



LATVIA

**YOUR GATEWAY TO
NORTHERN EUROPE**

ANDRIS MALDUPS |

Director of the Transit Policy department
Ministry of Transport of the Republic of Latvia

OUTLINE

- General overview on cargo transit development
- Container train development
- Latvia – distribution center
- Road transport
- Ports

GENERAL OVERVIEW - MULTIMODAL CORRIDORS





GENERAL OVERVIEW - PORTS





GENERAL OVERVIEW



Three main ports of Latvia:

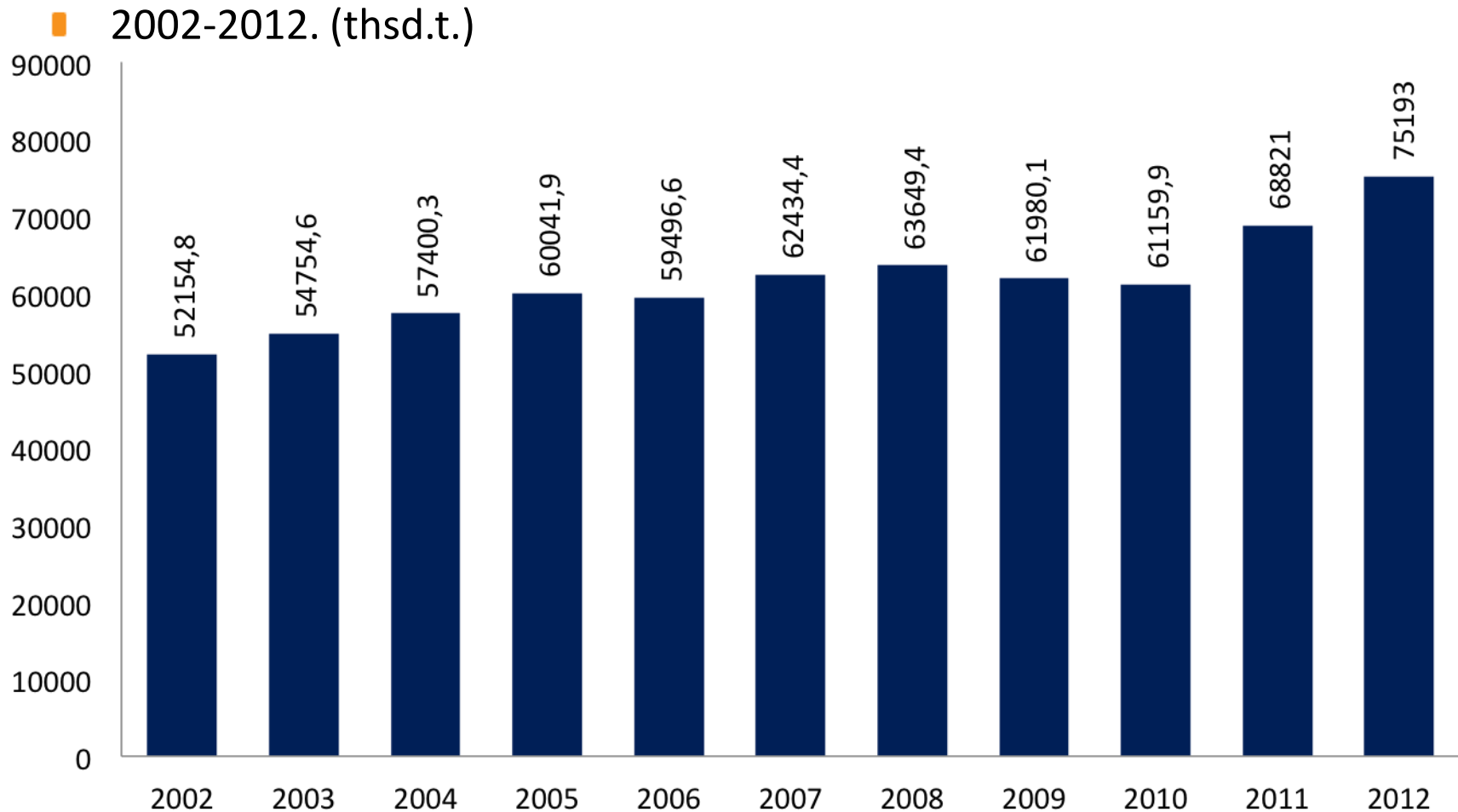
- Freeport of Riga
- Freeport of Ventspils
- Liepaja Special Economic Zone

- Freeport status
- Tax advantages for investments
- Free land plots available
- Up to 17 meters deep



GENERAL OVERVIEW

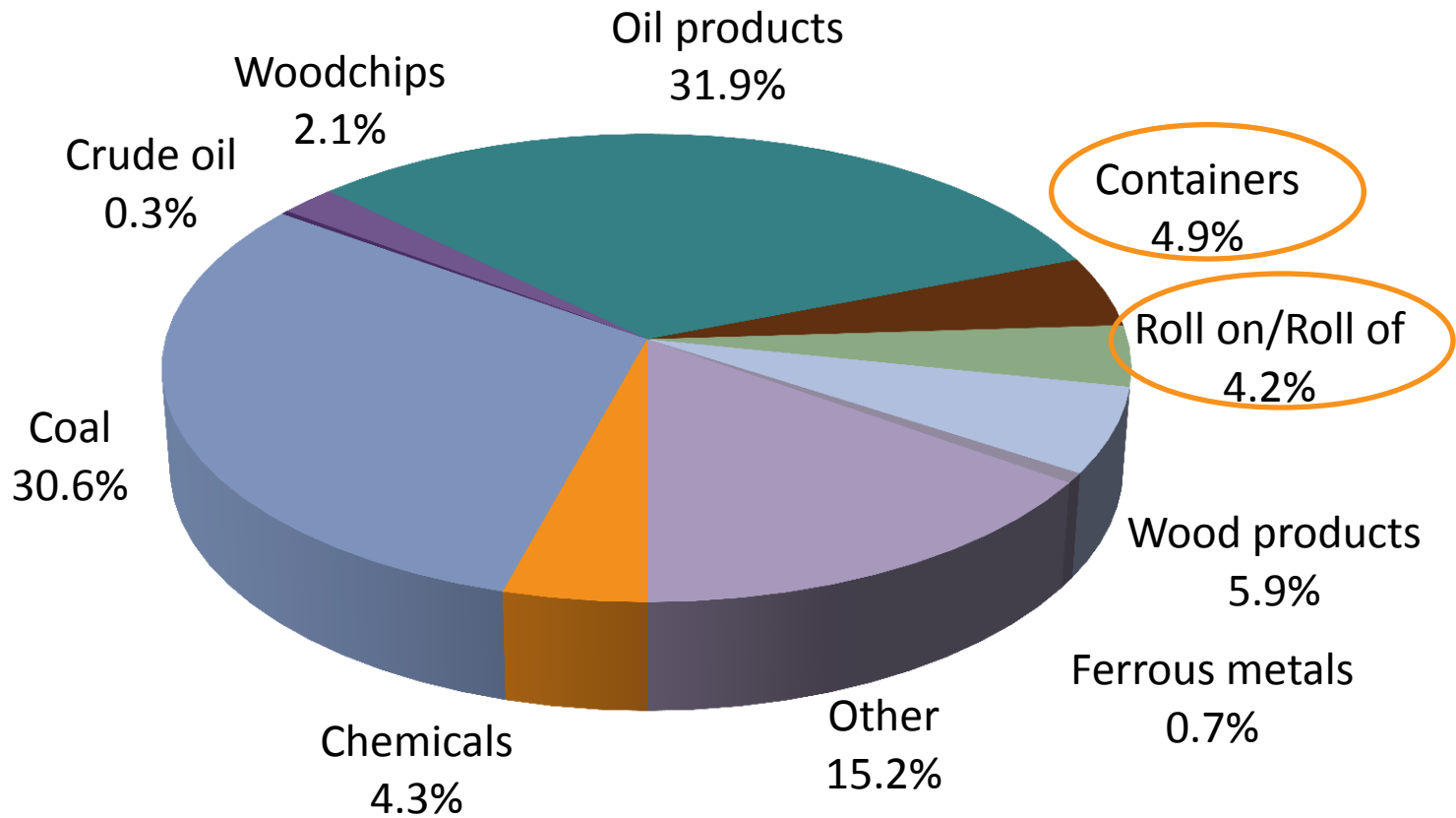
CARGO TURNOVER IN LATVIAN PORTS





PROPORTION OF FREIGHT BY TYPE OF GOODS

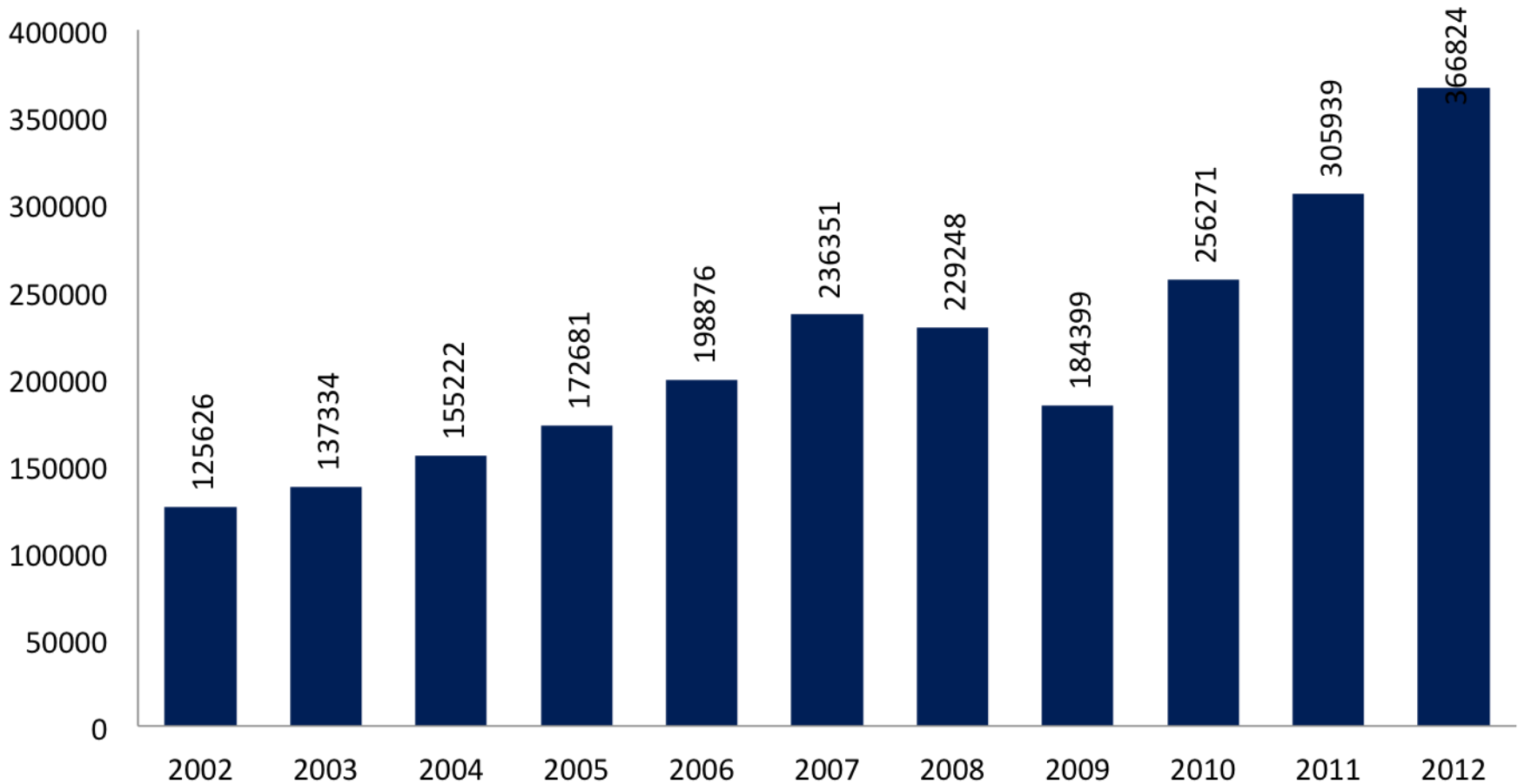
■ 2012





CONTAINERISED CARGO TURNOVER IN PORTS





■ 2002.-2012. (TEU)





PORTS COMPETITION IN THE BALTIC REGION



	2012 M tons	2012/2011 %
 Riga	36,05	↑ 5,9
Ventspils	30,35	↑ 6,7
Liepaja	7,4	↑ 53
 Tallin	29,48	↓ 19,2
 Klaipeda	35,24	↓ 3,7
 Primorsk	74,77	↓ 0,5
St.Peterburg	57,81	↓ 3,6
Ust-Luga	66,79	↑ 106



GENERAL OVERVIEW



Port of Riga

Container terminals

- Baltic Container terminal
- Riga Container terminal
- Riga Universal terminal
- Man-Tess

Lines

Containerships

Riga – Teesport – Rotterdam – Aarhus – Helsinki – St.Petersburg – Klaipeda – Sodertalje – Sheerness – Gent – Hamburg

French Baltic Line (CMA-CGM)

Hamburg – Bremerhaven – Riga – Klaipeda – Hamburg

UniFeeder Container Service

Hamburg – Bremerhaven – Riga – Klaipeda

Mann Lines Multimodal

Riga – Rotterdam – Bremerhaven – Kaliningrad – Gdynia – Riga

Mediterranean Shipping Company (MSC)

