics in November 2017. With a total investment of 36 million euros, the *TFS Trans* high-bay warehouse is the second biggest in eastern Europe and accommodates 73,000 pallets. This is equivalent to seven hectares of regular warehouses. Here, pallet racking is fully automated, and the warehouse has been built using modern energy-efficiency solutions and contains the largest geothermal plant in the Baltics.

In the meantime, construction of Rail Baltic, a high-speed connection to Europe, is set to begin in 2025 and open up the Tallinn-Riga-Kaunas route. Rail Baltic will also be connected to Riga International Airport (RIX) and thus help to promote the fast-growing aviation industry. The airport in Riga is the leading airport in the Baltics and serves half of all Baltic passengers and cargo. Full-service, charter, and freight carriers offer around 100 direct routes from Riga to the rest of Europe, which, with 500 million consumers, is the world's largest economy. In addition to Riga International Airport (RIX), Latvia also has two smaller airports, in Liepāja and Ventspils.

Over the next five years, the development of an airport logistics centre will increase air-cargo traffic and e-commerce, which is becoming an

The development of an airport logistics centre will increase air-cargo traffic and e-commerce

increasingly important channel as the number of online shoppers grows.

E-commerce in Latvia lags far behind Chinese e-commerce platforms such as Alibaba and Jingdong Mall (JD.com). Therefore, in May 2019, the China (Ningbo)-Latvia Cross-Border E-Commerce Hub was launched at the Baltic Container Terminal, the fastest-growing container handling facility in the Baltics, to expand e-commerce cooperation between Latvia and China. It is planned that Latvia will act as a hub between China and 17 Central and Eastern European Countries (known as the CEE or 17+1), a region with a population of 130 million people. Currently, the presence of many middlemen leads to a lack of information and higher prices. but the cross-border e-commerce hub will change this and partner with locally grown companies and e-commerce platforms to bring a Chinese shopping experience to Latvia. It is a global business that knows no borders and

works in both directions, because Chinese people love local specialty products from Latvia such as *Stenders* bath and body products and *Ķekavas Avots* water.

The positive aspect of this market is a direct connection with China via airports and railway, because logistics need to be in place when consumers buy products online. The new facility at the Freeport of Riga will promote business exchange between China and Latvia and motivate more and more investors to consider Latvia as a great place for doing business in the e-commerce, transport, and logistics industries.

### INFORMATION TECHNOLOGY

With the sixteenth-fastest internet speed in the world (Cable, 2019) and being the third country for mobile data usage (12.8 GB) in the OECD countries (OECD Broadband Portal, 2019) as well as one of the first countries to implement a 5G network. information and communications technology (ICT) is one of the fastest-growing industries in Latvia. In Q4 2018, the industry's export increased by 23.5% to reach 226 million euros (Ministry of Economics of Latvia, 2019). Historically, Latvia has had a reputation for being a research and development hub in the ICT industry. The first steps in this field were taken in the 1960s, when the Institute of Mathematics and Computer Science at the University of Latvia (IMCS UL) and the Institute of Electronics and Computer Science (IECS) were established. IMCS UL constructed the first computer in Latvia and developed cutting-edge technologies for Soviet lunar programmes, recruiting hundreds of employees for R&D projects. Later, in 1992, Latvia built its first internet connections, with UNESCO support, and technologies soon expanded. In fact, the ICT industry in the Baltics has nowadays reached the level of the high-tech Nordic countries on account of substantial investment over the past 20 years. All these achievements have been important in building up a solid legacy and traditions of technology and R&D programmes as well as encouraging companies

to continue providing high-quality IT solutions. Over the past few years, computer programming and information services have increased their share, because the IT industry is merging with other business disciplines and acts as a catalyst and pillar for growth and innovation. Several successful local and multinational IT corporations have established a presence in Latvia, including Atea, Tieto, Visma, Cognizant, Accenture, Oracle, Evolution Gaming, and *Microsoft*, with the first innovation centre of its kind in northern Europe. In addition, a new city district and smart-city movement in Riga called VEFRESH hosts the highest concentration of IT companies and professionals in Latvia. The industry's success in Latvia is attributed to a combination of skilled people, research facilities, and products produced by IT companies. For example, DEAC is a world-class data centre based in Latvia that serves customers in more than 40 countries. For many years, DEAC has been positioning itself as a bridge between the markets in the East and West, a place where different mentalities meet and are driven by joint economic interests. In addition, the data centre industry in Latvia is not exposed to political speculations, economic risks, or climatic changes, which have become major risk factors in other regions of the world.

DEAC is backed by professional IT expertise and tailor-made services to meet business needs. The company recently announced that a new data centre worth 10 million euros is under development and is expected to start operating in 2021. The new data centre will serve as a springboard for DEAC's next big development. The company is actively working to expand its operations and attract the world's biggest IT players, such as Google, Microsoft, Amazon, Nvidia, and Oracle. Therefore, the current challenge for DEAC is to attract anchor customers and fill up at least 50–70% of the new data centre. Latvia is first in the Baltics in terms of the number of IT companies and employees. In the past five years, the number of companies working

The DEAC Data Centre, one of the largest data centres in northern Europe



in the IT sector has increased by 24% (Lursoft, 2019), with 6317 IT companies registered in Latvia, of which 16.35% are driven by foreign investment. The growth of the IT industry owes itself to funding and R&D activities that have been fuelled by hundreds of start-up companies, a pool of investors, business angels, and dozens of business incubators. Estonia is very often internationally recognised for its e-government and start-up ecosystem, but it turns out that Latvia was the first country in the Baltics to introduce laws and a special tax regime that promotes the formation and operation of start-up companies.

The IT industry wouldn't be the same without highly qualified employees, who are the greatest asset and the industry's gold. The annual report published by the International Telecommunication Union (2018) reveals that Latvia has the most skilled citizens in the Baltics. The network of qualified specialists explains why the global business services (GBS) and other sectors regard Latvia as a go-to destination, ahead of other European countries. The majority of IT companies in Latvia are characterised as small and medium-sized enterprises. This explains why only 5% of the working-age population are employed in the industry. The number of employees in the industry in Latvia has increased by 46% from 18,900 in 2008 to 33,900 in 2018 (Central Statistical Bureau of Latvia, 2019) and will

Private clinics and centres in Latvia have continuously invested tens of millions of euros to develop private medicine

continue to rise in the future. Overall, the number of IT students is growing, and computer science is among the top three university programmes chosen by high school graduates.

### SPECIALISED MEDICAL SERVICES

High-quality care and health facilities have accelerated the growth of health tourism and travellers seeking treatments and therapies abroad. With aging populations, lifestyle diseases, and growing social awareness, more people are travelling across borders for medical treatments. Accessible, high-quality health care at a good value for money, wellness services, and an opportunity to visit a new country are some of the rational factors that shape and promote health tourism all around the world, including to Latvia. Health tourism may seem like a new industry in Latvia created in 2009, after the introduction of an initiative by private clinics, but its roots can in fact be traced as far as back as the 18<sup>th</sup> century. In the second half of the 18<sup>th</sup> century, the area of present-day Latvia became a popular resort and wellness destination in the Russian Empire. The sulphur springs and mud baths at Kemeri were widely used in traditional medicine. By the 20<sup>th</sup> century, several sanatoriums had been opened in Latvia, and the nearby resort town of Jūrmala became a popular spa town among wealthy civilians and military personnel. Today, the Export Development Plan of Health Care Services for 2019–2023 (Latvian Ministry of Health, 2019) has defined health tourism as the country's priority to promote such areas as wellness, rehabilitation and spa treatments, medical tourism, and folk medicine. More than 30% of patients arrive in Latvia from Russia (LVTK, 2017). This can be explained by the historical context and the absence of a language barrier. Russian-speaking medical tourists and Latvian citizens now living abroad return for medical treatments or rehabilitation driven by nostalgic feelings for the country's sanatoriums and medical institutions. Medical tourists also travel from Germany (13%) and the United Kingdom (7%), with smaller numbers representing the United States, Ukraine, and Scandinavia. Health tourism is a high value-added product that requires not only top-quality healthcare providers but also a well-developed transport infrastructure, hotels, restaurants, and other services offered by the hospitality industry. Because of its geographic location, Latvia is very easy to reach by all means of transport, whether airplane, train, ferry, or car. Latvia has an international airport connecting the capital city with the rest of Europe and the CIS region. Many factors come together to form the basis of a competitive offer in the field of health care. First of all, Latvia has world-class doctors, a dynamic network of private clinics and medical providers, and the internationally recognised Rīga Stradiņš University, which attracts many foreign medical students from Scandinavia and other European countries.

Among the most popular services are diagnostics, medical rehabilitation, phlebology,

dermatology, and plastic surgery. Patients from abroad travel to Latvia not only because of these superior technologies but also for fast and effective treatment at affordable rates that are often several times lower than in western Europe. The price index for hospital services shows that prices in Latvia are four to five times lower than the average in OECD countries (OECD, 2017). Private clinics and health centres put the wellbeing of the community first and are ready to help those in need. Clinics in Latvia recruit professional teams with European-level quality standards, and employees on average speak at least three languages: Latvian, Russian, and English. Health care is still one of the largest industries in the Latvian economy in terms of employment, with a total of 67,900 people working in the industry in 2018.

Last but not least, medicine, like other industries, is undergoing a digital transformation that provides new opportunities for cross-border health care. Data-driven solutions encourage patients to become more involved in managing their own health and seek specialist help in Latvia at a wide range of healthcare facilities. In recent years, private clinics and centres in Latvia have continuously invested tens of millions of euros to develop private medicine.

When it comes to a strategic vision, specialising in a particular service can be a good way to compete with other health-tourism countries. For example, health tourism can be linked with the healthy lifestyle trend that is all about preventive care, for example, natural healing and mud and mineral water baths. Both local patients and patients from abroad come to Jaunkemeri in Latvia, which is a multi-profile resort and rehabilitation centre offering customised rehabilitation and wellbeing programmes combining modern and historical rehabilitation technologies.

