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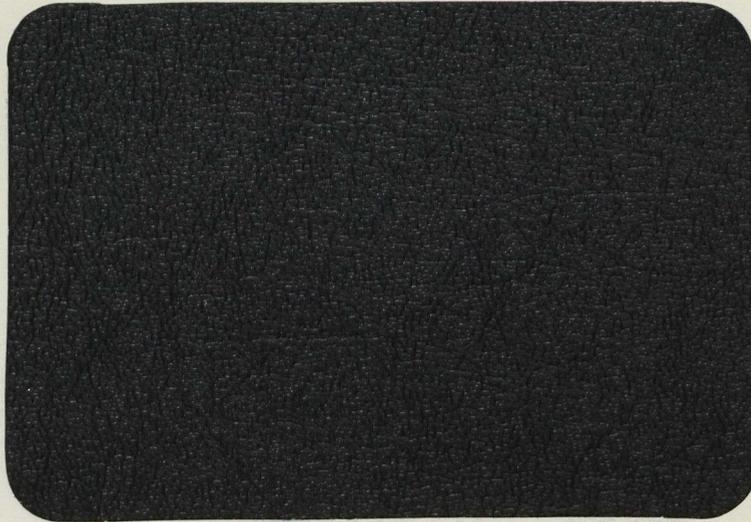
DOING BUSINESS IN LATVIA



Foreign Affairs and
International Trade Canada

Affaires étrangères et
Commerce extérieur Canada

Canada



**Prepared by the Canadian Embassy
Riga, Latvia**

**Publication préparée par le
Ambassade du Canada à Riga, Lettonie**



Foreign Affairs and
International Trade Canada

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Commerce extérieur Canada

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Dept. of Foreign Affairs
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DOING BUSINESS IN LATVIA

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This document is regularly updated by the *Commercial Section* of the *Canadian Embassy*. Since it is designed as a tool to assist your marketing efforts, we value your suggestions. If you have comments or feel anything should be added, expanded upon or changed, please let us know.

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Embassy Services

The Commercial Sections of Canadian Missions around the world operate to advise and assist Canadian business. While not exhaustive, a partial list of the services offered through the Embassy in Rīga are as follows:

- Market intelligence and market information on the Baltic States.
- Advice on strategies for market entry.
- Search for potential local agents, distributors or other potential local partners.
- Assessment of local contacts: their capability and history.
- Schedule of meeting arrangements with advance notice for initial market visits.
- Advice on hotels in the Baltic States.
- Intervention to resolve bureaucratic problems.
- Trade seminars.
- Facilitation of trade missions to the Baltic States.

Canadian companies are encouraged to make full use of Embassy services when they begin to consider their export plans for the Latvian, Estonian and Lithuanian markets.

The Republic of Latvia

Historical Background

The Republic of Latvia has a population of 2.67 million in a total area of 64,600 sq. km. Latvia first gained independence on November 18, 1918, but lost it with the occupation by Soviet troops in 1940. Latvia fully regained its independence following the anti-Gorbachov coup of 1991. To re-establish parliament (the *Saeima*) under a system of proportional representation, the first parliamentary elections following independence were held June 1993; of 1.1 million eligible voters, 90% participated. Out of a total of 23 registered political parties, 9 elected representatives. This democratically elected Parliament is fully committed to economic reform.

Founded in 1201 by German crusaders, the capital city of Latvia is **Riga** (population: 870,000). Major business activities and trading and financial institutions are concentrated in Rīga. The second largest city is **Daugavpils** (population: 125,000), a predominantly Russian-speaking city. Apart from Rīga's commercial port, **Liepāja** (pop. 108,000) and **Ventspils** (pop. 47,500) are Latvia's leading harbours and also commercial centres.

The **official language** of the country is **Latvian**. As a result of the Soviet occupation, Russian, though not an official language, is spoken everywhere. Indeed, many ethnic Russian residents speak only Russian. There is an increasing amount of people who can communicate in English or German.

Current issues

Critical issues to be aware of are **ethnicity** and **citizenship**. As a result of mass deportations, war casualties, substantial emigration to the West, and an influx of a massive labour force from the Soviet Union during the 1950s and 1960s, the indigenous Latvian population was sharply reduced after World War II. Consequently, the proportion of native Latvians in the population fell from 76% in 1940 to 54% in 1994. Indeed, in 1991 only one third of the population of Rīga was of Latvian origin, and in the seven largest urban centers Russians predominate with Latvians mostly living in the countryside.

Thus, the question of the Russian minority's constitutional status is the most emotive and divisive issue in Latvian politics. The passage of a citizenship law, which provides for progressive naturalization of the 700,000 non-citizens over 10 years, may help to ease the situation. However, tensions are likely to remain.

Until adequate new legislation is passed and the police force becomes better trained and equipped, **criminal activity** in commercial spheres of activity are well developed in Latvia. Extortion and racketeering often impact on domestic and foreign enterprises.

Latvia: The Economy

Latvia is a competitive location for new investments. It has access to the larger markets of Scandinavia, Estonia and Lithuania, as well as a solid network of contacts in the former Soviet Union (i.e. Russia and the Commonwealth of Independent States). A pro-business attitude is reflected in the rapid establishment of market economy structures, the development of Western markets and the economic integration of Latvia into Europe. A free trade agreement between Latvia and the European Union will come into effect January 1, 1995.

Economic Reform

1991 Latvia commenced its economic separation from the rest of the Soviet Union. Due to separation costs and compounded by the transitional costs of reform and restructuring, Latvia has gone through a severe economic recession over the last three years. 1994, the first signs of economic improvement are evident.

The government commenced restructuring certain facets of the economy by reorganizing the Latvian industry. First, All-Union (i.e. Soviet) enterprises in Latvia were restructured. Next, a new ministry responsible for the coordination of industrial policy was created; and a *Privatization Department* was established within the *Ministry of Economy* to undertake the de-monopolization of the industrial sector.

Output

Real GDP fell by 8.3% in 1991 and by 33% in 1992. (The *Östekonomiska Institutet* estimates that real GDP contracted by almost 20% during 1993.) However, the *European Bank for Reconstruction and Development (EBRD)* has been more optimistic, suggesting that output may have actually grown during 1993.

Industrial output contracted by almost 35% in 1992 and a further 36% in 1993 due to the sharp deterioration in the terms of trade associated with the need to pay world market prices for energy imports, and the non-fulfillment of quotas agreed with Russia for trade in 30 key commodities. Industry has been particularly badly hit by the *Bank of Latvia's* high interest rate policy which has not only raised the cost of borrowing but also contributed to the appreciation of the currency and made it difficult to export Latvian goods to world markets.

The *International Monetary Fund (IMF)* believes Latvia may achieve positive GDP growth during 1994, provided the economy can utilize effectively the foreign finance that is available.

Inflation

Price liberalization also began in 1991. As a result, inflation increased by 959% between December 1991 and December 1992. By mid-1992 less than 8% of the goods and services that comprise the consumer price index were subject to price controls.

