

Latvia



In 2012 Latvia's economy had certainly seemed to be on the right track. Although industrial production had weakened from the second half of 2011, in the first months of 2012 it still showed annual growth of about 7 per cent. Despite this slight weakening in the external environment the Latvian economy showed one of the strongest quarterly growth rates of all the European Union countries in the second quarter of 2012, with a one per cent expansion compared with the previous quarter.

Euro adoption

Many commentators considered it strange that Valdis Dombrovskis, Latvia's prime minister should be so set on taking his country into the euro-zone and adopting the euro as its currency. Latvia fulfilled all the necessary Maastricht criteria for membership; its currency, the Lats, has been 'pegged' to the euro for some ten years and most of its international debt is euro designated. Of that, Mr Dombrovskis could be proud. There was less cause for pride, however, in Latvia's not so recent economic history. At the end of 2008 it had gone cap in hand to Brussels and to the International Monetary Fund (IMF) to seek a €75 billion (US\$100 billion) bail-out. So, while everything looks to be fine and dandy on paper, the harsher

reality is that on the streets of Riga unemployment and poverty prevail. Latvia is the EU's third poorest member.

Another historical problem is that of Latvia's traditionally close links with Russia which date back for some two centuries. Even after Latvia re-gained its independence in 1990, most of the Russian community stayed on; in 2011 over one quarter of the population – 26.9 per cent – or half a million people, were Russian. Hardly surprising, then, that Russian deposits account for just under half of all the total in Latvia's banks. Much of this money is deposited on behalf of Russians resident in the homeland who find Latvian banks to be more correct and business-like. This Russian preponderance inevitably draws comparisons between Latvia and Cyprus, where the banking sector also has close links with Russia. Many Latvians are wary of changing to the euro after little more than twenty years with the lats. Above all, they fear inflation.

According to the European Bank for Reconstruction and Development (EBRD), unemployment continued on a steady downward trend but still remained relatively high, at almost 16 per cent. Latvia had concluded its three-year bailout programme with the European Union and IMF in December 2011 and the balance of

KEY FACTS

Official name: Latvijas Republika (Republic of Latvia)

Head of State: President Andris Berziņš (from 8 Jul 2011)

Head of government: Prime Minister Valdis Dombrovskis (from 2009; re-elected 27 Oct 2011)

Ruling party: Coalition of Vienotība (Unity) (coalition of three parties) with Zatlera Reformu Partija (ZRP) (Zatlers' Reform Party) and Nacionālā Apvienība (NA) (National Alliance) (coalition of two parties) (from 27 Oct 2011)

Area: 64,589 square km

Population: 2.04 million (2012) (2,070,371; 2011; census figure)

Capital: Riga

Official language: Lettish

Currency: Lats (Ls) = 100 santims

Exchange rate: Ls0.53 per US\$ (Jul 2013)

GDP per capita: US\$13,900 (2012)*

GDP real growth: 5.58% (2012)*

GDP: US\$28.38 billion (2012)*

Labour force: 1.05 million (2012)*

Unemployment: 14.94% (2012)*

Inflation: 2.29% (2012)*

Balance of trade: -US\$2.92 billion (2012)*

* estimated figure

payments position (with a very small current account deficit in 2012) had adjusted to the point where the government did not need to draw on a substantial share of the available programme funds. In principle, the adoption of the euro could further reduce the cost of major refinancing needs. Further fiscal measures had already brought the fiscal deficit down to a much better than expected 3.5 per cent of GDP in 2011 and in the first half of 2012 the budget had similarly outperformed plans.

External assessments by the European Commission (EC) and the IMF therefore expected that the ambitious fiscal targets for 2012 could be met. The target for inflation (which in July 2012 stood at only 1.7 per cent compared with a year earlier) was similarly likely to be met. Reductions in indirect taxes had helped in this regard. This positive policy performance has been reflected in a number of sovereign rating upgrades, which had paved the way for Latvia's return to the capital markets in summer 2011 and again in February 2012. Overall credit to the private sector contracted by 8 per cent in 2011, although in the face of emerging capacity constraints corporate lending had expanded modestly. As in the other Baltic economies, foreign-owned bank subsidiaries continue to reduce their liabilities to their head offices.

In its November 2012 assessment of the Latvian economy, the International Monetary Fund (IMF) noted that Latvia's economy continued to recover strongly. Following real GDP growth of 5.5 per cent in 2011, growth was 5.6 per cent in 2012 despite the recession in the

euro-zone. Labour market conditions were improving. The unemployment rate fell to 14.9 per cent in 2012, despite an increase in participation rates. Real wage growth remained restrained. Consumer price inflation had declined sharply, easing to 1.6 per cent at end-October after peaking at 4.75 per cent in mid-2011, but creeping up again to 2.29 per cent for 2012. Robust export growth was expected to keep the current account deficit at about 2 per cent despite recovering import demand. Economic growth was expected to weaken slightly in 2013 due to the unwinding of base effects and continuing weakness in the euro-zone, before picking-up in the medium term. The economy's expansion would be based upon a catch-up in business investment, continued recovery of consumption – fuelled by an increase in disposable income due to improved conditions in the labour market and a gradual increase in exports as global external conditions improved. Inflation was projected to remain low in the medium term, reflecting low projected imported inflation and a still-negative, but closing, output gap. Higher growth than that in trading partners, as well as the closing output gap, was projected to lead to a modest widening of the current account deficit in the medium term – but to remain well within sustainable bounds.

As a result of present and past efforts, the adoption of the euro in 2014 appeared within reach. On the basis of fiscal outcomes in 2012 and the 2013 budget approved by parliament, the general government deficit and debt for 2012–13 would be well below their respective

Maastricht reference values. Inflation and interest rates have declined to low levels, although the reference values for these criteria are yet to be determined by the European institutions. The Latvian authorities' policy record to date, including the difficult adjustment effort over the past few years, provided assurances for continued stability-oriented policies. Latvia's accession to the euro-zone would remove residual currency risk and, by addressing vulnerabilities stemming from foreign-currency exposures, enhance the stability of the already highly euro-compatible financial system.

Despite Latvia's generally favourable medium-term outlook, risks were tilted to the downside because of the fragile external environment. If adverse developments in the euro-zone were to cause renewed stress in international financial markets, this could raise Latvia's borrowing costs in the face of high external debt. A prolonged slowdown in European partner countries would dampen Latvia's recovery and increase its current account deficit. That said, Latvia, in the view of the IMF, does have upside potential if it can attract greater foreign direct investment and create more jobs quickly. Full implementation of the structural reform agenda would make this favourable scenario likelier.

With the 2012 budget deficit coming in at under 2 per cent of GDP, the 2013 budget further cemented past fiscal gains. Taking into account a 2 percentage point redirection of state social contributions, the budget should achieve an underlying structural improvement of about 0.5 per cent of GDP, thus complying with both the Maastricht deficit criterion and the Stability and Growth Pact (SGP). Additional priority spending was well distributed, addressing some of the bottlenecks in health and reforming lower-end teachers' salaries. However, some elements of the budget could have been better targeted, such as the one percentage point cut in the personal income tax (PIT) already legislated. The cuts to and decentralisation of the guaranteed minimum benefit (GMI) could adversely affect the most vulnerable segment of society. This measure should be reconsidered following a study being prepared by the World Bank and replaced with benefit reforms consistent both with improving incentives to work and ensuring adequate safety net coverage.