In this era of personalised and precision medicine, recent discoveries have propelled new healthcare developments in Latvia and the rest of Europe. More and more often patient care is based on a customised approach and a genetic understanding 

 VF Riga, a clinic using cutting-edge

 and reproductive genetics services



of disease and wellness. For example, *iVF Riga* is a widely known one-stop clinic with state-of-theart technology treatments and diagnostic facilities that combines several innovative institutions: a reproductive and andrology clinic, a genetic centre, and a stem-cell centre. CastPrint is a Latvian health-tech pioneer that has created hundreds of 3D-printed casts. Patients from around the world also travel to Latvia to have individual glass and synthetic ocular prostheses constructed. Valters' *Prosthetic Laboratory* is the only ocular prosthetics company in the Baltics with more than 25 years of experience in the industry. The company has invested in cutting-edge technologies and successfully operates in the Baltics, Ukraine, Georgia, and the United Kingdom and plans to enter the United States market as well.



### BGI: CHINA MEETS EUROPE IN THE BALTICS

INTERVIEW WITH WANG JIAN, THE CO-FOUNDER AND CHAIRMAN OF BGI

An attractive and dynamic business climate for high value-added products - indeed, that is what we see in Latvia. BGI. one of the world's largest genomics organisations, is a striking example of how LIAA attracts foreign investment and successful companies to Latvia. BGI is a new type of technology organisation in China that contributes to research and the application of genomics across multiple fields, including healthcare, pharmaceutics, conservation, and the environment. Genomics is a huge industry in China, given its population of 1.43 billion people. According to Beijing-based CCID Consulting, China's gene technology market will double in the next five years and be worth more than 18.3 billion yuan (2.6 billion dollars) by 2022. We recently met up with Dr. Wang Jian, the

co-founder and chairman of BGI, at Lidostas Parks, an upcoming BGI production facility in Europe. This was his second time in Latvia. On his previous trip, he went for an eye-opening stroll through Latvia's forests to get to know the traditional hobby of mushroom picking. Jian has received several international awards for his work in research and has been listed by Clarivate Analytics (formerly Thomson Reuters) as one of the world's Highly Cited Researchers. He has also joined forces with the Bill and Melinda Gates Foundation as part of BGI's partnerships to make a meaningful contribution to global health and agricultural developments. Jian is currently focused on research and the application of genomics and bioinformatics in different areas of life sciences.



# What is the current role of genomics in the life sciences field?

By principle, genomics is the most important field in life sciences. We have to realise that without genes there is nothing. Most of the scientific disciplines are based on genes. Since American biologist James Watson and English physicist Francis Crick discovered DNA, the industry has moved from the West to Asia, with BGI becoming one of the principal providers and innovators of gene sequencing technologies. Until then, the United States and United Kingdom dominated the industry, but nowadays BGI has discovered new, fascinating insights into human evolution. Statistically, BGI has conducted innovative, high profile research, which has generated more than 2000 publications.

# What possibilities and opportunities does gene sequencing create for the future of healthcare and the pharmaceutical industries?

With a microscope, you can open up a whole new world. From metres to centimetres, from micrometres to nanometres, gene sequencing can help us analyse processes at the nano scale and offers much higher precision and new opportunities for mankind and life sciences. In 1999, the first sequenced human genome cost roughly three billion dollars. A couple of years later, in 2007, the cost had fallen to a few million dollars, and today it's around 1000 dollars. We at BGI believe that we can drive the cost down to 500 dollars. The costs of gene sequencing have fallen as a result of our accomplishments. BGI has invested hundreds of millions of dollars in next-generation sequencing to allow testing at a scale and speed that was previously impossible. Today, we sequence more DNA than any other organisation around the world. We've mapped out the genomes for humans, plants, insects, and animals, for example, the giant panda genome. Our organisation is looking for ways to

### I believe that very soon genomics will be the biggest business in the world



implement all of these findings into our everyday life, because gene sequencing can help to increase average life expectancy and diagnose the majority of genetic diseases.

I believe that very soon genomics will be the biggest business in the world and will be incorporated into every discipline of health and medical care. Our aim is to transform DNA into a universal reference library like a mobile phone, which we use daily.

# What is the nature of the organisation and your vision?

At first, *BGI* wasn't a company but a non-profit organisation. Originally known as the Beijing Genomics Institute, *BGI* was founded in 1999 to participate in the Human Genome Project. Then later it became an affiliate to the Chinese Academy of Sciences. Back in the days when our team set up *BGI*, we initiated China's superhybrid rice genome research and other great research projects. Nowadays, *BGI* has eight non-profit and forprofit subsidiaries. With our capabilities and technologies, we successfully operate worldwide and consider ourselves global citizens. We pride ourselves on going the extra mile in testing and research. And because of that, we've delivered phenomenal results. From the first Asian genome project to the 1000 Genomes Project. From 140,000 genomes to a million genome projects. From 3.8 billion dollars for the first human genome two years ago to 500 dollars per genome today.

The company was founded more than 20 years ago. How has its vision and structure changed over the years?

### In Latvia we have access to a skilled workforce and high-quality infrastructure

We call BGI an organisation because we have both non-profit and for-profit sectors. We don't feel we operate in the same way as a typical company does. However, we also haven't completely embraced a non-profit model. To explain how our structure has changed, I have to say that BGI has two birthdays. BGI was born in 1999, but in 2007 we took a step into the commercial world and established our headquarters in Shenzhen. Today, BGI is one of the world's leading gene sequencing organisations. Two decades later, we still firmly hold to our mission of thinking big and making state-of-the-art genomics highly accessible to the global research community and clinical markets. BGI operates in more than 100 countries around the world. Our global partnerships are run in cooperation with more than 5000 scientific research and other institutions worldwide and many more in China. BGI is headquartered in Shenzhen, China, with branches and laboratories in major cities of China, including Beijing, Shanghai, Guangzhou, and Hong Kong. We also

have offices and laboratories located in Europe, North America, and the Asia Pacific region.

# How did you choose Latvia as the location for your first European factory?

A couple of years ago we established our first European Genome Research Centre in Copenhagen to accelerate innovations, genomics, and research and applications across Europe. In November 2019, MGI Tech Latvia, a subsidiary of BGI Group specialising in the development and manufacturing of gene sequencing equipment, opened the first stateof-the-art production site in Europe. Our plans are to export gene sequencing equipment to the European Union, Africa, and the Middle East. We actually discovered Latvia by chance. I learned about the country from a businessman who had already established a company here in Riga. Unlike in previous years, when we faced some difficulties in laying down our plans in the United Kingdom, Latvia left a great first impression. For example, if we opened a factory in Stockholm, Sweden, it would be far more expensive than doing so here. In Latvia we also have access to a skilled workforce and high-quality infrastructure our production site at Lidostas Parks is five minutes from Riga International Airport. Besides the attractive business environment, I truly appreciate the friendly and welcoming people here as well as the beauty of Latvia's nature. And mushroom picking!

### What are your future plans for Latvia?

We've already invested 15 million euros and are planning to recruit around 100 highly skilled professionals. In the first stage, we'll continue to promote the field of gene sequencing with our laboratory and production site here. In the next stage, we're planning to develop a technology centre, which will help Latvia become one of the leaders in life sciences in Europe. Everyone has probably heard in the news that *BGI*, the Wuhan National Bioindustry Base, and the Ministry of Economics of Latvia signed a Memorandum of Understanding at the annual 16+1 summit last year to build a Life Science and Technology Centre in Latvia. The centre will serve as a platform for research and innovations in life sciences.

We don't want to only set up a manufacturing plant in Latvia; we're also looking for ways to help the country advance its research and development. That's exactly what we did in Shenzhen. Eventually, in three to five years, everyone will tap into the potential of genes. It's important for us that Latvia and its citizens benefit from science. I have to say that, in the field of genomics, Latvia has a population size that's easy to operate with.

You've already partnered with the University of Latvia. What are your plans regarding cooperation with local universities in Latvia? In China, we have BGI College, which has established various joint undergraduate and graduate programmes in collaboration with local universities. A business should be created by people who are full of passion and less restricted in their thinking. We would like to push young professionals to join our basic research unit. In Latvia's context, we're very serious about setting up research facilities and educational programmes. For example, we've already put up a genetic sequencer at the House of Science of the University of Latvia.

# Where do you see *BGI* in the next five to ten years?

DNA sequencing is the springboard for genetic research, novel drug discoveries and treatments, and the progression of health and medical care systems. First, we're looking to cover new countries and regions. *BGI* encourages and helps people to jump into the field of life sciences. One day, we'd like to cover everybody and make gene sequencing easy and affordable. If we become commercial, we lose sight of the future and innovations. But focusing only on the future – in today's world that just doesn't work.

Wang Jian meeting the theo prime minister of Latvia, Māris Kučinskis, and LIAA director Andris Ozols in 2017



So BGI has several non-profit and commercial divisions. We have BGI Research doing basic research. We have BGI College for master's and doctoral studies. We have the China National GeneBank, which is a huge library based on the DNA of many millions of people. *GigaScience* is a new open-access online journal. These all are our non-profit organisations. Then we also have commercial subsidiaries, such as BGI Genomics, *MGI* (manufacturing of biological equipment), *BGI* Agro (agriculture), and FGI (forensic genomics). We definitely have some big plans for Latvia. MGI is already here. We'd like to bring at least half of our subsidiaries to Latvia, including the educational division, basic research, the National GeneBank, BGI Agro, and maybe even build a future hospital together.

## **INVESTMENT EXPERIENCE**

FOREIGN INVESTMENT SUCCESS STORIES IN LATVIA



Q&A WITH SEBASTIAN KUHNERT, CEO OF CHESS24 AND CHESSX

*Chess24* is the world's most advanced chess platform for chess players of all levels, from complete beginners all the way up to professionals, and provides the highest-quality chess content online. This year, it merged with *Play Magnus*, the company founded by chess world champion Magnus Carlsen, and expanded its operations by opening *ChessX*, a company developing online chess coaching products in Latvia.

