



MAGNETIC
LATVIA



On the cover:

Arthur Analts (*Variant Studio*),
Matter to Matter (2018)

Photo by Arthur Analts

Matter to Matter, the installation that won last year's award for best design at the London Design Biennale, represents Latvia's and Latvians' relationship to their natural environment. It was inspired by Arthur Analts' native city of Riga. Due to its proximity to the Baltic Sea, Riga has its own unique climate, with constant humidity that often leads to condensation.

Matter to Matter invites visitors to leave their own messages on its surface. After a couple of minutes, the temporary marks naturally disappear. The installation serves as a way to consider the power of nature and highlights the role of designers and architects as the creators of a responsible, sustainable future in which nature and its inhabitants coexist.

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ANDRIS OZOLS,
Director of the Investment and
Development Agency of Latvia

Why Magnetic Latvia?

We at the Investment and Development Agency of Latvia (LIAA) have a vision of Latvia. Of the Latvia we would like to live in, invite our friends and business partners to, and show to the world. And it is a magnetic vision. We believe that magnetism is a quality that is worth striving for, both in business and in how we make people feel here.

Our business incubators work as guides for those who are trying to figure out how to make their ideas grow into something real. The start-up support programmes often form the missing element that helps start-ups find their way to becoming successful businesses. We still believe that it is important for scientists to keep inventing things even though it seems that the world needs nothing new. Because there is no limit to perfection. And those efforts have to be supported.

To those who think that the local market is too small for what they have to offer, there are a number of opportunities to go further. Some of these can be found in this magazine.

As an organisation that sees attracting foreign investment as one of its top priorities, we are happy to help find the best options for that.

And then there's the magnetism that you can see with your eyes and feel with your heart.

I encourage you to look up the beautiful places in Latvia that you will find in the pages of this magazine and go and see them for yourself.

MAGNETISM



Velnezers Lake in Latvia's eastern region of Latgale

Photo by Valdis Skudre / Courtesy of LIAA

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 EVENTS IN LATVIA THIS YEAR.



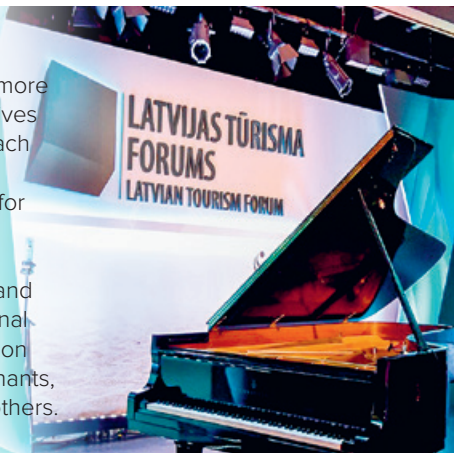
EXPORT AND INNOVATION AWARDS 2019

December 5, Riga
Every year LIAA and the Ministry of Economics organise the annual Export and Innovation Awards, celebrating the leading exporters and most innovative companies in Latvia. The goal of the awards is to promote the competitiveness of companies in local and foreign markets.
eib.liaa.gov.lv



LATVIAN TOURISM FORUM

November 14, Riga
Each year this forum gathers more than 300 leading representatives of the tourism industry, and each year, it focuses on a specific topic, change, or opportunity for the country that could benefit a wide range of people and institutions: owners of hotels and other accommodations, regional governments, tourist information centres, tour operators, merchants, educational institutions, and others.
liaa.gov.lv



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INOVUSS FESTIVAL

August 30 – September 1
Lucavsala, Riga

With a three-day open-air programme and seven stages, the iNOVUSS festival will bring together the brightest minds in technology and innovation from all over the world. Participants will be inspired by speakers covering topics such as artificial intelligence, future trends, the circular economy, and mental performance; they will also make valuable local and international contacts by meeting entrepreneurs, investors, scientists, travellers, and state officials.
inovuss.lv

CONVERSATION FESTIVAL LAMPA 2019

June 28–29
Cēsis

With this year's topic being 'courage', the Conversation Festival LAMPA will present compelling conversations and exciting events for the fifth year in a row. During the festival, the LIAA stage will cover the topic 'the intelligence of courage'.
festivalslampa.lv

RIGA FILM FORUM

September 26–27, Riga

This international forum brings together cinema experts to discuss the positioning of this region, how the products of small countries can enter big markets, trends in content on streaming platforms, and how to sell content while still in the development stage. News, current trends, and statistics reflecting the situation of the film industry in Latvia and abroad will also be discussed.

EVENTS ABROAD

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



Photo by iStock

LATVIAN STAND AT NY NOW 2019

August 11–14
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

LATVIAN STAND AT GITEX TECHNOLOGY WEEK 2019

October 6–10
Dubai, United Arab Emirates
For the past 38 years, this is where the world's technology leaders, enterprises, and startups have

come together to show you the future of every business and every industry, as it happens. From smart kitchen appliances and surveillance cameras to home entertainment, mobile electronics, and beauty products, GITEX Technology Week debuts the products that enable a connected lifestyle. Visit the Latvian stand to see some of the achievements of the country's businesses in the fields of information and communications technologies.
gitec.com

LATVIAN STAND AT THE FRANKFURT BOOK FAIR

October 16–20
Frankfurt, Germany
The Frankfurter Buchmesse is the most important marketplace in the world for printed and digital content and a great social and cultural event. Publishing experts, writers, players from the creative industry, and culture enthusiasts from across the world meet here to network, discuss, negotiate, and

make decisions. Representatives of Latvian businesses will be happy to meet you and demonstrate their products and services as well as establish far-reaching contacts and begin new partnerships.
buchmesse.de

LATVIAN STAND AT CPHI WORLDWIDE 2019

November 5–7
Frankfurt, Germany
Set to become the top pharmaceutical networking event of the year, CPhI Worldwide 2019 will attract the sector's leading experts, buyers, and suppliers. Over the course of three days, Messe Frankfurt will host more than 2500 companies exhibiting innovative products and technology from verified manufacturers, including the representatives at the Latvian national stand. Some 45,000 professional visitors will attend the upcoming edition of the event.
cphi.com

LATVIAN STAND AT ELMIA SUBCONTRACTOR 2019

November 12–15
Jönköping, Sweden
As Northern Europe's leading subcontracting trade show, Elmia Subcontractor brings together the manufacturing industry's experts all under one roof. With 1200 exhibitors from about 30 countries, unique conditions are created for business development and profitable deals. Here you will see innovations and ingenious solutions, tomorrow's engineering designs, smart materials, and exciting products.
elmia.se

HOW CAN LIAA HELP?

IDEA

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

BUSINESS INCUBATORS (PRE-INCUBATION PROGRAMME)

A business incubator provides the right support on your path to a powerful and export-oriented 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.

DEVELOPMENT

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

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 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 start-up company is exempt from personal income tax.

Start-up visa.

Offered to all non-EU start-up 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.

EXPORT

ARE YOU READY TO OFFER YOUR SERVICE OR PRODUCT ABROAD?

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.

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.

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.

FACTS AND FIGURES

CHECK OUT SOME OF THE MOST IMPORTANT FACTS AND FIGURES
RELATED TO LIAA'S WORK IN 2018

LIAA currently has
**20 REPRESENTATIVE
OFFICES** in 18 COUNTRIES
around the world:

Belarus, China, Denmark, Finland,
France, Germany, Italy, Japan,
Kazakhstan, Lithuania, the Netherlands,
Norway, Russia, Singapore, Sweden,
the United Arab Emirates, the United
Kingdom, and the United States.

LIAA organised
**32 LATVIAN NATIONAL
STANDS**

at international exhibitions
abroad, with 135 companies
participating. The exhibitions
took place in 13 countries:

China, Finland, France, Germany,
Great Britain, Italy, Japan,
the Netherlands, Singapore,
South Korea, Spain, the United Arab
Emirates, and the United States.

LIAA coordinated
35 TRADE MISSIONS,
including high-level business
delegations. A total of 195
merchants participated in
these missions. Trade missions
travelled to

Belarus, Canada, Chile, China,
Costa Rica, Finland, France,
Germany, Italy, Japan, Kazakhstan,
the Netherlands, Norway, Russia,
Singapore, South Korea, Sweden,
Switzerland, the United Arab Emirates,
and the United States.

6 LARGE

Latvian national marketing
campaigns were organised:
Latvia Days in

Lithuania, China, the Netherlands,
Great Britain, Japan, and Germany.

Latvia Days include a wide
range of exciting activities,
from cooking masterclasses,
cultural events, and exhibitions
to placement of Latvian
products in supermarkets,
tastings, and so on.

LIAA facilitated
55 VISITS to Latvia
by potential foreign
cooperation partners.
These representatives
of foreign companies,
purchasers, etc.
arrived from

Germany (various industries),
Denmark (food industry), Italy
(ICT services), Egypt (various
industries), Georgia (pharmacy),
Japan (design, tourism, wood
industry), South Korea (wood
processing, food industry),
Finland (engineering, metal
processing, design, food industry),
Sweden (electrotechnical and
power industries), Great Britain
(medical services, textile industry),
China (various industries),
Russia (tourism), Kazakhstan
(aeronautics), Sri Lanka (food
industry), Singapore (food
industry), and Colombia
(various industries).

In the fields of
export and tourism,
**70 JOURNALIST
VISITS** to Latvia
were organised.

**14 BUSINESS
FORUMS**
at different levels and of
varying scale were hosted,
which were attended
by foreign business
delegations from

China, Denmark, Ghana, Japan,
Kazakhstan, Kyrgyzstan, Norway,
South Korea, Tajikistan, Turkey,
Turkmenistan, the United
Arab Emirates, and Uzbekistan.

LIAA organised
**24 SEMINARS
ON FOREIGN
TRADE ISSUES**,
which were attended
by 1324 participants.
The seminars
addressed
many different
markets, including

Canada, China, Colombia,
Egypt, Great Britain,
Malaysia, Romania,
Saudi Arabia, and
the United Arab Emirates.

LIAA representative
offices have coordinated
**63 INDIVIDUAL
BUSINESS VISITS**
by Latvian entrepreneurs to
other countries.

During the reporting
period, a total of
1286 CONSULTATIONS
were provided to companies
regarding external markets
and the search for business
partners. Consultations
pertained to the following
sectors: engineering
(158 consultations); chemical
industry, pharmacy, cosmetics
(69); wood processing and
furniture manufacturing (85);
construction (128); ICT (94); light
industry (76); food industry (314);
creative industries (75);
transport and logistics (26);
printing, publishing, and
packaging (35); services (113);
medical tourism (18); other
industries (95).

With LIAA support,
19 companies decided
to implement investment
projects in Latvia. Investments
are expected to result
in a total investment of
239 MILLION EUROS.

Over the course of
12 MONTHS,
**876 EXPORT
REQUESTS WERE
PROCESSED**. Requests
pertained to the following
sectors: engineering
(89 requests); chemical
industry, pharmacy,
cosmetics (40); wood
processing and furniture
manufacturing (91);
construction (73); ICT (39); light
industry (77); food industry (98);
creative industries (34);
transport and logistics (29);
printing, publishing, and
packaging (24); services (160);
medical tourism (14);
other industries (108).

LIAA has introduced
the annual **DEEP
TECH ATELIER
TECHNOLOGY
CONFERENCE**, a new
initiative in the Baltic Sea
region that has already
attracted 1150 participants
from 25 countries.
Eighteen new deep-tech
startup teams have been
established within the first
two conferences alone.

LIAA maintains
**15 BUSINESS
INCUBATORS**
throughout Latvia.

LIAA's business incubators
have signed
217 NEW CONTRACTS
with entrepreneurs for
receiving support from an
incubator, and as of the end of
2018, incubation support was
provided to 423 merchants.
Twice as many (837) business
idea authors have received
pre-incubation support,
450 of them in 2018.

Participants in LIAA's
business incubators
have created
**348 NEW
FULL-TIME JOBS**.

Participants in LIAA's
business incubators
generated a
**TOTAL TURNOVER
OF EUR 18,569,612**.

More than
**1000 ENTREPRENEURS
HAVE CONSULTED** about
the activities of and support
programmes offered by LIAA's
Technology Department.