By March 1993, tight monetary policies in conjunction with the re-introduction of the pre-war Latvian currency, the lat, the monthly inflation rate had fallen to 24%. The monthly inflation rate for 1994 will probably average around 2% to 3%.

Monetary Policy

The *Bank of Latvia* has carried out a tight and strategic monetary policy with the aim of reducing inflation, stabilizing prices as well as the new national currency, the lat (*lats*). Inflation has been successfully reduced from 65% per month in 1992 to less than 5% per month in 1993. The *Bank of Latvia* has announced it will maintain its tight monetary policies during 1995 in order to control inflation.

The lat is internally fully convertible and is pegged to the Special Drawing Rights (SDR). The government has been successful in maintaining monetary stability, there has been a large inflow of convertible currencies to the banking system and the lat has steadily appreciated. All projections expect the lat to continue appreciating. This is a positive sign for Latvian importers and a negative sign for Latvian exporters.

Trade agreements

Latvia has concluded trade agreements with all the countries of the former Soviet Union as well as the EC and EFTA. Agreements giving Latvia "Most Favored Nation" (MFN) status have also been concluded with Poland, Hungary, the Czech Republic, Slovak Republic, Austria, Cuba, Iceland and the United States. A trade and cooperation agreement has also been concluded with the EC that confers MFN status (although agricultural products, textiles, steel and other "sensitive" products are excluded). Latvia applied for membership of the General Agreement on Tariffs and Trade (GATT) at the last session of the GATT council in 1993.

Latvia also concluded a trade and commerce agreement with Canada in August 1994. This agreement confers MFN status to Latvia. A double taxation agreement will be signed between Canada and Latvia in the near future.

Property ownership

Currently, only Latvian citizens can buy land in Latvia; this is an advantage for the Latvian-Canadians that are also Latvian citizens. Both Latvian citizens and foreign nationals can buy houses, individual apartments or apartment blocks.

However, legal entities and foreigners are prohibited from owning land in Latvia. Because of the restriction on land ownership, foreign nationals can only lease the land on which a building stands. The maximum lease period is 99 years. Enterprises may purchase buildings from other enterprises, private persons, the state or local government. The current situation regarding land ownership is unsatisfactory and the Latvian government is reportedly considering new legislation.

The current government has stated its support for the approach followed by countries such as Estonia, Poland and the Czech Republic in allowing limited foreign ownership of land if this ownership has received prior government approval. Although foreign investors would certainly gain by having the right to own land, this right may come with the price of having to wade through a lengthy, bureaucratic approval process.

Foreign investments

The government is seeking to encourage foreign direct investment to assist in the reconstruction of the economy. By the end of 1993, almost 3,000 joint ventures with foreign participation were established in Latvia. The majority are small and engaged in trade and services. The total value of foreign investment in Latvia by January 1994 was approximately USD\$140 million. Russia, Britain, Sweden, Germany and the U.S.A. are the largest investors.

Foreign investors have the following alternatives for establishing a company in Latvia. They may:

- invest in, or establish, a **limited liability company**,
- invest in, or establish, a **joint-stock company**,
- establish a **representative office**.

(For further details, see "Market Entry Strategy Alternatives".)

Foreign investors are prohibited from gaining "control" of an enterprise in the following sectors: defense, narcotics, currency emissions, mass media, national education, natural resource recovery from the continental shelf, fishing in internal waters, hunting and port management. However, it can be of economic interest to be a minority investor.

Specific permission by the *Latvian Development Agency* is required for investments in the following areas:

- an investment in a state enterprise prior to privatization
- an investment which would enable the investor to gain control of a company whose registered capital exceeds USD\$1million
- an investment which results in the formation of a new company whose registered capital exceeds USD\$1million or an equivalent sum in another convertible currency.

As of 1995, foreign companies will have the opportunity to participate in Latvia's privatization program (see "Privatization").

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.

Canadian federal government support

The Canadian Government's *Renaissance Eastern Europe* program offers cost-sharing assistance to Canadian companies. Two types of programs are featured:

- feasibility studies leading to the formation of joint ventures or subsidiaries, or structured cooperation-operation agreements with local firms, and/or a direct investment; and
- training programs related to the above.

Eligible companies must, among others, meet the following criteria:

- company must have been in operation for at least three years;
- company has annual revenues exceeding USD\$1 million (USD\$500 000 for professional and service firms);
- company has the required financial, marketing and managerial capabilities;
- company is export-ready; and
- company has visited the target country within the last 12 months.

For further information, please contact the Canadian Embassy in Rīga or the Department of Foreign Affairs and International Trade in Ottawa (telephone: +1-613-996 0105; telefax: +1-613-995 8783).

Market Entry Strategy Alternatives

The optimum method for involvement of a Canadian company in the Latvian market will differ for each company. The decision will naturally depend to a large extent on the Canadian company's product and/or service, its size and financial capabilities, and its short and long term objectives. In general, some form of presence in Latvia is required, at the minimum an agent. Small companies will need an agent, though in some specialized cases it may be possible to sell directly from Canada to the customer. Larger companies, although beginning with an agent, should be open to increasing their presence through a representative office, a limited liability company or a joint-stock company.

Arms Length Trading

Arm's length trading -- the sale of goods manufactured abroad directly from the head office to Latvian customers is a direct form of participation in the budding Latvian market. It may be a recommended approach for some small specialized Canadian firms. If efforts are persistent and your potential customers, including contact name and title, are known, it can be an effective marketing choice. Usually sales will be to a company that needs the particular technology/product/service that is unique to the supplier. The Canadian Embassy can occasionally assist in locating such specialized buyers.

Currently, there is a particular interest in building materials and related products in Latvia.

Advantages

- No additional investments or changes in organizational structure is necessary.

Disadvantages

- Firms which choose to sell their products directly from Canada have little control over their own success in this market.
- Such firms will have little impact on the reputation of their products, how successful they are, what their market share is, or why their products do or do not sell.
- The "arm's-length" supplier will never know what other opportunities exist in Latvia which are being missed, and cannot adapt their products to meet the changing needs of customers.

Methodology

1. Prepare a form letter and send it with 5-10 brochures of the product to selected potential customers. This letter should explain (in simple English with maximum use of bullets and lists) the product that the supplier is offering. The letter should invite interested companies to contact the supplier. Contact information including fax and/or telefax numbers must be included.
2. Companies responding to the letter should be sent a full and complete presentation package on the product(s) including, specifications, catalogs, prices (preferably in U.S. dollars), shipping and payment terms.
3. The supplier should be persistent in communications. Two or three attempts at contact are often necessary to generate a response. The supplier should be careful to maintain the dialogue with customers even if they fail to respond to one or two messages.
4. A representative of the firm should visit Latvia as often as possible for a few days at a time. A well-planned schedule of visits to the companies who are

doing business with the firm or have expressed interest in the firm's products or services would be very productive.

Agency or Distributorship

Sales through an agent or distributor are much more likely to be effective **IF ONE CAN LOCATE A GOOD AGENT.**

Advantages

- The supplier can increase its business with very little modification to its home office operations or organizational structure through an agent.
- The seller benefits from local representation. The Latvian economy is still quite volatile and local representation can identify new opportunities in the market to expand sales; or impending changes for legislation pertaining to your product.
- Latvian customers are happy to have someone within the country familiar with the products who can be easily contacted for information, support and after sales service.