Latvia's competitiveness has been improving steadily, but further structural reforms are needed. After declining by over

KEY INDICATORS

Latvia

	Unit	2008	2009	2010	2011	2012
Population	m	2.27	2.26	2.25	2.07	*2.04
Gross domestic product (GDP)	US\$bn	34.00	26.20	24.00	28.30	*28.38
GDP per capita	US\$	14,964	11,607	10,695	12,671	*13,900
GDP real growth	%	-3.3	-17.7	-0.3	5.5	*5.6
Inflation	%	15.3	3.3	-1.2	4.2	*2.3
Unemployment	%	7.5	17.2	18.7	16.2	*14.9
Exports (fob) (goods)	US\$m	9,559.0	7,387.0	8,989.0	2,874.7	*12,232.6
Imports (fob) (goods)	US\$m	15,343.0	9,209.0	10,535.0	3,685.0	*15,151.3
Balance of trade	US\$m	-5,784.0	-1,822.0	-1,546.0	-810.3	*-2,918.7
Current account	US\$m	-4,492.0	2,284.0	873.0	-862.2	*-476.0
Total reserves minus gold	US\$m	5,027.6	6,631.8	7,256.2	7,367.6	*7,110.9
Foreign exchange	US\$m	5,027.2	6,445.0	7,069.5	7,195.1	*6,954.1
Exchange rate	per US\$	0.48	0.50	0.53	0.50	*0.54
* estimated figure						

20 per cent between 2008 and 2010 in unit labour cost terms, the real effective exchange rate has continued to depreciate more gradually since 2010. The IMF considered that the real exchange rate was now broadly in line with fundamentals. But continued micro-economic reforms are needed to bring down the stubbornly high rate of structural unemployment, close the modest remaining competitiveness gap and beyond that, to preserve competitiveness in a fixed exchange rate system.

Risk assessment

Politics	Good
Economy	Good
Regional stability	Good

COUNTRY PROFILE

Historical profile

Before being occupied by the Germans in the thirteenth century, Latvia had been part of an important Baltic-trading route and was a largely feudal and tribal society.

1561 Latvia came under Polish rule after the Livonian Order appealed to Poland-Lithuania for protection from Russia's Ivan the Terrible.

1620s Following the Polish-Swedish war, most of Latvia came under Swedish rule, except Courland in western Latvia where the dukes of Jelgava maintained allegiance to Poland until 1709.

1700–21 Russia's Peter the Great destroyed Swedish power in the Great Northern War. Latvia became part of the Russian empire.

1795 Apart from a brief period of French occupation in 1812, Courland was under Russian control until 1915 when the Germans occupied the province.

1914–18 During the First World War, Latvia alternated between Russian and German control five times. It was under Bolshevik Russian control in late 1918 by which time Latvian independence had been declared by nationalists.

1919 Joint British and German forces expelled Bolshevik Russian forces and democratic rule was introduced.

1922 Latvia's first constitution, including proportional representation, was adopted. 1934–39 Prime Minister Karlis Ulmanis declared a state of emergency, suspended parliament and banned all political parties. In 1936, he assumed the title of president, becoming an autocratic ruler.

1939 Through the German and Soviet Ribbentrop-Molotov pact, Latvia was forcibly incorporated back into the Soviet Union.

1940 Latvia was incorporated as a constituent republic of the USSR.

1941 The Germans invaded and occupied Latvia.

1944 The Soviet Union liberated Latvia from German rule.

1945–80s Mass deportation to Siberia of Latvian citizens by Stalin, following the war and resulting in an influx of Russian nationals as the Soviet Union introduced collective farming and developed heavy industries in Latvia.

1990 The Supreme Court declared *de jure* independence from the Soviet Union. The Latvijas Komunistiska Partija (LKP) (Latvian Communist Party) lost office.

1991 Elite Soviet troops were deployed in Riga, but were withdrawn following international pressure. Anatolijs Gorbunov of the Latvijas Tautas Fronte (LTF) (Latvian Popular Front) became head of state as chairman of the Latvian Supreme Council. Ivars Godmanis (LTF) became head of government as the chairman of the Council of Ministers, which declared Latvia's independence. Latvia joined the United Nations. Latvian citizenship was reinstated for all those who held it before 1940, including their dependents.

1993 A coalition led by Latvijas Cels (LC) (Latvia's Way) formed a government with the Latvijas Zemnieku Savienība (LZS) (Latvian Farmers' Union). The 1922 Satversme (constitution) was fully reinstated. Guntis Ulmanis (LZS) was elected the first post-Soviet Latvian president. Valdis Birkavs (LC) was appointed prime minister.

1995 Parliamentary elections led to political turmoil as the ruling LC lost its dominant position and no single party held a majority. A six-party coalition government was eventually formed, dominated by the two largest parties, the centrist LC and the left-wing Demokrātiskā Partija 'Saimnieks' (DPS) (Master Democratic Party). After a lot of wrangling, Andris Skele (LC) became prime minister.

1996 President Ulmanis was re-elected by parliament for a second term in office.

1998 Latvians narrowly backed the liberalisation of the country's citizenship laws in a referendum held alongside general elections. A centre-right coalition was formed, with Vilis Kristopans (LC) as prime minister.

1999 Latvia became a member of the World Trade Organisation (WTO), the first of the Baltic states to join. Independent Vaira Vīķe-Freiberga was elected president. The minority centre-left coalition headed by Vilis Kristopans fell and a majority coalition government was formed under Prime Minister Andris Skele.

2000 Skele's coalition collapsed over plans to privatise the Latvian Shipping Company (Lasco).

2002 The president invited Einaris Repše and his Jaunais Laiks (JL) (New Era) to

form a coalition government following the general elections. It included Latvijas Pirmā Partija (LPP) (Latvia's First Party), Zāļu un Zemnieku Savienība (ZZS) (Green and Farmers Union) (coalition of two parties) and the Apvienība Tēvzemei un Brīvībai/Latvijas Nacionālā Konservatīvā Partija (TB/LNNK) (Union for the Fatherland and Freedom/Latvian National Conservative Party).

2003 President Vaira Vīķe-Freiberga was re-elected. In a referendum 67 per cent voted to join the European Union (EU).

2004 The ruling coalition collapsed; Repše resigned. Indulis Emsis (ZZS) became prime minister and formed a minority coalition government. Latvia joined NATO and the EU. The government's draft budget was rejected and Emsis resigned. Aigars Kalvītis became prime minister.

2006 Citizenship laws were seen as more pressure on the minority Russian community. The ruling coalition won a majority in parliamentary elections.

2007 Latvia signed a treaty with Russia defining their mutual border. The parliament elected Valdis Zatlers as president with 59 votes, Aivars Endziņš won 39 votes. Aleksis Loskutovs, a leading anti-corruption investigator was sacked; large street demonstrations forced his reinstatement. Prime Minister Kalvītis resigned amid allegations of corruption and Ivars Godmanis was appointed prime minister. Latvia became a member of the EU Schengen area, whereby all travellers may cross borders without a passport or visa.

2008 An agreement for visa-free visits by citizens to the US was signed. The parliament approved the EU's Lisbon Treaty for community constitutional reforms.