Publicity photo

WELCOME TO MAGNETIC LATVIA!

STOP BY THE MAGNETIC LATVIA BUSINESS INFORMATION CENTRE
AT RIGA INTERNATIONAL AIRPORT



Courtesy of LIAA

When your flight plans take you to Sector C at Riga International Airport, take the opportunity to visit the *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. 'The airport is our country's front porch,' says Andris Ozols, LIAA's director. 'Many years ago, visitors crossed our borders by horse and wagon – now they fly in. The country's administration needs to be modern, and in my opinion, the *Magnetic Latvia Business Information Centre* at Riga International Airport is a tastefully constructed showcase of Latvia's abilities and achievements. None of the neighbouring countries have anything like it. At *Magnetic Latvia*, visitors to Latvia can see the high-level services we provide in the fields of IT, tourism, science, and design as well as learn about what we produce. Many people don't realise that Latvia is among the top-rated countries in a number of fields and specialities.' Businesspeople from both Latvia and abroad who find themselves at the airport while 'in transit' are invited to make use of the opportunity to organise meetings at the airport without having to head into the city. *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 10:00 to 19:00, 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 so on.

If you frequently travel through Riga International Airport, be aware of the fact that the *Magnetic Latvia* centre undergoes regular transformations! Not only are the objects on view periodically changed, but every month there are new, seasonal presentations about what makes Latvia special. For instance, in April the focus is on birch sap. Local producers of the healthful drink come to show their products as well as give interactive presentations on how the traditional process of sap collecting takes place.

The space housing the centre has been designed to showcase the range of products offered by Latvian manufacturers – everything in it, from the interior decor and furniture to the roasted coffee beans and the cups in which the coffee is served, has been made in Latvia. For your convenience, a wide range of printed information about Latvia is available, and there's also a children's play corner with books by Latvian authors and toys manufactured in Latvia, such as the legendary *Roo* rocking horse. *Magnetic Latvia* encourages Latvian manufacturers to show their products to airport visitors. There are no restrictions on the choice of products shown; the only requirement is that they are produced in Latvia.

While waiting to board their plane, visitors to *Magnetic Latvia* have become especially fond of sending a *Magnetic Latvia* postcard to their loved ones. You can get the cards and the appropriate postage stamps right there at the centre and then drop your filled-out postcard into the *Latvijas Pasts* mailbox provided. Located in the departure sector of the airport, *Magnetic Latvia* invites travellers to take a moment to say goodbye to Latvia on a positive note, while at the same time providing a modern and safe work environment for those who are invariably busy and always on the go.

Text by Līga Vajko
Publicity photos and by Shutterstock

HOT LATVIAN INDUSTRIES TO INVEST IN

IN RECENT YEARS THE VOLUME OF FOREIGN INVESTMENTS IN THE COUNTRY HAS SLIGHTLY INCREASED, REACHING A 2018 HIGH POINT OF €15.1 BILLION. FUNDS ARE BEING INVESTED ACROSS A WIDE RANGE OF INDUSTRIES.



With the Smart Specialisation Strategy (RIS3), the Latvian Ministry of Education and Science set priorities a couple of years ago defining specialisation areas to increase innovation capacity and to create an innovation system that promotes and supports technological progress in the economy. In fact, these specialisation areas, as defined by the same strategy, comprise some of the hottest industries in which to invest in Latvia today. Global business centres (GBC), biomedicine, and smart materials are some of the most promising and lucrative long-term investments in the portfolio of the Latvian economy.

Locally embedded and globally connected, these industries transform the local economy, creating new, value-added products and services. As a result, Latvia is now 'punching above its weight' in several markets. Multiple attributes set the country apart for investors in Europe, where developed countries are facing high market saturation and fierce competition. The high growth potential in Latvia is evident from positive business cases and investments that are driven by entrepreneurship, science, and education. The above-mentioned industries hold immense growth opportunities over the coming years, and each of these industries has its own story of how it became one of the hottest industries in which to invest in Latvia.

BIOMEDICINE

Today, modern scientific medicine, often called biomedicine, drives the medical technologies of the 21st century. Latvia-based biomedical companies and organisations have demonstrated dynamic growth in recent years. Their success is defined by a strong scientific basis historically and R&D capabilities today, including some of the best experts and researchers.

Pharmaceutical and biotechnology industries in Latvia have a long history. Already back in the 19th century, Latvian chemists made significant, internationally recognised contributions to research. The most prominent scientists linked to Latvia are Nobel laureate Wilhelm Ostwald and Paul Walden, a pioneer in organic stereochemistry and physical chemistry. As a result of strong local traditions, Latvia also has powerful production facilities for pharmaceuticals and chemicals. One out of every four new drugs in the former USSR was made in Latvia.

Today, biomedicine is outlined in the Smart Specialisation Strategy (RIS3) as one of the country's investment priorities with particularly high development potential. Latvia's reputation as a fast-growing and investor-friendly European country guarantees it a competitive advantage worldwide. Local legislation and its membership in the European Union and the World Intellectual Property Organization (WIPO) promote the protection of intellectual property and product patents. Practically speaking, the competitiveness of the Latvian economy is shaped by the increase in added-value products and

services. Scientific and research activities, as well as high-quality production, play an important role in the biomedicine industry. Therefore, investments in innovations, infrastructure, product development, and research facilities are important driving forces for the industry.

In Latvia, R&D capabilities and modern laboratories, existing production infrastructure, and an educated workforce are important components that encourage investment in the industry. This combination establishes a basis for the development of niche segments that can compete globally with innovations.

The core of any biomedical ecosystem is a close connection between the health industry, medical institutions, and research organisations. One of Latvia's internationally renowned laboratories is the Institute of Organic Synthesis (IOS), which performs research in organic and medicinal chemistry, pharmacology, and biophysics. IOS closely cooperates with *Grindeks*, *Olainfarm*, and other pharmaceutical companies to increase their competitiveness.

Creating new, distinctive competitive advantages, such as investing in cutting-edge technologies and human capital, is a major focus of the industry. The process of research, development, and innovation is long and expensive. From the early stages of development, it takes an average of 12 years for a biopharmaceutical drug product to reach the market. The time frame for medical devices is five to seven years. If Latvia is perhaps not yet suited for large-scale production, then niche markets and research centres, where global corporations can

explore and test their ideas, are a good fit for the country. For example, the Latvian Biomedical Research and Study Centre (BMC) is the leading scientific institute for molecular biology and biomedicine, with more than 25 years of experience in the field. Such research centres and innovative companies can work together and convert knowledge and expertise into real commodities demanded by society and the market.

One of the most recent developments in biotechnology is the work on the prototype of the vaccine against Lyme disease, for which preclinical studies are currently underway. Another important direction is cancer diagnosis in the very early stages.

Latvia's research capabilities are rich and diverse. In recent years, BMC has created a unique research infrastructure in the country, with a laboratory animal core facility, genome centre, and cell biology and microscopy core facility. Thanks to this infrastructure, Latvia is a world leader in narrow niche markets for the development of animal vaccines.

A new Life Science and Technology Centre will be built in the upcoming years following the signing of the Memorandum of Understanding agreement by BGI (one of the world's leading genomics organisations), Wuhan National Bioindustry Base Construction and Management Office, and the Ministry of Economics of Latvia at the annual 16+1 summit in November 2018. This strategic step will help the country become one of the leaders in the life science industry, providing European-scale life science and technology facilities. The centre will be a platform for innovations and collaboration between companies and researchers, providing access to laboratories, mentor services, and commercial support.

SMART MATERIALS

There is enormous potential for the science and industry of smart materials in Latvia. This interdisciplinary area of science opens up new innovative opportunities and creates a variety of value-added products, such as nanotechnologies, smart materials, and coatings.

Nowadays, smart materials are replacing insufficient traditional resources and becoming the future of hot commodities. They are more responsive and change their physical properties in response to stimuli from the external environment, reverting to their original state if needed.

Increased investments in R&D have brought new technologies to the world and broadened their scope of application. From electrical to mechanical and materials engineering, developments in smart materials have become increasingly widespread across the construction, chemical, and many other industries.

In Latvia, this legacy is built upon previous generations, with Riga having been a technology centre for centuries. At the beginning of the 20th century, before the devastation of the First World War, Riga was one of the most developed cities in the Russian Empire, right after Moscow and St. Petersburg. Most of the first Latvian scientists worked outside the Baltics. After the declaration of Latvian independence on 18 November 1918, many of them returned home, and a new generation of scientists emerged soon after. After the Second World War they were again scattered around Europe, the United States, Canada, Australia, and Latin America. Nevertheless, for the almost 50 years that Latvia was part of the Soviet Union, the country was one of the most highly industrialised parts in the region and boasted notable research facilities. A dedicated Educational and Scientific Complex constructed in the 1970s served as the foundation for the Institute of Solid State Physics at the University of Latvia.

Today, smart materials are one of Latvia's research priorities, and the country is looking to rebuild its high-tech industries. The Institute of Solid State Physics has secured its position and is one of the leading scientific centres in Latvia, coordinating national research programmes in materials science. When investing in the smart materials industry, it is important to understand that cooperation between the industry and scientists is very active, although the science has a slightly different perspective and expectations. It is therefore important to have an intermediary that can help manage and build up a strong portfolio. In 2018, the Institute of Solid State Physics presented its new brand, Materize, which was developed to offer scientific expertise

Smart materials have become increasingly widespread across the construction, chemical, and many other industries

and experience to the industry. The business world needs scientists and vice versa. *Materize* is an effective cooperation platform that promotes scientific excellence around Europe and makes the whole process even more efficient. The Deep Science Hackathon, a 48-hour event organised by the Institute of Solid State Physics, is more proof of the strength of the national ecosystem in bringing many great ideas to life. The event is a good place to exchange ideas and provide added value for the further development of a presented idea. Over the course of a single weekend, people work in teams to present their ideas to investor clubs, accelerators, and experts. The next Hackathon will take place in February 2020.

The Institute of Solid State Physics is one of the leading scientific centres in Latvia.



Scientists at work at the *Materize* laboratories.

A strategic geographic location, local expertise, and R&D capabilities are only a few of the things that have made smart materials a hot industry in which to invest in Latvia. One of the main driving forces to invest in this industry is the skilled and motivated workforce and scientists available in Latvia. Local vocational schools and technical universities have gone through a modernisation process to improve infrastructure and increase the number of highly skilled professionals available in the job market. Higher education and research organisations equip students with a knowledge base and skills that act as a solid foundation for further careers in research. As a result, local knowledge is sufficiently developed to focus on niche products in the supply chain. And, instead of recruiting a huge team, companies in the smart materials industry can create high value-added products by employing small groups of skilled professionals. This market is a long-term trend that has a huge impact on the sustainable future of many industries. Therefore, companies are in search of new, innovative breakthroughs that can improve efficiency, save resources, and drive sustainable growth. *EuroLCDs* with its development of liquid crystal display functional properties, *Sidra* with its smart metal oxide nanocoatings, *Evoled* with its organic light-emitting diodes, and *Groglass* with its anti-reflective and high-performance coatings on glass are just some of the local companies turning new developments into successful products that compete in the smart materials industry all around the world.