Disadvantages

- The supplier still has little control over the sale of its products.
- The supplier's reputation in the market is determined more by its agent than by its products' or efforts.
- The supplier's knowledge of what is happening in Latvia, the reasons for the success or failure of its product, and the supplier's entire perception of the status of the market in Latvia are all filtered through its agent.
- There are very few experienced agents in Latvia.
- The agent has his own agenda and objectives which coincide with those of the supplier to a greater or lesser degree.
- Trademark and copyright legislation is weak.

Finding an Agent

Locating a good agent can be difficult. As very few people have experience in this field in Latvia, the expectations of a Latvian agent frequently differ from those of his Canadian supplier. Contracting with an agent should be undertaken with extreme caution, and no supplier should select an agent without personal contact. At the very least, a reliable third party should meet and assess the character, qualifications, and reliability of a potential agent. Although changing agents can damage a supplier's reputation, the contract should include a favorable (to the supplier) escape clause.

Subject to a good track-record in Latvia, and taking the limited potential market into consideration, you may suggest expanding the offered territory to Lithuania and Estonia, if the agent is interested. (There is a Free Trade Agreement between the Baltic States.)

Some sources of potential agents can be the *Canadian Embassy*, the *Baltic Business Council*, the *Latvian Chamber of Commerce and Industry* and contacts within Latvia. Companies that do locate a good agent who is aggressive and dedicated to serving the market for the client's products have been very successful at selling in Latvia.

Some suggestions for identifying a good agent and avoiding bad ones are discussed below:

Exclusive Agencies

Be cautious about signing long-term exclusive agency agreements prior to careful study of the local situation. Changing agents is difficult and not well received by buyers. Do make sure that the agent understands the commitment to exclusively work for your company.

Multiple Agencies

Latvia is a small country. There is little experience with multiple **non-exclusive** agencies in the country. Often agents will not exert any promotional energies in the belief that the other agents will benefit. If the range of your product line, or the diversity of your potential customer base, dictates against a single exclusive agent, we suggest that you form multiple **exclusive** agency agreements. This can be done by carefully segmenting your product line, or your customer base, or the suggested sales territory in Latvia, and signing exclusive agency agreements for each segment. As experience in other countries suggests, Latvian agents will most likely perform much better when working under the contract of an exclusive agency.

Non-Resident Agents

In other countries Canadian companies have signed agency agreements with companies or agents based outside of Latvia. While there are sometimes compelling reasons for this, Embassy experience is that these arrangements are generally not productive. In the last two years, some companies have signed agency agreements with companies in Russia or other CIS countries to represent the Latvian marketplace. This is not well regarded by Latvian customers and can lead to a loss of sales.

Canadian Latvians often claim to have excellent contacts in Latvia. Though these claims are usually valid, **a physical presence in Latvia** is still generally necessary to generate sales, and should be the primary reason for selecting a resident Latvian agent in the first place.

Conflict of Interest

Though the marketplace is not yet fully developed, agents can represent competing companies, which leads to obvious conflicts of interest concerns. The Embassy can find out what other companies a potential agent represents.

Synergistic Products

Ideally, an agent should already represent complimentary products or have professional experience pertinent to your products. Unless the supplier's product line is sufficient to support an agency (in which case a sales subsidiary should be considered), the agent must have a healthy line of items to support his office. A small turnover will increase the agent's markup and reduce the competitiveness of the supplier's products. Similarly, if the products are too diverse, the agent will divide his efforts among too many different industries and fail to serve any of them effectively.

Supervision

Companies opting for a local agent should devise a system of supervision and review of the agent's activities. Either very frequent and extended trips to Latvia by a technical salesperson from the home office should be planned or a reliable individual in Latvia who could observe the activities of the agent, perform follow up functions, respond to *ad hoc* requests (from the supplier) for information and provide regular status reports would greatly increase the performance of a local agent.

Representative Office

A permanent sales office can be a representative office, a branch office or a sales subsidiary. A permanent representative office is equivalent to a supplier establishing its own agency or distribution center. The supplier can have complete control over its marketing efforts in Latvia including the reputation that is being established for its products. It guarantees that the supplier is kept informed of the situation in Latvia and that his interests are being well served.

Representative offices of foreign companies on Latvian territory are restricted to tasks such as gathering information, establishing or furthering business contacts and concluding contracts. Representative offices are expressly prohibited from undertaking "business activity," unless the foreign investor founds a locally registered limited liability or joint-stock company.

Advantages

- Marketing activities can be more effectively controlled
- New opportunities can be identified
- Effective coordination with government officials, industry associations

Disadvantages

- A representative office involves considerable **expense**

Sending a technical salesperson from Canada is expensive. You must calculate the cost of maintaining an expatriate: salary, apartment costs, transportation, home leaves, etc. Hiring a local manager for the office results in all the problems associated with reliance on an agent: dissimilarity of goals, unfamiliarity with the product, etc.

Legalities

Representative offices must be registered with the *Ministry of Justice*. Requests can be made by submitting a written application. This should outline the purpose of creating an office in Latvia, the type of commercial activity intended and the commercial links proposed with Latvian companies.

The application for registration must be supported by documents confirming the following:

- a copy of the home country company registration documents,
- a letter of reference from the company's Canadian bank,
- details of the bank accounts that will be used by the office.

All documents must be translated into Latvian and notarized.

Permission, if granted, remains in force for a maximum of five years, after which time the office must be registered. A fee of USD\$800 is charged for new registrations and USD\$100 for the extension of an existing authorization (the fee is reduced to USD\$50 for both types of registration in the case of non-profit organizations).

Under the provisions of the Law on Limited Liability Companies of 13 January 1991, the financial liability of a company is limited to the extent of their capital contribution. A limited liability company can be founded by two or more shareholders and a foreign national or legal entity can be the sole founder. The minimum registered capital is 100,000 (USD\$100), of which at least 20% must be paid at the time of registration of the company and the remainder within a year of registration. The company must establish a reserve fund which not less than 5% of annual profit must be paid until the fund reaches one third of the company's foundation capital. To register a limited liability company its founders must provide the Latvian Enterprise Registry with various documents.

Disadvantages

- Control, management, reputation and sales of the company's products (yhtylä)
- Limited financial liability
- Tax incentives
- High knowledge about the industry

Local Management

Local management is essential for a company to succeed in the Latvian market. Collaboration with local partners and employees is crucial for the company's success. Canadian companies must be aware of the local business environment and the need for local management.

Disadvantages

- Business and financial risks
- Brain on financial, technical and personal resources of the investor. All aspects of business management are in the hands of the foreign company's management which is guaranteed.

Joint stock companies

Joint-stock companies (aktiivsabiedrība or AS) are governed by the provisions of the Law on joint-stock companies of June 1991 that closely follow European Community directives. Joint-stock companies are a less common form of business representation for foreign investors than are limited liability companies because the structure and requirements are more complicated. Indeed, following the introduction of the foreign investment law, most joint ventures formed under earlier legislation were transformed into limited liability companies.