2009 Prime Minister Ivars Godmanis and his government resigned, amid political turmoil caused by the global economic crisis. Parliament approved the appointment of Valdis Dombrovskis as prime minister. EU regulators began an investigation into the rescue of Latvia's second largest bank, JSC Parex Banka. The government had agreed to US\$401 million in loan guarantees, which together with a loan from the European Bank for Reconstruction and Development (EBRD) may have given Parex Bank undue commercial advantage, contrary to EU trading regulations.

2010 The government coalition lost two constituent parties, following street riots, protesting at the country's severe economic state and the introduction of austerity measures that avoided devaluing the lat through a US\$9.5 billion loan agreed by the International Monetary Fund (IMF) in 2009. EU investigators passed the government's rescue plan for JSC Parex

Banka. Prime Minister Gadmanis resigned but the president rejected his resignation and Gadmanis invited other, smaller political parties to join his coalition. In parliamentary elections, the incumbent Vienotiba (Unity) coalition won 31.22 per cent of the vote (33 seats out of 100), which was not enough to hold power unaided. A coalition government was formed led by Par Labu Latviju! (For a Good Latvia) (a coalition which includes the prime minister's party Tautas Partija (People's Party), with ZZS and Tevzemei un Brīvībai/LNNK (For Fatherland and Freedom/LNNK) of the Nacionāla Apvienība (NA) (National Alliance)).

2011 In May constitutional powers to dissolve parliament were used for the first time, by President Valdis Zatlers. The move followed a political crisis when the government failed to endorse a law to limit the immunity of one of its members accused of corruption. Parliament, in retaliation, replaced Zatlers with Andris Berzins (Zemnieku Savienība (Farmers Union)) in an indirect presidential election in June; Berzins won 50 votes (out of 100) and Zatlers 48. Later in June, in conjunction with a national referendum to endorse the dissolution of parliament, a second round of presidential elections took place. Berzins was elected with 53 votes, while Zatlers won 41. In September parliamentary elections, the pro-Russian, centre-left Saskaņas Centrs (Harmony Centre) won 28.36 per cent of the vote (31 seats out of 100), and the newly formed Zatlera Reformu Partija (ZRP) (Zatlers' Reform Party) 20.82 per cent (22). Unity, the previous ruling party, won 20 seats and lost 13, as it was seen to be the instigator of an austerity regime and a government with three, alleged, corrupt politicians at its centre. After weeks of unsuccessful coalition talks, undertaken by Nils Usakovs the leader of Harmony Centre, the president invited Prime Minister Dombrovskis (TP) to form a new government in October. President Berzins also suggested that a coalition be formed to include politicians from all political parties that had won seats in the parliamentary elections. A coalition was formed between Unity with ZRP and NA, following Valdis Dombrovskis's re-appointment as prime minister; the government took office on 27 October.

2012 A referendum held on 18 February on whether Russian should become Latvia's second official language was heavily defeated by 74.4 per cent against to 24.88 per cent in favour; turnout was 71.12 per cent. Russia criticised the result, saying it was biased since the referendum had excluded around 319,000 Russian-speaking 'non-citizens' from voting. It also expressed 'bewilderment' that Latvia

had opposed a delegation of Russian observers monitoring the vote. On 20 February, the president and prime minister met to discuss changing the constitution to alter the procedure for initiating referenda. On 30 May, the European Central Bank (ECB) announced that none of the eight countries (including Latvia), which are scheduled to join the European single currency (euro) are ready. 2013 EU finance ministers set the seal on Latvia's application to become the 18th country to use the euro on 9 July; the application had already been approved by the European Commission and European Central Bank. Euro notes and coins will be issued in Latvia on 1 January 2014 at a rate of 0.702804 lats to one euro.

Political structure

Constitution

In 1993, the Constitutional Law supplemented the 1922 constitution. The constitution provides for basic rights and freedoms.

Latvian citizens 18 years and over and those resident in Latvia before 27 June 1940, are eligible to vote.

Form of state

Parliamentary democratic republic

The executive

Executive powers are vested in the Cabinet of Ministers, nominated by the prime minister and appointed by and accountable to, parliament. The Cabinet of Ministers is led by the prime minister, who is appointed by the president.

The president is elected by parliament for a four-year term.

National legislature

The unicameral Saeima (parliament) has 100 members, directly elected for a four-year term by proportional representation in seats allocated to political parties which gain at least 5 per cent of the popular vote.

The president may dissolve parliament earlier than scheduled. General elections are held on the first Saturday of October.

Legal system

The legal system is based on a civil law system. The appointment of judges to the Supreme Court is confirmed by the Saeima.

Last elections

2 June 2011 (presidential, indirect); 23 July 2011 (referendum); 17 September 2011 (parliamentary)

Results: Presidential: Andris Berzins (Zemnieku savienība) won 50 votes (out of 100), Valdis Zatlers (independent) 48. Second round: Berzins won 53 votes, Zatlers 41.

Referendum: In the motion to dissolve parliament and hold another general election, 94.3 per cent voted yes; 5.48 per cent no.

Parliamentary: Saskaņas Centrs (Harmony Centre) won 28.36 per cent of the vote (31 seats out of 100), Zatlera Reformu Partija (ZRP) (Zatlers' Reform Party) 20.82 per cent (22), Vienotība (Unity) (coalition of three parties) 18.83 per cent (20), Nacionāla Apvienība (NA) (National Alliance) (coalition of two parties) 13.88 per cent (14), Zālo un Zemnieku savienība (ZZS) (Green and Farmers Union) (coalition of two parties) 12.22 per cent (13); eight other political parties each won less than 3 per cent and failed to win any seats. Turnout was 59.49 per cent.

Next elections

2015 (parliamentary)

Political parties

Ruling party

Coalition of Vienotība (Unity) (coalition of three parties) with Zatlera Reformu Partija (ZRP) (Zatlers' Reform Party) and Nacionāla Apvienība (NA) (National Alliance) (coalition of two parties) (from 27 Oct 2011)

Main opposition party

Saskaņas Centrs (Harmony Centre)

Population

2.04 million (2012) (2,070,371; 2011; census figure)

Population

A population and housing census was held in March 2011, in which a population figure of 2,067,887 was recorded. It showed a decrease in the population of 309,000 (13 per cent) since the 2000 census.

Last census: 1 March 2011: 2,070,371

Population density: 37.5 inhabitants per square km. Urban population 68 per cent (2010 Unicef).

Annual growth rate: -0.8 per cent, 1990–2010 (Unicef).

Ethnic make-up

The proportion of those that described themselves as ethnic Latvians increased from 57.7 (1,370,703) to 62.1 per cent (1,284,194) in the 2011 census. The number of resident Russians fell from 703,243 in 2000 (29.6 per cent of population) to 556,422 (26.9 per cent). Other resident nationalities recorded in 2011 were: Belarusians 68,174; Ukrainians 45,699; Polish 44,783; Lithuanians 24,426; all remaining nationalities combined 44,189.

Citizenship is granted to stateless children, even if their parents are not citizens, provided they have lived in Latvia for at least five years. Most ethnic Russians must still pass language examinations to become citizens.

Religions

Predominantly Protestant (Lutheran), with a Roman Catholic minority in the east of the country. Orthodox Christianity is the

most common religious denomination among Russians in Latvia.

Education

Education has traditionally been important in Latvia and a high level of education enabled Latvia to become a centre of the Soviet communications and electronics industries.

For those who live in rural Latvia, educational opportunities are limited. About 25 per cent in the 18–24 age group receive only a basic education.