#### THE COMPANY'S MAIN FOCUS

Chess24 was born out of a successful partnership between businessman Enrique Guzman and Grandmaster Jan Gustafsson in 2014. Over the years, it has turned into the world's best all-around chess platform for learning and playing the game, watching top chess tournaments, and interacting with other chess enthusiasts. The ChessX office in Riga recently joined the group's list of exciting locations from which people are promoting chess all around the world. ChessX's first product in Latvia will be CoaChess, a marketplace offering a personal touch and superior customer experience in mastering the game with real-time help from another human being.

### WHAT'S UNIQUE ABOUT THE COMPANY

The company boasts a wide portfolio of online chess games. It has created a truly global web platform available in English, German, French, and Spanish, and its mobile apps allow chess players to connect wherever they go.

### ADVANTAGES FOR BUSINESSES IN LATVIA

Building the company and the *CoaChess* product in Latvia has helped accelerate the company's progress. Riga has demonstrated itself as a place where people are excited to work and achieve big things. Some might still think that the eastern European countries are the best for simple tasks, but *CoaChess* has had a very different experience. The ambition of our team has attracted many highly-skilled senior developers who have

a complete understanding of the product creation process.

### STARTING POINT

Text by Līga Vaļko Photos by *F64* 

The decision to expand the group in Riga was the result of a visit by former LIAA director Andris Ozols to the *Chess24* office in Hamburg. During a trip to Germany on a different matter, he reached out and suggested that we consider Riga for our expansion. Since then, LIAA has been a huge supporter in attracting a chess company to Latvia, a country where people feel they can make a difference. LIAA has helped connect *ChessX* with the right people from the Ministry of Education and Science, Riga Technical University, recruitment and rental companies, and the Latvian Chess Federation.

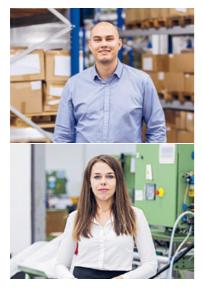
### RECOMMENDATIONS

Speak to LIAA from the very beginning. The help from LIAA made us feel comfortable in expanding to Latvia. We also recommend visiting Riga to get a feel for the location and the people. Next, finding good legal, accounting, and recruitment firms is important to get the business up and running quickly. Apart from this, setting up an *eParaksts* (e-signature) is highly recommended.

### FUTURE PLANS IN LATVIA

Our vision is to become the number-one live learning platform in the chess world. After that, we plan to build mixed teams from different countries and involve the *ChessX* team in other new and existing product developments. The next exciting idea is already currently being researched in Riga.





Q&A WITH EDGARS DOLMANIS, HEAD OF LOGISTICS AND PROCUREMENT AT FTS BALTIC, LĪGA CĒRPA, HEAD OF

FINANCE AND PERSONNEL

FTS Baltic is a German capital company operating in Liepāja, the third-largest city in Latvia. Located in Liepaja Business Centre (LBS), one of the biggest industrial parks in the Baltics, the company manufactures and assembles various types of slides and sliding systems for the appliance, automotive, and furniture industries. Its products are used by such brands as *Mercedes, Renault, Siemens,* and *Bosch.* 

#### THE COMPANY'S MAIN FOCUS

FTS Baltic currently works directly with Schock Metall, a globally recognised company with over 40 years of experience in the field of ball-bearing slides and special profiles tailored to customer needs. Before FTS Baltic was founded. Schock Metall outsourced manufacturing to a variety of locations in Europe. The decision to produce everything under one roof was made to optimise the supply chain process and to have a solid platform for the future growth of the company. From now on, FTS Baltic will act as a onestop-shop platform for producing and assembling tailor-made ballbearing telescopic slides.

#### WHAT'S UNIQUE ABOUT THE COMPANY

We pride ourselves in successfully integrating our manufacturing process in *Schock Metall's* global supply chain. What's more, our Latvian factory does not offer mass-produced items. *Schock Metall* engineers work closely with clients to create tailor-made slides and systems that are later used in the production of other industries' end products. Strategically, the vast majority of the products are intended for the electronics industry and are used for home and kitchen appliances.

### ADVANTAGES FOR BUSINESSES

Mechanical engineering and metalworking have traditionally played an important role in Latvia's economy. *FTS Baltic* chose Liepāja as a production location because this industrial city has a rich history and traditions in this field. Other advantages include the competitive cost environment as well as the experienced and skilled labour force in such a specific field as the metal industry.

#### STARTING POINT

FTS Baltic was established by three German investors. Two of them are shareholders of Schock Metall, and one is connected to Latvia and Liepāja through his family roots. After discussions with the former deputy mayor of Liepāja, the investors decided to establish a company and build a factory in the city within the Special Economic Zone, a favourable area for export businesses with available infrastructure to set up a production plant in a short period of time.

### RECOMMENDATIONS

We suggest revising and simplifying support programmes for companies that bring investments, create new workplaces, and add value to the country's economy and local communities.

### FUTURE PLANS IN LATVIA

We plan to recruit more than 180 people this year and have up to 250 employees by the end of 2020. Also, we plan to invest in new equipment for assembly lines, presses, and turning and milling equipment as well as to start manufacturing plastic components and products. LATVIA. GO GLOBAL. THE COOLEST LATVIAN COMPANIES YOU NEED TO KNOW ABOUT.

START IN

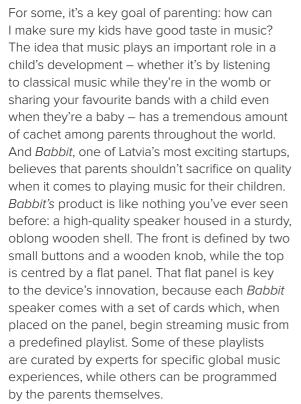
THE RISING STAR

**BABBIT** A children's toy for all to enjoy



Co-founders of Babbit: Liene Roga and Aleksandrs Roga

Text by Christopher Walsh Photos by Jānis Saliņš Style by Līga Vekmane



According to Liene Roga, co-founder of *Babbit*, the goal was to create a hi-fi speaker intuitive enough for a child to use, but nice enough for parents to enjoy. 'We're used to putting highquality things on high shelves. Good quality usually means that it's not for kids,' says Roga. But by focusing on delivering a high-level experience in a durable package, *Babbit* has created a prototype that can be used and enjoyed by the whole family.

As *Babbit* works to bring its speaker to market, the company acknowledges the advantage of launching a business in Latvia. 'In Latvia you can start with just one product, and the cost to develop it is only a third of what it might cost in somewhere like the United Kingdom,' says Roga. For the company, the sky is the limit with regard to potential revenue, as new products and new markets offer unlimited avenues for profit and growth. It won't be long before *Babbit*'s oddly-shaped speaker is as recognisable as *Rubik's Cube*. babbit.com



The goal was to create a hi-fi speaker intuitive enough for a child to use



### THE GAME CHANGER

**ASYA** Say goodbye to awkward silence

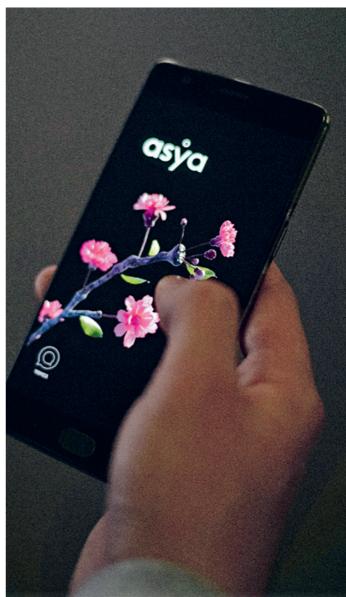


Ēvalds Urtāns

It fundamentally changes the way you conduct an interview when you know that everything you say is being analysed for emotional content by artificial intelligence. But when you're speaking with the founder of Asya, a 'mindful conversation app powered with ethical artificial intelligence', it's an essential aspect of the experience. According to Ēvalds Urtāns, Asya's CEO, the app is capable of building relationships through machine learning. By listening to conversations and analysing details such as speed, cadence, and tone, the app picks up on human emotion and makes suggestions on how to improve your communication skills in addition to posing thoughtful topics that should lead to stimulating conversation.

'We consider Asya to be the Fitbit for conversations,' says Urtāns. 'It can even be considered a charisma tracker.' After a few minutes of our conversation, Asya begins to make up its mind about our conversation skills. 'You're a good listener,' Urtans reports, as the app shows the difference in our speaking times. Asya, unaware that it's analysing an interview, encourages Urtans to allow me to contribute more. If you can get over allowing an application to interpret your conversations, the potential applications for Asya are vast. At the moment, the company's priority is relationships, as it sees the app as a key tool in building meaningful relationships and helping couples to overcome relationship problems. However, any industry relying on interpersonal communication or teamwork could benefit from the app's recommendations, and one could imagine a sales force being transformed by its suggestions. Urtans and his team of eight employees aren't the only ones who believe in the potential of their app; the company has brought in significant hauls during two rounds of fundraising, including support from Change Ventures, Buildit, and investors from Canada and Turkey. The company is working on a wearable device to provide the same conversation analysis service. Struggling to make it past the first date? Asya might be your secret weapon. asya.ai

### The app could be a key tool in building meaningful relationships



THE GREEN GIANT

**BEE BITE** Immunity in the palm of your hand



Anete Ozoliņa

It sounds like a sales pitch that's too good to be true: just one or two natural ingredients, sourced locally, packed to the brim with immunity-boosting amino acids, vitamins, and omega fatty acids. However, the product is for real, and the company is set on introducing its food supplement to markets throughout Europe. Anete Ozolina is a co-owner of Bee Bite, a Latvian company manufacturing bite-sized food supplements created to provide a burst of immunity. 'There are only one or two ingredients in each product,' says Ozolina. 'Bee bread and a locally-sourced berry.' Having never heard of bee bread before, Ozolina explains its benefits to me. Bee bread is bee pollen that is fermented in the beehive, resulting in a substance that is rich in vitamins and incredibly biologically active. Loaded with hundreds of active ingredients, including omega fatty acids in good ratios and a host of vitamins, bee bread strengthens the immune system of anyone who can handle its distinct flavour. Ozolina stresses that Bee Bite's products are food supplements rather than a snack food. 'Because it's very active, you should stick to one or two a day for maximum benefit,' she says.