GLOBAL BUSINESS CENTRES

Currently, around 50 global business centres significantly contribute to Latvia's economy, making it more competitive than ever before. The total global business centre (GBC) turnover in 2018 reached 300 million euros. The government of Latvia proactively promotes GBCs as one of its priority sectors and positions the country as the next great investment destination. In the eyes of many international

companies, Latvia is now seen as a strong emerging market for new GBC facilities. It stands to reason that there is a steady increase in demand for outsourcing. Interest from global companies in opening new GBCs and strengthening ongoing strategic business relationships in Latvia is growing. For example, in 2018 a global business centre was opened in Latvia by *Cognizant*, which is one of the largest, most innovative, cutting-edge IT corporations in the world and a Fortune 500 company. Other new expansions and developments are underway. In 2018, the Latvian government, Riga City Council, and private sector representatives joined forces to sign a memorandum on the development of global business centres in Riga. Over the coming years, the number of new, modern office spaces will increase, and, according to the memorandum, GBCs in Riga are expected to create 10,000 new jobs by 2023. This means that both young and senior-level professionals will be able to gain valuable experience in international companies. The availability of a highly qualified workforce that is fluent in several languages and holds relevant field experience is one of the reasons to set up a business centre in the emerging market of Latvia rather than in other, more saturated markets. Another important aspect that has helped the industry to evolve is Riga's convenient geographical location. Latvia's transport infrastructure and its airport's untapped potential can be used to conduct business across Europe and Central Asia. When *Cabot Corporation* decided to look for a new location in Europe, it considered various locations. Compared to some of the bigger and more mature service locations, the corporation felt strongly supported and welcomed by Riga. The fact that the city's service industry was relatively young made *Cabot Corporation* believe its decision to locate in Latvia was the best long-term solution as opposed to stepping into a very saturated market. The company has been growing over the past years and is

well positioned for growth by expanding its capabilities, similarly to other global business service centres that evolve and expand their capabilities towards more knowledge-driven and value-added services. Today, service centres in Latvia support a wide range of business processes: 24% of its GBCs are multifunctional, 43% operate in IT, and 15% in finance.

The increase in outsourcing demand and automation technologies bring new challenges and opportunities for service delivery and efficiency. Latvia keeps up with the constantly changing industry, and more than half of GBCs in Latvia are actively involved with internal process automation and more sophisticated automation processes that help technology perform operations previously done by

Latvia is now seen as a strong emerging market for new GBC facilities

people – 11% of GBCs have spanned the scope of autonomous processes and artificial intelligence. For example, an automation centre in Riga initiates and implements automation processes for *Circle K* worldwide. The *Circle K* Business Centre was opened in Riga in 2012 with 35 employees. Now, it is one of the biggest business centres in Riga, employing almost 600 people and providing all the company's accounting functions as well as specialising in more complex aspects like automation. Given the industry's size and employment opportunities, there is substantial potential for business services in Latvia. A targeted approach based on the industry's strengths and local benchmarks can act as a hub to bring investors to Latvia. Likewise, the newly founded Association of Business Service Leaders in Latvia (ABSL Latvia) is another step forward to build a community and support positive growth.



Circle K



Cabot Corporation

Text by Kaspars Zaviļeiskis
Photos by Mārtiņš Zilgalvis (F64) and
Vladislavs Proškins (F64)

INVESTMENT EXPERIENCE

BUSINESS SUCCESS STORIES

Latvia may be a small country, but that makes everything closer, just two handshakes away from the right target.

Investors choose Latvia because of its geographical location and proximity to Scandinavian and Western European markets and the advantages of its infrastructure. But the biggest treasure is the country's talented people, who are known for their strong work ethic, precision, and knowledge of languages. Those who have already discovered Latvia and acknowledged its potential are happy to expand their activities in the country.

As of the end of 2018, the volume of foreign direct investment in Latvia had already grown to 15.1 billion euros, which is the highest level of such investment so far. According to the Bank of Latvia, Sweden had the largest accumulation of foreign direct investment in Latvia as of the end of last year, at 2.6 billion euros.

According to the FICIL Sentiment Index, 55% of existing investors plan to expand their operations in Latvia. This points to one thing: trust in the Latvian business sector is growing quickly, and investors are increasingly finding it wise to invest energy and resources in the Latvian market.

LIAA has defined several sectors as its priority sectors for investment attraction. These sectors – metalworking and mechanical engineering, woodworking, food processing, transport and storage, IT (including global business services), green technology, health care and life sciences – are not only those where Latvia has accumulated know-how and valuable experience over the centuries, but also sectors that are rapidly growing nowadays.

The following are three successful examples of foreign investment in Latvian businesses and their operations in general.



Q&A WITH

KIM LEANDERSSON,

THE HEAD OF THE RIGA DELIVERY CENTRE
AT COGNIZANT

Cognizant is one of the world's leading professional services companies, transforming clients' businesses and operating and technology models for the digital era. Headquartered in the United States, *Cognizant* is ranked 193 on the Fortune 500 list and is consistently listed among the most admired companies in the world. Last year it opened a business consultation and solution delivery centre in Latvia's capital city, Riga.

MAIN FOCUS OF COGNIZANT

Cognizant started 25 years ago in the United States. Initially, it was the IT department at *Dun & Bradstreet*, from which it first spun off as a separate entity and later also started servicing other clients. *Cognizant Latvia* is the first of *Cognizant's* delivery network in Europe, where the focus area is telecom specifically and IT in general, and it adds to *Cognizant's* ability to deliver IT services from nearshore locations in Europe.

COMPANY'S UNIQUENESS

We have more than 15 years of unique experience in the telecom business and are focused to support full IT services for large European telecom customers in the BSS space. Currently in Latvia we employ 300 associates, who represent a diverse and engaged community.

ADVANTAGES FOR BUSINESSES IN LATVIA

It's important for *Cognizant* to have a good presence in Europe, because our clients expect this. Latvia is advantageous due to its proximity to the Nordic and German markets, which are important for us. Other advantages of Latvia are good infrastructure and, of course, the accessibility of skilled people.

STARTING POINT

Cognizant entered Latvia via the acquisition of an already existing business in Latvia, so this question doesn't really apply to us.

RECOMMENDATIONS

Learn the culture. Every country has its own set of habits and unwritten rules. Your journey into any new country will be so much easier if you're aware of these.

FUTURE PLANS IN LATVIA

I cannot reveal any concrete numbers for Latvia, but we do aim to grow. Latvia has a good business climate, and the outlook is good. The challenge will be with the availability of the workforce, where we're already seeing some challenges. Going forward, these will need to be tackled with changes in the educational system as well as both decreased emigration and increased immigration.



Q&A WITH

JENS BACH MORTENSEN, THE CEO OF KVIST INDUSTRIES

The origins of the Danish company *Kvist Industries* take us back to 1896 and a company called *Tarm Stole og Møbelfabrik*, whose production included the *FDB* furniture collection, a well-known design classic. In 1967 Arne Kvist established a company called *Årre Facon Spænd* in Årre, Denmark, which took over *Tarm Stole og Møbelfabrik*. In 2013 the company's name was changed to *Kvist Industries*. The company still manufactures a number of designs both in Denmark and Latvia that are considered classics of Danish design.

MAIN FOCUS OF KVIST INDUSTRIES

Our focus is quality. We produce wooden products of the highest quality, generally furniture, and are able to meet our customers' most challenging, complex demands. We have the know-how to work with moulded and solid wood, which is based on the knowledge and experience we've accumulated over the decades. In 2017 we celebrated 50 years of manufacturing Danish design that is widely sold and valued both in the Danish and international markets.

COMPANY'S UNIQUENESS

We are proud of our capability to provide full service to our customers, starting with product development – because in most cases the product is only at the level of an idea when we receive an order – to delivery of the finished product. A few years ago we established a logistics department at our Latvian factory, and at the moment there's no need for a customer to be involved in the various processes that we can organise from our side. We do not produce our own designs; we only produce for other brands, because we concentrate our skills on what we are best at, and that's production and high-level customer service.

ADVANTAGES FOR BUSINESSES IN LATVIA

Overall, it's a good and welcoming business environment. The knowledge and willingness of the workforce is appreciated.

STARTING POINT

My first business trip to Latvia was in the early 1990s, so there's not much advice anyone could have given me at that time. It's great to see how the country has changed and developed over the years to a modern and rapidly developing European country.

RECOMMENDATIONS

Do not underestimate the value of cultural pre-research. Differences in human behaviour in various nations and cultures can be crucially important in business communication. Of course, this is nothing new and applies to every country, not just Latvia. But I would like to point this out to establish an understanding of behaviour models.

FUTURE PLANS IN LATVIA

As the demand for quality and service-level requirements grows rapidly, we must be willing and able to follow these trends to keep our positions in our business field. There are generally no restrictions to building a successful business in Latvia if you're motivated and knowledgeable in your chosen field.



Q&A WITH

PETER LUBERTS, THE EXECUTIVE VICE PRESIDENT AT LEAX GROUP

Sweden-based *LEAX Group* is a manufacturer of complete systems, subsystems, and vital components for commercial vehicles, agricultural and construction vehicles, mining, processing industries, and the general machining industry. The company wanted to move a part of its business portfolio to a factory in eastern Europe, and Latvia felt like a good choice, 'just around the corner' from Sweden.

MAIN FOCUS OF LEAX GROUP

To supply our clients with machined and heat-treated mechanical parts in medium to high volumes.

COMPANY'S UNIQUENESS

We're proud of the very high competence level among our employees.

ADVANTAGES FOR BUSINESSES IN LATVIA

The cost level is quite competitive.

STARTING POINT

We had very good support from the beginning from two local citizens: Henriks Silenieks and Jānis Bole.

RECOMMENDATIONS

Get support from *LIAA*.

FUTURE PLANS IN LATVIA

We plan to continue to grow with a healthy business portfolio and focus much more on new machining and heat-treatment methods. We want to go for more automation. And we must put more focus on products and services with high added value.

THE RISING STAR

ERICA SYNTHS

Using Latvian engineering to launch into the
revenue stratosphere



Raivo Vainovskis, Ģirts Ozoliņš, Jānis Zaharans

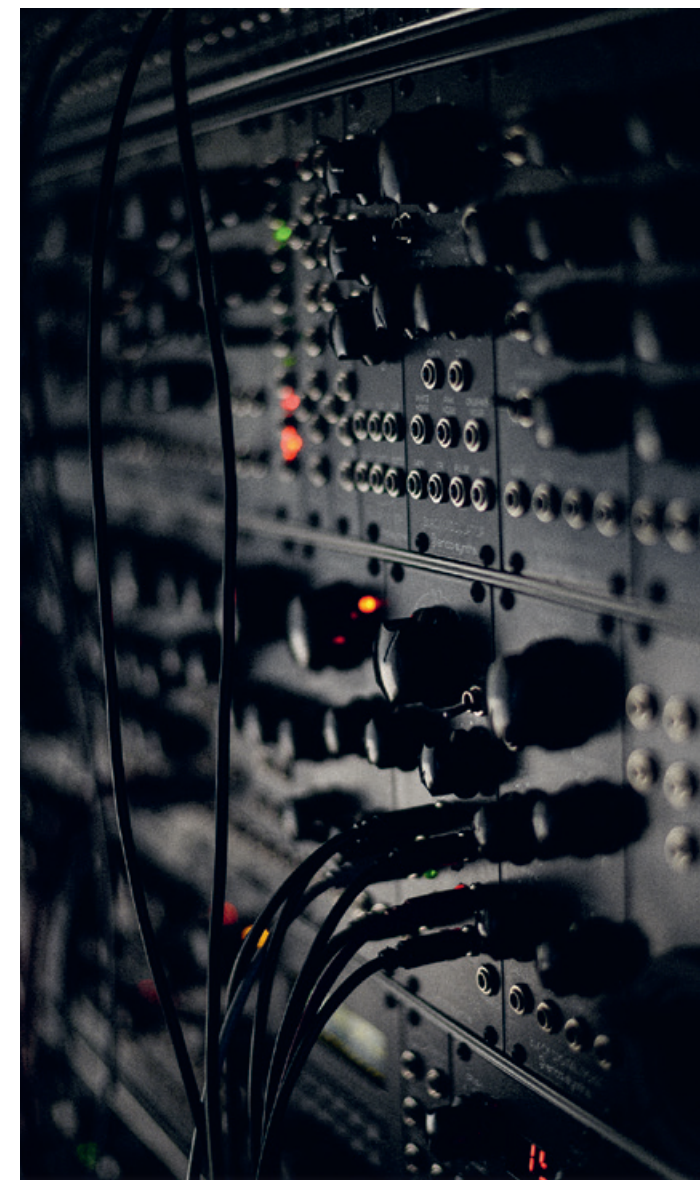
Text by Christopher Walsh
Photos by Jānis Saliņš
Style by Līga Vekmane

When asked if *Erica Synths* is considering outsourcing manufacturing of its popular synthesisers to factories outside Latvia, the company's founder laughs. 'We're actually promoting Latvia as a place for manufacturing,' says Ģirts Ozoliņš, the visionary behind *Erica Synths*. 'A few German companies have already moved manufacturing from China to Latvia!' Founded in 2013, *Erica Synths* creates modular synthesisers, DIY musical instruments that can be highly personalised to the needs of the performer. The company's high-quality instruments are in demand throughout the world, but each unit is designed and manufactured completely within the borders of Latvia. With several large factories supporting outsourced manufacturing, Ozoliņš argues that Latvia offers some of the best and most affordable infrastructure for electrical manufacturing in the world. Compared with larger countries, where small companies struggle to break into manufacturing, accessible Latvian infrastructure allowed *Erica Synths* to fulfil sales immediately. 'Latvia has the best infrastructure in the world for electronics manufacturing. I can say that with conviction,' Ozoliņš adds.