Basic education lasts for nine years. From this, students are channelled into either 1) a basic vocational school for a two-year course from age 16; or 2) a vocational school from age 15 for three years; or 3) a vocational secondary school at age 15 for four years. Each vocational school course has its relevant qualifications. Students undertaking academic study progress to a general secondary school from age 16 for four years. Students who graduate from either the general or vocational secondary school may undertake higher education.

There are four universities and a number of other higher education institutions in Latvia. All universities and 17 other higher education institutions are state-run. In addition, there are a number of private institutions of which 10 are state-recognised. Higher education institutions confer academic degrees and professional higher education qualifications.

Latvia has a higher proportion of undergraduates than many countries (including Japan, Poland and the Czech Republic). Engineering and science courses are well established, while commercial courses such as law, accountancy and business management, although in their infancy, are growing in popularity.

Annual total expenditure on education is around 7 per cent of GDP.

Literacy rate: 100 per cent adult rate; 100 per cent youth rate (15–24) (Unesco 2005).

Compulsory years: Seven to 18.

Enrolment rate: 96 per cent gross primary enrolment of the relevant age group (including repeaters); 84 per cent gross secondary enrolment (World Bank).

Pupils per teacher: 13 in primary schools.

Health

The Latvian healthcare system is set to become more expensive with the introduction of more payment-based services. However, the country has one of the highest ratios of doctors to population in the world.

Healthcare has largely deteriorated in Latvia. This has been due to a lack of primary healthcare provision, an over-stretched network of small hospitals,

overstaffing and over-specialisation, the lack of modern management systems and the use of hospitals as dumping grounds for people with social rather than medical problems.

HIV/Aids

HIV prevalence: 0.6 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 71 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate: 1.5 births per woman, 2010 (Unicef); maternal mortality 45 per 100,000 live births (World Bank).

Child (under 5 years) mortality rate (per 1,000): 9 per 1,000 live births (WHO 2012)

Head of population per physician: 3.01 physicians per 1,000 people, 2003 (WHO 2006)

Welfare

The social security system provides a state pension and a social insurance fund, for which there are mandatory contributions. The pension system has three tiers, composed of a modified pay-as-you-go (PAYG) system, stronger links with contributions, a mandatory state-funded system of privately managed savings accounts and voluntary privately managed pensions.

Legislation regulates private pension funds, which are supervised by the state insurance inspection department. Banks, life insurance companies, brokerages and investment companies are permitted to operate private pension funds, which allow saving in addition to the state pension scheme.

In March 2012 the government amended the age of retirement from 62 years to 65 years. The process begins in 2014 for people born from 1 January 1952, when an extra three months will be added to the retiree's age before eligibility for a state pension. In 2016 it will be raised to six months before eligibility and the process will be completed in 2020. The minimum term in employment for eligibility to receive a state pension will be raised from 10 years to 15 years, from 2014 and increased to 20 years from 2020.

Main cities

Riga (capital, estimated population 693,919 in 2012), Daugavpils (102,338), Liepaja (82,790), Jelgava (66,880), Jurmala (54,715), Ventspils (42,715), Rezekne (34,460).

Languages spoken

Russian, English and German are widely spoken (over 80 per cent of Latvians speak both Lettish and Russian); Lettish is required for citizenship. Belarusian, Ukrainian, Polish and Yiddish are also spoken. Some 150,000 Latvians speak Latgalian.

A law passed in February 2004 requires at least 60 per cent of teaching at minority schools to be in Latvian.

Official language/s

Lettish

Media

Press

After spectacular growth since 1995, consolidation became the typical development. The small press market is separated into two languages Latvian and Russian.

Dailies: In Latvian, *Diena* (www.diena.lv) is a prestigious, independent newspaper, which owns several local newspapers, as does *Neatkarīga Rita Avīze* (NRA) (www.nra.lv) which owns the evening tabloid *Vakara Zinas* among others, *Latvijas Avīze* (www2.la.lv) is a daily tabloid. The free newspaper *5 Min* (published by *Diena*) has been steadily increasing its circulation since 2005.

In Russian *Vesti Segodnja* (*Today's News*) (<http://rus.delfi.lv/news/press/vesti>), is the largest circulating newspaper; *Chas* (www.chas-daily.com) from Rida and *Ventspils* (www.ventspils.lv) from Ventspils.

Weeklies: In English, the independent weekly *The Baltic Times* (www.baltictimes.com) provides news from the region; *Tovary Optum* is published in Russia.

Business: In Latvian, the newspapers *Dienas Bizness* (www.db.lv), and in Russian *Biznez I Baltija* (www.bb.lv), plus the magazine *Kapitals* (www.kapitals.lv) in Latvian provide comprehensive news and views on business and financial matters. Some daily newspapers include business articles.

Periodicals: There are around 190 magazine titles on offer of which *Lilit* (www.lilita.lv) is a leading women's monthly magazine.

Broadcasting

Radio: The national, public Latvian Radio (www.radio.org.lv) operates four stations, including Radio 1 and 2, plus Klasika and Latvia International. Private, commercial stations include Gold FM (www2.goldfm.lv) and Radio Naba (www.naba.lv) from Riga, the public Saldus Radio (www.saldus.lv) and Alise Plus (www.aliseplus.lv) from Daugavpils in Russian.

Television: Private, commercial television dominates the market. TV3 Latvia (www.tv3.lv), launched in 1998, with programmes in Latvian, became the leading TV station in September 2007 overtaking the previous leader, Latvian Independent Television (LNT) (www.lnt.lv). The national, public Latvian Television (LTV) (www.ltv.lv) operates LVT 1 and 7, with 70 per cent funding provided by the government and the remainder by

advertising and sales. Russian-based channels, although popular with large parts of the population, have increasingly faced opposition as the government – through its control of transmission rights – attempts to limit Russian influence on Latvia.

National news agency: LETA (Latvian News Agency)

Other news agencies: BNS: www.bns.lv
Delfi (in Latvian and Russian): www.delfi.lv

Economy

Forests account for 54 per cent of Latvian productive land so that the country's principal export commodity is timber. Some 50 per cent of the forests are state-owned, with domestic production at around 5 per cent of GDP and 70 per cent of all production exported; typically, 10–11 million square metres of timber are harvested annually. The UK, Egypt and Germany were Latvian timber's principal markets in 2011. Industry in general is diverse and largely geared to serve local markets. Latvia's financial services are growing.

Latvia successfully transformed its economy from an integrated part of the former-Soviet Union's centrally planned economy to a free market economy. Despite a couple of setbacks in the 1990s, Latvia became the European Union's fastest growing economy after joining in 2004. However, it experienced a severe deterioration of its economy beginning in late 2007, in line with the global economic crisis. GDP growth, which had been in double digits since 2005, with a peak of 12.2 per cent in 2006 and 9.6 per cent in 2007, plummeted into recession in 2008 with negative growth of -3.3 per cent, which deepened in 2009 to -17.7 per cent. The third year of recession at least recorded improvement with negative growth of -0.3 per cent in 2010. Inflation rose from 6.6 per cent in 2006 to 10.1 per cent in 2007 and 15.3 per cent in 2008, before falling to 3.3 per cent in 2009 as domestic spending virtually stopped – retail sales dropped by around 30 per cent and the economy moved into deflation of -1.2 per cent in 2010. Latvia's unemployment rate in 2009 became one of the worst in the EU at almost 23 per cent and GDP per capita fell from US\$14,833 to US\$11,448 in 2009. It was estimated that over 2008–10 10 per cent of the workforce migrated to find work.