Joint-stock companies can be created as a closed company (where shares are divided among its members) or as an open company (where shares are sold to the public). The minimum number of founders is two and there is no maximum. The minimum foundation capital for most businesses is 500,000 (USD\$500), rising to 15,000,000 (USD\$15,000,000) for insurance companies and 250,000,000 (USD\$250,000,000) for banks. The company must establish a reserve fund into which not less than 5% of annual profit must be paid until the fund reaches one third of the company's foundation capital.

Limited liability companies

Limited liability companies (*sabiedriba ar ierobežotu atbildību* or *SIA*) are governed by the provisions of the Law on Limited Liability Companies of 23 January 1991. Under this legal form, the financial liability of the company's founders is limited to the extent of their capital contribution. A limited liability company can be founded by between one and 50 shareholders and a foreign individual or legal entity can be the sole founder. The minimum foundation capital is 100 lats (USD\$166), of which at least 50% must be paid at the time of registration of the company and the remainder within a year of registration. The company must establish a reserve fund into which not less than 5% of annual profit must be paid until the fund reaches one third of the company's foundation capital. To register a limited liability company its founders must provide the *Latvian Enterprise Registry* with various documents.

Advantages

- Control image, reputation and sales of the company's products.
- Continued benefit from market growth.
- Limited financial liability.
- Tax incentives.
- Fully knowledgeable about the industry.

Disadvantages

- Business and financial risk.
- Drain on financial, technical and personnel resources of the investor.

Joint stock companies

Joint-stock companies (*akciju sabiedriba* or *A/S*) are governed by the provisions of the Law on Joint-stock companies of June 1993 that closely follows European Community directives. Joint-stock companies are a less common form of business representation for foreign investors than are limited liability companies because the structure and requirements are more complicated. Indeed, following the introduction of the Foreign Investment Law, most joint ventures formed under earlier legislation were transformed into limited liability companies.

Joint-stock companies can be created as a closed company (where shares are divided among its members) or as an open company (where shares are sold to the public). The minimum number of founders is two and there is no maximum. The minimum foundation capital for most businesses is 500 lats (USD\$830), rising to 15,000 lats (USD\$25,000) for insurance companies and 250,000 lats (USD\$414,000) for banks. The company must establish a reserve fund into which not less than 5% of annual profit must be paid until the fund reaches one third of the company's foundation capital.

To register a joint-stock company the founders must provide the *Latvian Enterprise Registry* with various documents. Once a registration certificate has been issued, the company is established as a legal entity and can commence business activity.

Advantages

- Fully knowledgeable about the industry.
- Able to identify emerging opportunities
- Control image, reputation, and sales of the company's products
- Control of the quality and distribution of the proprietary product. This is especially important if the products are technically sophisticated or if incorrect manufacture can result in serious consequences.
- Control financial matters such as price, profit.

Disadvantages

- Drain on financial, technical and personnel resources of the investor
- Business and financial risk
- Lengthy approval process

Local Management

Local management expertise is necessary (see "Human Resources"). The foreign company can contribute expertise, technology, and capital but nevertheless will require collaboration with individuals knowledgeable about Latvia and how the economy here works. Canadian executives can manage all technical aspects of the business, but local managers must be competent to take responsibility for the labour and time intensive aspects of this business such as dealing with bureaucratic matters.

All aspects of business relating to technical competence should be maintained in the hands of the foreign company's expatriate employees to ensure that the product quality is guaranteed.

Repatriation of Profits

After meeting all obligations to creditors and paying local taxes, etc., a foreign investor may freely repatriate profits in convertible currency without restriction.

Latvia has some of the most liberal repatriation legislation in Eastern Europe.

Privatization

Latvia is undertaking a rigorous program of privatization as part of its overall program of national economic reform. The major thrust for privatization will commence January 1995.

In common with most other former communist countries, Latvia adopted different approaches to the privatization of small and large businesses. Bidders for "small enterprises" must have resided for a minimum of 16 years, foreign investors are effectively excluded from this opportunity. The privatization of agricultural enterprises is decentralized and is being carried out under the supervision of the respective ministerial departments.

The *Latvian Privatization Agency (LPA)* has been set up to initiate, coordinate and implement most forms of privatization of state-owned enterprises. To date, about 600 out of the total of 10,500 state-owned enterprises have been ear-marked for privatization. The *LPA* evaluates the assets of the enterprise and works out the main principles for its restructuring and development; evaluates potential candidates; ensures that privatization is undertaken according to the provisions of the law.

Canadian companies interested in participating in the privatization process should contact the *Latvian Privatization Agency* directly (see Appendix).

Foreign participation

Foreign investors can participate in privatization of the state-owned enterprises through any of the following methods:

- **sale by public auction** or by auction to selected bidders with payment in convertible currency, vouchers or lats;
- **sale by closed bid** with payment in convertible currency;
- **sale by public auction** or by auction to selected bidders with payment in vouchers only;
- transformation into a limited liability or joint-stock company and **sale of shares to investors**;
- **leasing** to an individual or legal entity with an option to buy in the future;
- closure of an enterprise and **liquidation of its assets**.

Joint-stock companies can be created as a closed company (where shares are divided among its members) or as an open company (where shares are sold to the public). The minimum number of founders is two and there is no maximum. The minimum foundation capital for most businesses is 500 lats (USD\$53.30), rising to 15,000 lats (USD\$25,000) for insurance companies and 250,000 lats (USD\$414,000) for banks. The company must establish a reserve fund into which not less than 5% of annual profit must be paid until the fund reaches one third of the company's foundation capital.

Missions to Latvia

One method of promoting imported products in Latvia or considering investing in the privatization process that has proved effective in many industries is a marketing mission by representatives of interested companies. This is most effective when a group of companies within a narrowly defined industry visits the country together. Visits to key government entities, associations and companies in the industry by mission members can dramatically increase the effectiveness of the mission.

Companies who wish to establish agency contracts could use this opportunity to screen potential agents and to launch marketing efforts. This is most effective if the suppliers have followed the steps outlined above pertaining to locating an agent. The Embassy, from time to time, organizes such missions and is always ready to assist with necessary arrangements.

- Missions help to educate suppliers about Latvia and the Latvian market.
- Missions can introduce potential buyers to the suppliers.
- Well planned missions can even lead to orders and permanent relationships.
- Missions permit individual companies to meet a large number of contacts in a short period of time.
- Latvia being the central point of the Baltic States, proximity to Lithuania and Estonia offers an opportunity to easily expand a trade mission to those two countries.
- Missions help Latvians become aware of the products and expertise Canadian companies have to offer.

January 1	New Year's Day
April	Good Friday and Easter
May 1	Constitution Announcement Day
May 9	Mother's Day
June 23	Jāņi (Midsummer's Eve)
June 24	Jāņi (Summer Solstice)
November 18	Independence Day
December 25, 26	Christmas Holiday
December 31	New Year's Eve

Individual Visits

Initial Visit

An individual visit to meet potential agents and customers is essential for companies new to the Latvian market. The visit will enable the company representative to meet, assess and select potential agents or partners and to gain a better understanding of the market. A key element to business success is the personal relationship between supplier and buyer. The Commercial Division of the Canadian Embassy in Riga can set up meetings with potential agents, partners and customers for the first visit to Latvia.