As *Erica Synths* grows in popularity, it is relying on its established relationships with Latvian factories to achieve rapid revenue growth. Outsourcing has allowed the company to keep costs down, even as sales skyrocket based on the outstanding quality of its instruments. *Erica Synths*' next step? Standalone synthesisers designed by the company's expert engineers, eschewing the DIY element in favour of an instrument that is immediately able to perform at an exceptional level.

Erica Synths' passion for music is also what drove the company to organise the Kontaktor festival for the second time in May of this year. In addition to a musical programme, the festival offered a set of workshops and lectures by some of electronic music's loudest names and was developed together with the Creative Industries Incubator of LIAA. ericasynths.lv

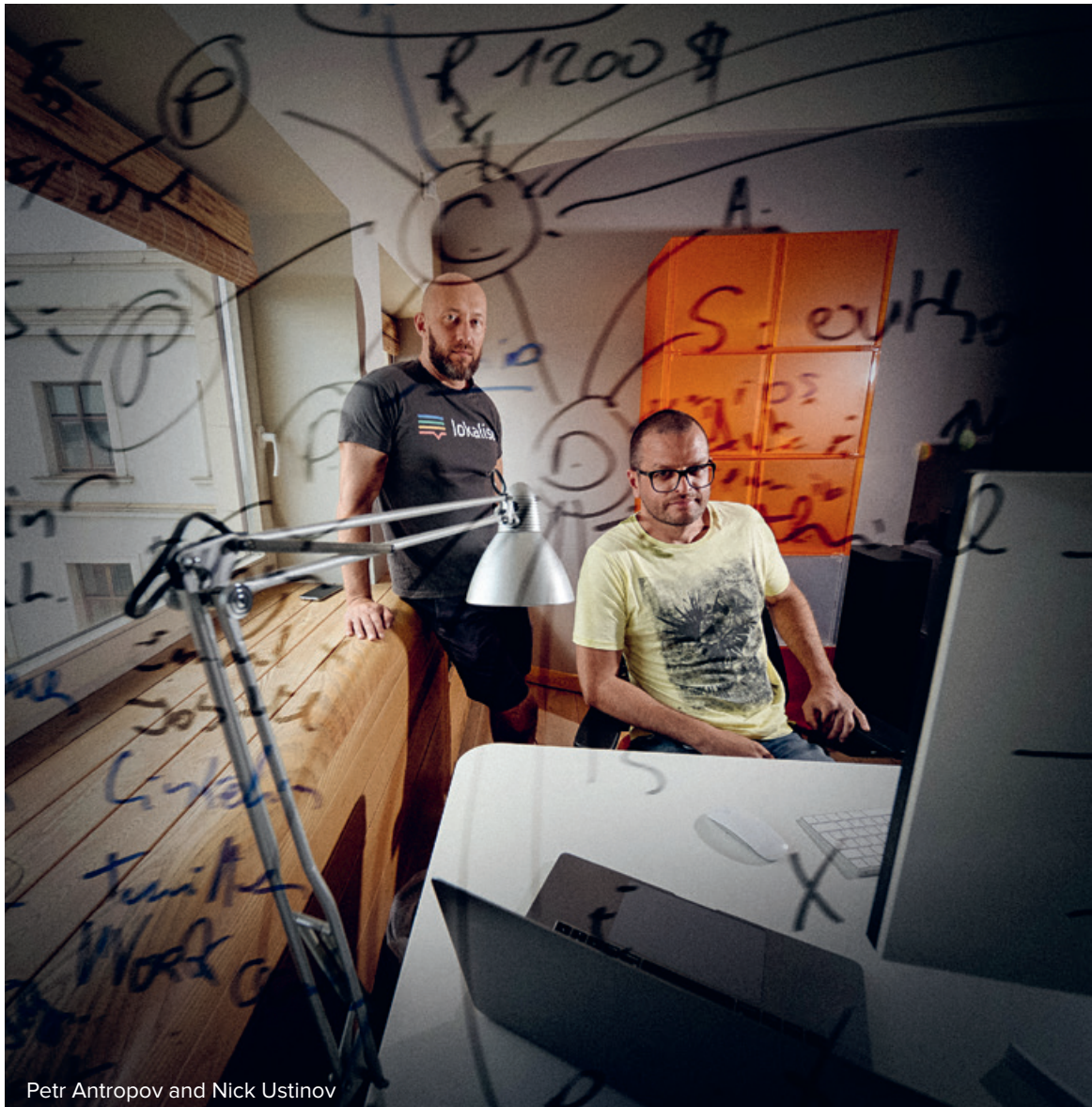
*Latvia has the best
infrastructure in the
world for electronics
manufacturing*



THE STARTUP STAR

LOKALISE

Why one tiny Latvian firm is a hit with international heavyweights like *Vodafone*, *ING*, and *BMW*



Petr Antropov and Nick Ustinov

Petr Antropov and Nick Ustinov probably aren't the kind of people you imagine when you think of a 'start-up company'. Far from the classic image of hipsters working on *MacBooks* to create a new app or web service, the co-founders of *Lokalise* both brought extensive CVs in business development and entrepreneurship to their young company. Perhaps this is why their localisation and translation company, which began as a simple internal translation tool in 2013, has now been adopted by dozens of the world's leading companies.

Similar to a CRM system like *Salesforce* or *Hubspot*, *Lokalise* provides a tool for managing localisation and translation, allowing developers to easily translate their content into dozens of languages with a few clicks. While other companies struggle with spreadsheets, shared documents, and an overall lack of organisation, *Lokalise* provides an easy-to-use collaborative platform that automatically pre-translates new texts and updates existing ones. So why did these entrepreneurs with international experience and a global idea decide to establish their company in Riga? 'It's easy to get started. There may be a limited number of people, but it's easy to attract them because there's less competition,' says Antropov. 'If you're talking about somewhere like Berlin or London or San Francisco, there's competition for every single person.'

As *Lokalise* grows to serve more international businesses, it is focused on attracting new talent to Latvia rather than jumping ship to a larger home base. Its efforts are paying off, as the company boasts one of the most diverse and talented workforces among Latvian start-up companies. Is it a challenge to get foreign talent to move to a small Baltic country of less than two million people? 'Latvia is comfortable. It takes me ten minutes to get anywhere,' Antropov comments. 'Plus, the food is good. Our employees are happy here.'

lokalise.co

The company boasts one of the most diverse and talented workforces among Latvian start-up companies



THE GAME CHANGER

GAMECHANGER AUDIO

Original, innovative effects pedals that will definitely blow your mind

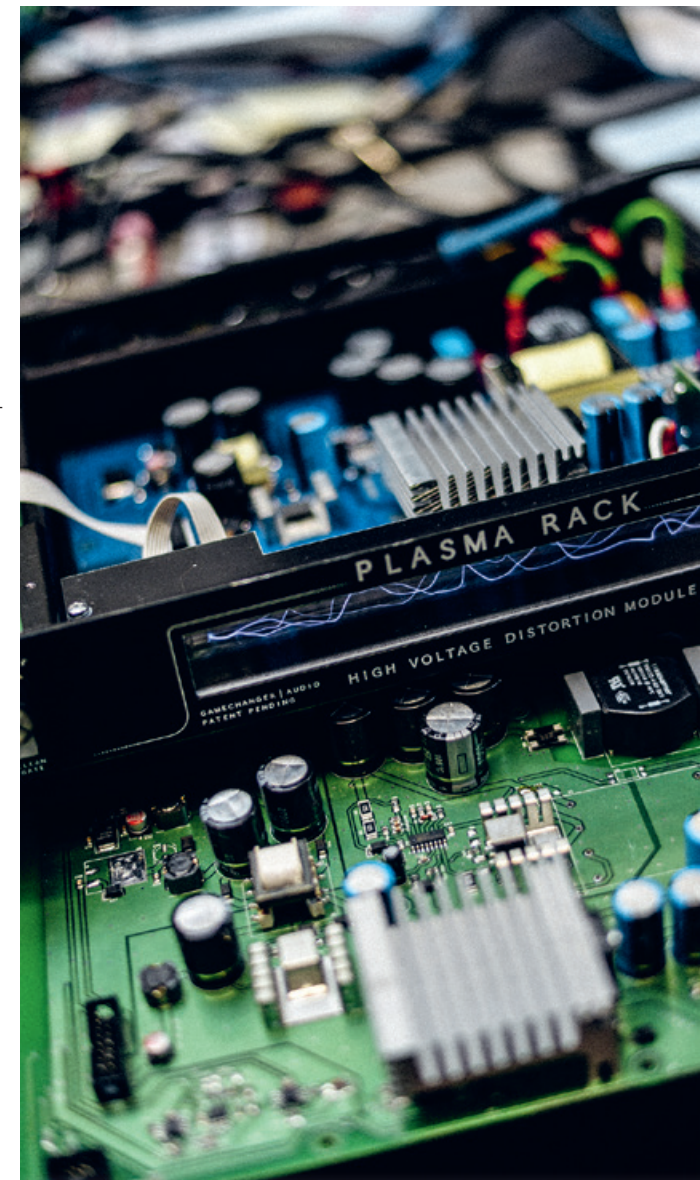


The core of *Gamechanger Audio*'s team: Didzis Duboskis, Kristaps Kaļva, Mārtiņš Melķis, Krūmiņš Ilja

What do you get when you cross an electric guitar with a piano pedal? An instrument that many of the world's leading performers are dying to include in their concerts and recordings. Founded in January 2017, *Gamechanger Audio* creates innovative musical instruments and equipment, introducing previously unthinkable functions in the form of effects pedals, synthesisers, and other devices. The company's groundbreaking instruments have been adopted by some of the world's leading performers, from Jack White of the White Stripes to guitarists for Pharrell Williams, Tool, and the Rolling Stones. The company's roots trace back to the time the founders spent together as students at Riga State Gymnasium No. 1, arguably the country's top high school for physics and mathematics. 'Didzis and I went to the same high school, and we had a common hobby: smoking and just, like, discussing Black Sabbath,' jokes Ilja Krūmiņš, the company's co-founder and chief guitar officer. 'Our two electronics engineers knew each other from university, and we all met each other at concerts around Riga.' While they joke about their own habits as students, the *Gamechanger Audio* founders credit the outstanding engineering education in Latvia for their own success. The country's established engineering and manufacturing resources have helped support the company's rapid ascent, and it intends to continue using Latvia as its hub for development and engineering. The company's motivated and creative engineers have their sights set on just about every aspect of the music-making process, seeking to inject a level of creativity not attainable by larger instrument-makers. 'Each new product that we launch has to be extremely technically interesting, innovative, weird, exciting,' says Krūmiņš. *Gamechanger Audio*'s hard work also paid off in 2018, when it participated in the Creative Business Cup global finals and received second place among 49 countries – the second time a Latvian company has placed so high in the competition.

gamechangeraudio.com

We all met each other at concerts around Riga



THE GREEN GIANT

ALTERNATIVE PLANTS

Creating the secret behind
your next favourite cosmetic



Alternative plants:
Elza Kaktiņa, Mārtiņš Boroduškis,
Baiba Silamiķele, Reinis Rutkis

Odds are you don't spend much time thinking about the active ingredients in your medicines or cosmetics, so you can be forgiven if you haven't noticed the major change taking place in the manufacture of new cosmetic products. Many of the active ingredients required to create effective cosmetics are inaccessible: endangered, protected, or just difficult to collect in their natural habitat. A small Latvian company comprised of just five employees – all co-owners – is making cosmetics more sustainable by instead creating active ingredients in a laboratory using plant stem cells. *Alternative Plants* was established in March 2017, and since then the company has developed two products to protect the skin and address the effects of aging. Mārtiņš Boroduškis, the company's chief technical officer, credits the Latvian business environment for his company's quick success. 'There are good conditions for being a manufacturing company in Latvia,' says Boroduškis. 'The prices are quite good for renting facilities, and it's a good place to be for manufacturing new products.'