In 2010, the government introduced stringent austerity measures to cut public spending, including the loss of 20–30 per cent of central government administrative positions, as well as raising taxes in a €700 million (US\$929.3 million) budget.

Standard and Poor's upgraded Latvia's rating to BB+ in December 2010 for its faster than expected rebound from recession; although this is still below an investment grade. By November 2011, the BB+ rating had been given as 'positive', but with the warning that the banking system was still recovering.

The economy finally recovered with GDP growth estimated at 5.5 per cent in 2011. On 2 February 2012, the Japanese credit ratings agency, Rating and Investment Information Inc (R&I) increased Latvia's rating from BB+ to BBB-, which restored the country's rating to investment level. R&I stated that Latvia had 'increased the stability of its economic fundamentals through efforts to adjust its economic structures' since 2008. R&I also said that the government's fiscal consolidation was 'progressing better than scheduled' and that Latvia was less likely to be greatly shaken by any further deteriorations in the external environment.

External trade

As a member of the European Union, Latvia operates within a community-wide free trade area, which sets import tariffs as a whole. The EU has free trade agreements with a number of nations and trading blocs worldwide.

Latvia has to import all of its energy and raw material; timber is Latvia's sole natural resource and is the single largest export, as either logs, finished panels or charcoal. External trade accounts for over 75 per cent of Latvia's GDP.

Imports

Principal imports are fuels and vehicles, iron ore, steel and capital goods.

Main sources: Lithuania (18.8 per cent of total in 2012), Germany (11.5 per cent), Russia (9.3 per cent).

Exports

Principal exports are timber (typically over 35 per cent of total), machinery, electrical and electronic equipment, iron and steel, textiles and foodstuffs.

Main destinations: Russia (18.1 per cent of total in 2012), Lithuania (14.7 per cent), Estonia (11.7 per cent).

Agriculture

Latvia's agricultural sector still has remnants of the old Soviet central planning system and has suffered during the transition to a capitalist economic environment. With the majority of output going to the food processing sector, demand has fallen considerably. With agriculture employing over 15 per cent of the workforce, its problems are becoming increasingly significant politically. The agriculture sector is also hugely disadvantaged by the subsidies that the EU pays to its own farmers under the Common Agricultural Policy

(CAP). Latvia itself is not due to benefit from CAP policies until 2013.

During its transitional entry stage Latvia has decided to implement the reform of CAP in January 2009. The reform was introduced throughout most of the EU in 2005, when subsidies on farm output, which tended to benefit large farms and encourage overproduction, were replaced by single farm payments, not conditional on production. The change is expected to reward farms that provide and maintain a healthy environment, food safety and animal welfare standards. The changes are also intended to encourage market conscious production and cut the cost of CAP to the EU taxpayer.

The sector is dominated by dairy farming, pig-breeding, grain production and potatoes. Latvia is self-sufficient in the production of cattle and dairy products, pork, sugar beet, flax and potatoes. Any surplus is exported to Russia, other republics of the CIS and the EU.

The reform of the agricultural sector has proceeded at a faster rate than in either Lithuania or Estonia and 95 per cent of agricultural production comes from the private sector. Crops cover about 28 per cent of the total land area and permanent pastures about 13 per cent.

Decreases in agricultural output have been caused by the structural reforms in the sector, a lack of modern technology and the money to buy it, problems in the distribution of produce – particularly from the small private farms – and an absence of bank credit combined with high interest rates.

Stock-breeding contributes over 50 per cent of gross agricultural production; however, this means that large amounts of fodder must be imported. Consequently the structure of the agricultural sector is changing with greater emphasis placed on grain production.

Latvia's extensive coastline provides large fish catches. Principal catches include sprat, Baltic Sea pilchards, Riga Gulf pilchards, cod and salmon. Typical annual catches amount to some 145 million tonnes per year (tpy).

Thirty per cent of total fish production is used domestically while 70 per cent is exported. Latvia held discussions with Joe Borg, EU Commissioner for Fisheries, about conservation methods to protect overexploited and depleted cod stocks in the Baltic Sea.

With forests covering approximately 40 per cent of total land area, forestry has the potential to become one of the most important sectors of the economy. About 60 per cent of the forest is classified as soft wood (66 per cent pine forest and 34 per cent spruce) with the remaining

hardwood mainly birch. Reforestation following cutting is compulsory. Latvia's rich and extensive forests are mainly in areas of low population, making the felling, processing and export of timber relatively easy. There is potential to harvest 8.3 million cubic metres of timber a year, half of which would be available for pulp production. The timber and furniture industry accounts for about 8 per cent of GDP and employs around 51,000 people. Timber and furniture exports grew substantially in the 1990s and currently comprise around 25 per cent of total exports. In particular, growth in exports to the EU is the result of higher wood exports.

There are about 2,500 forest industry companies in Latvia, all but a few in private ownership; the majority concentrate on sawn wood milling, wood panel production and furniture. Progress in the timber industry has been made since independence, although there is still a lack of finance, management and design skills and many production techniques remain inefficient. Pulp and paper production does not meet domestic demand. Even though Latvia is one of the top five countries in Europe in terms of forest resources per capita, it lacks a large processing plant for pulp and paper production, and consequently a large proportion of raw timber produce is exported to the pulp mills of Sweden.

Industry and manufacturing

The industrial sector accounts for 25.3 per cent of GDP and employs around 30 per cent of the work force.

Total manufacturing output declined in the late 1990s with food-processing hit particularly. Many Latvian food producers do not yet meet EU specifications and are therefore limited to less lucrative domestic or CIS markets such as Russia. Machinery and equipment manufacture also suffered.

Latvia is one of the most heavily industrialised areas of the former Soviet Union. A well-developed infrastructure and a broadly diversified industrial base includes both light and heavy industries including high-technology manufacturing and shipbuilding. Main industries are mechanical engineering, metal working, textiles and the food industry. Forestry, paper, chemicals, petrochemicals and communications are also important. The textiles sector is successful and export-focussed (82 per cent).

The manufacturing industry is concentrated on the production of railway carriages, buses, mopeds, washing machines and telephone systems. Mineral fertilisers are also produced. Riga, Liepaja and

Ventspils are the principal industrial centres.

Industrial production increased by an estimated 8.5 per cent in 2004.

IT and telecommunications are expanding sectors, with a growth rate averaging 25 per cent over the past ten years. Banking, transport and logistics services also contribute significantly to the economy.

Tourism

Latvia became a popular destination during the 2000s with tourist numbers rising from around 500,000 in the 1990s to a high to a peak of 1.7 million in 2008, just before the global economic crisis depressed the market and visitor numbers began to fall (to 1.4 million in 2010). In 2012 the government launched a new, long term tourist strategy that identified and segmented the most important markets for inbound visitors. New marketing campaigns were tailored to their interests. The growth in both budget airlines and internet bookings allow visitors to organise their own tours and step outside the well-trod tourist paths.

The short summer season could be considered a barrier to the industry's prospects. However, Riga is successfully marketed as a weekend destination for shopping, cultural activities and nightlife. This, coupled with the reduction in value added tax (VAT) on tourist services in 2010 and a strong programme of price reductions by hotels, has allowed Latvia to become a competitively priced destination. Visitors are mostly from Europe but there is an increasing number from North America.

Travel and tourism contributed an average 7.9 per cent of GDP over 2007–11, providing employment to 7.4 per cent of the workforce (76,720 jobs). Visitor revenue jumped from US\$874 million in 2007 to US\$1.1 billion in 2008. This growth was not sustained but is expected to match it in 2012.

Mining

Mineral resources include limestone, clay for cement industry, dolomite, gypsum, sand for glass, clay for pottery, sand for silicate products, sand and gravel. The few minerals found in Latvia are used as building materials.

Mining and the quarrying of mineral resources account for approximately 0.5 per cent of annual GDP and have a negligible impact on the economy.

Latvia has proven oil reserves of 297 million barrels; consumption was 37,000 barrels per day in 2007, mostly imported, largely from Belarus, Russia and Lithuania. As it has no refining capacity it imports all petroleum products necessary. Proven natural gas reserves were 22.6 billion cubic metres (cum) in 2007;

consumption was over 1.8 billion cum. Latvia relies on Russian imports to meet domestic demand.

Latvia does not produce coal but does produce around 500,000 tonnes of peat per annum. Coal imports come mostly from Poland.

Energy

Total installed generating capacity was over 2.1 gigawatts in 2007, of which hydroelectric power provided 68 per cent. However, hydroelectric and thermal power plants do not provide the country with enough power to meet requirements and the country must rely on imports to meet its needs. While the energy market was opened up to competition in 2005 little progress has been made as the state-owned Latvenergo has a monopoly on the distribution of electricity and operates the generating hydro- and thermal-power plants, which provide 93 per cent of production.

The Estlink project, an underwater cable linking the Baltic States with the Scandinavian and Nordic power grids, was partly funded by the EU and became operational in 2007. The cable will reduce Latvia's dependency on Russian supplies. Latvia has the largest wind energy station in the Baltic, with a peak output of 2.5 million kilowatt hours of electricity per year (enough for over 1,500 households). The German energy company Preussen Elektra funded 70 per cent of the plant, which has a minimum operating life of 20 years. Over 500MW of wind energy is technically possible in the country, with only 20MW installed so far. National legislation facilitates investment in renewable energy.

Financial markets

Stock exchange

Rigas Fondsbørs (Riga Stock Exchange) (RSE)

Banking and insurance

The Bank of Latvia, the national central bank, is independent and manages the monetary supply and instigates governmental financial policy. The Financial Capital Markets Commission audits commercial banks. In the early 1990s most state banks were privatised and the sector proliferated. 1995 and 1998 saw major crises in the sector, involving mass insolvency and closures. Since then, regulation has been improved to stabilise Latvian banking and encourage investment by the West. Western owned banks control much of the country's finances. There are over 20 banks in operation.

Central bank

Latvijas Banka (Bank of Latvia)

Offshore facilities

Riga is popular with Russians seeking safe dollar accounts. Russian-linked banks have become influential in the sector.

Time

GMT plus two hours (daylight saving, late March to late September, GMT plus three hours)

Geography

Latvia is situated in north-eastern Europe on the east coast of the Baltic Sea. It is slightly larger than Switzerland at 64,589 sq km and is bordered by Estonia to the north, the Russian Federation to the east, Belarus to the south-east and Lithuania to the south and south-west. With rolling plains and gentle hills, half the country is less than 90 metres above sea level. There are over 2,300 lakes and 12,000 rivers; the longest is the River Daugava. The largest lake is Lake Lubans which stretches over 81 square km. Latvia's highest point is in the south-east of the country where Latgale Upland reaches 289 metres.

Hemisphere

Northern

Climate

Temperate climate, but with considerable temperature variations. Mildest areas along the Baltic coast. Summer is warm with relatively mild weather in spring and autumn. Summer sunshine may be nine hours a day. Winter, which lasts from November to mid-March, can be very cold. Rainfall is distributed throughout the year with the heaviest rainfall in August. Snowfalls are common in winter months.

Dress codes

Warm clothing is essential in winter as are a raincoat and umbrella during spring and summer. Business dress is conservative but relatively informal, with a jacket and tie expected for meetings.

Entry requirements

Passports

Required by all and must be valid for at least six months. For identification purposes, a photocopy of the passport should be carried at all times.

Visa

Required by all, except nationals of EU and Schengen area signatory countries, North America, Australasia and Japan. For further exceptions contact the nearest consulate or see www.am.gov.lv/en/service/ for a full list. A Schengen visa application (offered in several languages) can be downloaded from <http://europa.eu/abc/travel/> see 'documents you will need'. All visitors must have valid travel health insurance, including emergency repatriation cover.

Currency advice/regulations

There are no restrictions on import and export of local and foreign currency. Travellers cheques, in freely convertible currencies, preferably US dollars and euros, are accepted.

Customs

Personal items are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption.

It is advisable to declare valuable items such as jewellery, cameras, computers and musical instruments. Ensure that the declaration is stamped by the customs officials.

A certificate must be obtained to export of art objects over 50 years old.

Prohibited imports

Illegal drugs; guns and ammunition (without a police import permit); fresh meat.

Health (for visitors)

Nationals of the European Economic Area (EEA) countries and Switzerland can access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries, which joined the EU in 2004, whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.

Mandatory precautions

There are no special requirements.

Advisable precautions

It is advisable to be in date for the following immunisations: tuberculosis, hepatitis A and diphtheria.

Any medicines required by the traveller should be taken by the visitor, and it could be wise to have precautionary antibiotics if going outside major urban centres. Rabies is endemic.

A travel kit including a disposable syringe is a reasonable precaution. It is recommended to drink bottled water. The tap water is occasionally yellow.

Hotels

Riga has business-class hotels. Tips are included in restaurant bills.

Credit cards

Credit and charge cards are accepted in large hotels and restaurants and some shops. ATMs are widely found in towns and cities.

Public holidays (national)

Fixed dates

1 Jan (New Year), 1 May (Labour Day), 4 May (Restoration Day), 23 Jun (Ligo Day/Midsummer's Eve), 24 Jun (St John's Day/Summer Solstice), 18 Nov (National Day), 25–26 Dec (Christmas/Winter Solstice).

Variable dates

Good Friday, Easter Monday.

Working hours

Banking

Mon–Fri: 0900–1700. Some banks are open between 0900–1300 on Saturdays.

Business

Mon–Fri: 0830/0900–1730/1800.

Government

Mon–Fri: 0900–1700.

Shops

Mon–Fri: 1000–1900, Saturday: 1000–1600. Grocery and department stores are usually open from 0800 until 1900. There are quite a few food stores in Riga that provide 24-hour service.

Telecommunications

Mobile/cell phones

GSM 900/1800 services are available throughout most of the country.

Electricity supply

220V AC, 50 Hz. European-style two-pin plugs are in use.

Social customs/useful tips

Latvians can be reserved and formal, but hospitable. When meeting, shake hands and slightly nod your head. If invited to a private home, it is usual to bring flowers for the hostess. Business cards are widely used.

The informal custom of overcharging foreigners (particularly by taxi-drivers) has developed since 1991.

Taxi fares do not usually include a tip, whereas restaurant bills usually do. Tipping is generally expected. Carry small-denomination US dollar bills as well as local currency for tips, taxis etc.

Reference to Russia and Russians should be avoided, at least until you are sure of the ethnic background of your host. Many Latvians have strong feelings about Russia as many have relatives who were sent to Siberia during the Soviet period. It is also wise not to ask your host what they did before independence, as they may think you are asking whether they were in the Communist Party or even if they were sent to Siberia.

