

Foreign investment examples

The largest investment in the Baltic States to date is in telecommunications. January 1994, a joint venture between the British company *Cable & Wireless* and *Telecom Finland Ltd.* bought 49% of the Latvian telephone company *Lattелеkom* and have agreed to invest USD\$160 million in the utility over the next three years alone.

A number of multinational companies have made investments in Latvia: for example, in 1993 *Kellogg's*, the largest breakfast cereal company in the world, opened a USD\$22 million manufacturing plant. This is the largest investment by a North American company in Latvia so far.

Canadian business activities in Latvia

Canadian exports to Latvia in 1993 amounted to CAD\$5.3 million. Of this amount, CAD\$4.5 million was made up of Soya beans. (In 1993, the *Export Development Corporation* provided a CAD\$10 million line of credit to Latvia. The Latvian Government used all the money to purchase soy beans.) 1993, imports from Latvia were CAD\$632,000, made up mainly of plywood and copper metals.

Canada first extended General Preferential Tariff (GPT) treatment to eligible goods from Latvia in 1992. Through the *Program for Export Market Development* (PEMD) and the *Renaissance Eastern Europe* program, many exporters have found basic support for developing joint ventures and technology transfer payments.

Most Canadian investments in Latvia are in the service and trade sectors. Some examples:

- *Canadian Agra* (from Kincardine, Ontario) is the largest Canadian investor in Latvia. They provide agricultural services and own the Latvian *General Motors* automobile dealership. Their total investment is approximately CAD\$15 million.
- The next largest investment is by *Auto Riga Inc.* in the Volkswagen/Audi automobile importer in Latvia. The financing for this enterprise is from Latvian-Canadian sources in Toronto.