



CASE – Center for Social  
and Economic Research

# The Political Economy of Place-Based Policies with a Focus on Special Economic Zones

## SEZs in Latvia

Inese Šulžanoka,  
Head of the Representative Office of the Investment  
and Development Agency of Latvia in Poland

Warsaw | April 23-24, 2015

Partners:

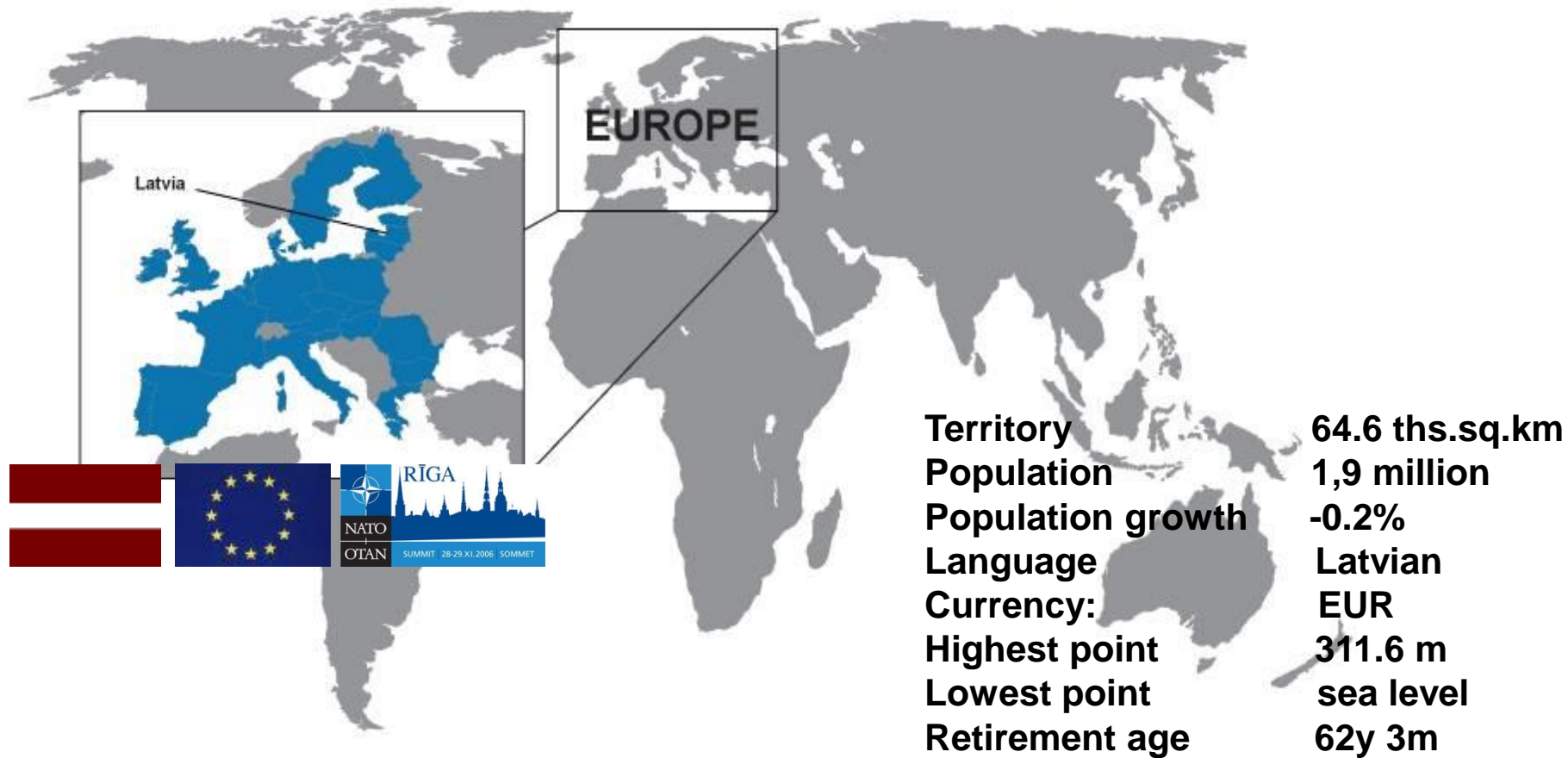


Sponsors:

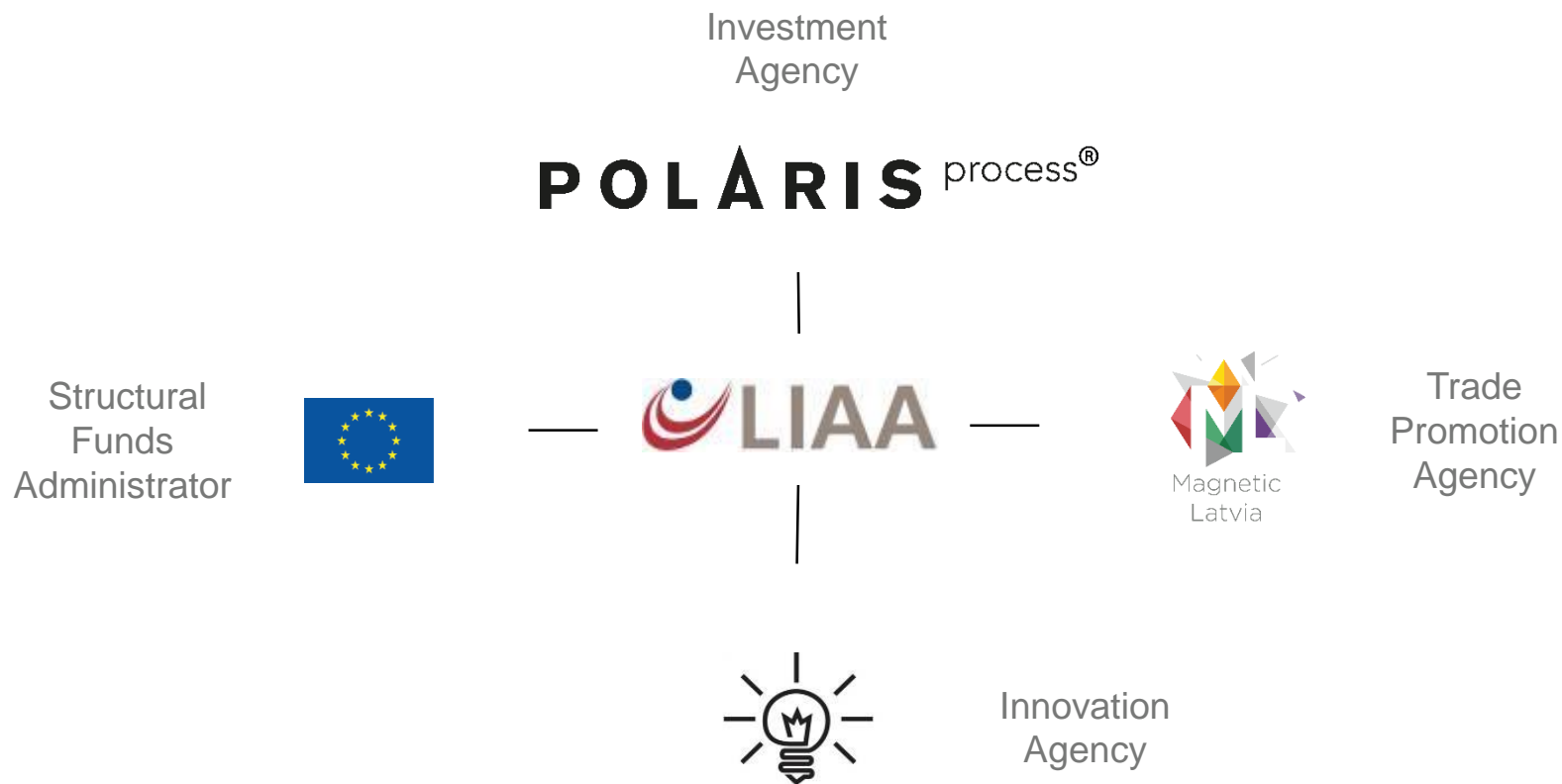


Media partners:





## WHAT IS LIAA?



## LIAA FUNCTIONS – OUR 8 PREMIUM FREE SERVICES

8

Investment  
project follow-up

1

Information on economic  
and market situation

2

Business opportunities  
and investment incentives

7

Access to relevant government  
officials



3

Contacts with Latvian  
business partners

6

Assistance with  
start-up procedures

5

Cooperation with  
municipalities

4

Identification of best  
property options

## EASE OF DOING BUSINESS 2015 – LATVIA RANKED NO. 23

TABLE 1.1 Ease of doing business ranking

Rank	Economy	DTF score	Rank	Economy	DTF score	Rank	Economy	DTF score
1	Singapore	88.27	64	Cyprus				56.92
2	New Zealand	86.91	65	Croatia				56.64
3	Hong Kong SAR, China	84.97	66	Oman				56.64
4	Denmark	84.20	67	Samoa				56.51
5	Korea, Rep.	83.40	68	Albania				56.38
6	Norway	82.40	69	Tonga				56.31
7	United States	81.98	70	Ghana				55.78
8	United Kingdom	80.96	71	Morocco				55.48
9	Finland	80.83	72	Mongolia				55.33
10	Australia	80.66	73	Guatemala				54.98
11	Sweden	80.60	74	Botswana				54.84
12	Iceland	80.27	75	Kosovo				54.81
13	Ireland	80.07	76	Vanuatu				54.72
14	Germany	79.73	77	Kazakhstan				54.58
15	Georgia	79.46	78	Vietnam				54.26
16	Canada	79.09	79	Trinidad				53.97
17	Estonia	78.84	80	Ag				53.62
18	Malaysia	78.83	81					53.43
19	Taiwan, China	78.73	82					53.07
20	Switzerland	77.78	83					52.59
21	Austria	77.42	84					52.26
22	United Arab Emirates	76.81	85					51.45
23	Latvia	76.73	86					51.29
24	Lithuania	76.31	87	Solomon Islands	63.08	150	Uganda	51.11
25	Portugal	76.03	88	Namibia	62.81	151	Benin	51.10
26	Thailand	75.27	89	Antigua and Barbuda	62.64	152	Burundi	51.07
27	Netherlands	75.01	90	China	62.58	153	São Tomé and Príncipe	50.75
28	Mauritius	74.81	91	Serbia	62.57	154	Algeria	50.69
29	Japan	74.80	92	Paraguay	62.50	155	Djibouti	50.48
30	Macedonia, FYR	74.11	93	San Marino	62.44	156	Iraq	50.36
31	France	73.88	94	Malta	62.11	157	Bolivia	49.95
32	Poland	73.56	95	Philippines	62.08	158	Cameroon	49.85
33	Spain	73.17	96	Ukraine	61.52	159	Comoros	49.56
34	Colombia	72.29	97	Bahamas, The	61.37	160	Sudan	49.55
35	Peru	72.11	97	Dominica	61.37	161	Senegal	49.37