The company has been boosted by multiple investors and accelerators who recognised the explosive potential of creating sustainable active ingredients. And Latvia has provided ample resources to support the company's growth – in more ways than one. State-sponsored innovation packages and competitions have helped *Alternative Plants* to conduct research or present its products at exhibitions. But perhaps even more important, the country's vast forests are home to the many natural treasures that form the basis of *Alternative Plants*' new products. *Alternative Plants* hopes to grow – no pun intended – based on the strength of its product portfolio, creating new active ingredients to address everything from acne to teeth whitening. Distribution partners will boost the company's revenue beyond its current direct sales strategy, while the creative ambitions of *Alternative Plants*' founders ensure that there will be no shortage of new product ideas.

alternativeplants.eu

*The company has
been boosted by
multiple investors*



KINGS OF CREATIVITY

CASTPRINT

Two auditors walk into a hospital



Co-founders of *Castprint*:
Jānis Oliņš and
Sigvards Krongorns

It sounds like the set-up to a joke, but when two former auditors from *PricewaterhouseCoopers* walk into private medical clinics in Latvia, they're bringing along a product with the potential to disrupt one of the most recognisable items in health care: the plaster of Paris cast. The company's co-founders, Sigvards Krongorns and Jānis Oliņš, developed the idea after a broken elbow prevented Oliņš from meeting with clients during the middle of audit season. Interested in the possibilities of 3D printing, the two accounting gurus decided to explore the idea of 3D printing casts – creating an affordable, custom, lightweight device for each patient.

Creating a medical device from scratch is not a simple task, with the cast needing approval from doctors, patients, and regulators. This sort of red tape would likely be a barrier in larger countries, but Krongorns and Oliņš found the Latvian medical community to be accessible and supportive. 'I imagine that going to doctors in Canada or the United States like we did in Latvia would be a nightmare,' says Oliņš. 'The medical community here was very supportive, and most of the doctors we met with actually gave us new contacts to research further.' Krongorns echoes this: 'This is how we started out in our first year. And then step by step we grew our network of doctors and learned about the process.'

After interviewing several doctors about their expectations and needs when making a cast, the partners teamed up with a designer to create the first prototype. Three or four versions later, their product was put into use in clinics around the country.

As *CastPrint* grows to serve patients throughout Europe, the company plans on establishing regional subsidiaries while maintaining a base in Latvia, where labour and production costs are more affordable. Latvia also offers a built-in community of other start-ups, friends, and contacts to lean on for support and friendship. 'We try to participate and mentor other start-ups,' comments Oliņš.

castprint.co

The medical community here was very supportive



THE TRENDSETTER

AERONES

Taking drones to new levels
and industries



Co-founders of Aeronēs:
Dainis Krūze and Jānis Putrāms

Photo by Dmitrijs Sulžics (F64)

Whether they're being used for delivering packages, military surveillance, or simple personal enjoyment, drones are becoming a normal part of our everyday lives. And while many companies are competing for a share of the established commercial drone market, one Latvian company is carving its own path with a new solution.

Aeronēs was founded in 2015 by three experienced engineers who recognised a gap in the market: a vehicle larger than an ordinary drone but smaller than a helicopter. After a couple years of research and experimentation, they developed a drone capable of cleaning wind turbines. This new technology makes it easy to perform a job that previously required significant manpower and risk.

'We are currently at the stage where we are almost ready to go with a commercial launch,' says Endijs Bernics, the business development representative at Aeronēs. 'There is a lot of demand from clients, and they're really interested in this technology.'

While Aeronēs is preparing its product for commercial launch, other companies in Latvia and abroad are following Aeronēs' lead in developing new uses for drones.

Atlas Dynamics, a Latvia-based company, is manufacturing drones with the purpose of inspecting oil and gas equipment.

UAV Factory, also a Latvian company, has developed a drone for long-range surveillance with an endurance of over 20 hours.

As Aeronēs establishes its own niche in the drone market, the company expects to expand outside its headquarters in Latvia to serve new international customers. Perfectly positioned with Scandinavia across the Baltic Sea and Western Europe a short flight away to the south, Bernics and Aeronēs plan on using their Latvian base as a launching point for further success. 'Maybe it's my personal assumption, but I feel that the team is quite patriotic towards Latvia. It's where we were born.'

aeronēs.com

*We are almost
ready to go with
a commercial launch*



Photo courtesy of Aeronēs

Text by Koen Verhelst
Publicity photos

BUSINESS AND SCIENCE SYNERGY IN LATVIA

THANKS TO A SMALL HOME MARKET, LATVIAN COMPANIES NEED TO BE INNOVATIVE TO THRIVE. MANY OF THEM ESTABLISH A PARTNERSHIP WITH THE COUNTRY'S SCIENTIFIC SECTOR TO OUTSOURCE RESEARCH, DISCOVER NEW APPLICATIONS, AND DEVELOP NEW PRODUCTS FOR THEIR GLOBAL CUSTOMER BASE.

If you were to find yourself in a Latvian forest in early autumn, chances are you'd not be alone. Many inhabitants of the sparsely populated country descend on the forests each September to search for mushrooms. Then again, you might not actually run into anyone else, because half of the country is covered with forests. All of them teem with wild mushrooms, berries, and herbs. Visitors are often surprised at how well Latvians are able to tell different kinds of mushrooms apart.

It's this combination of the unique ecosystem around the Baltic Sea and local people's knowledge about it that got the attention of Lotte Tisenkopfa-Iltne. She is the co-founder and CEO of *Mádara Organic Skincare*, which was founded in 2006. 'Fungi have been ignored a lot,' she explains to *Magnetic Latvia*. 'They're a great Nordic raw material that has excellent benefits. Chanterelles, for instance, have molecules that enhance blood flow and are healthy for your scalp. In our Grow Volume Shampoo, they take over the role of artificially produced silicone and give you much smoother hair.'

BOTH ORGANIC AND EXCELLENT

Mádara started out when organic cosmetics were still hard to find and not as effective as regular chemically produced equivalents. 'It's not necessarily bad that so many things are produced synthetically, but we do see new sources that have good effects on health and are also not damaging to the climate. We want to merge the forest and the lab by creating natural products that beat the performance of their chemically manufactured counterparts. Our cosmetics need to be functional, safe, and environmentally friendly,' says Tisenkopfa-Iltne. This means that *Mádara* needs to explore the effects of all kinds of plants and berries to see which might yield the right result. The majority of testing takes place at the company's headquarters in Latvia. For more specific research, however, Tisenkopfa-Iltne calls on the assistance of the University of Latvia's Faculty of Biology. Scientists there also helped to develop the chanterelle shampoo and a line of anti-ageing products that include sap tapped from birch trees. *Mádara* is the first in the world to use this technology. 'Birch sap has unique characteristics, because it's meant to give trees a boost after winter and activate the growth of new blossoms. It actually pushes cells to regenerate, meaning that it's excellent for an age-defying product – which has long been one of our bestsellers.'

Both of these products would not exist if *Mádara* had entered the futuristic world of biotechnology



Photos courtesy of Mádara Organic Skincare



Lotte Tisenkopfa-Iltne,
co-founder and CEO of
Mádara Organic Skincare

and green chemistry all alone. Even while most of the early development takes place in-house, *Mádara* has been involved with the University of Latvia and smaller institutions to test certain ingredients and products. Especially the last step in the process – making sure the products are safe to use – is very important to get right.

EXPERTISE PUT TO GOOD USE

The ongoing relationship *Mádara* has with the Latvian scientific community highlights the agility of the economy. Because the Baltic country has only 1.9 million inhabitants, entrepreneurs need to look beyond Latvia's borders from day one in order to find a larger customer base. Entrepreneurs who start from scratch also often do not need a huge laboratory, especially if they only need to perform tests of their prototypes from time to time or in a very specific area. This is where local research organisations come in. Expertise built up over the past few decades is being put to good use, and the labs themselves can earn a bit of extra income alongside their regular funding.

One company that exemplifies this form of cooperation prefers to remain invisible. That is to say, *Groglass* makes panels coated with an anti-reflective layer that makes the glass lose

The glass panels have become less and less reflective and increasingly UV-resistant

its reflection and become practically invisible. Established 15 years ago, *Groglass* is now a market leader when it comes to glass for picture frames, anti-reflective screens at train stations, and huge museum projects like the world-famous Rijksmuseum in Amsterdam. 'If you can't see the glass, it's probably ours,' says Andris Voitkāns, the head of technology at the company. *Groglass* exports a range of different glass panels with distinct features to at least 45 countries, with many customers not even knowing the glass comes from Latvia.

The origins of *Groglass* are quite remarkable, as they lie in a company called *Sidrabe* that dates to the time when Latvia was still a part of the Soviet Union. *Sidrabe* produced high-quality coatings for the defence industry and was a research centre for nanomaterials. After Latvia regained its

independence in 1990, *Sidrabe* started exporting abroad, and in 2004 *Groglass* was spun off to focus on glass. After a few years of tweaking, the company was ready to start producing super-clear glass panels for greenhouses. 'But then the financial crisis hit the greenhouse market particularly hard,' explains Voitkāns. 'We had to find a different product that was not so dependent on this market.'

With a few ingenious solutions, the people at *Groglass* managed to turn their production line for greenhouse glass into a production line for picture-frame glass panels. In less than a year, the pivot was complete, and the company had a whole new sector to focus on: the art world. This ranges from museums and collectors to people who want to frame their works of art or photographs undistorted by reflections. In the subsequent ten years, much has been improved upon by the company's 150 employees. One clear step forward is the fact that its glass for picture framing is now close to perfection. By cooperating with the Institute of Solid State Physics at the University of Latvia, generation after generation of the glass panels have become less and less reflective and increasingly UV-resistant to protect whatever is behind it. Voitkāns adds: 'Now we're looking into the technical applications of glass to see where we can improve and grow.'

Just like at *Mádara*, the development process at *Groglass* is largely done by its own in-house trained team of scientists. Some of them even come from the Institute of Solid State Physics. This allowed *Groglass* to expand its range of methodologies for tests and quality assurances. 'If a problem occurs on our production line, we will solve it ourselves, because it's very applied knowledge,' says Voitkāns. 'But for more specific tests of new products or the use of very specialised equipment, we cooperate with industry experts on the outside.'

Groglass is now looking to expand slowly but surely into more niche fields. There are many technical applications of glass that could benefit



Glass showcases by *Groglass* at the Rijksmuseum in Amsterdam.
Photo by Julien Lanoo

Photos courtesy of *Groglass*



Groglass board member Romans Šafarevičs, chairman of the board Alexander Sasha Kelberg, and board member Romans Sidorovs.

from reflecting less. 'We always start from a demand,' explains Voitkāns. 'At the moment we're exploring in multiple directions: from the automotive industry to outdoor electronic displays – such as for *McDrives* – and also the retail sector, which needs highly energy-efficient glass.' It's a lengthy process to develop new glass for some of these applications, with the research and testing taking anywhere from six months to several years. This is probably the phase where scientific cooperation comes in most significantly: in prototyping, receiving client feedback, and ensuring compliance with safety requirements.

BEER BREWERS NEED HIGH-TECH, TOO

Craft beer brewer Aigars Ruņģis, the owner of *Valmiermuiža*, a historic brewery from the northern Latvian town of Valmiera, also sought help from experts to make sure his products are the best they can be. 'People are sometimes surprised by how technical beer brewing can get,' he says amusedly. 'We sometimes say: the beer is not made by the brew master but by the yeast.' Yeast, a living organism that turns the sugars in a beer's malt-water base into alcohol, is perhaps the most important ingredient of beer. Without this fermentation process, beer would not be fizzy and would not contain alcohol. 'You need the best possible conditions to guide this process and therefore, also an in-depth knowledge of microbiology,' explains Ruņģis. *Valmiermuiža* hires labs in Latvia to keep constant track of the fermentation process of its classic Latvian beers.