Antwerpen – Bremerhaven – Riga – Tallinn

Team Lines

Hamburg – Klaipeda – Riga – Hamburg

Maersk Line

Bremerhaven – Riga – Klaipeda – Aarhus – Bremerhaven

Tallink

Riga – Stockholm

Man-tess Line

Kiel-Petersburg – Riga – Kiel

Other lines - OOCL, CSCL, Evergreen, etc. using services of common feeders



Port of Ventspils

Nord Natie Terminal

Finnline

Lubeck-Ventspils- Petersburg

Stena Line

Ninesham-Ventspils-Ninesham

Travemund – Ventspils-Travemund



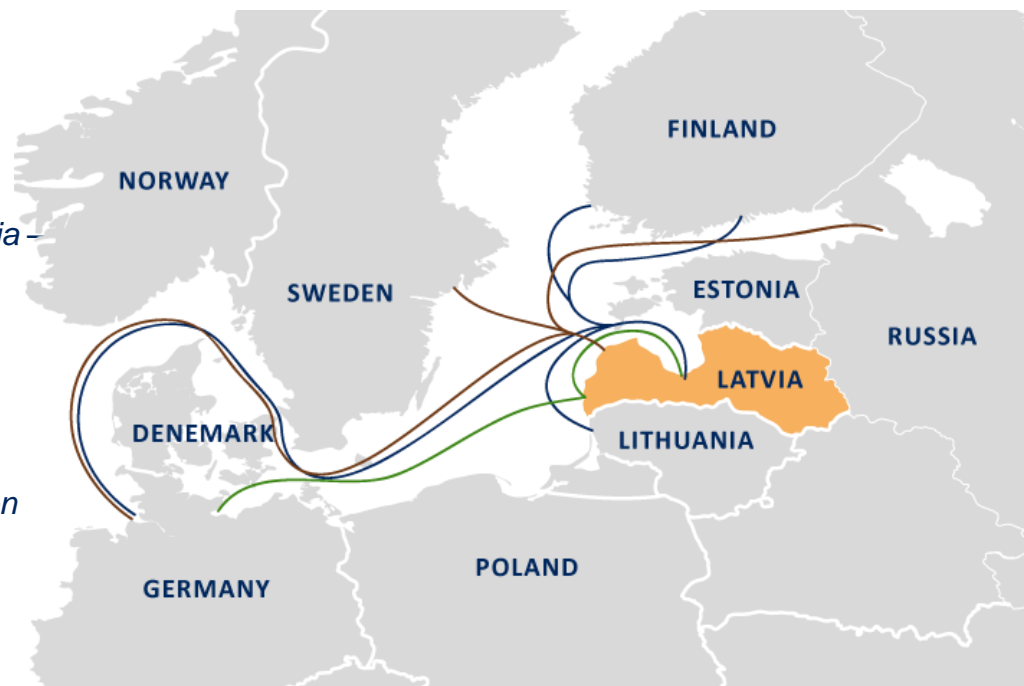
Port of Liepaja

Terrabalt

Stena Line

Travemund – Liepaja -

Travemund



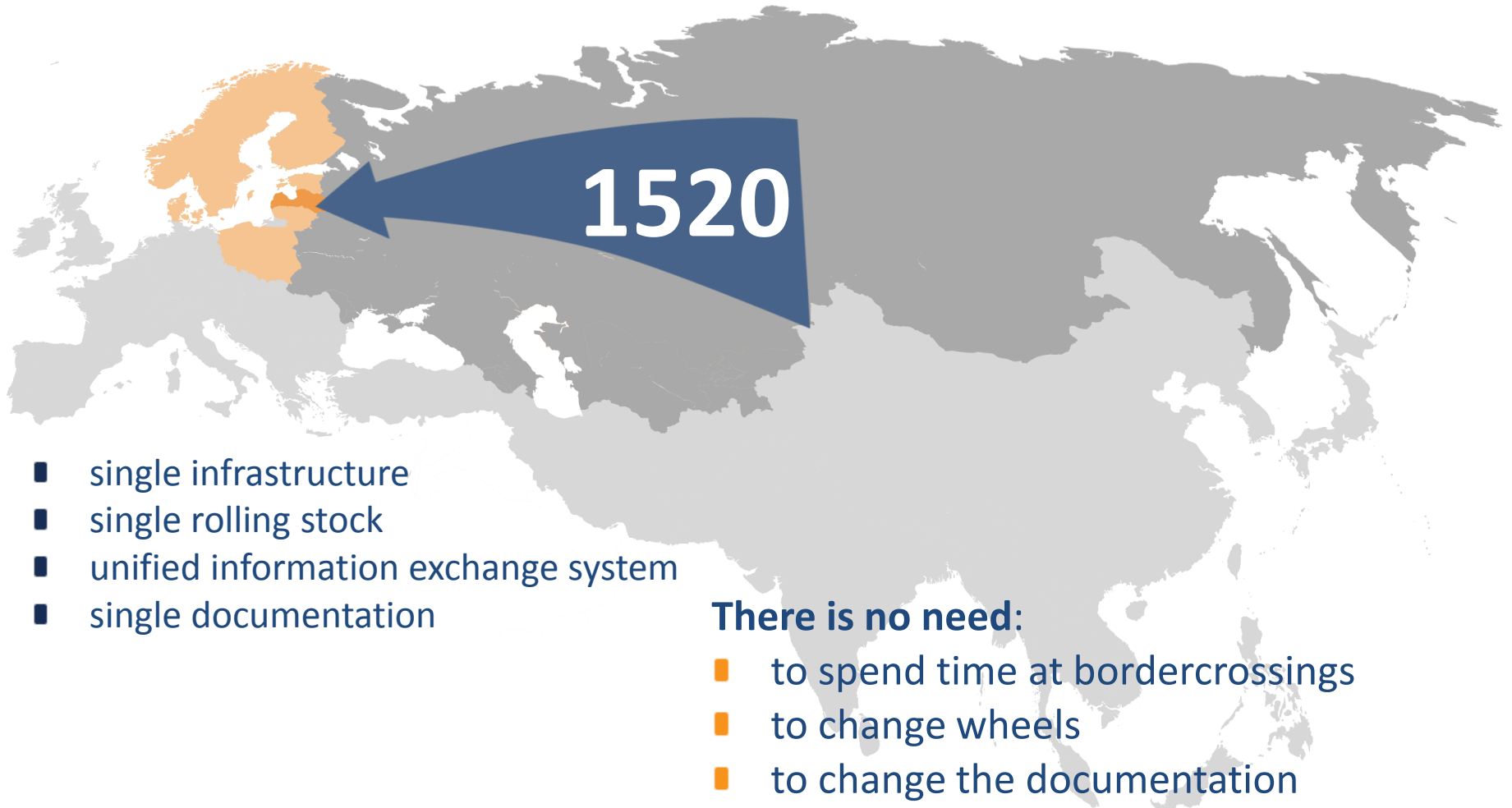


RAILWAYS





BENEFITS



- single infrastructure
- single rolling stock
- unified information exchange system
- single documentation

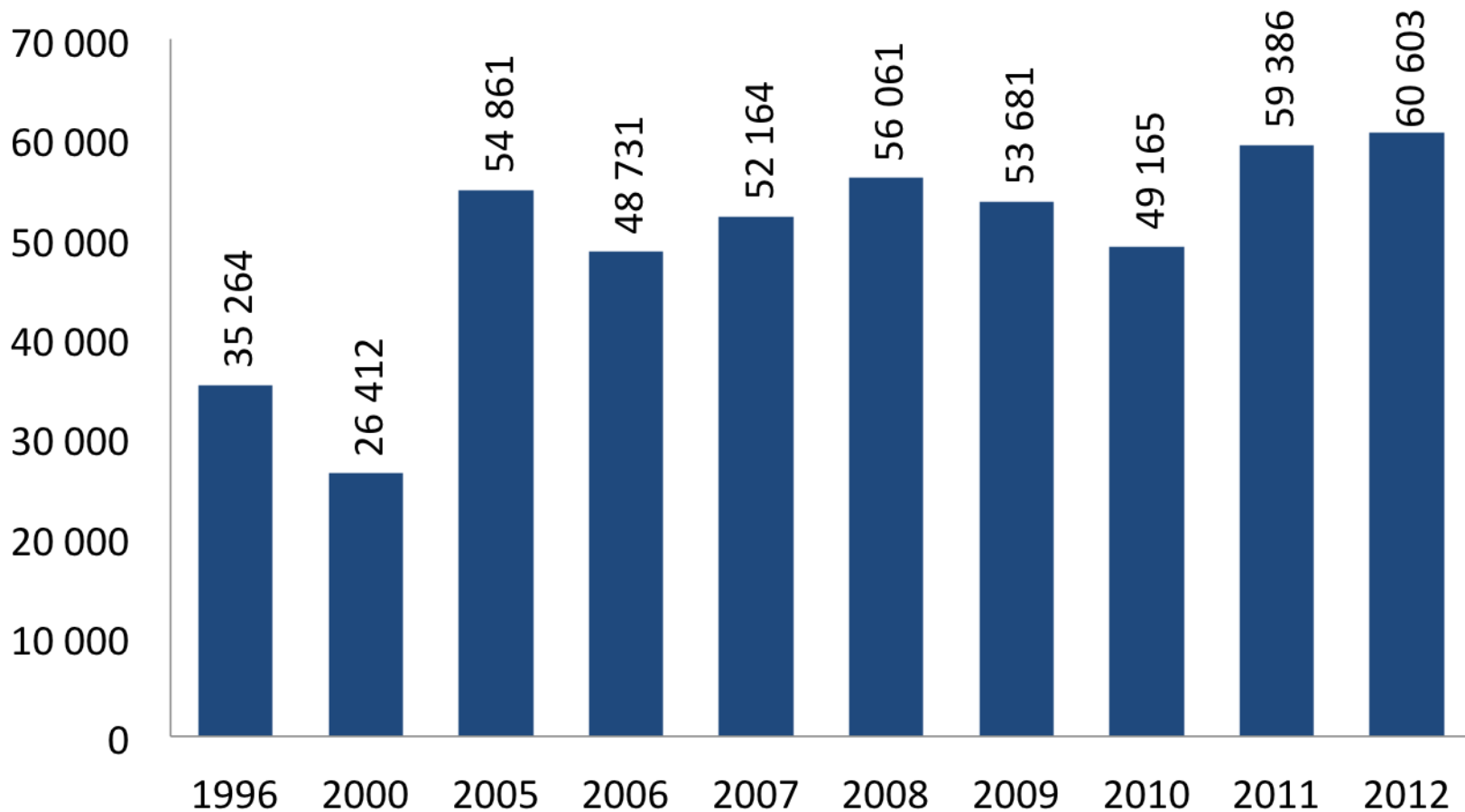
There is no need:

- to spend time at bordercrossings
- to change wheels
- to change the documentation
- to make customs clearance on the border



CARGO TURNOVER IN RAILWAYS

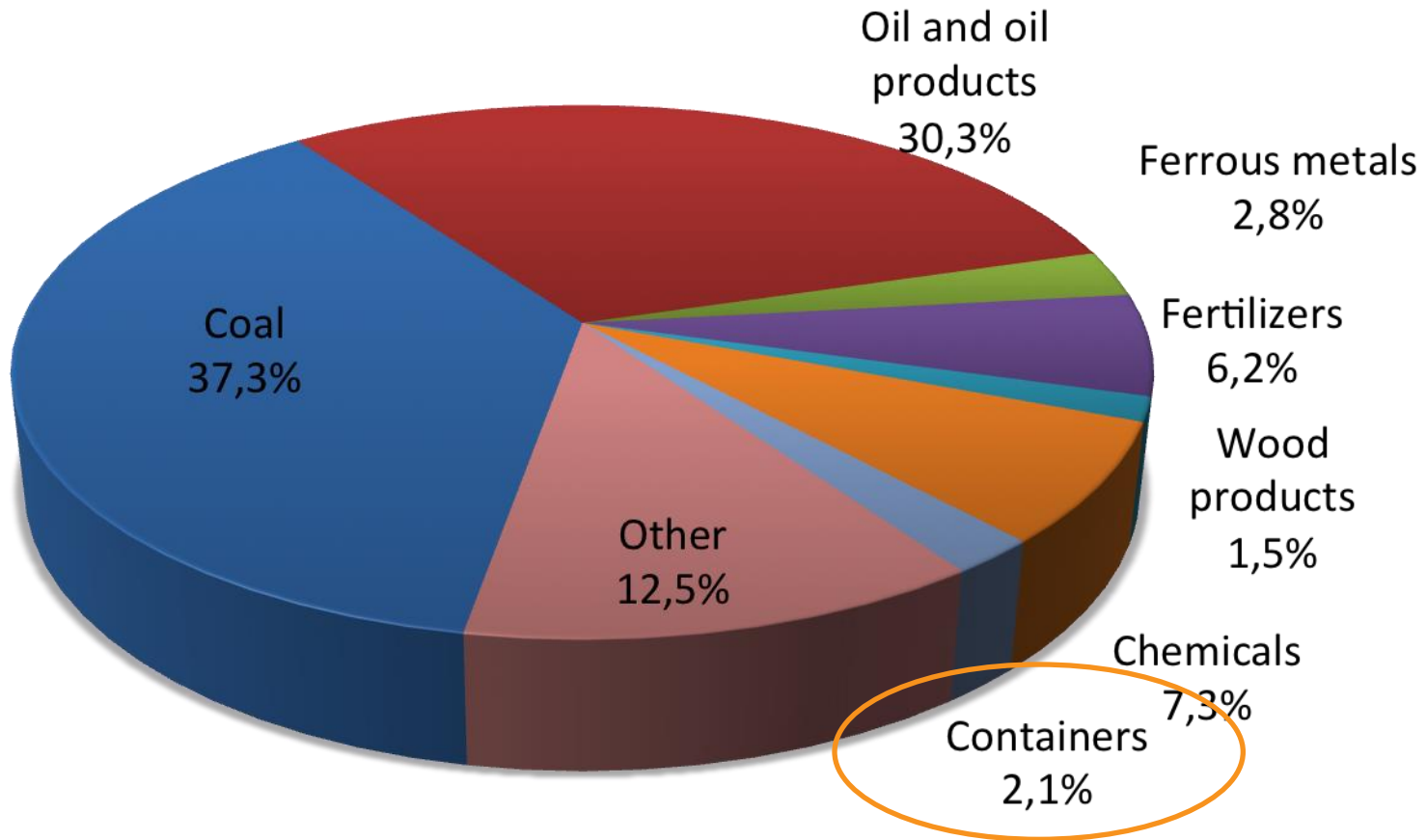
■ 2002-2012. (thsd.t.)





CARGO STRUCTURE BY TYPE OF GOODS

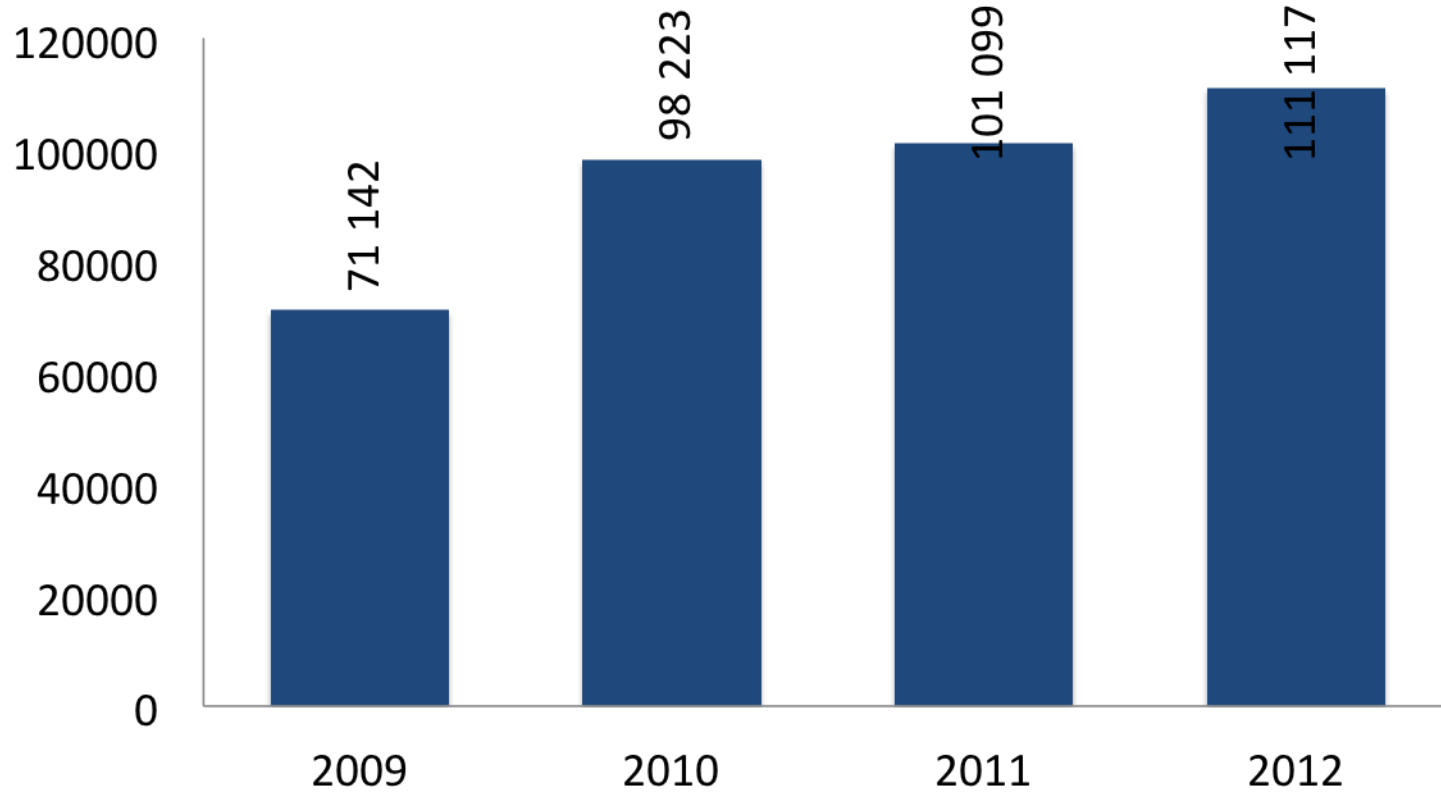
■ 2012





CONTAINERISED CARGO VOLUMES

■ 2002.-2012. (TEU)