I try one of Ozoliņa's products, a hexagonshaped candy that tastes strongly of honey and cinnamon. 'Our main advantage is that we've made individual pieces that look like candy,' says Ozoliņa. 'Ordinarily you would eat bee bread from a jar with a spoon, but we've made these candies that are easy to take as a daily dose.'

Currently, *Bee Bite's* supplements can be found online and in health food and grocery stores throughout Latvia, but the company is also testing new markets abroad. According to Ozoliņa – so far, so good. The company has high hopes for markets that value healthy living, with Scandinavia being a prime target. *Bee Bite*, a family business drawing on long-standing experience as beekeepers, could soon be exporting its locally-sourced Latvian products throughout Europe. beebite.eu

### Loaded with hundreds of active ingredients, bee bread strengthens the immune system



### THE TRENDSETTER

SOLFEG.IO

The company turning classrooms into concert halls



Lauma Kazaka

It's October when I meet with Lauma Kazaka, one of the founders of *Solfeg.io*, and within minutes we're learning the various elements that make up the theme song to *The Addams Family. Solfeg.io* – a play on *solfeggio*, the music literacy classes that take place in music schools throughout the world – is an online app that teaches children about music by breaking down popular songs into their component parts.

'It just makes sense that we made this in Latvia,' says Kazaka, herself a classicallytrained composer and music teacher. Latvia is a nation where seemingly everyone you meet is a member of a choir, and music schools for children can be found in towns large and small. The only surprise is that it took so long for someone to figure out how to export Latvia's world-leading music education.

With an ever-expanding library of songs recorded by talent content creators, Solfeg.io is spreading rapidly throughout the world. According to Kazaka, the app is currently being used by schools in 117 countries; it's particularly popular in Sweden and the United States. More than 500 new schools sign up for the service each month, building a subscriber base that is key to the company's economic performance. While many competitive apps try to teach music on an individual basis, Solfeg.io is the first to create a useful teaching tool for the classroom. The app is both creative and intuitive, enabling music teachers to choose which element of a song they want to focus on at any given time. And because the app's content library is regularly updated with the newest hit songs, teachers no longer have to worry about making sure their students are engaged in class.

Following *Solfeg.io's* lead, it's likely that more and more subjects will see their curricula disrupted by innovative apps and programs. To put it in more musical terms, they'll find themselves dancing to the beat of a different drum. **solfeg.io** 

### The app is currently being used by schools in 117 countries



THE STARTUP STAR

# EXONICUS

Bringing VR to the battlefield and beyond



Jānis Kondrāts

Within five minutes of beginning our interview, Jānis Kondrāts has immersed me in a new world: through his virtual reality headset, I'm in what seems to be a doctor's office. Almost immediately, a wounded soldier is brought into the room, and I'm tasked with taking care of him. 'When you wear this headset, you're in the emergency room,' Kondrāts coaches me. 'You have a patient, and the patient is injured with an external haemorrhage. In this room, you can choose from 50 instruments and interact with the patient right away." The power of Kondrāts' company, Exonicus, and its virtual reality experience are immediately apparent. The company's medical training experience offers an invaluable service to medical students, particularly those in high-stress military environments. Because where else will you have the chance to gain experience with traumatic injuries in a realistic environment? Thankfully, those opportunities are few and far between in everyday life. Exonicus' VR simulator, which Kondrāts refers to as a 'decision-making tool', has already been adopted by the United States Army at its Madigan Army Medical Center. Young medics can experience a range of representative injuries, and the immersive experience helps to replicate the intense pressure they would feel when treating a real-life battlefield injury. The company's innovative product grew out of a previous company, a publishing business that created 3D anatomy images for sculptors and medical students. But the rise of virtual reality allowed the company's founders to apply their knowledge to an exciting new technology. Exonicus is currently focused on refining and expanding its product for military clients, but it is easy to see how the simulator could become popular in medical training centres across the world. However, as it breaks into new markets, the company intends to maintain offices in Latvia, 'Prices in Latvia are four to five times cheaper than they are in the United States,' says Kondrāts. exonicus.com

The company's medical training experience offers an invaluable service to medical students

# Trauma Simulator™

Enables the training of military medical personnel, just like a flight simulator for pilots-in-training

- Vital signs react to the decision and the performed action in real time
- Get visual, audio and tactile feedback from the environment
- Patient-doctor interaction
- Real-life feel due to the possibility of losing the patient
- Monitor your training improvement with statistical data
- Separate training mode to reduce VR environment effect on decisions and actions

services inc. All Rights Reserve

you t iction urse

### KINGS OF CREATIVITY

**GRAFOMAP** Turn a map of anywhere into wall art



Rihards Pīks

'A lot of journalists want to write about our product, because they don't know what we're really working on,' says Rihards Pīks, cofounder of Grafomap. It's easy to understand why. The startup's products are map posters, customisable gifts that can be designed to display your favourite city or neighbourhood in an adjustable colour scheme to suit your home. But while *Grafomap* has hit on a very popular product, Pīks is more keen to discuss the nuts and bolts behind his business. 'Yes, the product is map posters, but what we're actually practising is building an effective system that is as automated as possible,' says Pīks. Among Latvian startups, Grafomap is a major success story with years of solid performance and steady profit growth. But while outsiders get excited by the product, Pīks encourages his fellow entrepreneurs to stay laser-focused on the business itself. 'Once the system is in place, when the website is optimised and the revenue model is in order, then it's all about customer acquisition. That's what we're practising and that's what the focus should be,' Pīks states. He goes on to explain the growth of Grafomap and the company's efforts to refine a dropshipping business model. Speaking to him about business, you would never know that his company created one of the most popular gift items to come out of Latvia in the past decade. Who knows how many great ideas fell flat due to a lack of business acumen?

In the long term, Pīks and his team are focused on developing a system that can be operated from anywhere with a reliable internet connection. But he doesn't ignore the benefits of launching in Latvia. After all, the country is known for its reliable internet, and Pīks credits the local startup community for providing valuable connections, lessons, and inspiration. Pīks and his team can currently be found at Creative Industries Incubator in the centre of Riga. His fellow entrepreneurs would do well to ask him for advice. grafomap.com

# Among Latvian startups, Grafomap is a major success story with years of solid performance



# SYNTHESIS OF DESIGN AND TECHNOLOGY

DESIGN AND TECHNOLOGY ARE CLOSELY LINKED TO EACH OTHER, BE IT IN THE PRODUCTION OF DECORATIVE BOWLS, WEBSITES, OR WHOLE BUILDINGS. THE UNDERSTANDING OF DESIGN HAS INCREASED IMMENSELY AMONG LATVIAN COMPANIES AS WELL AS CONSUMERS.

'It's about time we show the rest of Latvia and the world: this is possible,' posits Latvian designer and carpenter Mārtiņš Štrauss. What he wants to show is innovative but has its roots in the building and architectural history of the Baltic country – it's an office building constructed nearly entirely of wood. 'The thing is, we have an abundance of wood right here on our doorstep, and we should do more with it than cutting it down for export.'

Štrauss' building project is called Zelt and will have five storeys and a floorspace of nearly 1200 square metres (13,000 square feet). The skeleton of the building will still consist of concrete, a material he knows quite well from his work at a construction company. 'But Zelt starts from a different point,' he stresses. 'Wood as the main material was my leading inspiration. Plus it will be an independent organism, because we will not use any city heating. We'll have solar panels on the roof for both heat and a part of the electricity needed. The windows will have three layers of glass. The wooden walls will also make the climate inside a lot more comfortable.'

Many Latvian companies and entrepreneurs are in similar situations. They are specialists in a surprising niche and happen to stumble on an innovative idea. The next step for these companies is to try and break through both domestically and beyond their country's borders. Design and production technologies have often influenced each other in making new products and processes possible. In the Latvian design world, minimalism inspired by a functional Nordic style combines with an urge to discover potential progress everywhere after being occupied by the Soviet Union for 50 years. Add to that a quite destructive financial crisis in 2008-09, and the need for constant reinvention of one's own products is clear.

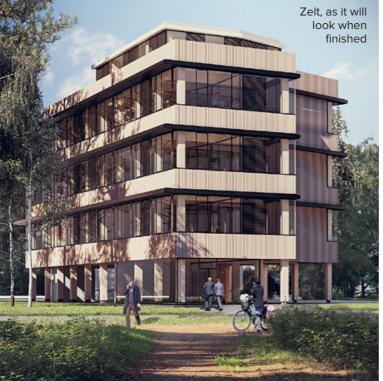
## THE NEW LATVIAN AESTHETIC AND IDENTITY

Entrepreneur Aldis Circenis, founder of the Riga Chair Factory (Rīgas Krēslu Fabrika), knows all about that ongoing struggle. 'The financial crisis was harsher for the furniture companies than for construction companies,' he remembers. 'Our turnover went down around 80%. It reminded us that we needed to have attractive products for export as well, not just rely on the domestic market. Around the same time, we also decided to add a production line for moulded plywood so we would have multiple technologies in our own capabilities.'

Circenis is trained as an architect and now works as an interior and furniture designer. He started in the furniture business right after Latvia regained its independence in 1991 and founded Riga Chair Factory in 1999. The factory in the Latvian capital now employs 70 people and had a record revenue of five million euros in 2019. His knowledge from the production process at his factory comes in handy when he develops new designs. One of Circenis' designs that also enjoys international fame is a rocking horse







Mārtiņš Štrauss, Latvian designer and skilled carpenter



for toddlers called Roo. The design is striking because it consists of only a single sheet of moulded plywood. 'It only became possible for us to produce after we enlarged our factory and started making our own plywood. I actually based it on the iconic rocking horse that has been produced in Latvia for many, many decades, the idea being to make a rocking horse as simple as possible and with as few pieces as possible - because wood dries out over time and may then fall apart.' Many pieces of furniture in the Riga Chair Factory portfolio are made of Latvian wood. Naturally, Circenis agrees with Štrauss that Latvian companies should make more use of both the resource itself and the expertise related to wood that the country's people have.