Ongoing Visits

Further regular visits to Latvia by knowledgeable sales technicians from Canadian suppliers are an effective way to augment export sales efforts (whether or not an agent is utilized). Regular visits serve to familiarize the supplier with Latvian market conditions, needs and opportunities. As there is increasing distrust by the Latvian population of the sincere long-term commitment of foreign suppliers to the Latvian marketplace, personal visits to agents and customers help to build personal relationships that are vital to doing business.

The fact that the supplier took the time and incurred the expense to visit their facility is a demonstration of commitment to the market and serves to reassure that buyer that the supplier will continue to stay in the market and will be responsive to requests for assistance in the future.

Follow-up

Appropriate follow-up can be crucial to the success of your business visit. Thank-you notes, brochures, and requested information should be dispatched promptly. Regular contacts should be maintained with the Commercial Division at the Embassy, agents, and important customers. Continuity with Latvian firms is also important to keep track of personnel or position changes on both sides.

Visa Requirements

Before leaving Canada, for visas and more information about Latvia, please contact the:

Embassy of the Republic of Latvia

112 Kent Street, Suite 208

Place de Ville, Tower B

Ottawa, Ontario

K1T 5Y2

Canada

Telephone +1-613-238 6868

Telefax +1-613-238 7044

- With a Canadian passport it is currently possible to purchase a visa upon arrival at the airports of Rīga and Liepāja, and the seaports of Rīga, Liepāja and Ventspils. This is subject to change.

- When in Latvia, to extend your visa, please contact:

Ministry of Foreign Affairs, Consular Section for Foreigners

Elizabetes iela 57, 2nd Floor

Rīga LV - 1050

Latvia

Telephone +371-2-289 507 / 286 377 / 287 836

Opening hours: 9.00 - 12.00.

Holidays

Latvia has eleven public holidays during the year as follows:

January 1	New Year's Day
April	Good Friday and Easter
May 1	Constitution Announcement Day
May 9	Mother's Day
June 23	<i>Ligo</i> (Midsummer's Eve)
June 24	<i>Jāņi</i> (Summer Solstice)
November 18	Independence Day
December 25, 26	Christmas Holiday
December 31	New Year's Eve

Trading Considerations

Following is a discussion of issues that should be considered when doing business with Latvia.

Communication

Communication is an area where cultural differences between Latvia and the Western business world appear. For example, the discipline of keeping minutes or notes of business meetings, keeping business associates or colleagues fully informed, actively taking a telephone message is rarely practiced. This is not ill will, but a remnant from the former Soviet system.

Telecommunications in Latvia are now being modernized; a cellular phone system is developing quickly. Though many offices in Latvia are now equipped with rapid access telephone lines, there are still many frustrations in reaching business in certain parts of Rīga -- or outside of Latvia. The Latvian telephone system should be largely improved in Rīga by the end of 1995 and the whole network digitized by 1997 with the result of easier telephone communications and data transmission.

Thus, it is prudent to rely on written communications rather than the telephone. Furthermore, written communications provide a record of business activities and commitments for future reference. A telefax followed up with a letter is an effective approach.

Be careful to avoid making assumptions about what individuals in the industry know or how they approach specific issues. Many problems are caused when Western businessmen assume that anyone within a specific industry must be aware of certain requirements, technologies, limitations and so on. Be careful when using acronyms, slang, abbreviations and "buzz" words, and make sure that both of you mean the same thing when using a marketing vocabulary.

Contact Person

Pick one or at most two, individuals in your firm who will be responsible for business with Latvia. Consistency is an advantage. This individual should sign all correspondence, visit Latvia if it becomes necessary, attend all meetings relating to business with Latvia.

Human Resources

Any company wishing to do business in Latvia must be willing to invest time and resources in training their personnel. Due to the short period of time that a free market economy exists in Latvia, there is a lack of qualified personnel. Often, potential managers and staff come from very different professions held in the Soviet era: professors, scientists, teachers, engineers, etc. The basic understanding of financial concepts or business processes tends to be fundamentally different from what Canadian businessmen are used to.

However, Latvians have rapidly been retraining with management or accounting courses to gain at a minimum academic knowledge of the principles of a free market economy. The younger generation (under 40) in particular has become the major source of management resources.

Aspects to be aware of:

- **English proficiency.** It is difficult to find a large choice of potential personnel that fluently speak English as a second language (above and beyond the native Latvian and commonly spoken Russian). Spoken English is possible -- but written fluency rarer.
- **Computer literacy.** Though Latvia boasts with a high percentage of highly skilled computer professionals, particularly in the software area, most administrative personnel are not computer literate.
- **Business processes.** Though rapidly changing and improving, knowledge of and experience with basic business processes is lacking: business letters, telephone manners, preparation of business meetings, etc.

When determining appropriate remuneration for personnel, the following 1994 data may be of guidance:

- minimum wage: 28 lats/month
- teachers' salaries: 49 lats/month
- civil servants: 80 lats/month
- employees in the hospitality industry: 90 lats/month
- medical specialists: 58 lats/month
- telecommunications: 138 lats/month
- employees in the financial sector: 170 lats/month
- white collar workers with at least two languages: 150 lats/month.

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.

APPENDIX**Key Addresses in Canada****Baltic Business Council**

151 Yonge Street
 Suite 1402
 - Toronto, Ontario
 - M5C 2W7
 Canada
 Telephone: +1-416-368 3342
 Telefax: +1-416-366 9808

Key Ministries of the Republic of Latvia**President of Latvia**

Blieķu iela 3
 Rīga LV-1001
 Latvia
 Telephone +371-2-379 519 / 377 548
 Telefax +371-8-828 388

Office of the Prime Minister

Brīvības bulvāris 36
 Rīga LV - 1170
 Latvia
 Telephone +371-2-332 232
 Telefax +371-2-286 598

Ministry of Foreign Affairs

Brīvības bulvāris 36
 Rīga LV - 1395
 Latvia
 Telephone +371-2-223 307 (local)
 +371-8-828 123 (international)
 Telefax +371-2-227 755 (local)
 +371-8-828 121 (international)

International Economic Relations Department

Telephone +371-2-211 258

State ministry for EC Affairs and Foreign Trade

Telephone +371-2-287 358

Ministry of Economy

Brīvības bulvāris 36
Rīga LV - 1519
Latvia
Telephone +371-2-288 444
Telefax +371-2-280 882

State ministry of Privatization

Telephone +371-2-213 501
Telefax +371-2-280 882

Latvian Development Agency

Pērses iela 2
Rīga LV - 1442
Latvia
Telephone +371-2-283 425
Telefax +371-2-282 524
+371-8-820 458 (international)
E-Mail invest@lda.gov.lv

- *Mr. Uldis Vitolīns, General Director*
- *Services: investment promotion, export promotion and facilitation of co-operation between Latvian and foreign entrepreneurs*