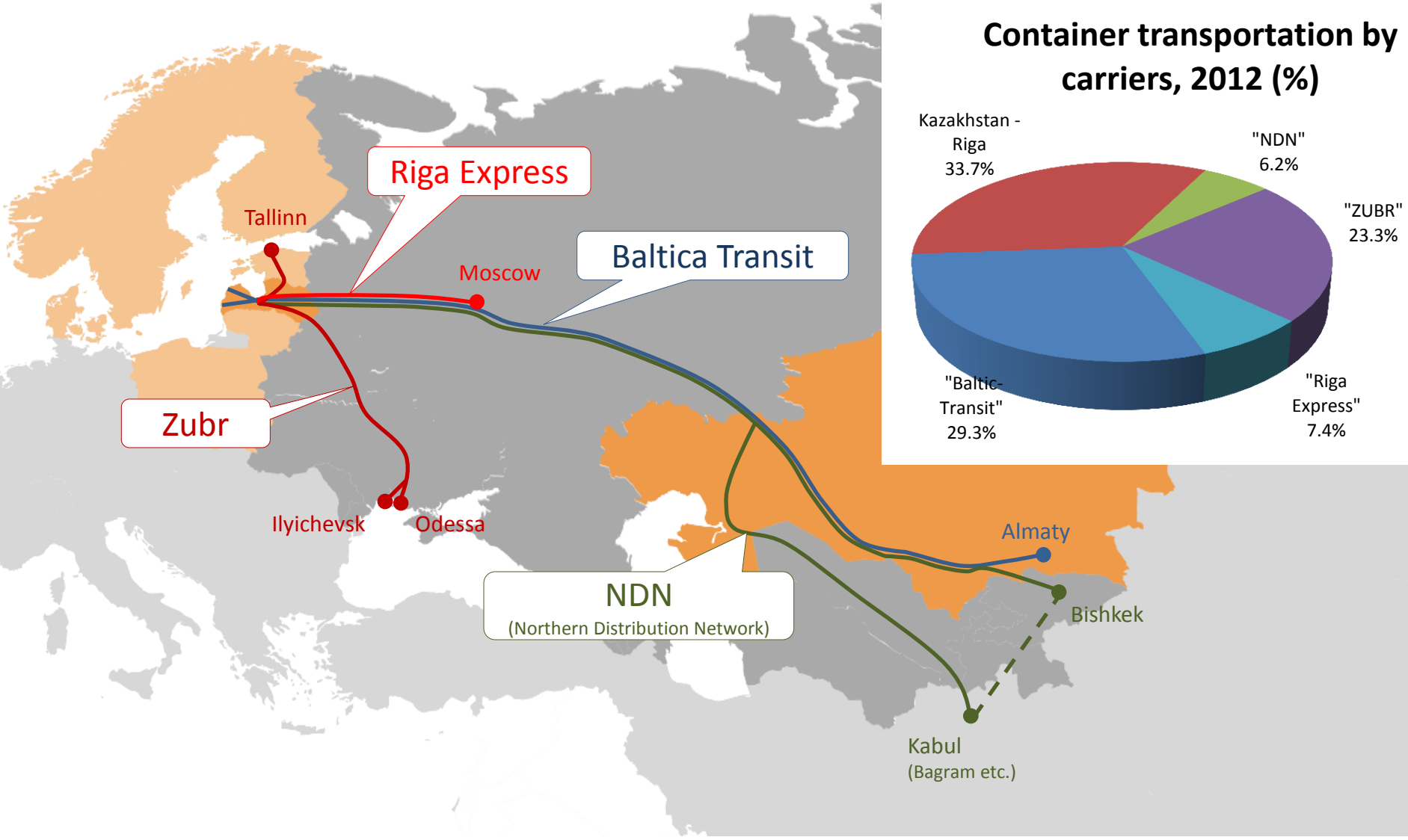


Priority – container trains

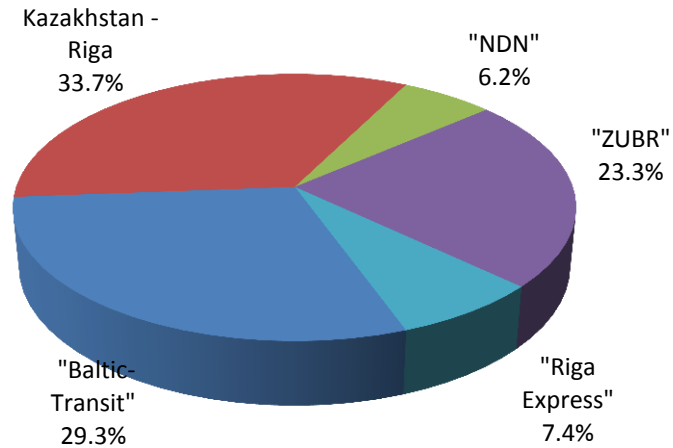




CONTAINER TRAINS FROM LATVIA



Container transportation by carriers, 2012 (%)





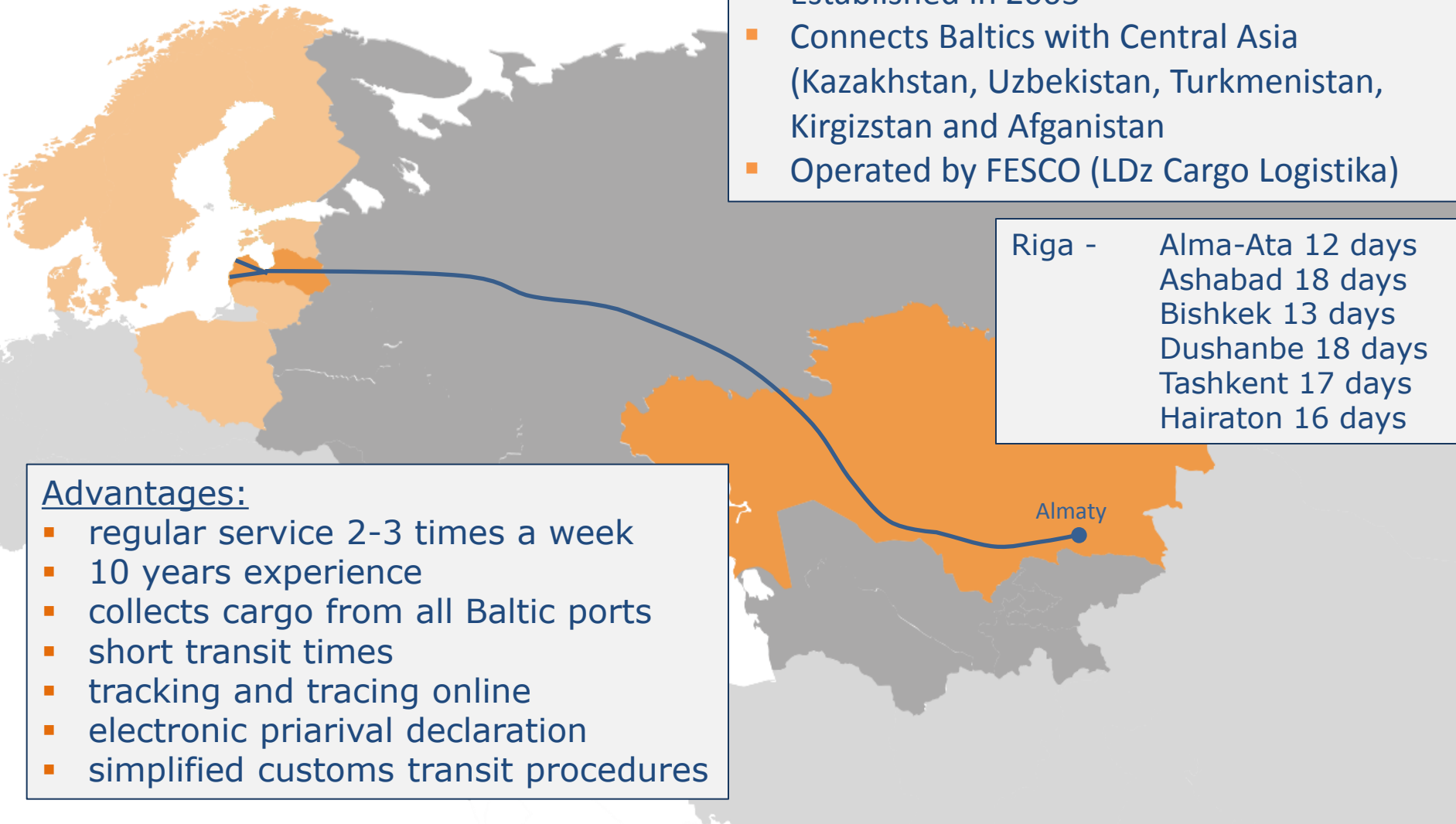
BALTICA TRANSIT

- Established in 2003
- Connects Baltics with Central Asia (Kazakhstan, Uzbekistan, Turkmenistan, Kirgizstan and Afganistan)
- Operated by FESCO (LDz Cargo Logistika)

Riga -
Alma-Ata 12 days
Ashabad 18 days
Bishkek 13 days
Dushanbe 18 days
Tashkent 17 days
Hairaton 16 days

Advantages:

- regular service 2-3 times a week
- 10 years experience
- collects cargo from all Baltic ports
- short transit times
- tracking and tracing online
- electronic priarival declaration
- simplified customs transit procedures

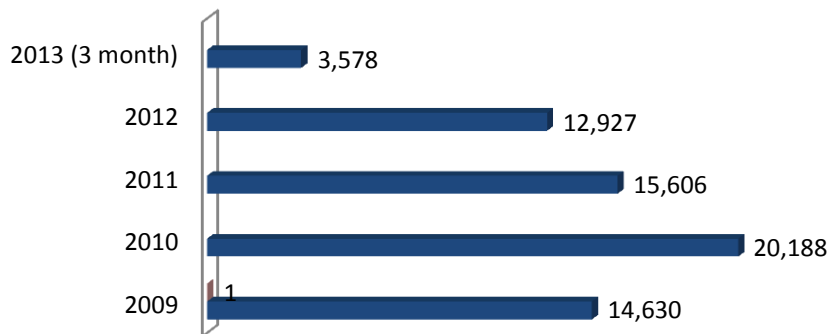




Railways

BALTICA TRANSIT

Cargo volumes transported by "Baltica Transit" (TEU)

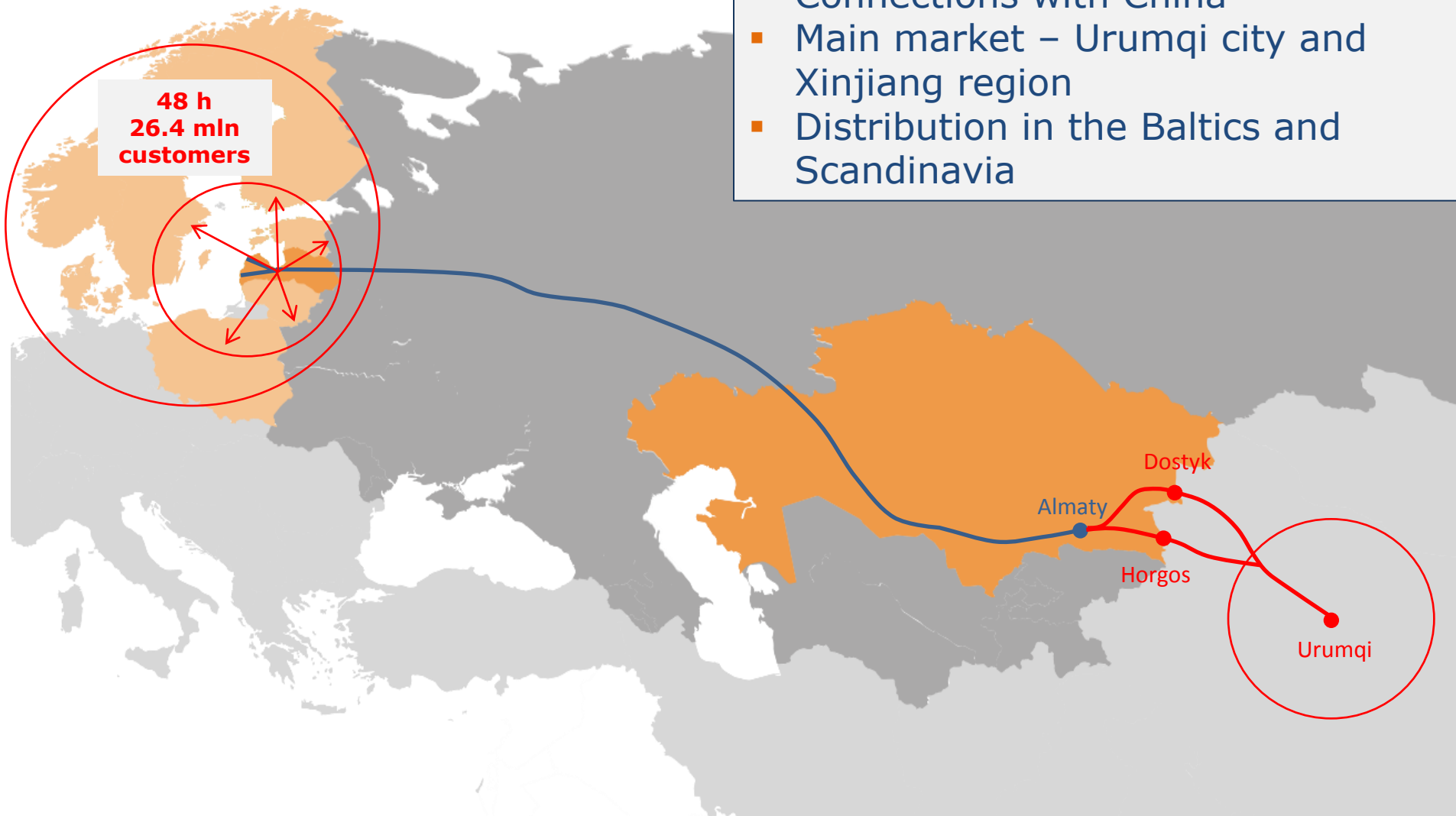


Almaty



Baltica transit – next steps

- Connections with China
- Main market – Urumqi city and Xinjiang region
- Distribution in the Baltics and Scandinavia





TEST TRAIN: URUMQI - LATVIA



Test train was organized in 2008

4 countries were involved:

China, Kazakhstan, Russia, Latvia

Cargo: 96 TEU with tomato pasta

Further from Latvia cargo was delivered partly to Germany and Italy using road and sea transport

Demonstrated results:

10 day transit time from Dostyk to Riga terminal

14 days in total from Urumqi to door in Central EU

Transport mode index:

CN-KZ by rail (switch gauge: Alashankou-Dostik)

KZ-RU-LV by rail (gauge 1520mm)

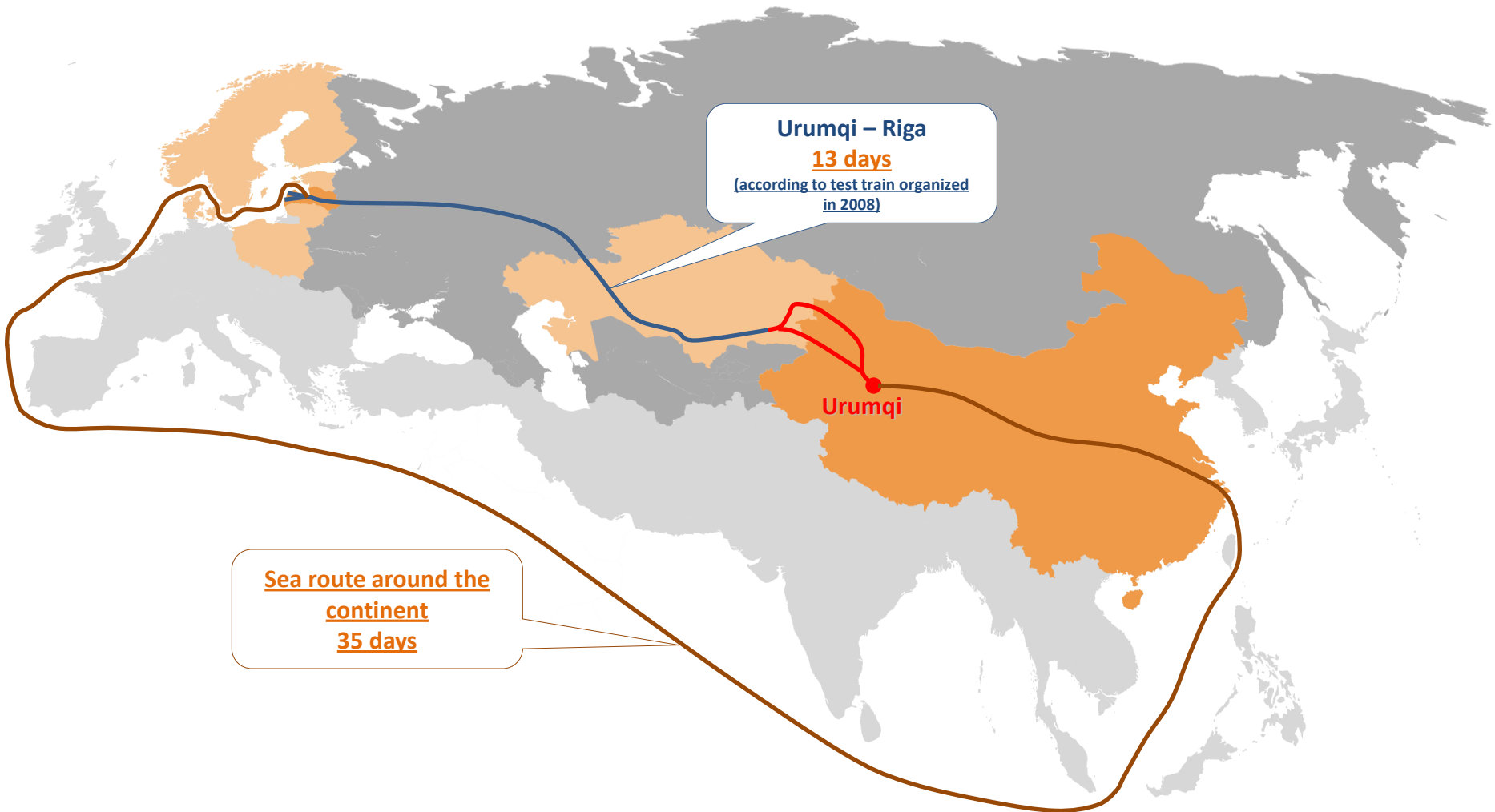
LV-CZ/NL by truck

LV-EU by seafreight



ALTERNATIVE COMPARISON

TIME SAVING – 25 DAYS





CONTAINER TRAIN - ZUBR



- Launched in 2009
- Railway companies from 4 countries: Latvia, Belarus, Ukraine and Estonia
- operators: **Latvia**: LDz Cargo Logistika SIA; **Belarus**: BELINTERTRANS (BTLC State Enterprise), **Estonia**: AS EVR Cargo, **Ukraine**: UGCTS „Liski”)

Cargo delivery route	Delivery time
Tallinn - Odessa/Ilyichivsk	83 hours or 3 days 11 hours
Riga - Odessa/Ilyichivsk	66 hours or 2 days 18 hours
Odessa/Ilyichivsk - Riga	63 hours or 3 days 15 hours
Odessa/Ilyichivsk - Tallinn	83 hours or 3 days 11 hours



CONTAINER TRAIN - ZUBR



Main facts and advantages:

- Route: Tallinn – Riga – Minsk – Kiev – Odessa/Ilychevsk (Estonia – Latvia – Belarus – Ukraine);
- Possible cargo deliveries from/to Scandinavian countries via Latvian ports and Tallinn port and from/to the Caucasian countries and Turkey via Ilychevsk and Odessa ports;
- The train carries 20, 40 and 45 feet universal and special containers;
- Fixed and reliable transportation rates. Delivery time;
- Convenient service from door to door, necessary equipment and additional services like customs formalities, documentation handling, cargo tracking and tracking.