17 **Estonia**

18 Malaysia

19 Taiwan, China

20 Switzerland

21 Austria

22 United Arab Emirates

23 **Latvia**

24 Lithuania

25 Portugal

26 Thailand

27 Netherlands



CASE – Center for Social and Economic Research

Partners:



Sponsors:



Media partners:



## TAX INCENTIVES IN SEZs

Special Economic Zone (SEZ): **RIGA, VENTSPILS, LIEPAJA, REZEKNE** (valid until 2035)

### EXAMPLE:

Investments	= 10 million EUR
Gross Profit	= 1 million EUR
Real Estate Cadastral Value	= 1 million EUR

Taxation in Latvia	
Corporate Income Tax (15%)	= 150 000 EUR
Real Estate Tax (1.5%)	= 15 000 EUR
Total	= 165 000 EUR

Taxation in SEZ	
Corporate Income Tax (3%)	= 30 000 EUR
Real Estate Tax (0.3%)	= 3 000 EUR
Totally applied	= 33 000 EUR

Savings per year = 165 000 EUR – 33 000 EUR =

**132 000 EUR**

Tax credit up to **35%- 55%**  
**of total investments**,  
in the form of:

80% rebate on real estate tax  
80% rebate on CIT  
80% rebate on income tax for  
non-residents when receiving  
dividends



## THERE ARE 4 SEZS IN LATVIA:

**Riga Free Port** ([www.freeportofriga.lv](http://www.freeportofriga.lv)) - mainly looking for investors, whose activity is related to sea cargo handling or high added value logistics services.

**Ventspils Free Port** ([www.portofventspils.lv](http://www.portofventspils.lv)) and **Liepāja Special Economic Zone** ([www.portofliepaja.lv](http://www.portofliepaja.lv)) - besides companies that are engaged in sea cargo handling and logistics, also welcome export oriented manufacturing investment projects

**Rezekne Special Economic Zone** ([www.rsez.lv](http://www.rsez.lv)) welcomes logistics and export oriented manufacturing investment projects.



As the Free Port Authority and SEZ are decision takers for leasing out State or local government land in the port territory and granting free zone regime permits, they welcome investments which conform to development strategy of ports and are related to port activity.

# FDI Magazine's Global Freezones of the Future 2012/13 Rankings

From over 700 economic zones globally

## TOP 50 FREE ZONES OF THE FUTURE 2012/13: OVERALL

RANK	NAME OF ZONE	COUNTRY
1	Dubai Airport Free Zone	UAE
2	Dubai International Financial Centre	UAE
3	Shanghai Waigaoqiao Free Trade Zone	China
4	Iskandar	Malaysia
5	DuBiotech	UAE
6	Tanger Free Zone	Morocco
7	Freeport of Ventspils	Latvia
8	The Clark Freeport Zone	Philippines
9	Chittagong Export Processing Zone	Bangladesh
10	Dubai Media City	UAE
11-	ILT Freezone	UAE

## TOP FIVE BEST PORT ZONES

RANK	NAME OF ZONE	COUNTRY
1	Tanger Free Zone	Morocco
2	Freeport of Ventspils	Latvia
3	Mauritius Freeport	Mauritius
4	Khalifa Bin Salman Port	Bahrain
5	Salalah Free Zone	Oman



CASE – Center for Social and Economic Research

Partners:



POLISH INFORMATION AND FOREIGN INVESTMENT AGENCY

Sponsors:



Building a better working world

Media partners:



Creating and linking business opportunities in Central and Eastern Europe



www.debaty.org.pl



# POLARIS process®

# Thank you and welcome to Latvia!

For more information please contact:

Investment and Development Agency of Latvia  
 Ul. Krolowej Aldony 19, Warsaw  
 E: [invest@liaa.gov.lv](mailto:invest@liaa.gov.lv)  
 W: [www.liaa.gov.lv](http://www.liaa.gov.lv), [www.polarisprocess.com](http://www.polarisprocess.com)



Partners:



Sponsors:



Media partners:

