



# Potential of the Ventspils Port in the Belarus-Latvia-Sweden transit corridor

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## Main roles of VHTP within Baltic Loop

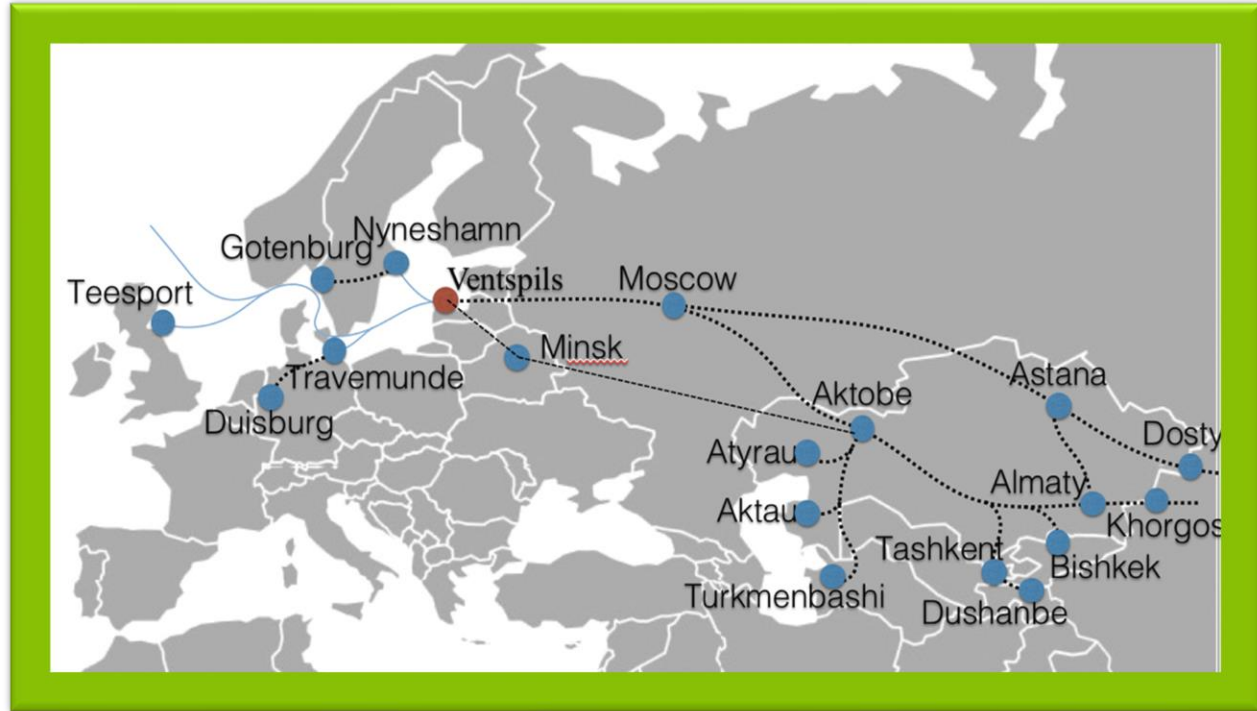
1. **to estimate cargo flow potential along transport corridor Sweden–Latvia (Ventspils)–Belarus**, plan improvements in Ventspils port's infrastructure and processes to increase efficiency and potential of cargo flows.
2. **to plan the best approach and initiate the starting development activities** for Ventspils port's hinterland (freight village, industrial cluster) in order to increase cargo flows and ensure efficient use of ports infrastructure and services.



# **Assessment of the Transit Corridor Belarus – Latvia – Sweden within Baltic Loop**

**Case-study by VHTP**

**Carried out from October 2020 to March 2021**



**East-West connection:** Ports and drafted transport corridors serving key metropolitan areas



# Objectives of the Study

- Analyse the current cargo flows and goods on the transport corridor **Belarus-Latvia-Sweden** via the **Freeport of Ventspils**.
- Identify hindrances and establish viable port's hinterland development activities to facilitate more efficient use of transport corridors and port infrastructure and services.
- Identify companies from Belarus and Sweden that would be ready to invest, expand and/or relocate to the Freeport of Ventspils.
- Identify the services that the Freeport of Ventspils needs to offer to such companies (e.g. freight village).
- Provide recommendations of further activities.