CONTAINER TRAIN - ZUBR

48 h
26.4 mln
customers

Tallinn

Ilychevsk

Odessa

Main markets for Development:

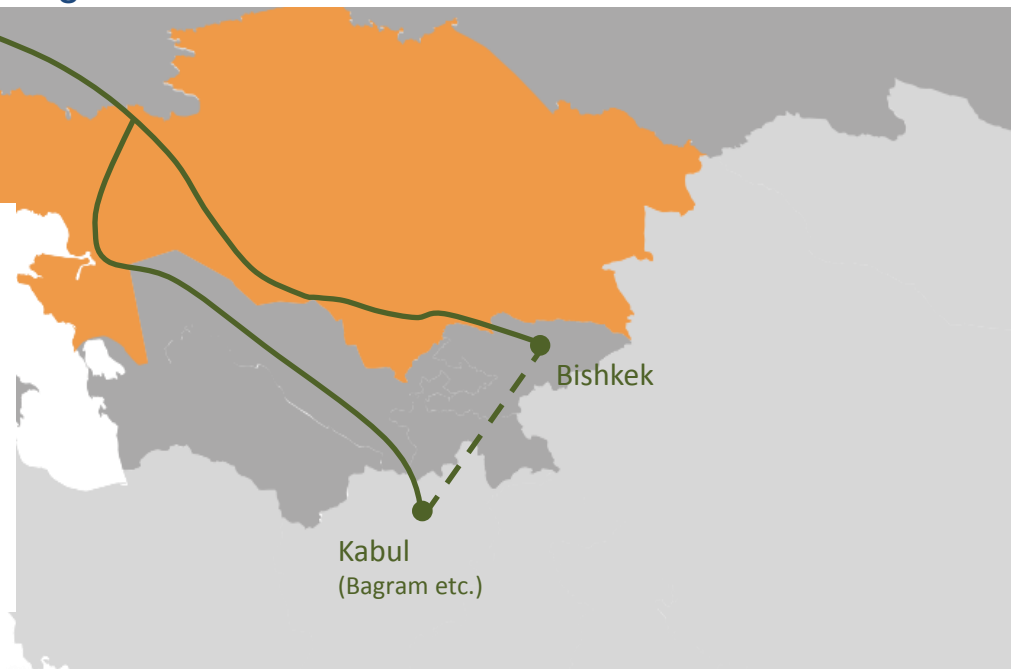
- Black sea region: Turkey, Georgia, Azerbaijan and connections over Caspian sea to Kazakhstan and Turkmenistan
- On the north – Baltic and Scandinavian countries: Latvia, Lithuania, Estonia, Finland Sweden, Denmark, Poland and Germany



NORTHERN DISTRIBUTION NETWORK

- Launched in 2009
- NDN has developed in to multimodal transport corridor using all transport modes: rail, road, air, and sea
- Most of cargo were shipped for the US to Afghanistan
- Since 2010 road transport has been involved on regular bases
- Since 2012 air transport has been involved on regular bases

- Riga including port and airport as the main hub of the NDN
- Fully recognized by the US and NATO partners
- Total cargo volumes transshipped by NDN reached **100 000 containers** in June 2013





CONTAINER TRAIN: RIGA EXPRESS



- Since 2010 private rail operator **SRR** started weekly container service on the route Riga – Moscow
- Full package of services such as rail transportation, customs clearance, door to door deliveries, FCL, LCL and project cargo transportation included



CONTAINER TRAIN: RIGA EXPRESS



Advantages:

- Fast and fixed/predictable transit time, average railway transit time from Riga Port to Moscow is 72 hours, depending on the railway traffic (Moskva Tovarnaya Oktabrskaya r/w Station);
- Crossing borders with no queues;
- Customs clearance of the whole train directly on the railway station takes 24 – 36 hours with no need for warehouse;
- Immediate unloading on arrival;
- No weight limits;
- No truck demurrage;
- Door-to-door deliveries.

DISTRIBUTION SERVICE

- **26,4 MILLION CONSUMERS REACHABLE WITHIN 48 HOURS**



- Latvia is perfectly located to provide logistic and distribution services in **Baltics** and **Scandinavia**;
- Within **24 hours** goods can be delivered to any customer in the Baltic states and even till Helsinki, Stockholm and Warsaw;
- In **48 hours** we provide deliveries to any consignee within Scandinavia with total consumer market **26.4 million people**;
- We can use any type of transport: road, rail, sea and air;
- Wide range of customs warehouses, logistic centers, forwarding companies available.

DISTRIBUTION SERVICE

- 26,4 MILLION CONSUMERS
REACHABLE WITHIN 48 HOURS



Import through customs warehouses:

- Entry of goods into the EU without paying customs duty and VAT on the borders
- Transportation under customs control to the customs warehouses or free zones in Latvia
- Storage of goods under customs control (selling and buying operations allowed)

DISTRIBUTION SERVICE

- **26,4 MILLION CONSUMERS
REACHABLE WITHIN 48 HOURS**



Import clearance in Latvia's warehouses:

- Warehouses as approved importers makes import customs clearance into the EU itself by paying customs duty and with or without paying VAT (VAT can be postponed to the final consignee in the EU)
- Perform additional services with goods (assembling, packaging, labeling, adding of some components, etc. according to EU legislation and national customers requirements)
- Intra-community distribution of goods without customs control

DISTRIBUTION SERVICE

- 26,4 MILLION CONSUMERS REACHABLE WITHIN 48 HOURS



Main benefits:

- Simplicity, because You:
- Don't worry about customs control any more;
- Don't need customs guarantees;
- Don't pay VAT (21%) on goods until the final sale in other EU Member State.
- Velocity, because goods are delivered quickly to particular place and on particular request by trucks and ferries.

DISTRIBUTION IN THE BALTICS





ROAD TRANSPORT



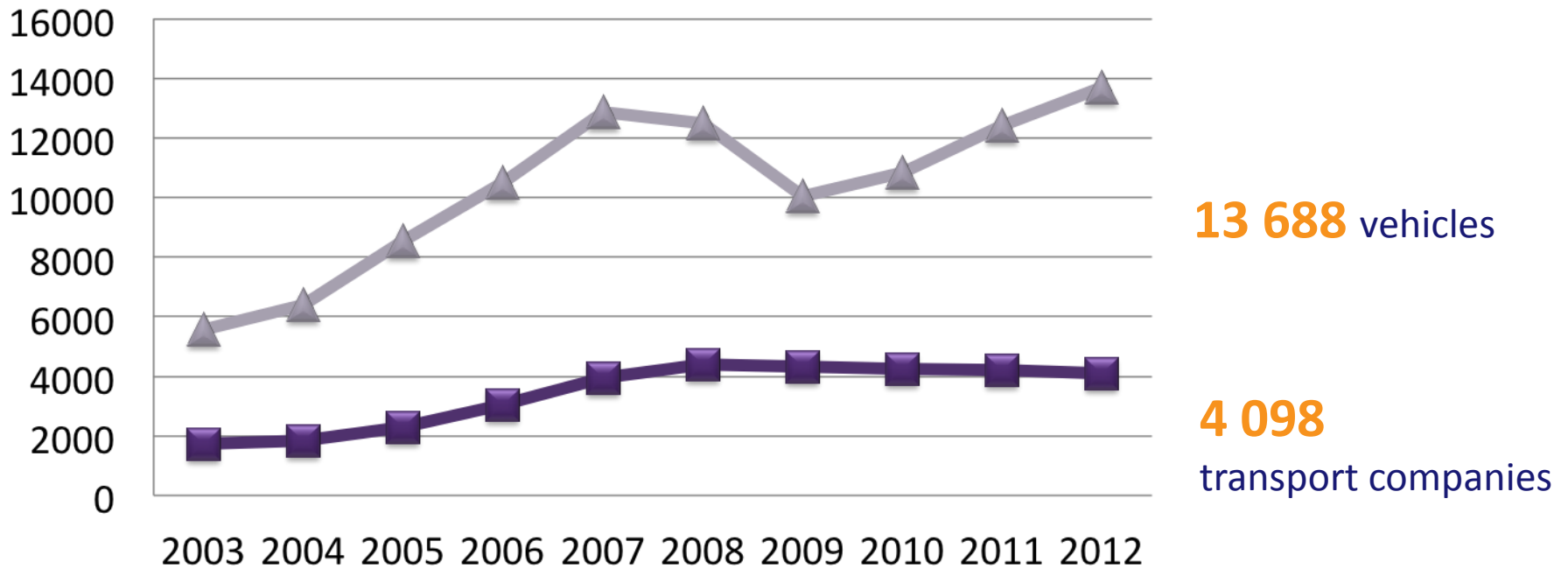
ROAD TRANSPORT

- Developed road transport sector in Latvia.
- Complies with all necessary international rules and procedures
- Modern road transport fleet
- Both: bilateral permits and ECMT permits available
- Easy transportation within European Union



ROAD TRANSPORT

International road transport



13 688 vehicles

4 098
transport companies

Domestic transportation:

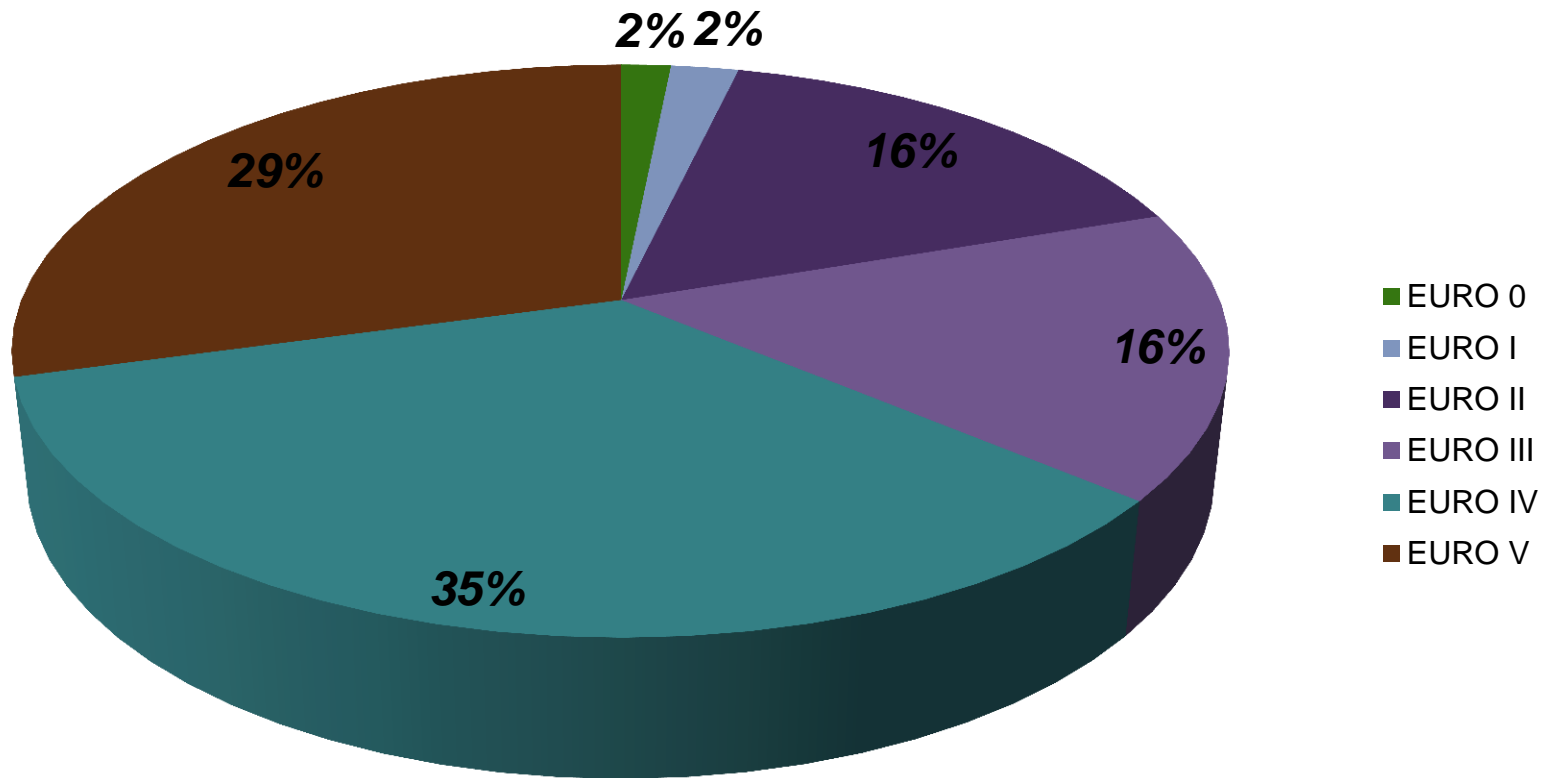
4 807 vehicles

431 transport companies



ROAD TRANSPORT

Shares by EURO classes





FREEPORT OF RIGA





FREEPORT OF RIGA

■ Main infrastructure figures

Total port area: 6 348 ha

Land area: 1 962 ha

Water area: 4 386 ha

Available land: 445 ha

Total berths length: 13.8 km

Max. depth: 16.0 m

Max. vessel draft: 14.7 m

Total terminal cargo handling capacity:
45 mln.t/year

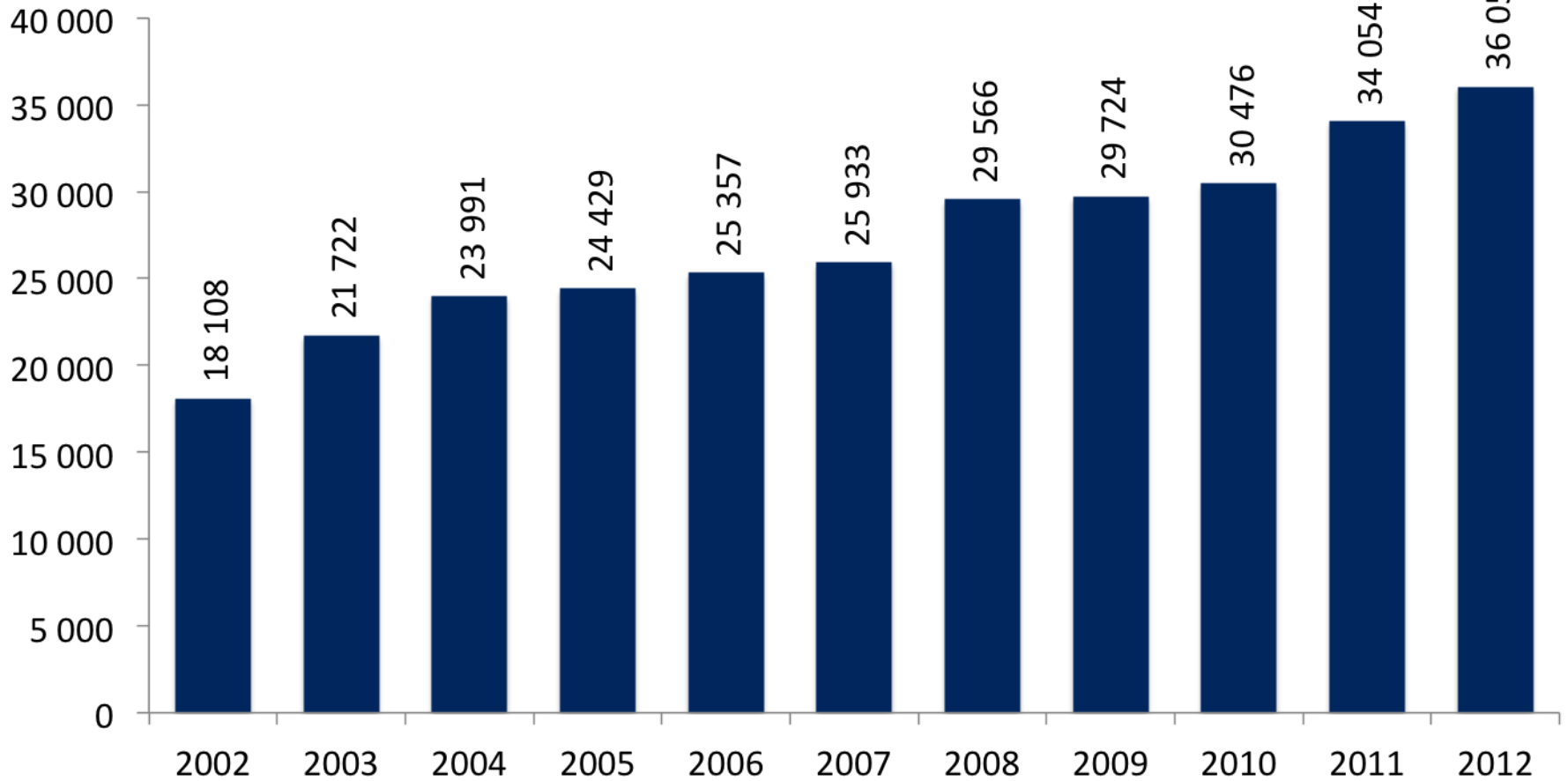
Vessel max. capacity: 118 590 DWT





TOTAL CARGO TURNOVER

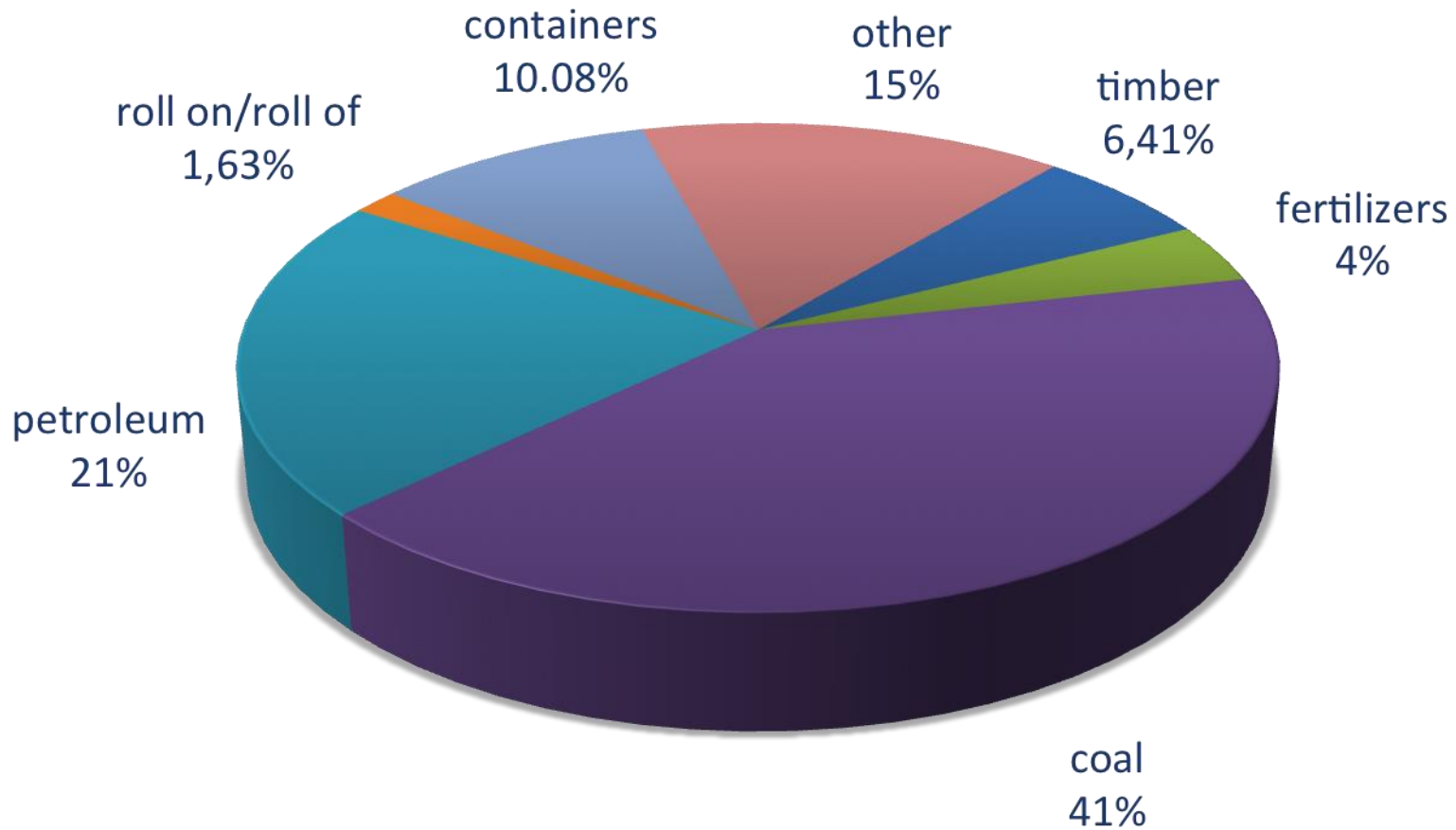
■ 2002-2012 (thsd.t.)





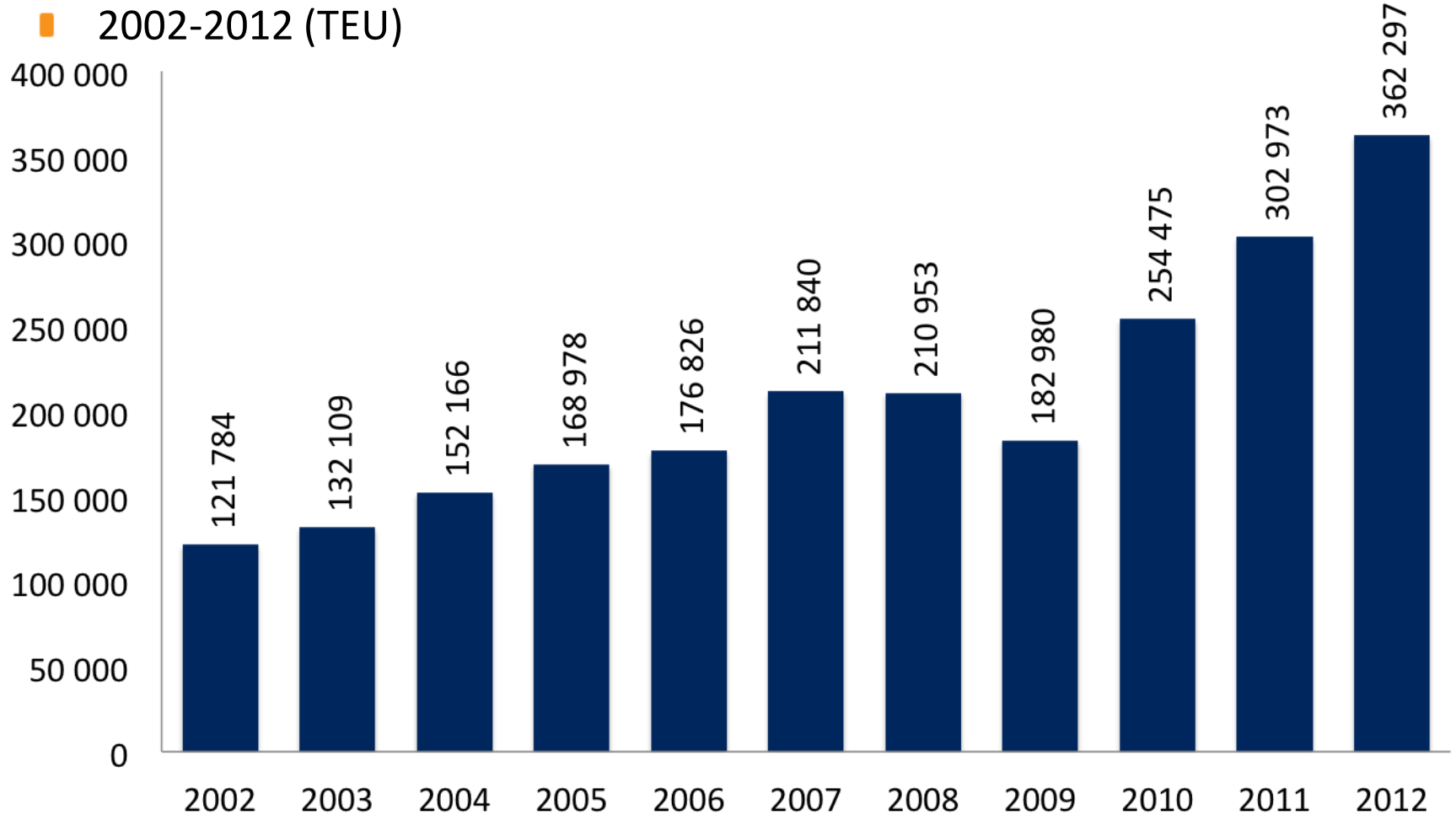
PROPORTION OF FREIGHT BY TYPE OF GOODS

■ 2012





CONTAINARIZED CARGO TURNOVER





TERMINALS, COMPANIES

- 33** stevedoring companies
- 28** ship agencies
- 37** companies provide different facilities for cargo warehousing
- 16** companies operate customs warehousing
- 7** companies provide different added value services
- 12** companies offer cargo forwarding services





Dry bulk handling

- **19** terminals
- main types of cargo: coal, fertilizers, ore, woodchips, grain
- total handling capacity **31** mln.t
- max draft at dry bulk berth **14.7** m

Liquid bulk handling

- **10** terminals
- main types of cargo: fuel oil, gas oil, gasoline, jet fuel, kerosine
- total handling capacity **11** mln.t
- tank farm – 350 thsd.m³
- max draft at liquid bulk berth **12.5** m





TERMINALS

General cargo handling (excluding containers)

- 20 terminals
- Main types of cargo: timber, ro-ro, refrigerated cargo
- total capacity 6 mln.t
- refrigerated storage 13 000 t
- max draft at berth 10.3 m

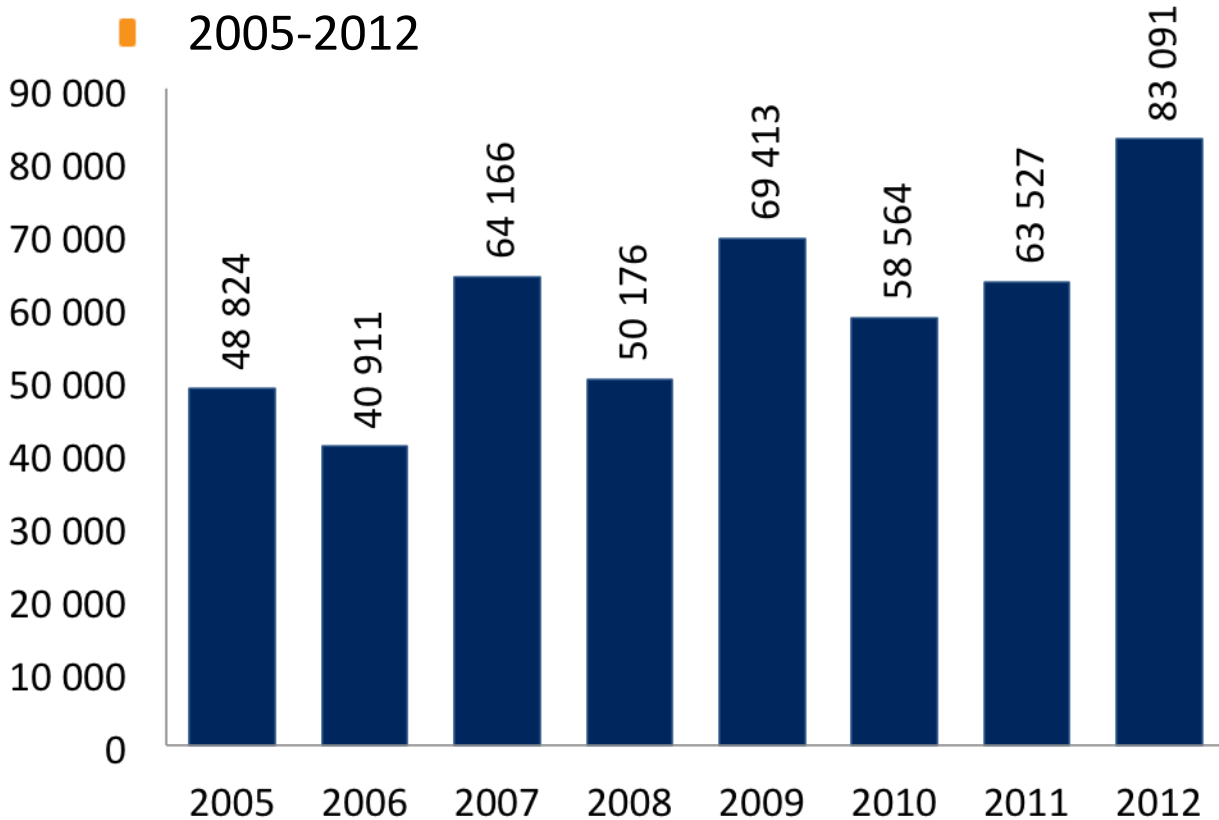


Container handling

- 3 terminals
- total capacity 560 thsd. TEU
- max draft at container berth 13.5 m



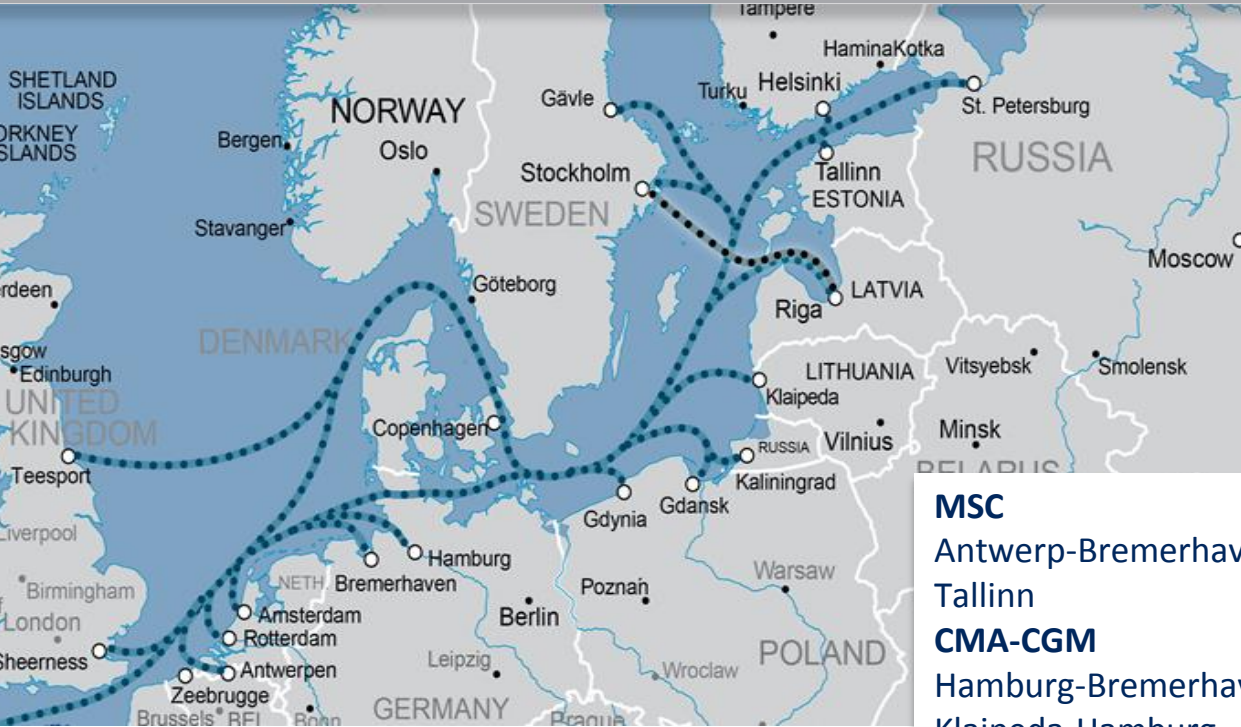
PASSENGER TRAFFIC



In 2012 the new record in passenger traffic – 815 thous. (+5%), including 83 thous. cruise passengers (+30,8%)



REGULAR LINER SERVICES



MSC

Antwerp-Bremerhaven-Riga-Tallinn

CMA-CGM

Hamburg-Bremerhaven-Riga-Klaipeda-Hamburg

Unifeeder

Hamburg-Bremerhaven-Riga-Klaipeda

Team Lines

Hamburg-Riga- Tallinn-St.Petersburg Hamburg

MannLines Multimodal

Riga-Gdynia-Rotterdam-Hamburg/Bremerhaven-

Kaliningrad-Riga

Containerships

Riga-Teesport-Rotterdam-Helsinki-St.Petersburg-Pori-Klaipeda-Aarhus- Hamburg-Sheerness-Ghent-Riga