# Wood can play into a new Latvian aesthetic and identity

'The whole paradigm about wood is changing! When I was younger, it used to be a sin to cut down any tree. Now it's quickly becoming the opposite, and wood is once again seen as a sustainable resource because it grows back. Of course, we do need to think clearly about it and not deforest our country irresponsibly. And a lot of Latvian trees are now cut down and exported unprocessed, which, of course, is stupid. We need to both use wood as efficiently as possible and add value to it from the start.' Wood and design are far from an unknown combination in Latvia. When the country urbanised in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, many new buildings were constructed using almost only wood. Also, back then the forests were right nearby and the properties of wood made it good as an insulator during the cold winter months.

A new renaissance is upon us, hopes Štrauss, because wood can play into a new Latvian aesthetic and identity. 'Way too many of our office buildings were erected in concrete in the last century. Just because it was cheap. Now that we have the chance to actually use what we grow, we should take it!' He admits his Zelt office building in Riga will be more expensive than a similar edifice made of more conventional materials, with the difference amounting to some 60% more per square metre. But that hasn't deterred him in the slightest, because that's often the case with new approaches. 'I really believe this is the future of building, not only in Latvia but in most parts of the world. And that means we as Latvian companies can export a lot of it.' But, of course, design is not only about tangible items. As a matter of fact, a lot of people entrepreneurs and consumers alike – have only recently realised that design is all around us and becoming more and more important. Circenis is glad to notice design is enjoying increased appreciation globally these days. 'In the 1990s the attitude was more about cost, and not a lot of people thought interior or furniture design really required skills,' he says with a wry laugh. 'People thought they could design the lobby of their hotel themselves. Luckily, the sector has professionalised very much in the meantime and also grown substantially. Society also understands design is an education and that we know both materials and products.' Design expert Jelena Solovjova shares Circenis' view that the understanding of design has improved immensely over the past five to ten years. 'The feeling used to be that design was optional, something you'd only need if you wanted to make something more beautiful. Nice to have, rather than need to have. In my opinion, everyone should know that they are entitled to good design. It's not a luxury. That awareness is definitely on the rise.'



Solovjova has been involved in creating that awareness directly. In recent years, she has picked up many roles in the Latvian design world. She writes essays and articles on the topic, works as a lecturer at the Riga School of Design and Art, and chairs the Latvian Design Council. 'For me, it's all about communicating the value of design,' she says. She has also been showcasing many examples of good design through the National Design Award of Latvia, which she organised between 2017 and 2019. 'We paid particular attention to service design: how do you design processes that are intuitive to use and easy to learn? Especially public services should be accessible to everyone. In that context, the Latvian car and road administration website won an honourable mention for being exactly that. It's informative, easy to use for many different people, and designed to reduce the time it takes to find what you're looking for instead of just trying to keep your attention.'

The nominees for the National Design Award of Latvia have included very diverse projects, from a wooden paddle board to the visual communication of the Riga International Film Festival, which included large geometric statues displayed around the city centre and won the

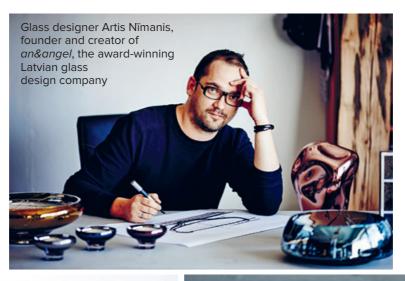
Entrepreneurs are seeing the opportunities in letting good design be the driving force behind their company

main award in 2018. The award purposely mixes nominees from different fields of design. There are consumer products, websites, fonts, fashion items, exhibitions, and entire house styles among the nominees. 'We were often asked why we didn't divide the nominees into separate categories,' Solovjova recalls. 'This was intentional, to both show an overview of Latvian design and at the same time make the point that design is everywhere. In the end, the award is a tool to communicate about good design.' Many entrepreneurs are seeing the opportunities in letting good design be the driving force behind their company. Consider, for instance, the many successful Latvian tech startups and IT companies. 'Because the digital market is

a global one, Latvian companies start out as exporters from the very beginning,' Solovjova says. 'This also puts pressure on them to deliver competitive products that have a well-thoughtout core design. I'm really glad to see that design thinking gets ingrained in company DNA more and more.'

## INSPIRED BY TECHNICAL PROCESSES

Artis Nīmanis put design front and centre as soon as he started his company an&angel some 15 years ago after graduating from the Art Academy of Latvia as a glass designer. 'Pretty soon, I had the idea of creating a group of dishes as a whole.' The so-called 'mirror bowls' Nīmanis now makes are smooth and flowing in form and have a mesmerising pattern of reflecting patches. Every single bowl is hand-blown and consists of two to four layers, depending on the size. 'As I worked on this group of dishes,' Nīmanis recalls, 'I realised that I could design it for a wider audience, using industrial production to create them. As a result, the company called *an&angel* was born, which has been developing step by step over the past few years, experimenting with a variety of techniques and shapes.' For the initial source of his inspiration, Nīmanis points to ice and icicles and the way they break the light. In more ways than one, however, the limitations and possibilities of the production process have shaped the bowls as well. 'Today, I get inspiration from a variety of technical processes.' While developing the process for the production of the bowls over the years, Nīmanis settled on coating the bowls with a layer of stainless steel. It took five years of experimenting to find the right way to make the steel stick properly to the glass. This was time-consuming because the layers needed to be extremely thin. 'Our designs are the result of that experimentation and the experience we gained throughout the years. We place the bowls



'It took five years of experimenting to find the right way to make the steel stick properly to the glass,' says Nīmanis about his glass bowls with metallic reflection.



*Sun & Moon*, a titanium-coated glass dish with a burned oak frame



in a vacuum environment where the metal is transformed into a fog that then naturally settles on the glass. Afterward, we burn it with plasma rays.'

His efforts paid off in 2013, when the mirror bowl was awarded both the German Design Award and the very highly regarded Red Dot Design Award. *An&angel* now exports the mirror bowl to many countries around the world, and several hotels have included the bowls in their interiors. Nīmanis shows no signs of relaxing: 'The world is at our fingertips thanks to globalisation!'





# WINTER GETAWAY IN LATVIA

WHILE CONSIDERABLY SMALL IN SIZE, LATVIA IS SURPRISINGLY RICH IN PLACES TO ZEN OUT.

There's something magical about taking an evening stroll around Riga's parks in the winter. The blanket of snow covers the trees and mutes the sounds and the snow crunches under the boots. Passers-by are a rarity, but the surroundings shine with lights as the capital is spruced up for the festive season. This stillness is seductive; it feels almost fictional, like pressing the pause button on the hurried lifestyle of today. While Riga is considered the most cosmopolitan of the three Baltic capitals, its gregarious personality changes in winter, when it becomes solemn and enigmatic.

Riga's snug cafés, decked out in soft pendant lightning and loads of wooden details, invite you to hunker down with a slice of cake and coffee, a glass of wine, or some traditional *Riga Black Balsam*. Relishing these treats goes well with a good book or just gazing out the window while snowflakes fall on the sidewalk.

A similar picture takes place at the long list of restaurants located in the Quiet Centre, the neighbourhood of Riga that's known for its large number of Art Nouveau buildings. Here one can enjoy a true feast of home-cooked bread, heaping portions of warming dishes, long lists of drinks, comfy chaise longues, and attentive service. It's things like this that make you want to linger and happily retell stories your dining companion already knows by heart. The musical offerings and premises are as diverse as possible. The House of the Blackheads, which graces so many postcards of Riga, regularly hosts classical music concerts.

Text by Ilze Vītola Publicity photos and courtesy of *F64* 



Another gem is the Great Guild, which is the home of the Latvian National Symphony Orchestra and one of the oldest public buildings in the Baltics, dating back to the 14<sup>th</sup> century. But it's a visit to the Latvian National Opera and Ballet that truly feels like a celebration.

A cocktail or two is a great way to end a culturepacked evening. In recent years Riga has seen an influx of sleek cocktail establishments, from gilded pocket-size parlours in the Quiet Centre to laid-back bars on Stabu iela and a clandestine speakeasy in a basement on Ģertrūdes iela. Here the twilight lighting and perfectly decorated drinks attract a diverse crowd, from the youthful, eco-friendly avocado generation to well-coiffed locals already on the 'wrong' side of forty.

## Curing mud and walks by the sea

Just half an hour from the capital lies the more slow-paced city of Jūrmala, whose surroundings – fresh winds blowing from the Baltic Sea and verdant pine groves – have long been lauded for their salubrious effect. The first rehabilitation resort in Jūrmala was established in the Kemeri district. In the 1930s, the formidable white Kemeri resort hotel was the most famous health resort in the region, with well-heeled guests coming here to rejuvenate from as far as Moscow. In the Soviet era Jūrmala saw an influx of other health institutions that still operate today. The mineral waters hidden in the subsoil that are rich in sulphur, bromide, and sodium chloride, as well as the healing sapropel mud found in the area's lakes, make up the core of the treatment programmes offered by the city's nine spa hotels and five rehabilitation centres.

But how can anything be called real recreation without including something pleasing to the eye? After all, even neuroscientists claim that the experience of beauty is crucial to our wellbeing. Jūrmala has plenty of aesthetic pleasures in the form of architecture – the city centre is teeming with ornate wooden villas from the 19<sup>th</sup> century. In winter, the wide city beach always keeps one wondering: what will it look like today – will the sea be frozen or stubbornly crashing against the icy coast? Whatever the case, the seaside provides a natural and usually serene setting for ambling all year round.

The same applies to nearby Kemeri National Park, whose landscapes have even graced the pages of National Geographic magazine. Some may argue that the scenery unfolding from the boardwalk that snakes through Great Kemeri Bog is even more enchanting in the cold months, when the solitary miniature pine trees are coated in frost. This natural wonder is a rarity in Europe, and it's likely that you won't meet a single other soul there during the low season. Latvia's already tiny population of two million are inexorably drawn to the cities, especially during winter, leaving rural areas the perfect place to escape traffic jams, crowded public transportation, city slickers with their eyes glued to phone screens, and

# Having a whole hotel to yourself is not a fantasy but a common situation

other elements of hectic urban life. This also means that the hospitality establishments are mercifully vacant. Indeed, having a whole hotel to yourself is not a fantasy but a common situation during the workweek. Naturally, effusive service and comfortable silence come along with the package.