Research organisations in Latvia are open for cross-border cooperation

Valmiermuiža works together with scientists from the University of Latvia (LU) and Rīga Stradiņš University at three different steps during the brewing process. A lab at LU's Faculty of Biology tests the yeasts before they are added to the brew kettle, checks the fermentation process from time to time, and also helps to develop new beers and malt-based drinks. In the highly competitive Latvian beer market, *Valmiermuiža* has been able to build up a reputation for stable quality with its light, dark, wheat, floor-malted, and smoked beers. Thanks to the near-global craft beer boom, new yeasts are being discovered and also designed. But the downside of this is that some yeast suppliers are not entirely honest about their products, says Ruņģis. 'We sometimes need to check if a new delivery isn't actually two yeasts mixed together.' In addition, the labs in Riga can identify where a problem lies if a beer happens

to come out of the kettle wrong. It's crucial to identify the source of the contamination before beer production can continue as usual. Luckily, this happens very rarely, and *Valmiermuiža's* academic partners work quickly to solve any problems in such situations. The craft brewer is also entering the booming market of healthier soft drinks. As consumers are becoming more conscious of a healthy lifestyle and are working out or playing sports several days a week, Ruņģis hopes this segment will provide growth for his company. In fact, *Valmiermuiža* started already some time ago, he explains. 'We wanted to make a non-alcoholic and sugar-free drink based on malt, like beer is. The sweetness from the malt would provide the taste, a bit like Coke or kvass [a malt drink popular in many parts of the former Soviet Union – Ed.]. The Faculty of Public Health and Social Welfare and the Faculty of Rehabilitation at Rīga Stradiņš University helped us with finding the right nutritional values, and it turned out that this would be a good drink to enjoy before endurance sports. The lab results found that one bottle of the drink naturally contains as much as 12% of vitamin B2 and 26% of vitamin B6 daily requirements. It gives a bit of a boost and raises your energy levels.' After a long period of testing and tasting, *Valmiermuiža* launched this drink under the name Zelta Zirgs, meaning 'golden horse' in Latvian. But perhaps more interesting is its pilot project with tea. 'Our brewhouse, where we combine the water and the malt before it gets fermented into beer, has some overcapacity, and we realised it would be excellent for making our own iced tea. It will be herbal, organic, and made from ingredients that can be found in the Latvian countryside. We've just started to test the intensity of several herbs with the University of Latvia, because the recipe needs to be as precise as can be.' A need for precision is what all three entrepreneurs say is their main drive to work with academic institutions and scientists. Whether cosmetics, glass, or beer, all of these products have become more consistent, reliable, and innovative thanks to



The old granary building next to the brewery boasts a taste of contemporary Latvian cuisine.

Photos courtesy of *Valmiermuižas alus*



Aigars Ruņģis, the owner and master brewer of *Valmiermuiža*, a historic brewery in Valmiera.



the cooperation happening across Latvia. Research organisations in Latvia are open for cross-border cooperation of various sorts, and while details are often kept under wraps due to confidentiality reasons, the mutual benefits of such collaboration have also been discovered by foreign companies. Lauma Muižniece, the deputy director of the Technology Department and head of the Technology Transfer Unit at LIAA, assures that Latvia is ready for more companies to join them. 'We have a technology scout unit that can provide support in this process by finding the right people – scouts are familiar with research organisations, their staff, and the services they provide,' she says.

WELCOME TO THE WEST COAST

WASHED BY THE MIGHTY WAVES AND STIRRED BY THE WINDS OF THE SEA, LIFE IN THE TOWNS ON THE WEST COAST OF LATVIA FLOWS ACCORDING TO ITS OWN RHYTHMS.

With wide arcs of sandy beaches, fertile flatlands, lush pine forests, and the distinct and ever-present but almost imperceptible sense of freedom endowed by the sea, this is one of the most magical places in the world. Due to its geographical location, the coast of Kurzeme has always been both coveted and conquered. As early as the 6th century AD, the Vikings tried to invade the lands of the Couronians, the pagan tribe that inhabited Kurzeme, also known as Courland. Later, rulers from neighbouring Sweden, Lithuania, Poland, Germany, and Russia arrived one after another, all leaving footprints in the architecture and local customs that today create the particular feel of Latvia's west coast. Two of the country's most prosperous cities – Ventspils and Liepāja – are also here, on the west coast.

The scenic route that winds its way along the western contours of Latvia from Riga to Ventspils passes through enchanting fishing villages and serves as a prelude to a visit to Ventspils. As they enter the city, visitors are welcomed by mighty vessels moored in the Venta River, alluding to the fact that this is not a story about a town that was once a thriving port but one that still is. The cranes and cargo containers seem so deeply entrenched in the cityscape that one might wonder whether there ever was a time that Ventspils was not a port town. The answer is – barely. From the very beginning, Ventspils set out to be a port city and became a member of the Hanseatic League. Under the rule of Duke Jacob in the 17th century, it was the main port of the Duchy of Courland, and in the 18th century it became a major transit

Text by Ilze Vītola
Photo by Filips Baumanis and
courtesy of Ventspils TIC



Užava Lighthouse



The beach in Pāvilosta



Ventspils Southern Jetty

Photo by Jekaterina Jēgostenko

centre for Russian agricultural shipments. In the Soviet era, Ventspils became the largest crude oil and petroleum products exporter in the USSR. Nowadays, it's a significant oil transit port. And, come rain or snow, there's always someone sitting on the bench on the Venta Embankment. That's Krišjānis Valdemārs, the father of seafaring in Latvia. In 1864 he founded Latvia's first naval school and worked out a strategy that led to the development of seafaring on the Baltic coast in the 19th century. The bronze statue is located next to the Livonian Order Castle, the symbol of the town. First mentioned in historical documents in 1290, this stately yellow structure is the oldest medieval castle in Latvia and marks the spot where the Ventspils story began.

The Ventspils Blue Flag Beach lies a short stroll from the town centre. Lauded for its high environmental standards, the beach is also often relatively empty, save for grandmothers designated to entertain their grandchildren during their summer holiday. With fine, white sand under your feet, stroll down to the nearby Southern Jetty. There's something magical about being out on a jetty – it feels like walking on water, such a god-like activity. The jetty is freshly renovated and now lined with lanterns for romantic evening walks. At the end of the jetty sits a gleaming white lighthouse with a green top. To hide from the wind, lean your back against the lighthouse and observe the vessels calmly sliding into the port; the view is as calming as watching a fire crackling in the fireplace.

A taste of Pāvilosta

With green pockets of pine forests, idyllic wooden fishermen's houses, and occasional blue views of the constant companion – the sea – the road from Ventspils to Liepāja is delightful and would pass quickly were it not for so many reasons to stop along the way. First of all, the Jūrkalne Seashore Bluffs. Like a caring mother, the 20-metre-high bluffs protect

the white sand beach from the rest of the world. And while it's hardly a secret that this is one of the most beautiful beaches in Latvia, it still feels like a hidden gem only a few people know about. One refreshing swim can turn into three, and hunting for amber can last for hours, as you search for ever more reasons to linger here. Sadly, the coast faces severe erosion, receding by a few metres every year. That's why the stairs that lead from the top of the bluffs down to the beach need to be continuously rebuilt.

The state of the sea is mercurial; one day it can be as still as a painting, and the next day it might be loud and pounded by large waves. It's hard to imagine what the mood of the sea was like when more than three thousand Latvians came to this coast during the Second

*The view is as calming
as watching a fire
crackling in the fireplace*

World War to flee as refugees in small fishing boats across the sea to Gotland. A few minutes before Jūrkalne, in the little village called Ošvalki, a commemorative monument called the *Sail of Hope* honours those Latvian refugees whose destiny is still largely unknown.

The town of Pāvilosta lies a 15-minute drive beyond Jūrkalne. Historically a fishing village, it's no exaggeration to call this the most idyllic coastal town in Latvia. Every summer, local water sport enthusiasts flock to Pāvilosta for their summer vacation. Charming wooden dwellings mingle with futuristic vacation homes, families walk to the tiny local store for ice-cream, and boys sit on the banks of the Saka River hoping that the holidaymakers on paddle boards don't scare away the fish from their fishing rods. In fact, this is not only the shortest but also one



Childhood memories in the making



A pine forest by the sea

of the deepest rivers in Latvia, measuring up to 11 metres deep in some places.

Throughout the centuries, the main occupation of Pāvilosta's residents has been fishing. Look out for signs advertising 'kūpinātas zivis' (smoked fish), or ask the locals where to buy some freshly caught fish. If you're lucky, you might also see how they're smoked. Eating tasty sea perch with your fingers and washing it all down with local beer – that's the taste of summer on Latvia's west coast!

Back in 1936, Pāvilosta became the first town in Latvia to celebrate the Sea Festival. Also known as Fishermen's Day, it's now an annual event held in every seaside town in Latvia on the second weekend of July. Expect flea markets, masterclasses given by local craftsmen, games, competitions, and tables loaded with local foods. It's a passionate celebration of all things related to the sea. Another event that unites all the towns on the Baltic Sea coast from Lithuania to Finland is the Night of Ancient Bonfires. Held annually at the end of August, everybody can take part in this magical event by lighting a bonfire on shore in order to honour and pay their respects to the sea. Even though there are many lighthouses along Latvia's western coast, such as Miķeļbāka and the Ovīši lighthouse, only a few are open to the public. One of those, Akmeņraga Lighthouse, can be found in the forest near Pāvilosta. This 37-metre-tall red brick structure rises above the coastal pines and has stood here since 1921. Climb the 126 steps to the viewing platform at the top to enjoy breathtaking views accompanied by a mighty dose of wind.

While driving, keep an eye out for the blue cows that are special to this area. Also called 'moon cows' or 'sea cows', they're more grey than azure but nevertheless have a noticeably bluish tinge. And don't be surprised if you occasionally spot people with baskets creeping slowly through the roadside forests. These abundant coastal woodlands are brimming with

berries and mushrooms, so perhaps consider joining them!

Sun, wind, and long hours of driving is a simple formula for sleepiness. Luckily, the road along the coast is lined with numerous options for bedding down: from transparent tents, wooden huts, and rooms in rustic guesthouses to boutique apartments and hotels with wellness areas. For an authentic Latvian experience, stay at an accommodation known as a 'country house'. Apart from a comfy bed, the stay will give you a unique introduction to local crafts and cuisine – many hosts will gladly invite you to take part in activities such as baking bread, tell you about the health benefits of all kinds of meadow plants, or give you a ride in their wooden boat.

The city of wind

Liepāja usually greets visitors with a strong gust of wind. It may come as a surprise, though, because when peering out the car window, nothing suggests there's such a strong breeze outside; after all, the sun is shining and the people on the sidewalks are wearing t-shirts. But Liepāja is known as the 'city of wind', and some joke that what counts as a storm in Riga is considered only a light breeze in Liepāja. But if the wind doesn't surprise you, then Liepāja's dazzling glass monolith will catch the eye of anyone entering the city. This is the Great Amber Concert Hall designed by Austrian architect Volker Giencke and the heart of the city's cultural life. Liepāja has always played host to a range of major cultural events. Just as in the mid-20th century the annual Liepājas Dzintars rock music festival attracted a sea of melomaniacs, today the multifaceted programme at Great Amber, which features classical music, ballet, and contemporary dance, gathers local as well as foreign culture buffs. Opened in 2015, the concert hall has emboldened the entire city's infrastructure, with many new eateries and hotels appearing. They serve everything from modern



A fishing boat on shore

Flowers on the beach
in Pavilosta

A fishing boat in Liepāja

cuisine, fresh coffee, and croissants to traditional staples such as *menčiņi* – a smoked cod stew that's a speciality of Liepāja.