AP Moller-Maersk/Seago Line

Bremerhaven-Klaipeda-Riga-Aarhus- Bremerhaven

Gdansk- Tallinn-Riga- Klaipeda-Gdansk

Tallink (ro-pax)

Riga-Stockholm



DEVELOPMENT PROJECTS

■ Port Authority's Investments:

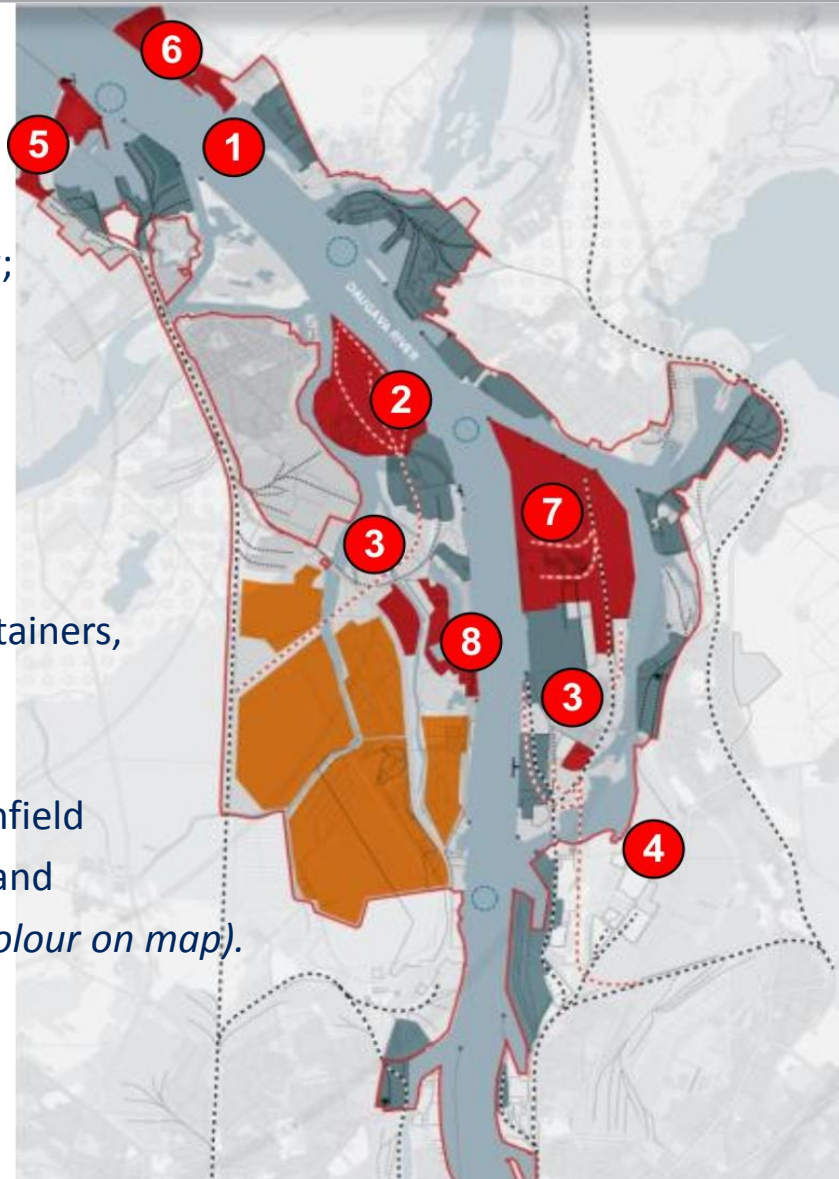
1. Deepening of the fairway to 15 – 17m;
2. Multifunctional dry bulk terminals on the *Krievu sala*;
3. Modernization of the port's railway network;
4. Construction of a new railway bridge

■ Private Investments:

5. Oil products terminal in *Bolderaja*;
 6. Liquefied natural gas (LNG) terminal in *Daugavgrīva*;
 7. Terminals on the *Kundziņsala* island (fertilizers, containers, grain and logistics park);
 8. Terminal for production and handling of bioethanol
- 445 ha of land available for development in *Spilve* greenfield areas; large scale industrial projects for cargo handling and processing, logistics and regional distribution (*orange colour on map*).

■ Total port investment portfolio 1.1 bln EUR

- Port Authority's investment 300 mln EUR
- Private investment 757 mln EUR





FREEPORT OF VENTSPILS





FREEPORT OF VENTSPILS

■ Main infrastructure figures

Total port area: 2 623.9 ha

Land area: 2 357.1 ha

Water area: 265.9 ha

Available land: 1 000 ha

Total berths length: 11 km

Max. depth: 17.0 m

Max. vessel draft: 15.0 m

Total terminal cargo handling capacity:
43 mln.t/year

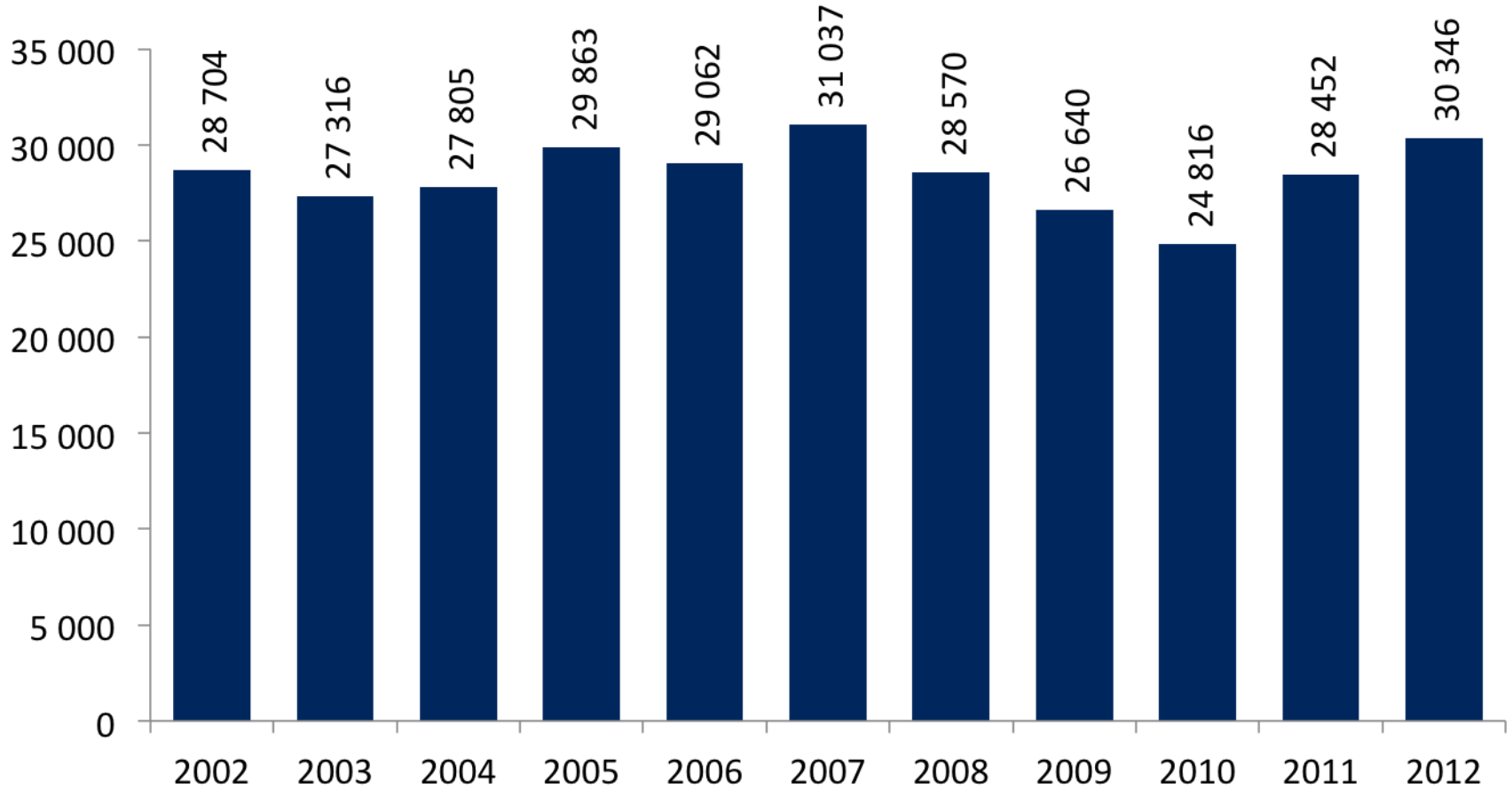
Vessel max. capacity: 150 000 DWT





TOTAL CARGO TURNOVER

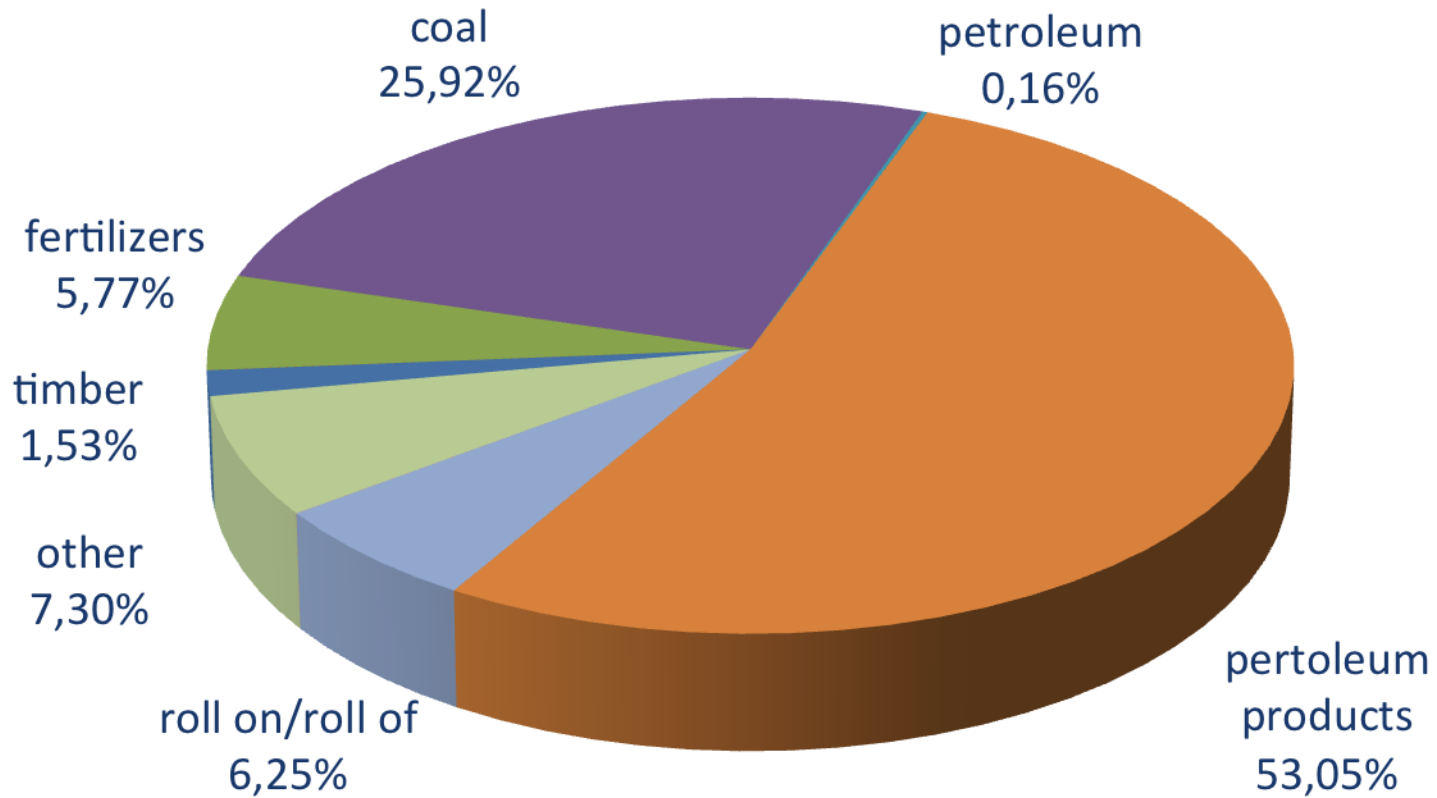
■ 2002-2012 (thsd.t.)





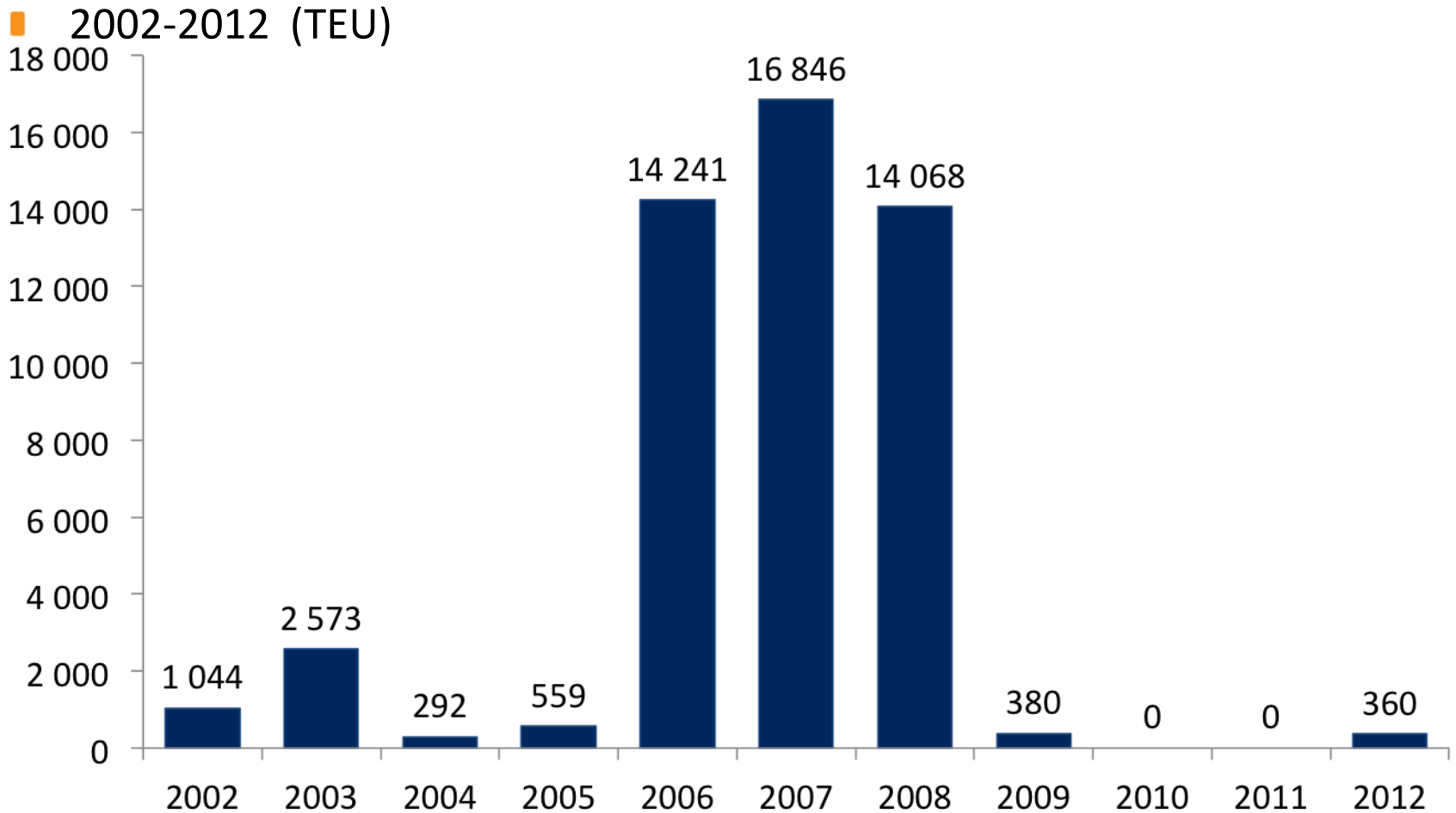
PROPORTION OF FREIGHT BY TYPE OF GOODS

■ 2012





CONTAINARIZED CARGO TURNOVER





TERMINALS

Dry bulk handling

- 5 terminals
- main types of cargo: coal, fertilizers, woodchips, grain
- Max vessel length at berth 275 m
- max draft at dry bulk berth 14.7 m



Liquid bulk handling

- 4 terminals
- main types of cargo: petroleum products, liquefied gas, diesel fuel, other chemical cargoes
- total liquid bulk storage tank volume – 1500 thsd.m³
- max vessel length at berth 275 m
- max draft at liquid bulk berth 15 m



TERMINALS

General, ro-ro and containerized cargo handling

- 3 terminals
- main types of cargo: timber, ro-ro, refrigerated cargo
- max vessel length at berth 240 m
- max draft at dry bulk berth 12.5 m
- container terminal total capacity **150** thsd. TEU/year
- refrigerated cargo terminal capacity 150 thsd.t /year