Latvian Privatization Agency

Kr. Valdemāra iela 31
Rīga LV - 1010
Latvia
Telephone +371-2-321 084
Telefax +371-8-830 363
• *Mr. Jānis Naglis, General Director*

Ministry of Finance

Smilšu iela 1
Rīga LV - 1932
Latvia
Telephone +371-2-226 672
Telefax +371-2-227 220

Foreign Economic Relations Department

Telephone +371-2-211 762

Customs Department

Telephone +371-2-323 858
Telefax +371-2-322 440

Ministry of Agriculture

Republikas laukums 2

Rīga LV - 1841

Latvia

Telephone +371-2-325 107

Telefax +371-2-322 252

Ministry of the Environment

Peldu iela 25

Rīga LV - 1494

Latvia

Telephone +371-2-223 612

Telefax +371-2-228 159

Banking

Vilandru iela 1

Rīga LV - 1010

Latvia

Telephone +371-2-222 406

Telefax +371-2-222 406

Société Générale

M. Jean-Claude Boloux

Latvian-French Chamber of Commerce

Kaļķu iela 24

Rīga LV - 1050

Latvia

Telephone +371-2-228 603

Telefax +371-2-228 603

Ministry of Economy

Financial issues

Currency

Latvia has its own currency: the lats. Approximate exchange rates are:

- 1 Canadian dollar = 0.39 lats
- 1 U.S. dollar = 0.53 lats.

When coming to Latvia, please bring U.S. dollars only. Unfortunately, Canadian dollars are not easily convertible in the country at all and can take up to two weeks in any of the major banks. Cash (USD, DM, sterling pounds, and a few other European currencies) can be easily exchanged throughout the city.

Traveler's cheques are not accepted as legal tender for shopping or restaurants. They can be exchanged at selected banks in Rīga only:

- *Rīgas Komercbanka*, Smilšu iela 6; Monday-Friday, 9.30-15.30 (closed 13.00-14.00).
- *Latvijas Zemes Banka*, Republikas laukums 2, Room 1314; Monday-Friday, 9.30-13.00
- *Baltijas Banka*, Aspazijas bulvāris 34, 5th floor; Monday-Friday, 9.30-13.00
- *Latvijas Depozītu Banka*, Vaļņu iela 28; Monday-Friday, 9.30-17.00.

Banking

There are 60 independent commercial banks in Latvia. Although many were set up as "house banks" to provide finances to their own shareholders, often large enterprises, others have successfully developed a more diverse depositor base and have been responsible for supplying a growing proportion on new credit in the economy.

Businesses registered in Latvia are free to open bank accounts in Latvia denominated in lats or a foreign currency.

Ministry of Finance

Smilšu iela 1

Rīga LV - 1932

Latvia

Telephone +371-2-226 672

Telefax +371-2-227 220

Foreign Economic Relations Department

Telephone +371-2-211 762

Customs Department

Telephone +371-2-323 858

Telefax +371-2-322 440

Banks favored by foreign investors

Rīgas Komerčbanka

Smilšu iela 6
Rīga LV-1803

Latvija

Telephone	+371-2-323 647 (local)	+371-8-820 081 (international)
Telefax	+371-2-323 449 (local)	+371-8-820 080 (international)

Latvijas Depozītu Banka

Vaļņu iela 28
Rīga LV - 1579

Latvia

Telephone	+371-2-203 041 (local)	+371-8-820 141 (international)
Telefax	+371-2-211 465 (local)	+371-8-820 353 (international)
E-Mail	peter@ldbmail.ldb.bkc.lv	

Deutsche-Lettische Bank

Jēkaba iela 3/5
Rīga LV-1050

Latvia

Telephone	+371-2-222 405 / 222 406
Telefax	+371-8-820 160

Dresdner Bank

Vilandes iela 1
Rīga LV - 1010

Latvia

Telephone	+371-2-321 355 / 324 691
	+371-8-830 405
Telefax	+371-8-830 406

• *Services: consultation/information for current or potential Dresdner Bank clients*

Société Général

M. Jean-Claude Boloux
Latvian-French Chamber of Commerce
Kaļķu iela 24
Rīga LV - 1050

Latvia

Telephone	+371-2-228 603
Telefax	+371-2-228 603

• According to the Latvian Association of Commercial Banks, the five largest banks in Latvia are:

Banka Baltija

Gertrūdes iela 33/35

Rīga LV - 1578

Latvia

Telephone +371-2-213 444 / 291 885

Telefax +371-8-828 066

Latvijas Universālā Banka

Lielā Pils iela 23

LV - 1050 Rīga

Telephone +371-2-212 808

Telefax +371-2-210 775

E-Mail internet janix@bkcmn.bkc.lv

Parekss Bank

Smilšu iela 3

Rīga LV-1010

Latvia

Telephone +371-2-331 970 / 325 208

Telefax +371-8-820 011

E-Mail pmaster@parex.riga.lv

Latvijas Krājbanka

Palastu iela 1

Rīga LV-1050

Latvia

Telephone +371-2-222 871

Latvijas Depozītu Banka (see above)

International banks / lending agencies

International lending agencies have played an important role in supporting Latvia's reforms (e.g., the successful introduction of the new national currency was accomplished with advice from the *IMF*). Latvia has had a close relationship with the *IMF*, which has praised the government's policies, particularly its continuing fiscal restraint and success in reducing inflation.

The *Latvian Investment Bank* with the assistance of the *European Bank for Reconstruction and Development* and the *Nordic Investment Bank* provides long-term finance for investment projects in the industrial sector and develops expertise in the appraisal of investment projects.

World Bank

Kaļķu iela 15

Rīga LV-1050

Latvia

Telephone +371-2-220 744

• *Head of Mission: Mr. Lars Jeurling*

European Bank for Reconstruction and Development (EBRD)

Kaļķu iela 15, 4th floor

Rīga LV-1050

Latvia

Telephone +371-2-225 068 (local) +371-8-830 300 (international)

Telefax +371-8-830 301

• *Resident for the Baltic States: Goran Segerlund; Deputy: Juuso Salokoski*

Latvian Investment Bank

Kaļķu iela 15

Rīga LV-1050

Latvia

Telephone +371-2-223 928

Telefax +371-2-222 426 (local) +371-8-820 325 (international)

Rotary Club

The *Rotary Club* meets every Thursday, 18.30, at the *Hotelis Rīga*. Meetings are held on the 7th floor. For further information, please contact Mr. Erikas Bērziņš at Rīga telephone 212 762.

Accounting

Coopers & Lybrand

Kaļķu iela 15, 5th Floor

Rīga LV - 1050

Latvia

Telephone +371-2-221 304 (local) +371-8-830 012 (international)

Telefax +371-8-830 055 (international)

• *Director: Mr. Nils Melngailis*

Arthur Andersen & Co.

