



bringing neighbours closer

THE INDUSTRIAL AREA OF THE TOWN OF LĪVĀNI	
Location Size Zoning	It is located in the south-eastern part of the town (in the area of Fabrikas, Celniecibas, and Stirnu Streets); the total surface area is approx. 140 hectares, including approx. 40% of land, which is not in use. The zoning corresponds to region territorial planning, being the industrial building area. Līvāni is located in a functional geographical triangle „Daugavpils (65 km) – Rēzekne (100 km) – Jēkabpils (25 km)”, distance to Riga (with its port and international airport) within the distance of 167 km. There is a good access to borders with Russia, Belarus and Lithuania.
Industrial Area Ownership	Approx. 30% of the industrial area in the form of small plots of land belong to Līvāni municipality. The rest of the territory belongs to approx. 30 different private owners.
Sectors potentially to be developed	Woodworking, metal processing, production of concrete and concrete products, production of dry building materials, food production, transport and logistics services, combined heat and power plant, furfural production.
Objective	To turn unused plots of land into an active industrial area by constructing manufacturing buildings and warehouses, thus developing a successful commercial activity and creating new work places.
Town in regional context	In the second part of the 20th century, multi-sector manufacture was developed in Līvāni, and the town became one of the leading industrial centres in Latvia. The biggest manufacturing companies included experimental biochemical factory, house building plant, building material and structure manufacturing plant, glass plant of Līvāni, turf factory of Līvāni. Most important natural resources include agricultural land (65% of all the land in use), dolomite, clay, turf, sand, sapropel; as well as water resources (rivers and lakes), cultural, historic, and landscape heritage. Human resources: 12982 inhabitants in the municipality, 8173 of them town residents (01.01.2015), including approx. 1300 job seekers. High quality of life is inherent to Līvāni; there is a wide sports and recreational infrastructure, cultural life diversity, municipality support of children education process.
Industrial Zone Infrastructure	<ul style="list-style-type: none"> Strategically important transport corridors within 1 km distance (highway A6, railway Riga – Daugavpils), which then connects to TEN network corridors A12/E22 and A13/E262. Asphalt access routes from two sides, internal railway system (has to be restored). Maximal power supply 3 x 630kW (every company individually resolves the issue of additional power supplies with JSC Sadales tīkli). Natural gas pipe (branch of the main gas pipeline Dn 500 Riga – Daugavpils, and distribution gas pipeline with medium pressure of 600m³/h). It is planned to connect the territory to town's central water supply and sewerage system.
Investors' opportunities and benefits	<ul style="list-style-type: none"> Labour costs are lower than on average in the country and qualified human resources are available. Access to natural resources and developed logistics system with partners in EU and Russian markets. Available land for construction of manufacturing facilities and warehouses. Feasibility study of the area was performed in 2012, geotechnical research and technical project of area development is planned for 2015. Competitive municipal services costs at the regional level.
Potential cooperation partners	Līvāni municipality, Latgale Region Development Agency, Investment and Development Agency of Latvia, local companies of the area, Public Employment Services, Daugavpils University, Rēzekne Higher Education Institution, continuing education service providers, job seekers of the region.
Investment summary	Līvāni municipality has invested more than 500 000 euros in the improvement of the industrial area infrastructure for the past 3 years, during the next 3 to 5 years it is planned to invest approx. 8 million of euros by attracting financing from EU structural funds.

BUSINESS MODEL FOR THE INDUSTRIAL AREA PROPOSED BY THE MUNICIPALITY

Land lease	Land sale	Buildings	Financial and tax incentives	Municipal support
Long-term land lease: maximal lease agreement term is 30 years (the amount of rent depends on territory improvements)	Sale is possible (all interested parties can participate in the land auction organized after an independent certified valuator evaluates the plot of land and determines its price; this price will be initial price during the auction)	These are greenfield sites (construction of buildings is private investor's responsibility), municipality will perform dismantling of old buildings in some areas	Property tax reliefs (after the municipality prepares and adopts the necessary regulation)	Infrastructure projects: Construction of roads and networks to the object, dismantling of the buildings, cleaning of the territory at municipality's expense; the participation in business development events organized by the town (including catalogues, exhibitions, forums, etc.), informational support, assistance with specialist search, provision of public transport for industrial area workers)

Basic Facts about Latgale Region

- 311 058 inhabitants (01.01.2015), including approx. 2300 active job seekers with higher education, approx. 7900 job seekers with vocational education or vocational secondary education, and approx. 8000 job seekers with general secondary education
- FUTURE vision of Latgale for the year 2030 is "Intelligent Latgale" characterized by networking, cooperation, and speed
- Numerous companies of Latgale are among 100 biggest Latvian exporters
- Participation of residents in lifelong learning is greater in comparison to other Latvian regions
- Manufacture and wholesale trade have been till now most attractive sectors for foreign direct investments

The Most Prospective Sectors in Latgale

(based on comparative advantages of Latgale – natural resources, favourable geopolitical location, workforce skills and traditions in the long run, competitiveness of education and research institutions)

- Woodworking and production of wood products
- Metal processing and mechanical engineering
- Transport and logistics
- Food industry
- Manufacture of equipment, transport, and electrical equipment
- Manufacture of textile fabrics and clothing

Additional prospective sectors in Latvia include information technologies, life sciences, healthcare, and green technologies

