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REZEKNE CITY MUNICIPALITY OWNED PROPERTIES AT REZEKNE SPECIAL ECONOMIC ZONE

Location Size Zoning	City Council's properties available for investors are located in the former industrial area in the northern part of Rēzekne. The total surface area is approx. 150 hectares, including municipality's plot of land - 22,7 hectares. The plots of land are located in different parts of the industrial area. The functional zoning corresponds to city's territorial planning, being manufacturing and warehouses building area.
Industrial Area Ownership	The plots of land situated in the industrial area belong to different owners, who include Rēzekne City Council, SJSC Rēzeknes Siltumtīkli [Heating Networks of Rēzekne], SJSC Privatizācijas aģentūra [Privatisation Agency], RSEZ Rebir, JSC LATVENERGO, SJSC Latvijas dzelzceļš [Latvian Railways], as well as private owners, legal persons, and state. The territory is located in the special economic zone of Rēzekne (SEZ), www.rsez.lv
Suggested specialization	Woodworking and wood energy, metal processing, logistics are the sectors open for investments; they are founded on local and/or available resources, as well as availability of workforce in Rēzekne.
Objective	To turn the unused plots of land, belonging to the municipality (total area of 22.7 hectares), into easily accessible industrial area by constructing manufacturing buildings and warehouses, reconstructing streets and access routes, improving the territory, thus developing manufacturing centre in the city, getting it ready for leasing or selling and developing a favourable commercial activity environment in the region.
City in regional context	Located in the heart of Latgale, Rēzekne is easily accessible from different parts of the region; it is an important regional economic development and service centre. Crossed by strategically important highways and railway lines, Rēzekne has a good location in the country. The city is situated at a distance of 242 km from Riga, 685 km from Moscow, 450 km from Saint Petersburg, and 860 km from Warsaw. Rēzekne is an important socio-economic development centre in the Baltic region with a developed city infrastructure, concentration of educational establishments, and multinational environment. Rēzekne SEZ provides a direct access to international markets with more than 500 millions of consumers. The proximity of local resources: vast industrial areas, forest areas, large technical infrastructure, hydrographic network, residential area, as well as existing businesses and human resources, whose foreign language knowledge facilitates the cooperation with the neighbouring states.
Industrial Zone Infrastructure	<ul style="list-style-type: none"> The territory has asphalt access routes and internal railway that connects to railway lines running in the directions of Riga (Ventspils), Daugavpils, Moscow, and Saint Petersburg Project territory is situated in the proximity to highway A13 and at approx. 2 km distance of highway A12 In the area, there is the electric power substation (providing 110kV / 10kV), high-pressure natural gas distribution system (P<1.6 MPa), several local water supply systems for companies; it is also connected to central sewerage system, which is capable to take on new connections Geographical location, access to local natural resources, human capital, competitive property prices, provision of qualitative technical infrastructure
Investors' opportunities and benefits	<ul style="list-style-type: none"> Rēzekne Higher Education Institution as an engineering centre in the eastern Latvia Rēzekne SEZ taxation and regulatory framework Competitive manufacturing costs at the European level
Potential cooperation partners	Rēzekne City Council, Rēzekne SEZ Authority, Latgale Region Development Agency, industrial zone Operator, clients interested in buying, leasing or building of new objects, Rēzekne Higher Education Institution, job seekers of the region, manufacturers who wish to expand their business in the Eastern Europe, having a direct access to EU, etc.
Investment summary	According to the development concept and feasibility study of Rēzekne industrial area, the total calculated amount of investments necessary for improving the industrial zone is approx. 15 million euros, not including VAT.

BUSINESS MODEL FOR THE INDUSTRIAL AREA PROPOSED BY THE MUNICIPALITY

Land lease	Land sale	Buildings	Financial and tax incentives	Non-monetary benefits provided by the municipality
Long term land lease from Rēzekne SEZ Authority; for 99 years (rental price constitutes 1.5% of cadastral value per year)	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)	Partially built-up area, mostly greenfield sites (construction of buildings is private investor's responsibility)	Reduction of the amount of corporate tax and property tax, reduction of VAT and customs duty, workforce tax credit (according to Rēzekne law on special economic zone); exemption of custom duties and VAT for import and export activities	Infrastructure projects: The City Council ensures the construction of roads and networks to the object at its expense; the participation in business development events organized by the city (including catalogues, exhibitions, forums, etc., informational support, assistance with specialist search)

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. Litavnieks

Basic Facts about Rēzekne

- Development centre of national importance with integrated infrastructure and services network
- Second biggest industrial centre in Latgale, economic development and cultural centre, tourism destination
- Important geographical location at the junction of two strategically important highways and railway lines (Riga – Moscow un Saint Petersburg – Warsaw), in proximity to transport corridors of international importance (A12/E22, A13/E262, which are EU TEN corridors) and the borders of three countries (Russia, Lithuania, and Belarus)
- For the past 20 years, the importance of manufacture in Rēzekne's economy declined, and its economic structure is based on service provision
- Rēzekne Higher Education Institution (47 study programmes), 5 branches of Latvian higher education establishments, State Border Guard College, and Rēzekne Technical School



Photo from the photo archive of the Municipality

Specialisation of Sectors in Rēzekne (till the year 2030):

- Metal processing, mechanical engineering, woodworking
- Tourism, including cultural tourism, healthy lifestyle, and SPA services
- Food production, including food and beverage industrial production
- Logistics, including transport and storage
- Information and communication technologies (production and assembly)
- Sport, education, and creative industry services

Competitiveness Factors of Regional and Local Importance

- Special economic zone of Rēzekne with tax relief (till the end of 2035)
- EU co-funding for improvement of the industrial area, construction of buildings and networks
- Available qualified workforce (the population of Rēzekne agglomeration is approx. 85 000 people)
- Access to natural resources in the area – wood, water resources (rivers and lakes), in the city – parks and public gardens
- Industrial area development and attraction of investors belong to one of the municipality's priorities till 2030



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