Security

As living standards have dropped, so the crime rate has risen since independence. Care should be taken not to display valuables when walking around the city. When walking, travellers should be alert to the threat of pickpocketing and other forms of theft. Always avoid unlit streets and parks at night, and be extra vigilant if walking alone.

Wherever possible, guarded car-parks should be used and valuables kept out of sight.

Getting there

Air

National airline: Air Baltic (ABC)

International airport/s: Riga International (RIX) 8km west of Riga; facilities include currency exchange, car hire, post office, business lounge and duty-free. A courtesy shuttle bus and the number 22a bus (tickets available from the post office) run to city centre hotels; alternatively taxis are located in front of the terminal building, and the journey takes about 15 minutes.

Airport tax: None

Surface

Road: There are roads leading from all the surrounding countries, however not all have customs control and it is advisable to determine which border crossing has this facility before undertaking a fruitless journey. Visit <http://www.transit.lv/> for details of the country's road network.

Rail: The Berlin to St Petersburg service passes through Daugavpils in south-eastern Latvia. Trains also link Riga with Moscow, St Petersburg and Minsk.

Water: There are direct ferries to Riga from Travemünde in Germany and Stockholm in Sweden.

Main port/s: Warm-water ports at Riga and Ventspils and Liepaja, (designated a Special Economic Zone (SEZ)).

Getting about

National transport

Air: Daily flights operate between Riga and Liepaja regional airport in the west.

Road: Latvia has a good road network, although secondary roads are in a variety of conditions.

Buses: The extensive bus network is a better form of transport than trains.

Rail: Riga is connected to all major towns and there are some cross country services. The railway terminal in Riga is Stacijas Laukums.

City transport

Taxis: Taxis can be flagged down or hired from taxis stands. All taxis have metres that should be used; there is a surcharge between 2200–0600. Some taxis accept credit cards and display a credit card sticker. Tipping is not usual.

Buses, trams & metro: There is an economic and extensive transport system, including buses, trams and trolley buses operating between 0530–2330 in Riga. In addition, some trolley bus and tram routes run an hourly night service. Tickets can be purchased from the driver or conductor. Routes are displayed on the Riga city map, available from most city kiosks.

Car hire

There are a number of international car hire firms in Riga. Either an international driving licence or an EU pink format licence is necessary and drivers have to

be over 21 years old. Cars with drivers are also available. Traffic drives on the right, seat belts must be worn and car headlights must remain on at all times. Alcohol consumption and mobile phone use by drivers is strictly prohibited. Speed limits are 50kph in urban areas and 90kph on open roads.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling (IDD) code for Latvia is +371, followed by area code

Daugavpils	54	Rezekne	46
Jelgava	30	Riga not required	
Liepaja	34	Ventspils	36

Useful telephone numbers

Fire brigade: 01

Police: 02

Ambulance: 03

National telephone operator: 116

International telephone operator: 115

Train information: 1181

Chambers of Commerce

American Chamber of Commerce in Latvia, 4 Torna iela, Riga 1050 (tel/fax: 721-2204; e-mail: amcham@amcham.lv).

British Chamber of Commerce in Latvia, Valdemara Centres, 21 Kr Valdemara iela, Riga 1010 (tel: 703-5202; fax: 703-5318; e-mail: info@bccl.lv).

Latvian Chamber of Commerce and Industry, 35 Kr Valdemara iela, Riga 1010 (tel: 722-5595; fax: 782-0092; e-mail: info@chamber.lv).

Banking

Hansabank, 26 Kalku Street, Riga LV-1050 (tel: 702-44444; fax: 702-4400; e-mail: info@hansabanka.lv).

Latvijas Krājbanka, 1 Palasta Street, Riga LV-1954 (tel: 709-2020; fax: 721-2083).

Parex Banka, 3 Smilsu Street, Riga LV-1522 (tel: 701-0000; fax: 701-0001; e-mail: inquiry@parex.lv).

Saules Bank, 16 Smilsu Street, Riga (tel: 702-0500; fax: 702-0505; e-mail: office@saules.com).

Unibanka, 23 Pils Street, Riga (tel: 721-5555; fax: 721-5566; e-mail: atsauksmes@unibanka.lv).

Central bank

Latvijas Banka, K Valdemara iela 2a, LV-1050, Riga (tel: 702-2300; fax: 702-2420; e-mail: info@bank.lv).

Stock exchange

Rigas Fondsbørs (Riga Stock Exchange) (RSE), www.omxnordicexchange.com

Travel information

Air Baltic Corporation (ABC), Riga International Airport, Riga LV-1053 (tel: 207-777; fax: 207-505); Kalku iela 15, Riga LV-1050 (tel: 207-777; fax: 722-8284).

LDZ (Latvian Railways), 3 Gogola Street, Riga, LV-1547 (tel: 723-1181; fax: 782-0231; International booking: 721-664; internet: www.ldz.lv).

Latvian Tourism Development Agency, Pils laukums 4, Riga (tel: 722-9945; fax: 750-8468; e-mail: tda@latviatourism.lv).

Lidosta Airport flight enquiries (tel: 207-009; fax: 348-654).

Lufthansa Airport Office (tel: 207-183; fax: 207-026); city centre, Kr Barona iela 7-9, Riga LV-1442 (tel: 728-5614; fax: 782-8199).

Polish Airlines, Maža Pils iela 5, Riga LV 1863 (tel: 724-2870; fax: 724-2869).

Riga International Airport Information (tel: 720-7009; internet site: <http://www.riga-airport.com>).

Riair (Rigas Aeronavijas), 1 Melluzu Street, Riga LV-1067 (tel: 720-7325; fax: 786-0189).

Riga Bus Station (Autoosta) (tel: 721-3611, 721-3826).

Riga Tourist Information Centre, 22 Skarnu iela (tel: 722-1731; fax: 722-7680; internet: www.rigatourism.com).

SAS, Kalku iela 15, Riga LV 1050 (tel: 721-6139; fax: 722-4282).

Ministry of tourism

Ministry of Environmental Protection and Regional Development, Peldu iela 25, Riga (tel: 702-6492; fax: 782-0442; e-mail: tourism@varam.gov.lv).

National tourist organisation offices

Latvian Tourist Board, Riga 800 Office, Torna iela 4, 1B-103, Riga LV-1050 (tel: 732-0550; fax: 732-0609; e-mail: ltboard@latnet.lv; internet: www.latviatourism.lv).

Ministries

Department of Citizenship and Immigration, 6 Raina Blvd, Riga LV-1181 (tel: 721-9181; fax: 782-0156).

Latvian Customs Department Kr Valdemara iela 1a, Riga LV-1841 (tel: 732-0928; fax: 732-2440).

Ministry of Agriculture, Republikas Laukums 2, Riga LV-1981 (tel: 702-7107; fax: 702-7512).

Nations of the World: A Political, Economic and Business Handbook

Ministry of Culture, Kr Valdemara iela 11a, Riga LV-1364 (tel: 722-4772; fax: 722-7916).

Ministry of Defence, Kr Valdemara iela 10-12, Riga LV-1010 (tel: 721-0124; fax: 783-0236).

Ministry of Economics, Brivibas Boulevard 55, LV 1519 Riga (tel: 701-3109; fax: 728-0882); Department of Energy Development (tel: 728-7730, 722-0151; fax: 733-8026, 722-4794).