Competitiveness Factors of National and Regional Importance

- Belonging to EU single market and an easy access to highways and railroad connections of EU importance
- Two regional higher education establishments and approx. 10 branches of other Latvian higher education establishments
- Foreign language skills of the residents (more than 90% of Latgale residents speak at least one foreign language)
- Tolerant society, multicultural environment and the lowest labour costs in comparison to EU average
- High internet coverage and high-speed internet



Photo: J.Mickevičs

Basic Facts about Līvāni

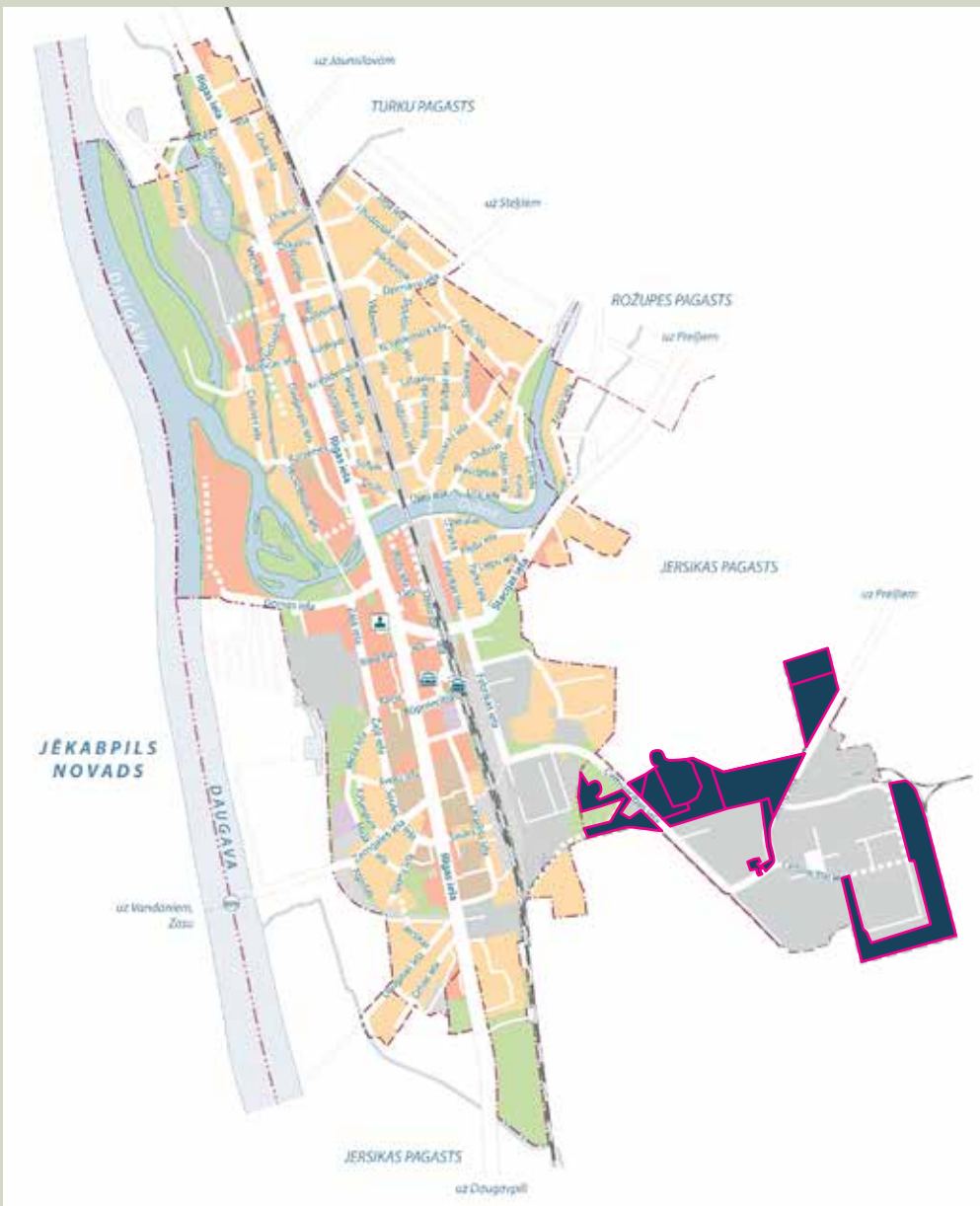
- Development centre of regional importance with significant cultural, manufacturing and social infrastructure
- The municipality is inhabited by 12 982 people (according to the data of the Office of Citizenship and Migration Affairs as of 01.01.2015), the total surface area of the municipality is 62 180 hectares, that of the town is 497 hectares
- Distance to biggest cities: Riga – 167 km, Ventspils – 355 km, Vilnius – 240 km, Tallinn – 460km
- Historically, the capital of glass industry in Latvia
- The town is one of the most important optical glass fibre product manufacturing centres in Europe

Most Important Manufacturing Sectors in Līvāni municipality (by turnover)

- Food production
- Fuel trading
- Transport and logistics services
- Turf extraction and processing
- Optical fibre product manufacture
- Retail sale

Competitiveness Factors of Regional and Local Importance

- EU co-funding for improvement of the industrial area, construction of buildings and networks
- Developed capacity of project staff in the municipality
- Access to natural resources – turf, sapropel, wood
- For the past several years, considerable investments were made in educational infrastructure
- Industrial area development and attraction of investors belong to one of the municipality's priorities till 2030



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