1. Ganību dambis 15, 5th Floor

Rīga LV - 1045

Latvia

Telephone +371-2-324 519 / 321 140 / 322 742

Telefax +371-2-348 092

• *Director: Ms. Valda Eversone*

Legal services

Currently, there are two lawyers' offices operating in Latvia with international expertise and Canadian or American lawyers:

Carroll, Burdick & McDonough (CB&M)

Tērbatas iela 4, 2nd Floor

Rīga LV - 1011

Latvia

Telephone +371-2-228 022 (local) +371-8-828 181 (international)

Telefax +371-2-283 615 (local) +371-8-828 171 (international)

• *Canadian lawyers in the company: Ivars J. Bārs and Walter E. Kronbergs*

Klavins & Slaidins

Kr. Valdemāra 31

Rīga LV - 1010

Latvia

Telephone +371-2-328 820 (local) +371-8-830 000 (international)

Telefax +371-8-830 001

• *American lawyers in the company: Filips Kļaviņš and Raimonds Slaidiņš*

For further information on Latvian lawyers, or general legal issues, you can contact the **Latvian Lawyer's Association** (Mr. Girts Lejiņš, General Secretary) at 213 901 or 213 407.

Business Associations and Clubs in Latvia

Latvian Chamber of Commerce and Industry

Brīvības bulvāris 21, 4th Floor

Rīga LV - 1849

Latvia

Telephone +371-2-225 595 (local) +371-8-820 092 (international)

Telefax +371-2-332 276 (local) +371-8-820 092 (international)

• *President: Mr. Arnolds Grosbergs, telephone 332 205.*

• *Services: business contacts, trade exhibition information, information about companies in Latvia, current business legislation.*

Regional offices:

Liepāja

Peldu iela 1/5

Liepāja LV-3400

Latvia

Telephone +371-34-29019 (local)

+371-9-348199 (international)

Telefax +371-34-22011

Daugavpils

Imantas iela 9

Daugavpils LV-5400

Latvia

Telephone +371-54-25114

Telefax +371-54-25114

World Trade Centre Riga

Elizabetes iela 2

Rīga LV - 1340

Latvia

Telephone +371-2-322 242 / 320 619 / 321 818

Telefax +371-8-830 035

E-Mail Internet: ptc@mii.lu.lv

• *Services: economic information, marketing and exhibitions' department*

Junior Chamber of Commerce

The Chamber meets the first Monday of every month, 18.30 at the *Congress Hall* in Rīga. Meetings are also held in Dobeles, Kuldīga and Jelgava. For further information, please call the gentleman responsible for international relations, Dans Čistjakovs (332 922 / 332 647).

Lion's Club

The *Lion's Club* meets the third Thursday of every month, 18.00 at the restaurant "*Rozemunde*". For further information, please call Mr. Egīls Dzelzītis (home: 272 003 or work: 295 729) or Mr. Andris Krēsliņš (home: 612 118).

Rotary Club

The *Rotary Club* meets every Thursday, 18.00, at the *Hotel de Rome*, "*Kamīnu zāle*" on the 7th Floor. For further information, please contact Mr. Evalds Ikavnieks in Rīga: telephone 212 762.

Setting up business

Translation services

Translators and interpreters can be found through the Canadian Embassy.

Office space

Temporary offices with the appropriate services can be leased at the

Riga Business Centre

Elizabetes iela 45/47

Riga LV-1010

Latvia

Telephone +371-2-225 189

Telefax +371-2-225 189

Generally, office rents vary according to quality, location and other factors. Rental costs range from about USD\$7-USD\$15 per square meter per month.

The *World Trade Center Riga* also leases office rooms, meeting facilities and conference halls for 100-400 seats.

Two experienced real estate companies that can assist in finding offices are:

Nira Fonds

Raiņa bulvāris 3

Riga LV - 1050

Latvia

Telephone +371-2-216 679 / 216 678

Telefax +371-2-212 530

Latio Ltd.

Brīvības bulvāris 21, 5th Floor

Riga LV-1050

Latvia

Telephone +371-2-226 979 / 221 113

Telefax +371-2-224 511

Computers

The major companies selling computer products and able to provide service are:

Baltic Information Technology

Raiņa bulvāris 29

Riga LV-1050

Telephone +371-2-213 425

• IBM

STARLETT

Torņu iela 11/13

Riga LV-1855

Latvia

Telephone +371-2-228 013

• Apple Macintosh

SWH Komerc centrs

Kr. Barona iela 4

Riga LV-1050

Latvia

Telephone +371-2-229 092

Telefax +371-8- 820 374

- HP, IBM, ICL Intel, Microsoft, Sun, Zenith data systems

Car Rental

These companies offer the possibility of renting cars on credit cards.

AVIA

Barona iela 25

Riga LV-1047

Latvia

Telephone +371-2-288 217

Telefax (international) +371-8-828 137 (local) +371-2-222 490

Europcar

Riga City Office (open 24 hours)

Barona bulvaris 10

Riga LV-1050

Latvia

Telephone +371-8-828 198 (international) +371-2-285 901 (local)

Telefax +371-8-828 199 (international) +371-2-285 901 (local)

Riga Airport Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

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Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

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Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Riga Airport Office (open 24 hours) Telephone +371-2-285 183 / 305 285 - 8-174

Transportation

Airlines

Baltic International Airlines

Pils laukumā 4

Rīga LV-1050

Latvia

Telephone +371-2-225 021 / 327 296

Telefax +371-2-327 269

Latavio

Brīvības bulvāris 54

Rīga LV-1050

Latvia

Telephone +371-2-226 183 / 201 666 / 201 677 / 201 688

Telefax +371-2-223 490 (local) +371-8-828 137 (international)

Lufthansa

City Center

Kr. Barona iela 7/9

Rīga LV - 1011

Latvia

Telephone +371-2-285 901 (local) +371-8-828 198 (international)

Telefax +371-8-828 199 (international)

• Rīga airport: Telephone +371-207 183 / 207 381

FINNAIR

Rīga airport

Rīga LV-1053

Latvia

Telephone +371-2-207 010 / 207 360

Telefax +371-8-207 360

RIAIR (Rīga Airlines)

Mellužu iela 1

Rīga LV-1067

Latvia

Telephone +371-2-424 283 / 424 710 / 207 725 / 207 325

Telefax +371-8-860 189

Delivery Services

DHL Worldwide Express

• *delivery time to/from Canada: 3 days*

Avotu iela 9

Rīga LV - 1011

Latvia

Telephone +371-2-210 973

Telefax +371-8-828 233

Cars

Latvian law stipulates that

- for a stay of up to 3 months, you may use your own driver's license.
- over 3 months' residency, you may apply for a driver's license based on the Canadian driver's license and an additional driver's examination (behind the wheel).

Car Rental

All of these companies offer the possibility to rent a car with a driver. All companies accept credit cards.