By and large, Liepāja has all the features of a resort city, such as the flashy big letters in the white sands of the city's main beach and several beach bars from which to watch the sunset. It's still very easy to find secret little nooks in the city and come across some architectural marvels, from secluded courtyards and chalet-style dwellings near Seaside Park to the red brick edifices that date to the era of Paul Max Bertschy, the city's main architect in the early 20th century. Approximately 80 buildings designed by Bertschy are scattered throughout the city, including St. Anne's Church, which fills the nearby streets with the lovely sounds of its organ during services on Sundays.

Another brainchild by Bertschy is the spacious Seaside Park. Inside the park is the former Bath House, which was once a beloved site of the tsar of the Russian Empire himself. However, Seaside Park was not established for the enjoyment of aristocratic eyes, but instead for practical reasons. For many centuries the city battled with the sand that invaded the urban environment, until finally the local government decided to protect the streets from these sand blizzards by establishing a park along the seashore.

There's also a considerable collection of Art Nouveau architecture in Liepāja, the most significant of these being the Peter Market, established in 1910. Come here to stock up for a picnic: fresh vegetables, fruit, breads, sweet treats, and more. But the light-soaked interior of the market is a reason to visit in and of itself. And if your shopping bags get too heavy, you can always catch one of the quaint trams that have been juddering through the streets of Liepāja since 1899. Today, the tram line is 15 kilometres long and passes through the whole city, giving you an opportunity to get to know the city while staying out of the wind.

What makes Liepāja special is its fabled northern area called Karosta (War Port). In 1890, Tsar Alexander III of Russia ordered the construction of massive fortifications and a military base here. The official name of this area was Port of Alexander III, but the locals nicknamed it the 'War Port'. Karosta developed independently, as a city within a city, with its own infrastructure, hospital, train connection, electricity power plant, church and schools.

In 1908, Tsar Nicholas II requested that the forts be destroyed, but they were so strong that some parts still remain to this day. During the Soviet era, not even citizens of Liepāja were allowed to enter Karosta, as it was a USSR army base with an array of ships and submarines. Only in 1994 was Karosta once again opened to the public. Its

*Their favourite
childhood memories
of summer are of days
spent by the sea*

secretive past and the grandeur of its buildings lure visitors looking for something slightly off the beaten track.

Whether you head further south to explore sites beyond Liepāja or you end your trip in Liepāja, the proper way to finish a tour around Latvia's west coast is with a swim. Do you know why local weekenders are enticed by the west coast every summer? Unlike in the Gulf of Riga, which begins just east of Cape Kolka, here the sea is wild, untamed, and has the best waves. For most Latvians, their favourite childhood memories of summer are of days spent by the sea with siblings and cousins, jumping in the waves till their lips were blue and skin all wrinkled. As one ages, the pleasure of swimming in the waves remains, because it's accompanied by a state of happiness that's simple and genuine.

Text by Christopher Walsh
Photos courtesy of
Abgunste manor and F64

ELEGANCE RESTORED

THE STUNNING REBIRTH OF LATVIAN MANOR HOUSES



Photo by Jānis Avotnieks

Abgunste Manor near Jelgava has become a favourite site for local *Instagram* influencers and magazine photo shoots.

In the 18th, 19th, and early 20th centuries, long before Latvia became a hub for hipsters, startups, and tech conferences, the social centres in Riga and other Latvian societies were manor houses, built by wealthy landowners to unite stunning natural beauty with gorgeous architecture and elegant furnishings. However, as Latvia gave way to occupation in the mid-20th century, these beautiful buildings were abandoned and fell into disrepair.

But in the nearly three decades since Latvia regained its independence, these manor houses (*muižas* in Latvian) have experienced a renaissance. No longer home to Latvia's wealthiest residents, manor houses throughout the country are serving new purposes, revitalising everything from the tourism industry to live music. They now hold intriguing events throughout the year, attracting interested attendees and recreating the buildings' historical role as social hubs.

One of the best known of the restored manors is Von Stricka Villa (also known as C. C. von Stritzky's Villa) in Riga, formerly the site of a

brewery in the 19th century. Von Stricka Villa is particularly active in the summer, when it holds live open-air concerts in its expansive garden. Further afield, the manor formerly known as Annas Muiža has been transformed into *Annas Hotel*, one of the world's leading design hotels. Reopened in 2010, the hotel, spa, and restaurant is found in Zaube. Its restaurant, recently voted the second-best in the country, updates its menu seasonally based on locally available meats and ingredients.

In the opposite direction, Abgunste Manor has established itself as a haven for creative exploration, hosting workshops and seminars for a variety of cultural disciplines. The 18th-century manor has even adopted one of the 21st century's hottest trends: an escape room adventure for visitors.

For centuries, Latvians have drawn the most out of their surroundings to create cuisine, art, and a lifestyle greater than the sum of its parts. The rebirth of its manor houses should come as no surprise: where others can focus only on the past, Latvians have a talent for envisioning the future.

A CULTURAL FLOOD

WORLD-CLASS MUSIC IN RIGA AND BEYOND



The string quartet of the Grammy Award-winning orchestra *Sinfonietta Rīga* performing at one of Riga's most popular hipster hangouts, Kanēpes Kultūras centrs.

Photo by Dmitrijs Sujčics (F64)

For most music lovers, whether they're fans of pop, classic rock, or classical symphonies, attending a summer music festival is the highlight of the year...if not a once-in-a-lifetime experience. Since moving to Latvia four years ago, music festivals have become an everyday occurrence. The country known as 'the nation that sings' takes culture seriously. With a population of just under two million people, Latvia has launched an extraordinary number of musical superstars: opera singers such as Elīna Garanča, Marina Rebeka and Kristīne Opolais, conductors Mariss Jansons and Andris Nelsons, not to mention local Grammy winners Sinfonietta Rīga and the Latvian Radio Choir.

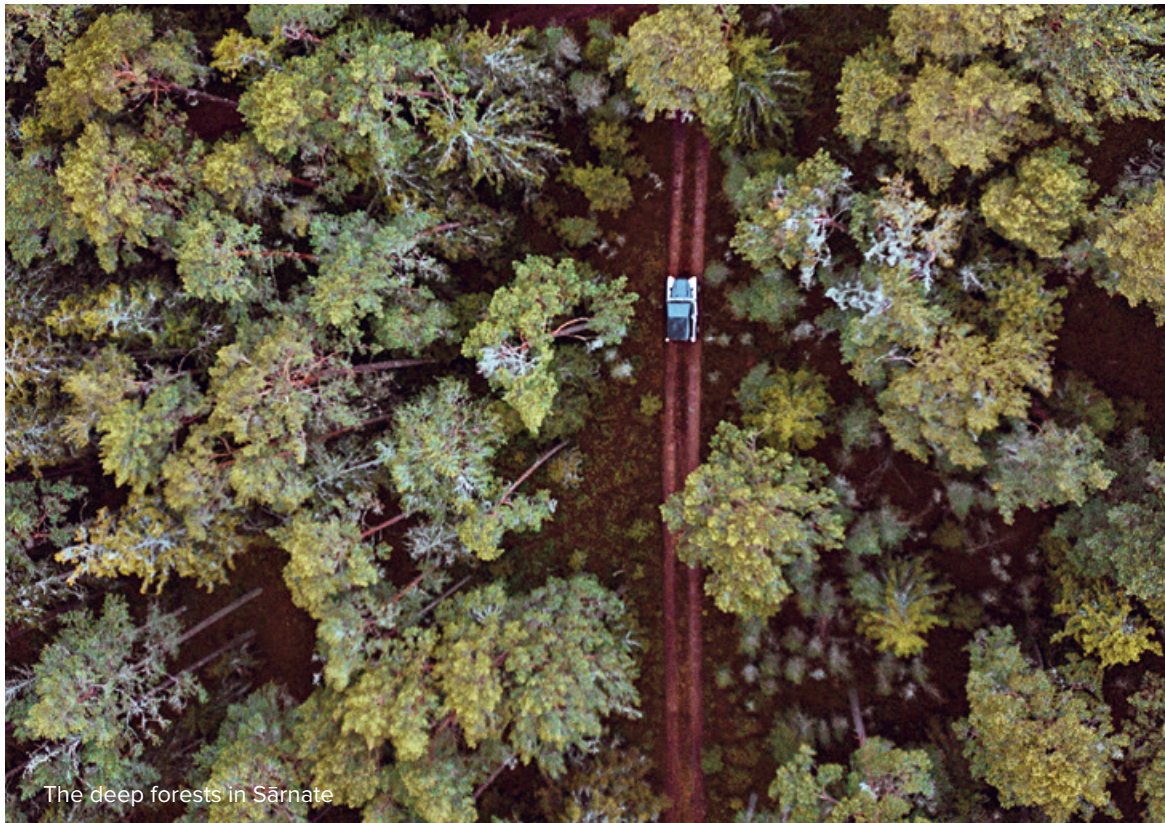
Unlike many major European cities, in which cultural events go dark during the warm summer months, the Latvian musical scene springs to life in response to warmer temperatures and long sunny days. Riga plays host to the Latvian National Opera's annual Riga Opera Festival in June. 2019 will see a major injection of international talent with the new Riga Jūrmala Music Festival, bringing superstars ranging

from Mariss Jansons and the Bavarian Radio Symphony Orchestra to soloists such as Murray Perahia and Mischa Maisky to Riga and the seaside retreat of Jūrmala in July and August. Of course, the summer music scene in Latvia isn't just for black tie and ball gowns. Practically every square in Riga hosts its own live music nights, and the Positivus Music Festival held on the Baltic coast near Estonia is a highlight of the European summer festival season.

Latvia's summer cultural explosion isn't confined to Riga's city limits. In fact, you'll find the nation's most impressive venues, both indoors and outdoors, dotted throughout the country. The nicest concert halls I've seen in Latvia are located in cities with less than 30,000. Outdoor festivals and performances are held in Cēsis and Sigulda, and even the country's centuries-old castles and manor houses come to life with performances ranging from Baroque opera to electronic dance music. For Latvians, attending concerts in the summer is as natural as going to the beach or relaxing in the garden. The only challenge? Choosing the best one.

LATVIA'S BEST-KEPT SECRET?

YOU'LL NEED TO WORK TO FIND IT



The deep forests in Sarnate

Photo by Sandis Helvigs

Between *TripAdvisor*, *Google* reviews, and *Yelp*, internet reviews have turned casual tourists into connoisseurs of experiences. No longer is it acceptable to just wander into a restaurant off the street, not if it hasn't been carefully researched and approved by hundreds of amateur food critics. Today's travel nightmare is to end up somewhere 'touristy', a tacky trap designed to sap money from visitors. Meanwhile, the opposite is to find a city's 'best-kept secret' – the type of attraction, activity, or restaurant that would earn a 'loved by locals' tag on *Google* or *Yelp*.

For visitors to Latvia, this goal of finding hidden gems is a particular challenge. Unlike other places, where residents will proudly boast of their local favourites, Latvians keep their opinions close to the vest. Humility and solitude are hallmarks of the Latvian persona, and it's for this reason that I've yet to run into a Latvian who will point you towards their favorite bar or the best beach for swimming.

Latvians are, by nature, drawn to the outdoors, with many of the nation's most popular pastimes

involving solitary time spent in the forest or along the Baltic Sea. Whether it's birdwatching at a secluded cape on the western coast or foraging for mushrooms in a patch of forest known only to locals, the air of secrecy surrounding Latvia's favoured activities can seem impenetrable.

What does this mean for visitors to Latvia? In the short term, it may seem a disappointment. Rare birds that have called Latvia home for hundreds of years seem run-of-the-mill to locals, and they won't go to the trouble of pointing them out to tourists. However, I've found that the Latvian people and their hidden treasures are worth the investment. Spend some time getting to know a local, and with a little work you might score an invitation to their countryside home (a tourist could achieve no greater honour).

It takes genuine interest and a good deal of patience, but earning the friendship of a Latvian is worth more than the hidden gems of Berlin, Barcelona, and Brussels combined. And once you've uncovered some of Latvia's best-kept secrets, you'll understand the need to keep them that way.

Photo by Līga Vekmane

CITY GUIDES.

