

Inventories

Due to the high cost of financing and lack of financial resources, few agents or distributors are able to maintain substantial inventories of products, components or parts. They are unable to take advantage of credit terms that their suppliers are willing to offer. It is an important aspect of business to find a creative solution for maintaining an adequate inventory.

Import procedures

As legislation and tariffs are still in the process of changing, for specific information related to importing or exporting your goods, please contact the Customs Department directly:

Customs Department

Kr. Valdemāra 1a

Rīga LV - 1841

Latvia

Telephone +371-2-323 858

Telefax +371-2-322 440

Intellectual Property

Legislation regarding intellectual property was enacted in 1993. Due to a mountain of requests and inquiries, the laws are not adequately enforced yet, though the situation is improving. Thus, piracy of video tapes, computer software, counterfeit merchandise, etc., is still common.

Patents

Latvian patent law protects patents for twenty years from the date of application in Latvia. The *Republic of Latvia* is a member of the *Paris Union for the Protection of Industrial Property* and it is a party to the "Patent Cooperation Treaty". A further treaty is about to be signed pertinent to European patent law. As there is little experience in recent years with patent law, it is advisable to work with a lawyer in Latvia when applying for patents.

Drawbacks of the Latvian market

The Latvian Government bureaucracy has yet to develop a fully effective method of dealing with business needs.

The underdeveloped state of infrastructure (i.e., telecommunications, banking) is an impediment to business activity development. It should take about 3 years for the infrastructure to be effectively in place.

Industry has been affected by the *Bank of Latvia's* high interest rate policy that has not only raised the cost of borrowing but also contributed to the continuing appreciation of the lat currency and could make Latvian products uncompetitive on world markets.