AVIS

Peldu iela 25

Rīga LV - 1047

Latvia

Telephone +371-2-225 876

Telefax +46-4809 5252

- Rīga Airport: Telephone +371-2-207 353

Europcar

Rīga City Office (open 24 hours)

Basteja bulvāris 10

Rīga LV-1050

Latvia

Telephone +371-2-222 637

Telefax +371-8-820 360

- Rīga Airport Office (open 10.00 - 19.00): Telephone +371-2-207 925

Radisson Daugava Hotel

Pre-opening office

Valnu iela 18, 5th Floor

Rīga LV-1050

Latvia

Telephone +371-8-820 330

Telefax +371-8-820 330

Expected opening: June 1995

Canadian general manager: Arthur M. Krieger

HERTZ

Rīga Airport
Rīga LV - 1053
Latvia
Telephone +371-2-207 980
Mobile +358-49-348 739
• vehicle rental with a driver

Limousine service

Latvian Limousine Service

Turģneva iela 19, 11. floor
Rīga LV-1530
Latvia
Telephone +371-2-225 015 (local) +371-8-820 000 (international)
Telefax +371-8-820 001

Van rental

BOSA

Pērses iela 14
Rīga LV - 1011
Latvia
Telephone +371-2-289 711
Telefax +371-2-284 806

Travel agencies

The travel agency best recommended for business travelers is:

Via Rīga

Kr. Barona iela 7/9
Rīga LV-1011
Latvia
Telephone +371-2-285 901 (local) +371-8-828 198 (international)
Telefax +371-8-828 199

RIAIR Airlines

Mellnāzu iela 1
Rīga LV-1067
Latvia
Telephone +371-2-424 283 / 424 710 / 207 725 / 207 325
Telefax +371-8-860 189

Delivery Services

DHL Worldwide Express *• delivery time to/from Canada: 3 days*
Avotu iela 9
Rīga LV - 1011
Latvia
Telephone +371-2-210 973
Telefax +371-8-828 233

Recommended hotels

Eurolink Club in Hotel Rīga

Aspazijas bulvāris 22

Rīga LV - 1050

Latvia

Telephone +371-216 317

Telefax +46-010-261 7014 or +371-2-261 140

- *Credit cards accepted: AMEX, Eurocard, Mastercard, Visa, Diner's Club*

Hotel Metropole

Aspazijas bulvāris 36/38

Rīga LV-1050

Latvia

Telephone +371-2-225 411

Telefax +371-2-216 140 or +371-8-820 074

- *Credit cards accepted: AMEX, Eurocard, Mastercard, Visa, Diner's Club*

Hotel de Rome

Kaļķu iela 28

Rīga LV-1050

Latvia

Telephone +371-2-216 276 / 216 268 +371-2-223 171 (reservations)

Telefax +371-228 257 or +371-8-820 059 / 820 050

- *All credit cards accepted*

Radisson Daugava Hotel

Pre-opening office

Vaiņņu iela 18, 5th Floor

Rīga LV-1050

Latvia

Telephone +371-2-216 392 (local) +371-8-820 300 (international)

Telefax +371-8-820 330

- *Expected opening: June 1995*
- *Canadian general manager: Arthur M. Krieger*

Medical information

Above and beyond regular vaccinations, as advised by the medical profession in Canada, it is advised, though not necessary, to be immunized against Hepatitis B before coming to Latvia. It is advised to boil tap water before drinking it.

Doctors

The Canadian Embassy in Rīga recommends contacting the following selection of doctors. All speak English. Please call the Canadian Embassy if you have difficulty finding a good doctor.

SKAVYA: Association of Latvian Emergency Medical Assistance.

Dr. Egīls Stumbris

Elizabetes iela 25-1

Rīga LV - 1010

Latvia

Telephone +371-2-211 768 / 216 268

Telefax +358-49-348 196

- *This association also provides medical evacuation services.*

Dr. Māris Andersons (private clinic)

Skolas iela 5

Rīga LV - 1010

Latvia

Telephone +371-2-201 000 +371-2-201 006 (for appointments)

MSG Clinic (*Medicīnas Sabiedrība Gaīlezers*)

Šmerļa iela 2a

Rīga LV - 1006

Latvia

Telephone +371-2-520 085 / 520 152

Dentists

Dr. Pēteris Apse (a resident Canadian dentist)

Sirowa Ltd.

Vīlandes iela 1 (entrance from Elizabetes iela)

Rīga LV - 1010

Telephone +371-2-321 387 (local) +371-8-830 389 (international)

Telefax +371-2-321 387 (local) +371-8-830 389 (international)

- *Office hours: Monday - Friday, -17*

Pharmacies

Rīga

Before going to a specific pharmacy, you may call 285 927 in Rīga to find where a particular medicine may be located.

The following pharmacies are open 24 hours a day (if they look closed, ring the doorbell for service):

- *Saules aptieka*, corner of Brīvības iela and Biķernieku iela
- Pharmacy at the corner of Brīvības iela and Stabu iela
- *Kardioform aptieka*, Maskavas iela 297; telephone 253 944.

Generally, pharmacies are the following locations:

- *Kamēlijas aptieka*, Brīvības bulvāris 74; telephone 271 619; open 8.00-21.00
- *Vecpilsētas aptieka*, Audēju iela 20; telephone 223 826; open 8.00-21.00
- *Elizabetes aptieka*, Elizabetes iela 21a; telephone 331 809; open 10.00-18.00
- Vāgnera iela 15; telephone 216 885; open 10.00-19.00

Daugavpils

Viestura Aptieka, Viestura iela 3, telephone 225 20

Liepāja

Farmakon, K. Zāles laukums 6, telephone 231 44

Silvija, Raiņa iela 1, telephone 265 08

Ventspils

Pārventas aptieka, Lidotāju iela 26, telephone 610 47

Vecpilsētas aptieka, Pils iela 2, telephone 241 45

Balasta Dambis 3

Rīga LV-1081

Latvia

Telephone +371-2-469 277 / 462 119

Telefax +371-2-463 387

Media

There are few regular publications in English about Latvia or the Baltic States. If you wish to gain information, particularly about business issues, we suggest the following:

- A weekly newspaper appearing Thursdays and covering the three Baltic States is

The Baltic Observer

- A monthly newsletter with background information about business and economic issues and news in the Baltic has been published since April 1991 by *Baltic Ventures*:

Baltic Business Report

1075 Washington Street
West Newton, MA 02165
United States

Telephone +1-617-527 2550
Telefax +1-617-527 2823

- The *Latvian Development Agency* publishes a monthly newsletter updating general business trends in Latvia and outlining companies that are being offered by the *Latvian Privatization Agency*. If you wish to be put on their mailing list, please notify the Agency (address: see "Key Ministries").

- The two major business publications in Latvia are the following newspapers:

(Latvian language)

Dienas Bizness

Balasta dambis 3

Rīga LV-1081

Latvia

Telephone +371-2-464 690

- *published Monday, Wednesday, Friday*

(Russian language)

Bizness & Baltija

Balasta dambis 3

Rīga LV-1081

Latvia

Telephone +371-2-465 911

- *published Monday and Thursday*

Dentists

Dr. Peteris Apse (a resident Canadian dentist)

Sirova Ltd.

Vilandes iela 1 (entrance from Elizabetes iela)

Rīga LV - 1010

Telephone +371-2-321 387 (local)

+371-8-830 389 (international)

Telefax +371-2-321 387 (local)

+371-8-830 389 (international)

• Office hours: Monday - Friday, -17

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