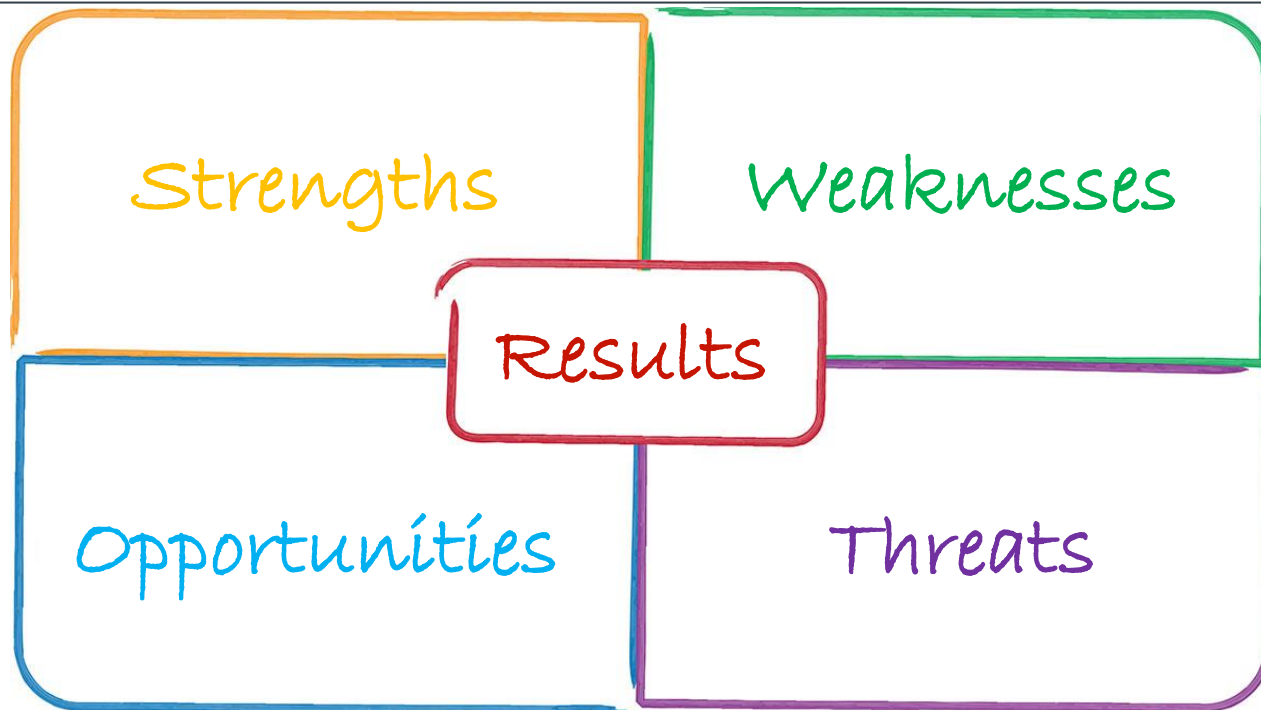
# Data

- Interviews with investment departments in Latvia, Sweden and Belarus
- Interviews with port business and freight commerce experts
- Surveys of Belarusian and Swedish companies
- Latvian institutions (Ministry of Transport, Central Statistical Bureau, etc.)
- Latvian organisations and NGOs (Latvian ports, VIA Latvia, etc.)
- Data from Belarusian and Swedish governmental organisations
- Mass media (latest internet media)



# Content includes:

- Overview of Latvian port and transit business (industries, cargo volumes, transshipment options, etc.)
- The cooperation in transit business between Belarus, Latvia and Sweden.
- Economic description and competitors' analysis.
- Infrastructure assessment along the Belarus-Latvia-Sweden Corridor (rail and road infrastructure).
- Freight village development in Ventspils.
- List of companies willing to expand to Ventspils Freeport.
- Maps, tables, statistical diagrams.







## Strengths of the port of Ventspils

- The port of Ventspils has a well-developed and diverse infrastructure;
- Experience on work with loading the cargoes of oil products and mineral fertilizers;
- Non-freezing port, deep-water port;
- Skilled labour in the port;
- Good knowledge of foreign languages (Russian, English);
- Understanding the peculiarities of business in Eastern Europe and Western Europe;
- Free, simple and easy access to the European market;
- Latvia ensures a stable judicial system, minimising the risks for the investor companies.