Ministry of Education, Vajnu iela 2, 1098 Riga (tel: 722-2415; fax: 721-3992; e-mail: vetpmu@com.latnet.lv).

Ministry of Environmental Protection and Regional Development, Peldu St 25, 1494 Riga (tel: 722-3612; fax: 782-0442; e-mail: Saule@varam.gov.lv).

Ministry of Finance, Smilšu iela 1, Riga LV-1919 (tel: 722-6672; fax: 721-1140); World Bank Technical Unit (tel: 722-0348; fax: 782-0168).

Ministry of Foreign Affairs, 36 Brivibas bulv, Riga LV-1395 (tel: 701-6210; fax: 728-2121; e-mail: info@info.gov.lv; internet site: <http://www.mfa.gov.lv>).

Ministry of the Interior, Raina bulv 6, Riga LV-1533 (tel: 728-7260; fax: 721-2255).

Ministry of Justice, Brivibas bulv 34, Riga LV-1536 (tel: 728-2607; fax: 728-5575).

Ministry of Transport, Gogola iela 3, 1743, Riga (tel: 702-8214; fax: 721-7180).

Ministry of Welfare, Skolas iela 28, Riga LV-1331 (tel: 729-2800; fax: 727-6445).

State Property Fund (privatisation), Ministry of Economics, 36 Brivibas Boulevard, LV 1519 Riga (tel: 213-501; fax: 280-882); external department (tel: 722-5426; fax: 828-223).

Other useful addresses

Association of Insurers, Valnu iela 1, Riga LV-1912 (tel: 722-4375, fax: 724-3286).

Baltic Data House Ltd (marketing research), Akas iela 5/7, Riga LV-1050 (tel: 227-6144; fax: 227-6246, 934-6442).

British Council, Blaumena iela 5a, LV-1050 Riga (tel: 232-0468; fax: 883-0031).

British Embassy, 5 Alunana iela, Riga LV-1010 (tel: 733-8126/31; fax: 733-8132).

Business Centre (to use fax, telex, xerox, e-mail, typing, international telephone) 55 Elizabetes, Hotel 'Latvia' (tel: 722-2211).

Central Statistical Bureau of Latvia, Lacplesa Str, 1 Riga (tel: 727-0126; fax: 782-0166; internet site: www.csb.lv/avidus.cfm).

Commercial Port of Riga, Eksporta iela 6, Riga LV-1242 (tel: 732-5350; fax: 783-0051).

Commercial Port of Ventspils, Dzintaru iela 22, Ventspils LV-3602 (tel: 22-821; 21-231).

Committee for Television & Radio Broadcasting, Doma Laukums 8, Riga LV-226935 (tel: 227-906; fax: 200-025).

Consular Department, Elizabetes iela 57, Riga (tel: 728-6815; 928-7398 (24 hours); fax: 782-8274).

Department of Customs, Kr Valdemara iela 1a, Riga LV-1181 (tel: 721-9639; fax: 733-1123; e-mail: pmlp@pmlp.gov.lv).

Enterprise Support Centre, Perses Str 2, 1011 Riga (tel: 722-7623, 728-9328; fax: 782-0442); External Adviser (tel: 701-3161; fax: 782-8251, 728-0882).

Fire Protection Agency, 5 Maskavas Street, Riga (tel: 220-1322).

Government Information Agency, 36 Brivibas bulv, Riga LV-1070 (tel: 728-2828; fax: 728-4450).

Interlatvija Foreign Trade Association, Komunaru Bulv 1, 226010 Riga (tel: 332-952, 333-597; fax 226-070).

International Advertising Association, Liela Pils iela 9, Riga LV-1755 (tel: 722-8361; fax: 722-9252).

Komunalprojekts AS, 148A Brivibas Blvd, Riga LV 1012 (tel/fax: 237-6920).

Latvian Association of Civil Construction Engineers, 22/24 Grecinieku Street, Riga LV 050 (tel: 721-2661; fax: 722-4832).

Latvian Association of Traders, Kr Barona 48/50, LV-1011 Riga (tel: 721-7372; fax: 782-1010).

Latvian Business Consultants' Association, Jauniela 24, Riga LV-1050 (tel: 722-0320, 782-0076; fax: 722-8926).

Latvian Business Union (commercial information), Bungada PO Box 475, 226001 Riga (tel: 320-888; fax: 217-633).

Latvian Development Agency, Business Information Institute, 2 Perses Street, Riga LV-1442 (tel: 728-3425; fax: 782-0458; e-mail: invest@lda.gov.lv; internet site: www.lda.gov.lv).

Latvian Embassy (USA), 4325 17th Street, NW, Washington DC 20011 (tel: (+1-202) 726-8213; fax: (+1-202) 726-6785; e-mail: embassy@latvia-usa.org).

Latvian Foreign Trade Centre, 2 Elizabetes Street, Riga (tel: 732-0619, 732-1818, 732-2816; fax: 783-0035, 732-3313).

Latvian Privatisation Agency, Kr Valdemara Street 31, Riga LV-1887 (tel:

732-2281, 733-2082; fax: 783-0363; e-mail: lpa@mail.bkc.lv).

Latvian Retailers' Association, Kr Barona iela 48/50, Riga LV-1011 (tel: 721-7372; fax: 782-1010).

Latvian State Radio, 8 Doma Laukums (tel: 720-6722; fax: 720-6709, 782-0216).

Liepaja Special Economic Zone Authority, 4 Feniksa iela, LV-3401 Liepaja (tel: 26-605; fax: 80-252).

Main Post Office, Brivibas Bulvaris 21, Riga (tel: 224-155; fax: 733-1920).

National Environmental Health Centre, 7 Klijanu Street, Riga (tel: 237-7473; fax: 237-5940).

Port of Liepaja, Feniksa iela 4, Liepaja LV-3400 (tel: 342-5887; fax: 789-3418).

Public Investment Unit, Brivibas Blv. 36, 1519 Riga (tel: 701-3122; fax: 782-0458).

Riga City Council, 3 kr Valdemara Street, Riga LV-1539 (tel: 232-0680; fax: 222-0785).

Riga Fairs, Conferences & Exhibitions (tel: 213-637).

Riga Commercial Port, 5a Katrinas Street, Riga LV-1227 (tel: 732-9224; fax: 783-0215; e-mail: rto@mail.bkc.lv).

Rigas Ostas Parvalde (Riga Port Authority), 6 Eksporta St, Riga LV-1010 (tel: 732-2644; fax: 783-0051).

Riga Stock Exchange, Doma Laukums 6, Riga LV-1885 (tel: 721-2431, 722-9449; fax: 722-4515).

Saeima (Parliament), 16 Jekaba (tel: 732-2938; fax: 721-1611).

US Embassy, Raina Bulvaris 7, LV-1050 Riga (tel: 721-0005, 722-0367, 722-9709; fax: 722-6530).

Ventspils Free Port Authority, 8 Uzavas Str, Ventspils LV3601 (tel: 362-2586; fax: 362-1297).

Ventspils Tirdzniecības Osta (Ventspils Commercial Port), 20a Dzintaru Street, Ventspils LV-3602 (tel: 366-8778; fax: 362-1231).

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Other news agencies: BNS: www.bns.lv Delfi (in Latvian and Russian): www.delfi.lv

Internet sites

Baltic News Service: <http://www.bns.ee>
Business in the Baltic States: <http://www.binet.lv/english/database>