EXPLORE RIGA AND ALSO
EXPLORE LATVIA, WITH ITS
VIBRANT CENTURIES-OLD
TOWNS RICH IN CULTURE
AND TRADITION

Text by Ilze Vitola
Publicity photos, by Shutterstock,
and courtesy of F64, and LIAA

RIGA

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 of the city is a sign of its turbulent yet exciting past. There's the Old Town with the grand 13th-century Riga Cathedral at its heart, the romantic Swedish Gates alluding to Riga's position in the 17th-century Swedish Empire, the concrete Soviet-era apartment blocks in the suburbs, and a large cluster of swanky Art Nouveau buildings in the Quiet Centre.

But it's not all about the past. Riga also offers a great restaurant and entertainment scene. The array of eateries features inventive Nordic cuisine as well as hearty pub grub with a Latvian twist. Trailblazing coffee roasters and craft beer brewers give plenty of reasons for stopping to quench your thirst, or pull up a seat at one of the hip cocktail joints that have recently been springing up like mushrooms after a rain. With three parks sandwiched between the Old Town and downtown, Rigans can't complain about a lack of pleasant greenery. However, with just four months of t-shirt weather, locals are tightfisted with their time, and during summer the streets are swarming with residents jaunting from one outdoor event to another, be it a street-food market or a movie screening under the open skies. Cultural life reawakens in early autumn with a rich programme of concerts, opera, and theatre performances, while weekends can be spent enjoying Riga's impressive array of restaurants!



Photo by Gints Muškans (F64)

CENTRAL MARKET

Opened in 1930, the central market's structures previously served as hangars for German military Zeppelins. There's a deluge of goods from the Latvian countryside, but the newly opened Gastro Market pavilion at the Central Market offers amazing street-food experiences.



Photo by Vladimir Svetov

RIGA INTERNATIONAL BIENNIAL OF CONTEMPORARY ART (RIBOCA)

RIBOCA aims to increase artistic engagement between the Baltic region and the rest of the world. With unusual venues spread across the city and an epic list of artists from all over the world, it's both an art exhibition and a tour around the city. The next RIBOCA will take place in 2020.



Photo by Dāvis Ūlānds (F64)

THE LEFT BANK (PĀRDAUGAVA)

The abundance of 19th-century wooden houses found in Pārdaugava is a rarity in modern-day Europe. There's the charming Kalnciema Quarter, which hosts a farmers' market every Saturday and a range of other events during the warm season, and the National Library of Latvia (called the Castle of Light).

Photo by Shutterstock

KULDĪGA

The sunny gem of Kurzeme

Be it winter or summer, the narrow cobbled streets of Kuldīga are charming year-round and are Latvians' own favourite local destination for a romantic getaway. Nestled in the middle of Latvia's western region of Kurzeme, the town boasts a large collection of well-preserved 16th-century timber houses and some fine examples of Baroque architecture, such as the magnificent Town Hall, which dates to the town's heyday when it was part of the Duchy of Courland.

In summer, the cafés and fountain in Town Hall Square are a beloved pit stop for holidaymakers making their way to the west coast. In winter, the streets are mercifully free of tourists. Walk past the timber houses graced with cats catching the sunshine on window sills and you'll feel like you've travelled far back in time. Or perhaps you might feel like you're on the movie set of a historical drama – Kuldīga is popular among filmmakers. Many of the wooden buildings have been transformed into guesthouses and hotels, giving plenty of options for bedding down.

The Kuldīga Artists' Residence adds an artistic value to the town and regularly exhibits artwork by students of the Art Academy of Latvia. One of the most popular subjects to paint is, of course, the graceful 19th-century brick bridge that provides an ideal view of the Ventas Rumba waterfall. In summer, sun-flushed sightseers wade across the waterfall to cool off and spend a few fun, lazy hours with friends or family.



Photo by Shutterstock / Roman Babakin

VENTAS RUMBA

The waterfall on the Venta River may be just two metres high, but it stretches lengthwise for 110 metres and is therefore Europe's widest waterfall. See the phenomenon of flying fish here during spawning season in spring and autumn.



Photo by Reinis Hofmanis

ALEKŠUPĪTE

The lean Alekšupīte snakes along the building walls, filling the city streets with gurgling river sounds. The Venta may have the widest waterfall, but at a height of 4.5 m, Alekšupīte's waterfall is the highest in Latvia. The waterfall is located near where the Alekšupīte River flows into the Venta River.



Photo by Reinis Hofmanis

SKLANDRAUŠI

This savoury treat is a real local gem and is protected by Europe's traditional speciality guaranteed (TSG) label. Made from rye dough and filled with carrot and potato mash, it's one of those divisive traditional staples that everyone bickers over how it got its iconic status.

Photo by Lauma Muizniece

CĒSIS

The cultural hub

Over the past few years, a number of millennials have exchanged the bustling streets of Riga for the tranquil alleys of Cēsis, appreciating the quality of life in this town. They bring with them alternative concepts for cafés, art galleries, and co-working spaces. Together with a forward-thinking local government, they've made Cēsis into the cultural and art hub of Latvia's Vidzeme region. Featuring several trendy accommodations and restaurants that have breathed new life into the medieval town, today Cēsis is one of the most popular weekend destinations for Rigans. The biggest draw in Cēsis is the Old Town with its perfectly-preserved Middle Age layout. The idyllic scenery extends to the castle complex, situated right next to the town centre. It contains the spectacular ruins of the Medieval Castle and the elegant 18th-century New Cēsis Castle. Medieval culture is still held in high regard in Cēsis and can be enjoyed at themed events held in the castle complex and the well-manicured park, which plays host to one of the most anticipated events of the year, the Lampa Conversation Festival. Held every summer, it draws participants from both the culture and business environments and is an inspiring platform for all who want to learn and talk about issues that affect Latvia, Europe, and the whole world. Erected in 2014, the modern Cēsis Concert Hall also hosts plenty of cultural events. Every month the centre's programme is brimming with noteworthy events and festivals, such as the Kremerata Baltica Festival and the Cello Cēsis international cello festival, attracting listeners from Latvia and abroad.



Cēsis Art Festival in 2013*

CĒSIS ART FESTIVAL

Taking place every summer for a whole month, this festival offers an exquisitely curated programme, attracting big-name artists from the region and beyond Latvia's borders. The festival breaks away from orthodox venues and spills over into the town's public spaces, inviting the audience to become part of the events.



Courtesy of Cēsu TIC

CĒSIS CONCERT HALL

Operating since 2014, this multi-functional cultural centre is the heart of local life and popular with culture-minded visitors. Established on the premises of a former Cēsis community building, the concert hall is a perfect marriage of old and modern. Every month the centre's programme is brimming with noteworthy events and festivals.



Ērgļu Cliffs near Cēsis

Courtesy of Cēsu TIC

UNspoilt NATURE AROUND CĒSIS

Nature has truly been generous here – the Cēsis area is one of the most beautiful parts of Latvia. With cliffs, caves, and forests as far as the eye can see, the scenery of the Gauja River valley is spectacular no matter what the season.

* Vadim Vishkin's installation *Miss Christmas* (2012)

Photo by Aleksandrs Lebedis

LUDZA

Embraced by sky-blue lakes

Ludza is a town in eastern Latvia that is embraced by five sky-blue lakes. Drawn by the rich soils in this area of eastern Latvia, Baltic Latgalian tribes settled in this area in the 1st century BC, making Ludza the oldest town in Latvia. The many hill forts and burial grounds in this area are evidence of its settlement by ancient tribes long ago. Over time, Ludza has attracted Russians, Poles, Germans, Belarusians, Jews, and other peoples, all of whom have had a bearing on the town's landscape. Structures representing five different religions rise above the typical one-storey buildings of Ludza, from the small Old Believers' Church to the grand Ludza Roman Catholic Church and the freshly restored Ludza Great Synagogue, which is the oldest wooden synagogue in the Baltic states.

What makes Ludza special is keeping centuries-old traditions alive. Many weavers and ceramists here still make a living with their craft, and their workshops are open to visitors. Try your own hand at ancient crafts at the Ludza Craftsmen's Centre or buy a handmade keepsake from its vast collection of crafts made by local masters. Another thing unique to the region is the hearty cuisine, which is deeply rooted in age-old recipes. Try *gulbešņiki* stuffed potato dumplings or the enticing *kļockas*, glossy golden clouds of lightly sweetened cottage cheese. Do these names sound a bit different from standard Latvian? The eastern region of Latvia has its own language, which is spoken by approximately 165,000 people.



Photo by Valtis Kleins

LUDZA SYNAGOGUE

Named the best restoration project of 2016, Ludza Great Synagogue is an architectural marvel and the oldest wooden synagogue in the Baltic states. It was built in 1800 and is the only one of seven synagogues in Ludza that has survived to the present day. It hosts a branch of the Ludza Museum featuring an interactive exposition dedicated to legendary Latvia documentary film director Herz Frank and an exposition about the life of Ludza's Jewish population.



Photo by Svetlana Rimša

SUNSET AT THE LAKESIDE

During the warm season, the shores of Little Ludza Lake and the other nearby lakes become the heart of public life. Here one can engage in a variety of recreational activities. There are also plenty of intimate nooks and terraces to experience the magical scenery of the sun setting into the tranquil waters of the lake.



Photo by Jānis Baurta

LATGALIAN HOSPITALITY

There's no better way to get a feel for the outpouring of rustic Latgalian hospitality than staying at one of the local guesthouses. The hosts work hard to make each guest feel at home. Expect extra blankets and tables loaded with homemade goods, garden delicacies, and even local moonshine.

Text by Ilze Vitola
Photos courtesy of Azinan
and Bjorn Troch

INSTAGRAM IMPRESSIONS

ARE YOU A TRAVEL BLOGGER OR SOCIAL MEDIA WIZARD WITH A PASSION FOR TRAVELLING AND WANT TO EXPLORE ALL THE AMAZING THINGS LATVIA CAN OFFER YOU? CONTACT LIAA, AND IT WILL HELP YOU GET THE MOST OUT OF YOUR VISIT TO LATVIA!

Here are the impressions of two international influencers LIAA assisted during their stays in Latvia.



阿滋楠AZINAN

With over 3.3 million followers, Azinan was listed as the most popular social media traveller of 2017 by *Sina Weibo*, one of the biggest social media platforms in China. She has also been named one of the most stylish gourmet travellers by *Tourism Week* magazine.

What was your impression of Latvia?

Quiet and tranquil Latvia brought me one of the most special travel experiences I have ever had. With a dynamic history and diverse culture, it's a truly unique destination. Delve into the beauty of its genuine nature, enjoy the pure flavours of the local cuisine, and get inspired by the passionate locals.

What is your favourite picture of your trip to Latvia?
The picture depicts the historical heart of Riga.

With its red tiled roofs, picturesque medieval dwellings, and cobblestone streets, the beauty of the Old Town surprised me on every corner, especially when hearing about the incredible stories behind it all.

Would you suggest that others visit Latvia as well?
Definitely! And I would recommend staying longer, to explore what's beyond the bustling streets of Riga. The small towns, the flowing rivers, the peaceful meadows...



BJORN TROCH (thesocialtraveler.net)

Bjorn Troch is a Belgian who in 2010 started a blog to document his journeys around the world. Everything that happens to Bjorn during his trips depends on the locals he meets along the way.

What was your first impression of Latvia? And the strongest impression after your visit?

I love how, once you leave the city limits of Riga, you're immediately surrounded by nature. Latvian people are very welcoming and love to share their culture of dancing, singing, and having fun with friends. One of the best experiences I had during my trip to Latvia was just putting around with locals in the countryside.

What is your favourite picture of your trip to Latvia?
The picture shows me and Viktors, whom I met during my mushroom picking experience in the forest at the 'Klajumi' farm in Latgale.

He helped me to distinguish which mushrooms are good for cooking and which better not to put in your mouth. Afterwards, the people at 'Klajumi' and I used the mushrooms to make a tasty sauce for dinner.

Would you suggest that others visit Latvia as well?
Absolutely! Latvia has it all – a vibrant capital city and sumptuous nature with lakes and forests, giving you a chance to tune out from the online world and reconnect with nature and friends. Above all, the country is great value for money! I always love coming back to Latvia and look forward to my third visit in August 2019.

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