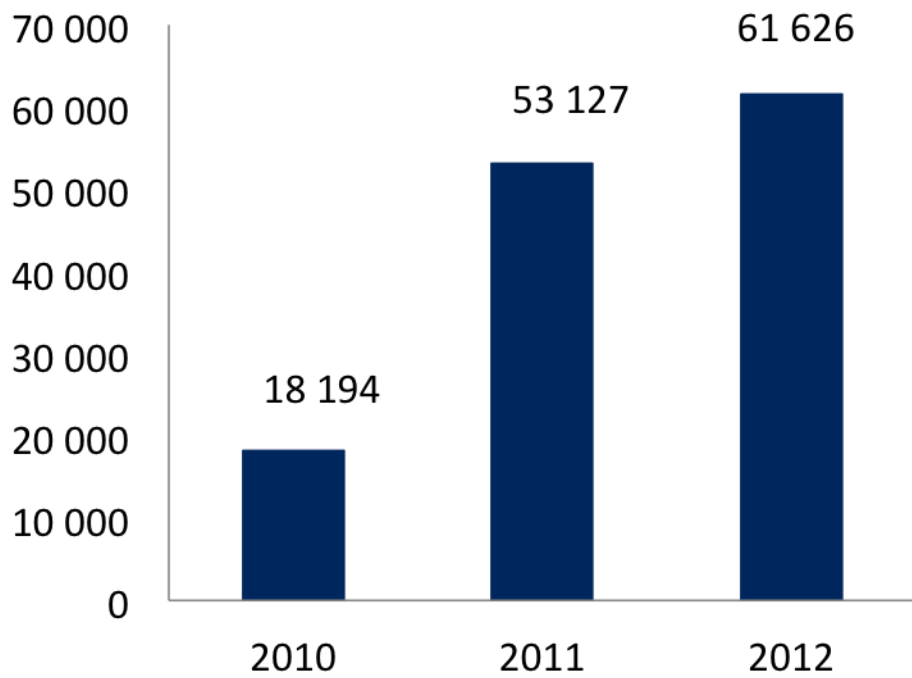
Oil product pipeline

- Connected with Belarus/Russia
- Pipeline capacity 6 mlj.t/year



PASSENGER TRAFFIC

2010-2012





REGULAR LINER SERVICES



Finnlines

Lubeck – Ventspils – Saint Petersburg

Stena Line

Nynäshamn – Ventspils – Nynäshamn

Travemund – Ventspils – Travemund



DEVELOPMENT PROJECTS

Northern Port Project

Area: ~100 ha + possible landfill in the sea

Long term (45+45 years) land lease agreement





DEVELOPMENT PROJECTS

- Development sites for technology, industrial and logistics companies

Large scale industrial sites located in the special economic zone and available for rent or purchase





Freeport of Ventspils

INDUSTRIAL ZONE

Since 2002, the operation of Ventspils has attracted 20 new (foreign and domestic) companies. At present, in the Ventspils Freeport industrial zone works (few of them):

SIA «Malmar Sheet Metal» (Belgium)

- Metalworking products for automotive industry, supplier of Scania, Volvo, MAN, Caterpillar etc.
- ~100 employees



SIA Ventspils Metināšanas Rūpnīca (Latvia)

- Production of steel products, including oversize constructions
- ~120 employees



SIA “EURO LCDs”

- Manufacturer of LCD pannels, light polarizing modules, 3D displays
- Premisses ~4200sq.m with integrated cleanroom~2000sq.m under construction
- ~50 new workingplaces

SIA “Ventspils Elektronikas Fabrika”

- Belongs to the group of the largest latvian electronics components producer
- ~40 employees





LIEPAJA SPECIAL ECONOMIC ZONE





LIEPAJA SPECIAL ECONOMIC ZONE (SEZ)

■ Main infrastructure figures

Total port area: 1 182 ha

Land area: 372 ha

Water area: 810 ha

Available land: 170 ha

Total berths length: 8.17 km

Max. depth: 12.0 m

Max. vessel draft: 10.8 m

Total terminal cargo handling capacity:
9.2 mln.t/year

Vessel max. capacity: 50 000 DWT



PORT OF LIEPAJA

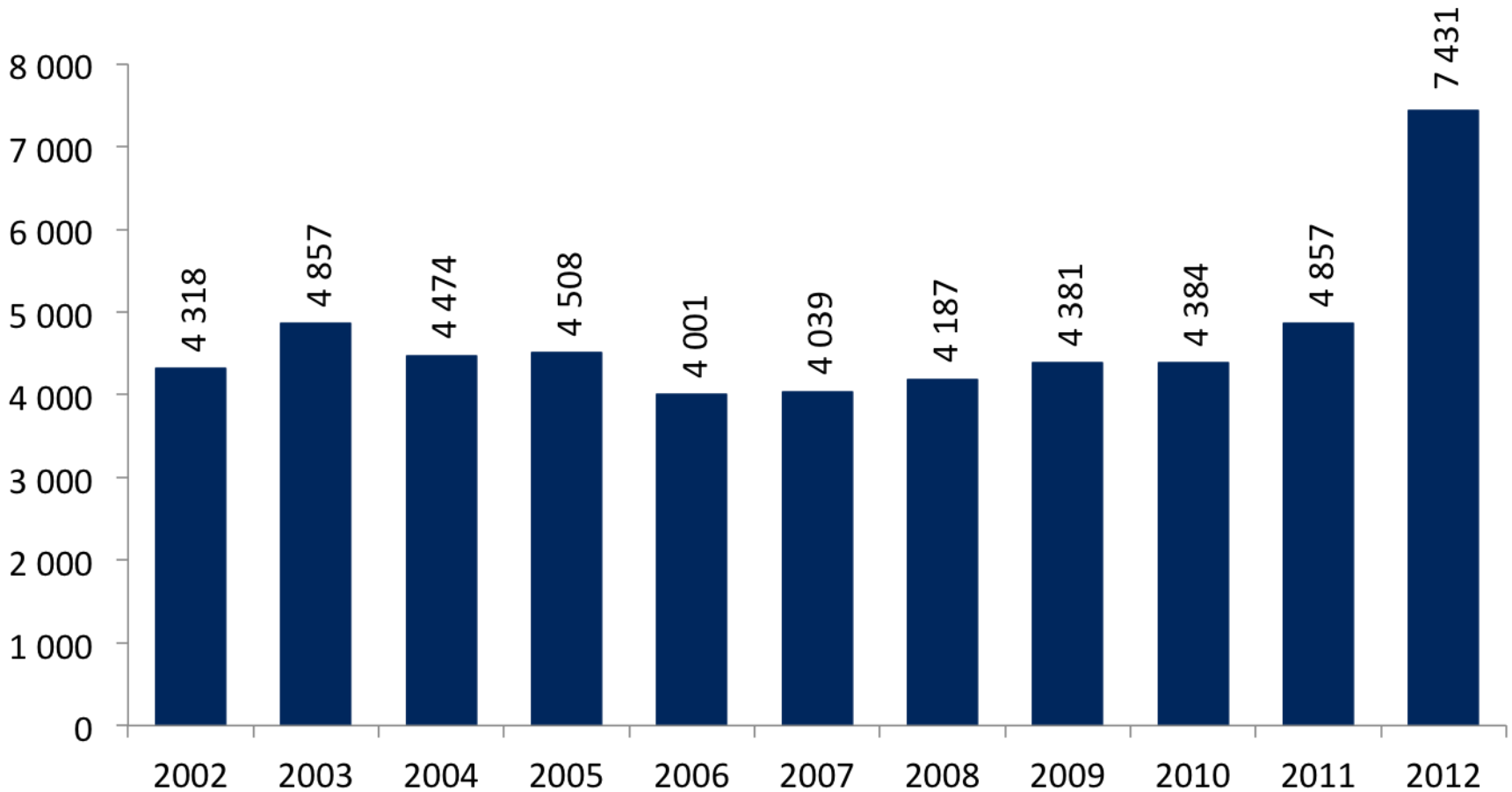


**LIEPAJA
SPECIAL ECONOMIC ZONE
AUTHORITY**



TOTAL CARGO TURNOVER

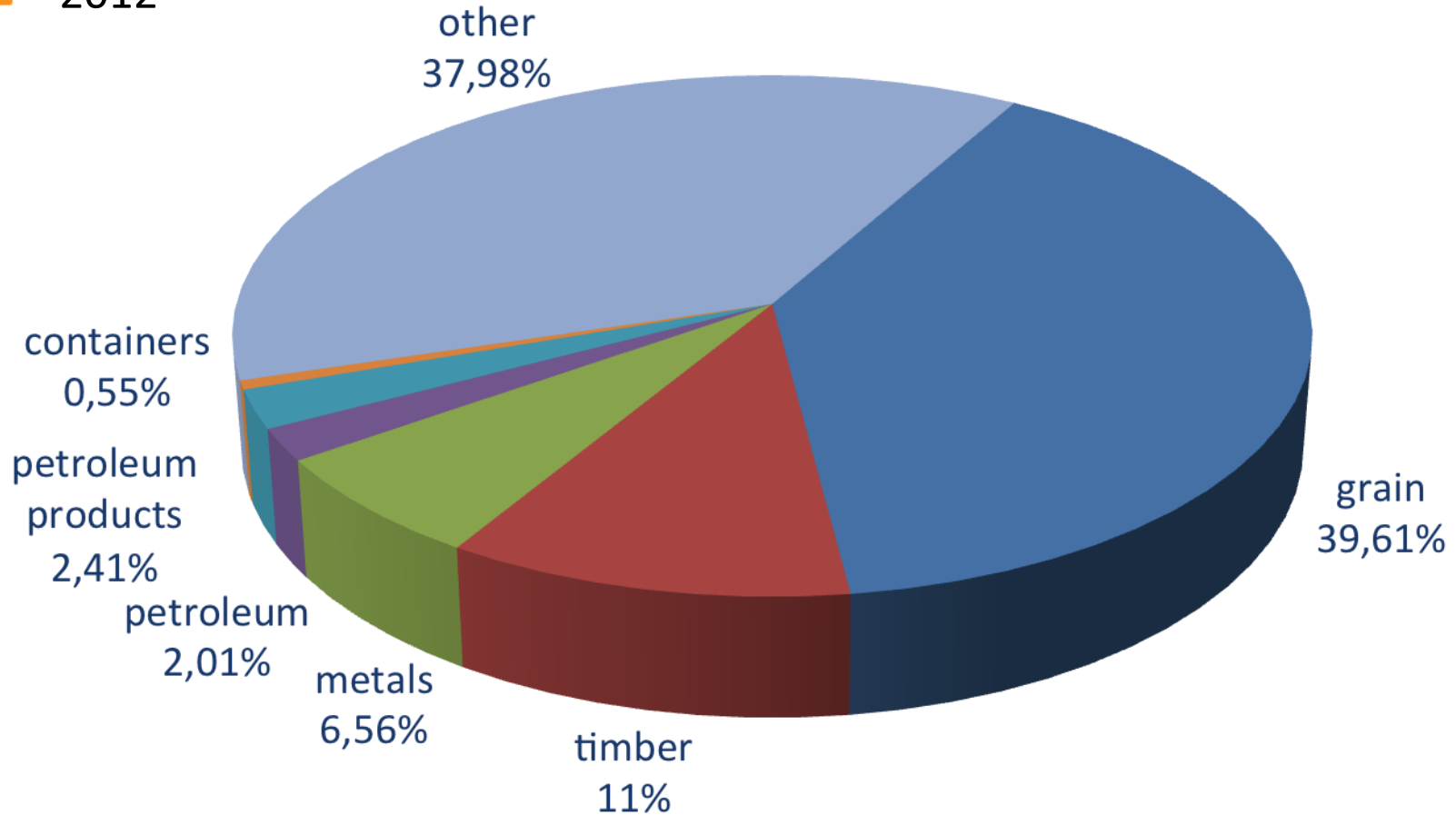
■ 2002-2012 (thsd.t)





PROPORTION OF FREIGHT BY TYPE OF GOODS

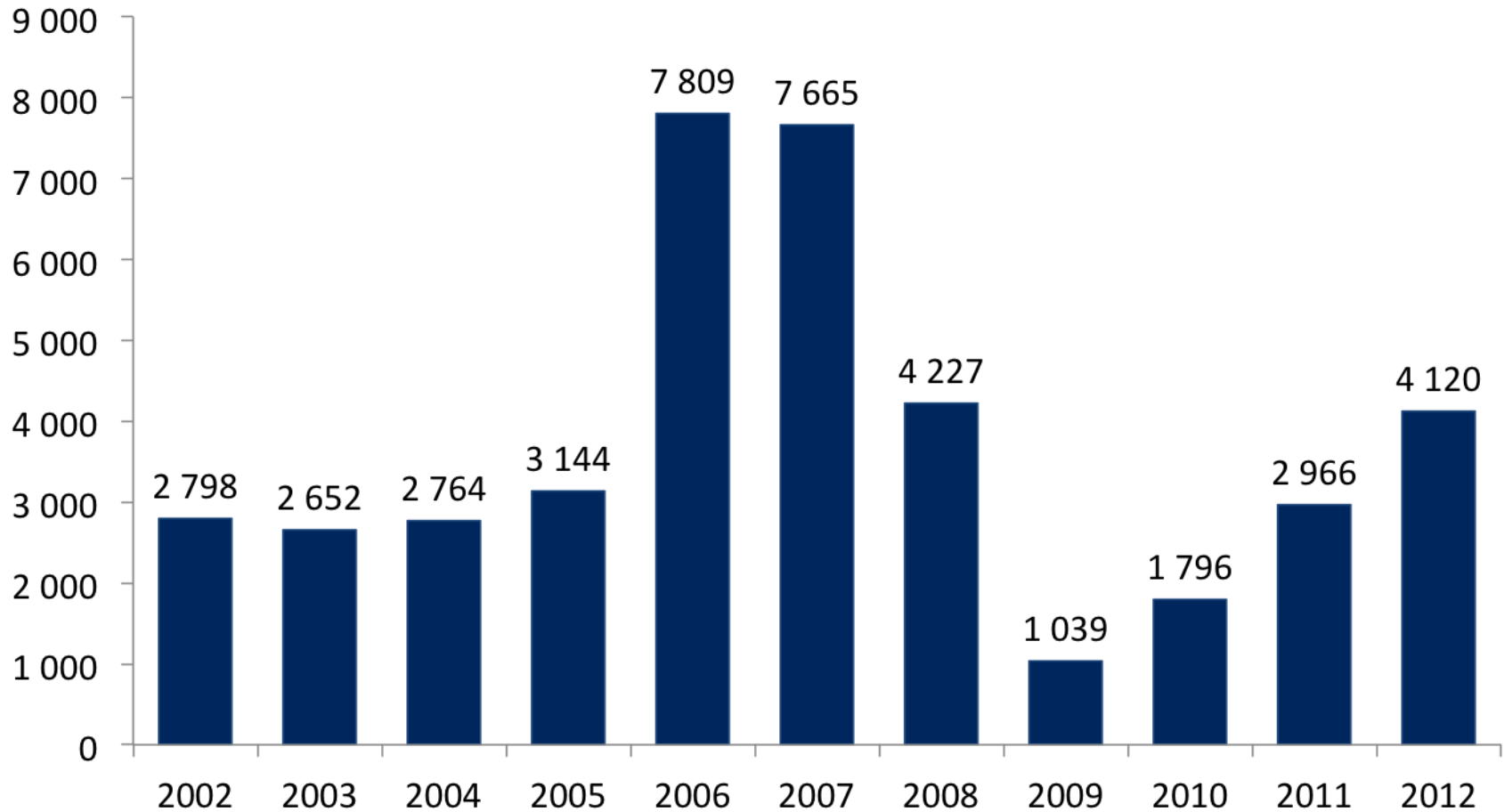
■ 2012





CONTAINARIZED CARGO TURNOVER

■ 2002-2012 (TEU)





TERMINALS

Dry bulk handling

- 8 terminals
- main types of cargo: grain (wheat, barley, rapeseeds, etc), peat, woodchips, building materials (crushed stones, limestone, cement, etc), ore, scarp
- max length of vessel at berth 240 m
- max draft at dry bulk berth 10.80 m



Liquid bulk handling

- 6 terminals
- main types of cargo: oil, crude oil, gas oil, base oil, molasses, vegetable oil, coal tar
- total liquid bulk turnover volume – 1 milj.t/year
- total reservoir capacity 75 000 m³
- max length of vessel at berth 165 m
- max draft at liquid bulk berth 8 m



TERMINALS

General, ro-ro and containerized handling

- 5 terminals
- main types of cargo: timber, ro-ro, containers, fertilizers in big-bags, frozen cargo, metals – ferrous and non-ferrous
- max vessel length at berth 240 m
- max draft at berth 10 m
- Container/ro-ro terminal total capacity 100 thsd. TEU/year
- refrigerated cargo terminal storage 25 200 m³





OTHER SERVICES

In port operates ship repair and shipbuilding companies:

A/S «Tosmares Kuģubūvētava»

SIA «Liepājas Kuģu Būves rūpnīca»