## Living like an aristocrat

At the beginning of the 20<sup>th</sup> century, there were approximately two thousand manors in Latvia, largely owned by Baltic-German noblemen. After the agrarian reform in the 1920s, these stately dwellings were transformed into public buildings such as schools, hospitals, and so on. But with the independence of the country and the introduction of privatisation, a recurring theme across the



countryside has been the repurposing of these historical buildings into hospitality establishments. The newest such venture, Berkene Manor, lies just an hour's drive from Jūrmala. It opened to the public in the spring of 2019 after being restored by its committed owners from a dilapidated two-centuries-old manor into a beguiling inn. Continuing further west from Jūrmala, Milk Manor Berghof lies in the heartland of the Kurzeme region. Once a summer house for Baron von Medem, it later became a school and a milk factory. Its original Neo-Rococo façade was restored in the early 2000s, and the manor was turned into a hospitality complex featuring an accommodation that gives guests a glimpse into a lush bygone era, a tavern with a home-style menu featuring produce grown in the manor's own garden, a milk museum that tells the story of milk production in Latvia, and a spa where milk is the main ingredient in the treatments. Enjoy, for example, a revitalising bath of pure country milk - an activity that follows the philosophy of using locally sourced ingredients not only for the dinner table but also in spa treatments. Travel across the country to the stunning Baroque gem that is Liepupe Manor. At the top of its spa menu are a chamomile scrub, juniper oil, blue clay, sea buckthorn masks, and other organic products from the Latvian countryside. The 16-room hotel is decorated in a rustic romantic style. Combine that with occasional live music concerts, candlelight dinners in the manor's restaurant, and the wide arcs of the Vidzeme seashore just five kilometres from the manor, and you've got one of the most romantic destinations in the country.

But Liepupe Manor isn't the only luxe destination in the region. Rural sanctuaries can be found scattered throughout Vidzeme. Travelling inland, there's the medieval town of Cēsis, whose tranquil cobbled streets and slower pace of life have drawn young entrepreneurs from the capital to settle here. On the outskirts of Cēsis, three summer houses originally belonging to 19<sup>th</sup>-century Russian aristocrats have been turned into the welcoming Villa Santa Hotel. In its former life, the premises served as a tuberculosis rehabilitation hospital, where famous Latvian writers and artists sought treatment. Today, the air of a summer villa is enhanced by wooden façades and stained-glass windows, giving a familial feel to the hotel's 30 comfortably furnished rooms. Overall, Villa Santa prides itself on down-to-earth and inviting hospitality; it feels like visiting an old, thoughtful friend rather than a hotel stay. The hotel also offers pampering spa treatments using elements from Vidzeme's natural environment: cranberries, linden blossoms, rowanberries, and more. Villa Santa stands next to the Gauja River, and the entire area is part of Gauja National Park, which includes the three major regional cities of Valmiera, Cēsis, and Sigulda. Each city can trace its history back to the 13<sup>th</sup> century, which makes them packed with historical landmarks, including the majestic St. Simon's Church in

# Pampering spa treatments include elements from the natural environment

Valmiera, the medieval castle in Cēsis, and the grandiose Turaida Medieval Castle in Sigulda. Today, these cities are setting up exciting dining establishments, zero-waste stores, co-working spaces, sports and wellness centres, and much more to create an inviting environment for residents and visitors alike.

## The bounty of Vidzeme

You know you've arrived in the Gauja region when the road begins to undulate, revealing one serene landscape after another: solitary centuries-old oaks standing in meadows, bridges crossing rushing streams and rivers, sandstone cliffs and picturesque avenues of trees framing the road. These surroundings are not only beautiful; they are also fertile. Bounteous



harvests make it easy to eat according to the seasons. In fact, eating seasonally is deeply entrenched in Latvian food culture, so it hasn't taken much effort for native chefs to adhere to this axiom of Nordic cuisine. Their grandfathers did so and also taught them to operate in line with the seasons.

Heading further south, one comes upon another postcard-worthy location, *Annas Hotel*, situated on the premises of an 18<sup>th</sup>-century manor that Empress Elizabeth of Russia once gave to her relatives as a gift. The hotel's nine suites balance between modern comforts and maintaining historical charm. But it's the in-house restaurant that encourages guests to extend their stays. Named the second-best restaurant in Latvia, some travel across the country just to dine at *Kannas*. The restaurant makes the most of Vidzeme's bounteous homegrown produce and complements it with top-quality ingredients from afar. The result is a sophisticated modern Latvian cuisine.

Warming bowls of soup and sumptuous plates of meat and fish - the appetite needs to be whetted for such a feast, and that's where the local Olympic spirit comes in. The abundance of fresh snow throughout the season makes Latvian children puzzled by the important question of which is their favourite season. The temperature in January and February is usually well below freezing, making the ponds and lakes freeze over, leading to the perfect setting for a game of ice hockey and practising pirouettes. Sleepy Amatciems, a village located just a guick drive from Cēsis and filled with lakes and ponds, is every ice-skater's dream. Tucked into one of the dwellings with a thatched roof – a distinctive feature here that makes Amatciems look like a dwarfs' village – is the Jonathan Spa Estate Hotel. Defined by its rustic luxuriousness and an extensive spa offer, it also invites its guests to skate on the adjacent pond.

Because much of Latvia is fairly flat, the infinite fields and forests provide a perfect environment for cross-country skiing. The Vidzeme region hosts numerous cross-country ski trails, yet nothing can quite hold a candle to what Sigulda, the athletic capital of Latvia, has to offer. The town harbours five ski trails and the only artificially frozen ski track in eastern Europe, enabling athletes to ski also in snowless conditions. Sigulda is also home to a bobsleigh and luge track – one of only 18 constructions of this type in the world. Here anyone who wishes can ride the same track where the local Šics brothers (Olympic silver medal holders) and skeleton racer Martins Dukurs and his brother Tomass have trained.

And what could be better after an outdoor workout session than an authentic Latvian sauna? As in many northern nations, the sauna – or *pirts* in Latvian – has a special place in Latvian culture and is considered a place of healing for the body as well as the soul. In the past, women

# The winter sleepiness and tiredness fades with every gentle strike

gave birth in the sauna, and thus it is linked with all kinds of superstitions and magic. For instance, it's tacit knowledge that no tomfoolery is allowed in the sauna, not even whistling, which is said to attract the Devil himself. Latvia also has special schools and courses where old-time sauna experts pass on their knowledge to younger sauna connoisseurs.

For a genuine sauna experience, head to *Spa Hotel Ezeri* in Sigulda, which offers countryside sauna treatments performed by a sauna expert. As the fragrant birch whisk, prepared in summer when nature was in full bloom, massages your body, the winter sleepiness and tiredness fades with every gentle strike, leaving your body feeling light and your mind clear. The sauna is a meditative experience that relaxes and rejuvenates, reminding you once again that your body is a temple after all.

Text by Christopher Walsh Publicity photos and by *F64* 

# TO ENJOY NOW

HOW LATVIANS FILL THE LONG WINTER HOURS OF DARKNESS WITH A RICH DOSE OF CULTURE





The hardest thing to get used to, unless you're from northern Europe or the high latitudes, is the darkness. Latvians love to ask if you've ever experienced 'real winter' before; they wear the harshness of the Baltic winter as a badge of honour. But I had moved to Riga directly from Chicago, where we have our fair share of heavy snow and biting wind. Instead, it was the darkness that took me by surprise. In Latvia in late December, you'll be lucky to get more than four hours of daylight. If you work in a windowless office, you could go an entire week without seeing the sun. Take a trip outside of the capital city and you'll be amazed by just how dark it truly is: my definition of 'pitch black' was recalibrated after moving to Latvia. But Latvians seem to accept winter's interminable darkness as a challenge, as they work hard to ensure that life is still worth living even without the sun. December through March

are some of the country's most active months in terms of culture. Drop in on a concert and you may be able to see Metropolitan Opera star Aleksandrs Antoņenko performing tenor solos with the Latvian National Symphony Orchestra. The country's top ensembles, Sinfonietta Rīga and the Latvian Radio Choir, are also in full swing, offering concerts both in Riga and across the country. And there's no better feeling after seeing *Swan Lake* at the Latvian National Opera and Ballet than stepping outside into the city centre and breathing in the bracing winter air.

Attending a concert barely even requires prior planning. With the nation's cultural hubs buzzing with life, whether it's Riga Cathedral or one of the major concert halls in Rēzekne or Liepāja, it's easy to check out and often even find tickets for things going on later that same day. Of course, Latvia's role as a cultural heavyweight can be enjoyed year round. The success of the new summertime Riga Jurmala Music Festival is a testament to this. But the winter draws something special out of Latvian cultural life. The nation's musical stars shine the brightest against the darkest winter backdrop.

# LATVIA'S BEST-KEPT SECRET

WHY THERE ARE NO SEPARATE WORDS FOR 'MOUNTAIN' AND 'HILL' IN LATVIAN



Europe's major skiing destinations have been well recorded. The Alps, the Tatras, and the Pyrenees require no further marketing. And I'll admit it may be an uphill battle to sell you on skiing in Latvia. The Latvian language doesn't even have separate words for mountain and hill; there's no peak worthy of the differentiation. As you can imagine, the landscape is more dominated by sprawling forests than towering summits. It's for this reason that a popular Latvian song, 'Birzēm rotāts' (Adorned by Birch Groves), is so funny to me. It refers to Gaizinkalns, the country's tallest peak, as 'the Latvian giant'. Gaiziņkalns is a mere 312 metres tall. But even without mountains, skiing is a surprisingly popular pastime in Latvia. While they may not have a thrilling downhill run among them, the rolling hills surrounding Sigulda and Cēsis offer views that could compete with any winter holiday destination. What Latvia lacks in altitude, it makes up for in landscape, and it's no

surprise that cross-country skiing is a popular winter exercise trend. The stunning nature in the Vidzeme region is indeed enjoyed year round, which is why many aristocrats throughout Latvian history chose to build their manors and lush gardens around Cēsis and the Gauja River. One of the other advantages of Latvia's less-than-mountainous terrain is its value as a training ground for new skiers. Safely removed from dangerous slopes, young Latvians can get an early start on this winter hobby; likewise, it's never too late to try one of Sigulda's gentle hills. Once you've built up your skills, you can start thinking about something a little taller than Gaiziņkalns.

One doesn't even have to leave Riga to get in on the action. Take tram No. 1 across the city and you're likely to see cross-country skiers in the heart of the city, tearing across the sweeping Uzvaras Park. Latvians have been known to make the most out of limited resources.

# UNIQUE IN LATVIA

PAGAN ROOTS REMAIN STRONG ALONGSIDE CENTRES OF CHRISTIAN WORSHIP



Photo by Kaspars Krafts, F64

It's not that Latvia is a nation of non-believers. In fact, given that organised religion was officially banned during the nearly 50-year Soviet occupation, it could come as a surprise that there are active communities of church-goers around the country. In spite of active efforts in the last century to repress religion, Riga's church spires are still a defining detail of the city's skyline. But a European city with beautiful churches is not the type of unique attraction that merits a magazine article, not when they can be found in every country on the continent. Instead, what makes Latvia unique is the preservation of its pagan roots alongside thriving centres of Christian worship. We're not talking about outright prayers to pagan gods. Latvia's paganism is more subtle in practice, and more beautiful.

Pagan traditions can often be found alongside the most significant church holidays. While others sing carols at a Christmas service, you may find Latvians dragging and then burning a Yule log, symbolically torching the problems of the previous year. Even details such as the number of dishes (nine) served at Christmas Eve dinner most likely date back to pre-Christian times. But should you visit Latvia in the summer, you may be lucky enough to participate in the biggest pagan tradition of them all: Jāni. Originally an ancient festival celebrating the longest day of the year and fertility (in all its definitions), today it's an opportunity for Latvians to connect with generations of ancestors through singing, dancing, drinking, and celebration. Despite its association with St. John's Day, this holiday is as pagan as it gets. When the revellers begin taking flying leaps over a bonfire, that's when the party has only just begun.

A couple days after Jāņi, you'll find Latvians back at home or in the office. Save for a few folk symbols here and there, the country's pagan roots are rarely on full display. But these traditions are Latvia's national heritage, and they're always present, burning just beneath the surface.

CITY GUIDES. EXPLORE RIGA AND ALSO EXPLORE LATVIA, WITH ITS VIBRANT CENTURIES-OLD TOWNS RICH IN CULTURE AND TRADITION Ģirts Ozoliņš

Panorama of Riga

56

TRAVEL

.

CONTRACTOR CONTRACTOR

VI

T

F

10

AI

Į

「二日日



Text by Ilze Vītola Publicity photos, by Shutterstock, iStock, and courtesy of F64

# The heart of Latvia

The largest of the Baltic capitals, Riga combines a cosmopolitan spirit with the romance of its old suburbs. The architectural tapestry here is a sign of the city's tumultuous past. There's the Old Town with the grand 13<sup>th</sup>-century Riga Cathedral at its heart, the romantic Swedish Gate alluding to Riga's status in the Swedish Empire of the 17<sup>th</sup> century, the fascinating concrete Soviet architecture in the rougher outlying areas, and a wide cluster of swanky Art Nouveau buildings in the Quiet Centre.

Riga's eclectic cityscape has long been a source of inspiration for the city's creative movers and shakers, such as the artists whose work adorns the walls of the Latvian National Museum of Art and the contemporary art establishments cropping up around the city. The local sense of aesthetics can also be enjoyed in the city's bars and restaurants, from the top-tier establishments to craft-beer pubs and speciality coffee places, where a clever mix of wood and metal, bare ceiling beams and thoughtful details result in a minimalist yet warm style.

This winter, enjoy a walk through the snowy streets of the Agenskalns district and wander amongst the wooden buildings, some of which have been standing here for over a century. Or head to the Ethnographic Open-Air Museum to become acquainted with the vernacular architecture and pagan traditions. Riga also hosts a wonderful Christmas market at the foot of Riga Cathedral. In January, look out for Riga Street Food Festival, where local chefs present a variety of exciting flavours.



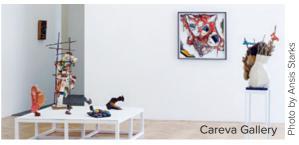
### SPLENDID PALACE

Housed in a stately Neo-Baroque building with a gilded Neo-Rococo interior, Splendid Palace is a bit of a bad boy of cinema that's not afraid to screen controversial European art-house movies and hosts the annual Riga International Film Festival. While sitting under its lush chandelier may feel like travelling back to the silent-film era, the sound quality here is top-notch.



## HANZAS PERONS

Giving a new lease on life to a former cargo railway warehouse, this new venue for art and culture was launched in the summer of 2019. The mix of glass, brick, and wood at Hanzas Perons provides a lightinfused, cutting-edge premises for a variety of events while still retaining the historical feel of the building.



## FOR ART LOVERS

In recent years Riga has seen an influx of contemporary art galleries. For mid-career and emerging artists from northern and eastern Europe, as well as underrepresented Soviet artists, check out Careva Gallery. For a dose of edginess, opt for the artist-run galleries Low Gallery and 427. ISSP Gallery, for its part, is devoted to contemporary photography.



Photo by Alvits Grīvnieks

Alūksne New Castle

# ALŪKSNE

# A magnetic lakeside town

Located in the northeast corner of Latvia. Alūksne is the place to catch the tail end of any season. Missed the blooming of the lilacs? Head to Alūksne. The snowdrops are already blooming, but you still want to do some cross-country skiing? Enjoy the last snows on one of the ski trails in Alūksne. This town is defined by Alūksne Lake, which in summer brims with sun-flushed locals seeking a refreshing swim. In fact, they are so inexorably drawn to the lake that the bravest even cut holes in the ice to swim when the temperature is well below zero, while a bit further the ice fishers patiently wait for their catch. If you're interested in local flavours, try buljons ar profitroliem, which is a soup with small dough dumplings served on special occasions.

While Alūksne earned city rights only in 1920, it has been mentioned in historical documents since the 13<sup>th</sup> century. This is where, in the 17<sup>th</sup> century, the German priest and teacher Ernst Glück translated the Bible into Latvian. To commemorate this milestone, he planted two oak trees that are still growing today and form a part of the town's leafy environment. The lush and hilly terrain also appeals to the petrol-heads who flock to Alūksne for the annual wintertime Rally Alūksne race. If the conditions allow, a part of the race takes place on the frozen lake.



## **BĀNĪTIS MUSEUM**

Opened in 2018, this cutting-edge museum makes the history of the century-old local narrow-track railway fun and exciting. The multisensory exhibition and outstanding architecture by *Design Studio H2E* has been praised by professionals in the field and won the Latvian Architecture Award in 2019. The exhibition also received the best-in-show prize at the SEGD Global Design Awards in the United States.



## TEMPLE HILL

In 1807, Baron von Vietinghoff, whose family bequeathed the Old and New Castles to the town of Alūksne, ordered the construction of a granite rotunda at the top of the ancient Latgalian hill fort to commemorate the events of the Great Northern War. Apart from the rotunda, Temple Hill Park is also home to a watchtower boasting a spectacular view of the Livonian Castle ruins.



## **CROSS-COUNTRY SKIING**

When a blanket of snow covers the town, the locals gather for races at Mežinieki, Alūksne's cross-country skiing and biathlon track. The track is illuminated after dark and also serves as an athletic alternative to an evening stroll.



# 

# The city of wind

Liepāja usually greets visitors with strong gusts of wind - this is not called 'the city of wind' for nothing! But thanks to the milder coastal climate, Liepāja is also a place to escape the cold, seeing as temperatures here are sometimes up to ten degrees higher than in other parts of the country. While in summer the city has the air of a lively resort town, there's nothing sleepy about it in the cold months either. Liepāja has long been synonymous with culture, and especially music. The city streets are walkable and provide plenty for the eyes to appreciate, from subterranean courtyards, a fine collection of Art Nouveau architecture, stunning Swiss chalet-style dwellings around Seaside Park, and the distinctive red-brick edifices that are the legacy of Paul Max Bertschy, Liepāja's main architect of the 20<sup>th</sup> century. And of course, no matter the season, the sports centre and spa is always open, making Liepāja a perfect destination also in the winter months. However, the city's biggest draw remains the broad white-sand beaches along the Baltic Sea. And when the day melts into the night, pull up a seat at one of the city's numerous dining establishments. Be sure to sample the local speciality mencini, a warming dish made of smoked cod.



## GREAT AMBER CONCERT HALL

Opened in 2015, the gleaming sunset-coloured glass construction known as the Lielais Dzintars (Great Amber) concert hall serves as the heart of the city's cultural life and confirms Liepāja's title as a cultural destination. The multifaceted programme at Great Amber includes theatre performances, ballet, contemporary dance, and many concerts a month by the resident Liepāja Symphony Orchestra.



## KAROSTA

Less than 20 years ago, the northern area of the city known as Karosta (War Port) was closed even to locals. A vestige of the Soviet army and originally constructed as a naval base for Tsar Alexander III of Russia, this area makes for a mythical and alluring destination for a stroll.



## PETER'S MARKET

What would Liepāja be without its stunning Art Nouveau market? Opened in 1910, the airy hall illuminated by natural daylight streaming in from the vaulted windows retains the building's original charm and makes one feel as if having travelled back in time.



# DAUGAVPILS

# An open-air museum

Dinaburg, Borisoglebsk, Dvinsk, Daugavpils -Latvia's second largest city, located at the border of the East and West, has had many names due to the fact that over the centuries it has been ruled by Germans, Russians, Poles, and Swedes, all contributing to the city's rich cultural heritage. Some of the city's natives have even left a significant mark on the global culture stage, such as painter Mark Rothko and composer Oscar Strok. Daugavpils boasts an extensive collection of museums, including the Chess and Checkers Museum, the Museum of the First World War, the Museum of Military Vehicles, and the Shmakovka Museum, where visitors can learn about the oldest Latgalian tipple. In fact, the city's streets themselves are an open-air museum, being lined with various religious establishments, from ornate Orthodox churches and vividly-painted Old Believer houses of prayer to sturdy Roman Catholic structures.