## Weaknesses of the port

- Port specialists are leaving the port
- No direct connection with "Rail Baltica"
- Partial dependance on the political situation in Belarus and Russia
- Longer distance from Belarus than Klaipeda port
- Ventspils is not on the routes linking Western Europe with Eastern Europe.
- Relocation of the foreign businesses usually happens to countries with long-standing freight village services, like Russia, Ukraine and Poland.



# Opportunities of the port

- Several industries have the potential interest in the offer of the Ventspils Freeport, such as wood, saw timber, and other wood-based companies.
- Ventspils Freeport has the experience of transporting exports like mineral fuel, oil products, fertilizers and wood.
- A lot of free territories for the development are available in the port.
- The geographical position is one of the best for resource export around the Baltic sea.
- The existing potential to work closely with Asian countries and their export of goods to Western and Northern Europe.
- Establishment of an industry specific freight park, for example, wood processing or ICT.



# Threats of the port

- Strong competition with the other ports in the Baltic Sea Region.
- Exports of goods from Russia and Belarus are influenced by political decisions.
- Competition for the potential freight village in Ventspils – logistic centers in Kaunas and Vilnius.
- The unfavourable tax environment for Belarusian and other ICT companies in Latvia.
- Sweden's ability to cover its own freight volumes.
- Established popularity for the relocation the Belarusian business to Russia, Ukraine and Poland.



# Recommendations I

## Potential of the Belarus-Sweden-Latvia transport corridor

- The Freeport of Ventspils should review the competitiveness of its tariffs in the Baltics.
- The Freeport of Ventspils must stress its advantages of cargoes transported by rail. This kind of traffic in Latvia is more developed than in Lithuania.
- Inviting a strategic investor to one of the terminals of the Freeport of Ventspils would strengthen the image of development and ensure more regular cargo flows.
- Make use of the proximity to the airport of Ventspils to create a diverse transport hub and potential freight village.
- The Freeport of Ventspils can participate in the Baltics – Asia transport corridor by approaching the existing Chinese investments.



# Recommendations II

## Industries willing to expand or relocate

- Belarusian and Swedish companies working on an international scale willing to open their branches in Latvia.
- Swedish woodworking, paper industry and high value added metal parts (i.e. automotive), willing to reduce production costs, and expand closer to the Eastern markets.
- Global companies working with Belarus or owning share in Belarussian businesses and willing to be located under European Union legislation in close proximity to Belarus.
- High-tech, ICT, innovation, start-ups.
- Woodworking, wood chip, green fuels, potash.
- Companies working with liquid petrochemical material handling.



## Recommendations III

### How to attract new companies

- Cooperation with Investment and Development Agency of Latvia in sharing the information and making joint activities, on attracting foreign companies.
- The activities done by the Freeport of Ventspils must be precisely targeted to specific areas.
- Information about the opportunities in Ventspils must be directly addressed to companies by using social media and various events on digital platforms.
- The Freeport of Ventspils must also stress its connectivity with the Swedish port of Nynäshamn emphasising the link with Scandinavia and Europe.
- To stress the competitiveness within the Baltic Sea Region, the Freeport of Ventspils must stress not only its experience but also its high level and versatile infrastructure and professionalism of its experts.



## Follow-up: Investment plan for the Ventspils Hub

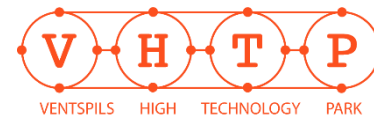
- **The aim of the proposed Investment plan for Ventspils hub** is to analyse environmentally-friendly solutions, i.e. use of **Onshore Power Supply** and **Liquid Natural Gas bunkering**, which
  - would improve the competitiveness of Ventspils port due to a more efficient cargo transport flow;
  - cover the aspect of planning and investment in ICT solutions to improve the transport nodes and efficiency of the Southern corridor;
  - development of shipping with the CBR as a green transport mode;
  - correlation with the first study with a focus on the **Latvia (Ventspils) – Sweden** route.



# Thank you!

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