Main activities:

- Ship and boat building
- Ship and boat repair at berths and in dry and floating docks
- Special hardware repair



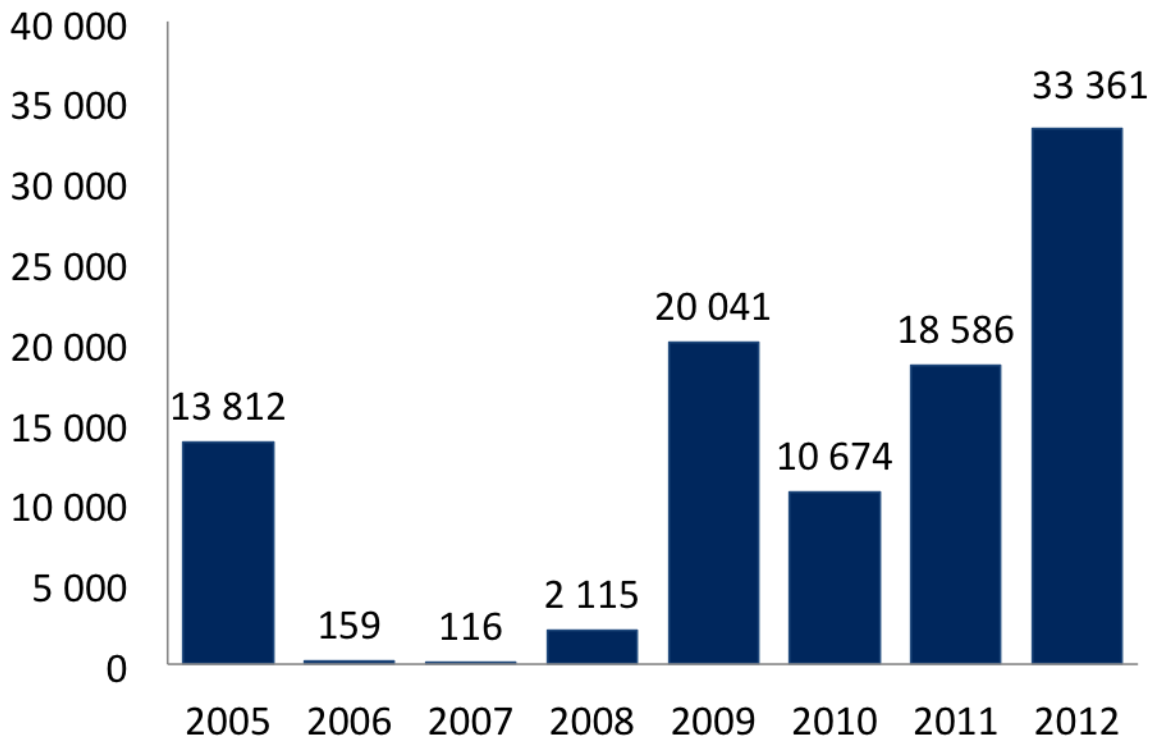
Yacht service:

- facilitated guarded berths
 - draft restrictions 3.8 – 4.4 m
- Liepaja Yacht Centre provides the necessary services to the quay – moorings, water supply, power supply, security guards berth.



PASSENGER TRAFFIC

■ 2002-2012





REGULAR LINER SERVICES



Stena Line

Travemund – Liepaja – Travemund

Alfatar Group

Sassnitz – Baltiysk – Liepaja – Ust-Luga



BUSINESS INFRASTRUCTURE



Special Economics Zone

- direct tax reductions for the Liepaja SEZ companies
- ice free port / logistic services
- integrated and developing transport infrastructure



Territories for development

- industrial and business parks
- greenfield and brownfield territories
- supportive back-up team for development projects



Industrial capacity

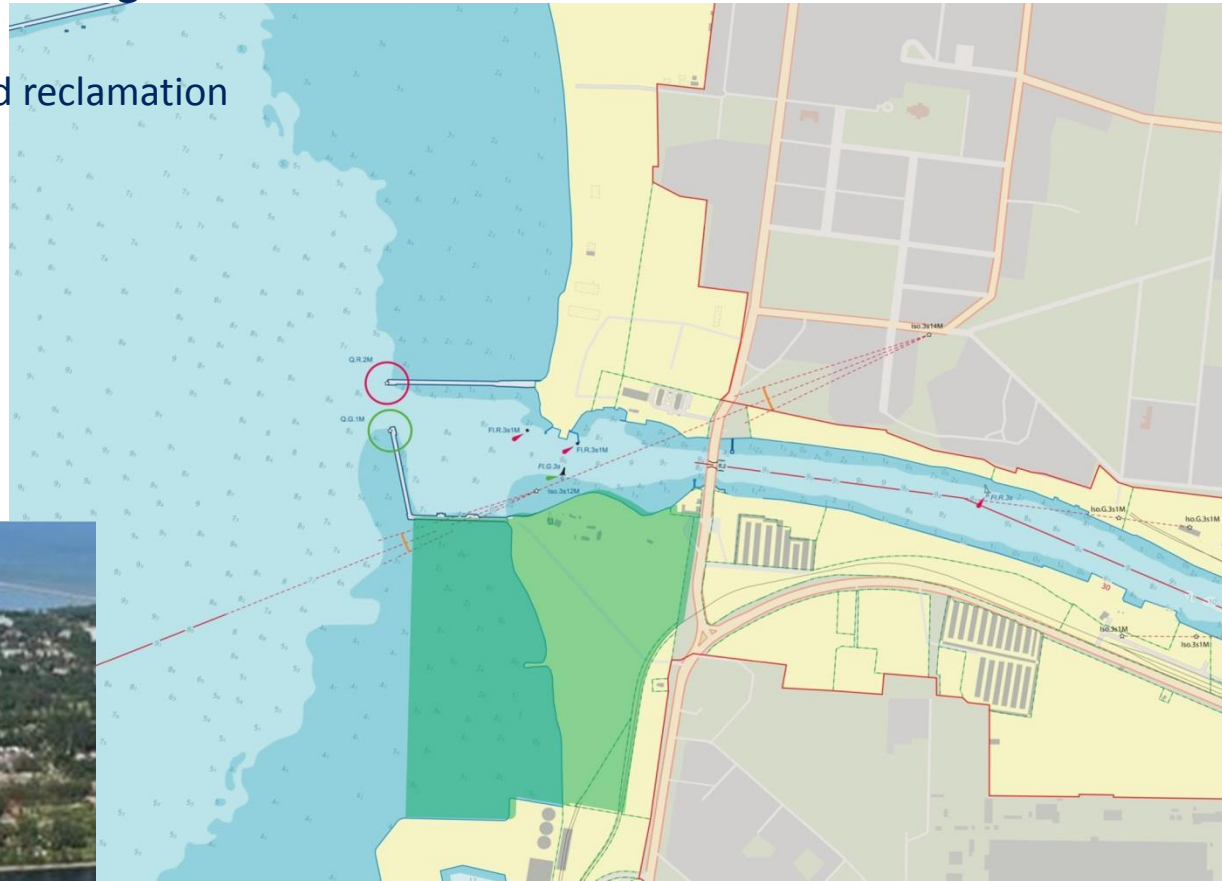
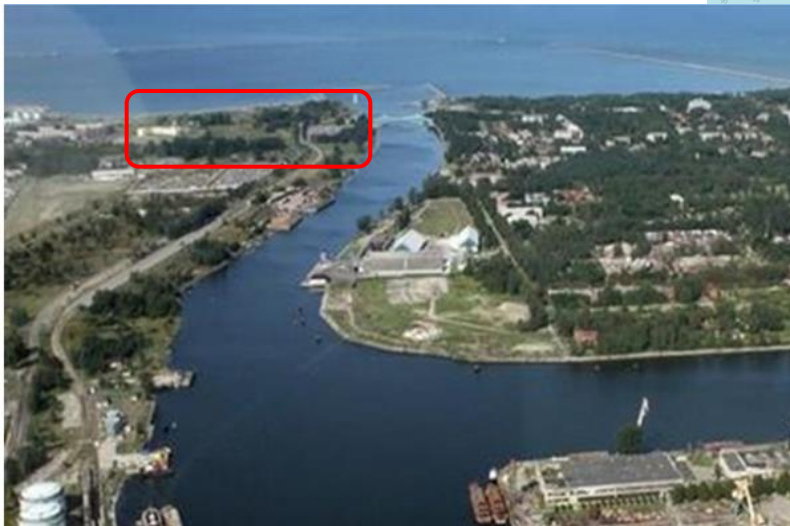
- strong industrial background
- competitive labour and resource costs
- high productivity



DEVELOPMENT PROJECTS

- Greenfield territory for development of combined general cargo, RO-RO and container handling terminal:

Land territory: 16 ha, by executing land reclamation works: 30 or more ha
Coastline length: 700 m



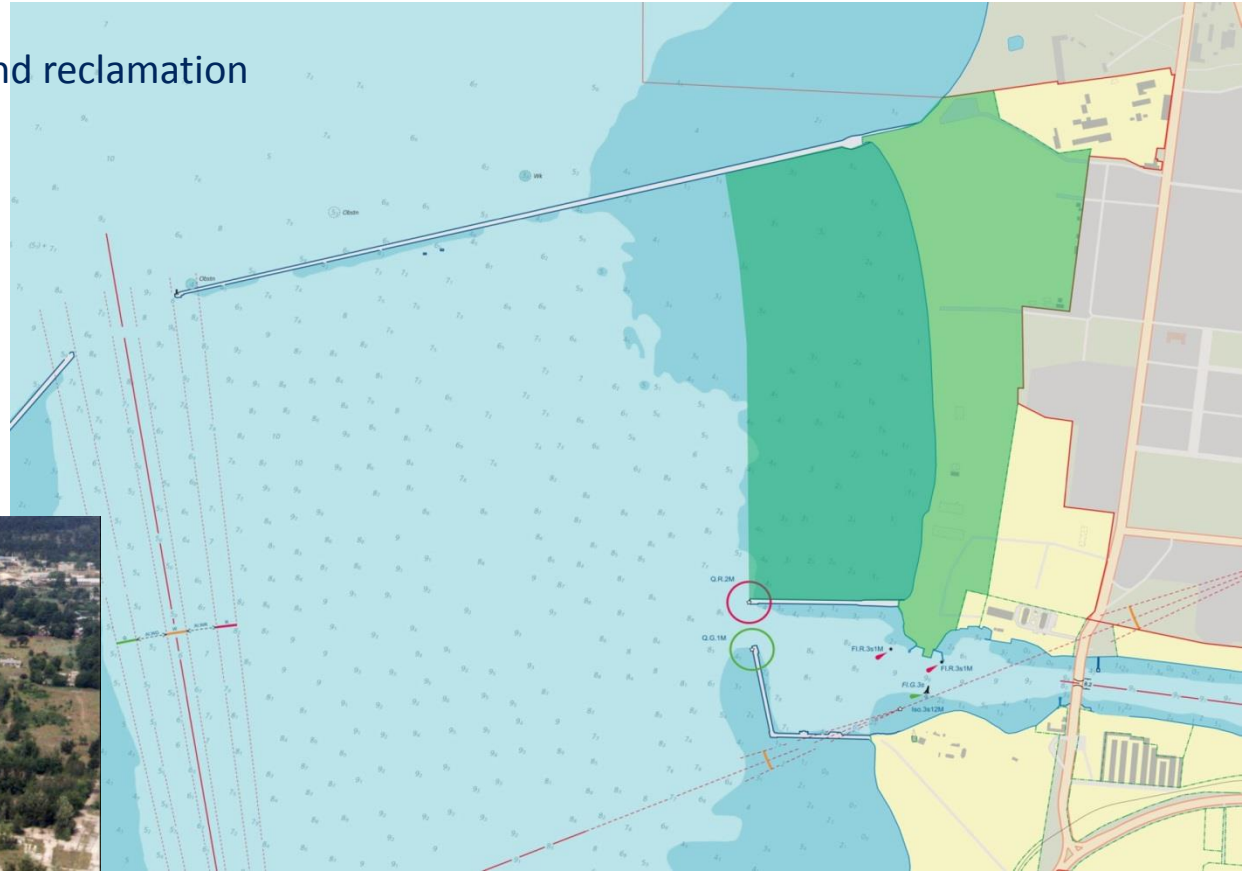


DEVELOPMENT PROJECTS

- Greenfield territory for development of combined general cargo, RO-RO and container handling terminal:

Land territory: 25 ha, by executing land reclamation works: 50 or more ha

Coastline length: 1000 m

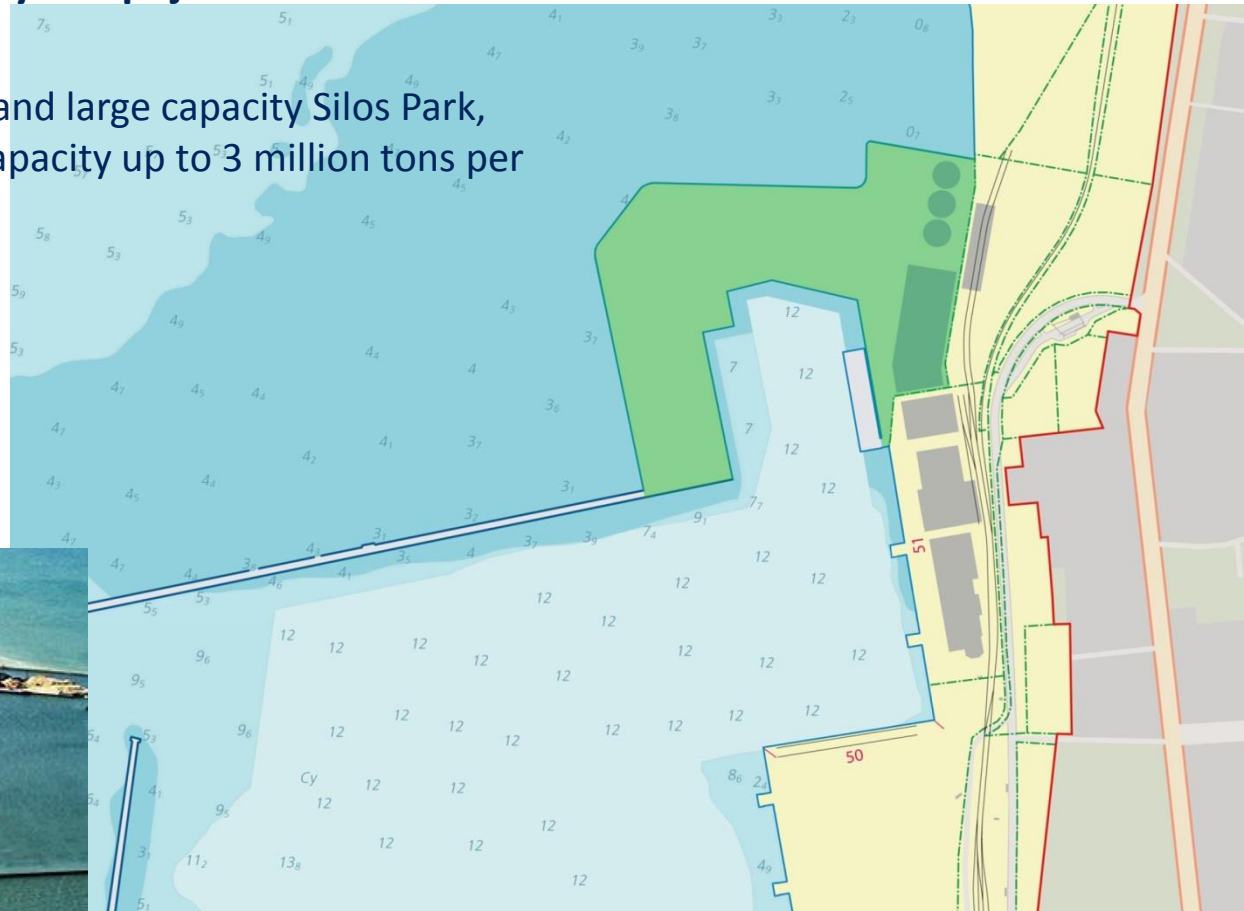




DEVELOPMENT PROJECTS

Development of multifunctional dry bulk cargo handling terminal executed by company "Liepaja Bulk Terminal"

Company plans to build 3 new quays and large capacity Silos Park, increasing terminal throughput capacity up to 3 million tons per year.





TAXATION IN FREEPORTS





FREEPORT AND SEZ STATUS

Freeport and Special Economic Zone status provides for substantial tax reductions:

- Status of licenced company allows to receive direct tax relieves
- Licensed company fulfilling certain requirements of Free zone regime can receive both direct and indirect tax relieves
- Port authorities in cooperation with Latvian railway provide infrastructure for access to new terminals or industrial projects

Tax relieves:

Direct taxes

- Income tax 80%
- Real estate duty 80-100%

Indirect taxes

- Value added tax 100%
- Excise tax 100%
- Customs duty 100%

THANK YOU FOR YOUR ATTENTION!

www.sam.gov.lv