Framed by lush forests and lakes, the nearby guest houses and spa resorts offer a peaceful rest next to clear-blue waters. Here you can also experience Latgalian hospitality at its best and, if you're lucky, learn more about traditional crafts such as woodcarving, wickerwork, and pottery, which are all still vital to life in the region.



### DAUGAVPILS MARK ROTHKO ART CENTRE

Established in 2013, this is the only place in eastern Europe displaying the original work of the master of abstract expressionism. Alongside Rothko's original paintings and reproductions thereof, the centre also boasts a growing collection of work by contemporary artists from Latvia and abroad. The centre is located in Daugavpils Fortress, the only preserved 19<sup>th</sup>-century military fortification in northern Europe.



## POTTERY

In the era of mass production, bespoke dishware seems like a rare jewel, but not in Daugavpils. Thanks to the rich clay resources lying under the hills of this region, a number of expert potters still practise their craft, which is deeply rooted in a tradition that is hundreds of years old. See some of their work at Daugavpils Art Centre and the Latgale Exhibition Hall.



### ART NOUVEAU ARCHITECTURE

For some beguiling Art Nouveau architecture, head to Saules iela. With their richly decorated facades, properties No. 41 and No. 55 on this street are fine examples of the famed architecture style of the early 20<sup>th</sup> century.

Text by Ilze Vītola Photos courtesy of Youlee Wen and Andrew and Emily

# **INSTAGRAM IMPRESSIONS**

ARE YOU A TRAVEL BLOGGER OR SOCIAL MEDIA WIZARD WITH A PASSION FOR TRAVELLING AND YOU WANT TO EXPLORE ALL THE AMAZING THINGS LATVIA HAS TO OFFER? CONTACT THE INVESTMENT AND DEVELOPMENT AGENCY OF LATVIA (LIAA), WHICH WILL HELP YOU TO GET THE MOST OUT OF YOUR VISIT TO LATVIA.

Here are the impressions of two international influencers LIAA assisted during their trips to Latvia.



#### YOULEE WEN (@travel\_bellauri)

173k people aged 20–30 are following Youlee as she takes exciting journeys around the world. In autumn 2019 the Korean *Instagram* star and her husband revelled in the vivid foliage of Latvia.

What was your first impression of Latvia? Latvia is not well known to Korean tourists, and that's why I was so eager to visit it. It turned out to be an enjoyable and tranquil destination brimming with beautiful places. What is your favourite picture of your trip to Latvia?

It's from Kuldīga, which was one of my biggest surprises. Sigulda may be the most popular autumn destination in Latvia, but I found Kuldīga, the town's welcoming locals, and the little cafés and shops to be more enchanting.

#### Would you recommend Latvia to other travellers? Definitely! And I already know that many of my followers are considering visiting it. It's a country where you really feel free when travelling – mingle with the locals and feel the authentic atmosphere of its cities and towns!



#### ANDREW AND EMILY (@alongdustyroads)

Two photography and travel enthusiasts from London, Andrew and Emily have been globe-trotting since 2014. As proponents of 'slow travel', they share notes about their journey on the alongdustyroads.com blog and on *Instagram*.

# What was your first impression of Latvia?

We knew very little about Latvia before we visited it during our winter road trip. With no awareness of what the travel experience would be like, it turned out to be a real treat. After that visit, and following our summer road trip there the following year, we left Latvia with a strong impression of a country with so much space, respect, and appreciation for nature and the outdoors.

What is your favourite picture of your trip to Latvia? This photo of Emily by the Venta River in Kuldīga illustrates the essence of our Latvian road trip in summer – the peacefulness, the closeness to nature, and the stillness that offered a welcome contrast to our hectic city life back home. Kuldīga is a really beautiful little historical town. We enjoyed a spontaneous morning of swimming in Europe's widest waterfall and afterwards relaxing on the wooden jetty in the bright sunshine with no one else around – it was simply perfect.

# Would you recommend Latvia to other travellers?

Absolutely. Latvia felt like the antidote to overtourism, and taking a road trip along its western coast or through the relatively flat and untouched interior is really an excellent way to discover the country beyond the capital, Riga. Locals were always very kind and welcoming and curious about why we chose Latvia for a holiday.

# Investment and Development Agency of Latvia

Address: Pērses iela 2, Riga, LV-1442, Latvia Phone: +371 67039499 E: jautajumi@liaa.gov.lv Web: liaa.gov.lv

Innovation and Technology/ labsoflatvia.com Tourism in Latvia/ latvia.travel Start in Latvia/ startuplatvia.eu

#### United States of America

Toms Zvidriņš, Head of the Representative Office Address: 995 Market Street, San Francisco, CA Phone: +1 2026508122 E: toms.zvidrins@liaa.gov.lv

#### United Arab Emirates

Inga Ulmane, Head of the Representative Office Address: 3006 Bay Central, 8 Jumeirah Beach Road, Dubai Marina, Dubai, UAE E: inga.ulmane@liaa.gov.lv

#### Belarus

Georgijs Vojevoda, Head of the Representative Office Address: Посольство Латвийской Республики в Республике Беларусь, Ул. Дорошевича 6а, Минск 220013, Беларусь Phone: +375 172847654 E: georgijs.vojevoda@liaa. gov.lv, by@liaa.gov.lv

#### Denmark

Gints Norlinds, Head of the Representative Office Address: Letlands ambassade i Kongeriget Danmark, Rosbæksvej 17, 2100 København Ø E: gints.norlinds@liaa.gov.lv

#### France

Solvita Gulbe, Head of the Representative Office Address: Ambassade de la République de Lettonie en France, 6, Villa Saïd 75116 Paris, France Phone: +33 153645815 E: solvita.gulbe@liaa.gov.lv, fr@liaa.gov.lv

#### Italy

Andra Minkeviča, Head of the Representative Office Address: Via Giovanni Battista Martini, 13, 00198 Rome, Italy E: andra.minkevica@liaa.gov.lv

#### Japan

Alīna Aščepkova, Head of the Representative Office Address: Embassy of the Republic of Latvia in Japan, 37-11 Kamiyamacho, Shibuya-ku, Tokyo, 150-0047, Japan Phone: +81 334676888 E: alīna.ascepkova@liaa.gov.lv, ip@liaa.gov.lv

#### Kazakhstan

Vladimirs Samoiļenko, Head of the Representative Office Address: Республика Казахстан, 050060, г. Алматы, ул. Джандосова, 58 A, офис 21 E: vladimirs.samoilenko@liaa.gov.lv

#### Russia

Iveta Strupkāja, Head of the Representative Office Address: Посольство Латвийской Республики в Российской Федерации, Ул. Чаплыгина 3, 105062 Москва, Россия Phone: +7 4957301834 E: iveta.strupkaja@liaa.gov.lv,

E: iveta.strupkaja@liaa.gov.lv ru@liaa.gov.lv

#### China

Ingus Rozenblats, Economic Counsellor (Northern China) E: ingus.rozenblats@liaa.gov.lv, cn@liaa.gov.lv

Agnese Stürmane, Economic Counsellor (Southern China) E: agnese.sturmane@liaa.gov.lv, cn@liaa.gov.lv

#### United Kingdom

Maanetic Latvia Business Information

Centre at Riga International Airport

Located in Departure Sector C and

open every day from 9 AM to 6 PM

Phone: +371 62400603

E: bic@liaa.gov.lv

Reinis Āzis, Head of the Representative Office Address: Embassy of Latvia in London, 45 Nottingham Place, London, W1U 5LY, United Kingdom Phone: +44 2075631611 E: reinis.azis@liaa.gov.lv, uk@liaa.gov.lv

Paulis Grinhofs, Deputy Head of Representative Office E: paulis.grinhofs@liaa.gov.lv, uk@liaa.gov.lv

#### Netherlands

Egita Aizsilniece-Ibema, Head of Representative Office Address: Singelstaete, room 113, Singel 250, 1016AB, Amsterdam, The Netherlands Phone: +31 207995622 E: egita.aizsilniece-ibema@liaa. gov.lv

#### Norway

Evita Nedzvecka, Head of the Representative Office Visiting address: Bygdøy allé 76, 0268 Oslo Phone: +47 93994459 E: evita.nedzvecka@liaa.gov.lv

#### Singapore

Lāsma Līdaka, Head of the Representative Office Address: 19 Cecil Street, #04-01, The Quadrant at Cecil, Singapore 049704 E: Iasma.lidaka@liaa.gov.lv

#### Finland

Alise Barvika, Head of the Representative Office Visiting address: Pohjoiseplanadi 39, 00101 Helsinki, Finland E: alise:barvika@liaa.gov.lv

### Linked in

company/investment-anddevelopment-agency-of-latvia/

LIAALatvija



) Magnetic Latvia

#### Ukraine

Ainārs Mežulis, Head of the Representative Office E: ainars.mezulis@liaa.gov.lv

#### Germany

Helmuts Salnājs, Economic Counsellor (Northern Germany) Address: Botschaft der Republik Lettland in der Bundesrepublik Deutschland, Reinerzstraße 40/41, 14193 Berlin, Deutschland Phone: +49 3060929421 E: helmuts.salnajs@liaa.gov.lv, de@liaa.gov.lv

Kaspars Rožkalns, Economic Counsellor (Southern Germany) Address: Botschaft der Republik Lettland in der Bundesrepublik Deutschland Reinerzstraße 40/41, 14193 Berlin, Deutschland Phone: +49 3060929421 E: kaspars.rozkalns@liaa.gov.lv, de@liaa.gov.lv

#### Sweden

Gints Janums, Head of the Representative Office Address: Lettlands Ambassad i Konungariket Sverige, Odengatan 5, Box 191 67, 104 32 Stockholm, Sverige Phone: +46 87006316 E: gints.janums@liaa.gov.lv, se@liaa.gov.lv

Valters Jēkabsons, Deputy Head of Representative Office Address: Lettlands Ambassad i Konungariket Sverige, Odengatan 5, Box 191 67, 104 32 Stockholm, Sverige Phone: +46 87006316 E: valters.jekabsons@liaa.gov.lv





European Regional Development Fund



© 2019